2020 AHP Scoring and Required Documents
Presented by: Cassandra Larcarte

Agenda
• AHP overview
• Scoring criteria and 2020 changes
• AHP scoring review
• Required documents submission
• Review of all required documents
• AHP resources and contact information
Affordable Housing Program

AHP Overview

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

- Sponsor (or application preparer) completes the application and submits it to member.
- Member reviews and completes the application and submits it to FHLB through member portal.
- Sponsor and member submit required documents to support or explain information in the application.
- Required documents are an integral part of the application, and the application cannot be submitted to the FHLB without all documents.

Scoring Criteria and 2020 Changes
AHP scoring criteria

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.

AHP scoring criteria (100 point system)

FHLB Cincinnati Priorities
• Member Participation (5)
• First-time Homebuyers (5)
• Community Involvement (3)
• Projects in OH, KY & TN (5)
• Special Needs Housing (10)
• Housing in Appalachia (3)
• Funding Commitments (4)
• AHP Leveraging (5)

All FHLBs
• Donated Property (5)
• Sponsorship (5)
• Empowerment (5)
• AHP Subsidy per Unit (10)
• Income Targeting (20)
• Homeless Housing (5)
• Community Stability (10)
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.

• 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%.
2020 scoring changes

- Added passive house and Energy Star ratings as eligible rating programs for energy efficiency points.
- Clarified that points are only awarded to eligible sponsors providing permanent loans to all project units, not 51% of the units.
- Construction/rehabilitation points will only be awarded to eligible sponsors that are the sole general contractors for all units in the project.

Scoring Review
AHP leveraging (max 5 points)

- Projects can receive three or five points depending on the percentage of total residential costs that AHP represents.
  - AHP ≥1% but no more than 25% earns 5 points.
  - AHP > 25% but less than or equal to 50% earns 3 points.
- These points are awarded based on data entered into the AHP application.
AHP subsidy per unit (max 10 points)

- The highest number of points are awarded for projects using the least amount of AHP subsidy.
- Unit count is based off of “AHP eligible” units only.
- AHP subsidy ranges:
  - \( \leq \$10,000 \): 10 pts.
  - \( > \$10,000 \) and \( \leq \$13,750 \): 8 pts.
  - \( > \$13,750 \) and \( \leq \$17,500 \): 6 pts.
  - \( > \$17,500 \) and \( \leq \$21,250 \): 5 pts.
  - \( > \$21,250 \) and \( \leq \$25,000 \): 4 pts.
  - \( > \$25,000 \): 0 pts.

Community involvement (max 3 points)

- Projects can receive points when a community organization, unrelated to the project, provides one of the following:
  - At least eight hours of volunteer landscaping labor (1 point).
  - At least $500 in donated goods or services related to a project development cost (1 point).
  - At least $500 in fee waivers from the local government, including tap, zoning, or building permits (1 point).
- These points require verification be submitted as part of the required documents.
Community stability (max 10 points)

- 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
    - 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
Community stability (Cont.)
Up to 5 points available for one of the following on a prorated basis:
- Adaptive reuse.
- Preservation of affordable rental units.
- Substantial rehabilitation of at least $10,000 in construction hard costs per unit.
- Preservation of owner occupied housing where at least $5,000 will be used to maintain habitability.

Donated/conveyed property (max 5 points)
- Points awarded if at least 20% of the units will be transferred to the sponsor, project, or homebuyer within five years of July 31, 2020:
  - Property conveyed significantly below market value, meaning it is transferred for 50% or less of fair market value, by an unrelated party (3 points).
  - Property donated by federal government or unrelated party (5 points).
  - Property donated by a related party (1 point).
- Property is “donated” when it is given to a project for free, for a nominal amount, or from the federal government.
Empowerment (max 5 points)

• Sponsors, or community organization, providing the following opportunities to all tenants or homeowners in a project will earn 1 point each:
  o Employment training, skills training, or job placement
  o Daycare
  o Credit counseling/budgeting
  o Education Services
  o Tenant on sponsor’s board (rental projects only)

• Ownership projects providing Mandatory Homebuyer/Homeowner counseling (2 points).

