



# Competitive Affordable Housing Program

FHLB Des Moines Community Investment Department

# Welcome!

## Speakers:

- Mary Jo Vogl, Homeownership Manager
- Steve Hall, Senior Rental Analyst
- Tom Senn, Rental Analyst

# Agenda

## Introduction

## 2023 Competitive Affordable Housing Program

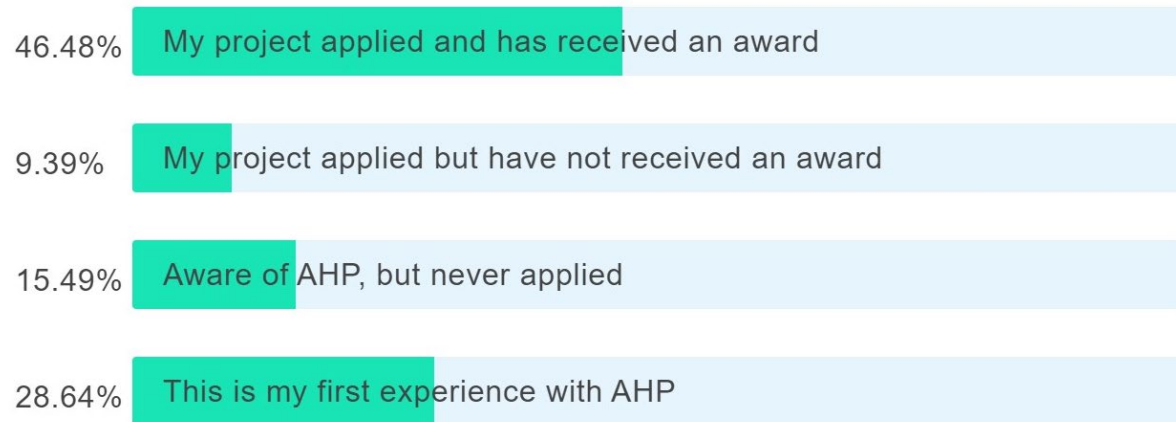
- Overview: Project types, case studies, member and sponsor roles
- Eligibility, Scoring and Feasibility
- Post-Award Monitoring

