

2025 AHP Financial Feasibility



Purpose

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

Affordable Housing Program

- Direct grants for development of ownership and rental housing for very low- to moderate-income households (\leq 80% AMI as established by HUD).
 - Federally regulated
 - AHP Implementation Plan
- Funds are provided to FHLB Members, including:
 - Commercial banks
 - Credit unions
 - Community development financial institutions (CDFIs)
 - Insurance companies
 - Thrifts

Filling the financial gap

- AHP is a gap funder
- AHP can fund 75% of residential costs for rental projects (100% for ownership projects) with a max of \$1,500,000.
- Funding is awarded/reserved at application but disbursed after project completion.

Why AHP

- Rental and ownership housing:
 - New construction
 - Rehabilitation
 - Acquisition/purchase of land or buildings
- 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 eligibility

- AHP application criteria
 - Eligibility/threshold requirements
 - Financial feasibility
 - Scoring criteria

AHP Financials



AHP financial thresholds

- Sources and uses must match
- All costs must be reasonable
- Project must be primarily residential in nature; AHP cannot be used to cover commercial space
- 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

Finding financial data in OASYS

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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 | 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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SAVE AND EXIT

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

AHP COMPLETED APPLICATION
DEVELOPMENT BUDGET
AHP OPERATING BUDGET
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
650 Arrium Two
Cincinnati, OH 45202
T (513) 852-7500

HOUSING LINKS

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Sponsor Capacity

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General Information

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Threshold

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Feasibility

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Certifications

250023, High Volume Project Test, The Huntington National Bank - Columbus, OH AHP Nonprofit Test, Non-Profit Owner, Not Submitted

Feasibility | Feasibility Alerts

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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 review the 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 report does not 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 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 the project 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.

Based on your answers entered in this section, no feasibility alerts have been detected.

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- MOU Form
- Navigation Instructions
- OASYS Permissions
- OASYS Registration Instructions
- Occupancy Report for Occupied Rental Projects
- Outside Funding Sources Calculator
- Second Sponsor Information Form
- Special Needs Scoring Calculator
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- Sponsor Terms and Conditions Form
- AHP Advance Subsidy Calculator
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- Sample Certification of Consistency with Plan

Search questions



Application Guidance

Feasibility section of IP

Contact FHLB Cincinnati

List of Required Documents

Implementation Plan

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AHP COMPLETED APPLICATION

DEVELOPMENT BUDGET

FEASIBILITY REPORT

APPLICATION EVALUATION

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Development Budget

Include	Do Not Include
True costs to purchase project property*	Value of donated services/materials provided by a “related party”
Construction loan fees and interest if requesting points	Volunteer labor or sweat equity
All funding sources, including sponsor and member cash contributions if requesting points	Costs unassociated with the project being proposed
Net present value of mortgages (habitat/habitat-like projects)	

*Assumed loans or acquisition costs between related parties appearing on budget must show offsetting source of funds from the Sponsor.

AHP development budget sample



AHP Development Budget -- Revised 202501 Offering

Project Number: Application ID: 250013
 Project Name: Group Home Rental
 Project County/MSA: OH - Warren County County/MSA Median Income: \$103,600.00
 Total Units/Beds: 16 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	\$240,000.00		0			No
New Permanent Debt	\$220,000.00	20	20	5.70%	\$18,459.73	Yes
OMHAS	\$750,000.00		0	0.00%		No
Sponsor Equity	\$4,000.00		0	0.00%		Yes
Donated Materials	\$1,000.00		0	0.00%		Yes
Labor Donation	\$1,000.00		0	0.00%		Yes
Total Funding Sources	\$1,216,000.00					

Project Costs		Other Explanation
Acquisition Costs	Residential Costs	
Paid Building Cost	\$0.00	
Paid Land Cost	\$25,000.00	
Donated Land Value	\$0.00	
Assumed Loans	\$0.00	
Liens and back taxes	\$0.00	
Acquisition Closing Costs	\$0.00	
Other Acquisition Costs	\$0.00	
Total Acquisition Costs	\$25,000.00	
Hard Costs		
Demolition	\$0.00	
Roads and walks	\$5,640.00	
Earth work	\$0.00	
Site Utilities	\$0.00	
Water Sewer Project	\$0.00	
Drainage	\$0.00	
Landscaping	\$5,000.00	
OffSite Improvements	\$0.00	
Construction Rehab Hard Costs	\$879,740.00	

