



2016 LOW-INCOME HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES OF THE FEDERAL HOME LOAN BANKS

OCTOBER 2017



Division of Housing Mission and Goals

Table of Contents

Introduction	2
The Affordable Housing Program	3
I. AHP Competitive Application Program	6
II. AHP Homeownership Set-Aside Program	15
The Community Investment Program and the Community Investment Cash Advance Program	20
Community Development Financial Institutions	27
Housing Goals	29
Appendix 1: 2016 FHLBank Advisory Council Reports	31
Appendix 2: Historical AHP Data	36
Appendix 3: AHP Competitive Application Program Projects	38



Introduction

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

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

The FHLBanks awarded approximately \$368.9 million in total AHP funds in 2016, about 15 percent higher than in 2015. This funding helped over 39,000 low- or moderate-income households, including about 22,000 very low-income households. Through the CIP, the Banks also funded approximately \$3.2 billion in targeted housing and economic development advances in 2016, about the same amount as in 2015. The program assisted over 37,000 housing units. The Banks' CICA funding, which supports targeted economic development, was about \$2.9 billion in 2016, down from \$4 billion in 2015.

The Banks also support low-income housing and community development through other activities, including through their non-depository Community Development Financial Institution (CDFI) members. At the end of 2016, 45 non-depository CDFIs were FHLBank members, up from 41 in 2015. The FHLBanks' outstanding advances to the non-depository CDFIs increased

¹ See 12 U.S.C. § 1430(i) and (j). The CICA regulation (12 C.F.R. § 1292.1) defines CICA programs to include AHP, CIP, and targeted economic development advance or grant programs established by an FHLBank. However, because AHP and CIP are specifically required by statute, they are generally described separately from other programs under the CICA umbrella. This practice is followed in this report.

² 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.



as well, from approximately \$114.5 million in 2015 to \$121.7 million in 2016. Additionally, each Bank is subject to housing goals if its Acquired Member Assets (AMA)³ purchases exceed an annual volume threshold of \$2.5 billion.⁴ In 2016, two FHLBanks exceeded this level. FHFA is evaluating whether these Banks met the housing goals for 2016. Regardless of their performance under the housing goals for 2016, FHFA will not require these Banks to submit a housing plan as permitted under the regulation because FHFA is in the process of reviewing and possibly updating the regulation.

This report to the Advisory Councils of the FHLBanks is required under the Federal Home Loan Bank Act, 12 U.S.C. § 1430(j)(12), (Bank Act).

The report is organized into four sections with three appendices. The first section provides program information on the AHP, the second section details the Banks' CIP and CICA performance, the third section describes non-depository CDFI membership in the FHLBank System, and the fourth section discusses Bank housing goals and AMA purchases in 2016. The appendices provide a review of highlights from FHLBank Advisory Council Reports submitted to FHFA, as well as AHP historical data and data pertaining to AHP competitive program projects in 2016.

The Affordable Housing Program

The Bank Act requires each FHLBank to establish an AHP.⁵ Under the program, members of the FHLBank apply to the Bank for AHP funds. If approved, the member provides the funds to eligible projects and households to be used for the purchase, construction, or rehabilitation of affordable housing. AHP funds may be in the form of a grant or a subsidized interest rate advance from a Bank to its member. For AHP-assisted owner-occupied housing, the eligible household income must be at or below 80 percent of AMI. For AHP-assisted rental housing, at least 20 percent of a project's units must be occupied by and affordable for households with incomes at or below 50 percent of AMI.

The AHP has two funding streams.⁶ The primary funding stream is a required competitive

³ AMA programs include both the Mortgage Partnership Finance Program and the Mortgage Purchase Program. See 12 C.F.R. part 1268.

⁴ See 12 C.F.R. part 1281. These housing goals are separate from the housing goals applicable to Fannie Mae and Freddie Mac, see 12 C.F.R. part 1282.

⁵ See 12 U.S.C. § 1430(j).

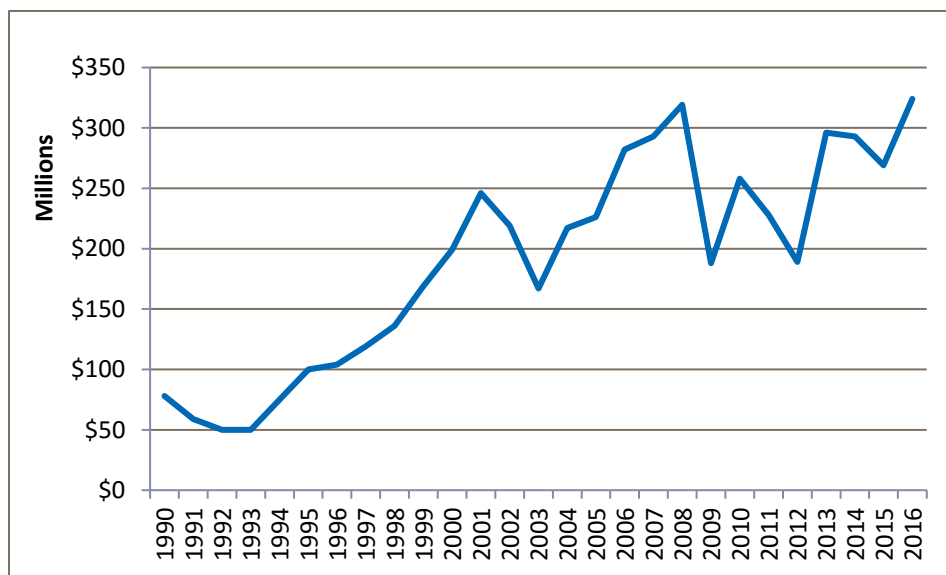
⁶ See 12 C.F.R. part 1291.



application program through which FHLBanks provide subsidies either as grants or as advances with a reduced interest rate. Proposed projects are awarded AHP funds based on a scoring system established in the AHP regulation. The second funding stream is an elective set-aside grant program for home purchases, home rehabilitation, and/or home counseling. Generally, access to set-aside program funds is on a first-come, first-served basis for Bank members and eligible households.

FHLBank AHP Allocations: A Bank’s statutory AHP contribution must equal at least 10 percent of its net earnings for the prior year, subject to an annual \$100 million minimum combined contribution by all of the FHLBanks collectively.⁷ Consequently, a Bank’s statutory contribution to its AHP changes as its earnings change from one year to the next. From 1990 to 2016, the FHLBanks allocated a total of approximately \$5.2 billion to AHP (see Figure 1).

Figure 1: FHLBanks’ AHP Statutory Allocations (1990 – 2016)



Source: FHFA⁸

As in past years, the AHP statutory allocations for individual Banks varied in 2016, with allocations ranging from a low of approximately \$7.5 million at the Dallas FHLBank to a high of approximately \$70.9 million at the San Francisco FHLBank.

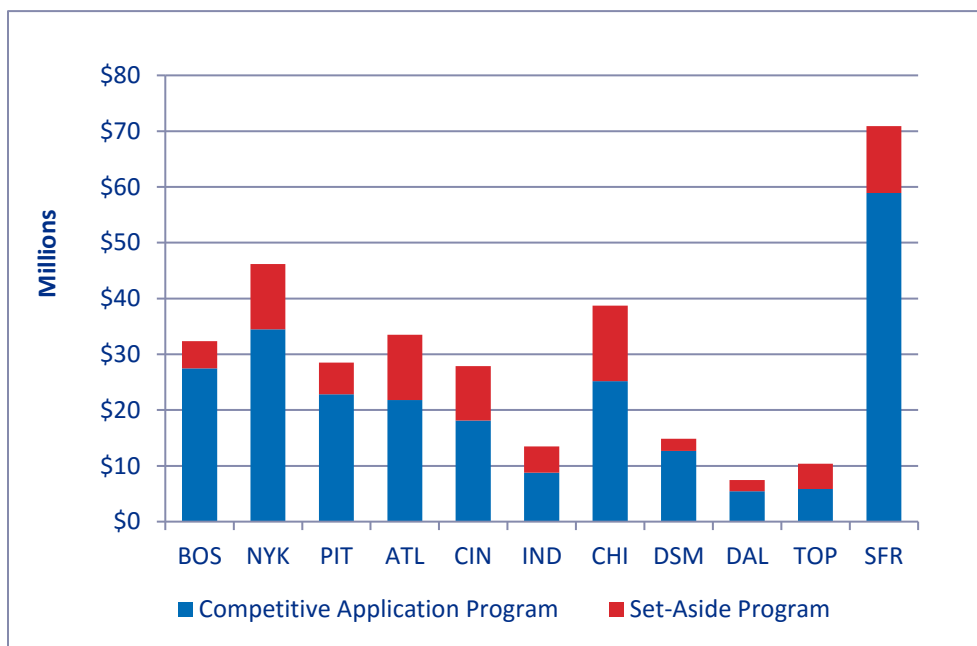
⁷ See 12 U.S.C. 1430(j)(5)(C).

⁸ Unless otherwise noted, data contained in all charts and tables in this report were submitted by the FHLBanks as of December 31, 2016 and validated by FHFA. Dollars have been rounded. Additionally, AHP competitive application program data include only approved, active projects.



Figure 2 details the FHLBanks' competitive application program and set-aside program allocations in 2016.⁹

Figure 2: 2016 FHLBank Statutory Allocations



FHLBank Awarded Funds: In 2016, the FHLBanks awarded a total of \$368.9 million through AHP, with approximately \$283.4 funding the competitive application program and \$85.5 million funding the set-aside program.

This funding supported 39,085 housing units, comprised of 25,530 units in the competitive application program and 13,555 units in the set-aside program. The funds awarded for 2016 were generally similar to the AHP allocations made in 2015 (see Figure 2), although the actual amount of funds awarded in a given year may also include funding adjustments from prior years or funds accelerated from future years. In these circumstances, a Bank's amount of awarded funds may differ from the statutorily required allocation of funds.

