



MAILING LABEL

Advancing Housing and Community Growth

Summer 2010

HOUSING PERSON OF THE YEAR

FHLBanks' Affordable Housing Program

The event celebrated "Housing's New Era," but it was the 20-year-old Affordable Housing Program ("AHP") that received the night's highest honor at the National Housing Conference's "Housing Person of the Year" gala.

Historically, the National Housing Conference ("NHC") has honored an individual, or individuals, with its "Housing Person of the Year" award - one of the housing industry's most recognized and highest honors. However, the success of the AHP speaks for itself: over the past two decades, the AHP has provided \$3.7 billion for the creation of more than 670,000 affordable rental and owned homes for low- to moderate-income families. It is the largest source of private grant funds for affordable housing in the nation.

The overall message from the June event, which attracted more than 800 housing leaders, was to move beyond the current housing crisis to grow affordable housing through better coordination within the affordable housing field. The AHP is designed to achieve this coordination. The AHP has worked so well because of the partnership among the Home Loan Banks, their members, local leaders and non-profit housing organizations that the program fosters.

This partnership was on display at the event. The Federal Home Loan Banks created a video tribute that celebrated all those who make affordable housing a reality, highlighting the Home Loan Bank members, the non-profits with which these members work, and the families and individuals who become the residents of the housing the AHP helps to create. The video spoke to "the challenges and rewards of the hard work being done every day by dedicated housing professionals across the country," said NHC Chairman Dan Nissenbaum.

Director Edwin C. Reed accepted the Housing Person of the Year award on behalf of the Federal Home Loan Bank of New York ("FHLBNY"). Since 1990, the FHLBNY has committed nearly \$340 million in grants to support nearly 1,200 projects across New Jersey, New York, Puerto Rico, the U.S. Virgin Islands and beyond. These housing initiatives have built 48,000 new homes and have generated approximately \$6.3 billion in total development capital. Through the AHP, the FHLBNY has helped drive both community and economic development in its region.



The Federal Home Loan Bank System's Affordable Housing Program was honored by the National Housing Conference as its "Housing Person of the Year", one of the housing industry's most recognized and highest honors.



Pictured left to right: Richard S. Mroz, FHLBNY Director; Eric Amig, FHLBNY Head of Bank Relations; Joseph Gallo, FHLBNY Community Investment Officer; Rev. Edwin C. Reed, FHLBNY Director; Charles T. Kalthoff, Chairman, FHLBNY Affordable Housing Advisory Council; Paul Héroux, FHLBNY Head of Member Services.

Since 1990, the Federal Home Loan Banks have devoted 10 percent of their income to fund the AHP through the work of their local member financial institutions. These members work with non-profit organizations and developers to serve a wide range of community needs, including building affordable housing for seniors, people with disabilities and first-time homebuyers.

The AHP adds value financially, but also with its flexibility. The program allows for funds to be used in combination with other funding sources such as Low-Income Housing Tax Credits and Community Development Block Grants. Additionally, the program's grants often take the form of gap funding, meaning that they provide the final funding necessary to complete a project.

The gala also marked the eve of the 80th anniversary of the NHC. Since 1931, the NHC has been dedicated to ensuring safe, decent and affordable housing for all Americans. Combined with two decades of the AHP, the event highlighted the importance and resilience of the affordable housing community in the past, present and future. Through the AHP, the Federal Home Loan Banks will continue to help build strong, healthy communities nationwide as we enter Housing's New Era. ■

Program Spotlight: Disaster Relief Funding

In any disaster, the speed of the response is critical. Earlier this year, severe weather struck our region. The significant damage this brought to the area resulted in many local communities being designated by FEMA as disaster areas. In response, the Federal Home Loan Bank of New York ("FHLBNY") immediately committed to provide up to \$250 million in disaster relief loans to assist in the process of rebuilding the communities its members serve.

The funds are made available by the FHLBNY through its Community Lending Programs ("CLP") to be used for a variety of purposes, including as immediate gap financing while insurance settlements are being worked out. Usually, CLP advances are limited to terms of one year or greater. However, the FHLBNY has reduced the minimum term requirement to 30 days in anticipation of the need for shorter-term financing during the initial stages of disaster recovery, prior to the payout of insurance settlements. The funds will allow FHLBNY members to make an immediate, positive impact on recovery efforts, while providing the flexibility they need to suit these efforts to the individual communities they serve.

