

Resolution No.: 97-41
Date: June 10, 1997

Resolution of Conditions on Approval of Affordable Housing Program
Funding For the Livingston Manor Project

WHEREAS, section 10(i) of the Federal Home Loan Bank Act (Bank Act) requires each Federal Home Loan Bank (FHLBank) to establish an Affordable Housing Program (AHP) pursuant to regulations of the Federal Housing Finance Board (Finance Board), see 12 U.S.C. § 1430(j)(1);

WHEREAS, the Finance Board has adopted a regulation for the operation of the AHP by the FHLBanks codified at 12 C.F.R. Part 960;

WHEREAS, pursuant to § 9605(f)(3) of the AHP regulation, final funding decisions for AHP projects are made by the Finance Board, see 12 C.F.R. § 960.5(f)(3);

WHEREAS, pursuant to Board resolution 96-112 (Dec. 23, 1996), the Finance Board approved the award of a \$500,000 AHP direct subsidy by the FHLBank of Atlanta to First Union Bank of Virginia to finance AHP project 96B0406, Livingston Manor;

WHEREAS, the \$500,000 AHP direct subsidy approved pursuant to Board resolution 96-112 supplemented a previous AHP award of \$1,600,000 for Livingston Manor approved pursuant to Decision Memorandum 94-DM-08 (March 17, 1994);

WHEREAS, the Finance Board's approval of funding for the Livingston Manor project is subject to the following four conditions, which are set forth in Attachment K to Board resolution 96-112:

- (1) The FHLBank must receive a copy of the letter from the Enterprise Foundation confirming that a \$5,000,000 line of credit has been approved for Jubilee Enterprise of Greater Washington to fund operating deficits at Livingston Manor;
- (2) The additional \$500,000 of AHP direct subsidy cannot be drawn down until the other \$800,000 to complete construction is secured and expended;
- (3) Project rent rolls must be provided on a monthly basis to the FHLBank; and
- (4) A detailed marketing plan which addresses the current problem of high vacancy rates must be provided to the FHLBank of Atlanta;

WHEREAS, according to the FHLBank of Atlanta, conditions (3) and (4) have been satisfied;

WHEREAS, condition (1), as set forth in Attachment K to Board resolution 96-112, is in error and should have made funding conditional on Jubilee Enterprise of Greater Washington obtaining a \$1,000,000 line of credit to fund operating deficits at Livingston Manor;

WHEREAS, Jubilee Enterprise of Greater Washington has obtained. a \$1,000,000 line of credit to fund operating deficits at Livingston Manor;

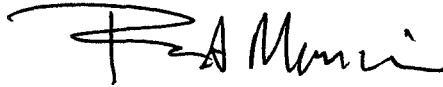
WHEREAS, the Livingston Manor project has been unable to secure the \$800,000 in funding required by condition (2), and the FHLBank of Atlanta does not anticipate that such funding will be available in the near future; and

WHEREAS, the continued financial viability of the Livingston Manor project depends upon the immediate receipt of additional funding to rehabilitate 32 vacant units and make other major repairs;

NOW, THEREFORE RESOLVED, the Finance Board hereby deems conditions (1), (3), and (4) as set forth above, to be satisfied; and

RESOLVED FURTHER, the Finance Board hereby rescinds condition (2), as set forth above.

By the Board of Directors of the
Federal Housing Finance Board

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

Bruce A. Morrison, Chairman