



Federal Home Loan Bank  
NEW YORK

# Affordable Housing Advisory Council

## 2019 Annual Report

# Letter from The President & AHAC Chairperson



José R. González  
*President and Chief Executive Officer*



Wayne Meyer  
*Chairperson, Affordable Housing Advisory Council*

Dear Members,

On July 8, 2019, we ushered in a new era of creating homeownership opportunities at the Federal Home Loan Bank of New York with the launch of the Homebuyer Dream Program (HDP), a modernized version of our First Home Club set-aside program. The HDP was developed through our ongoing engagement with our members, our housing partners, our Board and the members of our Affordable Housing Advisory Council to determine how the FHLB NY can better deploy our Community Investment programs in the communities we serve and be more responsive to the pressing housing needs of our region. That is the strategic focus of our housing mission, and this focus is reflected in the Homebuyer Dream Program.

We launched the inaugural HDP round with \$7 million in available funds. In preparing for the launch, our Community Investment staff conducted significant outreach across our District, including in-person presentations, group training sessions, online tutorials, a live webinar and a number of written member communications. This outreach, and the commitment to creating housing opportunities that we share with our members, helped generate a strong turnout for the inaugural round, and we subsequently increased the funds available by \$2 million based on strong interest from our members. When the round closed on July 30, one-third of our members had signed up to participate in the HDP, more than half of those members had submitted applications on behalf of households, and 734 households had been enrolled in the program, on their way to homeownership. As we prepare for the HDP's 2020 round, our team is working with various program stakeholders to ensure that we build on this momentum and further strengthen the HDP so that it can benefit households across our District for years to come – just as the First Home Club has provided a clear path to homeownership over its 25-year history.

We are excited for the future of the HDP, and we are proud of the impact we have made through the First Home Club, through which we and our members have provided more than \$127 million in grants to help more than 17,000 households become homeowners. We are fully committed to seeing the First Home Club through to completion: the 1,400 households currently enrolled in the First Home Club will continue to follow their paths to homeownership with our full support.

In a year marked by the debut of one housing program, we also achieved a milestone in another: our 50<sup>th</sup> round of Affordable Housing Program (AHP) grants. We announced the 2019 AHP Round on September 25, awarding \$45.8 million in subsidies to fund 45 affordable housing initiatives that will result in the creation or



rehabilitation of 3,210 affordable homes. This milestone is a testament to both our continued focus on our housing mission and the continued commitment of our members to the communities we all serve. Since our first AHP round in 1990, our members have accessed these grants to support initiatives that make tangible and lasting impacts in the lives of households and families across our District and beyond. The AHP is at the core of our housing mission and a tremendous source of pride for all of us at the FHLBNY.

In 2019, we were not only focused on creating housing opportunities, but preserving them. In November 2019, we disbursed the final dollars of our Homeowner and Small Business Recovery Grant Programs – a \$5 million allocation to support our efforts to help communities in Puerto Rico and the U.S. Virgin Islands recover from the dual impacts of hurricanes Irma and Maria in 2017. In total, these programs aided 530 households and 156 small businesses. We created these programs with the understanding that the local lender is key to relief and rebuilding efforts following natural disasters, and it was through the commitment of our Caribbean members and their non-profit partners that these programs succeeded.

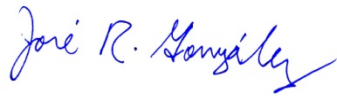
Collaboration is a key theme across all of our housing programs, and we are approaching these programs with this in mind. We see it especially within our Affordable Housing Advisory Council (AHAC), which took an even more collaborative approach in 2019, deepening the impact the AHAC has on our cooperative and mission. In October, the AHAC met in Jersey City for its first-ever strategic offsite – a full day’s worth of meetings and discussions with our Community Investment team focusing on our housing programs. The AHAC provides vital insight into the current and future housing needs of our District, and this day-long event was incredibly valuable in helping to shape our strategy for the future. The AHAC is also playing an active role in our transition to the new regulation governing the AHP, which is set to be fully implemented by January 1, 2021, and represents the most significant regulatory change to the AHP since its inception. The AHAC has created two subcommittees – one focused on the AHP and the other on the HDP – to address regulatory changes and advise Community Investment staff on program improvements under consideration. These contributions will help ensure a stronger AHP for the FHLBNY and our members.

