



REPORT ON 2022 FEDERAL HOME LOAN BANK TARGETED MISSION ACTIVITIES

NOVEMBER 2023



Division of Housing Mission and Goals

Table of Contents

OVERVIEW OF FHFA AND FHLBANK TARGETED MISSION ACTIVITIES	2
Support of Low-Income Housing and Community Development through FHLBanks’ Targeted Mission Activities.....	2
THE AFFORDABLE HOUSING PROGRAM	4
FHFA’s Strategic Plan and FHLBank Targeted Mission Activities	5
AHP General Fund.....	7
AHP Homeownership Set-Aside Program	19
THE COMMUNITY INVESTMENT PROGRAM AND THE COMMUNITY INVESTMENT CASH ADVANCE PROGRAM.....	27
VOLUNTARY TARGETED MISSION ACTIVITY PROGRAMS AND ACTIVITIES	37
COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS	47
HOUSING GOALS	50
APPENDIX 1: 2022 FHLBANK ADVISORY COUNCIL REPORTS.....	52
APPENDIX 2: HISTORICAL AHP DATA	60
APPENDIX 3: AHP GENERAL FUND PROJECTS.....	62



Overview of FHFA and FHLBank Targeted Mission Activities

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), the Federal National Mortgage Association (Fannie Mae), and the Federal Home Loan Mortgage Corporation (Freddie Mac). As regulator of these entities, FHFA is responsible for ensuring that they operate in a safe and sound manner so that they serve as a reliable source of liquidity and funding for housing finance and community development.¹ As part of their public mission, the FHLBanks play an important role in supporting affordable housing and community development throughout the country.

Support of Low-Income Housing and Community Development through FHLBanks' Targeted Mission Activities

This report discusses the FHLBanks' targeted mission activities to support low-income housing and community development in 2022.^{2,3} The FHLBanks support a range of these activities through various programs: the statutorily-mandated Affordable Housing Program (AHP), the statutorily-mandated Community Investment Program (CIP), and the voluntary Community Investment Cash Advance Program (CICA).⁴ Under these programs, the FHLBanks provide loans (referred to as advances) and grants to their members or housing associates,⁵ as applicable, who use these funds to assist very low- and low- or moderate-income households and

¹ Since 2008, FHFA has also served as conservator of Fannie Mae and Freddie Mac.

² The Federal Home Loan Bank Act requires FHFA to monitor and report annually to the Advisory Council for each FHLBank, the support of low-income housing and community development by the FHLBanks and the utilization of FHLBank advances for these purposes. See 12 U.S.C. § 1430(j)(12).

³ This report was previously titled the "Low-Income Housing and Community Development Activities of the Federal Home Loan Banks." The title has been changed for this report to reflect its coverage of additional FHLBank targeted mission activities.

⁴ See 12 U.S.C. § 1430(i) and (j). The CICA regulation defines CICA programs to include AHP, CIP, and targeted economic development advance or grant programs established by an FHLBank. 12 C.F.R. § 1292.1. 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. The AHP is governed separately by FHFA's AHP regulation. 12 C.F.R. part 1291. Some FHLBanks also provide voluntary community development and housing subsidy programs that do not fall under this statutory and regulatory framework.

⁵ 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 FHLBank members, but FHLBanks may offer them advance products except CIP advances. See 12 U.S.C. § 1430b; 12 C.F.R. part 1264.



communities.⁶ Additionally, most FHLBanks support low-income housing and community development through voluntary programs that the FHLBanks offer at their discretion. Each year, the FHLBanks adopt Targeted Community Lending Plans (TCLPs), in which they identify and assess housing needs addressed through their AHPs, and describe how the Bank will address identified credit needs and market opportunities in the Bank's district for targeted community lending.⁷

The FHLBanks awarded approximately \$266.9 million in AHP funds in 2022, approximately 24 percent less than in 2021,⁸ targeted to assist over 25,000 low- or moderate-income households, including over 12,000 very low-income households. Through the CIP, the FHLBanks funded approximately \$3.5 billion in targeted housing and economic development advances in 2022, over 113 percent more than in 2021. The CIP assisted about 20,000 households in 2022, an increase of approximately 148 percent from 2021, driven by higher advance volumes at the Indianapolis, Chicago, and San Francisco FHLBanks. The FHLBanks' CICA funding in 2022, which supports targeted economic development, was approximately \$1.4 billion, about 36 percent higher than in 2021, with substantial increases in advances at the Boston, Pittsburgh, and Chicago FHLBanks.

The FHLBanks also support the financing of low-income housing and community development through other activities, including through advances to their non-depository Community Development Financial Institution (CDFI) members. At the end of 2022, 70 FHLBank members were non-depository CDFIs, two more than in 2021. The FHLBanks' outstanding advances to these non-depository CDFIs at the end of 2022 were \$272.4 million, a decrease from \$289.6 million at the end of 2021.

Finally, FHLBanks are subject to housing goals when they make mortgage purchases through an Acquired Member Assets (AMA) program.⁹ The housing goals include an annual mortgage purchase goal under which a specified percentage of an FHLBank's annual AMA mortgage

⁶ 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.

⁷ 12 C.F.R. § 1290.6(a)(5)(ii).

⁸ The Federal Home Loan Bank Act requires that the AHP be funded annually by at least 10 percent of the net earnings of the FHLBanks in the previous year. 12 U.S.C. 1430(j)(5)(C). Because the FHLBanks' net earnings decreased in 2021, the AHP statutory contributions in 2022 decreased as well. The amount of funds awarded annually may include funding adjustments from prior years or funds accelerated from future years. In these circumstances, an FHLBank's amount of awarded funds may differ from the statutorily required contribution of funds.

⁹ The FHLBanks' AMA programs are governed by FHFA's AMA regulation. See 12 C.F.R. part 1268. AMA programs include the Mortgage Partnership Finance Program, the Mortgage Purchase Program, and the Mortgage Asset Program.



purchases must be for some combination of very low-income families, low-income families, and families in low-income areas, as well as an annual community-based AMA user goal, under which a specified percentage of an FHLBank’s annual AMA users must have assets at or below a threshold defined in FHFA’s FHLBank housing goals regulation.¹⁰ That threshold, which adjusts annually, was \$1.323 billion in 2022. Nine FHLBanks purchased AMA mortgages in 2022, and each met the mortgage purchase and community-based AMA user goals for 2022.

The Affordable Housing Program

The Federal Home Loan Bank Act (Bank Act) requires each FHLBank to establish an AHP.¹¹ Under the program, members of a FHLBank may apply to the FHLBank for AHP funds, which the members, in turn, provide to approved projects and households to be used for the purchase, construction, or rehabilitation of owner-occupied and affordable rental housing. AHP funds may be in the form of grants or reduced interest rates on advances (subsidized advances) from an FHLBank to the member. For AHP-assisted owner-occupied housing to be eligible for funding, household income must be at or below 80 percent of AMI. For AHP-assisted rental housing to be eligible for funding, at least 20 percent of the project’s units must be affordable for and occupied by households with incomes at or below 50 percent of AMI.¹²

The AHP has three funding programs.¹³ The primary funding program is a mandatory competitive application program, the General Fund, through which FHLBanks provide subsidies either as grants or as reduced interest rates on advances (subsidized advances). The bulk of the AHP funding through this program takes the form of grants. Applications for project funding are approved based on each FHLBank’s individual scoring system established pursuant to the general scoring framework in the AHP regulation. A second funding program is a discretionary homeownership set-aside program under which the FHLBanks provide grants to their members who, in turn, pass on the grants to eligible households for down payment, closing costs, counseling, or rehabilitation assistance in connection with the households’ purchase or rehabilitation of their primary residence.¹⁴ Generally, access to set-aside program funds is on a

¹⁰ 12 C.F.R. part 1281.

¹¹ See 12 U.S.C. § 1430(j).

¹² The Bank Act defines “affordable for very low-income households” to mean that rents charged to tenants for units made available for occupancy by low-income families shall not exceed 30 percent of the adjusted income of a family whose income equals 50 percent of the income for the area (as determined by the Secretary of Housing and Urban Development) with adjustment for family size. 12 U.S.C. § 1430(j)(13)(D). See also 12 C.F.R. § 1291.1 (definition of “affordable”).

¹³ See 12 C.F.R. part 1291.

¹⁴ An FHLBank’s annual set-aside program funding allocation may not exceed the greater of \$4.5 million or 35 percent of the FHLBank’s annual required AHP statutory contribution. 12 C.F.R. § 1291.12(b).



first-come, first-served basis for FHLBank members and eligible households.¹⁵ A third funding program is a discretionary competitive application program referred to as a Targeted Fund, through which a FHLBank may provide grants or subsidized advances for projects targeting specific affordable housing needs in its district.¹⁶

FHFA's Strategic Plan and FHLBank Targeted Mission Activities

FHLBank targeted mission activities are addressed in FHFA's Strategic Plan for fiscal years 2022-2026.¹⁷ The Strategic Plan includes a strategic goal of fostering housing finance markets that promote equitable access to affordable and sustainable housing. As described in the Strategic Plan, one objective in pursuit of this goal is the promotion of sustainable access to mortgage credit, and two means of achieving this objective are to ensure that the FHLBanks serve each state in their districts under the AHP, and that the FHLBanks' TCLPs identify and seek to fulfill the needs of communities throughout their districts, including tribal communities.

FHFA expects each FHLBank to demonstrate its commitment to awarding AHP funds to projects in each state in its district, to the extent practicable, in the development of its General Fund scoring criteria, taking into consideration the diversity of housing needs within its district. FHFA has similarly conveyed to the FHLBanks that, if an FHLBank has established an AHP homeownership set-aside program, FHFA expects it to demonstrate a commitment to distributing those program funds to income-eligible households throughout its district, and to conduct outreach and provide technical assistance to encourage members in each state in its district to participate in its set-aside program.

FHLBank AHP Funding Contributions and Allocations: Each FHLBank's annual AHP statutory 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 the FHLBanks).¹⁸ Consequently, an FHLBank's statutory contribution to its AHP changes each year as its annual earnings change. From 1990 to 2022, the FHLBanks contributed approximately \$7.2 billion to the AHP (see Figure 1).

¹⁵ The AHP regulation requires the FHLBanks to establish allocation criteria for the disbursement of AHP set-aside funds to members and establishes a maximum AHP subsidy limit per household. FHLBanks generally limit the amount of set-aside funds that each member may receive, and adopt subsidy limits per household, pursuant to these regulatory requirements. See 12 C.F.R. § 1291.42(a), (c).

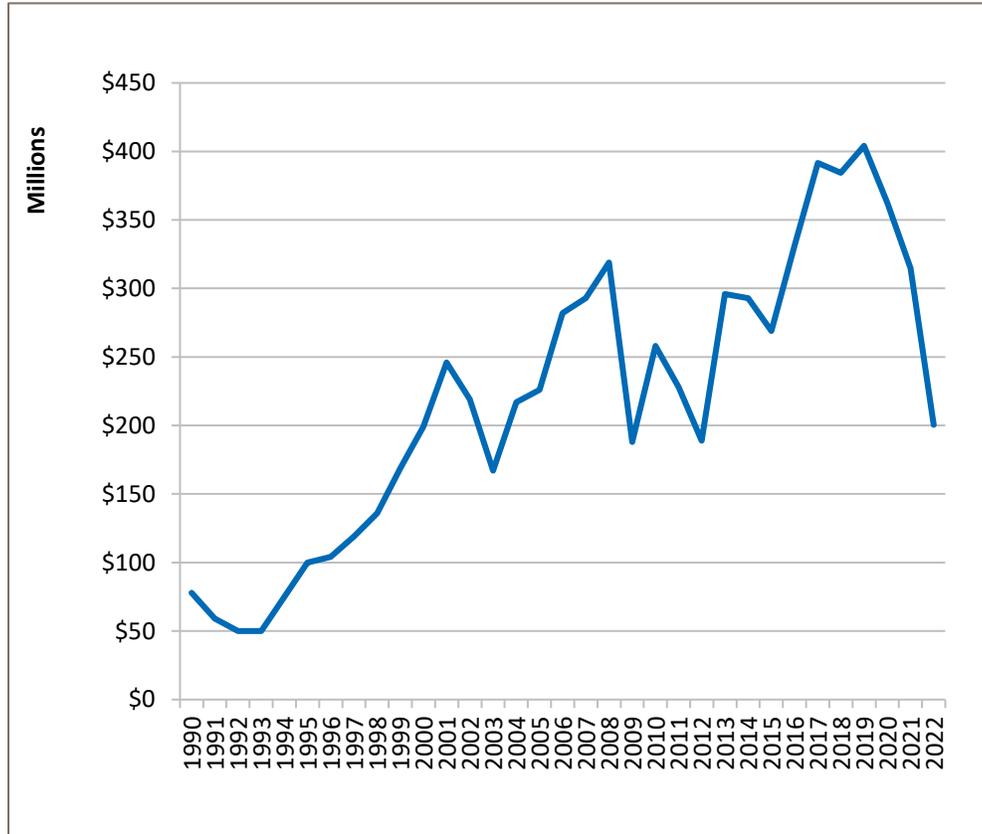
¹⁶ 12 C.F.R. § 1291.20(b).

¹⁷ See https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/FHFA_StrategicPlan_2022-2026_Final.pdf.

¹⁸ See 12 U.S.C. § 1430(j)(5)(C).



Figure 1: FHLBanks' AHP Statutory Funding Contributions (1990 – 2022)



Source: FHFA¹⁹

In 2022, the AHP statutory contributions for individual FHLBanks ranged from approximately \$5 million by the Cincinnati FHLBank to approximately \$32 million by the Chicago FHLBank.

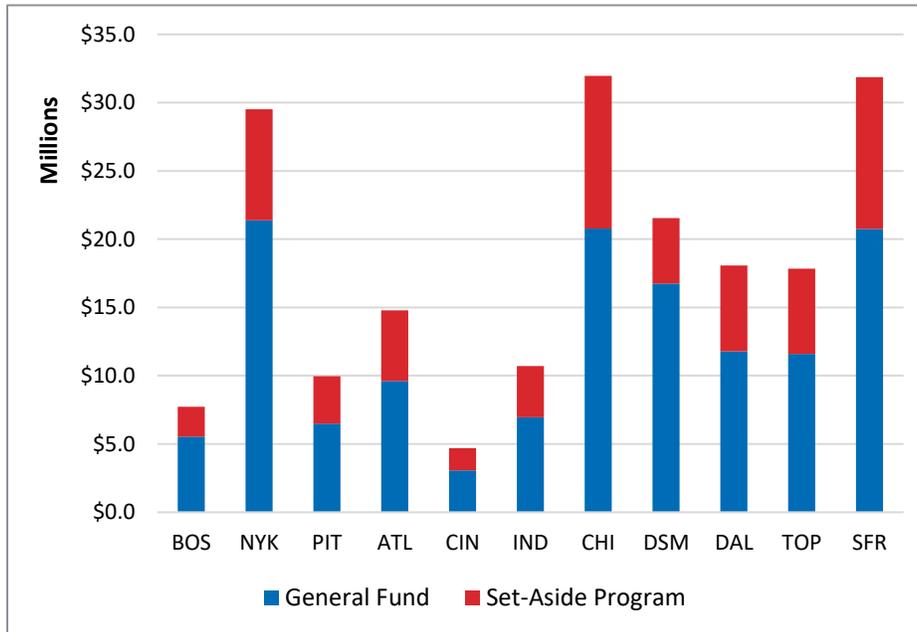
Each FHLBank allocates its AHP statutory funding contributions between a mandatory General Fund, a discretionary homeownership set-aside program (if established by the FHLBank), and a discretionary Targeted Fund (if established by the FHLBank). All of the FHLBanks offered homeownership set-aside programs in 2022. No FHLBank offered a Targeted Fund in 2022.

Figure 2 details the FHLBanks' General Fund and set-aside program funding allocations in 2022.

¹⁹ Unless otherwise noted, data contained in all charts and tables in this report were submitted by the FHLBanks and validated by FHFA. Dollars have been rounded. General Fund data include only approved, active projects; thus, the data do not include approved but withdrawn projects.



