



2012 AHP OFFERING

AFFORDABLE HOUSING PROGRAM

APPLICATION INSTRUCTIONS AND SCORING CRITERIA FOR RENTAL PROJECTS

Applications that are completed in hard copy must be physically delivered
no later than **5:00 PM on Tuesday, April 3, 2012** to:

Joseph Gallo
Vice President
Federal Home Loan Bank of New York
101 Park Avenue – 5th Floor
New York, NY 10178-0599

An application that is prepared in electronic format must be
saved on a compact disk and delivered to the above address
no later than **5:00 PM on Friday, April 6, 2012**.

Additional inquiries should be directed to:

Phone: (212) 441-6850
Fax: (212) 949-0652
www.fhlbny.com
E-mail: ahp@fhlbny.com

GENERAL INSTRUCTIONS

The FHLB-NY has established the following submission deadlines for the 2012 AHP Offering:

- (a) Housing organizations that choose to prepare and submit a hard copy in a traditional paper format must physically submit the AHP Application and all related Exhibits to our office on or before **5:00 PM Tuesday, April 3, 2012**. Please also e-mail the Project Description and Empowerment Exhibits with the name of the Project in the subject line as a Microsoft Word document or inserted in the text of the e-mail directly to malinda.walker@fhlbny.com. Please do not e-mail these Exhibits to her as a PDF file. E-mail the *Rental Project Workbook (AHP/APP-108)*, which is a part of Exhibit C saved as an Excel file directly to ahp@fhlbny.com with the name of the Project in the subject line.

If you are submitting an AHP application form ([AHP/APP-105](#)) and supporting documentation as a hard copy package in traditional paper format:

- Be sure to print out the cover page of each Exhibit on colored paper and use it to separate each section of related documentation. You may also insert tabs to separate each Exhibit.
 - Please *do not* permanently bind or enclose the AHP Application and related Exhibits in a ringed binder. *Do not* staple or paper clip sections of the AHP Application together. Kindly use a binder clip in order to keep the entire AHP Application and supplemental Exhibits together.
- (b) Housing organizations that choose to prepare and submit an electronic version of the AHP Application and all related Exhibits must submit a CD-ROM disk to our office on or before **5:00 PM Friday, April 6, 2012**. If you are submitting an AHP application via CD-ROM disk:

- The CD-ROM should be labeled with the name of the Project, the Sponsor and the Member.
- The CD-ROM must be submitted along with a hard copy of the AHP application form ([AHP/APP-105](#)).
- Be sure that the AHP Application is signed by authorized representatives of both the primary sponsor and FHLB-NY member bank, scanned as a PDF file and saved as "Application.pdf".
- The narrative portions of all Exhibits should be named "Exhibits.pdf."
- Deeds, contracts of sale, leases, legal records, photographs, loan agreements, and other similar types of documentation must be scanned as PDF files and saved using the letter for the Exhibit followed by a document name. Documentation may be saved as one file, named by using the letter for the Exhibit followed by the Exhibit description, or as multiple files named by using the letter for the Exhibit followed by a unique document name for each file. For example, a sponsor with two deeds could scan and save each one as a separate file named "E Deed Site 1.pdf" for the first parcel and "E Deed Site 2.pdf" for the second parcel, or save all the deeds as one file named "E Site Control.pdf".
- The *Rental Project Workbook (AHP/APP-108)* which is a part of Exhibit C should be saved as an unprotected Excel file and named "C Rental Project Workbook.xls".
- Please also e-mail the Project Description and Empowerment Exhibits with the name of the Project in the subject line as a Microsoft Word document or inserted in the text of the e-mail directly to malinda.walker@fhlbny.com. Please do not e-mail these exhibits to as a PDF file.

Note the following delivery and confirmation instructions for all applications:

If you send your paper application or the CD-ROM by a major overnight delivery service (such as FedEx, United Parcel Service, the United States Postal Service, DHL, etc.), you can confirm that your package was delivered by the deadline by contacting the overnight delivery service directly. These companies deliver directly to our mailroom which signs upon receipt.

If you hand-deliver or send your application through a messenger service, the application will be logged at our building's Mail Delivery Center (MDC) and then sent to our mailroom. You may contact your messenger service to confirm delivery by the deadline. To get to the MDC, enter through the building lobby on 41st Street. The security staff at that entrance will direct you to the MDC. Because of security measures, members of the AHP staff are not able to personally accept any applications.

We will be providing a list of the applications we have received by the application deadlines to the member's application contact person on or about May 1, 2012. Sponsors, developers and consultants may contact the applicant member at that time to verify that their application was received.

Review the following prior to completing the AHP Application:

- The “Application Package” materials are located on the Federal Home Loan Bank of New York’s (“FHLB-NY”) website at the following link: <http://www.fhlbny.com/community/forms/ahpapplication.htm>.
- Only a stockholder institution (“Member”) of the FHLB-NY in good standing may submit an AHP application and request AHP subsidy on behalf of the Project sponsor(s). A “Membership List” is available on the FHLB-NY website at the following link: <http://www.fhlbny.com/aboutus/membership/memberlist.htm>
- While a Member may defer completion of the AHP Application to other parties, the Member ultimately accepts full responsibility for its content and is bound by all information submitted in the AHP Application. A managing officer of the Member must sign the AHP Application. Such officers are limited to the Chairman, President, Executive Vice President, or Senior Vice President.
- The AHP Application must also be signed by an authorized signatory of the primary sponsor.
- Only AHP Applications marked “2012 AHP Offering” will be accepted for consideration. Submit only one CD-ROM or one paper version of the AHP Application form along with Exhibits. No additional copies are necessary.
- To check any of the boxes on the Application form, double click on the box and select "Checked" as the default value.
- Review the detailed instructions for each section of the AHP Application prior to completing the form.
- No fee is required in order to submit the AHP Application.
- Each AHP Application received by the deadline will be evaluated in order to insure that the provisions identified in the AHP Regulations are properly satisfied.
- For further assistance, please call our department’s general information number at (212) 441-6850 or transmit an e-mail inquiry to ahp@fhlbny.com.
- All AHP Applications will be scored on a competitive basis and the decisions of the FHLB-NY are final.
- A complete AHP Application package consists of the AHP Application form and Exhibits A through T.
- The AHP Application form and accompanying Exhibits must be written in English or include English translations of any documents written in another language.
- If an Exhibit is applicable to the Project, failure to submit appropriate documentation may result in a loss of points or, in some cases, the elimination of the AHP Application from the competitive process. If a particular Exhibit is not applicable to the Project, simply insert a page or save a file for the Exhibit which includes the statement "Not Applicable." Furthermore, failure to submit a properly organized and completed AHP Application package may result in its elimination from the competitive scoring process.

II. AFFORDABLE HOUSING PROGRAM REQUIREMENTS

The AHP Application form has been revised and updated to reflect the requirements of the AHP Regulations issued by the Federal Housing Finance Agency (“FHFA”) and the current policies, procedures, and guidelines affecting the local administration of the AHP by the FHLB-NY.

Before completing the AHP Application, carefully review the following items:

- (a) the federal regulations that govern the FHLB-NY's administration of the AHP as promulgated by the FHFA;
- (b) the FHLB-NY's *AHP Project Financial Feasibility Analysis Guidelines* ([AHP-101](#));
- (c) the median income guidelines for the census tract or county in which the Project site(s) is(are) located as determined by the U.S. Department of Housing and Urban Development ("HUD") and the Federal Financial Institutions Examination Council ("FFIEC");
- (d) the tri-party *AHP Direct Subsidy Agreement and Memorandum of Understanding* ("MOU") for Rental Projects ([AHP-109](#));
- (e) the appropriate long term retention documents which vary based on the Project's financing structure which are to be completed, executed and recorded upon the disbursement of subsidy if the Project is selected for funding ([AHP 113 through 121](#));
- (f) the FHLB-NY's *AHP Compliance Monitoring Guidelines* ([AHP-102](#));
- (g) the FHLB-NY's *AHP Compliance Late Receipt Policy* ([AHP-104](#)); and
- (h) the FHLB-NY's *AHP Recapture Guidelines* ([AHP-105](#))

1. LOCATION

Provide the name of the Project or program for which AHP funds are requested. Specify the building, street address, city, county, state, zip code, and census tract, being consistent with data obtained from <http://www.ffiec.gov/Geocode/default.aspx> for at least one of the parcels that comprise the Project. For projects that contain multiple parcels, include the details for each parcel on "Tab C – Site Information" of the *Rental Project Workbook* ([AHP/APP-108](#)). If additional space is needed, submit one supplemental sheet for each site as an addendum to the AHP Application form. Provide the Congressional District(s) and Congressional Representative(s) for the site(s) that will comprise the Project.

2. PROJECT DEVELOPMENT PARTICIPANTS

Check the box labeled "Primary contact for questions about the AHP Application" next to the name of the appropriate person whom the FHLB-NY should call first if any questions arise regarding the AHP Application.

- A) MEMBER:** Provide the requested information for the Member's contact person. The contact person should be the one most familiar with the AHP Application and need not be the same person who signs the AHP Application.
- B) PRIMARY SPONSOR:** Provide the requested information for the primary sponsor's contact person. The contact person should be the person most familiar with the AHP Application. If the Project has more than one sponsor, note the following:
 - i) Review the instructions for the "Sponsorship by a Non-Profit or Government Entity" section of the AHP Application before designating the primary sponsor, because the designation of the primary sponsor may affect the AHP Application's score.
 - ii) If applicable, include supplemental information with the AHP Application form for all Project co-sponsors.
- C) CONSULTANT:** If a consultant assisted in the preparation of the AHP Application, provide the requested information for the consultant's contact person. The contact person should be the person most familiar with the AHP Application. If the primary sponsor did not use a consultant, this section may be left blank. Note that AHP funds may not be used to pay the consultant fees associated with preparing the AHP Application.
- D) DEVELOPER:** If the primary sponsor is not serving as the Project's developer, provide the requested information for the Developer's contact person. The contact person should be the person most familiar with the AHP Application. If the primary sponsor is serving as the Project's developer, this section may be left blank.

3. PROJECT INFORMATION

A) PROJECT TYPE

Check one or more boxes to designate the project type.

TOTAL NUMBER OF UNITS AND UNIT CLASSIFICATION

Fill in the number of units of each category below and the narrative questions which follow. This information is requested for regulatory reporting purposes and will have no bearing on the Project's score or competitive performance, except for the number of very low-income units (i.e., $\leq 50\%$ of area median income), which must correspond to the figure provided on "Tab D – RPW" of the *Rental Project Workbook* ([AHP/APP-108](#)).

The maximum subsidy limit for all AHP application submissions is the lesser of \$20,000 times the total number of **AHP- Assisted Units** or \$2,000,000. The **AHP-Assisted Units** include all residential units with the exception of any units that are or will be occupied by the project's superintendent(s). The **Total Project Units** include the AHP-assisted units plus any units that are or will be occupied by the project's superintendent(s).

