



2017 LOW-INCOME HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES OF THE FEDERAL HOME LOAN BANKS

OCTOBER 2018



Division of Housing Mission and Goals

Table of Contents

Introduction	2
The Affordable Housing Program	3
I. AHP Competitive Application Program	6
II. AHP Homeownership Set-Aside Program	16
The Community Investment Program and the Community Investment Cash Advance Program	21
Community Development Financial Institutions.....	31
Housing Goals.....	33
Appendix 1: 2017 FHLBank Advisory Council Reports.....	34
Appendix 2: Historical AHP Data	40
Appendix 3: AHP Competitive Application Program Projects	42



Introduction

The Federal Housing Finance Agency (FHFA) was established by the Housing and Economic Recovery Act of 2008 (HERA) and is responsible for the supervision, regulation, and housing mission oversight of the 11 Federal Home Loan Banks (FHLBanks or Banks), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac). FHFA's mission is to ensure that these regulated entities operate in a safe and sound manner so that they serve as a reliable source of liquidity and funding for housing finance and community investment. Since 2008, FHFA has also served as conservator of Fannie Mae and Freddie Mac.

This report addresses the Banks' activities to support low-income housing and community development activities.¹ The FHLBanks support a range of these activities through three programs: the Affordable Housing Program (AHP), the Community Investment Program (CIP), and the Community Investment Cash Advance Program (CICA).² Under these programs, the FHLBanks provide loans (referred to as advances) and grants to their members, and their members then use these funds to benefit very low- and low- or moderate-income households and communities.³

The FHLBanks awarded approximately \$398.7 million in total AHP funds in 2017, about 8 percent more than in 2016. This funding helped almost 41,000 low- or moderate-income households, including about 22,000 very low-income households. Through the CIP, the Banks also funded approximately \$4.7 billion in targeted housing and economic development advances in 2017, about 46 percent more than in 2016. The CIP assisted over 40,000 households. The Banks' CICA funding, which supports targeted economic development, was about \$3.8 billion in 2017, approximately 30 percent more than in 2016.

¹ The Federal Home Loan Bank Act requires FHFA to monitor and report annually to the Advisory Council for each Bank the support of low-income housing and community development by the Banks and the utilization of advances for these purposes. 12 U.S.C. § 1430(j)(12).

² See 12 U.S.C. § 1430(i) and (j). The CICA regulation (12 C.F.R. § 1292.1) defines CICA programs to include AHP, CIP, and targeted economic development advance or grant programs established by an FHLBank. However, because AHP and CIP are specifically required by statute, they are generally described separately from other programs under the CICA umbrella. This practice is followed in this report.

³ Low- or moderate-income households are defined as households with incomes of 80 percent or less of Area Median Income (AMI). Very low-income households are defined as households with incomes of 50 percent or less of AMI.



The Banks also support low-income housing and community development through other activities, including through their non-depository Community Development Financial Institution (CDFI) members. At the end of 2017, 48 non-depository CDFIs were FHLBank members, 45 more than in 2016. The FHLBanks' outstanding advances to the non-depository CDFIs increased as well, from approximately \$121.7 million in 2016 to \$161.7 million in 2017. Additionally, each Bank is subject to housing goals if its Acquired Member Assets (AMA)⁴ purchases exceed an annual volume threshold of \$2.5 billion.⁵ In 2017, none of the FHLBanks exceeded this volume threshold.

The report is organized into four sections and has three appendices. The first section provides program information on the AHP, the second section details the Banks' CIP and CICA performance, the third section describes non-depository CDFI membership in the FHLBank System, and the fourth section discusses Bank housing goals and AMA purchases in 2017. The appendices include some highlights from FHLBank Advisory Council Reports submitted to FHFA, as well as AHP historical data and data pertaining to AHP competitive program projects in 2017.

The Affordable Housing Program

The Federal Home Loan Bank Act (Bank Act) requires each FHLBank to establish an AHP.⁶ Under the program, members of the FHLBank apply to the Bank for AHP funds. The member provides the funds to approved projects and households to be used for the purchase, construction, or rehabilitation of affordable housing. AHP funds may be in the form of grants or a subsidized interest rate on advances from a Bank to its member. For AHP-assisted owner-occupied housing, the eligible household income must be at or below 80 percent of AMI. For AHP-assisted rental housing, at least 20 percent of a project's units must be affordable for and occupied by households with incomes at or below 50 percent of AMI.

The AHP has two funding streams.⁷ The primary funding stream is a required competitive application program through which FHLBanks provide subsidies either as grants or as advances with a reduced interest rate. Applications for proposed projects are approved for AHP funds

⁴ AMA programs include both the Mortgage Partnership Finance Program and the Mortgage Purchase Program. See 12 C.F.R. part 1268.

⁵ See 12 C.F.R. part 1281. These housing goals are separate from the housing goals applicable to Fannie Mac and Freddie Mac, see 12 C.F.R. part 1282.

⁶ See 12 U.S.C. § 1430(j).

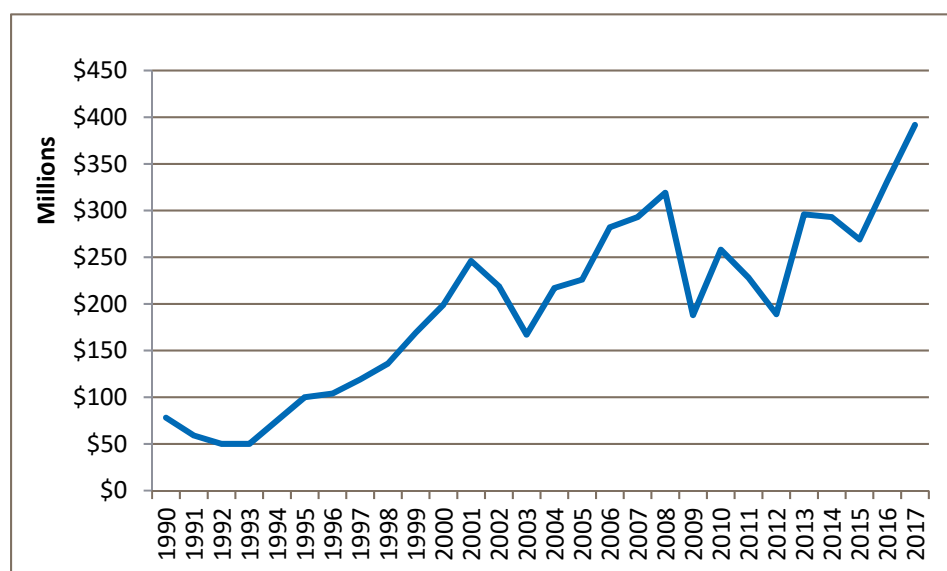
⁷ See 12 C.F.R. part 1291.



based on each FHLBank's individual scoring system established pursuant to the general scoring framework in the AHP regulation. The second funding stream is an elective homeownership set-aside program under which the FHLBanks approve grants for down payment, closing cost, counseling, or rehabilitation assistance in connection with a household's purchase or rehabilitation of an owner-occupied unit. Generally, access to set-aside program funds is on a first-come, first-served basis for Bank members and eligible households.

FHLBank AHP Funding Contributions and Allocations: A Bank's statutory annual AHP funding contribution must equal at least 10 percent of its net earnings for the prior year, subject to a \$100 million minimum combined contribution by all of the FHLBanks collectively.⁸ Consequently, a Bank's statutory contribution to its AHP changes as its earnings change from one year to the next. From 1990 to 2017, the FHLBanks contributed a total of approximately \$5.6 billion to AHP (see Figure 1).

Figure 1: FHLBanks' AHP Statutory Funding Contributions (1990 – 2017)



Source: FHFA⁹

⁸ See 12 U.S.C. § 1430(j)(5)(C).

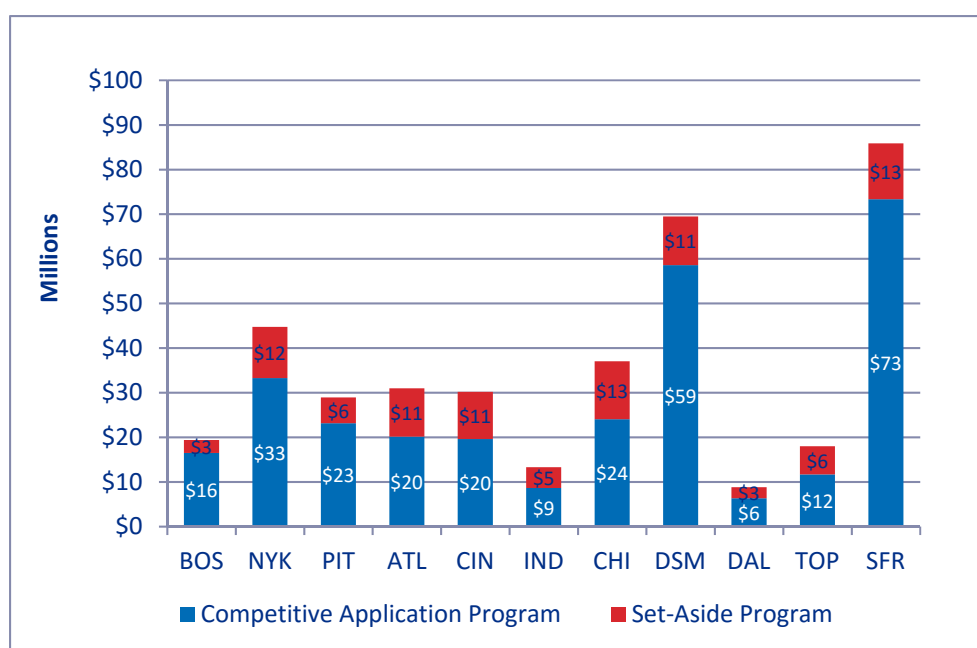
⁹ Unless otherwise noted, data contained in all charts and tables in this report were submitted by the FHLBanks as of December 31, 2017 and validated by FHFA. Dollars have been rounded. Additionally, AHP competitive application program data include only approved, active projects.



As in past years, the AHP statutory contributions for individual Banks varied in 2017, with contributions ranging from a low of approximately \$8.8 million by the Dallas FHLBank to a high of approximately \$85.8 million by the San Francisco FHLBank.

Each FHLBank allocates its statutory funding contributions between a mandatory competitive application program and a discretionary homeownership set-aside program if a discretionary set-aside program is established by the Bank. Each Bank had a discretionary homeownership set-aside program in 2017. Figure 2 details the FHLBanks' competitive application program and set-aside program allocations in 2017.¹⁰

Figure 2: 2017 FHLBank Statutory Funding Allocations



FHLBank Awarded Funds: In 2017, the FHLBanks awarded a total of \$398.7 million through AHP, with approximately \$299.8 million funding competitive application programs and \$98.9 million funding set-aside programs.

¹⁰ Allocation totals may differ from actual disbursements because FHLBanks may, for example, carry forward returned, uncommitted, or unused AHP funds from prior years (or accelerate AHP funds from future years).



