



Federal Home Loan Bank  
NEW YORK

# Affordable Housing Advisory Council 2017 Annual Report



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# Letter from The President & AHAC Chairperson



José R. González  
*President and Chief Executive Officer*



Carrie Michel-Wynne  
*Chairperson, AHAC*

Dear Members,

On December 7, 2017, the Federal Home Loan Bank of New York announced our 2017 round of Affordable Housing Program grants: \$36.9 million for 42 affordable housing initiatives that will result in the creation or rehabilitation of 2,890 affordable homes. As it is every year, the annual AHP announcement is our most visible promotion of our housing mission. And though this announcement may have garnered the most attention in 2017, our team worked diligently throughout the year to ensure that our cooperative is acting on our housing mission. In the pages of this annual report, we have highlighted the various initiatives, activities and actions of the past year that have helped our cooperative strengthen our commitment to the community and our dedication to our housing mission.

In our AHP announcement, we highlighted the fact that affordable housing is the work of many hands. The success of our Community Investment initiatives in 2017 is also the result of the work of many, from our members to the nonprofit housing partners we support, and to our Affordable Housing Advisory Council ("AHAC"). The AHAC played a prominent role in our housing activities in 2017, with its members providing a valuable resource to expand the Bank's understanding of the major issues affecting the housing needs of our District. It is no surprise that many of the success stories contained within this annual report involve the work of an AHAC member: each has been instrumental to enhancing our ability to meet the needs of the communities we serve.

We are able to meet these needs through the members of our cooperative. We administer our Affordable Housing Program, First Home Club and Community Lending Programs, but it is our members who drive these programs. Our membership spans institutions with different asset sizes, different business models and different areas of focus. But all are bound by a shared commitment to the communities they serve. These institutions are active and involved members of their communities, and have the local knowledge to recognize and act on the needs of these communities. We help meet those needs by supporting the strong partnerships that exist between dedicated community organizations, locally focused lenders, dedicated developers and our elected officials at the city, state and federal levels. These are the "many hands", all working together to build affordable housing for all who need it.

In 2017, we expanded our outreach efforts to these constituents to bring us a greater understanding of the housing needs and priorities of our District, and provide our members with a better understanding of how to access and utilize our programs to support housing initiatives in their communities. The result is a year in which we proudly worked with all of our partners to strengthen and act on our housing mission. On behalf of the Board of Directors, the AHAC, management and staff, we thank you for having provided the opportunities that enabled us to achieve our many mission-related accomplishments during 2017.

Sincerely,



José R. González  
*President and Chief Executive Officer*



Carrie Michel-Wynne  
*Chairperson, Affordable Housing Advisory Council*

# Affordable Housing & Community Lending Programs Summary

Table 1: FHLBNY's Community Investment Programs in 2017

	Programs	Purpose	Uses	Beneficiaries	Types of Funding	Terms/Conditions
Housing	Affordable Housing Program (AHP)	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	Households with incomes at or below 80% of the Area Median Income (AMI)	Grants of up to \$30,000 per unit, or 10% of available subsidy	Competitive program; must meet regulatory guidelines, eligibility requirements, and feasibility guidelines
	First Home Club <sup>sm</sup> (FHC)	Assist very low-, low-, and moderate-income first-time homebuyers to purchase their first home	Provides down-payment and closing-cost assistance for the purchase of principal residence	First-time homebuyers with incomes at or below 80% of the AMI	4-to-1 matching grant, up to \$7,500 in assistance per household, additional \$500 to eligible counseling agency to defray costs	Eligibility requirements apply
	Community Investment Program (CIP)*	Home ownership and rental housing development	Purchase, construction, rehabilitation, refinance, and predevelopment	Individuals/families with incomes at or below 115% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income requirements apply
Economic Development	Rural Development Advance (RDA)*	Finance economic development/commercial lending activities in areas with a population of 25,000 or less	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects	Individuals/families with incomes at or below 115% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income, geographic or small business criteria apply
	Urban Development Advance (UDA)*	Finance economic development/commercial lending activities in areas with a population greater than 25,000	Commercial, industrial, manufacturing, social service, public facility, and public or private infrastructure projects	Individuals/families with incomes at or below 100% of the AMI	Advances to member banks priced below the market rate of the Bank's regular advance programs	Income, geographic or small business criteria apply

\*The CIP, UDA and RDA Programs are included in the Disaster Relief Funding program, made available to Puerto Rico and U.S. Virgin Island Members in September 2017.

# Affordable Housing Program

The Affordable Housing Program (AHP) gives members, local non-profits and for-profit organizations access, on a competitive basis, to grant funding to support the purchase, rehabilitation, or construction of affordable apartments or homes in the district. Between the AHP and the First Home Club program, each year the Bank allocates 10% of its prior year's net income, as per its governing [regulations](#). For rental housing, at least 20% of the occupants must earn 50% or less of the area median income; owner-occupied housing must target households that earn 80% or less of the area median income. Members and project sponsors leverage AHP funding, combining it with Low Income Housing Tax Credits and other programs, as well as with private investment. Aside from lowering the cost of financing, AHP funds help members meet their Community Reinvestment Act requirements.

## FHLBNY responds to devastation caused by hurricanes Irma and Maria

In September of 2017, two major hurricanes, Irma and Maria, struck the U.S. Virgin Islands and Puerto Rico. Recognizing the immediate need in the affected communities of the Bank's district, the Board of Directors approved \$1 billion for Disaster Relief Funding under the Community Lending Programs, discussed later in this report. The Board also authorized the disbursement of \$775,000, which later grew to over \$1 million with contributions from the other FHLBanks and the Bank's own Members, to disaster relief organizations working on the front lines in the territories. After gathering insights from across the Bank, relevant Members, and local partners, and after performing a vetting process, the Bank successfully disbursed all the funds to 12 national and local organizations. The Bank's contributions allowed these groups to provide food, medicine, water, and counseling to people in need, and to advise people how to navigate the process for securing federal aid.

The Bank's Board followed this immediate response by approving, in December 2017, the creation of two new voluntary, or discretionary, grant programs for disaster recovery, targeted at Puerto Rico and the U.S. Virgin Islands. The two programs, to be launched in March 2018, will together disburse \$5 million to homeowners and small businesses that were impacted by the hurricanes. The Bank drew on the success of other similar initiatives across the FHLB system. Importantly, the two programs will be administered by the Bank's Members in the territories, since it is the Members that directly touch the communities there, have a deep understanding of the needs of potential recipients, and have a real stake in the areas' recovery.

Thankfully, most Affordable Housing Program ("AHP") projects in Puerto Rico and the U.S. Virgin Islands were spared the worst in recent hurricanes. Valle Dorado, a senior housing project located in Utuado, Puerto Rico, survived the devastation of Hurricanes Irma and Maria in September 2017. The 32 unit, five-story building was the second AHP project in Puerto Rico for PathStone Corporation; unfortunately its previous project, Alturas Des Castañer, was not spared and may not have its electricity or fresh running water restored until nearly a year after the storms. Valle Dorado received a \$400,000 commitment in the 2013 AHP round, and FHLBNY staff were on hand for the grand opening in August 2016. The director of housing programs at PathStone's Puerto Rico office, Maria Rodriguez-Collazo, is on the Bank's Affordable Housing Advisory Council. Bank staff visited and consulted with Ms. Rodriguez-Collazo in the months following the hurricanes to help shape new programs to fund recovery efforts in Puerto Rico and the U.S. Virgin Islands. Sponsors of recent projects in the U.S. Virgin Islands report that the projects lost power or water but suffered little structural damage beyond broken windows.

## AHP success stories across the district in 2017

### Projects in Puerto Rico and the U.S. Virgin Islands to receive funding from 2017 round

In the 2017 AHP round, Puerto Rico and the U.S. Virgin Islands each received an award. The Sabana Village Apartments, led by Lucha Contra el Sida and Banco Popular de Puerto Rico, received a \$1,912,550 commitment for the rehabilitation of 160 units in San Juan for individuals affected by HIV/AIDS and the formerly homeless. And the Virgin Islands Housing Authority, together with Banco Popular de Puerto Rico, received a \$1,060,000 commitment for the third phase of the Louis E. Brown project, which will re-develop 90 units of a former public housing development in St. Croix and preserve their affordability. Project sponsors confirm that both projects are on track and will be able to use their AHP subsidy according to the program's timeline.

