

# New Sponsors Training Webinar

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**2017 Affordable Housing Competitive Program**  
Federal Home Loan Bank of Atlanta

October 25, 2016



# GoToWebinar Instructions

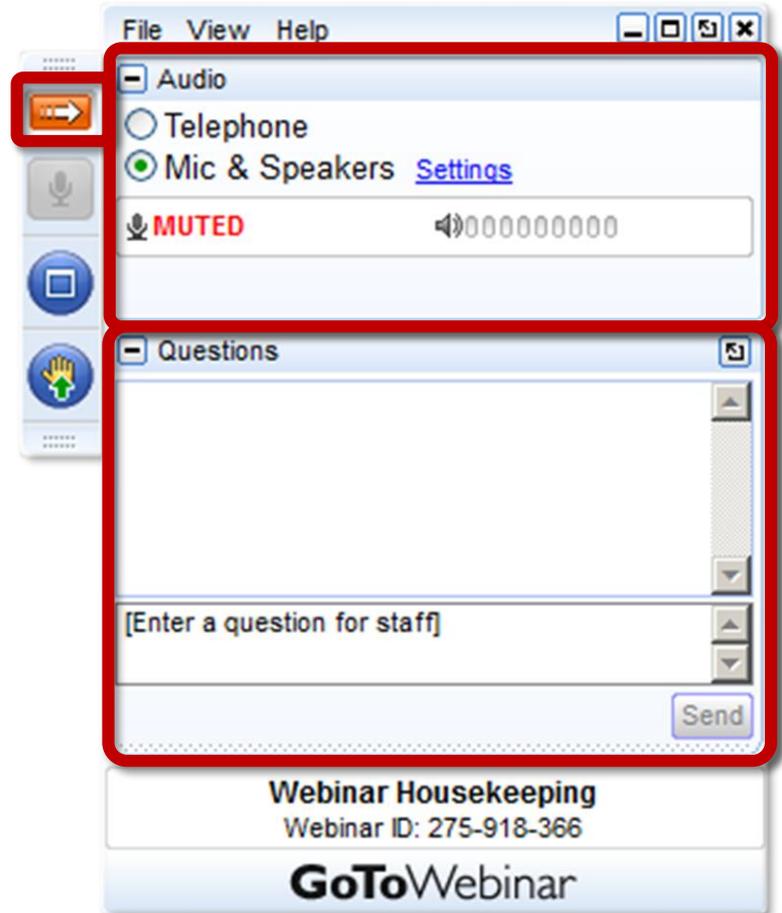
## Your Participation

### Control Panel

Use the **red** arrow to open and close the control panel

### Join audio:

- Choose **Telephone** and dial using the information provided, or
- Choose **Mic & Speakers** to use VoIP
- Use the **Questions** panel to submit questions and comments at any time during the presentation
- Please **Raise your hand** to be unmuted for verbal questions during the Q&A sessions



# Objectives

## What is the AHP Competitive?

- Real Estate Equity
- What Makes AHP Different Than Other Sources of Funds?
- Uses of AHP Funds
- Getting Started

## Why Apply for AHP funds?

- Member
- Sponsor

## How Does the AHP Competitive Work?

- Schedule
- Process Flow

## Application Criteria

- Threshold
- Scoring
- Underwriting

## Online Application

- Registration
- Components

## Risk Management

## Questions?

# What is the AHP Competitive Program?



# What is the AHP Competitive Program?

## Real Estate Equity for Rental or Ownership Development

- Each year we commit 10 percent of our annual net income to developing affordable housing
- Flexible source of funding designed to help FHLBank Atlanta member financial institutions and their community partners develop affordable owner-occupied and rental housing for very-low-income to moderate-income families and individuals
- Reduces rental project debt service which thereby permits a reduction in project rents to enable affordability
- Projects can be located anywhere in the US, but the bank must be a member of FHLBank Atlanta

# FHLBank Atlanta AHP Scale and Impact



## **\$714.6 Million**

*competitive funds awarded to create over 113,158 rental and homeownership opportunities for moderate-, low- and very low-income households since 1990.*

AHP Competitive Leverage Ratio – 1:14

## **\$171.8 Million**

*funded through AHP Set-aside products and supporting more than 25,500 units since 1997.*  
AHP Set-aside Purchase Leverage Ratio – 1:20

## **\$7.6 Billion**

*low-cost CICA advances supporting community economic initiatives and affordable housing development.*

\*As of 12/31/15

# What is the AHP Competitive Program?

## What makes AHP different than other sources of funds?

- Equity-like funding
  - Maximum direct subsidy of \$500,000 per project
- No interest accrues
- No expectation of repayment if the project remains in compliance
- Secured with a note and security instrument to ensure compliance through the affordability period
  - 5 years for ownership
  - 15 years for rental
- Maximum 80 percent of AMI for AHP units
- Subsidized advances are also available (discounted rate loan)

# What is the AHP Competitive Program?



**Accessible Space, Inc.**  
**Anderson-Fischer Apartments**  
\$95,000 AHP Subsidy  
20 Rental Units for Supportive Housing



**Edgewood Terrace**  
**Washington, DC**  
AHP : \$1,200,000 (subsidy and loan)  
292 Supportive Housing Units

## Uses of AHP Funds

### Rental

- Types
  - Low-income Housing Tax Credit (LIHTC)
  - Non-LIHTC multi-family
  - Mixed-use
  - Supportive housing (Non-income producing rental)
- Use of Funds
  - Acquisition
  - New construction and/or rehabilitation
  - Development soft costs

### Ownership

- Use of Funds
  - Down payment assistance
  - Owner occupied rehabilitation

# What is the AHP Competitive Program?

## Getting Started



All applications include a member. Members are the financial institutions that are part of the Federal Home Loan Bank of Atlanta. We can assist you in finding a member.



Sponsors are housing developers, public entities, contractors, community builders, and other organizations engaged in housing construction, rehabilitation, and development of affordable rental or owner-occupied housing.

*Organizations or individuals that have received FHLBank Atlanta sponsorships or charitable contributions within the past 12 months are not eligible to receive AHP funds*



Sponsors drive the application process and submit applications to the member through FHLBAccess. Members review and approve applications.

