



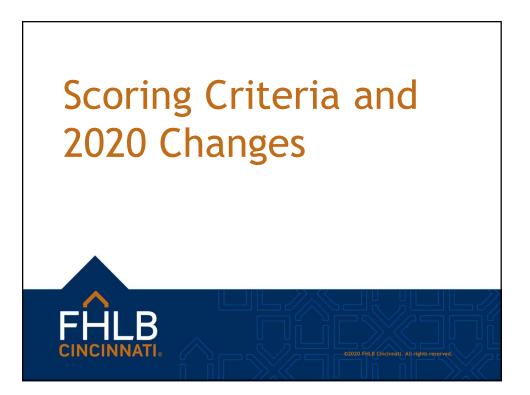


### **AHP** Overview

- Provides direct grants to support the development of ownership and rental housing for very low- to moderate-income households (≤ 80% AMI).
  - Federally-regulated.
  - <sup>o</sup> Guided by the AHP Implementation Plan.
- Competitive application process; projects are evaluated based on:
  - 。 Eligibility and threshold requirements
  - Financial feasibility
  - Scoring criteria







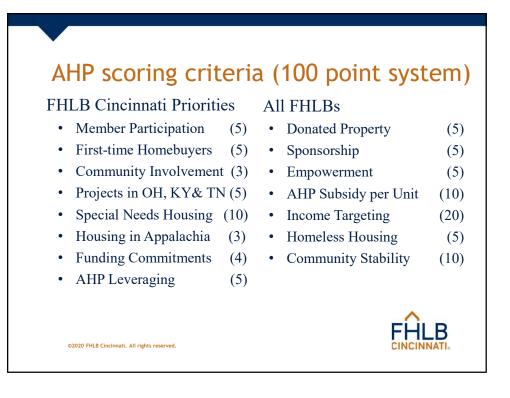
#### AHP scoring criteria

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AHP projects that are determined to be feasible and meet eligibility criteria will be scored and ranked according to the scoring system defined in the Scoring Criteria section of the AHP Implementation Plan.

- Some scoring categories award a variable number of points based on the degree to which a criterion is satisfied and others are fixed points.
- Sponsors will be given a self-score after completing questions in applications. These may be altered depending on the supporting documentation submitted.





### 2020 scoring changes

Member Financial Participation Changes:

- Revised the criteria to allow construction loans funded by bonds to receive points in this category.
- Removed the requirement that construction or bridge loans be 35% of construction/rehab costs.
- Removed the 15 year minimum term stipulation for the non-subsidized FHLB advance point.
- Eliminated the ability of consortiums, loan pools or participations, and/or projects for which a member purchases the bonds but does not provide the permanent financing, to receive permanent loan points.

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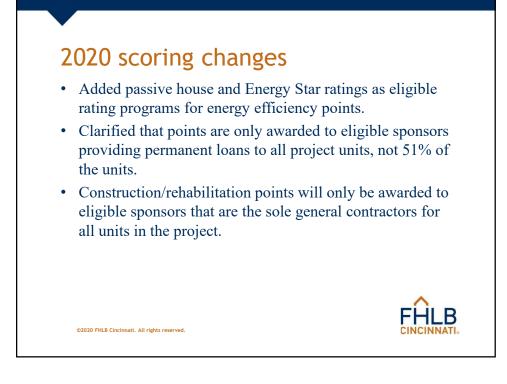
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#### 2020 scoring changes

- Added "persons aging out of foster care, orphanage, or other residential facility" as a qualifying special needs population.
- Now allow homeowners, not just homebuyers, to receive the two points for mandatory counseling.
- Reduced the percentage of units required in a qualifying census area to 20%, rather than 100%.
- Increased the income average factor of a census area to 120%.

