

The background features a series of concentric circles in light green and grey, some solid and some dashed, creating a ripple effect. A dark green callout box with a downward-pointing arrow is centered on the page.

Affordable Housing Trust Fund

**Construction Funding
For Rental and For-Sale Housing**

This presentation covers:

What's eligible to be funded with Trust Fund Construction dollars?

Who's eligible to apply for Trust Fund dollars

Development Projects Should Solve a Problem

How to Apply for Trust Fund Construction Funding

Trust Fund Priorities - What makes a great project

Gap Financing: How to Determine the Gap for Rental Housing

How AHC Rental loans are structured

Gap Financing: How to Determine the Gap for For-Sale Housing

How AHC For-Sale funding is structured

How Decisions are Made

Recap

Purpose of Trust Fund Construction Funding

Create, preserve, and expand affordable housing in the City of St. Louis

What type of housing construction is eligible?



New Construction of for-sale homes



New Construction of rental housing

What type of housing construction is eligible?



Rehabilitation of for-sale homes



Rehabilitation of rental housing

General Terms & Guidelines

What is Affordable Housing?

Housing is considered affordable when it does not cost more than 30% of household income.

2021 Income Guidelines

All Trust Fund-assisted housing
**must serve households earning
at or below 80% of the Area
Median Income**

2021 Income Guidelines City of St. Louis Income Limits for Applicable Programs

	\$11,886	\$13,584	\$15,282	\$16,980	\$18,338	\$19,697	\$21,055	\$22,427
	\$17,850	\$20,400	\$22,950	\$26,500	\$31,040	\$35,580	\$40,120	\$44,660
	\$23,772	\$27,168	\$30,564	\$33,960	\$36,677	\$39,394	\$42,110	\$44,854
	\$29,750	\$34,000	\$38,250	\$42,450	\$45,850	\$49,250	\$52,650	\$56,050
	\$35,658	\$40,752	\$45,846	\$50,940	\$55,015	\$59,090	\$63,166	\$67,243
	\$41,601	\$47,544	\$53,487	\$59,430	\$64,184	\$68,939	\$73,693	\$78,495
	\$47,550	\$54,350	\$61,150	\$67,900	\$73,350	\$78,800	\$84,200	\$89,650

St. Louis Area (MO-IL) Median Family Income (AMI) for year 2021 is \$84,900.
Source: HUD April 2021, Effective April 2021.

Who is eligible to apply for Development Funding?

- - Non-profit organizations working with a housing or neighborhood organization (sponsor)
- - For-profit developers/private builders working with a housing or neighborhood organization (sponsor)
- - Property owners working with a housing or neighborhood organization (sponsor)
- AHC's ordinance requires all Trust-Fund assisted developments have a housing or neighborhood organization sponsor. The purpose is to get the developer to work with the residents and to align development goals with community goals.

Projects should solve a problem

- 1) What you're going to do
- 2) Who it's for
- 3) Why it's needed
- 4) How it will get done

Frame the proposal as a solution

Explain how your project solves a housing problem.

Examples:

Acquire and comprehensively rehabilitate 4 3-bedroom, energy-efficient homes within ½ mile of a frequent service bus route. After rehabilitation, the homes will be rented to families earning $\leq 70-80\%$ AMI (moderate-income) residents for 30 years.

Construct new, energy-efficient, for-sale homes to be sold to households earning $\leq 80\%$ AMI. The parcels are within ½ mile of a metro stop and are located in an increasingly popular neighborhood where housing costs are rising faster than incomes and lower-income residents are being displaced. Construction and sale of AHC-assisted homes will expand home ownership to moderate income households, ensuring moderate income households are able to remain in the neighborhood.

Priorities

- **Develop housing units for persons and families with incomes at or below 20% of the area median income.**
- **Develop housing units that prevent homelessness for households or individuals earning at or below 80% AMI.**
- **Develop affordable housing units while advancing fifteen (15) or more objectives outlined in the City's Sustainability Plan.**
- **Develop affordable housing within one half-mile of a light rail station or a frequent service bus line (running every 30 minutes).**
- **Comprehensively retrofit or rehabilitate affordable housing units to a national green building standard (LEED, Enterprise Green, NGBS, etc.), or have an energy audit with a HERS of 85 or less.**

Project Considerations, slide 1

Properties may be scattered.

Keep the properties within 4 blocks.

Keep each proposal within a single ward.

If a project spans 2 wards, separate it into 2 proposals.

Applicants must have site control (ownership such as a warranty deed, an option, or a sale agreement) at the time of application.

Determine how the project aligns with the neighborhood plan.

Does the project strengthen and capitalize on existing assets to benefit the neighborhood?

Project Considerations, slide 2

Get a bid from a reputable general contractor.

