



Affordable Housing Products

Technical Assistance: Rental Projects

FHLB Des Moines Community Investment Department

Learning Objectives

- AHP Program & Funding Round Overview
- Sponsor and Member Information
- Application Process
- Eligibility
- Scoring
- Feasibility
- AHP Rental Feasibility Workbook
- Construction Cost Calculator
- AHP Application Forms & Resources
- Questions & Where to Find Us



Technical Assistance: Rental Projects

AHP PROGRAM & FUNDING ROUND OVERVIEW

Federal Home Loan Bank of Des Moines (FHLB Des Moines)

Who is the FHLB Des Moines?

- FHLB Des Moines is a member-owned cooperative that provides funding solutions and liquidity to nearly 1,400 members to support mortgage lending, economic development and affordable housing in the communities they serve.
- Our district includes: Alaska, American Samoa, Guam, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, North Dakota, North Mariana Islands, Oregon, South Dakota, Utah, Washington and Wyoming.
- FHLB Des Moines reserves 10% of net income for the **Affordable Housing Program** each year.

Affordable Housing Program

What is the Affordable Housing Program (AHP)?

- **Affordable Housing Program** is a competitive subsidy award program for affordable housing projects.
- Since the inception of AHP in 1990, FHLB Des Moines has awarded \$618 million to provide affordable housing opportunities to more than 108,630 families and individuals.
- AHP is subject to scoring criteria, eligibility requirements, and feasibility guidelines.
- Program guidelines are available in the **2020 AHP Implementation Plan** on bank's website at <https://www.fhlbdm.com/products-services/affordable-housing/>

What is an AHP Funding Round?

- Each year, FHLB Des Moines accepts AHP applications for funding. This is commonly referred to as a Funding Round.

How does my AHP project get awarded?

- AHP projects are awarded based on eligibility, scoring and feasibility.

Key Dates & AHP Award Limits

Key Dates	
Technical Assistance Start	February 14, 2020
Technical Assistance End	April 30, 2020
Application Start	May 1, 2020
Application End	June 15, 2020, 4:30 PM CT
Award Announcement	December 2020

AHP Award Limits:

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

AHP Implementation Plan

What is the *AHP Implementation Plan*?

- Guiding Policy Document
- This presentation will hit on key points only
- Refer to the ***AHP Implementation Plan*** to get all of the specifics and details, including but not limited to:
 - Definitions
 - Eligibility
 - Feasibility and Need for Subsidy
 - Scoring Formulas
 - Funding
 - Initial and Long Term Monitoring

What if I need more information on the key points in today's presentation?

- For your convenience, relevant page references from the ***AHP Implementation Plan*** will be included in the footer of each slide where applicable. This is a general reference only and is not a comprehensive page reference.

Reference:

2020 AHP Implementation Plan (Entire Document)



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SPONSOR & MEMBER INFORMATION

Sponsor Information

What is a sponsor?

- Sponsors are local housing providers which typically include nonprofits, governments including Native American tribes, housing authorities and other qualifying organizations that are conducting an affordable housing project.
- Sponsors can be a not-for profit or for-profit organization.
- Sponsors require the support of an FHLB Des Moines member to apply and to receive disbursement.

What are sponsor eligibility requirements?

- To be eligible for scoring, the sponsor must be integrally involved in planning, development, or management of the project. Sponsor must also have an ownership interest in the project.

Member Information- Support for Sponsor

What is a member?

- A member is an FHLB Des Moines member financial institution.
- All AHP applications require the support of a member.
- A membership directory is available on the Bank website.

Why members should partner with a sponsor?

- We encourage partnerships between members and sponsors. Member benefits include:
 - Fosters community relationships
 - Expands customer base
 - Housing programs also provide for economic development
 - Leverages local dollars
- Provides opportunity for targeted service and lending prospects.
- May qualify for Community Reinvestment Act (CRA) credit.



Technical Assistance: Rental Projects

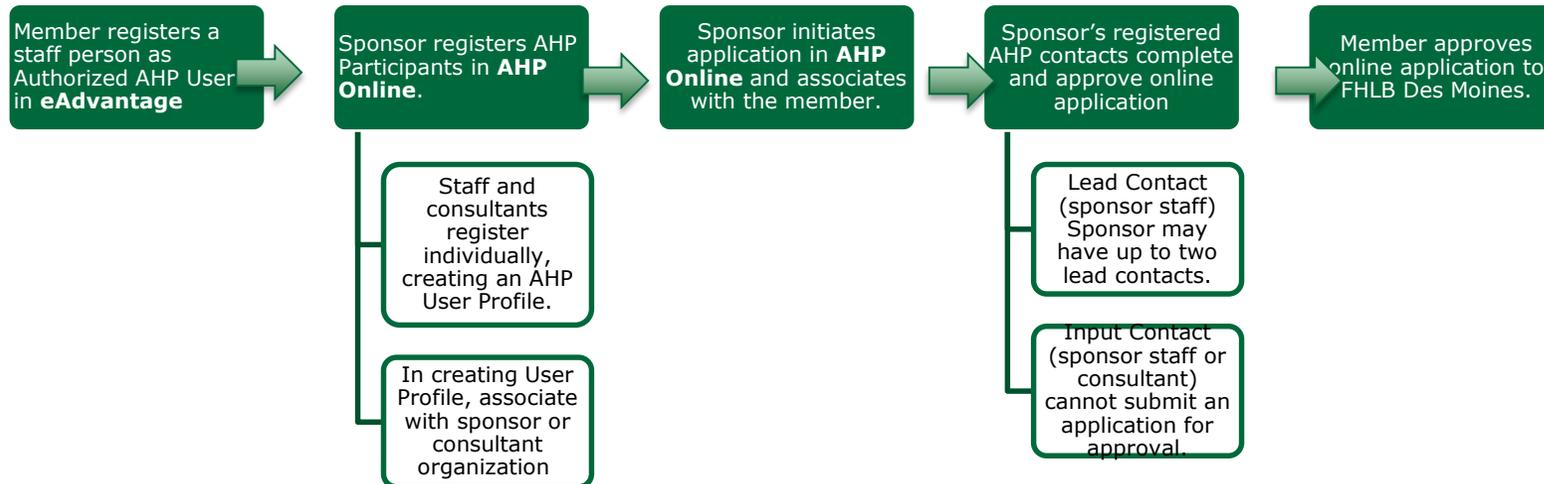
APPLICATION PROCESS

Application Process

Where do I apply?

- All sponsors and members must register and complete an AHP application in **AHP Online** which is accessed from Bank's website.
- Manuals with step-by-step instructions and guidance are available on the Bank's website.

What is the application process?





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ELIGIBILITY

Rental Eligibility Requirements

- Use of Funds: purchase, construction or rehabilitation of affordable housing
- At least 20% of the households must be at or below 50% of area median income.
- Demonstrate need for subsidy
- Timing of Subsidy Use
 - ✓ Rental project completion within 36 months of AHP Subsidy award date
- Compliance with Fair Housing, Anti-predatory and Accessibility Regulations
- Retention of Affordability (Deed Restriction)
 - ✓ 15 years for rental projects
 - ✓ May require repayment upon sale or refinance of subsidy awarded units

Reference:
2020 AHP Implementation Plan (page 4-10)

AHP Ineligible Uses

AHP Ineligible Uses:

- Projects that are substantially complete (> 50% of construction or rehabilitation) prior to the award date are not eligible.
- Non-Housing Space: Leasing Office, Program/Service Space and Units targeted above 80% of median income.
- Supportive Services including supportive service staff.
- May not be used for refinance or revolving loan funds.
- Inpatient drug and alcohol treatment centers, nursing homes, skilled nursing and medical care facilities are not eligible for funding.



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SCORING

2020 AHP Scoring Summary

Points		Scoring Priority	
5	Variable	Priority 1	Donated or Discounted Property
10	Fixed	Priority 2	Non-Profit or Government Sponsorship
20	Variable	Priority 3	Income Targeting
10	Variable	Priority 4	Homeless Households
5	Fixed	Priority 5	Promotion of Economic Empowerment
15	Variable	Priority 6	First District Priority (Special Needs Households & In District)
18	Variable	Priority 7	Second District Priority (Project Specific)
5	Variable	Priority 8	AHP Subsidy Per Unit
12	Variable	Priority 9	Community Stability (Project Specific)
100	Maximum Points		

In the 2019 AHP Funding Round, 85 projects were awarded. Scores ranged 76.18 – 59.22 points.

Priority 1 – Donated / Discounted Property (5 Points, Variable)

- 1 point for any Land or units conveyed by the federal government.

Or

- Up to 5 points (variable) for Land or units donated to the project (minimum 20% donated).
- Up to 5 points (variable) for Land or units purchased at a discount (minimum 20% discount from fair market value).
- Only arm's length transactions are eligible for points.
- Long term, nominal cost leases may qualify.
- Donation or conveyance must have occurred within 3 years of the date of AHP application, or 7 years, at the discretion of the Bank for difficult to develop conditions.

