Affordable Housing Program

- Provides direct grants to support development of ownership and rental housing for very low- to moderate-income households
  - Federally-regulated; new rule takes effect 1/1/2021
  - AHP Implementation Plan sets forth policies for administering the federal regulations
- Competitive application process; projects are evaluated based on:
  - Eligibility and threshold requirements
  - Financial feasibility
  - Scoring criteria
2020 Program Changes to Comply with Federal Regulation

- Retention language updated
- Note/mortgage requirement for rental retention removed
- Projects must verify an attempt to fulfill requirements before modifying projects to remove commitments
- Less compliance audits for rental projects
- Calculation of recapture amount updated to benefit households

2020 Threshold/Feasibility Changes

- Relocation plans for occupied rental projects must conform to the requirements of government funders
- Increased limit for operating costs per rental unit
  - Traditional apartment units may now go up to $5,500
  - Permanent supportive housing units may go up to $6,000
- Homeownership association dues, lot rent, leasehold payments, mortgage insurance premiums, and other predetermined housing expenses are now included in the affordability calculation for ownership projects as part of the household’s payment
AHP Subsidy Limits for 2020

- Total limit of AHP subsidy per project is $1,000,000 or 75% of total residential costs, whichever is less
- Home purchase and traditional rental projects may not receive more than $50,000 in AHP subsidy per unit
- Owner-occupied rehab projects may not receive more than $15,000 in AHP subsidy per unit
- Group homes/special purpose housing/shelters may not receive more than $15,000 in AHP subsidy per bed
- Subsidy limit per Member is $5,000,000

AHP Steps for Sponsors

- Sponsors conceptualize and plan project aspects like:
  - Project location;
  - Project type (ownership, owner-occupied rehab, rental);
  - Income and occupancy targets (elderly, homeless, etc.);
  - Size and number of housing units or beds (floor plan);
  - Sources of funds for development;
  - Development costs (valid cost estimates);
  - Rent or mortgage payment for targeted households; and,
  - Operating costs and source(s) of funds (if rental).
- Find a Member and complete the AHP online application
Application Process for Sponsors

- Access OASYS from www.fhlbcin.com/housing-programs/
- Login using pre-established credentials or register new organizations for the system by:
  - Uploading organizational documents (e.g., IRS 501(c)3 designation)
  - Establishing a Sponsor Administrator (the initial registrant)
  - Receiving approval from FHLB via email prior to beginning an application (allow 24 hours!)
  - Adding Administrators or other Sponsor Users and their permissions for the organization
- Do not share login information

New Look of www.fhlbcin.com
OASYS Dashboard

Welcome to OASYS

Apply

Announcements

Projects and Online Applications

OASYS Organizational Management

- Only OASYS Users can be selected as project contacts in an AHP application
- Only Users with View/Alter/Submit permission can submit an application

Sponsor Permissions in OASYS

Member Permissions in Members Only

Member Administrator

Members Only / OASYS Users

Sponsor Administrator

(View/Alter/Submit)

Members Only

OASYS Users

Sponsor User

(View/Alter/Submit)

Sponsor User

(View/Alter)

Sponsor User

(View)
AHP Process Flow

Sponsor envisions the project and submits AHP application and its Required Documents electronically to the Member

Member submits AHP application to FHLB

FHLB evaluates the application and makes commitments/awards funds

Member forwards the funds to the Sponsor/project

FHLB approves the disbursement and deposits the funds in the Member’s Demand Deposit Account at FHLB

Sponsor completes the work and submits disbursement package/request for funds to FHLB

AHP Steps for Members

• Members meet with Sponsors to review project concepts
• Members determine whether or not to support projects and partner with Sponsors
• If a Member partners with a Sponsor, the Member then:
  o Reviews project needs (grant, loans);
  o Determines what type of contributions or concessions will be made to the project;
  o Establishes underwriting criteria for any loans to the project;
  o Sets deadline to receive the AHP online application; and,
  o Submits the AHP online application electronically.
Application Process for Members

- Members can view applications but not edit them until Sponsors electronically submit applications to them.
- Members will:
  o Review and complete the Member Certifications sections of the online application.
  o Use the “Return to Sponsor” button to return applications to Sponsors for editing, if necessary.
  o Submit applications to FHLB by 5:00 P.M. Eastern on Friday, July 31, 2020.