## Resources

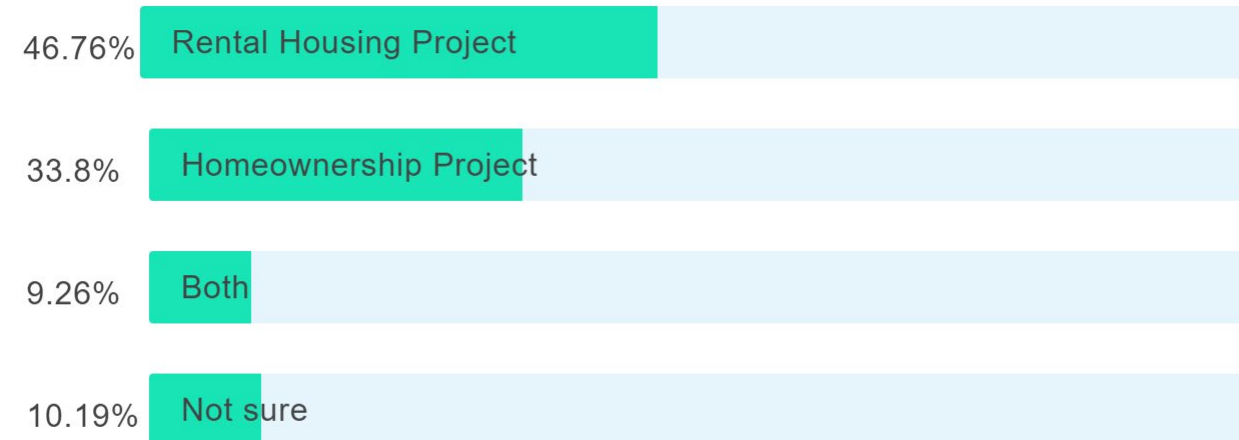
## Q&A

# Polling Questions

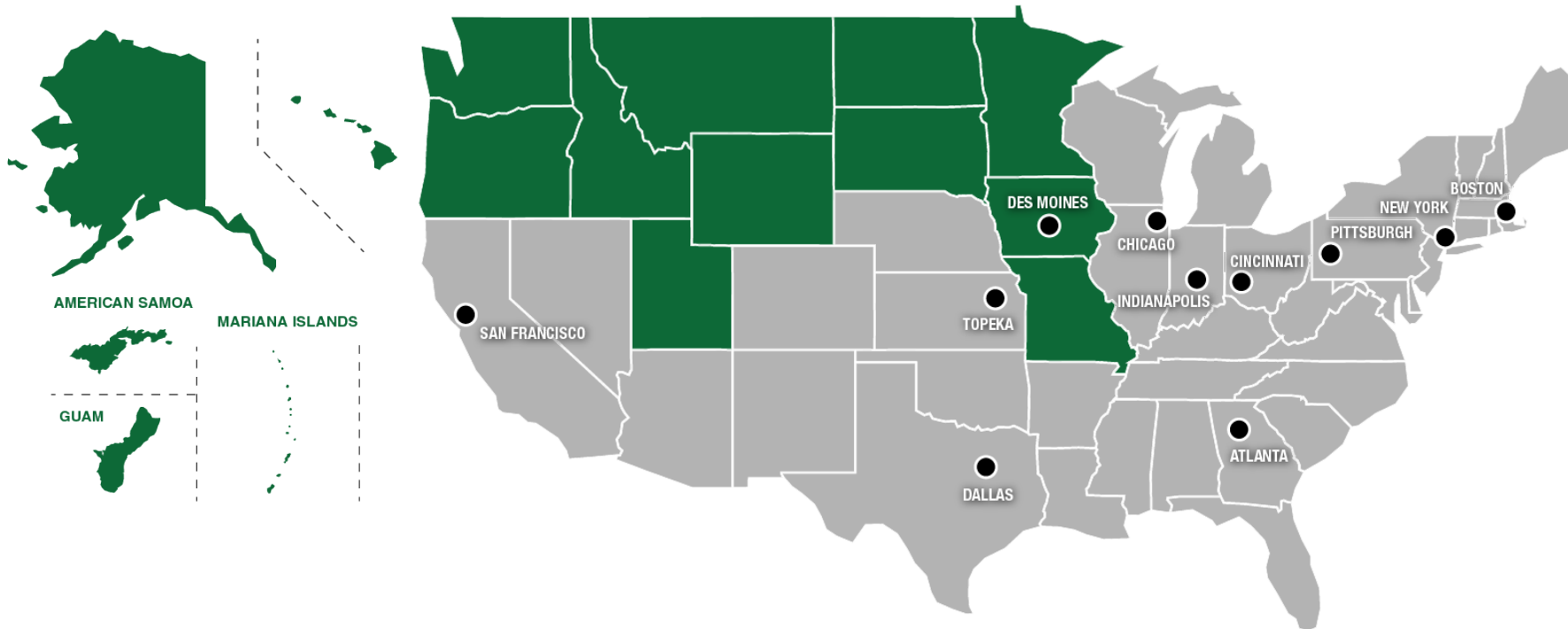
- How familiar are you with the FHLB Des Moines Competitive Affordable Housing Program?



- What type of housing project will you be supporting for an AHP Application?



# FHLBank System



\$688.7 Million  
Awarded



91,400  
Households



\$7 Billion  
Awarded



# Competitive Affordable Housing Program (AHP)

# Competitive AHP Overview

- AHP is a competitive subsidy award program subject to scoring criteria, eligibility requirements, and feasibility guidelines
- Funds available for rental or homeownership projects
- AHP subsidy used for the purchase, construction or rehabilitation of affordable housing
- Program guidelines published annually in [AHP Implementation Plan](#)



*2023 AHP Implementation  
Plan is on our website!*

# Key Dates and AHP Award Limits

## AHP Award Limits:

- \$1,000,000 maximum award per project
- \$50,000 maximum subsidy per unit

### Technical Assistance

Available through April 28, 2023

### Application Period

May 1, 2023 to June 2, 2023

### Awards Announced

December  
2023



# Case Study: Homeownership Owner-Occupied Rehab (Minnesota)

## Project: White Earth Owner Rehab

Sponsor: White Earth Housing Authority

Member: Midwest Bank, Detroit Lakes, MN

- White Earth Reservation Housing Authority utilizes AHP funds to assist tribal members with substantial rehabilitation repairs to their homes
- AHP subsidies of \$25,000 per home to 40 homeowners on the White Earth reservation. Total AHP award \$1,000,000
- Repairs focused on health and safety items such as windows, siding, roofs, mechanical updates and bathroom accessibility modifications



# Case Study: New Construction (Washington)

## **Project: Hobson Place**

Sponsor: Downtown Emergency Service Center

Member: Wells Fargo Bank, N.A.



