

No. : 97-24  
Date: March 12, 1997

FEDERAL HOUSING FINANCE BOARD

Increase in Affordable Housing Program Funding (AHP) Subsidy  
for Latham Park Project

WHEREAS, Subsection 10(i) of the Federal Home Loan Bank Act (12 U.S.C. § 1430(j)) requires that each Federal Home Loan Bank (FHLBank) establish an Affordable Housing Program (AHP);

WHEREAS, the Federal Housing Finance Board (Finance Board) has adopted regulations for the operation of the AHP by the FHLBanks codified at 12 C.F.R. Part 960. The AHP regulation requires that the Finance Board determine which applications for AHP awards are to be funded. (12C.F.R.960.5(f));

WHEREAS, on June 19, 1996, the Finance Board approved an AHP application from Home Savings Bank, for an AHP direct subsidy of \$222,000 from the Federal Home Loan Bank of San Francisco (San Francisco Bank) to help reduce the cost of acquiring and rehabilitating Latham Park (the Project), a rental housing project in Mountain View, California, sponsored by the Mid-Peninsula Housing Coalition (MPHC). See Board Resolution 96-41;

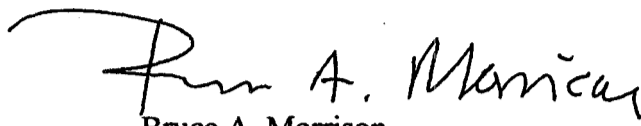
WHEREAS, since the approval of the AHP application, there have been major changes in the financing (primarily in the tax-exempt bond financing provided by Home Savings and the rate of the low-income housing tax credits) for the project that have created a decrease in funding to the Project, requiring revisions in the development budget and changes to the sources and structure of the financing for the Project;

WHEREAS, the San Francisco Bank is requesting approval of a modification in the AHP subsidy that would increase the total amount of AHP subsidy from \$222,000 to \$522,000, due to changes in the tax-exempt bond financing and the rate of the low-income housing tax credits which resulted in decreased funding to the Project. The proposed modification will result in the average AHP subsidy per unit of the Project increasing from \$3,041 to \$7,151 per unit. The Project has been restored and both the effectiveness and total scores are reduced but the Project will continue to score high enough to have been funded in its original AHP funding round; and

WHEREAS, the Finance board has determined that the Project, as modified by the requested increase in AHP subsidy, would be in accordance with the Bank Act, the AHP regulation, and existing Finance Board policy;

NOW, THEREFORE, IT IS RESOLVED; that based on the factors set forth above and the authority provided in 12 C.F.R. § 960.5(f)(3), the Finance Board approves the increase in AHP subsidy from \$222,000 to \$522,000 due to changes in the financing structure of the Latham Park project.

By the Board of Directors of the  
Federal Housing Finance Board



**Bruce A. Morrison**  
Chairman