

Resolution No.: 96- 17
Date: February 16, 1996

FEDERAL HOUSING FINANCE BOARD

Increase in Affordable Housing Program (AHP) Subsidy
for FAME Gardens

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 (Bank) establish an AHP;

WHEREAS, the Federal Housing Finance Board (Finance Board) has adopted a regulation for the operation of the AHP by each Bank, 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 June 23, 1993, the Finance Board approved an AHP application of Citibank, FSB, for an AHP direct subsidy of \$288,280 (\$162,000 is gap financing and \$126,280 is an interest rate writedown) from the Federal Home Loan Bank of San Francisco (San Francisco Bank) to help reduce the cost of constructing and rehabilitating FAME Gardens (the Project), a rental housing project in South Los Angeles, California sponsored by the FAME Housing Corporation, a non-profit organization created by the First African Methodist Episcopal Church. See Board Resolution No. 93-52;

WHEREAS, according to the approved application, FAME Gardens would provide 81 affordable rental housing units to very low or low-income households for 55 years;

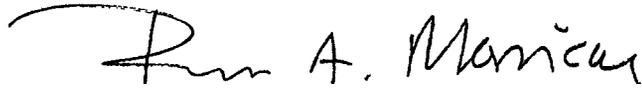
WHEREAS, the San Francisco Bank, Citibank and FAME are requesting approval of a modification in the AHP subsidy which would increase the total amount of AHP subsidy received by the Project from \$288,280 to \$658,100, to compensate for the impact of a major earthquake and the subsequent construction delays and increased construction costs. The increased subsidy would be provided in the form of a direct subsidy to supplement the current gap financing. The proposed modification would result in the average AHP subsidy per unit of the Project increasing from \$3,559 to \$8,125 per unit. The increase in the subsidy will reduce both the effectiveness and total score of the Project, but the Project would continue to score high enough to have been funded in its original AHP funding round;

WHEREAS, the increase in AHP subsidy from \$288,280 to \$658,100 for the Project is necessary to pay for the increased construction costs due to the impact of a major earthquake;

WHEREAS, the Finance Board has determined that the Project, as modified by the requested increase in AHP subsidy is in accordance with the Bank Act, the AHP regulation, and existing policy;

NOW, THEREFORE, BE IT RESOLVED, that based on the factors set forth above and the authority provided in 12 C.F.R. § 960.5(f), the Finance Board approves the increase in AHP subsidy from \$288,280 to \$658,100 to pay for increased construction costs for the Project.

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

Bruce A. Morrison, Chairman