- New 7-story building
- 92 units of permanent supportive housing for people with healthcare issues are experiencing or have experienced homelessness.
- The clinic at Hobson Place will serve residents of the supportive housing and the broader community, and create new employment opportunities in the neighborhood.
- Received a \$750,000 AHP Grant that was used to leverage New Market Tax Credits and state and local dollars.
- Total development cost: \$55 million

# Sponsor and Member Roles

## Sponsor

Sponsor organizations that apply for subsidy award are typically non-profits, governments including Native American tribes or housing authorities that are conducting an affordable housing project

The sponsor must be integrally involved in planning, development, or management of the project

For rental projects, sponsors must have controlling ownership interest in the project

For-profits may apply but are not awarded points in competitive scoring



## Member

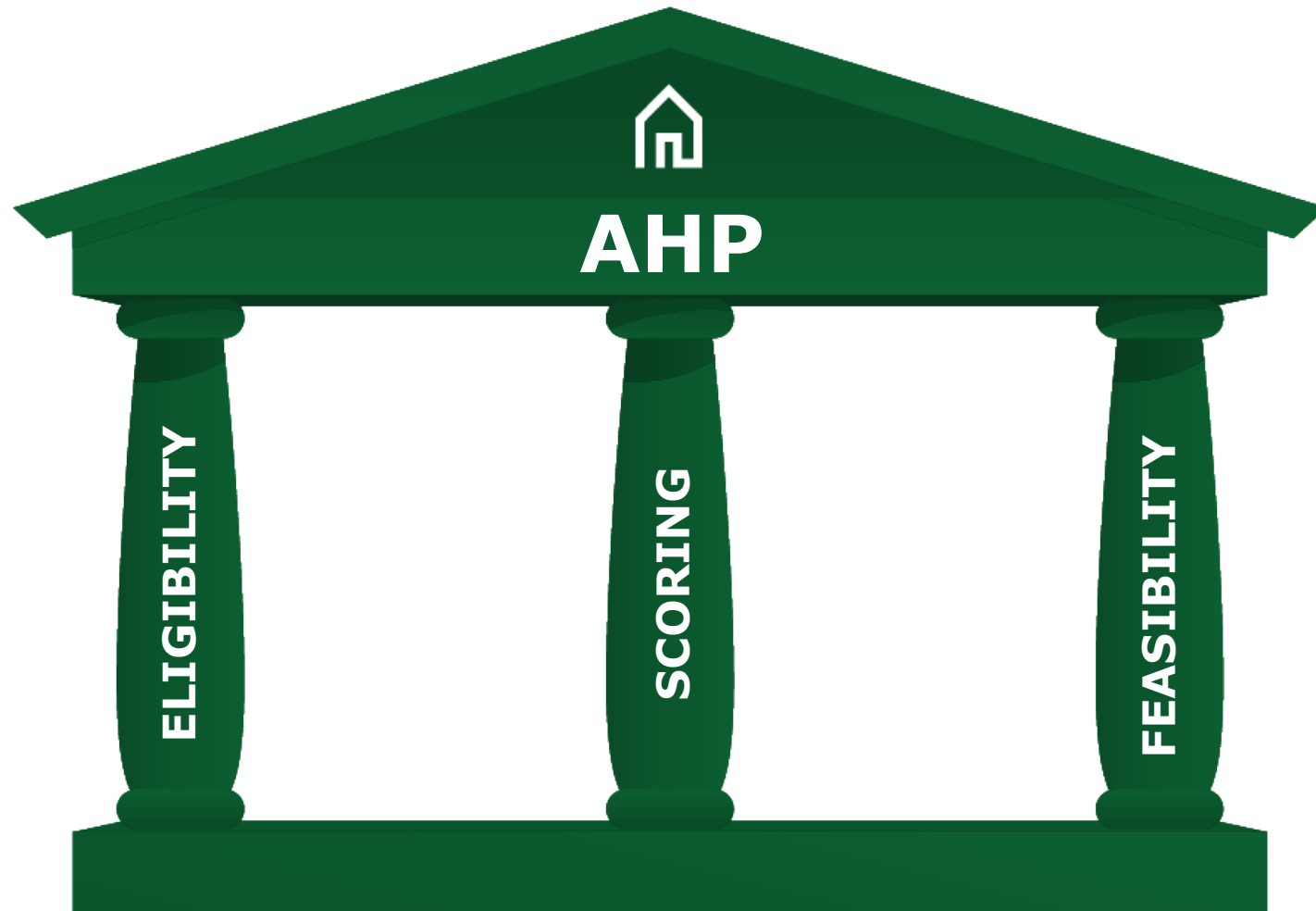
All applications require the support of an FHLB Des Moines member financial institution – the member applicant