Develop a Construction Budget and a Development Budget:

Construction Budget: the amount of money allotted for a specific building or remodeling project. Construction budgets include all construction costs and expenses.

Development Budget: all costs which will be incurred in developing the housing, and all sources of funds to pay for them. These are one time costs incurred between the time a project is conceptualized and the time it is fully occupied.

Project Considerations, slide 3

Determine how many units will be developed.

AHC-assisted units may be a subset of total units developed.

Determine your target market.

Who are your renters?

Will supportive services be provided?

Does the marketing plan support the rent? Does the project support its debt?

Who are your buyers?

Does the marketing plan support the proposed home prices?

What is your plan to sell the homes quickly (within 1-year)?

Market Value Analysis (MVA)

The 2019 Market Value Analysis is ready to use. All applicants are required to include information from the MVA in their proposal.

The MVA is a data-based tool to inform revitalization efforts. It generates reliable market data and local conditions by Census block groups so developers, planners and others can develop effective strategies to capitalize on assets, stimulate investment and preserve and stabilize neighborhoods. Go to:

www.stlouis-mo.gov/data/dashboards/market-value-analysis/index.cfm

Determine the MVA for your selected site.

Use the market value analysis to align your proposal to respond to the market from a position of strength while supporting sustained growth. [market-value-analysis/index.cfm](http://www.stlouis-mo.gov/data/dashboards/market-value-analysis/index.cfm)

Calculate Affordable Housing

People should not pay more than 30% of their income for housing (rent or mortgage).

Example:

2-person household earns \$40,000.

$$\mathbf{\$40,000 \times .30 = \$12,000}$$

Maximum Allowed Annual Cost for Housing.

Rent cannot exceed \$12,000/year.

Determine Monthly Rent

$$\text{\$40,000 income} \times .30 = \text{\$12,000}$$


$$\text{\$12,000} / 12 \text{ months} = \text{\$1,000 per month}$$

Rent cannot exceed \$1,000 per month.

How To Apply for Construction Funding

Download Applications from AHC Website


www.stlouis-mo.gov/government/departments/affordable-housing/index.cfm

 **COVID-19 Information:**
[View the latest information about COVID-19 from the City of St. Louis Department of Health](#)

Government > Departments and Agencies

Affordable Housing Commission

We promote City living and neighborhood stabilization through the preservation and production of affordable, accessible housing and support services that enhance the quality of life for those in need.



Top Requested Pages

- [1. Fall 2021 NOFA and Applications](#)
- [2. How To Apply For Funding](#)
- [3. Affordable Housing Commission Documents](#)
- [4. April Ford Griffin](#)
- [5. Affordable Housing Events](#)

[View Department Menu](#)

Contact Info

Phone: (314) 657-3880
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Address:
1520 Market Street
Suite 2080

Hours:
8 a.m. - 5 p.m.

[More Contact Info](#)

Feature

[Affordable Housing Commission COVID-19 Communication Plan](#)

Statement to residents on Affordable Housing Commission's operations during COVID-19 emergency

Affordable Housing Commission of the City of St. Louis

AHC offers LOANS for Construction

Funding is offered in long-term, low interest loans.

**To secure the loan, AHC puts a subordinated deed
on the property.**

AHC has 2 Construction Application Forms

- Rental Housing Application**
- For-Sale Housing Application**

The applications are Excel workbooks. Download the application from:

www.stlouis-mo.gov/government/departments/affordable-housing/documents/fall-2021-nofa-and-applications.cfm

Structuring AHC Funding

Trust Fund loans for Rental Housing are structured in a different manner than loans for For-Sale Housing.

Rental Housing: AHC issues a loan to the developer to subsidize construction costs.

For-Sale Housing: AHC issues a forgivable loan to the developer to subsidize construction costs. The loan is forgiven when the home sells to a qualified homebuyer.

For-Sale Housing: AHC also issues a repayable loan to each homebuyer.

Fall 2021 NOFA

www.stlouis-mo.gov/government/departments/affordable-housing/documents/fall-2021-nofa-and-applications.cfm



COVID-19 Information:

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Affordable Housing Commission

[Reports to the Community](#)

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Fall 2021 NOFA and Applications

Non-profit agencies and developers may apply for three types of funding (separate application forms are available for each type of request): a) Service-related grants (Grant Application) b) Loans and other subsidies for rental housing production (Rental Housing Production Application) c) Loans and other subsidies for for-sale housing developments (For-Sale Housing Production Application)

Publication Date: 08/26/2021

Document Type: RFPs Bids and Notices

Sponsor: Affordable Housing Commission of the City of St. Louis

Summary

Non-profit agencies and developers may apply for three types of funding (separate application forms are available for each type of request):

- a) Service-related grants (Grant Application)
- b) Loans and other subsidies for rental housing production (Rental Housing Production Application)
- c) Loans and other subsidies for for-sale housing developments (For-Sale Housing Production Application)

