

# Feasibility for AHP Rental and Tax Credit Disbursements

Presented by:  
Jamie Board



# Webinar Summary

- FHLB underwrites rental and tax credit project disbursements according to the applicable AHP Disbursement Feasibility Guidelines.
- Projects **approved in 2022 and prior** are subject to the feasibility guidelines outlined in the *Disbursement Feasibility Guidelines for Projects Approved in 2022 and Prior*
- Projects **approved in 2023** are subject to the feasibility guidelines outlined in the *Disbursement Feasibility Guidelines for Projects Approved in 2023*

# Affordable Housing Program

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## HOUSING PROGRAMS

### > Affordable Housing Program

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[Disaster Reconstruction Program](#)

[Carol M. Peterson Housing Fund](#)

[Zero Interest Fund](#)

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The Affordable Housing Program (AHP) is our largest and most impactful initiative – over \$895 million awarded since 1990 to develop more than 109,000 affordable housing units. AHP can be used to fund both ownership and rental projects. Grants are awarded on a competitive basis in one offering each year. Applications are typically accepted between June and August with awards in November.

[Read more](#)

## Affordable Housing Program resources

ON WEBINARS: For the best viewing experience, webinars should be opened with Microsoft Edge or Google Chrome. The Closed Caption and Transcripts can be turned off by clicking on the Closed Caption icon at the bottom of the screen.

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[AHP Disbursement Information](#)



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# AHP Disbursement Information

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## HOUSING PROGRAMS

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All awarded AHP projects must submit disbursement requests in order to receive the grant funds. Webinars, manuals and forms have been created to assist with the disbursement process. These resources vary by project type; Owner-Occupied Rehabilitation, Habitat, Ownership, Rental or Tax Credit. Owner-Occupied Rehabilitation, Habitat and Ownership projects are subject to an eligibility review to qualify the households within the projects. This information can be found in the Pre-Approvals section. **Access relevant information for each project type in the sections below.** If you have questions, please contact the disbursement team at [AHPDisbursement@fhlbcin.com](mailto:AHPDisbursement@fhlbcin.com) or call (888) 345-2246.

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[Early Disbursements for Rental Projects](#)

# Tax Credit Projects

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## HOUSING PROGRAMS

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The information in this section is relevant to Sponsors whose projects involve the development of rental housing and will utilize equity from historic or low-income housing tax credits as a source of development funds.

### ▼ Documents and Forms

- [Tax Credit Disbursement Manual \[PDF\]](#)
- [Tax Credit Disbursement Request Form \[PDF\]](#)
- [Rental Development/Operating Budget \[EXCEL\]](#)
- [Rental Disbursement Occupancy Report \[EXCEL\]](#)
- [Rental Disbursement Feasibility Report for Projects Approved in 2022 and Prior \[EXCEL\]](#)
- [Rental Disbursement Feasibility Report for Projects Approved in 2023 \[EXCEL\]](#)
- [Disbursement Feasibility Guidelines for Projects Approved in 2022 and Prior \[PDF\]](#)
- [Disbursement Feasibility Guidelines for Projects Approved in 2023 \[PDF\]](#)
- [Retention Agreement for Rental Projects \[PDF\]](#)
- [Sponsor Commitment Verification Form \[PDF\]](#)
- [AHP Verification of Project Loan Information \[PDF\]](#)
- [HUD MTSP Median Income Limits \[PDF\]](#)
- [Modification Request Form \[PDF\]](#)