First-time homebuyers (max 5 points)

• Points are based on the proportion of units meeting the FHLB’s definition.
• First-time homebuyer is an individual or household who has not owned a home at least three years prior to the purchase of an AHP funded home. The following exceptions apply:
  o Displaced homemakers or single parents that owned a home with spouse or lived in home solely owned by spouse.
  o Individuals or households who own homes that are not intended as dwellings, were lost through natural disaster, or are “Manufactured housing.”
Homeless housing (max 5 points)

- Projects creating housing reserved for “Homeless households” will receive points based on the percent of targeted units:

<table>
<thead>
<tr>
<th>Percent of Units Reserved</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;85%</td>
<td>5 pts.</td>
</tr>
<tr>
<td>&gt;50% and ≤85%</td>
<td>2 pts.</td>
</tr>
<tr>
<td>≥20% and ≤50%</td>
<td>1 pt.</td>
</tr>
</tbody>
</table>

- Occupied project units and shelters not providing a minimum occupancy of 6 months are not eligible for these points.

Homeless household definition

“Homeless household” means a household made up of one or more individuals, who:

- Reside in overcrowded housing.
- Are facing loss of their home due to condemnation/eviction.
- Lack a fixed, regular, and adequate nighttime residence.
- Have a primary nighttime residence that is:
  - A supervised publicly or privately operated shelter.
  - An institution that provides a temporary residence for individual intended to be institutionalized.
  - A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
  - A "pre-1976 mobile home."
Income targeting (max 20 points)

- Points are based on the weighted average income of households to be served according to the scale below:

<table>
<thead>
<tr>
<th>Income Range</th>
<th>Rental</th>
<th>Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; 65% and ≤ 80%</td>
<td>10 pts.</td>
<td>15 pts.</td>
</tr>
<tr>
<td>&gt; 60% and ≤ 65%</td>
<td>12 pts.</td>
<td>17 pts.</td>
</tr>
<tr>
<td>&gt; 55% and ≤ 60%</td>
<td>14 pts.</td>
<td>18 pts.</td>
</tr>
<tr>
<td>≤ 55%</td>
<td>18 pts.</td>
<td>19 pts.</td>
</tr>
</tbody>
</table>

- 60% of units @ ≤ 50% AMI 20 pts. (rental)
- 100% of units @ ≤ 50% AMI 20 pts. (ownership)

- Rental projects **must** fill at least 20% of units with households with incomes at or below 50% of median.

Member participation (max 5 points)

- Provision of first mortgage permanent loan(s) with term(s) of at least 15 years (2 points).
- Provision of a construction or bridge loan to the project (1 point).
- Cash contribution of ≥ $500 (1 point).
- Servicing of borrower loans for ownership projects (1 point).
- Provision for a rate of at least 0.50% below market on a loan:
  - 1 point for discounted construction loan.
  - 2 points for discount on the permanent loan.
- Utilization of a non-subsidized FHLB Advance to finance project (1 point).
Outside funding commitments (max 4 points)

- 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.

Sponsorship (max 5 points)

- Primary sponsor that is a 501(c)3 or 501(c)4 organization (2 points).
- If the project’s primary sponsor is an “Eligible Sponsor” they can earn 1 point each for providing the following:
  - A financial contribution of at least $500.
  - Pre-development activities (if sponsor is sole Developer).
  - Construction/rehab by sponsor’s (if sponsor is General Contractor).
  - Marketing/outreach activities (ownership projects only).
  - First mortgage permanent loans (ownership projects only).
  - Property management (rental projects only).
Housing in Appalachia (max 3 points)

- Projects with all units in counties that the Appalachian Regional Commission defines as “Appalachian” (3 points).
- Projects with some units in Appalachian counties will receive a prorated portion.
- Points are awarded based off of information stated in the application.

Projects in-district (max 5 points)

- Projects with all units located in FHLB’s Fifth District (consisting of Ohio, Kentucky and Tennessee) will receive five points in this scoring category.
- Projects with any units outside of Ohio, Kentucky and Tennessee will not receive any points in this scoring category.
Special needs housing (max 10 points)

- Rental and Owner-occupied Rehab scale:
  - % of Units Reserved Points
    - > 85% of units 10 pts.
    - > 70% - ≤ 85% of units 8 pts.
    - > 50% - ≤ 70% of units 6 pts.
    - > 35% - ≤ 50% of units 3 pts.
    - > 20% - ≤ 35% of units 2 pts.
    - = 20% of units 1 pts.