This funding supported 40,858 housing units, 25,488 units in the competitive application program and 15,370 units in the set-aside program. The amount of funds awarded in a given year may include funding adjustments from prior years or funds accelerated from future years. In these circumstances, a Bank's amount of awarded funds may differ from the statutorily required contribution of funds.

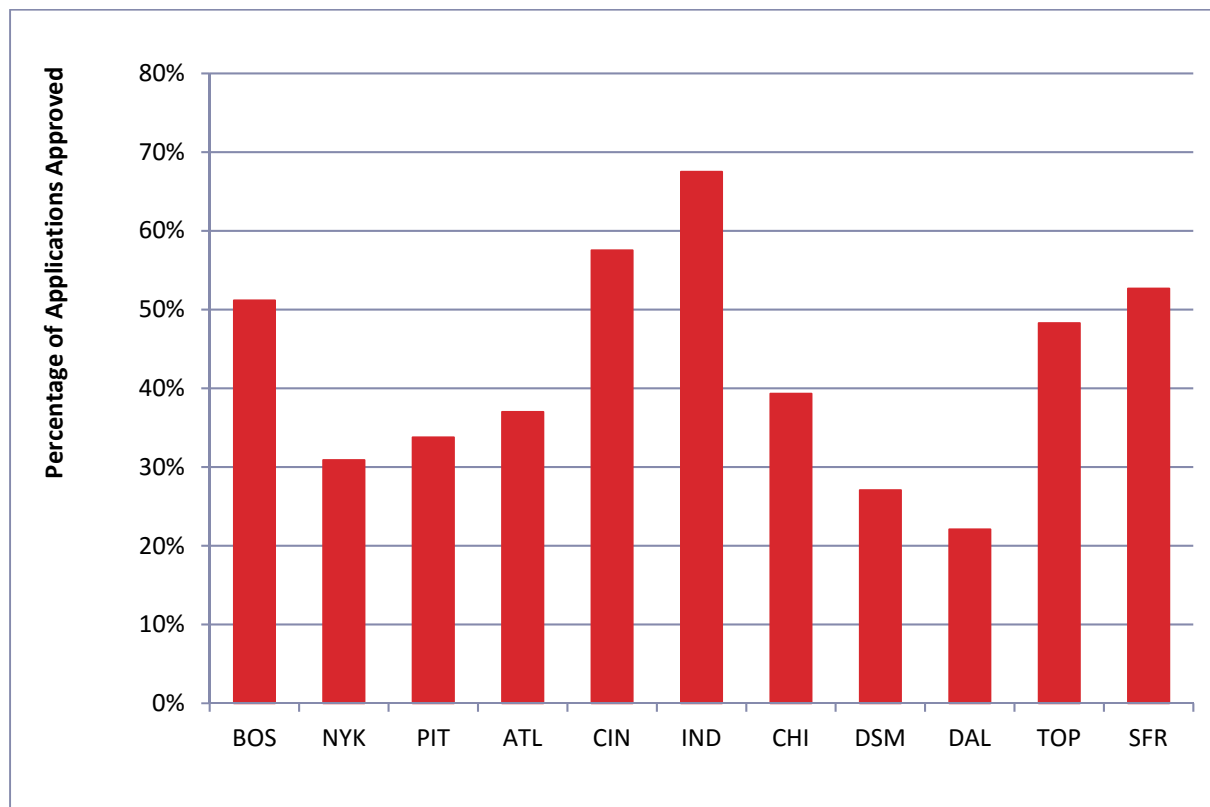
I. AHP Competitive Application Program

The AHP competitive application program supports very low-income and low- or moderate-income rental and owner-occupied housing projects in both urban and rural areas. The Banks award funds to projects based on an evaluation of their project applications. Each Bank's evaluation utilizes a 100-point scoring system that is tailored to meet the affordable housing objectives of each Bank, but is also subject to certain criteria for affordable housing set forth in the AHP regulation. Under the regulation, a Bank is required to allocate a prescribed minimum number of points to each of nine different scoring categories specified in the AHP regulation, and then may allocate the remainder of the points in its discretion among the scoring categories, with the total points equaling 100.

In 2017, the Banks approved, on average, about 42 percent of applications received (see Figure 3)



Figure 3: 2017 AHP Competitive Program Applications Approved



Source: FHFA's Call Report System



Liberty Village

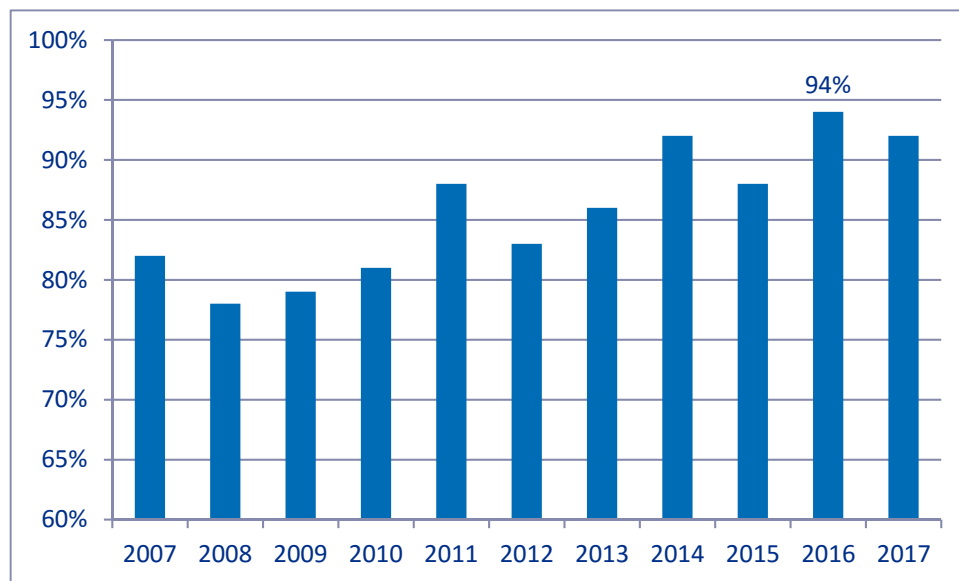
Liberty Village, in Terre Haute, Indiana, is a newly constructed 30-unit rental property with 20 one-bedroom, eight two-bedroom, and two three-bedroom apartments. The project serves formerly homeless households with at least one adult with a disability, and gives preference to veterans and their families and frequent users of emergency service systems. (Source: Indianapolis FHLBank)

Funds Awarded: The competitive application program is the larger of the two AHP programs, both in terms of the number of units supported and the amount of funding awarded. In 2017, 535 competitive application program projects were awarded funds, ranging in amounts from approximately \$36,000 to \$3.3 million per rental project and from approximately \$14,000 to \$850,000 per owner-occupied project. Since the competitive application program's inception in 1990, the Banks have awarded approximately \$4.7 billion in funding to over 17,300 projects supporting over 682,000 units. Over that period, 74 percent of units were in urban areas and 26 percent were in rural areas. Seventy-eight percent were rental units and 22 percent were owner-occupied.



The percentage of competitive application program rental units each year has varied since 2007 from a low of 82 percent in 2007 to a high of 94 percent in 2016. In 2017, rental units constituted almost 92 percent of total competitive application program units (see Figure 4). The funds awarded have helped add critically needed lower income rental housing units to the housing stock.

Figure 4: AHP Competitive Application Program Percentage of Rental Units (2007 – 2017)



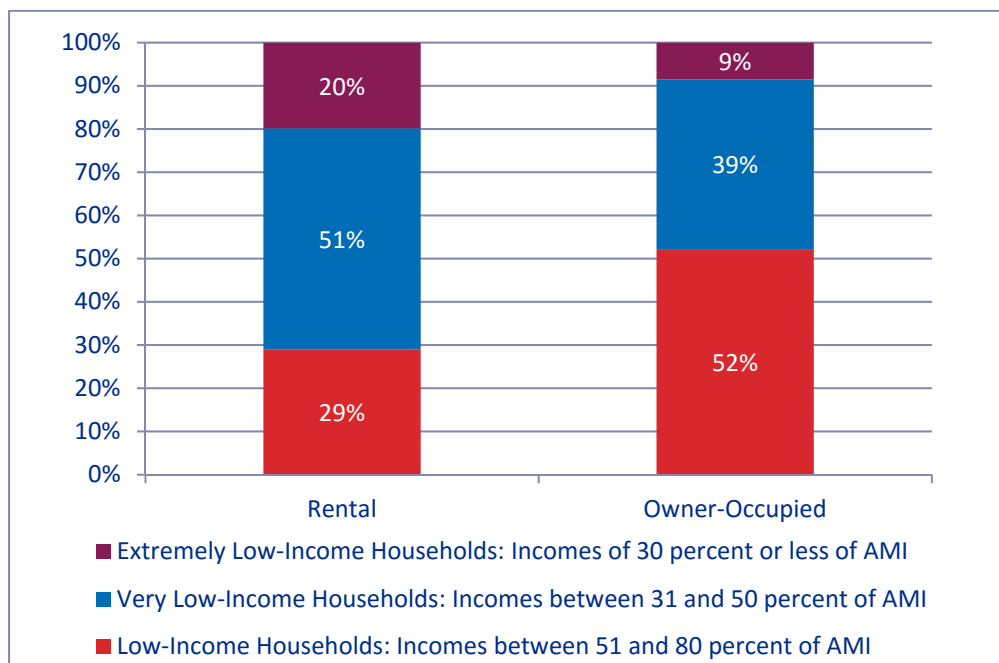
Households Served: By statute, at least 20 percent of a project’s rental units must assist very low-income households or households at lower income levels, and all AHP-assisted owner-occupied units must assist low- or moderate-income households or households at lower income levels.¹¹ In 2017, about half of total AHP-assisted rental units and 39 percent of total AHP-assisted owner-occupied units served very low-income households with incomes between 31 and 50 percent of AMI (see Figure 5).

In 2017, the percentage of competitive units serving extremely low-income households (households with incomes of 30 percent or less of AMI) decreased slightly for both rental and owner-occupied units compared to 2016. In all, 20 percent of competitive rental units assisted households with incomes of 30 percent or less of AMI in 2017, down from 21 percent in 2016,

¹¹ The scoring criteria in the AHP regulation provide preferential scoring generally to project applications that pledge income targeting of more units assisting lower income households.

while 9 percent of competitive owner-occupied units assisted these households in 2017, down from 11 percent in 2016.

Figure 5: 2017 Household Income Distribution for the Competitive Application Program



Since the program's inception, approximately 71 percent of total competitive application program units assisted with an AHP subsidy (487,004 of 682,310 units) have served very low-income households.



Rethke Terrace

An AHP competitive award assisted the construction of Rethke Terrace, which provides 60 units of rental housing for formerly homeless individuals in Madison, Wisconsin. (Source: Chicago FHLBank)



Parish House

Parish House, in rural Bar Harbor, Maine, is an adaptive reuse of the historic St. Saviour's Episcopal Church parish house, creating affordable, supportive rental housing for adults with intellectual and developmental disabilities. (Source: Boston FHLBank)



Urban/Rural Demographics: In 2017, urban projects represented approximately 80 percent of total competitive application program projects and 88 percent of total competitive application program units. Urban projects averaged 51 units per project, down from 56 units in 2016, while rural projects averaged 28 units per project, up from 27 units in 2016 (see Figure 6). Approximately 88 percent of very low-income units funded in 2017 were urban units, decreasing slightly from 89 percent in 2016.