The Affordable Housing Commission requires all AHC-assisted new construction housing to comply with basic minimum Universal Design concepts and techniques. The criteria for Universal Design can be found at: <https://www.stlouis-mo.gov/government/departments/affordable-housing/documents/universal-design-requirements.cfm>

Due to the Global Pandemic declared on March 11, 2020, and subsequent Federal, State and Local Public Health Orders, for the protection of the public and in keeping with CDC guidelines to effectively reduce risks by social distancing the Affordable Housing Commission will make available presentations titled, "How To Apply for Funding" at 8 a.m., Wednesday, September 8, 2021. You can find the presentations here: <https://www.stlouis-mo.gov/government/departments/affordable-housing/documents/how-to-apply-for-funding.cfm>

The presentations are specifically designed to help new and inexperienced applicants understand how to apply for Trust Fund dollars, and to help previous applicants who have not successfully been awarded Trust Fund dollars understand what makes a great project, what documentation is required, and, what is expected of all proposals.

2 Application Forms: Application for For-Sale Housing – 10 Tabs Application for Rental Housing – 14 Tabs

INSTRUCTIONS FOR COMPLETING THE AHC RENTAL APPLICATION & PROFORMA WORKSHEETS	
1	
2	
3	General Instructions
4	A. You will only be able to enter information into yellow input cells. All other cells are protected or for AHC use.
5	B. Some cells appear black based on data inputted in early sheets/cells. Do not fill in blacked-out cells.
6	C. Complete the following worksheets in the order corresponding to their numbering: 1) Application, 2) Development Budget, Construction Costs, 4) Sources & Uses, 5) Utilities, 6) Units & Revenue, 7) Operating Budget, 8) Cash Flow 9) MVA, Priorities, 11) UD (Universal Design), 12) Living Wage, 13) Sustainability Impact Statement, and 14) 1099.
7	D. All worksheets above must be completed. Information on each worksheet is linked to other sheets.
8	E. To print this entire file, click on <i>File>Print</i> and select <i>"Print Entire Workbook."</i>
9	1) Application
10	A. This is the general application form.
11	B. Fill in all applicable yellow cells. Many sections will prompt you with drop-down menus. Some cells will initially be blank and will be populated once you have completed the other sheets in this workbook.
12	C. Include all documents and exhibits listed in the Application Checklist (Section XI) with each of the three hard copy applications to AHC before the deadline. Email this Excel Spreadsheet file to AHC's Housing Analyst at: hiner@stlouis-mo.gov . Applicants must also submit three (3) printed hard copy applications (worksheets 1-14) with all exhibits. One copy must be in three-ring binder, with tabs corresponding to each number (on this checklist). Two (2) copies must be secured with a single binder clip and submitted without tabs, staples or paperclips. 3) Applicants must also provide a complete copy of 1 application and all exhibits on a labeled USB Flash drive. If you have any questions about your proposal, AHC's fundi requirements or procedures, or the Excel file, please call Loretta Hiner at 314-657-3883 well before the deadline. The deadline is 12:00 PM on the day of the meeting. D. When you print a hard copy of this file, be sure to carefully read and sign the certifications on the final page. Submit the three (3) hard copies with original signatures to AHC.
13	2) Development Budget
14	A. This section is one (1) page. Note that construction costs are entered on Tab 3, labeled Construction Costs.
15	B. The worksheet will automatically calculate Total Development Costs (TDC).
16	3) Construction Costs
17	A. Enter detailed construction costs.
18	B. Note AHC limits for overhead, general conditions and profits. Stay within the allowable percentage limits.
19	C. After completing this Worksheet, check Development Budget (Tab 2), to insure cost data transferred properly.
20	4) Summary Sources & Uses
21	A. Enter all permanent sources of financing, debt, and equity. Include interest rates where applicable.
22	B. Enter the amount of your request to AHC in Cell E25 "AHC Permanent Loan" you may enter 0% interest or another interest rate.
23	C. Enter all construction sources along with interest rates. Some may be identical to permanent sources.
24	D. Check that permanent sources = uses AND that construction sources = uses.
25	E. Enter any additional information you wish to provide to AHC in the "Developer's Notes" section at the bottom of the sheet.
26	5) Utilities
27	A. Utility Allowances: Indicate the type of utilities the project will have, as well as which will be paid by the owner and which will be paid by tenants. For utilities paid by tenants, enter the applicable utility allowance for each using the utility allowance table found at www.slha.org/for-partnerowners/forms1
28	6) Units & Revenue
29	A. <i>Unit Distribution:</i> For each bedroom type, input the requested information. Include the Contract Rent (the rent you will be charging tenants or rent that a voucher will provide).
30	B. <i>Square Footage Breakdown:</i> Enter the commercial square footage and common area square footage, if applicable.
31	C. <i>Other Income:</i> Enter other sources of revenue you are reasonably confident the project will receive.
32	D. Annual Operating Subsidies: If the project will receive an operating subsidy, enter the source & amount.
33	7) Annual Operating Budget
34	A. Input a vacancy rate (7% is the default entry). You may modify this as appropriate.
35	B. Enter the expected stabilized operating expenses.
36	C. Review the Estimated Mortgage calculations. This is the estimated permanent debt your project can support.
37	8) Operating Cash Flow Projections
38	A. AHC will be assessing this project's ability to repay debt.
39	B. You may modify the default vacancy factor. Be prepared to justify your changes.
40	9) Market Value Analysis (MVA)
41	A. This section is one (1) page. Follow instructions.
42	10) Priorities (to be Attained)
43	A. All projects MUST provide housing for households $\leq 80\%$ AMI. This section outlines AHC's priorities for this funding round. Projects that attain funding priorities will receive additional consideration.
44	11) Universal Design Budget
45	A. If new construction, input costs to make the AHC-Assisted Units Universally Designed. Sign the UD certification on page 1.
46	12) Living Wage Acknowledgment & Acceptance
47	A. Complete this form. If the applicant is a non-profit agency that has previously received funding from AHC and there have been no changes to your agency's non-profit status, Articles of Incorporation and By-laws, please sign the No Change Affidavit.
48	13) Sustainability Impact Statement
49	A. Indicate all activities in your project that advance the City's Sustainability Plan.
50	14) 1099
51	