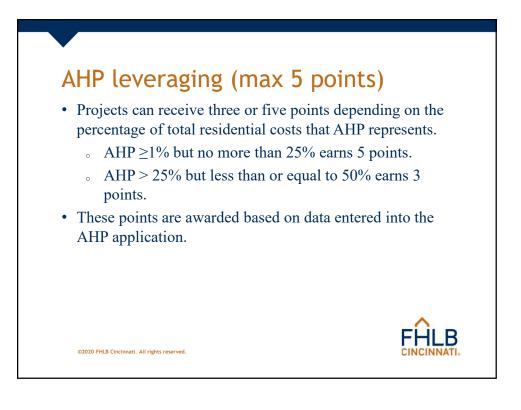


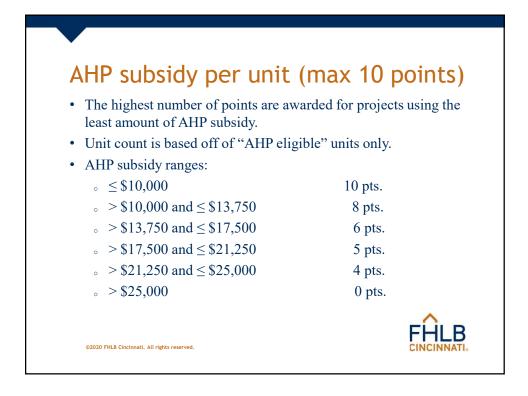
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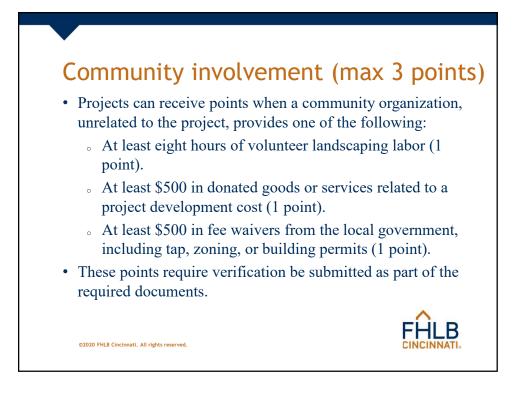




Applicati		ch				
ADDUCATI	on scoring	SD	ee	J		
				-		
	Affordable Housing Pro					
	Project Number Application D 200008 Project Loadbot OC House Project Loadbot OCH - Hamilton Dourty Spontor PHL8 Circlenes Mettiber Data/Time 5/19/2020 3.35.45 PM					
	Scoring Criterion	Maximum	Self Score	Sub		
	AHP Leverage	Score		Totals		
	AHP Leverage AHP >= 1% but <= 25% of 10C	-	6	-		
	AHP > 25% but < 50% of TDC	-	3	0		
	Subtotal AHP Leverage	1	5	5		
	AHP Subeldy Per Unit					
	<= \$10,000 > \$10,000 - <= \$13,750	1	0			
	> \$10,000 - <= \$12,750 > \$13,750 - <= \$17,500	-	6	0		
	> \$17,500 - <= \$17,500 > \$17,500 - <= \$21,250	-	5	0		
	> \$21,250 - <= \$25,000	-	4	0		
	> \$25,000		0	0		
	Subtotal AHP Subsidy Per Unit Score	1	0	0		
	Community Involvement Landscaping by Member/Community Group	-		1		
	Denation of Goods/Services	-	1	1		
	Fee Waivers from Local Government	-	1	1		
	Subtotzi Community involvement		3	3		
	Community Stability					
	Economic Diversity via Income Targets	-	1	0		
	Consistent with an Approved Neighborhood Stabilization Plan Utilization of Vacant and Foreclased Property (0 of 20 units)	-				
	Energy Efficient (new construction only) (0 of 20 units)	-	5			
	Adaptive Reuse (0 of 20 units)	-	5	0		
	Preservation of Affordable Rental Units	1	5	0		
	Reheb costs of Units >= \$10,000 per Unit (20 of 20 units)		5	5	~	
	Assrage income Factor > 120%		1	0		
	Subtatul Community Stobility	1		5		1
	Owner-occupied Rehab >= \$5,000 Per Unit	_	5		FHLB	<b>1</b>









- Points are awarded to projects rehabbing vacant property acquired via foreclosure, deed in lieu of foreclosure, or short sale, unless sponsor was the mortgage holder (up to 5 points on a prorated basis).
- Projects in which **all** units are consistent with an approved neighborhood stabilization/governmental plan (1 point).
- Projects creating residential economic diversity where at least 20% of its units are located in a census tract with an Average Income Factor greater than 120%, **OR**, at least 20% of its rental units are targeted to households with income >60% AMI (1 point).



