



Federal Home Loan Bank
NEW YORK

Affordable Housing Advisory Council – 2023 Annual Report –

Letter from the President and Advisory Council and Housing Committee Chairs



José R. González
*President and Chief
Executive Officer*



Gwen O'Shea
*Chairperson,
Affordable Housing
Advisory Council*



Charles E. Kilbourne, III
*Chairperson, Housing
Committee of the
Board of Directors*

Dear Members,

While our foundational liquidity mission provides the Federal Home Loan Bank of New York (“FHLBNY”) with the ability to make our broadest impact on housing and community development activities across our District, our Affordable Housing Program (“AHP”) has long provided us with the opportunity to partner with our members to make a direct and immediate impact on the lives of so many in our region and beyond. We recognize housing is the foundation upon which communities, and so much more, grow.

Since the first AHP grants went out in 1990, the FHLBNY has supported 2,050 projects with nearly \$934 million in grants, helping to create or preserve more than 101,500 units of affordable housing, leveraging an estimated \$17.6 billion in total development costs. Each year, these grants stand as an annual reminder that our ability to execute on our foundational mission delivers more than just funding to our region’s local lenders and stability to our financial system, but real, tangible support for vital housing initiatives across our District and beyond. This is because our AHP awards are funded directly through our earnings, and so as we continue to meet our members’ funding needs, we also enhance our ability to meet the needs of the communities we all serve. Each year the AHP also stands as a testament to the work of the many housing organizations and developers throughout the FHLBNY’s footprint that are devoted to creating better opportunities for those who need them most. At the FHLBNY, we are always grateful for our ability to partner with our members to support these efforts and help to create and preserve access to stable and affordable housing.

In recent years, we recognized a challenge unique to our District: while we frequently had numerous applications from, and AHP awards to, projects in New Jersey and New York, our program had far less of a presence in Puerto Rico and the U.S. Virgin Islands. This became an area of focus for us, looking into how we could encourage more applications from the Caribbean, to get this vital grant funding flowing back into this part of our District. Our Community Investment team quickly went to work, engaging our Affordable Housing Advisory Council (“Advisory Council”), the Board’s Housing Committee, local housing organizations and leaders, and working with our Member Relations team to connect with local members. We soon introduced a new scoring component to the AHP General Fund to recognize the unique challenges of developing affordable housing in Puerto Rico and the U.S. Virgin Islands, with the AHP now awarding six points in the Underserved Communities and Populations scoring category to any applicant developing affordable housing in the U.S. Territories. The combination of these scoring changes and our robust, in-person outreach strategy resulted

in a 2023 AHP General Fund Round that featured 13 applications from Puerto Rico and four from the U.S. Virgin Islands, with three member institutions participating. Three of these projects – one in Puerto Rico and two in the U.S. Virgin Islands – received the maximum grant award of \$1.5 million, totaling \$4.5 million in subsidy for the development of 252 units of affordable housing. For the first time since 2017, every region across our District received grants in the annual AHP Round.

Challenges to affordable housing efforts across the country continued in 2023, including inflation, which continues to create significant difficulties in not only getting new projects off the ground, but completing those already under construction. Challenges also extended into the homeownership sphere, where both high housing costs and an increasing interest rate environment created difficulties in new home purchases, especially for first-time, low- and moderate-income homebuyers. In such a challenging environment, we were proud to offer dependable support through our Homebuyer Dream Program® (“HDP®”). Throughout the year, we worked with 67 members to award \$9.8 million in HDP grants, helping to create nearly 1,100 homeownership opportunities across our region.

We are also positioned to make a direct impact on housing and community development through our credit products. In July 2023, we launched our 0% Development Advance (“ZDA”) Program, through which the FHLBNY provides our members with a full suite of advance products that offers subsidized funding to assist in the originating or purchasing of loans that address a number of key local community needs. Through the ZDA Program, members are able to reserve interest rate credits of up to \$250,000 on a first-come, first-served basis and can utilize it, in any combination, with the four advance products included in the ZDA Program: our Business Development Advance, Climate Development Advance, Infrastructure Development Advance and Tribal Development Advance. This wide range of product offerings provides our members with greater flexibility to tailor their lending products to further enhance their ability to serve their customers and communities, creating opportunities for economic development and job growth across our region. The ZDA Program went live on July 10, 2023, with a total of \$10 million in interest rate credits available to members, and within days it was fully reserved and a waitlist was established, reflecting our members’ enthusiasm for the Program, our shared dedication for supporting economic development across our District, and the impact of our partnership. The ZDA Program serves as a prime example of how our ability to execute on our foundational mission of delivering liquidity to our members can create opportunities for economic development in the communities we serve.

Collaboration with our members and housing partners is also important out in the field, but equally important is collaboration between our Community Investment team, Advisory Council and the Housing Committee of the Board of Directors. This year, both the Advisory Council and the Housing Committee welcomed new leadership, with the Advisory Council led by Chair Gwen O’Shea and Vice Chair Bakari Lee and the Housing Committee led by Chair Charles E. Kilbourne, III and Vice Chair Gerald Reeves. This partnership helps ensure that our housing programs are more responsive to our members and sponsors, and more reflective of the communities we serve.

The Advisory Council was also instrumental in guiding our charitable contributions in 2023. A common practice of our quarterly Advisory Council meetings is an open forum wherein the Advisory Council members share the challenges and opportunities they are experiencing in the communities they serve. In these

conversations throughout the year, Advisory Council members continued to emphasize and advocate for several needs throughout our District. As a result, in 2023, the FHLBNY provided a total of \$2.9 million to 16 community-focused organizations to help address issues such as supportive services to youth aging out of foster care, offering financial assistance to families struggling with rental arrears debt, revitalizing a historic downtown square in St. Croix, home repairs for the elderly damaged by storms, heirs' rights, and installing solar power equipment for coastal communities in Puerto Rico.

On behalf of the Advisory Council, the Board of Directors and the entire team at the FHLBNY, we thank you for the successful and meaningful partnerships described in this report, and we look forward to working with you in 2024 to advance our housing mission and to keep our region strong.

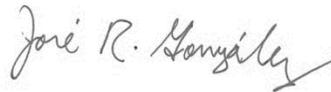
Sincerely,



Gwen O'Shea
Chairperson
Affordable Housing Advisory Council



Charles E. Kilbourne, III
Chairperson
Housing Committee of the Board of Directors



José R. González
President and Chief Executive Officer

Table of Contents

LETTER FROM THE PRESIDENT AND ADVISORY COUNCIL AND HOUSING COMMITTEE CHAIRS.....	2
TABLE OF CONTENTS.....	5
SUMMARY OF HOUSING & COMMUNITY LENDING PROGRAMS.....	6
AFFORDABLE HOUSING PROGRAM.....	8
AHP General Fund Awards in the 2023 Round.....	8
Trends in AHP General Fund Awards.....	11
Competitive Scoring for the AHP General Fund.....	13
HOMEBUYER DREAM PROGRAM®.....	17
HDP Commitment Analysis.....	17
COMMUNITY LENDING PROGRAMS.....	19
CHARITABLE CONTRIBUTIONS.....	21
COMMUNITY INVESTMENT CASH ADVANCE LETTERS OF CREDIT.....	24
COMMUNITY INVESTMENT LEADERSHIP.....	25
2023 BOARD OF DIRECTORS HOUSING COMMITTEE.....	26
2023 AFFORDABLE HOUSING ADVISORY COUNCIL.....	27
2023 AFFORDABLE HOUSING & COMMUNITY INVESTMENT STAFF.....	28

Summary of Housing & Community Lending Programs

The Federal Home Loan Bank's Second District encompasses New York, New Jersey, Puerto Rico, and the U.S. Virgin Islands, areas with extreme needs for affordable housing and economic development and ever-present funding constraints, but also areas with strong networks of organizations and advocates working on innovative solutions.

