

# 2024 Affordable Housing Program Scoring Webinar

June 4, 2024



# Agenda

- Bank Values, HCI Team
- AHP Overview and 2024 Changes
- AHP Scoring: Points, Documentation, Errors
- Key Reminders
- Q&A
- Appendix (for future reference)

# Our Mission

- To provide highly **reliable wholesale funding, liquidity**
- Deliver the best **financial products, services, and expertise**
- Support **home financing, affordable housing, and community development**, including programs targeted to lower-income households



# Priorities for 2024

- Build partnerships with members and communities
- Leverage our HCI Programs
- Expand the available capital and usage of our Voluntary Programs
- Work with CDFIs to expand access to capital with our members
- Network with Native American Tribal communities
- Help households and communities of color purchase homes, build wealth and home equity
- Support climate-resilient buildings and neighborhoods



## 2024 Targeted Community Lending Plan



# AHP Resources

- [FHLBank's AHP Page](#)
  - 2024 AHP Implementation Plan Effective **12/08/2023**
- Your Community Investment Managers



**Kathleen Amonte**  
Sr. Community Investment Manager  
CT, RI, + Southeastern MA



**Tobi Goldberg**  
Sr. Community Investment Manager  
ME + Eastern MA



**Theo Noell**  
AHP Outreach Manager



**Michael Pingpank**  
Sr. Community Investment Manager  
NH, VT, + Central/ Western MA



# 2024 AHP Overview & Changes





# 2024 AHP Funding

## Available AHP Funding:

- \$24.3 Million allocated
  - **\$1.2 Million in total subsidy per application**
  - **\$850,000 maximum direct subsidy**
  - **Up to \$75,000 subsidy per homeownership unit**
- 25%-member approval limit

# Online Application – Dates/Deadlines



- [Complete Online Application](#)
- Opens: June 3<sup>th</sup>
- Closes: July 18th, 3 PM ET
- Member Review:  
August 1<sup>st</sup>, 3 PM ET
- [Register](#) & attend webinar trainings
- Consultants? Authorized Rep?



# AHP: Key Points

- Direct grant and interest rate subsidy
- Subsidized permanent debt (rental only)
- Gap funding
- Competitive, online: <https://housing.fhlbboston.com>
- [AHP Implementation Plan \(12/8/23\)](#)
- 2024 Notice of Changes
- Regulated (12 CFR 1291)

# AHP – Flexible Capital Subsidy

## Eligible uses:

- Acquisition, construction, rehabilitation, soft costs

## Ineligible uses:

- Nonresidential space, capitalized or other reserves, supportive services, operating costs
- Nonresidential items, such as: furniture, social services, and bank fees
- Predevelopment

