



2022 Affordable Housing Program (AHP) and Voluntary Housing Grant Initiative Webinar



FHLBank Pittsburgh Overview

FHLBank System Overview

Government-Sponsored Enterprises



- ✓ 11 FHLBanks independently owned and operated
 - ✓ Organized as cooperatives
 - ✓ Established under Federal Home Loan Bank Act of 1932
 - ✓ Largest U.S. debt issuer behind U.S. Treasury
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Serving the General Public



- ✓ Provide readily available, low-cost funding
 - ✓ Comprised of approximately 7,000 member institutions
 - ✓ Increase availability of credit for residential mortgage lending and investment in housing and community development
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Debt Issuance



- ✓ FHLBanks fund their operations principally through the sale of debt securities through the Office of Finance
- ✓ All senior unsecured debt securities issued through the Office of Finance are the joint and several obligations of the entire system

FHLBank Pittsburgh Community Products

Mandated by Congress

Regulated by FHFA

10% of
net earnings

Advances at cost of
funds

Affordable
Housing Program

First
Front
Door

Community
Lending Program

Voluntary Products

Approved by Board

Banking On
Business

Home4Good

Blueprint
Communities®

Voluntary
Housing Grant



Affordable Housing Program Overview

Major Changes to AHP in 2022

- Maximum subsidy reduced to \$500,000 from \$750,000
- Scoring changes in Community Stability category

FHLBank funds AHP with 10% of net income

- Competitive grants or low-cost advances
- Member and sponsor (developer) submit joint AHP application in the AHP Online system
- Up to \$500,000 per project with a \$150,000 per unit limit

Approximately \$7 million in AHP subsidy available in 2022; this amount may increase if funds are returned from prior AHP awards

Project Types

- Rental
- Lease-purchase
- Shelters (considered rental)
- Owner-occupied purchase
- Owner-occupied rehabilitation

Uses

- New construction
- Rehabilitation
- Acquisition

Income Requirements

- Families or individuals with incomes \leq 80% of adjusted AMI

Family of four*:

Pennsylvania

\$72,500 Allentown

\$84,300 Philadelphia

\$75,850 Pittsburgh

**Review current HUD income guidelines for your area.*

AHP Components

Pre-Award

- Scoring
 - Scored based on 14 categories, up to 100 points
- Feasibility
 - Application underwritten using FHLBank's feasibility guidelines

Post-Award

- Disbursement
 - AHP disbursement requests submitted after costs incurred
 - Minimum draw provisions became effective May 1, 2021, for all AHP projects
 - Owner-occupied: At least 25% of AHP subsidy or AHP units in the project
 - Rental: At least 33% of AHP subsidy
- Long-term compliance and monitoring

Important Documents and Resources

- AHP Implementation Plan
- Paper guide to the AHP Online application
- Webinars
- System guides
- AHP application guide
- AHP forms
- Application review request form
- Matching request form
- Voluntary housing grant initiative program manual



Scoring

Scoring Categories	Maximum Score	Your Score
Use of donated properties	5 fixed	
Sponsorship by nonprofit or government entity	5 fixed	
Targeting	0-20 variable	
Housing for homeless	0-8 variable	
Special needs and/or military veterans	0-8 variable	
Rural	5 fixed	
Rental housing for extremely low income	4 fixed	
Promotion of empowerment	0-10 variable	
Residential economic diversity	4 fixed	
Projects serving low-income minority areas	4 fixed	
New homeownership in low-income minority areas	6 fixed	
Community stability	0-11 variable	
In-district (DE, PA, WV)	5 fixed	
Sustained affordability	5 fixed	

100 points Your Total:

Scoring: FHLBank Review Process

- Highest attempted score vs. FHLBank determined score
 - Points are requested by sponsor
 - Points are maintained by FHLBank, or
 - Points are reduced by FHLBank due to: 1) technical problem with documentation or 2) not meeting the scoring priority
- Final score determined by FHLBank



Feasibility

Feasibility

Projects that score well must also pass FHLBank's feasibility review

- Need for subsidy and viability
- Cost reasonableness
- Readiness to proceed
- Development team capacity
- Market demand
- Compliance with feasibility guidelines



Voluntary Housing Grant Initiative Overview

What is the voluntary housing grant initiative?

- \$10.2 million discretionary product approved by the Bank's Board for 2022 only
- Objective: to support the development of affordable housing projects within the Bank's district of Delaware, Pennsylvania, and West Virginia (in-district)
- Will support rental, homeownership, new construction, and rehabilitation projects or a combination thereof
- \$500,000 maximum subsidy limit per project; \$150,000 subsidy per unit limit

Differences between AHP and the voluntary housing grant initiative

- AHP is required by statute
- Voluntary housing grant is not required by statute and is a one-time voluntary offering made by FHLBank Pittsburgh to meet our district's needs
- Only projects in DE, PA and WV are eligible
- Each state has a \$2.5 million allocation
 - If there are not enough eligible projects in a state to fully use the state minimum, the unused amount will be made available to other in-district projects.
 - State minimums may result in different competitive scores for each state

Differences between AHP and the voluntary housing grant initiative (cont.)