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Housing and Community Investment

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AHP Development Budget -- Revised 202501 Offering

Furnishings Appliances	\$0.00
Builders Risk Insurance	\$8,400.00
Payment & Performance Bond	\$0.00
Builders Liability Insurance	\$0.00
Donated Professional Labor Value	\$1,000.00
Donated Materials Value	\$1,000.00
General Requirements	\$4,040.00
Construction Management Overhead	\$0.00
Contractors Profit	\$0.00
Other Construction Costs	\$0.00
Hard Cost Contingency	\$37,130.00
Total Hard Costs	\$941,950.00
Soft Costs	
Construction Loan Interest	\$20,000.00
Construction Loan Fee	\$2,500.00
Bridge Loan Fee	\$0.00
Bridge Loan Interest	\$0.00
Bond Issuance Fees	\$0.00
Permanent Loan Fees	\$2,000.00
Local permits Fees	\$10,000.00
Engineering Fees	\$0.00
Architecture Fees	\$47,550.00
Market Study	\$0.00
Survey	\$0.00
Energy Audit	\$0.00
Environmental	\$0.00
Inspection Fees	\$0.00
Accounting	\$0.00
Tax Credit Application Fee	
Tax Credit Commitment Fee	
Syndication	
Organizational	
Compliance Fee	
Appraisal	\$2,500.00
Title Recording	\$0.00
Legal	\$2,000.00

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Housing and Community Investment

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AHP Development Budget -- Revised 202501 Offering

Escrows	
Leaseup Reserve	\$0.00
Operating Reserve	\$0.00
Replacement Reserve	\$0.00
Capitalized Asset Management Fee	\$0.00
OtherReserves	\$0.00
Developer Fee	\$155,000.00
Consultant Fee	\$0.00
Organizational Overhead	\$0.00
Application PreparerFee	\$0.00
Relocation Costs	\$0.00
RealEstate Taxes	\$0.00
Rentup Marketing	\$0.00
Site Security	\$2,500.00
Soft Cost Contingency	\$5,000.00
Other Soft Costs	\$0.00
Total Soft Costs	\$249,050.00
Total Project Costs	\$1,216,000.00

Project Costs by Square Footage				
Space Type	Square Feet	Sq. Ft Percentage	Costs Based on Sq.Ft. Percentage	Cost Based on Applicant Data
Residential Space	6,839	100.00%	\$1,216,000.00	\$1,216,000.00
Non-Residential Space	0	0.00%	\$0.00	
Commercial Space	0	0.00%	\$0.00	



Operating Budget

Housing Expenses/Income	Other Expenses (Listed Separately)
Gross rents, including any subsidies for housing operations	Commercial income/expenses
Ongoing costs such as taxes, landscaping, management fees, utilities	
Hard debt principal and interest (calculated automatically from mortgage information in application)	
Annual replacement reserves	

Operating budget is not applicable to ownership projects; its rent and unit schedule is not applicable to shelter projects

AHP Feasibility Guidelines

Feasibility Report

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

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← REVISE ANSWERS

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AHP feasibility guidelines

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

Federal Tax Credit Sale Price per Dollar

Range Limit:	Minimum \$0.80
Calculated Answer:	\$0.79
Alert Message:	The project's Federal Tax Credit Sale Price per Dollar does not meet FHLB's requirement. Explain why the project will not be able to generate the required amount per dollar of tax credits and provide evidence of what investors are currently paying.
Explanation:	<div>Issue is possibly due to changes in IP.</div>
Documentation:	<div><div>UPLOAD DOCUMENT</div><div><div>AHP Group Review Notes Sheet.pdf</div><div>100% ✕</div></div><div>VIEW UPLOADED DOCUMENT</div></div>

Sample Ownership Feasibility Report



Affordable Housing Program
Feasibility Report -- Revised

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 \$200,000	\$138,941.00	
Total Soft Cost Percentage for projects not financed with equity from the sale of tax credits	Maximum 25%	18.08 %	
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%	0.00 %	
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%	12.10 %	
AHP Subsidy per Unit	Maximum \$50,000	\$20,000.00	
AHP Requested as a Percent of Total Residential Costs	Maximum 75%	14.39 %	

