



Developing Small-Scale Housing and Owner-Occupied Rehabilitation Projects

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AFFORDABLE HOUSING PROGRAM (AHP)

What is AHP?

- Flexible source of subsidy for affordable housing projects
- Can be used in conjunction with a variety of financing structures either as a gap source or as a primary source
- Up to a maximum of \$650,000 in AHP subsidy per project
- Project sponsor (developer) partners with a FHLBank member to submit AHP applications for consideration

Project Types

- Rental
- Lease-purchase
- Owner-occupied purchase
- Owner-occupied rehabilitation

Uses

- New construction
- Rehabilitation
- Acquisition

Income Requirements

- Rental – at least 20% of units must be reserved for those with incomes at or below 50% area median income (AMI)
- Families or individuals with incomes at or below 80% of AMI
 - 80% AMI for family of four:
 - Harrisburg, PA: \$58,000
 - Pittsburgh, PA: \$56,950
 - Philadelphia, PA: \$64,250

Owner-Occupied Rehab/Small Scale Projects

AHP opportunities for OOR and small scale projects:

- No minimum size
- Leverage of other funding sources is encouraged, but not required
- Transparent scoring with favorable categories for owner-occupied rehab, small scale rental or homeownership projects
- Design/architectural exhibits not required
- Formal market study not required for OOR or small scale projects

Awarded Owner-Occupied Rehabilitation Projects

	No. of OOR Applications Awarded	Total Number of OOR units	Amount of AHP Subsidy Awarded to OOR Projects
2016	10	217	\$3,681,299
2015	6	63	\$857,025
2014	2	30	\$417,777
2013	3	30	\$428,117
2012	3	43	\$350,715
TOTAL	24	383	\$5,734,933

Awarded Small Scale Development Projects

	No. Small Scale Housing Projects	Total No. Small Scale Housing Project Units	Amount of AHP Subsidy Awarded to Small Scale Projects
2016	20	133	\$8,078,571
2015	21	136	\$6,705,164
2014	11	84	\$3,754,931
2013	19	125	\$5,002,234
2012	10	75	\$3,939,994
TOTAL	81	553	\$27,480,894

AHP Overview

- **Pre-award**

- Implementation Plan
- Scoring: 100 point scoring against the Bank's established priorities
- Feasibility: application is underwritten against the Bank's feasibility guidelines

- **Post-award**

- Disbursement: awarded projects request disbursements of AHP funds once costs have been incurred
- Compliance and monitoring: completed projects are subject to long-term monitoring and compliance requirements

2017 Scoring Categories

Scoring Categories	Point Allocation
Use of Donated Properties	5 (fixed)
Sponsorship by Nonprofit or Government Entity	5 (fixed)
Targeting	0-22 (variable)
Housing for the Homeless	6 (variable)
Promotion of Empowerment	0-10 (variable)

2017 Scoring Categories

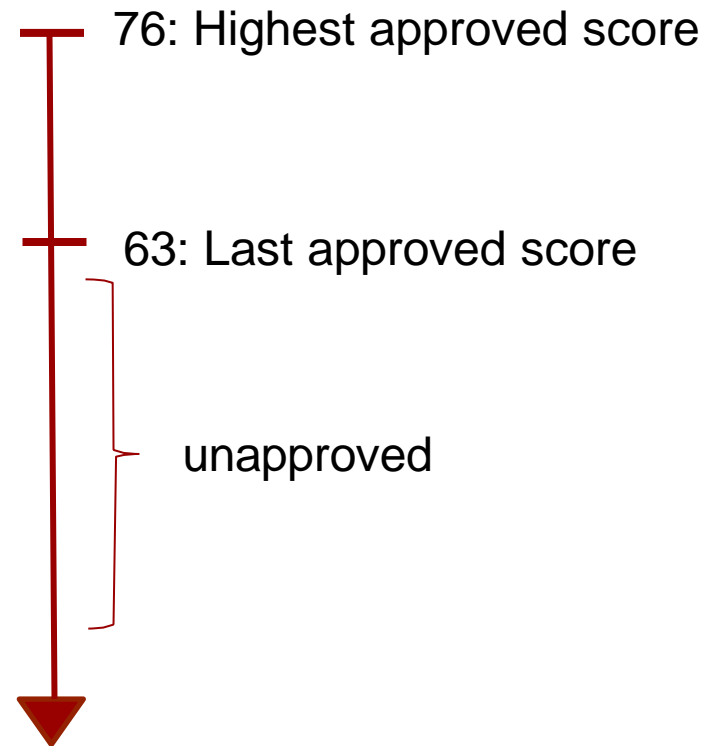
Scoring Categories	Point Allocation
Special Needs	8 (variable)
Rural	5 (fixed)
Member Financial Participation	3 (fixed)
Readiness to Proceed	8 (fixed)
Subsidy per Unit	0-8 (variable)
Community Stability	0-20 (variable)