Figure 2: 2021 FHLBank AHP Statutory Funding Allocations



FHLBank Awarded Funds: In 2022, the FHLBanks awarded a total of approximately \$266.9 million through the AHP, with approximately \$187.7 million for General Funds and \$79.2 million for set-aside programs. This funding is targeted to support 25,510 housing units – 15,206 units in the General Funds and 10,304 units in the set-aside programs.²⁰

AHP General Fund

The AHP General Fund supports very low-income and low- or moderate-income households and rental and owner-occupied housing projects in rural and non-rural (*i.e.*, urban or suburban) areas. The FHLBanks award funds to projects based on an evaluation of project applications. Each FHLBank’s evaluation uses a 100-point scoring system that is tailored to address the affordable housing needs and other objectives of that FHLBank, subject to certain statutory priorities and regulatory scoring criteria set forth in the AHP regulation. Under the regulatory requirements, an FHLBank is required to allocate a prescribed minimum number of points for scoring categories specified in the AHP regulation, and may allocate the remainder of the points in its discretion

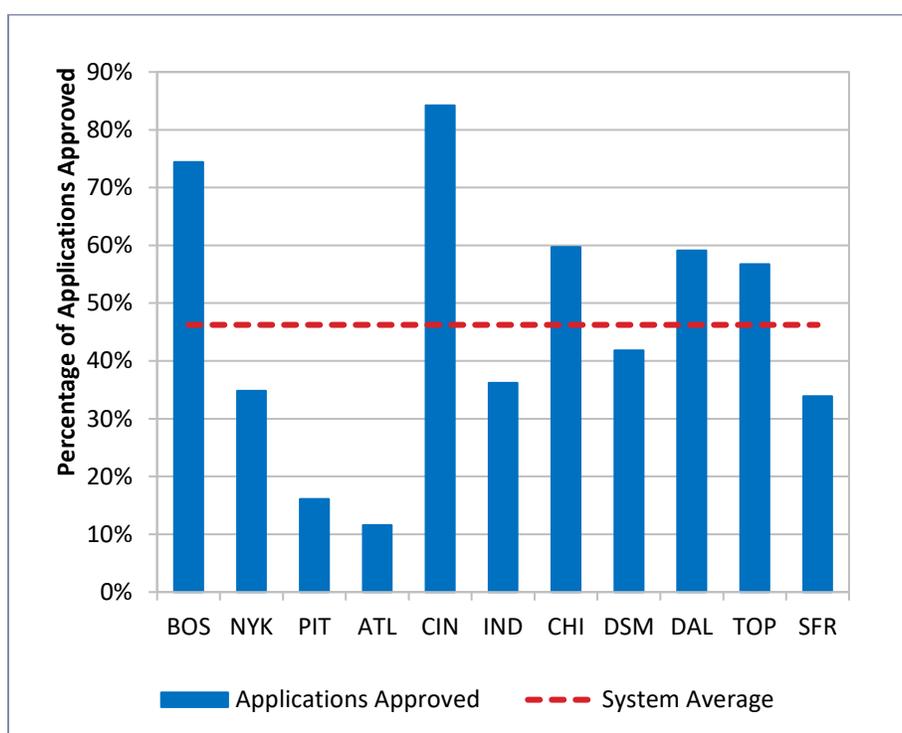
²⁰ The amount of funds awarded annually may include awards returned from prior years or funds accelerated from future years. In these circumstances, an FHLBank’s amount of awarded funds may differ from the statutorily required contribution of funds.



among the scoring criteria, with the total points equaling 100. The FHLBanks are also required to assess the projects' satisfaction of specified regulatory eligibility criteria, including their developmental feasibility and, for rental projects, their operational feasibility.

With the AHP funds available in 2022, the FHLBanks approved, on average, about 46 percent of applications received (see Figure 3), similar to the 45 percent in 2021.

Figure 3: 2022 AHP General Fund Applications Approved



Source: FHFA's Call Report System

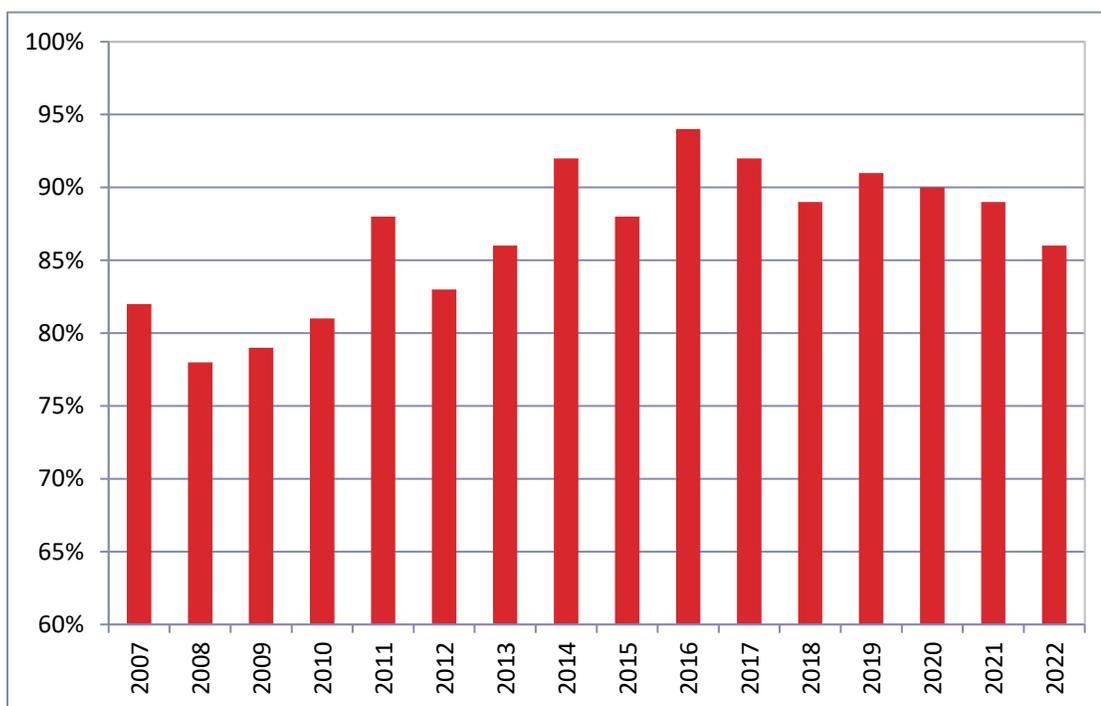
Funds Awarded: The General Fund is larger than the set-aside program, both in terms of the number of units supported and the amount of funding awarded. In 2022, the FHLBanks approved General Fund awards to 321 projects, ranging in amounts from approximately \$105,000 to \$1.5 million per rental project, and from approximately \$20,000 to \$1 million per owner-occupied project. AHP subsidy per unit for rental projects was about \$11,600 (down from about \$12,500 in 2021), and AHP subsidy per unit for owner-occupied projects was about \$16,700 (down from about \$19,400 in 2021). Since the inception of the General Fund in 1990 (referred to as the competitive application program prior to 2018), the FHLBanks have awarded approximately \$6



billion in funding to over 19,400 projects supporting over 786,000 units. Over that period, 75 percent of these units were in urban or suburban areas, and 25 percent were in rural areas.²¹

The percentage of total units under the General Funds that are rental units has varied each year, from a low of 78 percent in 2008 to a high of 94 percent in 2016. In 2022, rental units constituted about 86 percent of total units under the General Funds, down slightly from 89 percent in 2021 (see Figure 4).

Figure 4: AHP General Fund Percentage of Rental Units (2007 – 2022)



²¹ FHFA receives data from the FHLBanks that reflect whether an AHP-assisted project received points for the financing of housing in a rural area. This is an optional scoring category and, therefore, some FHLBanks may not have adopted it. Because some projects may be located in rural areas but not be scored on this feature, data reflected in this report may understate the percentage of General Fund projects or units located in rural areas. In addition, an AHP project is considered to be “urban or suburban” for purposes of this report if it did not receive points as a rural project.





The Village

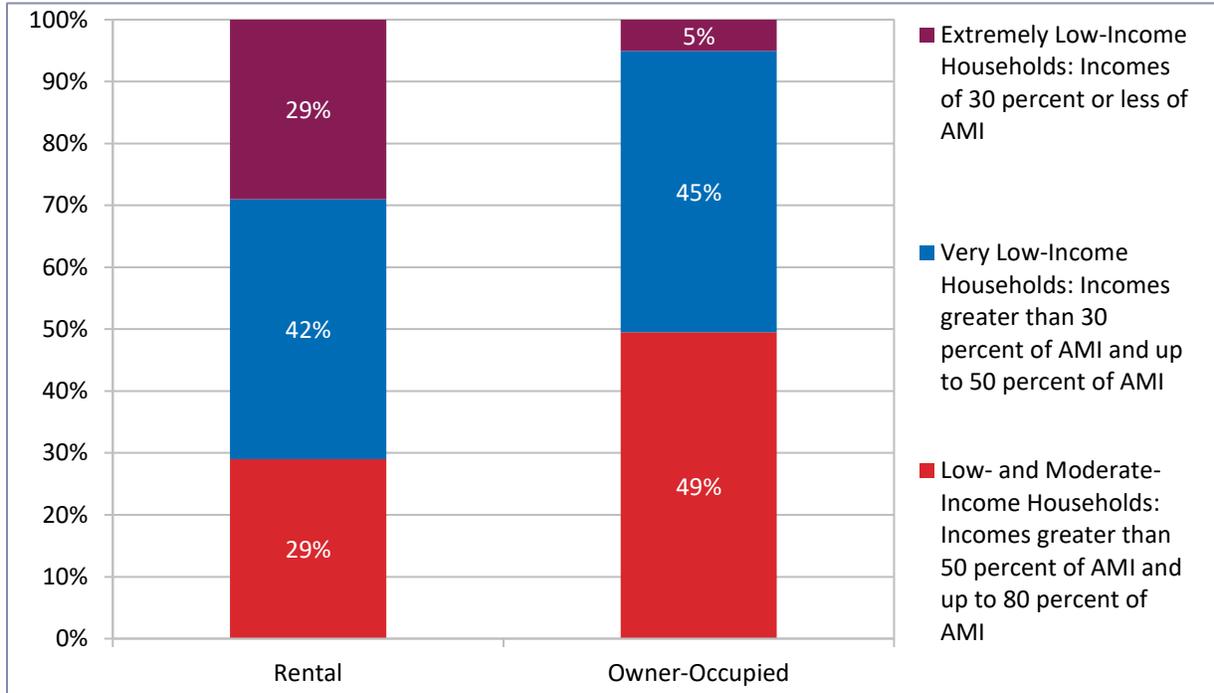
The Village, located in Owasso, Oklahoma, is an “agrihood” concept. The 62 units of rental housing for people with developmental disabilities are built around a field growing flowers, fruit, and vegetables. Half of the garden’s produce is donated to an area food bank, and the other half is sold and delivered by residents during the growing season. The Village received AHP General Fund subsidy. (Source: Topeka FHLBank)

Households Served: By statute, at least 20 percent of an AHP rental project’s units must serve very low-income households, and all AHP-assisted owner-occupied units must serve low- or moderate-income households.²² In 2022, 71 percent of total AHP-assisted rental units and approximately 51 percent of total AHP-assisted owner-occupied units were targeted to households with incomes at or below 50 percent of AMI (see Figure 5). In 2021, these figures were 71 percent and 42 percent, respectively.

In 2022, the percentage of General Fund units serving extremely low-income households (households with incomes of 30 percent or less of AMI) increased for rental units but fell for owner-occupied units compared to 2021. Specifically, 29 percent of General Fund rental units were targeted to these households in 2022, up from 25 percent in 2021, while approximately 5 percent of General Fund owner-occupied units were targeted to these households in 2022, down from 8 percent in 2021.

²² Generally, the scoring criteria in the AHP regulation provides additional scoring points to projects that provide more units for lower income households.

Figure 5: 2022 Household Income Distribution Under the General Fund



Mercy Gardens

Mercy Gardens, which received AHP General Fund subsidy, is new construction in Central Islip, New York. The project is 19 units of affordable rental housing with permanent supportive services and a community service center. The project is designed as a multi-faceted program for homeless individuals with severe and persistent mental illness, as well as for single adults and families struggling with chronic homelessness (Source: New York FHLBank)



Since the General Fund’s inception in 1990, approximately 71 percent of total units under the program (556,596 of 786,196 units) have been targeted to very low-income households.

Urban/Rural Demographics: In 2022, urban or suburban projects represented approximately 82 percent of total projects and 83 percent of total units under the General Fund (see Figure 6). Rural projects represented approximately 18 percent of total projects and 17 percent of total units. Urban or suburban projects averaged 48 units per project, the same as in 2021, while rural projects averaged 44 units per project, up from 38 units in 2021. The average subsidy per unit for rural projects was \$12,800, down from \$14,956 in 2021, and the average subsidy per unit for urban or suburban projects was \$12,256, down from \$13,073 in 2021. Approximately 84 percent of units serving very low-income households in projects approved in 2022 were urban or suburban units, decreasing slightly from 88 percent in 2021.²³ Approximately 16 percent of units serving very low-income households in projects approved in 2022 were rural units, an increase from 12 percent in 2021.

²³ As stated previously, projects that receive scoring points for rural housing are counted as rural projects for purposes of this report. However, the FHLBanks are not required to include rural housing as a scoring priority. Therefore, this may not capture all AHP General Fund rural projects, as some projects may be located in rural areas but are not scored on that feature by some FHLBanks. In addition, an AHP project is regarded for purposes of this report as “urban or suburban” if it did not receive points as a rural project.



Figure 6: 2022 General Fund Urban/Suburban and Rural Projects

	Urban or Suburban Projects		Rural Projects		Total Projects
	Count	Percentage	Count	Percentage	
Total Number of Awarded Projects	264	82%	57	18%	321
Funds Awarded (in \$ million)	\$155.5	83%	\$32.2	17%	\$187.7
Housing Units	12,692	83%	2,514	17%	15,206
Number of Housing Units Serving Very Low-Income Households	8,591	84%	1,609	16%	10,200
Average Number of Units per Project	48		44		47
Average AHP Subsidy per Unit	\$12,256		\$12,800		\$12,346

Development Costs of Units Receiving General Fund Subsidies: 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 General Fund subsidies as a percent of total development costs for 2021 and 2022. Over this period, the subsidy/development cost ratio decreased at seven FHLBanks. The average development cost per unit for General Fund projects varies across the FHLBanks based on several factors, including local housing costs and the availability of funding sources other than AHP funds.



Figure 7: FHLBank AHP General Fund Average Subsidy and Development Costs (2021 and 2022)

FHLBank	Average Subsidy Per Unit		Average Development Cost Per Unit		Subsidy/Development Cost Ratio	
	2021	2022	2021	2022	2021	2022
Boston	\$11,946	\$14,932	\$301,284	\$394,875	4.0%	3.8%
New York	\$14,097	\$14,557	\$314,655	\$214,557	4.5%	6.8%
Pittsburgh	\$36,276	\$47,165	\$234,018	\$279,360	15.5%	16.9%
Atlanta	\$8,534	\$10,012	\$265,597	\$211,135	3.2%	4.7%
Cincinnati	\$12,466	\$7,802	\$147,257	\$123,222	8.5%	6.3%
Indianapolis	\$8,010	\$8,944	\$179,604	\$226,987	4.5%	3.9%
Chicago	\$12,629	\$12,190	\$229,531	\$253,099	5.5%	4.8%
Des Moines	\$18,688	\$16,179	\$151,239	\$182,693	12.4%	8.9%
Dallas	\$8,755	\$8,385	\$207,296	\$215,399	4.2%	3.9%
Topeka	\$12,424	\$16,482	\$82,456	\$41,559	15.1%	39.7%
San Francisco	\$14,145	\$11,659	\$600,905	\$541,965	2.4%	2.2%

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.²⁴ In 2022, approximately 60 percent of AHP General Fund projects obtained funding from at least one other federal housing program (see Figure 8), down slightly from 61 percent in 2021.

²⁴ See 12 U.S.C. § 1430(j)(9)(G).



Figure 8: AHP General Fund Projects Approved in 2022 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	145	45%
Home Investment Partnerships (HOME) Program	75	23%
Community Development Block Grant (CDBG) Program	37	12%
Federal Housing Administration (FHA) Programs	6	2%
Other Federal Housing Programs	37	12%

Note: Projects may use more than one federal funding source.





Gimaajii Mino Bimaadizaan

Gimaajii Mino Bimaadizaan in Duluth, Minnesota received AHP General Fund subsidy for rental unit rehabilitation. The 29-unit project for families and singles experiencing homelessness was developed by a provider of culturally specific housing services for Native Americans. The development provides residents with counseling, case management, advocacy, supportive services, and cultural activities. (Source: Des Moines FHLBank)

Persons Experiencing Homelessness, Special Needs Populations, and Housing for Other Targeted Populations: An important contribution of the AHP General Fund is the number of projects approved that serve persons experiencing homelessness²⁵ and persons with special needs, including the elderly, individuals with disabilities, persons living with HIV-AIDS, persons recovering from substance, physical, or domestic abuse, formally incarcerated persons, and unaccompanied youth.²⁶ A project may reserve units for more than one special needs population. In 2022, 70 percent of General Fund projects approved (226 projects) were targeted for persons experiencing homelessness and/or persons with special needs, a decrease from 72 percent in 2021. Figure 9a shows that 35 percent of General Fund projects approved in 2022 were targeted for persons with disabilities, 29 percent for persons experiencing homelessness, and 26 percent for elderly households.