Figure 6: 2017 Competitive Application Program Urban and Rural Projects

	Urban Projects		Rural Projects		Total Projects
Total Number of Awarded Projects	428	80%	107	20%	535
Funds Awarded (in millions)	\$256.7	86%	\$43.1	14%	\$299.8
Housing Units	22,383	88%	3,105	12%	25,488
Number of Very Low-Income Housing Units	15,540	88%	2,094	12%	17,634
Average Number of Units per Project	51		28		46
Average Subsidy per Unit	\$11,469		\$13,883		\$11,763

Development Costs of Units Receiving Competitive Application Funding: AHP funds play an important role in the development of affordable housing by providing a subsidy to fill the gap in project development budgets. Figure 7 shows total FHLBank subsidies as a percent of total development costs for 2016 and 2017. In the past few years, the ratio of AHP subsidy to proposed development costs has generally decreased at most Banks. From 2016 to 2017, this development cost ratio fell at seven Banks. The average per unit development cost for competitive application projects varies across the FHLBanks based on a number of factors, including local housing costs and the availability of funding sources other than AHP funds. Across the Bank System, over the last five years the average development cost per unit has increased approximately 31 percent.



Figure 7: FHLBank AHP Competitive Application Program Average Subsidy and Development Costs (2016 and 2017)

FHLBank	Average Subsidy Per Unit		Average Development Cost Per Unit		Ratio of Subsidy/Development Costs	
	2016	2017	2016	2017	2016	2017
Boston	\$19,086	\$14,867	\$224,662	\$205,193	8.5%	7.2%
New York	\$10,208	\$12,710	\$210,282	\$219,895	4.9%	5.8%
Pittsburgh	\$15,603	\$15,275	\$136,523	\$164,974	11.4%	9.3%
Atlanta	\$6,189	\$6,453	\$181,900	\$149,660	3.4%	4.3%
Cincinnati	\$13,399	\$11,931	\$125,865	\$149,487	10.6%	8.0%
Indianapolis	\$14,109	\$12,566	\$132,445	\$168,965	10.7%	7.4%
Chicago	\$11,618	\$11,159	\$183,362	\$202,494	6.3%	5.5%
Des Moines	\$9,194	\$16,901	\$111,187	\$167,400	8.3%	10.1%
Dallas	\$5,199	\$6,325	\$69,826	\$70,342	7.4%	9.0%
Topeka	\$8,182	\$9,204	\$83,921	\$116,920	9.7%	7.9%
San Francisco	\$12,037	\$11,779	\$314,845	\$384,836	3.8%	3.1%

Note: Development costs are those costs proposed at the time of application for AHP subsidy.

Coordination with Other Affordable Housing Activities: The Bank Act requires that the AHP regulation coordinate AHP activities with federal or federally subsidized affordable housing activities to the maximum extent possible.¹² In 2017, as in previous years, approximately two-thirds of AHP projects also obtained funding from at least one other federal housing program (see Figure 8).

¹² 12 U.S.C. § 1430(j)(9)(G).



Figure 8: AHP Projects Approved in 2017 Receiving Other Federal Funding

Federal Program	AHP-Assisted Projects with Federal Funding Sources	Percentage of Total AHP-Assisted Projects
Low-Income Housing Tax Credit (LIHTC) Program	271	51%
Home Investment Partnerships (HOME) Program	131	24%
Other Federal Housing Programs	49	9%
Community Development Block Grant (CDBG) Program	41	8%
Federal Housing Administration (FHA) Programs	9	2%
AHP Projects Not Receiving Funding From Federal Sources	196	37%

Note: Projects receiving federal funding will exceed the total number of awarded projects because projects may use more than one federal funding source.



Kenaitze Point

Kenaitze Point, located in an East Anchorage neighborhood in Alaska, provides 53 independent living apartments for the elderly, offering six two-bedroom and 47 one-bedroom units. (Source: Des Moines FHLBank)



Homeless and Special Needs Populations: An important contribution of the AHP competitive application program is that a number of projects serve homeless persons and persons with special needs, including the elderly, individuals with disabilities, persons living with HIV-AIDS, and persons recovering from substance or physical abuse. A project may reserve units for more than one special needs population. In 2017, 68 percent of projects (364 projects) served homeless persons or persons with special needs, an increase from 65 percent in 2016. See Figure 9.



Moore Place

Moore Place in Charlotte, North Carolina, provides housing for very low-income households, reserving 30 units for mentally or physically disabled persons, and 40 units for those recovering from physical, alcohol or drug abuse. (Source: Atlanta FHLBank)



Figure 9: 2017 AHP Competitive Application Program Projects Serving Persons with Special Needs and Homeless Households

Special Needs and Homeless Projects	2017 Projects Serving Persons with Special Needs and Homeless Households		1990-2017 Projects Serving Persons with Special Needs and Homeless Households
	Percentage of Total Projects	Number of Total Projects	
Projects with Units Reserved for Persons with Disabilities ^a	35%	185	3,841
Projects with Units Reserved for Elderly Households ^a	25%	134	3,355
Projects with Units Reserved for Homeless Households ^a	33%	174	5,154
Projects with Units Reserved for both Special Needs and Homeless Households	24%	128	2,608

^a Projects with 20 percent or more of total units reserved for occupancy by such households.

Note: A project may serve more than one special needs population.

II. AHP Homeownership Set-Aside Program

The FHLBanks' AHP homeownership set-aside programs have helped expand homeownership opportunities for very low- and low- or moderate-income households. FHLBank members apply to their FHLBanks for set-aside funds and then distribute the funds as grants to eligible households. Grants may be no greater than \$15,000 per household. Households may use the grants for down payment, closing costs, counseling, or assistance towards the rehabilitation of an owner-occupied home.¹³ Set-aside fund recipients must use the funds for their primary residence and must complete a homebuyer or homeowner counseling program if they are first-time homebuyers. The maximum share of AHP funding a Bank may allocate to its set-aside program per year is the greater of \$4.5 million or 35 percent of its overall annual AHP statutory funding allocation. For those Banks that establish a set-aside program, at least one-third of a Bank's aggregate annual set-aside allocation must be to assist first-time homebuyers.

A Bank may establish one or more AHP homeownership set-aside programs, each with its own designated purpose. For example, some Banks have established targeted set-aside programs to

¹³ The data that FHFA collects aggregate set-aside funds used for closing costs and down payments. FHLBanks also separately submit data on home rehabilitation assistance.



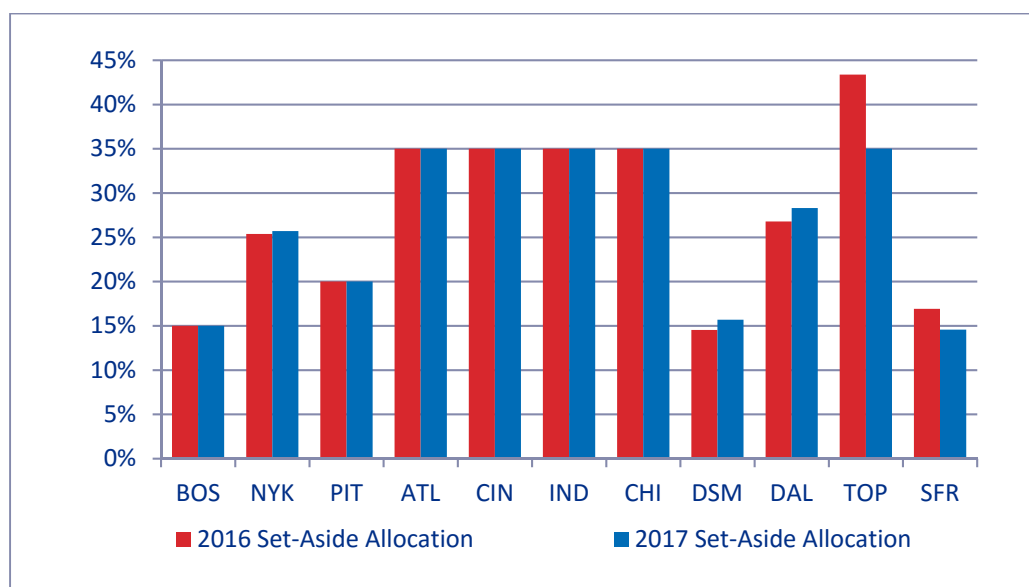
assist with home financing for special needs households, households located in state or federally declared disaster areas, or households that are members of a federally recognized tribe.

FHLBank Set-Aside Program Funding Allocations: From 1995 through 2017, the FHLBanks' set-aside programs provided approximately \$1.1 billion in funding, supporting almost 183,000 households. Over 80 percent (149,910) of the households assisted were first-time homebuyers. During this period, the average AHP set-aside subsidy per household was \$5,778.

In 2017, total funding for the set-aside program was \$98.9 million, an increase from \$85.5 million in 2016. Set-aside program funds accounted for approximately 24 percent of total AHP funds allocated in 2017, a decrease from 26 percent in 2016.

Figure 10 shows individual Bank set-aside program funding allocations as a percentage of total statutory AHP funding allocations in 2016 and 2017.¹⁴

Figure 10: FHLBank Homeownership Set-Aside Program Funding Allocations as a Percent of Total AHP Funding Allocations (2016 and 2017)

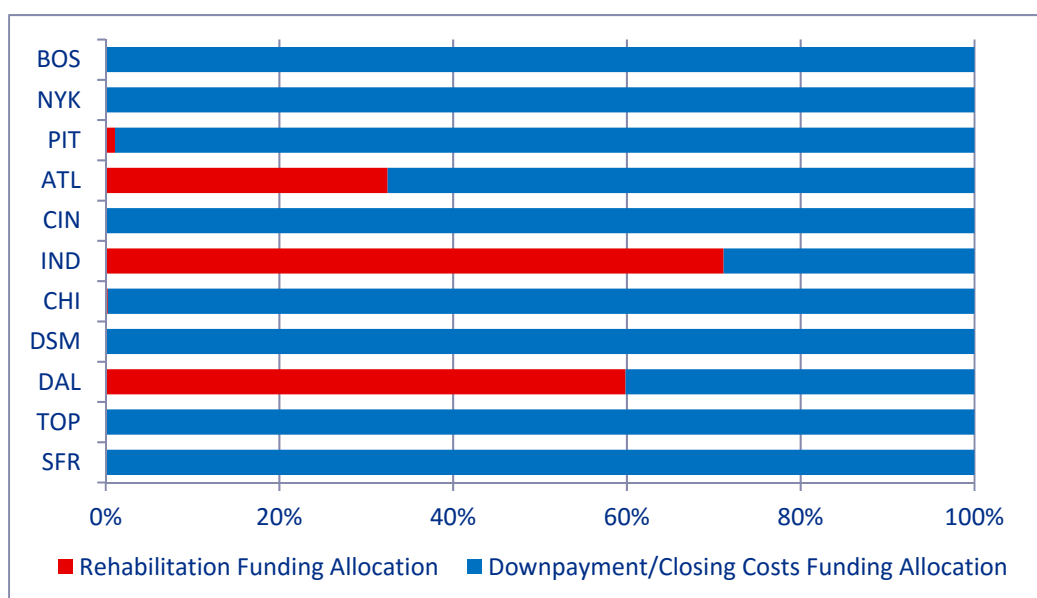


Use of Homeownership Set-Aside Funds: The Banks have flexibility in their approved uses of set-aside funds. Historically, the Banks have allocated the majority of set-aside funds for down

¹⁴ Allocation totals may differ from actual disbursements. For example, FHLBanks may carry forward uncommitted or unused AHP funds from prior years (or accelerate AHP funds from future years).

payment or closing costs assistance. In 2017, the Banks funded about \$89 million for down payment or closing costs, almost 90 percent of total set-aside program funding, a similar percentage as in 2016. In 2017, six FHLBanks (Atlanta, Indianapolis, Chicago, Dallas, Des Moines, and Pittsburgh) allocated set-aside funds for rehabilitation (see Figure 11).¹⁵ Overall, rehabilitation funding in 2017 was approximately \$9.9 million, or 10 percent of total set-aside program funding. This was higher than the \$8.6 million funded for rehabilitation funding in 2016, although it represented about 10 percent of total set-aside program funding in both 2016 and 2017.