Sample Rental Feasibility Report

FHLB CINCINNATI Affordable Housing Program
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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FHLB CINCINNATI Affordable Housing Program
Feasibility Report

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	\$27,696.47	

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← Justify these alerts or change project's values →

AHP feasibility guidelines

Guidelines based on development budget/costs

- Hard costs per square foot (traditional ownership and rental)
- Total project cost per bed (shelter, group home, special purpose housing)
- Total hard cost per unit (owner-occupied rehab)
- Hard and soft cost contingency percentages
- Capitalized cost
- Total contractor costs
- Developer fee percentage
- AHP subsidy per unit/bed
- Total AHP subsidy requested
- Loan costs (points, fees, and rates)

AHP feasibility guidelines

Guidelines based on operating budget/costs


- Debt coverage ratio minimum
- Vacancy ratio
- Annual replacement reserves
- Net cash flow
- Operating costs per unit minimum
- Affordability

Hard Cost per Square Foot

$$\frac{\text{Total Hard Costs}}{\text{Total Square Feet}}$$

- Hard costs includes residential and non-residential costs
- Applicable to all traditional rental projects and ownership projects (excluding owner-occupied rehab projects)
- Should not exceed amount per square foot for the relevant ZIP code and unit type shown in the residential construction cost index.
- Deviations must be justified with supporting documentation.

Hard Costs Index



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Projects and Online Applications

VIEW RISE UP SUBMISSION HISTORY

Project / Application Number	Project Type	Project Name
250023	Owner	High Volume Project Test

- AHP Application Required Documents List
- AHP Financial Templates in Excel
- AHP Subsidy per Unit Calculator
- Donated Property Scoring Calculator
- Hard Costs Index**
- Income Targeting Calculator

Three Digit Zip Code	STATE	City Area	2022 Q2 to 2022 Q4 Change	APARTMENTS	CONDOMINIUMS	SINGLE FAMILY HOMES	TOWNHOMES
393	MS	MERIDIAN	3.80%	\$311.53	\$322.43	\$205.56	\$286.48
394	MS	LAUREL	3.96%	\$296.34	\$306.71	\$195.54	\$272.51
395	MS	BILOXI	3.74%	\$313.02	\$323.96	\$206.54	\$287.85
396	MS	MCCOMB	3.96%	\$289.76	\$299.89	\$191.19	\$266.46
397	MS	COLUMBUS	3.91%	\$296.78	\$307.16	\$195.82	\$272.91
398	GA	ALBANY	3.51%	\$321.49	\$332.73	\$212.13	\$295.64
399	GA	ATLANTA	4.78%	\$338.66	\$350.51	\$223.46	\$311.43
400	KY	LOUISVILLE	3.74%	\$333.90	\$345.57	\$220.31	\$307.04
401	KY	LOUISVILLE	3.74%	\$333.90	\$345.57	\$220.31	\$307.04
402	KY	LOUISVILLE	3.74%	\$333.90	\$345.57	\$220.31	\$307.04
403	KY	LEXINGTON	3.47%	\$325.17	\$336.54	\$214.55	\$299.02
404	KY	LEXINGTON	3.47%	\$325.17	\$336.54	\$214.55	\$299.02
405	KY	LEXINGTON	3.47%	\$325.17	\$336.54	\$214.55	\$299.02
406	KY	FRANKFORT	3.70%	\$330.17	\$341.72	\$217.86	\$303.62
407	KY	CORBIN	3.49%	\$312.55	\$323.48	\$206.23	\$287.42
408	KY	CORBIN	3.49%	\$312.55	\$323.48	\$206.23	\$287.42
409	KY	CORBIN	3.49%	\$312.55	\$323.48	\$206.23	\$287.42
410	KY	COVINGTON	3.25%	\$311.33	\$322.22	\$205.42	\$286.29
411	KY	ASHLAND	2.82%	\$321.88	\$333.13	\$212.38	\$295.99
412	KY	ASHLAND	2.82%	\$321.88	\$333.13	\$212.38	\$295.99
413	KY	CAMPTON	3.15%	\$313.42	\$324.38	\$206.81	\$288.22
414	KY	CAMPTON	3.15%	\$313.42	\$324.38	\$206.81	\$288.22
415	KY	PIKEVILLE	3.03%	\$321.19	\$332.42	\$211.93	\$295.36
416	KY	PIKEVILLE	3.03%	\$321.19	\$332.42	\$211.93	\$295.36
417	KY	HAZARD	3.11%	\$312.93	\$323.88	\$206.48	\$287.77
418	KY	HAZARD	3.11%	\$312.93	\$323.88	\$206.48	\$287.77
420	KY	PADUCAH	3.58%	\$312.43	\$323.36	\$206.15	\$287.31
421	KY	BOWLING GREEN	3.18%	\$318.51	\$329.64	\$210.16	\$292.89
422	KY	BOWLING GREEN	3.18%	\$318.51	\$329.64	\$210.16	\$292.89
423	KY	OWENSBORO	3.67%	\$322.08	\$333.34	\$212.52	\$296.18
424	KY	HENDERSON	3.51%	\$310.82	\$321.69	\$205.09	\$285.82
425	KY	SOMERSET	3.03%	\$308.20	\$318.97	\$203.36	\$283.41
426	KY	SOMERSET	3.03%	\$308.20	\$318.97	\$203.36	\$283.41
427	KY	ELIZABETHTOWN	3.08%	\$303.29	\$313.50	\$200.12	\$278.90
430	OH	COLUMBUS	6.36%	\$346.78	\$358.90	\$228.81	\$318.89
431	OH	COLUMBUS	6.36%	\$346.78	\$358.90	\$228.81	\$318.89
432	OH	COLUMBUS	6.36%	\$346.78	\$358.90	\$228.81	\$318.89
433	OH	MARION	5.10%	\$325.67	\$337.06	\$214.89	\$299.48
434	OH	TOLEDO	4.88%	\$347.89	\$360.05	\$229.55	\$319.91
435	OH	TOLEDO	4.88%	\$347.89	\$360.05	\$229.55	\$319.91
436	OH	TOLEDO	4.88%	\$347.89	\$360.05	\$229.55	\$319.91