# Why Do Members Participate?

## Business Value

- Enable members' extension of credit
- Enable members' lending on difficult to finance transaction
- Could enhance local positive branding of member
- Value proposition for members to attract new relationships with developers
- Offer to members as a direct value proposition to establish public unit relationships
  - Local governments
- Use to connect with nonprofit and for-profit developers doing business in members' markets

# Why Do Members Participate?

## Compliance Value

- Reduce member's loan risk in transaction
- Enable members' extension of credit
  - CRA-eligible Lending Opportunity
- Member sponsored the AHP Competitive application for the direct subsidy
  - CRA-eligible Service Opportunity
- Tenants in project are all at 80 percent or below of area median income

# Why Would a Sponsor Want to Apply?



- Provides equity-like funding for affordable housing projects
- Compatible with public and private debt and equity
- Provides funds for difficult to develop or critical need projects
- It stimulates real estate activity and economic development

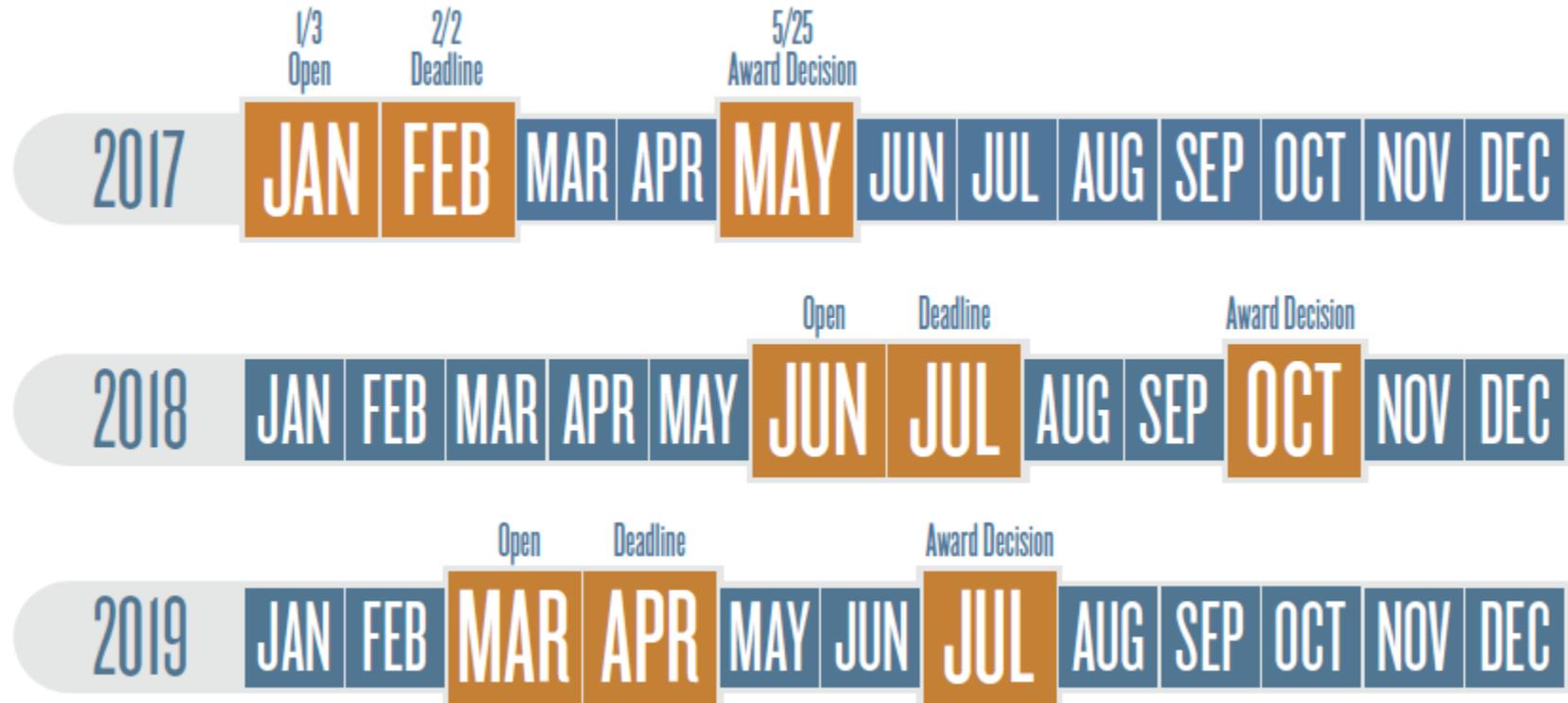
# How Does AHP Work?

