

# 2022 AHP Scoring and Required Documents

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# Agenda

- AHP overview
- Scoring criteria and 2022 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 ( $\leq 80\%$  AMI).
  - Federally-regulated.
  - Guided by the AHP Implementation Plan.
- Competitive application process; projects are evaluated based on:
  - Eligibility and threshold requirements
  - Financial feasibility
  - 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 2022 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 (100 point system)

## FHLB Cincinnati Priorities

- Member Participation (10)
- First-time Homebuyers (6)
- Community Involvement (1)
- Projects in OH, KY & TN (5)
- AHP Subsidy per Unit (10)
- Funding Commitments (3)
- AHP Leveraging (3)

## All FHLBs

- Donated Property (5)
- Sponsorship (7)
- Empowerment (5)
- Underserved Communities and Populations (18)
- Income Targeting (20)
- Community Stability (7)




# 2022 scoring changes

- Increased Member Financial Participation points from six to ten.
- Eliminated points for landscaping and government fee waivers under the Community Involvement category.
- Decreased AHP Leverage allowable points from five to three.
- Community Involvement:
  - Removed point for consistency with a neighborhood stabilization plan.
  - Increased points for owner-occupied rehabilitation above \$5,000 from five to seven.

# Scoring Review

# Application scoring sheet



**Affordable Housing Program**

Application Scoring Summary

**Project Number**

**Application ID** 210001

**Project Name** Blend 2021

**Project Location** OH - Hamilton County

**Sponsor** Fake Catholic Charities

**Secondary Sponsor** Fake For Profit

**Member** The Huntington National Bank - Columbus, OH

**Date/Time** 5/11/2021 5:04:33 PM

Scoring Criterion	Maximum Score	Self Score	Sub Totals
<b>AHP Leverage</b>			
AHP >= 1% but <= 25% of TDC	5	0	
AHP > 25% but < 50% of TDC	3	3	
<i>Subtotal AHP Leverage</i>	5		3
<b>AHP Subsidy Per Unit</b>			
<= \$10,000	10	0	
> \$10,000 - <= \$13,750	8	0	
> \$13,750 - <= \$17,500	6	0	
> \$17,500 - <= \$21,250	5	0	
> \$21,250 - <= \$25,000	4	0	
> \$25,000	0	0	
<i>Subtotal AHP Subsidy Per Unit Score</i>	10		0
<b>Community Involvement</b>			
Landscaping by Member/Community Group	1	1	
Donation of Goods/Services	1	1	
Fee Waivers from Local Government	1	1	
<i>Subtotal Community Involvement</i>	3		3
<b>Community Stability</b>			
Consistent with an Approved Neighborhood Stabilization Plan	1	1	
Energy Efficient (new construction only) (4 of 20 units)	5	1	
Rehab costs of Units >= \$10,000 per Unit (16 of 20 units)	5	4	
<i>Subtotal Community Stability</i>	6		6
Owner-occupied Rehab >= \$5,000 Per Unit	5	0	
<b>Donated or Conveyed Property (0 of 20 units)</b>			
Federal Government Properties	5	0	
Donated Properties (unrelated party within 5 years)	5	0	
Below Market Properties (unrelated party within 5 years)	3	3	

## AHP leveraging (max 3 points)

- Projects can receive one or three points depending on the percentage of total residential costs that AHP represents.
  - 3 points -  $\text{AHP} \geq 1\%$  but no more than 25%.
  - 1 points -  $\text{AHP} > 25\%$  but less than or equal to 50%.
- Points are awarded based on costs entered into the application and shown on the development budget.

# 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:
  - $\leq \$5,000$  10 pts.
  - $> \$5,000$  and  $\leq \$10,000$  8 pts.
  - $> \$10,000$  and  $\leq \$15,000$  6 pts.
  - $> \$15,000$  and  $\leq \$20,000$  5 pts.
  - $> \$20,000$  and  $\leq \$25,000$  4 pts.
  - $> \$25,000$  0 pts.

# Community involvement (max 1 point)

- Projects can receive points when a community organization, unrelated to the project, provides at least \$500 in donated goods or services that would otherwise represent a project development cost.
- FHLB is no longer offering points for the following:
  - Eight hours of volunteer landscaping labor
  - \$500 in fee waivers from the local government

# Community stability (max 7 points)

- 5 points (variable) - Creation of energy-efficient units on new construction projects only as verified at the time of disbursement by one of the 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.)

- 5 points (variable) - Substantial rehabilitation of at least \$10,000 per unit in construction hard costs for all projects not involving owner-occupied rehab projects.
- 7 points – Rehabilitation of owner-occupied units with hard cost of \$5,000 or more.



