

# Affordable Housing Program (AHP): Project Compliance and Monitoring for Rental Projects

Presentation to 2009 AHP Award Recipients  
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## Seattle Bank's Affordable Housing Program

- ***In 2009:***
  - 32 AHP applications submitted
  - \$7.51 million of AHP subsidy requested
  - 10 AHP applications approved
  - \$2.75 million awarded to support the acquisition, construction, or rehabilitation of 258 units of affordable housing
- ***Since 1990,*** the Seattle Bank has contributed almost **\$142.0 million** to help finance **27,443 units** of rental and owner-occupied affordable housing.

# Now that you've been notified of your AHP award... what happens next?

## ***Key Steps in the AHP Compliance Process:***

1. Executing the Regulatory Agreement
2. Submitting disbursement requests
3. Knowing when AHP subsidy expires
4. Monitoring and reporting during construction
5. Completing the Final Audit Report
6. Monitoring and reporting after project completion

# 1. Executing the Regulatory Agreement

The Regulatory Agreement:

- Provides information about the terms and conditions of your AHP award, including regulatory requirements and set-aside commitments.
- Signed by an authorized individual at the **Member** institution and by the project **Sponsor**.

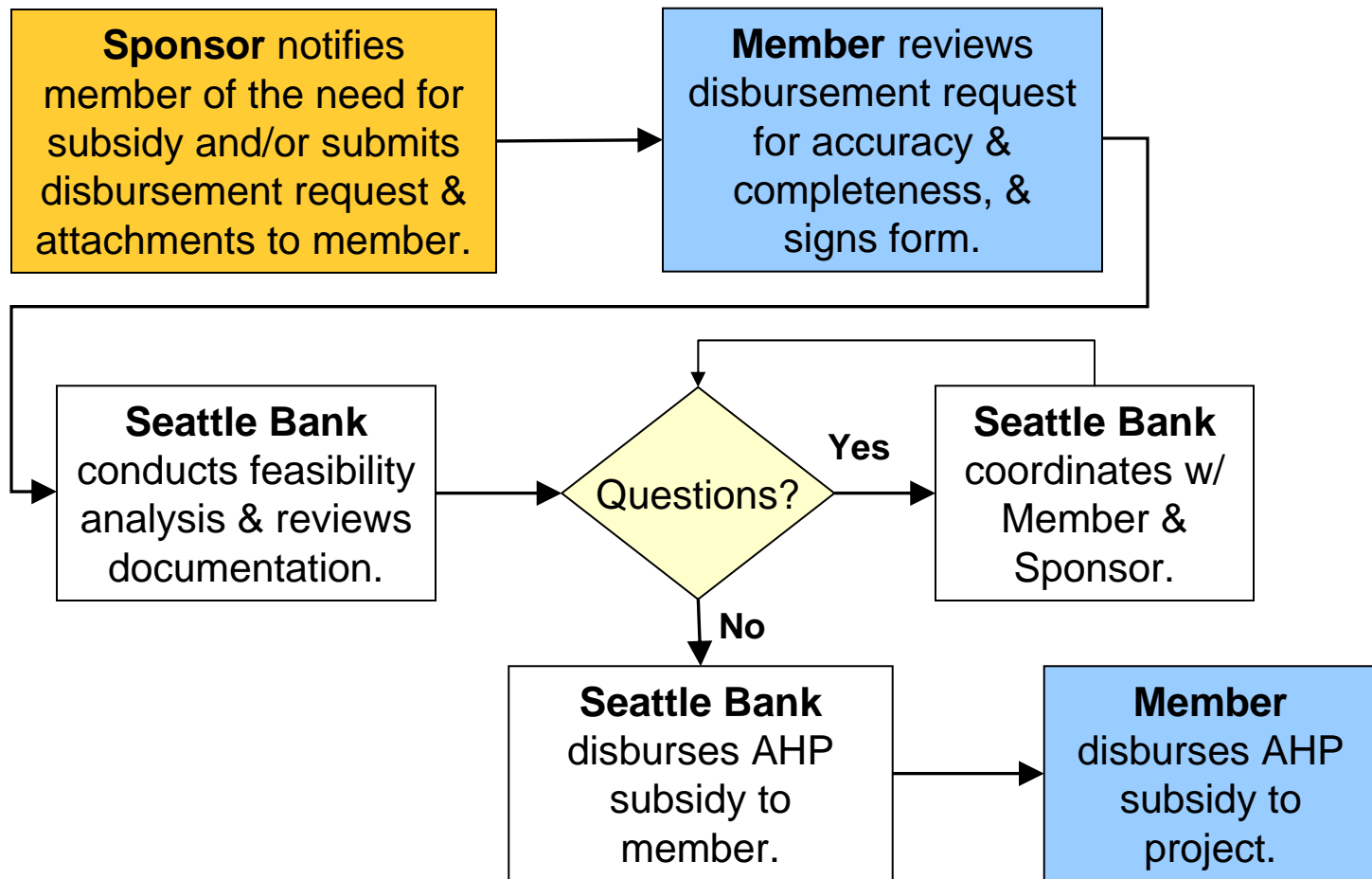
***AHP subsidy cannot be disbursed without a properly signed  
Regulatory Agreement on file!***

