FHLB CINCINNATI

221 East Fourth Street
Suite 600
Cincinnati, OH 45202

T (513) 852-7500
F (513) 852-7655
www.fhlbcin.com

February 6, 2025

VIA EMAIL

Ms. Tiffani Moore
Supervisory Policy Analyst, Office of Housing and Community Investment
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20024

Dear Ms. Moore:

As required under 12 CFR 1291.13(a)(3), please find a copy of the Federal Home Loan Bank of Cincinnati's 2025 Targeted Community Lending Plan attached. Should you have any questions, please contact Mr. Damon v. Allen, Senior Vice President, Chief Marketing & Community Investment Officer, at (513) 852-7518 or allendv@fhlbcin.com.

Regards,

Andrew S. Howell
President & CEO

ASH/kec

Enclosure

c: Ms. Leda Bloomfield, Chief for Policy and Equity
Ms. Renita Roberts, Policy Analyst

2025 Targeted Community Lending Plan

FHLB CINCINNATI

Owner:
Housing and Community Investment

Policy Dates:

Current Approval Date: January 16, 2025
Current Effective Date: January 16, 2025

Table of Contents

PURPOSE **3**

SCOPE **3**

ROLES & RESPONSIBILITES **3**

MARKET RESEARCH/ASSESSMENT **3**

SUMMARY OF IDENTIFIED NEEDS **21**

2025 HCI PROGRAMS **21**

NON-LENDING ACTIVITIES **23**

PERFORMANCE GOALS **24**

DEFINITIONS **25**

PURPOSE

In accordance with the regulatory requirements of the Federal Housing Finance Agency (Finance Agency), the Housing and Community Investment Department (HCI) has adopted this Targeted Community Lending Plan (Plan) pursuant to the Community Support Regulation as well as Section 1291.13(a)(1) of the amended Affordable Housing Program (AHP) Regulation.

SCOPE

This Plan covers areas in need of the provision of significant financial resources, including credit for community lending activities, and the assessment of the housing and economic development needs and market opportunities occurring within the Fifth District as outlined in 12 C.F.R. Part 1290.

ROLES & RESPONSIBILITES

This Plan will be periodically reviewed and updated by HCI and approved by the Board of Directors (the Board).

Interpretation and administration of this Plan is the responsibility of HCI. Specifically, HCI is responsible for maintaining this document, promoting the Federal Home Loan Bank of Cincinnati's (FHLB's) HCI programs, reporting to the Finance Agency, and reviewing applications to HCI programs.

MARKET RESEARCH/ASSESSMENT

The FHLB conducted surveys, outreach, and online research in 2024 to assess the housing needs within the Fifth District as well as to understand trends in the housing market and the evolving economy across the nation as a whole. The housing needs assessments of Kentucky, Ohio, and Tennessee were independently reviewed and analyzed, in addition to The State of the Nation's Housing Report 2024 and several documents from the U.S. Department of Housing and Urban Development (HUD) detailing the current climate of the nation's housing market and goals of the federal government. Several other sources were used to assist in fully understanding the needs and changes in housing nationwide. Common themes such as racial disparities, climate readiness, housing availability, and rising costs were found across much of the literature covering both the nation and the Fifth District. The lack of affordable housing at all income levels, the racial homeownership gap, the increasing number of households experiencing housing cost burdens, and the increasing number of climate disasters throughout the United States are just a few of the detrimental issues affecting the Fifth District, the details of which are outlined below.

Kentucky

To determine the housing needs of local communities unique to the Fifth District, FHLB looked to the most recent housing needs assessments published by the state housing finance agencies of the Fifth District. The 2024 Consolidated Action Plan from the Kentucky Housing Corporation (KHC) details the needs and goals identified by KHC and the Department for Local Government (DLG) for the time period of July 2024 through June 2025. The needs identified in Kentucky by KHC and DLG, which influences the distribution of federal funding, include "the need to increase the supply of affordable homeownership and rental units; the need to preserve the existing supply of subsidized rental units; the need to identify permanent housing solutions for persons experiencing homelessness; the need to support local government's efforts to increase their job/tax base, improve and expand public facilities, and offer services tailored to local needs."

The National Low Income Housing Coalition (NLIHC) states in their 2024 report, titled "The Gap," that overall Kentucky possesses an excess of available rental units for households at 100 percent of the area median income (AMI), while only 47 units exist for every 100 extremely low-income households, leaving a wide gap in the resources available to those with the lowest incomes compared to those with higher incomes. "The Gap" also highlights that 66 percent of those households at or below the extremely low-income threshold experience severe housing cost burden, compared to only three percent of households between 51 to 80 percent AMI. This further highlights the widening gap of housing affordability for those earning the lowest incomes compared to those at higher income levels.

KHC also places an emphasis on the changing living dynamics within the population, with a rise in numbers of nonfamily households as well as single-person households. Higher poverty rates for families with one foreign-born parent as well as those with disabilities are also highlighted. As a result, KHC seeks to create new affordable housing, incentivize partnerships with agencies that will provide services to households with special needs, create educational programs for tenants and landlords to help combat discrimination, and improve the existing housing stock, particularly because the utility and upkeep expenses for the latter create additional affordability issues for tenants and owners.

According to the World Population Review's assessment of Kentucky, the population is continuing to rise, with a steep increase in population in the urban areas, especially in and around Louisville, coupled with a slight population decline in rural areas. It is also noted that poverty is much higher within the rural areas of Kentucky compared to the cities. When evaluated by race, about 96 percent of African Americans within Kentucky are residing within Jefferson County and the Louisville Metro Area. There has also been a large increase in recent years in the Hispanic population within Kentucky. According to data collected for the 2023 American Community Survey by the U.S. Census Bureau, the poverty rate for African Americans in Kentucky is 24.9 percent and 25.8 percent for Hispanic individuals, compared to 14.9 percent for white individuals. Additional programs are therefore needed in Kentucky to address these racial and class disparities as well as to assist the growing population in obtaining affordable housing and financial assistance.

As the population continues to rise, housing dynamics are also changing, notably in Northern Kentucky, but also throughout the nation. There has been a shift in recent years away from the standard three- to four-bedroom rental units or houses and towards one- to two-bedroom units and houses. Per the Regional Summary of the Northern Kentucky Area Development District (NKADD) Housing Data Analysis Results, the Northern Kentucky area has seen a decrease in household size since 1970, from around 3.50 people per household, to its current state, ranging from 2.37 to 2.59 people per household. This resembles the national trend of increasing numbers of smaller household sizes in addition to increasing numbers of non-familial households. The number of children attending public schools has also decreased from 2015 to 2023, supporting the idea that single-person, couples without children, and elderly households are increasing relative to the traditional familial household. This reflects the need for a conversion in the housing supply to match the declining household size. The need for workforce housing was also emphasized in the NKADD Housing Data Analysis Results; specifically calling for, "3,260 units for workforce households (wage range $15-$25, monthly housing cost $500 - $1,500) including 1,860 1- and 2-bedroom units, to increase the region's economic development and employment." The need for smaller units, affordable to those in smaller household sizes, is a trend also documented at the national level, which emphasizes the need for affordable housing at all income levels, as well as the need for smaller units to adjust to smaller household sizes and their subsequent affordability.

