



2015 LOW-INCOME HOUSING AND COMMUNITY DEVELOPMENT ACTIVITIES OF THE FEDERAL HOME LOAN BANKS

OCTOBER 2016



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	13
The Community Investment Program and the Community Investment Cash Advance Program	18
Community Development Financial Institutions	25
Housing Goals	27
Appendix 1: 2015 FHLBank Advisory Council Reports	28
Appendix 2: Historical AHP Data	33
Appendix 3: AHP Competitive Application Program Projects	35



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, FHLBank System), 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. 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 \$322 million in total AHP funds in 2015, helping over 36,000 low- or moderate-income households, including about 20,000 very low-income households. Through the CIP, the FHLBanks also funded approximately \$3.2 billion in targeted housing and economic development advances in 2015, an increase of over 33 percent from 2014. The program assisted almost 39,000 housing units. The FHLBank's CICA funding, which supports targeted economic development, was about \$4 billion in 2015, approximately 48 percent higher than in 2014.

The FHLBanks also support low-income housing and community development through other activities, including their non-depository Community Development Financial Institution (CDFI) memberships. At the end of 2015, 41 non-depository CDFIs were FHLBank members, and they had outstanding advances of approximately \$114.5 million. Additionally, each FHLBank is subject to housing goals if its Acquired Member Assets (AMA)³ purchases exceed an annual

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 and approved by FHFA. 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.

³ AMA programs include both the Mortgage Partnership Finance Program and the Mortgage Purchase Program. See



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

volume threshold of \$2.5 billion.⁴ While one FHLBank exceeded this level in 2015 and FHFA is evaluating whether that FHLBank met the housing goals for 2015, regardless of that FHLBank's performance against the goals, FHFA will not require it to take any remedial steps because FHFA is in the process of reviewing and possibly updating the regulation.

This report is organized into four sections with three appendices. The first section provides program information on AHP, the second section analyzes the FHLBanks' CIP and CICA performance, the third section describes non-depository CDFI membership in the FHLBank System, and the fourth section discusses FHLBank housing goals and AMA purchases in 2015. 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 2015.

The Affordable Housing Program

The Federal Home Loan Bank Act (Bank Act) requires each FHLBank to establish an AHP. Under the program, an FHLBank's member applies to an FHLBank for AHP funds, and if approved, the member provides the funds to eligible projects and households to be used for the purchase, construction, or rehabilitation of affordable housing.⁵ AHP funds may be in the form of a grant or a subsidized interest rate advance from an FHLBank 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 application program through which FHLBanks provide subsidies either as grants or as advances with a reduced interest rate. Project awards are based on a scoring point methodology. 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 FHLBank members and eligible households.

12 C.F.R. part 955.

⁴ See 12 U.S.C. § 1430c; 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).

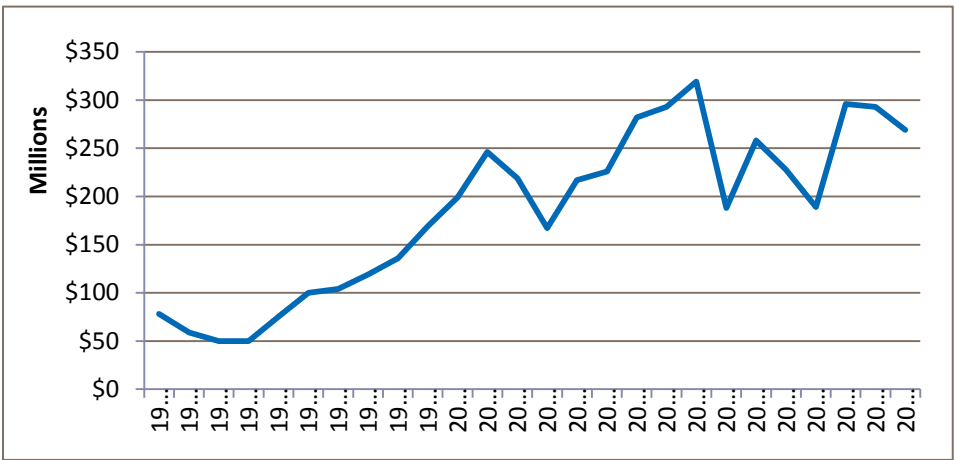
⁶ See 12 C.F.R. part 1291.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

FHLBank AHP Allocations: From 1990 to 2015, the FHLBanks have allocated a total of approximately \$4.8 billion to AHP (see Figure 1). An FHLBank’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 Consequentially, an FHLBank’s statutory contribution to its AHP changes as earnings change from one year to the next.

Figure 1: FHLBanks’ AHP Statutory Allocations (1990 – 2015)



Source: FHFA⁸

As in past years, the AHP statutory allocations for individual FHLBanks varied in 2015. Allocations ranged from a low of approximately \$5.4 million at the Dallas FHLBank to a high of approximately \$43.6 million at the Chicago FHLBank.

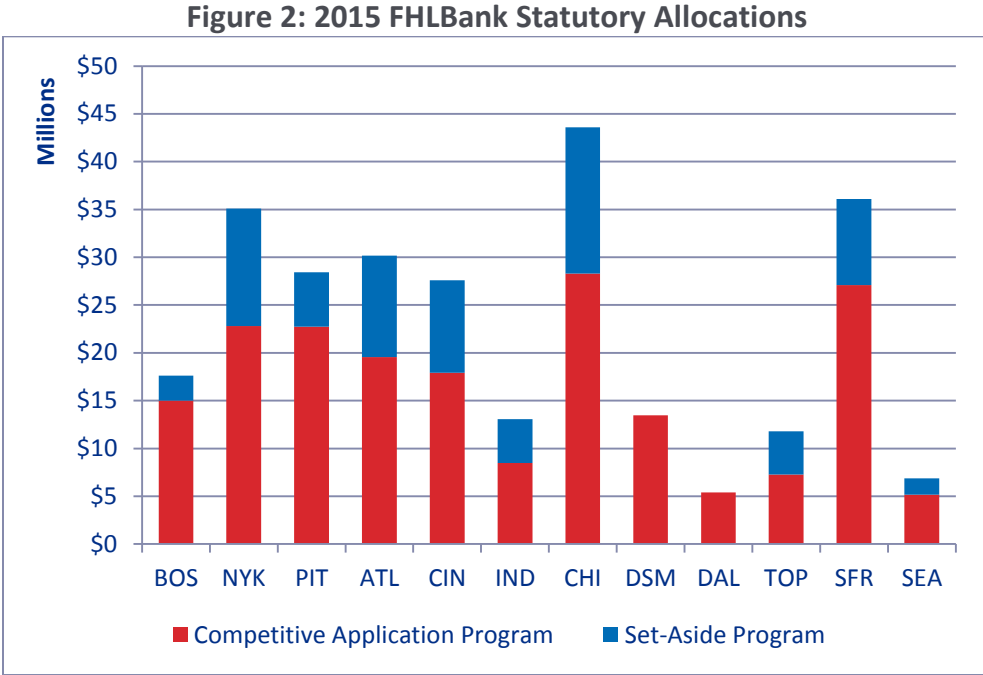
⁷ See 12 U.S.C. 1430(j)(5)(C).

⁸ Unless otherwise noted, data contained in all charts and tables in this report were submitted by the FHLBanks as of December 31, 2015 and validated by FHFA. Dollars have been rounded. Additionally, AHP competitive application program data include only approved, active projects.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Figure 2 details the FHLBanks’ competitive application program and set-aside program allocations in 2015.⁹



Note: The Seattle FHLBank’s AHP was allocated in 2014, before the merger of the Des Moines and Seattle Banks in 2015.

FHLBank Awarded Funds: In 2015, the FHLBanks awarded \$322.1 million through AHP, with \$236.9 funding the competitive application program, and \$85.2 million funding the set-aside program. This funding supported 36,397 housing units, comprised of 23,392 units in the competitive application program and 13,005 units in the set-aside program. These awarded funds largely reflect AHP allocations made in 2014 for 2015 projects, although the actual amount of funds awarded in a given year may reflect 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 prior years’ statutorily required allocation of funds.

