



2021 Affordable Housing Program (AHP) Webinar

Agenda

- Welcome
- Changes to AHP in 2021
- Affordable Housing Program Overview
- Scoring
- Feasibility
- Key Dates and Next Steps
- Contacts

Changes to AHP in 2021

- Federal Housing Finance Agency new regulation effective Jan. 1, 2021
- Housing Needs Assessment (HNA) completed in 2020
- Substantial scoring changes as a result of HNA
- Cure-first requirements to any changes to an approved application



Affordable Housing Program Overview

FHLBank funds AHP with 10% of net income

- Competitive grants or low-cost advances
- Member and sponsor (developer) submit joint AHP application in the AHP Online system
- Up to \$750,000 per project with a \$150,000 per unit limit

\$20 million in AHP subsidy available in 2021

Member Responsibilities

- Every application must include an FHLBank Pittsburgh member
- Member responsibilities:
 - Member is the AHP applicant
 - Review application
 - Two screens with questions directed toward member
 - “Member approves” the application in the system to formally submit to FHLBank by **5 p.m. EDT on Aug. 10, 2021 (no extensions)**

Project Types	Income Requirements
<ul style="list-style-type: none"> ■ Rental ■ Lease-purchase ■ Shelters (considered rental) ■ Owner-occupied purchase ■ Owner-occupied rehabilitation 	<ul style="list-style-type: none"> ■ Families or individuals with incomes \leq 80% of adjusted AMI <p>Family of four*:</p> <p><u>Delaware</u></p> <p>\$55,200 Dover</p> <p>\$75,600 Wilmington</p> <p><u>Pennsylvania</u></p> <p>\$65,500 Allentown</p> <p>\$75,600 Philadelphia</p> <p>\$67,850 Pittsburgh</p> <p><u>West Virginia</u></p> <p>\$48,900 Charleston</p> <p>\$52,400 Wheeling</p>
Uses	<p><i>*Review current HUD income guidelines for your area.</i></p>

AHP Components

Pre-Award

- Scoring
 - Scored based on 14 categories, up to 100 points
- Feasibility
 - Application underwritten using FHLBank's feasibility