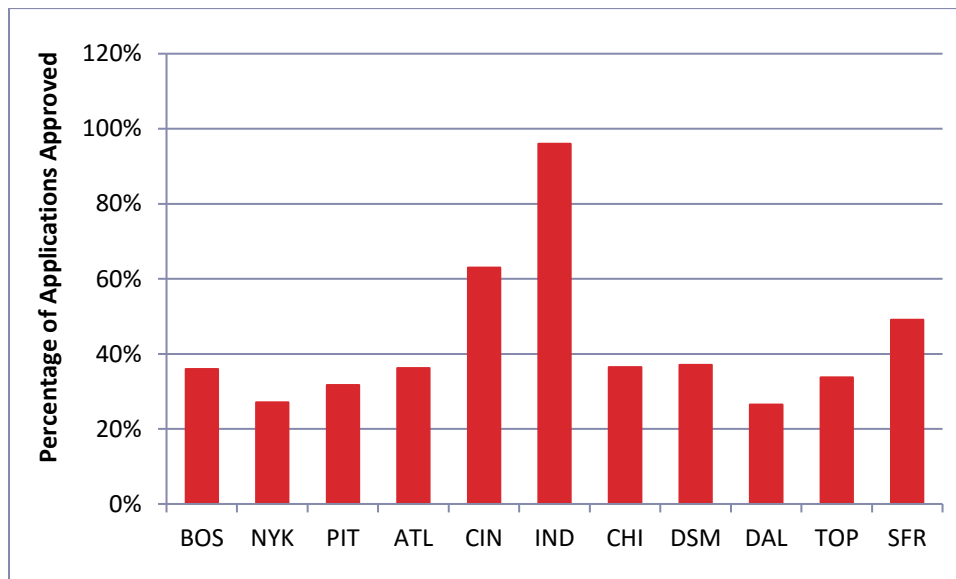
⁹ Allocation totals may differ from actual disbursements because FHLBanks may, for example, carry forward returned, uncommitted or unused AHP funds from prior years (or accelerate AHP funds from future years).



I. AHP Competitive Application Program

The AHP competitive application program supports very low-income and low- or moderate-income rental and owner-occupied housing projects in both urban and rural areas. The Banks award funds to projects based on an evaluation of their project applications in accordance with a general scoring system established in the AHP regulation. The scoring system allows a Bank to award more points to projects that meet the Banks' priorities, including, for example, projects that serve households with special needs or the homeless. In 2016, the Banks approved, on average, about 43 percent of applications received (see Figure 3).

Figure 3. 2016 AHP Competitive Program Applications Approved



Source: FHFA's Call Report System

Note: The percentage of applications includes approved applications and the next four highest scoring alternate applications.

Funds Awarded: The competitive application program is the larger of the two AHP programs, both in terms of units and funding. In 2016, 512 competitive application program projects were awarded funds, ranging in amounts from approximately \$68,000 to \$2.2 million for rental projects and from approximately \$22,000 to \$1.3 million for owner-occupied projects.¹⁰ Since the competitive application program's inception in 1990, the Banks have awarded approximately \$4.4 billion in funding to almost 16,900 projects, supporting over 660,000 units. Over that period,

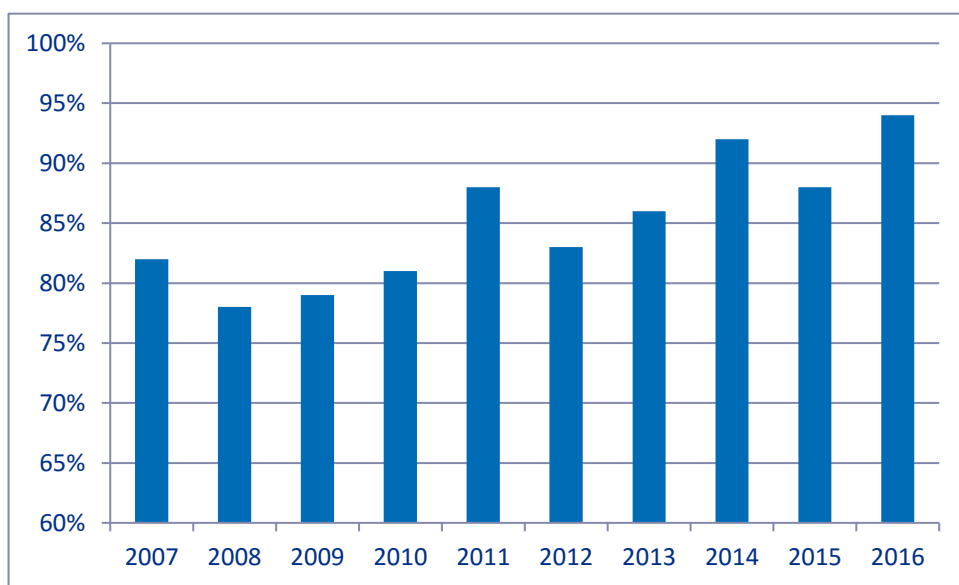
¹⁰ The \$1.3 million AHP competitive program grant assisted an owner-occupied project that consisted of a group of homes located in New Jersey.



73 percent of units were in urban areas and 27 percent were in rural areas. Additionally, 77 percent of units were rental units and 23 percent were owner-occupied.

The percentage of competitive application program rental units has varied since 2007. In 2016, rental units constituted almost 94 percent of total competitive application program units, the highest rental percentage of total units over the last ten years (see Figure 4). The funds awarded have helped add critically needed lower income rental housing units to the housing stock.

Figure 4: AHP Competitive Application Program Percentage of Rental Units (2007-2016)



Households Served: By statute, at least 20 percent of a project’s rental units must assist very low-income households, and all AHP-assisted owner-occupied units must assist low- or moderate-income households. As reflected in Figure 5, many competitive application program projects significantly exceed these requirements.¹¹ In 2016, over half of total rental units and 44 percent of owner-occupied units served very low-income households with incomes between 31 and 50 percent of AMI. The percentage of owner-occupied units assisting extremely low-income households (households with incomes of 30 percent or less of AMI) also increased slightly from 10 percent in 2015 to 11 percent in 2016. This represents continued growth from 5 percent in 2013 and 8 percent in 2014.

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



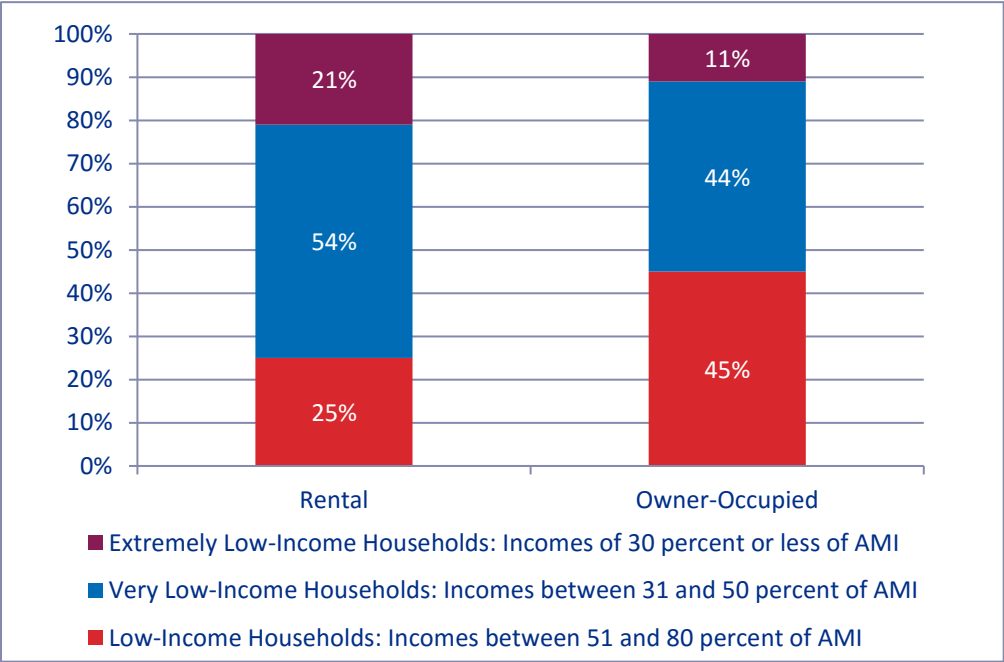


409 Cumberland

409 Cumberland in Portland, Maine combines healthy living with an urban location where residents are within walking distance to shops, restaurants, and local attractions. The project has 57 efficiency, one-, and two-bedroom apartments, including 46 AHP units of which 35 are targeted to residents below 50 percent of AMI. The project has a 750 square-foot, four-season rooftop greenhouse and 1,600 square feet of raised garden beds, where residents grow and harvest their own vegetables year-round. The Healthy Living Center on the first floor includes a demonstration and teaching kitchen where residents can learn how to make the most of their harvest. (Source: Boston FHLBank)



Figure 5: 2016 Household Income Distribution for the Competitive Application Program



Since the program’s inception, approximately 71 percent of total competitive application program units assisted with AHP subsidy (471,975 of 660,554 units) have served very low-income households.





Santa Fe Group Home

Santa Fe Group Home is located in Broomfield, Colorado and serves adults with developmental disabilities. (Source: Topeka FHLBank)



Presbyterian Night Shelter

The Morris Foundation Women and Children's Center is a 30,000-square-foot facility in Fort Worth, Texas providing 40 private housing units for homeless women and children. This project was funded in part by a \$500,000 AHP grant. (Source: FHLBank Dallas)

Urban/Rural Demographics: In 2016, urban projects represented approximately 77 percent of total competitive application program projects, and 88 percent of total competitive application program units. Urban projects averaged 56 units per project, up from 51 units in 2015, while rural projects averaged 27 units per project, down from 29 units in 2015 (see Figure 6). Additionally,



approximately 89 percent of very low-income units funded in 2016 were urban units, up from 86 percent in 2015.

