



AFFORDABLE HOUSING PROGRAM (AHP) PROJECT THRESHOLD CHECKLIST

This checklist is to ensure that the sponsor organization partnering with the FHLBI member institution, and the project are ready and able to apply for 2024 grant funding.

ORGANIZATIONAL CAPACITY- SPONSOR AND FHLBI MEMBER

INITIAL MONITORING REVIEW

Do you have 1 or more AHP awards pending completion of the the initial monitoring review AND more than 1 year has passed since the certified completion date?

YES (project is ineligible)

NO (proceed to "Delinquent Reporting")

DELINQUENT REPORTING

Do you have 1 or more AHP awards with a **past due** report, such as a semi-annual progress report, annual owner certification, and/or rent roll sample?

YES (project is ineligible)

NO (proceed to "Extensions")

EXTENSIONS

Do you have 1 or more AHP awards with a pending or approved extension(s) past the 3-year project completion deadline?

YES (project is ineligible)

NO (proceed to "Modifications")

WATCH LIST

Do you have 1 or more AHP awards on the FHLBI AHP Watch List **AND** they have a severity level classification of **High**? (Not sure? Inquire at AHPCompliance@fhlbi.com)

YES (project is ineligible)

NO (proceed to next section)

AHP APPLICATION: SPONSOR AND FHLBI MEMBER**MARKET DEMAND (See I-Plan page 10)**

Market Study 12 months or less: Where AHP subsidy is used for new construction, adaptive reuse, rehabilitation of unoccupied property, or conversion from market-rate to affordable housing development. This is **REQUIRED**. For Low-Income Housing Tax Credit projects receiving a tax credit reservation within 12 months of the original market study (or an update to the original study), a new market study or update is not required. Review the I-Plan for details.

Supportive housing, shelter projects, and transitional housing: Evidence of the most recent point in time count coupled with the continuum of care plan identifying a shortage of housing beds. The information must connect to the area in which individuals will be served. May complement market demand materials with occupancy history, waitlist, inquiry logs, evidence of referral pipeline to be served by the development, and agreements with referring organizations.

Homeownership Projects: Evidence of a pipeline of qualified borrowers

NEW CONSTRUCTION PROJECTS (See I-Plan pages 13-14)

Submission of plans and specs with construction cost trade payment breakdown or equivalent is required. Full specs are not required. Preliminary floor plans and architectural drawings are sufficient.

REHABILITATION (REHAB) PROJECTS (See I-plan pages 13-14)

CNA/Scope of Work: Provided by a qualified, independent third-party- **Must include estimated dollar amount of those renovations**

Disclosure of existing reserve accounts, and the availability of those funds to contribute as a source of funds

Relocation plan and funds (if relocating existing residents)

Rehab Projects require deep renovations beyond light fixtures, doorknobs, and painting. The rehab must be extensive enough to sustain the property for the 15-year retention period.

AHP SUBSIDY NEED

The maximum amount of AHP subsidy that may be requested per project in a single round is the lesser of \$1,000,000 or 75% of the project's total housing development cost.

Project is ineligible if AHP subsidy is in excess of \$100,000 per unit

Subsidy may be used toward the purchase, construction, or rehabilitation of owner-occupied (homeownership) projects for very low-income to moderate-income households, where the housing is to be used as the household's primary residence

Rental developments: AHP subsidy may be used toward the purchase, construction, or rehabilitation of rental housing, where at least 20% of the units in the project are occupied by and affordable for very low-income households (at or below 50% of AMI)

Owner-occupied Rehab: Projects may not exceed \$25,000 per household



AFFORDABLE HOUSING PROGRAM (AHP) PROJECT THRESHOLD CHECKLIST

AHP SUBSIDY NEED, continued

AHP subsidy used for down-payment and closing cost may not exceed 20% of the purchase price, which must be supported by a third-party appraisal, not to exceed 90 days in advance of closing.

Ineligible rehabilitation/replacement items include luxury items, room additions, general cosmetic or remodeling type improvements, and improvements that do not become a permanent part of the property.

SPONSOR CAPACITY

If an organization is using fundraising as a source, the sponsor must provide proof of successful fundraising. Please note, developments involving fundraising must collect all funds by the time of completion.

The sponsor's financial statements must show evidence of the organization's financial health. Bank statements, audited financials and tax forms are required. These will be evaluated to ensure the sponsor has the ability to support the development.

READINESS TO PROCEED

Site Control: Current, verifiable evidence from a third-party source that shows control of the proposed project has been obtained or is project to be obtained within six months after approval of the application.

Project Financing: All funding sources should be identified at the time of application submission and should be equal to the total development costs in the budget. Funding source documentation available at the time of application should be submitted with the application.

Required Approvals: Verifiable evidence that the project has acquired zoning, environmental, and other municipal, state, or federal approval, or that such approvals are pending or likely to be granted in the very near future.



AFFORDABLE HOUSING PROGRAM (AHP) PROJECT THRESHOLD CHECKLIST

FEASIBILITY GUIDELINES

Homeownership Projects:

When using AHP for down payment assistance and closing costs AHP subsidy per household may not exceed 20% of the purchase price of the property.

The purchase price must be supported by a third-party appraisal completed no more than 90 days in advance of closing

A household's monthly housing expense including principal, interest, taxes, insurance, and homeowner's dues may not exceed 40% of gross income.

When using AHP for owner occupied rehabilitation the maximum allowable AHP subsidy per house is \$25,000.

Owner occupied rehabilitation cost reasonableness is determined by obtaining at least two independent, third-party bids; OR where the sponsor, co-sponsor, developer, or an affiliate thereof acts as the general contractor, the rehabilitation costs must be validated by an independent third party.

Rental Projects:

Total per unit development costs exceeding \$299,999 must include documentation in the application from a qualified third-party (who is not engaged as a development team member) detailing and justifying the reasons for the high costs.

The AHP subsidy may be applied toward the reduction of the deferred fee in an amount not to exceed 75% of the maximum deferral amount specified in the executed partnership agreement (if available) or the LIHTC application (if the executed partnership agreement is not available).

Tenant paid rents may not exceed 30% of the targeted area median income.