



Affordable Housing Products

Technical Assistance: Rental Projects

FHLB Des Moines Community Investment Department
2021

Learning Objectives

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- [Sponsor and Member Information](#)
- [Application Process](#)
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AHP Program & Funding Round Overview

Technical Assistance: Rental Projects

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 1,350 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 \$659 million to provide affordable housing opportunities to more than 110,846 families and individuals.
- AHP is subject to scoring criteria, eligibility requirements, and feasibility guidelines.
- Program guidelines are available in the **2021 AHP Implementation Plan** on the 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

AHP Award Limits:

- \$750,000 maximum award per project
- \$40,000 maximum subsidy per unit

Key Dates	
Technical Assistance Start	March 1, 2021
Technical Assistance End	April 30, 2021
Application Period Opens	May 1, 2021
Application Period Closes	June 1, 2021, 4:30 PM CT
Awards Announced	December 2021

AHP Implementation Plan

What is the AHP Implementation Plan?

- Published annually, it is our guiding policy document
- This presentation will hit on key points only from the AHP Implementation Plan
- 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





Sponsor & Member Information

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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 of the subsidy award.

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 [member directory](#) is available on the Bank's 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.



Application Process

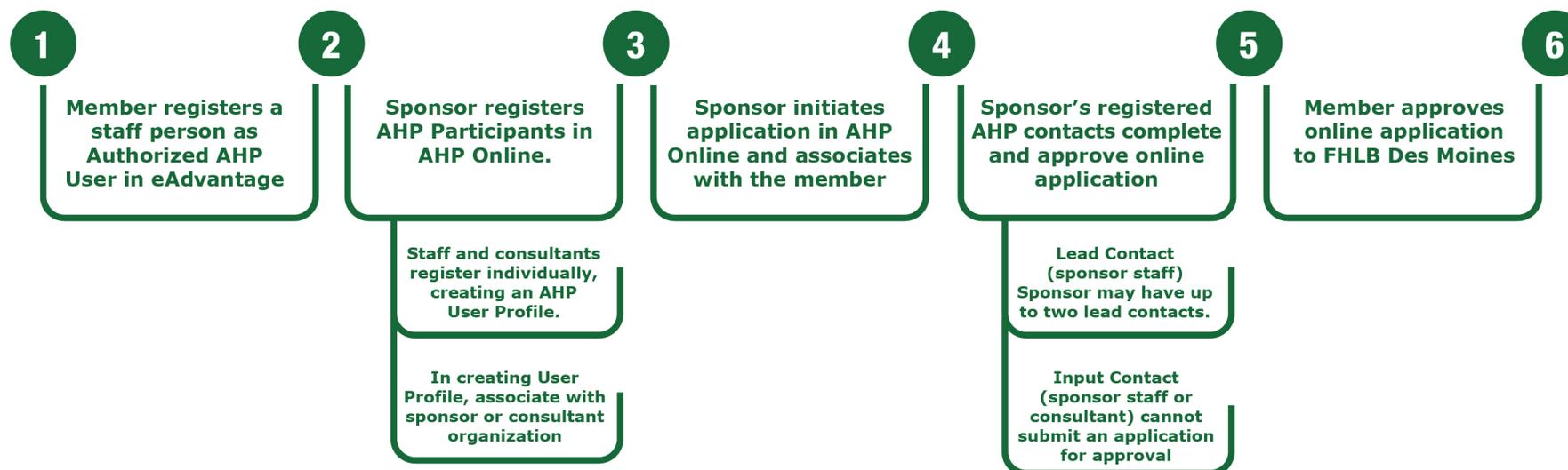
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Application Process

Where do I apply?

- All sponsors and members must register and complete an AHP application in [AHP Online](#), which is accessed from the Bank's website.
- **If you have a User ID and have used AHP Online in previous AHP application rounds, do not create a new User ID.**
- Manuals with step-by-step instructions and guidance are available on the [Bank's website](#).

What is the application process?





Eligibility

Technical Assistance: Rental Projects

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 the Area Median Income (AMI)
- Demonstrate need for subsidy
- Timing of subsidy use:
 - ✓ Within 12 months project must have received disbursement of AHP Subsidy
 - ✓ 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

AHP Ineligible Uses

- Projects that are substantially complete (> 50% construction or rehabilitation) prior to the award date are not eligible.
- Non-housing space: commercial 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.

AHP Ineligible Uses

- Prepayment fees – an AHP Subsidy cannot be used to pay for prepayment fees imposed by the Bank on a member institution for a subsidized advance that is prepaid (subject to certain exceptions – see the 2021 AHP Implementation Plan.)
- Cancellation fees – an AHP Subsidy cannot be used to pay for cancellation fees and penalties imposed by the Bank on a member institution for a subsidized advance commitment that is cancelled.
- Processing fees – charged by members institutions for providing AHP Subsidies to a project
- Capitalized reserves
- Periodic deposits to reserve accounts
- Operating expenses



Scoring

Technical Assistance: Rental Projects

2021 AHP Scoring Criteria

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

The 2020 AHP Funding Round awarded 63 projects. Scores ranged 76.272726 – 62.181817 points.