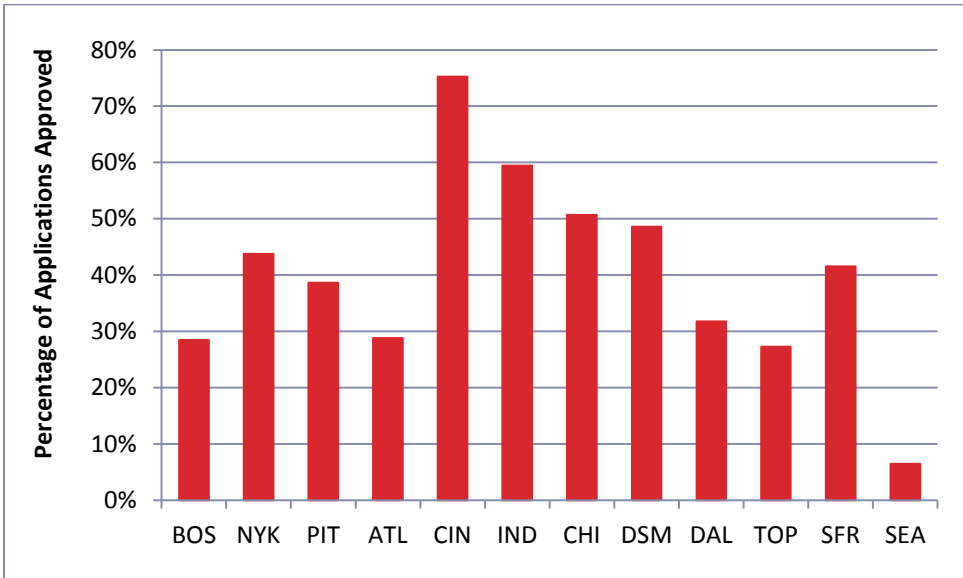
⁹ Allocation totals may differ from actual disbursements because FHLBanks may, for example, carry forward, returned, uncommitted or unused AHP funds from prior years (or accelerate AHP funds from future years).



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 FHLBanks award funds to projects based on an evaluation of their project applications in accordance with a scoring system established in the AHP regulation. The scoring system allows an FHLBank to award more points to projects that meet the FHLBanks’ priorities, including, for example, projects that serve households with special needs or the homeless. In 2015, the FHLBanks approved, on average, 40 percent of applications received (see Figure 3).

Figure 3. 2015 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

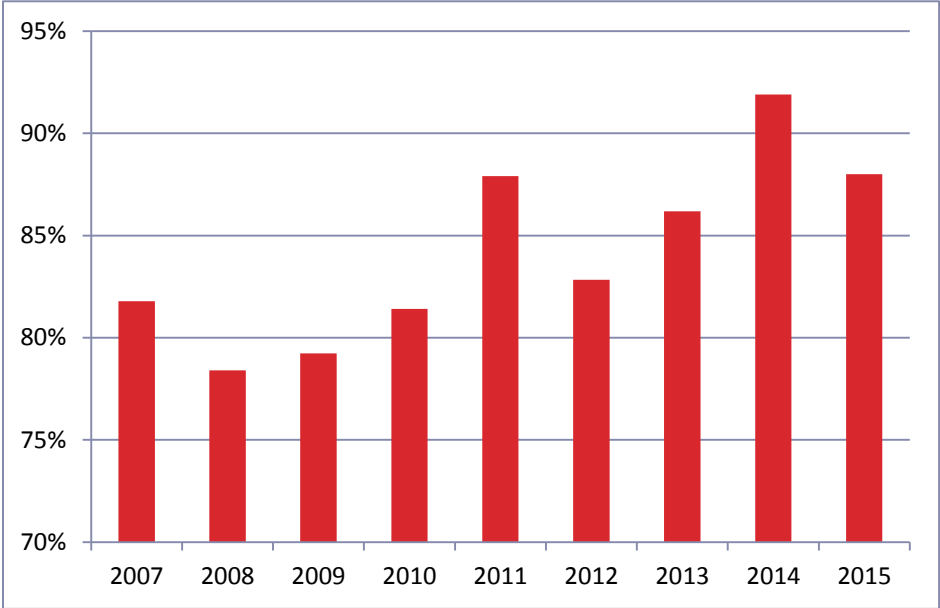
Funds Awarded: The competitive application program is the larger of the two AHP programs, both in terms of units and funding. In 2015, 507 competitive application program projects were awarded funds, ranging in amounts from approximately \$31,000 to \$2.6 million for rental projects and from approximately \$14,000 to \$998,000 for owner-occupied projects. Since the competitive application program’s inception in 1990, the FHLBanks have awarded approximately \$4.2 billion in funding to over 16,400 projects, supporting over 638,000 units. Over that period, 73 percent of units were in urban areas and 76 percent were rental units.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

The percentage of competitive application program rental units has varied since 2007, with a peak in 2014 (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 (2007-2015)



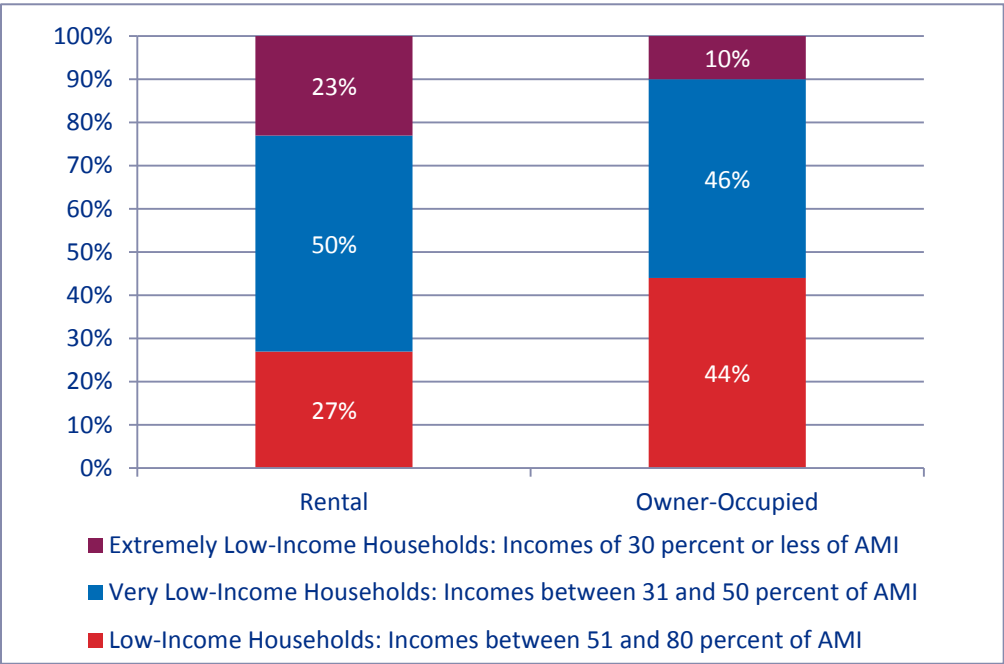
Households Served: By statute, at least 20 percent of a project’s rental units must assist very low-income households, and all AHP-assisted owner-occupied units must assist low- or moderate-income households.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

As reflected in Figure 5, many competitive application program projects significantly exceed these requirements.¹⁰ In 2015, half of total rental units and 46 percent of owner-occupied units served very low-income households. The percentage of owner-occupied units assisting extremely low-income households (households with incomes of 30 percent or less of AMI) also continued to increase (from 5 percent in 2013 to 8 percent in 2014 and to 10 percent of total units in 2015).

Figure 5: 2015 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 (455,931 of 638,460 units) have served very low-income households.

¹⁰ The scoring criteria in the AHP regulation provide preferential scoring generally to project applications that pledge income targeting of more units and for lower incomes.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Urban/Rural Demographics: Urban projects represented approximately three-quarters of competitive application program projects and 80 percent of all competitive application program units in 2015. The average subsidy for an urban unit was \$13,441, and the average subsidy for a rural unit was \$21,609. Urban projects averaged 51 units per project, and rural projects averaged 29 units per project (see Table 1).