### A Better Life supports vulnerable, chronically homeless individuals in Newark



*Students from the Community Hills Early Learning Center sing at the October event. (FHLB NY)*

At the October 2017 grand opening for A Better Life, New Community Corporation founder Monsignor William Linder expressed pride that he could watch the day-by-day development of the project from his nearby retirement facility. New Community celebrated its 50th anniversary in 2017. Most of its developments in Newark's Central Ward serve low-income families and seniors. This project is its first for permanent supportive housing for formerly homeless individuals with severe mental illness and other debilitating behavioral conditions. It received a \$260,000 award in the 2013 AHP round. Supportive services for the 23 residents are provided on-site in partnership with a neighboring hospital.

		<b>AHP awards (1990-2017)</b>	<b>Units of affordable housing</b>	<b>Total AHP subsidy awarded</b>	<b>Total development cost of AHP projects</b>
Member:	New Community Federal Credit Union	9	517	\$4,273,480	\$128,716,365
Sponsor:	New Community Corporation	4	166	\$789,703	\$23,233,901

### Pond View Homes preserves affordable housing for Long Island residents



*Business Development Officer Daniel Randall congratulates project partners at the June 2017 ribbon-cutting. (Erica Burns Photography)*

An inspection by the New York State Homes and Community Renewal, along with a detailed physical needs assessment, indicated that almost of all the major infrastructure systems at this 52-unit public housing project had reached the end of their useful life. So in the 2014 AHP round, the Bank awarded \$780,000 to the Pond View Homes project to conduct extensive rehabilitation. This effort was critical in preserving the affordability of the units — apartments for low-income families in one of the most affluent communities on Long Island, where there is a huge unmet demand for affordable rental housing.

		<b>AHP awards (1990-2017)</b>	<b>Units of affordable housing</b>	<b>Total AHP subsidy awarded</b>	<b>Total development cost of AHP projects</b>
Member:	Flushing Bank	2	152	\$2,780,000	\$124,481,711
Sponsor:	North Hempstead Housing Authority	3	220	\$2,910,000	\$106,581,935



Norwood Terrace serves formerly homeless adults with mental illness in the Bronx. Federal Home Loan Bank of New York staff joined in the celebration for the grand opening of Norwood Terrace in May 2017. The project now provides 58 units of supportive housing to formerly homeless individuals with mental illness, and another 56 units of affordable housing for low-income New Yorkers. It was awarded a \$1 million subsidy in the 2013 AHP round. The building includes a library, multiple lounge areas, a community room, a computer room, an exercise room, and laundry facilities, and the support services are provided on-site. Among the project's many partners at the federal and state level is the New York State Office of Mental Health. In 2017 the Bank conducted extensive outreach to agencies and organizations in the district around the issue of supportive housing for special needs populations, and the 2018 AHP round will reward projects with a supportive housing component.



*Community Investment  
Research and Outreach  
Specialist Brian Loeb.  
(FHLBNY)*

		<b>AHP awards (1990-2017)</b>	<b>Units of affordable housing</b>	<b>Total AHP subsidy awarded</b>	<b>Total development cost of AHP projects</b>
Member:	Sterling National Bank*	84	4,266	\$37,716,193	\$974,562,946
Sponsor:	Concern for Independent Living, Inc.	13	709	\$9,525,574	\$228,134,251

\*Figures presented include responsibilities assumed through mergers.

## HELP Buffalo II demonstrates the city's investment in preservation



*The HELP Buffalo II project. (FHLBNY)*

When the New York State Association for Affordable Housing hosted its annual upstate conference in September 2017, it invited attendees to visit the recently opened HELP Buffalo II project. This project was supported by state and local funding agencies and an \$850,000 award from the 2015 AHP round. The project consisted of both rehabilitation and new construction, for a total of 47 units for low- and very-low income households. At least 21% of those are reserved for formerly homeless veterans. The project is a piece of the City of Buffalo's community revitalization plans. Together with the rehabilitation of affordable housing in the adjoining property, a former awning factory, by the same sponsor, HELP Buffalo II the neighborhood.

		<b>AHP awards (1990-2017)</b>	<b>Units of affordable housing</b>	<b>Total AHP subsidy awarded</b>	<b>Total development cost of AHP projects</b>
Member:	Evans Bank, N.A.	11	351	\$4,415,386	\$28,222,191
Sponsor:	HELP USA, Inc.	2	97	\$1,422,838	\$28,822,696

## Middletown Homes integrates supportive housing into the neighborhood

Among the changes to the competitive AHP for the 2018 round are several new elements of the scoring criteria that should make smaller projects more competitive. A small project could be the best way for a town to address “zombie” properties in the foreclosure process; it could be financially and operationally feasible for a small, non-profit sponsor; and it could be the best model for low-income residents in a setting like a group home. This would include projects like Middletown Homes, which consists of two separate sites, donated by the township, to house eight very low-income developmentally disabled individuals, who may also have a visual impairment. The project, in Monmouth County, New Jersey, received a \$120,000 AHP award in the 2013 round. The newly constructed single-family homes include both private space for each individual and common space, and they are compatible with the style of homes in the neighborhood.



*One of the project's sites at the November 2017 grand opening. (FHLBNY)*

		<b>AHP awards (1990-2017)</b>	<b>Units of affordable housing</b>	<b>Total AHP subsidy awarded</b>	<b>Total development cost of AHP projects</b>
Member:	Two River Community Bank	4	172	\$2,020,000	\$37,638,496
Sponsor:	Allies, Inc.	1	8	\$120,000	\$1,665,040



## AHP facts & figures

Across our district, (New York, New Jersey, Puerto Rico and the U.S. Virgin Islands), the AHP provides moderate-, low- and very low-income families, senior citizens, the homeless and other individuals with special needs, safe, decent and affordable homes. Since the inception of the AHP program, the Bank, through its member lenders and their local partners (non-profit and for-profit affordable housing developers), has awarded \$579,855,928 in AHP grants, across 1,520 projects, helping to create 70,327 units of affordable housing. Figure 1 and Figure 2 below show the number and subsidy amount of AHP applications that have been submitted and approved since 2012:

Figure 1: AHP Applications and Awards Since 2012

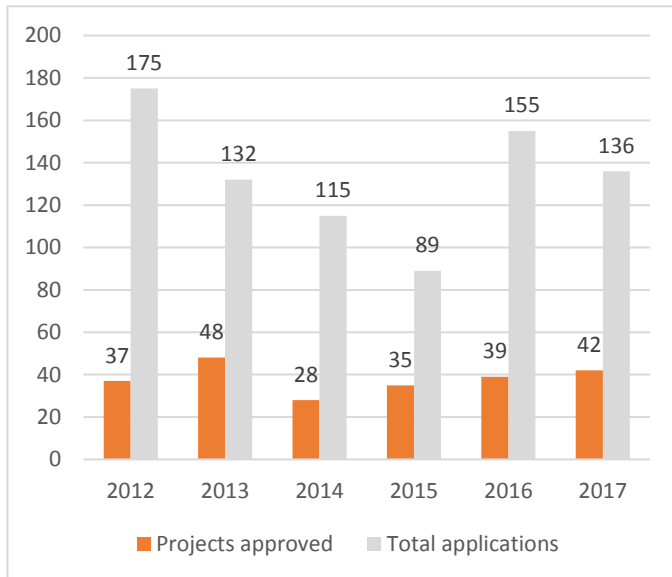
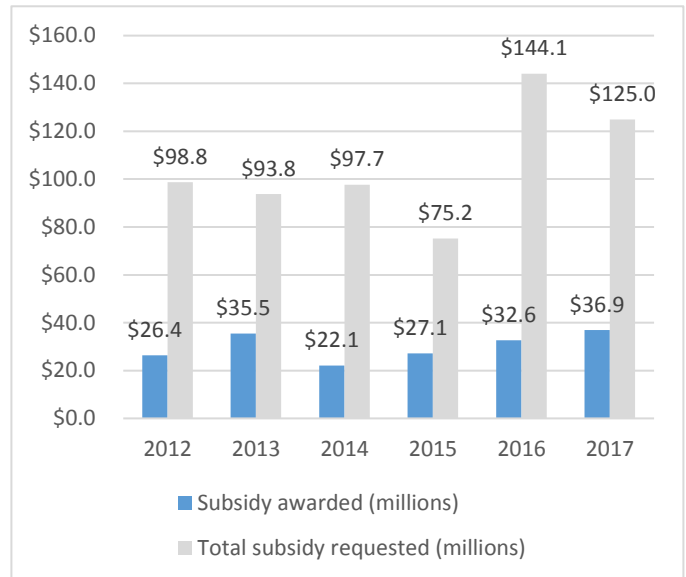


