



Federal Home Loan Bank
NEW YORK

Affordable Housing Program General Fund 2025 Training Seminar

January 21, 2025

Training Roadmap

1. Application Overview & Project Eligibility
2. Project Scoring
3. Financial Review
4. Progress Reporting & Monitoring



Overview of AHP General Fund

What is the AHP General Fund?

- The Affordable Housing Program (AHP) General Fund provides funding to purchase, rehabilitate, or construct affordable housing
- Rental projects and homeowner projects are both eligible for the AHP General Fund

Who can apply to the AHP General Fund?

- AHP funds may only be accessed through a participating FHLBNY Member Financial Institution (Member)
- Members partner with a sponsor (government entity, not-for-profit, or for-profit organizations) who will lead the project and manage the grant with FHLBNY

2025 AHP General Fund Round Key Dates and Parameters

- The round will launch February 10, 2025
- Maximum of \$60,000 per AHP targeted unit
- Maximum of \$2 million per project

AHP System Overview

- Applications are submitted to FHLBNY via the AHP System by participating Members
- Instructions on accessing the AHP System are on the AHP homepage on the FHLBNY website
- For assistance with connecting an AHP application with a participating FHLBNY Member, contact the AHP staff

Note: It is recommended that access to the AHP System is requested well in advance of the application submission deadline.



APPLICATION OVERVIEW & PROJECT ELIGIBILITY

AHP Application Process – The Three Phases

1

Project Eligibility

- Project must meet minimum eligibility thresholds



2

Project Scoring

- All eligible applications are scored and ranked
- Most applications receive fewer points than sponsors expect



3

Financial Review

- Highest ranking projects are subject to financial underwriting
- Highest scoring, financially feasible applications are awarded subsidy



Phase 1 of Application Review: Project Eligibility

- Use of funds for acquisition, construction, or rehabilitation
- Project sponsor must demonstrate site control
- Demonstrate project feasibility via development and operating budgets
- Demonstrate need for AHP subsidy
- Rental Housing Only -
 - Minimum 20% of the units must be reserved for households that earn 50% or less of the area median income
- Owner-Occupied Housing Only -
 - All units for households earning 80% or less of the area median income

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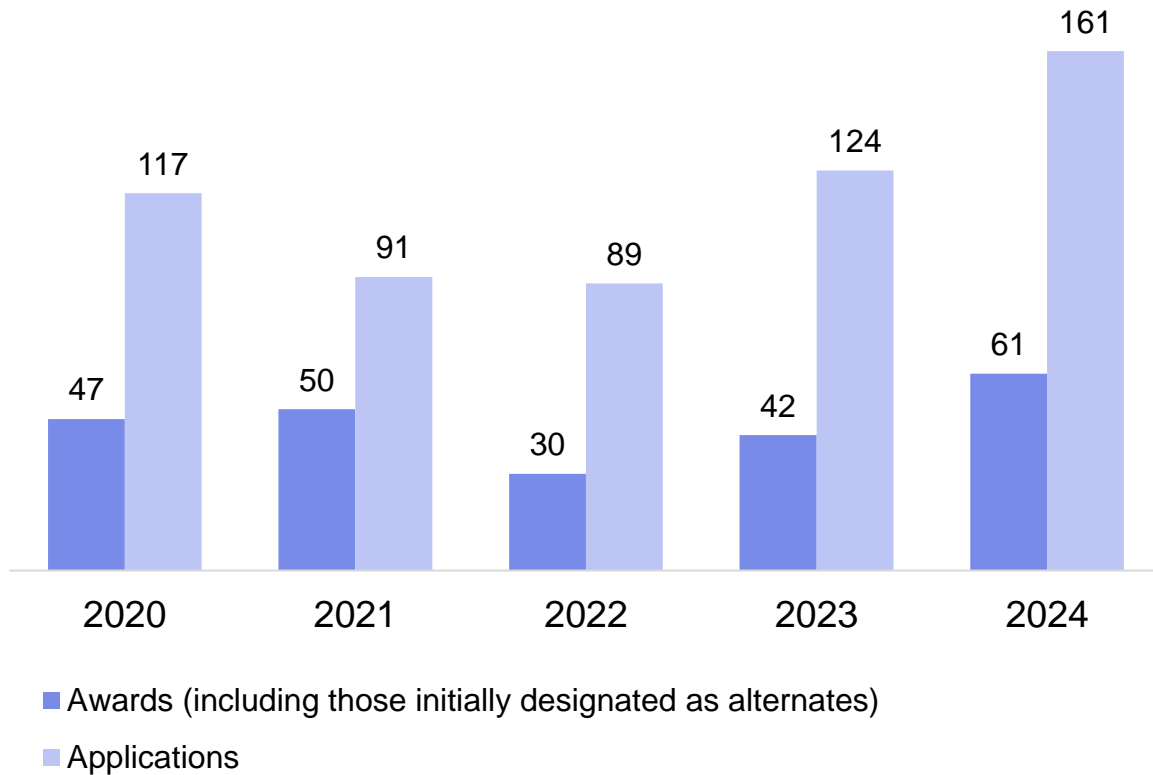
PROJECT SCORING