## Refinancing of existing single- or multifamily mortgage loan:

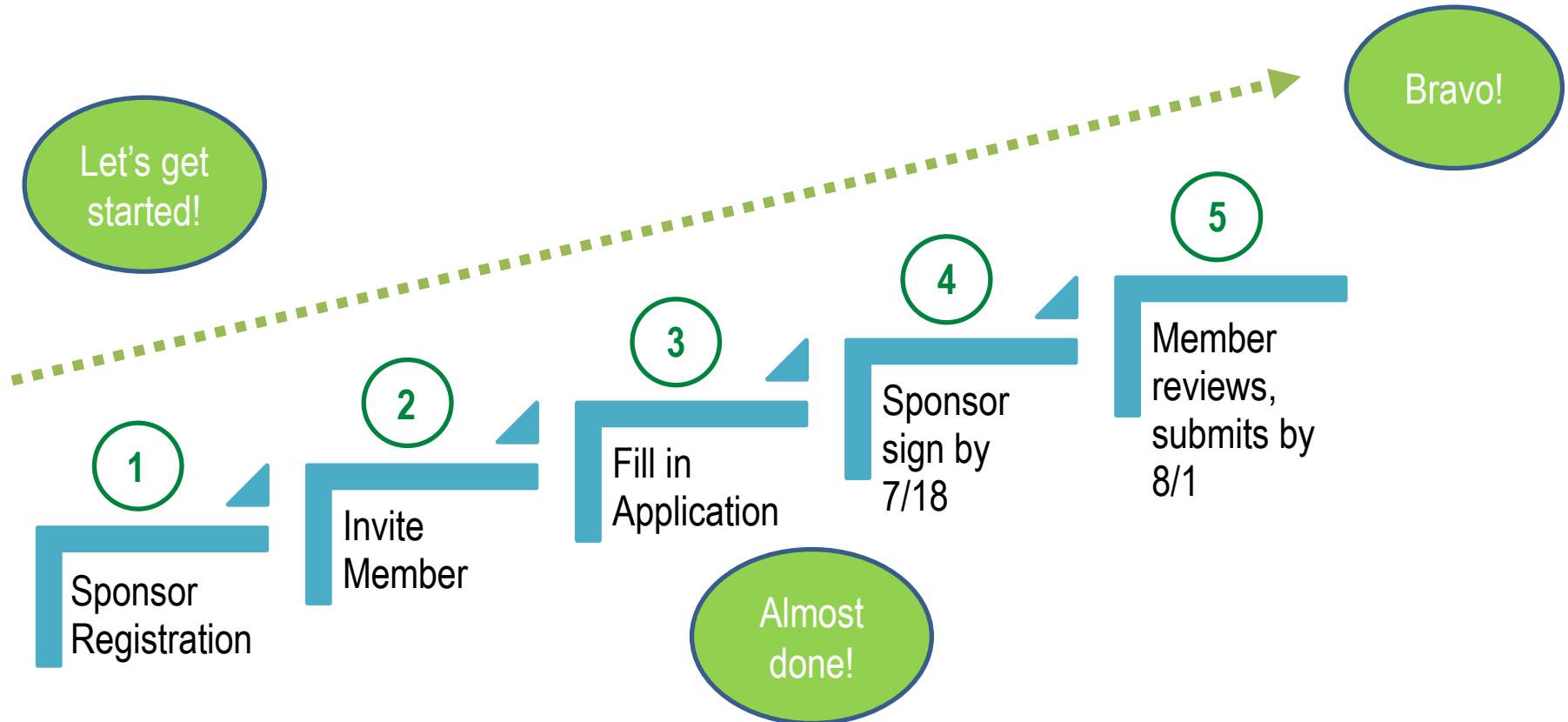
- Permitted; must generate equity proceeds = AHP

# Core Components

- Program Eligibility
  - Income eligibility – up to 80% AMI
  - Sponsor capacity
  - Housing development costs
  - **Fair Housing/ Marketing Plan – New for 2024**
- Feasibility
- Need for Subsidy
- **AHP Scoring**



# Steps to Complete Your Application



# AHP Scoring Specifics



# AHP Scoring

<p><b>In-District Priority</b>  <b>5 Points</b>          (fixed)</p>	<p><b>Sponsorship</b>          5 Points          (variable)</p>	<p><b>Targeting</b>          20 Points          (variable)</p>
<p><b>Rural</b>          5 Points          (fixed)</p>	<p><b>Development Team Inclusion of M/WBE</b>          5 Points          (variable)</p>	<p><b>Homeless Housing</b>          5 Points          (variable)</p>
<p><b>Economic Diversity</b>          5 Points          (fixed)</p>	<p><b>Member Financial Participation</b>          12 Points          (variable)</p>	<p><b>First-Time Home Buyer</b>          5 Points          (variable)</p>
<p><b>Donated Properties</b>          5 Points          (variable)</p>	<p><b>Subsidy Per Unit</b>          5 Points          (variable)</p>	<p><b>Empowerment</b>  <b>6 Points</b>          (variable)</p>
<p><b><i>Tips! Use the Self-Scoring Worksheet and CURRENT IP</i></b></p>		<p><b>Community Stability</b>  <b>17 Points</b>          (variable)</p>

# Core Documents for Scoring

- Fair Housing & Marketing Plan
- Site Control & Acquisition
- 2024 Empowerment templates
- 2024 Inclusion Affidavit
- Community Stability – see IP