- Projects awarded through the voluntary housing grant initiative will have the same scoring, feasibility, and monitoring requirements as AHP projects, with the following exceptions:
 - Subsidy Agreement – specific version for voluntary housing grant projects
 - Retention documents – specific versions for voluntary housing grant projects
 - Long-term monitoring: Voluntary housing grant initiative recipients will have a Voluntary Housing Grant Initiative Annual Certification to complete that determines the project is still in compliance with policies and the approved application that will be sent to recipients on an annual basis (15 years for rental from project completion)

How to apply for the voluntary housing grant initiative

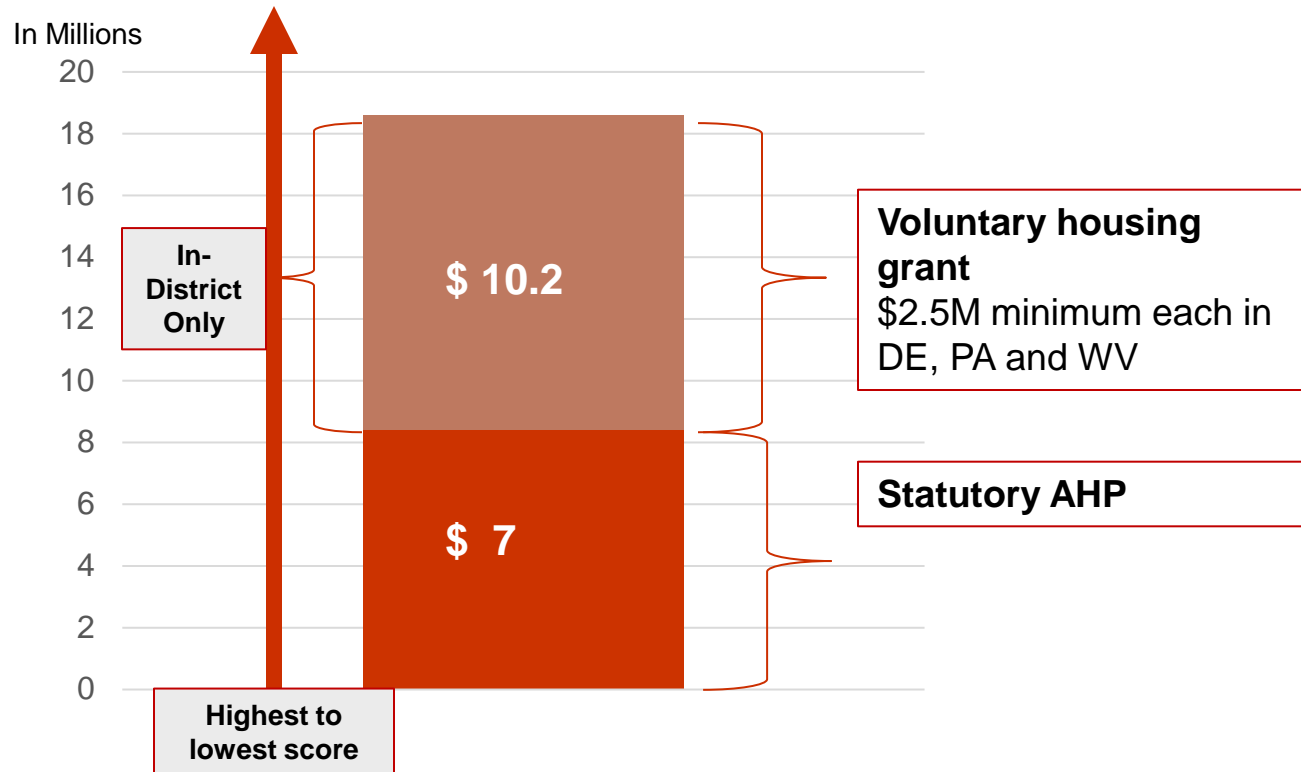
- In order to be considered for the voluntary housing grant initiative, applicants must submit an application for statutory AHP funding through AHP Online.
- FHLBank will follow the steps below in making the voluntary housing grant initiative awards utilizing the scoring and feasibility methodology outlined in the 2022 AHP Implementation Plan:
 - **Step 1:** Statutory AHP awards will be made in descending rank order to projects until the statutory AHP funds are exhausted
 - **Step 2:** In-district project applications not awarded under the statutory AHP will automatically be enrolled for consideration for voluntary housing grant initiative funds

How to apply for the voluntary housing grant initiative (cont.)

- **Step 3:** The voluntary housing grant initiative project awards will be made to the remaining highest scoring projects in each state in descending rank order until the \$2.5 million for each state is allocated. If the subsidy required to fully fund a project causes the total subsidy to exceed the state minimum, FHLBank may award up to the full amount requested, and therefore exceed the state minimum. If there are not enough eligible projects in a state to fully use the state minimum, the unused amount will be made available to other in-district projects.
- **Step 4:** Awards will be made to in-district projects starting with the next highest scoring project selections will be made in descending rank order until the additional voluntary housing grant initiative funds are exhausted; no alternates will be selected.