# Donated/conveyed property (max 5 points)

- Property is “donated” when it is given to a project for free or for a nominal amount.
- Points awarded if at least 20% of the units will be transferred to the sponsor, project, or homebuyer **within five years** of July 29, 2022:
  - 3 points - Property conveyed significantly below market value, meaning it is transferred for 50% or less of fair market value, by an unrelated party.
  - 5 points - Property donated by federal government or unrelated party.

# 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:
  - Employment training, skills training, or job placement
  - Daily care
  - Credit counseling/budgeting
  - Education Services
- 2 points - Ownership Homebuyer/Homeowner projects providing Mandatory counseling.

# First-time homebuyers (max 6 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:
  - Displaced homemakers or single parents that owned a home with spouse or lived in home solely owned by spouse.
  - Individuals or households who own homes that are not intended as dwellings, were lost through natural disaster, or are “Manufactured housing.”

# Underserved communities & populations (max 18 points)

- May earn up to 18 points in category based on percentage of households served in each of the following scoring criterion:
  - Special Needs Households
  - Homeless Households
  - Housing in Appalachia

# Special needs housing (max 10 points)

- Rental and Owner-occupied Rehab scale:

## **% of Units Reserved**

## **Points**

- > 85% of units 10 pts.
  - > 70% -  $\leq$  85% of units 8 pts.
  - > 50% -  $\leq$  70% of units 6 pts.
  - > 35% -  $\leq$  50% of units 3 pts.
  - > 20% -  $\leq$  35% of units 2 pts.
  - = 20% of units 1 pt.
- 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 aging out of foster care, orphanage or residential facility

# Homeless housing (max 5 points)

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

Percent of Units Reserved	Points
◦ >85%	5 pts.
◦ >50% and ≤85%	2 pts.
◦ ≥20% and ≤50%	1pt.

- Units occupied at application, 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.
- Aging out of foster care.
- Fleeing or attempting to flee domestic violence or other dangerous/life threatening situation.



# Homeless household definition (cont.)

- 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.”

# Housing in Appalachia (max 3 points)

- Projects with all units in counties that the Appalachian Regional Commission defines as “Appalachian” will receive max points allowed.
- Rental projects with some units in Appalachian counties will receive a prorated portion.
- Ownership projects that intend to include units in some counties outside of Appalachia will receive no portion of these points.
- Points are awarded based off of information stated in the application.

# Income targeting (max 20 points)

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

	Rental	Owner
◦ > 65% and ≤ 80%	10 pts.	15 pts.
◦ > 60% and ≤ 65%	12 pts.	17 pts.
◦ > 55% and ≤ 60%	14 pts.	18 pts.
◦ ≤ 55%	18 pts.	19 pts.
◦ 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 10 points)

- 6 points - Provision of first mortgage permanent loan(s) with term(s) of at least 15 years.
- 2 point - Provision of a construction or bridge loan.
- 1 points - Cash contribution of  $\geq \$750$ .
- 2 points - Servicing of borrower loans for ownership projects.
- 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.

# Outside funding commitments (max 3 points)

- Variable points that are determined by the amount of “Eligible outside funding” 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 7 points)

- 2 points - Primary sponsor that is a 501(c)3 or 501(c)4 organization.
- 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).
  - First mortgage permanent loans (ownership projects).
  - Property management (rental projects).

# 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.



# 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.
- 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.**

# Required Documents

# 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,

What is the total residential square footage for the project (not including Non-residential or Commercial space)? Upload Exhibit L4 in conjunction with this question.

Requires Document L4 ⓘ

Uploaded Documents:

File Name	Document	Date Uploaded
201601-0045 All purpose.docx	L4	1/24/2018

[VIEW](#)

or

Uploaded at the end of the Scoring of the application.

Certifications | Required Documents Review AHP Application

All Required Documents must be uploaded before submitting the application. If you do not believe a specific Required Document applies to this project, upload an explanation of why the document does not apply. The following is a list of documents required for this application; **upload any missing required documents** outlined in red text boxes below. Also be sure to check the bottom of this list for any feasibility alerts the application has generated and upload any necessary documentation for them as well.

✱

**Upload Document A1:** Exhibit A1 - Executed "Terms and Conditions for Member" document for the Primary Member in the project (this document is posted under Application Guidance). The document must be: A. Signed by a representative of the Member authorized to draw funds from the FHLB; and, B. Dated in the current year.

UPLOAD DOCUMENT

Question: Primary Member Name ⓘ

**\*This question is missing required documents**

# 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.

Upload Document L3a: Exhibit L3a - RENTAL REHAB PROJECTS ONLY: Document the amount of existing reserves the project currently has in place. Provide a copy of the bank statement for the reserve account(s). These funds must appear as a funding source in this application unless adequate justification for excluding them from this application is provided.