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Hard Costs per Unit

$$\frac{\text{Total Hard Costs}}{\text{Total Number of Units}}$$

- Applicable to owner-occupied rehab projects
- Costs should be between \$5,500 and \$63,000
- Deviations must be justified with supporting documentation.

Total Project Cost per Bed

$$\frac{\text{Acquisition} + \text{Total Hard Costs} + \text{Total Soft Costs}}{\text{Total Number of Beds}}$$

- Applicable to shelter, group home and special purpose housing projects with beds rather than units.
- Costs should not exceed \$85,000 per bed
- Deviations must be justified with supporting documentation.

Total Soft Cost Percentage

$$\frac{\text{Total Soft Costs}}{\text{Total Project Costs}}$$

- Should not exceed 30% for tax credit projects.
- Should not exceed 25% for rental projects not receiving tax credits.
- Deviations must be justified with supporting documentation.

Hard Costs Contingency Percentage

$$\frac{\text{Hard Cost Contingency}}{\text{Total Hard Costs} - \text{Hard Costs Contingency}}$$

- No exceptions will be made
- Limits are based on project activity

<u>Project Activity</u>	<u>Maximum %</u>
◦ New Construction	10%
◦ Rehabilitation or Adaptive Reuse	15%
◦ Historic Rehabilitation	20%

Total Contractor Costs

$$\frac{\text{Construction Management} + \text{Contractor's Profit} + \text{General Requirements}}{\text{Total Hard Costs} - (\text{numerator total})}$$

- Applies to all project types
- Maximum allowed is 14%
- Does NOT include acquisition costs as a hard cost.
- No exceptions will be made

Developer Fee Percentage

$$\frac{\text{Total Developer Fee}}{(\text{Total Project Cost} - \text{Total Developer Fee})}$$

- **15 %** max for acquisition with rehab, new construction and owner-occupied rehab
- **20%** max for rentals when amount over 15% is deferred or put in the project as sponsor equity
- **5 %** max for acquisition only projects
- Acquisition costs associated with related party transfers will also be excluded from total project costs
- No exceptions will be made

“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).