Enhancing collaboration internally was also a key area of focus for our Community Investment team in 2019. Through an ongoing cross-functional effort with groups such as Sales & Marketing and Credit Policy, Community Investment staff is growing a more holistic view of members, providing greater insight on how our various housing programs and products can support each individual member’s business needs. The AHP, HDP and our Community Lending Programs provide members with ways to not only strengthen their own relationships with their communities and customers, but make new connections and create new business opportunities.

The significant achievements made and initiatives begun in 2019 position our cooperative to continue to meet the housing needs of our District, our members and the communities we serve. We begin the new decade with a renewed focus on our housing mission and a desire to ensure that the benefits of our housing programs and products are shared with each and every member. 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 2019.



Sincerely,



José R. González  
*President and Chief Executive Officer*



Wayne Meyer  
*Chairperson, Affordable Housing Advisory Council*



# Table of Contents

LETTER FROM THE PRESIDENT & AHAC CHAIRPERSON .....	2
TABLE OF CONTENTS.....	5
SUMMARY OF HOUSING & COMMUNITY LENDING PROGRAMS .....	6
AFFORDABLE HOUSING PROGRAM .....	8
AHP SUCCESS STORIES ACROSS THE DISTRICT IN 2019 .....	8
AHP AWARDS IN THE 2019 ROUND .....	12
AHP FACTS & FIGURES .....	14
HOMEBUYER DREAM PROGRAM™ .....	16
HDP IN 2019 .....	16
FHC/HDP FACTS & FIGURES .....	17
COMMUNITY LENDING PROGRAMS .....	18
CLP FACTS & FIGURES .....	18
DISASTER RECOVERY GRANT PROGRAMS.....	20
DISASTER RECOVERY IN 2019.....	20
LETTERS OF CREDIT .....	22
HOUSING FINANCE AGENCY CREDIT ACTIVITY AND INVESTMENTS .....	24
COMMUNITY INVESTMENT LEADERSHIP .....	25
2019 BOARD OF DIRECTORS HOUSING COMMITTEE .....	26
2019 AFFORDABLE HOUSING ADVISORY COUNCIL .....	27
2019 COMMUNITY INVESTMENT STAFF .....	28



# Summary of Housing & Community Lending Programs

District II 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.

Table 1: FHLBNY's Community Investment Programs in 2019

	Programs	Purpose	Uses	Beneficiaries	Types of Funding	Terms/ Conditions	Applying
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	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 and/or discounted advances; up to \$40,000 per unit or \$2,500,000 per project	Competitive program; must meet regulatory guidelines, eligibility requirements, and feasibility guidelines	Competitive Rounds offered annually; deadlines are announced on the FHLBNY website.
	Homebuyer Dream Program® (HDP) <sup>†</sup>	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 \$15,000 per household, as determined by the member	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) <sup>*</sup>	Home ownership and rental housing development	Purchase, construction, rehabilitation, refinance, and predevelopment	Individuals/ families with incomes $\leq$ 115% of the AMI	Discounted advances based on volume as a ratio to total advances outstanding (excluding overnight advances) as of 10/31/19*	Income requirements apply	Submit applications any time



	Programs	Purpose	Uses	Beneficiaries	Types of Funding	Terms/ Conditions	Applying
Economic Development	Rural Development Advance (RDA)*	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 ≤ 115% of the AMI	Discounted advances based on volume as a ratio to total advances outstanding (excluding overnight advances) as of 10/31/19*	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 ≤ 100% of the AMI	Discounted advances based on volume as a ratio to total advances outstanding (excluding overnight advances) as of 10/31/19*	Income, geographic or small business criteria apply	Submit applications any time

\*Other member limits apply.

<sup>†</sup>The Homebuyer Dream Program replaced the First Home Club in early 2019 as the FHLBNY's set-aside program for first-time homebuyers. The FHLBNY will continue to fund households already enrolled in the First Home Club.

Note: The CIP, UDA and RDA Programs are included in the Disaster Relief Funding program, made available to Puerto Rico and U.S. Virgin Islands members in September 2017.