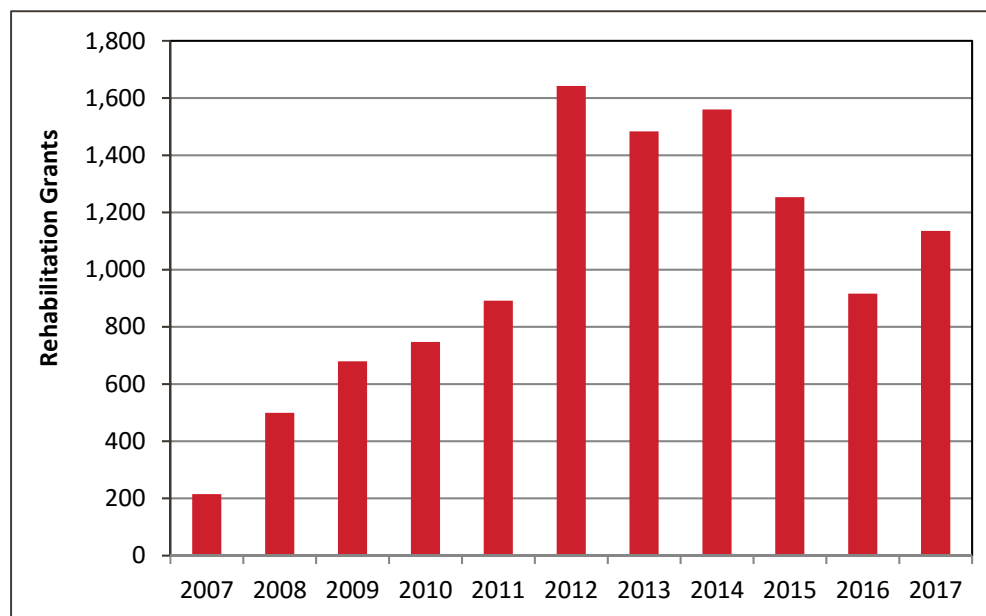
Figure 11: 2017 AHP Homeownership Set-Aside Program Allocations



The total number of rehabilitation assistance set-aside grants increased in 2017, after decreasing for the two prior consecutive years (see Figure 12).

¹⁵ Because the Chicago FHLBank allocated 0.25 percent of its set-aside program funds to rehabilitation, and the Des Moines Bank allocated about 0.1 percent of its set-aside program funds to rehabilitation, these amounts do not appear in Figure 11.

Figure 12: Number of AHP Homeownership Set-Aside Grants Used for Rehabilitation Assistance (2007 – 2017)



Households Assisted: Although the set-aside program must target households with low or moderate incomes, in a substantial number of cases FHLBanks provide AHP set-aside grants to households with incomes significantly below those thresholds. In 2017, the average income of households assisted by the set-aside program, excluding rehabilitation assistance, was about \$41,000 per year, or 60 percent of AMI. The average house price for households assisted by the set-aside program, again excluding rehabilitation assistance, was about \$124,000 in 2017. Data on the number of households assisted, average household incomes, and average house prices under the set-aside program for each Bank in 2017 are shown in Figure 13.

**Figure 13: 2017 Set-Aside Program for Down Payment and Closing Costs Assistance:
Number of Households Assisted, Average Household Incomes, and Average House Prices**

FHLBank	Number of Households Assisted	Average Household Income	Average Household Income as a Percentage of AMI	Average House Price
Boston	263	\$43,977	65%	\$148,962
New York	1,637	\$44,715	56%	\$127,485
Pittsburgh	1,311	\$38,626	59%	\$117,728
Atlanta	1,896	\$48,498	62%	\$177,844
Cincinnati	2,126	\$39,731	57%	\$100,030
Indianapolis	184	\$33,320	60%	\$86,919
Chicago	2,715	\$37,897	62%	\$104,976
Des Moines	2,262	\$37,406	62%	\$125,075
Dallas	210	\$30,714	57%	\$97,867
Topeka	1,140	\$41,136	58%	\$96,889
San Francisco	491	\$40,325	62%	\$190,278

First-Time Homebuyers: If a Bank elects to offer a homeownership set-aside program, it must allocate at least one-third of its annual set-aside contribution to assist first-time homebuyers, and Banks often reserve more than one-third of their set-aside program funding for first-time homebuyers. In 2017, 13,645 first-time homebuyers received assistance from set-aside funding, approximately 1,400 more than in 2016. The average AHP subsidy provided to these homebuyers was about \$6,300, an increase of about \$200 over 2016.

First-Time Homebuyers Financing: Figure 14 includes a breakdown, by income subgroup, of first-time homebuyers assisted by the set-aside program in 2017. Approximately 95 percent of first-time homebuyers assisted received fixed-rate first mortgage loans, an increase from 93 percent in 2016. About 92 percent of these first-time homebuyers received a first mortgage loan originated by a Bank member, compared to 93 percent in 2016.



Some lower income households, even with a set-aside grant, need additional assistance to purchase a home. Approximately 15 percent of first-time homebuyers assisted under the set-aside program obtained a grant or forgivable loan from other sources to use in conjunction with a set-aside grant in 2017.¹⁶ However, consistent with previous years, relatively few of the first-time homebuyers who received set-aside funds obtained a second mortgage loan (323), and even fewer (58) obtained a combination of a first mortgage loan, second mortgage loan, and non-AHP grant or forgivable loan in 2017.

Figure 14: 2017 AHP Homeownership Set-Aside Program: First-Time Homebuyers' Additional Financing Characteristics

First-Time Homebuyer Household Incomes	Fixed-Rate First Mortgage Loans	First Mortgage Loans Financed by FHLBank Members	Non-AHP Grants or Forgivable Loans	Second Mortgage Loans ^a	Non-AHP Grants or Forgivable Loans and Second Mortgage Loans ^a
Incomes at or below 30 percent of AMI	288	278	65	9	1
Incomes greater than 30 percent, to 50 percent of AMI	2,772	2,707	475	68	15
Incomes greater than 50 percent, to 80 percent of AMI	9,952	9,570	1,487	246	42
Total	13,012	12,555	2,027	323	58

^a This financing also includes first mortgage loans.

The Community Investment Program and the Community Investment Cash Advance Program

The FHLBanks' support of low-income housing and community development activities also includes the CIP and CICA programs. Bank members can finance eligible targeted housing through the CIP, and eligible targeted mixed-use projects¹⁷ and economic development projects

¹⁶ A forgivable loan is a loan where the borrower is not required to pay interest or repay the principal, subject to certain conditions, such as a length of residency requirement. After these conditions are met, the loan effectively becomes a grant.

¹⁷ Mixed-use projects are projects involving a combination of housing and economic development components, such as commercial or community space. See 12 C.F.R. § 1292.5(b).



through both the CIP and CICA programs.¹⁸ Unlike AHP, however, CIP and CICA funding is not subject to specific statutory funding allocation requirements. A variety of factors drive FHLBank member demand for these programs, including community needs in FHLBank districts and broader economic dynamics. In general, CIP and CICA funding tracks the movement of regular FHLBank advance levels. Figure 15 outlines the program type, eligibility, and awards for the two programs.

Figure 15: CIP and CICA Program: Program Type, Eligibility, and Awards

Program Characteristics		CIP	CICA
Type		Statutorily Required (Bank Act)	Voluntary
Participants		FHLBank members	FHLBank members and housing associates ¹⁹
Eligible Uses		Economic Development, Mixed-Use, and Housing	Economic Development or Mixed-Use
Targeted Income	Housing	Household incomes are 115 percent or less of AMI	N/A
	Economic Development	Household incomes are 80 percent or less of AMI, or activities are located in neighborhoods where at least 51 percent of households are low- or moderate-income	Includes designated redevelopment areas, Empowerment Zones and Champion Communities, ²⁰ and areas where rural households' incomes are 115 percent or less of AMI, or urban households' incomes are 100 percent or less of AMI
Award Type		Advances and Letters of Credit ²¹	Long-term advances, Letters of Credit, and Grants
Advance Pricing		Cost of funds plus reasonable administrative costs	Regular advance pricing or discounted advance pricing

¹⁸ For mixed-use projects funded under CICA, income targeting is only required for the economic development portion of the project. For mixed-use projects funded under CIP, both the housing and economic portions of the project must meet the appropriate targeted income levels. See 12 C.F.R. § 1292.5(b).

¹⁹ See 12 U.S.C. § 1430(j)(10); 12 C.F.R. part 1292. Housing associates are defined to include eligible state and local housing finance agencies. Housing associates are not Bank members, but Banks may offer them advance products except CIP advances. See 12 U.S.C. § 1430b; 12 C.F.R. part 1264.

²⁰ See 12 C.F.R. § 1292.1. "Champion Community" means a community that developed a strategic plan and applied for designation by either the Secretary of the Department of Housing and Urban Development or the Secretary of the United States Department of Agriculture as an Empowerment Zone or Enterprise Community, but was designated a Champion Community.

²¹ Letters of credit issued by a Bank guarantee payments made to another entity under stated conditions.



