

## 2023 AHP Implementation Plan Overview of Updates

Below please find an overview of changes made to the 2023 Implementation Plan. Please note that this is not an exhaustive list and is to be used as a supplementary document to the 2023 Implementation Plan.

### Competitive AHP Applications

- Application Deadline - July 20, 2023
- Board Approval of Awards - November 17, 2023
- The Bank is not designating any Targeted Funds in the 2023 Plan

### Feasibility Guidelines

- Per Unit Development Costs – Updated as follows: Projects with per unit development costs exceeding \$299,999 must include documentation from a qualified third-party justifying the costs. This is an increase from \$250,000.
- Operating Reserves – Updated to the greater of (1) minimum of four months of project expenses including operating expenses, debt service payments, and replacement reserve payments or (2) \$1,500 per unit.
- Updated minimum annual contribution requirements for replacement reserves as follows: 1) Rehabilitation - \$300 per unit; 2) New Construction - \$250 per unit; 3) Historic Rehabilitation - \$420 per unit; 4) Single Family Units - \$420 per unit.
- Inflation Factors – Updated income inflation factor to up to 2% annually.
- Total Annual Operating Expense Per Unit – Updated to at least \$4,500 per unit and not more than \$5,750 per unit.

### Disbursement Guidelines and Draw Requirements

- Rental Projects - When initiating an AHP disbursement, requests should be for at least 25% of the total AHP subsidy awarded, except for the project's final draw which may be less than the established threshold.
- Homeownership Projects - When initiating an AHP disbursement, requests should be for at least 25% of the total AHP subsidy awarded or at least 25% of the total AHP units, except for the project's final draw which may be less than the established threshold.

### Time Limits on Use of AHP Subsidies

- All funding must be committed within 12 months of award and before an initial disbursement of AHP funds is taken.
- One extension of up to 12 months may be granted on a case-by-case basis and for good cause.
- AHP subsidies for approved project must be completely disbursed within 36 months of the date of approval of the AHP application

### Capital Needs Assessment/Scope of Work Requirements

- Developments involving rehabilitation costs require a capital needs assessment or detailed scope of work from a qualified independent third party dated within one year of application submission.
- Developments that involve new construction costs require the submission of plans and specs for the development along with a construction cost trade payment breakdown or equivalent.

### District Eligibility Requirements – General Fund

- Project Caps - The maximum amount of subsidy that may be requested per project in a single round is \$600,000, an increase from \$500,000.
- Subsidy per Unit - Projects in which the funding gap results in AHP subsidy per unit exceeding \$60,000 are ineligible projects, an increase from \$50,000.
- Per Unit Total Development Costs – Projects with total per unit development costs exceeding \$299,999 must include documentation from a qualified third-party justifying the costs.

### Competitive AHP Scoring Adjustments

#### Statutory Priorities

- Targeting (up to 20 points) – Updated how homeownership targeting points are calculated. More points for higher AMI tiers.

#### Underserved Populations (up to 16 points)

- Rural Housing (3 points) – Increased from 2 to 3 points. Noted updates to scoring metrics. RUCA code metric last updated 7/3/2019. Census Bureau metric based on 2019 Census Bureau population estimates.

- Rental Housing for Extremely Low-Income Individuals (3 points) – Increased from 2 to 3 points. Removed language that projects receiving points in this criterion will not also receive points for the same units Special Needs.

Community Stability (up to 7 points)

- Preservation Initiative – Increased hard costs per unit for point considerations to \$20,000, up from \$15,000.
- Stabilization – Added a timing mechanism for razed structures to be within the past 5 years.
- Blight Elimination – Removed requirement of conveyance via a land bank or similar entity.
- Investment Area – Increased from 3 to 5 points. Removed Rising Tide or Stellar Community language.

2023 District priorities (up to 40 points)

- Readiness to proceed (5 points) – Reduced from 7 to 5 points. Provided some clarity on what we want to see in commitment letters to be considered for points. Clarified that site plan approval is only required for new construction.
- AHP Subsidy per Unit (10 points) – Increase max subsidy per unit in proportion to increase in max award.

**Homeownership Initiatives (HOP, NIP, AMP)**

Homeownership Opportunities Program - HOP

- Increase the front-end ratio (Principle, Interest, Taxes, Insurance: PITI) from 35% to 38%
- Increase grant amount from \$5,000 to \$10,000

Neighborhood Impact Program - NIP

- Increase grant amount from \$7,500 to \$10,000
- Removed electrical as eligible repair

Accessibility Modifications Program - AMP

- Removed kitchen cabinets as eligible modification