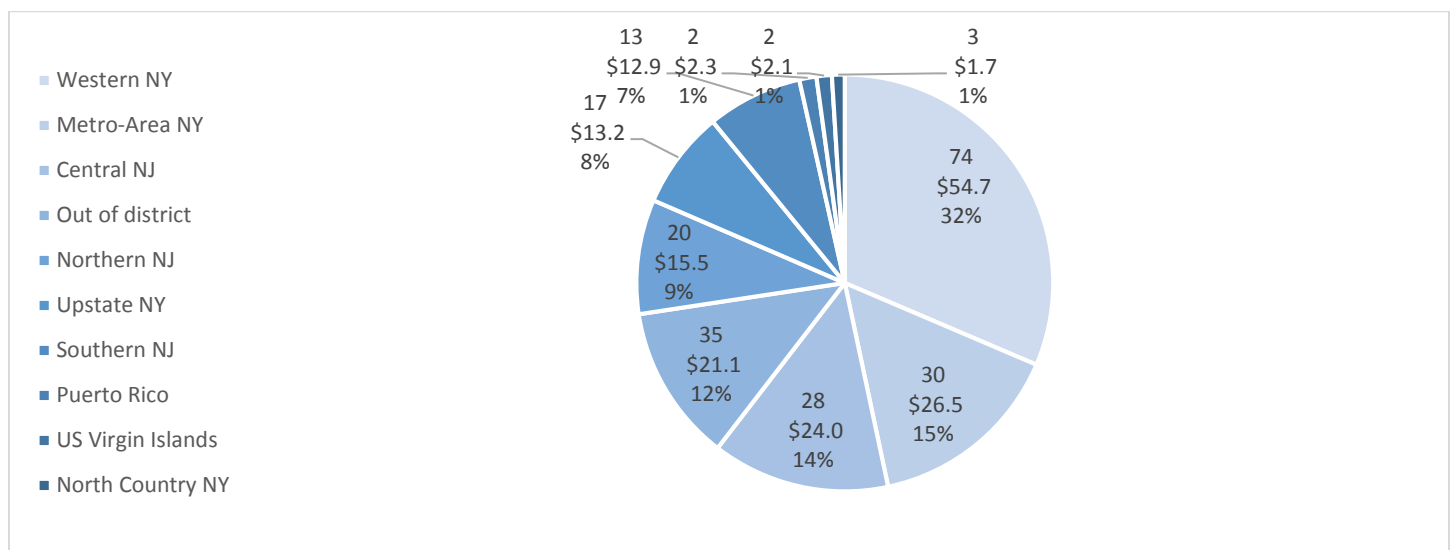
Figure 2: Value of AHP Applications and Awards Since 2012



Note: Data are from the time of each round and do not reflect subsequent round activity.

Figure 3 below provides the subsidy amount for projects that have been approved since 2012 within and outside the district, by region:

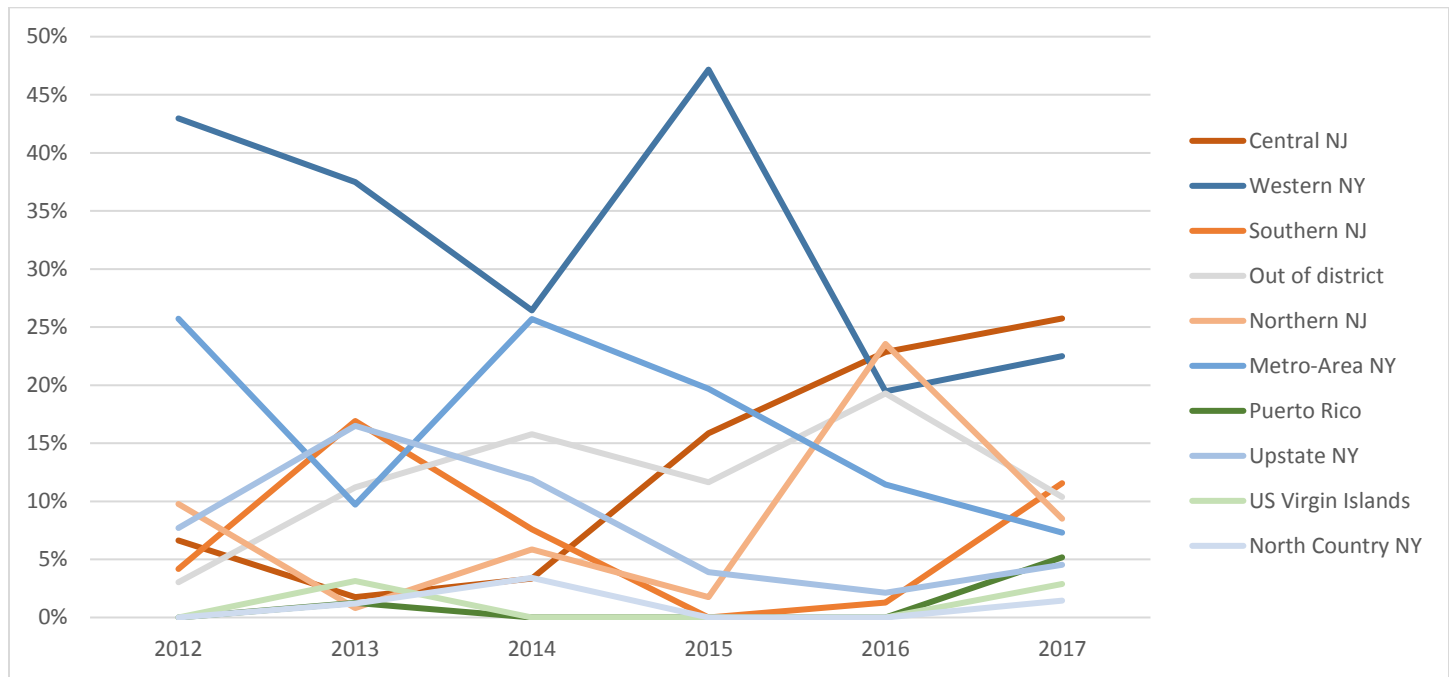
Figure 3: Number of AHP projects, total subsidy (\$ millions), and percentage of subsidy by region (2012 – 2017)



Note: Data current as of January 10, 2017.

Figure 4 below shows how the geographic distribution of AHP awards has shifted during the period 2012-2017. Each both 2016 and 2017, projects from New Jersey outperformed those from New York, both in terms of the number of projects receiving AHP commitments and the total dollar amount of commitments awarded.

Figure 4: Percentage of AHP subsidy awarded by region



Note: Data current as of January 10, 2017.

Table 2 below lists the 2017 AHP awards, sorted by subsidy amount within each state, and Table 3 shows the projects that were listed as alternates but did not receive a commitment.