2020 AHP Scoring

Calculating Your Donated Points

Points are awarded based on the following formula: $(B/A) \times 5 = \text{Point(s)}$

1. For land or units donated:

A = Total number of units or total square feet of land in the project

B = Number of units or total square feet of land donated to the project

	Total # Units or Total Square Feet of Land (A)	Total # of Units Donated or Total Square Feet of Land Donated (B)	Donated % (Must be > / = 20% to be eligible)	Calculated Donated Points (B/A) x 5 =
Example 1	9 units	4 units	44.44%	2.22 points
Example 2	100,000 sq. ft. land	21,000 sq. ft. land	21.00%	1.05 points

Reference:
2020 AHP Implementation Plan (page 40-41)

2020 AHP Scoring

Calculating Your Discounted Points

Points are awarded based on the following formula: $(B/A) \times 5 = \text{Point(s)}$

2. For land or units conveyed at a discount:

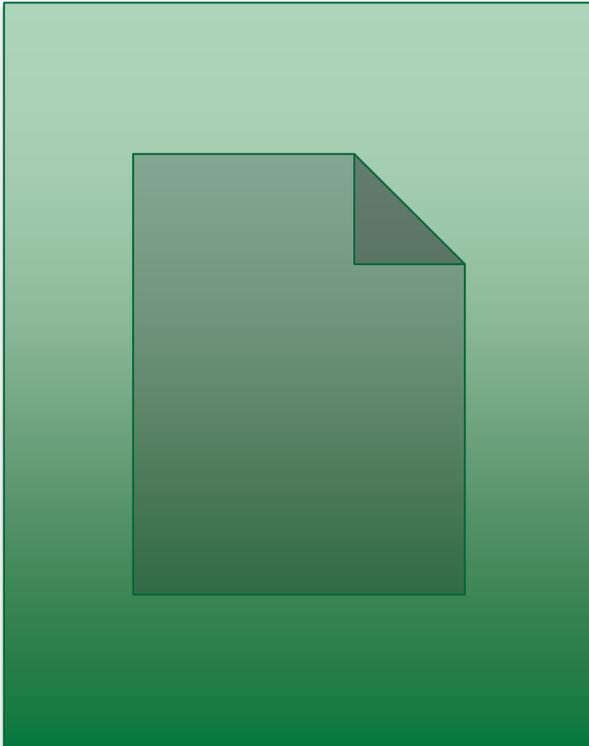
A = Fair market value of total units and/or total square feet of land not donated in the project

B = Fair market value of total units and/or total square feet of land not donated in the project, less the total amount of conveyance.

	Fair Market Value of Total Units or Total Square Feet of Land (A)	Total Amount of the Conveyance (Purchase Price)	The Discount (FMV – Purchase Price) (B)	Discount % (Must be > / = 20% to be eligible)	Calculated Discount Points (B/A) x 5 =
Example 1	\$500,000	\$300,000	\$200,000	40.00%	2.00 points
Example 2	\$1,200,000	\$972,000	\$228,000	19.00%	0.00 points

Reference:
2020 AHP Implementation Plan (page 40-41)

Priority 1 – Donated/Discounted



- Evidence of Donation should be included with application
 - i.e. transfer deed, purchase agreement or letter of intent
- Appraisal or Current Assessed Value to document market value
 - Appraisal of the property's as-is value must be within 6 months prior to the date of AHP application or 6 months prior to the date of purchase agreement signing.
- 100% Donation
 - No appraisal necessary

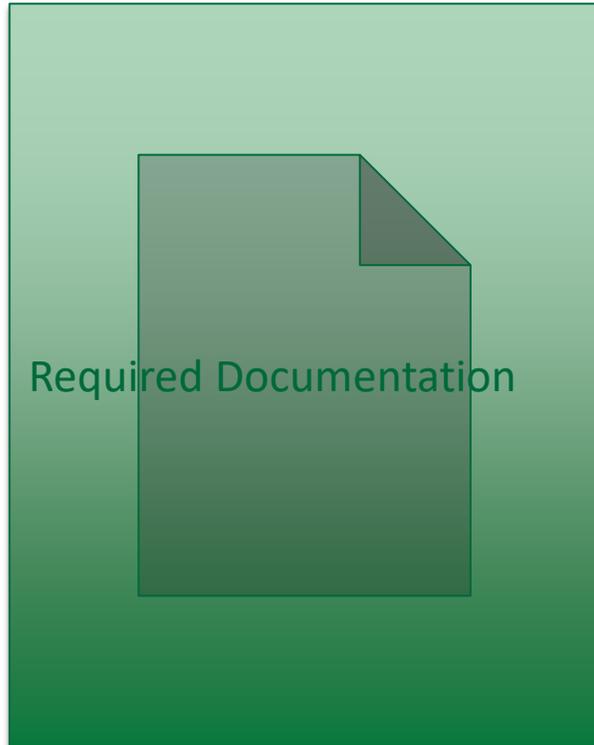
Reference:
2020 AHP Implementation Plan (page 40-41)

Priority 2 – Non-profit / Government Sponsorship (10 points, Fixed)

- Projects whose sponsorship is by a non-profit organization, a state or political subdivision of a state, a state or regional housing agency, a local housing authority, a Native American Tribe, an Alaskan Native Village, or the government entity for a Native Hawaiian Home Lands.
- Non-profit or government sponsor must be integrally involved in the project.
- For rental projects, sponsor must have controlling interest (> 50%) in both governance in decision making as well as financial interest in any returns provided by the project.

Reference:
2020 AHP Implementation Plan (page 41-42)

Priority 2 – Non-profit / Government Sponsorship



- Project Ownership Chart
 - Bank Exhibit
- Documentation of non-profit status
 - IRS Determination Letter

2020 AHP Scoring

Priority 3 – Income Targeting (20 points, Variable)

- Minimum Eligibility: 20% of the total units must be targeted to households at or below 50% AMI.
- 20 points awarded if 60% of the total units are targeted at or below 50% AMI.
- Less than 60% of the units at 50% AMI?
 - Points will be awarded on a sliding scale based on the targeting.
- Households must have incomes meeting income targeting at initial occupancy of the unit, which will be verified at project completion.
- Occupied Projects?
 - Rental Housing units that are occupied at the time of application, must meet the targeting commitments made in the application, or have a solid plan for meeting targeting commitments at project completion.
 - Sponsors must complete a *Tenant Rent Roll* (Bank Exhibit) showing household incomes for the occupied units.

Reference:
2020 AHP Implementation Plan (page 42-43)

Calculating Your Rental Targeting Points

1. Percentage of units 50% or less of the AMI multiplied by 20 points.
2. Percentage of units more than 50% but less than or equal to 60% AMI multiplied by 18 points.
3. Percentage of units more than 60% but less than or equal to 80% AMI multiplied by 16 points.

Total score is the sum of 1, 2 and 3 above.

# of Units (10 unit Project)	Percentage of Total Units	Points Multiplier	Points Result
2 units ≤ 50% AMI	20%	20	20 x 20% = 4.00
6 units ≤ 60% AMI	60%	18	18 x 60% = 10.80
2 units ≤ 80% AMI	20%	16	16 x 20% = 3.20
Total			18.00 Points

2020 AHP Scoring

Priority 4 – Housing for Homeless Households (10 Points, Variable)

- Up to 10 points for projects providing permanent housing for the homeless.
 - 5 points for 20% of the units reserved for homeless
 - 7 points for 50% of the units reserved for homeless
 - 10 points for 75% of the units reserved for homeless
- Six-month occupancy required to qualify for this category.
- Overnight shelters are eligible for AHP funding, but do not qualify for points in this category.
- The application must document a specific outreach plan for recruiting and serving the homeless, including any operating subsidy and supportive services, as applicable.
- An occupied project may count a resident as homeless for the purposes of this scoring priority if the resident was homeless no more than one year prior to the AHP application due date.

Reference:
2020 AHP Implementation Plan (page 43-44)

Priority 4 – Housing for the Homeless (continued)

Homeless Definition: A household made up of one or more individuals, other than individuals imprisoned or otherwise detained pursuant to state or federal law, who:

- Lack a fixed, regular, or adequate nighttime residence
- Have a primary nighttime residence that is:
 - – a supervised publicly or privately owned operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); or
 - – a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, camping ground, etc.
- Fleeing or attempting to flee domestic violence or other dangerous or life threatening conditions;
- Will imminently lose their housing, including housing they own, rent, or live in without paying rent or are sharing with others; or
- Are “doubled-up” temporarily in another household’s dwelling unit.

Priority 5 – Promotion of Empowerment (5 points, Fixed)

- Project must commit to provide at least one empowerment program or service to all residents to receive points.
- Services must be offered and available to all residents, absent any program eligibility requirements/criteria.
- The proposed program or service must be appropriate for the target population.
- Project programs or services that promote residents' quality of life or personal well-being, but not their economic betterment, do not qualify for points.
- Basic referral services are not eligible for points.
- Menu of empowerment services can be found in the **AHP Implementation Plan**
- *Memorandum of Understanding* (Bank Exhibit) must be completed for each empowerment service provided.

Priority 6 - Special Needs & In-District Project (15 Points, Variable)

- Up to 10 points for projects with units for special needs populations
 - 5 points for 20% of the units reserved for special needs
 - 7 points for 50% of the units reserved for special needs
 - 10 points for 75% of the units reserved for special needs
- Special needs includes: elderly (62+), physically or mentally disabled, persons recovering from alcohol, drug or physical abuse, persons with HIV/AIDS.
- 5 points awarded for projects with 100% of the units located within FHLB Des Moines District.
 - Projects not located within FHLB Des Moines District, may still apply; however are not eligible for In-District Distribution points.

Priority 7 – Second District (Project Specific) (18 Points, Variable)

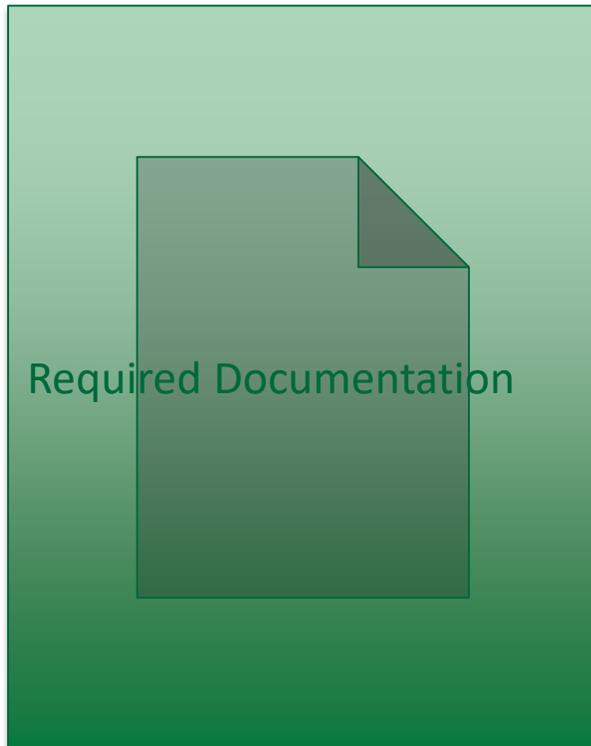
- 13 points for Native Housing Projects
 - An eligible project must :
 - Be located in a Hawaiian Home Lands housing area; or
 - Project owner is a Tribal Government, an agency of a Tribal Government (Federally Recognized Tribe or an Alaska Village or Regional Corporation), a Tribally Designated Housing Entity for the purposes of the NAHASDA, or an entity incorporated under or otherwise created in accordance with tribal law; or
 - Include Tribal Funding in the sources of funding (Indian CDBG, Indian CSBG, Indian Health Services funds, NAHASDA funding)
 - Required minimum Tribal Funding: Sources of Funds must include an amount equal to or greater than the lesser of five percent (5%) of the project’s total development cost, or \$100,000.
- 10 points for Rental New Construction 24 units or less.