2021 AHP Scoring

Scoring Criteria 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 leases may qualify.
 - Donation or conveyance must have occurred within 3 years of the date of the AHP application, or 7 years, at the discretion of the Bank for difficult to develop conditions.

2021 AHP Scoring

Scoring Criteria 1 – Donated / Discounted Property 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 # of 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 $(B/A) \times 5 =$
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

2021 AHP Scoring

Scoring Criteria 1 – Donated / Discounted Property 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 in the project

B = Fair market value of total units and/or total square feet of land 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 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

2021 AHP Scoring

Scoring Criteria 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

2021 AHP Scoring

Scoring Criteria 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 ownership interest (> 50%) in both governance in decision making as well as financial interest in any returns provided by the project.

2021 AHP Scoring

Scoring Criteria 2 – Non-profit / Government Sponsorship



- Project Ownership Chart
 - Bank exhibit available on the AHP Application page of our website.
- Documentation of non-profit status
 - IRS Determination Letter

2021 AHP Scoring

Scoring Criteria 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.
- Income targeting commitments established at application for scoring is the permanent income targeting for the 15-year retention period of the project.

2021 AHP Scoring

Scoring Criteria 3 – Income Targeting continued 20 Points (Variable)

- Occupied Projects
 - Projects that involve the purchase or rehabilitation of rental housing that is already occupied, the Income Targeting scoring criteria will be evaluated based on the income of the households that occupy the project at the time it is submitted to the Bank, unless there is an approved **Relocation Plan**.
 - Sponsors must complete a Tenant Rent Roll (Bank exhibit) showing household incomes for the occupied units.
 - Sponsor will need to validate and document tenant income at initial monitoring.
- Relocation Plan
 - A relocation plan may be any plan that is approved by any federal, state or local government funder(s) involved in the financing of the project; or
 - If a plan is not a funder requirement, then the relocation plan must address the requirements of a relocation plan as outlined in the 2021 AHP Implementation Plan.

2021 AHP Scoring

Scoring Criteria 3 – Income Targeting 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 \leq 50% AMI	20%	20	$20 \times 20\% = 4.00$
6 units \leq 60% AMI	60%	18	$18 \times 60\% = 10.80$
2 units \leq 80% AMI	20%	16	$16 \times 20\% = 3.20$
Total			18.00 Points

2021 AHP Scoring

Scoring Criteria 4 – Economic Opportunity/Empowerment 5 Points (Fixed)

Promotion of empowerment includes the provision of housing in combination with a program offering services that assist residents in attaining life skills or moving toward better economic opportunities.

- Project must commit to provide at least one economic opportunity/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.
- Memorandum of Understanding (Bank exhibit) must be completed for each economic opportunity/empowerment service provided.

2021 AHP Scoring

Scoring Criteria 4 – Economic Opportunity/Empowerment

The project must make available to all AHP-assisted households at least one of the empowerment program or service from the following list. The proposed program or service must be appropriate for the target population or housing.

- 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; or
- Workforce preparation and integration.

Sponsor must complete an Memorandum of Understanding (MOU) for each empowerment program or service that will be afforded to all households.

2021 AHP Scoring

Scoring Criteria 5 – Underserved Communities 25 points (Variable)

The sum of applicable points in each category, up to a maximum of 25 total points. Refer to Section IV of the 2021 AHP Implementation Plan: Definitions and Acronyms



2021 AHP Scoring

Housing for Underserved Communities sum of applicable points in each category.

Housing for Homeless

- If 20% or more but less than 50% = 5 points
- If 50% or more but less than 75 % = 7 points
- If 75% of more of the units for homeless = 10 points

Housing for Special Needs

- If 20% or more but less than 50% = 5 points
- If 50% or more but less than 75% = 7 points
- If 75% or more of units for special needs = 10 points

Housing for Other Targeted Populations (Veteran or Agricultural Workers)

- If at least 20% of the units = 2 points or
- If at least 50% of the units are reserved for one or the other = 5 points

2021 AHP Scoring

Homeless: A household made up of one or more individuals, other than individuals imprisoned or otherwise detained pursuant to state or federal law, who: (1) lack a fixed, regular, or adequate nighttime residence; or (2) have a primary nighttime residence that is: (a) 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 (b) 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. (3) Additionally, households will be considered to be homeless if they: (a) are fleeing or attempting to flee domestic violence or other dangerous or life threatening conditions; (b) will imminently lose their housing, including housing they own, rent, or live in without paying rent or are sharing with others; or (c) are “doubled-up” temporarily in another household’s dwelling unit.

Special Needs: Such as the elderly, disabled, formerly incarcerated persons, unaccompanied youth, persons recovering from substance or physical abuse (may include dating violence, sexual assault or stalking and domestic violence), or persons with HIV/AIDS. The individual with the qualifying special needs is not required to be the head of the household. See the definition of “Elderly”, “Disabled”, “Formerly Incarcerated Persons”, and “Unaccompanied Youth” in Section IV: Definitions and Acronyms. The total for special needs units cannot exceed the total project units.

