

No.: 97-40

Date: June 2, 1997

FEDERAL HOUSING FINANCE BOARD

Increase in Affordable Housing Program Subsidy
for the 39 West Apartment Project

WHEREAS, Subsection 10(j) of the Federal Home Loan Bank Act (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. (12 C.F.R.960.5(f));

WHEREAS, on December 13, 1996, the Finance Board approved an AHP application from California Federal Bank, for an AHP direct subsidy of \$158,724 from the Federal Home Loan Bank of San Francisco (San Francisco Bank) to help reduce the cost of rehabilitation of the 39 West Apartment Project (the Project) (96B1102), a rental housing project in San Francisco, sponsored by A Community of Friends. See Board Resolution 96-112;

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 \$158,724 to \$182,794, due to inclusion in the operating budget of a cost that was excluded by the San Francisco Bank from the AHP application and subsequently has been verified as an eligible cost;

WHEREAS, the inclusion of this cost in the operating budget results in a reduction in the Project's debt capacity and the need for grant funds to fill the funding gap;

WHEREAS, the proposed modification will result in the AHP subsidy per unit of the Project increasing from \$4,668 to \$5,376 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 direct subsidy from \$158,724 to \$182,794 for the Project.

By the Board of Directors of the
Federal Housing Finance Board

A handwritten signature in black ink, appearing to read "B. A. Morrison". The signature is stylized with a large, looped initial "B" and a cursive "A" and "Morrison".

Bruce A. Morrison
Chairman