

No.: 97-55

Date: August 22, 1997

FEDERAL HOUSING FINANCE BOARD

Increase in Affordable Housing Program (AHP) Subsidy
for Pueblo Senior Housing Project (95A1138)

WHEREAS, Subsection 10(j) 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. (12 C.F.R. § 9605(f));

WHEREAS, on June 29, 1995, the Finance Board approved an AHP application from State Savings Bank, for an AHP direct subsidy of \$58,000 from the Federal Home Loan Bank of San Francisco (San Francisco Bank) to assist in the construction of the Pueblo Senior Housing Project (the Project), a rental housing project in Tucson, Arizona, sponsored by the Chicanos Por La Causa. See Board Resolution 95-05;

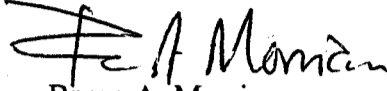
WHEREAS, since the approval of the AHP application, there have been increases in the financing and development costs due to a longer than anticipated development phase which has resulted in development budget revisions for the Project;

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 \$58,000 to \$104,399, due to the increases in development and financing costs as a result of the longer than anticipated development phase. The proposed modification will result in the AHP subsidy per unit of the Project increasing from \$1,018 to \$1,832 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 \$58,000 to \$104,399 due to the unanticipated increases in development and financing costs for the Project.

By the Board of Directors of the
Federal Housing Finance Board


Bruce A. Morrison
Chairman