2020 AHP Scoring

Priority 7 – Second District Priority (Continued)

- 13 points for Farmworker Housing
 - At least 50% of the units are occupied by households that meet the definition of farmworker.
 - Farmworker definition:
"Any persons or households that receives more than 50 percent of their income from the primary production of or the processing of agricultural or aqua cultural commodities."
- 10 points for Preservation of Federally Assisted Rental Units.
 - Preservation of rental housing currently receiving one of the following:
 - HUD Section 8 project based rental assistance
 - Public Housing Authority/PHA owner units
 - HUD 202 or 811 projects
 - USDA RD 514, 515, or 516 projects
 - Existing Federal Low Income Housing Tax Credit (LIHTC) units
 - Includes PHA units being sold to a non-profit and financed with LIHTC
- Projects must meet the scoring criteria at the time of the AHP award and at least through the date of Project Completion.
 - Points will be reduced if a prepayment of USDA RD 514 or 515 loan occurs prior to Project Completion.

Priority 7 – Second District Priority (Continued)



- Native Housing:
 - Provide narrative on how project meets Native Housing requirement and documentation supporting the project sponsor is a Tribal Government, an agency of Tribal Government, a corporation or liability entity incorporated under Tribal Ordinances, or
 - Project include Tribal Funding in the sources of funds for proposed project such as Indian CDBG, Indian CSBG, Indian Health Service funds or NAHASDA funding.
- Evidence of Farm Worker Housing:
 - Waiting list of applicants evidencing their current employer engages in primarily in production of/or processing of agricultural or aqua cultural commodities.
 - List of local employers in service area whose employees would qualify as farm workers.
- Preservation of Federally Assisted Housing:
 - i.e. HAP contract, USDA 515 mortgage, LURA, etc.

2020 AHP Scoring

Priority 8 – Subsidy per Unit (SPU) (5 Points, Variable)

- 5 points for the project with the lowest subsidy per unit.
- 0 points for the project with the highest subsidy per unit.
- Projects in between will receive points on a sliding scale from 0-5.
 - Actual points will be calculated once the AHP Funding Round closes

Reference:
2020 AHP Implementation Plan (page 46-47)

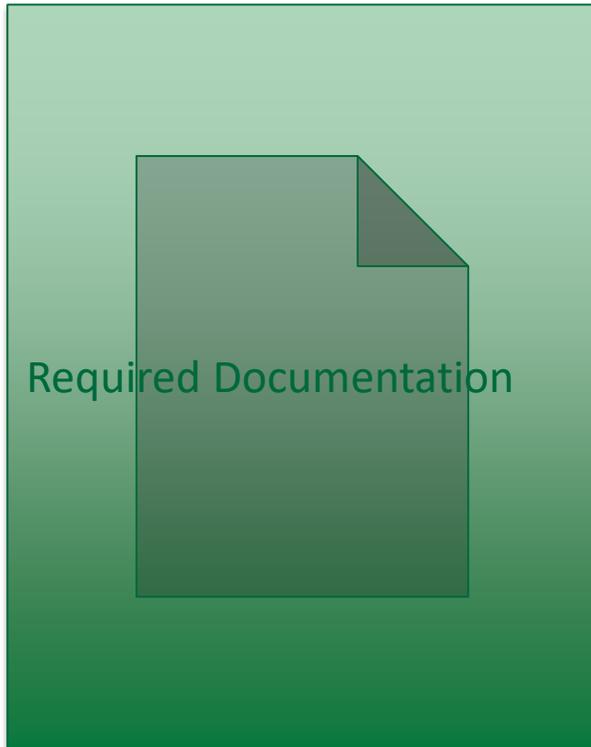
2020 AHP Scoring

Priority 9 – Community Stability (12 Points, Variable)

- 5 points for projects in which 100% of the units are Adaptive Reuse.
 - Conversion of a building from a non-housing use to a housing use (i.e., warehouse converted to apartments)
- 5 points for projects in which 100% of the units are the rehabilitation of or demolition and new construction on the same site of a vacant or abandoned building.
 - Does not apply to bare land
 - Building must be chronically vacant and uninhabitable because of its poor physical condition; or
 - Is a public nuisance; or
 - Constitutes a blight on the surrounding area; or
 - Is in violation of the applicable housing code that it constitutes a substantial threat to the life, health, or safety of the public.
- 5 points for projects in which 100% of the units include acquisition and rehabilitation of units that are not currently income restricted and are converting to affordable rental housing.
 - Minimum of \$5,000 per unit in hard rehabilitation costs
 - Must be an arms-length transaction and must have occurred within three years of the date of the AHP application.

Reference:
2020 AHP Implementation Plan (page 47)

Priority 9 – Community Stability Documentation



- Adaptive Reuse:
 - Provide documentation that evidences the current non-housing use of the property i.e. appraisal, architect certification, etc.
- Vacant and Abandoned Property:
 - Provide narrative on how project meets this requirement and documentation that evidences the properties meet the Bank's definition. This might include an affirmative market study, appraisal or capital needs assessment, or documentation of municipal action against property to cure public nuisance or blight.
- Acquisition and Rehabilitation of units converting to affordable rental housing:
 - i.e. title opinion



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FEASIBILITY

AHP Feasibility – The Basics

What is project feasibility?

- The Bank performs a comprehensive review of applications and reviews them against AHP feasibility guidelines in effect at the time of review.
- Projects must conform to the Bank’s feasibility guidelines in regard project costs and affordability of housing.
- Costs or other project features that do not conform to guidelines may disqualify application.
- Text boxes provided for sponsor to explain applicable costs or special features of project.
- Incomplete or inconsistent applications could disqualify an application.
- Feasibility Workbooks, application exhibits, and documentation to support project components are submitted to collect information/data to determine feasibility.
 - Workbooks will alert applicants to costs that require explanation, including costs in excess of guidelines.

Reference:
2020 AHP Implementation Plan (page 23-25)

AHP Feasibility Guidelines

What if my project deviates from AHP feasibility guidelines?

- Deviations from guidelines do not mean automatic disqualification.
- Sponsors must justify costs or project features that do not conform to guidelines.
 - Fully explain any deviation from the guidelines using numerical data in the explanation. Explanations should be:
 - Logical and measurable
 - Quantifiable in relation to the amount by which the guideline is not met
- Documented justification are made in **AHP Online**.
- The Bank will consider appropriate exception to these guidelines based on the information and documentation provided.

Noteworthy Feasibility Items

- Acquisition must be an ARM's length Transaction. If it is not, the Bank, in its discretion, may determine what costs and fees are acceptable and whether the project qualifies to receive an AHP subsidy.
- For projects where the sponsor is using LIHTC to recapitalize and rehabilitate the property, all net proceeds from the sale of the property must be reinvested into the project to be eligible for AHP Subsidy.
- Projects that rely on donations for the support of the operating pro forma must be able to demonstrate they have a track record of raising the funds necessary to support the project.
- The Sponsor must be qualified and have a demonstrated ability to perform its responsibilities as committed to in the AHP Application. The Bank may request documentation in addition to what is provided with the application to determine Sponsor's capacity.
- Major changes to the project or application, source and uses or other information occurring after the AHP application has been submitted will not be accepted.



Technical Assistance: Rental Projects

AHP RENTAL FEASIBILITY WORKBOOK

AHP Rental Feasibility Workbook

What is an *AHP Rental Feasibility Workbook*?

- The *AHP Rental Feasibility Workbook* contains project information and financials to help assess eligibility, scoring and feasibility.
- Workbooks are required with each application.
- All projects must complete a Feasibility Workbook. Some project types will require completion of all tabs in the workbook.
- Workbooks include:
 - *Instructions*
 - *Project Worksheet*
 - *Construction/Rehabilitation Cost Breakout*
 - *Sources of Funds*
 - *Summary of Uses of Funds*
 - *Operating Pro Forma - Housing*
 - *Supplementary Operating Pro Formas – Supportive Services, Commercial, Consolidated*
 - *Group Homes*
 - *Feasibility Analysis*
- Workbooks must be complete, detailed, and accurate.
- Helpful tips on the next few slides.