Capitalized Costs

Capitalized Costs

$$\frac{(\text{Total Operating Expenses} + \text{Debt Service}) \times 12 \text{ or } 15}{}$$

- Total Operating Expenses= includes the Subtotal Operating Expenses + Annual Replacements Reserves
- Historic preservation or primarily special needs projects (not people aged 60+) are calculated based on 15 months.
- All other projects' calculation is based on 12 months
- Deviations must be justified with supporting documentation.

Capitalized Costs

- 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 Subsidy Limits

$$\frac{\text{AHP Requested}}{\text{Total Residential Costs}}$$

- \$58,000 max allowed for traditional rental units and ownership units involving new construction, acquisition, or acquisition/rehab
- \$18,000 max allowed for shelter, group homes, special purpose housing and owner-occupied rehab

Note: Points only awarded if AHP Subsidy is less than \$28,000 per unit/bed

Loan Costs

$$\frac{\text{Loan Fee}}{\text{Loan Principal}}$$

- Points and loan fees should not exceed **1%** of the principal amount of the loan
- Applicable to all loan types including permanent, construction, bridge, and predevelopment loans

Loan Rates

- Loan rates should not exceed the maximum established for each loan type
- Interest rate will be based on rate as of close of business the day before the AHP application opens, plus adjuster (application opens May 7)
- At loan closing, loan rates should not exceed the rate published by FHLB as of the day of closing plus applicable adjuster.

**Members can access published rate from Member's Only portal*

Loan Rate Table

<u>Loan Type</u>	<u>FHLB Advance Product Base Rate</u>	<u>Adjuster</u>
Permanent multi-family loans	Balloon Advance (“BPA”), 15-year term, 30-year amortization	300 bps
Construction loans (includes predevelopment loans)	One Year Variable Advance	400 bps
Bridge loans	Long Term Regular Fixed Rate Advance (“Fixed Rate Advance”)	400 bps
Permanent single-family loans	Maximum is “Assumed market rate” defined above; FHLB Advance Product does not apply	Not applicable

Operating Costs per Unit/Bed

$$\frac{\text{Subtotal of Operating Expenses}}{\text{Total Number of Units/Beds}}$$

- Operating expenses are costs associated with the normal operation and maintenance of a project (i.e. landscaping, management fees, utilities). Do **NOT** include commercial expenses.
- *NEW- Social service income and expenses can be included in the housing budget.
- Guideline only applicable to rental projects

Operating Costs per Unit/Bed

Minimum

Limits vary based on project type:

<u>Project Type</u>	<u>Range</u>
• Permanent Supportive Housing Project	\$4,600 per unit
• Traditional Rental Project	\$3,600 per unit
• Shelter, Group Home, Special Purpose Housing	\$2,800 per bed

Debt Coverage Ratio (DCR) Minimum

$$\frac{\text{Net Operating Income}}{\text{Total Annual Hard Debt Service}}$$

- The DCR must be at least 1.00 through year 15
- Only applicable to projects with permanent hard debt
- Net Operating Income = Net Income – Subtotal Operating Expenses - Annual Replacement Reserves

Net Cash Flow

Net Operating Income – Total Annual Hard Debt Service

- Should be positive through year 15 of the project
- Projects MUST be positive through year 12
- Projects with negative cash flow prior to year 12 are not eligible for AHP.

Vacancy Ratio

$$\frac{\text{Vacancy Loss}}{\text{Gross Rent} + \text{Operating Subsidy} + \text{Utility Allowance}}$$

- Ratio must be between 5% and 10% based on first year of stabilized operations
- Shelter projects may have a 0% vacancy ratio

Annual Replacement Reserves

$$\frac{\text{Annual Replacement Reserves}}{\text{Total Number of Units/Beds}}$$

- All projects must show replacement reserves
- Limits allowed are based on whether the project will produce units or beds:

<u>Project type</u>	<u>Ranges</u>
• Bed	\$150 - \$250 per bed, per year
• Unit	\$250 - \$450 per bed, per year

Affordability

- Payments for homebuyers are affordable if monthly PITI, HOA 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

AHP Resources

- Additional webinars relating to AHP application process:
 - AHP for Members
 - AHP Overview and Threshold Requirements
 - AHP Financial Feasibility
 - AHP for Recently Awarded Projects
 - OASYS System Registration & Navigation

Contact us

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