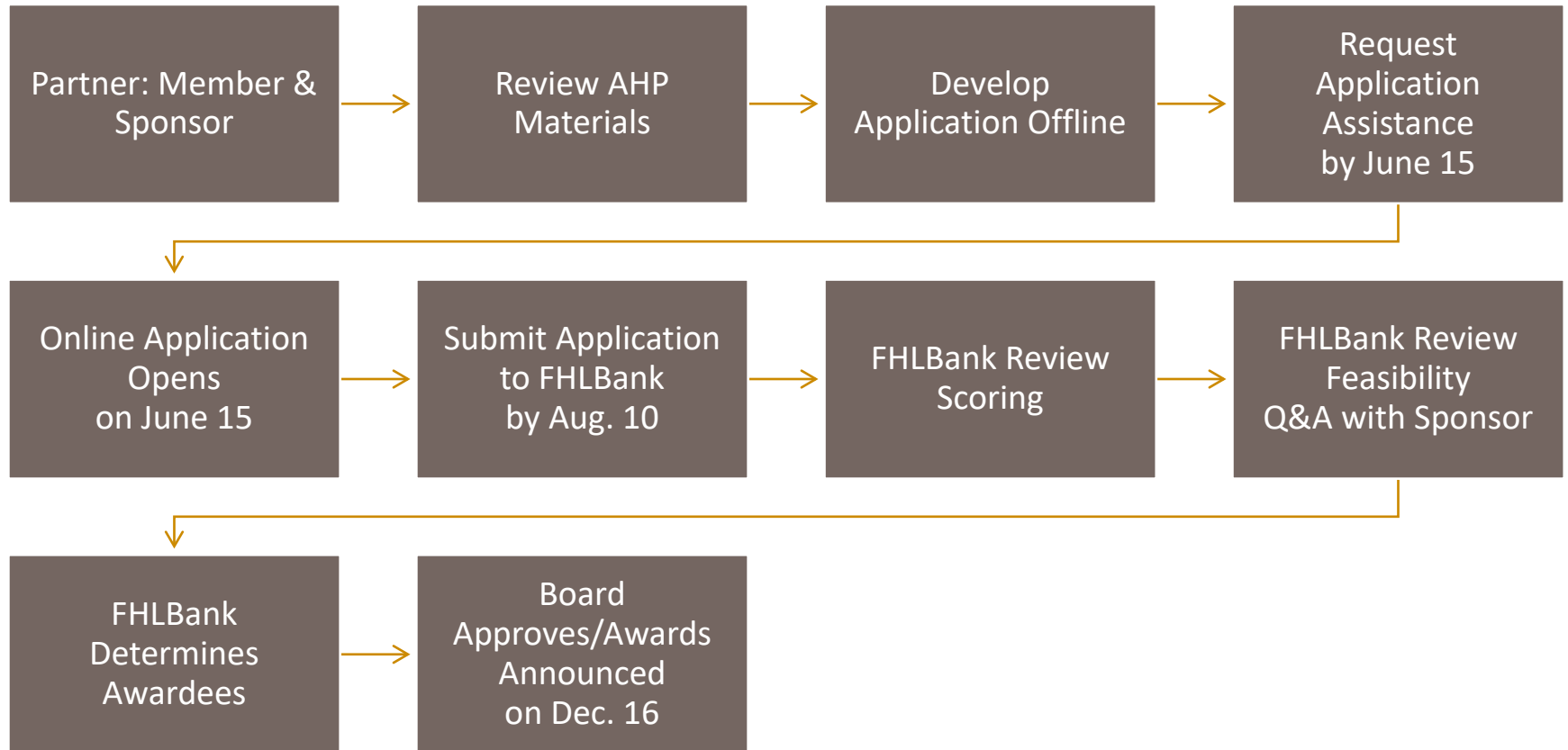
Post-Award

- Disbursement
 - AHP disbursement requests submitted after costs incurred
 - Minimum draw provisions effective May 1, 2021 for all AHP projects
 - Owner-occupied: At least 25% of AHP subsidy or AHP units in the project
 - Rental: At least 33% of AHP subsidy
- Long-term compliance and monitoring

Important Documents and Resources

- AHP Implementation Plan
- Paper guide to the AHP Online application (available in May)
- Webinars
- System guides
- AHP application guide
- AHP forms
- Application review request form
- Matching request form

Application Process





Scoring

Scoring Categories	Maximum Score	Your Score
Use of donated properties	5 fixed	
Sponsorship by nonprofit or government entity	5 fixed	
Targeting	0-20 variable	
Housing for homeless	0-8 variable	
Special needs and/or military veterans	0-8 variable	
Rural	5 fixed	
Rental housing for extremely low income	4 fixed	
Promotion of empowerment	0-10 variable	
Residential economic diversity	4 fixed	
Projects serving low-income minority areas	4 fixed	
New homeownership in low-income minority areas	6 fixed	
Community Stability	0-11 variable	
In-district (DE, PA, WV)	5 fixed	
Sustained Affordability	5 fixed	

100 points Your Total:

Scoring: FHLBank Review Process

- Highest attempted score vs. FHLBank determined score
 - Points are requested by sponsor
 - Points are maintained by FHLBank, or
 - Points are reduced by FHLBank due to: 1) technical problem with documentation or 2) not meeting the scoring priority
- Final score determined by FHLBank

Donated Property – 5 points

- If land or units were acquired as follows:
 - 20% were acquired for a sales price of \leq \$100
 - 50% were acquired at \leq 50% of fair market value
 - 20% were acquired from federal government, federal agency or instrumentality thereof

REQUIRED DOCUMENTATION:

Property Conveyance Form

(No other documentation accepted at scoring)

Sponsorship by Not-for-Profit or Government Entity – 5 points

- Integral involvement or ownership interest (rental projects only) by a qualified organization:
 - Not-for-profit
 - State or a political subdivision of a state
 - State or local housing authority
 - Native American tribe, Alaskan native village or government entity for Native Hawaiian Home Lands

REQUIRED DOCUMENTATION:

Sponsorship by Qualifying Organization Form

Supporting documentation to evidence organization type

Income Targeting – Up to 20 Points

- Reserving a certain percentage of units based on a household's AMI as defined by HUD
 - More points are awarded for projects that serve a higher percentage of low-income populations
- Point structure differs for rental and owner-occupied properties
- Score expanded to six decimal places

REQUIRED DOCUMENTATION:

None at application unless requested by FHLBank for currently occupied rental projects.

Tenant Income Workbook for currently occupied rental projects.

Income Targeting – Qualifying Households

- Owner-Occupied
 - Determined at time sponsor qualifies household for the program
- Rental (non-occupied)
 - Determined at move-in
- Rental (currently occupied)
 - Without an approved federal, state or local government funders relocation plan:
 - Determined at application for existing occupied
 - Tenant Income Workbook required
 - With an approved federal, state or local government funders relocation plan:
 - Determined at initial occupancy after completion of rehab or purchase

Serving Homeless Populations – Up to 8 Points

- Creation of housing, excluding overnight shelters that:
 - Is reserved for homeless individuals
 - Allows at least six months of occupancy
- Point value depends on percentage of units reserved for homeless households
- Must qualify as a homeless household

4 points

Reserve 20% to <50% of total units
for homeless households

8 points

Reserve \geq 50% of total units
for homeless households

REQUIRED DOCUMENTATION:

None required at application. Documentation collected at disbursement (homeownership) or monitoring (rental).

Serving Homeless Populations (Continued)

Definition of Homeless Persons

- Sleeping in places not meant for human habitation
- Sleeping in emergency shelters
- Graduating from a transitional housing program specifically for homeless persons
- Being discharged from an institution or foster care with no permanent residence available
- Would be discharged from an institution if permanent residence were available
- Victims of domestic violence
- Living in temporary housing not meant as permanent housing such as motels
- “Doubling-up” and are in a situation of overcrowding, defined as:

Unit Size	Number of People
Efficiency	3 or more
1 Bedroom	4 or more
2 Bedroom	6 or more
3 Bedroom	8 or more
4 Bedroom	10 or more

Populations with Special Needs and/or Military Veterans – Up to 8 Points

- Units reserved for persons with special needs as defined by FHLBank and/or military veterans

4 points

Reserve 20% to <50% of total units for households with special needs and/or military veteran

8 points

Reserve \geq 50% of total units for households with special needs and/or military veteran

REQUIRED DOCUMENTATION:

None required at application. Documentation collected at disbursement (homeownership) or monitoring (rental).

Populations with Special Needs and/or Military Veterans (Continued)

- FHLBank qualified households:
 - Physically and/or mentally disabled
 - Developmentally disabled
 - Recovering from domestic abuse, dating violence, sexual assault or stalking (physical abuse or emotional abuse)
 - Recovering from substance use disorder
 - Persons with HIV/AIDS
 - Elderly persons (62+ years old)
 - Formerly incarcerated persons
 - Youth aging out of foster care
 - Military veterans

Housing in Rural Areas – 5 points

- AHP projects located in rural areas defined by USDA
 - At least 75% of site addresses are located in rural areas

REQUIRED DOCUMENTATION:

Known sites: Rural Certification Form or USDA print out for each qualifying address in the project, or

Unknown sites: Sponsor Rural Certification Form

Rental Housing for Extremely Low-Income Households

– 4 Points

- Reserving at least 20% of total units for extremely low-income households (30% AMI defined by HUD)

REQUIRED DOCUMENTATION:

None required at application unless requested by FHLBank.
Documentation collected at disbursement (homeownership) or monitoring (rental).