2021 AHP Scoring

Veteran: A person who served in the active US military, naval or air service; and was discharged or released under conditions other than dishonorable.

- Does not include Active Duty or Surviving Spouse
- Can be any member of household
- Verify veteran status via:
 - ✓ DD214
 - ✓ VA Certificate of Eligibility
 - ✓ Veteran ID card

Agricultural Worker: Any person or household that receives more than 50% of their income from the primary production of agricultural or aqua cultural commodities. Canning, animal and animal by-product processing are excluded.

2021 AHP Scoring

Scoring Criteria 6 – Community Stability, including Affordable Housing Preservation

12 points (Variable)

Scoring Criteria 6 – Community Stability

Preservation of Federally Assisted Housing = 10 points

Adaptive Reuse = 5 points

Rehabilitation or Demolition of Vacant Building = 5 points

Acquisition and Rehabilitation of Naturally Occurring Affordable Housing = 5 points

2021 AHP Scoring

Scoring Criteria 6 – Community Stability continued 12 points (Variable)

- **10 points – Preservation of Federally Assisted Housing**
 - - Preservation of rental housing currently receiving one of the following:
 - HUD Section 8 project based rental assistance
 - Public Housing Authority/PHA owned 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

- **5 points – Adaptive Reuse**
 - - Conversion of a building from a non-housing use to a housing use (i.e., warehouse converted to apartments)

2021 AHP Scoring

Scoring Criteria 6 – Community Stability continued

12 points (Variable)

- **5 points – Rehabilitation or Demolition of a Vacant Building**

- 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
- 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.

2021 AHP Scoring

Scoring Criteria 6 – Community Stability continued

12 points (Variable)

- **5 points – Acquisition and Rehabilitation of Naturally Occurring Affordable Housing**
 - In which 100% of the units are the acquisition and rehabilitation of units that are not income restricted and are converted to affordable housing
 - Minimum of \$5,000 per unit in rehabilitation costs
 - Acquisition must be arms-length transaction
 - Acquisition must have occurred within three years of the date of the AHP application
- More detail about Scoring Criteria 6 options can be found in the **2021 AHP Implementation Plan**

2021 AHP Scoring

Scoring Criteria 6 – Community Stability Documentation



- Evidence Adaptive Reuse:
 - Provide narrative on how project meets this requirement and documentation that evidences the current non-housing use of the property.
- Evidence of Vacant or Abandoned:
 - Providing 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.
- Preservation of Federally Assisted Housing:
 - i.e. HAP contract, USDA 515 mortgage, LURA, etc.
- Acquisition and Rehabilitation of Naturally Occurring Affordable Housing:
 - i.e. title opinion

2021 AHP Scoring

Scoring Criteria 7 – Bank District Priority

23 points (Variable)

- **5 points – Projects with 100% of the units located within the FHLB Des Moines district.**
 - Projects not located within the FHLB Des Moines district may still apply; however, are not eligible for in-district points.
- **10 points – Rental New Construction 24 units or less**
- **5 points (variable 0 – 5) AHP Subsidy per unit**
 - Project with the lowest subsidy per unit = 5 points. Project with the highest subsidy per unit = 0. Projects in between receive points on a sliding scale from 0 to 5 points.

2021 AHP Scoring

Scoring Criteria 7 – Bank District Priority continued 23 points (Variable)

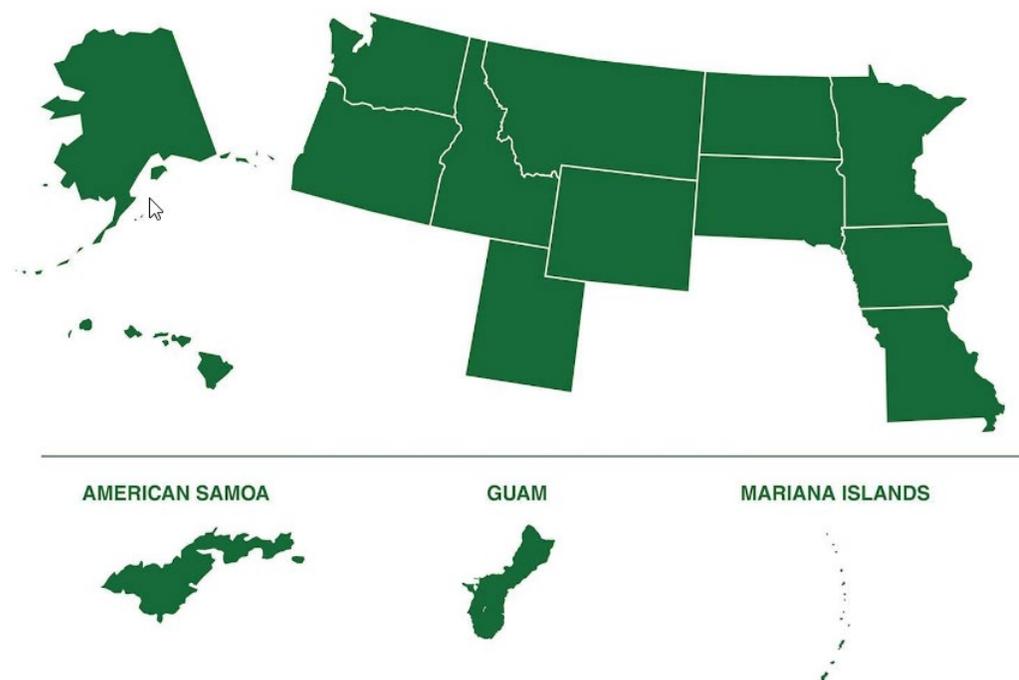
- **13 points – Native Housing Projects**

- 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.