#### Community stability (Cont.)

- Creation of energy-efficient units on new construction projects only (up to 5 points on a prorated basis).
  - Points are based off of information stated in the application and verified at disbursement with one of following:
    - LEED certification

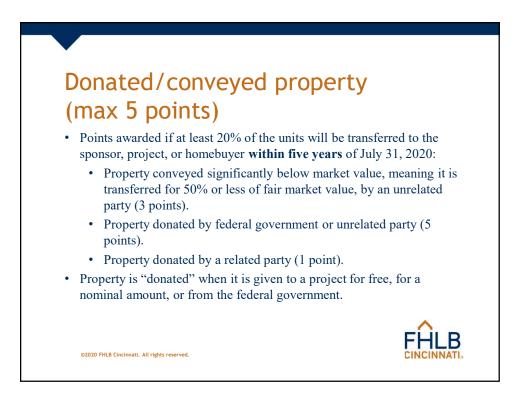
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- Passive House certification
- HERS rating of 85 or less
- Energy Star rating

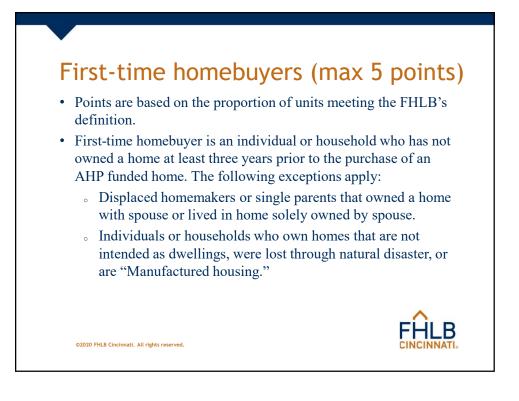
- REScheck calculation of 15% or better than 2012 code
- Enterprise Green Communities certification

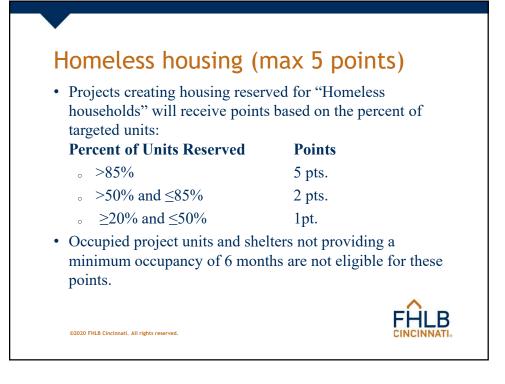




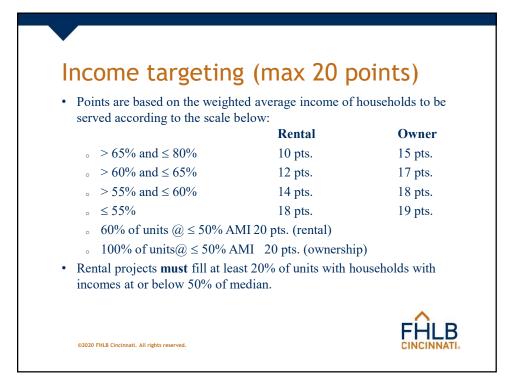






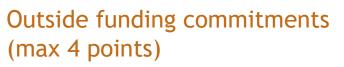






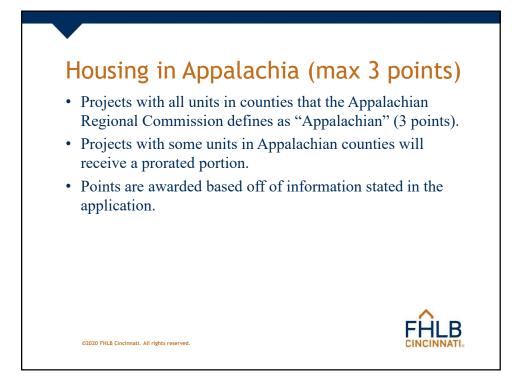


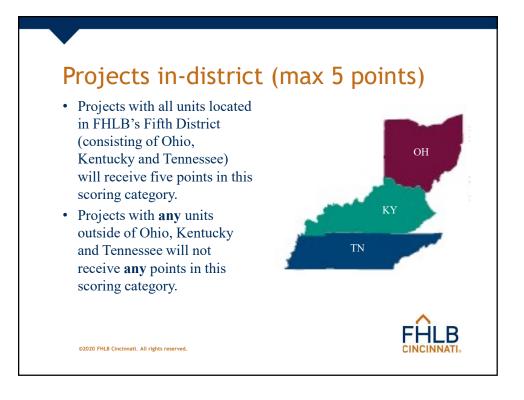
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- Variable points that are determined by the amount of "Eligible outside funding" in verified at the time of AHP application.
- Projects with less than 25% of funding committed do not receive points.
- Eligible outside funding includes the following:
  - Hard debt loans from the member or other entity such as federal, state, or local governments.
  - Grants or loans from private or public foundations.
  - Tax credits.