AFFORDABLE HOUSING

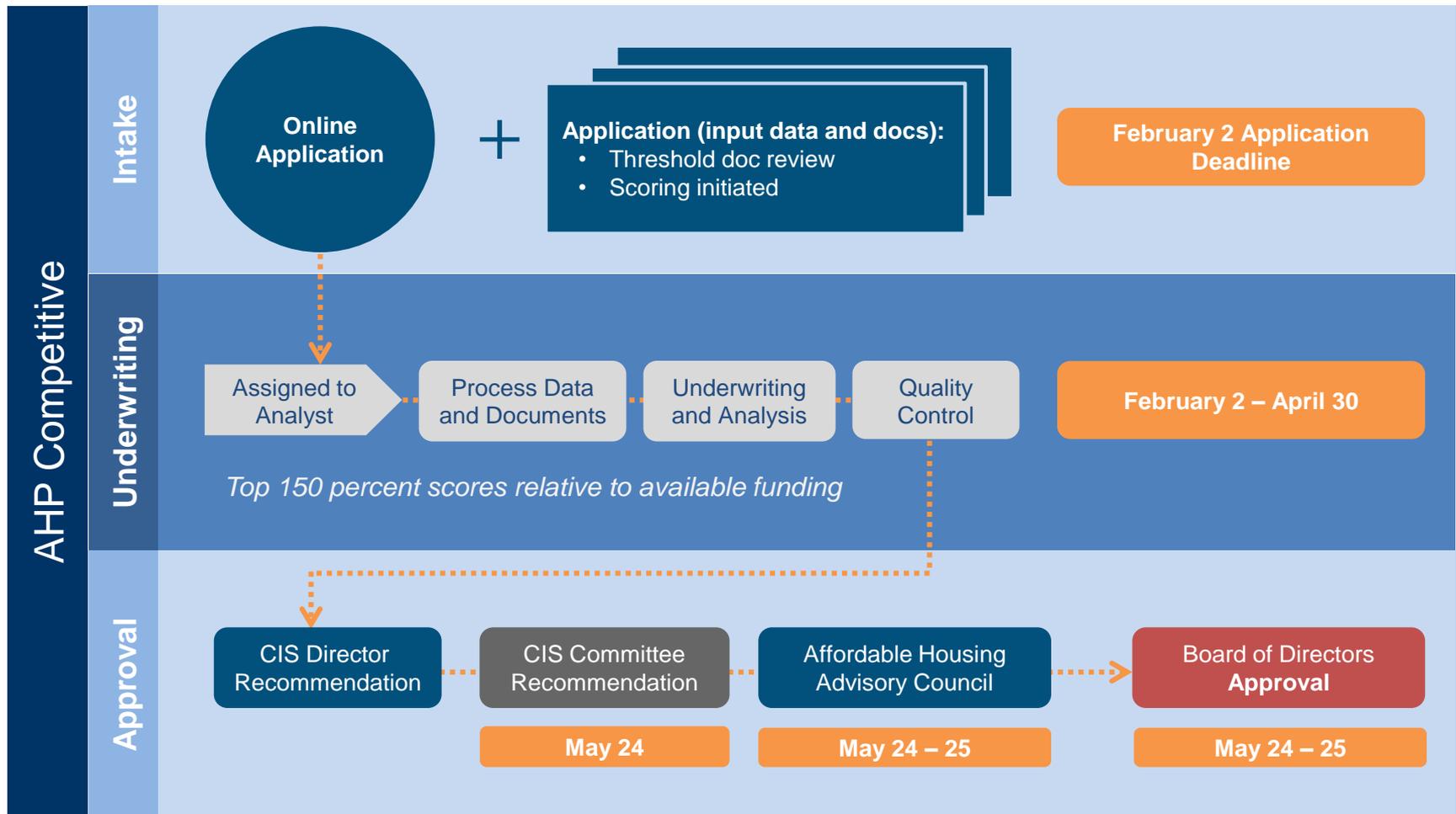


# How Often Do We Offer the AHP Competitive Program?

## FHLBank Atlanta AHP Competitive 3-year Application Schedule



# 2017 Intake, Processing, Underwriting, and Approval



# Application Criteria Threshold



## Application Certification

- Must be fully completed
- Requires two signatories of the sponsor (including chair of board, if applicable)
- Must be signed by member representatives with either AHP authority or all authorities on the member's signature card
- Requires information about the sponsors development team

# Application Criteria Threshold



## Site control

- Changes of location are generally not allowed
- Sponsor site control is not applicable to owner-occupied rehabilitation

# Application Criteria Threshold



## Construction and permanent sources and uses statement

- Submitted in the Bank's online application
- Rental projects also provide a 15 year pro forma

# Application Criteria Threshold



20 percent of funding committed by an unrelated, third party funder

- May include: Perm or non-perm debt, equity, charitable contributions, letters of credit (LOC)
- May NOT include: AHP subsidies, deferred developer fee, sponsor-provided mortgages

# Application Criteria Threshold



## Project specific thresholds

- Ownership, down payment assistance: 20 percent qualified homebuyers
- Owner-occupied rehabilitation: 20 percent with scope/cost and qualified
- New construction: Conceptual plans/cost breakdown
- Rental rehabilitation: Scope/cost breakdown, inspection

# Application Criteria Threshold



## Project Sponsor

- Must be qualified and able
- No material party is on the AHP suspension list
- Must have an ownership interest
  - Rental: Throughout the 15-year compliance period
  - Ownership development: must be in the chain of title
- Changes of sponsor are generally not allowed

# Application Criteria Scoring



# Application Criteria Scoring

Category	Points	Type
Donated Government-Owned or Other Property	5	Variable
Nonprofit or Government Sponsor	5	Variable
Targeting	20	Variable
Housing for Homeless Households	5	Fixed
Empowerments	5	Variable
<b>First District Priority</b>		
• Member Participation	15	Fixed
<b>Second District Priority</b>		
• Project Readiness	10	Variable
• Veterans	10	Variable
• Leveraging	10	Fixed
AHP Subsidy per Unit	10	Variable
Community Stability	5	Fixed
<b>Total</b>	<b>100</b>	



# Application Criteria Scoring

## Donated Government Owned or Other Property

- Federal government property sold for a project, or
  - Property donated by any other party at a nominal price
  - At least 25 percent of the units, land, or land lots
  - Donation must be contemporaneous with the AHP project
- 
- Rental Projects
    - 5 points x percent of donated units or
    - 5 points x percent of total land donated
- 
- Ownership Projects
    - 5 points x percent of donated lots

# Application Criteria Scoring

## Nonprofit or Government Sponsor

- Rental Projects
  - Nonprofit sponsor has an ownership interest = 1 point
  - Nonprofit sponsor has a controlling interest = 5 points
  - 5 points/variable
- Ownership Projects
  - Marketing and Outreach = 1 point
  - Property acquisition = 1 point
  - Pre-development = 1 point
  - Construction/rehabilitation = 1 point
  - Qualifying borrowers for home mortgages, including AHP = 1 point
  - Providing or arranging permanent mortgage financing = 1 point
  - 5 points/variable

**Myth:** You have to have a nonprofit sponsor to be successful with AHP

**Reality:** While having a nonprofit sponsor does increase an application's score, it is neither a threshold requirement nor a high impact scoring category. In 2014 for-profit developers had a 30 percent rate of success (AHP awards compared to applications submitted), which is comparable to the overall 38 percent rate of success for the entire pool of applications

# Application Criteria Scoring

## Household Income Targeting

- Rental compared to rental, ownership compared to ownership
  - Income categories:
    - Moderate: >65-80 percent of AMI
    - Low: >50-65 percent of AMI
    - Very Low: 50 percent or less of AMI
- Refer to Section 2.1 of the Implementation Plan
- 20 points/variable
- Rental projects that reserve at least 60 percent of units for households with 50 percent or less of AMI receive the maximum 20 points



At least 20 percent of the units in a rental project must be for very low income residents (50 percent of AMI)

# Application Criteria Scoring

## Expanding Your Eligible Customer Base

### *FHLBank Atlanta AHP Income Limit Methodology and Calculator*

Enter Calculation Criteria	
Application Year ?	2015 - Present ▼
HUD Year ?	2015 ▼
State	AL ▼
County	Clarke County ▼
MSA	Clarke County, AL ▼
Household Size	Please Select ▼
Household Income	<input type="text"/> <input type="button" value="Calculate AMI%"/>
Maximum 80% Income	
Household AMI%	

Selects the greatest of four calculation methodologies

Point-and-click calculator automatically provides the highest income limit

548 of 599 counties in the Bank's district (91 percent) now have a higher income limit!

FHLBank Atlanta Income Calculator Tool  
<https://cis.fhlbatl.com/ahp/utilities.portal>

**Myth:** Projects from rural markets are at a disadvantage in the AHP Competitive application

**Reality:** Rural projects have been awarded AHP Competitive funds at a rate equivalent to the rate of rural applications submitted. For example, over the past five years:

- 31 percent (264 of 845) of all applications submitted were for rural projects
- 31 percent (93 of 301) of applications awarded were for rural projects

# Application Criteria Scoring



**Moore Place**  
**Charlotte, NC**

\$1,000,000 AHP Subsidy  
85 Supportive Housing Units

## Housing for Homeless Households

- 20 percent of the units are reserved for minimum of six month occupancy
- HUD definition of “homeless households”
- 5 points/fixed

# Application Criteria Scoring

## Empowerment Activities

Empowerment Activities	Ownership Development/ Downpayment Assistance	Owner-occupied Rehabilitation	Rental
Homeownership Education Program • Pre-closing Counseling	5 Points		
Employment Readiness Program			2.5 Points
Onsite Daycare (Child or Adult)			2.5 Points
Training and Education Program		2.5 Points	2.5 Points
Owner / Resident Involvement Program		2.5 Points	2.5 Points
Counseling Program (Homeowners & Tenants)		2.5 Points	2.5 Points