- Ownership projects reserving at least 20% of the units for households with special needs (5 points).

Special needs definition

“Special needs” means any person or household member meeting one of the following definitions:

- Elderly (60 or older)
- Physically, mentally or developmentally disabled
- Persons with AIDS
- Chemically dependent
- Physically or emotionally abused
- Co-occurring disability
- Persons coming out of foster care, orphanage or residential facility
AHP scoring: notes to remember

- Units occupied at the time of application do not qualify for homeless points.
- Units do not qualify for donated points if any portion of the subject property was purchased.
- Vacant and foreclosed properties that must be razed and reconstructed, or properties where the sponsor is the mortgage holder do not qualify.
- Income targeting must be consistent throughout all parts of the AHP application.

Caution: “Just trying to score high”

- Do not commit to scoring criteria that you think your project can achieve—only commit to what you know the project can do and can document!
- As a last resort, FHLB can modify a project to remove commitments once an AHP award is made if the change is warranted, according to the AHP IP and regulation.
- If the project cannot be modified and remain in the funded range, all AHP subsidy may be withdrawn or recaptured.
Submitting required documents

Required documents are requested based on how questions are answered in the online application and can be uploaded at the question level, or uploaded at the end of the Scoring of the application.
Submitting required documents

• All Required Documents must be uploaded prior to submitting the application to the member.
• Specific instructions are given on each exhibit explaining what is required.

• An explanation of each exhibit requirement may also be found by clicking on Full List of Required Documents in the Application Guidance of the online application.
Required document formatting

Documents must generally show all of the following:

- Source of the information (IRS, member, etc.), often including the signature from the source.
- Name of the project/AHP project Application ID#.
- Current year’s date (some exceptions apply).
- Content as specified for exhibit.
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.
  - Dated in the current year.

Exhibits A5 / A6
Sponsor terms and conditions

- Executed terms and conditions for the primary sponsor (A5) and secondary sponsor (A6), if applicable.
- Found under “Application Guidance” in the online application.
- The document must be:
  - Signed by chief executive officer, president, executive director, board chair or another sponsor officer.
  - Dated within the current year.
Exhibits A7
Previous AHP award documentation

Required if project received AHP funds from FHLB Cincinnati or other Federal Home Loan Bank.

- Provide evidence of award of the AHP award amount.
- All financials for original award.
- Information on changes or modifications to project.
- Original AHP application.

Exhibit A8
Second sponsor information form

Only required if more than one sponsor is identified in the AHP application.

- Document is located in OASYS under Application Guidance.
- Complete, print and submit all spreadsheets in the excel workbook.
- Document provides information on second sponsor’s and board’s experience in housing.
- Sponsor should complete information on all previous projects, AHP and non-AHP.
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

- A letter from member with the following information is required:
  - The letter must appear on member letterhead.
  - Be fully executed and dated within current year.
  - Reference the project by name and/or project number.
  - Specifically state the commitment being made to the project.
- Permanent loan fees and debt service must be shown on the development budget, if applicable.
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.

Exhibit C4
Community involvement

• Commitment by local government to waive a fee that results in savings of at least $500 to project.
• Provide a resolution or ordinance that is specific to the project or letter from government. Letter must:
  o Be signed by authorized signer, dated in current year.
  o Appear on official letterhead.
  o Specifically state the type and amount of the waiver.
  o Apply to the development of the current project.
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.
  - Dated in the current year.
  - Specifies cash contribution amount and project name.

Exhibits D4
Sponsor predevelopment commitment

- FHLB must be able to determine that the sponsor will play a significant role in the predevelopment of the project.
- Provide a letter that:
  - Appears on sponsor letterhead and references the project.
  - Describes the predevelopment activities performed in detail.
  - Dated in current year.
  - Signed by board chair or executive director.
Exhibits D5 - Sponsor permanent financing commitment

- 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.