INSTRUCTIONS FOR COMPLETING THE AHC FOR SALE APPLICATION & PROFORMA WORKSHEETS	
1	
2	
3	General Instructions
4	A. You will only be able to enter information into yellow input cells. All other cells are protected for AHC use.
5	B. Complete the following worksheets in the order corresponding to their numbering: 1) Application, 2) Development Budget, 3) Construction Costs, 4) Sources & Uses, 5) MVA, 6) Priorities, 7) UD (Universal Design), 8) Living Wage, 9) SIS (Sustainability Impact Statement), and 10) 1099.
6	C. To print this entire file, click on <i>File>Print</i> and select <i>"Print Entire Workbook."</i>
7	1) Application
8	A. This is the general application form. Insert the amount of your request in Cell Q87. The amount of your request will automatically flow to the Source & Use Worksheet.
9	B. Fill in all applicable yellow cells. Many sections will prompt you with drop-down menus.
10	C. Include all documents and exhibits listed in the Application Checklist (Section VIII) with each of the three hard copy applications. Email this Excel Spreadsheet file to AHC's Housing Analyst at: hiner@stlouis-mo.gov . Applicants must also submit three (3) printed hard copy applications (worksheets 1-10) with all exhibits and original signatures on the final certifications page. One copy must be in a three-ring binder, with tabs corresponding to each number (on this checklist). Two (2) copies must be secured with a single binder clip and submitted without tabs, staples or paperclips. 3) Applicants must also provide a complete copy of the application and all exhibits on a labeled USB Flash drive.
11	D. When you print a hard copy of this file, be sure to carefully read and sign the certifications on the final page. Submit the three (3) hard copies with original signatures to AHC.
12	2) Development Budget
13	A. Enter development costs for the project. Note: construction costs are entered on the Construction Cost Tab (Worksheet 3).
14	B. The worksheet will automatically calculate the Development Subsidy needed.
15	3) Construction Costs
16	A. Enter detailed construction costs.
17	B. Note AHC's limits for overhead, general conditions and profits. Stay within the allowable percentage limits.
18	C. After completing this sheet, check worksheet 2 (Development Budget Worksheet) to insure applicable cost data transferred properly.
19	4) Proforma Summary - Sources & Uses
20	A. Enter all permanent sources of financing, debt, and equity.
21	B. Enter all construction sources along with interest rates. Some may be identical to permanent sources.
22	C. Check that permanent sources = uses AND that construction sources = uses.
23	D. Enter additional information if necessary in the "Developer's Notes" section at the bottom of the sheet.
24	5) Market Value Analysis (MVA)
25	A. This section is one (1) page. Follow instructions.
26	6) Priorities (to be Attained)
27	A. All projects MUST provide housing for households $\leq 80\%$ AMI. This section outlines AHC's priorities for this funding round. Projects that attain funding priorities will receive priority consideration.
28	7) Universal Design Budget
29	A. If new construction, input costs attributed to making the AHC-Assisted Units Universally Designed. Sign the UD certification at the end of the Application (Worksheet 1).
30	8) Living Wage Acknowledgment and Acceptance Declaration
31	A. Complete this form. If the applicant is a non-profit agency that has previously received funding from AHC and there have been no changes to your agency's non-profit status, Articles of Incorporation and By-laws, sign the No Change Affidavit.
32	9) Sustainability Impact (SIS)
33	A. Indicate all activities in your project that advance the City's Sustainability Plan.
34	10) 1099: Print and complete this form.
35	11) Compliance Info
36	A. This sheet outlines AHC's program & eligibility requirements.
37	B. You will not input information on this sheet, but should review it to insure your project remains within Program Limits.
38	