5 points/variable

# Application Criteria Scoring

## Member Financial Participation

- Minimum 5 percent of total development costs
- Permanent or construction financing
- Letter of Credit
- Debt or equity
- The member's financing must clearly flow through to the project to demonstrate the member's direct participation in the project
- Credit must be extended and closed simultaneous with or prior to the project's other real estate financing (including AHP)
- 15 points/fixed

# Application Criteria Scoring

## Project Readiness – Rental

- Rental (non-LIHTC or 4 percent LIHTC with Bonds)
  - 100 percent of non-AHP permanent sources committed
- Rental (9 percent LIHTC)
  - Tax credits awarded by state allocating agency and accepted by the project sponsor or project owner
    - 10 points/fixed
- Rental (4 percent LIHTC with Bonds)
  - Tax credits awarded by state allocating agency, bond inducement resolution or equivalent
- Rental (9 percent LIHTC)
  - Tax credit application that meets the threshold requirements has been submitted to the state allocating agency and the application is pending decision
    - 5 points/fixed

# Application Criteria Scoring

## Project Readiness – Ownership

- Ownership (New Construction/Rehabilitation)
  - 75 percent of the units presold (contract executed with funds in escrow, mortgage qualified, and homebuyer income qualified for AHP)
- Owner-Occupied Rehabilitation
  - 75 percent of the units have been identified, rehab specifications and cost breakdown have been determined for identified units and homeowners are income eligible for AHP
- Ownership Purchase
  - 100 percent of the homebuyers identified and qualified (homebuyer contribution in escrow (IDA acceptable) and homebuyer income qualified for AHP)
    - 10 points/fixed

# Application Criteria Scoring

## Scoring Criteria for Veterans Housing

- Projects reserving at least 10 percent of the total project units for veteran households will receive 5 points
- Projects reserving at least 25 percent of the total project units for veteran households will receive 10 points
- Veterans certification form required at application, confirmed at takedown (owner units), or prior to reporting complete (rental units)
  - 10 points/variable



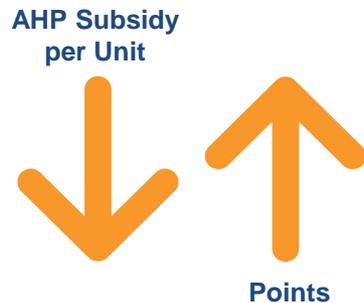
## Leveraging AHP Funds with Other Sources

- Projects in which AHP funds are less than or equal to 10 percent of total permanent sources
  - 10 points/fixed

# Application Criteria Scoring

## AHP Subsidy per Unit

- Weighted average



- Cannot be self-scored
  - Zero points if \$30,000 or more per unit
  - 10 points/variable

## Promoting Community Stability

- Points awarded for any of the following:
  - Rehabilitation of vacant or abandoned buildings
  - Projects located in a neighborhood targeted for stabilization
  - Projects that do not displace existing low- to moderate-income households
  - 5 points/fixed

# The Role Underwriting Plays



# Application Criteria Underwriting



## Project Communications

- FHLBank Atlanta only discusses projects with the primary project sponsor and/or member
- FHLBank Atlanta will not discuss projects with consultant without member and/or project sponsor present

# Application Criteria Underwriting



## Budget Guideline Examples

- Sponsor's acquisition cost or donated value supported by appraisal, if available
- Reasonable hard cost per square foot based on industry construction cost data
- Rehabilitation projects include analysis of remaining useful life/ replacement reserves
- Maximum 16 percent builder's general requirements, overhead, and profit
- Capitalized Reserves maximum 9 months operating expenses plus nine months of hard debt service
- Items in the development budget typically paid as an operating expense are included in the reserves calculation

# Application Criteria Underwriting



## Budget Guideline Examples

- Total soft cost maximum percentage:
  - Rental Projects
    - 35 percent for 4 percent LIHTC with bonds
    - 28 percent for 9 percent LIHTC projects
    - 22 percent for non-LIHTC
  - Ownership
    - 25 percent for development projects
    - 20 percent for owner-occupied rehabilitation

# Application Criteria Underwriting



## Developer Fee Guidelines

- **Fifteen percent maximum** of total development costs, net of developer fee, capitalized reserves, and acquisition costs for development projects with transfer of ownership.
  - Developer fee is not allowed for rehabilitation and/or new construction projects with **no transfer of ownership**.
  - Developer fee includes **fees paid to consultants** for services normally provided by a developer.
  - FHLBank Atlanta may defer to **state HFA** guidelines if using state-administered funding.

# Application Criteria Underwriting



## Developer Fee Guidelines

- There is a **5 percent consultant fee maximum** of total development costs, net of consultant fee, capitalized reserves, and acquisition costs for rental projects with **no transfer in ownership** where the project is **100 percent owned by the non-profit sponsor**
- Developer fee cannot increase if **construction financing has closed** and there is not a proportional increase in hard cost.

# Application Criteria Underwriting



## Deferred Developer Fee Guidelines

- If financing has closed with deferred developer fee as a source of funding:
  - Then up to 50 percent of the AHP award can be used to reduce deferred developer fee; and
  - At least 25 percent of the total developer fee remains deferred
- If new or additional sources are added to the project after financing has closed without a corresponding increase in costs:
  - Then the new sources may be applied on a pro-rata basis to reduce the deferred developer fee (or other subordinate funding source, e.g., owner equity) and reduce the AHP award

## Examples

- Project closed with \$400k developer fee (\$100k upfront and \$300k deferred). Since closing, development costs have increased \$200k creating a funding gap. AHP application is for \$400k.
  - \$200k of award (50 percent ) could be used to reduce deferred developer fee to \$100k (25 percent remains deferred)
- AHP award was \$400k. Project closed with deferred developer fee of \$300k. After closing, additional funding of \$300k was obtained.
  - 50% of new funding used to reduce deferred developer fee -\$150k and the AHP award -\$150k. New AHP award amount \$250k.