AHP Rental Feasibility Workbooks: Project Worksheet

Rental Project Worksheet

Project Name: [INSERT RENTAL PROJECT NAME]
 Total Units: 35

Amounts in income targeting and rental income chart will populate with information entered in shaded areas of table below. Be sure to include manager's unit as part of the total units in

Project will include:
 Project is:

Income Targeting	# Units	Rental Income
<= 50% AMI	14	Annual Rent \$258,996
51% - 60% AMI	16	Tenant's Share \$233,798
61% - 80% AMI	0	Rental Subsidy \$25,200
Over 80% AMI	5	
Total Units	35	

Bedroom Size	# Units
0 = SRO	8
1	20
2	3
3	4
4	0

Absorption period (lease-up) per market study or timeline, in number of months:

Activity Type	State	County	# of Units	Bedrooms per Unit	Assumed HH Size	Targeted Income	Target Income for Maximum Rents	Total Monthly Rent	Tenant's Monthly Rent Share	Housing Ratio	Annual Rent Amount
Acquisition/Rehabilitation	IA	Polk	1	0	1	<=50%	\$27,900	\$247	\$97	4.17%	\$2,964
Acquisition/Rehabilitation	IA	Polk	2	0	1	<=50%	\$27,900	\$442	\$292	12.56%	\$10,608
Acquisition/Rehabilitation	IA	Polk	2	0	1	<=50%	\$27,900	\$524	\$374	16.09%	\$12,578
Acquisition/Rehabilitation	IA	Polk	2	0	1	51%-60%	\$33,480	\$567	\$567	20.32%	\$13,608
Acquisition/Rehabilitation	IA	Polk	1	0	1	Over 80%		\$600	\$600	0.00%	\$7,200
Acquisition/Rehabilitation	IA	Polk	2	1	1.5	<=50%	\$29,875	\$378	\$228	9.16%	\$9,072
Acquisition/Rehabilitation	IA	Polk	5	1	1.5	<=50%	\$29,875	\$558	\$408	16.39%	\$33,480
Acquisition/Rehabilitation	IA	Polk	5	1	1.5	51%-60%	\$35,850	\$617	\$617	20.65%	\$37,020
Acquisition/Rehabilitation	IA	Polk	6	1	1.5	51%-60%	\$35,850	\$660	\$660	22.09%	\$47,520
Acquisition/Rehabilitation	IA	Polk	2	1	1.5	Over 80%		\$700	\$700	0.00%	\$16,800
Acquisition/Rehabilitation	IA	Polk	1	2	3	<=50%	\$35,850	\$688	\$518	17.34%	\$8,018
Acquisition/Rehabilitation	IA	Polk	1	2	3	Over 80%		\$790	\$790	0.00%	\$9,480
Acquisition/Rehabilitation	IA	Polk	1	3	4.5	<=50%	\$41,400	\$771	\$621	18.00%	\$9,252
Acquisition/Rehabilitation	IA	Polk	1	3	4.5	51%-60%	\$49,680	\$852	\$852	20.58%	\$10,224
Acquisition/Rehabilitation	IA	Polk	2	3	4.5	51%-60%	\$49,680	\$933	\$933	22.54%	\$22,392
Acquisition/Rehabilitation	IA	Polk	1	2	3	Over 80%		\$732	\$732	0.00%	\$8,784
										0.00%	\$0

Totals can be found at top of page!

Helpful Hints:

- Income Targeting** must match the targeting section in **AHP Online**. The workbook will not upload if targeting does not match.
- Annual Rent + Rental Subsidy fields will automatically populate *Operating Pro Forma - Housing* tab.
- Workbook may not load into **AHP Online** if Absorption Period is blank or missing.
- If project has Rental Subsidies, enter the average Tenant's Monthly Rent Share after subsidies are applied.

AHP Rental Feasibility Workbooks: Construction/Rehabilitation Cost Breakout

Construction/Rehabilitation Cost Breakout

Does Building Have an Elevator? Is the Project Acquisition Only?	Y Residential	(Y/N) Non-Housing Space	(Y/N) Accessory Buildings	Commercial	Total
Acquisition-Only Units					
Acquisition-Only Square Footage					
Rehabilitation Units	30	5			
Rehabilitation Square Footage	35,238	7,070			5,238
New Construction Units					
New Construction Square Footage					
Total Square Footage	35,238	7,070	0		5,238
Total Units	30	5	0		5
Square Footage % of Total	74.91%	14.87%	0.00%		11.02%

1 Please make sure to answer the questions at bottom of this form.

2 **Residential:** Includes residential units and any space needed to access and support the units (e.g. hallways, stairwells, mechanical, laundry, and common room).

3 **Non-Housing Space:** Includes non-income generating space that compliments the operations or enjoyment of the housing and is not included in the residential space (e.g. leasing office, program/service space, and units targeted above 80% AMI).

4 **Commercial:** Includes any income generating space (e.g. third-party tenants, retail). Supportive Service delivery space should be considered commercial if the provider is paying rent.

3 Describe the non-housing space(s), if applicable:
The non-housing space includes the managers unit, leasing office, program/service space and market units. The commercial space will be retail space on the ground floor.

Description of Work	Housing			Non-Housing			Total Project			
	New Construction	Rehabilitation	Total	New Construction	Rehabilitation	Total	New Construction	Rehabilitation	Total	
Concrete	\$	123,314	\$	123,314	\$	43,101	\$	43,101	\$	166,415
Masonry	\$	137,121	\$	137,121	\$	51,180	\$	51,180	\$	188,301
Metals	\$	158,546	\$	158,546	\$	55,416	\$	55,416	\$	213,962
Rough Carpentry	\$	89,843	\$	89,843	\$	31,402	\$	31,402	\$	121,245
Exterior Doors, Windows, Glass	\$	203,643	\$	203,643	\$	71,179	\$	71,179	\$	274,822
Waterproofing	\$	14,094	\$	14,094	\$	4,925	\$	4,925	\$	19,019
Insulation	\$	52,849	\$	52,849	\$	18,472	\$	18,472	\$	71,321
Roofing and Sheet Metal	\$	140,929	\$	140,929	\$	49,259	\$	49,259	\$	190,188
Siding	\$	-	\$	-	\$	-	\$	-	\$	-
Total Rough Structure (Rows 27-35)	\$	920,339	\$	920,339	\$	324,934	\$	324,934	\$	1,245,273
Finish Carpentry	\$	71,169	\$	71,169	\$	24,875	\$	24,875	\$	96,045
Cabinets, Vanities, and Countertops	\$	140,929	\$	140,929	\$	49,259	\$	49,259	\$	190,188
Interior Doors and Frames	\$	88,081	\$	88,081	\$	30,787	\$	30,787	\$	118,868
Lath and Plaster	\$	-	\$	-	\$	-	\$	-	\$	-
Drywall	\$	496,253	\$	496,253	\$	177,405	\$	177,405	\$	675,658
Tile Work	\$	176,162	\$	176,162	\$	61,573	\$	61,573	\$	237,735
Acoustical	\$	-	\$	-	\$	-	\$	-	\$	-
Carpeting	\$	-	\$	-	\$	-	\$	-	\$	-
Resilient Floor	\$	-	\$	-	\$	-	\$	-	\$	-
Painting and Decorating	\$	140,929	\$	140,929	\$	49,259	\$	49,259	\$	190,188
Specialties and Furnishings	\$	16,912	\$	16,912	\$	5,911	\$	5,911	\$	22,823
Special Equipment	\$	22,801	\$	22,801	\$	8,005	\$	8,005	\$	30,806
Appliances	\$	49,677	\$	49,677	\$	17,364	\$	17,364	\$	67,041
Total Mechanical Systems (Rows 53-57)	\$	1,625,515	\$	1,625,515	\$	568,522	\$	568,522	\$	2,194,037
Other Structure	\$	-	\$	-	\$	-	\$	-	\$	-
Total Structure (Rows 36, 52, 58, 59)	\$	3,891,796	\$	3,891,796	\$	1,367,154	\$	1,367,154	\$	5,258,950
Onsite Accessory Buildings & Garages	\$	-	\$	-	\$	-	\$	-	\$	-
Onsite Earth Work	\$	-	\$	-	\$	-	\$	-	\$	-
Onsite Site Utilities	\$	-	\$	-	\$	-	\$	-	\$	-
Onsite Road and Sidewalks	\$	15,854	\$	15,854	\$	5,542	\$	5,542	\$	21,396
Onsite Site Improvements	\$	-	\$	-	\$	-	\$	-	\$	-
Onsite Landscaping	\$	126,836	\$	126,836	\$	44,333	\$	44,333	\$	171,169
Onsite Unusual Site Condition	\$	-	\$	-	\$	-	\$	-	\$	-
Onsite Environmental Remediation	\$	159,311	\$	159,311	\$	55,416	\$	55,416	\$	214,727
Other Onsite	\$	-	\$	-	\$	-	\$	-	\$	-
Total Onsite Improvement (Rows 61-68)	\$	302,001	\$	302,001	\$	105,291	\$	105,291	\$	407,292
Offsite Earth Work	\$	-	\$	-	\$	-	\$	-	\$	-
Offsite Site Utilities	\$	-	\$	-	\$	-	\$	-	\$	-
Offsite Road and Sidewalks	\$	-	\$	-	\$	-	\$	-	\$	-
Offsite Site Improvements	\$	-	\$	-	\$	-	\$	-	\$	-
Offsite Landscaping	\$	-	\$	-	\$	-	\$	-	\$	-
Offsite Unusual Site Condition	\$	-	\$	-	\$	-	\$	-	\$	-
Offsite Environmental Remediation	\$	-	\$	-	\$	-	\$	-	\$	-
Other Offsite	\$	-	\$	-	\$	-	\$	-	\$	-
Total Offsite Improvement (Rows 71-78)	\$	-	\$	-	\$	-	\$	-	\$	-
Total (Rows 60, 70, 79)	\$	4,193,797	\$	4,193,797	\$	1,472,445	\$	1,472,445	\$	5,666,242
Percentage of Total Costs						25.99%				

- Helpful Hints:**
- 1 Separate any Non-Housing Space, Accessory Buildings, and Commercial square footage from Residential square footage. Non-Housing Space is defined in RED.
 - 2 % of Square Footage for Non-Housing Space should be approximately equal to % of Total Costs.
 - 3 Be sure to describe all non-housing space(s).
 - 4 Separate non-housing construction/rehabilitation costs from residential costs.

AHP Rental Feasibility Workbooks: Sources of Funds

Sources of Funds

Project Name: [INSERT RENTAL PROJECT NAME]

List all sources of debt and equity in the project, including permanent financing, grants, donations, etc. Construction and other interim financing should not be included in the first chart, but should be listed in the Interim Financing Box below. In the "Description Code" column, use the list below for the code.

