



RENTAL PROJECT DRAWDOWN COVER PAGES

(All documents must be submitted separately for each section)

SECTION A – FUNDING REQUEST

- [AHP General Funding Application for Rental Projects Form \(AHP-123\)](#)

SECTION B – COST DOCUMENTATION

- Funds Allocated to Acquisition Costs – If AHP funds are requested for acquisition costs specify the dollar amount requested in the sponsor’s funding request letter.
- Funds Allocated to Project Hard Costs – If AHP funds are requested to reimburse project hard costs, submit the a copy of the most recent Application and Certification for Payment Form (AIA Document G702) that has been executed by the project architect or comparable third-party evidence to substantiate the amount of work that has been completed to date.

Note: The contract sum shown on the cost documentation should equal the total construction cost line item on the development budget.

If several contractors will be used on the project, even if the AHP funds will not be used to pay for the work performed by each one of these contractors, cost documentation must be submitted for all of them to tie the total hard costs to the amount shown on the development budget.

The maximum amount that can be reimbursed is the lesser of the following: 1) the total amount of the work completed to date less the amount retained or 2) the total AHP commitment.

- Funds allocated to Project Soft Costs – If AHP funds are requested to reimburse eligible project soft costs that were approved at the time of project application, submit:
 - A copy of an invoice; or
 - Comparable third-party evidence to substantiate the fees owed for professional services performed after the date of the AHP General Fund application.
- Funds allocated to the Developer Fee - If AHP funds are requested to fund all or a portion of the Developer’s Retention, documentation submitted in other parts of the drawdown package will be evaluated to determine whether the developer is eligible to receive the amount requested.
- [Third Party Plan and Cost Review Form \(AHP-148\)](#) - If the project’s hard cost were outside of the Bank’s thresholds at the time of application and a notification has been received from AHP staff, please complete the form.
- [Project Construction Form \(AHP/APP-109\)](#) - Please complete the form if there have been any significant changes to the project since time of application. FHLBNY defines significant change as +/- 15% in project development costs or change in scope of work.

SECTION C – RENTAL PROJECT WORKBOOK

- Complete the excel [Rental Project Workbook \(AHP-125\)](#). Further instructions will be provided within the workbook.

SECTION D – FINANCIAL NARRATIVE

1. Provide a brief explanation of any changes in the development and operating budget since the time of application or the previous drawdown submission, if any.
2. Provide an explanation if any items on the development or operating budgets exceed the FHLBNY's *AHP Project Financial Feasibility Analysis Guidelines*. Please refer to the Results tab of the Rental Project Workbook. (Exceptions will be reflected as "Explain")
3. If the development budget includes capitalized reserves, working capital or escrows, provide an explanation for how the amounts for these line items were determined and indicate if the line items are required by another funding source.
4. If the operating budget includes annualized replacement reserve or annualized operating reserve, provide an explanation for how the amounts for these line items were determined and indicate if the line items are required by another funding source.
5. For projects containing commercial space or other non-housing areas (such as management offices, meeting rooms, social service or recreational areas), provide a statement that no AHP funds will be used to construct and/or rehabilitate such space. Identify which funding sources will be used to construct and/or rehabilitate such space.
6. If there are related entities involved as both sellers and buyers, the development budget should show that any funds generated from the sale remain in the project to refinance or pay-off any existing debt and/or pay for reasonable and customary development costs. If applicable, provide an explanation regarding how such funds were used in the project's financial structure.
7. For projects providing social services, provide a separate annual budget for the social service income and expenses. Note that social services may not be funded out of operating income from the AHP-assisted units.
8. For employees whose salaries will be paid through line items in the operating budget, provide a brief job description that includes the title and salary.

SECTION E – SITE CONTROL

- If AHP subsidy was approved for, and is requested to, fund the acquisition of the project site, submit:
 - An executed sales contract or comparable document and indicate the estimated closing date.

- If AHP subsidy was approved for, and is requested to fund hard costs, eligible soft costs and/or the developer's fee, submit:
 - Deed - A copy of the deed(s) or lease(s) demonstrating that the entity that will own the site throughout the project's long term retention period has taken title to all of the parcels included in the Project Site(s).
 - Nominee Agreement – A copy of the Nominee Agreement, Declaration of Interests and Equity, or comparable documentation if a housing development fund corporation or comparable entity will be serving as a nominee of behalf of a partnership or comparable entity.
 - Closing Statement – A copy of a closing statement, settlement statement or other comparable evidence that reflects the purchase price and closing costs associated with the acquisition of the Project Site(s).

- If a valid appraisal was not received at the time of application, an appraisal completed within six months prior to the date of the Bank's disbursement of AHP subsidy to the project, must be provided. (Please note that nominal acquisition cost does not require an appraisal.)

Note: If the above documentation was previously submitted with the AHP General Fund application, or during Progress Reporting, and it was deemed acceptable by a member of the AHP staff, it does not need to be submitted again.

SECTION F – MUNICIPAL APPROVALS

Provide the following:

- A copy of the building permit(s) or comparable documentation as required by the applicable municipal jurisdiction.
- If available, a copy of the Certificate(s) of Occupancy or comparable documentation issued by the applicable municipal jurisdiction.

Note: If the above documentation was previously submitted with the AHP General Fund application, or during Progress Reporting, and it was deemed acceptable by a member of the AHP staff, it does not need to be submitted again.