# Application Criteria Underwriting



## Pro Forma Guideline Examples

- Debt coverage ratio: 1.15 - 1.45
- Alternate need for subsidy test may be used for projects with no hard debt or outside these parameters
- Net cash flow: Max. 15 percent
- Management Fees: 5 percent – 9 percent of gross rent
- Replacement Reserves: Up to \$450 per unit per year
- Annual Operating Expense: 40 percent – 80 percent of EGI in year 1 (not applicable for projects with 100 percent of the units reserved for Special Needs households)



## Market Feasibility Guideline Example

- Defer to market feasibility approved by the state if using state-administered funding

# Application Criteria Underwriting



## Development Timing

- **May 2017:** Award Approvals
- **6 Months** (Nov 2017): Zoning
- **12 Months** (May 2018):
- All funding sources must be committed
- **18 Months** (Nov 2018):
- Start construction and AHP funded
- **3 years** (May 2020): Report complete

Sponsors have 36 months to take down AHP funds for ownership projects that are funded at homebuyer closing

## Requirements to Report Complete

- Member must draw down all AHP Competitive funds
- Construction must be complete
- All requested documents must be received and approved by the Bank
- Ownership: all owner-occupied units must be sold and occupied by eligible households
- Rental: projects must have a certificate of occupancy and be at least 75 percent occupied

# Application Criteria Underwriting



## Post Development Compliance

- **Affordability/Retention Period**
  - 5 Year Retention – ownership
  - 15 Year Retention – rental
- **Initial Monitoring Review (IMR)**
  - Within 2 years of reporting complete
- **Long Term Monitoring (LTM)**
  - Rental (excluding LIHTC) only
  - Reviews every 2 – 6 years
  - Annual certifications

**Myth:** FHLBank Atlanta has a required lien position

**Reality:** The Bank does not have a required lien position, although the member financial institution may have a lien position requirement for the AHP funds.

# Online Application



# Online Application Registration Process

## New Project Sponsors

- Go to FHLBank Atlanta website to start a new, one-time registration
- <https://cis.fhlbatl.com/ahp/public.portal>
- Click “New Registration”



Please review the following list of Affordable Housing Program sponsors. If your organization's name is not listed below, click the "New Registration" button above, to complete the one-time Sponsor Registration form.

**Note: If your organization's name is listed below and you need password assistance, please contact our FHLBAccess Support Center at (800) 536-9650.**

Use the Filter List section below to find a specific organization. When you are ready to search, click "Apply Filter".

Filter List	
Names Beginning With	<input type="text" value="Please Select..."/>
State	<input type="text" value="Please Select..."/>
Role	<input type="text" value="Please Select..."/>

# Online Application Registration Process

## New Project Sponsors

- Enter organization information and contact
- What is the primary role of your organization?
  - Sponsor Only – Has ownership interest (rental projects) and / or is integrally involved (ownership projects)
  - Developer Only – Provides development services for a project. Not a party to the AHP agreement.
  - Sponsor and Developer – Ownership interest and development services
  - Consultant – AHP application consultant
- Update your sponsor profile in FHLBAccess now and throughout the life cycle of the project

# Online Application Registration Process

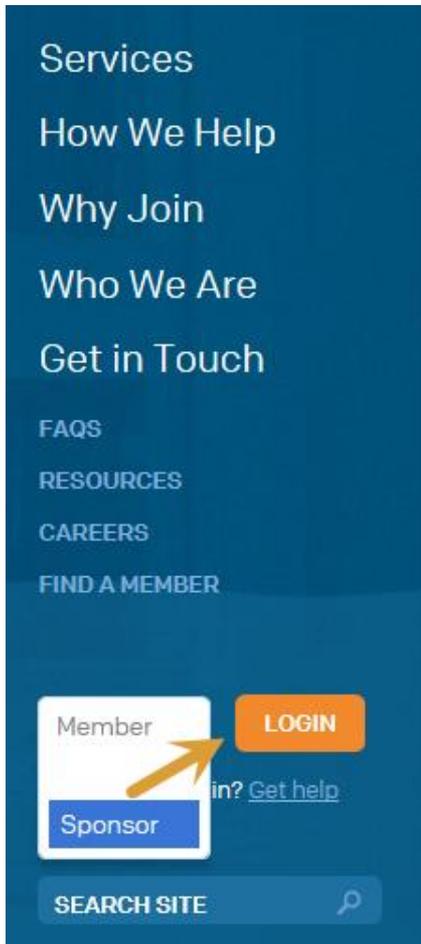
## New Project Sponsors

Upon the Bank's approval, the sponsor will receive the following documents to be executed and submitted:

- Resolution Authorizing Participation in FHLBank Atlanta's Community Investment Services Programs
- Certificate of Incumbency (authorizes agents for sponsor)
- Access Form for Sponsor Web System Access
- Terms and Conditions for Sponsor Web Systems Access

Following review, user ID and password will be issued

# Online Application Components



## Online Application Components

- The AHP application is submitted online through the FHLBank Atlanta website [www.fhlbatl.com](http://www.fhlbatl.com)
  - Choose “Sponsor” before you click “Login”
  - All supporting documents (e.g., site control and funding commitments) are submitted separately via thumb drive or CD

# Online Application Components



**FHLBank**  
ATLANTA  
A FEDERAL HOME LOAN BANK

## AHP Sponsor Portal

[Home](#) | [Apply For Funding](#) | [Manage Projects](#) | [Maintenance](#) | [Helpful Links](#)

Home

### To Do List

- » You have 1 documents pending receipt by the FHLBA (1 are past due)
- » You have 2 unsubmitted AHP Project Modification Request(s)

### CIS Communications

0 messages Last 30 days

#### My Facts

Active Ownership Projects	0 (0 units)
Active Rental Projects	0 (0 units)
Completed Ownership Projects	2 (46 units)
Completed Rental Projects	0 (0 units)
<b>Total Subsidy Awarded</b>	<b>\$ 525,000.00</b>

#### AHP Round Information (14A)

Application Available	January 14, 2014
Application Deadline	February 20, 2014
Documentation Deadline	February 20, 2014
Applications Submitted To Date	156
Awards Announcement	May, 2014

#### Helpful Links

- » [AHP Program and User Guide](#)
- » [AHP Implementation Plan](#)
- » [Long-term Monitoring Annual Certification](#)
- » [Suspension List](#)
- » [Condition of Funding - Third Party Plan and Cost Review Form](#)
- » [Other Helpful Links](#)

# Online Application Components

## Apply for Funding

Home | [Apply For Funding](#) | [Manage Projects](#) | [Maintenance](#) | [Helpful Links](#)

**Start A** [Start A New Application](#) 

[Continue An Application](#)

You have [Check Application Status](#) the following information about your project to begin the process.

**Note:** The "Project Type" or "Dwelling Type" cannot be changed once this page has been saved. If your project involves multiple "Project Types" (e.g. Owner, Rental, or Lease Purchase units), a separate application is required for each.