Tenant Income Workbook for currently occupied rental projects.

Empowerment Services – Up to 10 Points

- Programs or services that empower project residents
 - Case management
 - Counseling
 - Day care services
 - Education
 - Employment training
 - Financial
 - Financial literacy/credit counseling/budgeting
 - Life skills
 - On-site primary health care services
 - Resident serving on sponsor's board
 - Sweat equity
 - Tenant council
 - Transportation
 - Youth or after-school programs
 - Pre-homeownership counseling for for-sale owner-occupied projects only (mandatory for all units)
 - Post-homeownership counseling for owner-occupied projects only (mandatory for all units)

REQUIRED DOCUMENTATION:

Empowerment Memorandum of Understanding for each service provided

Community Stability – Up to 11 Points

Consists of four subcategories:

- Community Planning – 3 points
 - At least 75% of site addresses are located in eligible plan boundaries
 - Project must also meet targeted priorities in the plan
 - Plan must be active and approved or updated after Aug. 10, 2011

REQUIRED DOCUMENTATION:

Community Planning Certification Form

Community Stability – Up to 11 Points

- Rehabilitation of Existing Properties – 3 points
 - Project must involve rehabilitation of existing structures
 - Rehabilitation units must be at least 75% of total AHP units
 - Hard rehabilitation costs must be greater than \$25,000 per rehab unit (rental and for-sale owner-occupied)
 - Any currently occupied owner-occupied rehabilitation projects are eligible for point consideration

REQUIRED DOCUMENTATION:

None at application. Determined by number of rehab units and costs associated on Financial Feasibility Workbook.

Community Stability – Up to 11 Points

- Historic Property Rehabilitation – 2 points
 - Project rehabilitates a property of historic significant as determined by the State Historic Preservation Office
 - Hard rehabilitation costs must be more than \$25,000 per unit
 - Pennsylvania projects: See guidance in AHP Guidebook for SHPO process

REQUIRED DOCUMENTATION:

Property of Historic Significance Form

Costs on the Feasibility Workbook are used to calculate the greater than \$25,000 per unit amount

Community Stability – Up to 11 Points

- Preservation of Existing Subsidized Housing – 3 points
 - Project's existing subsidized units are within two years of permitted repayment or expiration of the restricted use requirement
 - Preserved rehabilitation units must be for at least 75% of project's total units
 - Hard rehabilitation costs must be more than \$10,000 per unit

REQUIRED DOCUMENTATION:

Preservation of Existing Subsidized Housing Certification Form

Costs on the Feasibility Workbook are used to calculate the greater than \$10,000 per unit amount