### ► Webinars and Presentations



## HUD MTSP Median Incomes Effective May 15, 2023

State USPS	County/Town Name	Adjusted Median Income 2023	Area Name
AL	Autauga County	\$75,500	Montgomery, AL MSA
AL	Baldwin County	\$98,400	Daphne-Fairhope-Foley, AL MSA
AL	Barbour County	\$65,200	Barbour County, AL
AL	Bibb County	\$90,400	Birmingham-Hoover, AL HUD Metro FMR Area
AL	Blount County	\$90,400	Birmingham-Hoover, AL HUD Metro FMR Area
AL	Bullock County	\$79,500	Bullock County, AL
AL	Butler County	\$83,200	Butler County, AL
AL	Calhoun County	\$75,200	Anniston-Oxford-Jacksonville, AL MSA
AL	Chambers County	\$65,200	Chambers County, AL
AL	Cherokee County	\$67,900	Cherokee County, AL
AL	Chilton County	\$70,900	Chilton County, AL HUD Metro FMR Area
AL	Choctaw County	\$77,400	Choctaw County, AL
AL	Clarke County	\$71,100	Clarke County, AL
AL	Clay County	\$67,300	Clay County, AL
AL	Cleburne County	\$77,100	Cleburne County, AL
AL	Coffee County	\$79,500	Coffee County, AL
AL	Colbert County	\$74,100	Florence-Muscle Shoals, AL MSA
AL	Conecuh County	\$69,100	Conecuh County, AL
AL	Coosa County	\$66,100	Coosa County, AL
AL	Covington County	\$78,200	Covington County, AL
AL	Crenshaw County	\$83,100	Crenshaw County, AL
AL	Cullman County	\$78,200	Cullman County, AL
AL	Dale County	\$71,200	Dale County, AL
AL	Dallas County	\$72,300	Dallas County, AL
AL	DeKalb County	\$68,700	DeKalb County, AL
AL	Elmore County	\$75,500	Montgomery, AL MSA
AL	Escambia County	\$65,200	Escambia County, AL
AL	Etowah County	\$69,500	Gadsden, AL MSA
AL	Fayette County	\$68,600	Fayette County, AL
AL	Franklin County	\$66,200	Franklin County, AL

MTSP 2023

MTSP 2022

# Rental Disbursement Feasibility Report

## Projects approved in 2022 and prior

GENERAL PROJECT INFORMATION		
Member(s)		
Sponsor		
Project Name		
Project Number		
<b>AHP Application</b>		
Project Purpose		
Involves Historic Rehab or (non-elderly) Special Needs?		
Permanent Supportive Housing?		Beds?
# of units / beds		
# of AHP-assisted units (at or below 80%)		
# of tax credit units		
AHP subsidy requested		
<b>DEVELOPMENT COSTS</b>		
<b>Use figures from cost certification or AHP Development Budget.</b>		
<b>Development budget</b>		
total project costs		
total hard costs	\$0.00	
total soft costs	\$0.00	
total acquisition costs		Related Party?
constr/rehab costs		
general requirements		
constr. management/contractor's overhead		
contractor's profit		
hard cost contingency		
soft cost contingency		
total residential costs		
total developer, application preparer, consultant fees, etc.		
capitalized reserves (operating, replacement, debt service, etc.)		
<b>TAX CREDIT INFORMATION</b>		
<b>Only complete this section if the project is a tax credit project. If the Actual Annual LIHTC Award is known, only complete Annual Tax Credit Award, Investor Equity, and Bridge Loan Interest sections.</b>		
<b>Tax Credits</b>		
actual annual low-income housing tax credit award	\$0.00	
investor equity	\$0.00	
bridge loan interest - if to bridge the infusion of credits	\$0.00	
Only complete the information below if tax credits are not yet awarded		
	<b>New Constr./Rehab</b>	<b>Acquisition</b>
total eligible basis	\$0.00	\$0.00
historic tax credits \$	\$0.00	
net eligible basis	0	
Does Project receive Basis Boost? (Y/N)	N	
Percent (%) of basis?	1.00	
adjusted basis	0	
applicable fraction/percent low income	0.00%	0.00%
total qualified basis	\$0	\$0
applicable tax credit % (entered as decimal)	0.0000	0.0000