# Affordable Housing Program

The Affordable Housing Program (AHP), 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 Bank 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 York, New Jersey, Puerto Rico and the U.S. Virgin Islands), the AHP helps to provide safe, decent and affordable homes for moderate-, low- and very low-income families, senior citizens, the homeless and other individuals with special needs. 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 approximately \$790 million in AHP grants, across over 1,880 projects, for the creation of over 91,000 units of affordable housing. These figures encompass awards to projects originally designated as alternates.

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 success stories across the district in 2019

St. Regis Mohawk Tribe celebrates supportive housing project for senior and veterans



*One of the buildings at the Sunrise Acres project (above left, FHLBNY photo), and the Akwesasne Housing Authority's Retha Leno (with scissors) and Community Investment Policy and Research Advisor Brian Loeb (far left) at the ribbon-cutting ceremony (courtesy AHA).*

The FHLBNY was proud to support the Akwesasne Housing Authority, the tribally designated housing entity of the St. Regis Mohawk Tribe, at the grand opening of its Sunrise Acres III Supportive Housing Project in late 2019. The tribe's reservation straddles the St. Lawrence River and the New York-Canada border. The Sunrise Acres project, which consists of 18 units for seniors and homeless veterans, received a \$540,000 commitment in





the 2017 AHP round – the first tribal project to receive an award from the FHLB NY. FHLB NY staff, along with partners including New York State Homes and Community Renewal, joined the housing authority and many community members for a celebration that included tribal drumming and group dancing. Retha Leno, the housing authority’s executive director, is a member of the FHLB NY’s Affordable Housing Advisory Council, and she has been a key resource and strong advocate on issues including tribal housing, supportive housing, and rural housing. In the 2018 and 2019 AHP rounds, the FHLB NY’s scoring criteria included a category for supportive housing projects, in light of the need for such projects in the district and their effectiveness. Over those two rounds, approximately 20% of the units the program funded were reserved for individuals with special needs. The FHLB NY looks forward to continuing this high level of support for these types of projects in the 2020 round.

		AHP awards (1990-2019)	Units of affordable housing	Total AHP subsidy awarded	Total development cost of AHP projects
<b>Sponsor:</b>	Akwesasne Housing Authority	1	18	\$540,000	\$7.2 million
<b>Member:</b>	Glens Falls NB & Trust Company	5	122	\$1.3 million	\$30.2 million

Bell-ringing marks grand opening of new construction rental project in the Bronx



*St. Augustine Apartments (left, FHLB NY photo) and Community Investment Business Development Associate Jacob Day (second from right) at the bell-ringing ceremony (FHLB NY photo).*

The St. Augustine Apartments, a 111-unit project in the Morrisania neighborhood in the Bronx, is so named because it is on the site of the former St. Augustine Church. As such, the project’s grand-opening ceremony in the spring of 2019 featured a ringing of a large bell that once served that church. FHLB NY staff were glad to join other local supporters of the project, including the first lady of New York City, Chirlane McCray, at the ceremony. The project, a partnership between the Association of New York Catholic Homes and HSBC Bank USA, will serve families and individuals with special needs and reserve one-third of its units for formerly homeless individuals. It received a \$650,000 AHP award in the 2017 round. Perhaps not surprising for a project with a total cost in excess of \$54 million, the St. Augustine Apartments relied on a dozen sources of permanent



financing, including Low Income Housing Tax Credits, tax exempt bonds from the state, and targeted loans from the state’s Office of Mental Health and Medicaid Redesign Team.

		AHP awards (1990-2019)	Units of affordable housing	Total AHP subsidy awarded	Total development cost of AHP projects
<b>Sponsor:</b>	Association of New York Catholic Homes	1	111	\$650,000	\$54 million
<b>Member:</b>	HSBC Bank USA, National Association	225	8,313	\$65 million	\$1.2 billion

Victorian Towers project rehabilitates senior housing facility in downtown Cape May

FHLB NY Deputy Community Investment Officer Daniel Randall was on-hand for the ribbon-cutting ceremony for the Victorian Towers project, in Cape May, New Jersey, in the spring of 2019. The project, which received a \$1 million award in the 2017 AHP round, involved the renovation of a 205-unit building, originally built in 1973, that provides housing for senior citizens. Over half of those units are reserved for very low-income individuals, but the project is an example of mixed-income housing, with the remaining units ranging across the income levels up to and including market-rate units. The FHLB NY’s scoring criteria for the AHP encourages mixed-income projects, alongside projects that locate affordable units in high opportunity areas, as part of the program’s commitment to economic diversity. The Victorian Towers project has an onsite social services coordinator who works to connect residents with services in the community that help seniors live independently, maintain their health and enjoy a high quality of life.