Figure 1: FHLBNY's Community Investment Programs in 2023

	PROGRAM	PURPOSE	USES	BENEFICIARIES	TYPES OF FUNDING	TERMS/CONDITIONS	APPLYING
HOUSING	Affordable Housing Program ("AHP") General Fund	Creation of owner-occupied and rental housing for very low-, low-, and moderate-income households.	Finance acquisition, rehabilitation, or new construction of owner-occupied or rental housing.	Rental housing in which at least 20% of the project's occupants earn 50% or less of the Area Median Income ("AMI"); owner occupied households with incomes \leq 80% of the AMI.	Grants up to \$40,000 per unit or \$1,500,000 per project.	Competitive program; must meet regulatory guidelines, eligibility requirements, and feasibility guidelines.	Competitive round offered annually; deadlines are announced on the FHLBNY website.
	Homebuyer Dream Program® ("HDP®")	Assist very low-, low-, and moderate-income first-time homebuyers to purchase their first home.	Provide down-payment and closing-cost assistance for the purchase of principal residence within the FHLBNY's District.	First-time homebuyer household with incomes \leq 80% of the AMI.	Grants up to \$9,500 per household, as determined by the member, and up to \$500 to offset the cost of homeownership counseling.	First-time homebuyer program; must meet regulatory and program guidelines.	Members must enroll to participate. Rounds and deadlines are announced on the FHLBNY website.*
	Community Investment Program ("CIP")	Homeownership and rental housing development.	Purchase, construction, rehabilitation, refinance, and predevelopment.	Individuals/families with incomes \leq 115% of the AMI.	Discounted rate advances based on the lesser of 3% of asset size or \$100 million.*	Income requirements apply.	Submit applications any time.
ECONOMIC DEVELOPMENT	Rural Development Advance ("RDA")	Finance economic development/ commercial lending activities in areas with a population \leq 25,000.	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects.	Individuals/families with incomes \leq 115% of the AMI.	Discounted rate advances based on the lesser of 3% of asset size or \$100 million.*	Income, geographic or small business criteria apply.	Submit applications any time.
	Urban Development Advance ("UDA")	Finance economic development/ commercial lending activities in areas with a population $>$ 25,000.	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects.	Individuals/families with incomes \leq 100% of the AMI.	Discounted rate advances based on the lesser of 3% of asset size or \$100 million.*	Income, geographic or small business criteria apply.	Submit applications any time.
	Disaster Relief Fund ("DRF")	Funding for economic recovery efforts in federally designated disaster areas.	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects.	Communities within the District that are federally designated disaster areas.	Discounted rate advances based on the lesser of 3% of asset size or \$100 million.*	Income, geographic or small business criteria apply.	Submit applications while program funds are available.

	PROGRAM	PURPOSE	USES	BENEFICIARIES	TYPES OF FUNDING	TERMS/CONDITIONS	APPLYING
ECONOMIC DEVELOPMENT	Business Development Advance (“BDA”)	Finance lending aimed at small business.	Not limited by use beyond basic program eligibility.	Small businesses in the communities served by FHLBNY members.	Interest-rate credit to provide in effect a zero-rate advance for certain fixed-rate products.*	Member loans must comply with maximum limit on rate charged to borrowers.	Submit applications while program funds are available.
	Climate Development Advance (“CDA”)	Finance lending aimed at energy resilient or efficient investments that support environmental initiatives.	Not limited by use beyond basic program eligibility.	Businesses/individuals engaged in environmental initiatives in the communities served by FHLBNY members.	Interest-rate credit to provide in effect a zero-rate advance for certain fixed-rate products.*	Member loans must comply with maximum limit on rate charged to borrowers.	Submit applications while program funds are available.
	Infrastructure Development Advance (“IDA”)	Finance lending and investment to support local infrastructure development.	Not limited by use beyond basic program eligibility.	Individuals/families living in the communities served by FHLBNY members.	Interest-rate credit to provide in effect a zero-rate advance for certain fixed-rate products.*	Member loans must comply with maximum limit on rate charged to borrowers.	Submit applications while program funds are available.
	Tribal Development Advance (“TDA”)	Finance lending that supports Native American housing and community support.	Not limited by use beyond basic program eligibility.	Tribal communities served by FHLBNY members.	Interest-rate credit to provide in effect a zero-rate advance for certain fixed-rate products.*	Member loans must comply with maximum limit on rate charged to borrowers.	Submit applications while program funds are available.

*Other member limits apply.

Note: The Disaster Relief Funding program, tied to federally declared disaster areas, is included in the CIP, UDA and RDA programs and was made available to members to fund loans in Puerto Rico and U.S. Virgin Islands in September 2017; re-launched in January 2020 following earthquakes in Puerto Rico; made available district-wide in response to the COVID-19 pandemic in May 2020; and then made available to fund lending for recovery efforts in response to Tropical Storm Ida in the fall of 2021.

Affordable Housing Program

The Affordable Housing Program (“AHP”) General Fund, created by Congress in 1989, provides subsidies to support the creation and preservation of housing for very low-, low-, and moderate-income families and individuals. AHP funds are awarded to FHLBNY members that submit applications on behalf of project sponsors that are planning to purchase, rehabilitate, or construct affordable homes or apartments. Funds are awarded through a competitive process which typically takes place once a year.

Across our District, (New Jersey, New York, Puerto Rico, and the U.S. Virgin Islands), the AHP helps to provide safe, decent, and affordable homes for very low-, low- and moderate-income families, senior citizens, the homeless, and other individuals with special needs. Since the inception of the AHP, the FHLBNY, through its member lenders and their local partners (non-profit and for-profit affordable housing developers), has supported 2,050 projects with nearly \$934 million in grants, helping to create or preserve more than 101,500 units of affordable housing, leveraging an estimated \$17.6 billion in total development costs.

Unless otherwise noted, the numbers in this section correspond to projects at the time of award. Subsequent modifications are not included in these figures.

AHP General Fund Awards in the 2023 Round

Figure 2 lists the 2023 AHP General Fund Round awards, sorted by subsidy amount within each state. Forty-two (42) projects were awarded in 2023, including fifteen (15) in New Jersey, sixteen (16) in New York, one (1) in Puerto Rico, and (2) in the U.S. Virgin Islands. Eight (8) out of district projects were also granted funds.