Table 1: 2015 Competitive Application Program Urban and Rural Projects

	Urban Projects		Rural Projects		Total Projects
Total Number of Awarded Projects	378	75%	129	25%	507
Funds Awarded (in millions)	\$188.6	80%	\$48.3	20%	\$236.9
Housing Units	19,560	84%	3,832	16%	23,392
Number of Very Low-Income Housing Units	14,033	86%	2,236	14%	16,269
Average Number of Units per Project	51		29		45
Average Subsidy per Unit	\$13,441		\$21,609		\$14,563

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 a project's development budget. Table 2 shows total FHLBank subsidies as a percent of total development costs for 2014 and 2015. In the past few years, the ratio of AHP subsidy to proposed development costs has decreased at most FHLBanks. However, from 2014 to 2015, these development costs rose at 6 of 11 FHLBanks. As shown in Table 2, the average per unit development cost for projects receiving competitive application funding varies across the different FHLBanks based on a variety of factors, including local housing costs and the availability of funding sources in addition to AHP funds. Since program inception, the average subsidy as a percentage of development costs across the FHLBank System has stayed between about 5.5 and 9 percent, with an uptick during the housing recession and early recovery period.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

**Table 2: FHLBank AHP Competitive Application Program Average Development Costs and
Subsidy Per Development Cost**

FHLBank	Average Subsidy Per Unit		Average Development Cost Per Unit		Ratio of Subsidy/Development Costs	
	2014	2015	2014	2015	2014	2015
Boston	\$12,659	\$17,740	\$198,580	\$212,325	6.4%	8.4%
New York	\$9,808	\$10,496	\$206,992	\$165,034	4.7%	6.4%
Pittsburgh	\$7,653	\$9,854	\$143,514	\$151,306	5.3%	6.5%
Atlanta	\$7,285	\$6,142	\$138,771	\$142,247	5.3%	4.3%
Cincinnati	\$12,494	\$13,061	\$120,322	\$144,872	10.4%	9.0%
Indianapolis	\$11,305	\$18,337	\$145,093	\$99,625	7.8%	18.4%
Chicago	\$11,756	\$11,539	\$186,786	\$173,728	6.3%	6.6%
Des Moines	\$8,231	\$8,419	\$111,170	\$155,905	7.4%	5.4%
Dallas	\$6,878	\$7,697	\$119,194	\$99,330	5.8%	7.7%
Topeka	\$11,203	\$8,150	\$94,589	\$112,517	11.8%	7.2%
San Francisco	\$9,846	\$10,639	\$247,193	\$275,283	4.0%	3.9%

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



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks



Presser Senior Apartments

Presser Senior was awarded an AHP grant of \$650,000. According to the approved AHP application, AHP funds were to be used to rehabilitate an historic building into 45 AHP units for seniors in Philadelphia, Pennsylvania. (Source: Pittsburgh FHLBank)



Historic Greensburg Square

Historic Greensburg Square is a unique development addressing preservation of four historic buildings in Greensburg, Indiana. The blighted, vacant buildings, including a Civil War-era hotel and a former poker hall, were renovated with the support of a \$350,000 AHP grant. The project includes 40 housing units, which offer aging-in-place housing for seniors age 62 and older and received the 2015 Indiana Lieutenant Governor's Award for Excellence in Rural Affordable Housing. (Source: Indianapolis FHLBank)



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

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.¹¹ In 2015, as in previous years, approximately two-thirds of AHP projects also obtained funding from at least one other federal housing program (see Table 3).

Table 3: 2015 Approved AHP Projects Receiving Federal Funding

Federal Program	AHP-Assisted Projects with Federal Funding Sources	Percentage of Total AHP-Assisted Projects
Low-Income Housing Tax Credit (LIHTC) Program	249	49%
Home Investment Partnerships (HOME) Program	159	31%
Other Federal Housing Programs	68	13%
Community Development Block Grant (CDBG) Program	51	10%
Federal Housing Administration (FHA) Programs	16	3%
AHP Projects Not Receiving Funding From Federal Sources	164	32%

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 2015, 60 percent of projects (304 projects) served homeless persons or persons with special needs.

¹¹ 12 U.S.C. § 1430(j)(9)(G).



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Table 4 outlines projects serving special needs and homeless households under the competitive application program in 2015. In 2015, among projects serving special needs and homeless households, most projects served persons with disabilities (149 projects). From 1990 through 2015, however, most of these projects served homeless households.

Table 4: 2015 AHP Competitive Application Program Projects Serving Special Needs and Homeless Households

Special Needs and Homeless Projects	2015 Projects Serving Special Needs and Homeless Households		1990-2015 Projects Serving Special Needs and Homeless Households
	Percentage of Total Projects	Number of Total Projects	
Projects with Units Reserved for Persons with Disabilities^a	49%	149	3,529
Projects with Units Reserved for Elderly Households^a	30%	91	3,116
Projects with Units Reserved for Homeless Households^a	45%	136	4,880
Projects with Units Reserved for both Special Needs and Homeless Households	25%	77	2,402

^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

Authorized by regulation in 1995, the FHLBanks’ AHP homeownership set-aside programs have helped expand homeownership opportunities for very low- and low- or moderate-income households. FHLBank members apply to their FHLBanks for set-aside funds and then distribute the funds as grants to eligible households. Grants may be no greater than \$15,000 per household. Households may use the grants for down payment, closing costs, counseling, or rehabilitation assistance towards the purchase or rehabilitation of an owner-occupied home.¹² Set-aside fund recipients must use the funds for their primary residence. 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 overall annual AHP statutory allocation. An FHLBank must allocate at least one-third of its aggregate annual set-aside allocation to first-time homebuyers.

¹² 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.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

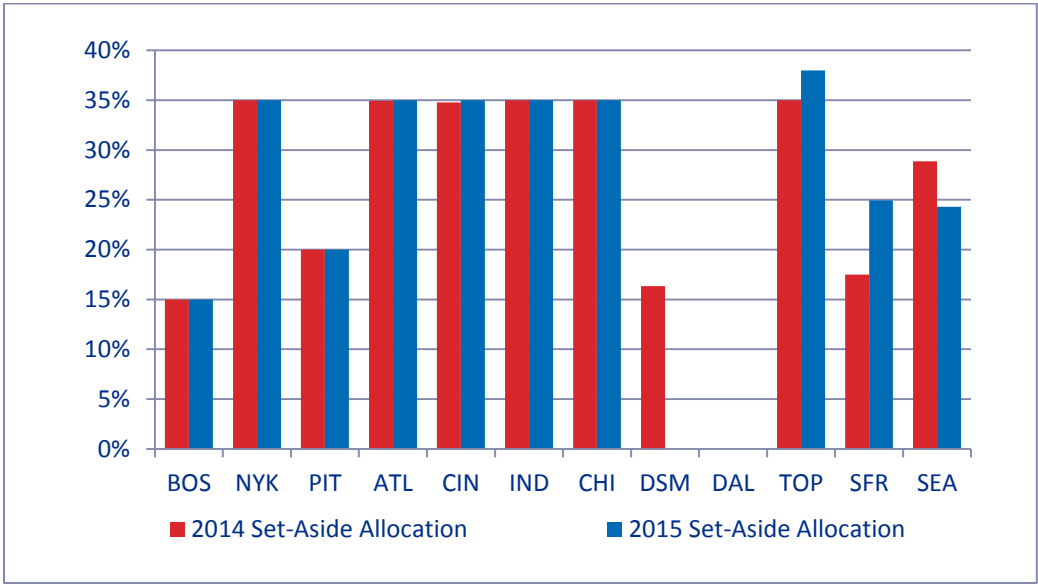
An FHLBank may establish one or more AHP homeownership set-aside programs. For example, some FHLBanks have established targeted set-aside programs to assist with home financing for special needs households, households located in state or federally declared disaster areas, or households that are members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

FHLBank Set-Aside Program Allocations: From 1995 through 2015, the FHLBanks’ set-aside programs provided approximately \$865 million in funding, supporting more than 153,000 households. Over 80 percent (123,135) of the households assisted were first-time homebuyers. During this period, the average AHP set-aside subsidy per household was \$5,652.

In 2015, total funding for the set-aside program decreased about 5 percent, from \$89.5 million in 2014 to approximately \$85.2 million. Set-aside program funds accounted for 26 percent of total AHP funds allocated in 2015, about 1 percent less than in 2014, but the third highest share in the program’s history.

Figure 6 shows individual FHLBank set-aside program allocations as a percentage of total statutory AHP allocations in 2014 and 2015.¹³

Figure 6: FHLBank Homeownership Set-Aside Program Allocations as a Percent of Total AHP Allocations (2014-2015)



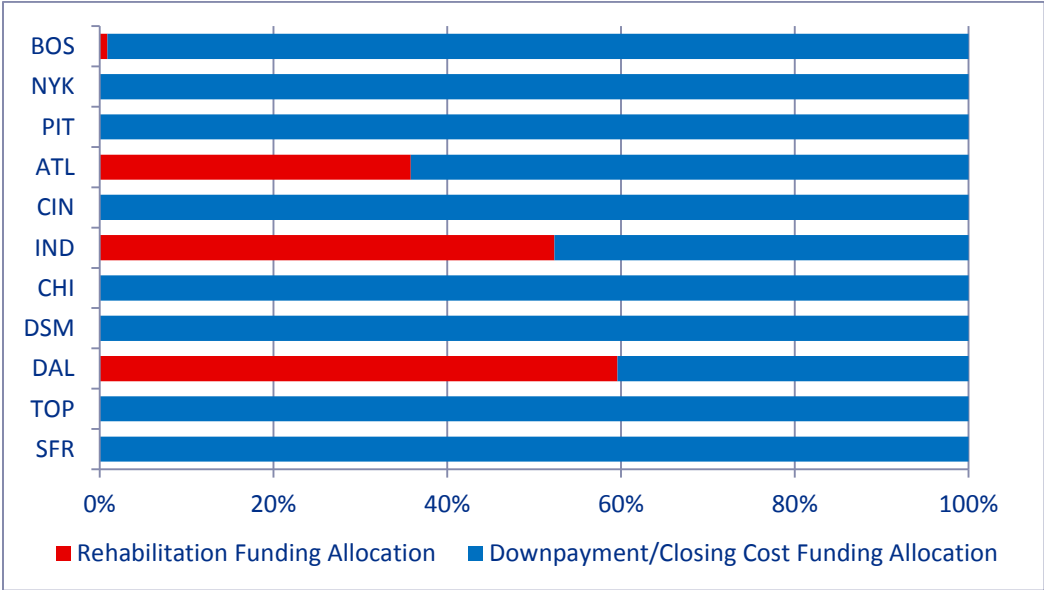
¹³ Allocation totals may differ from actual disbursements because FHLBanks may, for example, carry forward uncommitted or unused AHP funds from prior years (or accelerate AHP funds from future years).