²⁵ The AHP regulation includes a scoring criterion for housing for persons experiencing homelessness. [See](#) 12 C.F.R. § 1291.26(e)(1).

²⁶ The AHP regulation includes a scoring criterion for housing for special needs populations. [See](#) 12 C.F.R. § 1291.26(e)(2).



The AHP regulation also includes a scoring criterion for housing for other targeted populations.²⁷ Figure 9b outlines the General Fund projects approved in 2022 that were targeted for these other targeted populations.

Figure 9a: 2022 AHP General Fund Projects Serving Persons with Special Needs and/or Persons Experiencing Homelessness

Projects Serving Persons with Special Needs and/or Persons Experiencing Homelessness	2022 Projects Serving Persons with Special Needs and/or Persons Experiencing Homelessness		1990-2022 Projects Serving Persons with Special Needs and/or Persons Experiencing Homelessness
	Percentage of Total Projects	Number of Total Projects	
Projects with Units Reserved for Persons with Disabilities ^a	35%	112	4,689
Projects with Units Reserved for Elderly Households ^a	26%	84	3,913
Projects with Units Reserved for Persons Experiencing Homelessness ^a	29%	94	5,864
Projects with Units Reserved for More than One Special Need or Persons Experiencing Homelessness ^a	31%	99	3,702

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

Note: Projects may serve more than one special need.

²⁷ This scoring category is for the “financing of housing in which at least 20 percent of the units are reserved for households specifically in need of housing, such as agricultural workers, military veterans, Native Americans, households requiring large units, or kinship care households in which children are in the care of cohabitating relatives, such as grandparents, aunts or uncles, or cohabitating close family friends.” 12 C.F.R. § 1291.26(e)(3).



Figure 9b. 2022 AHP General Fund Projects Serving Other Targeted Populations

Projects Serving Other Targeted Populations	Percentage of 2022 Total Projects	Number of 2022 Total Projects
Projects with Units Reserved for Military Veterans ^a	4%	12
Projects with Units Reserved for Native Americans ^a	5%	15
Projects with Reservations for Large Units ^{a,b}	18%	59

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

^b Projects having units with three or more bedrooms available for occupancy.

Note: Projects may serve more than one targeted population.



Danrael

Danrael, which received AHP General Fund subsidy, is new construction of six rental units, combined with four existing rental units, on a two-acre parcel of land in Salisbury, Massachusetts that services individuals with developmental disabilities in a group home setting. The residents will be very low-income. The project includes an emergency generator and specialized fire alarms to accommodate disabilities. The project also includes on-site nursing, self-sufficiency, healthcare, and educational services. (Source: Boston FHLBank)



I. 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 disburse the funds as grants to eligible households.²⁸

The AHP regulation establishes a maximum permissible set-aside grant amount per household, subject to an annual increase corresponding to FHFA's House Price Index (HPI). In 2022, the maximum permissible set-aside grant amount was \$26,070. The highest set-aside grant amount offered by any FHLBank was \$22,000, which was offered by the San Francisco FHLBank and the Boston FHLBank.

Households may use the grants for down payment, closing costs, counseling, or rehabilitation assistance in connection with the purchase or rehabilitation of an owner-occupied home.²⁹ Set-aside fund recipients must complete a homebuyer or homeowner counseling program if they are first-time homebuyers. The maximum share of AHP funding an FHLBank may allocate to its set-aside program per year is the greater of \$4.5 million or 35 percent of its annual AHP statutory funding contribution requirement. At least one-third of an FHLBank's aggregate annual set-aside program allocation must be to assist first-time homebuyers or households for owner-occupied rehabilitation, or some combination of both.

An FHLBank may establish one or more AHP homeownership set-aside programs, each with its own designated population type. For example, some FHLBanks have established targeted set-aside programs to assist with home rehabilitation for special needs households, households located in state or federally declared disaster areas, or households that are members of a federally recognized tribe or are Native Hawaiian.

FHLBank Set-Aside Program Funding Allocations: From 1995 through 2022, the FHLBanks' set-aside programs provided approximately \$1.6 billion in funding, supporting almost 263,000 households. Approximately 84 percent (221,942) of the households assisted were first-time homebuyers. During this period, the average set-aside grant per household was \$6,068.

In 2022, total funding for the set-aside programs was approximately \$79.2 million, a decrease from approximately \$89.8 million in 2021. The average set-aside grant in 2022 was \$7,686 per household, about \$800 more than in 2021. Set-aside program funds accounted for

²⁸ See 12 C.F.R. §§ 1291.41, 1291.42.

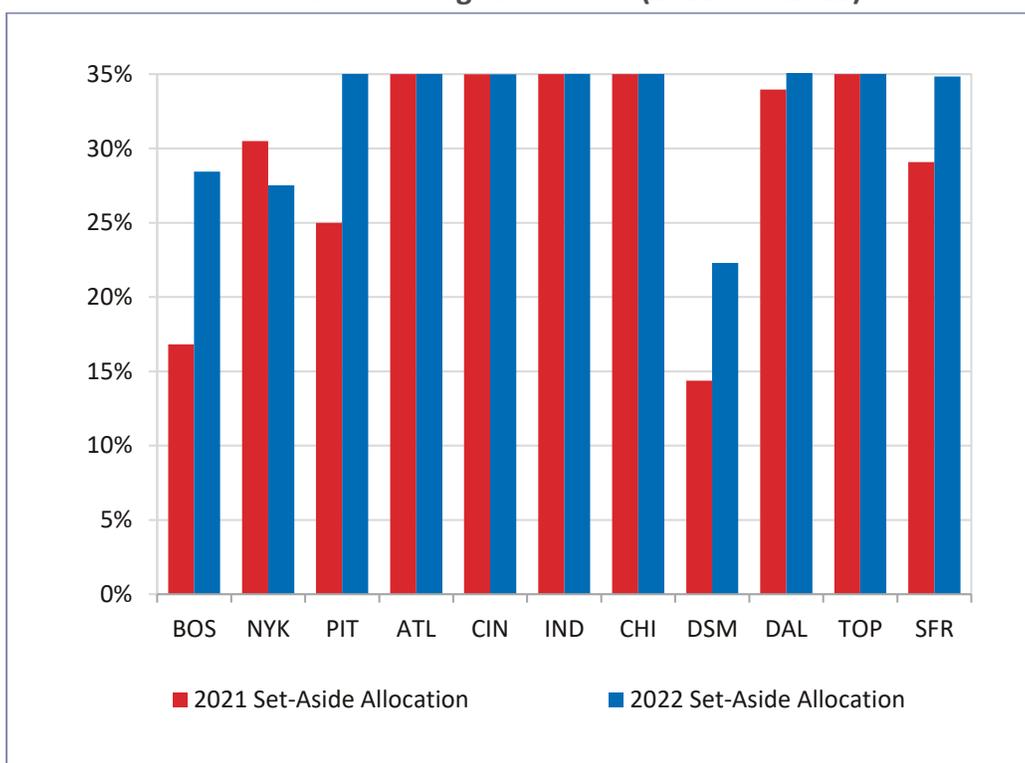
²⁹ The data that FHFA collects aggregate set-aside funds used for closing costs and down payments. The FHLBanks also separately submit data on home rehabilitation assistance.



approximately 32 percent of total AHP funds allocated in 2022, an increase from 29 percent in 2021.

Figure 10 shows individual FHLBank set-aside program funding allocations as a percentage of total AHP funding allocations in 2021 and 2022.³⁰

Figure 10: FHLBank Homeownership Set-Aside Program Funding Allocations as a Percent of Total AHP Funding Allocations (2021 and 2022)

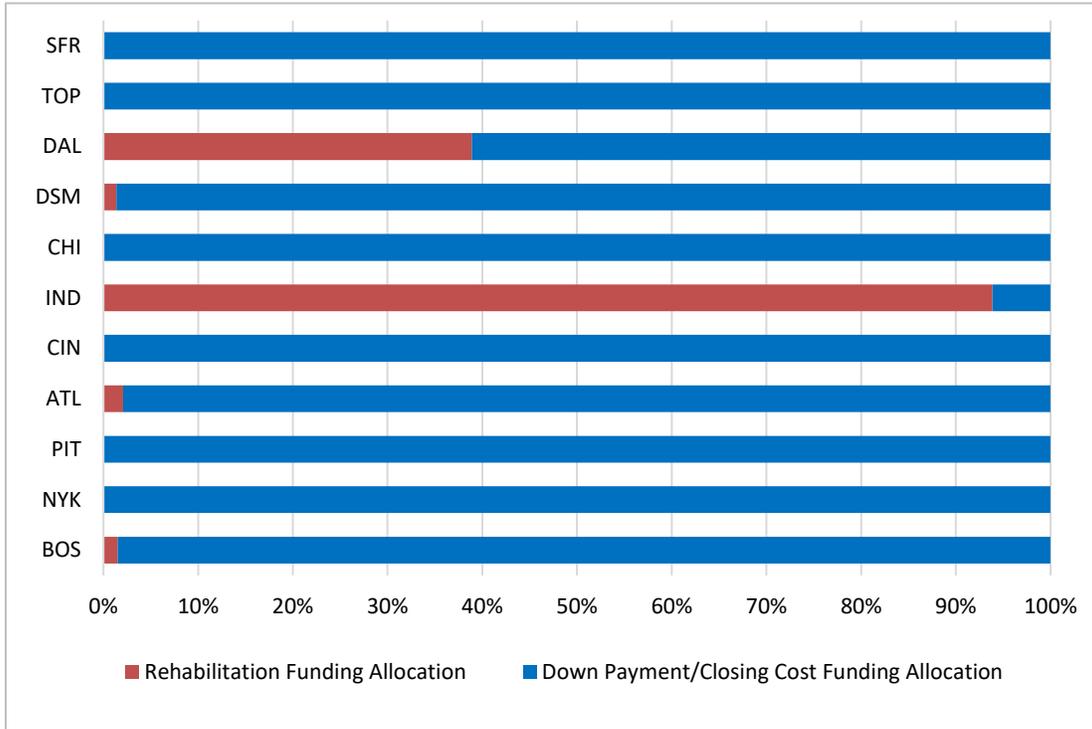


Use of Homeownership Set-Aside Funds: The FHLBanks have flexibility in their approved uses of set-aside funds. Historically, the FHLBanks have allocated the majority of set-aside funds to down payment or closing cost assistance. In 2022, the FHLBanks funded about \$73.6 million in down payment or closing costs, approximately 93 percent of total set-aside program funding, the same percentage as in 2021. In 2022, five FHLBanks (Atlanta, Boston, Indianapolis, Dallas, and Des Moines) allocated set-aside funds for rehabilitation (see Figure 11). Overall, rehabilitation funding in 2022 was approximately \$6 million, or 7 percent of total set-aside program funding, the same percentage as in 2021.

³⁰ Because the FHLBanks may carry forward returned, uncommitted, or unused AHP funds from prior years, or accelerate AHP funds from future years, allocation totals may differ from actual disbursements.



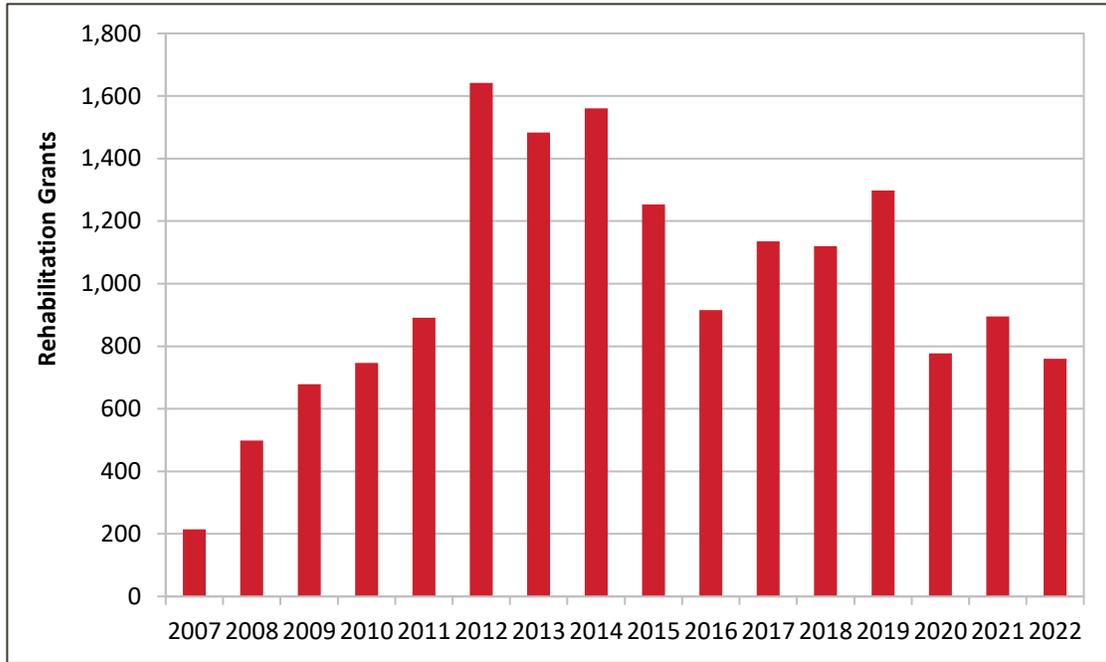
Figure 11: 2022 AHP Homeownership Set-Aside Program Funding Allocations



The total number of set-aside rehabilitation assistance grants decreased to 760 in 2022 from 895 in 2021 (see Figure 12).



Figure 12: Number of AHP Homeownership Set-Aside Grants Provided for Rehabilitation Assistance (2007 – 2022)



Set-aside program subsidy assisted a first-time homebuyer in James City, Virginia. (Source: Atlanta FHLBank)

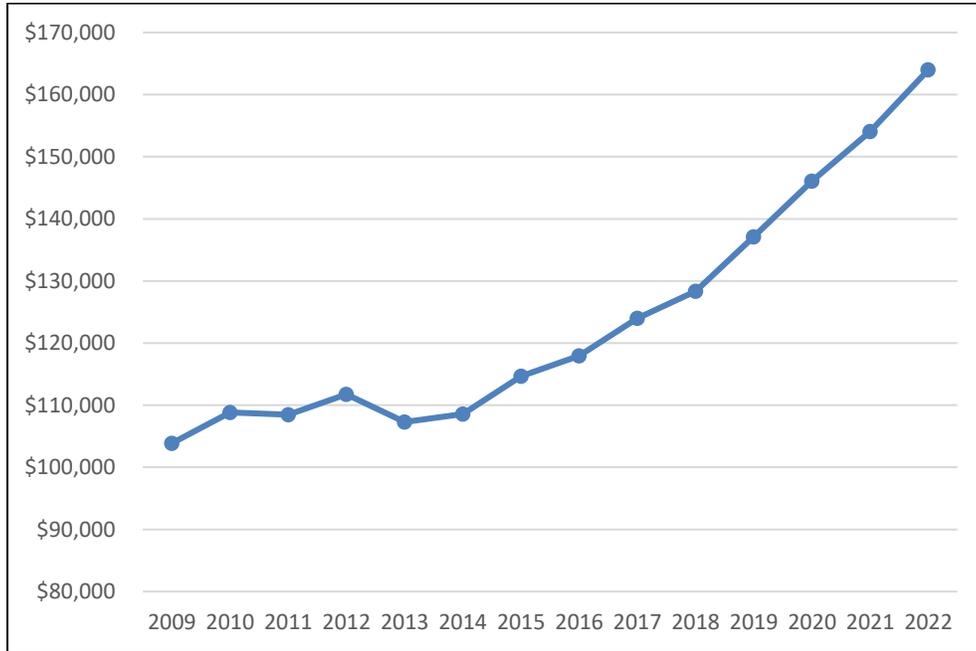
Households Assisted: Although the set-aside programs must target low- or moderate-income households, in a substantial number of cases the FHLBanks provide AHP set-aside grants to households with incomes significantly below the low- or moderate-income threshold (*i.e.*, significantly below 80 percent of AMI). In 2022, the average income of households assisted by the set-aside programs, excluding rehabilitation assistance, was about \$49,000 per year, or 60 percent of AMI. Data on the number of households assisted, average household incomes, and average house prices under the set-aside programs for each FHLBank in 2022 are shown in Figure 13a. The average house price for households assisted by the set-aside programs, again excluding rehabilitation assistance, was approximately \$164,000 in 2022, about 6 percent higher than in 2021 (see Figure 13b).