# AHP Fraud Reporting

- All members and sponsors are responsible for reporting observations of fraud related to approved AHP applications and initiatives, as outlined in the obligations under the AHP Agreement
- May be intentional or unintentional
- Provide prompt written notice to the Bank
- Provide additional information as requested
- Examples of possible fraud:
  - Wording changes in AHP documents, fraudulent documents
  - Undisclosed conflicts of interest
  - Falsifying application information, fraudulent financial statements
  - Failure to notify the Bank of sale/refi/foreclosure



# Locations – 3 Categories

Step 1 Sponsor Registration    Step 2 Member Invitation    Step 3 AHP Application    Step 4 Sponsor Signs Application    Step 5 Member Submits Application

## AHP Application

Initiative Name: 2023 Application Rental Screen Shots

If the addresses reflected below are complete and all the addresses in this i continue to the next section by clicking below. If not, please continue to add entered must include a street number and street name in order for the USD

Delete this address  
Edit this address or Targeting

### Address

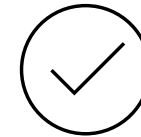
800 Boylston Street, 9th Floor  
Boston, MA 02199  
Suffolk

### Other Info

FIPS: 25025  
MSA: 1120  
PMSA: 1122  
Town(s):  
Tract: 0106.00  
Tract AMI: \$241,944  
MSA AMI: \$129,500  
Unit Type: Other multifamily rental  
Is Rural: N  
Buildings: 1  
Type: Apartments  
Incl. Onsite Mgr Unit: N  
Located on Native Land: N  
Appraisal: ATTG0IPF.docx

- **In-District Priority** – 5 points fixed if located in New England
- **Rural** – 5 points fixed
  - USDA-defined
- **Economic Diversity** – 5 points fixed
  - Mixed-income housing
  - Affordable housing in a high-income tract

# Donated: 5 Points (variable)



## Land or Units Donated

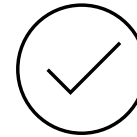
- True donation
  - Purchase for 50% or less of fair market value
  - Minimum: at least 20%
  - **Formula: 5 X % Donated**
- Only arm's length transactions
  - Donation must be within 5 years of opening of the AHP round
  - No prior benefit from ownership of donation
  - **Fill in all the fields in the Locations Screen**
  - **Documentation matters**

# Donated: Documentation Needed

- Evidence of donation
- Appraisal and/or Tax Assessment required to document market value
- What if the donation happened within the prior 5 years and no appraisal ordered?
  - Use tax assessed value
- Donation hasn't occurred yet?
  - Provide donation evidence and the current tax assessment.
  - Will reconfirm at time of sale

# Site Control- Mandatory at Application

- **Sponsor or Co-Sponsor**
  - Own outright
  - P&S, Option, Other designation
  - Explain site control
- **Documentation is required, separate from Donation**
  - Clear line of site in documentation



## Help us Understand!

Cover memo explaining the documents  
Make sure there is a clear logic and flow of documents to Sponsor or Co-Sponsor



- Poor Explanations
- Unclear Documentation
- **May be Ineligible**

# Site Control & Acquisition

- Documentation is important for Eligibility and Feasibility
- Need to identify and document all the acquisition costs

## 3 Cost Components:

### 1. Negotiated or Actual Purchase Price?

- P&S, option, settlement statement
- Appraisal or tax-assessed value?

### 2. Carrying Costs (no more than 5 years prior to purchase)

### 3. Other related acquisition costs

# Tips and Tricks: Locations Screen

800 Boylston Street, 9th Floor  
Boston, MA 02199  
Suffolk

Type: \* [Help Topic](#)

Census tract (FFIEC): \* [Help Topic](#)  (example: 0106.01)  
If the Tract income returns a \$0 amount, please enter the census tract from 2022.