Figure 2: 2023 AHP Round - Approved Projects

PROJECT NAME	SPONSOR	MEMBER	STATE	UNITS	SUBSIDY
ACRM Mass. Ave. Transitional Housing Project	Atlantic City Rescue Mission	First Harvest Federal Credit Union	NJ	50	\$1,500,000
The Cliffs on Hudson	Michaels Community Services d/b/a Better Tomorrows	M&T Bank	NJ	65	\$1,500,000
Cornerstone at Lacey Phase III	Bright Harbor Healthcare	M&T Bank	NJ	70	\$1,190,000
Mediterranean House	House of David Preservation, Inc.	Valley National Bank	NJ	305	\$1,500,000
Peapack & Gladstone Supportive Housing	Avidd Community Services of NJ, Inc.	Columbia Bank	NJ	8	\$320,000
Berkshire Valley Supportive Housing	Pillar Care Continuum	Provident Bank	NJ	4	\$120,000

PROJECT NAME	SPONSOR	MEMBER	STATE	UNITS	SUBSIDY
Island Road Apartments	BCUW/Madeline Hsg. Partners, LLC	M&T Bank	NJ	19	\$760,000
Midland Park Supportive Housing	GFM Properties, Inc.	Unity Bank	NJ	4	\$160,000
Residence of St. Martin of Tours	Domus Corporation	Lakeland Bank	NJ	25	\$1,000,000
NJ Home Preservation for People with Disabilities	Community Options, Inc.	Valley National Bank	NJ	3	\$116,850
Freedom's Legacy at Robbinsville	Project Freedom, Inc.	First Bank	NJ	30	\$350,000
Montgomery Senior	Life Management, Inc.	Valley National Bank	NJ	70	\$1,500,000
Lounsberry Meadow	Long Hill Township Community Housing Dev Corp	Columbia Bank	NJ	52	\$1,500,000
Northern Ocean Critical Home Repair	Northern Ocean Habitat for Humanity	Columbia Bank	NJ	12	\$156,000
Waldwick Supportive Housing	BCUW/Madeline Hsg. Partners, LLC	Valley National Bank	NJ	8	\$320,000
Anthony Avenue	Jericho Project	M&T Bank	NY	85	\$1,500,000
Ogden Theatre Apartments	Unique People Services Inc.	Ponce Bank	NY	84	\$1,500,000
The Rise	The Women's Prison Association and Home	HSBC Bank USA, N.A.	NY	71	\$811,243
Dogwood Terrace	Town of Hempstead Housing Authority	Flushing Bank	NY	104	\$1,500,000
Sutphin Senior Housing and Clinic	Breaking Ground II HDFC	M&T Bank	NY	172	\$1,500,000
Golden Hill	Family of Woodstock	Ulster Savings Bank	NY	164	\$1,500,000
30th Street Preservation	Clinton Housing Development Company	Dime Community Bank	NY	30	\$1,200,000
35th Street Preservation	Clinton Housing Development Company	Dime Community Bank	NY	67	\$1,500,000
53rd Street Preservation	Clinton Housing Development Company	Dime Community Bank	NY	84	\$1,500,000
CDS State Street Apartments	CDS Monarch	Five Star Bank	NY	46	\$438,058
Rebuilding Together NYC	Rebuilding Together NYC	HSBC Bank USA, N.A.	NY	25	\$750,000
Laurel Homes	North Hempstead Housing Authority	Flushing Bank	NY	74	\$1,100,000

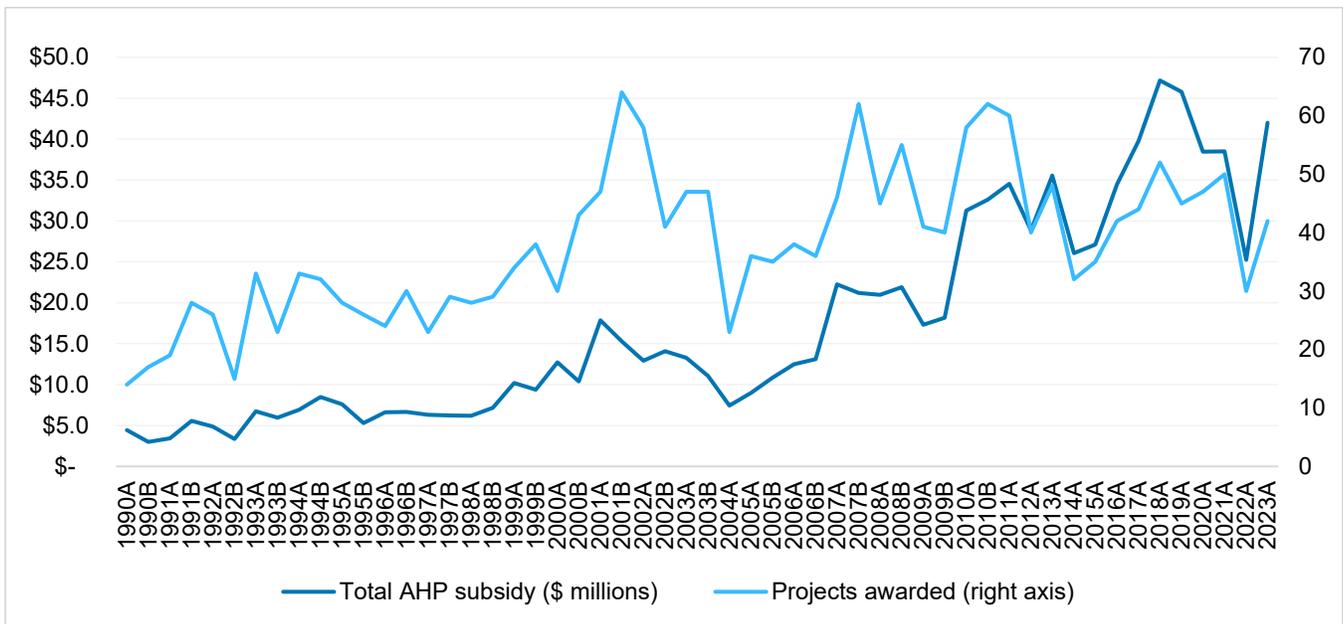
PROJECT NAME	SPONSOR	MEMBER	STATE	UNITS	SUBSIDY
Spa Motel Supportive Housing	Shelters of Saratoga	Saratoga National Bank and Trust Company	NY	9	\$350,000
NY Home Preservation for People with Disabilities	Community Options NY, Inc	Valley National Bank	NY	3	\$105,960
Taylor I Apartments	Troy Housing Authority	Pioneer Bank	NY	141	\$1,392,132
Blocher Homes Apartments	People Community Housing Development Corp.	Evans Bank, N.A.	NY	92	\$1,500,000
Jardines de Piedras Blancas	Volunteers of America National Services	Banco Popular de Puerto Rico	PR	69	\$1,500,000
D.H. Jackson RAD LLC	Virgin Islands Housing Authority	Banco Popular de Puerto Rico	USVI	54	\$1,500,000
Tutu North Senior	Virgin Islands Housing Authority	Banco Popular de Puerto Rico	USVI	60	\$1,500,000
Crescent Crossing Phase 1C	Baldwin Holdings Inc.	M&T Bank	CT	85	\$1,500,000
Parcel B Phase One	Naugatuck Economic Development Corporation	M&T Bank	CT	60	\$650,000
Village at Park River Phase V	Overlook Development Corporation	M&T Bank	CT	58	\$500,000
Village at Park River Phase VI-B	Overlook Development Corporation	M&T Bank	CT	44	\$600,000
Community Homes	Intercommunity Action	M&T Bank	PA	39	\$1,500,000
Ed White Senior Apartments	St. Petersburg Housing Authority	Valley National Bank	FL	70	\$1,000,000
Zilker Studios	Foundation Communities	The Disability Fund, Inc.	TX	110	\$841,087
Eucalyptus Grove Apartments	Allied Housing, Inc.	Citibank, N.A.	CA	68	\$750,000

Trends in AHP General Fund Awards

This section describes the distribution of AHP General Fund awards since the program’s inception. As required by statute and regulation, each year the FHLBNY allocates 10% of its prior year’s net income to support its General Fund and its Homeownership Set-Aside Programs, the Homebuyer Dream Program® (“HDP®”) and, previously, the First Home ClubSM (“FHC”). The Homeownership Set-Aside Programs can receive at most 35% of the total allocation. The FHLBNY determines the specific Set-Aside amount based on identified needs in the district and the guidance of its Board of Directors.