Description Code		
1. AHP Subsidy	9. State Low Income Housing Tax Credit Equity	17. Charitable Donation
2. Permanent Financing	10. State Housing Loans	18. Owner's Equity
3. FHA Insured Mortgage	11. State Government Subsidy	19. Deferred Developer Fee
4. Federal Low-income Housing Tax Credit Equity	12. Community Development Block Grants	
5. Other Federal Housing Program (HOPE VI, 202, 811, Section 8)	13. TIF/Local Government Subsidy	
6. McKinney/Hearth Act	14. Housing Bonds	
7. Historic Preservation Tax Credit Equity	15. Grants	
8. HOME	16. Other Loans	

List all *Permanent* Sources of Project Funding, using one description code per line.

Please do not cut and paste in the table below.

A	B	C	D	E	F	G	H	I	J	K	L	M
Source of Funds	Housing	Non-Housing	Total (B+C)	Descr Code	Status	Rate (%)	Term (years)	Amort Period (years)	Annual Debt Svc. (Housing) Must Pay Only	Annual Debt Svc. (Non-Housing) Must Pay Only	Must Pay? (Y/N)	*For FHLBDM Use Must Pay Debt Svc per Indicated Terms (Housing)
Deferred Developer Fee	\$ 70,000.00		\$ 70,000.00	19	Committed						N	\$ -
LIHTC Equity	\$ 5,391,559.00	\$ 1,551,687.00	\$ 6,943,246.00	4	Requested						N	\$ -
Historic Tax Credit Equity	\$ 1,667,511.00	\$ 133,199.00	\$ 1,800,710.00	7	Requested						N	\$ -
Perm Loan	\$ 685,000.00		\$ 685,000.00	2	Committed	4.950%	16.0	30.0	\$ 43,876		Y	\$ 43,876
Commercial Space Loan		\$ 612,710.00	\$ 612,710.00	16	Committed	8.000%	15.0	30.0		\$ 53,950	Y	\$ -
			\$ -									\$ -
			\$ -									\$ -
			\$ -									\$ -
AHP Direct Subsidy	\$ 700,000.00			1	Requested							\$ -
Subtotal - Housing	\$ 8,514,070.00								\$ 43,876			\$ -
Subtotal - Non-Housing	\$ 2,297,596.00								\$ 53,950			\$ -
Total Funding Sources	\$ 10,811,666.00								\$ 97,826			\$ -

For all uncommitted funds listed above, list the date of financing decision, contact name, and phone number.

Funding Source	Decision Due Date	Contact Name	Phone Number
LIHTC Equity	12/31/2020	John Smith	555-555-5555
Historic Tax Credit Equity	12/31/2020	Jane Smith	555-555-5555

Low-Income Housing Tax Credits:

Annual LIHTC allocation request	\$766,881	per year
LIHTC sale price per dollar	\$0.9050	

Describe how the LIHTC sales price was determined.

Per Letter of Intent with the Investor.

Helpful Hints:

- 1 The ***For FHLBDM Use** column automatically calculates the housing annual debt service based on the rate, term, and amortization period entered. Make sure Annual Debt Service entered is correct.
- 2 Separate all Housing and Non-Housing Sources. *Sources of Funds* must equal *Summary of Uses of Funds*.
- 3 Make sure the LIHTC allocation and sales price matches the LIHTC worksheet. A LIHTC worksheet showing eligible basis + tax credit calculations is required. There is no Bank Exhibit or template for LIHTC worksheet. If no LIHTC, leave blank. Do not enter "0".

AHP Rental Feasibility Workbooks: Summary of Uses of Funds

Summary of Uses of Funds

See the Guide for Applicants for more information on how to categorize costs.

Acquisition Costs	Housing	Non-Housing	Total
Building Acquisition	\$ 160,000	\$ 20,000	\$ 180,000
Land Acquisition	\$ 18,000	\$ 2,000	\$ 20,000
Carrying Costs			
Legal Fees	\$ 50,000	\$ 11,000	\$ 61,000
Closing Costs	\$ 20,000	\$ 5,000	\$ 25,000
Title and Recording	\$ 20,000	\$ 5,000	\$ 25,000
Total Acquisition Costs	\$ 268,000	\$ 43,000	\$ 311,000

Construction/Rehabilitation Costs	Housing	Non-Housing	Total
Construction Costs (Structure)	\$ -	\$ -	\$ -
Rehabilitation Costs (Structure)	\$ 3,891,796	\$ 1,367,154	\$ 5,258,950
On-Site Improvements	\$ 302,001	\$ 105,291	\$ 407,292
Off-Site Improvements			
Demolition	\$ 116,243	\$ 62,341	\$ 238,584
Contingency	\$ 551,313	\$ 68,139	\$ 619,452
Builders Overhead	\$ 70,000	\$ 10,000	\$ 80,000
Builders Profit	\$ 243,920	\$ 86,281	\$ 330,201
General Requirements	\$ 199,652	\$ 85,363	\$ 285,035
Bond Premium	\$ 14,200	\$ 7,100	\$ 21,300
Furniture, fixtures, and equipment	\$ 5,000	\$ 25,000	\$ 30,000
Total Construction/Rehabilitation Costs	\$ 5,454,125	\$ 1,816,683	\$ 7,270,814

Soft Costs	Housing	Non-Housing	Total
Architect	\$ 309,861	\$ 84,966	\$ 394,833
Engineering	\$ 161,081	\$ 33,320	\$ 195,001
Appraisal	\$ 13,000		\$ 13,000
Attorney	\$ 22,740	\$ 2,260	\$ 25,000
Accounting			
Other			
Total Soft Costs	\$ 496,682	\$ 110,546	\$ 607,228

Other Financing Fees and Expenses	Housing	Non-Housing	Total
Tax Credit Reservation Fees	\$ 50,008		\$ 50,008
Application Fees	\$ 3,000	\$ 1,000	\$ 4,000
Other Financing Costs			
Total Other Financing Fees and Expenses	\$ 53,008	\$ 1,000	\$ 60,008

Developer Fees	Housing	Non-Housing	Total
Developer Fees	\$ 1,032,563	\$ 156,447	\$ 1,189,010
Consultant Fees			
Total Developer Fees	\$ 1,032,563	\$ 156,447	\$ 1,189,010

Project Reserves	Housing	Non-Housing	Total
Lease-up Reserves	\$ 26,031	\$ 3,963	\$ 30,000
Operating Reserves	\$ 37,000	\$ 15,000	\$ 52,000
Replacement Reserves			
Rental Assistance Reserves			
Other Reserves	\$ 203,204		\$ 203,204
Total Project Reserves	\$ 326,235	\$ 18,963	\$ 345,204

Total Project Costs	Housing	Non-Housing	Total
Total Project Costs	\$ 8,514,070	\$ 2,297,596	\$ 10,811,666
Percentage of Total Cost	78.75%	21.25%	

1

2

3

4

Detail: Furniture, fixtures, and equipment costs.

Furniture, chairs, desks, artwork, electronics etc. These will be used by residential tenants.
Office furniture for the leasing office.

2

Detail: need for capitalized reserves.

The investor requires a three month lease-up and six month of operating expenses plus debt service on operating reserves.

3

Helpful Hints:

- 1 Separate all Housing and Non-Housing uses.
- 2 Certain Uses line items will require detailed explanation. Provide explanation in yellow box(es).
- 3 Provide detailed explanations for all capitalized reserves. Enter Reserves for supportive services in the Non-Housing column.
- 4 **Total Project Costs** on the *Summary of Uses of Funds* must equal to *Sources of Funds*.
- 5 **% of Total Cost for Non-Housing Space** on the *Uses* should be approximately equal to **% of Total Construction / Rehabilitation Costs** on the *Cost Breakout*.

AHP Rental Feasibility Workbooks: Operating Pro Forma Assumptions

Operating Pro Forma Assumptions

Project Name: [INSERT RENTAL PROJECT NAME]

Payroll Breakout

Provide staffing and salary assumptions for all staff positions and indicate whether respective payroll amounts flow through to the Housing, Services, or Commercial Operating Pro Formas. In the comment section, explain your assumptions. Example: Maintenance salary includes a full-time manager (\$35,000) and part-time janitor (\$14,000). Benefits and taxes are estimated at 20%.

Note: AHP funds may not be used to directly or indirectly subsidize supportive services, including supportive service staff (i.e. service coordinator, case manager, etc.) Although some agencies will accept supportive service costs as a portion of the pro forma, the Bank does not allow supportive service costs to be included in the housing pro forma. The Bank requires the support service costs to be separated from the real estate budget and shown on the Supplementary Pro Forma tab.

Position Title	Salary Reflected on	Annual Salary, Benefits, and Taxes	Status	Staffing Assumptions / Comments
Service Coordinator	Paid from Cash Flow	\$15,000	PT	Part Time Service Coordinator - will be onsite twice a week
Case Manager	Services Pro Forma	\$48,900	FTE	Case Management Services
On Site Staff	Housing Pro Forma	\$24,500	FTE	On site facility Manager
Total		\$88,400		
Housing Payroll Expenses		\$24,500		
Services Payroll Expenses		\$48,900		
Commercial Payroll Expenses		\$0		
Paid from Cash Flow Total		\$15,000		

Please explain how the service staff will be paid in the event that cash flow is not sufficient to cover their payroll expenses.

In the event that cash flow is insufficient, service coordinator duties will be handled by Case Manager.

Income Assumption Breakout and Details

The Project Worksheet indicates the project WILL have rental subsidies. Please answer the following 2 questions.

Are rental subsidies committed? Yes No Upload documentation on the Commitment Letters screen of the online application

If the project relies on rental subsidies or operating grants that are not committed for the entire 15-year retention period, describe contingency plan if the grants and/or subsidies are not renewed.

Project has 14 project based section 8 vouchers, however, if vouchers are not committed for the entire 15 year retention period, the project will increase rents to the maximum allowed by the project targeting to cover operating expenses.