Indicate the total number of buildings at this location: \* [Help Topic](#)

Building Type: \* [Help Topic](#)

1. Type: Most rental apps are “other multifamily rental”
2. Use the FFIEC 2022 Census tract
3. Building Type: Apartments, Condominiums, Single Family Homes, or Town Homes
  - Matters for your Hard Construction Cost Per SF feasibility validation
  - RS Means benchmark

# Inclusion of MWBE's on the Development Team

Tiers	Points
<b>At least three (3)</b> of the five (5) eligible development team roles are performed by an MBE, WBE, VBE, or DBE	<b>5.0</b>
<b>Two (2)</b> of the eligible development team roles are performed by an MBE, WBE, VBE, or DBE	<b>3.5</b>
<b>One (1)</b> of the eligible development team roles are performed by an MBE, WBE, VBE, or DBE	<b>2.0</b>
<b>Documentation Required – Self- affidavit- FHLBank Boston form- <a href="#">2024</a></b>	

# Member Financial Participation: 12 Points (variable)

10

+

2

Total Member Financing	Up to 10 points
Total Member Long-term, Fixed Rate Debt or Tax Credit Investments	Up to an extra 2 points

Examples include:

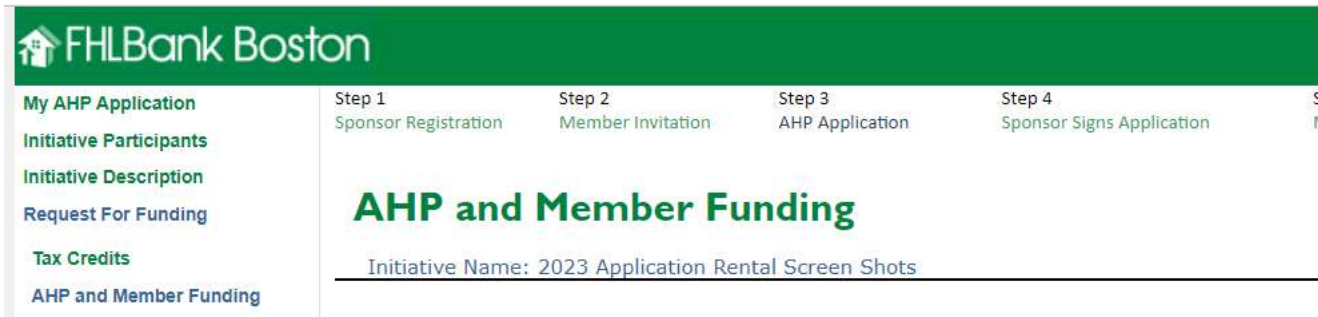
- Construction loans/lines of credit
- Permanent debt, including the AHP Subsidized Advance
- Tax credit investments



# Member Financial Participation: 12 Points (variable)

<p>Up to 10 Points</p>	<p>Total Member Financing</p>	<ul style="list-style-type: none"> <li>• Construction loan</li> <li>• Lines of Credit</li> <li>• Acquisition Loan</li> <li>• Permanent Debt,</li> <li>• Everything</li> </ul>
<p>+ 2 points</p>	<p>Total Member Long- term, Fixed Rate Debt or Tax Credit Investments</p> <p>&gt;= Total AHP Subsidy</p>	<ul style="list-style-type: none"> <li>• Permanent Loan</li> <li>• AHP Subsidized Advance</li> <li>• LIHTC Investment</li> </ul>

# How to enter Member Data - Request for Funding – AHP & Member Funding Screen



**FHLBank Boston**

My AHP Application  
 Initiative Participants  
 Initiative Description  
 Request For Funding  
 Tax Credits  
 AHP and Member Funding

Step 1 Sponsor Registration    Step 2 Member Invitation    Step 3 AHP Application    Step 4 Sponsor Signs Application    Step 5

## AHP and Member Funding

Initiative Name: 2023 Application Rental Screen Shots

For each member participating in the project, use the links below to complete the funding proposed by each member. Each loan or grant marked as a permanent cash source will be carried to the Sources page. [Help Topic](#)

- 1. NOTICE: All member partner funding should be entered through this screen, otherwise points may not be awarded!**
- 2. Reminder: All members should adhere to the FHLBank Boston's Anti-Predatory Lending Policy for Collateral and Acquired Member Assets when entering into transactions under AHP. This pertains to all funding provided by the member to this initiative, not just the AHP Direct Subsidy and the AHP Subsidized Advance. The policy is available on the FHLBank Boston's [website](#).**