SECTION G – FUNDING SOURCE DOCUMENTATION

Provide the following:

- If the project has not closed with the other funding source(s), provide a copy of the most recent, effective commitment letter(s) demonstrating that the commitment is still in good standing.
- If the project has closed with the other funding source(s), provide the executed grant agreement(s), note(s) and mortgage(s) and/or comparable documentation for all construction and permanent period funding sources listed on the development budget.

Note: If the above documentation was previously submitted with the AHP General Fund application, or during Progress Reporting, and it was deemed acceptable by a member of the AHP staff, it does not need to be submitted again.

SECTION H – PARTNERSHIP OR OPERATING AGREEMENT

If the project's financial structure includes low income housing tax credits, submit the following:

- The executed partnership agreement or operating agreement that admits the investor, and all subsequent amendments and all exhibits related to these documents.
- Furnish a copy of the state housing agency's tax credit allocation letter.
- Provide a current organizational chart that reflects the ownership structure.

Note: If the above documentation was previously submitted with the AHP General Fund application, or during Progress Reporting, and it was deemed acceptable by a member of the AHP staff, it does not need to be submitted again.

SECTION I – PRIMARY SPONSOR’S OWNERSHIP INTEREST

If the project’s financial structure includes low income housing tax credits, submit the following:

- Documentation to demonstrate the relationship between the project’s primary sponsor and an entity (or sequence of entities) that has/have an ownership interest as evidenced in the partnership or operating agreement. *Submit each of the following:*
 - A list of current board members for the Sponsor and the related entity(ies);
 - A copy of the certificate of incorporation for the related entity(ies);
 - A copy of the by-laws for the related entity(ies); and
 - A stock certificate that reflects the number of shares of the related entity(ies) that the primary Sponsor holds, if applicable.

Note: If the above documentation was previously submitted with the AHP General Fund application, or during Progress Reporting, and it was deemed acceptable by a member of the AHP staff, it does not need to be submitted again.

SECTION J – RETENTION AGREEMENTS

Prior to disbursing AHP funds to the Sponsor, the Member will customarily require that all relevant AHP retention agreements have been duly executed and publicly recorded. As part of the initial AHP monitoring report, the FHLBNY will require confirmation that the AHP subordinate lien has been recorded with the municipal clerk's office.

All documents must be executed at the closing or prior to the final disbursement of AHP funds to the project sponsor.

RENTAL PROJECTS EXCEPT THOSE USING FUNDING FROM SECTION 811, SECTION 202 OR LOW INCOME HOUSING TAX CREDITS

The sponsor of a rental project receiving AHP subsidy (except projects using funding from Section 811, Section 202 or Low Income Housing Tax Credits) must use the following documents:

- [General Fund Affordable Housing Program Subordinate Mortgage for Rental Projects \(AHP-113\)](#)

Note: The Affordable Housing Program Subordinate Mortgage for Rental Projects must be recorded.

RENTAL PROJECTS USING SECTION 811 OR SECTION 202 FUNDING

- The sponsor of a rental project receiving AHP subsidy as well as funding from the United States Department of Housing and Urban Development's (HUD) Section 811 or Section 202 programs must use the following documents:
 - Security Agreement for Rental Projects With Section 811 or Section 202 Funding
 - [Rider to Lender's Security Agreement Rental Projects With Section 811 or Section 202 Funding \(AHP-117\)](#)

Note: Security Agreement prepared by the project attorney must be attached with the Rider to Lender's Security Agreement and be recorded.

RENTAL PROJECTS USING LOW INCOME HOUSING TAX CREDITS

Projects that receive subsidy from the AHP General Fund are required to meet long term retention requirements under the regulations promulgated by the Federal Housing Finance Agency in 12 CFR Part 1291 (“AHP Regulations”), and any amendments made thereto.

In accordance with these requirements, the FHLBNY has the following requirements for AHP projects which include the use of Low Income Housing Tax Credits.

➤ Security Interest

The AHP Regulations require the Bank to ensure that the AHP subsidy provided by the Sponsor to the Owner be secured by a legally enforceable and recorded subordinate lien (e.g., a mortgage) on the Property(ies) for the full amount of the AHP direct subsidy.

The Bank has not developed and does not require the use of a specific mortgage agreement. However, the Bank does require that the standardized rider entitled [RIDER TO SUBORDINATE MORTGAGE \(AHP-121\)](#) be attached to the mortgage and executed by the Partnership in favor of the Sponsor.

Note: The executed subordinate lien, a legal property description, and the Rider thereto are to be recorded in the local county clerk’s office.

SPANISH LANGUAGE AHP RETENTION DOCUMENTS

Spanish language versions of the [Subordinate Mortgage \(AHP-145\)](#) and [Promissory Note \(AHP-143\)](#) are offered to Rental Projects in Puerto Rico. The Subordinate Mortgage and Promissory Note are required for projects in Puerto Rico effective with projects receiving an award in the 2018 Funding Round or later and the AHP Spanish language documents can only be used in conjunction with projects that are located on the island.

Note: Subordinate Mortgages prepared by the project attorney must be recorded.

SECTION K – REFINANCING DOCUMENTATION

If AHP funds were approved to refinance permanent debt, please furnish:

- A detailed description of how the Sponsor intends to use the equity proceeds of the refinancing (e.g., purchase, capital improvements, rehabilitation, or construction of new units of housing);
- Appropriate evidence that supports the proposed use of the refinanced equity proceeds;
- A copy of the note or loan agreement affecting the loan to be refinanced; and
- A copy of a loan pay-off letter from the existing lender.