- (a) **Total Project Units** - The total number of units in the Project (including any superintendent's units).
- (b) **Total AHP-Assisted Units** - The total number of units for which AHP subsidy is requested (**excluding** any units that are reserved for occupancy by a superintendent).
- (c) **Very Low-Income units** - The number of units reserved for households earning 50% or less of the area median income (AMI) as determined by HUD or FFIEC.
- (d) **SRO Units** - The number of Single Room Occupancy units in the Project.
- (e) **Elderly Units** - The estimated number of units, if any, which are or will be occupied by elderly households.
- (f) **Handicapped** - The estimated number of units, if any, which are or will be occupied by handicapped households.
- (g) **Newly Constructed Units** - The number of units, if any, to be constructed using AHP subsidy.
- (h) **Rehabilitated Units** - The number of units, if any, to be rehabilitated using AHP subsidy.
- (i) **Group Home Beds** - The estimated number of beds, if any, which are or will be created in group homes.

4. SUBSIDY REQUEST

AHP funds may be provided in the form of a Direct Subsidy, which is a grant, or as a Subsidized Advance, which is a loan to the Member that enables the Member to provide a below-market rate loan to the Project. Complete Section 1 (a) and (b) to request a Direct Subsidy *or* Section 2 to request a Subsidized Advance. Be sure to also complete Section 3 (a) and (b) in order to confirm whether or not subsidy from another Federal Home Loan Bank is part of the Project's financial structure. Please be advised of the following:

- (a) The total amount of AHP subsidy requested is a scoring category that is worth up to 5 points. Projects will be competitively awarded up to 5 points based on the least amount of *average* AHP subsidy per unit.
- (b) The calculation of the total AHP subsidy provided to the Project will be based on the current subsidy request plus any prior AHP subsidy committed to the Project. Please note, if you are applying for a supplemental award of AHP subsidy and you are awarded funding, the full amount of the AHP subsidy may not be drawn until a Final Cost Certification is submitted.
- (c) If a subsidized advance is requested, the terms of the subsidized advance (maturity and amortization) must exactly match the terms of the proposed end loan. The FHLB-NY will allow up to a 200 basis point spread between the advance rate and the rate on the end loan.

- (d) If a Subsidized Advance is requested, contact the FHLB-NY's Affordable Housing Department prior to submission of the AHP Application. Upon notification, the FHLB-NY's AHP staff will calculate the present value of the AHP subsidy that is needed to support the interest rate of the requested subsidized advance. This AHP subsidy estimate is needed to properly assess whether or not the request conforms to the FHLB-NY's maximum subsidy limits.
- (e) Although the FHLB-NY will make every effort to consider the full amount of AHP subsidy requested, the actual interest rate on a subsidized advance (or the actual amount of Direct Subsidy that a project may qualify for) will ultimately be subject to verification and approval by the FHLB-NY.
- (f) Prepare the *Rental Project Workbook* ([AHP/APP-108](#)) before completing this section of the form.
- (g) Any subsidy request that exceeds the FHLB-NY's maximum AHP subsidy limits may cause the AHP Application to be eliminated from the competitive scoring process.

5. INCOME ELIGIBILITY GUIDELINES

Rental projects may now choose either one of the median income standards specified in the "Income Eligibility Guidelines" section of the AHP Application. Before selecting a particular standard, be sure that the standard chosen is consistent with other funding sources. That standard must be used to set the occupancy goals listed on "Tab D – RPW" of the *Rental Project Workbook* ([AHP/APP-108](#)) and to determine income eligibility for all Project tenants. The FFIEC guidelines may be accessed at this Internet address: <http://www.ffiec.gov/Geocode/default.aspx> for the census tract or county in which the Project is located. The HUD income limits may be accessed at: <http://www.huduser.org/DATASETS/il.html>.

Please note that the occupancy targets identified at time of application to the AHP must coincide with targeting commitments made to other funding sources. Therefore, any project whose proposed funding structure is comprised of federal low-income housing tax credits, HUD funds, and/or other federal programs may be precluded from selecting the FFIEC AMI standard.

6. PROPOSED USE OF AHP SUBSIDY IN RELATION TO OTHER FUNDING SOURCES

The use of AHP subsidy is limited to costs directly related to the acquisition, rehabilitation, and/or construction of residential units. Other funding sources must finance social services or non-housing related programs provided to Project residents. Other funding sources must finance work in any non-residential areas of the buildings included in the Project. Fill in the chart to indicate how the AHP proceeds and other funding sources will be used for the Project. Information on this chart should be consistent with the information included in the *Rental Project Workbook* ([AHP/APP-108](#)). Consider the following when determining how the AHP subsidy will be utilized:

- (a) Purchase Price - AHP subsidy may be used toward the contract sales price for properties purchased after the AHP commitment is issued. The FHLB-NY requests an "as-is" appraisal to verify a "reasonable" purchase price, unless the site(s) will be donated.
- (b) Rehabilitation/Construction Costs - AHP subsidy may be used to reimburse the primary sponsor for reasonable hard costs (including contractor's overhead and profit) incurred to construct and/or rehabilitate residential units after the date of project application. Conversely, AHP subsidy may not be used for work in non-housing areas (such as management offices, meeting rooms, social service or recreational areas or commercial space). Furthermore, AHP subsidy should not be used to fund contingency or reserve accounts.
- (c) Soft Costs - AHP subsidy may be used for the following: architectural fees, engineering fees, environmental assessments, permit fees, construction or project management fees, housing consultant fees with the exception of fees charged to prepare an AHP Application, and legal fees related to property acquisition.