Break out income assumptions below. Values will be pulled into the Op_Pro_Forma_Hsg tab automatically.

Category	Description or Funding Source	Amount in Year 1	Term (Y)	Committed?
Laundry		\$2,500		
Parking				
Other Income Dependent on Occupancy Levels				

Operating Grants	ABC Grant	\$5,000		
Operating Donations	Budgeted Donations	\$6,000		
Operating Reserves				

Category	Description or Funding Source	Amount in Year 1	Term (Y)	Committed?
Occupancy Levels				

Provide contact information for uncommitted rental subsidies or operating grants.

Uncommitted Funding Source	Decision Due Date	Contact Name	Phone Number
ABC Grant	1/1/2020	John Smith	555-555-5555

Provide additional explanation or guidance on income assumptions here. Income Assumptions are based off market study results.

Contract Services Breakout and Details

Break out contract services below. Values will be pulled into the Op_Pro_Forma_Hsg tab automatically.

Category	Description	Amount in Year 1
Contract Services (Examples include: snow removal, pest control, etc.)		

Expense Assumption Breakout and Details

Break out expense assumptions below. Values will be pulled into the Op_Pro_Forma_Hsg tab automatically.

Category	Description	Amount in Year 1
Other Expenses (Examples include: supplies, elevator maintenance, etc.)	Elevator	\$10,100

Debt Payment Details

If project is financed with soft debt, please explain terms of repayment.

Per the Investor, Sponsor Loan must be paid back out of available cash flow within 15 years.

Helpful Hints:

- 1 AHP does not allow any income or expense related to supportive services to be reflected on the *Operating Pro Forma - Housing*. Do not select **Housing Pro Forma** option for any salary(ies) related to supportive services.
- 2 Explain the contingency plan if rental subsidies or operating grants are not received for the full 15 years.
- 3 Explain how income assumptions were made.
- 4 Explain repayment terms for all soft debt (if any).

AHP Rental Feasibility Workbooks: Operating Pro Forma - Housing

Operating Pro Forma - Housing

Project Name: [INSERT RENTAL PROJECT NAME]		Enter housing data in shaded cells. Enter income, expenses, and debt service for supportive services and commercial space on Supplementary Op_Pro_Formas.																																																													
# Units: 35																																																															
Housing Assumptions		<table border="1"> <tr> <td> Vacancy Rate Year 1: 7.00% Stabilized Vacancy Rate Years 2-15: 7.00% Revenue Escalator: 2.00% Expense Escalator: 3.00% Interest Rate on Operating Reserve: 1.00% </td> <td colspan="14"> Does the Proforma reflect debt service payments for any existing or other debt not reflected in the Sources of Funds? Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/> </td> </tr> <tr> <td colspan="16"> If yes, list the existing source(s) of debt and loan terms: </td> </tr> <tr> <td>Existing Debt Holder</td> <td>Outstanding Balance</td> <td>Annual Debt Service</td> <td>Remaining Term (Years)</td> <td>Amortization (Years)</td> <td>Interest Rate (APR)</td> <td colspan="10"></td> </tr> </table>															Vacancy Rate Year 1: 7.00% Stabilized Vacancy Rate Years 2-15: 7.00% Revenue Escalator: 2.00% Expense Escalator: 3.00% Interest Rate on Operating Reserve: 1.00%	Does the Proforma reflect debt service payments for any existing or other debt not reflected in the Sources of Funds? Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>														If yes, list the existing source(s) of debt and loan terms:																Existing Debt Holder	Outstanding Balance	Annual Debt Service	Remaining Term (Years)	Amortization (Years)	Interest Rate (APR)										
Vacancy Rate Year 1: 7.00% Stabilized Vacancy Rate Years 2-15: 7.00% Revenue Escalator: 2.00% Expense Escalator: 3.00% Interest Rate on Operating Reserve: 1.00%	Does the Proforma reflect debt service payments for any existing or other debt not reflected in the Sources of Funds? Yes <input type="checkbox"/> 2 No <input checked="" type="checkbox"/>																																																														
If yes, list the existing source(s) of debt and loan terms:																																																															
Existing Debt Holder	Outstanding Balance	Annual Debt Service	Remaining Term (Years)	Amortization (Years)	Interest Rate (APR)																																																										
Income Assumptions		Revenue Escalator: 2.00%	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15																																														
Gross Residential Rents	From Project Worksheet	233,795	238,472	243,241	248,106	253,068	258,130	263,292	268,558	273,929	279,408	284,998	290,699	296,510	302,440	308,489																																															
Rental Subsidy (a)	From Project Worksheet	25,200	25,704	26,218	26,742	27,277	27,823	28,379	28,947	29,526	30,116	30,719	31,333	31,960	32,599	33,251																																															
Laundry, Parking, Other	From Oper. Assumptions	2,500	2,550	2,601	2,653	2,706	2,760	2,815	2,872	2,929	2,988	3,047	3,108	3,171	3,234	3,299																																															
Operating Grants & Donations	From Oper. Assumptions	11,000																																																													
Operating Reserve Draws	From Oper. Assumptions	0																																																													
Total Gross Income		272,495	269,729	272,060	277,502	283,052	288,713	294,487	300,377	306,384	312,512	318,762	325,137	331,640	338,273	345,038																																															
Less: Vacancy & Bad Debt	Stabilized Vacancy Year 2-15: 7.00%	18,130	18,492	18,862	19,239	19,624	20,017	20,417	20,825	21,242	21,667	22,100	22,542	22,993	23,453	23,922																																															
Net Revenue (EG)		254,365	248,234	253,198	258,262	263,427	268,696	274,070	279,551	285,142	290,845	296,662	302,595	308,647	314,820	321,117																																															
Expense Assumptions		Expense Escalator: 3.00%																																																													
Management Fee	Flat Fee/Unit	14,700	15,141	15,595	16,063	16,545	17,041	17,553	18,079	18,622	19,180	19,756	20,348	20,959	21,587	22,230																																															
Administrative/Office expenses		11,700	12,051	12,413	12,785	13,168	13,564	13,970	14,390	14,821	15,266	15,724	16,196	16,681	17,182	17,697																																															
Advertising		250	259	265	273	281	290	299	307	317	326	336	346	356	367	378																																															
Legal		2,500	2,575	2,652	2,732	2,814	2,899	2,985	3,075	3,167	3,262	3,360	3,461	3,564	3,671	3,781																																															
Accounting & Audit		6,500	6,180	6,385	6,556	6,753	6,956	7,164	7,379	7,601	7,829	8,063	8,305	8,555	8,811	9,076																																															
Utilities	Unit utilities paid by: Tenant	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815																																															
Water, Sewer, Trash		13,500	13,905	14,322	14,752	15,194	15,650	16,120	16,603	17,101	17,614	18,143	18,687	19,248	19,825	20,420																																															
Maintenance/Repair		2,400	2,472	2,546	2,623	2,701	2,782	2,866	2,952	3,040	3,131	3,225	3,322	3,422	3,524	3,630																																															
Grounds Maintenance		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																																															
Security		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																																															
Contract Services	From Oper. Assumptions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																																															
Payroll (incl. taxes & benefits)	From Oper. Assumptions	24,500	25,235	25,992	26,772	27,575	28,402	29,254	30,132	31,036	31,967	32,926	33,914	34,931	35,979	37,058																																															
Real Estate Taxes	Normal	35,000	36,050	37,132	38,245	39,393	40,575	41,792	43,046	44,337	45,667	47,037	48,448	49,902	51,399	52,941																																															
Insurance		11,000	11,330	11,670	12,020	12,381	12,752	13,135	13,529	13,934	14,353	14,783	15,227	15,683	16,154	16,638																																															
Other Expenses:	From Oper. Assumptions	10,100	10,403	10,715	11,037	11,368	11,709	12,060	12,422	12,794	13,178	13,574	13,981	14,400	14,832	15,277																																															
Partnership Management Fee (LIHTC only)		2,000	2,060	2,121	2,185	2,251	2,318	2,388	2,459	2,533	2,609	2,687	2,768	2,851	2,937	3,025																																															
Other Expenses:	Gas costs for water heating	11,130	11,462	11,807	12,162	12,526	12,902	13,289	13,688	14,099	14,522	14,957	15,405	15,868	16,344	16,835																																															
Total Operating Expenses	Oper. Cost/Unit: \$4,851	187,785	174,872	180,118	185,523	191,088	196,800	202,725	208,807	215,077	221,526	228,169	235,014	242,061	249,327	256,807																																															
Debt Coverage Ratio (DCR) before Soft Debt		1.69	1.43	1.4	1.3	1.3	1.36	1.3	1.27	1.29	1.3	1.24	1.21	1.18	1.14	1.10																																															
Initial Cash Flow		30,210	18,671	18,065	17,390	16,646	15,827	14,931	13,955	12,894	11,745	10,507	9,171	7,736	6,198	4,551																																															
Debt Service Payable from Cash Flow:	Enter Description Here																																																														
Debt Service Payable from Cash Flow:	Enter Description Here																																																														
Deferred Developer Fee		8,000	8,000	8,000	8,000	8,000	8,000	7,000	6,000	5,000	4,000																																																				
Other:	Enter Description Here																																																														
Secondary Cash Flow		\$22,210	\$10,671	\$10,065	\$9,390	\$8,646	\$7,827	\$7,931	\$7,955	\$7,894	\$7,745	\$7,507	\$7,171	\$7,736	\$6,198	\$4,551																																															
Secondary Cash Flow per unit		\$635	\$305	\$288	\$268	\$247	\$224	\$227	\$227	\$220	\$221	\$300	\$202	\$221	\$177	\$130																																															
Debt Coverage Ratio (DCR) Cash Flow / Gross Income		1.43	1.21	1.19	1.18	1.17	1.15	1.16	1.16	1.16	1.16	1.24	1.21	1.18	1.14	1.10																																															
Operating Reserve Deposits (Draws)		\$ 97,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -																																															
Interest on Operating Reserve		\$ 970	\$ 980	\$ 989	\$ 999	\$ 1,009	\$ 1,019	\$ 1,030	\$ 1,040	\$ 1,050	\$ 1,061	\$ 1,071	\$ 1,082	\$ 1,093	\$ 1,104																																																
Cumulative Operating Reserve		\$ 97,000	\$ 97,970	\$ 98,950	\$ 99,939	\$ 100,939	\$ 101,948	\$ 102,967	\$ 103,997	\$ 105,037	\$ 106,087	\$ 107,148	\$ 108,220	\$ 109,302	\$ 110,395	\$ 111,499																																															

Helpful Hints:

- 1 Enter all Housing Assumptions including **Interest Rate on Operating Reserve**.
- 2 Complete this section if project has existing debt.
- 3 Select from the appropriate drop down option for **Management Fee, Utilities, and Real Estate Taxes**.
- 4 Provide an explanation for all **Other Expenses**.
- 5 Enter correct **Deferred Developer Fee** repayment. Typically, this should equal Deferred Developer Fee on *Sources of Funds*.