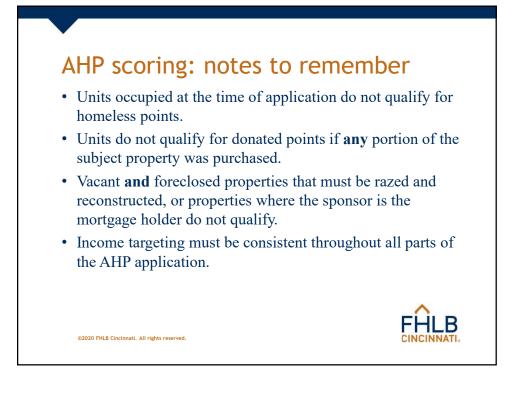














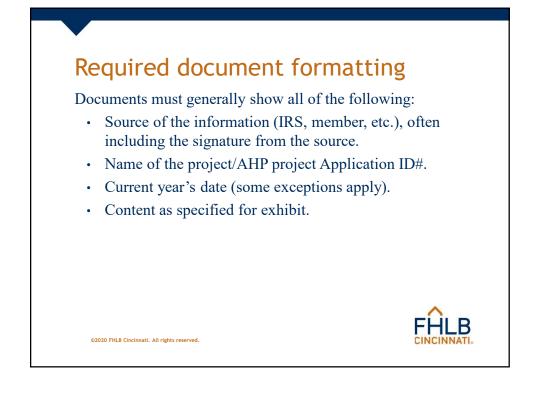




	suments are requested of	ased on now	questions are answ	vered in the
line applic	ation and can be upload	led at the qu	estion level,	
What is the total reside 8680 Requires Document L	ntial square footage for the project (not including No	on-residential or Commerc	al space)? Upload Exhibit L4 in conjunction	with this question.
Uploaded Documents:				
VIEW	File Name 201601-0045 All purpose docx	Document	Date Uploaded	
moaded at	the end of the Scoring of			
	the cha of the Scoring of	of the applica	ation.	
Certifications   Requi	ired Documents Review	of the applica	ation.	AHP Application
All Required Documents mus following is a list of document has generated and upload an		a specific Required Document applie	s to this project, upload an explanation of why the docum	ent does not apply. The
All Required Documents mus following is a list of document has generated and upload an	ited Documents Review It the upbasted before submitting the application. If you do not bettere a to required for the application, upbast any missing required document	a specific Required Document applies	to this propert, upload an explanation of why the docum Alke in sure is check the battom of this list for any feast in the propert (this document is posted under Application	ent does not apply. The dokty alerts the application
All Required Documents mus following is a list of document has generated and upload an	tend Documents Review The optimized balance destination of the optimized and the optimized and the optimized and the optimized and any intellige respirated discussion generated and executive second and executive second and and the optimized and any optimized any optim	a specific Required Document applies	to this propert, upload an explanation of why the docum Alke in sure is check the battom of this list for any feast in the propert (this document is posted under Application	ent does not apply. The dokty alerts the application

submitting require	d documents
• All Required Documents must l the application to the member.	be uploaded prior to submitting
• Specific instructions are given or required.	on each exhibit explaining what
	ount of axisting reserves the project currently has in place. Provide a copy of the bank statement for the this application unless adequate justification for excluding them from this application is provided.
Question: Project Activity <b>0</b> This question is missing required documents	
• An explanation of each exhibit by clicking on <b>Full List of Req</b> Application Guidance of the on	uired Documents in the
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# Exhibits A1 / A2 Member terms and conditions

- Contains acknowledgments, representations and warranties as part of the contract between the member, sponsor, and the FHLB.
- Submitted by each member drawing AHP funds.
- Document must be:

- Signed by an individual at the member institution authorized to draw funds from FHLB.
- <sup>°</sup> Dated in the current year.