When the current housing supply in Northern Kentucky was evaluated by NKADD on both the number of bedrooms as well as the income needed to afford those units or houses without the household becoming housing cost-burdened, a large need was revealed for more affordable housing, particularly for renters looking for one- to three-bedroom units with a household income less than $75,000. Conversely, there is a large surplus of two- to three-bedroom ownership properties available for those with incomes $35,000 to $99,999 that exceeds demand. Based on NKADD's Regional Summary, there is predicted to be a demand two- and one-half times greater for owner-occupied housing than for rental units in the next five years. It is also predicted that there will need to be about 3,025 more units or houses in Northern Kentucky for those with a household income less than 60 percent of the AMI, which is about three times the number of units than the moderate-, middle-, and higher-income groups need. These statistics align with the national need for more affordable housing for smaller households with smaller budgets.

An article published by State of the South, written by the President of the Mountain Association, Mr. Peter Hille, describes the economic investment and development that has been lacking in Appalachian Kentucky after the exit of the coal industry 70 years ago. The article describes the aftermath of the downfall of coal and the need in Appalachia for more investment in community development in order to create communities that anyone would find desirable as a home. With the new era of virtual work, Mr. Hille encourages community developers to invest in the abandoned small towns of Appalachia to continue the growth that has been recognized over the last few years. By revitalizing Appalachian downtowns, Mr. Hille states, people will be encouraged to return to these small towns to live and bring with them a robust new economy.

Ohio

The Ohio Housing Finance Agency (OHFA) produced five housing needs assessments in 2022, one for each region of the state. Each of the five assessments addresses the lack of affordable housing supply for very low-income households looking to buy or rent homes, noting that only 44 affordable rental units exist in the state for every 100 extremely low-income renters and that this group is essentially priced out of most home purchase opportunities in all regions except Southeast Ohio, where homes are affordable but jobs are not plentiful. Increasingly low vacancy rates in the existing housing market are contributing to the problem, as housing stock growth has not kept up with demand. OHFA identifies two segments of the population who are disproportionately likely to experience housing cost burden: minority households and those facing eviction, the latter of whom "may need to pay steep unexpected costs to acquire a new home." These two segments of the population are therefore in need of housing assistance programs more so than others.

Points that OHFA emphasizes as influential throughout the five regions of Ohio include the inequalities faced by Black renters and homeowners, severe housing issues, and environmental impacts. The inequalities that Black homeowners and renters face, per the reports, include substantially higher poverty rates, lower homeownership rates, higher likelihoods of being denied a mortgage, and higher eviction rates compared to white homebuyers, homeowners, and renters. The reports also touch on severe housing issues faced by Ohioans, which include the lack of affordable housing for low- to extremely low-income households as well as severe housing issues as defined by HUD to include incomplete kitchen and plumbing facilities, severe overcrowding, and severe rent burden. Ohio's carbon footprint was also emphasized in the reports, with Ohio having a yearly average emission of 17 metric tons of carbon dioxide equivalent from home energy use per household, while 5.6 percent of Ohioan households rely on the Home Energy Assistance Program for help with the cost of certain utilities. New construction and rehabilitation of the existing housing stock to create energy efficient homes would reduce the greenhouse gas emissions of Ohioans as well as lead to energy cost savings to households. Energy efficiency and renewable energies are therefore areas of opportunity for the Ohio multifamily and single-family housing stock.

OHFA also published the Executive Summary of the Fiscal Year 2024 Ohio Housing Needs Assessment and the Fiscal Year (FY) 2024-2025 Annual Plan: Fiscal Year 2025 Update, which outline the most recent data and trends found in the Ohio housing market. The Executive Summary confirms that the housing market has remained extremely tight throughout Ohio in the last several years, which is a result of slow construction rates and relatively low vacancy rates; from 2021 to 2022, there were only minor increases in the homeowner and rental vacancy rates, and a decrease in the homeownership rate was noted. The reports also confirm the widening gap in supply and demand for affordable rental units for low-income Ohioans. On the homebuying side, the reports detail an increasing price-to-income ratio for median home price to median household income, which has led to many potential homebuyers being priced out of the market

or to becoming cost-burdened homeowners. On the rental side, there were only 40 available rental units for every 100 extremely low-income households, compared to 101 available units for every 100 households at or below 100 percent AMI, per NLIHC's "The Gap" report for Ohio. This trend reflects the excess of rental units that are available and affordable to those at higher income levels compared to the limited number of units that are affordable to those households earning less than the area median income. In an effort to remedy these growing gaps, the Ohio 2024-2025 State Budget was signed in July of 2023, which includes the initiation of two new tax credits to address the affordable housing crisis. These two new programs, titled the State Low-Income Housing Tax Credit and the Single-Family Housing Tax Credit, are predicted to help create more affordable housing for low- to moderate-income households as well as single-family homes and thereby address some of the state's housing needs.

Within the FY 2024-2025 Plan, it is cited that there are few financial resources to fund low-principal balance loans as well as rehabilitation programs throughout the state, while at the same time it is becoming difficult to maintain quality Low-Income Housing Tax Credit (LIHTC)-funded affordable units as they enter their extended-use periods. The Plan also states that 2023 was the first year that the rate of homeownership in Ohio, which fell to 64 percent, is lower than the national average. This could be due to the median home price being 2.6 times the median household income, which was marked as the largest price-to-income ratio since 2005. These rising costs could be contributing to the racial gap in homeownership, which has also been widening in recent years. In 2021, the number of white homeowners in Ohio was 37 percentage points higher than Black homeowners, which is eight points higher than the national average and is higher than most neighboring states. Black mortgage holders in Ohio are almost twice as likely to be severely mortgage-burdened compared to their white counterparts, and Black renters are more severely rent-burdened compared to white renters (31 percent to 22 percent, respectively). Mortgage denials and eviction rates were also noted to be much higher in Black households compared to their white counterparts, as was noted in the OHFA regional reports. These gaps in racial equity in the Ohio housing market also contribute to 19 percent of the Black population in Ohio being housing insecure, which is only predicted to worsen with the expiration of pandemic-era policies that assisted renters and homeowners in avoiding evictions and foreclosures. In their regional reports, OHFA points to historic patterns of redlining and segregation throughout the five regions to account for these deepening racial disparities and calls for targeted programs to reduce these inequalities.

Challenges to the development of the affordable rental housing market that the FY 2024-2025 plan outlines include the unpredictable labor market, disruptions to the supply chain, rising interest rates, and the high cost of building materials. To mitigate these deficiencies while also increasing the supply of affordable housing for Ohioan families, OHFA highlights manufactured homes and community land trusts as cost-effective development models that can serve as less-expensive alternatives to the traditional site-built homes or rental units. Overall, however, effects from the pandemic and increasing costs in several sectors are negatively impacting Ohio households, especially the most vulnerable populations, leaving an increasing need for affordable housing.