## Projects approved in 2023

GENERAL PROJECT INFORMATION		
Member(s)	0	
Sponsor	0	
Project Name	0	
Project Number	0	
Project Purpose		
Involves Historic Rehab or (non-elderly) Special Needs?		
Permanent Supportive Housing?		Beds?
# of units / beds	0	Y
# of AHP-assisted units (at or below 80%)	0	
# of tax credit units	0	
AHP subsidy requested	\$0.00	
Total project square footage	0	
Hard cost per square foot limit	0	
<b>DEVELOPMENT COSTS</b>		
<b>Use figures from cost certification or AHP Development Budget.</b>		
total project costs	\$0.00	
total hard costs	\$0.00	
total soft costs	\$0.00	
total acquisition costs	\$0.00	Related Party?
constr/rehab costs	\$0.00	N
general requirements	\$0.00	
constr. management/contractor's overhead	\$0.00	
contractor's profit	\$0.00	
hard cost contingency	\$0.00	
soft cost contingency	\$0.00	
total residential costs	\$0.00	
total developer, application preparer, consultant fees, etc.	\$0.00	
capitalized reserves (operating, replacement, debt service, etc.)	\$0.00	
<b>LOAN INFORMATION</b>		
Permanent Loan Principal	\$0.00	
Permanent Loan Points and Fees	\$0.00	
Permanent Loan Rate	0.00%	
Construction Loan Principal	\$0.00	
Construction Loan Points and Fees	\$0.00	
Construction Loan Rate	0.00%	
Bridge Loan Principal	\$0.00	
Bridge Loan Points and Fees	\$0.00	
Bridge Loan Rate	0.00%	
<b>TAX CREDIT INFORMATION</b>		
<b>Only complete this section if the project is a tax credit project. If the Actual Annual LIHTC Award is known, only complete Annual Tax Credit Award, Investor Equity, and Bridge Loan Interest sections.</b>		
actual annual low-income housing tax credit award	\$0.00	
investor equity	\$0.00	
bridge loan interest - if to bridge the infusion of credits	\$0.00	
Only complete the information below if tax credits are not yet awarded		
	<b>New Constr./Rehab</b>	<b>Acquisition</b>
total eligible basis	\$0.00	\$0.00
historic tax credits \$	\$0.00	