Figure 6: 2016 Competitive Application Program Urban and Rural Projects

	Urban Projects		Rural Projects		Total Projects
Total Number of Awarded Projects	396	77%	116	23%	512
Funds Awarded (in millions)	\$230.1	81%	\$53.2	19%	\$283.4
Housing Units	22,375	88%	3,155	12%	25,530
Number of Very Low-Income Housing Units	16,572	89%	2,022	11%	18,594
Average Number of Units per Project	56		27		49
Average Subsidy per Unit	\$10,469		\$17,283		\$11,306

Development Costs of Units Receiving Competitive Application Funding: AHP funds play an important role in the development of affordable housing by providing a subsidy to fill the gap in the development budget of projects. Figure 7 shows total FHLBank subsidies as a percent of total development costs for 2015 and 2016. In the past few years, the ratio of AHP subsidy to proposed development costs has generally decreased at most Banks. From 2015 to 2016 development costs fell at six Banks. As shown in Figure 7, the average per unit development cost for competitive application projects varies across the FHLBanks based on a number of factors, including local housing costs and the availability of funding sources other than AHP funds. Since program inception, the average subsidy as a percentage of development costs across the FHLBank System has remained between 5.5 and 9 percent, with an uptick during the housing recession and early recovery period.



Figure 7: FHLBank AHP Competitive Application Program Average Subsidy and Development Costs (2015 & 2016)

FHLBank	Average Subsidy Per Unit		Average Development Cost Per Unit		Ratio of Subsidy/Development Costs	
	2015	2016	2015	2016	2015	2016
Boston	\$17,740	\$19,086	\$212,325	\$224,662	8.4%	8.5%
New York	\$10,496	\$10,208	\$165,034	\$210,282	6.4%	4.9%
Pittsburgh	\$9,854	\$15,603	\$151,306	\$136,523	6.5%	11.4%
Atlanta	\$6,142	\$6,189	\$142,247	\$181,900	4.3%	3.4%
Cincinnati	\$13,061	\$13,399	\$144,872	\$125,865	9.0%	10.6%
Indianapolis	\$18,337	\$14,109	\$99,625	\$132,445	18.4%	10.7%
Chicago	\$11,539	\$11,618	\$173,728	\$183,362	6.6%	6.3%
Des Moines	\$8,419	\$9,194	\$155,905	\$111,187	5.4%	8.3%
Dallas	\$7,697	\$5,199	\$99,330	\$69,826	7.7%	7.4%
Topeka	\$8,150	\$8,182	\$112,517	\$83,921	7.2%	9.7%
San Francisco	\$10,639	\$12,037	\$275,283	\$314,845	3.9%	3.8%

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





Aspire Manor

Aspire Manor in Lebanon, Indiana, involved the rehabilitation of a vacant historic apartment building located in the downtown area to provide safe, affordable housing for adults with special needs. Support services on-site promote greater self-sufficiency, including assisting residents with finding employment. Located in the city's historic district, the project maintains several historic features. (Source: Indianapolis FHLBank)

Coordination with Other Affordable Housing Activities: The Bank Act requires that FHFA's AHP regulation coordinate AHP activities with federal or federally subsidized affordable housing activities to the maximum extent possible.¹² In 2016, as in previous years, approximately two-thirds of AHP projects also obtained funding from at least one other federal housing program (see Figure 8).

¹² 12 U.S.C. § 1430(j)(9)(G).



Figure 8: AHP Projects Approved in 2016 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	260	51%
Home Investment Partnerships (HOME) Program	131	26%
Other Federal Housing Programs	60	12%
Community Development Block Grant (CDBG) Program	39	8%
Federal Housing Administration (FHA) Programs	6	1%
AHP Projects Not Receiving Funding From Federal Sources	186	36%

Note: Projects receiving federal funding will not equal the total number of awarded projects because projects may use more than one federal funding source.

Homeless and Special Needs Populations: An important contribution of the AHP competitive application program is that a significant number of projects serve homeless persons and persons with special needs. Examples of the types of special needs populations that the competitive application program addresses include the elderly, individuals with disabilities, persons living with HIV-AIDS, and persons recovering from substance or physical abuse. A project may reserve units for more than one special needs population. In 2016, 65 percent of projects (334 projects) served homeless persons or persons with special needs, an increase from 60 percent in 2015.

Figure 9 outlines projects serving special needs and homeless households under the competitive application program in 2016. Among the projects in 2016 serving special needs and homeless households, most projects served persons with disabilities (163 projects). From 1990 through 2016, however, most of these projects served the homeless population.



Figure 9: 2016 AHP Competitive Application Program Projects Serving Special Needs and Homeless Households

Special Needs and Homeless Projects	2016 Projects Serving Special Needs and Homeless Households		1990-2016 Projects Serving Special Needs and Homeless Households
	Percentage of Total Projects	Number of Total Projects	
Projects with Units Reserved for Persons with Disabilities^a	32%	163	3,676
Projects with Units Reserved for Elderly Households^a	24%	122	3,246
Projects with Units Reserved for Homeless Households^a	29%	149	5,007
Projects with Units Reserved for both Special Needs and Homeless Households	20%	104	2,496

^a Projects with 20 percent or more of total units reserved for occupancy by such households.
 Note: A project may serve more than one special need.

II. AHP Homeownership Set-Aside Program

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

A Bank may establish one or more AHP homeownership set-aside programs. For example, some Banks have established targeted set-aside programs to assist with home financing for special needs households, households located in state or federally declared disaster areas, or households that are members of a federally recognized tribe.

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

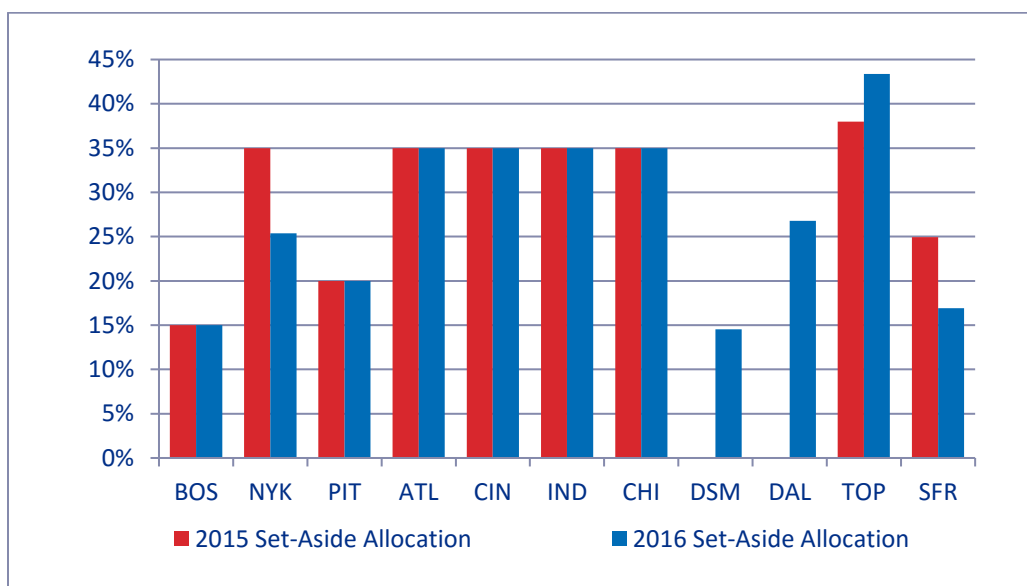


FHLBank Set-Aside Program Allocations: From 1995 through 2016, the Banks’ set-aside programs provided approximately \$953 million in funding, supporting almost 167,000 households. Over 80 percent (135,668) of the households assisted were first-time homebuyers. During this period, the average AHP set-aside subsidy per household was \$5,710.

In 2016, total funding for the set-aside program was \$85.5 million, similar to the \$85.2 million in funding in 2015. Set-aside program funds accounted for 26 percent of total AHP funds allocated in 2016, the same level as in 2015.

Figure 10 shows individual Bank set-aside program allocations as a percentage of total statutory AHP allocations in 2015 and 2016.^{14,15}

Figure 10: FHLBank Homeownership Set-Aside Program Allocations as a Percent of Total AHP Allocations (2015 and 2016)



Use of Homeownership Set-Aside Funds: The Banks have flexibility in their approved uses of set-aside funds. Historically, the Banks have allocated the majority of set-aside funds for down payment or closing costs assistance. In 2016, the Banks funded about \$77 million for down

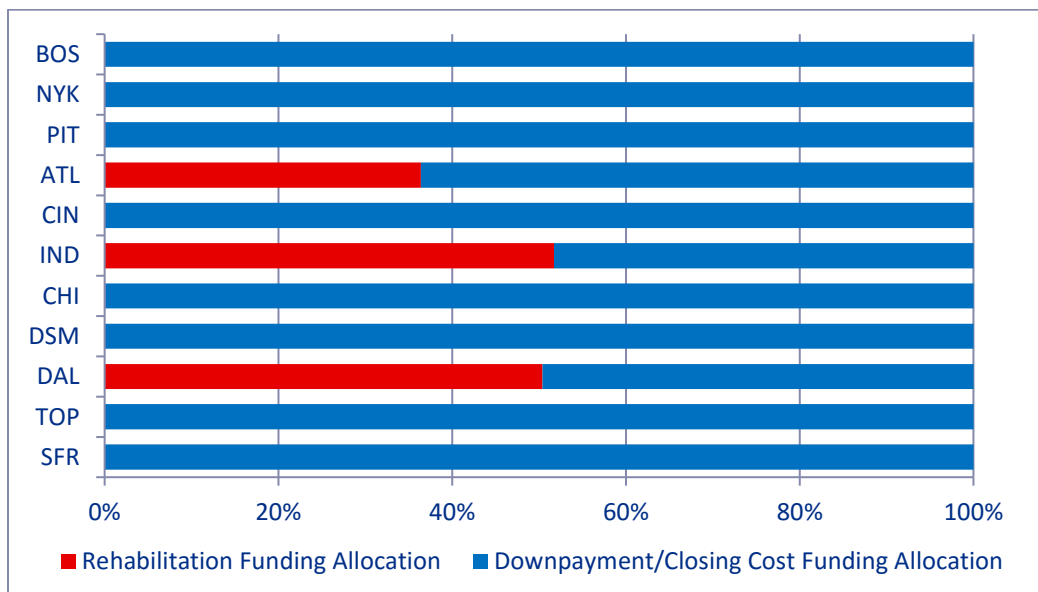
¹⁴ Allocation totals may differ from actual disbursements because FHLBanks may, for example, carry forward uncommitted or unused AHP funds from prior years (or accelerate AHP funds from future years).