Tennessee

The housing needs assessment in the 2020-2024 State of Tennessee Consolidated Plan identifies seniors; persons with physical, developmental, and mental health disabilities; victims of domestic violence; youth aging out of foster care; ex-offenders reentering society; veterans; and persons living with HIV/AIDS as the most at-risk populations in the state for experiencing housing cost burden. The State of Tennessee Consolidated Plan therefore cites supportive services as critical for these populations to remain safe, independent, healthy, and stable and also indicates a need for public services such as housing counseling, job training, fair housing education and outreach, and infrastructure improvements in low- and moderate-income communities. Like Ohio and Kentucky, Tennessee identified a number of households with severe cost burden, as well as many experiencing overcrowding and/or a lack of complete kitchen or plumbing facilities. NLIHC's publication, "The Gap," cited 83 percent of extremely low-income renter households as being cost burdened. For these renter households, there are only 41 units for every 100 households classified as extremely low-income, compared to 103 units available for those households earning 81 to 100 percent AMI. This discrepancy is also prevalent in Ohio and Kentucky, as described above, and reflects the national trend of an increasing number of rental units being built or upgraded that target middle- to high-income households with comparatively few units being available for low- or extremely low-income households.

The Tennessee Housing Development Agency's (THDA) publication, "2023 Tennessee Housing Market: At A Glance," highlights housing trends throughout the state. Central Tennessee, specifically Nashville, saw the largest population growth within Tennessee from 2016-2021, compared to a decline in population in Western Tennessee. When broken down into the different metropolitan statistical areas (MSAs), the age group that has most recently been seeing the largest change in population is the 65 years or older demographic. THDA emphasizes that, with this significant growth in the older population, a need for smaller houses and houses with amenities to accommodate an older population is growing in all regions of Tennessee.

The Tennessee Housing Development Agency Issue Brief (the Brief), describes the high percentage of those facing rent burden and poverty, specifically in the Black and Hispanic/Latinx communities. THDA's At A Glance report cites a 22 percent increase in the Hispanic population in Tennessee from 2016 to 2021, which was the largest increase of any single race or ethnicity in the state for that time period. At A Glance also cites that in 2021, 73 percent of white households were homeowners and also comprised the largest percentage of homeowners compared to other races and ethnicities. The homeownership rates among Black and Hispanic households were only 44 percent and 45 percent over the same time period, respectively. Memphis in particular had the largest Black population compared to all of the other large MSAs in Tennessee, yet it was noted as having the lowest homeownership rate of all the largest MSAs throughout the state. The Brief, in turn, further highlights the lack of Spanish language marketing materials and racial bias in home sales as possible barriers to Black and Hispanic/Latinx homeownership. The World Population Review's summary of the U.S. Census data also cites that 48.62 percent of the Hispanic population in Tennessee is living in poverty, which is the highest percentage compared to any other race in the state. Innovate Memphis asserts that the high volume of predatory

lenders has been negatively affecting the Hispanic/Latinx community, which fueled a push in 2022 to further educate the city on how to recognize and avoid predatory loans. Further proposed solutions to these issues include additional fair housing education and advocacy, specifically education related to the rights and responsibilities of renters under fair housing laws as well as educational programs and materials in both English and Spanish for homebuyers to assist in recognizing discriminatory lending practices throughout the state.

FHLB Surveys

The FHLB conducted a survey that was distributed to Members and Sponsors of the Fifth District who attended the Affordable Housing Program (AHP) workshops in Ohio, Kentucky, and Tennessee in April of 2024. All Members and Sponsors who attended the in-person workshops were encouraged to provide their knowledge and expertise from their work in their respective communities by answering questions about the specific needs they have observed, as well as ways that FHLB could better address said needs. As the questions were open-ended, FHLB received a wide variety of responses; however, the need identified the most frequently was the need for more affordable housing for those earning low to very low incomes. The need for more rental and multifamily housing was also identified by many of those surveyed. Other recurring needs or issues needing to be addressed within communities of the Fifth District included lack of available housing stock, rising costs coupled with decreasing affordability, homelessness, substance abuse, rehabilitation for rental and ownership properties, and permanent supportive housing.

Native Americans

The Native American population in the Fifth District is relatively sparse. As identified by Oweesta Corporation, a nationally recognized Native non-profit and community development financial institution (CDFI), there are approximately 237,000 Native Americans within the Fifth District, all of whom would be considered underserved as they are without clear avenues for culturally relevant financial empowerment opportunities. However, these individuals that identified as Native American and Alaska Natives on the U.S. Census are not a part of a federally- or state-recognized tribe per the Bureau of Indian Affairs. There are no currently no federally-or state-recognized tribes within the Fifth District. HUD programs such as the section 184 Indian Home Loan Guarantee Program, which was established to facilitate homeownership in Native American communities, deemed Ohio, Kentucky, and Tennessee ineligible for these programs, as they only assist federally-recognized tribes or those belonging to a federally-recognized tribe. None of HUD's financial assistance programs provide aid to individuals who identify as Native American who are not a part of a federal- or state-recognized tribe, as it is through being recognized as a tribe or affiliated with a tribe that groups' and individuals' heritage is verified by the government. Additionally, none of the Housing Finance Agencies within Ohio, Tennessee, or Kentucky currently offer, nor have plans to offer, programs to assist Native Americans or Alaska Natives. The FHLB attempted outreach to several Native-focused

organizations to establish relationships and identify potential avenues the FHLB can assist the Native population(s) residing in the Fifth District in 2024, including beginning conversations with Oweesta Corporation to explore opportunities to support the Native populations within the Fifth District.

Policy Updates

The Choice in Affordable Housing Act of 2023 was introduced to the U.S. Senate in January of 2023 and then referred to the Committee on Banking, Housing, and Urban Affairs. The purpose of this bill is to support the Housing Choice Voucher program by increasing the number of landlords who accept housing vouchers, as there has been a decline of 10,000 housing providers leaving the program each year according to a study conducted between 2010 and 2016. This expansion incentivizes landlords to accept housing vouchers, especially in areas that have historically not accepted vouchers, such as in designated "high-opportunity neighborhoods," where the tenants could benefit immensely from the subsequent access to "quality schools, jobs, and public transportation." The Housing Choice Voucher program is already the largest program helping citizens afford safe and clean housing in the private market. The bill currently sits with the Committee on Banking, Housing, and Urban affairs in the Senate; hearings were held in March of 2024, but no further action towards its implementation has been taken. Further action in the upcoming months will determine whether it will ultimately be passed into law with its bipartisan support.

The Affordable Housing Credit Improvement Act of 2023 was introduced to the House of Representatives (House) in May of 2023 with the goal of revising elements of the LIHTC program to assist communities on a larger scale. Part of the bill calls for the renaming of the LIHTC program to the Affordable Housing Tax Credit in order to avoid bias that landlords may exhibit towards individuals classified as low-income. Additionally, the act would increase the per capita dollar amount and the minimum ceiling amount, make the housing credit compatible with energy tax incentives, clarify and protect provisions for residents covered by the Violence Against Women Act, and more efficiently regulate and monitor foreclosures. This act has also garnered bipartisan support and was referred to the House Committee on Banking, Housing, and Urban Affairs and the Subcommittee on Housing, Transportation, and Community Development, which held hearings in April of 2024.