Amount Funded: In 2017, both CIP and CICA funding increased. Figure 16 provides details of the CIP and CICA programs and funding for them for both 2016 and 2017. As in recent years, CIP generally funded housing projects, while CICA generally funded economic development projects. Both programs had a small amount of mixed-use project funding. CIP total advance commitments for both housing and economic projects were almost \$4.7 billion in 2017, an increase from approximately \$3.2 billion in 2016. Of this amount, CIP advance commitments for housing projects were about \$4.6 billion in 2017, an increase from approximately \$3.1 billion from 2016. This CIP funding assisted about 40,400 housing units in 2017, approximately 3,100 more units than in 2016. As in prior years, the majority of these units were rental units, but the percent of rental units assisted by CIP funding has decreased over the last three years. In 2017, 52 percent of units assisted by CIP funding were rental units, compared to 58 percent in 2016 and 72 percent in 2015.

Total CICA advance commitments were approximately \$3.8 billion in 2017, an increase from about \$2.9 billion in 2016. CICA grants in 2017 increased by \$1 million from 2016, and CICA advance commitments for mixed-use projects increased to approximately \$21 million in 2017 from \$4 million in 2016.



Figure 16: CIP and CICA Overview (2016 and 2017)

		CIP		CICA	
		2016	2017	2016	2017
Total Advance Commitments ^a		\$3,187	\$4,664	\$2,933	\$3,804
	Advance Commitments for Housing Projects	\$3,068	\$4,559	N/A	N/A
	Advance Commitments for Mixed-Use Projects ^b	\$3.9	\$8.4	\$4	\$21.1
	Advance Commitments for Economic Development	\$115.4	\$96.9	\$2,929	\$3,783
Grants		N/A	N/A	\$4.5	\$5.5
Letters of Credit		\$353.6	\$638.4	\$210.5	\$61.6
Total Projects ^c		384	505	583	739
Total Housing Units		37,306	40,402	N/A	N/A
	Owner-Occupied	15,489	19,472	N/A	N/A
	Rental	21,817	20,930	N/A	N/A

^aTotal advance commitments include CIP advance commitments where an initial disbursement occurred. Excludes rollovers and refinancing of previous advances.

^bCICA funding other than CIP funds may be used for mixed-use projects, but income targeting is only required for the economic development portion of the project. For mixed-use projects funded under CIP, both the housing and economic portions of the project must meet the appropriate targeted income levels.

^cTotal projects include those financed with advances, grants and/or letters of credit.

Note: Dollars in millions. Data based on FHLBank member projections at the time of application.

CIP advance commitments for economic development projects decreased from \$115.4 million in 2016 to \$96.9 million in 2017, marking the first decline of these advances since 2012. Economic development projects continue to constitute a minority of total CIP projects. In 2017, only 75 of 476 CIP advance funded projects were economic development projects. Compared to levels from 2001-2006, Figure 17 shows the lower levels of CIP economic development advances since 2007. Figure 17 also shows the much larger and increasing advance levels for CICA economic development advances compared to CIP advances focused on economic development.

Figure 17: CIP Economic Development Advances and CICA Economic Development Advances (2001 – 2017)

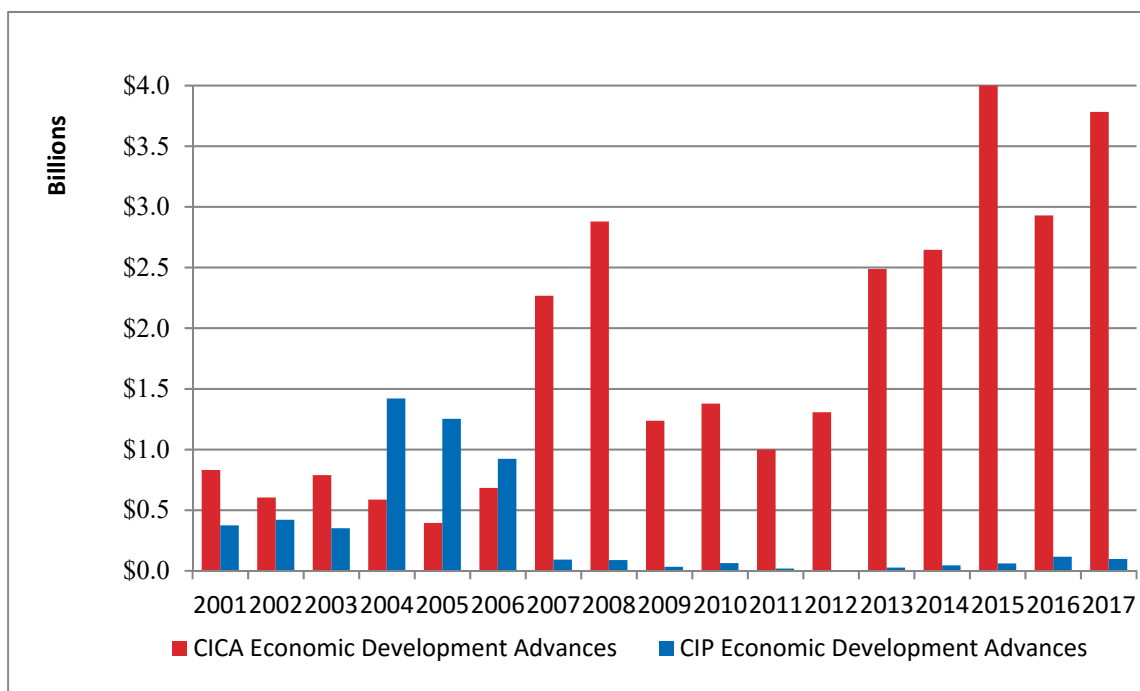
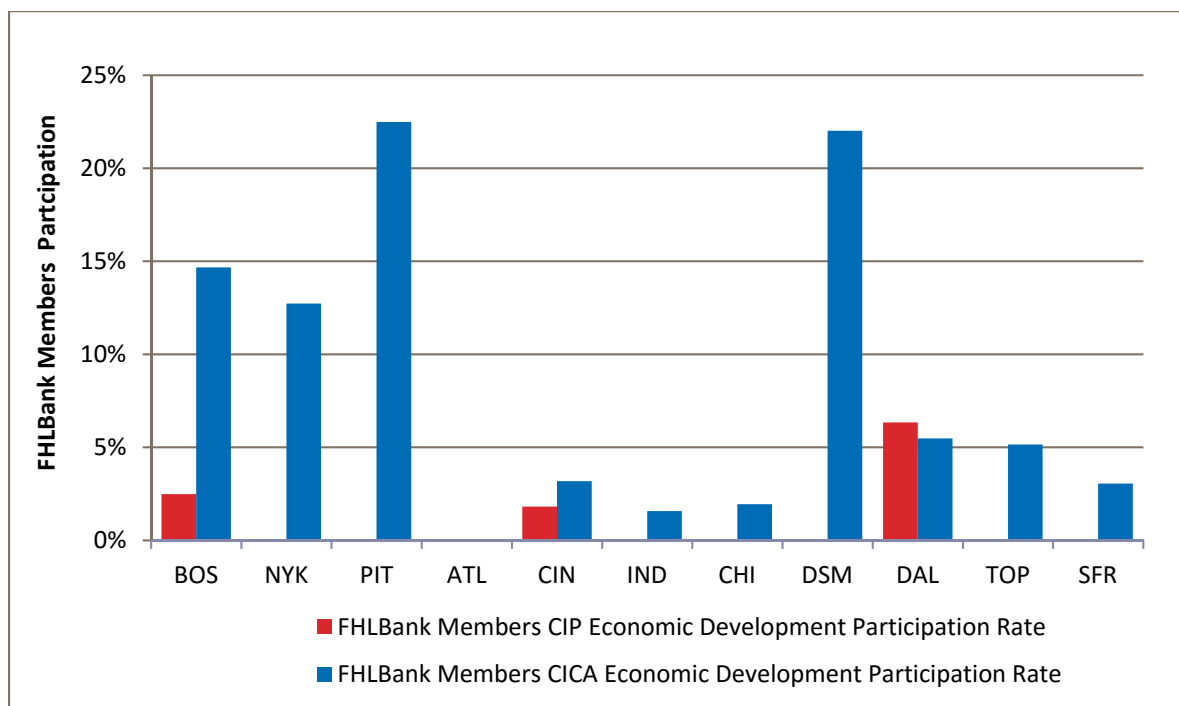


Figure 18 shows that FHLBank members’ participation in the CIP economic development program in 2017 remained low compared with their participation in the CICA economic development program. Figure 19 shows that CICA economic development funding generally tracks FHLBank regular advance funding.

Figure 20 details the amount of CIP funds used for housing, which has generally increased since 2009.