*Victorian Towers. (Courtesy Diocesan Housing Services)*

		AHP awards (1990-2019)	Units of affordable housing	Total AHP subsidy awarded	Total development cost of AHP projects
<b>Sponsor:</b>	Diocesan Housing Services Corp.	2	277	\$1.9 million	\$45 million
<b>Member:</b>	1 <sup>st</sup> Colonial Community Bank	3	220	\$1.3 million	\$27 million



Much-needed renovation awaits historic townhomes in Camden



*Project supporters including FHLBNY Director Richard Mroz (back row) at the ground-breaking ceremony. (Courtesy NJ HMFA)*

FHLBNY Director Richard Mroz and Community Investment Officer Paul Héroux helped celebrate the beginning of the restoration of a five-block neighborhood near Cooper University Hospital in Camden, NJ, in the spring of 2019. The AHP project, called Cooper Plaza Townhomes Preservation, received a \$970,000 award in the 2018 round. AHP funds were used for the acquisition and rehabilitation of 64 units across 32 different buildings, many of them Victorian-style townhomes. During the renovations, residents were relocated to vacant apartments in the immediate vicinity. In recent years, the FHLBNY’s annual Community Lending Plan has identified the preservation of affordable housing initially funded by low-

income housing tax credits as a high-priority district need. Projects like Cooper Plaza will help protect the stock of affordable units and ensure that they remain safe and high quality for the district’s communities.

		AHP awards (1990-2019)	Units of affordable housing	Total AHP subsidy awarded	Total development cost of AHP projects
<b>Sponsor:</b>	Better Tomorrows	1	64	\$970,000	\$14.4 million
<b>Member:</b>	Manufacturers and Traders Trust Company	327	16,759	\$148 million	\$2.8 billion



## AHP awards in the 2019 round

Table 2 below lists the 2019 AHP awards, sorted by subsidy amount within each state, and Table 3 shows the four projects that were listed as alternates.

*Table 2: 2019 AHP Round - Approved Projects*

<b>Project Name</b>	<b>Sponsor</b>	<b>Member</b>	<b>Subsidy</b>	<b>State</b>
Kidston & Olivio Towers	Vineland Housing Authority	OceanFirst Bank, National Association	\$2,200,000	NJ
The Lantana	Life Management, Inc.	Valley National Bank	\$1,879,032	NJ
Bergenview Apartments	The Community Builders	Manufacturers and Traders Trust Company	\$1,568,000	NJ
Gordon H. Mansfield Veterans Village-Tinton Falls	Soldier On, Inc.	Manufacturers and Traders Trust Company	\$1,500,000	NJ
Patriot Village II	Life Management, Inc.	Valley National Bank	\$1,305,214	NJ
Somerset Brownstones	Michaels Community Services Corporation	Sterling National Bank	\$1,200,000	NJ
Evans-Francis Estates	Fair Share Housing Development	1st Colonial Community Bank	\$1,100,000	NJ
Willows at Whitehouse Station	Premier Housing Services, Inc.	Peapack-Gladstone Bank	\$950,000	NJ
Evesham Family Apartments	Fair Share Housing Development	Manufacturers and Traders Trust Company	\$750,000	NJ
The Apartments at Montgomery Crossing	H.E.L.P. Development Corp.	Investors Bank	\$700,000	NJ
Willows at Annandale Village	Premier Housing Services, Inc.	Peapack-Gladstone Bank	\$665,000	NJ
Al Gomer Residence/South Orange B'nai B'rith	SOBBFH Housing GP Corp.	Investors Bank	\$620,655	NJ
Ridgewood Supportive Housing	BCUW/Madeline Hsg. Partners, LLC	Atlantic Stewardship Bank	\$500,000	NJ
Matheny Far Hills Supportive Housing	Matheny School and Hospital, Inc.	Peapack-Gladstone Bank	\$150,000	NJ
Peapack Road II Supportive Housing	Matheny School and Hospital, Inc.	Peapack-Gladstone Bank	\$150,000	NJ
Paramus Road Supportive Housing	Children's Aid and Family Services, Inc.	Investors Bank	\$140,000	NJ
Tillman Street Supportive Housing	Cerebral Palsy of North Jersey, Inc.	Investors Bank	\$100,000	NJ
Pleasant Valley Way Supportive Housing	Children's Aid and Family Services, Inc.	Investors Bank	\$100,000	NJ
Wayne Avenue Homes	New Jersey Community Development Corp.	Lakeland Bank	\$100,000	NJ