Figure 3 shows the largely consistent, nominal growth in available AHP General Fund subsidy, as well as the number of projects that received an AHP award in each program round. After a drop off in 2022, both AHP funding and the number of projects awarded rebounded in 2023. Increased outreach to applicants allowed for improved technical assistance and, as a result, greater application quality and more projects awarded.

Figure 3: AHP General Fund Total Annual Subsidy and Number of Awards



The increased cost of development has meant a greater need for funding from all sources, including the AHP General Fund. Figure 4 shows how the average subsidy to projects has climbed, especially in the past 15 years, yet on average the AHP subsidy remains at or below 5% of the total development cost (“TDC”) for projects. After an increase to 7% in 2022, AHP funds represented 3% of TDC in 2023. The total subsidy awarded for the 2023 AHP General Fund Round will leverage approximately \$1.29 billion in affordable housing developments to address the diverse housing needs including affordability, homelessness, and sustainable development.

Figure 4: AHP General Fund Subsidy as a Share of Total Development Cost

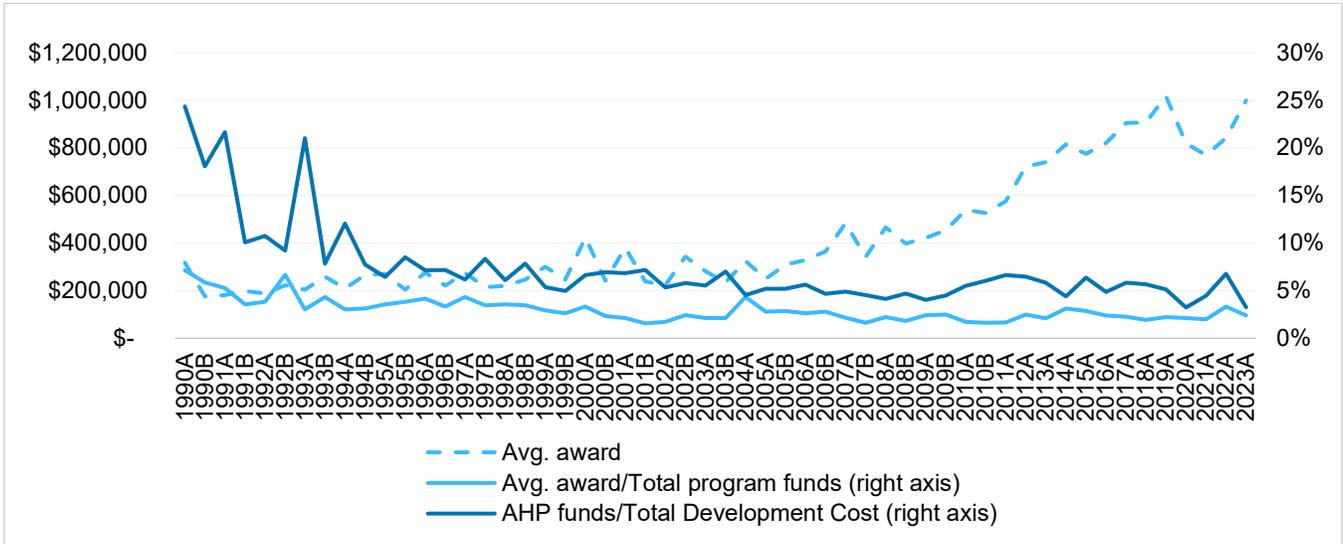
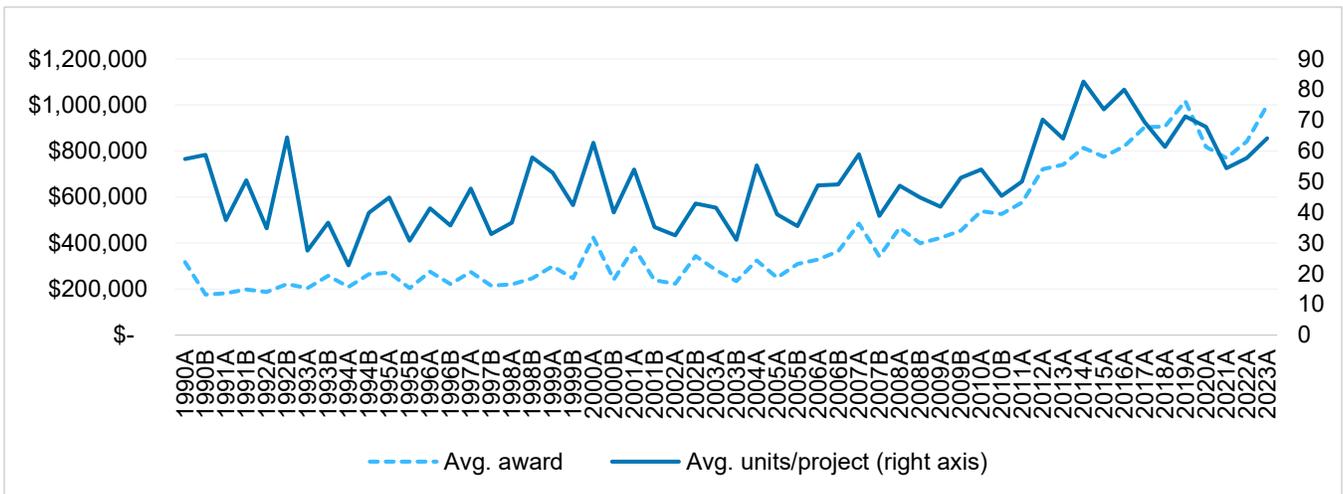


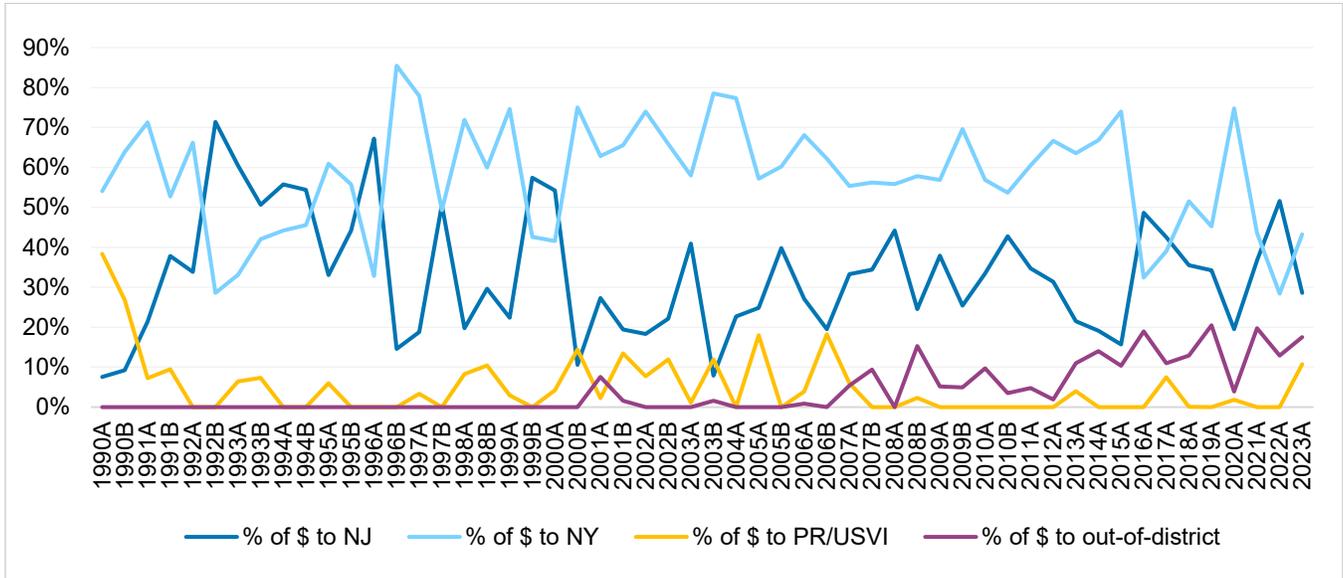
Figure 5 shows the AHP General Fund average project size by units since inception. Between 2020 and 2021 AHP experienced a dip in the average award, or the average subsidy requested by projects that received an award. However, as the figure shows, the average award has slightly increased in both 2022 and 2023.