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Use of Homeownership Set-Aside Funds: The FHLBanks have flexibility in the approved uses of set-aside funds. Historically, the FHLBanks have allocated the majority of set-aside funds for down payment or closing costs assistance. In 2015, the FHLBanks funded \$74 million for down payment or closing costs, almost 87 percent of total set-aside program funding, up from approximately 84 percent in 2014. In 2015, five FHLBanks (Boston, Atlanta, Indianapolis, Chicago, and Dallas FHLBanks) also allocated set-aside funds for rehabilitation (see Figure 7).¹⁴ Overall, rehabilitation funding in 2015 was \$11.2 million or 13 percent of total funding, down from around 16 percent in 2014.

Figure 7: 2015 AHP Homeownership Set-Aside Program Allocations

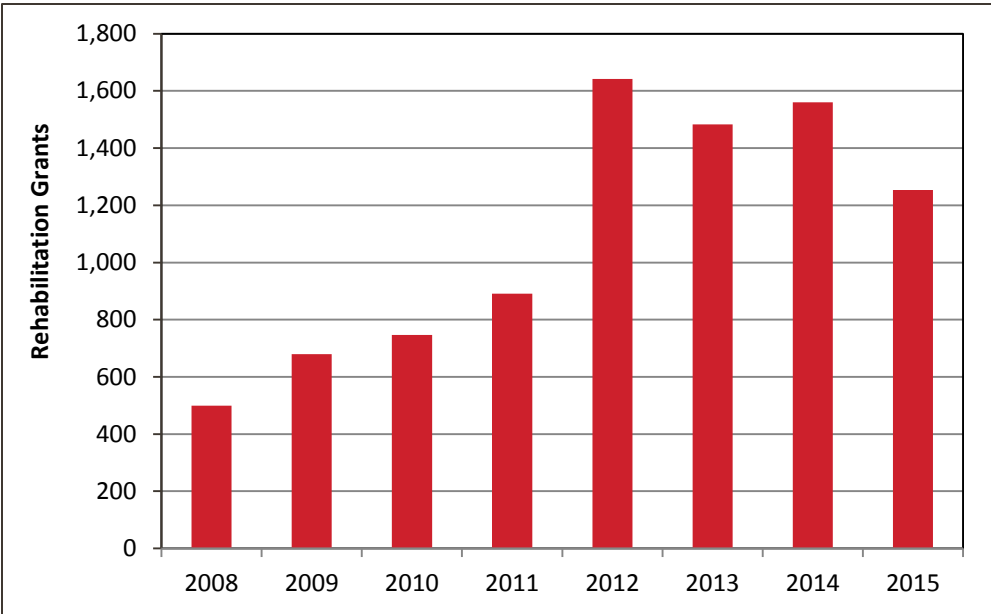


¹⁴ Because the Chicago FHLBank allocated 0.04 percent of its set-aside program funds to rehabilitation, this amount does not appear in Figure 8.



The number of rehabilitation-assistance set-aside grants also fell in 2015, from 1,560 in 2014 to 1,253. However, this number is still significantly higher than it was prior to 2012 (see Figure 8).

Figure 8: Number of AHP Homeownership Set-Aside Grants Used for Rehabilitation Assistance (2008 – 2015)



First-Time Homebuyers: If an FHLBank 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 FHLBanks often reserve more than one-third of their set-aside program funding for first-time homebuyers. In fact, since program inception, almost 80 percent of households assisted by the set-aside program have been first-time homebuyers. In 2015, approximately 11,300 first-time homebuyers were assisted, about 500 more than in 2014. The average AHP subsidy provided to these homebuyers was about \$6,300, down by about \$400 from 2014.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Table 5: 2015 Set-Aside Program: 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 ^a
Boston	240	\$41,911	62	\$144,176
New York	1,885	\$42,905	56	\$120,380
Pittsburgh	602	\$37,043	59	\$109,019
Atlanta	2,439	\$42,124	60	\$126,905
Cincinnati	1,869	\$39,243	55	\$97,656
Indianapolis	844	\$25,784	51	\$37,764
Chicago	2,703	\$35,531	61	\$93,124
Des Moines	944	\$39,573	57	\$107,158
Dallas	514	\$21,785	49	\$34,554
Topeka	547	\$40,947	59	\$93,981
San Francisco	418	\$35,831	60	\$156,618

^a Excludes households receiving rehabilitation assistance funds

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 2015, the average income of households assisted by the set-aside program was about \$37,000 per year, or 57 percent of AMI. The average house price for households assisted by the set-aside program was about \$102,000 in 2015. Data on the number of households assisted, household incomes, and average house prices under the set-aside program for each FHLBank in 2015 are shown in Table 5.

Financing/Additional Financing: Table 6 includes a breakdown by income subgroup of first-time homebuyers assisted by the set-aside program in 2015. Approximately 93 percent of these first-time homebuyers received fixed-rate first mortgage loans, and 90 percent of these first-time homebuyers received a first mortgage loan originated by an FHLBank member. Both percentages are consistent with those of previous years.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Some lower income households, even with a set-aside grant, need additional assistance to purchase a home. Approximately 16 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.¹⁵ However, consistent with previous years, relatively few of the first-time homebuyers receiving set-aside funds received a second mortgage loan (358), and even fewer (47) received a combination of a first mortgage loan, second mortgage loan, and non-AHP grant or forgivable loan in 2015.

Table 6: 2015 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	266	276	64	3	2
Incomes greater than 30 percent, to 50 percent of AMI	2,420	2,351	511	73	19
Incomes greater than 50 percent, to 80 percent of AMI	7,801	7,552	1,250	282	26
Total	10,487	10,179	1,825	358	47

^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. FHLBank members can finance eligible targeted housing through the CIP, and eligible targeted mixed-use projects¹⁶ and economic development projects

¹⁵ 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.

¹⁶ 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).



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

through both the CIP and CICA programs.¹⁷ Unlike AHP, however, CIP and CICA funding is not subject to specific statutory allocation requirements and the funding can vary. 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.

Table 7 outlines the characteristics of the two programs.

Table 7: CIP and CICA Program Characteristics

Program Characteristics		CIP	CICA
Type		Statutorily Required (Bank Act)	Voluntary
Participants		FHLBank members	FHLBank members and housing associates ¹⁸
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, ¹⁹ 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 ²⁰	Long-term advances, Letters of Credit, and Grants
Advance Pricing		Cost of funds plus reasonable administrative costs	Regular advance pricing or discounted advance pricing

¹⁷ 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).

¹⁸ 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.

¹⁹ 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.

²⁰ A letter of credit is a letter issued by an FHLBank guaranteeing payments made to another entity under stated conditions.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Amount Funded: In 2015, both CIP and CICA funding were up sharply. Table 8 provides details of the CIP and CICA programs for both 2014 and 2015. As in recent years, CIP funding was mostly allocated for housing projects, while CICA funding was mostly allocated for economic development projects, and both programs had a small amount of mixed-use project funding. CIP total advance commitments were \$3.2 billion in 2015, up from about \$2.4 billion in 2014. CIP advance commitments for housing projects in 2015 increased by approximately \$866 million, and about 39,000 housing units were assisted, 10,000 more than in 2014. As in prior years, the majority of these units were rental units in urban areas. Total CICA advance commitments were approximately \$4 billion in 2015, up from about \$2.7 billion in 2014.