Tab 1) Application – Fill Yellow Cells
Rental housing Tab 1) page 2 - 14
For-Sale housing Tab 1) page 2 - 12

RENTAL HOUSING PROGRAMS APPLICATION			
AFFORDABLE HOUSING COMMISSION			
1	Last Date Modified: <input type="text"/>		
2	PROJECT NUMBER: <input type="text"/>		
3	I. General Information		
4	◆ Development Information		
5	Development Name: <input type="text"/>		
6	Street Address: <input type="text"/>		Neighborhood: <input type="text"/>
7	St. Louis, MO	Zip: <input type="text"/>	Ward: <input type="text"/> Census Tract: <input type="text"/>
8	Property ID#: <input type="text"/>		
9	<input type="text"/>		
10	<input type="text"/>		
11	<input type="text"/>		
12	<input type="text"/>		
13	<input type="text"/>		
14	<input type="text"/>		
15	<input type="text"/>		
16	<input type="text"/>		
17	<input type="text"/>		
18	<input type="text"/>		
19	<input type="text"/>		
20	<input type="text"/>		
21	<input type="text"/>		
22	<input type="text"/>		
23	<input type="text"/>		
24	<input type="text"/>		
25	Total Number of Units Planned	<input type="text"/>	Total Number of AHC-Assisted Units <input type="text"/>
26	Number of Market Units	<input type="text"/>	Units <input type="text"/>
27	Number of Units at 80%	<input type="text"/>	# LMI Units <input type="text"/>
28	Number of Units at 70%	<input type="text"/>	<input type="text"/>
29	Number of Units at 60%	<input type="text"/>	<input type="text"/>
30	Number of Units at 50%	<input type="text"/>	<input type="text"/>
31	Number of Units at 40%	<input type="text"/>	<input type="text"/>
32	Number of Units at 30%	<input type="text"/>	<input type="text"/>
33	Number of Units at 20%	<input type="text"/>	<input type="text"/>
34	Construction Type	<input type="text"/>	<input type="text"/>
35	Housing Type	<input type="text"/>	<input type="text"/>
36	Project Summary <i>Briefly describe your project.</i>		

Page 1
You Must Input # of Units in This Section

FOR-SALE HOUSING PRODUCTION APPLICATION			
AFFORDABLE HOUSING COMMISSION			
1	AHC: (314) 657-3880		
2	Last Date Modified: <input type="text"/>		
3	PROJECT NUMBER: <input type="text"/>		
4	I. General Information		
5	◆ Development Information		
6	Project Name: <input type="text"/>		
7	Street Address: <input type="text"/>		Neighborhood: <input type="text"/>
8	St. Louis, MO	Zip: <input type="text"/>	Ward: <input type="text"/> Census Tract: <input type="text"/>
9	Property ID#: <input type="text"/>		
10	<input type="text"/>		
11	<input type="text"/>		
12	<input type="text"/>		
13	<input type="text"/>		
14	<input type="text"/>		
15	<input type="text"/>		
16	<input type="text"/>		
17	<input type="text"/>		
18	<input type="text"/>		
19	<input type="text"/>		
20	<input type="text"/>		
21	<input type="text"/>		
22	<input type="text"/>		
23	<input type="text"/>		
24	<input type="text"/>		
25	Total Number of Units planned	0 units	Total Number of AHC-Assisted Units <input type="text"/>
26	Number of Market Rate Units	<input type="text"/> units	AHC-Assisted 20% AMI Units <input type="text"/>
27	Number of Low/Mod Units at 80% AMI	<input type="text"/>	# LMI Units <input type="text"/>
28	Number of Low/Mod Units at 70% AMI	<input type="text"/>	<input type="text"/>
29	Number of Low/Mod Units at 60% AMI	<input type="text"/>	<input type="text"/>
30	Number of Low/Mod Units at 50% AMI	<input type="text"/>	<input type="text"/>
31	Number of Low/Mod Units at 40% AMI	<input type="text"/>	<input type="text"/>
32	Number of Low/Mod Units at 30% AMI	<input type="text"/>	<input type="text"/>
33	Number of Low/Mod Units at 20% AMI	<input type="text"/>	<input type="text"/>
34	Construction Type	<input type="text"/>	<input type="text"/>
35	Housing Type	<input type="text"/>	<input type="text"/>

You Must Input # of Units in this Section

The background features a series of concentric circles in light gray and dashed light gray, creating a ripple effect. A dark green callout box is centered on the page, containing the text "Rental Housing".