119	FEASIBILITY REPORT				
121	Applicant	Example			
122	Sponsor	Example			
123	Project Name & Number	Example Project - 000000-0000			
124					
125	Criterion	Ranges - Limits	Project	Alert	
126	Project Cost/Unit (Total Project Cost/Units)	Guideline \$250,000 / DU \$70,000 / Bed	\$159,184.53		
128	Construction - Soft Cost (soft construction costs/total project cost)	Max. 25% - 30% of total dev. cost	30.27%	ALERT!	
129	Developer Fee (Dev. Fee &/or Overhead, Consultant, etc./TPC Net of Such Costs)	Max. 15% of TPC for Constr/Rehab OR 5% of TPC for Acq.	13.03%		
130	General Requirements & Contractor's OH & Profit (Total Fees/ Hard Construction Costs)	Max. 14%	13.98%		
131	Hard Cost Contingency (Hard Cost Contingency/Construction Costs)	Max. 10% for Constr 15% for Rehab/Adaptive Reuse 20% for Historic Rehab	0.00%		
132	Soft Cost Contingency (Soft cost contingency/total soft cost net of contingency)	Max. 10%	0.00%		
133	Capitalized Reserves Special Needs & Historic Downtown Rehab (15 mos.ds + 15 mos.oper. exp.)	Max. 15 months of OE + DS \$0.00	\$0		
135	Capitalized Reserves All other projects (12 mos.ds + 12 mos.oper. exp.)	Max. 12 months of OE + DS \$520,101.86	\$474,394		
137	Operating Cost/Unit (Operating Expense/# of units)	Max. \$4,100 / Shelter DU Max. \$5,600 / Family DU Max. \$6,100 / PSH DU	\$4,617.79		
140	Vacancy Ratio (Vacancy S/Gross Rents)	5% - 10%	7.00%		
141	Replacement Reserves (Replacement Reserves/# of units)	Max. \$400 Unit per year Max. \$200 Bed per year	\$0.00		
143	Management Fee (management expense/net rents)	Max. 10% of Net Rents	7.10%		
144	Debt Coverage Ratio (see A below)	1.50 maximum in year one and >=1.00 in year 15	1.26		
145	Operating Expense Ratio	>= 80% of net rents	93.91%		
147	Net Cash Flow Net Operating Income - Total Annual "Hard debt" Service	Must be positive through year 15	\$17,602.14		
149	LIHTC Sale Price/\$ (B)	Minimum \$.80	\$0.93		
150	*see B below)		\$0.96		
151	AHP Subsidy/Unit	Max. \$50,000 Family DU Max. \$15,000 Shelter DU	\$9,375.00		
152	Max. AHP Subsidy/Project	Lesser of \$400,000 or 75% of Total Residential Costs	6.05%		
153	A. Net Income	- Operating Expenses	= Operating Income	Rep. Res) =	NOI
154	\$553,815.00	\$369,423.00	\$184,392.00	\$22,000	\$162,392.00
155	1st mortgage P&I	+ 2nd mortgage P&I	+ 3rd mortgage P&I	= Debt Service	
156	\$128,678.86	\$0.00	\$0.00	\$128,678.86	
157	Net Operating Income	/ Debt Service	= Debt Coverage Ratio (1)	= Debt Coverage Ratio (2)	
158	\$184,392.00	\$128,678.86	1.43	1.26	
159	B. New Construction/Rehab Basis **	x Tax Credit %age (8.73%)	= Est. Annual Tax Credits	*10 = Est. LIHTC Award	
160	\$0	0.00%	\$472,091.00	\$4,720,910.00	
161	Acquisition Basis	x Tax Credit %age (3.61%)	= Est. Annual Tax Credits	*10 = Est. LIHTC Award	
162	\$0	0.00%	\$0.00	\$0.00	
163	Investor Equity-Bridge Loan Interest	/ Est. LIHTC Award	= LIHTC Sales Price/\$ (3)		
164	\$4,372,422.00	\$4,720,910.00	\$0.93		
165	Investor Equity	/ Est. LIHTC Award	= LIHTC Sales Price/\$ (4)		
166	\$4,508,761.00	\$4,720,910.00	\$0.96		
167	(3) LIHTC Price without Bridge Loan Interest				
168	(4) LIHTC Price with Bridge Loan Interest				
169	**Bridge loan interest is often deducted from Investor Equity prior to calculating Est. Annual Tax Credits.				
170					
171					

Instructions    Input- Rental Feasibility    **Output- Rental Feasibility**





# Justifying Feasibility Exceptions

- A project's values must fall within the range or limit of all FHLB feasibility parameters.
- Justify why FHLB should provide AHP funds to the project with values outside the guidelines.
- Exceptions to feasibility guidelines approved by at AHP award or modification are carried forward to disbursement.

# Feasibility Report

Report Type: Rental

Project Number:

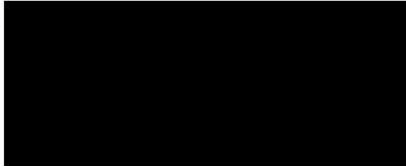
Application ID:

Project Name:

Sponsor:

Member:

Date / Time:



Feasibility Parameter	Required Range Limit	Project Value	Alert
Debt Coverage Ratio (minimum value) for projects with permanent debt	1.00 minimum in Years 1 - 15	1.10	
Debt Coverage Ratio (maximum value) for projects with permanent debt	1.50 maximum in Years 1 - 15	1.62	The project's Debt Coverage Ratio is projected to exceed FHLB's maximum for at least one year of project operations. Explain and document why the project needs AHP subsidy when it could take on additional debt to cover development costs.
Affordability	Must be less than or equal to 30%	23.26 %	
Vacancy Ratio in Year 1 for traditional projects	Must be between 5% and 10% in year one	6.99 %	
Capitalized Costs for all projects besides those serving primarily populations with special needs or historic rehabilitation projects	Maximum 12 months of Total Operating Expenses and Total Annual Hard Debt Service, which is \$362,794.61	\$180,573.00	
Annual Replacement Reserve for traditional units	Must be between \$250 and \$450 per "Unit" per year	\$350.00	
Operating Cost per Unit (Non-permanent supportive housing)	Must be between \$3,000 and \$6,000 per "Unit"	\$6,104.98	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 or so low and provide evidence of the amount of historical operating costs projects of this type in this area typically incur.
Management Fee Percentage	Maximum 10%	7.00 %	
Federal Tax Credit Sale Price per Dollar	Minimum \$0.80	\$0.86	