Figure 13a: 2022 Set-Aside Programs for Down Payment and Closing Cost 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	142	\$56,683	62	\$228,625
New York	1,222	\$56,948	59	\$165,288
Pittsburgh	718	\$45,733	60	\$165,868
Atlanta	1,672	\$56,624	63	\$221,377
Cincinnati	559	\$45,405	56	\$139,033
Indianapolis	36	\$40,753	59	\$143,689
Chicago	2,839	\$44,062	61	\$135,087
Des Moines	687	\$43,764	62	\$136,426
Dallas	448	\$38,541	60	\$151,344
Topeka	866	\$45,079	59	\$125,014
San Francisco	355	\$58,398	66	\$294,923



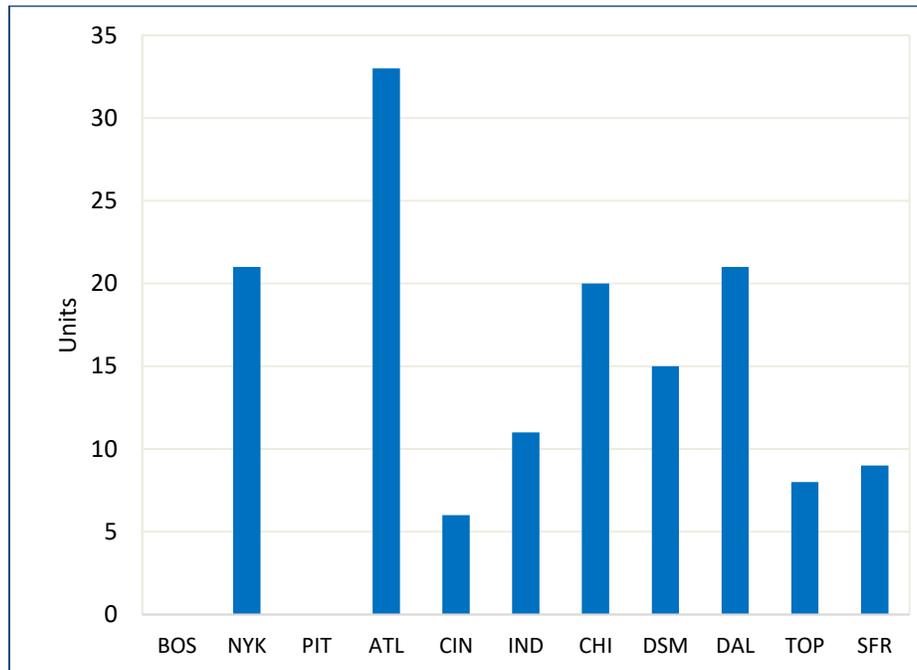
Figure 13b: Set-Aside Program Average House Prices (2009-2022)



Manufactured Housing: Under the set-aside programs, AHP subsidies may be used for down payment, closing cost, counseling, or rehabilitation assistance in connection with a household’s purchase or rehabilitation of housing, including manufactured housing. Figure 14 details manufactured housing units assisted by AHP set-aside subsidy in 2022.



Figure 14: Number of 2022 AHP Homeownership Set-Aside-Assisted Manufactured Housing Units



First-Time Homebuyers and Owner-Occupied Rehabilitation: As discussed above, an FHLBank must allocate at least one-third of its annual set-aside funding allocation to assist first-time homebuyers or homeowners for owner-occupied rehabilitation, or some combination of both. The FHLBanks often allocate more than the required minimum for first-time homebuyers. In 2022, the FHLBanks provided funding for 10,084 units that were either first-time homebuyers or owner-occupied rehabilitation units.³¹ The average AHP subsidy provided to these homebuyers was about \$7,717.

First-Time Homebuyers Financing: Figure 15 includes a breakdown, by income group, of first-time homebuyers assisted by the FHLBank set-aside programs and additional financing characteristics in 2022. Approximately 91 percent of first-time homebuyers assisted received fixed-rate first mortgage loans, down slightly from 94 percent in 2021. About 89 percent of these first-time homebuyers received a first mortgage loan originated by an FHLBank member, up from 81 percent in 2021.

³¹ In 2022, 12 units assisted with set-aside subsidy were for both first-time homebuyers and owner-occupied rehabilitation.



Some lower income households, even with a set-aside grant, need additional financing assistance to purchase a home. In 2022, approximately 20 percent of first-time homebuyers assisted under the set-aside programs also obtained a grant or forgivable loan from other sources to use in conjunction with the set-aside grant, up slightly from 18 percent in 2021.³² However, consistent with previous years, in 2022, fewer of these first-time homebuyers who received set-aside funds also obtained a second mortgage loan (334), and even fewer (77) obtained a combination of a first mortgage loan, second mortgage loan, and non-AHP grant or forgivable loan.

Figure 15: 2022 AHP Homeownership Set-Aside Programs: 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	Non-AHP Grants or Forgivable Loans and Second Mortgage Loans ^a
Incomes at or below 30 percent of AMI	156	176	52	8	3
Incomes greater than 30 percent, to 50 percent of AMI	1,648	1,629	404	57	16
Incomes greater than 50 percent, to 80 percent of AMI	6,650	6,487	1,435	269	58
Total	8,456	8,295	1,892	334	77

^a The column total is a subset of the previous two columns.

³² 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 ownership requirement. After these conditions are met, the loan effectively becomes a grant.



The Community Investment Program and the Community Investment Cash Advance Program

The FHLBanks' support of affordable housing and community development activities includes their CIP and CICA programs. By statute, the CIP is a mandatory program, while the CICA program is not. Unlike the AHP, CIP and CICA funding is not subject to specific statutory funding contribution requirements. FHLBank members may finance eligible targeted housing through the CIP, and eligible targeted mixed-use projects³³ and targeted economic development projects through both the CIP and CICA programs.³⁴ A variety of factors drive FHLBank member demand for these programs, including community needs in FHLBank districts and broader economic dynamics. The income targeting requirements for CICA economic development projects are generally less restrictive than for CIP economic development projects, which may also drive program participation. Figure 16 outlines the program type, eligibility, and funding type for the two programs.

³³ 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).

³⁴ 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 development portions of the project must meet the appropriate targeted income levels. See 12 C.F.R. § 1292.5(b).



Figure 16: CIP and CICA Programs: Program Type, Eligibility, and Funding Type

Program Characteristics		CIP	CICA
Type		Statutorily Required (Bank Act)	Voluntary
Participants		FHLBank members	FHLBank members and housing associates
Eligible Uses		Economic Development, Mixed-Use, or 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, ³⁵ and areas where rural households' incomes are 115 percent or less of AMI, or urban households' incomes are 100 percent or less of AMI
Funding Type		Advances and Letters of Credit ³⁶	Long-term advances, Letters of Credit, and Grants
Advance Pricing		Cost of funds plus reasonable administrative costs	Regular advance pricing or discounted advance pricing

Amount Funded: Figure 17a provides details of the CIP and CICA programs and their funding for both 2021 and 2022. As in recent years, CIP generally funded housing projects, while CICA generally funded economic development projects. CIP total advance commitments for both housing and economic development projects were about \$3.5 billion in 2022, an increase from approximately \$1.7 billion in 2021. Of this amount, CIP advance commitments for housing projects were about \$3.2 billion, an increase from approximately \$1.6 billion in 2021. CIP funding also assisted more units in 2022, funding 20,020 units, almost 12,000 more units than in 2021. In prior years, most of these units were rental units, but that has changed recently. In 2020, 60 percent of CIP-assisted housing units were owner-occupied; in 2021, 70 percent of these units were owner-occupied; and in 2022, 78 percent of these units were owner-occupied (see Figure 17b).

Total CICA advance commitments were approximately \$1.4 billion in 2022, up from about \$1

³⁵ 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 Department of Agriculture as an Empowerment Zone or Enterprise Community but was designated a Champion Community.

³⁶ Letters of credit issued by an FHLBank guarantee payments made to another entity under stated conditions.



billion in 2021. CICA advance commitments for mixed-use projects were approximately \$7 million in 2022, up from about \$3 million in 2021.

Figure 17a: CIP and CICA Overview (2021 and 2022)

		CIP (\$ million)		CICA (\$ million)	
		2021	2022	2021	2022
Total Advance Commitments ^a		\$1,652	\$3,510	\$1,036	\$1,409
	Advance Commitments for Housing Projects	\$1,620	\$3,175	N/A	N/A
	Advance Commitments for Mixed-Use Projects ^b	\$0.4	\$4.8	\$3.0	\$7.0
	Advance Commitments for Economic Development Projects	\$32.2	\$330.2	\$1,033	\$1,402
Grants		N/A	N/A	\$8.7	\$8.5
Letters of Credit (Housing, Mixed-Use, and Economic Development Projects)		\$596.0	\$794.1	\$1.4	\$93.2
Total Projects ^c		151	158	150	219
Total Housing Units		8,067	20,020	N/A	N/A
	Owner-Occupied	5,671	15,682	N/A	N/A
	Rental	2,396	4,338	N/A	N/A

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

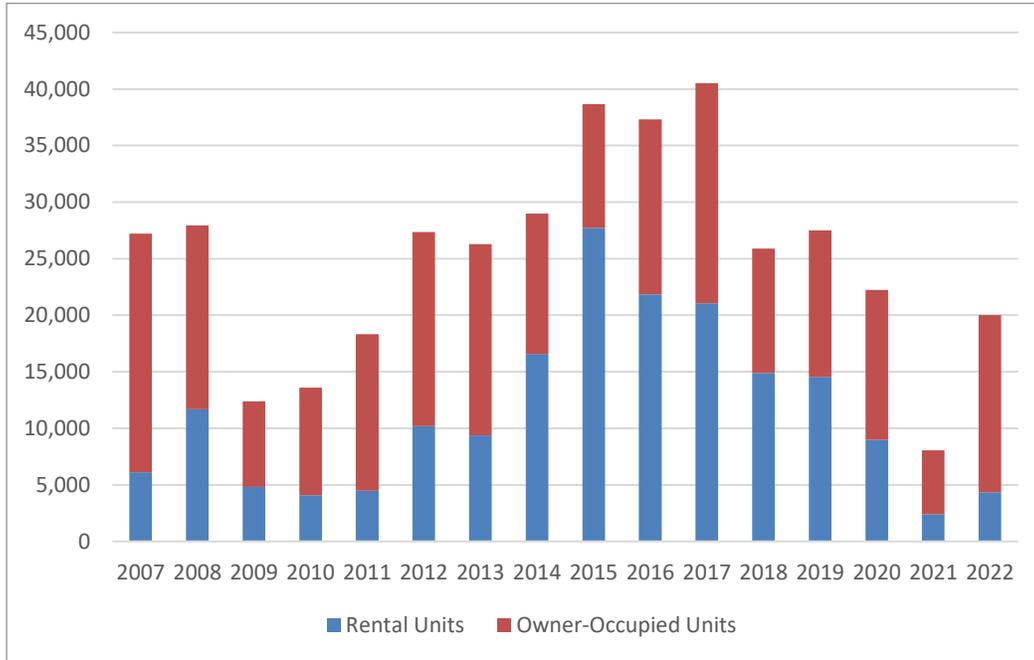
^a Total advance commitments include CIP advance commitments where an initial disbursement occurred. Excludes rollovers and refinancings of previous advances.

^b CICA 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 development portions of the project must meet the appropriate targeted income levels.

^c Total projects include projects financed with advances and exclude projects financed with grants or letters of credit.



Figure 17b: CIP Housing Units (2007-2022)



GC Butler Farms

GC Butler Farms in Rogers, Arkansas, received a CICA economic development advance that helped the project refinance a loan. (Source: Dallas FHLBank)

CIP advance commitments for economic development projects increased substantially, from \$32.2 million in 2021 to \$330.2 million in 2022. Economic development projects continued to constitute a minority of total CIP projects in 2022, with only 41 of 158 CIP projects being economic development projects.

Figure 18 shows that CIP economic development advances declined substantially after 2006, while CICA economic development advances have generally trended upward since 2005 but were lower in 2021 and 2022.

Figure 18: CIP Economic Development Advances and CICA Economic Development Advances (2001 – 2022)

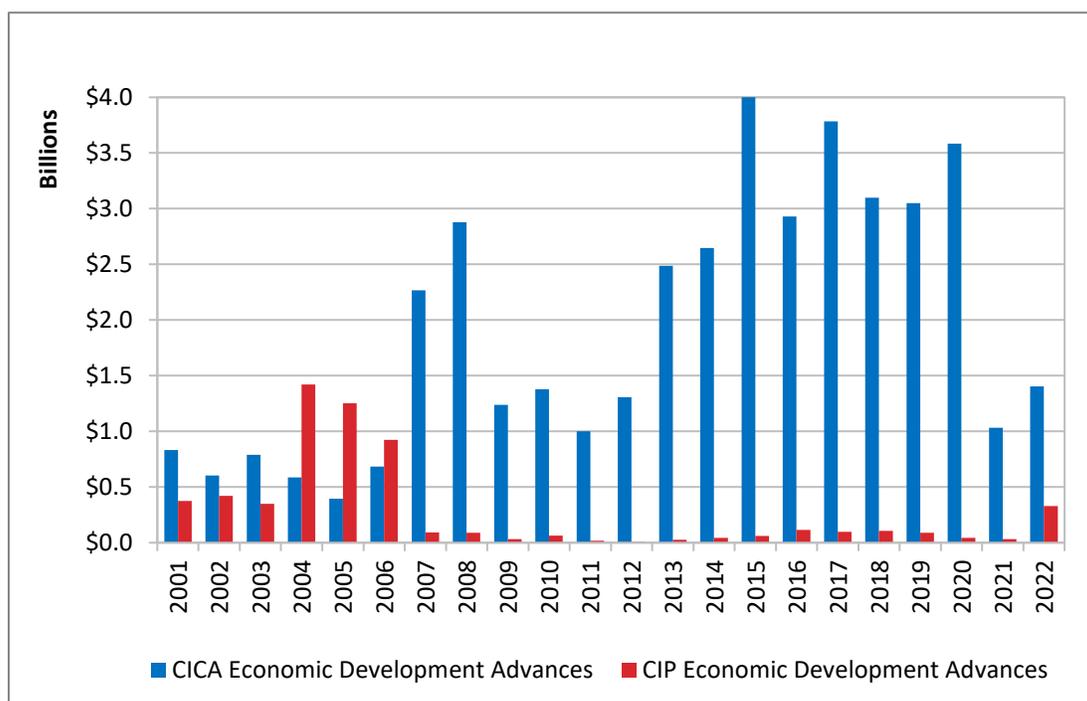


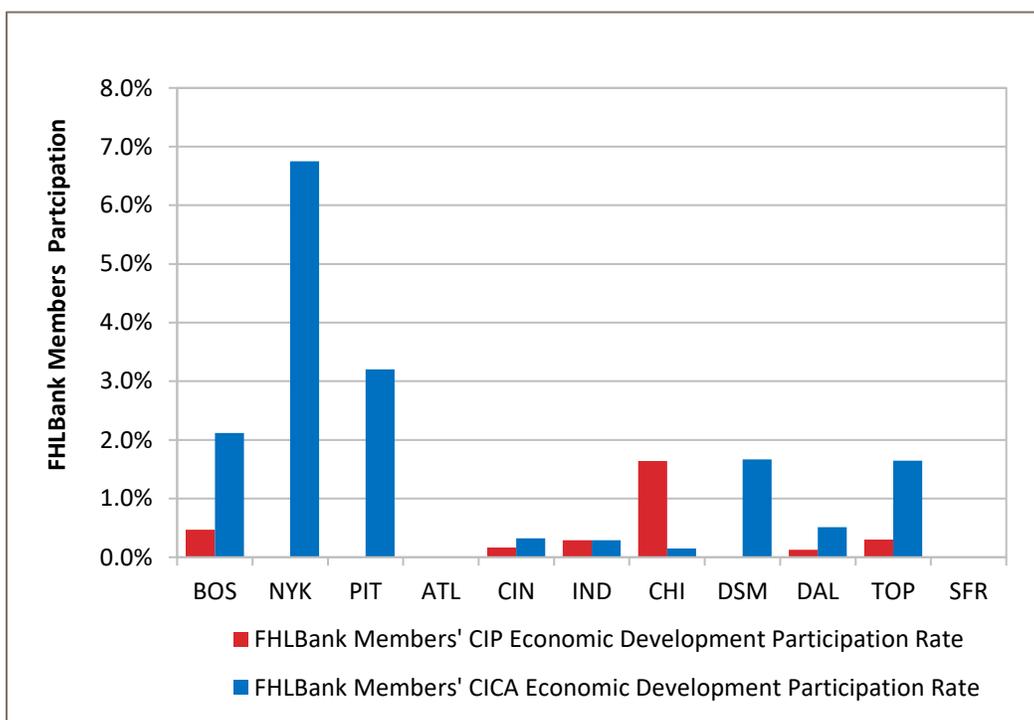
Figure 19 shows that, as was the case in previous years, in 2022, FHLBank members’ participation in CIP economic development generally remained low compared with their participation in CICA economic development (except for the Chicago FHLBank, which had greater member participation in CIP economic development than in CICA economic development in 2022). In the period between 2007 and 2022, CIP economic development advances have constituted an average of approximately 3 percent of total economic development advances in the CIP and CICA programs.