¹⁵ In 2015, the Dallas and Des Moines FHLBanks awarded funds through their set-aside programs, but they did not allocate funds to those programs.



payment or closing costs, almost 90 percent of total set-aside program funding, up from approximately 87 percent in 2015 and 84 percent in 2014. In 2016, four FHLBanks (Atlanta, Indianapolis, Chicago, and Dallas) also allocated set-aside funds for rehabilitation (see Figure 11).¹⁶ Overall, rehabilitation funding in 2016 was \$8.6 million or about 10 percent of total funding, down from around 13 percent in 2015.

Figure 11: 2016 AHP Homeownership Set-Aside Program Allocations

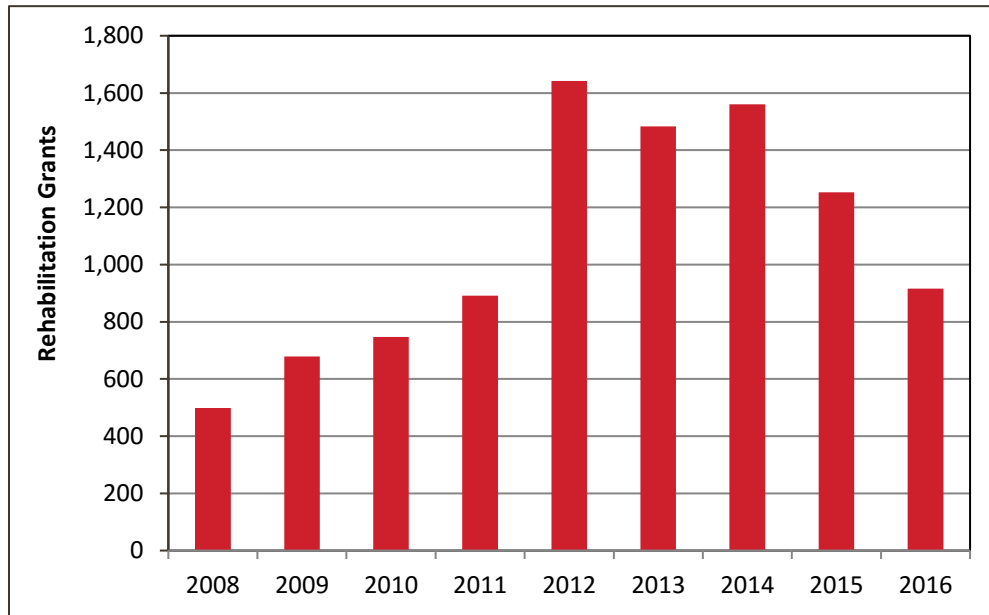


The number of rehabilitation-assistance set-aside grants also fell again in 2016, for the third consecutive year (see Figure 12).

¹⁶ Because the Chicago FHLBank allocated approximately 0.1 percent of its set-aside program funds to rehabilitation, this amount does not appear in Figure 11.



Figure 12: Number of AHP Homeownership Set-Aside Grants Used for Rehabilitation Assistance (2008 – 2016)



Households Assisted: Although the set-aside program must target households with low or moderate incomes, in a substantial number of cases FHLBanks provide AHP set-aside grants to households with incomes significantly below those thresholds. In 2016, the average income of households assisted by the set-aside program was about \$40,000 per year, or 59 percent of AMI. The average house price for households assisted by the set-aside program was about \$118,000 in 2016. Data on the number of households assisted, household incomes, and average house prices under the set-aside program for each Bank in 2016 are shown in Figure 13.



**Figure 13: 2016 Set-Aside Program 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	323	\$42,245	63	\$147,254
New York	1,698	\$43,221	56	\$122,550
Pittsburgh	1,373	\$37,912	57	\$119,674
Atlanta	1,606	\$46,647	63	\$163,814
Cincinnati	2,089	\$39,580	56	\$98,379
Indianapolis	260	\$30,821	59	\$87,599
Chicago	2,530	\$36,490	61	\$98,129
Des Moines	1,270	\$38,923	60	\$121,082
Dallas	202	\$29,530	57	\$90,261
Topeka	854	\$40,131	57	\$92,703
San Francisco	434	\$38,415	61	\$176,091

First-Time Homebuyers: If a Bank elects to offer a homeownership set-aside program, it must allocate at least one-third of its annual set-aside contribution to assist first-time homebuyers, and Banks often reserve more than one-third of their set-aside program funding for first-time homebuyers. In 2016, about 12,200 first-time homebuyers received assistance from set-aside funding, approximately 900 more than in 2015. The average AHP subsidy provided to these homebuyers was about \$6,100, down by about \$200 from 2015.

First-Time Homebuyers Financing: Figure 14 includes a breakdown, by income subgroup, of first-time homebuyers assisted by the set-aside program in 2016. Approximately 93 percent of these first-time homebuyers received fixed-rate first mortgage loans, and about the same percentage of these first-time homebuyers received a first mortgage loan originated by a Bank member.



Some lower income households, even with a set-aside grant, need additional assistance to purchase a home. Approximately 14 percent of first-time homebuyers assisted under the set-aside program obtained a grant or forgivable loan from other sources to use in conjunction with a set-aside grant.¹⁷ However, consistent with previous years, relatively few of the first-time homebuyers who got set-aside funds received a second mortgage loan (339), and even fewer (68) received a combination of a first mortgage loan, second mortgage loan, and non-AHP grant or forgivable loan in 2016.

Figure 14: 2016 AHP Homeownership Set-Aside Program: First-Time Homebuyers' Additional Financing Characteristics

First-Time Homebuyer Household Incomes	Fixed-Rate First Mortgage Loans	First Mortgage Loans Financed by FHLBank Members	Non-AHP Grants or Forgivable Loans	Second Mortgage Loans ^a	Non-AHP Grants or Forgivable Loans and Second Mortgage Loans ^a
Incomes at or below 30 percent of AMI	303	325	78	7	1
Incomes greater than 30 percent, to 50 percent of AMI	2,595	2,610	436	87	25
Incomes greater than 50 percent, to 80 percent of AMI	8,490	8389	1177	245	42
Total	11,388	11,324	1,691	339	68

^a This financing includes first mortgage loans.

The Community Investment Program and the Community Investment Cash Advance Program

The FHLBanks' support of low-income housing and community development activities also includes the CIP and CICA programs. Bank members can finance eligible targeted housing through the CIP, and eligible targeted mixed-use projects¹⁸ and economic development projects

¹⁷ A forgivable loan is a loan where the borrower is not required to pay interest or repay the principal, subject to certain conditions, such as a length of residency requirement. After these conditions are met, the loan effectively becomes a grant.

¹⁸ Mixed-use projects are projects involving a combination of housing and economic development components, such as commercial or community space. See 12 C.F.R. § 1292.5(b).



through both the CIP and CICA programs.¹⁹ Unlike AHP, however, CIP and CICA funding is not subject to specific statutory allocation requirements. A variety of factors drive FHLBank member demand for these programs, including community needs in FHLBank districts and broader economic dynamics. In general, CIP and CICA funding tracks the movement of regular FHLBank advance levels. Figure 15 outlines the program type, eligibility, and awards of the two programs.

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

Program Characteristics		CIP	CICA
Type		Statutorily Required (Bank Act)	Voluntary
Participants		FHLBank members	FHLBank members and housing associates ²⁰
Eligible Uses		Economic Development, Mixed-Use, and Housing	Economic Development or Mixed-Use
Targeted Income	Housing	Household incomes are 115 percent or less of AMI	N/A
	Economic Development	Household incomes are 80 percent or less of AMI, or activities are located in neighborhoods where at least 51 percent of households are low- or moderate-income	Includes designated redevelopment areas, Empowerment Zones and Champion Communities, ²¹ and areas where rural households' incomes are 115 percent or less of AMI, or urban households' incomes are 100 percent or less of AMI
Award Type		Advances and Letters of Credit ²²	Long-term advances, Letters of Credit, and Grants
Advance Pricing		Cost of funds plus reasonable administrative costs	Regular advance pricing or discounted advance pricing

¹⁹ For mixed-use projects funded under CICA, income targeting is only required for the economic development portion of the project. For mixed-use projects funded under CIP, both the housing and economic portions of the project must meet the appropriate targeted income levels. See 12 C.F.R. § 1292.5(b).