**Basic Project Information**

**Project Name:**

**Project Type:**

- Rental
- Ownership
- Lease Purchase (AHP funds used for acquisition, construction or rehabilitation)
- Lease Purchase (AHP funds used for closing costs or down payments)

**Dwelling Type:**

- Multi-Family
  - Apartments (Rental Only)
  - Condominiums
  - Cooperative
- Single Family



**Project Type and Dwelling Type** cannot be changed after this screen.

# Online Application Components

## Application Home

Southeastern CIS Test Sponsor - Test Application (1) (9)

### Application

#### Application Home

General Information  
Development Team  
Members and Subsidies  
Project Targeting  
Project Readiness  
Fair Housing  
Market Feasibility  
Financial Feasibility  
Miscellaneous Information  
Scoring Criteria Page 1  
Scoring Criteria Page 2  
Scoring Criteria Page 3  
Scoring Criteria Page 4  
Additional Information  
Review and Finalize

Print Application

✓ Step Complete  
✗ Step Error

### Application Home



#### Important Tips



- To avoid having to re-input data, save information on pages that contain a **Save** or **Cancel** button before moving on.
- There are two main ways to navigate the application. You may use the **Next >>** or **<< Prev** button in the upper right corner of the page or select an application section on the "Status Bar" in the left margin. "Status Bar" also will indicate your progress.
- As you complete a section, a ✓ will appear next to it. The blue check indicates there are no errors or omissions in the section.
- A ✗ will appear next to incomplete sections or sections that contain omissions or errors. To fix an error or complete the section, return to it. Error messages will appear at the top of the screen.
- An application can be completed in any order. However, we strongly recommend that you follow the sequence given because some sections rely on information that is provided in previous sections.
- You can complete the application during multiple sessions.

#### Application Summary

Application Number	9
Location(s)	
Project Type	Rental
Dwelling Type	Multi-Family
Total Units	
Project Purpose	
Use(s) of AHP Funds	
Total Estimated Subsidy Amount	\$0.00
Total AHP Amount Requested	\$0.00
Total Development Costs	\$



**Application Summary**  
updates automatically  
after each section is  
complete.

# Online Application Components

## Dwelling Type

**Dwelling Type:**

- Multi-Family
  - Apartments (Rental Only)
  - Condominiums
  - Cooperative
- Single Family

The **dwelling type** you select will limit your options on the Building Information page!

	Multifamily	Single-Family
<b>Federal Housing Finance Agency (FHFA) Definitions</b>	<ul style="list-style-type: none"><li>Multifamily building means a structure with 5 or more dwelling units</li></ul>	<ul style="list-style-type: none"><li>Single-family building means a structure with 1 to 4 dwelling units</li></ul>
<b>FHLBank Atlanta AHP Building Information Page Options</b>	<ul style="list-style-type: none"><li>Apartment-style buildings (multiples)</li><li>Communal Homeless Shelters</li></ul>	<ul style="list-style-type: none"><li>Detached single-family homes</li><li>Manufactured homes</li><li>Duplexes</li><li>Town Homes &amp; Multiplexes</li><li>Urban Row Houses</li></ul>

# Online Application Components

## Rental Project Purpose

Basic Information	
Project Purpose	<input type="checkbox"/> Purchase (Acquisition) <input type="checkbox"/> New Construction  <input checked="" type="checkbox"/> Rehabilitation

If a project involves the purchase and rehabilitation of existing units, it is both a purchase and rehabilitation project

A project that does not include the purchase of units but involves rehabilitation is a **rehabilitation project**

If your project involves **adaptive reuse**, your project purpose is **rehabilitation**

Project Purpose, Rental	Description
Purchase (Acquisition)	Purchase of existing units/buildings by Project Sponsor
New Construction	Construction of new units/buildings
Rehabilitation	Rehabilitation of existing units/buildings

# Online Application Components

## Ownership Project Purpose

Project Purpose, Ownership or Lease Purchase	Description
Purchase	Purchase of an existing unit by a homebuyer
Development: New construction	Construction of new units
Development Rehabilitation	Acquisition and rehabilitation by sponsor
Rehabilitation (Owner-Occupied)	Rehabilitation for current owner-occupant

# Online Application Components

## Uses of AHP Funds

- Use of AHP funds here will determine allocation in the development budget (max of 3)
- Developer fee, when AHP is the source of funds, is only paid at project completion of construction for multifamily and unit completion for single-family

**Use of Funds**

Please indicate below how AHP funds will be used by selecting uses from a maximum of three categories. All uses selected here **MUST** correspond to the funds allocated in the Development Budget (located in the Financial Feasibility section of the application). Please see the Development Budget for the line items associated with each category. ?

**Details**

- Category 1: Acquisition
  - Existing Building
  - Land
- Category 2: Hard Costs (Construction/Rehabilitation)
  - New Construction
  - Rehabilitation
  - Infrastructure Costs
  - Site Improvements
- Category 3: Soft Costs
- Category 4: Other
  - Financing Fees
  - Developer Fees
  - Tax Credit Syndication Fees

# Online Application Components

## Project Description

Provide a summary of the overall project. Include all relevant, project-specific information, such as:

- Community impact – positive impact of the proposed project
- Existing conditions – existing buildings, status of utilities, environmental issues, if applicable
- Sources of funding – timing of sources of funding and other unique factors related to your project
- Construction scope and budget – building(s) that will be constructed or rehabilitated, including community buildings, if applicable
- Commercial space – non-residential, income-generating within the project
- Project income – rental or other subsidies for operating income
- Other project-specific information – that may require special consideration during application, disbursement or long term monitoring

# Online Application Components

## Sponsor, Developer, Consultant

Related parties questions are also on this page

- Immediate family relationships among the development team or other material parties?
- Direct or indirect sale of the subject property by related parties?
- Does the sponsor have an interest in other members of the development team?
- Other circumstances, which may result in a conflict of interest?

**Sponsor or Developer Information**

**Organization Name** Southeastern CIS Test Sponsor

**Primary Contact**  Please Select... 

**Alternate Contact** Please Select...

**Organizational Role**

What is this organization's role on *this* project?

Sponsor and Developer

Sponsor Only

Developer Only

Consultant

**Project Ownership** 

Will the Sponsor have an ownership interest in the project upon completion?

Yes  No      Organization's Ownership Percentage:  %

Provide complete and accurate information for the primary and alternate contacts

# Online Application Components

## Member and AHP Funding

Member and Subsidy Details

Save Back

### Member Information

Member Name	SunTrust Bank
Primary Contact 	Please Select..
Alternate Contact	Please Select..

### Subsidy Information

Please provide information for the type(s) of subsidy being requested from this Member.

Direct Subsidy (Grant)

Subsidy Amount - Direct: \$ 500,000

Subsidized Advance (Loan)

 WARNING Please wo

#### Special Notice to Members Using AHP Advances:

Section 951.13 (c)(3) of the revised AHP regulation requires prepayment or repricing of subsidized AHP advances in certain circumstances. Prepayment may result in the imposition of a prepayment fee. Members requesting AHP advances should review the provisions of this section carefully.

