

No.: 97-68  
Date: October 24, 1997

FEDERAL HOUSING FINANCE BOARD

Increase in Affordable Housing Program (AHP) Subsidy  
for the Genesis Hotel Project (94B1119)

WHEREAS, Subsection 10(j) of the Federal Home Loan Bank Act (112 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 21, 1994, the Finance Board approved an AHP application from Citibank, FSB, for an AHP direct subsidy of \$72,000 from the Federal Home Loan Bank of San Francisco (San Francisco Bank) to assist in the earthquake damage rehabilitation costs of the Genesis Hotel Project (the Project), a single room occupancy housing project in Los Angeles, California, sponsored by the Skid Row Housing Trust. & Decision Memorandum 94-DM-57;

WHEREAS, since the approval of the AHP application, there have been increases in rehabilitation costs due to more extensive earthquake repairs than originally anticipated;

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 \$72,000 to \$135,105 to pay for the increased rehabilitation costs. The proposed modification will result in the AHP subsidy per unit of the Project increasing from \$2,400 to \$4,504 per unit, resulting in a lower effectiveness score. The Project's targeting of very low-income households is being increased, resulting in a higher targeting score. The Project has been restored and the total score is reduced, but the Project will continue to score highly 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 \$72,000 to \$135,105.

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 written in a cursive style with a large, stylized initial "B".

Bruce A. Morrison  
Chairman