- > [Enter an AHP grant](#)
- > [Enter an AHP-subsidized loan](#)
- > [Enter other member loan or grant](#)
- > [Enter other member financial participation](#)

# AHP & Member Funding – Build the Table

indicates required fields

## Direct Subsidies/Grants

Member	Direct Subsidy	
		\$850,000
Total		\$850,000

## AHP-Subsidized Loans and Subsidies

Member	Type	Amount	Origination Fees	Term	Amort	Date	Rate to Mem	Std BP	Act BP	Rate to Sponsor	Advance Subsidy
	Permanent Loan	\$1,000,000	\$7,500	240	240	06/06/23	1.00%	300	250	3.50%	\$160,538
Total		\$1,000,000									\$160,538

## Other Member Grants/Loans

Member	Type	Amount	Term	Adjust Term	Amort	Origination Fees	Date	Rate to Sponsor	Perm Cash Source
	Construction Loan	\$1,000,000	12	0	0	\$5,000	06/06/23	7.00%	N
Total		\$1,000,000							

## Other Member Financial Participation (not included in sources)

Member	Type	Value	Explanation
	Tax Credit Purchase	\$2,500,000	This is an example
Total		\$2,500,000	



# Subsidy Per Unit, up to 5 points (variable)

- Rental (\$5,000 to \$65,000 subsidy per unit)
- Owner (\$15,000 to \$75,000 subsidy per unit)
- Formula: Less subsidy per unit, higher % of points



**Our Advice:**  
**Ask for the Subsidy**  
**you need to make your**  
**deal work!**

# Targeting-Rental: 20 Points (variable)

**Minimum Eligibility:** 20% of the total units must be targeted to households at or below 50% of AMI

# of Units (10 Total Units)	Percentage of Total Units	Points Multiplier	Results
2 units at 50% AMI	20%	20	$20 \times 20\% = 4.00$
8 units at 60% AMI	80%	14	$14 \times 80\% = 11.20$
0 units at 80% AMI	0%	8	$8 \times 0\% = 0.00$
TOTAL POINTS			15.20 Points

# Targeting-Homeownership: 20 Points (variable)

**Minimum Eligibility:** All units must be affordable for households earning at or below 80% of the area median income.

# of Units (10 Total Units)	Percentage of Total Units	Points Multiplier	Results
0 units at 50% AMI	0%	20	$20 \times 0\% = 0.00$
4 units at 60% AMI	40%	20	$20 \times 40\% = 8.00$
6 units at 80% AMI	60%	18	$18 \times 60\% = 10.8$
TOTAL POINTS			18.80 Points

# Empowerment

## 1.5 points per service – Maximum 6 points

- Services must be available to all residents and lead to economic empowerment of residents.
- Sponsor Letter of Commitment,
- Agency Letter of Commitment, or
- Resident Service Coordinator Letter of Commitment

Workforce  
Readiness &  
Employment  
Opportunities

Homeownership  
Readiness &  
Economic  
Sustainability

Healthcare &  
General Resident  
Services

Resident  
Involvement &  
Decision Making



No Template, No Points

# Community Stability - Up to 17 Points

1. **Preservation/RLF/ Reuse - Up to 4 points**
2. **Smart Growth – Up to 4 points**
  - Location and Site (up to 1 point)
  - Housing Density (up to 1.5 points)
  - Transportation Services (up to 1.5 points)
3. **Sustainability and Resiliency – up to 9 points**
  - Sustainable Development (up to 1.5 points)
  - Efficient and Healthy Building Operations (up to 5.5 points)
  - Resilience (up to 2 points)



# Preservation, RLF or Reuse (select one)

## 1a. Preservation of Affordable Housing, 4 points (variable)

- Expiring use restrictions
- Section 8 units where owners can option out of contracts
- Physical distress or foreclosure
- **Formula: 4 X % total units preserved**
- Documentation of affordability restriction required
- Document distress or foreclosure