The Green and Resilient Retrofit Program (GRRP) was funded and authorized by Section 30002 of the Inflation Reduction Act of 2022, titled "Improving Energy Efficiency or Water Efficiency or Climate Resilience of Affordable Housing," which was implemented in fiscal year 2023. The program aims to take proactive approaches in preparing low-income and affordable housing communities for climate disasters, as well as making these communities more energy efficient and eco-friendly. This is the first program from HUD to "simultaneously invest in energy efficiency, greenhouse gas emissions reduction, energy generation, green and healthy housing, and climate resilience strategies specifically in HUD-assisted multifamily housing." As climate disasters are becoming more common, this initiative is working to be more proactive to protect

and assist the most vulnerable populations from the economic devastation of these events. The bill will help low-income communities reduce their carbon and energy footprint to assist in meeting the U.S.'s net zero goals and will simultaneously reduce energy costs for these households. These efforts will also help improve the climate resilience of HUD-assisted low-income communities. Addressing the growing need for climate-resilient housing as well as energy efficient and green infrastructure is becoming ever more urgent as the number of extreme weather events continues to increase and low-income communities continue to be disproportionally affected.

In June of 2023, the Downpayment Towards Equity Act of 2023 was introduced to the House and was referred to the House Committee of Financial Services. The purpose of the bill is to provide downpayment assistance to first-generation homebuyers to address the generational wealth disparities that prevent those whose parents have not owned a home from becoming homeowners themselves. The bill also cites the racial wealth gap as being an effect of generational wealth disparities, which this bill also aims to address. In March 2024, the Downpayment Towards Equity Act of 2024 was introduced to the Senate and referred to the Committee on Banking, Housing, and Urban Affairs, where no further action has been taken. The Executive Branch of the federal government also announced in October of 2023 the plans for several initiatives to invest in homeownership, including proposals for the Neighborhood Homes Tax Credit; a first-generation, first-time homebuyers downpayment assistance program; and a downpayment assistance pilot program to provide funding to first-generation or low-wealth, first-time homebuyers.

The ROAD to Housing Act, S.5027, was introduced to the Senate in September of 2024 and was then referred to the Senate Committee on Banking, Housing, and Urban Affairs. If passed, this bill would reform housing counseling through HUD and prioritize the availability of such counseling in regions with higher foreclosure rates; prioritize homelessness reforms; prioritize certain grants from HUD to go towards housing that has been designated as an Opportunity Zone; and require the Secretary of HUD to testify on an annual basis on the status of all HUD programs.

Another bill introduced to the Senate in September of 2024 is the Affordable Housing Construction Act. This bill would revise several aspects of the LIHTC program, including tripling the amount of funds each state receives per capita and introducing a set-aside of each state's allocation for boosts to projects that prioritize using renewable energy sources; providing accessible units; building in a location with proximity to public transit; and allocating at least 20 percent of the units in the project to extremely low-income renters. The bill has been referred to the Committee on Finance and is awaiting further action. Without further action for any of the above-mentioned bills before the ending of the 118th Congress on January 3, 2025, these bills will expire and will need to be reintroduced if they are to be passed into law.

The effects of the Supreme Court's ruling in June of 2024 in the case of Johnson v Grants Pass are anticipated by some organizations to be felt nationwide. The 6 – 3 ruling was in favor of the City of Grants Pass, Oregon, and allows the penalization of those camping and sleeping in public outdoor places. This ruling has the potential to allow the penalization and incarceration of the

most vulnerable populations who are without shelter. This ruling leaves advocacy groups concerned for the safety of unhoused people, and many are advocating more enthusiastically for additional resources to go towards aiding this increasingly vulnerable population.

Racial Disparities

FHLB also looked to some publications addressing housing on a national level to assess market needs. Harvard University's (Harvard's) Joint Center for Housing Studies produced "The State of the Nation's Housing 2023," which emphasized the rising costs of homeownership as a barrier to closing the racial homeownership gap. In 2019, the homeownership rates of Black and Hispanic households began to slightly outpace the US average; however, as the prices of homes continued to rise, Black and Hispanic households were increasingly priced out of the market. By the beginning of 2024, only 8 percent and 13 percent of Black and Hispanic renter households, respectively, had sufficient annual income to afford the monthly payments on the median priced home without becoming cost-burdened. In comparison, 16 percent of white households and 29 percent of Asian households could afford the same monthly payments. Initiatives such as downpayment assistance programs, special purpose credit programs, and programs that increase access to affordable credit were proposed by Harvard as ways to help combat the racial homeownership gap.

NLIHC cited the gap between wages and rising housing costs to be the greatest for people of color compared to other races and ethnicities. People of color are also more likely to be renters at all income levels, leaving these households as the most vulnerable with the rising cost of rent nationwide. About 19 percent of Black renter households and 14 percent of Latinx renter households nationwide are categorized as extremely low-income, compared to six percent of the white renter population. Harvard reported that from 2012 to 2022, real median household income rose between 24 to 27 percent for Hispanic, Black, and Asian homeowners, compared to just an 11 percent increase for white households. However, this increase still did not bridge the racial income gap. The highest median household incomes were held by white and Asian households in 2022, at $81,000 and $109,000, respectively. These numbers far outpace the $52,000 and $63,000 median household incomes that Black and Hispanic households earn, highlighting the necessity of higher incomes for Black and Hispanic households to bridge this racial inequality.

Furthermore, HUD's Worst Case Housing Needs report describes an increase of 334,000 Black renter households and 246,000 Latinx renter households from 2019 to 2021, who are now considered worst-case needs, compared to an increase of only 23,000 white households. Disparities in income, wealth, and access to credit are highlighted as the most common and influential barriers for Latinx and Black communities in obtaining economic and housing equality and security. Reducing racial homeownership gaps is cited as being critical to the economic health of the housing market as well as local economies. Recognizing its ability to influence these metrics, Fannie Mae spearheaded the Appraiser Diversity Initiative, the objective of which is to recruit Black and Latino candidates to train and take courses offered via scholarship to become an appraiser. This initiative's goal is to reduce the racial gap in the