Table 8: CIP and CICA Overview (2014-2015)

	CIP		CICA		
	2014	2015	2014	2015	
Total Advance Commitments ^a	\$2,355	\$3,243	\$2,667	\$4,016	
Advance Commitments for Housing Projects	\$2,310	\$3,176	N/A	N/A	
Advance Commitments for Mixed-Use Projects ^b	\$0	\$7.2	\$21.7	\$14.9	
Advance Commitments for Economic Development	\$44.6	\$60.5	\$2,646	\$4,001	
Grants	N/A	N/A	\$3.9	\$4.5	
Total Projects	405	394	528	618	
Letters of Credit	\$242.4	\$432.9	\$579.4	\$517.5	
Total Housing Units	29,000	38,606	N/A	N/A	
	Owner-Occupied	12,415	10,934	N/A	N/A
	Rental	16,585	27,672	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 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.

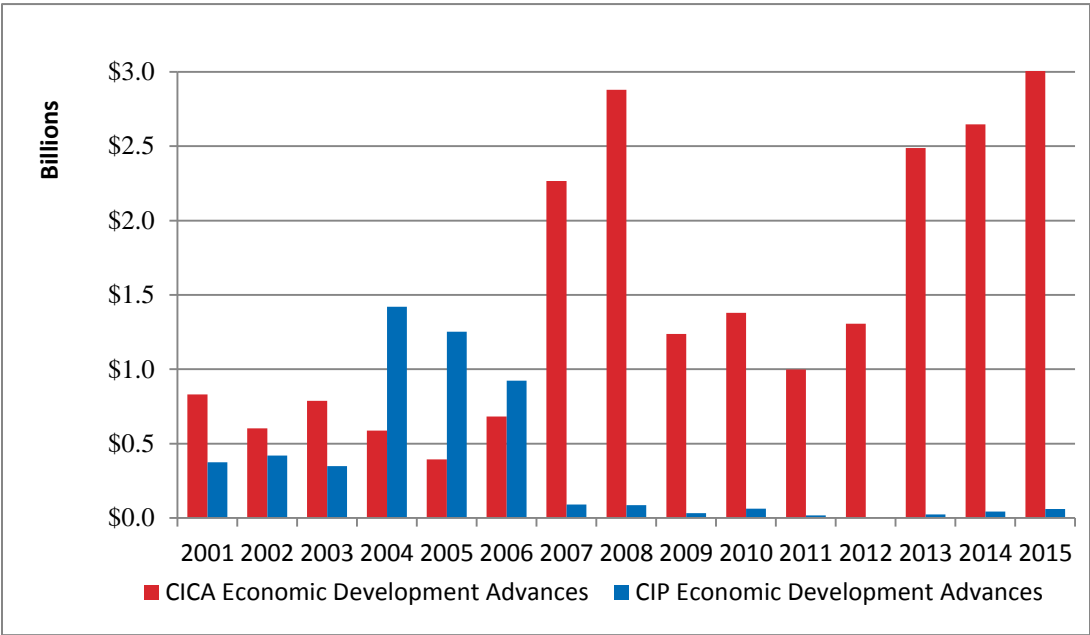
Note: Dollars in millions. Data based on FHLBank member projections at the time of application.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

CIP advance commitments for economic development projects increased from \$44.6 million in 2014 to \$60.5 million in 2015. 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 2015, only 23 of 394 CIP projects were economic development projects. Figure 9 shows that CIP economic development advance levels have dropped since 2007, while the use of CICA economic development advances has increased.

Figure 9: CIP Economic Development Advances and CICA Economic Development Advances (2001 – 2015)

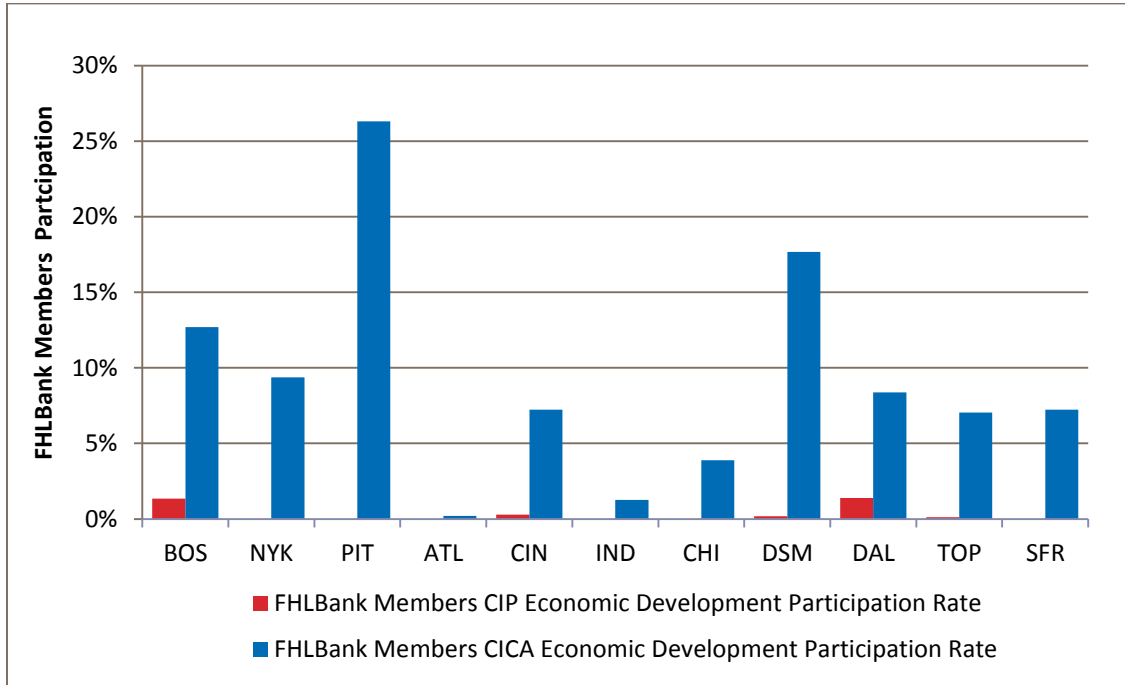


As shown in Figure 10, FHLBank members’ participation in the CIP economic development program in 2015 remained low compared with participation in the CICA economic development program. CICA economic development funding generally tracks FHLBank regular advance funding, as shown in Figure 11.



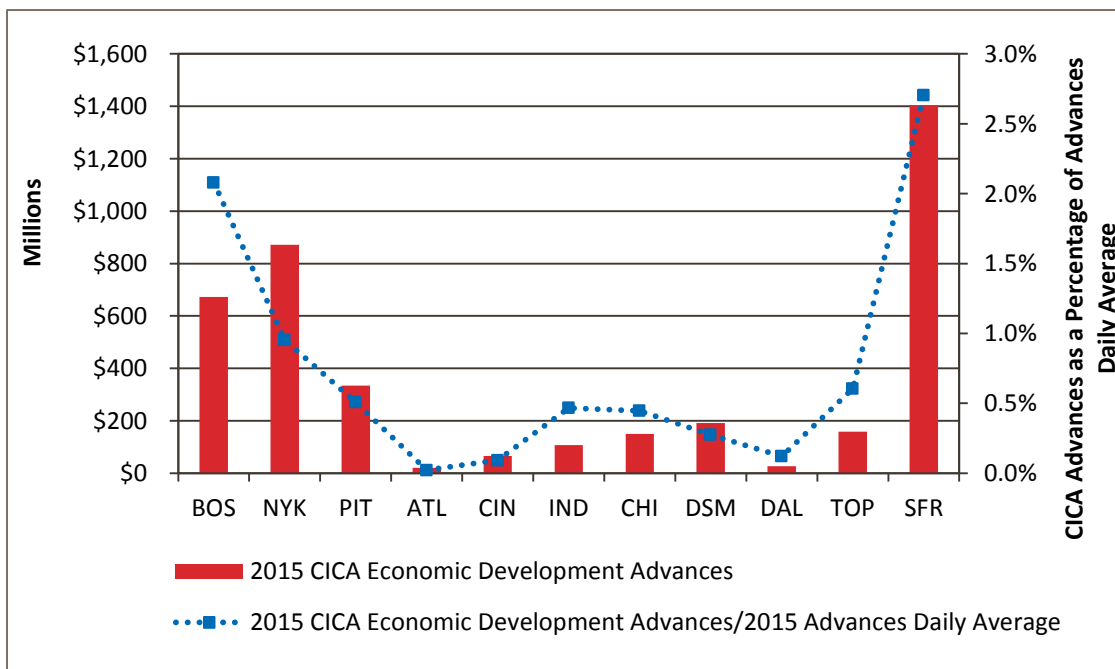
2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Figure 10: 2015 FHLBank Members' CIP and CICA Economic Development Participation



