

Affordable Housing Program

2022 Financial Feasibility



Agenda

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

Affordable Housing Program

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

Filling the financial gap

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

AHP project unit type

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

AHP application process

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

AHP eligibility

- All threshold requirements must be met before an application can be scored.
- Feasibility guidelines must be met or have adequate justification for an exception to the guidelines in order for the application to receive a final score.
- The competitive application process evaluates projects based on:
 - Eligibility/threshold requirements.
 - Financial feasibility.
 - Scoring criteria.

AHP financial thresholds

- There must be enough funds identified to cover all projected costs.
- Expected project costs must be reasonable.
- AHP cannot be used to pay for capitalized costs.
- Debt provided must comply with anti-predatory lending and HOEPA laws.
- Units must be affordable to targeted households!

Where to find financial data

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Domain: userextranet

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ONLINE APPLICATION SYSTEM

HOME SPONSOR PROFILE CONTACT FAQ

1 Sponsor Capacity 2 General Information 3 Threshold 4 Feasibility 5 Scoring 6 Certifications

Search questions

Feasibility | Acquisition Costs Page 1 AHP Application

Land Purchase Price or Loan Payoff Amount
\$0.00

Building Purchase Price or Loan Payoff Amount
\$0.00

Donated Building/Land Value (of any building/land acquired separately from other buildings or pieces of land)
\$0.00

Liens and Back Taxes
\$0.00

Transaction Closing Costs for Acquisition
\$0.00

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Application Guidance

- Feasibility Guidelines for Acquisition Costs
- Acquisition Costs
- Feasibility section of IP
- Site Control - Owner/Rental
- Contact FHLB Cincinnati
- Full List of Required Documents
- AHP Implementation Plan
- Navigation Instructions

FEASIBILITY REPORT

Need help?

Housing and Community Investment (888) 345-2246
OASYS Registration Questions Housing@fhlbcin.com
AHP Application Questions AHPApplication@fhlbcin.com

FHLB Cincinnati
221 East Fourth Street
600 Atrium Two
Cincinnati, OH 45202
T (513) 852-7500

AHP financial budgets

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



AHP development budget



AHP Development Budget
201801 Offering

Project Number:
 Project Name:
 Project County/MSA: KY - Lawrence County County/MSA Median Income: \$0.00
 Total Units/Beds: 20 Project Type: Rental

Project Funding Sources - Permanent Financing and Equity Sources						
Funding Source Name	Funding Amount	Loan Term	Loan Amort	Loan Rate	Annual Debt Service	Funding Committed
AHP Requested	\$750,000.00					No
New Permanent Debt	\$500,000.00	30	30	1.50 %	\$20,707.21	Yes
Total Funding Sources	\$1,250,000.00					

Project Costs	
Acquisition Costs	Residential Costs
Paid Building Cost	
Paid Land Cost	
Donated Land Value	
Donated Building Value	
Liens and back taxes	
Acquisition Closing Costs	
Other Acquisition Costs	
Total Acquisition Costs	
Hard Costs	
Demolition	
Roads and walks	
Earth work	
Site Utilities	
Water Sewer Project	
Drainage	
Landscaping	
OffSite Improvements	
Construction Rehab Hard Costs	
Furnishings Appliances	
Builders Risk Insurance	

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Housing and Community Investment

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AHP Development Budget
201801 Offering

Escrows	
Leaseup Reserve	
Operating Reserve	
Replacement Reserve	
Capitalized Asset Management Fee	
OtherReserves	
Developer Fee	
Consultant Fee	
Organizational Overhead	
Application PreparerFee	
Relocation Costs	
RealEstate Taxes	
Rentup Marketing	
Site Security	
Soft Cost Contingency	
Other Soft Costs	
Total Soft Costs	
Total Project Costs	

Space Type	Project Costs by Square Footage			
	Square Feet	Sq. Ft Percentage	Costs Based on Sq.Ft. Percentage	Cost Based on Applicant Data
Residential Space	20,000	80.00 %		
Non-Residential Space	5,000	20.00 %		
Commercial Space	0	0.00 %		