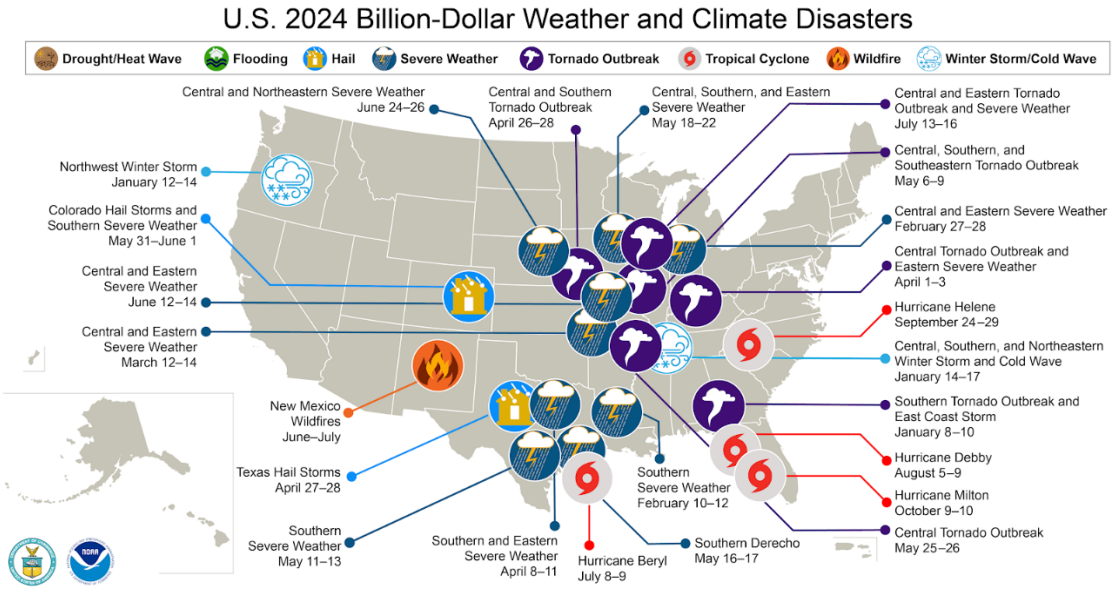
appraisal field, which would subsequentially lead to less racial bias that currently affects Black and Latino homebuyers.

According to the Housing and Financial Capability Survey conducted by NeighborWorks America, there has been an increase specifically among ethnic minority groups in the pursuit of homeownership. One-third of Americans are also said to be looking for new housing, with a large portion of this population being Latinx and Alaska Native or Native American . However, survey results show that, within the Hispanic population in particular, increasingly more people believe that their current financial situation makes homeownership unrealistic. Per Harvard's Report, Black and Hispanic homeownership rates still linger 28.6 and 25.8 percentage points below white homeownership rates. Studies conducted by the Black Home Initiative show that Black and Latinx homeownership levels are consistently lower than their non-Hispanic white and Asian counterparts at every income level within Washington state; however, these numbers are representative of a nationwide trend that extends past the Washington state lines. As Harvard and OHFA describe, these trends are the results of a nationwide history of segregation and redlining, which can only be corrected with pointed programs to assist disproportionally affected communities in achieving economic, housing, and racial equality.

Since 2019, there have been twelve different downpayment assistance programs across the nation that target first-generation homebuyers. The National Fair Housing Alliance's research indicates that, nationwide, 12.2 million households would qualify as first-generation homebuyers with incomes less than 120 percent of their respective AMI. Approximately 72 percent of these households would be households of color, and 43 percent would be Black households. The large percentage of households of color that would qualify as first-generation homebuyers, coupled with the large gap in homeownership rates of Black and Hispanic households compared to white households, indicates that households of color have disproportionally been unable to obtain homeownership and thus unable to create generational wealth. In its 2024 Equitable Housing Finance Plan, Fannie Mae also asserts that the racial disparities in homeownership are directly correlated to the lack of generational homeownership, which has led to Fannie Mae prioritizing the creation of a standard "first-generation" definition and subsequent programs targeting downpayment assistance for first-generation homebuyers. The Urban Institute also explains that, since households of color are less likely to have homeowning parents, the average amount of accumulated wealth per household is expected to be significantly lower for households of color, which is predicted to lead to less financial assistance for homebuying children compared to children whose parents are homeowners. The goals, therefore, of the downpayment assistance programs targeting first-generation homebuyers are to address the racial wealth gap and assist first-generation homebuyers, who are predicted to be largely households of color, in generating wealth through homeownership to be passed down through generations. Without addressing the racial homeownership gap, the National Fair Housing Alliance predicts that Black homeownership rates will continue to fall, which could lead to detrimental economic consequences across the country.

Climate Action

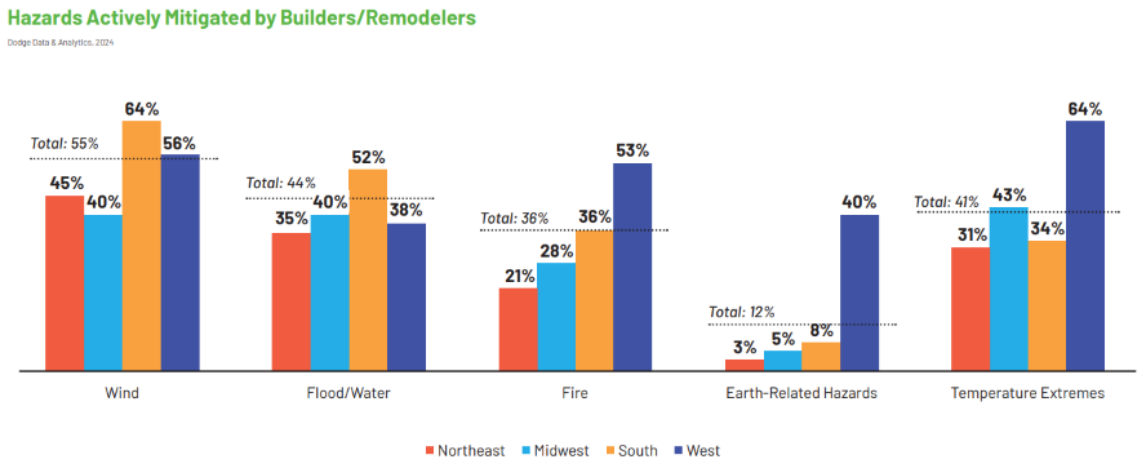
The need for funding for repairs and improvements for the existing housing supply, including but not limited to climate readiness, in order to mitigate and minimalize the effects of climate change is cited in both "The Gap" report and by Harvard. A record high number of billion-dollar weather and climate disasters occurred in 2023. In 2023, 28 events totaling $95.1 billion took the lives of 492 people in the United States. Despite the increasing number of climatic events, the majority of government funding has been going towards response actions for past damages while allocating little funding to prevent or build resilience against future disasters. It is predicted that 60.5 million homes within the United States are within areas categorized to have at least moderate predicted loss in future disasters. Within the Fifth District, these areas are primarily in Tennessee, with a moderate amount in Kentucky and a few in Ohio. The number of billion-dollar climatic events from January to November 1, 2024, are depicted by region and type of event in the map below. In 2024, the majority of the billion-dollar climatic events were severe weather, followed by tornadoes, both of which occur in the Fifth District. There have also been several other events across the nation and in the Fifth District that have resulted in severe destruction and financial loss that are not accounted for in the numbers previously mentioned, as their total costs registered less than $1 billion for the single event, or because the totality of the damage is still being assessed.



*This map denotes the approximate location for each of the **24 separate billion-dollar weather and climate disasters that impacted the United States through October 2024.***

From the National Association of Home Builders' Green and Resilient Single-Family Homes 2024 SmartMarket Brief, the graphic below lists the most common hazards encountered in each region throughout the United States. The states within the Fifth District are included in the data points for the South and Midwest, whose most frequent mitigation and repair efforts by home builders and remodelers are caused by damages due to wind, flooding, and temperature extremes.

However, as was demonstrated in Eastern Tennessee from Hurricane Helene, disasters and extreme weather that were not previously considered common in the Fifth District are beginning to make unprecedented appearances and cause severe damage to the communities that they touch.