The \$250 million CLP commitment can specifically be used for housing, small business and economic development lending. In addition, these funds can be used to support disaster relief financing activities, regardless of income status, for affected communities. The FHLBNY's member-lenders can tap these low-cost loans to meet the short-, medium-, and long-term funding needs of FEMA-designated communities.

FHLBNY members are part of their communities and remain fully committed to serving their customers and neighbors during difficult times. The disaster relief loans from the FHLBNY can make providing support during those difficult times that much easier.

For more information on the funds, and to see if your area is eligible, please visit: <http://www.fhlbny.com/news/press/press040910.htm>

Power of Partnership on Display in Morristown

When Michael M. Horn, Chairman of the Federal Home Loan Bank of New York, took to the podium at The Housing Partnership's annual meeting at Jersey Central Power and Light in Morristown in June, he spoke of a shared passion for affordable housing.

"The Housing Partnership continues to strengthen families and build communities through responsible home ownership," Mr. Horn said. "It is a mission we at the Federal Home Loan Bank of New York share."

The Housing Partnership, which is a United Way agency and a NeighborWorks America Chartered Member, was established in 1992 on that mission of strengthening families and communities through home ownership. To this end, the Partnership provides guidance to first-time homebuyers through group education, financial fitness programs, one-on-one counseling and down payment assistance programs. The organization shares more than a mission with the Federal Home Loan Bank of New York – the Partnership also offers the Bank's First Home Club program through three member banks: Lakeland Bank, Investors Savings Bank, and HSBC.

"Today, organizations like The Housing Partnership are more important than ever before as Americans struggle to recover alongside the economy," Mr. Horn said. "Families have always been able to draw strength from their homes, just as communities draw strength from their families. Dedicated housing organizations like The Housing Partnership give these families the support and counseling they need to reach that goal of homeownership."



Pictured left to right: Keith Getter, NeighborWorks America; Michael M. Horn, FHLBNY Chairman; Michael Fields, Chairman, Board of Trustees of The Housing Partnership. Chairman Horn stressed the importance of affordable housing at The Housing Partnership's annual meeting.

That support has resulted in more than 600 new homeowners since 2001. Even amid the difficulties experienced in the housing market in 2009, the Partnership helped make owning a home a reality for 60 new households. The organization not only excels at putting people in homes, but keeping them there, as well: those aided by the Partnership have a foreclosure rate of less than one percent.

The reason for The Housing Partnership's success can be found in its name: partnership. By working with a network of organizations, from the Federal Home Loan Bank of New York to local lenders to other non-profit organizations, such as Habitat for

Humanity, the Morris County Bar Association and the North Central Association of Realtors, and the homebuyers themselves, the organization has been able to successfully act upon its mission time and time again. This was not lost on the event's attendees.

"To fully recover from the economic crisis, we must remember that we are all in this together, and only by working together will we reach a solution," Mr. Horn said as he closed his remarks. "After all, as everyone in this room knows: the community works, and always will." ■

CIN Q&A: Highlighting the Drivers of Community Development Via Verde / The Green Way

In the South Bronx, an affordable housing initiative is revitalizing a formerly vacant plot of land. Via Verde will serve a range of income levels by providing 151 rental apartments affordable to low-income households and 71 co-ops affordable to middle-income households. Via Verde, or The Green Way, takes its name to heart: the 1.5-acre site is designed to exceed LEED Gold standards for environmentally responsible and energy-efficient design. The project will utilize low-tech strategies like cross ventilation, solar shading, and smart material choices, as well as planted green roofs, photovoltaic panels, high-efficiency mechanical systems, and energy-conserving appliances. In 2008, Via Verde was awarded a \$1.9 million Affordable Housing Grant from the Federal Home Loan Bank of New York and HSBC Bank. We spoke with Michael Wadman, Vice President of Real Estate Development for Phipps Houses, one of the project's developers, about Via Verde.

CIN: The building is called Via Verde/The Green Way. What are the benefits of building a green-friendly building? What are the challenges?

There are many benefits of sustainable design. For the residents of the building: cleaner air and landscaped outdoor space. For the environment: the use of recycled and non-toxic materials and energy efficiency for a smaller carbon foot-print. For the owner: lower energy and maintenance costs.