2016 AHP Funding Round Results



Average AHP Subsidy:
Request: \$461,835

Scored Applications:



Scoring: Serving Homeless Populations

Creation of transitional housing (excluding overnight shelters) for homeless households permitting a minimum of six months occupancy

6 points

Reserve $\geq 50\%$ of total units
for homeless households

3 points

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

Scoring: Serving Homeless Populations

Definition of “Homeless”

- Persons who are sleeping in places not meant for human habitation
- Persons sleeping in emergency shelters
- Persons graduating from a transitional housing program specifically for homeless persons
- Persons being discharged from an institution or foster care with no permanent residence available
- Persons who **would be** discharged from an institution **if** they had a permanent residence available
- Victims of domestic violence
- Persons who are “doubled-up” and are in a situation of overcrowding, defined as:

<u>Unit Size</u>	<u>Number of People</u>
Efficiency	3 or more
1 Bedroom	4 or more
2 Bedrooms	6 or more
3 Bedrooms	8 or more
4 Bedrooms	10 or more

Scoring: Serving Populations with Special Needs

Creation of units reserved for persons with special needs defined as:

- Physically and/or mentally disabled
- Developmentally disabled
- Recovering from domestic abuse (physical abuse)
- Recovering from domestic abuse (emotional abuse)
- Recovering from chemical dependency
- Persons with HIV/AIDS

8 points

Reserve \geq 50% of total units for households with special needs

4 points

Reserve 20% to <50% of total units for households with special needs

Scoring: Rural

- At least 75 percent of site addresses located in rural areas
- USDA guidelines used to determine if area is rural
- Documentation required:
 - www.usda.gov: input property addresses for single-family or multifamily project types to confirm whether or not the property is designated as rural
 - Rural Designation Certification Form signed by USDA

Scoring: Owner-Occupied Rehab

10 points

75% of properties in the project must be:

- Fully/comprehensively inspected by qualified individual
- Certified that all hazardous or uninhabitable conditions are corrected at project completion
- Certified that all major systems have reasonable (5 years) remaining useful life at project completion
- Qualified individual certification must include:
 - Detailed inspection process
 - Qualifications of individual

5 points

- Property receives needed rehabilitation and/or accessibility improvements on specific components
- Project does not meet the criteria outlined under 10 points

Feasibility Review Factors

- Projects may score well but must also pass the feasibility review to be awarded an AHP commitment
- Review project feasibility guidelines in Attachment B of the AHP Implementation Plan

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

Next Steps

- ✓ Visit the AHP webpage: www.fhlb-pgh.com
- ✓ Identify a partner
 - Member/sponsor match service
- ✓ Check registration status
- ✓ Online technical assistance resources
 - AHP 101 webinar
 - Mini-webinar for Community Stability
 - Guide to Complete AHP Online Application
 - Sponsor and Member System Guide
- ✓ Request project-specific technical assistance
 - Go to AHP website, click on technical assistance link and complete TA request form
 - Submit completed form via email
 - Community Investment staff will initiate contact upon receipt of forms

AHP 2017 Timeline

\$23 million in AHP subsidy available for 2017

June 6

Round opens

July 28

Last day to request technical assistance

August
10, 5 p.m.

Round closes

December
14

AHP awards announced

FHLBank Pittsburgh Contacts

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