Additional resources, including the Voluntary Housing Grant Initiative Program Manual and FAQ, will be published on the AHP website on April 20, 2022.

2022 AHP and Voluntary Housing Grant

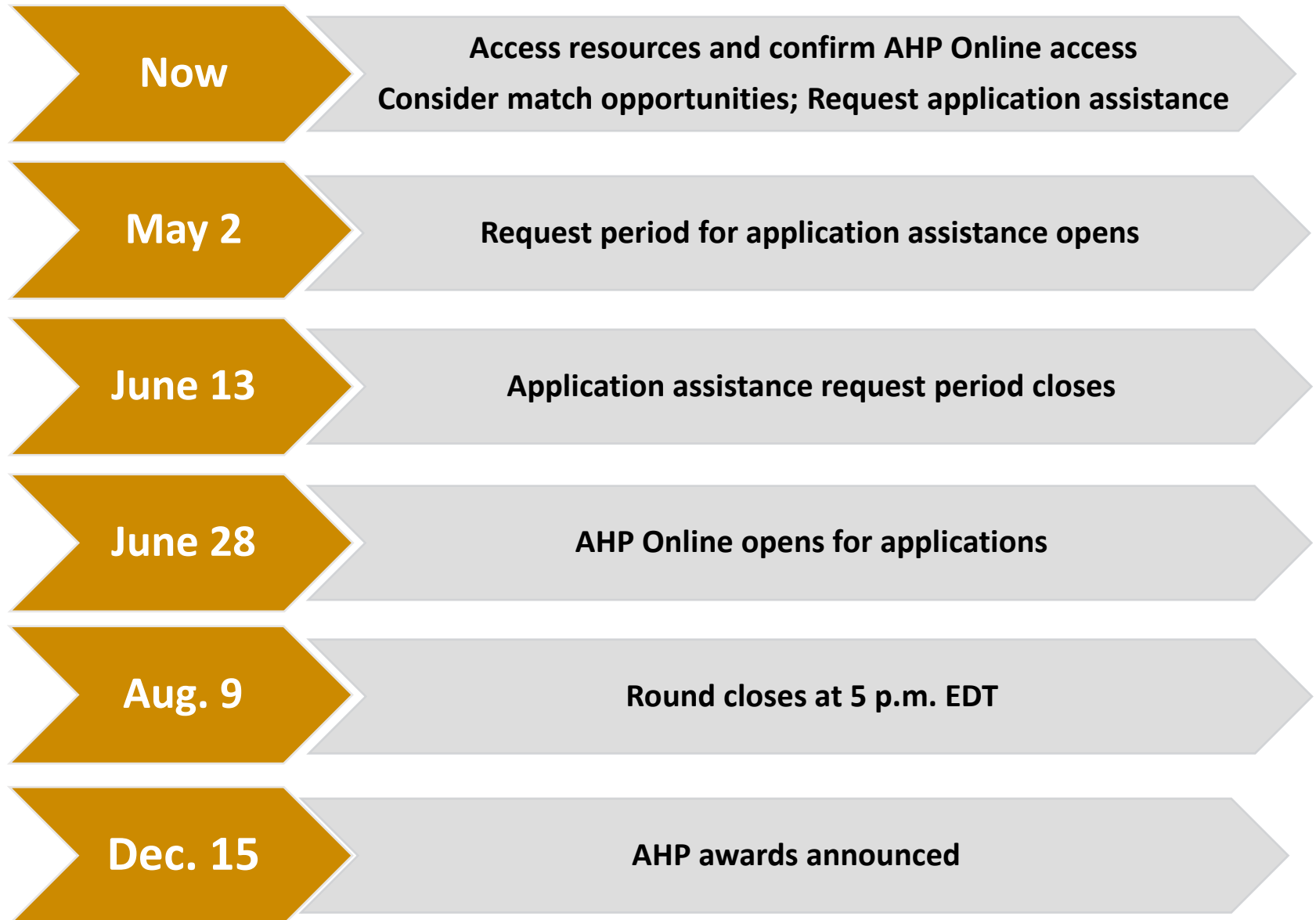




Key Dates and Next Steps

2022 AHP and Voluntary Housing Grant Initiative

Key Dates



Community Investment Contacts

Email: ahp@fhlb-pgh.com

Phone: (412) 288-3400



John Bendel

Sr. Director, Community Investment
John.Bendel@fhlb-pgh.com
412-288-2820

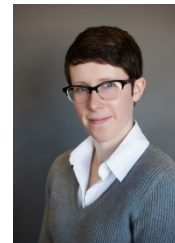
Megan Krider

Manager, Affordable Housing
and Community Development
Megan.Krider@fhlb-pgh.com
412-288-4577



Fred Bañuelos

Community Investment Business
Development Manager
Fred.Banuelos@fhlb-pgh.com
412-694-9111



Rhiannon Haller

Senior Community Investment
Analyst
Rhiannon.Haller@fhlb-pgh.com
412-288-3406