Please note that if AHP funds are requested and approved to finance certain soft costs, the AHP funds may not finance any such costs that were incurred prior to the date of the AHP Application. Furthermore,

the AHP funds may not be accessed prior to the primary sponsor or owner formally executing all necessary applicable documents or other funding agreements with the Project's other lenders and creditors.

Without the prior consent of the FHLB-NY, AHP subsidy generally may not be used for the following: closing costs that the primary sponsor or developer incurred in acquiring a site, appraisal fees, insurance premiums, real estate taxes, property security, utility costs, rent-up costs, marketing, furnishings, lost income, financing fees, construction interest, capitalized reserves, contingency, or other carrying costs.

- (d) **Developer's Retention** - AHP subsidy may be used for an amount within the FHLB-NY's *AHP Project Financial Feasibility Analysis Guidelines (AHP-101)*. However, AHP subsidy that is approved to finance a developer's fee cannot customarily be disbursed until the Project is fully completed. Please plan accordingly.
- (e) **Refinancing** - If AHP funds are used for refinancing, the proceeds of the refinancing must be used to create AHP-eligible units through purchase, rehabilitation or new construction. Additional information about refinancing is provided in the "Eligibility Requirements" section of the Application.

Please note that AHP funds may not be used to finance supportive services or other Empowerment activities. Neither the development nor operating budgets should include line items to fund these activities unless explicitly required by another funding source.

III. MINIMUM PROJECT ELIGIBILITY THRESHOLD REQUIREMENTS

Projects must meet all of the eligibility requirements listed on the "Eligibility Requirements" Section of the AHP Application as a prerequisite to scoring.

1. **Project Type** – The Project must involve the purchase, construction or rehabilitation of rental residential properties in which at least **20%** of the AHP- assisted Units will be occupied by households earning 50% or less of the AMI as determined by HUD or FFIEC. Permanent rental housing, transitional housing permitting a minimum stay of 6 months, emergency shelters, and mutual housing associations are considered eligible rental projects. The FHLB-NY will consider the "Project Type", "Subsidy Use" and "Targeting" sections of the AHP Application to assess whether the Project meets this requirement.
2. **Timing of Subsidy Use** – The FHLB-NY will review the Project schedule provided in Exhibit B in order to assess whether or not the Project satisfies the requirement that the primary sponsor or affiliate will take title to the proposed Project site(s) and begin to draw down AHP subsidy or use the AHP commitment to procure all other proposed financing sources by November 15, 2013, if the Project is approved for funding.
3. **Feasibility Requirements** – The FHLB-NY will evaluate the site control evidence (Exhibit E), the "as-is" value (Exhibit F), the Project Development Schedule (Exhibit B), the status of necessary governmental approvals (Exhibit G) and whether the Project's financial structure is reasonable (Exhibits C, D, and H) to make a determination that the Project is feasible. Any variations from the FHLB-NY's *AHP Project Feasibility Analysis Guidelines (AHP-101)* must be adequately justified. Failure to furnish the FHLB-NY with the appropriate supporting documentation as evidence that the Project is feasible may result in the elimination of the AHP Application from the competitive scoring process.
4. **Non-eligible Costs** – The box must be checked as confirmation that the Member and primary sponsor agree that AHP funds will not finance any of the ineligible costs specified on the AHP Application.
5. **Refinancing** – The box must be checked as confirmation that the Member and primary sponsor agree that AHP funds will not be used for refinancing any existing mortgages on rental properties unless the proceeds are used to create AHP-eligible units through purchase, rehabilitation or new construction as described in Refinancing (Exhibit S).

- 6. Retention Requirements** – The box must be checked as confirmation that the Member and primary sponsor agree to execute and record the appropriate AHP retention documents. The long-term retention period for rental projects is 15 years.
- 7. Sponsor Qualifications** – The FHLB-NY will assess the items submitted in Exhibit I to determine whether the primary sponsor and/or a development team member meet the threshold requirements.

The FHLB-NY reserves the right to consider sponsors of non-contiguous, scattered site rental projects with existing AHP commitment(s) that were issued on behalf of a previous phase of a similar housing-type proposal who have not currently drawn down at least 50% of such AHP commitment(s) as not satisfactorily meeting the criterion for timely usage of AHP subsidy. The FHLB-NY may, in its sole discretion, give such sponsors credit for pending AHP draw downs that are “in process,” provided that such funding requisitions were received at the HLB at least two weeks prior to the commencement of a given competitive offering.

- 8. Fair Housing** – The FHLB-NY will assess the items submitted in Exhibit J to determine whether the marketing and occupancy of the Project will satisfy all fair housing laws and regulations.
- 9. Maximum Subsidy Limits** – Inclusive of all AHP Application submissions specifically related to the Project (or affiliated housing initiative), the Project cannot receive more than \$20,000 in AHP subsidy *per unit* and cannot request more than 10% of the total available AHP subsidy offered for a particular competitive offering. (See the Subsidy Request section on page 2 of the AHP Application form.)

IV. SCORING CRITERIA

AHP Applications that meet the Eligibility Requirements described above will advance to the scoring phase of the AHP competition. The FHLB-NY will evaluate the information presented in the AHP Application form as well as the supplemental documentation furnished in the Exhibits. The FHLB-NY will objectively rate each Project based on its ability to satisfy each of the nine scoring categories that collectively total 100 points.

The score for each category is designated as either fixed or variable. A fixed criterion means that all projects meeting the criterion will be awarded the maximum number of points for that criterion. A variable criterion means that points awarded will vary depending on the extent to which the Project meets the criterion in comparison with the other projects applying in the funding round. The FHLB-NY’s Board of Directors will subsequently approve AHP Applications for subsidy in descending order, starting with the highest scoring AHP Application, until the total amount of AHP subsidy available for this funding period is exhausted.