A membership directory is available on the Bank website




Member benefits:

- Fosters community relationships
- Expands customer base
- Provides opportunity for targeted service and lending opportunities
- Community Reinvestment Act compliance benefit
- Housing programs also provide for economic development
- Leverages local dollars

# Three Components of AHP



# AHP Eligibility Requirements

	RENTAL	HOMEOWNERSHIP
Income Targeting	20% of the units ≤50% AMI	<80% AMI
Need for Subsidy		
Site Control		
Use of Award	36 months	36 months
Deed Restriction	15 years	5 years



# 2023 AHP Scoring Summary

Points		Scoring Criteria	
5	Variable	Criterion 1	Donated or Discounted Property
10	Fixed	Criterion 2	Non-Profit or Government Sponsorship
20	Variable	Criterion 3	Income Targeting
5	Fixed	Criterion 4	Economic Opportunity/Empowerment
25	Variable	Criterion 5	Underserved Communities
12	Variable	Criterion 6	Community Stability, Including Affordable Housing Preservation
23	Variable	Criterion 7	Bank District Priority
100	Maximum Points		

# 2023 AHP Scoring Criterion 1

## Donated/Discounted Property - 5 Points (Variable)

1 Point	Up to 5 Points	Up to 5 Points
Any land or units conveyed by the <b>Federal Government</b>	<b>Donated Units or Property</b> <i>20% minimum</i>	<b>Discounted Units or Property</b> <i>Min. 20% discount from fair mkt value</i>
	$\frac{\text{Total of units or sq.ft.of land donated}}{\text{Total of units or sq.ft.of land in project}} \times 5$	$\frac{(\text{Fair mkt.value of total units or sq.ft.of land in the project}) - (\text{total amount of conveyance})}{\text{Fair mkt value of total units or sq.ft.of land in the project}} \times 5$



-  Arm's length transactions
-  Long-term, nominal leases may qualify

# 2023 AHP Scoring Criterion 2

## Non-profit/Government Sponsorship - 10 Points (Fixed)

- Non-profit organization
- State or political subdivision of a state
- State or regional housing agency
- Local housing authority
- Native American Tribe
- Alaskan Native Village
- Government entity for Native Hawaiian Home Lands

### **Requirements**

-  Must be *integrally involved* in the project
-  For rental projects, sponsor must have *controlling ownership interest* (> 50%)