Figure 5: AHP General Fund Project Size Over Time



The geographic distribution of AHP General Fund awards depends on factors including underlying need for affordable housing, the availability of tax credit programs from housing finance agencies and operational subsidies from other government programs, and the capacity of local developers and their partnerships with FHLBNY members. As Figure 6 shows, most program funds typically flow to projects in New York and New Jersey; however, projects in Puerto Rico or the U.S. Virgin Islands received a greater share per capita in 2023 than in recent years. As part of improved outreach efforts, the FHLBNY emphasized increasing its physical presence in the Territories, through in-person trainings and information sessions. This led to more applications from and awards to projects in the Territories.

Figure 6: AHP General Fund Subsidy Awarded by State/Territory

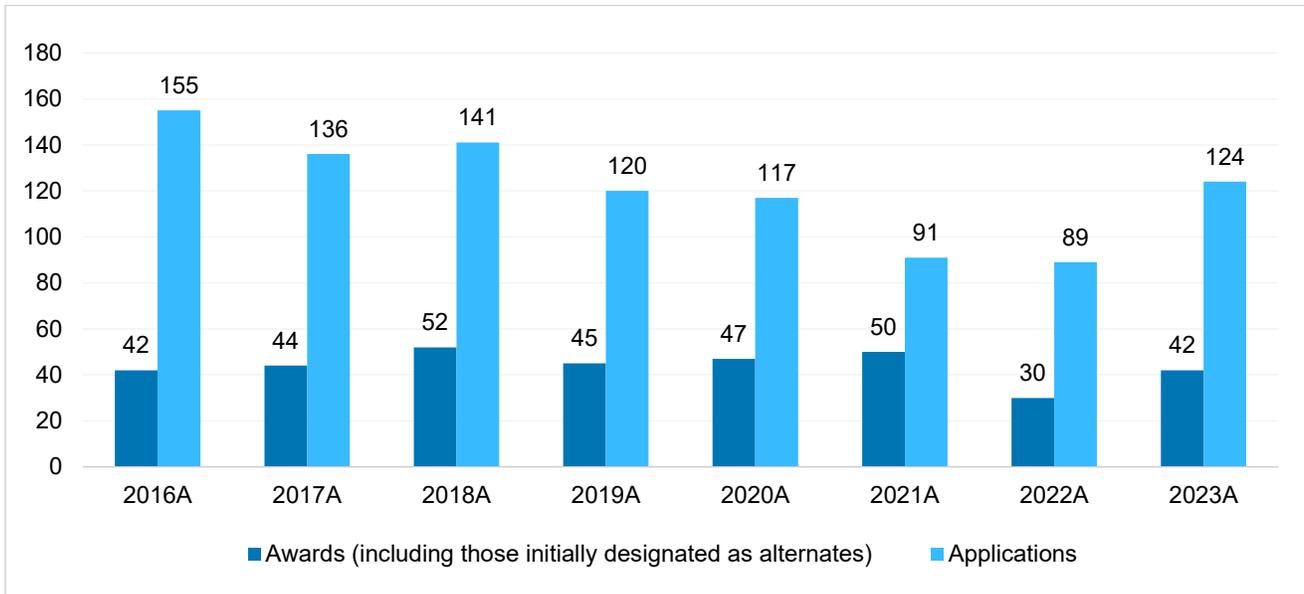


Competitive Scoring for the AHP General Fund

FHLBNY members submit project applications, on behalf of sponsors. Those applications are evaluated by FHLBNY staff according to criteria, described in the AHP Implementation Plan applicable to each AHP General Fund Round, across three dimensions: 1) Project eligibility, as per statutory and regulatory requirements and additional FHLBNY criteria; 2) Project scoring, whereby applications are ranked in accordance with how they respond to needs established by statute, the Federal Housing Finance Agency, and the FHLBNY in its annual Targeted Community Lending Plan; and 3) Financial feasibility, or the extent to which the sources of capital for projects suggest long-term viability and alignment with industry-standard metrics.

Each round, the FHLBNY typically receives many more applications than it can grant awards with the available subsidy through the AHP General Fund. *Figure 7* shows that the program remains highly competitive, and the number of applications (124) received was the highest since 2018. This rebound occurred after a two-year period where the number of applications fell due to a number of likely causes, including heightened pressures on developers during the COVID-19 pandemic, such as higher development costs for materials and labor, slower approval processes from overwhelmed agencies and municipalities, and general uncertainty about long-term planning. While many of these factors persisted in 2023, it is noted that improved outreach and education efforts by FHLBNY staff ensured submission of higher quality, competitive projects, resulting in fewer “long-shot” applications. The impact of this outreach played a key role in the observed rise in applications and awards in 2023. The outreach efforts – ranging from large-scale webinars to one-on-one technical assistance calls with sponsors and their development teams – typically focus on the competitive scoring phase of the application review process.

Figure 7: AHP General Fund Applications and Awards (2016-2023)



In the 2023 AHP General Fund Round, the lowest total score (out of a possible 100) for a project receiving an award was 64.34. This compares with 64.46, 66.37, 68.23, 58.19, and 61.55 in 2018, 2019, 2020, 2021, and 2022 respectively. Scores in 2023 were higher than those observed in 2021 and 2022. As mentioned earlier, this can likely be attributed to fewer “long-shot” applications and improved application quality. In recent years, the scoring rubric was adjusted to contain fewer categories by which most or nearly all projects accumulated points in previous rounds, such as those for projects located in a Difficult to Develop Area or Qualified Census Tract or those located nearby public transit or a food retailer, categories which were discontinued in 2021.

Here are some other highlights from the 2023 AHP General Fund Round:

- The scoring range of successful projects was between 64.34 and 78.92 points. The average score among the 42 winning projects was 68.93 points.
- The Member Financial Participation Certification was introduced this year to refine the scoring requirement and reduce the time spent on analysis. 81% of approved applications received Member Financial Participation points demonstrating that members are willing to partner with the AHP sponsor and are committed to community development.
- We continue to see a high demand for small projects with approximately a quarter of the approved applications consisting of 25 units or less.
- The application review and analysis time was reduced by 16% as compared to 2022, due to technical assistance and streamlining efforts.
- The submission of 124 applications is a 39% increase over 2022, demonstrating that AHP subsidy is in high demand. We were able to support 34% of submitted applications for this year.
- For the first time since 2017, awards were issued throughout the entire district. For applications located in Puerto Rico and the U.S. Virgin Islands, the approval rate was roughly 24% and resulted in \$4.5 million awarded.