The scoring categories are as follows:

1. DONATED GOVERNMENT OWNED OR OTHER PROPERTIES (5 points – variable)

An AHP Application will be awarded points for the creation of housing units on property that has been donated or conveyed by the federal government or any agency or instrumentality thereof, or by any other party. In order for the Project to qualify for points in this category, at least 20% of total Project units must be built or generated on property that has either been transferred by the U.S. Department of Housing and Urban Development or other U.S. government agency (regardless of the conveyance price) or acquired “significantly below fair market value” either privately or from a state, county, or local government entity. The FHLB-NY has formally defined “significantly below fair market value” as \$100 per vacant parcel of land or \$250 per existing building. Properties that are obtained at a substantially discounted price, but cost greater than either \$100 per vacant lot or \$250 per building cannot be considered as “donated.” Acceptable documentation of the actual or proposed sales price must be included in Exhibit E.

2. SPONSORSHIP BY A NON-PROFIT OR GOVERNMENT ENTITY (10 points – variable)

Projects will receive up to 10 points if the Project’s primary sponsor is a not-for-profit organization, a state or political subdivision of a state, a state housing agency, a local housing authority, a Native American Tribe, an Alaskan Native Village (if applicable), or the government entity for Native Hawaiian Home Lands (if applicable).

In order to qualify for points in this category, the non-profit entity must have an ownership interest (including any partnership interest) in the Project. Points will be awarded as follows:

- (a) If the non-profit sponsor will directly own the land or building(s) that comprise the Project, as evidenced in Exhibit E of the AHP Application, 10 points will be awarded;
- (b) If the Project will utilize low-income housing tax credits and the non-profit sponsor will hold a majority share of the general partner or managing member within the limited partnership or limited liability company of the Project, as evidenced in Exhibit I of the AHP Application, 10 points will be awarded;
- (c) If the Project will utilize low-income housing tax credits and the non-profit sponsor will hold an ownership interest within the final ownership structure/limited partnership of the Project other than that of a majority-share interest of the general or managing member, as evidenced in Exhibit I of the AHP Application, 5 points will be awarded.

In any case, if the primary sponsor is a private not-for-profit corporation as defined in Section 501(c)(3) or Section 501(9)(a) of the Internal Revenue Code, Exhibit I must include a copy of the entity's nonprofit designation letter that was issued by the U.S. Department of the Treasury.

3. TARGETING (20 points – variable)

Rental projects which reserve at least 60% of their units for households who earn 50% or less of the AMI as determined by HUD or FFIEC will receive the highest score and all other rental projects will receive points on a declining scale. To determine the score for this criterion, the FHLB-NY will evaluate information specified on "Tab D – RPW" of the *Rental Project Workbook* ([AHP/APP-108](#)).

For rental projects that involve the rehabilitation of a property that is occupied, the sponsor must ensure that the incomes of all existing tenants properly conform to the occupancy goals that are set forth in the AHP Application as of the date of submission. Therefore, sponsors of such projects that will not displace existing tenants must include a recent rent roll *and* a certification of the current incomes of those tenants in Exhibit N. (Please note that third-party income source documents or income verifications for such households do *not* have to be included with the AHP Application.) Please note the targeting on "Worksheet D: Rent Plan" which is a part of the *Rental Project Workbook* ([AHP/APP-108](#)) in Exhibit C should be consistent with the targeting commitments that are being made to the Project's other funding sources.

4. HOMELESS HOUSING (7 points – variable)

A project that is creating permanent or transitional housing units where the household's minimum length of stay will be at least six months and in which at least 20% of its units will be reserved for occupancy by formerly homeless households may qualify for points in this category. Points will be awarded on an escalating scale based on the total percentage of units that will be reserved for and occupied by formerly homeless households. To determine if the criterion is met, the FHLB-NY will evaluate the information specified in the "Homeless Housing" section of the AHP Application as well as the evidence furnished in Exhibit K. The term "homeless", "homeless individual," or "homeless person" shall mean an individual or family who is homeless or at risk of homelessness based on third-party evidence demonstrating that the individual or household:

- a) Lacks a fixed, regular, and adequate nighttime residence;
- b) Has a primary nighttime residence that is 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, or camping ground;
- c) Lives in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing); or resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;

- d) Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life threatening conditions in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing;
- e) Will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, as evidenced by (a) a court order resulting from an eviction action that notifies the individual or family that they must leave within 14 days; (b) the individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days; or (c) credible evidence indicating that the owner or renter of the housing will not allow the individual or family to stay for more than 14 days, and any oral statement from an individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause. In addition, the individual or household must have no subsequent residence identified and lack the resources or support networks needed to obtain other permanent housing; and/or
- f) Is a family with children who (a) has experienced a long term period without living independently in permanent housing, (b) has experienced persistent instability as measured by frequent moves over such period, and (c) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.
- g) Even if an individual or household's current living situation may appear to qualify under the above criteria, the FHLB-NY will not consider the following individuals or households as having met the criteria for homelessness:
 - i) Someone who is currently imprisoned or otherwise detained pursuant to an Act of the Congress or a State law;
 - ii) An unaccompanied youth who is under the age of 18 unless he or she is within 60 days of reaching the age of 18;
 - iii) An individual or family who has resided in transitional housing for 6 months or more (even if homeless prior to entry into transitional housing);
 - iv) Someone who is being discharged from an institution where he or she has been a resident for 90 days or less unless the person's living situation met one of the above criteria immediately prior to entering that institution; or
 - v) Someone who was living in an institution for over 90 days and will not be discharged without a housing placement plan and/or where the cost of their current and/or proposed housing was and/or will be subsidized.