## 1b. Revolving Loan Fund – Owner-occupied housing, 2 points (fixed)

- Program-based serving owner-occupied housing

## 1c. Reuse of Existing Buildings or Historic Rehabilitation - 2 points (fixed)

- Reuse
- Historic Preservation/Rehab
- Documentation required

# Smart Growth and Sustainability/ Climate Resiliency

1. Enterprise Green or LEED certifications -13 points
2. ENERGY STAR and Passive House certifications - 5.5 points in Efficient and Healthy Building operations; select other individual elements
3. Select individual elements to earn points in the separate categories

**Three Paths for Smart Growth and Sustainability/Climate Resiliency, only choose ONE**

# Smart Growth - up to 4 points

## 2a. Location and Site, 1 point (select one element)

- Sensitive Site
- Brownfield, or
- Location near Diverse Resources

## 2b. Housing Density, up to 1.5 points (based on rural and nonrural location and building type)

## 2c. Transit Access and Transportation Services, up to 1.5 points

- Options for rural and non-rural locations; see IP for specific documentation

# Sustainability and Climate Resiliency (up to 9 points)

## 3a. Sustainable Development, up to 1.5 points

- Materials – Regional Sourcing (up to .5 points),
- Recycled content (up to 1 point),
- Passive Solar Design (1.5 points)


## 3c. Resilience (up to 2 points)

- Stormwater Management (1 point)
- Heat Island Mitigation (1 point)
- Broadband and Internet Access (1 point)
- Assessment and Planning (2 points)

## 3b. Efficient and Healthy Building Operations, up to 5.5 points

- Better Building Envelope (1.5 points)
- High-Efficiency Heating and Cooling (1 point)
- HERS rating or Commissioning (1.5 points)
- Improved Ventilation (1 point)
- Indoor Water Use Reduction (1 point)
- Outdoor Water Use Reduction (1 point)

# AHP Scoring Summary Page


FHLBank Boston

<a href="#">My AHP Application</a>	Step 1	Step 2	Step 3	S
<a href="#">Initiative Participants</a>	Sponsor Registration	Member Invitation	AHP Application	S
<a href="#">Initiative Description</a>				
<a href="#">Request For Funding</a>				
<a href="#">Scoring</a>	<h2 style="color: #008000;">Scoring</h2> <p style="color: #000080; text-decoration: underline;">Initiative Name: 2023 Application Rental Screen Shots</p>			
<a href="#">Scoring</a>				
<a href="#">Letter Instructions</a>				
<a href="#">Application Issues</a>				
<a href="#">Validate and Submit</a>				
<a href="#">Printable Version</a>				
<a href="#">Verify File Uploads</a>				
<a href="#">Save &amp; Exit</a>				

An application for a proposed initiative receives points based on the following criteria. Points awarded become the application's "Qualifying Characteristic" (AHP) Regulation requires that the initiative's Qualifying Characteristic period. Failure to maintain the project's Qualifying Characteristic period will result in the application being removed from the scoring process.

The Housing and Community Investment department (HCID) objectively reviews and evaluates all scoring category requests and the regulations. All proposals are scored according to the regulations and scored against each other in the round.

**Scoring Facts and Potential Points to be Awarded**  
Listed below are the scoring categories and the points awarded for each category.

# Key Reminders

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Use the Scoring Page to proof yourself

---

Site Control/Donated documentation

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Empowerment templates

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MBE/WBE Self-Certification Affidavit