- The average subsidy award was approximately \$999,555, an increase of 19% from the \$842,000 average of 2022 and an increase of 13% from the \$745,000 average of 2021. The increased need for subsidy is a direct result of increased construction material prices, labor costs and overall inflation, highlighting our critical role as a “gap” funder.
- The average subsidy per unit (“SPU”) request in the 2023 Round was \$22,682 out of the maximum SPU cap of \$40,000.



On December 5, 2023, CAMBA Housing Ventures, Inc., held a ribbon cutting in Brooklyn, New York for Clarkson Estates, which received a AHP General Fund award of \$2,500,000 through FHLBNY member, HSBC Bank. This mixed-use, mixed-income residential building will provide 328 units of affordable housing, some of which will accommodate households experiencing homelessness or requiring supportive services.



On December 11, 2023, Laurel Homes, a 2023 AHP General Fund subsidy recipient, held a ribbon cutting in Roslyn Heights, New York. The project's sponsor, the North Hempstead Housing Authority, was awarded \$1,100,000 through FHLBNY member, Flushing Bank, for the redevelopment of an existing multifamily property consisting of 74 AHP-assisted units. The newly redeveloped project will contain 1-bedroom to 4-bedroom units and accommodate very low-income and low-income households.

Homebuyer Dream Program[®]

The Homebuyer Dream Program[®] (“HDP[®]”) supports homeownership for low- and moderate-income, first-time homebuyers. Participating FHLBNY members are issued allotments of funds and then submit reservation requests for qualified first-time homebuyers. The FHLBNY provides grants of up to \$9,500 towards down-payment and closing-cost assistance and up to an additional \$500 to cover the cost of homeownership counseling.

Since inception of the Set-Aside programs, the two programs together have made commitments of grant subsidy to over 23,000 households, for a total of over \$191 million.

Figure 8 shows the number and dollar amount of household commitments in the FHC and HDP since 2019. FHC commitments were issued following a required savings period, while HDP commitments require households to be under contract for a house.

Figure 8: FHC and HDP Commitments (2019-2023)

	FHC HOUSEHOLD COMMITMENTS	HDP HOUSEHOLD COMMITMENTS	FHC GRANT FUNDS COMMITTED	HDP GRANT FUNDS COMMITTED
2019	1,293	661	\$10,291,570	\$9,683,623
2020	372	1,106	\$2,948,308	\$14,848,902
2021	34	1,424	\$267,500	\$13,534,559
2022	0	1,217	\$-	\$10,943,945
2023	0	1,094	\$-	\$9,854,900

Note: Figures represent commitments in a given calendar year. FHC households typically enrolled at least a year prior to receiving a commitment. Data as of December 31, 2023.

HDP Commitment Analysis

The AHP Implementation Plan and the HDP Guidelines contain detailed documentation requirements and underwriting limits with which participating members must comply. Within these HDP baseline criteria, FHLBNY members have flexibility to offer the program within their business footprint, aligned to their strategic initiatives and business/housing environment.

Under the allotment methodology, even new member participants in the HDP are allotted a minimum level of funds to match with eligible households during the buying season, and the program allows for those members who successfully utilize the program to grow their allotments over time. Members that serve a large geographic area can make strategic decisions about where to target their efforts, in line with their fair lending obligations and the dynamics of local housing markets. In this context, the program’s households were largely

concentrated in the same areas in 2023 as in prior rounds of the HDP and the FHC, namely Western and Upstate New York. *Figure 9* shows the degree of concentration in HDP commitments issued in 2023.

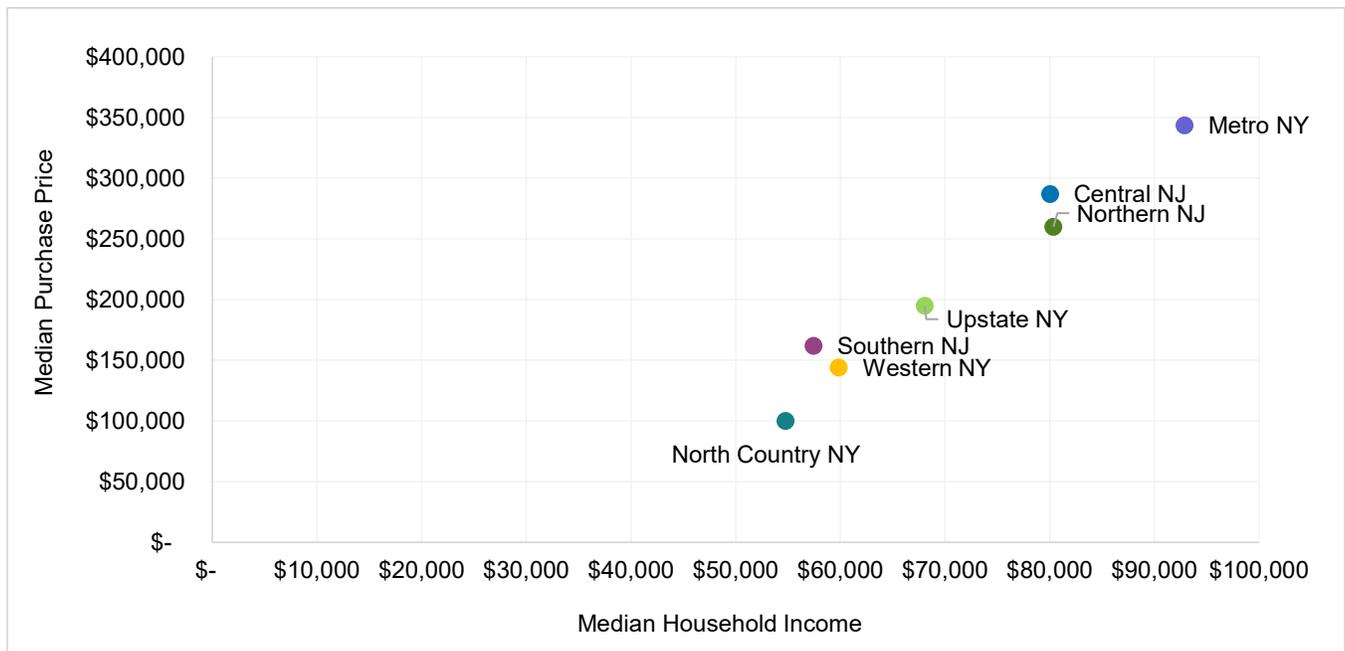
Figure 9: Regions with the Highest Percentages of HDP Commitments in 2023

Western NY	65%
Upstate NY	14%
Metro-Area (NY)	6%
Northern NJ	5%
North Country NY	4%
Central NJ	3%

HDP staff actively engage with the membership to educate their staff, in particular loan officers, and to identify opportunities to make the grant subsidy more widely available to eligible households in historically less-represented parts of the District. The Community Investment Strategy Group in 2023 held numerous phone calls with HDP participating members. Members expressed optimism and an intent to continue their HDP participation in 2024. Several expressed a growing need to provide assistance to households with an income above HDP’s 80% AMI threshold. This applied especially to members in the territories, where local AMI is lower and households earning well above 80% AMI struggle with housing affordability.