Figure 20 shows CICA economic development funding in 2022 for all FHLBanks in absolute figures, and as a percentage of each FHLBank’s advances daily average, to account for the differences in FHLBank overall advance activity. Generally, larger FHLBanks that provide more regular advances also tend to provide more CICA economic development advances.

Figure 21 shows the amount of CIP funds used for housing since 2001, which spiked in 2017. CIP housing funding in 2022 was about \$1.6 billion higher than in 2021. Figure 22 shows FHLBank members’ participation in CIP housing advances in 2022.

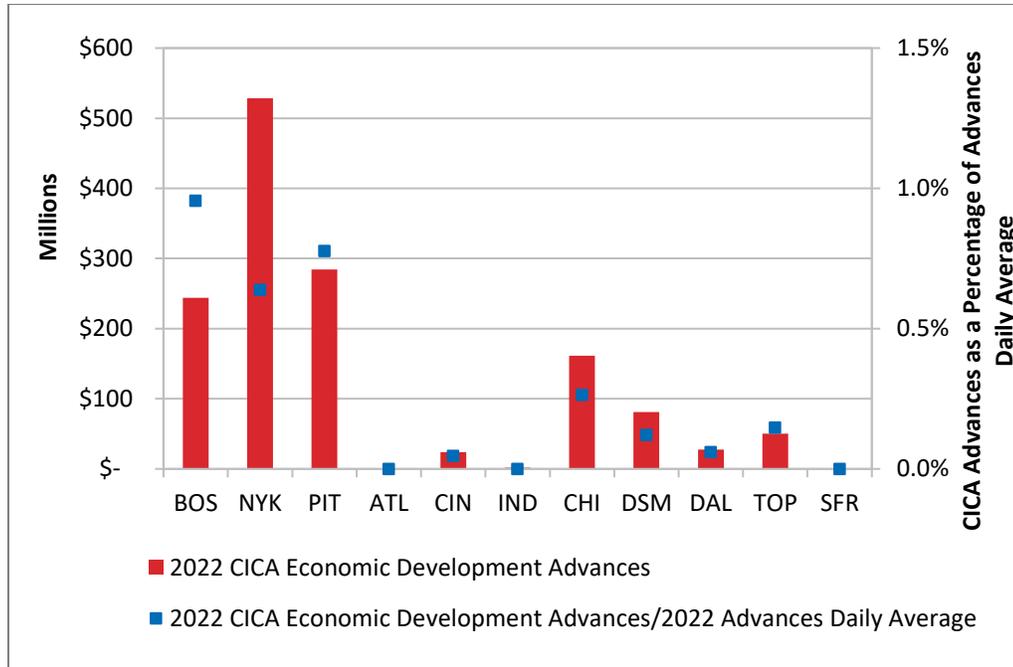
Figure 19: 2022 FHLBank Members’ Participation in CIP and CICA Economic Development



Source: FHFA Membership System



Figure 20: 2022 CICA Economic Development Funding



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

Figure 21: CIP Housing Funding (2001 – 2022)

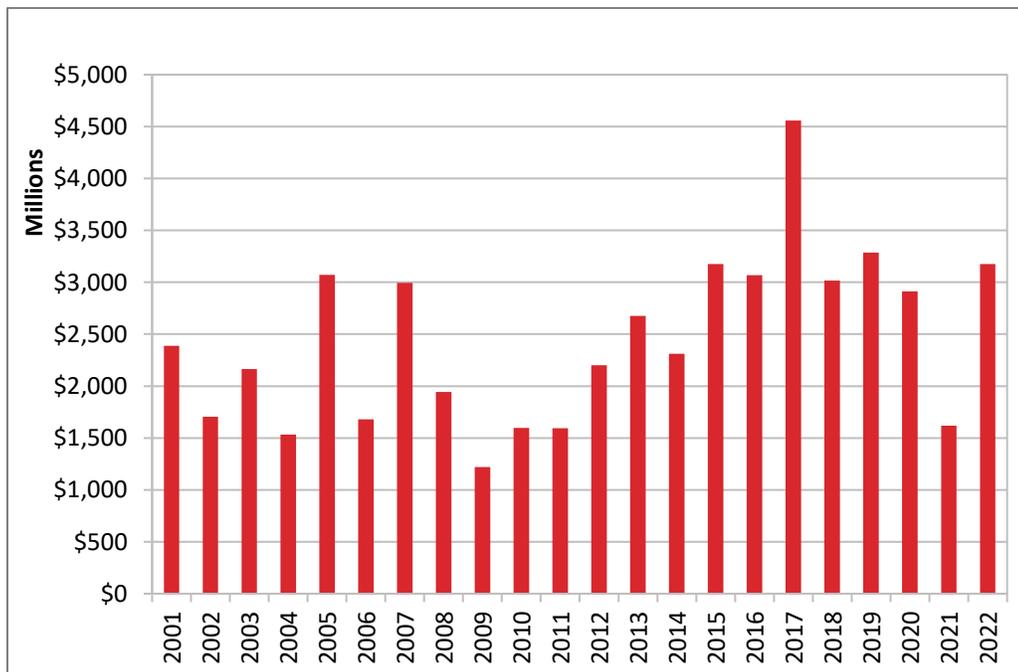
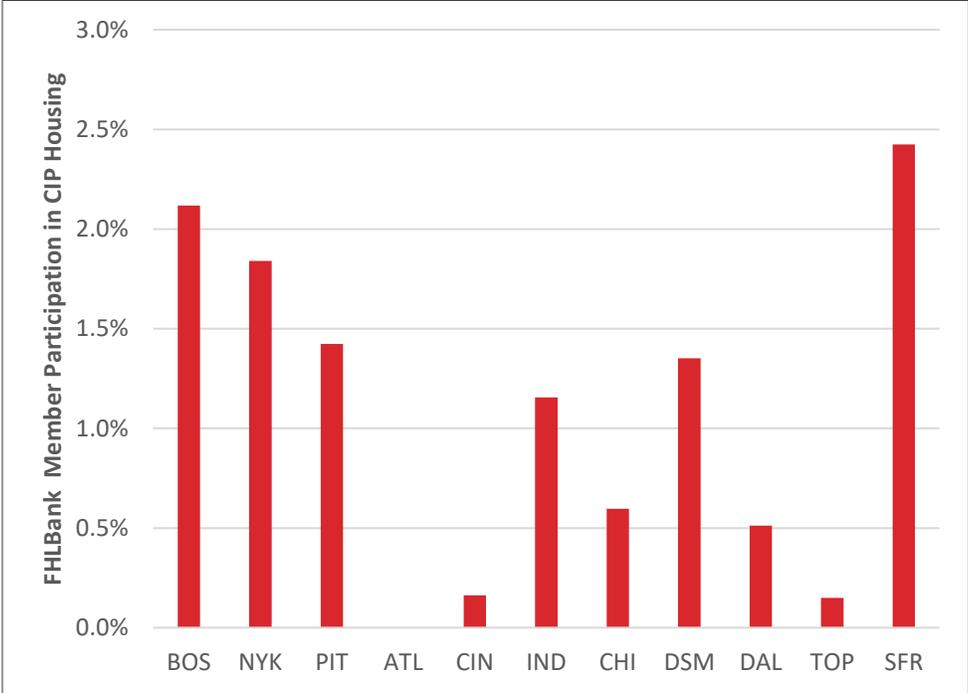


Figure 22: 2022 FHLBank Members' Participation in CIP Housing Funding



Source: FHFA Membership System
Note: The Atlanta FHLBank did not issue CIP housing advances in 2022.





Bryne Court

Bryne Court, which received AHP General Fund subsidy, is a 50-unit affordable housing project serving very low-income seniors and persons with disabilities in Indianapolis, Indiana. AHP subsidy was used to rehabilitate structural features of the 30-year-old property, and to make it more energy efficient and accessible for the residents. (Source: Indianapolis FHLBank)

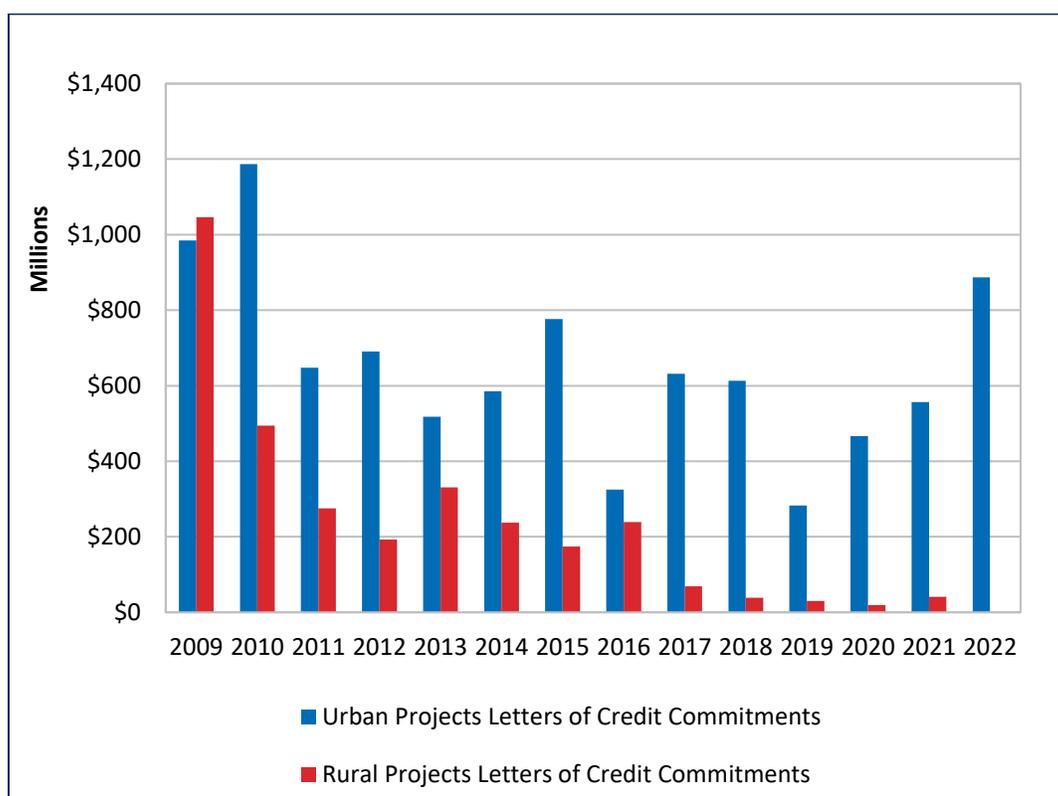
Letters of Credit: Community developers may use CIP and CICA letters of credit to facilitate financial transactions, including credit enhancements. The use of CIP letters of credit increased from approximately \$596 million in 2021 to approximately \$794.1 million in 2022. CICA letters of credit increased from approximately \$1.4 million in 2021 to approximately \$93.2 million in 2022. The increase in CIP letters of credit was driven mostly by increases from 2021 to 2022 at the Indianapolis and San Francisco FHLBanks, and the increase in CICA letters of credit over



the same period was driven by the San Francisco FHLBank, as it was the only FHLBank to provide such letters of credit in 2022.

Figure 23 shows that the use of CIP and CICA letters of credit to assist projects in urban areas increased from approximately \$556.4 million in 2021 to approximately \$887.3 million in 2022. CIP and CICA letters of credit were not used to assist projects in rural areas in 2022, a decrease from the approximately \$41.1 million in CIP and CICA letters of credit assisting rural projects in 2021.

Figure 23: CIP and CICA Urban and Rural Projects Letters of Credit Commitments (2009 – 2022)





Benton Place Inn

A CICA economic development advance assisted the purchase of the Benton Place Inn, located in Eureka Springs, Arkansas. (Source: Dallas FHLBank)

Voluntary Targeted Mission Activity Programs and Activities

The FHLBanks also fund voluntary, targeted mission activity programs and activities outside of their AHP, CIP, and CICA programs, and in some cases provide additional voluntary funding to their AHPs. Below are summaries of these programs, activities, and additional funding, by FHLBank, in 2022. These descriptions are provided by, or based on information provided by, the FHLBanks.

The **Boston FHLBank** offered a number of voluntary programs in 2022. These included Helping to House New England, Housing Our Workforce, Grants for New England Partnerships, Jobs for New England, and the New England Fund. The FHLBank also once again coordinated the Affordable Housing Development Competition that pairs graduate students to project developers with projects early in the development cycle. Students form interdisciplinary teams across different schools, and over two months, are mentored by faculty, design, and finance mentors to create a detailed development plan for their affordable housing project. In 2022, 50



students participated, with proposals including diverse projects across urban, suburban, and rural locations.

The FHLBank provided \$700,000 through the Helping to House New England program in 2022. The program supports the development and preservation of affordable rental housing and homeownership opportunities by providing subsidized funding to New England's six state housing finance agencies. Housing finance agencies have used the program to support workforce housing, multifamily home loan refinancing, and homeownership lending programs. The FHLBank's Housing Our Workforce program offers grants to help homebuyers earning from 80 percent to 120 percent of AMI with down payment and closing cost assistance. The FHLBank disbursed over \$2 million through this program in 2022, assisting over 100 households. Through the FHLBank's Grants for New England Partnerships program, the FHLBank partners with members to provide grants to nonprofit organizations that offer critical services to the communities the members serve. Grants under this program have assisted organizations that provide a variety of services, including emergency shelter for homeless individuals, housing for people with disabilities, and hospice care. The FHLBank provided \$25,000 through this program in 2022.

Under the FHLBank's Jobs for New England program, the FHLBank offers below market-rate advances to FHLBank members so they can provide low-interest small business loans. In 2022, the FHLBank funded over \$16 million in advances under the program to 50 small business projects that created and retained over 800 jobs. Of those 50 projects, 17 were minority-, women-, disabled- or veteran-owned businesses. More than 11,000 jobs have been created or preserved through the program since 2016. Additionally, the FHLBank offered financing through its New England Fund, under which the FHLBank provided members with advances that support the development of affordable, mixed-income housing in Massachusetts and Rhode Island. Since 1990, more than \$4.9 billion has been awarded through this fund to finance the construction or rehabilitation of 13,370 housing units.

The **New York FHLBank** provided voluntary, charitable grants to a number of recipients in 2022. These included Enterprise Community Partners, which received \$500,000 from the FHLBank to re-launch a previously successful initiative called Asset Management University, which trains minority- and women-owned business enterprise (MWBE) developers on financial management, improving operations, and planning for growth and staff turnover. The funding will be used to train approximately 20 organizations. The FHLBank also awarded Enterprise Community Partners \$400,000, which it used to launch its U.S. Virgin Islands Capacity Building Program to support capacity building and promote growth in the territory's affordable housing



ecosystem. Funds will be used for technical assistance grants, as well as training activities and program staff and travel.

Additionally, the FHLBank awarded \$500,000 to Local Initiatives Support Corporation (LISC) Newark's Affordable Housing Ecosystem Building (AHEB) Fund, which provides pre-development financing to MWBE developers, particularly those working on smaller projects less likely to attract other sources of funding. The contribution supported a revolving loan fund serving organizations in LISC's core service area of Newark, Jersey City, and nearby communities.

The FHLBank also provided \$250,000 to the Legal Aid Society. These funds helped the organization establish an Economic Equity unit that provides foreclosure prevention and estate planning services for minority homeowners. This will allow the group to recruit two individuals as specialized support staff to serve vulnerable communities across New York City.

Additionally, the FHLBank provided \$250,000 to The Partnership to End Homelessness, which was used to expand the organization's Save Homes Fund, a homelessness prevention program providing rental and financial assistance as well as crisis, counseling, and education services.

The FHLBank also provided \$200,000 to the Puerto Rico Community Foundation (PRCF), which supported PRCF's Hurricane Fiona disaster recovery efforts focused on strengthening the capacity of non-profit organizations to be effective first responders. In addition, the FHLBank provided \$200,000 to the Hispanic Federation, which supported the organization's Hurricane Fiona disaster recovery efforts, as well as climate resiliency initiatives, including solarization efforts, in Puerto Rico. Additionally, the FHLBank provided \$100,000 to Taller Salud, which supported the organization's Hurricane Fiona disaster recovery efforts. In response to Hurricane Fiona, Taller Salud opened four community kitchens, and provided stoves, refrigerators, mattresses, water, basic food items, and gas. They also participated in cleanup efforts and distributed rodent and mosquito repellent. The FHLBank also awarded the MMM foundation \$150,000 to support their Hurricane Fiona disaster recovery efforts, which included furniture replacement and home repairs for 14 households and 23 individuals.

