

APPENDIX 1

**AFFORDABLE HOUSING PROGRAM  
2008 PROJECT FINANCIAL FEASIBILITY  
ANALYSIS GUIDELINES**

**I. Projects Involving Rehabilitation / Construction**

Criterion	Guideline
<b>Developer's Retention</b>	Fees exceeding 15% of Total Development Costs (net of developer's retention) will require further explanation.
<b>Soft Cost Contingency</b>	Contingency exceeding 5% of total soft development costs will require further explanation
<b>Hard Cost Contingency</b>	Contingency exceeding 10% of hard costs will require further explanation.

**II. Single – Family Housing**

Criterion	Guideline
<b>Development Cost per Square Foot (Excluding acquisition, legal, professional and other soft costs)</b>	<b><u>New York</u></b>
	New Construction           \$190
	Rehabilitation               \$162
	<b><u>New Jersey</u></b>
	New Construction           \$165
	Rehabilitation               \$143
	<b><u>Puerto Rico / Virgin Islands</u></b>
	New Construction           \$131
	Rehabilitation               \$116
	Projects with costs greater than those specified above will require further explanation. Consideration will be given to factors such as local development requirements, handicap accessibility, certain amenities, unusual site conditions, etc.
For projects that are located outside of the FHLB-NY's geographical District, the FHLB-NY will rely upon the reasonable and customary costs that the respective FHLB District (within which the project is located) has determined and published in their annual <i>AHP Implementation Plan</i> .	

### III. Multi-Family Housing

Criterion	Guideline																														
<b>Development Cost per Unit (Hard construction / rehabilitation costs only)</b>	<p><b><u>New York</u></b></p> <table data-bbox="688 306 1000 470"> <tr><td>0-Bedroom</td><td>\$153,000</td></tr> <tr><td>1-Bedroom</td><td>\$175,000</td></tr> <tr><td>2-Bedroom</td><td>\$199,000</td></tr> <tr><td>3-Bedroom</td><td>\$232,000</td></tr> <tr><td>4+Bedroom</td><td>\$265,000</td></tr> </table> <p><b><u>New Jersey</u></b></p> <table data-bbox="688 541 1000 705"> <tr><td>0-Bedroom</td><td>\$141,000</td></tr> <tr><td>1-Bedroom</td><td>\$157,000</td></tr> <tr><td>2-Bedroom</td><td>\$169,000</td></tr> <tr><td>3-Bedroom</td><td>\$187,000</td></tr> <tr><td>4+Bedroom</td><td>\$199,000</td></tr> </table> <p><b><u>Puerto Rico / Virgin Islands</u></b></p> <table data-bbox="688 777 1000 940"> <tr><td>0-Bedroom</td><td>\$115,500</td></tr> <tr><td>1-Bedroom</td><td>\$130,000</td></tr> <tr><td>2-Bedroom</td><td>\$145,500</td></tr> <tr><td>3-Bedroom</td><td>\$165,750</td></tr> <tr><td>4+Bedroom</td><td>\$181,000</td></tr> </table> <p>Projects with costs greater than those specified above will require further explanation. Consideration will be given to factors such as local development requirements, handicap accessibility, certain amenities, unusual site conditions, etc.</p> <p>For projects that are located outside of the FHLB-NY's geographical District, the FHLB-NY will rely upon the reasonable and customary costs that the respective FHLB District (within which the project is located) has determined and published in their annual <i>AHP Implementation Plan</i>.</p>	0-Bedroom	\$153,000	1-Bedroom	\$175,000	2-Bedroom	\$199,000	3-Bedroom	\$232,000	4+Bedroom	\$265,000	0-Bedroom	\$141,000	1-Bedroom	\$157,000	2-Bedroom	\$169,000	3-Bedroom	\$187,000	4+Bedroom	\$199,000	0-Bedroom	\$115,500	1-Bedroom	\$130,000	2-Bedroom	\$145,500	3-Bedroom	\$165,750	4+Bedroom	\$181,000
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<b>Tax Credit Sale Price</b>	Projects receiving less than 78¢ per \$1 of allocation will require further explanation.																														
<b>Debt Coverage Ratio</b>	Projects with a debt service coverage ratio exceeding 1.3 in the first year of operation will require further explanation.																														
<b>Vacancy Rates</b>	Rates exceeding 8% will require further explanation.																														
<b>Expense Increases per year</b>	Increases greater than 5% per annum will require further explanation.																														
<b>Operating Expense per unit per year</b>	Expenses greater than \$6,750 per unit per year will require further explanation.																														
<b>Replacement Reserves</b>	Reserves for standard multi-family rental projects that exceed \$300/unit will require further explanation. In the case of projects utilizing low-income housing tax credits, annual contributions to the replacement reserve that exceed the greater of \$400 or .50% of the total development cost (less the cost of land acquisition) will require further explanation. Where applicable, annual contributions to the operating reserve that exceed 3% of a project's gross rents will require further explanation.																														
<b>Management Fees</b>	Fees greater than 8% of Gross Effective income (or \$48/unit/month) will require further explanation.																														