

Affordable Housing Program

2019 Financial Feasibility



Agenda

- AHP at a Glance
- AHP Eligibility/Thresholds
- Entering Financial Data into the AHP Online Application
- AHP Feasibility



Affordable Housing Program

- Provides direct grants to support the development of ownership and rental housing for very low- to moderate-income households ($\leq 80\%$ AMI).
 - Federally regulated
 - AHP Implementation Plan sets forth policies for administering the federal regulations
- Funds are provided to FHLB Members, including:
 - Commercial banks
 - Credit unions
 - Insurance companies
 - Community development financial institutions (CDFIs)



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Filling the Financial Gap

- AHP funds are used to financially complete the funding structure or “fill the gap” in the budget.
 - New construction
 - Rehabilitation
 - Acquisition/purchase of land or buildings
 - Any of combination of the above
- AHP funds can make a project “more affordable” by:
 - Reducing the amount of debt needed
 - Reducing the need for other funding sources
 - Reducing the credit risk of a loan



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AHP Project Unit Type

- Unit = an individual dwelling or single-family home with its own private entrance, residential kitchen/cooking area, at least one full bath, and at least one sleeping area. A unit may be occupied by one or more persons.
- Bed = as used in residential facilities such as “Shelters,” “Group homes,” and “Special purpose housing” projects, beds do not provide individual living areas with a bath and/or kitchen or food preparation space. A bed may not be occupied by more than one person.



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AHP Application Process

- The AHP Sponsor registers in the Online Application System, OASYS, completes the online application, uploads Required Documents to support information entered in the application, and submits the application to the Member electronically.
- The FHLB Member reviews the application, completes the Member certifications, and submits the application electronically to FHLB Cincinnati.



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AHP Eligibility

- All threshold and feasibility requirements must be met before an application can be scored.
- The competitive application process evaluates projects based on:
 - Eligibility/threshold requirements
 - Financial feasibility
 - Scoring criteria



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AHP Financial Thresholds

- There must be enough funds identified to cover all projected costs.
- Expected project costs must be reasonable.
- AHP cannot be used to pay for capitalized costs.
- If the project will have debt, the FHLB Member must make the first mortgage (exceptions may apply).
- Debt provided must comply with anti-predatory lending and HOEPA laws.
- Units must be affordable to targeted households!



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Where to Find Financial Data

The screenshot shows the FHLB Cincinnati AHP Application portal. The progress bar at the top indicates the current step is 'Feasibility'. The main content area is titled 'Feasibility | Acquisition Costs Page 1' and contains several input fields for financial data, including 'Land Purchase Price or Loan Payoff Amount', 'Building Purchase Price or Loan Payoff Amount', 'Desired Building and Value', 'Lease and Bank Terms', and 'Transaction Closing Costs for Acquisition'. The 'Application Guidance' sidebar on the right lists various resources, with 'AHP Financial Budget', 'AHP Operating Budget', and 'AHP Feasibility Budget' highlighted with red circles.



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AHP Financial Budgets

- AHP Development Budget
 - Project Funding Sources
 - Project Costs
 - Project Costs by Square Footage (rental projects only)
- AHP Operating Budget (rental projects only)
 - Rent and Unit Schedule
 - Operating Income and Expense Budget



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AHP Development Budget

FHLB CINCINNATI AHP Development Budget
2018/01 Offering

Project Number: Application ID: 10000
Project Name: County/MSA Median Income: \$0.00
Project County/MSA: Project Type: Rental
Total Units/Debt:

Funding Source Name	Funding Amount	Loan Term	Loan Amort	Loan Rate	Annual Debt Service	Funding Committed
AHP Requested	\$750,000.00					No
New Permanent Debt	\$500,000.00	30	30	1.50 %	\$26,707.21	Yes
Total Funding Sources	\$1,250,000.00					

Project Costs

Acquisition Costs	Residential Costs
Pre-Building Cost	
Pre-Land Cost	
Donated Land Value	
Donated Building Value	
Lease and back taxes	
Acquisition Closing Costs	
Other Acquisition Costs	
Total Acquisition Costs	