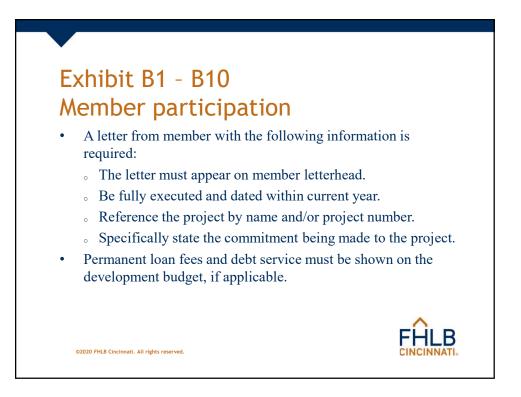




# Exhibit A9 Sponsor organization name

- Only required if the sponsor's application name differs from the known legal name of the organization.
- Submit evidence from the Secretary of State verifying that the organization is doing business as (dba) the organization name entered into the AHP online application.

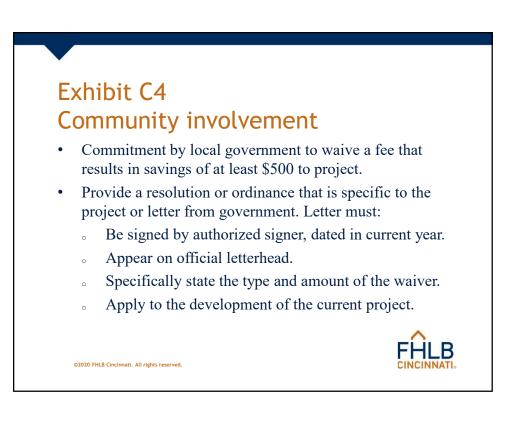




# Exhibit B1 - B10 Member participation

- Below market points will not be given if the requirements are not met for construction or permanent loan points.
- Construction loan fees and interest must be shown on the development budget unless member letter states that fees/interest will be waived.
- Loans serviced by member must be at no cost to the sponsor for Ownership projects.
- The percentage of bonds or tax credits directly purchased by member must be specifically stated and be shown as a funding source as tax credit equity or bond financing.





### Exhibits D3 Sponsor financial commitment

- Sponsor commitment to provide a cash contribution of at least \$500 to this specific project.
- Commitment must be shown as a funding source.
- Submit letter from sponsor that is:
  - Written on sponsor letterhead.
  - Signed by board chair, executive director or sponsor officer.
  - <sup>o</sup> Dated in the current year.
  - <sup>o</sup> Specifies cash contribution amount and project name.





- Applies to ownership sponsors who will provide permanent financing to borrowers.
- Sponsor must close 100% of the loans in their name.
- Mortgage information should be consistent with terms provided in the application.
- Submitted letter must:
  - Be dated in the current year and reference project.
  - Signed by board chair, executive director or sponsor officer.
  - Appear on sponsor letterhead.







# Exhibit E1 - E7 Empowerment

- Provide a brochure or other published material demonstrating sponsor's provision of a service or activity **or**
- Provide a MOU between the sponsor and a third party identifying the service or activity that will be provided and a brochure from the service provider.
  - The MOU must be:
    - Executed within the current calendar year on a current form.
    - Signed by both the sponsor and the third party.
    - State the service provided, how long it is available to project, where the service will be provided and the cost.

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MOU - sa	ample		
Must be signed by sponsor and service provider	Identification     Identifi	(rhight Name - Praw spee optimism) (rhight Name - Praw spee optimism) (rhight Name - Praw spee optimism) (rhight Name - Praw speech - Praw speech - Praw speech (rhight Name - Praw speech - Praw speech - Praw speech (rhight Name - Praw speech - Praw speech - Praw speech (rhight Name - Praw speech - Praw	Program stated here must coincide with brochure.
©2020 FHLB Cincinnati. All ri	Provider offers such programs or services as desc within the current calendar year (2015), and have to receive points.	lick peefailed demostrates that the Fluid Pary Sories when a demostrate that were finded to be the fact a two-chare or other published material attached in order	FHLE

# Exhibit E1 - E7 Empowerment

- Provision of homebuyer counseling, credit counseling/budgeting or financial literacy (E1/E2)
  - Financial literacy service must cover the topics provided through the FDIC Money Smart Curriculum.
  - Homebuyer counseling available for ownership projects only and should cover mortgage financing, credit worthiness, household budgeting, and home maintenance.
- Employment and skills training (E3)

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Services must be provided by an organization recognized as experienced in employment and/or job skills training.





# Exhibit E1 - E7 Empowerment

- Tenant position on sponsor's board (E7)
  - Certification from sponsor's board certifying that a tenant of the project will hold a position on the board with all rights and responsibilities must be:
    - Signed by the board chair or secretary and be dated within the current year.
    - Indicate the board action taken for the specific project.
    - Outline the procedures for the selection process.