Phase 2 of Application Review: Project Scoring

- Use of donated or conveyed government-owned or other properties: **5 pts**
- Sponsorship by a not-for-profit organization or government entity: **7 pts**
- Targeting: **20 pts**
- Underserved Communities and Populations: **max. 12 pts**
 - Homeless Households: 6 pts
 - Supportive Housing: 6 pts
 - Extremely Low Income: 6 pts
 - Projects in U.S. Territories: 6 pts
 - Native American Tribal Housing Initiatives: 6 pts
- Creating Economic Opportunity: Residential Economic Diversity: **max. 10 pts**
 - Mixed Income Housing: **5 pts**
 - High Opportunity Area: **5 pts**
- Community Stability: Preservation of Affordable Housing: **10 pts**
- District Priorities: **max. 36 pts**
 - Project Readiness: 10 pts
 - Owner-Occupied Projects: 5 pts
 - Small Projects: 5 pts
 - In-District: 5 pts
 - Green Building Innovation: 5 pts
 - Member Financial Participation: 6 pts
 - AHP Subsidy per Unit: 5 pts

A Note on Competitiveness

AHP General Fund Applications and Awards: 2020-2024



2024 AHP General Fund Awards: Scoring Trends

- 61 projects received AHP awards totaling \$70.8 million in subsidy
- The scoring range of successful 2024 projects: 63.0 and 77.9 (avg. 67.74)
- 96% of projects received points for non-profit sponsorship
- 90% received the maximum 20 points in Targeting
- 95% received points in Underserved Communities and Populations
- 88% of awardees received points for FHLBNY Member Financial Participation

Donated Property

Projects that create housing using at least 20% of donated units or land

Points are awarded as follows:

- **5 points:** donated or conveyed for $\leq 10\%$ of FMV or \leq to \$1,000
- **3 points:** conveyed for $> 10\%$ and $\leq 50\%$ of FMV
- **1 point:** donated or conveyed at any price by the federal government or an instrumentality of the federal government

Sponsorship by a Not-for-Profit Organization or Government Entity

An AHP sponsor entity type is one of the following:

- private, not-for-profit corporation
 - state or political subdivision of a state
 - a state housing agency or housing authority
 - Native American Tribe, Alaskan Native Village, or the government entity for Native Hawaiian Home Lands
-

Points are awarded as follows:

7 points:

- sponsor of owner-occupied project that is involved in the development of the project; or
- sponsor of a rental project that owns or will own the land and/or the building(s); or
- sponsor of a rental project that is utilizing LIHTC and has or will have a majority ownership interest within the final ownership structure of the project

3.5 points:

- sponsor of a rental project that is utilizing LIHTC and will hold an ownership interest in the project, or holds a minority share of the general partner interest within the final ownership structure/limited partnership
- not-for-profit sponsor of an owner-occupied project evidences that they will perform certain roles

Income Targeting

20 points maximum for creating housing for very low-, low or moderate-income households

Rental Projects

- percentage of units reserved for households who earn $\leq 50\%$ of area median income (AMI):
 - Minimum requirement is 20% of units $\leq 50\%$ AMI
 - Income targeting is evaluated on a sliding scale
 - Maximum 20 points for projects reserve at least 60% of units at $\leq 50\%$ AMI

Owner-Occupied Projects

- 80% or less of AMI for all owner-occupied units
 - Income targeting evaluated on a sliding scale
 - Maximum 20 points for projects that reserve at least 60% of units at $\leq 50\%$ AMI

Underserved Communities and Populations

1. Housing for Homeless Households
2. Supportive Housing for Persons with Special Needs
3. Rental Housing for Extremely Low-Income Households
4. Projects in U.S. Territories
5. Native American Tribal Housing Initiatives

- **Up to 12 points** (variable) for housing for Underserved Communities and Populations

Housing for Homeless Households

- **6 points** fixed for 20% or more units
- Rental housing, excluding overnight shelters, for homeless households; or
- transitional housing with minimum occupancy of six months; or
- permanent owner-occupied housing
- Households must meet the FHLBNY's definition of homeless (see AHP Implementation Plan)
- Sponsor must document
 - Agency or sponsor self-referral letter
 - Evidence of capital or operating subsidies

Supportive Housing for Persons with Special Needs

- **6 points** fixed for 20% or more of units reserved for occupancy by households with special needs
- Sponsors must document
 - Social services plan
 - AHP-161 Supportive Housing Certification
- Special Needs are defined as:
 - Physically and/or mentally disabled
 - Developmentally disabled
 - Persons recovering from domestic abuse
 - Persons recovering from chemical dependency
 - Formerly incarcerated
 - Persons with HIV/AIDS
 - Youth aging out of foster care

Rental Housing for Extremely Low-Income Households

- **6 points** fixed for rental projects in which **20% or more** of the AHP-assisted units are reserved for households who earn \leq **30% of area median income (AMI)**
- As with all scoring commitments, this must be maintained for the 15-year retention period and align with other funders targeting commitments

Affordable Housing in US Territories

- **6 points** will be awarded for the financing of housing located in a permanently inhabited U.S. Territory



American
Samoa



Guam



Northern
Mariana Islands



Puerto
Rico



U.S. Virgin
Islands

Native American Tribal Housing Initiatives

- **6 points** will be awarded for projects developed or sponsored by a state or federally recognized tribe, a tribally designated housing entity (“TDHE”), tribal housing authority, or other tribally owned entity
- The development must be within the service area of the tribe including tribal lands, or its TDHE
- Refer to the AHP Implementation Plan for more information on Native American Tribal Housing Initiatives

Residential Economic Diversity

Two ways to earn up to **10 points**:

- High Opportunity Area:
 - at least 75% of low and very low income AHP-assisted units located in a high opportunity area will receive **5 points**

AND/OR

- Mixed Income Housing:
 - at least 20 percent of AHP-assisted units targeted to households with income greater than 60% of AMI will receive **5 points**

High Opportunity Area

- High Opportunity Area means a **census tract** whose tract income level is designated as “upper” by the Federal Financial Institutions Examination Council
- For states, Washington D.C., and Puerto Rico, use the FFIEC Geocoding/Mapping System
- U.S. Virgin Islands will be determined by the tract and territory at the time of AHP application based on available data
- All properties in the project must be known and identified at application

Community Stability – Preservation of Housing Units

10 points fixed for preserving existing occupied housing or replacing substandard occupied units, points will be awarded if:

- Rental Projects are 50% occupied, undergoing at least \$15,000/unit in work, and no tenant displacement without a relocation plan
- Owner-occupied projects have existing homeowners in place and undergo work of at least \$10,000/unit

FHLBNY District Priorities

Project Readiness – **maximum (10) points** for projects that demonstrate readiness:

- Approvals: **5 points** for final site plan approval or evidence that the project may be developed as-of-right
 - Municipal documentation for final site plan approval
 - Project Readiness Certification (AHP-160) to demonstrate as-of-right status
- Funding Commitments : **5 points** for procured or closed on at least 75% of a project's proposed permanent funding sources (excluding AHP subsidy)
 - To qualify, the AHP subsidy request cannot exceed 50% of total project costs

FHLBNY District Priorities

- Owner-Occupied Projects – **5 points** for 100% owner-occupied projects
- Small Projects – projects with 25 or less units receive **5 points**.
- In-District Projects - projects in New York, New Jersey, Puerto Rico, or the U.S. Virgin Islands receive **5 points**.

Green Building Innovation

- FHLBNY recognizes the importance of sustainable and energy-efficient housing
- Projects incorporating green building practices can earn up to **5 points**
- Refer to the AHP Implementation Plan for specific documentation requirements
- Energy efficiency standards not included in the AHP Implementation Plan do not qualify for points in this category

Passive House Design

- Earn **5 points** by participating in Passive House Institute programs
- Buildings must be designed to meet the latest Passive House Building Standard
- Requires collaboration with a certified consultant throughout the project and contract with consultant
- Submit the AHP-163 Green Building Certificate Form and other supporting documents

Net Zero Ready

- Earn **2.5 points** designing to Zero Energy Ready Home standards
- Installing renewables is no longer required
- Requires collaboration with a certified consultant throughout the project and contract with consultant
- Submit the AHP-163 Green Building Certificate Form and other supporting documents

Energy Efficiency Through Renovation

- Multifamily projects earn **5 points** for significant energy reduction
- Minimum 30% reduction in energy usage through renovations
- Conduct a comprehensive energy audit with a qualified provider
- Work with the provider to implement energy efficiency improvements
- Include audit, provider's contract, and AHP-163 Green Building Certificate Form
- Also eligible for Passive House or Net Zero

Green Building – Caribbean

- Projects located in Puerto Rico and USVI earn **5 points** through ENERGY STAR Caribbean design standards
- Must meet EPA criteria for Multifamily New Construction or Single-Family New Homes Caribbean design standards
- Requires third-party verification and collaboration with an Energy Rating Company

Green Building – Owner Occupied Rehabilitation

50% of units must include any two of the following measures (**max 2 points**)

- Weatherization (1 point)

- Targeted air sealing and weatherstripping of residence and/or basement
- Insulation of basement hot water heater and heating pipes
- Insulation and air sealing of the attic cavity and roof hatch
- Programmable thermostats installed throughout the home

OR

- Major Systems Updated (2 points)

- Replacement of gas stoves with electric induction stoves
- Replacement of gas domestic hot water heater to electric domestic hot water heater
- Conversion of gas-powered heating and/or cooling system to electric heating and/or cooling system (e.g., heat pump system)
- Solar panel installation

Member Financial Participation

Member Financial Participation

- Up to **6 points** will be awarded when the FHLBNY Member submitting the application participates by providing:

Rental Projects

- Permanent Loan – 6 points
- Construction Loan – 6 points
- Cash Contribution – 2 points
 - minimum value not less than the lesser of \$10,000 or 1% of the total project costs
 - must be shown on the AHP development budget

Member Financial Participation

Owner-Occupied Projects

- Construction Loan – 6 points
- Cash contribution to the project with a minimum value not less than the lesser of \$30,000 or 5% of the total project costs – 6 points
- Cash contribution to the project with a minimum value not less than the lesser of \$10,000 or 1% of the total project costs – 2 points

Members must execute and submit the Member Financial Participation Certification form to qualify

