



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 20th and September 18th
- ◆ 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., \$1,565,765)

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

2009 Scoring Change Highlights

- ◆ First District Priority – the community development component provides 2.5 points for projects that are consistent with a current consolidated plan or similar strategy approved by a unit of state or local government showing that the Project will meet housing needs documented in the plan or strategy along with evidence that such plan or strategy has been formally adopted
- ◆ Projects can receive an additional 2.5 points if they are specifically mentioned in the plan

How Are The Funds Requested?

- ◆ Once the partnership owns the site, has permits and all funding source documents have been executed, AHP subsidy may be requested
- ◆ The drawdown request package for rental projects is available in the “Community” section of the FHLB-NY’s website.
- ◆ The sponsor assembles all required documentation and submits it along with the Funding Application form signed by the sponsor to the member for signature and submission to the FHLB-NY.

How Are The Funds Disbursed?

- ◆ Typically, there will be questions to clarify information submitted with the drawdown package
- ◆ The FHLB-NY must confirm the continued need for AHP subsidy
- ◆ Once all outstanding issues are resolved, the funds are electronically credited to the members Demand Deposit Account
- ◆ The member credits the sponsor's account or issues a check for the AHP grant funds

How Are the Fund's Secured?

- ◆ The Sponsor “lends” the AHP subsidy to the Limited Partnership (“LP”) *or* provides the AHP subsidy to the project as a capital contribution
- ◆ The Sponsor executes AHP promissory note with member bank
- ◆ LP executes subordinate mortgage agreement (along with an AHP mortgage rider) and note with the sponsor
- ◆ The sponsor’s subordinate AHP mortgage is assigned back to member bank



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(Click on the "Community" link)