The challenges of sustainable design are primarily economic: depending on the level of sustainability, it can be expensive to implement, and there are not many sources of funding specifically targeted to green affordable housing.

CIN: Via Verde will be built on a vacant urban renewal site. What benefits can the building bring in terms of urban renewal? How does this location benefit the residents?

The benefits of revitalizing a vacant urban renewal site are great. New York City's approach to developing affordable housing on vacant sites throughout the city has completely transformed many formerly distressed neighborhoods. It has removed sources of blight and crime and added

responsible residents (and consumers for local businesses) to the neighborhoods.

The Via Verde site in particular is one of the last vacant parcels in the Melrose area of the Bronx adjacent to the lively commercial district of the HUB. In addition to access to retail amenities, Via Verde residents are a short walk from the subway.

CIN: How has the AHP grant assisted the program?

AHP has been critical to the project's financial viability. A project with Via Verde's level of deep housing affordability, a high level of sustainable design and difficult site constraints requires additional resources to be feasible, and AHP is this essential resource. ■

CIN Q&A

Through our Community Investment activities, the FHLBNY, our members, and local non-profit organizations support a wide range of affordable housing initiatives across New Jersey, New York, Puerto Rico and the U.S. Virgin Islands. In this *Community Investment News* feature we highlight some of the organizations and individuals that drive community development. Is there a non-profit organization or member institution that you would like *Community Investment News* to highlight? Please contact the newsletter's editors for more information: Brian Finnegan at brian.finnegan@fhlbny.com or Rosemary Robinson at rosemary.robinson@fhlbny.com



The Green Way: An artist's rendering of Via Verde, a 1.5-acre site in the South Bronx that will serve a range of income levels by providing 151 rental apartments affordable to low-income households and 71 co-ops affordable to middle-income households.

Two Organizations, Thousands of Affordable Homes

When the New Jersey Housing and Mortgage Finance Agency (“NJHMFA”) hosted its Lender Product Seminar on June 8, the organization invited one of its strongest community partners to present. Richard Mroz, Director of the Federal Home Loan Bank of New York (“FHLBNY”), spoke about the relationship between the two organizations and the success both have seen in creating affordable housing opportunities across New Jersey.

Over the past 20 years, the FHLBNY has supported 400 affordable housing projects in the Garden State, providing nearly \$109 million in grants to help build more than 15,000 units of housing. The NJHMFA has been a funding partner on many of these projects. Both organizations are dedicated to increasing the availability of, and accessibility to, safe, decent and affordable housing for New Jersey’s families, seniors, special needs community and first-time homebuyers.

It was the first-time homebuyers that the event focused on, with the NJHMFA presenting an overview of its first-time homebuyer programs. These programs – whether providing homebuyers with more affordable interest rates, assistance with closing costs and other fees, or providing counseling – are helping to create communities of responsible, informed and involved first-time homeowners across New Jersey.

The importance of supporting first-time homebuyers is something the FHLBNY knows well. In 1995, the FHLBNY created the First Home Club, a program



FHLBNY Director Richard S. Mroz addressed the New Jersey Housing and Mortgage Finance Agency Lender Product Seminar on June 8. Director Mroz spoke about the success both organizations have seen in creating affordable housing opportunities across New Jersey.

that offers an incentive to households with incomes at or below 80 percent of area median income to save towards the purchase of a new home. Through the program, the FHLBNY partners with its members to provide down payment and closing cost assistance by granting four dollars in matching funds for each dollar saved in a dedicated account – up to \$7,500 in matching funds – to eligible homebuyers purchasing a home through one of the FHLBNY’s members. Over the past 15 years, the First Home Club has had more than 7,000 participants, all of whom are required to complete a homebuyer counseling program. The support and counseling works: the First Home Club has a default rate of less than one-half of one percent.

As the First Home Club has demonstrated, one of the best ways to ensure that stronger communities are being built is by providing first-time homebuyers with the support and information they need to purchase a suitable, affordable home and become active members of the community. Through the First Home Club and the many programs discussed at the Lender Product Seminar, the FHLBNY and the NJHMFA are helping build these stronger communities.