Common errors resulting in point loss:
- Mortgage information specified (term, rate, etc.) does not match information entered in online application.
- Number of units stated in letter does not match proposed unit count without explanation.
- Letter not dated in current year.
- Letter not signed by authorized signer, as stated in the exhibit requirements.
- Application states that loans will be closed by member or other entity.
Exhibits D6
Sponsor management of project

• Applies to rental projects only.
• Sponsor must provide a letter committing to solely manage the property.
• Submitted letter must:
  o Be dated in the current year and reference project.
  o Signed by board chair, executive director or sponsor officer.
  o Appear on sponsor letterhead.

Exhibit D7
Sponsor marketing/outreach

• Applies to ownership projects only.
• Sponsor must provide a letter on sponsor letterhead. The letter must:
  o Specifically state that marketing will completed by the sponsor without the help of a realtor. Letters that do not address the realtor, will not be awarded points.
  o Be dated in the current year and reference project.
  o Be signed by board chair, executive director or sponsor officer.
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.

MOU - sample

Must be signed by sponsor and service provider

Program stated here must coincide with brochure.
Exhibit E1 - E7
Empowerment

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

• Employment and skills training (E3)
  o Services must be provided by an organization recognized as experienced in employment and/or job skills training.

Exhibit E1 - E7
Empowerment

• Education training (E4)
  o Provided by an organization experienced in education such as GED programs or college/community college placement programs.

• Daycare services (E6)
  o Services provided by an organization recognized as experienced in daycare/childcare services.
  o Elder care services, before/after school programs, and head start programs do not qualify.
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.

Common errors resulting in point loss:
- MOU is with a referral service and not the organization that provides the service.
- The MOU is filled out incorrectly and/or is not signed by all parties.
- A brochure is not provided for the empowerment service or the brochure does not adequately address service to be provided.
- Service is not appropriate for the population being served.
- Service will not be provided in proximity to the project location.
- Certification for tenant on board is not signed by board chair or secretary.
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

- 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.
  - 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

- FHLB occupancy report must be submitted for all currently occupied rental projects. Form can be found in OASYS under Application Guidance.
- The number of units, special needs information, income targeting, unit size, and rent amount must match the information stated in the application. If not, an explanation must be provided.
- Gross income must reflect the households current gross income. Tenants will need to be recertified prior to AHP application submission.
- Note any residents that are not expected to remain in project through completion.
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:
  - 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:
  o Household income and size.
  o First-time homebuyer status.
  o Special needs and homeless household status.
• Household information should coincide with proposed commitments in application.

Exhibit H1/H3
Donated property - rental only

• Donated means a property is conveyed without monetary consideration or for a nominal amount.
• Property may be donated by the federal government or agency thereof, local government entity or unrelated party.
• Verify donation by submitting the final, executed copy of the deed, donor letter, or purchase contract that identifies:
  o From whom the property was donated.
  o When the property was donated.
  o That the property was conveyed without monetary consideration.
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.
• 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.

Exhibit H2/H4
Location verification

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:
  o A copy of the executed deed or long-term lease with a term of at least 15 years.
  o An executed purchase option or long-term lease option; option must be effective for at least 60 days after the AHP award date.
  o An executed settlement statement or purchase contract that shows the purchase price.

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 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:
  o Recent photos of property.
  o Appraisal.
  o Other documentation deemed appropriate by the FHLB prior to application submission.

Exhibit H7
Market value
• Acquisition costs for land and/or building should not exceed market value. Market value is demonstrated with:
  o A Property Value Assessment (PVA).
  o An independent appraisal; required for related party transactions.
• Documents must be dated within six months of purchase /conveyance or dated within six months of AHP application due date, if property has not been acquired.
Exhibit H7
Documentation of value

Common errors resulting in point loss or grant reduction:
• Purchase price exceeds market value.
• 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 J1
Outside funding commitment

• Submit letters or grant agreements for all outside funding committed prior to the AHP application due date (i.e. HOME, local grants, foundations, etc.).
• The amount committed must be shown on the development budget.
• Letters or agreements must include:
  o Commitment date and amount awarded.
  o Signature of funder.
Exhibit J2
Lender bond commitment

- Verify lender’s full commitment to provide bonds to the project.
- Provide commitment letter, agreement, or bond inducement that includes the following:
  - Date of commitment and amount; and
  - Signature of authorized party of funding organization.