<b>Project Name</b>	<b>Sponsor</b>	<b>Member</b>	<b>Subsidy</b>	<b>State</b>
Avenue D	Christian Herald Association, Inc.	New York Community Bank	\$2,500,000	NY
Calcagno Homes	The Mulford Corp.	Manufacturers and Traders Trust Company	\$2,500,000	NY
Westchester Avenue	The Doe Fund, Inc.	Apple Bank for Savings	\$2,438,603	NY
Melrose North	Services for the Underserved	Flushing Bank	\$1,996,993	NY
Yates Village II	Schenectady Municipal Housing Authority	Pioneer Savings Bank	\$1,774,000	NY
West 127th Street	Center for Urban Community Services, Inc.	Apple Bank for Savings	\$1,600,000	NY
Pueblo Nuevo	Ibero-American Development Corp.	Five Star Bank	\$1,500,000	NY
Clinton Housing W. 46th St.	Clinton Housing Development Company	Signature Bank	\$1,000,000	NY
Vincent's Village Apartments	Sisters of Charity Housing Development Corp.	Sterling National Bank	\$846,400	NY
Revitalizing Communities NYC	Rebuilding Together NYC	HSBC Bank USA, National Association	\$750,000	NY
Jefferson Wollensack	Urban League/Rochester Economic Development Corp.	Five Star Bank	\$512,500	NY
Grace Brown House	Christopher Community Inc.	Manufacturers and Traders Trust Company	\$500,000	NY
Champlain Commons	Oswego County Opportunities, Inc.	NBT Bank, N.A.	\$500,000	NY
2019 CITY-WIDE HOME REPAIR PROGRAM	West Side Neighborhood Housing Services, Inc.	Manufacturers and Traders Trust Company	\$450,000	NY
Sheen Housing AHP Rehabilitation Program	Bishop Sheen Ecumenical Hsg. Found.	The Canandaigua NB & Trust Company	\$450,000	NY
Canal Plaza	Community Potential	NBT Bank, N.A.	\$427,671	NY
True Bethel Commons	Belmont Housing Resources for WNY	Evans Bank, National Association	\$390,000	NY
Home Repair Assistance Program	NCS Community Development Corp.	Manufacturers and Traders Trust Company	\$375,000	NY
Lee Dyer Family Apartments	St. Paul's Center	SEFCU	\$193,714	NY
Smilow Community Care Center	Bridgeport Rescue Mission	Manufacturers and Traders Trust Company	\$2,500,000	CT
Greenwood Park Apartments	Preservation of Affordable Housing (POAH)	Citibank, N.A.	\$500,000	IL
House of Freedom	Helping Up Mission	Manufacturers and Traders Trust Company	\$2,000,000	MD
Monument Mews	Mission First Housing Development Corp.	Citibank, N.A.	\$2,000,000	PA



Project Name	Sponsor	Member	Subsidy	State
Forster Street Center Renewal	The Bethesda Mission of Harrisburg	Manufacturers and Traders Trust Company	\$1,500,000	PA
Fitzwater Homes	Holy Trinity Baptist Church Enterprises, Inc.	Manufacturers and Traders Trust Company	\$500,000	PA
Oxford Green	Habitat for Humanity Philadelphia Inc.	Manufacturers and Traders Trust Company	\$375,000	PA