# Sources and Uses

- The cost certification or AHP Development Budget must categorize all project expenses and may not include costs not yet expended.
- The funding source listing must breakout all of the project's permanent funding sources by amount.
- The total of all development costs and the sum of all permanent funding sources must be equal.
- AHP will only cover the gap between the total eligible project costs and the sum of all funding sources besides AHP.

# Financial Calculations

## AHP Development Budget or Cost Certification

**Total Project Cost** = Total Acquisition Costs + Total Hard Costs + Total Soft Costs (including Developer Fee)

**Total Residential Costs** = Residential Space Costs Based on Sq.Ft. Percentage or Residential Space Costs Based on Applicant Data (as applicable) as shown on AHP Development Budget

**Total Development Cost** = (Total Acquisition Costs + Total Hard Costs + Total Soft Costs) – Total Developer Fee (including any Consultant Fees, Application Preparer Fees, and Similar Costs)

**Total Developer Fee** = Developer Fee and Developer Overhead + Consultant Fee + Application Preparer Fees and Similar Costs

**Developer Fee Percentage** = Total Developer Fee / Total Development Cost

**Total Contractor Costs** = (Construction Management/Overhead + Contractor's Profit + General Requirements) / (Total Hard Costs – Construction Management/Overhead – Contractor's Profit – General Requirements)

# Financial Calculations cont.

***Total Hard Costs per Unit*** = Total Hard Costs / Total Number of Units or Beds

Hard Cost Contingency Percentage = Hard Cost Contingency / (Total Hard Costs – Hard Cost Contingency)

***Total Soft Cost Percentage*** = Total Soft Costs / Total Project Costs

***Soft Cost Contingency Percentage*** = Soft Cost Contingency / (Total Soft Costs – Soft Cost Contingency)

## ***Capitalized Costs***

*Historic Preservation or Primarily Special Needs Projects (not people aged 60+)*

***Maximum Total Reserves*** = (Subtotal Operating Expenses + Annual Replacement Reserves + Total Annual “Hard Debt” Service) / 12 \* 15 ≥ Total “Capitalized Costs”

*All Projects (except special needs and historic rehab projects)* ***Maximum Total Reserves*** = (Subtotal Operating Expenses + Annual Replacement Reserves + Total Annual “Hard Debt” Service) / 12 \* 12 ≥ Total “Capitalized Costs”

# Financial Calculations

## AHP Operating Budget

**Net Income** = (Gross Annual Rental Income + Project-based Operating Subsidy + Utility Allowance + Interest Income + Landry, Parking, etc. + Other Income) – Vacancy Loss

**Net Cash Flow** = Net Operating Income – Total Annual “Hard Debt”

**Net Operating Income** = Net Income – Subtotal Operating Expenses - Annual Replacement Reserves

**Vacancy Ratio** = Vacancy Loss / (Gross Annual Rental Income + Operating Subsidy + Utility Allowance)

**Management Fee Percentage** = Management Fee / Net Income

**Debt Coverage Ratio** = Net Operating Income / Total Annual “Hard Debt” Service Expense to Income Ratio = Total Operating Expenses / Net Income

**Operating Cost per Unit** = Subtotal Operating Expenses / Total Number of Units or Bed

# Total Project Cost per Unit

\*projects approved in 2022 and prior

$$\frac{\text{Total Project Cost}}{\text{Total Number of Units or Beds}}$$

- Cannot exceed \$250,00 per traditional unit.
- Cannot exceed \$70,000 per bed for special purpose housing/group homes/shelters.
- Major costs increases from the approved AHP application require approval by FHLB.