*Table 2: 2017 AHP Round - Approved Projects*

Project Name	Subsidy	Sponsor	Member	State
Freedom Village at Gibbsboro	\$1,668,181	Project Freedom, Inc.	Investors Bank	NJ
1721 Springdale Road	\$1,580,000	Jewish Federation of Southern New Jersey	Manufacturers and Traders Trust Company	NJ
Page Homes	\$1,379,765	Trenton Housing Authority	Manufacturers and Traders Trust Company	NJ
Camp Kilmer Phase A	\$1,275,000	Township of Edison	Fulton Bank of New Jersey	NJ
North Brunswick Crescent	\$1,200,000	North Brunswick Crescent Urban Renewal LLC	First Bank	NJ
Granville Towers	\$1,185,000	Keansburg Housing Authority	Valley National Bank	NJ
The Renaissance - Asbury Park	\$1,024,000	Michaels Community Services Corporation	Manufacturers and Traders Trust Company	NJ
Victorian Towers	\$1,020,000	Diocesan Housing Services Corp.	1st Colonial Community Bank	NJ
The Hilltop Residences	\$980,000	Life Management, Inc.	Valley National Bank	NJ
Highlands Housing Authority RAD	\$911,000	Highlands Housing Authority	Investors Bank	NJ
Montgomery Heights II	\$841,500	Housing Authority for the City of Newark	Manufacturers and Traders Trust Company	NJ
Henderson Road	\$800,000	Life Management, Inc.	Valley National Bank	NJ
Samuel Kronman Senior Housing	\$722,378	Highland Park Affordable Housing Corporation	Atlantic Stewardship Bank	NJ
Halsted Senior Supportive Apartments	\$630,000	East Orange Housing Authority	Citibank, N.A.	NJ
Henderson Road Supportive	\$600,000	Life Management, Inc.	Valley National Bank	NJ
New Horizons Phase I	\$450,000	Housing Authority for the City of Newark	Citibank, N.A.	NJ
Park Terrace RAD Conversion	\$412,790	Highland Park Housing Authority	Atlantic Stewardship Bank	NJ
Myrtle Avenue Group Homes	\$240,000	ARC of Union County	RSI Bank	NJ
Buffalo City Mission	\$3,263,592	City Mission Society, Inc.	Manufacturers and Traders Trust Company	NY
Moxey A. Rigby Apartments	\$2,000,000	Freeport Housing Authority	Flushing Bank	NY
Hornell Community Apartments	\$1,400,000	City of Hornell Housing Authority	Steuben Trust Company	NY
Bishop Ludden Apartments	\$1,117,258	Ludden Housing Development Fund Company	NBT Bank, N.A.	NY
Ida Yarbrough Homes Redevelopment - Phase 2	\$1,100,000	Albany Housing Authority	Manufacturers and Traders Trust Company	NY
Sacred Heart Apartments	\$772,171	Cicero Housing Development Fund Company	NBT Bank, N.A.	NY
St. Augustine Apartments	\$650,000	Association of New York Catholic Homes	HSBC Bank USA, National Association	NY
Asteri Utica	\$572,100	Vecino Group New York, LLC	Citibank, N.A.	NY
Sunrise Acres III Supportive Housing Project	\$540,000	Akwesasne Housing Authority	Glens Falls NB & Trust Company	NY
Freedom Commons	\$450,000	Freedom Commons, HDLC	Syracuse Cooperative FCU	NY
Salato Gardens Rehabilitation Project	\$432,230	Cayuga Developments, Inc.	Generations Bank	NY

Project Name	Subsidy	Sponsor	Member	State
West Shore Apartments Rehabilitation Project	\$420,220	Cayuga Developments, Inc.	Generations Bank	NY
GDZ Homes	\$214,154	Buffalo Neighborhood Stabilization Company, Inc.	Manufacturers and Traders Trust Company	NY
Polly Jean Suites	\$100,000	My Place Home for the Homeless, Inc.	Manufacturers and Traders Trust Company	NY
Hinman	\$80,000	People Inc.	Evans Bank, National Association	NY
Roberts Road	\$60,000	People Inc.	Evans Bank, National Association	NY
Kendall	\$48,360	Sheltering Homeless (SHORE)	PCSB Bank	NY
Sabana Village Apartments	\$1,912,550	Lucha Contra El Sida, Inc.	Banco Popular de Puerto Rico	PR
Louis E. Brown Phase III	\$1,060,000	Virgin Islands Housing Authority	Banco Popular de Puerto Rico	VI
Gaudenzia Claymont	\$375,000	Gaudenzia Foundation, Inc.	Manufacturers and Traders Trust Company	DE
Frederica Revitalization III	\$60,000	Central Delaware Habitat for Humanity, Inc.	Manufacturers and Traders Trust Company	DE
Cherry Grove Apartments	\$1,600,000	Riverside Charitable Corporation	Manufacturers and Traders Trust Company	PA
Willows at Mount Vernon	\$300,000	MMV Associates Limited Partnership	Citibank, N.A.	PA
Eva Manor	\$1,500,000	CDA Housing, Inc.	Citibank, N.A.	WI

*Table 3: 2017 AHP Round - Approved Alternate Projects*

Project Name	Subsidy	Sponsor	Member	State
Pearl Center*	\$545,000	Delaware Center for Homless Veterans, Inc.	Peapack-Gladstone Bank	DE
Raymond Watkin Apartments*	\$2,300,000	Riverside Charitable Corporation	Manufacturers and Traders Trust Company	NY
Pine View Circle	\$720,000	Better Housing for Tompkins County	Manufacturers and Traders Trust Company	NY
Penrose Transitional Living and Respite	\$400,000	Citizens Acting Together Can Help, Inc.	Manufacturers and Traders Trust Company	PA

\*Initially designated an alternate but received a commitment.

The First Home Club (FHC), a non-competitive, AHP set-aside program, encourages low- and moderate-income households in the district to plan and save for the purchase of a home. The Bank provides up to \$7,500 to eligible first-time home buyers, as a match of four dollars for each dollar that they save, according to a systematic plan, in a dedicated savings account at a participating member institution. The matching funds can be used for down payment and closing cost assistance. Making a systematic deposit into a dedicated account mirrors the habit of making systematic mortgage payments. Households must also participate in a homeownership counseling program; the Bank provides up to an additional \$500 toward the cost of the non-profit housing agency counseling. Participation is limited to households that purchase a home in the FHLBNY district (New York, New Jersey, Puerto Rico and the US Virgin Islands). Between the FHC and the Affordable Housing Program, each year the Bank disburses 10% of its prior year's net income, as per its governing [regulations](#).

Since inception, the program has awarded grant subsidy to 14,381 households, for a total of \$104,732,570. As of year-end 2017, the total number of active households in the FHC pipeline was over 4,400. Table 4 below shows the Members with the highest levels of FHC participation during 2017:

*Table 4: Member participation in FHC (2017)*

<i>Funding</i>		<i>Enrollments</i>	
<b>Member</b>	<b>% of funding</b>	<b>Member</b>	<b>% of enrollments</b>
KeyBank, N.A. <sup>1</sup>	20%	Manufacturers and Traders Trust Company	27%
Manufacturers and Traders Trust Company	19%	Empower Federal Credit Union	12%
Empower Federal Credit Union	11%	HSBC Bank USA, National Association	8%
State Employees Federal Credit Union (SEFCU)	9%	State Employees Federal Credit Union (SEFCU)	7%
ESL Federal Credit Union	4%	ESL Federal Credit Union	5%

## FHC in 2017: Angela and Christopher move into their Schenectady home



*Angela, Christopher and their son in front of their new home. (FHLBNY)*

Patience. That is the advice Angela and Christopher say they would give to first-time homebuyers. The couple was outbid on several properties before finding their new home in Schenectady, New York. But their patience paid off: their new home, near schools and a park, is perfect, they say, for raising a family. The couple closed on the mortgage in April 2017, receiving \$7,500 toward their down payment and closing costs and an additional \$500 for counseling. Angela and Christopher received training from the Affordable Housing Partnership; their counselor was actually Susan Cotner, the organization's executive director and a member of the Bank's Affordable Housing Advisory Council. Now homeowners, after spending 10 years renting a one-bedroom apartment, Angela and Christopher say they feel a sense of pride and that their family is safe and secure in their very own home.