Projects Serving Low-Income Minority Areas – 4 Points

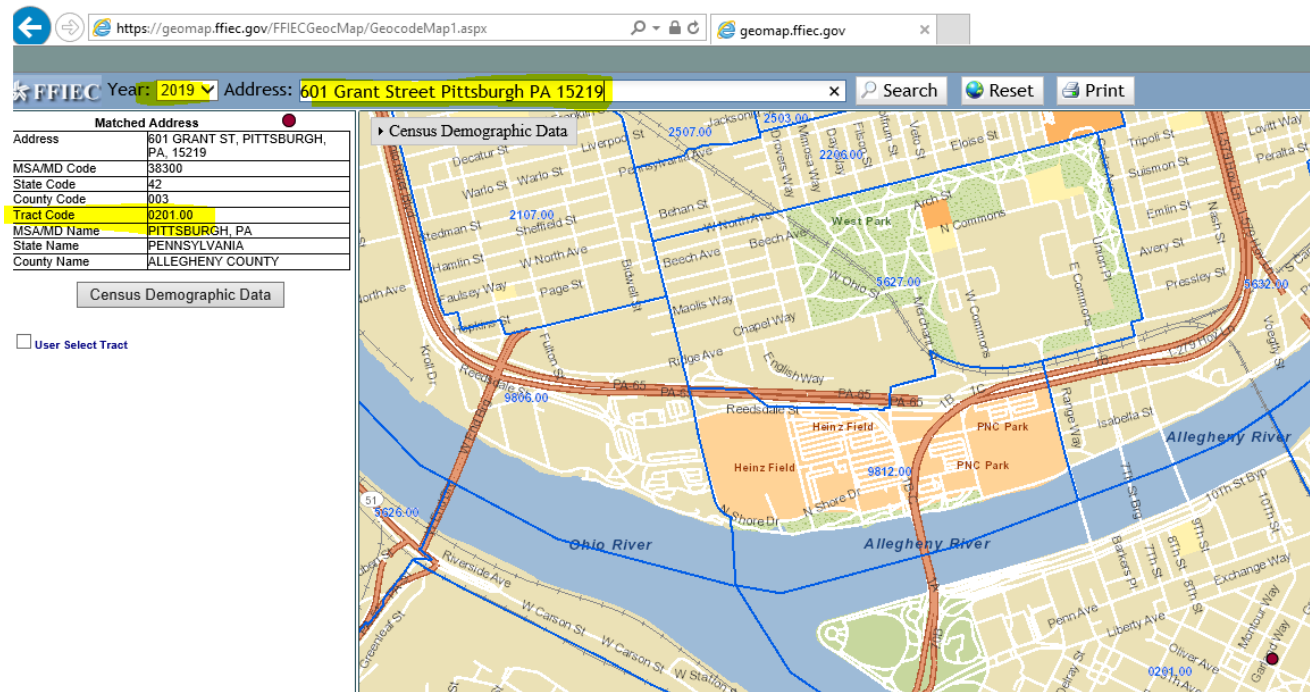
- At least 75% of properties located in census tract(s) (CT) that meet the following:
 - Low-income criteria
 - At least 51% of all households earn \leq 80% AMI
 - Minority area criteria
 - Total percentage of minority persons is at least 20 points higher than the total percentage of minority persons in the county; or
 - Has non-white population of \geq 50%
 - Community Planning criteria
 - As defined in Community Stability

List of eligible census tracts on FHLBank AHP website – Applying for AHP

This scoring category is being vetted by the Federal Housing Finance Agency and other regulators

Projects Serving Low-Income Minority Areas – 4 Points

Must
use the
year
2019



REQUIRED DOCUMENTATION:

Sites known: FFIEC print out from 2019 validating each qualifying address's census tract

Sites unknown: Sponsor Certification within AHP Online

New Homeownership in Low-Income Minority Areas – 6 Points

- Project creates new homeownership opportunities in area that qualifies for low-income minority area points
 - Owner-occupied rehabilitation not eligible

REQUIRED DOCUMENTATION:

None at application. Sponsor required to answer question related to scoring category.

Projects in FHLBank Pittsburgh's District – 5 Points

- Project with all units located in:
 - Delaware
 - Pennsylvania
 - West Virginia

REQUIRED DOCUMENTATION:

None at application. Points determined based on project's location.

Sustained Affordability – 5 Points

- For-sale owner-occupied projects with an affordability compliance period of 30 years or more that include:
 - Binding legal agreement with resale restrictions
 - Formula for equity sharing in governance documents
 - Exclusive purchase option for the community land trust or develop
 - Retention mechanism of 30 years or more
 - Sustained affordability education required of homebuyer

REQUIRED DOCUMENTATION:

Sustained Affordability Form

Residential Economic Diversity – 4 Points

- At least 75% of properties located in census tract(s) with median family income equal to or greater than 100 percent of the regional median family income published by FFIEC

REQUIRED DOCUMENTATION:

Sites known: FFIEC print out from most recent year available validating each qualifying address's census tract and median family income