²⁰ See 12 U.S.C. § 1430(j)(10); 12 C.F.R. part 1292. Housing associates are defined to include eligible state and local housing finance agencies. Housing associates are not Bank members, but Banks may offer them advance products except CIP advances. See 12 U.S.C. § 1430b; 12 C.F.R. part 1264.

²¹ See 12 C.F.R. § 1292.1. "Champion Community" means a community that developed a strategic plan and applied for designation by either the Secretary of the Department of Housing and Urban Development or the Secretary of the United States Department of Agriculture as an Empowerment Zone or Enterprise Community, but was designated a Champion Community.

²² Letters of credit issued by a Bank guarantee payments made to another entity under stated conditions.



Amount Funded: In 2016, CIP funding declined slightly while CICA funding declined sharply. Figure 16 provides details of the CIP and CICA programs for both 2015 and 2016. As in recent years, CIP funding was mostly allocated for housing projects, while CICA funding was mostly allocated for economic development projects. Both programs had a small amount of mixed-use project funding. CIP total advance commitments were almost \$3.2 billion in 2016, down from slightly over \$3.2 billion in 2015. CIP advance commitments for housing projects in 2016 decreased by approximately \$100 million from 2015. The program assisted about 37,300 housing units in 2016, approximately 1,300 fewer units than in 2015. As in prior years, the majority of these units were rental units. However, in 2016 rental units represented 58 percent of total units assisted by CIP, whereas in 2015 rental units represented 72 percent of total CIP housing units. Total CICA advance commitments were approximately \$2.9 billion in 2016, down from about \$4.0 billion in 2015, but similar to recent years.

Figure 16: CIP and CICA Overview (2015 and 2016)

		CIP		CICA	
		2015	2016	2015	2016
Total Advance Commitments ^a		\$3,243	\$3,187	\$4,016	\$2,933
	Advance Commitments for Housing Projects	\$3,176	\$3,068	N/A	N/A
	Advance Commitments for Mixed-Use Projects ^b	\$7.2	\$3.9	\$14.9	\$4
	Advance Commitments for Economic Development	\$60.5	\$115.4	\$4,001	\$2,929
Grants		N/A	N/A	\$4.5	\$4.5
Letters of Credit		\$432.9	\$353.6	\$517.5	\$210.5
Total Projects ^c		418	384	744	583
Total Housing Units		38,606	37,306	N/A	N/A
	Owner-Occupied	10,934	15,489	N/A	N/A
	Rental	27,672	21,817	N/A	N/A

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

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

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

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



CIP advance commitments for economic development projects increased from \$60.5 million in 2015 to \$115.4 million in 2016, the fourth consecutive year of CIP economic development advance increases. However, while CIP advance commitments for economic development projects have increased over the last few years, CIP economic development projects still comprise only a minority of total CIP projects. In 2016, only 49 of 348 CIP advance funded projects were economic development projects. Compared to levels from 2001-2006, Figure 17 shows the lower levels of CIP economic development advance since 2007. Figure 17 also shows the much larger and increasing advance levels for CICA economic development advances compared to CIP advances focused on economic development.

Figure 17: CIP Economic Development Advances and CICA Economic Development Advances (2001 – 2016)

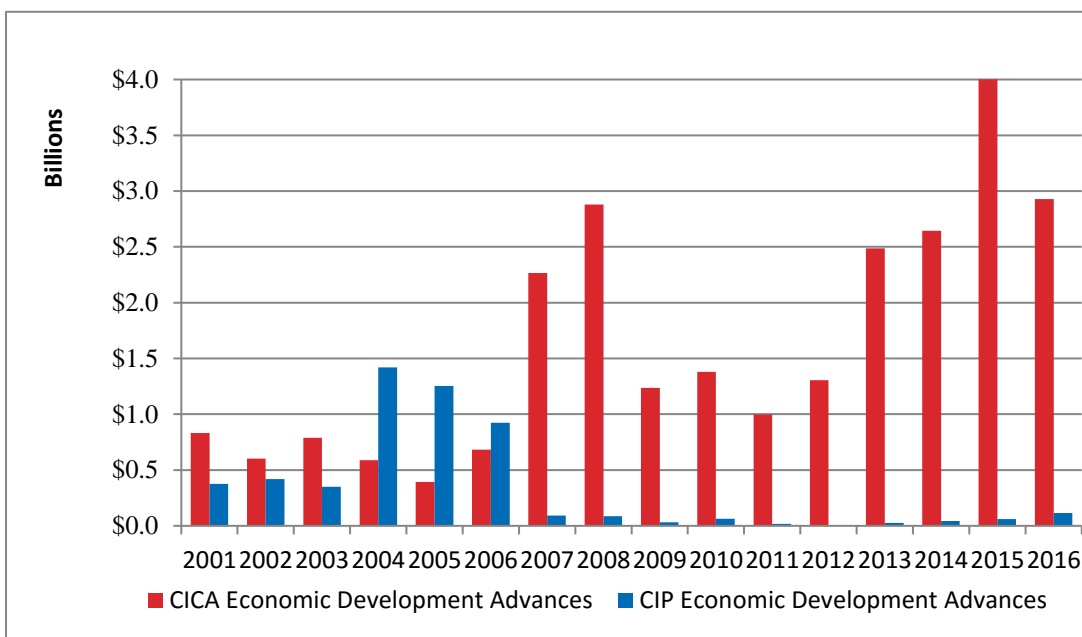
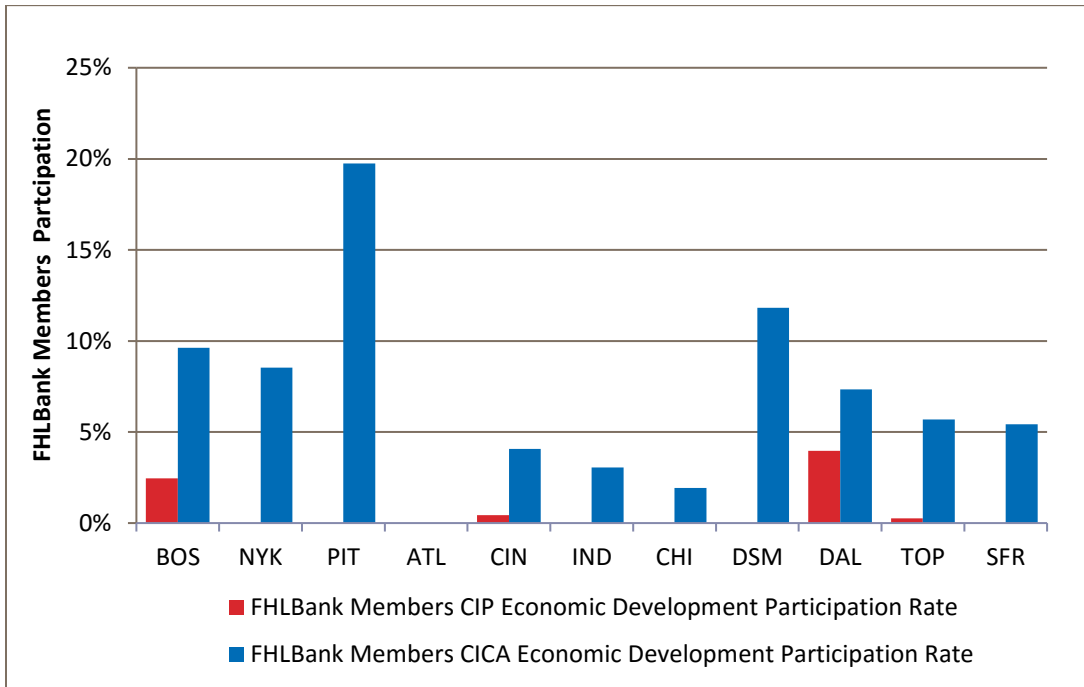


Figure 18 also shows that FHLBank members’ participation in the CIP economic development program in 2016 remained low compared with participation in the CICA economic development program. Figure 19 shows that CICA economic development funding generally tracks FHLBank regular advance funding.