Source: FHFA Membership System

Figure 11: 2015 CICA Economic Development Funding



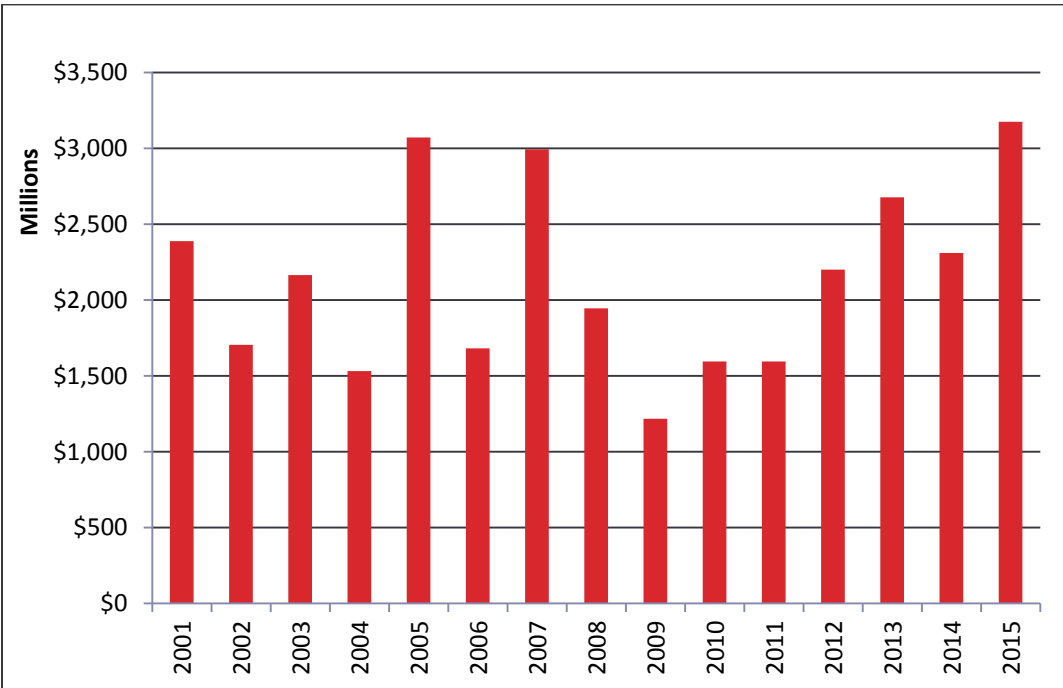
Source: Advances daily average data from FHFA's Call Report System



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Figure 12 details the amount of CIP funds used for housing, which has generally increased since 2009.

Figure 12: CIP Housing (2001 – 2015)



Urban/Rural Demographics: As reflected in Table 9, in 2015 approximately 82 percent of CIP and CICA funding assisted projects located in urban areas (\$6.7 billion), similar to 2014 and 2013. Although urban projects made up only about 42 percent of projects, approximately 79 percent of all units assisted were in urban areas, and about three-quarters of total urban units were rental units (31,584). Rural projects received approximately \$1.5 billion in CIP and CICA funding in 2015, about half a billion more than in 2014. This funding supported 8,998 housing units, about 4,200 more than in 2014.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Table 9: 2015 CIP and CICA Program Projects Serving Urban and Rural Area

	2015 Urban Area Projects ^a				2015 Rural Area Projects ^a				2015 Total
	Housing	Economic Development	Mixed-Use	Total Urban Projects	Housing	Economic Development	Mixed-Use	Total Rural Projects	
Total Approved Projects	226	256	7	489	166	506	1	673	1,162
Total Commitments ^b	\$3,307	\$3,401	\$20.9	\$6,730	\$298.8	\$1,185	\$1.2	\$1,484	\$8,215
Projected Number of Rental Housing Units (CIP only)	24,724	N/A	135	24,859	6,690	N/A	35	6,725	31,584
Projected Number of Owner-Occupied Housing Units (CIP only)	8,661	N/A	2	8,663	2,273	N/A	0	2,273	10,936
Projected Number of Housing Units (CIP only)	33,385	N/A	137	33,522	8,963	N/A	35	8,998	42,520

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

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

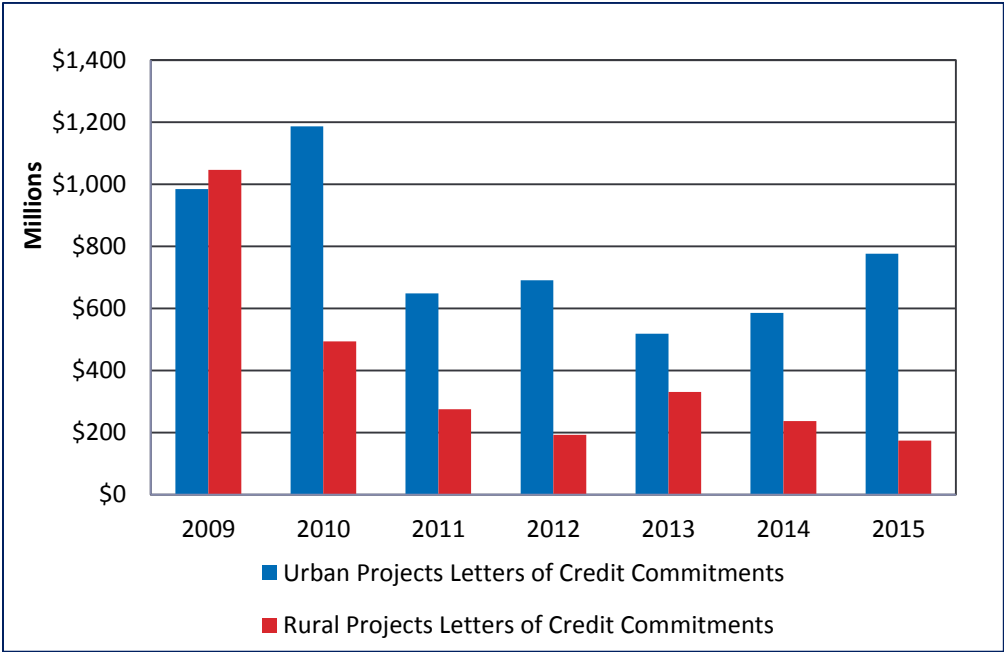
^b Total commitments include advances and grants where an initial disbursement occurred. Total commitments also include letters of credit, but exclude rollovers and refinancing of previous advances. Data based on FHLBank member projections at the time of application.

2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Letters of Credit: Community developers may use CIP and CICA letters of credit to facilitate financial transactions, including credit enhancement for community lending. CIP letters of credit increased sharply in 2015, while CICA letters of credit decreased. CIP letters of credit increased by about \$191 million, an increase of approximately 79 percent from 2014, while CICA letters of credit decreased by approximately \$61.9 million or about 11 percent.

Figure 13 shows that the use of letters of credit under the CIP and CICA programs in urban areas has increased since 2013 and continues to outpace the use of letters of credit from these programs in rural areas.

Figure 13: CIP and CICA Program Urban and Rural Projects Letters of Credit Commitments (2009 – 2015)



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.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

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 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. In 2015, FHLBank non-depository CDFI membership increased by 11 members, a 37 percent increase from 2014. As of December 31, 2015, 41 non-depository CDFIs were FHLBank members and all FHLBanks had at least one non-depository CDFI member (see Table 10).

Non-depository CDFI members' total outstanding advance balances were approximately \$114.5 million in 2015, up from approximately \$111.1 million in 2014.