**Member:** State Employees Federal Credit Union (SEFCU)

**Total FHC households enrolled (1996-2017):** 1,738

**Households funded:** 756

<sup>1</sup> In October 2016 First Niagara Bank N.A. merged with and into KeyBank N.A., a non-Member of FHLBNY. KeyBank took on First Niagara's obligations under the First Home Club program.



## FHC facts & figures

Figure 5 below shows the number of new households enrolled in the First Home Club each year since 2012, and Figure 6 shows both the number of closings and the value disbursed by the program since 2012:

Figure 5: New FHC Enrollments by Year (2012-2017)

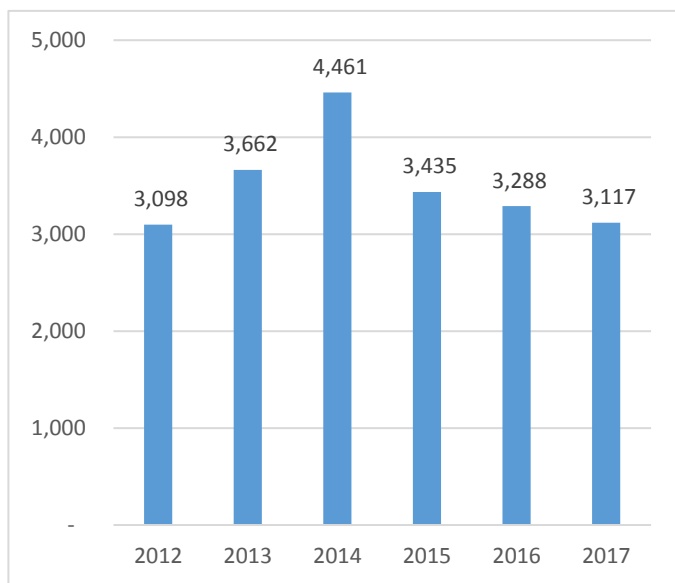
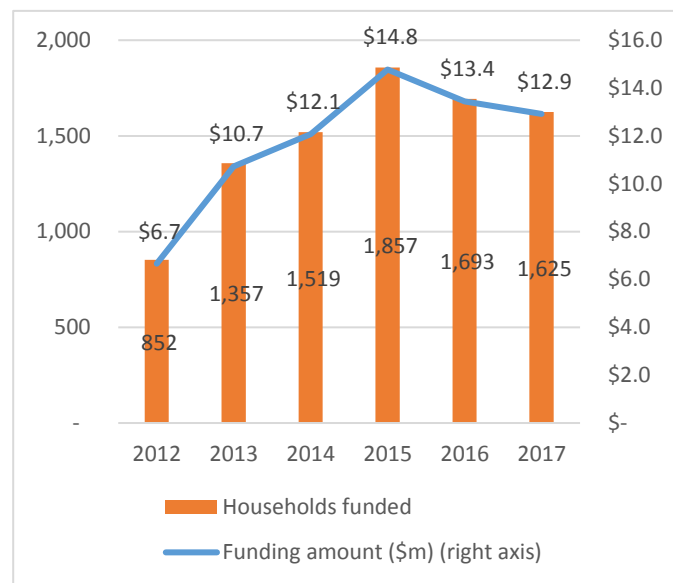


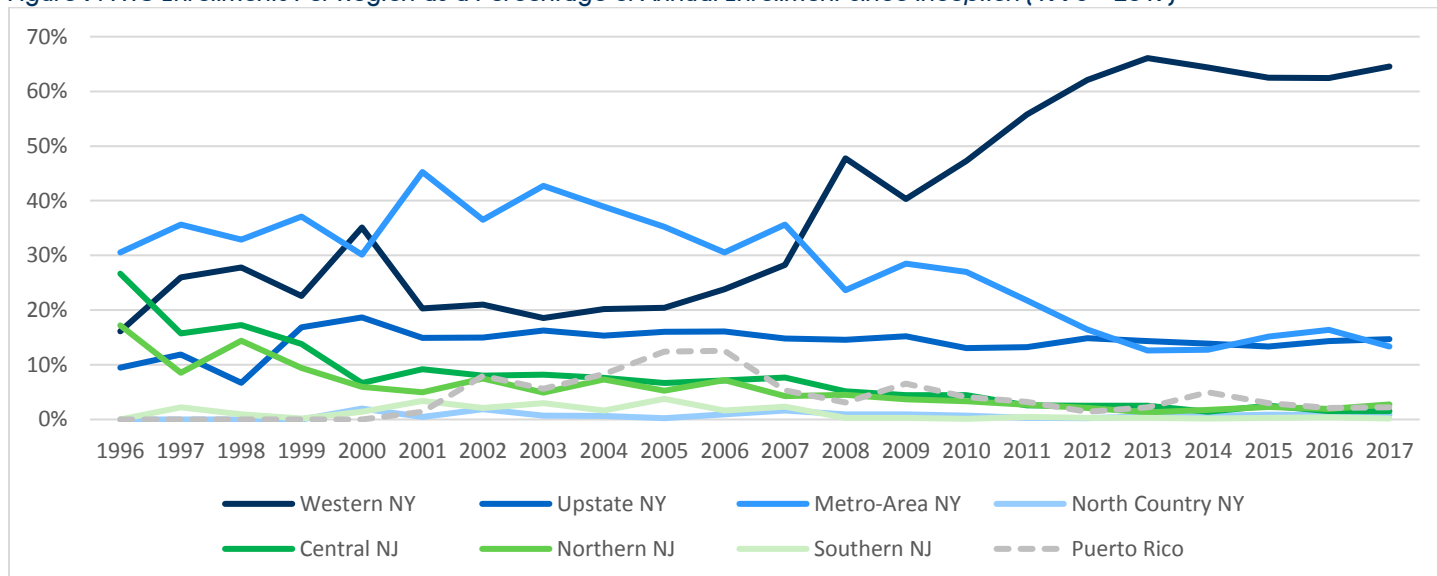
Figure 6: FHC Closings and Funding (2012-2017)



Notes: As a result of the 2015 implementation of program and member-level household caps, enrollment activity has leveled off, with an active pipeline of 4,400. Closings and funding activity has demonstrated a reduced risk, as the FHC funding demand has not exceeded available FHC funds. A continued focus for the last two years on pipeline monitoring has assisted with this potential risk and a reserve has been put in place in the event there is an increase in funding demand.

Figure 7 below shows how the geographic distribution of FHC enrollments has shifted, particularly since 2007:

Figure 7: FHC Enrollments Per Region as a Percentage of Annual Enrollment Since Inception (1996 – 2017)



# 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 Bank's competitive AHP and non-competitive FHC programs, both of which are grant programs. There are three Community Lending Programs:

- » The Community Investment Program (CIP) provides discounted rate advances for housing related activities for households whose incomes do not exceed 115% of the area median income ("AMI").
- » 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 area median income level.
- » 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 tract median family income is at or below 115% of the overall area median income level.

For each program, members can request advances on a project-specific basis to match-fund the terms of a particular qualifying loan, or on a program-specific basis to fund a portfolio of recently closed loans (within the prior 90 days of the requested advance). The CLP programs help members meet their Community Reinvestment Act requirements.

## CLP in 2017: Mission-based CDFI qualifies for discounted advances

"We couldn't wait to take advantage of this terrific lending program." Those were the words used by Christopher Blair, a senior vice president at the Community Development Trust, to describe the Bank's Community Investment Program. The program is "the lowest cost of funding that we have seen in the marketplace in years," he said. In 2017 CDT became the first Community Development Financial Institution ("CDFI") to take advantage of the Bank's community lending programs.

CDT, which became a Member in 2012, invests nationally in affordable housing and charter school projects. Because of the organization's mission, Blair said, "almost all of our loan portfolio would likely qualify for funding under the CIP or UDA programs." Blair said they plan to consider expanding their participation in the program, especially if the multi-family affordable housing properties perform as expected.