You may add up to three (3) loans below:

#### Loan Details

Amount	Advance Rate	Borrower Rate	Advance Term	Amortization Term
--------	--------------	---------------	--------------	-------------------

There is no data to display

Add New View Details Remove

Subsidy Amount for Subsidized Advance \$ 0.00 (1)

# Online Application Components

## Income and Rent Targeting

- List income level of targeted residents
- Refer to Section 2.1 (Income Eligibility Guidelines) of the Implementation Plan
- Rental projects must have at least 20 percent of the units at or below very low income (50 percent of AMI)
- Only the tenant paid portion of rents should be entered in the scheduled rents column of rent targeting
- Do not include tenant-based or other forms of rental assistance

## Special Needs Targeting

- Provide the number of units for the special needs groups that will be targeted
- Data entered into this section does not affect the application's score

# Online Application Components

## Building Construction

Collects Residence Building Information

- Includes any residential buildings (new construction and rehabilitation)
- Also includes any non-residence buildings
- Click on Building Information Instructions for detailed instructions

### Building Construction

Please click on the following button to complete the building information for this project.

Building Information

[Building Information Instructions](#)

### Multi-Family

				----- Floor Area (Square Feet) -----		
Residence Building Type	Building Name	Number of Units per Building	Finis hed Above Grade	Finis hed Bas ement	Unfinis hed Basement or Crawl Space	
<input type="radio"/> Other Building	CommunityBuilding	0	1,500	0	0	
<input type="radio"/> Apartments, Multiples	Building 1	10	10,000	0	0	

# Online Application Components

## Building Construction

### Multifamily example

- Click “Add Building Set” to enter building information

Project Targeting Units 36

Multi-Family						
				----- Floor Area (Square Feet) -----		
	Residence Building Type	Building Name	Number of Units per Building	Finished Above Grade	Finished Basement	Unfinished Basement or Crawl Space
<input checked="" type="radio"/>	Apartments, Multiples	Building A	12	7,353	0	0
<input type="radio"/>	Apartments, Multiples	Building B	12	7,353	0	0
<input type="radio"/>	Apartments, Multiples	Building C	4	2,494	0	0
<input type="radio"/>	Apartments, Multiples	Building D	8	4,918	0	0
<b>Total</b>			<b>36</b>	<b>22,118</b>	<b>0</b>	<b>0</b>
			<b>Total Units: 36</b>	<b>Total Finished Square Feet: 22,118</b>		
Add Building Set		Edit Building Set		Remove Selected Building		



# Online Application Components

## Building Construction

### Single-family example

- Enter information from your floor plans

Add/View Single Family Building	
<b>Building Type</b>	Detached, Site Built <input type="button" value="v"/>
<b>Model Name or Number</b>	Model A
<b>Detached or End Row Number of Units</b>	10
<b>Floor Area Above Grade</b>	1,200 (sq ft)
<b>Finished Basement Floor Area</b>	0 (sq ft)
<b>Unfinished Basement or Crawl Space Floor Area</b>	0 (sq ft)
<b>Number of Stories</b>	1 <input type="button" value="v"/>
<b>Frame</b>	Wood Exterior / Wood Joists <input type="button" value="v"/>
<b>Exterior Wall Covering</b>	Fiber Cement Siding <input type="button" value="v"/>
<b>Bathrooms per Unit</b>	2 <input type="button" value="v"/>
<b>Garage Per Unit</b>	No Garage <input type="button" value="v"/>

# Online Application Components

## Project Readiness

Enter project milestone dates in the on-line application

Project Readiness Information	
Provide the projected dates when project milestones below will be met. Refer to the AHP Implementation Plan section on Progress Milestones and Time Limits on the use of AHP Subsidies for additional guidance.	
Estimated Start Date:	<input type="text" value=""/> (mm/dd/yyyy) ?
Expected Closing Date of Permanent Financing	<input type="text" value=""/> (mm/dd/yyyy)
Number of Units Completed	(as of application date)
Percentage of Units Completed	<input type="text" value=""/> %
Proper Zoning and Land Use Designation:	<input type="text" value=""/> (mm/dd/yyyy)
All Funding Sources Committed:	<input type="text" value=""/> (mm/dd/yyyy)
Construction Start:	<input type="text" value=""/> (mm/dd/yyyy)
Estimated Date when AHP Funds will be First Drawn:	<input type="text" value=""/> (mm/dd/yyyy)
Will AHP funds be drawn down (completely or partially) <u>or</u> used by the project to procure other financing commitments within 12 months of FHLBank Atlanta approval? <input checked="" type="radio"/> Yes <input type="radio"/> No	
How many AHP disbursements are anticipated?	<input type="text" value=""/>
All AHP Funds Drawn:	<input type="text" value=""/> (mm/dd/yyyy)
Estimated Completion Date:	<input type="text" value=""/> (mm/dd/yyyy) ?

# Online Application Components

## Sources of Funding

Only permanent sources should be included as a source of funds

- Show status of approved only if you have documented firm commitment
- Include the market value of in-kind donations and voluntary professional labor or services
- Include donated land as a source (“Land Equity”)
- Documentation must show the amount of credit or equity to be extended

### Sources of Funding

Will the project sponsor receive non-cash donations (in-kind) including materials, professional volunteer labor and nonprofessional volunteer labor? [?](#)  Yes  No

Select the "Add New" button to add additional sources of funding.

	Name	Type	Status	Amount
	Total AHP Direct Subsidy	Grant	N/A	500,000.00
<input checked="" type="radio"/>	LIHTC	Equity	Approved	8,839,807.00

### Contact us if your project:

- Has both residential and commercial space
- Financing includes sponsor-provided homebuyer mortgages

# Online Application Components

## Development Budget

**Development Budget**

**Acquisition**

Uses	Total Budget	Allocated to AHP (\$500,000.00)	USDA Rural Development (\$75,000.00)	SC Housing Finance and Development Authority (\$100,000.00)	Unallocated	Total Budget Per AHP Unit
Existing Units	125,000		50,000	75,000	\$0	\$12,500.00
					\$0	\$0.00
	125,000	\$0	\$50,000	\$75,000	\$0	\$12,500.00

**Use of Funds**

Please indicate below how AHP funds will be used by selecting uses in the Development Budget (located in the Financial Feasibility section)

**Phase**  Development  Post-Development

**Details**

- Category 1: Acquisition
- Category 2: Hard Costs / Development Costs
  - New Construction
  - Demolition Costs
  - Infrastructure
  - Site Improvements
  - Rehabilitation
- Category 5: Soft Costs
- Category 6: Other
  - Developer Fees
  - Financing Fees
  - Homeownership Counseling

Uses	Total Budget	Allocated to AHP	USDA Rural Development	SC Housing Finance and Development Authority	Unallocated	Total Budget Per AHP Unit
Rehabilitation	345,000	300,000	20,000	25,000	\$0	\$34,500.00
Other					\$0	\$0.00
Other					\$0	\$0.00
Hard Cost Contingency 1.45%	5,000		5,000		\$0	\$500.00
<b>Subtotal - Hard Costs / Development Costs:</b>	<b>\$350,000</b>	<b>\$300,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$35,000.00</b>