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Housing and Community Investment

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AHP operating budget



AHP Operating Budget
201801 Offering

Project Number:
Project Name:
Project County/MSA: KY - Lawrence County
Total Units/Beds: 20

Application ID:
County/MSA Median Income: \$0.00
Project Type: Rental

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

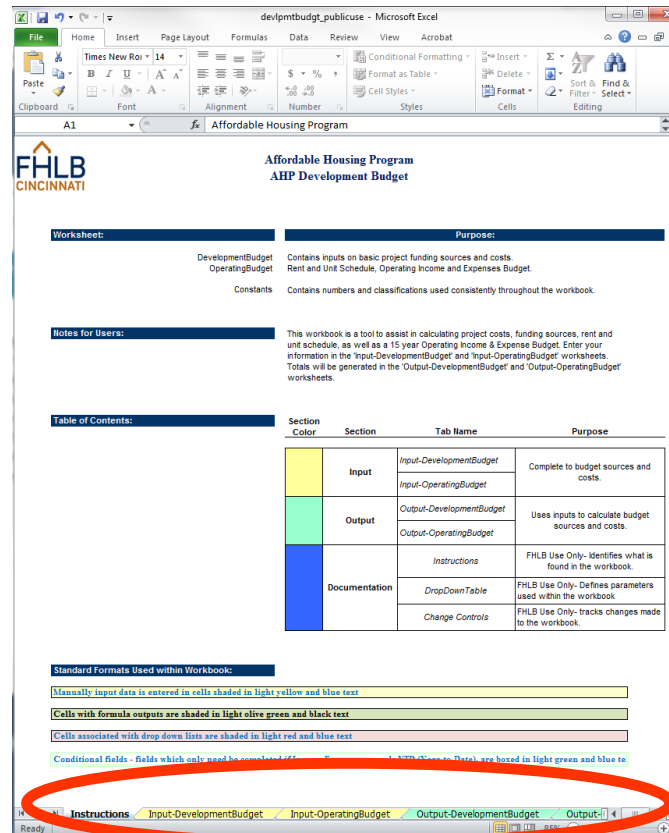
Operating Income and Expense Budget																
Annual Rental Income	Income Inflation Rate	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Gross Annual Rental Income	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Subsidy		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Utility Allowance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest Income		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Laundry, Parking, etc.		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Vacancy		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Income		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Income:		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Operating Expenses		Expense Inflation Rate														
Management Fee	0.00 %	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Admin/Office Salaries and Benefits		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Office Supplies		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Legal & Audit		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Advertising & Marketing		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Asset Management Fee		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Compliance Monitoring Fee		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Accounting Operating Expenses		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Bad Debts		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Utilities-Common Area		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Utilities-Apartments		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Water & Sewer Operating		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance Salaries and Benefits		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maintenance Supplies		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Trash Removal		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Elevator/HVAC Maintenance		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Pest Control		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grounds/Landscaping		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

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Housing and Community Investment

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AHP financial templates in Excel



Worksheet:

Worksheet	Purpose:
DevelopmentBudget	Contains inputs on basic project funding sources and costs.
OperatingBudget	Rent and Unit Schedule, Operating Income and Expenses Budget.
Constants	Contains numbers and classifications used consistently throughout the workbook.

Notes for Users:

This workbook is a tool to assist in calculating project costs, funding sources, rent and unit schedule, as well as a 15-year Operating Income & Expense Budget. Enter your information in the 'Input-DevelopmentBudget' and 'Input-OperatingBudget' worksheets. Totals will be generated in the 'Output-DevelopmentBudget' and 'Output-OperatingBudget' worksheets.