In May 2017, CDT submitted four residential multi-family property loans, totaling \$8 million, for CIP funding. The underlying properties are located in El Paso, Texas, Denver, Colorado, Fort Meyers, Florida, and Scottsdale, Georgia. In July, CDT submitted another residential multi-family loan, for a qualifying property located in Santa Fe, New Mexico, and requested an additional \$2 million CIP advance.



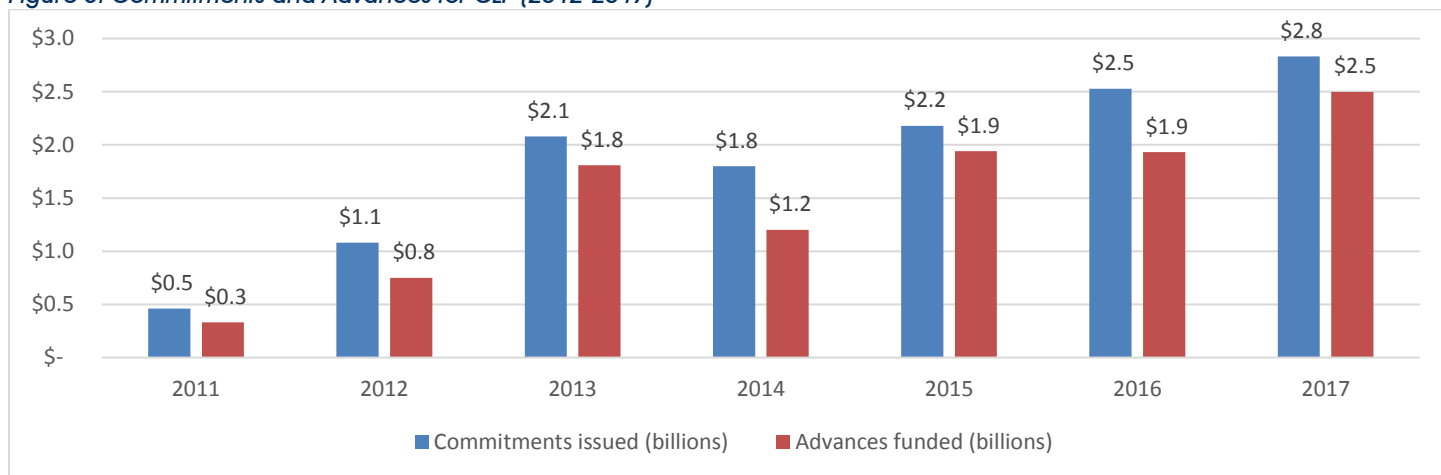
*Santa Fe Community Living in New Mexico. (CDT)*

"The lower rates available on the CIP advances allows CDT to keep our lending rates at lower levels," Blair said. "And this helps us further our mission for the preservation of more units of affordable housing and expanding charter school lending."

## CLP facts & figures

The CLP continues to grow in popularity with our member banks. In 2017, the Bank issued \$2.8 billion in CLP commitments and funded \$2.5 billion in CLP advances. As Figure 8 below shows, these figures represent, respectively, increases of 12% and 29% over the figures from 2016.

*Figure 8: Commitments and Advances for CLP (2012-2017)*



### Community Investment Program

From January 1, 2017 until December 31, 2017, the Bank committed \$1,303,170,106 to 20 Member institutions and funded \$1,373,434,510 to 27 Members. Table 5 below shows, this included \$281,246,404 in advances drawn on outstanding CIP commitments issued in 2015 and 2016:

*Table 5: Total CIP Commitments Issued and Funded*

	Committed	Funded
Commitments Issued and Funded in 2017	\$1,303,170,106	\$1,092,188,106
Advances funded in 2017 on Commitments Issued in 2016	---	\$246,839,604
Advances funded in 2017 on Commitments Issued in 2015	---	\$34,406,800
<b>Total</b>	<b>\$1,303,170,106</b>	<b>\$1,373,434,510</b>

In 2017, Members submitted qualified loans totaling \$1,514,450,841. These qualified loans supported several counties within our district, as well as other areas outside of our district, that were within the member Bank's mortgage lending footprint. CIP advances drawn in 2016 utilized 91% of the value of submitted qualified loans.

### Urban Development Advance & Rural Development Advance Programs

From January 1, 2017 until December 31, 2017, the Bank committed \$1,528,787,394 to 29 Member institutions and funded \$1,124,280,093 to 36 Members. As Table 6 below shows, this included \$188,853,700 in advances drawn on outstanding RDA and UDA commitments issued in 2015 and 2016:

*Table 6: Total UDA/RDA Commitments Issued and Funded*

	Committed	Funded
Commitments Issued and Funded in 2017	\$1,528,787,394	\$935,426,393
Advances funded in 2017 on Commitments Issued in 2016	---	\$169,453,700
Advances funded in 2017 on Commitments Issued in 2015	---	\$19,400,000
<b>Total</b>	<b>\$1,528,787,394</b>	<b>\$1,124,280,093</b>

In 2017, member banks submitted qualified loans totaling \$1,162,698,856. These qualified loans supported counties in our district as well as other areas outside of our district, but within the member bank’s mortgage lending footprint. UDA and RDA advances drawn in 2017 utilized 97% of the value of submitted loan pools.

Figure 9 below shows the geographic distribution of approved loans submitted to secure commitments from the Bank’s Community Lending Programs in 2017:

*Figure 9: Number of approved loans to be funded by CLP commitments (2017)*

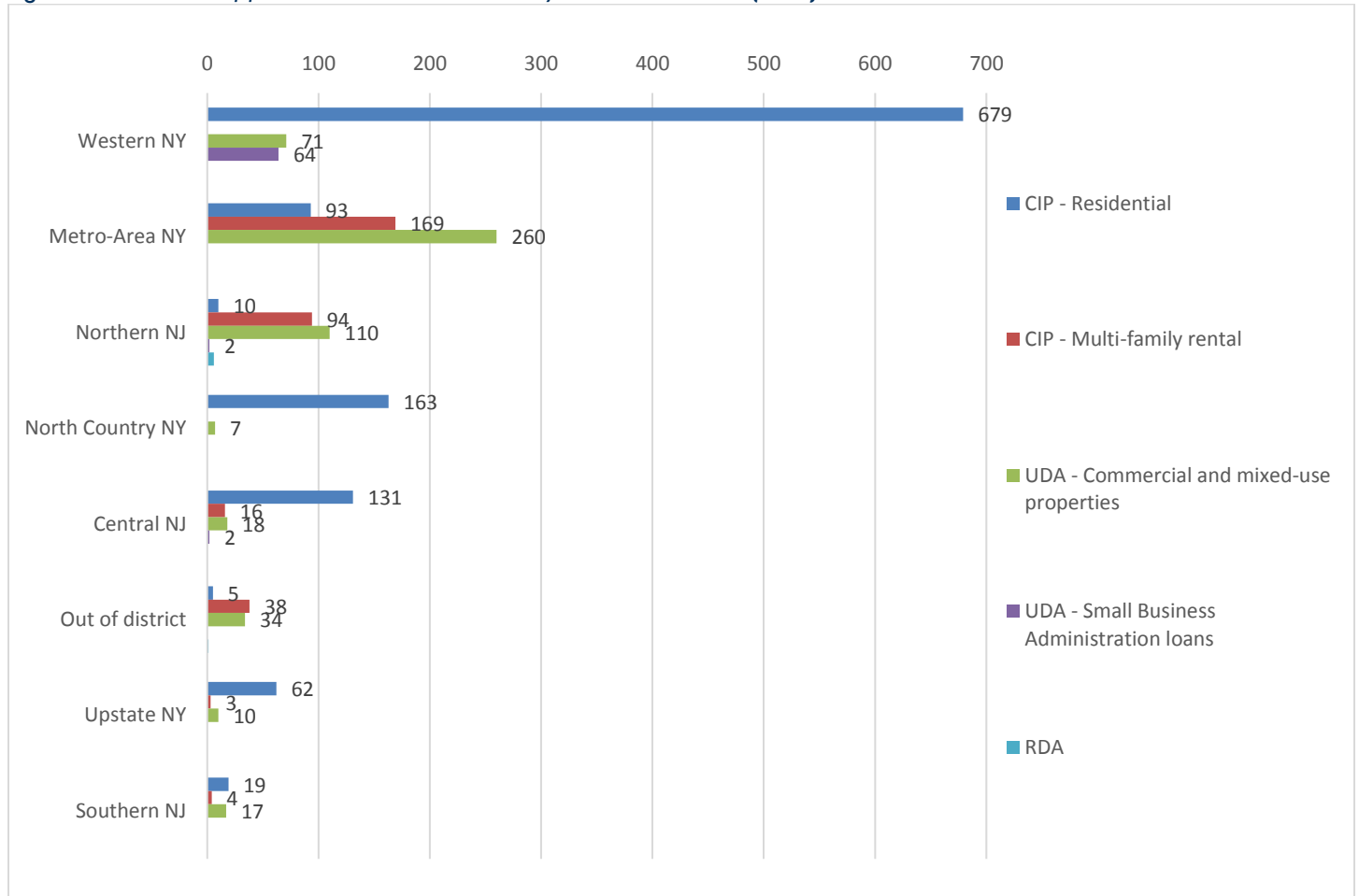


Figure 10 below shows the geographic distribution, *by value*, of approved loans submitted in 2017:

**Figure 10: Value of approved loans to be funded by CLP commitments (\$ millions) (2017)**



Note that the average value per approved loan in Metro-Area New York is considerably higher than the values for the other regions. Hence the discrepancies between the two graphs, particularly between Metro-Area and Western New York.

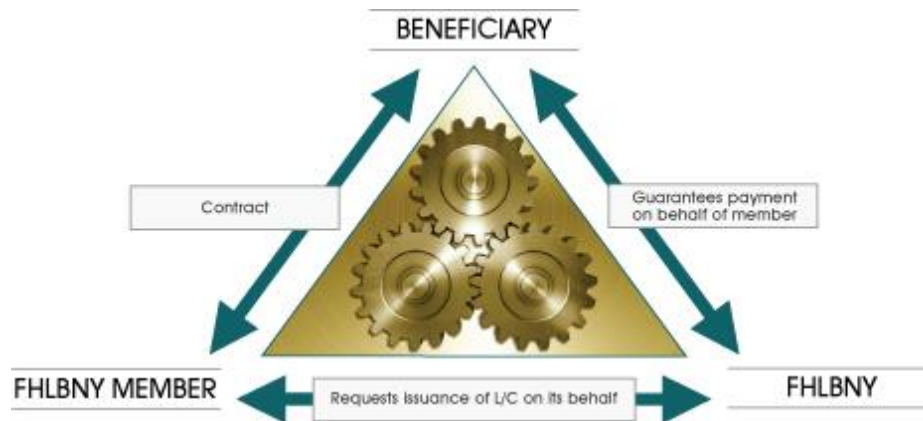
### Disaster Relief Funding Program

In the wake of Hurricanes Irma and Maria, which caused extensive damage in Puerto Rico and the U.S. Virgin Islands, the FHLBNY established a \$1 billion Disaster Relief Fund to provide immediate access to financing in the areas that were designated as disaster areas by the federal government. This program includes both CIP and UDA funding and will be available until all funds are allocated or until the Federal Emergency Management Agency designation for the area has been lifted, whichever occurs first.



# 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 and when certain conditions are met. A Bank LOC substitutes the issuing member bank’s credit for the credit of the Bank. Bank LOCs are AAA-rated by both Moody’s Investors Service and Standard & Poor’s — the leading providers of independent credit ratings. According to Moody’s Investors Service, AAA-rated is judged to be the best quality and carries the smallest degree of investment risk. A Bank LOC is collateralized in the same way as an advance. The Bank charges a fee for issuing LOCs and for draws under the LOC.



The Bank’s Irrevocable Standby LOCs provide that the Bank will make payment to the LOC beneficiary in the event of a member bank’s default or failure to perform under a contract or other agreement between parties.

CICA LOCs are utilized to finance lending activities that also qualify under the Bank’s CLPs which promote community-oriented mortgage lending. When LOCs are used for eligible housing and community purposes, they facilitate transactions that promote home financing, housing activity, or financing of commercial and economic development.

Municipal Letters of Credit (“MULOC”) enable member banks to more easily attract municipal deposits as additional forms of liquidity, which help member banks to better serve their communities. In addition, the Bank offers Refundable MULOCs to provide member banks with more flexibility in collateralizing municipal transaction accounts, whose balances fluctuate over time.

Other purposes for which members may routinely use LOCs include:

- » Provide credit enhancements for collateral subordinated obligations or other mortgage-backed securities
- » Provide credit support in the sale of whole mortgage loan portfolios
- » Facilitate the beneficiary’s drawing of interest payments from a bond issue
- » Support tax-exempt municipal bonds

As of December 31, 2017 the Bank had a total of 585 outstanding LOCs amounting to \$15,883,408,508.38, as Table 7 below shows:

**Table 7: Total Outstanding Letters of Credit by Type**

Type	Number Outstanding	Amount Outstanding
CICA Letters of Credit	1	\$4.3 million
Standby Letters of Credit	9	\$9.3 million
Municipal Letters of Credit	511	\$15.0 billion
Refundable Municipal Letters of Credit	64	\$911.7 million

## **CICA LOC in 2017: Ponce Bank supports affordable housing construction in the Bronx**

In March, 2017, the New York City Housing Development Corporation (“NYCHDC”) made a mortgage loan to MLK Plaza, LLC for the construction of a 167-unit multi-family rental housing project for low-to-moderate income residents with annual income at or below 100% of the median family income in the Bronx, New York. The project relied on a CICA Confirming Letter of Credit issued by the Bank on behalf of Ponce Bank, a federally chartered savings bank headquartered in the Bronx. The two-year confirming standby LOC, for \$4.3 million, will serve as a performance guarantee from Ponce Bank’s customer, Real Builders, Inc., the general contractor, to the NYCHDC.

## Housing Finance Agency Credit Activity and Investments

The Bank furthers its mission to advance housing opportunity and local community development through its purchase of housing finance agency bonds. These investments serve to provide liquidity to various in-district municipalities as well as providing much needed financing for the supportive of housing needs of our district. In 2017, the Bank executed two trades totaling 101.3 million in Variable Rate Sustainable Neighborhood Bonds from the New York City Housing Development (HDC). HDC's mission is to increase the supply of multi-family housing, stimulate economic growth and revitalize neighborhoods by financing the creation and preservation of affordable housing for low-, moderate-, and middle-income New Yorkers. It does so in part by loaning the proceeds of its bond sales to develop or preserve affordable housing. Bond financing enables project developers to access as of right "4%" Low-Income Housing Tax Credits that are purchased by private investors, thus multiplying the funding available to preserve and expand affordable housing in the district.

# Outreach Activities

In 2016 the Bank undertook a large-scale effort to promote the affordable housing and community lending programs across the district, particularly through group presentations in several cities. As described above, this contributed to a greater share of participation in the competitive AHP from New Jersey in the 2016 and 2017 rounds as compared with previous years. In 2017 the Bank conducted more targeted outreach around particular themes. The impact of this outreach is closer alignment with the needs and priorities in the district, as evidenced by more significant changes to the AHP for 2018 than were made in recent years.

## Outreach themes for 2017

The number of Bank staff dedicated to community investment grew in 2017 to the point where management considers the programs fully staffed. This allowed for more individual, personal outreach in the following areas:

1. Technical assistance with Members and project sponsors for the competitive AHP. Bank staff members held 59 conference calls during the year regarding previous applications to the program and potential applications for future rounds. This support has become a hallmark of the program — partners consistently express appreciation for the level of effort. And as a result, just 5 projects (or 4% of applications) were deemed ineligible in the 2017 round, compared with 15 projects (10%) in 2016 and 26 projects (29%) in 2015. Clearly, Bank outreach is helping improve the quality of submissions.
2. Coordination with other funding sources in the district on projects in the pipeline, timing for application review, underwriting documentation and procedures, and emerging issues in the industry. The Bank held in-depth discussions with senior technical staff at the New Jersey Housing and Mortgage Finance Agency, New York State Homes and Community Renewal, the New York State Office of Temporary and Disability Assistance, the New York State Affordable Housing Corporation, New York City Housing Preservation and Development, and the New York City Housing Authority. The goal is that project sponsors will have clearer expectations, fewer surprises, and less duplicative work when they seek funding in the district.