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

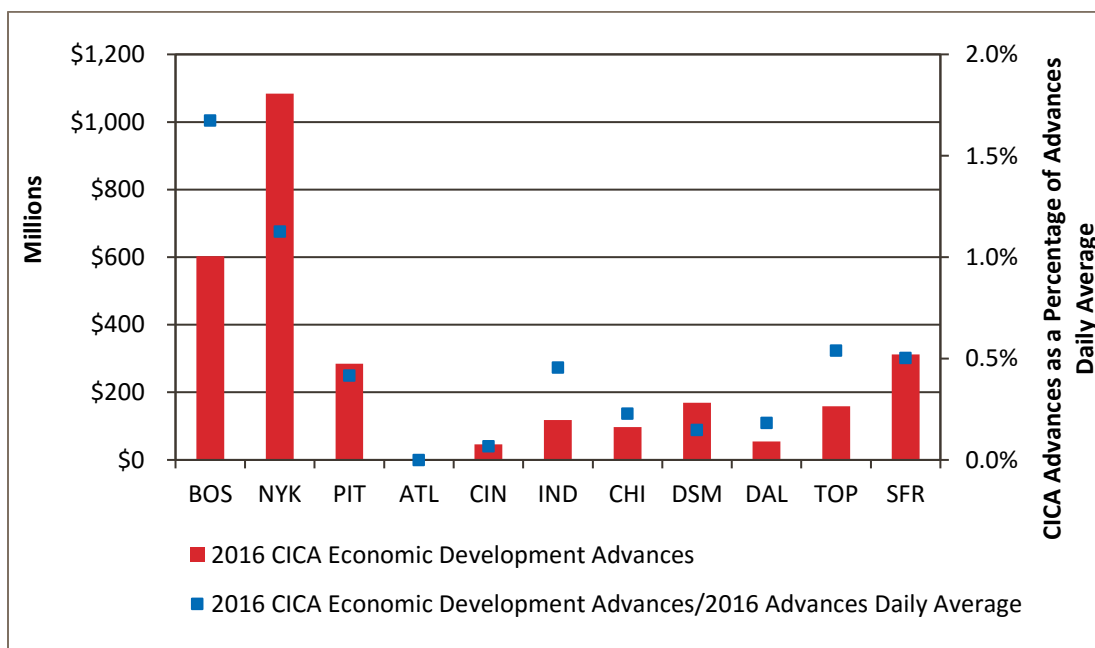


Figure 18: 2016 FHLBank Members' CIP and CICA Economic Development Participation



Source: FHFA Membership System

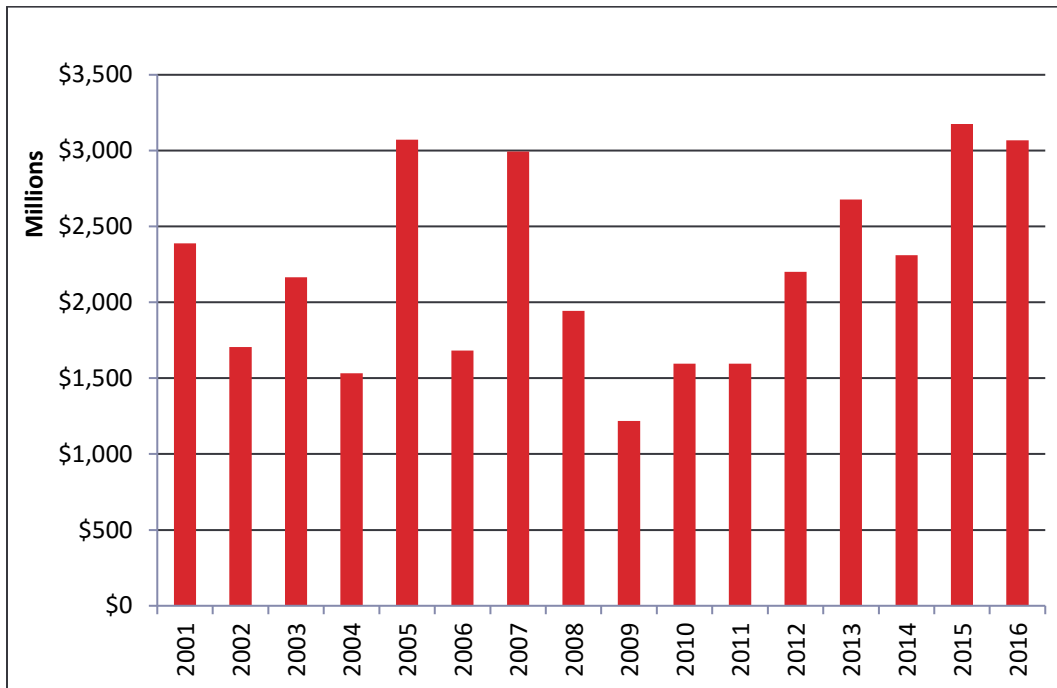
Figure 19: 2016 CICA Economic Development Funding



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



Figure 20: CIP Housing Funding (2001 – 2016)



Urban/Rural Demographics: As reflected in Figure 21, in 2016 approximately 81 percent of CIP and CICA funding assisted projects located in urban areas (\$5.4 billion), and about 82 percent of this funding supported urban units (34,536), both similar to 2015 levels. About 60 percent of these urban units were rental units (20,528). Rural projects received approximately \$1.3 billion in CIP and CICA funding in 2016, approximately 19 percent of 2016 total funding, and supported 7,625 housing units, of which 81 percent were rental units (6,144).



Figure 21: 2016 CIP and CICA Program Projects Serving Urban and Rural Areas

	2016 Urban Area Projects ^a				2016 Rural Area Projects ^a				2016 Total
	Housing	Economic Development	Mixed-Use	Total Urban Projects	Housing	Economic Development	Mixed-Use	Total Rural Projects	
Total Approved Projects	193	220	5	418	119	430	0	549	967
Total Commitments ^b	\$3,116	\$2,292	\$7.9	\$5,415	\$188.3	\$1,085	\$0	\$1,273	\$6,689
Projected Number of Rental Housing Units (CIP only)	20,499	N/A	29	20,528	6,144	N/A	0	6,144	26,672
Projected Number of Owner-Occupied Housing Units (CIP only)	14,008	N/A	0	14,008	1,481	N/A	0	1,481	15,489
Projected Number of Housing Units (CIP only)	34,507	N/A	29	34,536	7,625	N/A	0	7,625	42,161

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

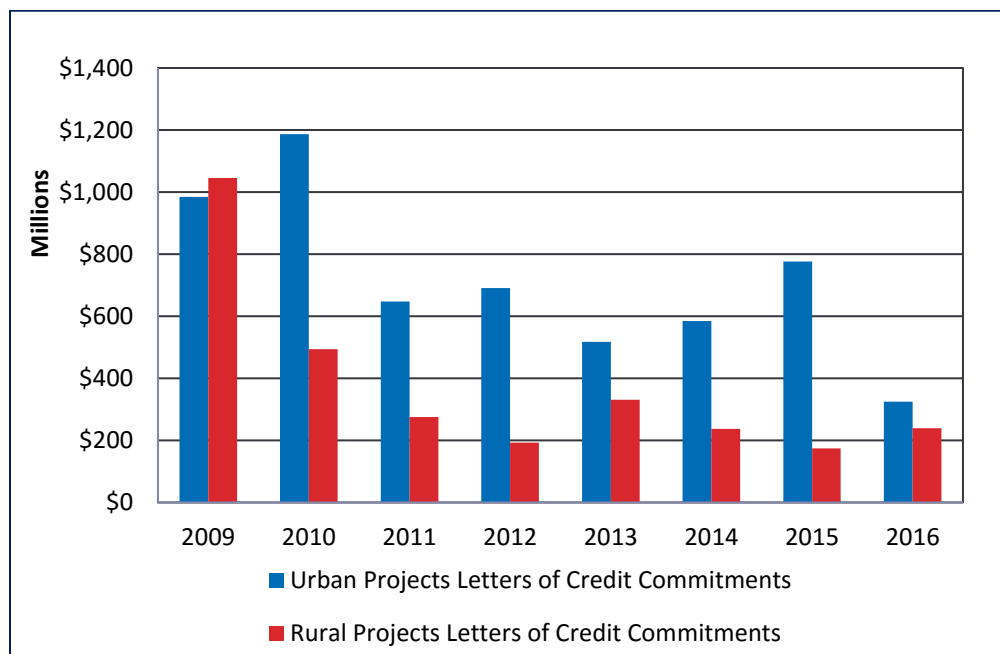
^a "Urban area" and "rural area" as defined in 12 C.F.R. part 1292.

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

Letters of Credit: Community developers may use CIP and CICA letters of credit to facilitate financial transactions, including credit enhancement for community lending. Use of both CIP and CICA letters of credit decreased in 2016. The use of CIP letters of credit declined by about 18 percent from 2015, falling to approximately \$353.6 million, while usage of CICA letters of credit fell by almost 60 percent to about \$210.5 million.

Figure 22 shows that the use of letters of credit in 2016 under the CIP and CICA programs in rural areas increased slightly from 2015, while the use of letters of credit assisting projects in urban areas fell sharply.

Figure 22: CIP and CICA Program Urban and Rural Projects Letters of Credit Commitments (2009 – 2016)



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. Their activities include promoting economic development and affordable housing, and providing community development financial services and other basic banking services.

Prior to the enactment of HERA in 2008, only CDFIs that were federally insured depositories,



such as banks, thrifts, and credit unions, were eligible to apply for membership in a Bank. HERA authorized 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 a Bank can provide 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’s issuance of a final rule in 2010 implementing the HERA membership eligibility requirement for non-depository CDFIs, the number of non-depository CDFI members has increased across the FHLBank System. As of December 31, 2016, 45 non-depository CDFIs were FHLBank members and all FHLBanks had at least one non-depository CDFI member (see Figure 23).

Non-depository CDFI members’ total outstanding FHLBank advance balances were approximately \$121.7 million in 2016, up from about \$114.5 million in 2015.

Figure 23: Non-depository CDFI Members per FHLBank (2015 and 2016)

FHLBANK	2015	2016
Boston	4	4
New York	2	3
Pittsburgh	2	2
Atlanta	6	7
Cincinnati	4	4
Indianapolis	3	3
Chicago	3	4
Des Moines	4	5
Dallas	5	5
Topeka	2	2
San Francisco	6	6
Total	41	45

Source: FHFA Membership System



Housing Goals

Under FHFA's FHLBank housing goals regulation, each FHLBank is subject to housing goals if its purchases of qualified whole mortgages through its Acquired Member Assets (AMA) programs exceed an annual volume threshold of \$2.5 billion.²³ All FHLBanks purchased mortgages through AMA programs in 2016. Two FHLBanks exceeded the volume threshold in 2016 – Cincinnati and Indianapolis (see Figure 24). The Indianapolis FHLBank also exceeded the volume threshold in 2015.