To combat the growing risk of climate disasters and to build more resilient communities, Harvard recommends additional funding for climate preparedness projects, which would also ensure that communities recovering from climate disasters will be more resilient in the future, as well as educating communities on risks and prevention methods. Policies to prevent or decrease future development in high-risk areas are also needed to mitigate loss in the future. Executive Order 14008 from the desk of the President in 2021 reiterates the need for climate action through the transition of the United States energy sector to green energy sources and infrastructure to help reduce greenhouse gas emissions and the U.S.'s carbon footprint.

HUD's Climate Action Plan emphasizes the exacerbated affects that climate disasters already have on vulnerable populations and the pre-existing inequalities that vulnerable populations face due to historic disinvestment and racial segregation within communities. HUD details the need and its subsequent commitment within the Climate Action Plan to reduce greenhouse gas emissions, increase community resilience to climate change, deliver environmental justice, and promote racial equality, with the overarching goals of helping communities across the United States build more resilient infrastructure, facilitate more energy-friendly utility consumption, and address growing environmental injustices. HUD also plans to increase its investments in climate resilience modifications and add incentives for new construction with green building designs. In June of 2024, HUD updated its Climate Adaption Plan to establish protocols to include climate resiliency in various funding opportunities, such as climate change points in the Notices of Funding Opportunities to encourage projects to invest in renewable energy, climate resiliency, and energy efficiency. According to the U.S. Department of Energy, up to 20 percent of the

average American's annual energy expenses could be saved with energy-efficient appliance updates and housing improvements. Investing in these modifications and improvements could therefore reduce greenhouse gas emissions to help slow the effects of climate change and save renters and homeowners, especially those classified as low-income, on unnecessary utility expenses. According to the Department of Energy, with 40 percent of the energy used in the United States coming from homes and commercial buildings, and 18 percent of the greenhouse gas emissions in the United States coming from housing, there is a large potential for green improvements by updating and building new energy-efficient and renewable energy infrastructure.

Fannie Mae's 2024 Equitable Housing Finance Plan and the National Association of Home Builders' SmartMarket Brief 2024 draw attention to the upward trend of homeowners insurance and flood insurance prices due to the increasing financial threat of natural disasters. The two publications report an increasing trend in insurance companies refusing to serve certain markets that are at high risk of flood and fire. Those households who have the privilege of obtaining insurance for their homes are increasingly met with steep increases in price. The increases being faced in these markets has only added to the housing cost burden that many households are facing, while those who are priced out of the insurance market, or whom insurance companies are refusing to serve due to the high risk of natural disasters in the area, are left increasingly financially vulnerable as natural disasters are accelerating in frequency and level of destruction.

Mobile and Manufactured Homes

Classified as being built before June 15, 1976, there are an increasing number of mobile homes that have surpassed their viability and are no longer a good choice for those who reside in them. Within the Fifth District in particular, OHFA highlighted the large percentage of mobile homes in Southeast Ohio (15 percent) compared to the state average of 3.8 percent. Per the State of Tennessee's 2020-2024 Consolidated Plan & 2020 Annual Action Plan, nine percent of Tennessee's housing stock was recorded as being mobile homes. Kentucky, however, had the highest percentage of mobile homes in the Fifth District with 12 percent of the housing market as of the 2020 Kentucky Housing Market Analysis. Since mobile homes do not meet the standards set by HUD, there has been a push nationwide to transfer households from mobile homes into more efficient affordable homes. Due to historic zoning policies, much of the mobile home stock is located in low-lying areas that are more prone to flooding, which serves as another detriment and expense to those who reside in them, especially considering the increasing number of climate disasters.

Manufactured homes, on the other hand, have been increasing in popularity as the alternative to mobile homes. Manufactured homes meet all of HUD's standards and do so at a price that can potentially be less expensive than site-built homes. In June of 2023, HUD introduced the Office of Manufactured Housing Programs as an independent office within the Office of Housing as a way to recognize the potential of manufactured homes to mitigate the critical shortage of affordable housing nationwide. In September of 2024, HUD announced one of the most

extensive update packages to the Manufactured Home Construction and Safety Standards. The updates will eliminate the need for manufacturers to obtain extra construction and manufacturing approvals that already meet or exceed HUD standards. This is expected to decrease costs and time needed to build these homes, while also allowing builders to accommodate more modern, sought-after features to render the manufactured homes more similar to site-built homes. Especially with the new HUD regulations, manufactured homes are seen as a secure, affordable, and high-quality housing option and a particularly viable alternative for those living in mobile homes. As described by the National Consumer Law Center, modern manufactured homes can serve as a steppingstone to long-term financial security for those in low- or moderate-income families.

In their respective "Duty to Serve Underserved Markets Plan 2022 – 2024," Freddie Mac and Fannie Mae list several set-backs that the manufactured housing market is currently facing as well as plans to assist in reviving this market to meet the goals set by the Finance Agency to address the housing crisis across the country. One of the key issues facing the manufactured housing market currently is the number of manufactured homes titled as personal property rather than real property, as this eliminates the benefits of mortgage financing, which costs borrowers more over the long term and affords fewer consumer protections.

Since many lenders are reluctant to provide manufactured housing mortgage financing due to historic poor reputations, including poor loan performance in the 1990s that resulted in high rates of delinquencies, defaults, and repossessions, many people interested in manufactured homeownership are only able to obtain personal property loans. Lack of comparable data used in the appraisals of manufactured homes and outdated appraisal guidelines has been leading to undervaluation of manufactured homes and overestimation of the borrower's cost burden during the appraisal of manufactured housing as real property as well. Freddie and Fannie are therefore planning on enhancing their existing product offerings to increase the support for manufactured homes, conducting and publishing research to identify solutions for expanding affordable lending and access to credit, and will be seeking approval with the Finance Agency to engage in loan purchase activity for personal property loans.

Freddie Mac and Fannie Mae hope that by increasing the data available to lenders on manufactured home loans during and after the forbearance time period, as well as potential trends that lead to delinquency, new systems can be created to deploy assistance to homeowners earlier to prevent delinquency as well as give lenders confidence to offer mortgage financing for manufactured homes. They also hope that, by providing new data, especially on areas not previously researched, Freddie Mac and Fannie Mae can help to raise the visibility and the image of manufactured housing to encourage its acceptance and its use amongst lenders as well as homeowners. Currently, according to Freddie Mac, the demand for manufactured homes by homebuyers is strong, however, supply chain delays and subsequent cost increases has led to delayed growth of this market in recent years. Increasing their existing product offerings for the manufactured housing market as well as continuing outreach efforts and advocating for consumer protection requirements, the latter particularly for manufactured housing communities, are other ways that Freddie Mac and Fannie Mae are encouraging lender participation in the

manufactured housing market and increasing the protections for homebuyers. Especially due to the current tightness of the housing market across the country, the affordability of manufactured homes is a vital option in providing much needed affordable housing and in closing the current gap in housing needs for very low-, low- and moderate-income households.