UPLOAD DOCUMENT

Question: Project Activity ⓘ

\*This question is missing required documents

- 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 or from the OASYS “Application Tools” menu.

# 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.

# 2022 Required Documents Changes

- Exhibit H5rent requests an increased number of days after the AHP application date for which participants have verified they have site control of rental projects; 120 days is now the minimum, up from 60 in 2021.
- Exhibits E6 and E6a now contain a reference to “daily care services” instead of “daycare services.”
- New Exhibits J8 and J8b request pro-formas for projects anticipating funds from certain HUD programs.
- FHLB will no longer require any of the exhibits that pertained to scoring options that are not in the 2022 scoring system.

# Required documents listing

Full list available under “Application Tools” in OASYS application.

2022 Affordable Housing Program Required Documents		
<p>NOTE: This is an all-inclusive list of each required document that may be requested as a result of answers entered into the Federal Home Loan Bank of Cincinnati (FHLB) Affordable Housing Program (AHP) online application. The amount of documents required for each individual application will be substantially less than what appear in this all-inclusive list. All required documents must be uploaded in OASYS before the application can be submitted to the FHLB.</p>		
Exhibit	Description	Type of project(s) to which exhibit applies (rental, ownership, both)
A1	Executed “Terms and Conditions for Member” document for the Primary Member in the project (this document is posted under Application Guidance). The document must be: A. Signed by a representative of the Member authorized to draw funds from the FHLB; and, B. Dated in the current year.	Both
A2	Executed “Terms and Conditions for Member” document for each other Member participating in the project as identified in the AHP application (this document is posted under Application Guidance). The document must be: A. Signed by a representative of the Member authorized to draw funds from the FHLB; and, B. Dated in the current year.	Both
A5	Executed “Terms and Conditions for Sponsor” document for the project's Primary Sponsor (this document is posted under Application Guidance). The document must be: A. Signed by the Sponsor's Chief Executive Officer/President/Executive Director or the Sponsor organization's Board Chair; and, B. Dated in the current year.	Both
A6	Executed “Terms and Conditions for Sponsor” document for the Secondary Sponsor identified in the AHP application (this document is posted under Application Guidance). The document must be: A. Signed by the Sponsor's Chief Executive Officer/President/Executive Director or by the Sponsor organization's Board Chair; and, B. Dated in the current year.	Both
A7	Previous award of AHP funds from the FHLB Cincinnati or another FHLBank: Provide a copy of the AHP application and financials previously approved for AHP funding for this project, as well as information about any changes or modifications that have occurred since award of funds.	Both
A8	Completed “Second Sponsor Information Form” document with information about the second Sponsor identified in the AHP application (this document is posted under Application Guidance). • Complete, print and submit all tabs/spreadsheets in the “Second Sponsor Information Form” Excel workbook document.	Both

# 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 B6/B10

## Member buying credits or bonds

- Commitment to purchase tax credits/bonds to provide equity to the project (B6) or. issue bonds for the project (B10)
- 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 to issue bonds or directly purchase at least 20% of the bonds or tax credits.
- Equity from tax credit or bonds must be shown as funding source on budget.

# Exhibit E1 - E6

## 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.


# Exhibit E1 - E6

## Empowerment


- The MOU submitted must be:
  - The MOU for 2022.
  - Executed within the current calendar.
  - 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

 Housing & Community Investment

**Affordable Housing Program**  
**MEMORANDUM OF UNDERSTANDING**



BETWEEN

\_\_\_\_\_  
(Third-party Service Provider – Please type or print organization's name)

AND

\_\_\_\_\_  
(Sponsor/Owner – Please type or print organization's name)

THAT IS THE

SPONSOR/OWNER ENTITY FOR \_\_\_\_\_  
(Project Name – Please type or print name)

The Sponsor/Owner identified above has applied for Affordable Housing Program (AHP) subsidy from the Federal Home Loan Bank of Cincinnati (FHLB) and has made certain representations to the FHLB regarding the provision of affordable housing to very low-, low-, and moderate-income households/tenants and the provision of services to those households/tenants. To further empower the beneficiaries of this program, the Third-party Service Provider identified above desires to make available the following programs and/or services to eligible residents of the proposed AHP project named above:

What is the name of the services or program?	_____
What is the nature of the services or program?	_____
Will the services or program be available to all residents being served by the project?	_____
Where will the services or program be provided?	_____
How much will be charged (or on what basis will a charge be imposed) for the services or program?	_____

The intent to provide the above outlined programs and/or services is hereby affirmed and agreed to by the Project Sponsor/Managing Partner or Owner and the Third-party Service Provider. Together, we agree that the programs and/or services will be provided for the benefit of the qualified households/tenants who will reside in the AHP-assisted units, subject to determination of eligibility and desire of the household to receive the service and incur the related cost, if any.