Soft Costs

Demolition	
Roads and walks	
Earth work	
Site Utilities	
Water Sewer Project	
Drainage	
Landscaping	
Office Improvements	
Construction Related Hard Costs	
Furnishings Appliances	
Builders Risk Insurance	

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FHLB CINCINNATI AHP Development Budget
2018/01 Offering

Excess:

Leasehold Reserve	
Operating Reserve	
Replacement Reserve	
Capital Asset Management Fee	
Other Reserves	
Developer Fee	
Consultant Fee	
Organizational Overhead	
Application Preparation Fee	
Relocation Costs	
Road/State Taxes	
Printing Marketing	
Site Security	
Soft Cost Contingency	
Other Soft Costs	
Total Soft Costs	
Total Project Costs	

Project Costs by Square Footage

Space Type	Square Feet	Sq. Ft. Percentage	Costs Based on Sq.Ft. Percentage	Cost Based on Applicant \$/Sq. Ft.
Residential Space	25,000	80.00 %		
Non-Residential	5,000	20.00 %		
Spillout	0	0.00 %		

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AHP Operating Budget

FHLB CINCINNATI AHP Operating Budget
2018/01 Offering

Project Number: Application ID: 10000
Project Name: County/MSA Median Income: \$0.00
Project County/MSA: Project Type: Rental
Total Units/Debt:

Number of Units	Unit Size	Income Target	Rent and/or Lease Schedule	Rent as % of AM (Affordability)	Yearly Rental Income
Total Units					Total Gross Annual Income
This portion of the operating budget is not applicable since the tenants of the project are not expected to pay rent					

Operating Income and Expense Budget

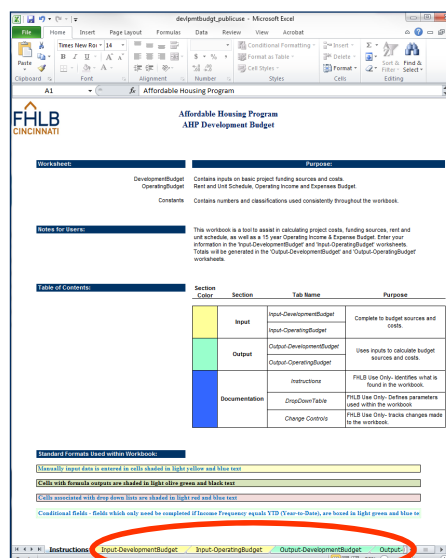
Annual Rental Income	Expense Budget	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Income Annual Rental Income	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Expense		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Utility Differences		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Locality Funding, etc.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Locality		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Income		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rent Income		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Expense	Expense Budget															
Management Fee	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Admin/Office Salaries and Benefits		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Supplies		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Legal & Audit		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Advertising & Marketing		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Asset Management Fee		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Construction Retaining Fee		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Accounting/Operating Expense		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rent Costs		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Utilities Common Area		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Utilities Apartments		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Water & Sewer Operating		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Replacement Sinks and Sinks		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance Supplies		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Trash Removal		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Plumbing/HVAC Maintenance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Asset Control		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Unmanned Landscaping		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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AHP Financial Templates in Excel



Common Errors for Budgets

- Funding source documentation does not match the amount of the funding source on the attachment.
- Debt service in the AHP online application does not match debt service on the promissory note.
- Non-residential/commercial costs are not disclosed in the AHP online application when the floor plan shows non-residential/commercial space.
- Ownership projects have costs that contradict their acquisition plans.
- Budgets are at odds with tax credit pro formas.

AHP Feasibility Guidelines

- Financial data entered into the AHP online application will populate the Feasibility Report (or reports) for each project.
- Any values that fall outside FHLB's established feasibility guidelines will have an alert message in the right-most column of the report.
- Alerts must be adequately justified, and justification must include third-party supporting documentation, or they will likely result in denial of AHP funds to the project or a reduction in the AHP amount awarded.