# Hard Cost per Square Foot

\*projects approved in 2023

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

- Cannot exceed amount per square foot for the relevant ZIP code and unit type shown in the residential construction cost index.
- Construction cost index is a tab within the Rental Feasibility Report
- Shelter/Special Purpose Housing/ Group Home projects are still subject to Total Project Cost per Bed
  - \$80,000 per bed for 2023 projects



# Total Soft Cost Percentage

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

- Should not be more than 30% for tax credit projects.
- Should not be more than 25% for rental projects not receiving tax credits.
- Explain and justify if project soft costs exceed parameter.

# Total Contractor Costs

$$\frac{\text{(General Requirements + Construction Mgmt/Overhead + Contractor's Profit)}}{\text{Total Hard Costs - (General Requirements + Construction Mgmt/Overhead + Contractor's Profit)}}$$

- Maximum 14%.
- Does NOT include acquisition costs as a hard cost.
- FHLB does not make exceptions for this feasibility parameter; a violation results in an AHP grant reduction.

# Developer Fee Percentage

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

- “Developer Fee”= developer fee + organizational overhead + consultant fee + application preparer fee
- Maximum is 5% for acquisition-only projects.
- Maximum is 15% for new construction/rehabilitation
- Maximum is 20% if owner equity/deferred developer fee exists to cover the amount above 15%.
- Acquisition costs are removed from the Total Project Cost if they do not represent costs paid to a third party.

# AHP Subsidy per Unit

$$\frac{\text{Total AHP Subsidy Requested}}{\text{Number of AHP-assisted Units or Beds}}$$

## Projects Approved in 2022 and prior

- Cannot exceed \$50,000 for traditional rental projects.
- Cannot exceed \$15,000 for group home/special purpose housing/shelter beds.

## Projects approved in 2023

- Cannot exceed \$55,000 for traditional rental projects.
- Cannot exceed \$16,000 for group home/special purpose housing/shelter beds.

If the number of units in the project has changed, submit an AHP Modification Request Form, available at [www.fhlbcin.com](http://www.fhlbcin.com).

# Capitalized Costs

$$\frac{\text{Capitalized Costs}}{(\text{Total Operating Expenses} + \text{Debt Service})}$$

- “Capitalized Costs”= lease-up reserves, operating reserves, replacement reserves, asset management fees, and any other costs generally considered operating expenses but shown on the AHP Development Budget
- Cannot exceed 12 months of operating expenses plus debt service payments unless involves historic rehab or reserve at least 85% of units for households with special needs, then 15 months of costs as reserves is permissible.
- FHLB does not make exceptions.

# Operating Cost per Unit

**Subtotal Operating Expenses\***  

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**Total Number of Units or Beds**

## **Projects Approved in 2022 and prior**

- Traditional rental units
  - Min: N/A
  - Max: \$5,600
- Permanent supportive housing
  - Min: N/A
  - Max: \$6,100
- “Shelter,” “Group home,” or “Special purpose housing” beds
  - Min: N/A
  - Max: \$4,1000

## **Projects approved in 2023**

- Traditional rental units
  - Min: \$3,000
  - Max: \$6,000
- Permanent supportive housing
  - Min: \$3,600
  - Max: \$6,600
- “Shelter,” “Group home,” or “Special purpose housing” beds
  - Min: \$2,500
  - Max: \$4,500

# Annual Replacement Reserves

## Annual Replacement Reserves Total Number of Units or Beds

### Projects Approved in 2022 and prior

- Traditional rental units
  - Min: \$1
  - Max: \$400
- “Shelter,” “Group home,” or “Special purpose housing” beds
  - Min: 1
  - Max: \$200

### Projects approved in 2023

- Traditional rental units
  - Min: \$250
  - Max: \$450
- “Shelter,” “Group home,” or “Special purpose housing” beds
  - Min: \$150
  - Max: \$250

# Vacancy Ratio

$$\frac{\text{Annual Vacancy Loss}}{(\text{Gross Residential Rents} + \text{Subsidies})}$$

- Must be between 5% and 10% for traditional projects.
- Can be between 0% and 10% for “Shelter,” “Group home,” or “Special purpose housing” projects.