#### Exhibit F2 Neighborhood stabilization plan

- Submit the **Certification of Consistency with the Consolidated Plan** form found in the Application Guidance of the online application **or**
- A fully executed letter from the government entity in whose jurisdiction the project is located certifying that the project is consistent with a neighborhood stabilization or comprehensive plan.
- Project with units in more than one jurisdiction must submit a letter from each jurisdiction.
- All units must qualify to receive points.



# Exhibit F3 Adaptive reuse

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- Rental project rehabilitation/conversion of an existing structure into housing units (i.e. school to apartments).
- Structure cannot have previously been used for housing of any type.
- Must submit documentation that clearly states the project's current non-residential use with one of the following:
  - Local zoning information.
  - Property value assessment data.
  - Existing building floor plan.

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• Other documentation approved by the FHLB prior to submission.



# Exhibit F9 Relocation plan

- Relocation plan required for all rental rehabilitation projects currently occupied.
- Plan must state if residents will remain in place during rehab or moved out of units. If moved, state if residents will return to new project.
- Plan must include all costs associated with relocating displaced residents and match amount stated in the application, or an explanation if there are no costs.



## Exhibit G1 Rental project occupancy report

Common errors resulting in point loss:

- Report shows fewer units than project will contain with no explanation.
- Application requests homeless points but report shows that all units are occupied.
- Application requests points for special needs or elderly units but report does not indicate that any of the occupied units are special needs or elderly.
- Current household incomes exceed the proposed project income targeting.



Exhibit G2

# Homeless households housing policy

- Policy adopted by sponsor's board affirming that homeless households may stay for at least six months in transitional housing.
- The policy must be:

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- <sup>o</sup> Signed by the board chair or secretary.
- Dated in current year unless a board resolution was previously approved.

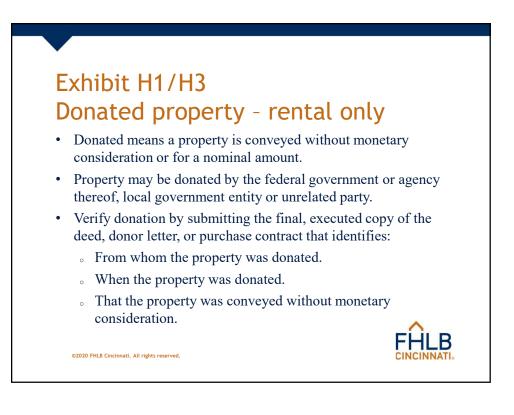


#### Exhibit G5 Ownership waitlist

- Provide list of households identified for current AHP project.
- List must include for each household:
  - Household income and size.
  - First-time homebuyer status.

- Special needs and homeless household status.
- Household information should coincide with proposed commitments in application.





# Exhibit H1/H3 Donated property - rental only

Common errors resulting in point loss:

- Documentation provided shows a significant amount paid for the property or that a portion of the property was paid for by sponsor;
- Development budget shows a paid land cost.
- Deed provides no statement of financial consideration (does not indicate donated).
- Documentation is not fully executed.

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- Documentation does not show the seller of the property or the seller does not qualify (i.e. seller is a related party).
- Identified property does not match proposed AHP property.





Provide document verifying the correct congressional district and census tract for project.

- Submit screenshot from FFIEC website showing the property address and census tract.
- Submit screenshot from the house.gov website showing project zip code with congressional district, or screenshot from census.gov website showing project county with congressional district.



#### Exhibit H5 Site control - rental

- Sponsor or ownership entity must have site control at time of application to be eligible for AHP funds.
- Sponsor must provide one of the following that includes the legal description:
  - A copy of the executed deed or long-term lease with a term of at least 15 years.
  - An executed purchase option or long-term lease option; option must be effective for at least 60 days after the AHP award date.
  - An executed settlement statement or purchase contract that shows the purchase price.

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# Exhibit H5 Site control - rental Common errors: Property identified does not match the site identified in the application. The purchase price shown on the documentation differs from costs shown on the development budget. Purchase option is not valid for at least 60 days after the AHP

- Purchase option is not valid for at least 60 days after the AHP award date.
- Option or deed is between sponsor and newly formed ownership entity and not the original property owner.



### Exhibit H6 Vacant and foreclosed property

Projects targeting vacant and foreclosed property must submit the following for each site:

- Deed, deed in lieu of foreclosure, evidence of short sale.
- Evidence that the building is vacant through:
  - Recent photos of property.
  - 。 Appraisal.