5. EMPOWERMENT (10 points – variable)

An AHP Application will be awarded points for providing housing in combination with a program offering certain services or activities (e.g., employment, education, training, homebuyer or tenant counseling, daycare, resident involvement, or welfare to work initiatives) that economically empower Project residents. The maximum number of points will be awarded to the Project providing the most services or activities with the remaining projects awarded points on a declining scale. To determine if the criterion is met, the FHLB-NY will evaluate information furnished in Exhibit L.

Please note that AHP funds may not be used to finance supportive services or other empowerment activities. Neither the development nor operating budgets should include line items to fund these activities unless explicitly required by another funding source.

6. COMMUNITY STABILITY (22 total points – variable)

Projects will be awarded points if they promote certain community stability initiatives specified below. This category is broken down into five categories. In order to qualify for points, check off each criterion that the Project will satisfy and, if applicable, furnish appropriate documentation in Exhibits M, N, O, P and Q. Points will be awarded based on the Project's ability to meet each of the five following categories, including all relevant supporting documentation:

A) REDEVELOPMENT OF FORECLOSED OR AT-RISK PROPERTIES (6 points – variable)

A minimum of 1.5 points will be awarded to projects that involve the development of new or the preservation of existing housing units, through either rehabilitation or new construction, on sites that were obtained within the past two years, or for which site control has been obtained based on the percentage of units to be re-developed or parcels that were or will be obtained as a result of the following:

- i) The parcel(s) is(are) or will be acquired from a seller who has received a public default notice such as a Notice of Default or Lis Pendens from the seller's lender;
- ii) The parcel(s) was(were) foreclosed upon for non-payment of real estate taxes or mortgage payments and were purchased through an auction, sheriff's sale, or directly from the entity that foreclosed upon the previous owner;
- iii) The parcel(s) is(are) or will be acquired from a lender who repossessed them without going through the foreclosure process by entering into an agreement with the borrower/owner during the pre-foreclosure process such as the acceptance of a deed in lieu of foreclosure or via a short sale foreclosure;
- iv) The parcel(s) is (are) or will be acquired from a lender who has classified the property(ies) as Real Estate Owned (REO).

Thereafter, a maximum of up to 6 points will be awarded on an ascending scale to those projects that demonstrate that up to 100% of its proposed dwellings are being developed on such sites. To determine if the criterion is met, the FHLB-NY will evaluate the Project Description (Exhibit A), and other relevant information furnished in Site Control (Exhibit E), Value of Site (Exhibit F), and Redevelopment of Foreclosed or At-Risk Properties (Exhibit M).

B) PRESERVATION OF EXISTING HOUSING UNITS (4 points – fixed)

If a project preserves existing occupied housing units, 4 points will be awarded, subject to a project's satisfaction of the following conditions:

- i) Confirmation that a rental project is operational, has at least 50% of its units occupied at time of application to the AHP, and displacement of the current occupants will not occur or; if displacement of the current occupants will occur, adequate procedures and a formal relocation plan are in place that will assist the occupants minimize the impact of such displacement;
- ii) The project will undergo rehabilitation or other housing-related capital improvements that average at least \$15,000 per unit; and
- iii) The rehabilitation work is sufficient to achieve the Housing Quality Standards established by the United States Department of Housing and Urban Development and ensure that the remaining economic life of the major building systems will survive the 15-year AHP compliance period.

To determine if the criterion is met, the FHLB-NY will evaluate information furnished throughout the AHP Application and Exhibit N, if applicable. Please note the cost per unit calculation is limited to housing-related construction costs only. Acquisition, soft costs, and the developer's retention are not included in this calculation.

C) HISTORIC PRESERVATION (3 points – fixed)

Points will be awarded to a project that has either qualified for historic tax credits or is specifically identified in the National Register of Historic Places. To determine if the criterion is met, the FHLB-NY will evaluate evidence provided in Exhibit O.

D) DIFFICULT DEVELOPMENT AREAS & QUALIFIED CENSUS TRACTS (3 points – fixed)

A project will be awarded 3 points for demonstrating that at least 80% of its proposed units will involve the creation of new housing units, either through rehabilitation or new construction, on sites that are located within Metropolitan and non-Metropolitan Difficult Development Areas and Qualified Census Tracts, as determined under IRS Section 42 and in effect as of the submission date of the application for AHP subsidy and published on HUD's website. To determine if the criterion is met, the FHLB-NY will evaluate evidence provided in Exhibit P and the list of parcels included in Tab C – Site Information of the *Rental Project Workbook* ([AHP/APP-108](#)). Supporting documentation must confirm that an adequate number of Project parcels are located in an eligible county and census tract.

E) CONVERSION AND RE-USE (6 points –variable)

A project will be awarded a minimum of 3 points for demonstrating that at least 50% of its proposed units are being developed on converted and/or re-used site(s) that contain buildings or other structures that are not currently used for permanent housing (e.g., hotel, office building, school, commercial property, etc.). Thereafter, a maximum up to 6 points will be awarded on an ascending scale to projects that demonstrate that up to 100% of their proposed units are being developed on such sites. Projects proposing both the new construction and/or rehabilitation of units on eligible sites not currently used for permanent housing, are eligible to receive points in this category, however, if the construction encompasses multiple parcels, only those units being constructed on the non-housing parcel(s) will be deemed eligible for credit. To determine if the criterion is met, the FHLB-NY will evaluate the Project Description (Exhibit A), other relevant information furnished in the Appraisal Reports (Exhibit F), and the evidence provided in Conversion and Re-Use (Exhibit Q) as well as the list of parcels included in Tab C – Site Information of the *Rental Project Workbook* ([AHP/APP-108](#)).