Table 10: Non-depository CDFI Members Per FHLBank (2014-2015)

FHLBANK	2014	2015
Boston	4	4
New York	2	2
Pittsburgh	1	2
Atlanta	2	6
Cincinnati	4	4
Indianapolis	2	3
Chicago	1	3
Des Moines	1	4
Dallas	4	5
Topeka	2	2
San Francisco	5	6
Seattle	2	N/A
Total	30	41

Source: FHFA Membership System

Note: The Seattle FHLBank merged with the Des Moines FHLBank in May 2015

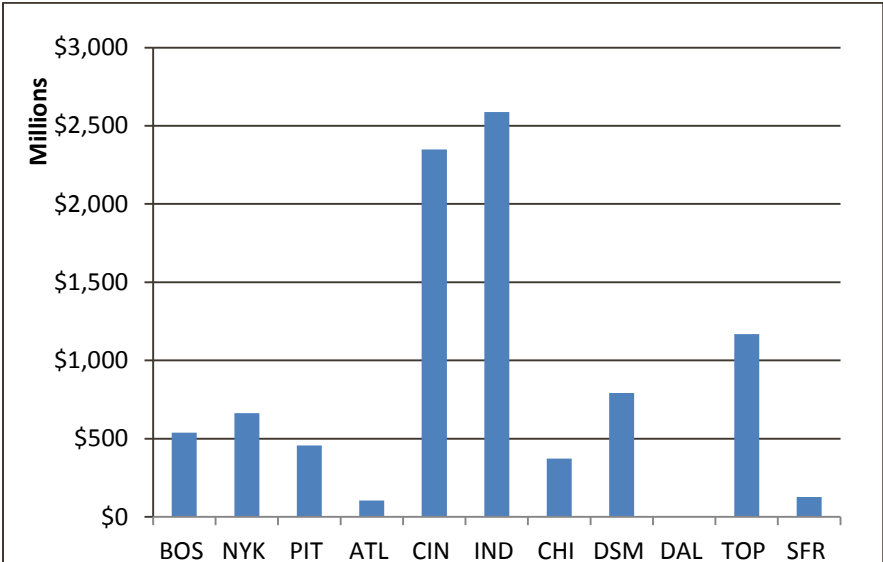


Housing Goals

FHLBanks may purchase qualified whole mortgages from their members through their AMA programs.²¹ Ten FHLBanks purchased mortgages through AMA programs in 2015. Under FHFA’s current FHLBank housing goals regulation, an FHLBank is subject to housing goals if its AMA purchases exceed an annual volume threshold of \$2.5 billion.²² One FHLBank exceeded this threshold in 2015 (see Figure 14).

For any FHLBank that is subject to the housing goals in a given year, FHFA undergoes an evaluation to determine that FHLBanks’ housing goals performance. For each housing goal, this involves determining whether the percentage share of the FHLBank’s applicable AMA purchases meets or exceeds a retrospective market comparison figure using Home Mortgage Disclosure Act (HMDA) data. FHFA is currently evaluating 2015 HMDA data to assess 2015 FHLBank performance on the housing goals. However, FHFA is also reviewing its housing goals regulation to determine whether the regulation is achieving its intended purpose of incentivizing FHLBanks to serve low-income and very low-income households and communities. 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, even if FHFA determines that the FHLBank did not meet one or more of the housing goals.

Figure 14: 2015 FHLBank AMA Purchases



Note: The Dallas FHLBank did not purchase AMA loans in 2015

²¹ See 12 C.F.R. part 955.

²² See 12 C.F.R. part 1281.



Appendix 1: 2015 FHLBank Advisory Council Reports

Below are highlights from the 2015 FHLBank Advisory Council Reports provided to FHFA by the Advisory Council for each FHLBank. This summary includes brief descriptions of AHP highlights and special FHLBank community initiatives.²³

The **Boston FHLBank Advisory Council Report** notes that the value of affordable housing extends beyond shelter to address the broader life needs of New England residents. One way the FHLBank seeks innovative proposals for affordable housing is by sponsoring the Affordable Housing Development Competition. The competition, pairs Boston-area graduate students with housing professionals to develop innovative proposals for affordable housing. The Report describes a number of competition winners in 2015. The Zakim House proposed 150 new units of mixed-income housing for seniors on the Gosman Community Campus, with a design sensitive to the characteristics of the wooded site and to the accessibility needs of residents. Morton Crossing, a 35-unit affordable, mixed-use transit-oriented development, proposed the creation of needed workforce family housing, community-oriented commercial uses, and a wooded serenity garden on a neglected site on the Dorchester-Mattapan border. Another competition winner was the Bridge at Jackson proposal, a mixed-age, mixed-income, mixed tenure project with 94 rental units and 8 homeownership units. Community amenities will include a gym, a day care center, and a technology center.

The **New York FHLBank Advisory Council Report** notes that the FHLBank received 89 applications for the competitive application program in 2015. Almost 60 percent of these applications were for projects located in New York, and 20 percent were for projects located in New Jersey. One project application was located in Puerto Rico and the rest were outside the FHLBank's district. Twenty-five applications for projects located in New York were approved, while 17 applications for projects in New Jersey were approved. Although no projects located in Puerto Rico or the U.S. Virgin Islands were approved in 2015, the Report notes that economic environment is challenging in those places, and the non-profit sponsor networks are less defined there than in New York or New Jersey.

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



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

The Report also highlights AHP competitive application program projects that exemplified diversity in affordable homes. One such project was El Barrio Artspace, which converted a vacant, abandoned school listed on the National Register of Historic Places into 90 apartments and 10,000 square feet of non-dwelling space. The apartments are now home to very low-income and low-income artists and their families. Community and arts organizations in East Harlem, New York, now rent the non-dwelling space. The project received the J. Timothy Anderson Award for Historic Rehabilitation from the National Housing and Rehabilitation Association in 2015. Another project, Voorhees Station, constructed 75 apartments for very low-income, low-income, and moderate-income families and individuals on three vacant parcels of land in Somerset, New Jersey. The development included energy-efficient design using sustainable construction materials and high-efficiency appliances.

The **Pittsburgh FHLBank Advisory Council Report** highlights the FHLBank's selection of the University of Delaware's Center for Community Research and Service (CCRS) to lead the FHLBank's Blueprint Communities activities. The Blueprint initiative helps local leaders rejuvenate communities. The Report notes that the CCRS's focus on urban and community development resources fits well with the initiative's mission. CCRS works with communities that volunteer to participate in the program, and the CCRS leads the yearlong training on how local leaders can help their communities thrive. Since starting in 2008, CCRS has helped 11 Delaware communities complete training and launch a variety of improvement projects to support housing redevelopment, community development corporations, small business growth, public safety and positive activities for youth.

The **Atlanta FHLBank Advisory Council Report** describes FHLBank outreach in 2015, which involved FHLBank participation in 52 activities and events related to community lending. These activities and events included the Housing Association of Nonprofit Developers membership meeting, the Community Development Network of Maryland AHP Workshop, and the Alabama Housing Finance Authority Housing Credit Application Workshop. The FHLBank also participated in the South Carolina Housing Annual Conference, the FHLBank Collateral Seminar, the Georgia Economic Developers Association's Spring Workshop 2015, the Council of Development Finance Agencies Georgia Financing Roundtable, the Central Florida Compliance Seminar, the Council of Development Finance Agencies National Development Finance Summit, as well as Alabama's "2015 Housing Works" Conference. The FHLBank also participated in the Developer's AHP Feedback Sessions in South Carolina, Maryland, Virginia, and North Carolina.

The **Cincinnati FHLBank Advisory Council Report** notes the performance of two voluntary funds. In 2015, \$1.0 million was set aside for a fund created in the name of Carol M. Peterson, who was the FHLBank's Community Investment Officer for more than twenty years. The fund



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

provides grants for accessibility rehabilitation and emergency repairs for low- and moderate-income, elderly and special needs homeowners. During 2015, the FHLBank disbursed \$927,000 from the fund to assist 151 households. Additionally, the FHLBank's Disaster Reconstruction Program continued to help residents whose homes were damaged or destroyed by natural disasters. Since the FHLBank created the program in 2012, \$2.9 million has been disbursed from this fund, which assisted 177 households.

The **Indianapolis FHLBank Advisory Council Report** notes the FHLBank's AHP homeownership set-aside programs are designed to assist persons with incomes at or below 80 percent of AMI. One such program is the Accessibility Modifications Program, which helps fund accessibility modifications for eligible senior homeowners or owner-occupied households occupied by a person with a permanent disability. Another program, the Neighborhood Impact Program, also assists homeowners with housing rehabilitation needs.

The Report also highlights a number of AHP competitive application program subsidy recipients. These included Tree City Village in Greensburg, Indiana, which converted a building listed on the National Register of Historic Places (for its architectural and historical significance) into 39 housing units for disabled and low-income residents. Another AHP competitive program project, Greensburg Square, preserved four historic buildings in Greensburg, Indiana, and received the 2015 Lieutenant Governor's Award for Excellence in Affordable Housing. The Report also profiles the Lincoln Park Lofts development which converted an historic theater into 38 residential units with two 1,200-square foot storefront spaces as part of an historic preservation initiative to remove blight and provide affordable housing and supportive services to the community.

The **Chicago FHLBank Advisory Council Report** highlights that during the 25th anniversary of the AHP, the FHLBank announced the largest amount of AHP subsidy it has ever awarded in a single competitive application round. Nearly \$36 million was awarded through the competitive application program, assisting 66 affordable housing projects (including more than 3,100 households) primarily in Illinois and Wisconsin.