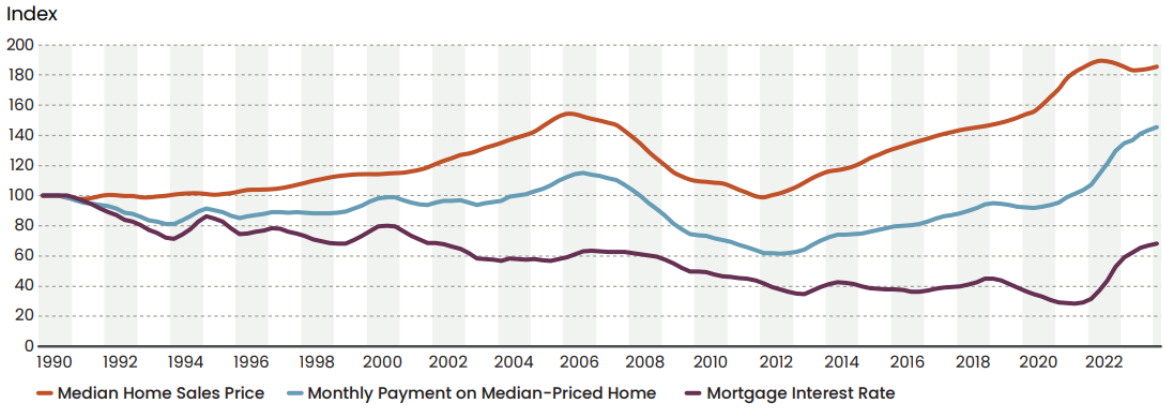
Cost Burdens, Housing Supply, and Housing Modifications

In the upcoming years, the United States needs to have preparations completed for the aging baby boomer generation. This demographic will be the fastest-growing segment in the population, and there will be an increasing need for housing to support their safe aging in their communities. Accessibility modifications to their current housing would also assist households in avoiding nursing home costs. According to the Federal Reserve Bank of Philadelphia, there are about $149 billion worth of home repairs needed across the nation, with $57 billion of them needed for low-income households. An estimated $10.4 billion is also needed to repair homes occupied nationwide by those 65 years and older who are experiencing an energy cost burden due to inefficient infrastructure. In addition to the aging population, the public housing stock is also aging and requiring repairs after many years of insufficient funding. According to NLIHC, the poor quality of this housing stock is threatening the health and lives of the more than 800,000 people residing in these buildings.

Housing prices reached an all-time high in early 2024, with the U.S. home price index augmented by 47 percent since early 2020, according to Harvard. Mortgage rates below 3.0 percent in 2021 increased to 7.2 percent in May of 2024, with a peak of 7.8 percent in October of 2023. In addition to the exponential increases to the costs of buying a home, home insurance premiums grew an average of 21 percent between May of 2022 and May of 2023. Property taxes also continue to increase, adding to the cost burden of homeownership. Due to the decreasing affordability of purchasing a home, mortgages to first-time homebuyers dropped 17 percent year over year in 2023 and 22 percent in 2022. Harvard asserted that, combined with the increase in purchase prices, mortgage rates, and insurance prices, the lack of homes for sale on the market has also been a major challenge for those looking to purchase a home.

Figure 17

Rising Prices and Interest Rates Have Fueled Record-High Homeowner Costs

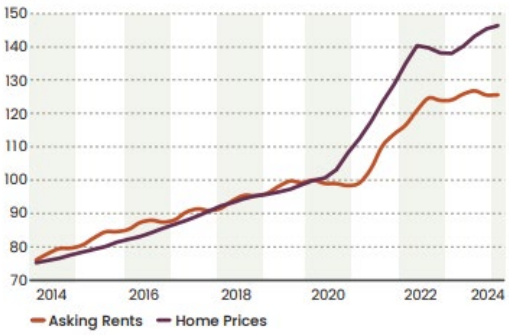


Notes: Payments and prices are inflation-adjusted using the CPI-U for All Items Less Shelter and a four-quarter rolling average. Monthly payments assume a mortgage with a 3.5% downpayment on a 30-year fixed-rate loan with zero points and 0.55% mortgage insurance, 0.35% property insurance, and 1.15% property tax rates.
Source: JCHS tabulations of Freddie Mac, Primary Mortgage Market Surveys; National Association of Realtors, Existing Home Sales.

Harvard also noted the need for expansion of subsidy programs for renters to improve their efficacy, as rent costs continue to rise, and new construction targets the higher end of the rental market. Trends in Harvard's report show the increase in cost-burdened renters between 2019 and 2022 as going from 20.4 million to 22.4 million, while the number of severe-cost burdened renter households hit a record high at 12.1 million. These increasing figures create the ever more urgent need for moderately-priced rental housing. Moderate-income renter households, or those earning between $45,000 and $74,999 in annual income, have experienced the fastest growth in renter households becoming cost-burdened. Per NLIHC's report, "The Gap," there is a shortage of 7.3 million rental homes available to those households classified as extremely low-income, leaving only 34 rental homes available and affordable to every 100 extremely low-income renter households. Along with Harvard, NLIHC attributes the rising numbers of cost-burdened households to the increasing rent prices, the stagnant or slow-increasing wages, and the end of many pandemic assistance programs. Within the last year, however, a surge of multifamily units has entered the market, with over 487,000 units added to the market from March of 2023 to March 2024, the highest rate of increase since 1988, according to Harvard. Since the pandemic, there has been a net loss of low-rent units on the market, mirrored by a small gain in higher-rent units, which supports trends seen in the Fifth District of a deficit of housing for low-income households coupled with a surplus of units priced for higher-income households. However, as a result of the increase in the production of multifamily units over the last year, vacancy rates have increased, which has helped to ease rent growth to 0.2 percent in the first quarter of 2024, compared to 15 percent year over year in 2022.

Figure 1

Housing Costs Remain Elevated After Pandemic-Era Surges



Notes: Asking rents are for professionally managed apartments in buildings with five or more units. Prices and rents are indexed to 100 in 2020:I. Home prices are seasonally adjusted and are an average of January and February data in 2024:1.
Source: JCHS tabulations of RealPage data; S&P CoreLogic Case-Shiller US National Home Price Index.

Per the Worst Case Housing Needs report published by HUD in September of 2023, the number of households with worst-case needs reached an all-time high of 8.53 million renter households in 2021, the majority of which are a product of severe rent burden. The report also cited over-crowded housing conditions as being a large problem for very low-income renters, with 92.5 percent of these households being households with children. With the end of pandemic assistance funding coupled with rising rent for the unforeseeable future, low-income renters and homeowners will be in need of additional funding assistance to afford housing, repair homes to preserve their habitability, modify homes for the aging population, preserve existing affordable rental units, access emergency assistance when they experience financial shocks, and better establish themselves in the local economy. In addition to the end of the pandemic assistance funding, many households also had to restart their student loan payments in September of 2023, which had been paused since March of 2020. According to Harvard, an estimated 28 million households carry student debt; the added burden of having to restart payments in September of 2023, with the average household paying $500 per month, also affected the ability of many households to afford the transition to homeownership, which in turn leaves the current generation behind pace compared to previous generations in regards to homeownership rates. Black households are also disproportionally affected by student debt, as they are more likely to carry student debt compared to their white, Hispanic, and Asian counterparts. The extreme impact of the student loan payments on households was highlighted when only 60 percent of all borrowers made their required payments on time after the pause on payments ended.