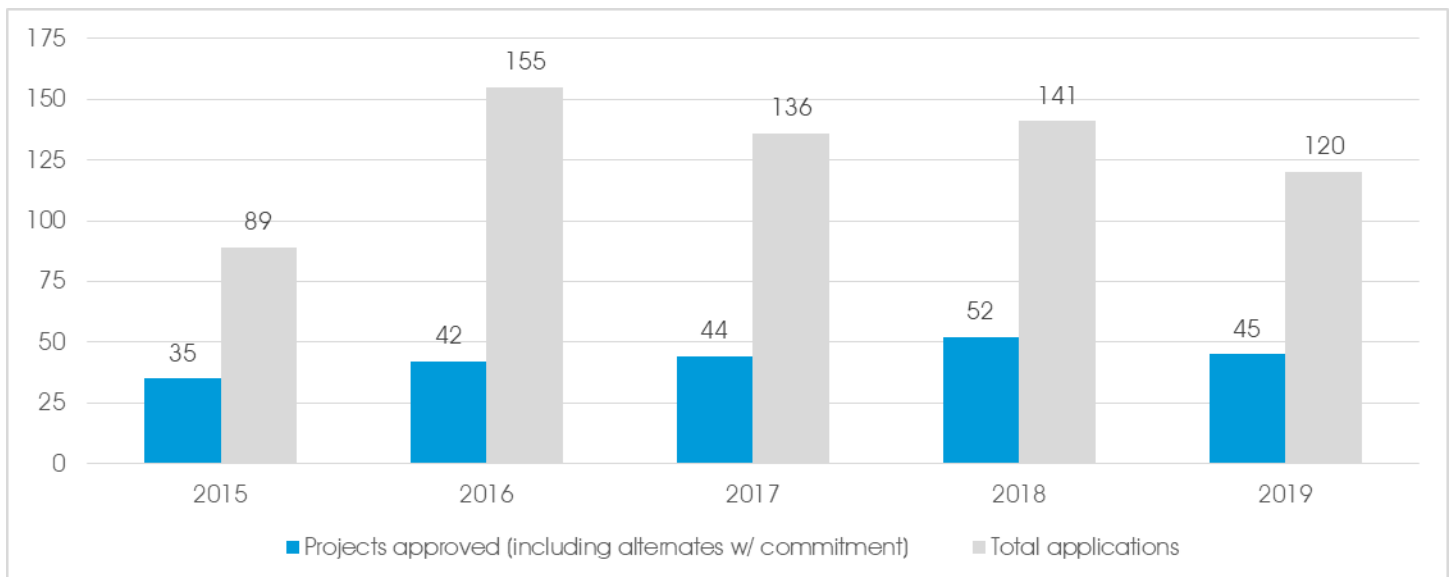
Table 3: 2019 AHP Round - Approved Alternate Projects

Project Name	Sponsor	Member	Subsidy	State
Limestone Gardens Apartments	Creek Housing Corporation	NBT Bank, N.A.	\$2,003,810	NY
Steamboat 20	Albany Housing Authority	Manufacturers and Traders Trust Company	\$1,500,000	NY
Dunkirk Renovation and Ownership Program	Southern Tier Environments for Living, Inc.	Evans Bank, National Association	\$1,347,500	NY
Willows at Centreville	ReBuild Metro, Inc.	Manufacturers and Traders Trust Company	\$250,000	MD

## AHP facts & figures

Figure 1 below shows the number of AHP applications that have been submitted and approved since 2015:

Figure 1: AHP applications and awards (2015-2019)