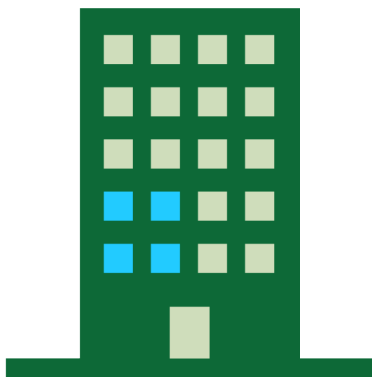


# 2023 AHP Scoring Criterion 3

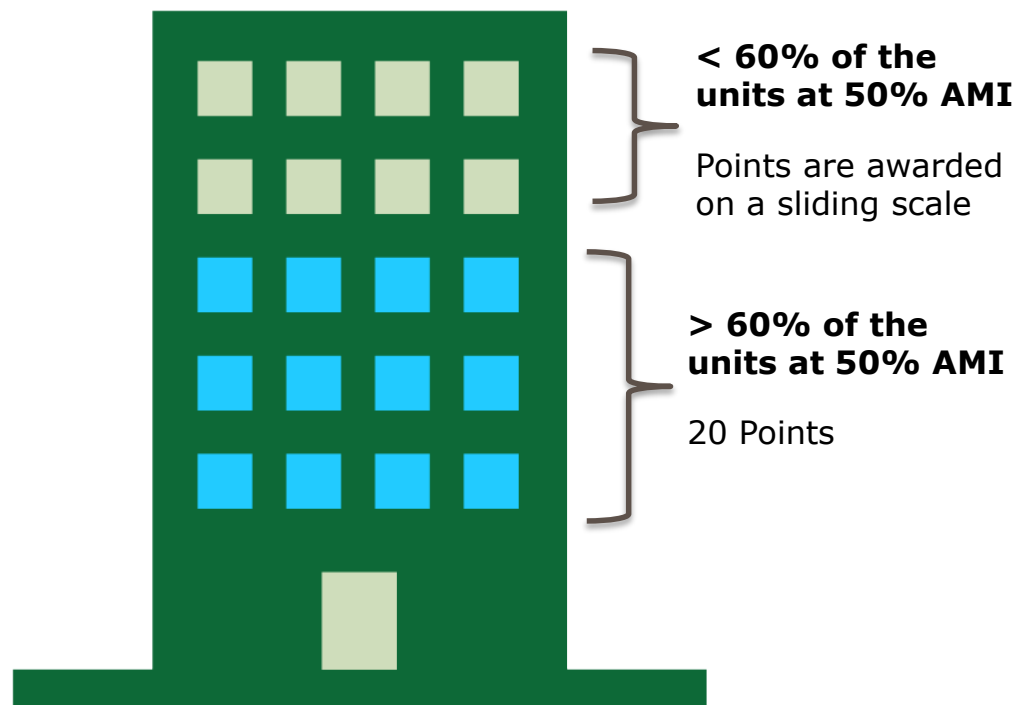
## Rental Income Targeting - 20 Points (Variable)

- Calculated at initial occupancy of the unit
- Remain in place for the 15-year retention period of the project

### Minimum Eligibility



20% of the total units  
targeted to households  
at or below 50% AMI



# 2023 AHP Scoring Criterion 3, cont.

## Homeownership Income Targeting - 20 Points (Variable)

### Units at 60% or less of AMI



# 2023 AHP Scoring Criterion 4

## Economic Opportunity/Empowerment - 5 Points (Fixed)

- Employment
- Education, such as financial literacy, GED
- Training, such as job training
- Homebuyer, homeownership or tenant counseling
- Child care
- Adult daycare services
- Tutoring
- Health services, including mental health and behavioral health services
- Resident involvement in decision making affecting the creation or operation of the project
- Workforce preparation and integration



**Page 59 - Section IV:  
Definitions and Acronyms**

# 2023 AHP Scoring Criterion 5

## Underserved Communities - 25 points (Variable)

- The sum of applicable points in each category, up to a maximum of 25 total points



**Page 48:  
Underserved Communities**

# 2023 AHP Scoring Criterion 6

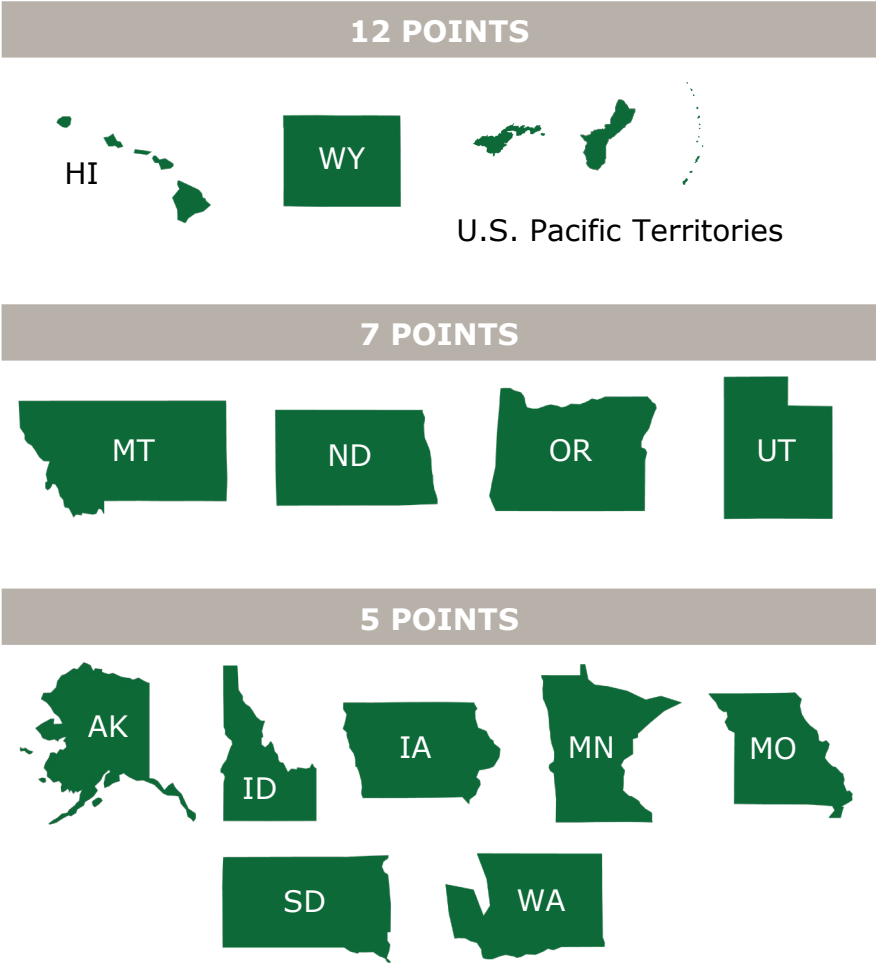
Community Stability, including Affordable Housing Preservation - 12 points (Variable)