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AHP Feasibility Guidelines: Total Project Cost (TPC) per Unit or Bed

- Total project costs are limited by unit type

<u>Unit Type</u>	<u>Maximum TPC</u>
□ "Unit" Limits	
• Ownership or Rental Projects	\$ 200,000
• Owner-Occupied Rehab Projects	\$ 50,000*
	<i>*Hard costs only</i>
□ "Bed" Limits	
• Shelter, Group Home, Special Purpose Housing Projects	\$ 55,000



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AHP Feasibility Guidelines: Other Limits on Development Costs

- Total soft costs as a percentage of total project costs are limited by type of project financing

<u>Project Type</u>	<u>Maximum % of TPC</u>
□ Projects financed with tax credits	30%
□ Projects not financed with tax credits	25%

- Total contractor costs are limited to 14% of total hard costs less total contractor costs*

**Contractor costs include general requirements, contractor's profit, and construction management/overhead*



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AHP Feasibility Guidelines: Limits on Contingencies

- Hard costs contingency as a percentage of total hard costs *less the contingency* are limited by project activity:

<u>Project Activity</u>	<u>Maximum %</u>
□ New Construction	10%
□ Rehabilitation or Adaptive Reuse	15%
□ Historic Rehabilitation	20%

- Soft costs contingency as a percentage of total soft costs *less the contingency* 10%



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AHP Feasibility Guidelines: Developer Fee Percentage

- Maximum Developer fee differs by project activity

<u>Project Activity</u>	<u>Maximum % of TDC[^]</u>
□ New Construction (<i>rental or ownership</i>)	15%
□ Acquisition with Rehab (<i>rental or ownership</i>)	15%
□ Owner-occupied Rehab	10%*
<i>*If Sponsor uses their own construction crew and allocates indirect costs to the labor rate, no Developer fee is allowed.</i>	
□ Acquisition Only (<i>rental or ownership</i>)	5%
□ Acquisition/New Construction/Rehab	20%*
<i>*When any amount over 15% is deferred or returned to project as equity</i>	

[^]TDC = TPC less all "Developer fee"



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AHP Feasibility Guidelines: "Developer Fee" Definition

- "Developer fee" includes:
 - Any amounts paid to the project's Sponsor and/or developer
 - Consultant fees
 - Application preparer fees
 - Profit received from selling a property to a household for more than the cost to purchase and develop the property (for example, selling at appraised value when the property cost less to build than appraised value)
- Requires justification if project's value is \$0



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AHP Feasibility Guidelines:

AHP Subsidy Limitations

- Subsidy per “Unit” or “Bed” limit depends on unit type


<u>Unit Type</u>	<u>Maximum AHP \$ per Unit</u>
❑ Traditional rental units	\$50,000
❑ Ownership units involving the transfer of units to new owners	\$50,000
❑ Owner-occupied rehab units	\$15,000
❑ Shelter, Group Home, Special Purpose Housing beds	\$15,000



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AHP Feasibility Guidelines:

AHP Subsidy Limitations

- Maximum AHP subsidy per project is 75% of  total *residential* development costs or \$1,000,000, whichever is less

AHP Feasibility Guidelines:

Tax Credit Sales Price

- Projects being financed with tax credits must receive at least \$0.80 per dollar of tax credits



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AHP Feasibility Guidelines: Operating Costs for Rental Projects

- Per-unit limit depends on unit type:

<u>Unit Type</u>	<u>Maximum \$ per Unit</u>
□ Permanent Supportive Housing “Unit”	\$5,500
□ Non-Permanent Supportive Housing “Unit”	\$5,000
□ “Bed”	\$4,000

- Reminder:** These limits do not include social service/commercial expenses, which must remain separate from housing expenses, as project portions may not rely on each other to be feasible.



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AHP Feasibility Guidelines: Operating Income for Rental Projects

- Different guidelines based on project financing:
 - Projects financed with hard debt must plan to have a debt coverage ratio (DCR) between 1.00 and 1.50 in *all* years of project operations
 - Projects not expecting to carry hard debt must plan to have an expense : income ratio of at least 80%
- Cash flow should be positive through Year 15 of project operations*

**Cash flow MUST be positive through Year 12*



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AHP Feasibility Guidelines: Operating Budget Line Items for Rentals

- Vacancy requirements depend on project type:

<u>Project Type</u>	<u>% of Income (Rents + Subsidy)</u>
<ul style="list-style-type: none"> ❑ Traditional, Group home, Special purpose housing ❑ Shelter 	Between 5% and 10%
<ul style="list-style-type: none"> ▪ Management fee limited to 10% of net income 	Between 0% and 10%

- Replacement reserves are limited by unit type:

<u>Unit Type</u>	<u>\$ Limit per Unit per Year</u>
<ul style="list-style-type: none"> ❑ “Unit” ❑ “Bed” 	Between \$1 and \$400
	Between \$1 and \$200



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AHP Feasibility Guidelines: Capitalized Costs

- Ownership projects cannot include reserves or “Capitalized costs” on their Development Budgets
- Any costs on a rental Development Budget that will pay for items normally associated with project operations, such as reserves, asset management fees, etc., will be counted as “Capitalized costs”
- AHP funds cannot pay for “Capitalized costs”



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AHP Feasibility Guidelines: Capitalized Costs

- “Capitalized costs” are limited by project attributes to a maximum amount of operating costs plus debt service

<u>Project Attribute</u>	<u>Maximum Months of Costs</u>
❑ Historic rehabilitation	15
❑ Those reserving at least 85% of units/beds for households with special needs <i>(does not include elderly)</i>	15
❑ All other projects	12



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AHP Feasibility Guidelines: Affordability

- Payments for homebuyers are affordable as long as monthly PITI does not exceed 31% of the household's gross monthly income
- Contract rent for rental projects must be less than 30% of the area median income as adjusted for household size
- **Reminder:** Do not include a utility allowance in the contract rent entered in the application



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Where to Find the Feasibility Report


Pressing “REVISE ANSWERS” may temporarily remove your ability to access the Feasibility Report.

Need help?

Housing and Community Investment (HDI) 40-2246
 OHYS Registration Questions: Registration@fhl.org or 800-468-7869
 AHP Application Questions: AHPApplication@fhl.org or 800-468-7869

FHL Cincinnati
 121 East Fifth Street
 45201-1001
 Cincinnati, OH 45202

Owner-occupied Rehab Feasibility Report



FHLB
Affordable Housing Program
Feasibility Report

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Report Topic: Owner-Rentals

Application ID: _____

Project Name: _____

Applicant: _____

Owner: _____

Date: _____

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Subd. Cost Percentage for projects not financed with equity from the sale of fee credits	Maximum 21%	0.71%	
Total rental costs per unit for owner occupied rental project	Must be between \$0.00 and \$0.00	\$171,000.00	
Rental Costs Contingency Percentage for projects development costs	Maximum 10%	2.02%	
Subd. Costs Contingency Percentage	Maximum 10%	0.05%	
Owner occupied costs	Maximum 10%	0.00%	
Developer fee Percentage for owner occupied rental project	Maximum of 10% with other fees apply and incentives		
APF (subsidy per bed or owner-occupied unit)	Maximum \$15,000	\$11,000.00	
APF (Required as a Percent of Total Project Cost)	Maximum 75%	69.48%	

No alerts to justify

Ownership Feasibility Report

FHLB CINCINNATI Affordable Housing Program
Feasibility Report

Report Title: Ownership

Project Number:
Application ID:
Project Name:
Sponsor:
Member:
Date/Time:

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Project Cost per Unit	Maximum \$100,000	\$91,250.00	
Total Soft Cost Percentage for projects not financed with equity from the sale of the units	Maximum 20%	1.20 %	
Total Soft Cost Percentage for new construction projects	Maximum 10%	0.00 %	
Soft Costs Contingency Percentage	Maximum 10%	0.00 %	
Total Contractor Costs	Maximum 14%	0.00 %	
Developer Fee Percentage for acquisition/development and acquisition/development projects	Maximum 1% unless the Sponsor or developer is covering the amount over 10% (Sponsor maximum 20%)	0.00 %	
AFIP Subsidy per Unit	Maximum \$50,000	\$51,250.00	
AFIP Requested as a Percent of Total Project Cost	Maximum 50%	25.25 %	

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Justify this alert or change project's value



Rental Special Purpose Housing/ Group Home Feasibility Report

FHLB CINCINNATI Affordable Housing Program
Feasibility Report

Report Title: Rental Special Purpose Housing/Group Home

Project Number:
Application ID:
Project Name:
Sponsor:
Member:
Date/Time:

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Project Cost per Bed	Maximum \$20,000	\$113,102.00	
Total Soft Cost Percentage for projects not financed with equity from the sale of the units	Maximum 20%	10.02 %	
Total Soft Costs Contingency Percentage for new construction projects	Maximum 10%	3.42 %	
Soft Costs Contingency Percentage	Maximum 10%	19.45 %	
Total Contractor Costs	Maximum 14%	12.06 %	
Developer Fee Percentage for acquisition/development and acquisition/development projects	Maximum 1% unless the Sponsor or developer is covering the amount over 10% (Sponsor maximum 20%)	0.00 %	
AFIP Subsidy per Bed or Owner-occupied Unit	Maximum \$10,000	\$10,000.00	
AFIP Requested as a Percent of Total Project Cost	Maximum 50%	14.42 %	
AFIP Requested as a Percent of Total Project Cost	Maximum 50%	22.10 %	

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FHLB CINCINNATI Affordable Housing Program
Feasibility Report

Expense to Income Ratio in Year 1 for projects without permanent debt

Must be <= 50% in year one

57.67 %

Expense to Income Ratio in Year 1 for "Group Home," "Special Purpose," "Respite," or "Respite" projects

Must be between 0% and 100% in year one

5.15 %

Capitalized Costs for historic rehabilitation projects or those serving primarily populations with special needs (seniors for elderly)

Maximum 15 months of Total Annual Right Cost Service, which is \$25,000.00

\$0.00

Annual Replacement Revenue for beds

Must be between \$1 and \$200 per "Bed" per year

\$400.00

The project's annual Replacement Revenue does not fall within the required range, explain and document how this is possible for the project. The project will not be approved without a plan to address why the project is not within the required range, explain and document how this is possible for the project. The project will not be approved without a plan to address why the project is not within the required range, explain and document how this is possible for the project.

Operating Cost per Bed

Maximum \$4,000 per bed

\$5,200.00

The project's operating cost per unit does not fall within the required range, explain why the operating costs for the project are not within the required range, explain and document how this is possible for the project. The project will not be approved without a plan to address why the project is not within the required range, explain and document how this is possible for the project.

Management Fee Percentage

Maximum 10%

8.81 %

Net Cash Flow

Must be positive through year 10

\$107,440

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Rental Shelter Feasibility Report

FHLB CINCINNATI Affordable Housing Program
Feasibility Report

Report Type: Shelter

Project Number: 10000

Project Name:

Sponsor:

Member:

Date: 7/2/2018

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Project Cost per Bed	Maximum \$20,000	\$25,754.00	
Total Cost per Rooming for projects not financed with equity from the sale of tax credits	Maximum 20%	7.50 %	
Hard Costs Contingency Percentage for projects including rehabilitation	Maximum 10%	0.00 %	
Soft Costs Contingency Percentage	Maximum 10%	0.00 %	
Total Contractor Costs	Maximum 10%	0.00 %	
Developer Fee Percentage for acquisition/reconstruction and acquisition/reconstruction projects	Maximum 15% unless the Sponsor/Investor/Developer is covering the amount over 15%, then maximum 20%	0.00 %	The project's Developer Fee (noted as 0.00%) is below the maximum of 15% (or 20% if the Sponsor/Investor/Developer is covering the amount over 15%). The project's Developer Fee is below the maximum of 15% (or 20% if the Sponsor/Investor/Developer is covering the amount over 15%). The project's Developer Fee is below the maximum of 15% (or 20% if the Sponsor/Investor/Developer is covering the amount over 15%).
Net/No Subsidy per Unit or Other Occupied Unit	Maximum \$15,000	\$15,750.00	
Net/No Subsidy as a Percent of Total Project Cost	Maximum 75%	40.20 %	
Operating Costs in Year 1 for projects without permanent debt	Must be no more than 10% in year one	80.00 %	
Operating Costs in Year 1 for "Young Homes" (Specialty Housing) or "Shelter" projects	Must be no more than 10% in year one	0.00 %	

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FHLB CINCINNATI Affordable Housing Program
Feasibility Report