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• Other documentation deemed appropriate by the FHLB prior to application submission.





## Exhibit H7 Documentation of value

Common errors resulting in point loss or grant reduction:

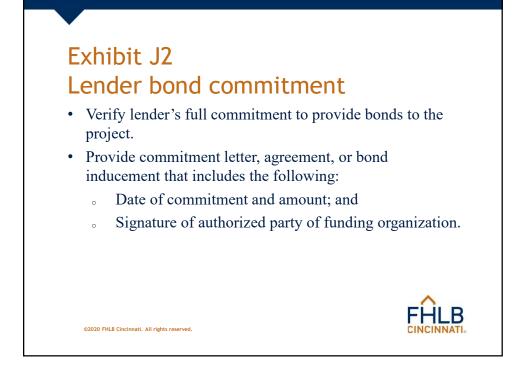
• Purchase price exceeds market value.

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- Documentation of value is not acceptable to FHLB (i.e., a market value statement from a Realtor).
- Documentation is not provided for all portions of a scattered site project.
- Documentation does not account for all of site/land in project.









### Exhibit J4a Tax credit/bond commitment

Provide summary of changes to explain differences between AHP application and pro forma submitted to tax credit agency.

- Provide the tax credit agency's underwriting response.
- If income targeting for tax credit agency is less restrictive than AHP application, sponsor must submit a statement indicating that targeting will be changed within the tax credit application to match AHP application, if approved.
- AHP application may be rejected or excluded from review if the pro forma does not match information stated in the application without explanation.



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#### Exhibit J5 - Debt assumption

- Projects involving the restructuring or assumption of HUD, USDA or RD hard debt may only show outstanding debt that is being paid off, transaction costs or exit taxes (reserves).
- Debt service must match amount shown on operating budget unless principal represents more debt than attributed to project or debt will be paid off.
- Reasonableness of cost must be verified with:
  - A copy of the note and mortgage.
  - 。 Interest credit contract.
  - Deeds of trust.
  - Documentation supporting the estimated transaction costs and exit taxes.

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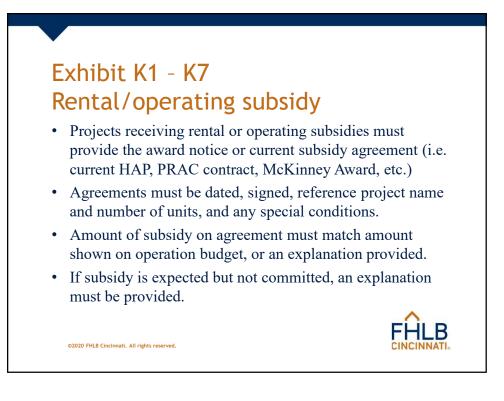


# Exhibit J7 Expiring HUD project

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- Applies to rental projects with expiring project-based rental assistance or tax credit projects ending their compliance period.
- Verify expiring rental assistance contract or expiring tax credit restriction within two years of AHP application with:
  - A current 8609, HUD contract, or USDA contract.
  - Copy of land use restriction covenant or agreement.





## Exhibit L1 Social service budget

- Social services budget must be submitted if the sponsor will be providing services to the project.
- Services cannot be funded with rental income
- Budgeted amount must contain the following:
  - Total costs for services; and,
  - Funding source for services.

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# Required documents: notes to remember

- The Bank assumes no obligation to reconcile conflicting information, accept incomplete information, or seek additional information or clarification that is not provided at time of application.
- The sponsor or project owner is ultimately responsible for ensuring that financial information is correct and consistent and that the project's financial structure meets the Bank's guidelines, or that any deviations are adequately explained, justified, and documented.



# Required documents: notes to remember

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- If you think an exhibit does not apply to your project, submit an explanation indicating why it doesn't apply in lieu of submitting the exhibit.
- ALL required documents must be submitted via the online application by the **application deadline**, **5:00 P.M. EDT**, **July 31**, **2020**.
- Documentation not submitted properly may result in:
  - 。 Reduction in points in the AHP scoring system; or
  - Rejection of the AHP application.

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# AHP Resources and Contact Information





HCI staff			
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Laura K. Overton Systems & Reporting Assistant Manager	(513) 852-7603	overtonlk@fhlbcin.com	

HCI staff		
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HCI staff		
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