7. FIRST DISTRICT PRIORITY (6 total points – variable)

The AHP Regulations authorize the FHLB-NY to establish regional District priorities. The scoring criteria for the FHLB-NY's first set of District priorities are comprised of the following two components:

A) MEMBER FINANCIAL PARTICIPATION (3 points – fixed)

A project will qualify for a maximum of 3 points, based on Member financial participation (excluding the pass-through of AHP subsidy and administrative costs related to the monitoring of the project). Examples of eligible Member financial participation would include providing market-rate or concessionary financing, fee waivers, tax credit equity, or donations. To determine if the criterion is met, the FHLB-NY will evaluate evidence provided in Exhibit R.

B) IN-DISTRICT PROJECTS (3 points – fixed)

Projects that are located within the jurisdiction of the FHLB-NY's geographic district, namely, New Jersey, New York, Puerto Rico, or the Virgin Islands, will receive a 3-point scoring preference. To determine if the criterion is met, the FHLB-NY will evaluate information furnished throughout the AHP Application and Site Control evidence (Exhibit E).

8. SECOND DISTRICT PRIORITY (15 total points – variable)

The AHP Regulations authorize the FHLB-NY to establish additional priorities in order to address regional housing needs. The FHLB-NY's second set of District priorities is comprised of the following two components:

A) Project Readiness (10 points – variable)

In an effort to efficiently resolve the critical shortage of decent, legal, and affordable rental housing in a timely manner, a project that demonstrates readiness in accordance with the following criteria will qualify for a maximum of 10 points:

- 1. Site Control:** If the Sponsor demonstrates ownership of the proposed Project site(s), a maximum of 2 points will be awarded proportional to the percentage of units to be developed on each parcel.

2. **Approvals:** If the Sponsor/developer has obtained (i) a building permit, 3 points will be awarded; (ii) final site plan approval or evidences that the Project may be developed as-of-right, 2 points will be awarded, or (iii) preliminary site plan approval, 1 point will be awarded.
3. **Building Cost Determination:** If the Sponsor/developer has executed a contract with a construction firm, 2 points will be awarded. If the sponsor/developer has secured a formal cost estimate based on approved architectural drawings (if required) or a detailed scope of work (if architectural drawings are not required), 1 point will be awarded.
4. **Funding Commitment Procurements:** With the exception of projects that that have either already started construction or where AHP is requested to provide 50% or more of the project's funding, points will be awarded to sponsors who have procured or closed on at least 50% of a project's proposed permanent funding sources (excluding the AHP subsidy request) in accordance with the following scale: (i) 100% committed – 3 points, (ii) Between 75% and 99% committed – 2 points, and (iii) Between 50% and 74% committed – 1 point.

In order to qualify for points, check off the appropriate boxes in the Project Readiness section on page 6 of the AHP Application form. To determine if the criterion is met, the FHLB-NY will evaluate supporting documentation provided in Exhibits D, E, G, and H.

B) Bedroom Distribution (5 points – variable)

A project will be awarded 5 points for providing the highest average number of bedrooms per unit. The remaining projects will receive points on a declining scale. To determine the score for this criterion, the FHLB-NY will rely on the information specified in "Worksheet D: Rent Plan" which is a part of the *Rental Project Workbook* ([AHP/APP-108](#)) in Exhibit C.

Note that a separate household must occupy each unit for the purposes of scoring this category. Refer to the following to see how the number of units and bedrooms will be determined:

- (a) A Single Room Occupancy (SRO) unit does not provide both a private bathroom and kitchen facilities for the household. Examples include boarding houses where units have efficiency kitchens but residents share bathrooms, and transitional housing where families have private bedrooms and bathrooms but share kitchen facilities. The number of units is based on the number of households living in the Project. This type of unit is considered to be a 0-bedroom unit.
- (b) A group home generally has bedrooms occupied by one or more members of different households who share bathroom and kitchen facilities. The number of Group Home units will be equal to the number of beds located in a group home. This type of unit is considered to be a 0-bedroom unit.
- (c) A zero-bedroom unit has both a private bathroom and kitchen facilities but not a separate room for sleeping. Examples include studio or efficiency apartments. This type of unit is considered to be a 0-bedroom unit.
- (d) A unit with one or more bedrooms has both a private bathroom and kitchen facilities, separate rooms for sleeping, and is occupied by an individual household. Examples include apartments and 1-to-4-family dwellings. This type of unit is considered to have the number of bedrooms based on the number of separate rooms for sleeping.

For example, if 3 unrelated individuals will reside in one group home that contains 3 bedrooms and each person occupies a bedroom, that particular project has 3 zero bedroom units, not one 3-bedroom unit. On the other hand, a project with a 3-bedroom apartment that a single family occupies contains one 3-bedroom unit.

9. SUBSIDY PER UNIT (5 points – variable)

The project(s) that will use the least amount of AHP subsidy per unit will be awarded the maximum number of points in this category. The remaining projects will receive points on a declining scale. To determine the score for this criterion, the FHLB-NY will use the information specified in the "Number of AHP-assisted Units" and "Subsidy Request" sections of the AHP Application.