## 2. Submitting Disbursement Requests

*You may request AHP subsidy for your project after:*

- **Member** and **Sponsor** have signed the Regulatory Agreement and returned it to the Seattle Bank
- **Member** and **Sponsor** have participated in our Compliance Seminar – as you are doing right now!
- **And:**
  - All disbursement conditions have been met
  - 75% of other funding sources have been approved
  - Recorded Trust Deed and Retention Agreement is received
  - If AHP subsidy is being used to pay the developer's fee, we will disburse based on the percentage of project completion.

# Disbursement Request Process



# Required Attachments for Disbursement Requests

## Seattle Bank Forms

- Signed Regulatory Agreement
- Signed Disbursement Request form
- Disbursement checklist
- Disbursement workbook
  - Attachments A (part 1 and 2)
  - Attachments B and C
- Recorded retention agreement

## Third-party Documentation

- Executed funding agreements
- Invoices, receipts, HUD-1, etc.
- If the project received tax credits, a copy of an executed partnership agreement
- Summary of tax credit calculation

## Submitting Disbursement Requests: 30-Day Rules

1. If all the required documentation for an AHP disbursement is not received and all questions are not resolved by the Seattle Bank within 30 days of the original request, the disbursement request must be resubmitted.
2. Please allow up to 30 days for the disbursement request to be reviewed by the Seattle Bank.
3. If AHP subsidy is not used by the project within 30 days, it must be returned to the Seattle Bank. After 30 days, interest may apply.

### 3. Knowing When AHP Subsidy Expires

*Your award date is December 17, 2009. This date is listed on page one of your Regulatory Agreement.*

- AHP subsidy expires **one year** from the date of the award; December 17, 2010.
- A project is expected to draw all AHP subsidy and be complete within **three years** from the date of the award; December 17, 2012.

## 4. Monitoring and Reporting During Construction

- Semi-annual Progress Reports
  - The Seattle Bank sends this form to the Member for completion with input from the Sponsor.
- Retention
  - Members ensure that the project is subject to a recorded deed restriction or other legally enforceable retention agreement or mechanism.
- Site Inspections
  - The Seattle Bank reserves the right, with reasonable notice, to conduct a site inspection at anytime.

## 5. Completing the Final Audit Report

- The Seattle Bank sends the Final Audit Report request after the project is complete.
- The **Member** completes a certification form and submits it to the Seattle Bank.
- The **Sponsor** completes the report and submits it along with the sponsor certification form and other required attachments to the Seattle Bank.
- The **Seattle Bank**:
  - Compares the proposed project (application) with the complete project (Final Audit)
  - Reviews AHP workbooks to validate the need for and appropriate use of the AHP subsidy

## Required Attachments for Final Audit

- AHP-compliant retention documents
- Independent auditor's cost certification
- Third-party verification of tenant income
- Certification of set-asides (homelessness, special needs, etc.)
- Other project specific attachments

## 6. Monitoring and Reporting After Project Completion

- Sponsor certification annually
- Periodic Tenant Income Verification (TIV)
- Third-party income documentation from time of move-in. Shelter projects may certify household incomes, as needed.
- Member certification every three years
- 15-year retention period

For projects receiving...	TIV (rent roll) requested...
Funding from Federal LIHTC	If no compliance issues noted at final audit review, no periodic TIV is required
\$50,000 or less	Once after project completion
\$50,001 – \$250,000	Every 6 years
\$250,001 – \$500,000	Every 4 years
More than \$500,000	Every 2 years

## Online Resources

- Visit the Community Investment section of our Web site **[www.fhlbsea.com](http://www.fhlbsea.com)** for:
  - Program information
  - Forms and Manuals
  - AHP Regulation
  - *Community Investments Program Guide*

## AHP Team

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Questions?

Thank you for attending our Web seminar!