Figure 18: 2017 FHLBank Members' CIP and CICA Economic Development Participation



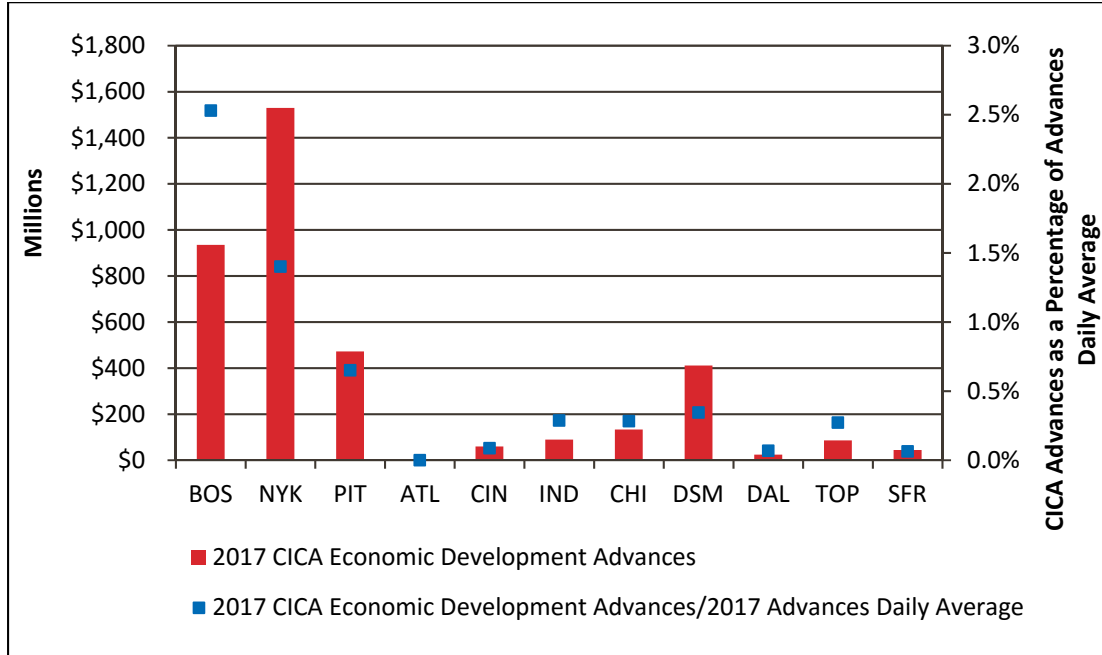
Source: FHFA Membership System



Santa Fe Community Living

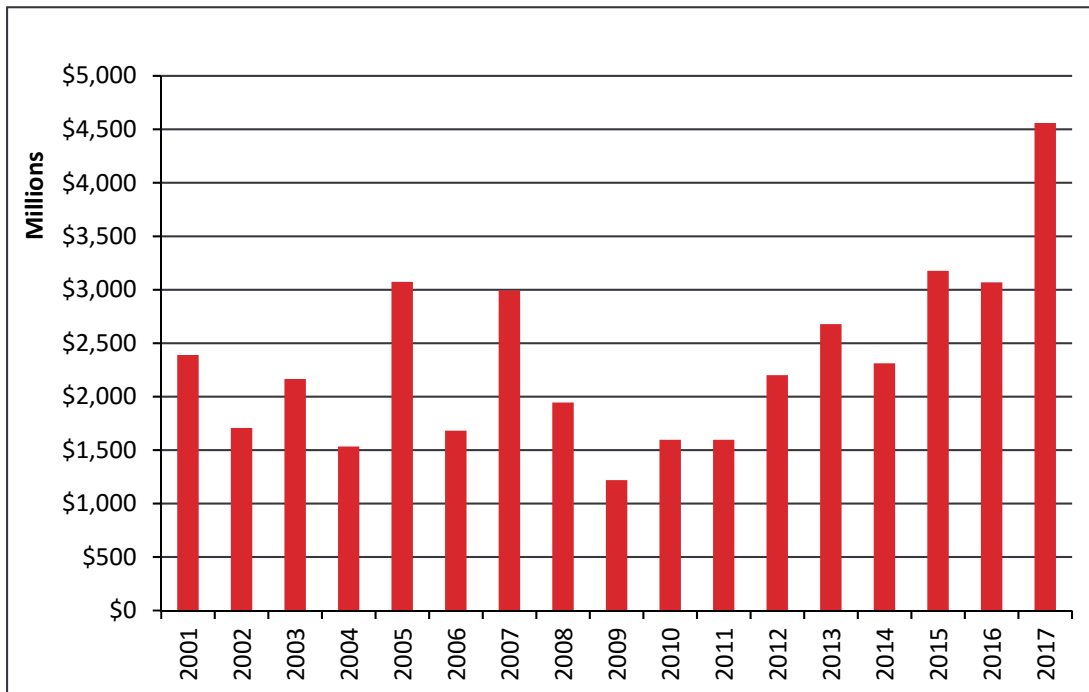
Santa Fe Community Living in New Mexico received CIP advances through a CDFI in 2017. This was the first time a CDFI accessed the program at the New York FHLBank. (Source: New York FHLBank)

Figure 19: 2017 CICA Economic Development Funding



Source: Advances daily average data from FHFA's Call Report System

Figure 20: CIP Housing Funding (2001 – 2017)



Urban/Rural Demographics: As reflected in Figure 21, in 2017 approximately 83 percent of 2017 total CIP and CICA funding, or approximately \$7.6 billion, assisted projects located in urban areas. This funding assisted approximately 49,000 urban housing units, about 65 percent of which were rental units. Rural projects received approximately 17 percent of this funding, or approximately \$1.6 billion, supporting 3,414 housing units, about 75 percent of which were owner-occupied. Approximately 58 percent of CIP and CICA projects were rural projects (721 out of 1,244) and 42 percent (523 of 1,244) were urban projects.



Hart Building

The Hart Building, located in Oklahoma City, Oklahoma, was refurbished to provide commercial space for small businesses. The project received CICA advances from the Topeka FHLBank. (Source: Topeka FHLBank)

Figure 21: 2017 CIP and CICA Program Projects Serving Urban and Rural Areas

	2017 Urban Area Projects ^a				2017 Rural Area Projects ^a				
	Housing	Economic Development	Mixed-Use	Total Urban Projects	Housing	Economic Development	Mixed-Use	Total Rural Projects	2017 Total
Total Approved Projects	250	268	5	523	166	552	3	721	1,244
Total Commitments ^b	\$4,708	\$2,845	\$24.2	\$7,577	\$310.8	\$1,281	\$5.2	\$1,597	\$9,174
Projected Number of Rental Housing Units (CIP only)	31,520	N/A	165	31,685	840	N/A	8	848	32,533
Projected Number of Owner-Occupied Housing Units (CIP only)	16,906	N/A	0	16,906	2,566	N/A	0	2,566	19,472
Projected Number of Housing Units (CIP only)	48,426	N/A	165	48,591	3,406	N/A	8	3,414	52,005

Note: Dollars are in millions. Sums have been rounded.

^a “Urban area” and “rural area” as defined at 12 C.F.R. § 1292.1.

^b Total commitments include advances and grants where an initial disbursement occurred. Total commitments also include letters of credit, but exclude rollovers and refinancing of previous advances. Data based on FHLBank member projections at the time of application.

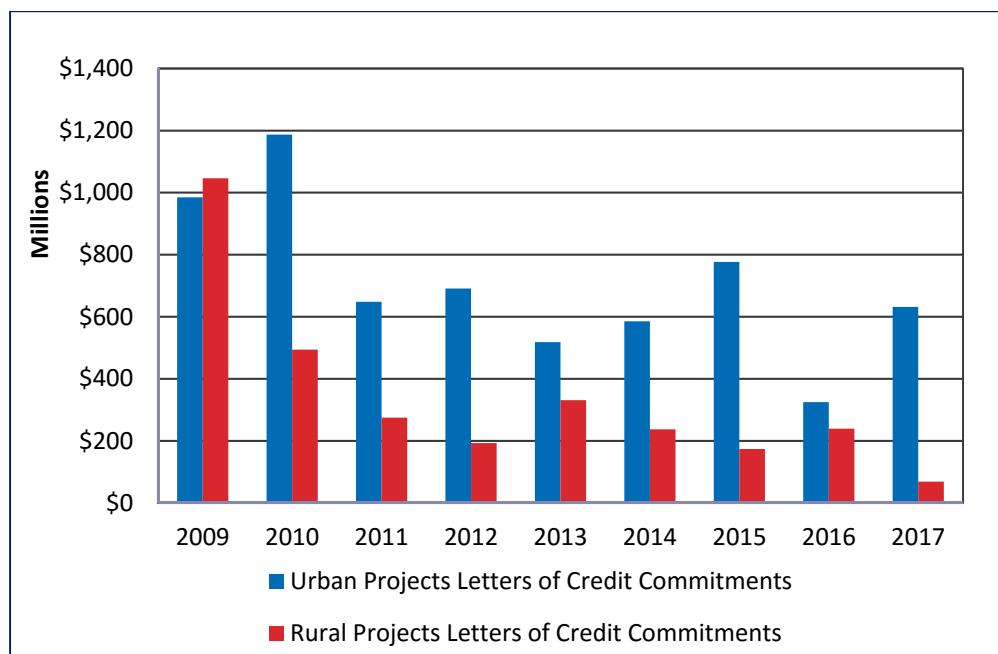


The Genesis Youth Crisis Center, headquartered in Clarksburg, West Virginia, provides service for at-risk youth. Genesis recently purchased an existing building in Parsons, West Virginia, and renovated it into the Ridgeline Children's Shelter with the help of a CICA advance. (Source: Pittsburgh Bank)

Letters of Credit: Community developers may use CIP and CICA letters of credit to facilitate financial transactions, including credit enhancement for community lending. The use of CIP letters of credit increased substantially in 2017, from approximately \$353.6 million in 2016 to almost \$638.4 million in 2017. CICA letters of credit decreased sharply over the same period however, from approximately \$210.5 million in 2016 to about \$61.6 million in 2017.

Figure 22 shows that the use of letters of credit in 2017 under the CIP and CICA programs to assist projects in urban areas increased, while the use of letters of credit under these programs to assist projects in rural areas decreased.

Figure 22: CIP and CICA Program Urban and Rural Projects Letters of Credit Commitments (2009 – 2017)



Community Development Financial Institutions

Community Development Financial Institutions (CDFIs) are financial intermediaries certified by the CDFI Fund within the U.S. Department of the Treasury. CDFIs assist underserved communities, and their activities include promoting economic development and affordable housing, and providing community development financial services and other basic banking services.

Prior to the enactment of HERA in 2008, only CDFIs that were federally insured depositories, (such as banks, thrifts, and credit unions) were eligible to apply for membership in a Bank. HERA authorized Bank membership eligibility for non-depository CDFIs, including community development loan funds and venture capital funds that demonstrate a commitment to housing finance and meet other membership eligibility requirements.

Membership in a Bank can provide non-depository CDFIs access to long-term Bank funding, which can increase their ability to promote economic growth and stability in low- and moderate-income communities. Since FHFA's issuance of a final rule in 2010 implementing the HERA membership eligibility requirement for non-depository CDFIs, the number of non-depository



CDFI members has increased across the FHLBank System. As of December 31, 2017, 48 non-depository CDFIs were FHLBank members and all FHLBanks had at least two non-depository CDFI members (see Figure 23).

Non-depository CDFI members' total outstanding FHLBank advance balances were approximately \$161.7 million in 2017, and increase from about \$121.7 million in 2016.

Figure 23: Non-depository CDFI Members per FHLBank (2016 and 2017)

FHLBANK	2016	2017
Boston	4	4
New York	3	3
Pittsburgh	2	2
Atlanta	7	7
Cincinnati	4	5
Indianapolis	3	3
Chicago	4	4
Des Moines	5	6
Dallas	5	6
Topeka	2	2
San Francisco	6	6
Total	45	48

Source: FHFA Membership System

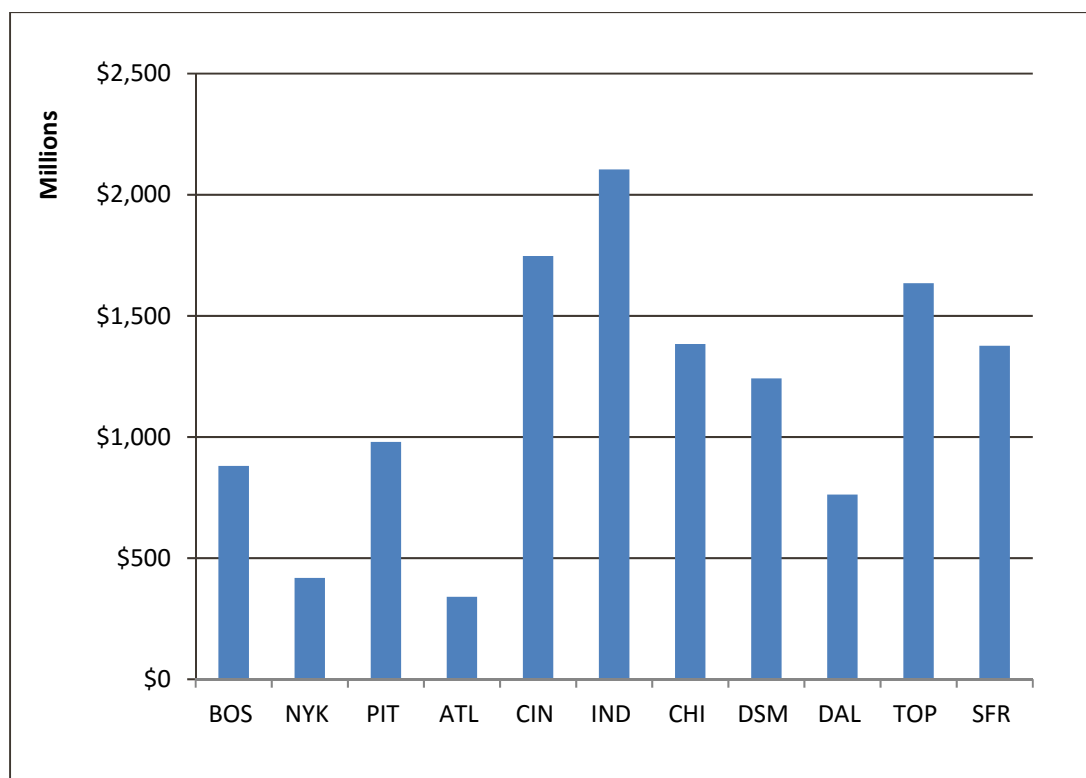


Housing Goals

Under FHFA's FHLBank housing goals regulation, each FHLBank is subject to housing goals if its purchases of eligible whole mortgages through its Acquired Member Assets (AMA) programs exceed an annual volume threshold of \$2.5 billion. For each FHLBank that exceeds this \$2.5 billion threshold, FHFA undertakes an evaluation to determine the FHLBank's housing goals performance.²²

All FHLBanks purchased mortgages through AMA programs in 2017; however, none exceeded the volume threshold in 2017 (see Figure 24). As a result, no FHLBank was required to meet a housing goals measure in 2017.