Rental Housing

Rental Housing - Gap

The gap is the shortfall when the revenue stream generated by affordable rental housing is not able to cover the cost to construct the housing. The gap is the difference between the cost to produce the housing and the developer's secured resources.

Rental Housing Funding Limit

Eligible for up to 30% of Total Development Cost

Units funded should be affordable 15-30 years

Rent charged must not exceed 30% of tenant income

Repayable & Forgivable Trust Fund Loans

AHC issues forgivable loans to developers creating housing that will be dedicated to households earning $\leq 20\%$ AMI.

AHC is willing to structure repayable loans as cash-flow only loans. This means that AHC's annual repayment comes from Net Cash Flow, or a percentage of NCF. In such cases, if there is no NCF, the AHC repayment is not paid until maturity.

How to Calculate the Amount to Request

Total Development Cost to rehab 6 rental homes = \$400,000

$$\mathbf{\$400,000 \times .30 = \$120,000}$$

Maximum request to AHC

Developer	\$280,000
AHC Funding	\$120,000
Total Development Cost	\$400,000

How Much to Request Per Unit?

$$\frac{\mathbf{\$120,000}}{\mathbf{6}} \text{ Funding Request} = \mathbf{\$20,000}$$

Units

Rental Loan Terms – Annual repayment to the Commission if there is Surplus Cash Flow.

State the Terms You Want - Tab 1, Page 2 of the Application, Cell B98.

Indicate preferred repayment terms:

\$120,000 0% interest, repayable, 30-year loan to be paid from net cash flow (NCF).

Rental Housing: Source & Use Tab

Amount of loan requested: Tab 4) Cell E-25

Affordable Housing Commission Rental Production Application/Proforma							
Sources & Uses Summary							
Project Name	0	Unit Type	0	Total Units:	0		
Developer	0	Total Square Feet:	0	AHC Units:	0		
Project Type:	0	Avg SqFt/Unit:	#DIV/0!	20% AMI Units:	0		
AHC Request:	\$0	Target Population:	0	LMI Units:	0		
		Average Rent	#DIV/0!				
Development Costs							
		Total	Per Unit	% of Total			
Total Predevelopment		\$0	#DIV/0!	#DIV/0!			
Total Acquisition		\$0	#DIV/0!	#DIV/0!			
Total Construction		\$0	#DIV/0!	#DIV/0!	Construction Cost/SqFt:	#DIV/0!	
Total Professional Services		\$0	#DIV/0!	#DIV/0!	Total Cost/SqFt:	#DIV/0!	
Total Carrying & Construction Financing		\$0	#DIV/0!	#DIV/0!			
Total Permanent Financing		\$0	#DIV/0!	#DIV/0!			
Total Reserves		\$0	#DIV/0!	#DIV/0!			
Total Fees/Misc (not Developer Fee)		\$0	#DIV/0!	#DIV/0!			
Developer Fee before completion		\$0	#DIV/0!	#DIV/0!			
Developer Fee after completion		\$0	#DIV/0!	#DIV/0!			
Total Development Costs		\$0	#DIV/0!	#DIV/0!			
Permanent Sources							
	Source:	Total	Per Unit	% of Total	Interest Rate	Loan Term	Annual Payment
Bank Mortgage	<i>Est. mortgage: \$0</i>		#DIV/0!	#DIV/0!			
AHC Permanent Loan requested*			#DIV/0!	#DIV/0!			
Estimated MO State Historic Tax Credits			#DIV/0!	#DIV/0!			
Estimated Federal Historic Tax Credits			#DIV/0!	#DIV/0!			
Developer Equity			#DIV/0!	#DIV/0!			
Source 1: CDA			#DIV/0!	#DIV/0!			
Source 2:			#DIV/0!	#DIV/0!			
Source 3:			#DIV/0!	#DIV/0!			
Source 4:			#DIV/0!	#DIV/0!			
Source 5:			#DIV/0!	#DIV/0!			
Total Sources		\$0	#DIV/0!	#DIV/0!			\$0
(GAP) or Surplus		\$0	#DIV/0!	#DIV/0!			#DIV/0!
Construction Financing Sources							
<i>(May include permanent sources listed above.)</i>							
		Amount Available During Construction	% TDC	Const. Loan Interest Rate	Developer Notes		
Private Construction Loan (bank financing)			#DIV/0!				
Developer Equity (Self-financing for acquisition, predevelopment, etc.)			#DIV/0!				
Deferred Developer Fee			#DIV/0!				
Other: CDA			#DIV/0!				
Other:			#DIV/0!				
Other:			#DIV/0!				