Table of Contents:

Section Color	Section	Tab Name	Purpose
Yellow	Input	Input-DevelopmentBudget	Complete to budget sources and costs.
		Input-OperatingBudget	
Green	Output	Output-DevelopmentBudget	Uses inputs to calculate budget sources and costs.
		Output-OperatingBudget	
Blue	Documentation	Instructions	FHLB Use Only- Identifies what is found in the workbook.
		DropDownTable	FHLB Use Only- Defines parameters used within the workbook
		Change Controls	FHLB Use Only- tracks changes made to the workbook.

Standard Formats Used within Workbook:

- Manually input data is entered in cells shaded in light yellow and blue text
- Cells with formula outputs are shaded in light olive green and black text
- Cells associated with drop down lists are shaded in light red and blue text
- Conditional fields - fields which only need be completed if certain criteria are met - are boxed in light green and blue text

Instructions | Input-DevelopmentBudget | Input-OperatingBudget | Output-DevelopmentBudget | Output-OperatingBudget

Common errors for budgets

- Funding source documentation does not match the amount of the funding source on the budget.
- Debt service in the AHP online application does not match debt service on the promissory note.
- Non-residential/commercial costs are not disclosed in the AHP online application when the floor plan shows non-residential/commercial space.
- Acquisition costs contradict the idea that property was donated for the project.

AHP feasibility guidelines

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

AHP feasibility guidelines: total project cost (TPC) per unit or bed

Unit Type

Maximum TPC

- “Unit” Limits
 - Ownership or Rental Projects \$250,000
 - Owner-Occupied Rehab Projects \$58,000*
**Hard costs only*
- “Bed” Limits
 - Shelter, Group Home, Special Purpose Housing Projects \$70,000

AHP feasibility guidelines: other limits on development costs

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

<u>Financing Type</u>	<u>Maximum % of TPC</u>
-----------------------	-------------------------

- | | |
|--|-----|
| ◦ Projects financed with tax credits | 30% |
| ◦ Projects not financed with tax credits | 25% |
- Total contractor costs are limited to 14% of total hard costs less total contractor costs.*

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

AHP feasibility guidelines: limits on contingencies

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

<u>Project Activity</u>	<u>Maximum %</u>
-------------------------	------------------

- | | |
|------------------------------------|-----|
| ◦ New Construction | 10% |
| ◦ Rehabilitation or Adaptive Reuse | 15% |
| ◦ Historic Rehabilitation | 20% |
- Soft costs contingency as a percentage of total soft costs less the contingency 10%

AHP feasibility guidelines: developer fee percentage

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

AHP feasibility guidelines: “developer fee” definition

- “Developer fee” includes:
 - Any amounts paid to the project’s Sponsor/developer,
 - Consultant fees,
 - Application preparer fees, and
 - Profit received from selling a property to a new owner for more than the cost to purchase and develop the property (for example, selling at appraised value when the property cost less to build than appraised value).
- FHLB has special considerations for related-party acquisitions.

AHP feasibility guidelines: AHP subsidy limitations

<u>Unit Type</u>	<u>Maximum AHP \$ Per</u>
◦ Traditional rental units	\$50,000
◦ Ownership units involving the transfer of units to new owners	\$50,000
◦ Owner-occupied rehab units	\$15,000
◦ Shelter, group home, special purpose housing beds	\$15,000

AHP feasibility guidelines: AHP subsidy limitations

- Maximum AHP subsidy per project is 75% of total **residential** development costs or \$400,000, whichever is less.

AHP feasibility guidelines: tax credit sales price

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

AHP feasibility guidelines: operating costs for rental projects

<u>Unit Type</u>	<u>Maximum \$ Per</u>
◦ Non-permanent supportive housing “unit”	\$5,600
◦ Permanent supportive housing “unit”	\$6,100
◦ “Bed”	\$4,100
• Reminder: These limits do not include social service/commercial expenses, which must remain separate from housing expenses.	