2021 AHP Scoring

Scoring Criteria 7 – Bank District Priority



- In-District:
 - 5 points for projects with 100% of the units located in: Alaska, American Samoa, Guam, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, North Dakota, Northern Mariana Islands, Oregon, South Dakota, Utah, Washington and Wyoming.

2021 AHP Scoring

Scoring Criteria 7 – Bank District Priority (continued)



- **Evidence of Native Housing - 13 points:**

- 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.
- The amount of tribal funding, included in the sources of funds, must be an amount equal to or greater than the lesser of five percent (5%) of the project's total development costs or \$100,000.

2021 AHP Scoring

Scoring Criteria 7 – Bank District Priority



- **AHP Subsidy Per Unit - up to 5 points**
- 5 points for project with the lowest subsidy per unit
- 0 points for 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



Feasibility

Technical Assistance: Rental Projects

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.

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 justifications are made in **AHP Online**.
- The Bank will consider appropriate exception to these guidelines based on the information and documentation provided.

AHP Feasibility Guidelines, cont.

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.



AHP Rental Feasibility Workbook

Technical Assistance: Rental Projects

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. Workbooks must be complete, detailed and accurate.
- 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*
 - *Source of Funds*
 - *Summary of Uses of Funds*
 - *Operating Pro Forma – Housing*
 - *Supplementary Operating Pro Forma – Supportive Services, Commercial, Consolidated*
 - *Group Homes*
 - *Feasibility Analysis*

AHP Rental Feasibility Workbooks: Project Worksheet

Helpful Hints:

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

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: Only multi-family buildings (5+ units/building)

Project is: Historic Rehabilitation

Income Targeting	# Units
<= 50% AMI	14
51% - 60% AMI	16
61% - 80% AMI	0
Over 80% AMI	5
Total Units	35

Rental Income	Amount
Annual Rent	\$258,996
Tenant's Share	\$233,796
Rental Subsidy	\$25,200

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: 3

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%	\$12,576
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	\$668	\$518	17.34%	\$8,016
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!

AHP Rental Feasibility Workbooks: Construction/Rehabilitation Cost Breakout

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 spaces(s).
4. Separate non-housing construction/rehabilitation costs from residential costs.

Construction/Rehabilitation Cost Breakout

Does Building Have an Elevator? Is the Project Acquisition Only?	Y %	(Y/N) (%)	Please make sure to answer the questions at bottom of this form.			
	Residential	Non-Housing Space	Accessory Buildings	Commercial	Total	
Acquisition Only Units						
Acquisition Only Square Footage						
Rehabilitation Units	30					
Rehabilitation Square Footage	30,279	7,870		5,279		
New Construction Units						
New Construction Square Footage						
Total Square Footage	30,279	7,870	0	5,279		
Total Units	30	0	0	0		
Square Footage % of Total	74.11%	14.87%	0.00%	11.02%		