Figure 24: 2017 FHLBank AMA Purchases



²² See 12 C.F.R. § 1281.11(a).



Appendix 1: 2017 FHLBank Advisory Council Reports

Below are highlights from the 2017 FHLBank Advisory Council Reports provided to FHFA by the Advisory Council for each FHLBank. This summary includes brief descriptions of AHP highlights and special FHLBank community initiatives.²³

The **Boston FHLBank Advisory Council Report** highlights projects that received AHP competitive application program subsidies, including Great River Terrace in Brattleboro Vermont. The project will reserve 11 units for chronically homeless individuals, who will have access to onsite support services such as life skills coaching, employment search services, and mental health counseling. Tenants also will be able to participate in a self-sufficiency program including classes that focus on residents' legal rights and responsibilities. Additionally, the report features Huston Commons in Portland, Maine. The project includes 30 efficiency apartments for chronically homeless men and women. Huston Commons provides 24-hour onsite case management and support services to help residents with substance abuse, mental health problems, unemployment, and other challenges. The report also details the Shops at Riverwood in Boston, Massachusetts. The project, which utilized CICA advances, rehabilitated a vacant paper mill into 30,000 square feet of retail space and created an estimated 100 jobs in the area.

Additionally, the report describes the FHLBank's participation in the Affordable Housing Development Competition, which brings together graduate students, local affordable housing organizations, development and design professionals, and financial mentors to spark innovative ideas and new interest in affordable housing. The Bank joined a core group of sponsors who have hosted the competition for 17 consecutive years.

The **New York FHLBank Advisory Council Report** notes that in the FHLBank's 2017 AHP funding round, Puerto Rico and the U.S. Virgin Islands each received an AHP award. The Sabana Village Apartments received an AHP competitive application program award for the rehabilitation of 160 units in San Juan for individuals affected by HIV/AIDS and formerly homeless individuals. The Virgin Islands Housing Authority received an AHP competitive application program award for the third phase of the Louis E. Brown project, which will redevelop 90 units of a former public housing development in St. Croix and preserve their

²³ See 12 U.S.C. § 1430(j)(12). The statute states that the Director of FHFA shall monitor and report annually to the Advisory Council for each FHLBank on the support of low-income housing and community development by the FHLBanks and the utilization of FHLBank advances for these purposes. The statute further states that the Advisory Councils shall submit analyses on the FHLBanks' low-income housing activities to the Director and such analyses shall be included in the report.



affordability. The report specifies that despite the recent hurricanes, project sponsors confirm that both projects are on track and will be able to use their AHP subsidy according to the program's timeline.

The Report also highlights the Bank's response to the hurricanes affecting Puerto Rico and the U.S. Virgin Islands in September 2017. The Bank's Board of Directors approved \$1 billion for disaster relief funding under the CIP and CICA. The Board also authorized the disbursement of over \$1 million (with contributions from the other FHLBanks and the New York Bank's members) to disaster relief organizations. In December 2017, the Bank's Board also approved the creation of two new voluntary grant programs for disaster recovery targeted for Puerto Rico and the U.S. Virgin Islands. The two programs will award \$5 million to homeowners and small businesses impacted by the hurricanes.

The **Pittsburgh FHLBank Advisory Council Report** discusses the FHLBank's voluntary programs, Banking on Business (BOB) and Blueprint Communities. The BOB program offers secondary loans in conjunction with a Bank member loan to help qualified small businesses. Bank members can request up to \$200,000 for each BOB transaction, and the loans are repaid gradually with no repayment in the first year. The report highlights a Bank member that used BOB funding for more than seven years to help dozens of small businesses. The Bank's Blueprint Communities initiative helps revitalize communities and neighborhoods by building strong local leadership, collaboration, and development capacity. Blueprint Community teams receive basic training to help them create effective community revitalization plans. They also have access to technical assistance and funding opportunities. The report highlights the program's role in revitalizing towns along Pennsylvania's Juniata River, including plans to improve local neighborhoods, natural areas, infrastructure, tourism, and businesses. In 2017, the Juniata River Blueprint Community team expanded the local farmers' market, broke ground on a new river boat launch, and made plans for a community tool shed.

The **Atlanta FHLBank Advisory Council Report** notes that the FHLBank continued to focus on the need for housing and supportive services for veterans in 2017 by fully integrating veterans housing into the FHLBank's AHP products and services offering. In 2017, 65 percent of the Bank's AHP competitive application program projects awarded included rental units specifically reserved for veterans, compared to 44 percent of projects awarded in 2016. Additionally, in 2017, under the Bank's set-aside program, over 400 households utilized subsidies designed to help individual veterans, or their families, purchase or rehabilitate their homes. The Bank's set-aside program includes a veterans' home purchase product, which provides down payment or closing cost assistance for veterans or active-duty members of the United States military, their spouses, or



their surviving spouses. The Bank's set-aside program also includes a returning veterans' purchase product, which provides down payment or closing cost assistance to those who are currently serving or have served in an overseas military intervention for any branch of the United States military, their spouses, or their surviving spouses.

The report also details the Bank's new Structured Partnership Product (SPP), where the Bank enters into a short-term agreement with a local government or housing finance agency to provide funds to Bank members to address a locally designated housing challenge. For example, under the SPP the Bank's "Housing Floridians" partnership with 12 local housing finance agencies in Florida is designed to assist eligible homeowners with down payment assistance.

The **Cincinnati FHLBank Advisory Council Report** specifies that the FHLBank awarded AHP subsidies for the creation or preservation of 2,396 units of affordable housing. Among those units, 1,230 will assist the elderly, 166 will assist the homeless, and 606 will assist persons with disabilities or persons recovering from substance addiction. The report also outlines some of the Bank's voluntary housing programs, including the Disaster Reconstruction Program. This program helps residents in the Bank's district whose homes were damaged or destroyed by natural disasters. According to the report, since the Bank created the program in 2012, it has dispersed more than \$3.4 million from this fund to assist 207 households reestablish housing after disasters. The report also details the Carol M. Peterson fund, named in memory of the Bank's former Community Investment Officer. The fund provides aid to housing programs benefitting special needs households. In 2017, the Bank set aside \$1.5 million for this voluntary fund, which assisted 218 households in the Bank's district.

The **Indianapolis FHLBank Advisory Council Report** highlights Liberty Village, in Terre Haute, Indiana, which received an AHP competitive application program subsidy. Liberty Village is a 30-unit building that provides veterans with a low-cost option for housing and a community center that offers basic social services. The report also features River Crest Apartments, a rehabilitated historic apartment building in Detroit, Michigan, which provides family-friendly affordable housing.

Additionally, the report notes that the Bank launched the Community Mentors program in 2017 to reach out to Bank members and the communities they serve. The Bank designed the program to help make connections, stimulate thinking, and challenge conventional wisdom about community building. After a series of presentations from experienced community mentors, attendees split into small groups to discuss specific challenges in their community with the speakers. The report notes that the Central Michigan Summit included presenters from across Michigan who spoke on topics ranging from making communities more affordable for families to the importance of



community health. In Frankfort, Indiana, business and community leaders gathered to discuss ways to make their community more attractive to current residents while also appealing to new residents and businesses.

The **Chicago FHLBank Advisory Council Report** notes that in 2017, the FHLBank provided \$17.6 million in set-aside program grants, assisting over 3,100 homebuyers. Additionally, in 2017, the Bank granted over \$26.4 million through its AHP competitive application program. This funding supported 46 affordable housing projects and 2,366 housing units, located primarily in Illinois and Wisconsin. The report also notes that the Villas at Vinegar Hill in Springfield, Illinois, for which the Bank awarded an AHP competitive application program subsidy, opened in 2017 on the site of two previously demolished high-rise buildings.

The **Des Moines FHLBank Advisory Council Report** notes that the FHLBank's Advisory Council toured a number of AHP project sites, including the Langdon and Anne Simmons Senior Apartments in Seattle, Washington, which utilized an AHP subsidy to help finance the development of a 92-unit complex for homeless seniors. The Advisory Council also visited the Jeremiah Program in Fargo, North Dakota, which received an AHP subsidy to provide housing for low-income single mothers and their children. The report also notes that the Advisory Council visited Sweetgrass Commons in Missoula, Montana, a 27-unit, low-income apartment complex that received an AHP award.

The report includes a summary of the Bank's 2017 AHP competitive application program awards by state, as well as those AHP-awarded projects located out of the Bank's district. Additionally, the report discusses the Bank's Native American Homeownership Initiative (NAHI) under its set-aside program. The NAHI program provides equity for down payment, closing cost, counseling, or rehabilitation assistance to eligible Native American, Native Alaskan, or Native Hawaiian households. In 2017, the Bank awarded \$500,000 under the NAHI program to 14 Bank members to provide down payment assistance for 32 families.

The **Dallas FHLBank Advisory Council Report** highlights the Marcus Bottom project in Vicksburg, Mississippi, which received an AHP competitive application program subsidy. The project rehabilitated 25 homes in the Vicksburg's Marcus Bottom neighborhood, where many very low- and low-income senior citizens reside. The rehabilitation of the homes included new roofs, flooring, windows, and exterior paint.

The report also notes the Bank's disaster recovery efforts. Following Hurricane Harvey in August 2017, the Bank made \$6.7 million in recovery grants available to its members, including \$2.25 million in Small Business Recovery grants to assist small businesses with rebuilding. The Bank



also made available \$4.5 million in Homeowner Recovery grants and \$225,000 to help community-based organizations involved in recovery.