“We have been proud to work in partnership with the NJHMFA to respond to New Jersey’s housing and community needs,” said Mr. Mroz. “We look forward to continuing this partnership for years to come.” ■

UDA Funds Help Build a Continuing Commitment to Rochester

For 90 years, the ESL Federal Credit Union has been a part of the Rochester community. On May 20, Rochester Mayor Robert J. Duffy, Monroe County Executive Maggie Brooks and Rochester Downtown Development Corporation President Heidi Zimmer-Meyer were on hand to celebrate the opening of the organization’s new headquarters at 225 Chestnut Street in downtown Rochester. The building, which strengthens ESL’s commitment to the city, is one of the most significant new construction projects in Rochester’s center city in more than 20 years.

“A constant during our 90-year history has been our belief in the future of the Rochester community, which we re-affirmed with our decision to build our new corporate headquarters here at 225 Chestnut Street,” said ESL President and Chief Executive Officer David L. Fiedler.

Two years ago, the institution, a Federal Home Loan Bank of New York (“FHLBNY”) member, secured a \$57.5 million Urban Development Advance from the Home Loan Bank to finance construction of the six-story building. The Urban Development Advance (“UDA”) provides a continuous source of low-priced, long-, medium-, and short-term funds available as loans (known as advances) to members of the FHLBNY. These special advances may be used to finance commercial and economic development projects that meet certain geographic, individual, or small business criteria.

The new ESL headquarters is part of the revitalization of downtown Rochester and will support the economic development of the community ESL serves.

“The new ESL Federal Credit Union headquarters is a beautiful addition to our skyline,” said Mayor Duffy. “We are embarking on a journey of transformational change – literally rebuilding major parts of downtown on a scale not seen here in 50 years. I’d like to thank Dave Fiedler and the entire ESL family for investing in Rochester.”

The 170,000 square-foot building qualified for Green JobsPlus tax incentives, made available by the County of Monroe Industrial Development Agency to employers who build environmentally friendly spaces. The headquarters is also a LEED certifiable building, incorporating many energy-efficient technologies.

With the opening of its new headquarters, ESL has strengthened its foundation in the city of Rochester and is positioned to help drive its economic and community development.

“We believe that our success and growth depends on a healthy and vibrant Rochester, especially downtown,” Mr. Fiedler said. “We think there are many reasons – including increasing residential activity – to believe we’re going to see a renaissance in downtown Rochester.” ■



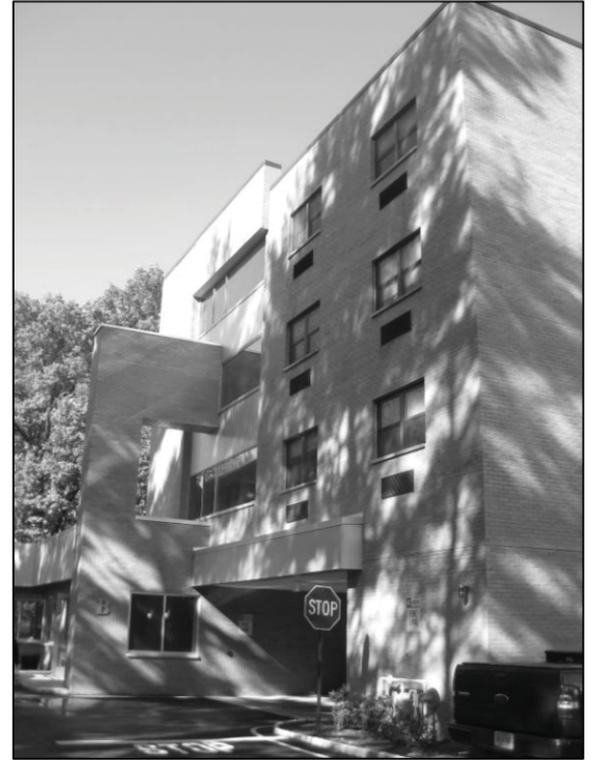
On May 20, ESL Federal Credit Union opened its brand new headquarters in Rochester. On hand to celebrate were: Jim Darcy, ESL Treasurer; Heidi N. Zimmer-Meyer, President, Rochester Downtown Development Corporation; Walter Rusnak, ESL Chief Financial Officer; Dave Fiedler, ESL President and CEO; Adam Goldstein, FHLBNY Head of Marketing and Sales; and Robert Duffy, Mayor of Rochester, New York.