Points	Scoring Criteria 6 – Community Stability
10	Preservation of Federally Assisted Housing
5	Adaptive Reuse
5	Rehabilitation or Demolition of Vacant Building
5	Acquisition and Rehabilitation of Naturally Occurring Affordable Housing
12	Rehabilitation of owner-occupied housing

# 2023 AHP Scoring Criterion 7

## Bank District Priority - 23 points (Variable)

- In District Points
- Native Housing Projects



13 POINTS	ELIGIBILITY <i>Must meet one of the requirements below</i>
Project Location	Hawaiian Home Lands Housing area
Project Owner	<ul style="list-style-type: none"><li>• Tribal Government</li><li>• Agency of a Tribal Government <i>Federally Recognized Tribe or an Alaska Village or Regional Corporation</i></li><li>• Tribally Designated Housing Entity for the purposes of the NAHASDA</li><li>• Entity incorporated under or otherwise created in accordance with tribal law</li></ul>
Sources of Tribal Funding	<ul style="list-style-type: none"><li>• Indian CDBG</li><li>• Indian CSBG</li><li>• Indian Health Services funds</li><li>• NAHASDA funding</li></ul>

# 2023 AHP Scoring Criterion 7 Cont.

## Bank District Priority - 23 points (Variable)

12 POINTS	10 POINTS	5 POINTS
New Construction	New Construction	AHP Subsidy Per Unit
Single Family Owner Occupied Units	Rental	
Sponsor-Driven	24 units or less	
100% of Units		

# How Competitive is my project?

I have self scored my project. How competitive is it?

**FHLB Des Moines AHP Self-Scoring Worksheet - Rental Projects**

Priority	Maximum Points Available	Scoring Guidelines
Scoring Criteria 1 (Priority)	5 (100%)	<ul style="list-style-type: none"> <li>1. Is the project a rental project?</li> <li>2. Is the project a rental project that is a part of a larger development?</li> <li>3. Is the project a rental project that is a part of a larger development that is a part of a larger development?</li> </ul>
Scoring Criteria 2 (Location)	5 (100%)	<ul style="list-style-type: none"> <li>1. Is the project located in a high-growth area?</li> <li>2. Is the project located in a high-growth area that is a part of a larger development?</li> <li>3. Is the project located in a high-growth area that is a part of a larger development that is a part of a larger development?</li> </ul>
Scoring Criteria 3 (Design/Construction)	25 (100%)	<ul style="list-style-type: none"> <li>1. Is the project designed to be a rental project?</li> <li>2. Is the project designed to be a rental project that is a part of a larger development?</li> <li>3. Is the project designed to be a rental project that is a part of a larger development that is a part of a larger development?</li> </ul>
Scoring Criteria 4 (Financial/Operational)	5 (100%)	<ul style="list-style-type: none"> <li>1. Is the project financially sound?</li> <li>2. Is the project financially sound that is a part of a larger development?</li> <li>3. Is the project financially sound that is a part of a larger development that is a part of a larger development?</li> </ul>
Scoring Criteria 5 (Community)	25 (100%)	<ul style="list-style-type: none"> <li>1. Is the project a community project?</li> <li>2. Is the project a community project that is a part of a larger development?</li> <li>3. Is the project a community project that is a part of a larger development that is a part of a larger development?</li> </ul>
Scoring Criteria 6 (Other)	5 (100%)	<ul style="list-style-type: none"> <li>1. Is the project a rental project that is a part of a larger development?</li> <li>2. Is the project a rental project that is a part of a larger development that is a part of a larger development?</li> <li>3. Is the project a rental project that is a part of a larger development that is a part of a larger development?</li> </ul>
<b>TOTAL SCORE</b>	<b>100</b>	