The **Pittsburgh FHLBank** offered a variety of voluntary programs in 2022, including Banking On Business (BOB) and the Banking On Business Inclusion and Equity fund (BOBIE). Under BOB, the FHLBank offers secondary financing in conjunction with an FHLBank member's first loan to help qualified small businesses that would not otherwise meet the member's underwriting standards. Members can request up to \$200,000 per transaction. Funds are available to enrolled members during an open funding round on a first-come, first-served basis. In 2022, the



FHLBank introduced BOBIE, a more focused version of BOB, to provide funds for minority- and women-owned small businesses. BOBIE is intended to meet the needs of underrepresented small businesses by offering more flexible terms than are otherwise available under BOB. In 2022, \$6.5 million was awarded under BOB, \$2.4 million of which was through BOBIE. These awards funded 54 businesses (27 of which were BOBIE), which the FHLBank expects will be used to create or preserve 512 jobs.

The FHLBank also offers its Blueprint Communities program. Under Blueprint Communities, the FHLBank aims to revitalize older communities and neighborhoods in its district, which comprises Delaware, Pennsylvania, and West Virginia, through building local leadership, collaboration, and development capacity. The initiative also develops local and regional planning skills and encourages coordinated investments in targeted communities by public and private funders. In 2022, the \$100,000 budgeted for the initiative was provided, supporting six communities in West Virginia.

Additionally, the FHLBank offers its Home4Good program, under which the FHLBank provides grants to fund projects, programs, and activities that help those who are experiencing homelessness or are at risk of becoming homeless. The funds are offered in partnership with the Delaware State Housing Authority, the Pennsylvania Housing Finance Agency, and the West Virginia Housing Development Fund. Applications to the program are submitted through an annual proposal process, with FHLBank members serving as co-applicants. In 2022, the FHLBank contributed \$1.5 million, and the housing finance agencies contributed \$2.025 million, to the program, all of which was awarded for 56 projects to support homeless services through 44 service providers.

The FHLBank launched its Voluntary Housing Grant Initiative in 2022. Through this initiative, the FHLBank provides competitively awarded grants to affordable housing developers engaged in acquiring, constructing, or rehabilitating affordable housing located in Delaware, Pennsylvania, and West Virginia for households with incomes at or below 80 percent of AMI. The initiative was designed to provide funding to help low- or moderate-income households in need of stable homes as they rebuild and recover from the pandemic. Through this initiative in 2022, \$10.1 million was awarded to 23 projects supporting 721 affordable homes.

The **Atlanta FHLBank** offered two voluntary programs in 2022. One program is the Heirs' Property Resolution Grant Initiative. Heirs' property is a circumstance that occurs when a property owner dies without a will that designates a successor owner, or without a recorded deed. It also occurs when property is left to multiple beneficiaries, resulting in a fractured or tangled title that is unmarketable and, if left unresolved, prevents the ability to sell, collateralize,



improve, or otherwise transfer the property. This ownership uncertainty is a barrier to the accumulation of generational wealth, leads to neighborhood blight, and is a pervasive issue that disproportionately impacts racial and ethnic minorities, low-wealth households, and distressed urban and rural communities.

In 2022, the FHLBank made \$1 million in grant funding available to organizations that submitted pilot initiatives during the 2021 Heirs' Property Prevention and Resolution Funders' Forum. This forum brought together potential funders, nonprofit organizations, and other entities for the purpose of devising solutions to address heirs' property issues. The grant enabled organizations that submitted pilot initiatives during the forum to apply for up to \$100,000 to fund their pilot programs. The FHLBank awarded the full \$1 million to 24 separate organizations, with awards ranging from \$2,500 to \$100,000 each.

In 2022, the FHLBank announced it was making an additional voluntary \$5 million available to its members through its AHP homeownership set-aside program to help lower income borrowers achieve homeownership in the face of prevailing economic headwinds and uncertainty in the housing market. The additional funding was targeted toward the program's First-time Homebuyer Product, which assists first-time homebuyers, and the program's Community Partners Product, which assists current or retired law enforcement officers, educators, health care workers, firefighters, other first responders, veterans or active-duty members of the U.S. military or their surviving spouses, and COVID-related essential workers. The full \$5 million of additional funding was disbursed, assisting 606 total households.

The **Cincinnati FHLBank** provides grants through a voluntary program called the Carol M. Peterson Housing Fund, established in 2010. These grants are provided for accessibility rehabilitation and emergency repairs to the homes of households with special needs, including those over age 60. In 2022, the FHLBank disbursed \$916,862 to assist 137 households. Since inception of this program, the FHLBank has disbursed nearly \$15.3 million to assist 2,639 households.

Additionally, the FHLBank began offering its Disaster Reconstruction Program in March 2012 following tornadoes that swept through parts of the FHLBank's district. By year-end 2022, over \$6.8 million was awarded through the program to 535 households whose homes were damaged or destroyed by state- or federally-declared natural disasters.

The **Indianapolis FHLBank** offered a number of voluntary programs in 2022, including Elevate, a competitively-awarded grant program for small businesses in the FHLBank's district. The program funding assists with the growth and development of small businesses, their



workforces, and the communities where they are located. Recipients can receive up to \$20,000 for capital expenditures, workforce training, or a variety of other needs. The FHLBank allocated \$500,000 to the program in 2022, receiving 166 applications from 44 different members. The FHLBank awarded 27 grants to small businesses, 19 of which were either women-, minority-, or veteran-owned.

Additionally, the FHLBank offered its Stepping Up grant program. Grants under this program were allocated so that the FHLBank could fully fund the next Elevate award after all the program's funds were awarded, as well as the first AHP General Fund alternate each year. The FHLBank allocated \$499,999 to this program in 2022, using \$7,825 to fund the next Elevate recipient and \$280,299 to fully fund the first AHP General Fund alternate.

The FHLBank also offered Community Mentors, a community engagement and economic development leadership event hosted in partnership with the FHLBank to help community leaders make connections, stimulate thinking, and challenge conventional wisdom about community building. Each year, two qualified communities, one each in Indiana and Michigan, are selected through a competitive application process to be the lead partner and host the day-long Community Mentors workshop. Each host is awarded a \$10,000 grant to help with the cost of creating a community plan, commissioning a study, or implementing a specific initiative identified at the workshop. The 2022 Indiana recipient used the funds to cover costs of workshops and one-on-one sessions for financial literacy and training. The Michigan recipients used the funds to cover expenses related to purchasing vacant lots.

Finally, the FHLBank offered the Community Spirit Award, which is given on an annual basis to recognize an outstanding individual at one of the FHLBank's member institutions in Indiana and Michigan who has shown a commitment to affordable housing and community development. The FHLBank donates \$2,500 to a nonprofit or charity of each recipient's choice in their honor.

The **Chicago FHLBank** offered a number of voluntary programs in 2022. These included the Community First Fund, a revolving loan fund that provides unsecured loans to community organizations, including non-depository CDFIs, to support their affordable housing and economic development lending. In 2022, FHLBank originated \$1.5 million in new Community First Fund lending. Additionally, the FHLBank launched the Community First Housing Counseling Resource Program to expand the reach of housing counseling agencies to minority and low- and moderate-income homebuyers. A total of 56 agencies applied, and 30 received awards. Program funding was split evenly between Illinois and Wisconsin, with each state receiving \$3 million over three years.



The FHLBank also launched the Community First Diverse Developer Initiative to support career development for diverse developers of affordable housing. A total of 32 applications were received, with 10 applications awarded funds, four in Illinois and six in Wisconsin, resulting in total awards of over \$1.3 million.

The FHLBank also offered Community First Accelerate Grants for Small Business, through which over \$800,000 in grants were awarded to 34 small businesses through 29 FHLBank members.

In addition, the FHLBank provided seven awards in the amount of \$70,000 total through its Community First Awards program, which recognized exceptional community investment activities in the FHLBank's district in the areas of affordable housing, economic development, diversity, equity, and inclusion, and emerging leadership.

The FHLBank also offered a Covid Relief/Recovery Advance Program to FHLBank members. The program supported members' liquidity needs so they could effectively serve their communities and customers. The FHLBank provided \$1.7 million in subsidy for this program, supporting \$528 million in FHLBank advances with 119 FHLBank members participating.

The FHLBank also offers a program to assist households affected by natural disasters, to which \$500,000 was allocated. However, because there were no natural disasters in the FHLBank's district in 2022, these funds were reallocated for 2023.

The **Dallas FHLBank** offers several voluntary programs. The FHLBank's Partnership Grant Program (PGP) provides up to a three-to-one match of the FHLBank's member contributions up to \$12,000 per member to promote and strengthen relationships between community-based organizations and the FHLBank's members. In 2022, the FHLBank awarded \$400,000 in PGP funds, and members contributed \$158,985, to 38 community-based organizations.

Additionally, the FHLBank offered the Housing Assistance for Veterans (HAVEN) program, which assists post-9/11 disabled veterans, active-duty, reserve, and National Guard service members with up to \$10,000 for necessary home modifications or to offset new construction costs. Gold star families impacted after September 11, 2001, also qualify for assistance with home repairs or rehabilitation if their household income is at or below 165 percent of AMI. As of July 1, 2022, eligible first-time homebuyers can utilize the funds for down payment and/or closing cost assistance. In 2022, the FHLBank funded \$102,534 in HAVEN grants to assist 11 military families.



The FHLBank also offered its Small Business Boost (SBB) program, an economic development program to help participating FHLBank members provide financing for qualified small businesses by filling the gap between what the member can finance and the loan request made by the business. SBB funds are provided as a secondary, unsecured loan of up to \$100,000 that is made in conjunction with a loan made by the participating member. There are no repayments due on the SBB loan in year one, which helps improve initial cash flow for the small business. In 2022, the FHLBank funded \$2,701,602 in SBB loans to 42 small businesses, which the FHLBank expects will create or retain 174 jobs.

The **Des Moines FHLBank** launched a five-year collaboration with the Northwest Area Foundation (NAWF) in 2017. The FHLBank awarded \$5 million in 2017 to the NAWF in support of a shared commitment to investing in Native American-led strategies for building economic strength and resiliency. The NAWF re-granted the funds to Native American CDFIs. A 2022 NAWF annual report indicated that the funds helped finance 387 loans and created or retained 666 jobs. According to the FHLBank, the NAWF concluded that collaboration with the Des Moines FHLBank accelerated the growth and sustainability of Native American CDFIs, that the flexibility of the FHLBank's donation was critical as Native American CDFIs pivot to respond to evolving crises such as the COVID pandemic, and that the financial strength of participating Native American CDFIs attracted new investors and increased the visibility of Native American CDFIs.

The **Topeka FHLBank** offered its #500forGood voluntary program in 2022, which helps the FHLBank's members support their communities through a monetary donation for special projects such as meals for the homeless, school hygiene kits, financial education for young children, and accessible playground equipment. Since the program's inception in 2018, the #500forGood program has grown in popularity, and in 2022, \$500 awards were given to 41 members in the four states in the FHLBank's district.

The **San Francisco FHLBank** offered a number of voluntary programs in 2022. The FHLBank allocated and disbursed \$1.5 million for 55 grants to Access to Housing and Economic Development (AHEAD) projects to support innovative, targeted initiatives that create new economic opportunity by expanding proven development models or piloting new interventions. AHEAD funding supports low- to moderate-income communities through activities such as creating or preserving jobs, job training, supporting small businesses, and addressing special needs communities.

The FHLBank also offered the Empowering Black Homeownership Program (EBH), a matching grant program designed to narrow the Black homeownership gap by expanding access to expert



housing counseling services. In 2022, the FHLBank disbursed \$1 million in 41 EBH grants to 14 members to address the historical and continuing racial discrimination in homeownership and expand the capacity of HUD-approved housing counseling agencies (HCAs) to serve more aspiring and at-risk homeowners in communities of color. The \$1 million in matching grants leveraged an additional \$1.2 million in member contributions, funds that were distributed to 22 HUD-approved local HCAs to serve homebuyers and homeowners in communities of color. The FHLBank estimates that the program provided housing counseling services to over 2,500 Black households.

Additionally, in 2022, the FHLBank disbursed \$500,000 in grants to the Nevada Housing Coalition (NHC) to build capacity for affordable housing development in Nevada. The funds were used to improve development resources in the state, grow its affordable housing ecosystem, and better position Nevada to secure and deploy affordable housing dollars from a variety of existing and new sources. Capacity building efforts included delivering critical training to practitioners on the nuances of securing and applying for affordable housing dollars, increasing the state’s affordable housing project pipeline, and ultimately ensuring more housing options for all Nevadans.

Below is a summary of FHLBank awards and advances in 2022.³⁷

FHLBank	2022 Voluntary Awards and Subsidized Advances
Boston	Awarded approximately \$6.1 million in voluntary grant funds: \$2.2 million under the Housing Our Workforce Program, \$700,000 under the Helping to House New England program, \$3.2 million under the Jobs for New England program, and \$25,000 under the Grants for New England Partnerships program. Additionally, provided approximately \$194.4 million in advances through the New England Fund.
New York	Awarded approximately \$3 million in voluntary grants under the FHLBank’s community support and capacity building grant programs.
Pittsburgh	Awarded \$11.7 million cumulatively under the FHLBank’s Home4Good, Voluntary Housing Grant, and Blueprint Communities initiatives. Additionally, funded \$6.5 million in Banking On Business loans, which includes loans made under the FHLBank’s special purpose credit program and Banking On Business Inclusion & Equity fund.
Atlanta	Awarded \$6 million in voluntary funds: \$1 million for the Heirs Property Grant program; and \$5 million as an additional contribution to the FHLBank’s AHP Homeownership Set-aside program.

³⁷ Numbers in this voluntary initiatives table represent a cash accounting of funds in 2022 rather than accrued expenses during the year.



FHLBank	2022 Voluntary Awards and Subsidized Advances
Cincinnati	Awarded approximately \$1.6 million total in voluntary funds through the Carol M. Peterson Housing Fund and the Disaster Reconstruction Program, with approximately \$917,000 funded under the Carol M. Peterson Housing Fund and approximately \$640,000 funds under the Disaster Reconstruction Program.
Indianapolis	Awarded \$788,124 in voluntary funds, which included \$507,825 for the Elevate Small Business grant program and an additional voluntary contribution of \$280,299 to the FHLBank's AHP General Fund.
Chicago	Awarded approximately \$11.2 million with the following allocations: approximately \$6.9 million to the Downpayment Plus Bridge program; approximately \$2.1 million to the Community First Housing Counseling Resource Program; approximately \$1.3 million to the Community First Diverse Developer Initiative; approximately \$834,000 for Community First Accelerate Grants for Small Business; and \$70,000 for the Community First Awards.
Des Moines	Did not award voluntary funds or provide subsidized advances in 2022.
Dallas	Awarded approximately \$3.2 million in voluntary funds: \$2.7 million under the Small Business Boost program; \$400,000 under the Partnership Grant Program; and \$100,000 in Housing Assistance for Veterans awards.
Topeka	Awarded \$20,500 in voluntary funds.
San Francisco	Awarded \$3 million in voluntary funds: \$1.5 million under the Access to Housing and Economic Development (AHEAD) program; \$1 million under the Empowering Black Homeownership program; and \$500,000 under the Nevada Capacity Building program.





The Preserve at Logan Park

The Preserve at Logan Park, in Greenville, South Carolina, provides senior rental housing and received AHP General Fund subsidies. These funds assisted in the acquisition and rehabilitation of 80 units and the new construction of 113 units. (Source: Atlanta FHLBank)

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 an FHLBank. HERA authorized FHLBank 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 an FHLBank provides non-depository CDFIs access to long-term FHLBank funding, which can increase their ability to promote economic growth and stability in low- and



moderate-income communities. Since FHFA issued its 2010 final rule 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, 2022, 70 non-depository CDFIs were FHLBank members (all FHLBanks had at least two non-depository CDFI members). This is an increase from 68 members in 2021 (see Figure 24). Non-depository CDFIs include Native American non-depository CDFIs. There are currently two Native American non-depository CDFIs, Lake Superior Community Development Corporation, a member of the Indianapolis FHLBank, and Cook Inlet Lending Center, a member of the Des Moines FHLBank.³⁸

Non-depository CDFI members' total outstanding FHLBank advance balances were approximately \$272.4 million at the end of 2022, a decrease from about \$289.6 at the end of 2021. Figure 25 shows the growth in the number of CDFI members and size of advances to them from 2012 through 2022.