Additionally, the report details the Bank's many community programs, including the Partnership Grant Program (PGP), which provides grants up to \$12,000 to help promote and strengthen relationships between community-based organizations and the Bank's members. One such community-based organization to receive a PGP grant in 2017 was Central City Housing Development Corporation, which works to provide affordable housing to elderly, low-income, and disabled residents in New Orleans.

The **Topeka FHLBank Advisory Council Report** highlights a number of projects receiving AHP subsidies in 2017, including Walnut Hill, in St. Marys, Kansas. Residents of the development are elderly or disabled and have very low-, or low- or moderate-incomes. The development will use an AHP subsidy to rehabilitate the aging building. The report also details Commons on Classen, an affordable housing project for seniors in Oklahoma City, Oklahoma. The Urban Land Institute of Oklahoma named the project a finalist in its Annual Impact Awards, which honor projects that represent the best practices in land use and development. Additionally, the report highlights Nellie Bechtel Senior Apartments in Grand Junction, Colorado, a 12-building complex with 96 units for seniors, which received an AHP subsidy to undertake rehabilitation and accessibility renovations.

The report also notes the development of new AHP application software. According to the report, the software created efficiencies in the administration of the program, which allowed the Bank to analyze competitive program applications in nearly half the time and also cut the Bank's set-aside program processing by almost a quarter.

The **San Francisco FHLBank Advisory Council Report** notes that 2017 was a milestone year for the Bank's AHP, as the program reached \$1 billion in grants awarded. The report also details a study the Bank commissioned in 2017 that analyzed specific economic impacts of AHP grant making. The study, *Beyond Housing: Economic Impact of the Federal Home Loan Bank of San Francisco's Affordable Housing Program 1990-2016*, found that, on average, for every \$1 million in AHP funding from the Bank, \$25.3 million worth of housing was built or rehabilitated.

The report also notes a trend of adaptive reuse of existing structures to produce affordable housing in the Bank's 2017 competitive application program awards. The projects demonstrating adaptive reuse included: a project in San Luis Obispo, California, where an



orphanage built in 1931 will be renovated to create 34 new apartments, as well as two separate projects in Los Angeles, California, which will adaptively reuse an existing motel to create 171 units of permanent supportive housing. Also in Los Angeles, a historic funeral home will be preserved and renovated to produce affordable housing for lower income families. In Tucson, Arizona, a historic college building will be renovated to provide affordable housing for lower income seniors. In Turlock, California, a large unused warehouse will provide emergency shelter and short- and long-term housing for homeless households, and in Milwaukee, Wisconsin, a former hospital will be re-purposed to create five floors of permanent supportive housing for low-income families and individuals.



Appendix 2: Historical AHP Data

AHP Funding Allocations: Figure A shows the percentage of total AHP funding allocated by the FHLBanks to their AHP competitive application and set-aside programs from 2003 to 2017.

Figure A: AHP Funding Allocations to the Set-Aside and Competitive Application Programs (2003 – 2017)

Year	Set-Aside Allocation as a Percentage of AHP Allocation	Set-Aside Allocation (in Millions)	Competitive Allocation as a Percentage of AHP Allocation	Competitive Allocation (in Millions)
2003	17%	\$ 28.5	83%	\$ 138.9
2004	19%	\$ 41.3	81%	\$ 176.2
2005	17%	\$ 38.5	83%	\$ 188.2
2006	18%	\$ 50.9	82%	\$ 232.1
2007	17%	\$ 50.0	83%	\$ 243.9
2008	20%	\$ 63.8	80%	\$ 255.3
2009	22%	\$ 41.4	78%	\$ 146.9
2010	18%	\$ 46.5	82%	\$ 212.0
2011	21%	\$ 47.9	79%	\$ 180.2
2012	27%	\$ 51.1	73%	\$ 138.2
2013	21%	\$ 62.3	79%	\$ 234.5
2014	27%	\$ 79.2	73%	\$ 214.1
2015	26%	\$ 70.0	74%	\$ 199.2
2016	26%	\$ 84.3	74%	\$ 240.0
2017	24%	\$ 91.4	76%	\$ 295.3

Competitive Application Program Funding: Figure B details rental and owner-occupied competitive application projects from 1990 to 2017. Over this time, approximately 77 percent of all competitive application program units funded were rental units. Additionally, about 81 percent of very low-income household units assisted from 1990 to 2017 were rental units, with 19 percent of units being owner-occupied units.



Figure B: AHP Competitive Application Program Overview (1990 – 2017)

		Rental Projects		Owner-Occupied Projects		Total Projects
Total Number of Awarded Projects		10,724	62%	6,594	38%	17,318
Funds Awarded		\$3.7 billion	79%	\$1 billion	21%	\$4.7 billion
Housing Units		528,747	77%	153,563	23%	682,310
	Very Low-Income Housing Units	396,683	81%	90,321	19%	487,004

Urban/Rural Demographics: Figure C details competitive application projects serving urban and rural areas from 1990 to 2017. Approximately 65 percent of AHP projects awarded were located in urban areas, and 35 percent of the projects were located in rural areas. Seventy-five percent of very low-income units were located in urban areas, while 25 percent of these units were located in rural areas. Over the 1990 through 2017 period, on average, urban projects had more units per project (45) than rural projects (29). Units in rural projects, however, received a higher average AHP subsidy per unit (\$7,735) than units in urban projects (\$6,600).

Figure C: AHP Competitive Application Program Serving Urban and Rural Areas (1990-2017)

	Urban Projects		Rural Projects		Total Projects
Total Number of Awarded Projects	11,211	65%	6,107	35%	17,318
Funds Awarded	\$3.3 billion	70%	\$1.4 billion	30%	\$4.7 billion
Housing Units	503,630	74%	178,680	26%	682,310
Number of Very Low-Income Housing Units	366,351	75%	120,653	25%	487,004
Average Number of Units per Project	45	N/A	29	N/A	39
Average Subsidy per Unit	\$6,600	N/A	\$7,735	N/A	\$6,897



Appendix 3: AHP Competitive Application Program Projects

Figure D outlines the FHLBanks' 2017 scoring point allocations under the competitive application program scoring criteria. These point allocations determine which competitive application program projects to approve for funding. The AHP regulation requires each FHLBank to allocate 100 scoring points among the following nine scoring criteria:

- 1) Project use of donated or conveyed government-owned or other properties;
- 2) Sponsorship by a not-for-profit organization or government entity;
- 3) Targeting of project's units to designated lower income households;
- 4) Housing for homeless households;
- 5) Promotion of empowerment;²⁴
- 6) First District priority - FHLBank selects one or more priorities from the following priorities identified in the AHP regulation:
 - Special needs populations²⁵
 - Community development
 - First-time homebuyers
 - FHLBank member financial participation in the AHP project
 - Housing in federally declared disaster areas or for households displaced from those areas
 - Housing in rural areas
 - Urban infill or urban rehabilitation housing
 - Projects that promote economic diversity²⁶

²⁴ The housing must be in combination with an empowerment program offering: employment; education; training; homebuyer, homeownership, or tenant counseling; daycare services; resident involvement in decision-making affecting the creation or operation of the project; or other services that assist residents to move toward better economic opportunities, such as welfare to work initiatives.

²⁵ This priority covers "[t]he financing of housing where at least 20 percent of units are reserved for occupancy by household with special needs, such as the elderly, mentally or physically disabled persons, persons recovering from physical, alcohol or drug abuse, or persons with AIDS; or the financing of housing that is visitable by persons with physical disabilities who are not occupants of such housing." 12 CFR 1291.5(d)(5)(vi)(A).

²⁶ Economic diversity is intended to end isolation of very low-income households. This category includes mixed-



- Housing as a remedy for violations of fair housing laws
- Projects with community involvement
- Projects involving lender consortia of at least two financial institutions
- Projects located in the FHLBank's district;

7) Second District priority - The FHLBank selects one or more housing needs in the FHLBank's district as identified by the FHLBank. The Bank is not restricted from selecting from the above list used for the First District priority, provided the First and Second District priorities do not overlap;

8) AHP subsidy per unit; and

9) Community stability.²⁷

In Figure D, for example, the Boston Bank allocated 27.5 points to the First District priority and 7.5 points to the Second District priority.

income housing in low- or moderate-income neighborhoods or providing very low-income or low- or moderate-income households with housing opportunities in neighborhoods or cities where the median income equals or exceeds the median income for the larger surrounding area in which the neighborhood or city is located.

²⁷ The community stability criterion includes rehabilitating vacant or abandoned properties, being an integral part of a neighborhood stabilization plan approved by a unit of state or local government, and not displacing low- or moderate-income households, or assisting households impacted by displacement or if such displacement will occur, assuring that such household will be assisted to minimize the impact of such displacement.



**Figure D: 2017 FHLBank Competitive Application Program Scoring Points Allocations
(Criteria 1 - 9)**

FHLBank	1	2	3	4	5	6	7	8	9
Boston	5	5	20	5	10	27.5	7.5	5	15
New York	5	7	20	5	5	20	20	10	8
Pittsburgh	5	5	22	6	10	16	8	8	20
Atlanta	5	5	20	5	5	15	30	10	5
Cincinnati	5	5	20	5	5	28	12	10	10
Indianapolis	5	7	20	6	6	17	13	15	11
Chicago	5	5	20	5	5	16	11	10	23
Des Moines	5	10	20	10	5	10	25	5	10
Dallas	5	5	25	5	5	25	5	10	15
Topeka	5	7.5	20	5	7.5	25	15	7.5	7.5
San Francisco	5	7	20	6	6	19	10	12	15

Source: 2017 FHLBanks' AHP Implementation Plans

Figure E highlights the specific types of projects serving persons with special needs and individuals experiencing homelessness that were assisted by the AHP competitive application program in 2017.²⁸ For example, the highlighted row in red shows that one project served persons with disabilities, persons recovering from substance abuse, the homeless, those with HIV/AIDS, and the elderly. The last row shows that 171 projects did not specialize in serving persons with special needs or individuals experiencing homelessness.

²⁸ In order to receive scoring points for special needs under the AHP regulation's scoring system, a special needs project must reserve at least 20 percent of the total units for households with special needs. In order to receive scoring points for homeless households under the AHP regulation's scoring system, a project must reserve at least 20 percent of total rental units for homeless households, create transitional housing for homeless households permitting a minimum of 6 months occupancy, or create permanent owner-occupied housing reserving at least 20 percent of the units for homeless households.



Figure E: 2017 AHP Competitive Application Program Projects Serving Special Needs Households and Homeless Households (Detailed)

Persons with Disabilities	Substance Abuse	Homeless	HIV/AIDS	Elderly	Physical Abuse	Total Projects
					X	1
		X		X	X	1
		X	X			1
	X				X	1
	X	X	X		X	1
X					X	1
X	X					1
X	X				X	1
X	X			X		1
X	X			X	X	1
X	X	X		X		1
X	X	X	X	X		1
X		X			X	2
	X					3
X	X	X	X		X	3
		X			X	4
X		X		X		4
	X	X			X	6
X	X	X				6
		X		X		7
X	X	X			X	8
	X	X				12
X				X		29
		X				53
X						62
X		X				64
				X		89
						171