To the extent that HDP supports homeownership opportunities in different areas across our District, the households are economically diverse. *Figure 10* shows the median purchase price and median household income for commitments issued in 2023. The households are similar relative to their surrounding areas, but they are quite distinct from each other. Eligible households in New Jersey can earn significantly more and must compete for homebuying opportunities at significantly higher values than households in Western New York.

Figure 10: Median Purchase Price and Household Income for HDP Commitments in 2023 by Region of Purchase



Community Lending Programs

The Community Lending Programs (“CLP”) allow member institutions to take advantage of a set of discounted rate advances to fund housing and economic development activities in the communities they serve. This differs from the FHLBNY’s AHP General Fund and HDP, both of which are grant programs. There are three Community Lending Programs:

1. The Community Investment Program (“CIP”) provides discounted rate advances, primarily for housing related activities, for households whose incomes do not exceed 115% of the AMI.
2. The Urban Development Advance (“UDA”) provides financing for economic development projects or programs in urban areas (area population of greater than 25,000), benefitting individuals or families in areas where the census tract median family income is at or below 100% of the overall AMI level.
3. The Rural Development Advance (“RDA”) provides financing for economic development projects or programs in rural areas (area population of 25,000 or less), benefitting individuals or families in areas where the census tract median family income is at or below 115% of the overall AMI level.

For each program, members can request advances to fund a portfolio of recently closed loans (within the prior 90 days of the requested advance). The CLP helps members meet their Community Reinvestment Act requirements.

Under the CLP umbrella, the FHLBNY administers the Disaster Relief Funding (“DRF”) program. DRF allows members to qualify for the CLP rate on advances against loans made in federally declared disaster areas. In response to Hurricanes Irma and Maria in August and September 2017, the FHLBNY made \$1 billion in DRF advances available to its members to help rebuild communities in Puerto Rico and the U.S. Virgin Islands. In January 2020, the FHLBNY used the DRF to support members lending in Puerto Rico following the earthquakes in the Territory. In response to the COVID-19 pandemic, the FHLBNY made the program available district-wide in May 2020. In the fall of 2021, the DRF was used to fund lending for recovery efforts in response to Tropical Storm Ida.

In June 2023, the FHLBNY announced the launch of our new 0% Development Advance (“ZDA”) Program, through which the Bank provides our members with subsidized advance funding to assist in the originating or purchasing of loans that address several key local community needs. This program is intended to support economic development by incentivizing members to provide below market rate loans or invest in qualified initiatives supporting small businesses, energy efficiency and climate resiliency projects, investments in local infrastructure development, and Native American housing and community support funding. There are four programs under the ZDA umbrella:

1. The Business Development Advance (“BDA”) is an interest-rate credit that provides members in effect with a zero-rate advance for lending to small businesses.

2. The Climate Development Advance (“CDA”) assists members in originating or purchasing climate or energy efficient-oriented loans/investments in support of environmental initiatives.
3. The Infrastructure Development Advance (“IDA”) assists members in originating or purchasing loans and investment securities to support local infrastructure development.
4. The Tribal Development Advance (“TDA”) assists members in originating loans or purchasing assets that support Native American housing and community support funding.

A total of 32 members utilized ZDA programs in 2023 with 55 reservations for interest credits, and \$8.7 million in interest credits were awarded on \$106.2M in advances with the 2023 allocation totaling \$2.3 million.

As described in the 2022 Targeted Community Lending Plan, the business environment of many FHLBNY members, in particular their access to substantial deposits and a generally low-rate environment for funding their lending activity, made them less likely than in previous years to utilize the products of the CLP suite. This trend persisted in 2023. *Figure 11* shows program performance for each of the past four years. Note that the RDA is infrequently used by the membership, and TDA was not utilized in 2023, the first year of the program.

Figure 11: Advances by Program (2018-2023)

	2019	2020	2021	2022	2023
Community Investment Program	\$987,987,960	\$742,515,393	\$341,791,163	\$318,239,846	\$237,405,779
Urban Development Advance	\$767,948,010	\$756,925,336	\$428,871,242	\$470,060,900	\$461,490,544
Rural Development Advance	\$9,821,000	\$3,150,000	-	-	-
Disaster Relief Funding	\$4,460,000	\$609,835,846	\$96,975,283	-	\$44,350,092
Business Development Advance	-	-	\$6,344,247	\$25,730,848	\$84,703,782
Climate Development Advance	-	-	-	-	\$7,124,322
Infrastructure Development Advance	-	-	-	-	\$14,460,702
Tribal Development Advance	-	-	-	-	-
Total	\$1,770,216,970	\$2,112,426,575	\$873,981,935	\$814,031,594	\$849,535,221

Data as of December 31, 2023.

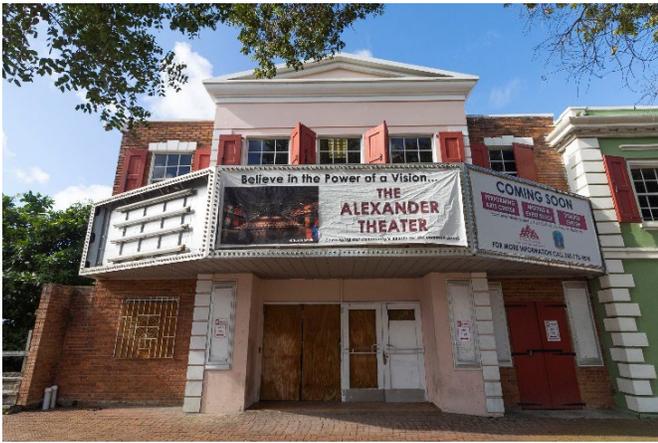
Charitable Contributions

Charitable contributions reflect strategic support for organizations working to further goals aligned with the FHLBNY's core mission and to address District needs that may fall outside the scope of the statutory programs. The FHLBNY provided \$23.2 million in voluntary contributions during 2023, equating to 5% of 2022 earnings. Of this, approximately \$2.9 million was disbursed in the form of charitable contributions to 16 organizations, covering each state and territory within the District. FHLBNY contributions supported these organizations as they work to address a wide range of important health, climate, economic development, and affordable housing efforts.

The FHLBNY provided a charitable contribution of \$300,000 to Roots & Wings to support their RISE Program, which provides behavioral, educational, and life-skills supportive services, as well as housing to youth aging out of foster care. Funds will assist Roots & Wings with providing these services to the fourteen currently enrolled clients and will also allow the organization to grow client capacity to eighteen youths aging out of foster care.

The FHLBNY also assisted The Partnership to End Homelessness in their fight against homelessness and has since 2021. With a contribution of \$250,000, the FHLBNY supported The Save Homes Campaign, which provides financial assistance paid directly to landlords to clear clients' rental arrear debt and help clients navigate additional assistance programs to ensure families can access government rental assistance and vouchers to pay ongoing rent.

In 2023, the FHLBNY also aimed to increase outreach and impact in the Territories within the District. With this goal in mind, the FHLBNY provided the St. Croix Foundation with two grants totaling \$250,000 to assist with revitalizing historic Sunday Market Square in downtown Christiansted, St. Croix. Sunday Market Square is one of the oldest planned public squares in the United States and sits in a census tract where more than 51% of the residents are low- to-moderate-income, and over 70% identify as Black or African American. The full scope of the Sunday Market Square project will increase the stock of affordable rental housing, eliminate blight within the historic downtown area by restoring historic buildings, provide space for non-profit capacity building and collaboration, and provide safe space during natural disasters.