Capitalized Costs for historic rehabilitation projects or those requiring special provisions with special needs besides the ability	Maximum 10 months of Total Operating Expenses and Total Annual Hard Costs, which is \$200,000.00	\$0.00	
Annual Replacement Reserve for beds	Must be between \$1,000 and \$2,000 per bed per year	\$300.00	
Operating Cost per Bed	Maximum \$4,000 per bed	\$4,640.00	The project's Operating Cost per bed does not fall within the required range. Additionally, the operating costs for the project appear to be so high and possibly excessive for the amount of financial resources available to the project in this phase of the project.
Management Fee Percentage	Maximum 10%	0.00 %	
Net Cash Flow	Must be positive through year 15	\$27,550.00	

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Justify these alerts or change project's values



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Rental Feasibility Report

FHLB CINCINNATI Affordable Housing Program
Feasibility Report

Report Type: Rental

Project Number: 10001

Project Name:

Sponsor:

Member:

Date: 7/2/2018

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Project Cost per Unit	Maximum \$30,000	\$14,146.00	
Total Cost per Rooming for projects not financed with equity from the sale of tax credits	Maximum 20%	11.40 %	
Hard Costs Contingency Percentage for new construction projects	Maximum 10%	0.00 %	
Soft Costs Contingency Percentage	Maximum 10%	0.00 %	
Total Contractor Costs	Maximum 10%	17.00 %	The project's Total Contractor Costs exceed the maximum of 10%. The project requires more than 10% of the project's total costs to be covered by the Sponsor/Investor/Developer. The project's Total Contractor Costs exceed the maximum of 10%.
Developer Fee Percentage for acquisition/reconstruction and acquisition/reconstruction projects	Maximum 15% unless the Sponsor/Investor/Developer is covering the amount over 15%, then maximum 20%	0.74 %	
Net/No Subsidy per Unit	Maximum \$20,000	\$23,000.00	
Net/No Subsidy as a Percent of Total Project Cost	Maximum 70%	16.26 %	
Operating Costs in Year 1 for projects without permanent debt	1.00 maximum in Years 1-15	0.00 %	The project's Total Operating Costs in Year 1 are below the maximum of 1.00. The project's Total Operating Costs in Year 1 are below the maximum of 1.00.

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Unit Coverage Ratio (maximum value) for projects with permanent debt	1.00 maximum in Years 1-15	0.00 %	
Unit Coverage Ratio (maximum value) for projects without permanent debt	Must be less than or equal to 30%	0.00 %	
Operating Costs in Year 1 for traditional projects	Must be less than or equal to 10% in year one	0.00 %	
Capitalized Costs for historic rehabilitation projects or those requiring special provisions with special needs besides the ability	Maximum 10 months of Total Operating Expenses and Total Annual Hard Costs, which is \$200,000.00	\$0.00	
Annual Replacement Reserve for traditional units	Must be between \$1,000 and \$2,000 per unit per year	\$1,000.00	
Operating Cost per Unit (Sponsor/Investor/Developer)	Maximum \$5,000 per unit	\$3,000.00	
Management Fee Percentage	Maximum 10%	0.00 %	
Net Cash Flow	Must be positive through year 15	(\$30,543.76)	The project's cash flow is not projected to be positive for the full 15-year period. The project's cash flow is not projected to be positive for the full 15-year period. The project's cash flow is not projected to be positive for the full 15-year period.

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Where to Explain/Justify Alerts

The screenshot shows the FHLB Cincinnati AHP Application System interface. The top navigation bar includes links for HOME, SPONSOR PROFILE, and FAQ. A progress bar at the top indicates the current step is 'Feasibility'. The main content area is titled 'Feasibility Alerts' and contains a message about the alerts generated for the application. A red oval highlights the 'Explanation' field and the 'UPLOAD DOCUMENT' button. The right sidebar contains 'Application Guidance' links.



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HCI Resources

- Information on all programs offered as well as manuals, forms, and recorded webinars can be found on our website at www.fhlbcin.com under Community Investment.
- Updated AHP application webinars will be conducted annually in the months prior to the application due date. Please see our website for additional webinars.



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Thank You



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