AHP feasibility guidelines: operating income for rental projects

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

**Cash flow MUST be positive through Year 12.*

AHP feasibility guidelines: operating budget line items for rentals

<u>Project Type</u>	<u>% of Income (Rents + Subsidy)</u>
◦ Traditional, group home, special purpose housing	Between 5% and 10%
◦ Shelter	Between 0% and 10%
• Management fee limited to 10% of net income	
• Replacement reserves are limited by unit type:	
<u>Unit Type</u>	<u>\$ Limit per Unit per Year</u>
◦ “Unit”	Between \$1 and \$400
◦ “Bed”	Between \$1 and \$200

AHP feasibility guidelines: capitalized costs

- Ownership projects cannot include reserves or “capitalized costs” on their development budgets.
- Any costs on a rental development budget that will pay for items normally associated with project operations, such as reserves, asset management fees charged by an entity besides the tax credit allocating agency, etc., will be counted as “capitalized costs.”
- AHP funds cannot pay for “capitalized costs.”

AHP feasibility guidelines: capitalized costs

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

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

AHP feasibility guidelines: affordability

- Payments for homebuyers are affordable as long as monthly PITI, as well as homeowners association dues, lot rent, leasehold payments, mortgage insurance premiums, and any other predetermined housing expenses, do not exceed 31% of the household's gross monthly income.
- Contract rent for rental projects must be less than 30% of the area median income as adjusted for household size.
- **Reminder:** Do not include a utility allowance in the contract rent entered in the application.

Where to find the Feasibility Report

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HOME SPONSOR PROFILE CONTACT FAQ

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Search questions

Feasibility | Acquisition Costs Page 1

Land Purchase Price or Loan Payoff Amount
\$0.00

Building Purchase Price or Loan Payoff Amount
\$0.00

Donated Building/Land Value (of any building/land acquired separately from other buildings or pieces of land)
\$7,726.40

Liens and Back Taxes
\$0.00

Transaction Closing Costs for Acquisition
\$0.00

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AHP Application

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

Application Guidance

- Feasibility Guidelines for Acquisition Costs
- Acquisition Costs
- Feasibility section of IP
- Site Control - Owner/Rental
- Contact FHLB Cincinnati
- Full List of Required Documents
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AHP COMPLETED APPLICATION
DEVELOPMENT BUDGET
NEW OPERATING COSTS
FEASIBILITY REPORT

REVISE ANSWERS

Need help?

Housing and Community Investment (888) 345-2246
OASYS Registration Questions Housing@fhlbcin.com
AHP Application Questions AHPApplication@fhlbcin.com

FHLB Cincinnati
221 East Fourth Street
600 Atrium Two
Cincinnati, OH 45202
T (513) 852-7500

Owner-occupied rehab Feasibility Report

 Affordable Housing Program
Feasibility Report


Report Type: Owner-Rehab

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

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Soft Cost Percentage for projects not financed with equity from the sale of tax credits	Maximum 25%	12.26 %	
Total Hard Costs per Unit for Owner-occupied Rehab Projects	Must be between \$5,000 and \$50,000	\$13,600.00	
Hard Costs Contingency Percentage for projects involving rehabilitation	Maximum 15%	0.00 %	
Soft Costs Contingency Percentage	Maximum 10%	0.00 %	
Total Contractor Costs	Maximum 14%	0.00 %	
Developer Fee Percentage for owner-occupied rehab projects	Maximum of 15% (with other restrictions and limitations)	10.71 %	
AHP Subsidy per Bed or Owner-occupied Unit	Maximum \$15,000	\$10,000.00	
AHP Requested as a Percent of Total Residential Costs	Maximum 75%	64.52 %	

No alerts to justify

Ownership Feasibility Report



Affordable Housing Program
 Feasibility Report

Report Type: Ownership

Project Number:

Application ID:

Project Name:

Sponsor:

Member:

Date / Time:

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Project Cost per Unit	Maximum \$250,000	\$91,250.00	
Total Soft Cost Percentage for projects not financed with equity from the sale of tax credits	Maximum 25%	1.26 %	
Hard Costs Contingency Percentage for new construction projects	Maximum 10%	0.00 %	
Soft Costs Contingency Percentage	Maximum 10%	0.00 %	
Total Contractor Costs	Maximum 14%	6.09 %	
Developer Fee Percentage for acquisition/new construction and acquisition/rehab projects	Maximum 15% unless the Sponsor/owner/developer is covering the amount over 15%, then maximum 20%	0.00 %	The project's Developer Fee does not fall within FHLB's expectations. If the Project Value is \$0, explain how the developer of this project will be paid if not through the funding sources identified in this application. If the Project Value falls above the maximum in the required range, verify that enough equity funding sources are identified in this application to cover the difference between the standard maximum and the true maximum FHLB identifies. If the Project Value exceeds the true maximum, reduce the project's Developer Fee to avoid a reduction in the AHP grant requested.
AHP Subsidy per Unit	Maximum \$50,000	\$21,250.00	
AHP Requested as a Percent of Total Project Cost	Maximum 75%	23.29 %	

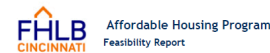
Justify this alert or change project's value

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Housing and Community Investment

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Rental special purpose housing/ group home Feasibility Report



Report Type: Special Purpose Housing/Group Home

Project Number:

Application ID:

Project Name:

Sponsor:

Member:

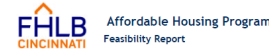
Date / Time:

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Project Cost per Bed	Maximum \$70,000	\$113,162.50	The project's Total Project Cost per Unit does not meet FHLB's requirement. Explain what is driving the project's costs to be so high and provide data from a cost aggregator, capital costs needs assessment, guaranteed maximum price contract, contractor bids, or other qualified, third-party professional supporting the amount of development costs entered into the Feasibility section of this application.
Total Soft Cost Percentage for projects not financed with equity from the sale of tax credits	Maximum 25%	16.62 %	
Hard Costs Contingency Percentage for new construction projects	Maximum 10%	3.43 %	
Soft Costs Contingency Percentage	Maximum 10%	9.45 %	
Total Contractor Costs	Maximum 14%	12.86 %	
Developer Fee Percentage for acquisition/new construction and acquisition/rehab projects	Maximum 15% unless the Sponsor/owner/developer is covering the amount over 15%, then maximum 20%	6.09 %	
AHP Subsidy per Bed or Owner-occupied Unit	Maximum \$15,000	\$10,000.00	The project's AHP Subsidy per Bed does not meet FHLB's requirement. Change the AHP Requested entered into the application to fit within FHLB's parameters.
AHP Requested as a Percent of Total Project Cost	Maximum 75%	1.18 %	
Affordability	Must be less than or equal to 30%	2.18 %	

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Housing and Community Investment

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Expense to Income Ratio in Year 1 for projects without permanent debt	Must be >= 80% in year one	87.87 %	
Vacancy Ratio in Year 1 for "Group home," "Special purpose housing," or "Shelter" projects	Must be between 0% and 10% in year one	5.15 %	
Capitalized Costs for historic rehabilitation projects or those serving primarily populations with special needs besides the elderly	Maximum 15 months of Total Operating Expenses and Total Annual Hard Debt Service, which is \$26,250.00	\$0.00	
Annual Replacement Reserve for beds	Must be between \$1 and \$200 per "bed" per year	\$400.00	The project's Annual Replacement Reserves do not fall within the required range. If the Project Value falls below the minimum in the range, explain and document how FHLB can be assured that this project will be operationally feasible without setting aside operating income to pay for replacement expenses the project will incur in the future. If the Project Value falls above the maximum in the range, explain and document why the project anticipates needing such a high level of replacement reserves.
Operating Cost per Bed	Maximum \$4,100 per bed	\$5,250.00	The project's Operating Cost per Unit does not fall within the required range. Explain why the operating costs for the project appear to be so high and provide evidence of the amount of historical operating costs projects of this type in this area typically incur.
Management Fee Percentage	Maximum 10%	8.37 %	
Net Cash Flow	Must be positive through year 15	\$157.44	