Figure 24: Non-Depository CDFI Members per FHLBank (2021 and 2022)

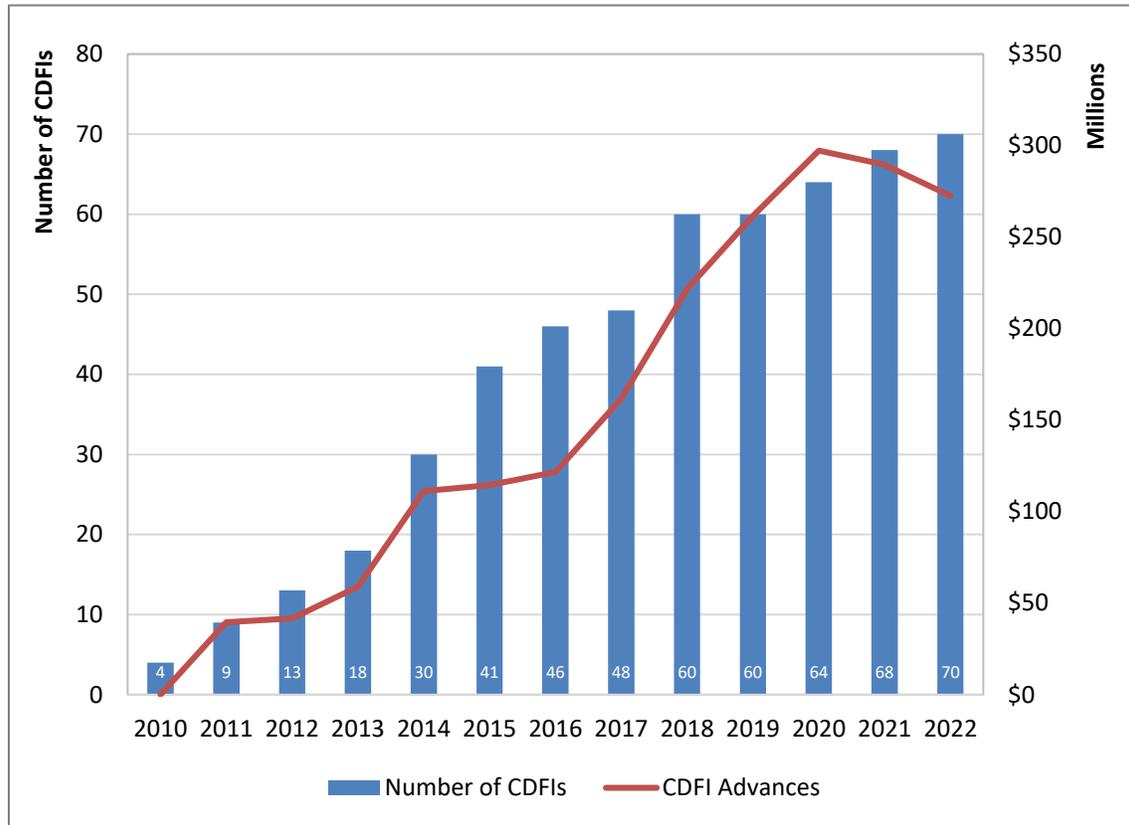
FHLBANK	2021	2022
Boston	4	4
New York	8	9
Pittsburgh	2	2
Atlanta	13	13
Cincinnati	7	7
Indianapolis	4	4
Chicago	6	7
Des Moines	6	6
Dallas	7	7
Topeka	4	4
San Francisco	7	7
Total	68	70

Source: FHFA Membership System

³⁸ The CDFI Fund maintains a list of self-declared Native American CDFIs.



Figure 25: Non-Depository CDFI Members and Advances (2012 - 2022)





Patina Mountain Reserve

Patina Mountain Reserve in Phoenix, Arizona, is the new construction of a 48-bed community situated on the edge of the Phoenix Mountain Preserve area. The development offers holistic wellness programming and supportive housing for individuals. Residents have access to integrated medical care and support services focused on the Native American community. Onsite amenities include a community room, commercial kitchen, computer lab, arts and crafts room, exercise room, sweat lodges, and walking trails. (Source: San Francisco FHLBank)

Housing Goals

The FHLBank housing goals regulation establishes two goals: a mortgage purchase goal and a community-based AMA user goal.³⁹ Under the mortgage purchase goal, at least 20 percent of a FHLBank’s AMA mortgage purchases each year must be for some combination of low-income families, very low-income families, or families in low-income areas, provided that no more than 25 percent of the AMA mortgages counting towards this 20 percent are for borrowers with incomes in excess of 80 percent of AMI. Under the community-based AMA user goal, at least

³⁹ See 12 CFR part 1281.



50 percent – or at least three percentage points higher than the prior year’s performance – of the participating financial institutions from which a FHLBank acquires AMA mortgages in a given year must have total assets at or below a specified threshold. That threshold, which is established in, and adjusted annually by FHFA pursuant to, the housing goals regulation, was \$1.323 billion in 2022. Finally, the housing goals regulation allows a FHLBank to establish alternative targets for either the mortgage purchase or community-based AMA user housing goal, or both, subject to FHFA approval. No FHLBank requested an alternative target for either goal in 2022.

Nine FHLBanks purchased mortgages through AMA programs in 2022, and they all met the mortgage purchase housing goal (see Figure 26a) as well as the community-based AMA user goal (see Figure 26b).

Figure 26a: 2022 FHLBank Mortgage Purchase Housing Goal Performance

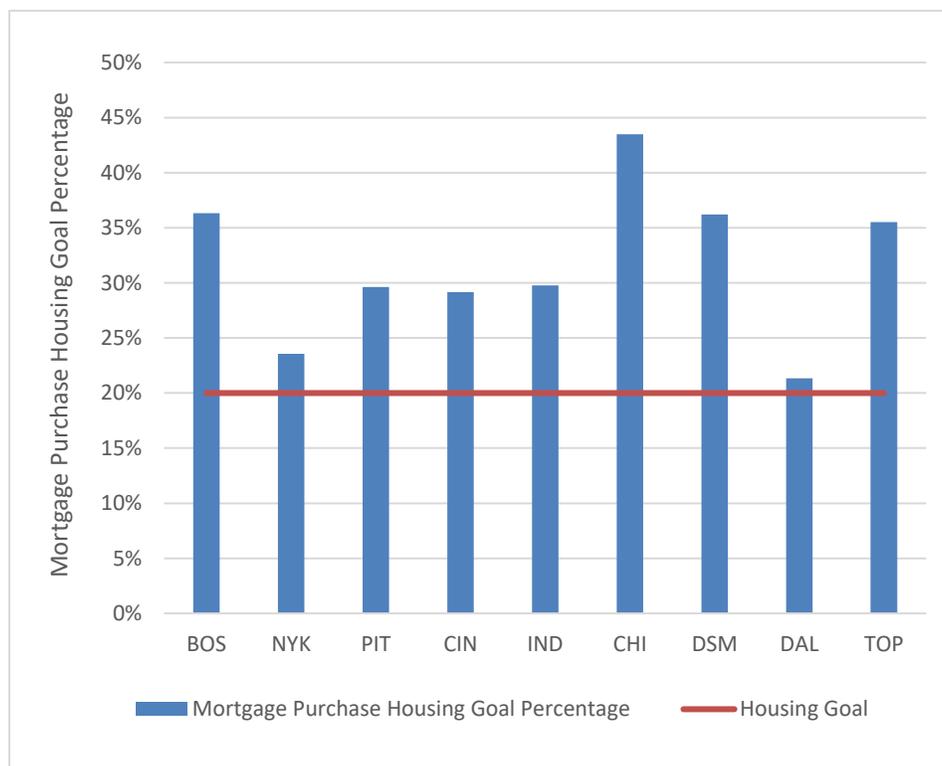
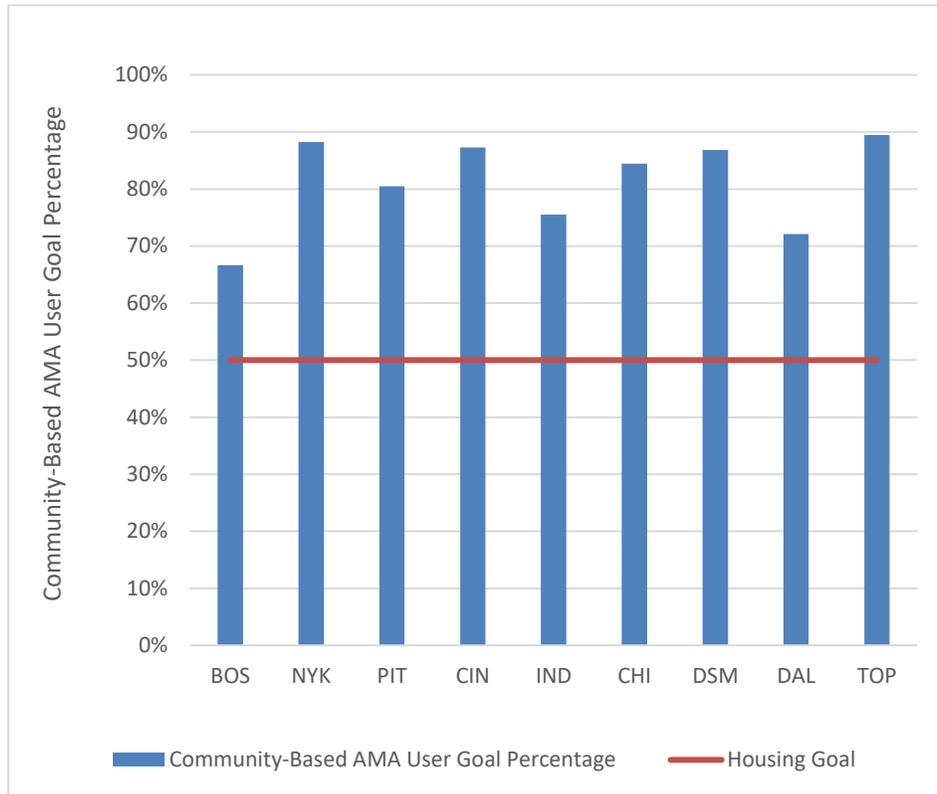


Figure 26b: 2022 FHLBank Community-Based AMA User Goal Performance



Appendix 1: 2022 FHLBank Advisory Council Reports

Below are selected highlights from the 2022 FHLBank Advisory Council Reports provided by the FHLBanks’ Advisory Councils to FHFA. The summaries include brief descriptions of AHP projects, CICA projects, and other FHLBank community initiatives highlighted in the Advisory Council Reports.^{40, 41}

The **Boston FHLBank Advisory Council Report** includes extensive detail on the FHLBank’s AHP, including AHP grants and subsidized advances provided from 1990 through 2022. The

⁴⁰ See 12 U.S.C. § 1430(j)(12)(A), (B). The statute states that each Advisory Council shall submit annually to FHFA an analysis of its FHLBank’s low-income housing activity. The statute further states that 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, and the Advisory Councils’ analyses shall be included in the report.

⁴¹ The Advisory Council Reports are required to be published on the FHLBanks’ websites within 30 days after the date of their submission to FHFA. 12 C.F.R. 1291.14(d)(3)(ii).



report also includes 2022 approved AHP General Fund data. Specifically, the report includes the total number of 2022 approved AHP General Fund projects by state, the total 2022 AHP General Fund funding by state (including grants and subsidized advances), and the total number of units assisted by the FHLBank's General Fund in 2022. Additional details on these 2022 projects are contained in the report, including project funding and number of units provided by each project. The report also includes a similar summary for the FHLBank's homeownership set-aside program, providing data on the total amount of grant funding and units assisted by the program from 2003-2022, as well as data pertaining to funding and units specifically in 2022.

The Advisory Council report also includes a description of the FHLBank's voluntary programs, as described earlier in this report. The Advisory Council report contains a list of 2022 recipients and highlights under the voluntary Grants for New England Partnerships program, including a credit union that received a \$2,500 grant that the FHLBank matched to support A Wish Come True, an organization in Rhode Island and Massachusetts that provides resources to families with children dealing with life-threatening illnesses.

In addition, the Advisory Council report includes highlights of the FHLBank's Affordable Housing Development Competition, also described earlier in this report, with descriptions of 2022 winning proposals. Del Toro, in Providence, Rhode Island, which is a proposed multi-phased, mixed-use development in Providence's former industrial district, received the first-place prize. Granite Gardens, in Hookset, New Hampshire, which received the second-place prize, is a proposal to create a new multi-phased community rooted in nature and sanctuary for low-income seniors. The third-place prize was awarded to Hollis Street Project, in Nashua, New Hampshire, which would result in the creation of a 40-unit sustainable and healthy design project by the Southern New Hampshire Medical Center that would provide affordable housing for low-income hospital employees.

The **New York FHLBank Advisory Council Report** includes extensive data related to the FHLBank's affordable housing and community development activities. Regarding the FHLBank's AHP General Fund, the report includes the following data per year since program inception: total program funding and total projects, total program funding as a percentage of total development costs, program funding by state or U.S territory, and average award size and average units per project. The report also includes analysis of the number of applications the FHLBank received under the General Fund each year since 2016. In addition, the report contains data on the FHLBank's AHP homeownership set-aside program, including data on which region within the FHLBank's district received AHP subsidy and the median household income of households receiving the subsidy.



Additionally, the report describes the impact of the FHLBank’s scoring categories for the AHP General Fund, highlighting that there was significant traction in the second year of the FHLBank’s “Green Building Innovation” scoring category. Per the report, six 2022 AHP awardees totaling 285 units received Green Building Innovation scoring points to incentivize the development of affordable housing designed to meet highly efficient energy standards. The report notes that one project that received these points used passive house design standards, which is described in the report as one of the most rigorous and difficult to achieve energy efficiency construction models in the industry.

Also, for the second year, the FHLBank allocated points to a “Member Financial Participation” scoring category under its AHP General Fund. Under this category, points are awarded based on the provision of financing by a FHLBank member in the form of equity, construction financing, or a permanent loan. In total, 64 percent of 2022 AHP awardees received points under this scoring category.

The Advisory Council report also highlights the FHLBank’s voluntary funds, described earlier in this report, noting that a total of \$2.55 million was provided to nine community-focused organizations to help address issues such as building capacity for MWBEs in the developer space, promoting growth in the U.S. Virgin Islands’ affordable housing ecosystem, providing legal assistance for foreclosure-prevention efforts in vulnerable communities in New York City, and providing funding to several ground-level organizations providing relief in the Caribbean following Hurricane Fiona.

The **Pittsburgh FHLBank Advisory Council Report** highlights the West End Neighborhood House, which received an AHP General Fund award to support the development of housing for homeless and at-risk youth in Wilmington, Delaware. Services are managed by West End’s Life Lines program, which serves current and former foster care youth, unaccompanied youth and those who identify as LGBTQ (lesbian, gay, bisexual, transgender, queer or questioning persons). Clients range in age from 16 to 23. With the project’s completion in April 2022, the West End Neighborhood House increased Life Lines’ housing capacity to accommodate 33 youth. The ADA-compliant house includes three of the 10 new beds prioritized for LGBTQ youth through Life Lines’ Pride Program.

Per the report, in 2014, seniors represented approximately 16 percent of residents in Monroe County, West Virginia, and most could not afford market-rate rental housing. The Monroe County Council on Aging, with support from an FHLBank Pittsburgh member and AHP grant funding from the FHLBank, embarked on a five-year project to develop an 11-acre Greenville,



West Virginia former school property. With the project completed, Greenville Senior Living project now consists of four one-story buildings with four apartments each: one two-bedroom and three one-bedrooms. In addition to wheelchair access, the new homes feature private front and rear porches, energy-efficient appliances, and central heating and air conditioning. Residents have easy access to meals, transportation, educational and recreational opportunities, fitness classes, and counseling at the nearby senior center.

The **Atlanta FHLBank Advisory Council Report** highlights the FHLBank’s financial literacy initiative. In 2022, the FHLBank partnered with the city of Tifton, Georgia, as well as other stakeholders including banks, credit unions, housing counselors, faith-based entities, public and private schools, realtors, local media, and other organizations, to host a launch event designed to build support and awareness for the Tifton Financial Literacy Initiative.

According to the report, the Tifton Financial Literacy Initiative complements Launch Tifton, the city’s plan to create and promote housing options for residents. The launch event represented the first step in creating the Tifton Financial Literacy Coalition, which envisions a three-year plan to provide financial literacy, property literacy, small business literacy, and homeownership counseling and training to Tifton residents. The FHLBank created the initiative, selected the city, gathered stakeholders, managed the event, developed presentations, recruited participants, and provided sponsorship for the event. Tifton, located in south central Georgia, was chosen based on its size, elevated poverty level, and low homeownership rate, among other factors. Tifton has a population of approximately 17,000 and a poverty rate of close to 30 percent. The anticipated benefits to households include greater access to credit and enhanced personal savings, while the expected benefits to the city include a decrease in property tax delinquency rates and reduced neighborhood blight. It is anticipated that the business community will benefit from increased entrepreneurship, increased homeownership, and a reduction in the number of unbanked residents.

The report also makes note of the FHLBank’s knowledge sharing goals for 2022, including designing and implementing strategies to enhance the capacity of the FHLBank’s members to generate community development loans, access the FHLBank’s products, and extend credit. These goals also included strategies to help better position those members to connect with business drivers and other key stakeholders to help meet their business and related objectives, as well as advance objectives of the FHLBank’s Strategic Plan, specifically those related to member engagement and diversity, equity, and inclusion.

The Advisory Council report also highlights the FHLBank’s voluntary programs, as discussed earlier in this report, including its Heirs Property Grant Initiative.