AGREED TO AND SIGNED this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
Sponsor/Owner Name (Typed)

\_\_\_\_\_  
Third-party Service Provider Name (Typed)

\_\_\_\_\_  
Sponsor/Owner Signature

\_\_\_\_\_  
Third-party Service Provider Signature

*Attach a brochure or other published material that specifically demonstrates that the Third-party Service Provider offers such programs or services as described above. This MOU must be dated within the current calendar year (2021) and have a brochure or other published material attached in order to be considered for points.*

Memorandum of Understanding  
©Federal Home Loan Bank of Cincinnati, all rights reserved.

Program  
stated here  
must  
coincide  
with  
brochure.



# Exhibit E1 - E6

## Empowerment

- Provision of homebuyer counseling, credit counseling/budgeting or financial literacy (E1/E2)
  - Financial literacy service or credit counseling provided by experienced provider of service.
  - Homebuyer counseling available for ownership projects only and should cover mortgage financing, credit worthiness, household budgeting, and home maintenance.
- Employment and skills training (E3)
  - Services must be provided by an organization recognized as experienced in employment and/or job skills training.

# Exhibit E1 - E6

## Empowerment

- Education training (E4)
  - Provided by an organization experienced in education such as GED programs or college/community college placement programs.
- Daily care services (E6)
  - Services provided by an organization recognized as experienced in daily care/childcare services.
  - Now includes elder care services, before/after school programs, and head start programs.

# Exhibit E1 - E6

## Empowerment

Common errors resulting in point loss:

- The MOU is not filled out completely or inaccurately
- It 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.

# 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 move 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.

# 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/G4

## Homeless households housing policy

- Policy adopted by sponsor's board affirming that homeless households may stay for at least six months in transitional housing (G2). The policy must be:
  - Signed by the board chair or secretary.
  - Dated in current year unless a board resolution was previously approved.
- Sponsors utilizing fundraising or other cash contributions to subsidize operating costs (G4) must provide:
  - The most recent two years of audited financials, and,
  - Board resolution stating the amount of fundraising committed to support operations over 15-year life of project.

# 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

- Donated means a property is conveyed without monetary consideration or for a nominal amount within the last five years.
- Property may be donated by the federal government or agency thereof, local government entity or unrelated party.
- Submit the final, executed copy of the deed, donor letter, or purchase contract that identifies:
  - When and from whom the property was donated.
  - The 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:
  - 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 120 days after the AHP award date.
  - An executed settlement statement or purchase contract that shows the purchase price.

# 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 120 days after the AHP due date.
- Option or deed is between sponsor and newly formed ownership entity and not the original property owner.

# Exhibit H7

## Market value

- Acquisition costs for land and/or building should not exceed market value. Market value is demonstrated with:
  - A Property Value Assessment (PVA).
  - An independent appraisal; required for related party transactions.
- Documents must be dated within six months of purchase /conveyance or dated within six months of the date the price was agreed, if property has not been acquired.

# Exhibit H8

## Member interest

- Required if Member had ownership interest in property prior to conveying to sponsor, owner, developer or other entity involved in project.
- Provide deed or mortgage/note to show interest.
- Transaction constitutes a related-party transaction

# Exhibit H9

## Acquisition cost

- Acquisition costs shown on development budget must be verified by one of the following:
  - Executed settlement statement or closing disclosure
  - Purchase contract
  - Documentation of current outstanding loan balance and note/mortgage if costs represent pay-off of existing loan.



# 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:
  - Commitment date and amount awarded.
  - 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.
  - Project name and/or address (rentals).
  - 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:
  - 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 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.
- 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 J8

## HUD 811/202 projects

- Submit a current and complete pro forma that includes:
  - Development sources and uses.
  - 15-year operating budget.
  - Amount HUD funding requested.
  - Rent and unit schedules.



# 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.
- Budgeted amount must contain the following:
  - Itemized costs for services.
  - 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 just 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 29, 2022.**
- Documentation not submitted properly may result in:
  - Reduction in points in the AHP scoring system.
  - Rejection of the AHP application.

# AHP Resources and Contact Information

# AHP Resources

- 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:
  - AHP Information Sessions
  - AHP for Members
  - AHP Overview and Threshold Requirements
  - AHP Financial Feasibility
  - AHP for Recently Awarded Projects
  - Navigating the OASYS System & Sponsor Registration

# Contact us

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E-mail: **AHPApplication@fhlbcin.com**

Website: **www.fhlbcin.com**

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# 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