Cumulative 5-yr cash flow: \$60,582
 Cumulative 5-yr cash flow/unit/year: \$348
 Cumulative 15-yr Repaid Deferred Developer Fee: \$70,000

5

AHP Rental Feasibility Workbooks: Supplementary Operating Pro Formas

Enter budget details in shaded cells in applicable section if project provides supportive svcs or has commercial space

Supplementary Operating Pro Formas Supportive Services / Commercial / Consolidated

Project Name: [INSERT RENTAL PROJECT NAME]
Units: 35

Supportive Services Assumptions

Vacancy Rate Year 1:

Stabilized Vacancy Rate Years 2-15:

Revenue Escalator:

Expense Escalator:

Interest Rate on Operating Reserve:

Commercial Space Assumptions

Vacancy Rate Year 1:

Stabilized Vacancy Rate Years 2-15:

Revenue Escalator:

Expense Escalator:

Interest Rate on Operating Reserve:

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
SUPPORTIVE SERVICES																
Income Assumptions																
Supportive Services contract	Revenue Escalator 2.00%	48,900	49,878	50,878	51,893	52,931	53,990	55,069	56,171	57,294	58,440	59,609	60,801	62,017	63,257	64,523
Enter Income Source Here																
Enter Income Source Here																
Less: Vacancy & Bad Debt	Stabilized Vacancy Year 2-15 0.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income - Supportive Services		48,900	49,878	50,878	51,893	52,931	53,990	55,069	56,171	57,294	58,440	59,609	60,801	62,017	63,257	64,523
Expense Assumptions																
Management Fee	Expense Escalator 3.00%		0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utilities			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Food			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Payroll (incl. taxes & benefits)	From Oper. Assumptions	48,900	50,367	51,878	53,434	55,037	56,689	58,389	60,141	61,945	63,803	65,718	67,689	69,720	71,811	73,966
Real Estate Taxes			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Expenses	Enter Description Here															
Total Expenses - Supportive Services	Exp/Unit \$1,397	48,900	50,367	51,878	53,434	55,037	56,689	58,389	60,141	61,945	63,803	65,718	67,689	69,720	71,811	73,966
Cash Flow - Supportive Services																
		0	-489	-1,002	-1,541	-2,106	-2,699	-3,320	-3,970	-4,651	-5,363	-6,109	-6,888	-7,703	-8,554	-9,443
																Cumulative 15-yr cash flow: (\$63,839)
COMMERCIAL SPACE																
Income Assumptions																
Lease Income		84,320	86,006	87,727	89,481	91,271	93,096	94,958	96,857	98,794	100,770	102,786	104,841	106,938	109,077	111,258
Less: Vacancy & Bad Debt	Stabilized Vacancy Year 2-15 10.00%	8,432	8,601	8,773	8,948	9,127	9,310	9,496	9,686	9,879	10,077	10,279	10,484	10,694	10,908	11,126
Other Income	Enter Description Here															
Total Income - Commercial Space		75,888	77,406	78,954	80,533	82,144	83,786	85,462	87,171	88,915	90,693	92,507	94,357	96,244	98,169	100,133
Expense Assumptions																
Management Fee	Expense Escalator 3.00%	3,929	4,047	4,168	4,293	4,422	4,555	4,691	4,832	4,977	5,126	5,280	5,439	5,602	5,770	5,943
Common Area Expenses		4,200	4,326	4,456	4,589	4,727	4,869	5,015	5,165	5,320	5,480	5,644	5,814	5,988	6,166	6,353
Payroll (incl. taxes & benefits)	From Oper. Assumptions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes		7,200	7,416	7,638	7,866	8,104	8,347	8,597	8,855	9,121	9,394	9,676	9,968	10,265	10,573	10,891
Insurance		5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343	7,563
Other Expenses			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses - Commercial Space		20,329	20,939	21,567	22,214	22,880	23,567	24,274	25,002	25,752	26,525	27,320	28,140	28,984	29,854	30,749
Replacement Reserves																
Debt Service (1/yr'ly distr only)																
1st Mortgage - Principal & Interest		53,950	53,950	53,950	53,950	53,950	53,950	53,950	53,950	53,950	53,950	53,950	53,950	53,950	53,950	53,950
2nd Mortgage - Principal & Interest			0	0	0	0	0	0	0	0	0	0	0	0	0	0
3rd Mortgage - Principal & Interest																
Debt Service - Commercial Space		53,950														
Cash Flow - Commercial Space																
		1,609	2,517	3,437	4,369	5,313	6,270	7,238	8,219	9,213	10,218	11,237	12,267	13,310	14,365	15,433
																Cumulative 15-yr cash flow: \$125,016

Helpful Hints:

- 1 Complete Supportive Services and Commercial Space Assumptions if applicable. Not all fields apply.
- 2 Complete Income and Expenses related to Supportive Services or Commercial Space if applicable.
- 3 Provide description of Other Expenses if applicable.

AHP Rental Feasibility Workbooks: AHP Feasibility Analysis

AHP Feasibility Analysis

Item	Value
Total units	35
Cost Breakout Total Units = Project Worksheet Total Units	TRUE
Sources of Funds = Uses of Funds	TRUE
Housing Sources of Funds = Housing Uses of Funds	TRUE
Non-Housing Sources = Non-Housing Uses	TRUE
Total Development Cost	\$8,514,070.00
Total Development Cost per unit	\$243,259.14
Total Development Cost per square foot	\$241.62
Adjusted Total Development Cost	\$5,434,925.00
Adjusted Total Development Cost per Unit	\$155,283.57
Total Acquisition Cost per unit	\$7,657.14
Acquisition-Only Cost per Square Foot	\$0.00
Rehabilitation Cost per Square Foot (From Cost Breakout tab)	\$119.01
New Construction Cost per Square Foot (From Cost Breakout tab)	\$0.00
Construction/Rehabilitation Cost per square foot (Summary of Uses total)	\$128.91
Average Square Foot per unit	1,175
Average Acquisition-Only Square Foot per unit	0
Average Rehabilitation Square Foot per unit	1,175
Average New Construction Square Foot per unit	0
Non-housing & Accessory Space %	14.87%
Commercial %	11.02%

1

2

3

4

4

Feasibility Guidelines				
Guideline	Description	Min Standard	Max Standard	Actual
Development Budget				
Adjusted Total Development Cost per Unit	See AHP Implementation Plan Rental Project Development Budget – Per Unit Development Cost	NA	Must be supported by industry construction cost data	\$155,283.57
Contingency % (Housing)	Rehab	NA	20.00%	9.78%
Contingency % (Overall)	Rehab	NA	20.00%	8.41%
Developer & Consultant Fee %	Rehab	0.00%	15.00%	14.59%
Capitalized Reserves - Housing (months)	[(Tot Proj Reserves - LeaseUp Rsrv - Rental Assistance Rsrv) / (Op Ex + Replacement Rsrvs + debt service)] / 12 months	0.0	12.0	16.07

Requires explanation in AHP Online

Requires explanation in AHP Online

Helpful Hints:

- 1 No inputs. *AHP Feasibility Analysis* tab is populated from the other tabs of the workbook.
- 2 Use this number in the *Construction Cost Calculator* (Bank Exhibit).
- 3 Minimum and Maximum Feasibility Guidelines are detailed in the **2019 AHP Implementation Plan**.
- 4 Once uploaded onto **AHP Online**, a detailed explanation will be required.



Technical Assistance: Rental Projects

CONSTRUCTION COST CALCULATOR

Construction Cost Calculator

What is a *Construction Cost Calculator*?

- The *Construction Cost Calculator* helps determine the hard cost feasibility of a project's budget when compared to a typical project of that type at the project location.
- It is a required Bank Exhibit, located on the Bank's website under **Application Documents**.
- The calculator uses cost data derived from *Marshall and Swift Commercial and Residential Cost* data, and location information from *RS Means*, in its analysis.
- Instructions on how to complete the calculator are located on the first tab.
- Helpful tips on the next slide.