# Online Application Components

## Development Budget

- Acquisition
  - Include donated land as a use, equal to the source “Land Equity”
- Hard Costs
  - Construction / Rehabilitation
  - Infrastructure
  - Site improvements and / or Demolition
  - Builder overhead, profit and general requirements
  - “Other” line items (off-site improvements, accessory buildings & amenities, hazardous materials)
  - Refer to Section 3.6 (Project Feasibility and Cost Guidelines) in the Implementation Plan
- Soft Costs and Other Costs
  - Remember to separate Consultant Fees from Developer Fee

# Online Application Components

## Project Pro Forma (Rental Projects)

- Refer to Section 3.6 (Project Feasibility and Cost Guidelines) of the Implementation Plan
  - Rental assistance should be included as “Rental Assistance/Subsidy”
  - Tenant Paid Rent is calculated based on the rents in the Targeting section
  - The income / expense trending guideline
    - 2 percent for income and 3 percent for expenses
    - If LIHTC used, trending guidelines follow state HFA requirements

# Application Components

## Additional Information

Answers on the **Additional Information** page should match the information provided in the application.

For example:

- Will the project provide service-enriched housing for occupants?
  - If your project includes **empowerments** for residents/owners, yes.
- If this is a **rental** project, will the funds from the award be used for principal reduction on the mortgage for the project?
  - If yes, contact us for more information.
- Does the project use any Federal Government property?
  - Yes, if the property was **conveyed** contemporaneously by the federal government or any agency or instrumentality thereof.

# Application Submittal

## Review and Finalize

Supporting cover page and documentation must be submitted electronically on a CD or thumb drive

- Supplemental documents form in **Helpful Links**
- Submissions via ftp or email will not be accepted
- Documents must be submitted in .pdf format

Application and all supporting documentation must be received by **February 2, 2017 (11:59 PM EST)**

### Community Investment Services Department

Federal Home Loan Bank of Atlanta  
Attn: AHP Supporting Documentation  
1475 Peachtree Street, NE  
Atlanta, GA 30309

#### Application

- Application Home
- ✓ General Information
- ✓ Development Team
- ✓ Members and Subsidies
- ✓ Project Targeting
- ✓ Project Readiness
- ✓ Fair Housing
- ✓ Market Feasibility
- ✓ Financial Feasibility
- ✓ Miscellaneous Information
- ✓ Scoring Criteria Page 1
- ✓ Scoring Criteria Page 2
- ✓ Scoring Criteria Page 3
- ✓ Scoring Criteria Page 4
- ✓ Additional Information

**Review and Finalize**

**Print Application**

- ✓ Step Complete
- ✗ Step Error

# Risk Management



# Risk Management

## Project Completion

Sponsors will need to maintain and provide:

- Fully executed and recorded AHP retention agreement for your project
- Resident income and rents will be reviewed to confirm targeting commitments throughout the compliance period
- Refer to Section 3.5 of the Bank's Implementation Plan for a list of documentation requirements, post-award

Promptly notify the Bank after discovery or notice of any material change, either positive or negative

# Risk Management

Any person who knowingly makes a false statement or misrepresentation to the Federal Home Loan Bank is subject to penalties that may include fines, imprisonment, or both, under the provision of Title 18, United States Code, Sec. 1014, including, but not limited to:

- Shareholders
- Sponsors
- Intermediaries
- Contractors
- Inspectors
- Consultants
- Property Managers



Civil / Criminal  
Court System



Professional  
Licensing



Enforcement  
of Contract

Department of Justice

U.S. Attorney's Office

District of South Carolina

FOR IMMEDIATE RELEASE

Tuesday, September 6, 2016

## Kentucky Man Pleads Guilty to Defrauding Federal and State Housing Programs

Contact Person: Bill Watkins (864) 282-2100

**Columbia, South Carolina** — Acting United States Attorney Beth Drake stated today that Erick Bradshaw, Sr., age 41, of Kentucky, pled guilty Thursday, September 1, 2016, in federal court in Greenville, to conspiracy to defraud federal and state housing programs, a violation of Title 18, United States Code, Section 371. United States District Judge Bruce Howe Hendricks, of Charleston accepted the plea and will impose sentence after she has reviewed the presentence report which will be prepared by the U.S. Probation Office.

Evidence presented at the change of plea hearing established that Fresh Start Community Development Corporation (FSCDC) was created by Bradshaw as a non-profit organization that worked on repairing homes through grants from the South Carolina State Housing Finance Development Authority ("SC Housing") and the Federal Home Loan Bank of Atlanta ("FHLBank Atlanta"). Bradshaw was the executive director of FSCDC.

Bradshaw sought grant monies from FHLBank Atlanta and SC Housing for the rehabilitation of low-income homes. He forged the signature of contractors on FHLBank Atlanta Funding Certifications and SC Housing Certifications of Payment. He also submitted certifications to FHLBank Atlanta and Draw Request for Payments to SC Housing that had inflated costs compared to the invoices of the contractors who actually performed the work. Often some work described as completed on the certifications such as handicap ramps on front porches were never completed though it was represented in documentation that the work was complete.

Agents interviewed Bradshaw and he admitted that FSCDC did not do what it was supposed to do. Contrary to program rules, Bradshaw negotiated with the contractors who were working on the houses for lower prices than were reported to the agencies. For example if SC Housing funded a roof repair for \$5,000 based on documents submitted by FSCDC, and Bradshaw was

# Helpful Resources

- FHLBank Atlanta website  
[www.fhlbatl.com](http://www.fhlbatl.com)
- Affordable Housing Program Implementation Plan  
<http://corp.fhlbatl.com/files/documents/ahp-implementation-plan.pdf>
- Project Sponsor Registration Instructions  
<http://corp.fhlbatl.com/files/documents/ahp-sponsor-registration.pdf>
- Affordable Housing Program Retention Agreement Rider and Instructions  
<http://corp.fhlbatl.com/files/documents/ahp-retention.pdf>
- AHP Products Income Documentation Requirements  
<http://corp.fhlbatl.com/files/documents/ahp-income-documentation-requirement.pdf>
- AHP Household Income Limits Calculator  
<https://cis.fhlbatl.com/ahp/utilities.portal>

# Helpful Resources

## Online Application: Helpful Links

Home | [Apply For Funding](#) | [Manage Projects](#) | [Maintenance](#) | [Helpful Links](#)

### Helpful Links

Helpful Links

# Questions?

## **Joel Brockmann**

Rental Production Manager

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## **James Monaghan**

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[jmonaghan@fhlbatl.com](mailto:jmonaghan@fhlbatl.com)

## **Glenn Stewart**

Lending and Disbursement Analyst II

404.888.5348

[gstewart@fhlbatl.com](mailto:gstewart@fhlbatl.com)

(800) 536-9650, Option 3, Option 1, Option 0

**Thank You**