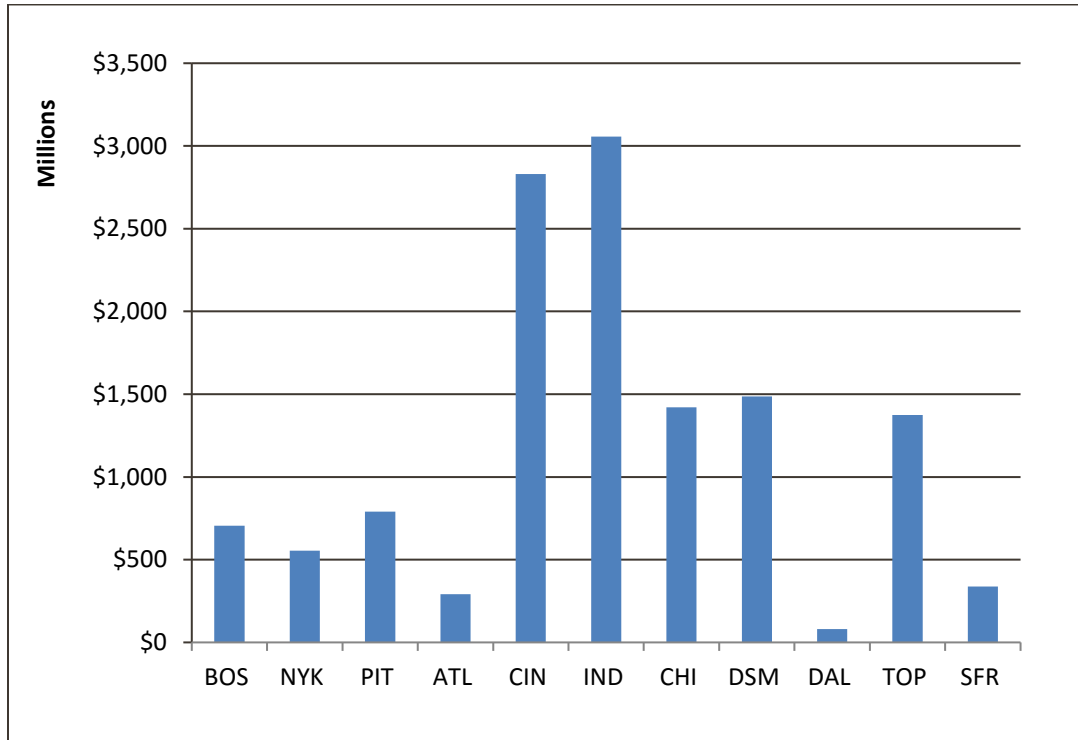
For each FHLBank that is subject to the housing goals in a given year FHFA undertakes an evaluation to determine that FHLBank's housing goals performance. For each housing goal, this involves determining whether the percentage share of the FHLBank's applicable AMA purchases met or exceeded a retrospective market comparison figure using Home Mortgage Disclosure Act (HMDA) data. FHFA will evaluate 2016 HMDA data to assess the Indianapolis and Cincinnati FHLBanks' performance on the housing goals in 2016. Based on its evaluation of 2015 HMDA data FHFA determined that the Indianapolis FHLBank did not meet its housing goals in 2015.

FHFA is in the process of evaluating alternatives to the current FHLBank housing goals requirement that would provide FHLBanks with advance notice of, and greater certainty about, each year's housing goals expectations. Because of this ongoing evaluation, FHFA has informed the FHLBanks that FHFA will not require the submission of a housing plan by any FHLBank based on housing goals performance in 2015 or 2016, even if FHFA determines that the FHLBank did not meet one or more of the 2015 or 2016 housing goals.

²³ See 12 C.F.R. part 1281.



Figure 24: 2016 FHLBank AMA Purchases



Appendix 1: 2016 FHLBank Advisory Council Reports

Below are highlights from the 2016 FHLBank Advisory Council Reports provided to FHFA by the Advisory Council for each FHLBank. This summary includes brief descriptions of AHP highlights and special FHLBank community initiatives.²⁴

The **Boston FHLBank Advisory Council Report** profiles a number of AHP competitive application program projects. These projects include Kelly Field Apartments in Hinesburg, Vermont, which created 24 updated senior apartments. The project provides residents with access to an innovative aging-in-place care program in a community where most residents lived most of their lives. The program offers access to an on-site care coordinator and wellness nurse to help residents with a broad range of services to support health, including health coaching around chronic disease management, medication management assistance, and organizing or leading wellness programs to help residents maintain their health. The Report also profiles Temple Place Apartments in Cambridge, Massachusetts. The project, a six-story building with a mix of 40 one- and two-bedroom apartments, was designed in compliance with the Enterprise Green Communities Program to produce less greenhouse gas emissions and features energy-efficient windows, state-of-the-art insulation, a highly efficient hydronic gas heating system, and water efficient toilets, faucets, and showers. The project serves the city's most needy Section 8 residents.²⁵

The **New York FHLBank Advisory Council Report** highlights a number of AHP competitive application program projects in 2016. These include the Valle Dorado, a senior housing project located in Utuado, Puerto Rico that opened in August 2016. All units in the project are one-bedroom units designated for very low-income elderly residents, and two units are fully handicapped accessible. The building's amenities include 22 on-site parking spaces, laundry facilities, an on-site administration office, a medical services area, and a multipurpose room. The Report also notes that construction began in early 2016 on Webster Residences, two buildings providing 417 units for very low- and low-income households in New York City. The project, built on a site previously occupied by a vacant warehouse, includes a mix of studio, one-, two-, and three-bedroom units. The project includes 105 units for individuals who are homeless and

²⁴ See 12 U.S.C. § 1430(j)(12). The statute states that the Director of FHFA shall monitor and report annually to the Advisory Council for each FHLBank on the support of low-income housing and community development by the FHLBanks and the utilization of FHLBank advances for these purposes. The statute further states that the Advisory Councils shall submit analyses on the FHLBanks' low-income housing activities to the Director and such analyses shall be included in the report.

²⁵ The Section 8 housing choice voucher program is a federal government program for assisting low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market.



have a severe mental illness, and 34 units for artists' housing. Planned on-site services include case management and counseling, as well as employment and financial training.

The **Pittsburgh FHLBank Advisory Council Report** highlights the FHLBank's Blueprint Communities Program. The program provides training in strategy, leadership, and capacity building to communities. The Report notes that one of the 2016 Blueprint Communities in Washington Heights, Delaware used the training to create a plan that includes a Community Conservation Corps to promote area revitalization. The Report also describes the FHLBank's Banking on Business (BOB) program, which supports job creation and retention. The Report notes that since the BOB program was created in 2000, \$60.7 million in BOB funding has helped 654 small businesses create or retain 8,539 jobs. Additionally, the Report describes the Bank's aid to households affected by catastrophic flooding in West Virginia in 2016. The Bank provided \$2.3 million to households affected by this flooding, representing grants made through AHP and the Bank's special Disaster Relief Program. The Report also details the Bank's Pillar Awards, which honor financial institutions for outstanding work to create housing for lower income families and promoting community stability and revitalization throughout Delaware, Pennsylvania, and West Virginia. Three financial institutions received this award in 2016 based on their 2015 activity.

The **Atlanta FHLBank Advisory Council Report** describes the Bank's "Banking the Unbanked and Underbanked" initiative. Through this initiative, the Bank shares strategies with its member shareholders to better position them to serve the fastest growing customer and demographic segments and compete with non-regulated financial service providers. The Report states that the Bank presented on this topic at two events: the North Carolina Bankers Association American Mortgage Conference and the FHLBank Atlanta Annual Member Conference. The Report also notes that the Bank hosted "Dispelling the Myths" workshops at Developer Feedback Sessions in Florida, South Carolina, Alabama, and Washington, D.C. These workshops were in response to misconceptions about the Bank's AHP competitive application program. It aimed to provide clarification on the program's scoring, underwriting and awards and a better understanding of the benefits of the AHP competitive application program.

The **Cincinnati FHLBank Advisory Council Report** highlights the Bank's Disaster Reconstruction Program, noting that the Bank's board of directors authorized the \$5 million housing program in March 2012, following tornadoes that swept through parts of the Bank's district earlier that month. By year-end 2016, the Bank had disbursed nearly \$3.2 million to 192 households whose homes were damaged or destroyed by the natural disaster. The Report also describes a fund created in the name of Carol M. Peterson, who was the Bank's Community



Investment Officer for more than 20 years. The fund provides for accessibility rehabilitation and emergency repairs for low- and moderate-income, elderly, and special needs homeowners. In 2016, the Bank’s board approved \$1.5 million for this fund. The Report notes that \$1.4 million of this funding was disbursed to assist 224 elderly and special needs households and \$100,000 was used to sponsor the Jimmy and Rosalynn Carter Work Project in Memphis, Tennessee.²⁶

The **Indianapolis FHLBank Advisory Council Report** notes that the Bank’s 2016 AHP competitive application program supported developments focused on using “desirable sites” within their communities – defined as sites that are accessible to critical services, retail and entertainment options, as well as medical and education facilities. Additionally, nearly all (91 percent) of the projects awarded in 2016 aligned their location with overall community development strategies to ease the burdens on working families and the elderly by reducing or eliminating transportation barriers.

The Report also highlights developments funded under the Bank’s CIP program. One such development is the Riverview Housing Cooperative, which the state of Michigan organized in 1964. All residents of the cooperative own shares in the corporation that owns the common property and jointly handles the project’s maintenance, debt service, and repairs. The cooperative used CIP funds for debt refinancing. The Report also notes that the Consumers Credit Union branch in Kalamazoo, Michigan used CIP advances to upgrade its banking operations and its approach to community engagement.

The **Chicago FHLBank Advisory Council Report** notes that in 2016 more than 200 Bank members received over \$16 million in AHP set-aside funding, assisting approximately 2,700 homebuyers. Additionally, the Report notes that, through the Bank’s competitive application program, grants of more than \$26 million helped finance 46 affordable housing projects located primarily in Illinois and Wisconsin.