Exhibit J3/ J4
Tax credit/bond commitment

- Provide a fully executed commitment letter or a carryover allocation from the allocating agency.
- Historic tax credits submit an approved Part 1 or 2; State historic credits submit a signed commitment letter.
- Submit a current and complete pro forma that includes:
  - Development sources and uses.
  - 15-year operating budget.
  - Qualified and eligible basis.
  - Amount of tax credit award and equity calculations.
  - Rent and unit schedules.
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.

Exhibit J4b
Tax credit/bond commitment

• Applies to projects that are planning to apply for tax credits.
• Provide complete pro forma that will be submitted to the tax credit allocating agency that includes:
  o Development sources and uses.
  o 15-year operating budget.
  o Qualified and eligible basis.
  o Amount of tax credit award and equity calculations.
  o Rent and unit schedules.
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.

Exhibit J6
Income targeting commitments

- Submit a list of required income targets from all funding sources in project (i.e. HOME, tax credits, etc.).
- State which income targets the project will be bound for all units.
Exhibit J7
Expiring HUD project

• 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:
  o A current 8609, HUD contract, or USDA contract.
  o Copy of land use restriction covenant or agreement.

Exhibit K1 - K7
Rental/operating subsidy

• Projects receiving rental or operating subsidies must provide the award notice or current subsidy agreement (i.e. current HAP, PRAC contract, McKinney Award, etc.)
• Agreements must be dated, signed, reference project name and number of units, and any special conditions.
• Amount of subsidy on agreement must match amount shown on operation budget, or an explanation provided.
• If subsidy is expected but not committed, an explanation must be provided.
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.

Exhibit L3
Detailed cost breakdown

- Rental rehab projects must provide a detailed cost breakdown of anticipated rehab costs, activities and existing reserves.
- Breakdown of costs and activities must be provided by a licensed or certified third-party architect, building inspector, general contractor, or other qualified individual.
- Total costs must match costs shown in the feasibility section of the application.
Exhibit L3a
Project reserves

• Rental rehab projects must document the amount of existing project reserves.
• Submit a copy of the bank statement for the reserve amount as verification.
• Funds must appear as a funding source in application unless justification for exclusion is provided.

Exhibit L4 - Floor plan

• Rental projects must submit a floor plan that clearly shows each floor of the project, units/beds footprint, and any non-residential/commercial space.
• The total number of units/beds proposed in application should be shown on the floor plan.
• Projects providing beds must show the number of beds in each room.
• Submit plan unbound as 8.5”x11” or 8.5”x14” page.
• Bank must be able to determine layout / scale of project. Please do not submit free-hand drawing.
Exhibit L5 - Commercial space

- Applies to projects with commercial space in the proposed AHP project.
- Provide documentation from another funding source stating their willingness to fund the development cost associated with commercial space.

Exhibit N

- Upload any explanations or documents that FHLB should be aware of while reviewing the application.
  - May explain unusual project features or apparent discrepancies between required documents and information entered in the online application.
  - Use N to communicate information you expected to be able to answer via questions in the application but could not.
- Please do not repeat any documentation/information provided elsewhere in application.
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

• 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.
AHP Resources and Contact Information

• Contact the FHLB staff if you have specific questions that are not answered in the materials available on the website.
• Additional webinars relating to AHP application process:
  o OASYS registration
  o AHP for members
  o AHP overview and threshold requirements
  o AHP financial feasibility
  o AHP for recently awarded projects
# HCI staff

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Connect with us!

Get the latest news, events, and updates at FHLB Cincinnati by connecting with us on social media.

- @FHLBCin
  www.twitter.com/fhlbcin
- www.facebook.com/fhlbcincinnati
- www.linkedin.com/company/federal-home-loan-bank-of-Cincinnati
- @FHLBCin
  www.intsagram.com/fhlbcin

Let’s celebrate together!

We encourage all FHLB members and housing sponsors to notify us of plans to celebrate or recognize any FHLB-funded housing or community investment project. FHLB is often available to participate and to offer public relations assistance for community events such as ribbon cuttings, groundbreakings, and dedications.

Please contact Marketing/Public Affairs, toll-free, at (877) 925-FHLB(3452).
Thank You