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	\$	523,314	\$	43,101	\$	43,101	\$	566,415
Masonry	\$	137,521	\$	137,521	\$	51,180	\$	51,180	\$	188,701
Metals	\$	158,546	\$	158,546	\$	55,418	\$	55,418	\$	213,964
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	\$	145,929	\$	145,929	\$	49,259	\$	49,259	\$	195,188
Paint	\$	-	\$	-	\$	-	\$	-	\$	-
Total Rough Structure (Rows 27-35)	\$	828,208	\$	828,208	\$	324,834	\$	324,834	\$	1,153,042
Finish Carpentry	\$	75,159	\$	75,159	\$	24,875	\$	24,875	\$	90,034
Cabinets, Vanities, and Countertops	\$	145,929	\$	145,929	\$	49,259	\$	49,259	\$	195,188
Interior Doors and Frames	\$	88,081	\$	88,081	\$	30,787	\$	30,787	\$	118,868
Lath and Plaster	\$	-	\$	-	\$	-	\$	-	\$	-
Grout	\$	498,263	\$	498,263	\$	177,405	\$	177,405	\$	675,668
Tile Work	\$	178,562	\$	178,562	\$	81,873	\$	81,873	\$	260,435
Acoustical	\$	-	\$	-	\$	-	\$	-	\$	-
Ceiling	\$	-	\$	-	\$	-	\$	-	\$	-
Resilient Floor	\$	-	\$	-	\$	-	\$	-	\$	-
Painting and Decorating	\$	145,929	\$	145,929	\$	49,259	\$	49,259	\$	195,188
Specialties and Furnishings	\$	16,912	\$	16,912	\$	5,911	\$	5,911	\$	22,823
Special Equipment	\$	22,901	\$	22,901	\$	8,005	\$	8,005	\$	30,906
Appliances	\$	49,677	\$	49,677	\$	17,164	\$	17,164	\$	66,841
Fire Protection	\$	192,919	\$	192,919	\$	67,807	\$	67,807	\$	260,726
Electrical	\$	665,414	\$	665,414	\$	233,979	\$	233,979	\$	899,393
Total Mechanical Systems (Rows 53-67)	\$	1,625,515	\$	1,625,515	\$	586,522	\$	586,522	\$	2,212,037
Other Structure	\$	-	\$	-	\$	-	\$	-	\$	-
Total Structure (Rows 36, 52, 58, 68)	\$	3,891,796	\$	3,891,796	\$	1,367,164	\$	1,367,164	\$	5,258,960
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	\$	128,838	\$	128,838	\$	44,333	\$	44,333	\$	173,171
Onsite Unusual Site Condition	\$	-	\$	-	\$	-	\$	-	\$	-
Onsite Environmental Remediation	\$	164,311	\$	164,311	\$	56,434	\$	56,434	\$	220,745
Other Onsite	\$	-	\$	-	\$	-	\$	-	\$	-
Total Onsite Improvement (Rows 69-76)	\$	302,961	\$	302,961	\$	106,291	\$	106,291	\$	409,252
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 77-78)	\$	-	\$	-	\$	-	\$	-	\$	-
Total (Rows 69, 76, 78)	\$	4,194,757	\$	4,194,757	\$	1,473,455	\$	1,473,455	\$	5,668,212
Percentage of Total Costs										

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

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).

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).

1,472,445
25.99%

AHP Rental Feasibility Workbooks: Sources of Funds

Helpful Hints:

1. The ***For FHLBDM Use** 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 bank. Do not enter "0".

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
2. Permanent Financing	10. State Housing Loans
3. FHA Insured Mortgage	11. State Government Subsidy
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/Heath Act	14. Housing Bonds
7. Historic Preservation Tax Credit Equity	15. Grants
8. HOME	16. Other Loans
	17. Charitable Donation
	18. Owner's Equity
	19. Deferred Developer Fee

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

Please do not cut and paste in the table below.													
Permanent Sources													
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 Code	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	\$ 53,950	
			\$ -									\$ -	
			\$ -									\$ -	
			\$ -									\$ -	
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	\$766,661	per year
LIHTC sale price per dollar	\$0.9050	

Describe how the LIHTC sales price was determined.
Per Letter of Intent with the investor.

AHP Rental Feasibility Workbooks: Summary of Uses of Funds

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*.

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
Camping Costs			\$ -
Legal Fees	\$ 50,000	\$ 11,000	\$ 61,000
Closing Costs	\$ 20,000	\$ 5,000	\$ 25,000
Tolls 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)	\$ 3,631,196	\$ 1,367,854	\$ 5,258,950
On-Site Improvements	\$ 302,001	\$ 105,291	\$ 407,292
Off-Site Improvements	\$ -	\$ -	\$ -
Demolition	\$ 176,243	\$ 62,341	\$ 238,584
Contingency	\$ 551,313	\$ 68,133	\$ 619,446
Builder's Overhead	\$ 70,000	\$ 10,000	\$ 80,000
Builder's Profit	\$ 243,920	\$ 86,281	\$ 330,201
General Requirements	\$ 153,652	\$ 85,383	\$ 239,035
Bond Premium	\$ 14,200	\$ 7,100	\$ 21,300
Furniture, fixtures, and equipment	\$ 5,000	\$ 25,000	\$ 30,000
Total Construction/Rehabilitation Costs	\$ 5,434,125	\$ 1,816,663	\$ 7,270,814

Soft Costs	Housing	Non-Housing	Total
Architect	\$ 305,867	\$ 84,366	\$ 394,833
Engineering	\$ 161,081	\$ 33,320	\$ 195,001
Appraisal	\$ 13,000	\$ -	\$ 13,000
Attorney	\$ 22,740	\$ 2,260	\$ 25,000
Accounting	\$ -	\$ -	\$ -
Other	\$ 20,000	\$ 500	\$ 20,500
Total Soft Costs	\$ 682,688	\$ 118,546	\$ 801,234

Other Financing Fees and Expenses	Housing	Non-Housing	Total
Tax Credit Reservation Fees	\$ 50,000	\$ -	\$ 50,000
Application Fees	\$ 9,000	\$ 1,000	\$ 10,000
Other Financing Costs	\$ -	\$ -	\$ -
Total Other Financing Fees and Expenses	\$ 59,000	\$ 1,000	\$ 60,000

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

Project Reserves	Housing	Non-Housing	Total
Lease-up Reserve	\$ 26,031	\$ 3,363	\$ 30,000
Operating Reserve	\$ 37,000	\$ 15,000	\$ 112,000
Replacement Reserve	\$ -	\$ -	\$ -
Rental Assistance Reserve	\$ -	\$ -	\$ -
Other Reserve	\$ 203,204	\$ -	\$ 203,204
Total Project Reserves	\$ 326,235	\$ 18,363	\$ 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%	

Furniture, desks, desks, artwork, electronics etc. These will be used by individual tenants.
 Office furniture for the housing office.