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Housing and Community Investment

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Rental shelter Feasibility Report

Report Type: Shelter

Project Number:

Application ID: 180068

Project Name:

Sponsor:

Member:

Date / Time:

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Project Cost per Bed	Maximum \$70,000	\$29,704.16	
Total Soft Cost Percentage for projects not financed with equity from the sale of tax credits	Maximum 25%	7.85 %	
Hard Costs Contingency Percentage for projects involving rehabilitation	Maximum 15%	7.80 %	
Soft Costs Contingency Percentage	Maximum 10%	0.00 %	
Total Contractor Costs	Maximum 14%	8.62 %	
Developer Fee Percentage for acquisition/new construction and acquisition/rehab projects	Maximum 15% unless the Sponsor/owner/developer is covering the amount over 15%, then maximum 20%	0.00 %	The project's Developer Fee does not fall within FHLB's expectations. If the Project Value is \$0, explain how the developer of this project will be paid if not through the funding sources identified in this application. If the Project Value falls above the maximum in the required range, verify that enough equity funding sources are identified in this application to cover the difference between the standard maximum and the true maximum FHLB identifies. If the Project Value exceeds the true maximum, reduce the project's Developer Fee to avoid a reduction in the AHP grant requested.
AHP Subsidy per Bed or Owner-occupied Unit	Maximum \$15,000	\$13,750.00	
AHP Requested as a Percent of Total Project Cost	Maximum 75%	46.29 %	
Expense to Income Ratio in Year 1 for projects without permanent debt	Must be >= 80% in year one	80.85 %	
Vacancy Ratio in Year 1 for "Group home," "Special purpose housing," or "Shelter" projects	Must be between 0% and 10% in year one	0.00 %	

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Housing and Community Investment

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Capitalized Costs for historic rehabilitation projects or those serving primarily populations with special needs besides the elderly	Maximum 15 months of Total Operating Expenses and Total Annual Hard Debt Service, which is \$290,061.25	\$0.00	
Annual Replacement Reserve for beds	Must be between \$1 and \$200 per "Bed" per year	\$50.00	
Operating Cost per Bed	Maximum \$4,100 per bed	\$4,640.98	The project's Operating Cost per Unit does not fall within the required range. Explain why the operating costs for the project appear to be so high and provide evidence of the amount of historical operating costs projects of this type in this area typically incur.
Management Fee Percentage	Maximum 10%	0.00 %	
Net Cash Flow	Must be positive through year 15	\$27,695.47	

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Housing and Community Investment

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← Justify these alerts or change project's values →

Rental Feasibility Report



Affordable Housing Program
Feasibility Report

Report Type: Rental

Project Number:

Application ID: 180071

Project Name:

Sponsor:

Member:

Date / Time:

Feasibility Parameter	Required Range Limit	Project Value	Alert
Total Project Cost per Unit	Maximum \$250,000	\$74,146.01	
Total Soft Cost Percentage for projects not financed with equity from the sale of tax credits	Maximum 25%	11.48 %	
Hard Costs Contingency Percentage for new construction projects	Maximum 10%	0.00 %	
Soft Costs Contingency Percentage	Maximum 10%	0.00 %	
Total Contractor Costs	Maximum 14%	17.65 %	The project's Total Contractor Costs exceed FHLB's limit. Explain why the project requires more Total Contractor Costs than FHLB allows and note that Total Contractor Costs in excess of FHLB's limit will likely result in a reduction in the AHP grant requested.
Developer Fee Percentage for acquisition/new construction and acquisition/rehab projects	Maximum 15% unless the Sponsor/owner/developer is covering the amount over 15%, then maximum 20%	9.74 %	
AHP Subsidy per Unit	Maximum \$50,000	\$23,000.00	
AHP Requested as a Percent of Total Project Cost	Maximum 75%	31.02 %	
Debt Coverage Ratio (minimum value) for projects with permanent debt	1.00 minimum in Years 1 - 15	0.01	The project's Debt Coverage Ratio is projected to fall below the minimum in the required range for at least one year of project operations. Explain and document how FHLB can be assured that this project will be operationally feasible without the ability to pay its debt service for all 15 years of the FHLB retention period.