AHP Subsidy Per (AHP-Targeted) Unit (SPU)

- A maximum **of 5 points** will be awarded for projects requesting less than \$60,000/unit to reward efficient use of AHP subsidy
- Applicants can request up to \$60,000 per AHP-targeted unit (up to \$2 million)
- See the AHP Implementation Plan for the SPU scoring formula
- Only units for which the income targeting is $\leq 80\%$ AMI count toward the SPU calculation

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FINANCIAL REVIEW

Phase 3 of Application Review: Project Financial Review

Projects that have entered project the financial review stage have scored competitively and demonstrate:

- ✓ a need for AHP subsidy
- ✓ development and operational feasibility
- ✓ meeting FHLBNY's financial feasibility guidelines

Prior to application submission, complete the Financial Narrative section to provide relevant project details.

During the review, FHLBNY may contact the sponsor for additional information.

Need for AHP Subsidy

During the financial feasibility review, AHP must determine a need for subsidy based on the details of the application:

- Successful applications can document development financing gaps
- Demonstrates how the AHP subsidy leverages other funding sources
- Details funding sources and debt service terms, if applicable

Note: Acquisitions that are non-arm's length must provide documentation confirming sales proceeds are being reinvested in the project.

Development and Operational Feasibility

The application must demonstrate once the project's construction is completed and occupied it will remain operationally feasible during the retention period, if applicable.

- AHP-targeted units are affordable
- Sufficient gross income to cover operating expenses and debt service
- Cost reasonableness; documentation to support out of range expenses

Financial Feasibility Guidelines

FHLBNY has established financial feasibility guidelines that serve as a benchmark for evaluating projects. The guidelines below are outlined in the Appendix of the AHP Implementation Plan:

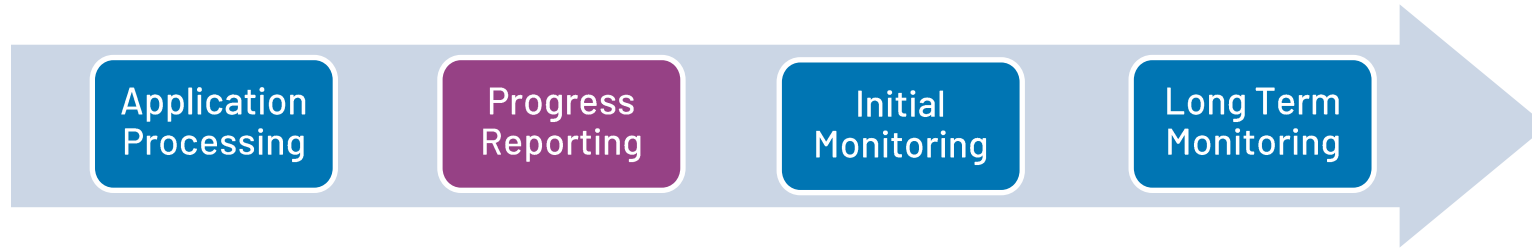
- Contingency Analysis
- Development Budget Analysis
- Operating Pro Forma Analysis
- Reserves Analysis

Any exceptions to the financial feasibility guidelines must be explained in the application.