Detail Furniture, fixtures, and equipment costs.

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

1

2

3

4

5

2

3

AHP Rental Feasibility Workbooks: Operating Pro Forma Assumptions

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 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).

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 in	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	\$40,900	FTE	Case Management Services
On Site Staff	Housing Pro Forma	\$24,500	FTE	On site facility manager
Total		\$80,400		
Housing Payroll Expenses		\$24,500		
Services Payroll Expenses		\$40,900		
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 if the grants and/or subsidies are not received.

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	Redevelopment	\$6,000		
Operating Reserves				
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	505-555-5555

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.

AHP Rental Feasibility Workbooks: Operating Pro Forma - Housing

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 the correct **Deferred Developer Fee** repayment. Typically, this should equal Deferred Developer Fee on *Sources of Funds*.

Operating Pro Forma - Housing																
Project Name: [INSERT RENTAL PROJECT NAME]		Enter Revenue data in shaded cells. Enter income, expenses, and debt service for apartment services and commercial space on <i>Supplemental_Op_Pro_Formas</i> .														
# Units: 35		If yes, list the existing source(s) of debt and loan terms:														
Housing Assumptions 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"/> No <input checked="" type="checkbox"/>		Existing Debt Holder		Outstanding Balance		Annual Debt Service		Remaining Term (Years)		Amortization (Years)		Interest Rate (APR)		
Income Assumptions Revenue Escalator: 2.00% Gross Residential Rents: From Project Market/Est Rental Subsidy (H): From Oper. Assumptions Laundry, Parking, Other: From Oper. Assumptions Operating Grants & Donations: From Oper. Assumptions Operating Reserve Draws: From Oper. Assumptions Total Gross Income: Stabilized Vacancy Year 2-15: 7.00% Less: Vacancy & Bad Debt Net Revenue (EIG)		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
Expense Assumptions Management Fee: Flat Fee/Unit Administrative/Office expenses: Normal Advertising: Normal Legal: Normal Accounting & Audit: Normal Utilities: Tenant Water, Sewer, Trash: Normal Maintenance/Repair: Normal Grounds Maintenance: Normal Security: Normal Contract Services: Normal Payroll (incl. taxes & benefits): Normal Real Estate Taxes: Normal Insurance: Normal Other Expenses: Normal Partnership Management Fee (LHFC only): Normal Other Expenses: Normal Gas costs for water heating: Normal Total Operating Expenses: Opex Cost/Unit		14,700	15,141	15,585	16,032	16,545	17,041	17,553	18,079	18,622	19,180	19,756	20,348	20,959	21,587	22,235
Debt Coverage Ratio (DCR) before Soft Debt Initial Cash Flow Debt Service Payable from Cash Flow to: Debt Service Payable from Cash Flow to: Deferred Developer Fee Other Secondary Cash Flow Secondary Cash Flow per unit Debt Coverage Ratio (DCR) Cash Flow / Gross Income Operating Reserve Deposits (Draws) Interest on Operating Reserve Cumulative Operating Reserve		1.89	1.43	1.19	1.11	1.06	1.03	1.01	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
		30,210	18,671	18,665	17,390	16,646	15,827	14,931	13,995	12,894	11,745	10,507	9,171	7,736	6,198	4,551
		8,000	8,000	8,000	8,000	8,000	8,000	7,200	6,000	5,000	4,000					
		522,210	516,671	510,665	503,390	496,646	489,827	483,031	476,235	469,439	462,643	455,847	449,051	442,255	435,459	428,663
		\$635	\$395	\$288	\$208	\$247	\$224	\$227	\$227	\$226	\$221	\$207	\$191	\$176	\$157	\$130
		1.43	1.21	1.19	1.18	1.17	1.15	1.15	1.16	1.16	1.16	1.24	1.21	1.18	1.14	1.10
		8.55%	4.80%	3.70%	3.38%	3.09%	2.71%	2.69%	2.65%	2.58%	2.48%	3.38%	2.82%	2.33%	1.83%	1.32%
		\$ 97,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 970	\$ 340	\$ 989	\$ 999	\$ 1,009	\$ 1,019	\$ 1,029	\$ 1,040	\$ 1,050	\$ 1,061	\$ 1,071	\$ 1,081	\$ 1,091	\$ 1,101	\$ 1,114
		\$ 97,000	\$ 97,970	\$ 98,950	\$ 99,930	\$ 100,910	\$ 101,890	\$ 102,870	\$ 103,850	\$ 104,830	\$ 105,810	\$ 106,790	\$ 107,770	\$ 108,750	\$ 109,730	\$ 110,710
		Cumulative 5-yr cash flow: \$60,982 Cumulative 5-yr cash flow/unit/year: \$348 Cumulative 15-yr Repaid Deferred Developer Fee: \$70,000														

AHP Rental Feasibility Workbooks: Supplementary Operating Pro Forma

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.