Construction Cost Calculator

Construction/Rehabilitation Cost Breakout

Does Building Have an Elevator? Is the Project Acquisition Only?	Y N	(Y/N) (Y/N)	Residential	Non-Housing Space	Accessory Buildings	Commercial	Total
Acquisition-Only Units							0
Acquisition-Only Square Footage							0
Rehabilitation Units	30			0			35
Rehabilitation Square Footage	32,178			7,070		5,239	47,547
New Construction Units							0
New Construction Square Footage							0
Total Square Footage	35,238			7,070	0	5,239	47,547
Total Units			5				35
Square Footage % of Total			14.87%		0.00%	11.02%	

Construction / Rehabilitation Cost Reasonableness

Project Number: _____
 Project Name: [INSERT PROJECT NAME]
 Analysis Date: [MM/DD/YYYY]

Sponsor's Project Plan

- Building Type
- Floor Area (Gross Conditioned Sq. Ft.)
- Scope of Work
- Location Zip Code
- Quality of Vertical and Site Improvements

Apartments (4-7 stories) **1**
 35,238 Sq. Ft.
 Gut Rehab or Adaptive Reuse
 50309 Des Moines, IA
 Q4. Good **2**

Basement No
 Elevator Yes
 Balconies/Exterior Covered Area Yes

Sponsor's Project Cost

⇒ Total Hard Cost Budget, including Contingency \$ 5,434,925 **3**
 ⇒ Total Hard Cost Budget per Sq. Ft. \$ 154.23

FHLBank's Construction Cost Factors & Estimate

1. National Avg. New Constr. or Repl. Cost per Sq. Ft.	\$ 106.48
2. Scope of Work Factor	1.000
3. Location Factor	0.920
4. Quality Factor	1.270
⇒ Total Estimated Hard Cost per Sq. Ft.	\$ 124.41
⇒ Total Estimated Hard Cost Based on Input Factor:	\$ 4,383,960

FHLBank's Analysis of Reasonable Cost

5. Acceptable Variance Range (%) -20.00% to +10.00%
 ⇒ Variance between Budget and Estimate \$ 1,050,965 **4**
 ⇒ Variance Acceptable? **No: Over-Budgeted**

AHP Feasibility Analysis

Item	Value
Total units	35
Cost Breakout Total Units = Project Worksheet Total Units	TRUE
Sources of Funds = Uses of Funds	TRUE
Housing Sources of Funds = Housing Uses of Funds	14,070.00
Non-Housing Sources = Non-Housing Uses	\$243,259.14
Total Development Cost	\$241.62 3
Total Development Cost per unit	
Total Development Cost per square foot	
Adjusted Total Development Cost	\$5,434,925.00
Adjusted Total Development Cost per Unit	\$155,283.57
Total Acquisition Cost per unit	
Acquisition-Only Cost per Square Foot	
Rehabilitation Cost per Square Foot (From Cost Breakout tab)	
New Construction Cost per Square Foot (From Cost Breakout tab)	\$57.14

Helpful Hints:

The *Construction Cost Calculator* requires data inputs from the *AHP Feasibility Workbook*.

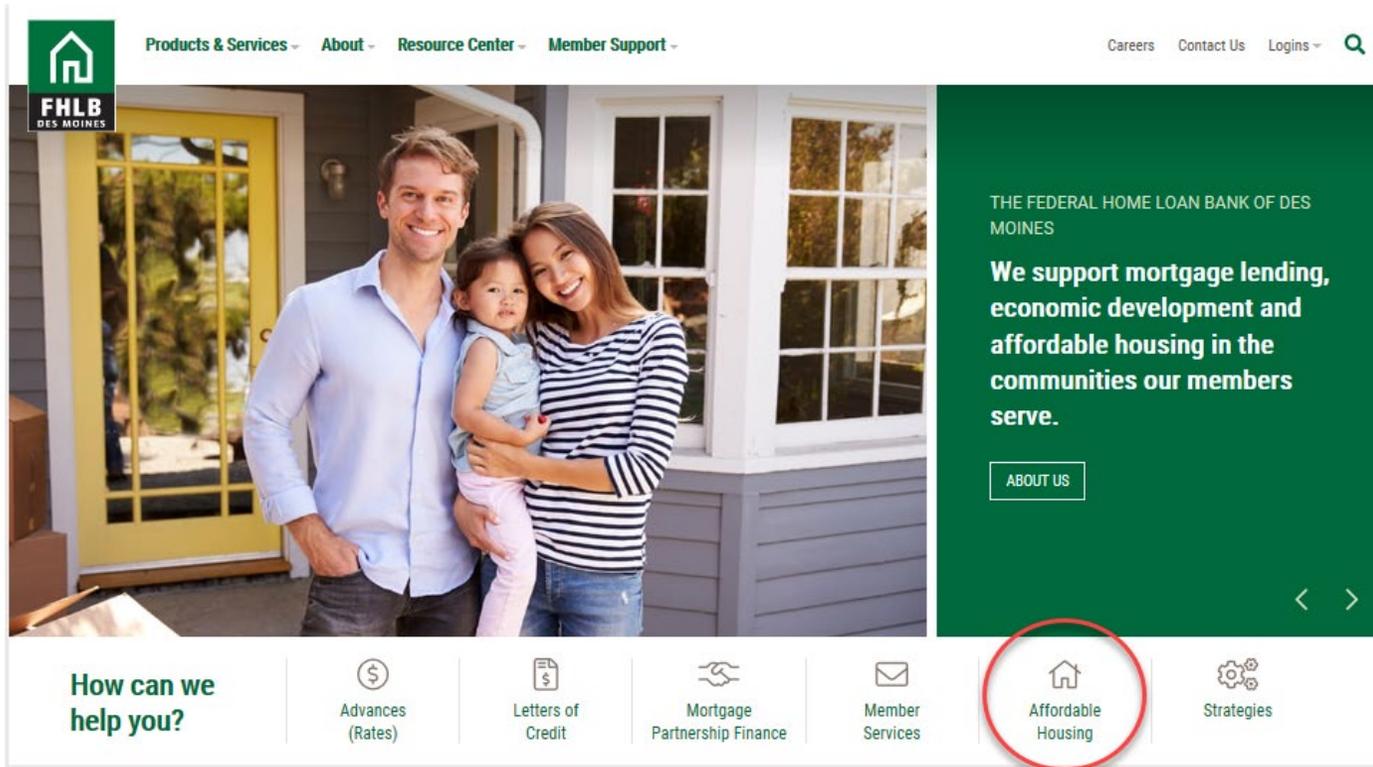
- 1** Use the **Residential Total Square Footage** from the *Construction/Rehabilitation Cost Breakout* tab of the workbook. Do not include non-housing, accessory buildings or commercial square footage.
- 2** Quality Ratings of Good or above will require a detailed explanation meeting the *Quality* tab definition.
- 3** Use the **Adjusted Total Development Cost** from *Feasibility Analysis* tab of the workbook.
- 4** If over or under budget, a detailed explanation using numerical data required.



Technical Assistance: Rental Projects

AHP APPLICATION FORMS & RESOURCES

AHP Application Forms and Resources



Where can I find more information?

- The Bank's website www.fhlbdm.com contains all the Affordable Housing Program information.

AHP Application Forms and Resources

Products & Services - About - Resource Center - Member Support - Careers - Contact Us - Logins -

Home / Products & Services / Affordable Housing / AHP Housing Sponsors / Application

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 \(.pdf\)](#)

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 \(.xlsx\)](#)
- [Project Ownership Chart \(.xlsx\)](#)
- [Tenant Rent Roll \(.xls\)](#)
- [USDA Feasibility Review Worksheet \(.doc\)](#)

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 \(.xlsx\)](#)
- [Project Timeline \(.xlsx\)](#)
- [Construction Cost Calculator \(.xlsx\)](#)

AFFORDABLE HOUSING

AHP Housing Sponsors

Application

- Homeownership Project Administration
- Rental Project Administration
- Legacy Homeownership Project Administration
- Legacy Rental Project Administration
- Supporting Documentation Guidelines

AHP Member Institutions

- HomeStart®
- HomeStart® Plus
- Native American Homeownership Initiative
- Income Limits and Purchase Price Limits
- Lien Release or Subordination
- Educational Resources

RELATED CONTENT

- [AHP Online](#)
- [2019 Implementation Plan \(.pdf\)](#)
- [2018 Implementation Plan \(.pdf\)](#)

Where can I find application forms (Bank Exhibits) and resources?

- The application page of the Bank's website <https://www.fhlbdm.com/products-services/affordable-housing/ahp-sponsors/application/> contains all of the information you will need to complete your application and administer your project.
- The Application section will contain:
 - Steps and guidance
 - General information and resources
 - Project Application Documents (Bank Exhibits)



Technical Assistance: Rental Projects

QUESTIONS & WHERE TO FIND US

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

- The Funding Round is a competitive scoring process, in which applications compete with other applications. Therefore, it is impossible to predict how competitive your project is because each Funding Round is different. Below are the results of the last few years:

Funding Round	\$ Available (Million)	# of Projects Awarded	Score Range
2019	\$51.5	85	76.181818 – 59.228499
2018	\$52.6	109	77.333333- 59.461430
2017	\$44.6	78	77.779758 – 61.270303

How much AHP is available in the 2020 Funding Round?

- Currently, we do not know how much will be available in the 2020 Funding Round. We will have a better idea in the 3rd quarter of the calendar year.

Questions Cont'd

What if I forget to request scoring points in a specific priority?

- You have until the member approves/submits your application to edit your application and make changes. Once the member approves your application, you are no longer able to make changes or request additional scoring points, even if your project meets the scoring criteria.

Can I apply for AHP funding with more than one Federal Home Loan Bank?

- FHLB Des Moines allows AHP awards from different FHLBanks as long as each AHP award is listed as a separate funding source on the *Sources of Funds*. However, each Bank has its own program requirements. Check with the Bank with which you intend to apply.

I still have specific questions about my project. Where do I go?

- If after, reviewing this presentation you still have questions, the AHP team will be happy to answer questions at any time during Technical Assistance. Call or email us. We are here to help!

Contact Information: AHP Program

Community Investment:

Toll Free: 800.544.3452, ext. 2400

CommunityInvestment@fhlbdm.com

Homeownership

Mary Jo Vogl	515.412.2403	mvogl@fhlbdm.com
Evelyn Bengtson	515.412.2140	ebengtson@fhlbdm.com
Ryan Sullivan	515.412.2396	rsullivan@fhlbdm.com

Rental

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Steve Hall	515.412.2219	shall@fhlbdm.com
Jeff Cheeseman	515.412.2605	jcheeseman@fhlbdm.com
Tom Senn	515.412.2316	tsenn@fhlbdm.com

Thank you!

Technical Assistance: Rental Projects