



Utilizing Affordable House Program (“AHP”) subsidies to supplement financing for low-income housing tax credit projects



Affordable Housing Program ▶ AHP

- ◆ Funded out of FHLB-NY annual net income – private subsidies that are not funded out of the federal budget or taxpayer dollars
- ◆ AHP application deadlines – April 1st and October 1st
- ◆ Applications must be submitted by a member bank
- ◆ Subsidy limits: the lesser of \$20,000 per unit or 10% of the available offering (i.e., \$1,906,172)

Project Scoring

- ◆ Nine scoring categories worth a total of 100 points
 1. Donated Properties
 2. Sponsorship by Non-Profit or Government Entity
 3. Targeting
 4. Homeless Housing
 5. Empowerment
 6. Community Stability
 7. First District Priority: Economic Diversity and Community Strategies
 8. Second District Priority: Moderate-Income Rental Housing
 9. AHP Subsidy per Unit

- ◆ Project does not have to qualify for every category

2008 Scoring Change Highlights

- ◆ Community Stability – added a scoring preference for projects with historic tax credits
- ◆ First District Priority – includes a scoring preference for projects that meet community development strategies
- ◆ Second District Priority – affordable rental housing for moderate-income level households. Points based on targets; rent structure; and absence of rent subsidies
- ◆ Point value reduced in AHP Subsidy per Unit category

Preserving Eligible Basis

- ◆ AHP subsidy is disbursed by the member bank to the Not-for-Profit entity or General Partner (“GP”) as a grant
- ◆ GP “lends” the AHP subsidy to the project’s Limited Partnership (“LP”) *or* provides the AHP subsidy to the project as a capital contribution
- ◆ GP executes AHP promissory note with member bank
- ◆ LP executes subordinate mortgage agreement (along with an AHP mortgage rider) with GP
- ◆ GP’s subordinate AHP mortgage is assigned back to member bank



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