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: 2.00%

Expense Escalator: 3.00%

Interest Rate on Operating Reserve:

Commercial Space Assumptions

Vacancy Rate Year 1: 10.00%

Stabilized Vacancy Rate Years 2-15: 10.00%

Revenue Escalator: 2.00%

Expense Escalator: 3.00%

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	48,900	49,870	50,876	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Income - Supportive Services	48,900	49,870	50,876	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		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)	48,900	50,367	51,876	53,434	55,037	56,689	58,389	60,141	61,945	63,803	65,718	67,689	69,720	71,811	73,960
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	48,900	50,367	51,876	53,434	55,037	56,689	58,389	60,141	61,945	63,803	65,718	67,689	69,720	71,811	73,960
Cash Flow - Supportive Services	0	-400	-1,002	-1,541	-2,106	-2,699	-3,320	-3,970	-4,651	-5,363	-6,109	-6,880	-7,703	-8,554	-9,443
															Cumulative 15-yr cash flow: (\$63,639)
COMMERCIAL SPACE															
Income Assumptions															
Lease Income	84,320	86,504	87,727	89,081	91,271	93,596	94,958	96,857	98,794	100,779	102,796	104,841	106,930	109,077	111,258
Less: Vacancy & Bad Debt	8,432	8,661	8,773	8,948	9,127	9,318	9,496	9,688	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	77,843	78,954	80,133	82,144	83,798	85,462	87,171	88,915	90,692	92,517	94,357	96,244	98,169	100,132
Expense Assumptions															
Management Fee	3,929	4,547	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	4,328	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)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Real Estate Taxes	7,290	7,418	7,638	7,866	8,104	8,347	8,597	8,855	9,121	9,394	9,676	9,966	10,265	10,573	10,891
Insurance	5,090	5,150	5,305	5,464	5,626	5,796	5,978	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	0
Total Expenses - Commercial Space	20,509	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 (Fixed debt 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	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
Cash Flow - Commercial Space	1,609	2,517	3,437	4,369	5,312	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

AHP Rental Feasibility Workbooks: Supplementary Operating Pro Forma

Helpful Hints:

1. No inputs. AHP Feasibility Analysis tab is populated from the other tables of the workbook.
2. Use this number in the *Construction Cost Calculator* (Bank Exhibit).
3. Minimum and Maximum Feasibility Guidelines are detailed in the **2021 AHP Implementation Plan**.
4. Once uploaded onto AHP Online, a detailed explanation will be required.

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%

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

1

2

3

4

Requires explanation in AHP Online

4

Requires explanation in AHP Online



Construction Cost Calculator

Technical Assistance: Rental Projects

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 in the first tab.
- Helpful tips are on the next slide.

Construction Cost Calculator

Construction / Rehabilitation Cost Reasonableness

Project Number:

Project Name: [INSERT PROJECT NAME]

Analysis Date: [MM/DD/YYYY]

Sponsor's Project Plan

- Building Type: Apartments (4-7 stories) **1**
- Floor Area (Gross Conditioned Sq. Ft.): 35,238 Sq. Ft.
- Scope of Work: Gut Rehab or Adaptive Reuse
- Location Zip Code: 50309 Des Moines, IA
- Quality of Vertical and Site Improvements: 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 (%)

Variance between Budget and Estimate: \$ 1,050,965

Variance Acceptable? **No: Over-Budgeted** **4**

Construction/Rehabilitation Cost Breakout

Does Building Have an Elevator? Is the Project Acquisition Only?	Residential	Non-Housing Space	Accessory Buildings	Commercial	Total
Acquisition-Only Units	0	0	0	0	0
Acquisition-Only Square Footage	0	0	0	0	0
Rehabilitation Units	30	0	0	0	30
Rehabilitation Square Footage	7,070	0	0	5,239	47,547
New Construction Units	0	0	0	0	0
New Construction Square Footage	0	0	0	0	0
Total Square Footage	35,238	7,070	0	5,239	47,547
Total Units	30	0	0	0	30
Square Footage % of Total	14.87%	14.87%	0.00%	11.92%	

AHP Feasibility Analysis

Item	Value
Total units	30
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	
Total Development Cost	\$243,259.14
Total Development Cost per unit	\$241.62
Total Development Cost per square foot	\$5,434,925.00
Adjusted Total Development Cost	\$155,283.57
Adjusted Total Development Cost per Unit	\$51.76
Total Acquisition Cost per unit	
Acquisition-Only Cost per Square Foot	
Rehabilitation Cost per Square Foot (From Cost Breakout tab)	\$67.14
New Construction Cost per Square Foot (From Cost Breakout tab)	

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.