St. Croix Foundation's work to restore historic Sunday Market Square will create space for community and collaboration, as well as affordable housing.

Additionally, the FHLBNY awarded \$220,000 to the Hispanic Federation, a mission-based organization located in Puerto Rico. This project promotes sustainable coastal economies and food security by ensuring stable and uninterrupted power that is independent of the unreliable energy grid and supports local economic development to ensure a better-quality life to local coastal communities. FHLBNY funds helped Hispanic Federation surpass their goal of retrofitting fifteen fishing associations in Puerto Rico.



Hispanic Federation used FHLBNY funds to install solar panels for fishing associations in low-income coastal areas of Puerto

Overall, FHLBNY contributions support mission-based organizations as they offer programs and assistance aimed at developing communities and improving quality of life. The four organizations that were highlighted above are a small snapshot of the impact of FHLBNY charitable contributions on community development within the District. *Figure 12* shows a complete listing of the charitable contributions made in 2023.

Figure 12: 2023 Charitable Contributions

ORGANIZATION	AWARD AMOUNT	JURISDICTION
ALS Ride for Life	\$150,000	NY
Better Community Neighborhoods	\$100,000	NY
Crucian Heritage and Nature Tourism (CHANT)	\$100,000	USVI
Colegio Notarial	\$130,000	PR
Fundación MMM	\$138,500	PR
Habitat for Humanity Puerto Rico	\$510,000	PR
Hispanic Federation	\$220,000	PR
Homeless Solutions, Inc. (HSI)	\$300,000	NJ
Legal Aid Society	\$275,000	NY
Mount Kisco Interfaith Food Pantry	\$50,000	NY
Roots & Wings	\$300,000	NJ
St. Croix Foundation	\$250,000	USVI
Supportive Housing Association of New Jersey	\$20,000	NJ
Taller Salud	\$50,000	PR
The Elizabeth Coalition to House the Homeless	\$75,000	NJ
The Partnership to End Homelessness	\$250,000	NY

Community Investment Cash Advance Letters of Credit

A Letter of Credit (“LOC”) is a credit instrument, issued by a bank, guaranteeing payment on behalf of its customer to a beneficiary for a stated period of time only when certain conditions are met. A FHLBNY LOC substitutes the issuing member bank’s credit for the credit of the FHLBNY. The FHLBNY is currently rated “AAA” and “AA+” by Moody’s Investors Service and Standard & Poor’s, respectively. These ratings are equivalent to those assigned to the U.S. Government. A FHLBNY LOC is collateralized in the same way as an advance. The FHLBNY charges a fee for issuing LOCs and for draws under the LOC.

Community Investment Cash Advance (“CICA”) LOCs, one among a suite of LOC types available to FHLBNY members and their business and municipal partners, are utilized to finance lending activity that also qualifies under the CLP. When LOCs are used for eligible housing and community development purposes, they facilitate transactions that promote housing financing or the financing of commercial and economic development.

As of December 31, 2023, the FHLBNY had a total of two outstanding CICA LOCs amounting to \$6,624,465.

Community Investment Leadership

The Housing Committee of the Board of Directors assists the Board on affordable housing and community/economic development issues, liaises on behalf of the Board with the FHLBNY's Advisory Council, evaluates housing needs within the FHLBNY's District, and monitors the administration of the FHLBNY's Community Investment programs. All of this is done considering the needs of multiple FHLBNY stakeholders, the FHLBNY's strategic plan, and the Federal Housing Finance Agency regulations.

The Advisory Council consists of representatives from housing and community development organizations throughout the District. The Advisory Council advises the FHLBNY and its Board of Directors on ways in which the FHLBNY can better carry out its housing finance and community lending mission. In 2023, Gwen O'Shea served her first year as Advisory Council Chairperson, and Bakari Lee served his first year as Vice-Chair.

2023 Board of Directors Housing Committee

Charles E. Kilbourne, III (Chair)
Managing Director
Financial Services Volunteer Corps
New York, New York

Gerald Reeves (Vice-Chair)
President & CEO
Sturdy Savings Bank
Cape May Court House, New Jersey

Melba Acosta
Counsel
McConnell Valdés LLC
San Juan, Puerto Rico

Thomas J. Kemly
President & CEO
Columbia Bank
Fair Lawn, New Jersey

Ira Robbins
CEO & Chairman
Valley Bank
Wayne, New Jersey

DeForest Soaries
President & CEO
Corporate Community Connections, Inc.
Somerset, New Jersey

Ángela Weyne
Commissioner of Insurance of Puerto Rico
(Retired)
San Juan, Puerto Rico

2023 Affordable Housing Advisory Council

Gwen O'Shea (Chair)
President & CEO
Community Development Corporation of Long
Island
Centereach, New York

Staci A. Berger
President & CEO
The Housing and Community Development
Network of New Jersey
Trenton, New Jersey

Robert Graham
Executive Director
Virgin Islands Housing Authority
St. Thomas, U.S. Virgin Islands

Lisa Kaseman
Senior Vice President
Conifer LLC
Rochester, New York

Monica McCullough
Founder & President / Esquire
MM Development Advisors LLC
Rochester, New York

Wayne T. Meyer
Senior Advisor
New Jersey Community Capital
New Brunswick, New Jersey

Diane Riley
Executive Director
The Supportive Housing Association of New Jersey
South Orange, New Jersey

Amanda Silva
Executive Director
Habitat for Humanity of Puerto Rico
San Juan, Puerto Rico

Bakari Lee (Vice-Chair)
Member
McManimon, Scotland & Baumann, LLC
Roseland, New Jersey

Susan Cotner
Executive Director
Affordable Housing Partnership & Albany
Community Land Trust
Albany, New York

Jacqueline S. Jones
Executive Director
Vineland Housing Authority
Vineland, New Jersey

Retha Leno
Principal
Ladyhawk Consulting, LLC
Hogansburg, New York

Colin McKnight
Director, Community Development Programs
Flatley Read, Inc.
Schuylerville, New York

Ashish Patel
Chief Operating Officer
Monarch Housing Associates
Cranford, New Jersey

David A. Rowe
Chief Administrative Officer
CAMBA Housing Ventures, Inc.
New York, New York

2023 Affordable Housing & Community Investment Staff

Michael A Volpe
SVP, Chief Bank Operations Officer &
Interim Community Investment Officer

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VP, Director, Community Investment Strategy

Jacob Day
Community Investment Business
Development Officer

Neela Hanuman
Community Investment Specialist II

Michael Williams
Lead Policy & Research Specialist

COMMUNITY INVESTMENT OPERATIONS

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Jennifer Alberto
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Jacob Fredi
Program Administration Analyst I

Tanesha Smith
Program Administration Analyst III

Aminata Cisse
Program Administration Analyst III

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AVP, Senior Manager, First Home Club

Glenda Gunning
Senior First Home Club Analyst

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Raveen Seaton
Affordable Housing Program Lead Analyst

Matthew Becker
Senior Affordable Housing Program Analyst

Max Epstein
Senior Affordable Housing Program Analyst

Daniel Kaiserski
Affordable Housing Program Analyst I

Jahmila Vincent
Affordable Housing Program Analyst I

Akil Mew
Affordable Housing Program Analyst I

Ariana Durkovic
Affordable Housing Program Analyst II