Additionally, the Report notes the performance of the FHLBank's Community First Fund, a \$50 million, non-AHP revolving loan fund that provides direct support to community development financial institutions, community development loan funds, and state housing finance agencies serving Illinois and Wisconsin. At year-end 2015, the FHLBank had committed a total of \$40 million to the Community First Fund.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

The **Des Moines FHLBank Advisory Council Report** notes that the FHLBank is an active partner in community and economic development. According to the Report, the FHLBank expanded its Strong Communities Award in 2015 to offer a \$15,000 grand prize stipend to one urban and one rural project that promoted small business growth and retention within their communities. The Award attracted applicants from across the FHLBank's district, with four finalists in the rural category and three finalists in the urban category. After receiving nearly 10,000 votes during a two-week public vote, a credit union in Tacoma, Washington, earned first place in the urban category, and a bank in Harmony, Minnesota, finished first in the rural category.

The Report also notes that the FHLBank's AHP set-aside program included the Native American Homeownership Initiative, through which the FHLBank allocated over \$200,000 to assist Native American families.

The **Dallas FHLBank Advisory Council Report** highlights the use of two AHP competitive application program grants for the rehabilitation of the Albuquerque Rescue Mission. The Mission provides services to the homeless, including feeding approximately 377,000 people each year. With the assistance of the AHP grants, the Mission now offers residential housing, which also includes counseling, case management, job coaching, life-skills training, and aftercare. The AHP funds will also help renovate existing buildings into 26 units of transitional housing for women and 60 units of men's transitional housing.

The Report also notes that the FHLBank provided awards for two additional programs in 2015: the Special Needs Assistance Program (SNAP) and the Housing Assistance for Veterans (HAVEN) program. The FHLBank awarded nearly \$1.5 million in SNAP grants in 2015. The awards went to 319 special needs and elderly homeowners who obtained critical home repairs and modifications. The HAVEN program assists with necessary modifications to homes of U.S. veterans and active-duty personnel disabled by active military service since September 11, 2001, and who earn 120 percent or less of AMI. The FHLBank awarded approximately \$80,000 in HAVEN grants in 2015.

The **Topeka FHLBank Advisory Council Report** profiles several AHP competitive application projects. One project, Commons on Classen, will house 48 seniors with incomes below 60 percent of AMI. The development will consist of a three-story apartment building with a combination of studios, and one- and two-bedroom units, each having energy efficient appliances, windows, and water heaters. The Report also profiles Orchard Lane, a senior living center in Baldwin City, Kansas. This project utilized an AHP grant to help with extensive renovations to the senior living center needed to comply with Americans with Disabilities Act requirements.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

The Report also mentions that in May 2015, the FHLBank launched Financial Intelligence, a web portal tailored to lending areas of the FHLBank’s members. The Financial Intelligence web page, the Report notes, includes information about agricultural, commercial, consumer and residential lending.

The **San Francisco FHLBank Advisory Council Report** highlights the performance of the FHLBank’s Access to Housing and Economic Assistance for Development (AHEAD) program. The FHLBank 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 that have the potential to help narrow the wealth gap. In 2015, the number of FHLBank members submitting successful applications to the program grew to a new record for the program. The FHLBank reviewed 174 project applications, and selected 35. These selected projects provided a variety of services and benefits, including small business incubation services, scholarships for childcare services (which enable women with small children to pursue educational or vocational opportunities), legal services and financial assistance to families at risk of eviction, as well as job training and placement programs targeted to ex-offenders, at-risk youth, women, and returning veterans.



Southwick Place

Southwick Place is 40 units of newly constructed rental housing in Matteson, Illinois. The complex serves adults with impaired mobility. (Source: Chicago FHLBank)



Appendix 2: Historical AHP Data

AHP Allocations: Table A shows the percentage of total AHP funding allocated to the AHP competitive and set-aside programs from 2003 to 2015.

Table A: AHP Funding Allocations to the Set-Aside and Competitive Application Programs (2003 – 2015)

Year	Set-Aside Funding as a Percentage of AHP Funding	Competitive Funding as a Percentage of AHP Funding
2003	17%	83%
2004	19%	81%
2005	17%	83%
2006	18%	82%
2007	17%	83%
2008	20%	80%
2009	22%	78%
2010	18%	82%
2011	21%	79%
2012	27%	73%
2013	21%	79%
2014	27%	73%
2015	26%	74%

Competitive Application Program Funding: Table B details rental and owner-occupied competitive application projects from 1990 to 2015. Approximately 76 percent of all competitive application program units funded were rental units, and about 80 percent of those units were for very low-income households. About 20 percent of owner-occupied units funded from 1990 to 2015 assisted very low-income households.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Table B: AHP Competitive Application Program Overview (1990 – 2015)

	Rental Projects		Owner-Occupied Projects		Total Projects
Total Number of Awarded Projects	9,985	61%	6,431	39%	16,416
Funds Awarded	\$3.2 billion	76%	\$1 billion	24%	\$4.2 billion
Housing Units	487,656	76%	150,804	24%	638,460
Very Low-Income Housing Units	366,956	80%	88,975	20%	455,931

Urban/Rural Demographics: Table C details competitive application projects serving urban and rural areas from 1990 to 2015. Approximately 64 percent of AHP projects awarded were located in urban areas and 36 percent of the projects were located in rural areas. Additionally, 74 percent of very low-income units were located in urban areas, while 26 percent of these units were located in rural areas. Over the 1990 through 2015 period, urban projects had, on average, more units per project (44) than rural projects (29). Units in rural projects, however, received a slightly higher average AHP subsidy per unit (\$7,493) than units in urban projects received (\$6,210).

Table C: AHP Competitive Application Program Serving Urban and Rural Areas (1990-2015)

	Urban Projects		Rural Projects		Total Projects
Total Number of Awarded Projects	10,467	64%	5,929	36%	16,416
Funds Awarded	\$2.9 billion	69%	\$1.3 billion	31%	\$4.2 billion
Housing Units	464,588	73%	173,872	27%	638,460
Number of Very Low-Income Housing Units	338,419	74%	117,512	26%	455,931
Average Number of Units per Project	44	N/A	29	N/A	39
Average Subsidy per Unit	\$6,210	N/A	\$7,493	N/A	\$6,559



Appendix 3: AHP Competitive Application Program Projects

Table A outlines the FHLBanks' 2015 scoring point allocations under the competitive application program scoring criteria. These point allocations determine which competitive program projects receive awards. The AHP regulation requires each FHLBank to allocate 100 scoring points among the following nine scoring criteria:

- 1) Project use of donated or conveyed government-owned or other properties;
- 2) Sponsorship by a not-for-profit organization or government entity;
- 3) Targeting of project's units to designated lower income households;
- 4) Housing for homeless households;
- 5) Promotion of empowerment;²⁴
- 6) First District priority;²⁵
- 7) Second District priority;²⁶

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

²⁵ The First District priority criterion is designed to provide greater scoring flexibility to the FHLBanks by allowing them to select housing scoring priorities from categories identified in the AHP regulation. These categories are the following: special needs populations (these 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), community development, first-time homebuyers, FHLBank member financial participation, housing in federally declared disaster areas or for households displaced from such areas, housing in rural areas, urban infill or urban rehabilitation housing, and projects that promote economic diversity. 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. The First District Priority criterion also includes the financing of 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.

²⁶ The Second District priority provides still greater flexibility to the FHLBanks to respond to housing needs in an FHLBank district, including those not specifically identified in the AHP regulation. The AHP regulation requires this priority to be the satisfaction of one or more housing needs in an FHLBank's district.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

8) AHP subsidy per unit; and

9) Community Stability.²⁷

**Table A: 2015 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	10	20	7	5	6	20	5	22
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	5	6	19	10	15	13
Chicago	5	5	20	5	5	16	11	10	23
Des Moines	5	10	20	5	5	10	20	10	15
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
Seattle	5	5	20	9	5	8	19	6	23

Source: 2015 FHLBanks' Implementation Plans

Note: The Seattle FHLBank merged with the Des Moines FHLBank in May, 2015

²⁷ Community Stability 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.



2015 Low-Income Housing and Community Development Activities of the Federal Home Loan Banks

Table B highlights the specific types of special needs projects (scored under the First District Priority) and homeless projects assisted by the AHP competitive application program in 2015.²⁸ For example, the first row details that one project served persons with disabilities, homeless persons, and persons affected by physical abuse. The last row shows that 203 projects did not serve any identified special needs or homeless households.

Table B: 2015 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			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		X	1
		X	X			2
X	X	X			X	2
					X	3
	X	X			X	3
		X		X		4
	X					4
		X			X	5
X	X	X				7
	X	X				23
X				X		23
X		X				35
		X				51
				X		60
X						75
						203

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