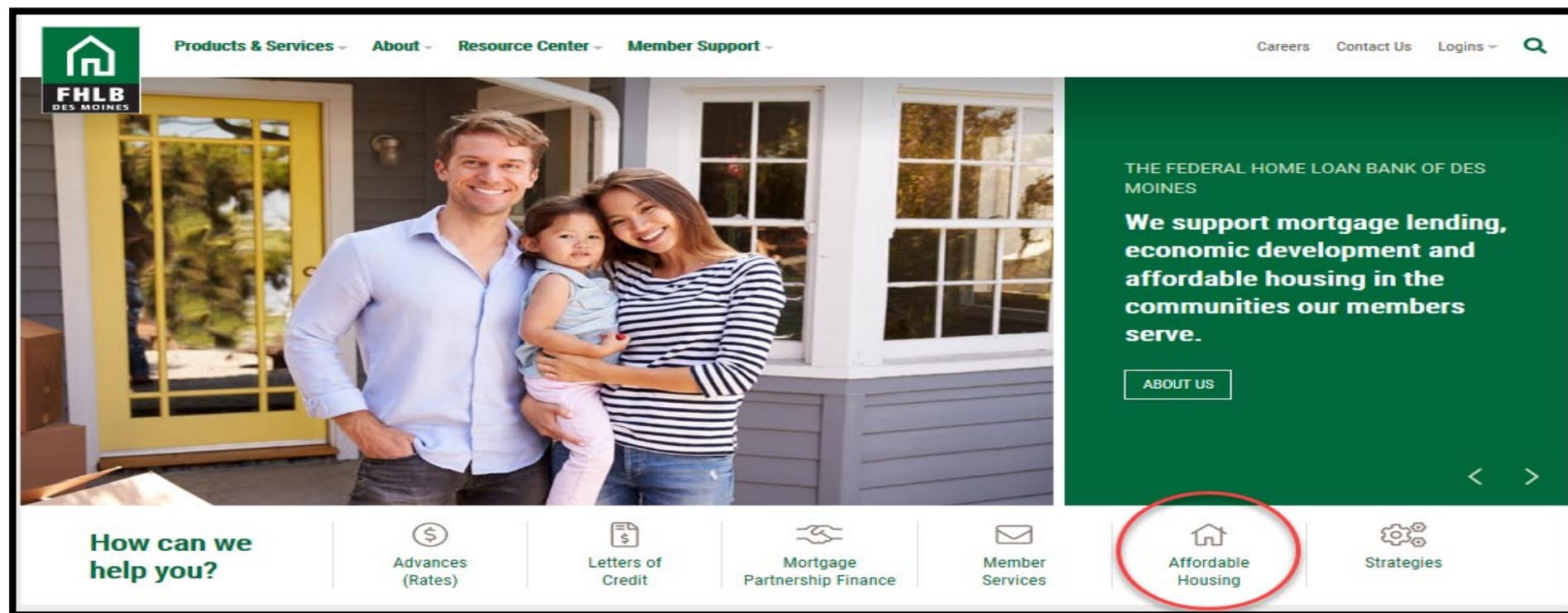
AHP Application Forms & Resources

Technical Assistance: Rental Projects

AHP Application Forms and Resources

Where can I find more information?

The Bank's website <https://www.fhlbdm.com> contains all Affordable Housing Program information.



The screenshot shows the homepage of the Federal Home Loan Bank of Des Moines. The top navigation bar includes links for "Products & Services", "About", "Resource Center", "Member Support", "Careers", "Contact Us", and "Logins". The main content area features a large image of a smiling family (a man, a woman, and a child) standing in front of a house. To the right of the image is a green box with the text: "THE FEDERAL HOME LOAN BANK OF DES MOINES" and "We support mortgage lending, economic development and affordable housing in the communities our members serve." Below this text is a button labeled "ABOUT US". At the bottom of the page is a horizontal menu with icons and labels for "Advances (Rates)", "Letters of Credit", "Mortgage Partnership Finance", "Member Services", "Affordable Housing" (which is circled in red), and "Strategies". The "How can we help you?" text is positioned to the left of the menu items.

AHP Application Forms and Resources

FHLB Des Moines Products & Services - About - Resource Center - Member Support - Careers Contact Us Login -

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)

RELATED CONTENT

- AHP Online
- 2019 Implementation Plan (.pdf)
- 2018 Implementation Plan (.pdf)

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

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)



Questions & Where to Find Us

Technical Assistance: Rental Projects

Questions

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	Scoring Range
2020	\$41.3	63	76.272726 – 62.181817
2019	\$51.5	85	76.181818 – 59.228499
2018	\$52.6	109	77.333333 – 59.461430

How much AHP is available in the 2021 Funding Round?

- Currently, we do not know how much will be available in the 2021 AHP Funding Round. We will have a better idea in the third quarter of the calendar year.

Questions continued

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 (FHLBank)?

- 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 FHLBank 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 Community Investment team will be happy to answer questions at any time during Technical Assistance (March 1 – April 30, 2021). Call or email us. We are here to help!

Contact Information: AHP Program

Community Investment:

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Thank you!

Technical Assistance: Rental Projects