# Management Fee Percentage

$$\frac{\text{Management Fee}}{\text{Net Income}}$$

- Cannot exceed 10% of net income.
- Must match the management fee identified in the project's partnership or operating agreement.

# Debt Coverage Ratio

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

- Must be between 1.00 and 1.50 through Year 15
- Only applies to projects with permanent hard debt.
- Exceptions may be made solely at FHLB's discretion and require justification.

# Expense to Income Ratio

$$\frac{\text{Total Operating Expenses}}{\text{Net Income}}$$

- Must be at least 80%.
- Only applies to projects without permanent hard debt
- If less than 80%, the project can afford to support debt, and FHLB may make adjustments to the AHP grant

# Net Cash Flow

Net Operating Income - Total Annual Hard Debt Service

- Must be positive in all 15 years of operations.
- If Net Cash Flow will be negative in years 12 and later, project must demonstrate that sufficient reserves will be available to cover the shortfall.

# Rent Affordability

$$\frac{(\text{Monthly Contract Rent Amount} * 12)}{\text{Annual Area Median Income}}$$

- Use the move-in year's MTSP limits posted on FHLB website.
- Assume one occupant per single-room occupancy (SRO) or efficiency unit and 1.5 persons per bedroom for all units with one bedroom or more.
- Contract rent must be less than 30% of AMI.

# Tax Credit Sale Price per Dollar

For Low-Income Housing Tax Credits:

$$\frac{\text{Total Equity Investment}}{(\text{Annual Tax Credit Award} * 10)}$$

- Must be at least \$0.80.
- If sale price is below limit, provide evidence of market conditions at the time of the project's closing.

# Loan Costs (Points and Fees)

\*for projects approved in 2023 only

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

- Points and fees should not exceed 1% of loan principal
- Applicable to Permanent, Construction, and Bridge loans
- Loan information captured on the new AHP Verification of Project Loan Information form.

# Loan Costs (Rates)

\*for projects approved in 2023 only

<b>Loan Type</b>	<b>FHLB Advance Product Base Rate</b>	<b>Adjuster</b>
Permanent multi-family loans	Balloon Advance (“BPA”), 15-year term, 30-year amortization	300 bps
Construction loans	One Year Variable Advance	600 bps
Bridge loans	Long Term Regular Fixed Rate Advance (“Fixed Rate Advance”)	600 bps
Permanent single-family loans	Maximum is “Assumed market rate” defined above; FHLB Advance Product does not apply	Not applicable

- Applicable to Permanent, Construction, and Bridge loans



# Reminders

- Be sure to assess the project's financials before submitting documentation to FHLB and provide justification for any project values outside of FHLB's ranges or limits.
- FHLB will not accept revised financial documentation once it has been submitted without back-up documentation.
- Request a formal modification to the project if it changes materially from what was submitted in the approved AHP application.

# HCI resources

- Access resources on [www.fhlbcin.com](http://www.fhlbcin.com) by clicking through the following links:
  - “Housing Programs” (in the header or middle of the screen), then
  - “Affordable Housing Program” (on the left)
- Contact the FHLB staff if you have specific questions that are not answered in the materials available on the website.

# HCI staff

## Name

## Phone

## E-mail Address

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# Let's celebrate together!

We encourage all FHLB Members and housing sponsors to notify us of plans to celebrate or recognize any FHLB-funded housing or community investment project. FHLB is often available to participate and to offer public relations assistance for community events such as ribbon cuttings, groundbreaking, and dedications.

**Please contact Marketing/Public Affairs,  
toll-free, at (877) 925-FHLB(3452).**



Thank You