*Paul Héroux, SVP, Chief Bank Operations Officer and Community Investment Officer, with Akwesasne Housing Authority's Executive Director and AHAC member, Retha Leno, and the Director of Operations, Michel Simon, surveying the proposed site for Sunrise Acres III. (FHLBNY)*

3. Learning about the housing activities, needs and priorities of Native American tribes in the district. In the 2016 AHP round, the Bank received its first application for a project on tribal land, sponsored by the Akwesasne Housing Authority (St. Regis Mohawk tribe) in New York State. Though that application was unsuccessful, it spurred the Bank to undertake significant and sincere outreach with that tribe and the other seven federally recognized tribes in New York. (New Jersey, Puerto Rico and the U.S. Virgin Islands do not have federally recognized tribes.) During the course of the year, staff visited the St. Regis Mohawk (Akwesasne) tribe, the Seneca Nation and the Shinnecock Indian Nation to meet with their leaders, tour existing housing developments and survey the housing stock and needs, and brainstorm future partnerships with the Bank. Beyond the district, staff led a large-group training on the AHP for members of tribes from across the Eastern U.S. at a program hosted by the Department of Housing and Urban Development.

And together with five other Federal Home Loan Banks, the Bank sponsored and attended the National Indian Housing Council's annual convention. The Akwesasne Housing Authority re-submitted its application in the 2017 AHP round after technical assistance with Bank staff, and this time it received a commitment.

4. Engagement with members of the Affordable Housing Advisory Council (“AHAC”) and other district stakeholders to position the programs to address needs that struggle to get funding. AHAC members sought out Bank staff for help across a range of issues: the challenges for cities and developers to revitalize so-called zombie properties (in the foreclosure process); the high costs of securing the needed approvals and documentation, relative to the scope of the typical project, faced by small developers and sponsors of small projects; and the perception that projects for owner-occupied housing are at a disadvantage compared with rental projects in the application process. This engagement led to concrete changes in the program for the 2018 AHP round, approved by the Housing Committee of the Board of Directors.
5. Research to add a supportive housing component to the competitive AHP. The Bank expanded its network in the area of supportive housing for special needs populations, including people with mental and physical disabilities, the formerly incarcerated, and those with chemical dependencies. Staff established and strengthened connections with networks of community groups in both New York and New Jersey, as well as state funding agencies with a focus on supportive housing, to understand how financing these kinds of projects may be different and more difficult than those faced by typical AHP applicants. For the 2018 round, the AHP will explicitly reward AHP applications with a supportive housing component.
6. Training sessions, over the phone and in person, with Members on the First Home Club program to improve understanding of and compliance with program requirements. Bank staff spoke with 25 Member institutions individually, and approximately 10 others in group presentations. Among these Members were the twelve new participants in the program added in 2017. These Members (either truly new to the program or those that had been inactive for at least three years) are Community Bank, N.A.; Community Resource FCU; Core FCU; Edge FCU; First New York FCU; Flushing Bank; Lakeland Bank; North Jersey FCU; Olean FCU; St. Joseph Parish Buffalo FCU; USNY Bank; and XCEL FCU. As the Bank improves its program for first time homebuyers for launch in 2019, staff will undertake an even greater level of outreach to ensure a smooth transition.



*Bank staff with AHAC member Staci Berger (second from left) and past AHAC chair Melody Federico (third from right) at the New Jersey Supportive Housing Conference in December. (FHLBNY)*

## Outreach focus for 2018

As per the Bank’s 2018 Community Lending Plan, approved by the Board in December 2017, the Bank will undertake targeted outreach in the following areas in 2018:

- » Successfully deploy new disaster recovery grant programs for areas affected by Hurricanes Irma and Maria in Puerto Rico and the U.S. Virgin Islands through the Bank’s Members in those territories;
- » Continue to improve the Bank’s understanding of and immersion into the district’s most pressing housing and community development needs, including supportive housing for special needs populations;
- » Develop an efficient, meaningful program to support first-time homebuyers that can be utilized by Members across the district;
- » Expand lending and grant program participation more broadly across the district, particularly in the areas of North Country and the Mohawk Valley in New York, Northwest and Southern New Jersey, and all of Puerto Rico and the U.S. Virgin Islands;
- » Position the programs to support neighborhood preservation and revitalization efforts, in coordination with other funding agencies and innovative approaches such as community land trusts; and
- » Create better ways to measure Bank programs’ impact on the housing market, collaborating with developers in the district and industry experts.



# 2017 Affordable Housing Advisory Council

The Affordable Housing Advisory Council of the Federal Home Loan Bank of New York advises the Bank and its board of directors on ways in which the Bank can better carry out its affordable housing and community development mission. The Advisory Council meets quarterly and is made up of representatives from housing and community-development organizations throughout the FHLBNY District.

**Carrie Michel-Wynne (Vice Chair)**

Director of Housing  
YWCA of Rochester & Monroe County  
Rochester, New York

**Wayne T. Meyer**

President  
New Jersey Community Capital  
New Brunswick, New Jersey

**Staci A. Berger**

President and CEO  
The Housing and Community Development Network of NJ  
Trenton, New Jersey

**James Britz**

Senior Vice-President  
Long Island Housing Partnership, Inc.  
Hauppauge, New York

**Krystal R. Canady**

Chief Executive Officer  
The Gateway Family YMCA  
Elizabeth, New Jersey

**Susan Cotner**

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

**Robert A. DiVincent**

Executive Director  
West New York Housing Authority  
West New York, New Jersey

**Retha Leno**

Executive Director  
Akwasasne Housing Authority  
Akwasasne, New York

**Daniel Kelly**

Chief Executive Officer  
Community Quest  
Egg Harbor Township, New Jersey

**Daniel Martin**

President and CEO  
Housing Partnership Development Corp.  
New York, New York

**Colin McKnight**

Deputy Director  
New York State Rural Housing Coalition  
Albany, New York

**Faith Moore**

Executive Director  
Orange County Rural Development Advisory Council  
Walden, New York

**Maria G. Rodriguez-Collazo**

Director of Housing Programs  
PathStone Corporation  
Ponce, Puerto Rico

**David A. Rowe**

Executive Vice President  
CAMBA Housing Ventures, Inc.  
Brooklyn, New York

## 2017 Board of Directors' Housing Committee

The Housing Committee of the Board of Directors serves as the Board's liaison to the Affordable Housing Advisory Council, reviewing its annual report to the Federal Housing Finance Agency and recommending new members for the Council. The committee reviews the Bank's Affordable Housing Program Implementation Plan and its Community Lending Plan and approves awards, as well as performing other responsibilities.

**Reverend Edwin C. Reed (Chairman)**

President and CEO  
GGT Development LLC  
Jamaica Estates, New York

**Anne Evans Estabrook (Vice Chair)**

Chairman  
Elberon Development Group  
Cranford, New Jersey

**Kenneth J. Mahon**

President and CEO  
Dime Community Bank  
Brooklyn, NY

**David J. Nasca**

President and CEO  
Evans Bank, N.A.  
Hamburg, New York

**Larry E. Thompson**

Vice Chairman  
The Depository Trust & Clearing Corporation  
New York, New York

**Reverend DeForest "Buster" Soaries, Jr.**

Senior Pastor  
First Baptist Church of Lincoln Gardens  
Somerset, New Jersey

**Ángela Weyne**

Former Commissioner of Insurance  
Commonwealth of Puerto Rico  
San Juan, Puerto Rico

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**Brian Loeb**  
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**Max Epstein**  
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