---

Upload your member financing  
commitment/intent letters

---

Enter the Member Financing Data  
correctly

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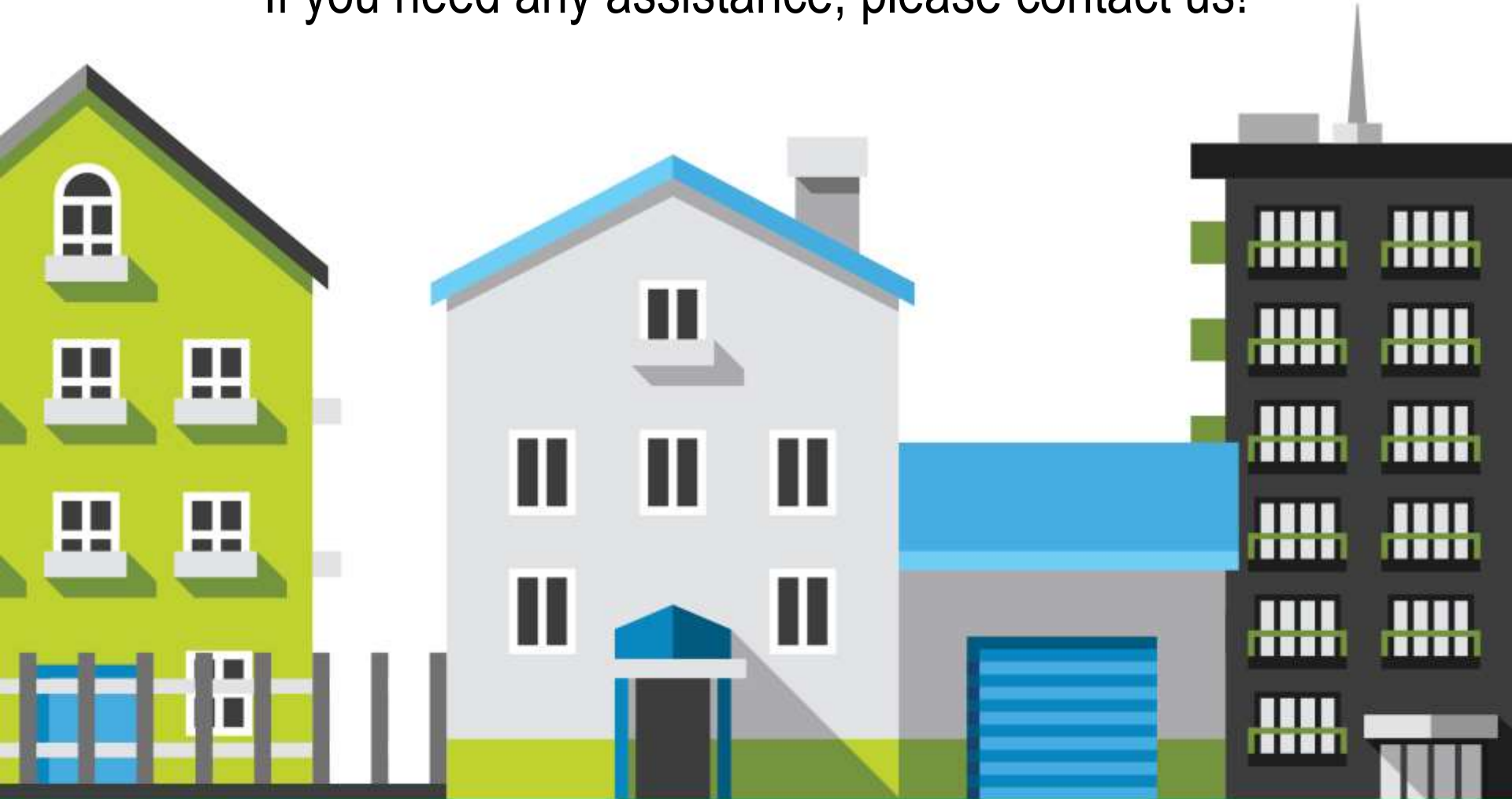


# Q&A



# Thank You

If you need any assistance, please contact us!





# Scoring Appendix



# Nonprofit Sponsorship: 5 Points (variable)

- **Rental: Nonprofit Ownership – 1 or 5 points**
  - Based on term of ownership
  - Managing Member of GP is acceptable for 5 points
- **Homeownership – 5 points fixed**
  - Nonprofit has integral involvement in development



# Housing for Homeless: 5 points (Variable)

Tiers	Points
At least 20 percent to 24.99 percent of the total units are reserved for homeless households	3.0 points
At least 25 percent of the total units are reserved for homeless households	5.0 points



### Keep in Mind:

- Units must be set-aside/dedicated for homeless
- Third-party certification
- Not at-risk
- Not best intention or just Section 8 preference

# Home purchase by low- or moderate-income buyers, up to 5 points (variable)

- **AHP Units for FTHB**
  - new construction
  - substantial rehab
- **Counseling** must be included.
- **Formula: 5 X %  
Homeownership Units**