Rental Operating Budget

Once constructed, the project must show it can afford to operate – Tab 7

Affordable Housing Commission Rental Production Application/Proforma							
ANNUAL OPERATING BUDGET							
Project:	0			Developer:	0		
Address:	0			AHC-Assisted Units:	0		
AHC Request:	\$0			20% AMI Units:	0		
Construction:	0			LMI Units:	0		
Housing:	0			Total Units:	0		
	Annual	Per Unit	% Adj Income		Annual	Per Unit	% Adj Income
REVENUE				Operating			
Gross Rent Potential	\$0	#DIV/0!		Security		#DIV/0!	
Other Revenue	\$0	#DIV/0!		Common Electricity		#DIV/0!	
Subtotal	\$0	#DIV/0!		Water/Sewer		#DIV/0!	
Combined Vacancy Rate	7.0%	\$0	#DIV/0!	Gas		#DIV/0!	
Adjusted Gross Income	\$0	#DIV/0!		Trash Removal		#DIV/0!	
				Payroll		#DIV/0!	
OPERATING EXPENSES				Payroll Taxes & Fringes		#DIV/0!	
Administrative Costs	Annual	Per Unit		Other:		#DIV/0!	
Advertising		#DIV/0!		Other:		#DIV/0!	
Management		#DIV/0!		Other:		#DIV/0!	
Legal/Partnership		#DIV/0!		Subtotal	\$0	#DIV/0!	#DIV/0!
Accounting/Audit		#DIV/0!		Escrows & Reserves	Annual	Per Unit	
Compliance Monitoring		#DIV/0!		Insurance		#DIV/0!	
Other:		#DIV/0!		Real Estate Taxes		#DIV/0!	
Other:		#DIV/0!		Other Taxes		#DIV/0!	
Other:		#DIV/0!		Other		#DIV/0!	
Other:		#DIV/0!		Other:		#DIV/0!	
Subtotal	\$0	#DIV/0!	#DIV/0!	Other:		#DIV/0!	
				Other:		#DIV/0!	
Maintenance	Annual	Per Unit		Subtotal	\$0	#DIV/0!	#DIV/0!
Decorating		#DIV/0!		Total Operating Expenses	\$0	#DIV/0!	#DIV/0!
Repairs		#DIV/0!		Replacement Reserve		#DIV/0!	
Exterminating		#DIV/0!		<i>Op Expenses + Replace Reserve</i>	<i>\$0</i>		
Grounds		#DIV/0!		NET OPERATING INCOME	\$0	#DIV/0!	#DIV/0!
Other		#DIV/0!					
Other:		#DIV/0!		Estimated Mortgage			
Other:		#DIV/0!		Debt Coverage Ratio Year 1		1.25	
Other:		#DIV/0!		Interest Rate			
Subtotal	\$0	#DIV/0!	#DIV/0!	Term			
				Annual Payment		\$0	
Annual Income and Expenses				Mortgage Amount (PV)		\$0	
Adjusted Gross Income		\$0					
Annual Operating Expense + Replacement Reserve		\$0		NCF Year 1 (stabilized)	\$0	#DIV/0!	
Net Operating Income (Effective Income - Expenses)		\$0					
Annual Debt Service <i>priority loan 1</i>		\$0					
Annual Debt Service <i>priority loan 2</i>							

Rental Housing In exchange for AHC loan

AHC will issue:

- Lien on the property
- Agreement for Covenants & Restrictions (LURA) on the property securing/restricting the income of the tenants for the length of the loan.

Rental Housing Loan Terms Income Restriction Matches Term of the Loan

In exchange for the Trust Fund loan, AHC issues a covenant of restrictions on the property restricting the income of the tenants for the term of the loan, typically 30 years.

EXAMPLE: a 0% interest loan with a 30-year loan term will have an income restriction for 30 years.

Rental Housing Structuring the AHC Loan

Applicant requests \$120,000 0% interest, 30-year loan to be paid from annual cash flow to rehabilitate 6 rental units that will be leased to tenants earning 70% AMI for 30 years.

\$120,000 0% interest, 30-year repayable loan

Calculate Repayment:

$$\frac{\$120,000 \text{ Loan}}{30 \text{ Years}} = \$4,000 \text{ Annual Repayment}$$

Rental Housing Annual Responsibilities & Reporting

- Insurance policy
- Annual Repayment on AHC Loan, if Cash Flow is available
- Audited Financial Statements
- Tenant Income Certifications
- Ensure the property remains leased, in good repair and financially solvent for 30 years or the life of the loan.



For-Sale Housing

For-Sale Housing - Gap

Trust Fund dollars bridge the gap between the cost to build the home and its appraised value.

Trust Fund dollars also provide second mortgage loans to income-eligible homebuyers. Trust Fund dollars make the home affordable by reducing the size of the 1st mortgage loan.