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PROGRESS REPORTING

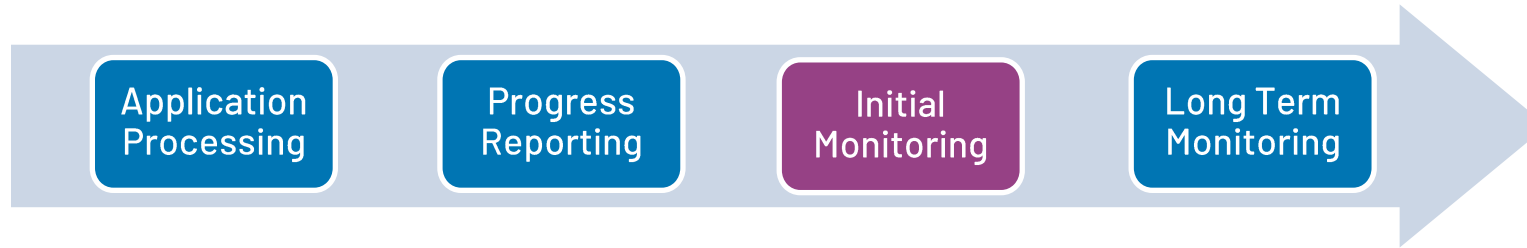
Project Lifecycle: Progress Reporting



Progress Reporting

- Review of drawdown requests and project progress towards construction completion/occupancy
- Progress Reporting begins after issuance of AHP Subsidy Agreement:
 - 6-month progress reporting intervals
 - Milestones are reviewed to ensure the project is making sufficient progress

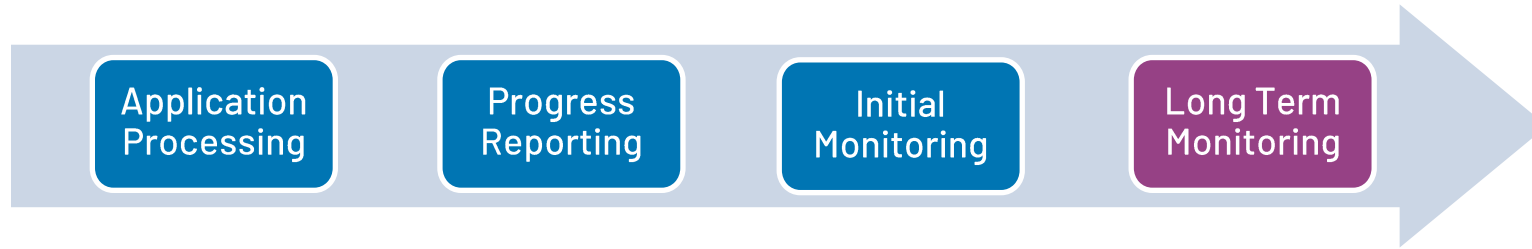
Project Lifecycle: Initial Monitoring



Initial Monitoring

- Begins when project has fully drawn down AHP subsidy, completed construction, and is 80% leased up. FHLBNY will review:
 - AHP subsidies used for eligible purposes
 - Household incomes and rents are affordable
 - Project cost reasonability and need for AHP subsidy
 - Scoring commitments from application

Project Lifecycle: Long Term Monitoring



Long Term Monitoring

- Verify household incomes and rents comply with the income targeting and rent commitments from AHP application
- Rental project retention for 15 years and owner-occupied projects for 5 years
- Owner-occupied rehabilitation projects do not have a retention period

Consumer Protection Laws

The FHLBNY is committed to promoting fair lending practices and ensuring equal access to credit for all AHP and HDP applicants. The FHLBNY adheres to all applicable consumer protection laws in accordance with all federal, state and local laws and regulations related to or governing anti-predatory lending, fair housing and fair lending, including, as applicable, the Equal Credit Opportunity Act (15 U.S.C. § 1691, et seq.), Regulation B (12 C.F.R. Part 1002), the Fair Housing Act (42 U.S.C. § 3601, et seq.), Regulations of the U.S. Department of Housing and Urban Development (24 C.F.R. Part 100), and unfair or deceptive acts or practices prohibited under Section 5 of the Federal Trade Commission Act (15 U.S.C. § 45), as all such acts or regulations are amended from time to time.

Members, Sponsors, project owners, their subsidiaries, agents, employees, and other third parties, when participating in AHP or HDP programs, agree that they will comply with the consumer protection and fair lending laws, and warrant that they will not discriminate against any applicant or potential applicant on any prohibited basis under applicable federal, state or local fair lending laws, and agree to fully comply with all applicable fair lending and fair housing laws and regulations.

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CLOSING THOUGHTS

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QUESTIONS & ANSWERS





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