Sites unknown: Sponsor Certification within AHP Online

Residential Economic Diversity – 4 Points

Must use the CURRENT year
available

FFIEC Main | Disc

FFIEC Year: 2020 Address: 601 Grant Street Pittsburgh PA 15219 Search

Matched Address

Address	601 GRANT ST, PITTSBURGH, PA, 15219
MSA/MD Code	38300
State Code	42
County Code	003
Tract Code	0201.00
MSA/MD Name	PITTSBURGH, PA
State Name	PENNSYLVANIA
County Name	ALLEGHENY COUNTY

☐ User Select Tract

Census Demographic Data

Address: 601 GRANT ST, PITTSBURGH, PA, 15219
MSA-State-County-Tract: 38300-42-003-0201.00

Census Income Population Housing

Tract Income Level	Upper
Underserved or Distressed Tract	No
2020 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$82,300
2020 Estimated Tract Median Family Income	\$168,073
2015 Tract Median Family Income	\$142,188
Tract Median Family Income %	204.22
Tract Population	4060
Tract Minority %	23.40
Tract Minority Population	950
Owner-Occupied Units	397
1- to 4- Family Units	173

Map showing Allegheny River and surrounding streets (Isabella St, 7th St, 8th St, 9th St, 10th St, Exchange Way, Montour Way, Garfield Way, Oliver Ave, 5th Ave, Forbes Ave).

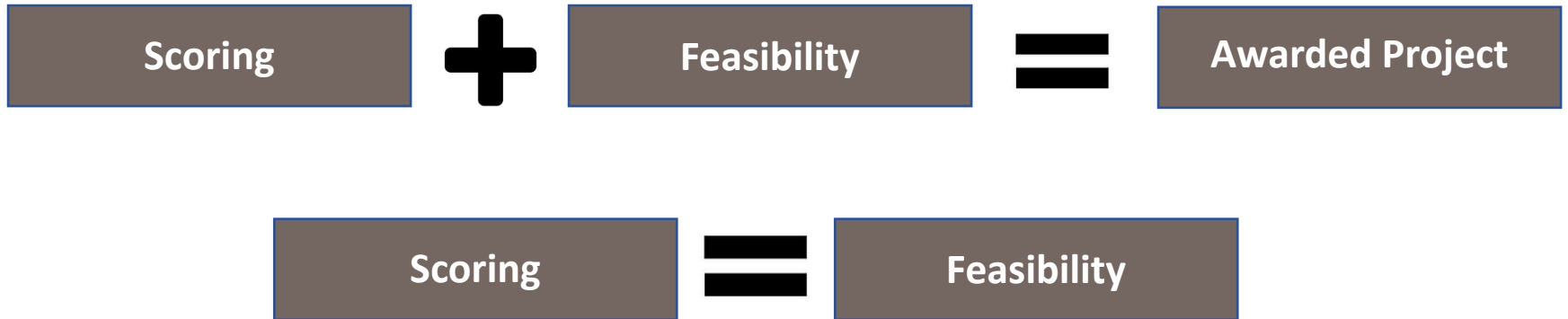
Common Scoring Issues

- Missing required forms or documentation
- Missing documentation for all site addresses
- Missing signatures
- Unclear documentation
- Unclear project costs
- Forms signed by incorrect entity
- Not meeting financial thresholds or percentages



Feasibility

Feasibility



- In 2020, **four** applications scored competitively, but did not pass feasibility. These projects **did not** receive an AHP award.
- Some applications may receive a reduction in the requested AHP subsidy
- Feasibility is just as important as scoring.