The **Des Moines FHLBank Advisory Council Report** notes that in 2016 the Bank again recognized community and economic development efforts throughout its district with its Strong Communities Award. The award, established in 2013, was open to all Bank members throughout the Bank’s 13-state district and attracted 24 applicants from 9 states. Nearly 10,000 votes were cast during a two-week public voting process, and winners in both rural and urban categories were selected. The Report also details the activities of the Bank’s Advisory Council, noting that the first full year of combined meetings (after the merger of the Des Moines and Seattle FHLBanks)

²⁶ The Jimmy and Rosalynn Carter Work Project is a Habitat for Humanity program for building, renovating, and repairing homes. <https://www.habitat.org/volunteer/build-events/carter-work-project>



focused on deepening the Council’s knowledge of unmet credit needs in the combined district. The quarterly meetings were held in Minneapolis, Minnesota; Park City, Utah; Portland, Oregon; and St. Louis, Missouri and included guest speakers from those areas to discuss local economic, demographic, and housing trends.

The **Dallas FHLBank Advisory Council Report** highlights the new construction of the Imperial Building in downtown Albuquerque, New Mexico. A \$378,000 AHP competitive application program grant awarded to YES Housing was used toward the construction of a 74-unit affordable apartment community, which also created 350 new full- and part-time employment opportunities. The amenities offered by the apartment complex include a rooftop garden and an onsite grocery store. The Report also describes the Bank’s Partnership Grant Program (PGP), which provides grants of up to \$12,000 to help promote and strengthen relationships between community-based organizations and the Bank’s members. The Committee for a Better New Orleans received a \$16,000 PGP grant. The funds were used to support two initiatives intended to inform New Orleans residents about financial literacy and budget planning programs. The Report also highlights a recipient of the Bank’s Housing Assistance for Veterans (HAVEN) program, which assists with necessary modifications to homes of U.S. veterans and active-duty personnel disabled by military service since September 11, 2001, who earn 120 percent or less of AMI.

The **Topeka FHLBank Advisory Council Report** spotlights a number of AHP projects. These include Santa Fe Group Home in Broomfield, Colorado. The project provides a group home built to accommodate adults with disabilities. It was designed with larger hallways and bathrooms to accommodate wheelchairs and staff. The Report also details the President and Ambassador Buildings, a rehabilitation project in Lincoln, Nebraska. The President and Ambassador buildings were former accommodations for state senators that were rehabilitated to provide housing for low-income families and residents with disabilities. Among the upgrades were full-size refrigerators, new carpeting, and a lower-level movie room. The Report also discusses the Rebuilding Together Kiamichi Country project. This project helped 59 homeowners in southeast Oklahoma repair their homes at no cost to the homeowner. Examples of the repair work include installing a new roof, removing mold, repairing drywall, and installing safety items such as grab bars, smoke detectors, and lighting.

The **San Francisco FHLBank Advisory Council Report** highlights the performance of the Bank’s Access to Housing and Economic Assistance for Development (AHEAD) program. The Bank originally established the program as a source of early stage funding for initiatives that benefit low- and moderate-income communities. It has evolved to focus on supporting economic development initiatives, including creating or preserving jobs, supporting nonprofit



organizational and capacity-building activities, and delivering social services, training and educational programs. The Bank received 197 applications for AHEAD funds, and selected 51 winners in 2016. The Report notes that nearly 60 percent of the funded projects directly involved job training or support for entrepreneurs and microenterprise. Projects receiving AHEAD funds in 2016 included the Oak View Renewal Partnership, which provides microenterprise and entrepreneurship training to the underserved Oak View community in Huntington Beach, California. Another AHEAD funded project highlighted in the Report is Meristem, Incorporated, which helps young adults with autism or other behavioral differences in the Sacramento, California area by developing entrepreneurial skills through product creation, marketing, sales, and delivery.



Appendix 2: Historical AHP Data

AHP Allocations: Figure A shows the percentage of total AHP funding allocated by the FHLBanks to their AHP competitive application and set-aside programs from 2003 to 2016.

Figure A: AHP Funding Allocations to the Set-Aside and Competitive Application Programs (2003 – 2016)

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

Competitive Application Program Funding: Figure B details rental and owner-occupied competitive application projects from 1990 to 2016. Over this time, approximately 77 percent of all competitive application program units funded were rental units, and about 81 percent were for very low-income households. About 19 percent of owner-occupied units funded from 1990 to 2016 assisted very low-income households.



Figure B: AHP Competitive Application Program Overview (1990 – 2016)

		Rental Projects		Owner-Occupied Projects		Total Projects
Total Number of Awarded Projects		10,352	61%	6,520	39%	16,872
Funds Awarded		\$3.4 billion	77%	\$1 billion	23%	\$4.4 billion
Housing Units		508,326	77%	152,228	23%	660,554
	Very Low-Income Housing Units	382,190	81%	89,785	19%	471,975

Urban/Rural Demographics: Figure C details competitive application projects serving urban and rural areas from 1990 to 2016. Approximately 64 percent of AHP projects awarded were located in urban areas and 36 percent of the projects were located in rural areas. Additionally, 75 percent of very low-income units were located in urban areas, while 25 percent of these units were located in rural areas. Over the 1990 through 2016 period, on average, urban projects had more units per project (45) than rural projects (29). Units in rural projects, however, received a higher average AHP subsidy per unit (\$7,643) than units in urban projects (\$6,393).

Figure C: AHP Competitive Application Program Serving Urban and Rural Areas (1990-2016)

	Urban Projects		Rural Projects		Total Projects
Total Number of Awarded Projects	10,850	64%	6,022	36%	16,872
Funds Awarded	\$3.1 billion	70%	\$1.3 billion	30%	\$4.4 billion
Housing Units	484,206	73%	176,348	27%	660,554
Number of Very Low-Income Housing Units	352,867	75%	119,108	25%	471,975
Average Number of Units per Project	45	N/A	29	N/A	39
Average Subsidy per Unit	\$6,393	N/A	\$7,643	N/A	\$6,727



Appendix 3: AHP Competitive Application Program Projects

Figure D outlines the FHLBanks' 2016 scoring point allocations under the competitive application program scoring criteria. These point allocations determine which competitive program projects were approved for funding. The AHP regulation requires each FHLBank to allocate 100 scoring points among the following nine scoring criteria:

- 1) Project use of donated or conveyed government-owned or other properties;
- 2) Sponsorship by a not-for-profit organization or government entity;
- 3) Targeting of project's units to designated lower income households;
- 4) Housing for homeless households;
- 5) Promotion of empowerment;²⁷
- 6) First District priority - FHLBank selection from a set of priorities identified in the AHP regulation that include special needs, community development, first-time homebuyers, FHLBank member financial participation in the AHP project, housing in federally declared disaster areas or for households displaced from those areas, housing in rural areas, urban infill or urban rehabilitation housing, projects that promote economic diversity, housing as a remedy for violations of fair housing laws, projects with community involvement, projects involving lender consortia of at least two financial institutions, or projects located in the FHLBank's district;^{28,29}
- 7) Second District priority - FHLBank housing priorities that satisfy one or more

²⁷ The housing must be in combination with an empowerment program offering: employment; education; training; homebuyer, homeownership, or tenant counseling; daycare services; resident involvement in decision-making affecting the creation or operation of the project; or other services that assist residents to move toward better economic opportunities, such as welfare to work initiatives.

²⁸ Special needs populations include the elderly, mentally or physically disabled persons, persons with AIDS, persons recovering from physical, alcohol or drug abuse, or financing of housing that is visitable by persons with physical disabilities who are not occupants of such housing.

²⁹ Economic diversity is intended to end isolation of very low-income households. This category includes mixed-income housing in low- or moderate-income neighborhoods or providing very low-income, or low- or moderate-income households with housing opportunities in neighborhoods or cities where the median income equals or exceeds the median income for the larger surrounding area in which the neighborhood or city is located.



housing needs in the FHLBank’s district as identified by the FHLBank;

8) AHP subsidy per unit; and

9) Community stability.³⁰

**Figure D: 2016 FHLBank Competitive Application Program Scoring Points Allocations
(Criteria 1 - 9)**

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

Source: 2016 FHLBanks’ AHP Implementation Plans

³⁰ The Community stability criterion includes rehabilitating vacant or abandoned properties, being an integral part of a neighborhood stabilization plan approved by a unit of state or local government, and not displacing low- or moderate-income households, or assisting households impacted by displacement or if such displacement will occur, assuring that such household will be assisted to minimize the impact of such displacement.



Figure E highlights the specific types of special needs projects scored by the FHLBanks under the First District priority, as well as homeless projects, assisted by the AHP competitive application program in 2016.³¹ For example, the highlighted row in red shows that one project served all special needs identified in the First District priority, as well as homeless households. The last row shows that 178 projects did not serve any identified special needs or homeless households.

³¹ In order to receive scoring points for special needs under the AHP regulation's scoring system, a special needs project must reserve at least 20 percent of the total units for households with special needs. In order to receive scoring points for homeless households under the AHP regulation's scoring system, a project must reserve at least 20 percent of total rental units for homeless households, create transitional housing for homeless households permitting a minimum of 6 months occupancy, or create permanent owner-occupied housing reserving at least 20 percent of the units for homeless households.



Figure E: 2016 AHP Competitive Application Program Projects Serving Special Needs and Homeless Households (Detailed)

Persons with Disabilities	Substance Abuse	Homeless	HIV/AIDS	Elderly	Physical Abuse	Total Projects
X					X	1
X				X	X	1
X		X			X	1
X		X		X		1
X	X					1
X	X			X		1
X	X			X	X	1
X	X	X		X		1
X	X	X	X			1
X	X	X	X	X	X	1
					X	2
		X	X			2
	X				X	2
X	X	X		X	X	2
X	X	X			X	3
		X			X	5
	X					5
	X	X			X	5
X	X	X				6
		X		X		8
	X	X				16
X				X		28
		X				48
X		X				49
X						65
				X		78
						178