Funding Round	\$ Available (\$ in millions)	# of Projects Awarded	Scoring Range
2022	\$25.8	42	74.531449 – 62.753437
2021	\$41.5	71	74.520193 – 61.714054
2020	\$41.3	63	76.272726 – 62.181817



# AHP Feasibility – The Basics

## What is Project Feasibility?

### AHP Feasibility Guidelines

- Project Costs
- Affordability of Housing

### Documentation

- [Feasibility Workbook](#)
- Application Exhibits

### Disqualification

- Costs or other project features that do not conform to guidelines
- Incomplete or inconsistent applications

# AHP Feasibility Guidelines

What if my project deviates from AHP feasibility guidelines?

- Not automatic disqualification
- Explanations of deviations should be:
  - Logical and measurable
  - Quantifiable in relation to the amount by which the guideline is not met


The Bank will consider appropriate exceptions to these guidelines based on the information and documentation provided

# Post Award Monitoring




- Semi-Annual Progress Reports (SAPRs)
  - March and September
- Underwriting
- Projects must maintain commitments through the retention period
- Remedial Action for non-compliance to AHP Regulations/Policies

# Technical Assistance



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## Technical Assistance

The Technical Assistance resources below are available to help sponsor organizations prepare an application for the 2023 Competitive Affordable Housing funding round.

FHLB Des Moines will begin accepting applications for the 2023 Competitive Affordable Housing Program (AHP) funding round in AHP Online beginning May 1, 2023, until June 2, 2023 at 4:30 PM Central Time. More information can be found on the [AHP Application Page](#).

### AHP Application Resources

#### INTRODUCTION

The Competitive Affordable Housing Program (AHP) is one of the nation's largest sources of grants for affordable housing projects.

#### ELIGIBILITY AND FEASIBILITY

Before beginning the AHP application process, it is important to determine whether your project meets the Bank's eligibility and feasibility requirements.

#### SCORING CRITERIA

Learn more about the AHP scoring process and how it works.