Feasibility: FHLBank Review Process

- FHLBank underwrites based on feasibility criteria by project type
- Highest-scoring projects undergo feasibility review
- FHLBank will ask for additional information and clarifications
- Sponsors have the ability to address feasibility issues
- Determinations of feasibility are at the discretion of FHLBank
- Projects must score competitively and pass feasibility to be awarded AHP commitment

Feasibility

Projects that score well must also pass FHLBank's feasibility review

- Need for subsidy and viability
- Cost reasonableness
- Readiness to proceed
- Development team capacity
- Market demand

Common Feasibility Issues

- Unexplained high construction costs
- No need for AHP subsidy requested
- Limits outside of feasibility guidelines unexplained
- Not ready to proceed
- Changing financials
- Failure to operate viably for 15 years

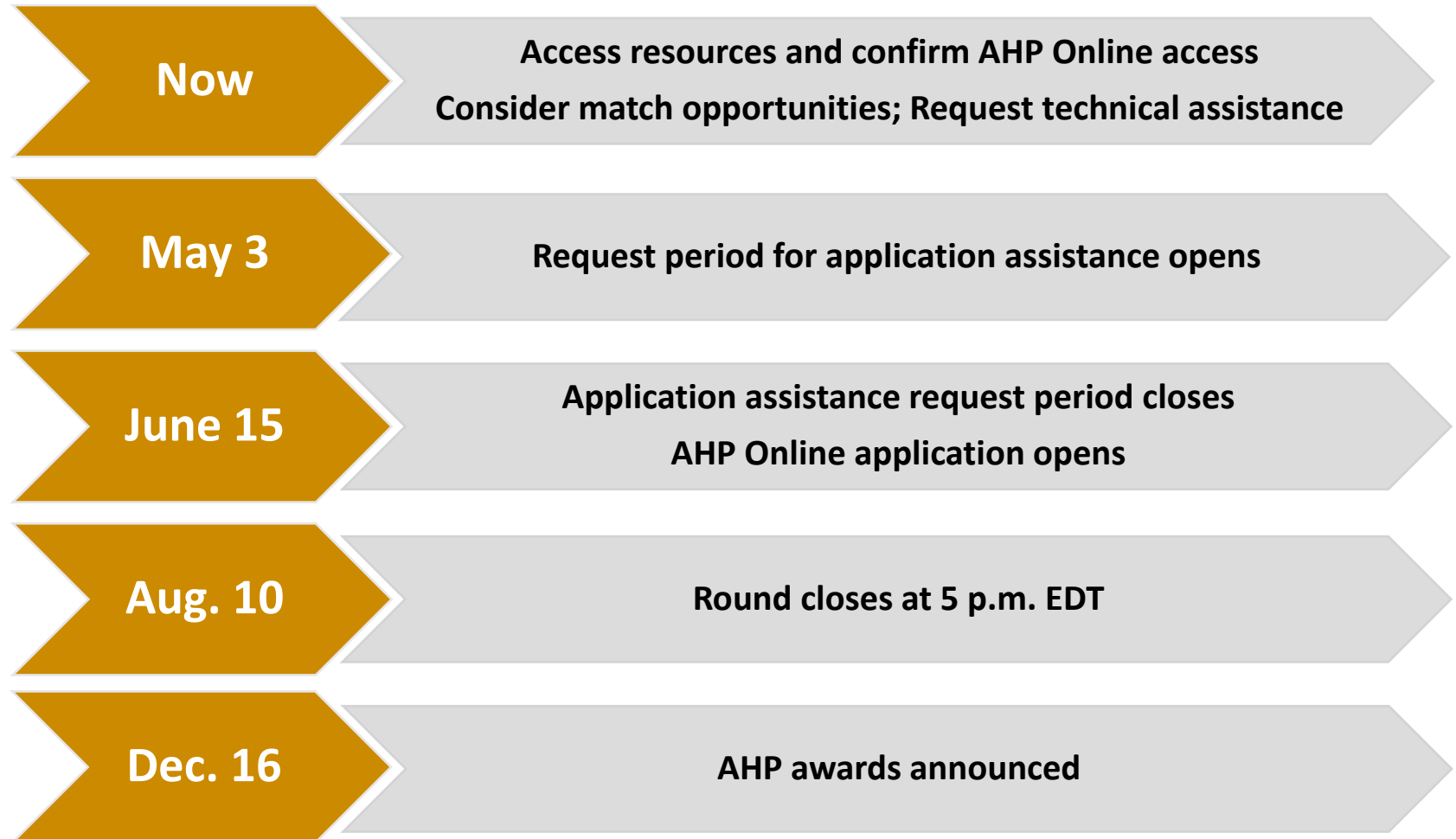
Ways to Prepare for Feasibility

- Ensure your costs are accurate and justifiable