More Senior Housing a Reality in Leonia

Bergen County's growing demand for senior housing was answered on May 27 with the opening of the Glenwood II, a new 33-unit complex in Leonia, New Jersey. With the completion of the building, Leonia Retirement Housing Corporation now offers 108 affordable apartments for area seniors.

The Glenwood II is the product of a community focused on providing its seniors with homes. The project almost failed to break ground during the height of the economic crisis, delaying construction for almost a year. However, the Leonia Retirement Housing Corporation, made up of volunteers from the community, was able to procure enough funding from a variety of sources to complete the project. Bergen County, the U.S. Department of Housing and Urban Development, the New Jersey Housing and Mortgage Finance Agency and Enterprise Community Investment, Inc. all contributed funding. The project was also awarded a \$300,000 Affordable Housing Program grant from the Federal Home Loan Bank of New York and its member, Valley National Bank.

The Glenwood II provides not only affordable housing, but affordable living as well. It is located one block from Leonia's main commercial thoroughfare, putting its residents close to shopping, restaurants, and health and beauty services. The Leonia post office, library, municipal building and police station, as well as public transportation, are all in close proximity to the residence. Such closeness will allow the Glenwood residents to remain active members of the community. A community that made sure these homes became a reality. ■



On May 27, the opening of the Glenwood II, a new 33-unit complex in Leonia, New Jersey, brought much-needed senior housing to Bergen County. With the completion of the building, Leonia Retirement Housing Corporation now offers 108 affordable apartments for area seniors.

Did You Know?

Applications for the 2010 AHP Second Round are being accepted electronically? Paper applications are due 9/17; electronic applications are due 9/22. Please consult the Community section of the FHLBNY website for further information:

<http://www.fhlbny.com/community/ahp/ahp.htm>

A 17-Year Commitment to Building a Better Paterson

At first glance, the half-built structure on Governor Street in Paterson, New Jersey, looks like any other building under construction. But on May 24, it became clear that it symbolized much more. The building, the future site of a Paterson Habitat for Humanity home, meant an eventual place for family housing, and is the representation of a 17-year partnership that has created 127 other sites across the city for Paterson's families to call home.

Since 1993, the Federal Home Loan Bank of New York ("FHLBNY") and its member, Columbia Bank, have partnered to award nine Affordable Housing Program ("AHP") grants to Paterson Habitat for Humanity. These grants have provided more than \$1.2 million for the organization's efforts to build safe, decent and affordable housing in the city of Paterson. On May 24, Al DelliBovi, president and CEO of the FHLBNY, and Raymond Hallock, president and CEO of Columbia Bank, toured the Governor Street site with Barbara Dunn, executive director of Paterson Habitat for Humanity. When completed, the site will be a LEED-certified three-bedroom home.

Ms. Dunn explained how Paterson Habitat had developed other homes nearby as part of its strategy to transform the city of Paterson block by block. It is a strategy that Columbia Bank has been proud to support for nearly two decades.

"Over the last 20 years, Columbia Bank has been actively involved with Paterson Habitat for Humanity, providing economic and people power assistance with several of our employees' involvement in committees and leadership roles," said Mr. Hallock. "Paterson Habitat for Humanity has been the major force in offering home ownership to the underserved in Paterson. The uniqueness of the Habitat philosophy is one that Columbia Bank proudly supports and encourages."

In total, the FHLBNY and Columbia Bank have provided nearly \$6.6 million in AHP grants to 30 affordable housing initiatives across New Jersey, helping to create nearly 1,000 homes in the Garden State. But the collaboration with Paterson Habitat for Humanity represents a long-standing partnership that reflects the relationship the Home Loan Banks have with Habitat for Humanity on the national level.

"I want to thank The Federal Home Loan Bank of New York and Columbia Bank for their continued support," said Ms. Dunn. "Nationally, the Federal Home Bank System is Habitat's largest private sector donor, and these grants are critical to the ongoing work of delivering affordable housing to working families." ■



Raymond Hallock, Columbia Bank President and CEO, and Alfred DelliBovi, FHLBNY President and CEO, present Barbara Dunn, Executive Director of Paterson Habitat for Humanity, with a check signifying the 17-year partnership the three organizations have had to the benefit of Paterson, New Jersey.

For more information...

about any of the FHLBank of New York's affordable housing and community investment programs, contact the Community Investment Department at 212-441-6850 or visit our website at www.fhlbny.com.



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