V. MISCELLANEOUS

1. EMPLOYMENT

In the "Employment" section of the AHP Application, list the type and number of permanent jobs to be created in the Project for anyone, not just Project residents. This section is for informational purposes only and does not affect the score of the AHP Application.

2. REFINANCING

If the proposed use of the requested AHP subsidy is to refinance the permanent debt for an existing project, the primary sponsor must use the proceeds of the AHP subsidy to create new AHP-assisted units through acquisition, rehabilitation, or new construction. Similarly, if the proposed use of AHP subsidy is to refinance an existing mortgage to generate funds to create additional low and moderate-income units, provide a description of how refinancing proceeds will be used to purchase, rehabilitate or construct AHP-eligible units.

The FHLB-NY will assess information furnished in Exhibit Q in order to determine whether the Project meets the "Refinancing" eligibility requirement to purchase, rehabilitate or construct AHP-eligible units.

3. INTEREST IN PROJECT

In the "Interest in Project" section of the AHP Application, indicate whether or not the Member has any past or present financial or ownership interest in the Project, in accordance with the conditions set forth in Exhibit R. Please indicate whether the Member will be offering grants or in-kind services to the Project (excluding the AHP Subsidy). If the Member answers "yes" to the questions in this section, furnish the appropriate statement(s) or supporting documentation in Exhibit T or cross-reference the supporting documentation furnished in Exhibit R.

VI. CERTIFICATIONS

1. PRIMARY SPONSOR'S CERTIFICATION AND SIGNATURE

The AHP Application must be signed by an authorized signatory of the primary sponsor. *Please note that AHP Applications that are not properly signed on behalf of the primary sponsor will not be processed.*

2. MEMBER'S CERTIFICATION AND SIGNATURE

The AHP Application must be signed and dated by an authorized managing officer of the Member (i.e. Chairman, President, Executive Vice President, or a Senior Vice President). *Please note that unsigned AHP Applications that are not properly signed on behalf of the Member will not be processed.*

The AHP Application must be submitted to the FHLB-NY by a Member that has been approved for membership in and has purchased capital stock in the FHLB-NY in accordance with the federal regulations that govern the FHLB-NY's operation of the AHP. Although a not-for-profit housing organization or a professional developer may complete substantial portions of the AHP Application, the Member accepts ultimate

responsibility for the claims set forth in the AHP Applications as well as all accompanying attachment forms and Exhibits.

VII. EXHIBITS

Exhibits are an integral part of determining the Project's eligibility for funding and point allocation in each competitive scoring category. The cover page for each respective Exhibit contains concise instructions that pertain to the specific threshold or competitive scoring criterion. *Be sure to include all of the information requested on the exhibit cover pages in the AHP Application package, along with appropriate forms and supplemental documentation. Failure to include supporting Exhibits may jeopardize the Project's score and, in some cases, result in the elimination of the AHP Application from the competitive review process.*

If your organization is submitting a “hard” copy of the 2012 AHP Offering Application package, print out the Exhibit cover pages on colored paper and use these colored Exhibit cover pages to separate each Exhibit. If a particular Exhibit is not pertinent to the Project, kindly insert a page that simply states “Not Applicable.” If you prefer, you may also place alphabetical divider tabs before each Exhibit cover page as added differentiation. Again, if your organization is submitting an electronic version of the 2012 AHP Offering Application package on a CD-Rom, note the following:

- The narrative portions of all Exhibits must be named “Exhibits.pdf.”
- Deeds, contracts of sale, leases, legal records, photographs, loan agreements, and other similar types of documentation must be scanned as PDF files and saved using the letter for the Exhibit followed by a document name. Documentation may be saved as one file named by using the letter for the Exhibit followed by the Exhibit description or as multiple files named by using the letter for the Exhibit followed by a unique document name for each file. For example, a sponsor with two deeds could scan and save each one as a separate file named “E Deed Site 1.pdf” for the first parcel and “E Deed Site 2.pdf” for the second one or save all the deeds as one file named “E Site Control.pdf”.
- The *Rental Project Workbook* ([AHP/APP-108](#)) which is a part of Exhibit C should be saved as an unprotected Excel file and named *C Rental Project Workbook.xls*.

The 21 Exhibits that comprise the 2012 AHP Offering Application package for Rental Projects are as follows:

EXHIBIT A	Project Description
EXHIBIT B	Project Development Schedule – Timing of Subsidy Use
EXHIBIT C	Rental Project <i>Workbook</i> (AHP/APP-108)
EXHIBIT D	Financial Narrative
EXHIBIT E	Site Control
EXHIBIT F	Value of Site
EXHIBIT G	Required Approvals
EXHIBIT H	Other Financing Sources
EXHIBIT I	Sponsor Qualifications
EXHIBIT J	Fair Housing
EXHIBIT K	Homeless Housing
EXHIBIT L	Empowerment
EXHIBIT M	Redevelopment of Foreclosed or At-Risk Properties
EXHIBIT N	Preservation of Existing Housing Units
EXHIBIT O	Historic Preservation
EXHIBIT P	Difficult Development Areas & Qualified Census Tracts
EXHIBIT Q	Conversion and Re-Use
EXHIBIT R	Member Financial Participation
EXHIBIT S	Refinancing
EXHIBIT T	Member Interest
EXHIBIT U	Hard Cost Details

Before submitting the AHP Application, the Member is advised to review the completed contents of the AHP Application, all supplemental documentation, these instructions and guidelines, the federal AHP regulation, the FHLB-NY's *2012 AHP Implementation Plan* ([AHP-100](#)) and all attachments thereto. All decisions of the FHLB-NY regarding the scoring and evaluation of the AHP Application are final.