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Housing and Community Investment

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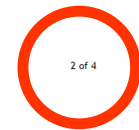


Affordable Housing Program
Feasibility Report

Debt Coverage Ratio (maximum value) for projects with permanent debt	1.50 maximum in Years 1 - 15	0.15	
Affordability	Must be less than or equal to 30%	16.05 %	
Vacancy Ratio in Year 1 for traditional projects	Must be between 5% and 10% in year one	6.32 %	
Capitalized Costs for historic rehabilitation projects or those serving primarily populations with special needs besides the elderly	Maximum 15 months of Total Operating Expenses and Total Annual Hard Debt Service, which is \$93,773.71	\$0.00	
Annual Replacement Reserve for traditional units	Must be between \$1 and \$400 per "Unit" per year	\$180.00	
Operating Cost per Unit (Non-permanent supportive housing)	Maximum \$5,600 per unit	\$3,895.00	
Management Fee Percentage	Maximum 10%	9.91 %	
Net Cash Flow	Must be positive through year 15	(\$35,549.78)	The project's cash flow is not projected to be positive for the full 15-year compliance period. Explain and document how FHLB can be assured that this project will be operationally feasible without being able to generate positive cash flow.

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Housing and Community Investment



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Where to explain/justify alerts

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ONLINE APPLICATION SYSTEM

HOME SPONSOR PROFILE CONTACT FAQ

1 Sponsor Capacity 2 General Information 3 Threshold 4 Feasibility 5 Scoring 6 Certifications

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Feasibility | Feasibility Alerts

AHP Application

The data entered into this section of the application has populated this project's Feasibility Report, which you should review and access in conjunction with completing this section. Please be sure to review all pages of this report, which may include multiple sections. Any value that the report shows as outside an FHLB Feasibility Guideline on the report is identified with an "Alert" if this section of the application accurately portrays the project, upload justification, including back-up documentation from a third party, for each alert that allows exception. FHLB may allow reasonable deviations from the guidelines based on the nature, location, and type of project and based on explanations AND back-up documentation provided to justify such deviations. FHLB will not award AHP funds to any project for which a deviation is not adequately explained, justified, and documented and may exclude an application from further review or scoring if an alert is not justified. If this section of the application does not accurately portray the project or FHLB does not allow an exception for an alert identified, revise the value(s) creating the alert to bring the value(s) within the guidelines before submitting the application. Failure to provide accurate information in the AHP application may result in the project being disqualified for AHP funds at the time of disbursement if the project receives an award of AHP funds.

The following alerts have been generated for this application. Please provide an explanation and supporting documentation for each:

Total Project Cost per Bed

Range Limit: Maximum \$50,000
Calculated Answer: \$74,146.01
Alert Message: The project's Total Project Cost per Unit does not meet FHLB's requirement. Explain what is driving the project's costs to be so high and provide data from a cost aggregator, capital costs need to be provided, including but not limited to, contractor bids, or other qualified, third-party professional fee estimates, and provide the placement costs entered into the Feasibility section of this application.

Explanation:

Documents:

UPLOAD DOCUMENT

Total Contractor Costs

Application Guidance

Feasibility section of IP
Contact FHLB Cincinnati
Full List of Required Documents
AHP Implementation Plan
Navigation Instructions

AHP COMPLETED APPLICATION
DEVELOPMENT BUDGET
AHP OPERATING BUDGET
FEASIBILITY REPORT
SCORE SHEETS

HCI resources

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

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

E-mail: AHPApplication@fhlbcin.com

Website: www.fhlbcin.com

Thank You