For-Sale Homes

Funding Split:

Subsidize Construction Costs – Forgivable Loan

Provide Funding for Buyers – Repayable Loan

- 30-year
- 0% interest
- Subordinate loan, repaid after 1st mortgage is paid
- Repaid to AHC if house sells

For-Sale Homes

Funding Limits: Eligible for 25% Total Development Cost

How To Calculate the Request?

Total Development Cost = \$600,000 *4 homes*

$$\mathbf{\$600,000 \times .25 = \$150,000}$$

Developer	\$450,000
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<u>AHC Funding</u>	<u>\$150,000</u>
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Total Development Cost	\$600,000
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For-Sale Homes - Funding Structure

Trust Fund Request \$150,000 for 4 units

Buyer Subsidies \$ 10,000/Unit x 4 Units

 \$ 150,000 **AHC Request**

- \$ 40,000 **4 Buyer Subsidies**

 \$ 110,000 **Developer Subsidy**

For-Sale Funding Structure, continued

Trust Fund Request \$150,000

4 homes = \$ 37,500/Unit

Forgivable Developer Subsidy = \$ 27,500/Unit

AHC reimburses developer as homes are constructed

Repayable Buyer Subsidy = \$ 10,000/Unit

- 30-year
- 0% interest
- Subordinate loan, repaid after 1st mortgage is paid.
- Repaid to AHC if house sells

For-Sale Funding Request

Request the Terms You Want - Tab 1, Application, Cell Q87

Assistance Request Information

Amount requested?	\$150,000
Requested Forgivable Developer Subsidy?	\$110,000
Requested Repayable Buyer Subsidy (total sum)?	\$40,000
Number of Repayable Buyer Subsidies Requested:	4
Amount of each Repayable Buyer Subsidy:	\$10,000

For-Sale Maximum Sale Price of Trust Fund-assisted Units

1-Family Building \$185,000 3-Family Building \$230,000
 2-Family Building \$210,000 4-Family Building \$250,000

V. Home Pricing & Market Assessment

	Street Address	SF	BR	BA	Projected Sale Price	AHC Repayable Buyer Subsidy
Unit 1						
Unit 2						
Unit 3						
Unit 4						
Unit 5						
Unit 6						
Unit 7						
Unit 8						
Unit 9						
Unit 10						
Unit 11						
<small>*Buyer Assistance typically ranges between \$8,000 - \$10,000 per home.</small>						
Square Feet:	0	Home Sale Proceeds		\$0	Sum Buyer Subsidies	\$0

What Makes a Great Project?

Development solves an affordable housing problem.

Primary funding is secured. Conditional commitment of all other funding.

If rental, request is 30% or less of Total Development Cost.

If for-sale, request is 25% or less of Total Development Cost.

Development attains 1 or more AHC priorities.

Developer has site control (deed, option, signed contract, etc...)

Alderman supports the project and provides a letter of support.

Applicant has a construction bid.

Ability to begin and complete construction within 16 months.

Universally Designed – if new construction.

Lead Safe at completion – if rehabilitation

Application is complete and submitted before deadline of October 22 at 4 p.m.

AHC Priorities

- Develop housing units for persons and families with incomes at or below 20% of the area median income.
- Develop housing units that prevent homelessness for households or individuals earning at or below 80% AMI.
- Develop affordable housing units while advancing fifteen (15) or more objectives outlined in the City's Sustainability Plan.
- Develop affordable housing within one half-mile of a light rail station or a frequent service bus line (running every 30 minutes).
- Comprehensively retrofit or rehabilitate affordable housing units to a national green building standard (LEED, Enterprise Green, NGBS, etc.), or have an energy audit with a HERS of 85 or less.

AHC Review & Analysis

- Projects are evaluated for eligibility and completeness.
- Project costs are calculated and compared against competing applications and across industry averages.
- The project's cohesiveness and impact in the neighborhood is assessed.
- The project's financial leverage, financial strength and neighborhood and political support are reviewed.
- The project's feasibility is assessed.
- The Commission evaluates the need for the proposed project.
- The developer's track record, reputation and capacity are weighed.
- AHC reviews and considers the project's ability to achieve AHC priorities.
- AHC considers the developer and sponsor's history of working with the Trust Fund and compliance of past projects.

How Trust Fund Decisions are Made

1. Commission staff perform a thorough review & analysis of each proposal.
2. Staff make recommendations to the Commission.
3. The Affordable Housing Commission votes on funding awards and terms.

Deadline & Submission

Deadline: Friday, October 22, 2021 at 4 p.m.

- **3 paper copies**
 - **1 in a 3-ring binder w/ tabs**
 - **2 copies without tabs and secured with a binder clip**
 - **Provide complete application with all exhibits on a USB drive**
- **Email a copy of application to: hinerl@stlouis-mo.gov**

Questions: 314-657-3883