Submitting Required Documents

- All Required Documents must be uploaded to OASYS prior to submitting an application to a Member.
- Specific instructions are given for each exhibit explaining what is required.
- What is requested for each exhibit may also be found by clicking on “Full List of Required Documents” in the Application Guidance of the AHP online application or from the OASYS “Application Tools” menu.
New Required Documents

- B10 requires a letter specifying the Member’s commitment to issue bonds for the project
- G5 requires a list of households currently in the Sponsor’s pipeline who have been identified as potentially eligible for inclusion in the project
- J2 requires a signed commitment letter, agreement, or bond inducement from permanent lenders besides Members
- J6 requires a list of the income targeting systems currently projected to apply to the project
- L5 requires evidence from a funding source besides FHLB verifying its willingness to cover the development costs associated with the project’s commercial space

OASYS Updates

- No major changes to appearance/functionality of the AHP online application
  - A few new questions
  - A few new rules to limit data entry
- Faster processing of award announcements
- Ability to submit disbursement requests sooner after award announcement
- Paperless disbursement process for ownership projects
AHP Scoring Criteria

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

- Allowed bond deals and smaller loans to qualify for the construction/bridge loan point
- Removed the minimum term for the non-subsidized FHLB Advance point
- Project Sponsorship points will only be awarded if an “Eligible Sponsor” will be the sole provider
  - First Mortgage Permanent Loan to project’s borrowers
  - Construction/rehabilitation by Sponsor’s employees
- Expanded the definition of “Special needs” to include transition-aged youth
2020 Scoring Changes (Continued)

- Changed the projects eligible for a point for being located in an area with a high Average Income Factor
- Limited the Economic Diversity point to rental projects serving higher-income households
- Added programs to those FHLB considers eligible for the point for energy-efficient new construction
- Allowed owner-occupied rehab projects to qualify for mandatory counseling point

Points That Funded Applications Typically Get

- More than 85% of project units will serve households with incomes at or below 60% AMI
- Project is located in Kentucky, Ohio, or Tennessee
- AHP equals 25% of TPC or less, and other funding is committed at time of application
- AHP subsidy per unit is $13,000 to $17,000
- Project includes $10,000 or more per unit in rehabilitation or energy efficient new construction
Points You Didn’t Request Last Year

• AHP Subsidy per Unit

<table>
<thead>
<tr>
<th>AHP Subsidy per Unit</th>
<th>Points Awarded</th>
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<tbody>
<tr>
<td>≤ $10,000</td>
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</tr>
<tr>
<td>$10,000 - ≤ $13,750</td>
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<td>5.0</td>
</tr>
<tr>
<td>$21,250 - ≤ $25,000</td>
<td>4.0</td>
</tr>
</tbody>
</table>

• Empowerment
  - Employment Training, Skills Training, or Job Placement
  - Education Services (GED programs, programs)
  - Credit Counseling/Budgeting or Financial Literacy
  - Daycare Services

Other Strategies & Common Errors

• Tailor the application to the AHP scoring system
• Submit multiple applications
• Required Documents must meet FHLB’s requirements
• Explain any contradictions between Required Documents and the questions answered in the AHP online application
• Support explanations for feasibility alerts with third-party back-up documentation
2020 AHP Application Schedule

June 1  Online Application Opened

July 31  Application and Required Documents Deadline (5:00 P.M. EDT)

November 19  AHP Award Date

HCI Resources

- AHP Questions and Answers at www.fhlbcin.com
- Information on all programs offered, as well as manuals, forms, and recorded webinars, can be found on the FHLB website at www.fhlbcin.com/housing-programs/
- Contact FHLB directly using one of the following:
  - Oasys@fhlbcin.com for registration questions
  - AHPApplication@fhlbcin.com for application questions (the AHP online application also communicates from this address)
  - AHPDisbursement@fhlbcin.com for disbursement questions
Contact Us

Federal Home Loan Bank of Cincinnati
221 East Fourth Street, Suite 600
P.O. Box 598
Cincinnati, OH 45201-0598
Toll free: (888) 345-2246
Fax: (513) 852-7647
Website: www.fhlbcin.com