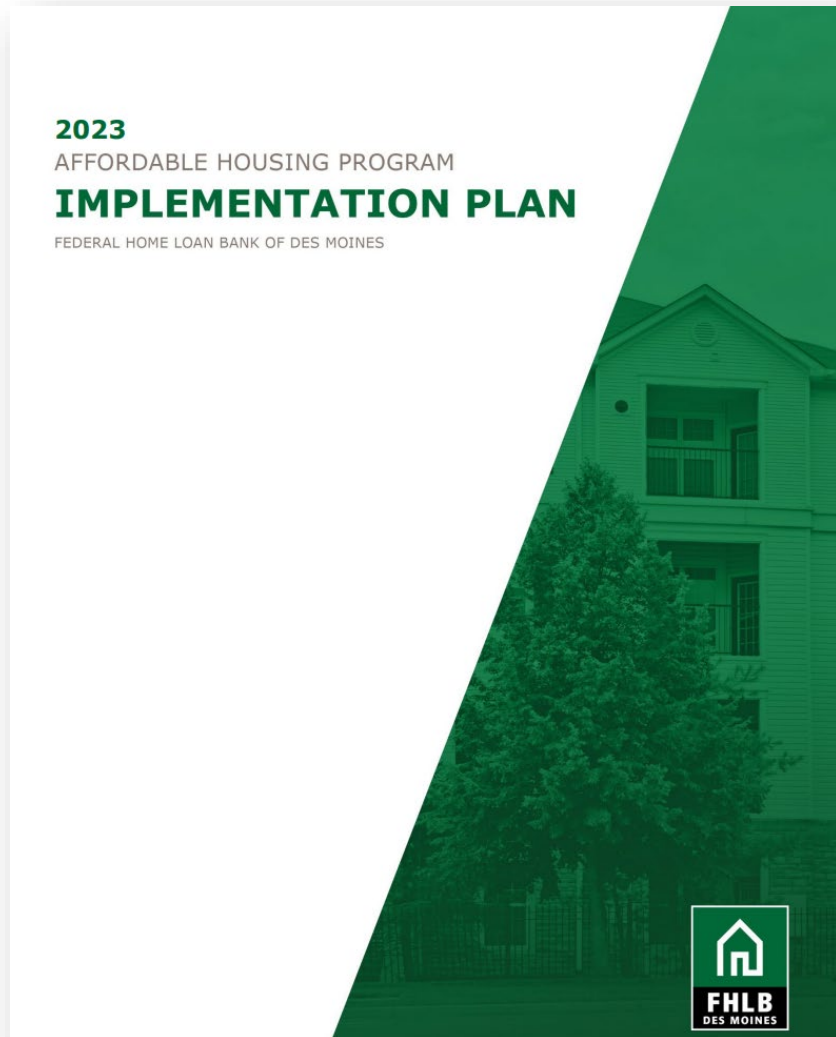
#### APPLICATION AND RESOURCES


Find the information you need to begin the AHP application process.


#### WEBINARS

Join us for our upcoming Affordable Housing Program Webinar on February 15

# Implementation Plan




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## AHP Application Forms and Resources

All housing organizations (sponsors) and FHLB Des Moines member financial institutions must register and complete a Competitive Affordable Housing Program application in AHP Online.

Please refer to the steps and guidance below to submit an application:

- [1. Register in AHP Online \(.pdf\)](#)
- [2. User Profile Setup in AHP Online \(.pdf\)](#)
- [3. Initiate Application \(.pdf\)](#)
- [4. Complete Application \(.pdf\)](#)
- [5. Housing Organization \(Sponsor\) Approval \(.pdf\)](#)
- [6. Member Financial Institution Approval \(.pdf\)](#)

### General Information and Resources

- [1. Edit User Profile \(.pdf\)](#)
- [2. Check Application Status \(.pdf\)](#)
- [3. AHP Services Agreement \(.pdf\)](#)

#### Rental Project Application Documents

The forms below are required by FHLB Des Moines when completing a Competitive Affordable Housing Program rental project application.

- [Sponsor Experience \(.doc\)](#)
- [Developer Experience \(.xls\)](#)
- [Memorandum of Understanding \(.xlsx\)](#)
- [Project Timeline \(.xlsx\)](#)
- [Construction Cost Calculator \(.xlsx\)](#)
- [Rental Feasibility Workbook \(.xlsx\) - 2023 version](#)

#### Homeownership Project Application Documents

The forms below are required by FHLB Des Moines when completing a Competitive Affordable Housing Program homeownership project application.

- [Sponsor Experience \(.doc\)](#)
- [Developer Experience \(.xls\)](#)
- [Memorandum of Understanding \(.xlsx\)](#)

#### AFFORDABLE HOUSING

##### AHP Housing Sponsors

Application
Homeownership Project Administration
Rental Project Administration
Sponsor Training for Rental Project Awards
Technical Assistance
Supporting Documentation Guidelines
AHP Member Institutions
HomeStart®
Native American Homeownership Initiative
Income Limits and Purchase Price Limits
Lien Release or Subordination
Educational Resources

# Helpful Hits and Tips

## 1 Start Early!

- Don't wait until the end of May.
- Give your member a few days to review and approve your application.

## 2 Tips for AHP Online

- User ID from previous applications will work!
- Sponsor Application Guide has instructions for setting up new User ID.
- Review all answers before you submit application. Bank will not correct wrong selections.

## 3 Refer to Available Materials on Website

- [2023 Implementation Plan](#) + [Sponsor Application Guide](#) = Successful Application
- Provide all supporting documentation as requested.

# Questions?

FHLB Des Moines is here to help!

We provide individualized technical assistance to our members and sponsors.

**Community Investment:**

Toll Free: 800.544.3452, ext. 2400

[communityinvestment@fhlbdm.com](mailto:communityinvestment@fhlbdm.com)