- Have your team ready to answer questions in a timely and thorough manner
- Have your documents ready and assembled
- Run your own feasibility analysis based on the AHP Implementation Plan



Key Dates and Next Steps

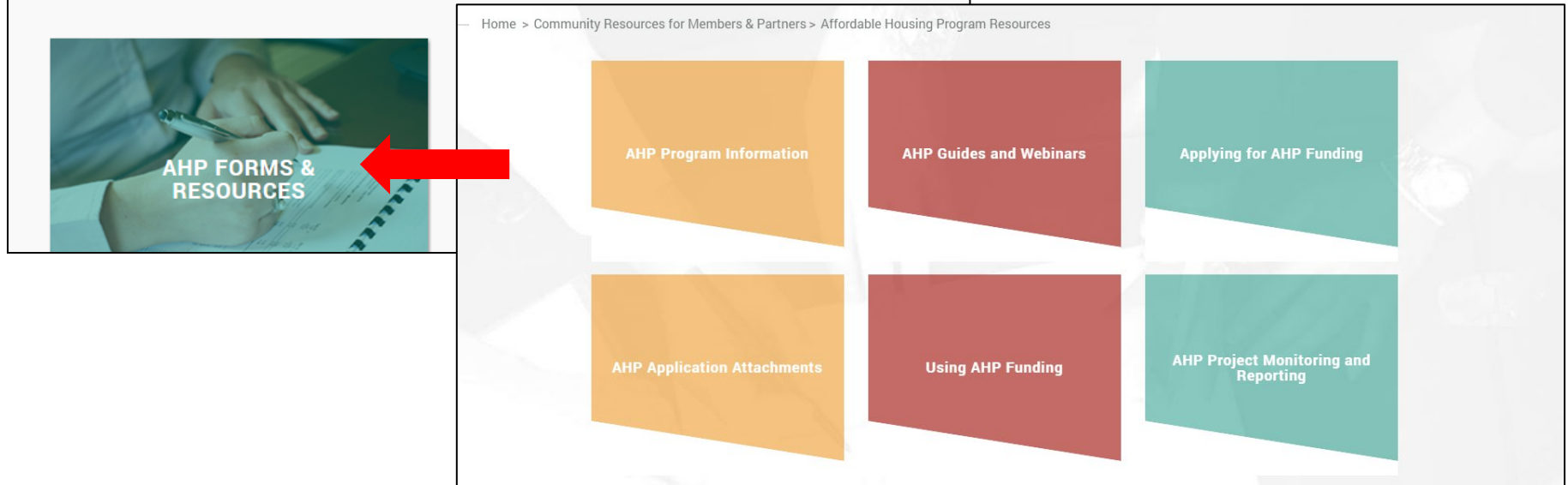
2021 AHP Key Dates



Access Forms and Resources

www.fhlb-pgh.com/ahp

AHP Forms & Resources



Next Steps

- Register and check access to AHP Online system
- Review AHP Implementation Plan
- Identify a partner and determine roles
 - Match request
- Review resources/forms/guides
- Review paper guide to the AHP Online application
- Submit for application assistance – request period closes June 15
- Get started early!
- Begin application for access to 2021 AHP Tips Webinar

Community Investment Contacts



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Questions?



Thank you for attending the FHLBank Pittsburgh 2021 AHP Webinar

A recording and the PDF slides will be made available on the
FHLBank Pittsburgh's AHP website