SUMMARY OF IDENTIFIED NEEDS

As a result of the aforementioned, the FHLB has made the following determinations with regards to affordable housing and community development needs in the Fifth District in 2025:

1. Subsidy for the development and preservation of affordable housing for low- and extremely low-income households and vulnerable populations, such as those with special needs, people age 60 and over, homeless individuals and households, etc.;
2. Operating subsidy for projects serving special needs households, particularly permanent supportive housing developments;
3. Subsidy for owner-occupied rehabilitation and preservation of existing affordable rental housing;
4. Mobile home replacement;
5. Addressing disparities in housing cost burden and homeownership rates for minority households and/or first-generation homebuyers;
6. Climate resilience and energy-efficiency renovations;
7. Funding to increase the supply of homes at entry-level price points;
8. Both ownership and rental housing for extremely low-income households;
9. Housing for middle-income households;
10. Financing for one- and two-bedroom ownership and rental housing;
11. Liquidity for non-depository CDFIs*;* and,
12. Education and technical assistance to Members, community financial intermediaries, and public and private economic development partnerships and organizations in both English and Spanish, specifically targeting homeownership education and predatory lending awareness.

2025 HCI PROGRAMS

In 2025, the FHLB will continue to offer the following HCI programs:

Community Investment Program and Economic Development Program

Both the CIP and EDP provide discounted Advances to encourage Members to increase their involvement in housing and economic development projects. In addition to discounted Advances, discounted Letters of Credit are also available under both programs.

Zero Interest Fund

The FHLB continues to offer the ZIF, a $2 million revolving loan fund, which provides zero-interest, short-term loans to cover upfront infrastructure costs on residential and economic development projects.

Affordable Housing Program

The AHP is our largest and most impactful initiative with over $694 million disbursed to more than 88,000 units of affordable housing as of December 31, 2024. AHP offers grants and discounted Advances to assist with the funding of new construction, acquisition, rehabilitation, or a combination thereof of ownership and rental housing serving very low-, low- and moderate-income households. FHLB offers webinars and workshops, attends outreach events, and participates in panel discussions to promote this program.

Welcome Home Program

The WHP offers grants up to $20,000 to provide down payment and closing cost assistance for the acquisition or construction of owner-occupied housing by low- and moderate-income homebuyers. It continues to be our most popular program based on Member usage. Webinars covering the program will be offered again in 2025.

Carol M. Peterson Housing Fund

The CMPHF provides grants up to $20,000 per homeowner to fund repairs for low- and moderate-income homeowners with special needs or who are age 60 or over. This voluntary program is so popular that funds are typically fully requested in less than one day. Since its inception in 2012, the program has disbursed over $35 million to 3,736households. FHLB will continue to promote this program via a webinar.

Disaster Reconstruction Program

The DRP offers grants of up to $20,000 to homeowners and renters in the Fifth District to assist with the purchase, construction, or repair of primary residences destroyed or damaged by federally- or state-declared disasters. The program will continue to be promoted via webinars, Member and Sponsor outreach meetings, and the FHLB website. Since inception, the FHLB has disbursed over $9 million on behalf of 672 households under this program.

Rise Up Program

The RUP offers grants to assist eligible households with downpayment and closing costs for homes purchases by first-time, first generation homebuyers. The incomes for participating households must be at or below 120 percent of the AMI. This pilot program aims to address the racial homeownership gap for Black and minority homeowners and to promote the growth of intergenerational wealth that has been delayed for Black and minority households due to historical segregation and discrimination. This program will be promoted via webinars, email notifications, and the FHLB and program administrators' websites. This pilot program opened on May 28, 2024. As of December 31, 2024, the FHLB had disbursed $6.16 million on behalf of

224 first-generation, first-time homebuyers, which includes the administrative fee for the first program administrator.

In 2025, the FHLB plans to explore additional programs to address mobile home replacement, non-depository CDFI liquidity, and increase homeownership by low- and moderate-income households.

NON-LENDING ACTIVITIES

Technical Assistance

The FHLB will continue to provide ongoing funding resources, information, and technical assistance to Members and their partners in support of economic development and community lending activities. The technical assistance may include project structuring and developing relationships between resource representatives and Members.

Education and Training

The FHLB will continue to provide or participate in a variety of educational and training opportunities for Members and Sponsors involved in community lending. The training will be in the form of informational seminars, webinars, conferences, and other meetings co-sponsored with partnership organizations and others.

Research

The FHLB will continue to stay abreast of ongoing research to assess unmet credit needs and market opportunities occurring throughout the Fifth District. The FHLB accomplishes this primarily through publicly available market information, such as the state housing finance agencies' Housing Needs Assessments, attendance at industry events, informational exchanges with other Federal Home Loan Banks and, of course, engagement with its Affordable Housing Advisory Council. The FHLB will also continue to assess the performance of each of its HCI Programs.

Information Dissemination

The FHLB will continue to utilize its website, www.fhlbcin.com, webinars and workshops to inform Members, community organizations, small businesses, and entrepreneurs about pre-development and financing resources, business development opportunities, and other technical assistance resources available through the FHLB. The FHLB will communicate information in FHLB publications about successful programs and projects to encourage participation by Members and partners in economic development activities.

PERFORMANCE GOALS

By regulation, the FHLB is required to develop annual performance goals and measurable achievement standards. The following is a summary of the performance against the 2024 Plan goals as of December 31, 2024 and a summary of the goals for 2025:

Description	2024 Threshold Goal	2024 Target Goal	2024 Maximum Goal	2024 Performance
New CICA/ZIF Users	6 Members	12 Members	18 Members	15 Members
Voluntary Program Disbursement Percentage	65 percent	80 percent	90 percent	90 percent
Percent of Members Applying to One or More HCI Programs	30 percent	35 percent	42 percent	39 percent

The FHLB has adopted the following goals for 2025:

	Threshold	Target	Maximum
New CICA/ZIF/CLIF Applicants	9 members	12 members	20 members
Percent of Voluntary Program Funds Committed	85 percent	95 percent	98 percent
HCI Member Participation	30 percent	35 percent	42 percent

DEFINITIONS

- Climate resiliency – the ability to prepare for, recover from, and adapt to impacts felt from the effects of climate change. Examples of the effects of climate change include more frequent and severe weather, ocean warming and acidification, extended periods of drought, extreme temperatures, etc.

- Extremely low income – those households earning 30 percent or less of the AMI

- Low-income – those households earning 60 percent or less of the AMI

- Moderate-income – those households earning 80 percent or less of the AMI

- Mobile home – a residential structure manufactured prior to the enactment of the Federal Manufactured Housing and Construction Standards, also known as the HUD Code, on June 15, 1976

- Severe cost burdened – those households who spend more than half of their income on housing

- Severely mortgage-burdened – owner-occupied households who spend at least 50% of the household income on homeowner costs or those households without any income

- Worst-case needs – renter households that fall at or below 50 percent of the area median income, who face inadequate living conditions, and/or spend 50 percent or more of their income on rent