
Affordable Housing Program



Program Basics

- AHP provides grants for the acquisition, new construction, and/or rehabilitation of ownership or rental housing for very low- to moderate-income households.
- Only FHLB Members can apply for AHP grant funds on behalf of Sponsors (housing developers/providers).
- Sponsors complete the web-based AHP online application and submit electronically to Members. Members submit applications electronically to FHLB. Supporting documentation must be uploaded to the application before submission to FHLB.
- AHP is a **competitive** grant program.
- The maximum AHP grant is 75% of total project costs but no more than \$1,000,000 (25% must come from another source); the maximum grant per unit is \$50,000 or \$15,000 per bed.
- Rental housing projects must maintain income and affordability requirements for 15 years. Ownership projects, excluding owner-occupied rehab, have a 5-year retention period.
- Projects meeting feasibility and threshold requirements are scored on a 100-point system.

Key Definitions

- Unit – Residential dwelling that contains bath and kitchen facilities and a private entrance, occupied by one or more persons. Includes single-family homes, apartments, etc.
- Bed – Residential dwelling that does not contain bath and/or food preparation facilities; provides at least 80 sq.ft. of living space per person; cannot be occupied by more than one person. All shelters and some group homes provide beds and are considered rental housing.

Application Deadlines

- June 1, 2020, AHP online application opens through the OASYS system
- July 31, 2020, 5:00 P.M. EST, AHP online application submission deadline
- November 2020, award announcement

Project Threshold Requirements

- There are enough funds identified to cover all development and/or rehabilitation costs
- There is demand for the housing/project
- The project will be marketed to the target population and comply with all state and federal fair housing and accessibility laws
- All units will be occupied by households with income at or below 80% AMI **but** at least 20% of a rental project's units will be occupied by households with income at or below 50% AMI
- Housing will be affordable to the target population (residents pay no more than 30% of monthly income for rent and no more than 31% of monthly income for predetermined housing expenses such as principal, interest, taxes, interest, homeownership association dues, etc.)
- The Sponsor has the capacity to complete/manage the project and maintain required records
- The Sponsor, ownership entity, or developer of a rental project has site control (deed, purchase contract, etc.), or the Sponsor of an ownership project has an acquisition plan
- Costs are reasonable for the project type and location (must have cost estimates to apply)
- If the project will have new permanent debt (mortgage), the Member must provide the mortgage (some exceptions apply)
- The project must start within 12 months of award approval and be completed within 36 months



Financial Feasibility Requirements

- Total project costs are less than \$200,000 per unit or \$55,000 per bed
- Developer fee is no more than 15% of total project costs (with some additional limits)
- Operating expenses are less than \$5,500 per unit for non-permanent supportive housing projects, \$6,000 per unit for permanent supportive housing projects, or \$4,000 per bed
- Replacement reserves are at least \$1 but less than \$400/unit or \$200/bed annually
- Debt coverage ratio is between 1.00 and 1.50 through year 15
- For projects with no debt, the expense to income ratio is greater than 80%
- Vacancy ratio is 5-10% of rental/operating income
- Management fee is less than or equal to 10% of rental/operating income
- Capitalized costs do not exceed 12 months of operating expenses plus debt service or 15 months for certain special project types
- Net cash flow is positive for 15 years

Scoring Criteria (100 points system)

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|--------------------------------------|------|-------------------------------|------|
| □ Member participation | (5) | □ Donated property | (5) |
| □ First-time homebuyers | (5) | □ Sponsors Role | (5) |
| □ Community Involvement | (3) | □ Empowerment | (5) |
| □ Projects in OH, KY& TN | (5) | □ AHP subsidy per unit | (10) |
| □ Special needs housing | (10) | □ Income targeting | (20) |
| □ Housing in Appalachia | (3) | □ Homeless housing | (5) |
| □ Outside Funding Commitments | (4) | □ Community Stability | (10) |
| □ AHP Leveraging | (5) | | |

Characteristics of a Successful Application

- More than 85% of project units will serve households with incomes at or below 60% AMI
- Project is located in Kentucky, Ohio, or Tennessee
- AHP equals 25% of TPC or less, and other funding is committed at time of application
- AHP subsidy per unit is \$13,000 to \$17,000
- Project includes \$10,000 or more per unit in rehabilitation or energy efficient new construction

Other Important Information

- All information and funding flows through the Member
- Facilities that require licensure such as ICF or ICF/MR are not eligible
- AHP cannot be used for operating costs, non-residential costs, or services
- AHP funds are only disbursed *after* project completion

Additional Resources

- Free AHP workshops on eligibility requirements, scoring, and using the OASYS system are scheduled for the following dates/locations. Register on FHLB website, www.fhlbcin.com.
 - April 30 in Franklin, TN, May 7 in Columbus, OH, and May 14 in Lexington, KY
- Webinars on specific AHP topics are also available on the FHLB website at www.fhlbcin.com.
- Call FHLB Housing & Community Investment at 888-345-2246 for technical assistance.