The **Cincinnati FHLBank Advisory Council Report** provides charts of the FHLBank’s AHP General Fund and homeownership set-aside program performance from 2018 through 2022, including the units assisted and funding awarded. The report also contains 2022 AHP General Fund awards by project, including project sponsor, project location, units assisted by the project, project type (rental or ownership), and AHP subsidy amount. The AHP General Fund projects are listed in a table by state.

Additionally, the Advisory Council report details the FHLBank’s voluntary programs, as described earlier in this report, noting that under the Disaster Reconstruction Program in 2022, \$638,659 was disbursed to 40 households affected by disasters. The report indicates that a large portion of these funds were used to help rebuild housing in areas of Tennessee affected by flooding, as well as areas of Kentucky that were struck by a series of tornadoes. The report also notes that the FHLBank expects additional funds to be disbursed in 2023 to help rebuild housing in eastern Kentucky, which experienced historic flooding.

The **Indianapolis FHLBank Advisory Council Report** highlights the Clugston Apartments, located in downtown Columbia City, Indiana. This project was a recipient of an AHP General Fund award and involved the rehabilitation of a 20-unit apartment building for singles and small families. Renovations included masonry repointing and replacement, replacement of the HVAC system, replacement of mechanical and electrical fixtures, installation of concrete reinforced pad, repair of asphalt in the parking lot, and repair of flooring.

The report also describes the planned conversion of a vacant Catholic school in the City of Detroit’s East English Village into an affordable housing center with the assistance of an AHP General Fund award. The subsidy will assist with the rehabilitation of the building into 46 units of affordable housing, with 25 of the units set aside for permanent supportive housing for homeless persons, and the remaining 21 units reserved for low-income families. The City of Detroit prioritized this area through its strategic neighborhood fund. The school and activity buildings are historic buildings and will be placed on the National Register of Historic Places.

The **Chicago FHLBank Advisory Council Report** spotlights that in 2022, the FHLBank’s Advisory Council continued its “Deep Dive Discussions” around topics of importance in the housing industry. These were discussions between members of the FHLBank’s Advisory Council, the Affordable Housing Committee of the FHLBank’s Board of Directors, FHLBank leadership, and the FHLBank’s Community Investment staff. Discussion topics focused on the specialized housing needs of specific, underserved populations in the FHLBank’s district and the housing and economic development challenges and opportunities in rural communities.



The report notes the Advisory Council’s concerns about the effects of climate change and increases in construction costs on affordable housing. The Advisory Council included a description of the impact of climate change on affordable housing and highlighted that climate events have immediate impacts on existing housing as well as implications for the housing ecosystem of the future. Additionally, the Advisory Council noted that low- and moderate-income communities and households are disproportionately adversely affected by climate events, and the FHLBank discussed how its programs can support climate resilience in existing and future housing development. The Advisory Council also noted the increasing cost of affordable housing development, stating that it is experiencing unprecedented financing challenges that began during the pandemic and persist. They additionally noted that increased construction costs, higher interest rates, labor shortages, and falling Low-Income Housing Tax Credit equity pricing are all factors facing developers.

The **Des Moines FHLBank Advisory Council Report** details analysis the FHLBank performed on how its AHP funds have historically been distributed throughout the FHLBank’s district, which identified some areas that have been consistently challenged to compete for AHP funds. In response, the Advisory Council proposed revisions (which were implemented in 2023) to the FHLBank’s General Fund scoring criteria to award additional scoring points to projects in states and the three U.S. territories in the FHLBank’s district that the analysis showed were positioned to benefit from additional support. The report also notes that the Advisory Council analyzed the distributions of AHP funds in rural and urban areas and between rental and owner-occupied projects and found the distributions to be reasonable.

In addition, the report notes that the FHLBank’s district is home to approximately 30 percent of the U.S. Native American population, and this population resides in both urban and rural communities, as well as on Tribal land, in Alaska Native villages, on Department of Hawaiian Homelands, and in the FHLBank district’s three U.S. territories. As noted in the report, 311 federally recognized tribes are in the FHLBank’s district. The report highlights that since 2019, a quarter of the FHLBank’s total AHP funds supported Native American projects. The report also notes that in further support of Native American communities, the FHLBank has established an AHP set-aside down payment assistance program that targets Native American, Native Alaskan, or Native Hawaiian households, called the “Native American Homeownership Initiative” (NAHI). In 2022, the Advisory Council recommended that \$400,000 be allocated to the NAHI and the funding was allocated. Finally, the report notes that the FHLBank continues to enhance its outreach to Native American communities through its participation in the South Dakota Native Homeownership Coalition, collaboration with the Northwest Area Foundation to finance Native American CDFIs, and other activities that support Native American convenings and Native American-led initiatives.



The **Dallas FHLBank Advisory Council Report** highlights Siler Yard, an AHP General Fund award recipient. Siler Yard is an affordable rental development in Santa Fe, New Mexico that opened in 2022. The project provides 65 one-, two- and three-bedroom units for low-income individuals and families who are local artists, dancers, artisans, actors, and culinary artists. Nearly 600 solar panels were installed at the project, allowing the community to produce its own power, with no charge to residents for electricity in their monthly rent.

In addition, the report highlights the FHLBank’s HAVEN program, as described above. In 2022, the FHLBank awarded over \$56,000 through HAVEN. The report also details the Homebuyer Equity Leverage Partnership (HELP) program, a FHLBank AHP homeownership set-aside program. HELP subsidies assist income-qualified, first-time homebuyers with down payments and closing costs. In 2022, the FHLBank disbursed \$4 million in HELP funds through its members. The report also highlights the Special Needs Assistance Program (SNAP), another FHLBank AHP homeownership set-aside program. SNAP subsidies provided through the FHLBank’s members assist in repairing and rehabilitating owner-occupied housing for eligible, special needs individuals. In 2022, FHLBank disbursed \$1.5 million in SNAP funds through its members.

The **Topeka FHLBank Advisory Council Report** highlights St. Francis Center, an AHP General Fund award recipient. With the help of this subsidy, the center, a nonprofit organization that serves homeless individuals, purchased and rehabbed the Warren Church in Denver, Colorado. The project provides 48 units. The architects used historical aspects of the building, including stained glass and woodwork. The cabinetry in the bedrooms was tailored to meet the individuals’ specific needs. The residence offers permanent housing, providing individuals more stable situations where they are working and living on their own. In addition to residential facilities, the center provides other services for residents, such as financial education and substance abuse treatment. “We listened to the voices of those with experiences of homelessness to inform the design of the building,” a development manager associated with the project said, and “every aspect of the design of this building required innovation while also holding onto the original character.”

The report also highlights another AHP General Fund subsidy recipient: St. Vrain Habitat. In 2015, St. Vrain Habitat started a program called the Neighborhood Revitalization program with the goal of helping preserve existing housing and improving the quality of life for residents in Weld County, Colorado. Repairs under this program have included fixing roofs, sealing windows, and adding ramps and other equipment for senior homeowners or homeowners with disabilities. St. Vrain Habitat used the AHP subsidy to further the program’s efforts, specifically



in the low-income neighborhood of the Glens of Dacono, in Dacono, Colorado, by helping repair 20 homes.

The report also includes data on the FHLBank's housing and community investment programs, including the AHP General Fund. The AHP General Fund data provided by state includes number of applications submitted, approved projects, approved alternates, total housing units, and total AHP funds awarded.

The **San Francisco FHLBank Advisory Council Report** addresses the many challenges facing the three states in the FHLBank's district, including rising homelessness and rising costs of new housing in Arizona, the need for at least 2.5 million new housing units in California, and that Nevada has the highest percentage of extremely low-income households in the country who spend more than 50 percent of annual income on housing costs.

The report describes the impact of the AHP. It notes that all 2022 General Fund awards were for housing projects that include delivery of a mix of valuable social services to support residents, including financial literacy education, job coaching and placement assistance, onsite afterschool care, and medical and behavioral health services. These awards serve many different populations including lower-income working families, low-income seniors, unhoused women with children, youth in need of shelter, chronically unhoused veterans, individuals on the path to recovery from addiction, and other low- or moderate-income families. The report also indicates that in the competition for the 2022 AHP General Fund awards, there was an increase in demand from projects serving rural communities and that rural projects received 26 percent of the grants, a significant increase over prior years.

The report also highlights a number of projects that received 2022 AHP General Fund awards. One such project is Gateway Apartments in Tucson, Arizona, which will create 119 affordable homes for seniors earning between 40 and 60 percent of AMI and provide resident access to social workers along with veteran, adult, child, and family services. Another project is Siskiyou Crossroads in Yreka, California, which will create affordable housing for 49 low-income individuals and families, including 24 homes for previously unhoused residents, and offer mental and behavioral health services onsite. Additionally, the report includes a description of Washington View in Los Angeles, California, another AHP General Fund award recipient, which will create 121 affordable homes, including 91 homes reserved for unhoused seniors, and provide space reserved for supportive services, three recreation rooms, open community space, adult education classes, and case management.



Appendix 2: Historical AHP Data

AHP Funding Allocations: Figure A shows the percentage of total AHP funding allocated by the FHLBanks to their AHP General Fund and set-aside programs from 2003 to 2022.

Figure A: AHP Funding Allocations to the Set-Aside and General Fund Programs (2003 – 2022)

Year	Set-Aside Allocation (in Millions)	Set-Aside Allocation as a Percentage of AHP Allocation	General Fund Allocation (in Millions)	General Fund Allocation as a Percentage of AHP Allocation
2003	\$ 28.5	17%	\$ 138.9	83%
2004	\$ 41.3	19%	\$ 176.2	81%
2005	\$ 38.5	17%	\$ 188.2	83%
2006	\$ 50.9	18%	\$ 232.1	82%
2007	\$ 50.0	17%	\$ 243.9	83%
2008	\$ 63.8	20%	\$ 255.3	80%
2009	\$ 41.4	22%	\$ 146.9	78%
2010	\$ 46.5	18%	\$ 212.0	82%
2011	\$ 47.9	21%	\$ 180.2	79%
2012	\$ 51.1	27%	\$ 138.2	73%
2013	\$ 62.3	21%	\$ 234.5	79%
2014	\$ 79.2	27%	\$ 214.1	73%
2015	\$ 70.0	26%	\$ 199.2	74%
2016	\$ 84.3	26%	\$ 240.0	74%
2017	\$ 91.4	24%	\$ 295.3	76%
2018	\$ 91.1	25%	\$ 269.2	75%
2019	\$ 108.6	27%	\$ 295.4	73%
2020	\$ 102.3	28%	\$ 258.1	72%
2021	\$ 91.8	29%	\$ 221.0	71%
2022	\$ 64.2	32%	\$ 134.7	68%

AHP General Fund Projects: Figure B provides an overview of AHP General Fund rental and owner-occupied projects funded from 1990 to 2022. Over this period, approximately 79 percent of all AHP General Fund units funded were rental units, and approximately 63 percent of all



AHP General Fund projects funded were rental projects. Additionally, about 83 percent of AHP-assisted units serving very low-income households from 1990 to 2022 were rental units, and 17 percent of such units were owner-occupied units.

Figure B: AHP General Fund Projects Overview (1990 – 2022)

	Rental Projects		Owner-Occupied Projects		Total Projects
Total Number of Awarded Projects	12,284	63%	7,145	37%	19,429
Funds Awarded	\$4.7 billion	79%	\$1.2 billion	21%	\$6 billion
Housing Units	619,951	79%	166,245	21%	786,196
Housing Units Serving Very Low-Income Households	460,371	83%	96,225	17%	556,596

Urban/Rural Demographics: Figure C details AHP General Fund projects located in urban or suburban areas, as well as those located in rural areas, from 1990 to 2022. Approximately 66 percent of AHP projects awarded were located in urban or suburban areas, and approximately 34 percent of the projects were located in rural areas. Seventy-six percent of AHP-assisted units serving very low-income households were located in urban or suburban areas, while 24 percent of these units were located in rural areas. Over the 1990 through 2022 period, on average, urban or suburban projects had more units per project (46) than rural projects (30). Units in rural projects, however, received a higher average AHP subsidy per unit (\$8,209) than units in urban or suburban projects (\$7,406).⁴²

⁴² As stated previously, FHFA receives data from the FHLBanks on rural projects for those projects that receive scoring points for rural housing. This does not capture all AHP General Fund rural projects, as some of these projects are located in rural areas but are not scored on that feature by some FHLBanks. In addition, an AHP project is regarded in this report as “urban or suburban” if it did not receive points as a rural project.



Figure C: AHP General Fund Projects Serving Urban/Suburban and Rural Areas (1990-2022)

	Urban or Suburban Projects		Rural Projects		Total Projects
Total Number of Awarded Projects	12,882	66%	6,547	34%	19,429
Funds Awarded	\$4.4 billion	73%	\$1.6 billion	27%	\$6.0 billion
Housing Units	591,886	75%	194,310	25%	786,196
Housing Units Serving Very Low-Income Households	425,915	77%	130,681	23%	556,596
Average Number of Units per Project	46	N/A	30	N/A	40
Average AHP Subsidy per Unit	\$7,406	N/A	\$8,209	N/A	\$7,605

Note: Funds awarded dollars are rounded

Appendix 3: AHP General Fund Projects

Under the AHP regulation, an FHLBank is required to allocate 100 scoring points under its General Fund among the following 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) Home purchase by low- or moderate-income households⁴³
- 4) Targeting of project’s units to designated lower income households

⁴³ If an FHLBank does not allocate at least 10 percent of its total AHP statutory funding contribution to the set-aside program, then the FHLBank is required to include this scoring criterion in its General Fund scoring framework and allocate a minimum of 5 points to it. Otherwise, it is not required to allocate a minimum of 5 points to this criterion, although it may choose to do so voluntarily.



- 5) Underserved communities and populations (housing for homeless households; housing for special needs populations; housing for other targeted populations; housing in rural areas; or rental housing for extremely low-income households)
- 6) Creating economic opportunity (promotion of empowerment; or residential economic diversity)
- 7) Community stability, including affordable housing preservation
- 8) FHLBank district priorities (one or more housing needs in the FHLBank's district, as defined by the FHLBank, that the FHLBank has not otherwise adopted in its scoring framework)

Figure D outlines these scoring criteria and scoring point allocations for each FHLBank in 2022.



Figure D: 2022 FHLBank General Fund Scoring Points Allocations

FHLBank	Government-Owned or Other	Non-Profit or Government Sponsorship	Home Purchase	Targeting	Underserved Communities and Populations	Creating Economic Opportunity	Community Stability	District Priorities
Boston	5	5	5	20	10	13	20	22
New York	5	7	-	20	12	10	10	36
Pittsburgh	5	5	-	20	25	14	11	20
Atlanta	5	5	-	20	5	7	8	50
Cincinnati	5	7	6	20	18	5	7	32
Indianapolis	5	7	-	20	14	5	7	42
Chicago	5	5	-	20	19	5	13	33
Des Moines	5	10	-	20	25	5	12	23
Dallas	5	5	-	25	15	5	15	30
Topeka	5	5	5	20	15	10	10	30
San Francisco	5	7	6	20	19	5	14	24

Source: 2022 FHLBank AHP Implementation Plans.

Figure E highlights the projects serving special needs and/or households experiencing homelessness under the Underserved Communities and Populations scoring category that were approved under the FHLBanks’ AHP General Funds in 2022, as labeled below.⁴⁴ For example, the highlighted row in red shows that in addition to serving households experiencing homelessness, one project served all of the types of special needs populations listed in the AHP

⁴⁴ To receive scoring points for special needs under the AHP regulation’s scoring system, a project must reserve at least 20 percent of the units for households with specific special needs, as identified in the FHLBank’s AHP Implementation Plan. To receive scoring points for households experiencing homelessness under the AHP regulation’s scoring system, a project (excluding an overnight shelter) must reserve at least 20 percent of the units for such households, create transitional housing for such households permitting a minimum of 6 months occupancy, or create permanent owner-occupied housing reserving at least 20 percent of the units for such households.



regulation except for unaccompanied youth and housing visitable by the physically disabled. The last row, highlighted in blue, shows that 95 projects did not target serving special needs households or households experiencing homelessness.

Label Number	Special Need or Homelessness Addressed
1	Persons with Disabilities
2	Persons Recovering from Alcohol or Drug Abuse
3	Persons Experiencing Homelessness
4	Persons with HIV/AIDS
5	Elderly
6	Persons Recovering from Physical Abuse
7	Formerly Incarcerated Persons
8	Victims of Domestic Violence
9	Unaccompanied Youth
10	Housing Visitable by the Physically Disabled

Figure E: 2022 AHP General Fund Projects Serving Special Needs Households and/or Households Experiencing Homelessness

1	2	3	4	5	6	7	8	9	10	Total Projects
				X						43
X										40
		X								37
X		X								19
X				X					X	10
				X					X	9
X				X						6
X		X							X	5
		X		X						4
	X									4
X	X		X	X	X	X	X	X		4
									X	3
		X					X		X	3
X									X	3