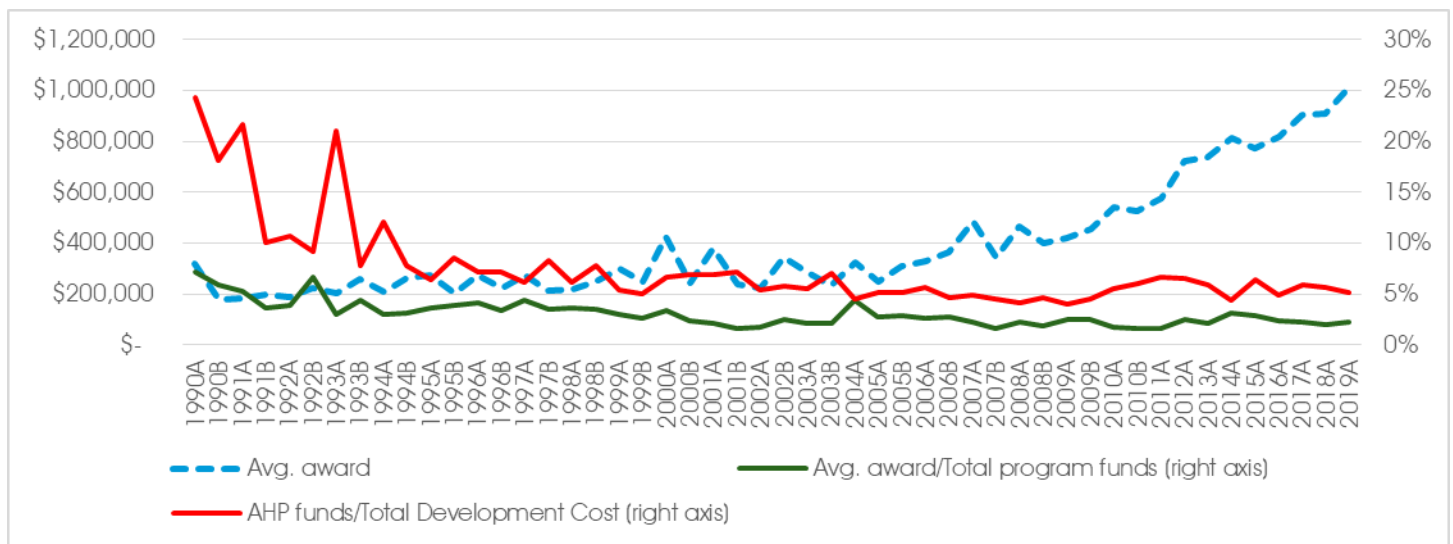


Note: Figures reflect projects designated as primary submissions and subsequent commitments to alternate projects from de-obligated or recaptured funds. Figures do not include subsequent project modifications or cancellations.



Figure 2 below shows how even as the average AHP subsidy awarded has increased steadily over the past ten years, the proportion of total project costs funded by the AHP has remained flat. This means costs are rising on a per-project basis, emphasizing the persistent need for program funds.

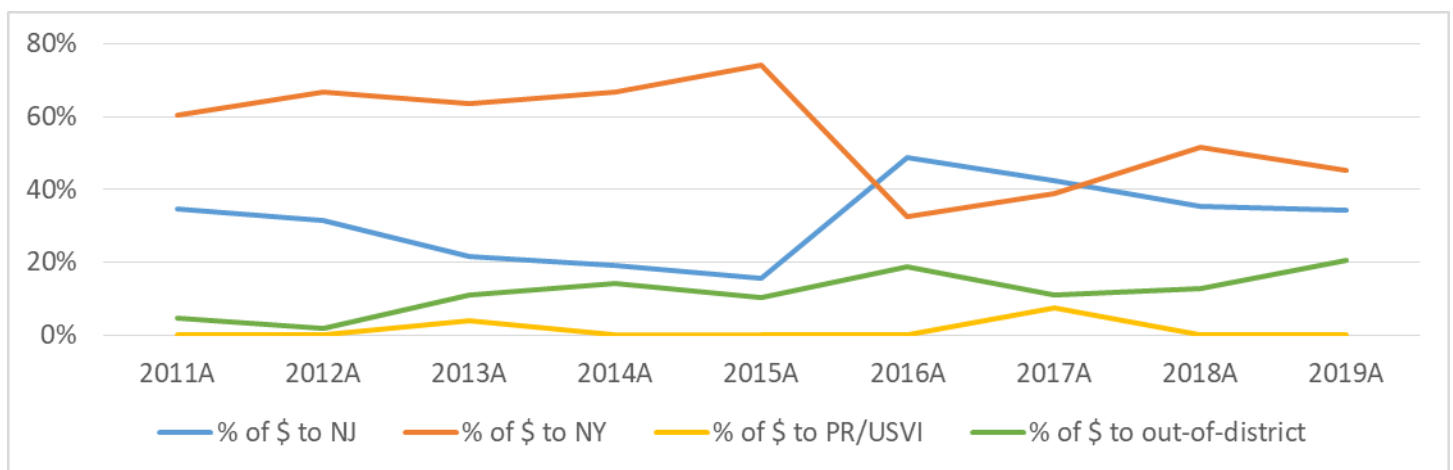
Figure 2: Growth in need for funds from AHP and all other sources



Note: Figures reflect projects designated as primary submissions and subsequent commitments to alternate projects from de-obligated or recaptured funds. Figures do not include subsequent project modifications or cancellations.

Figure 3 below shows how the geographic distribution of AHP awards has shifted during the period 2010-2019. In 2016 and 2017, projects from New Jersey received a greater share of the total dollars committed than did New York projects. New York received a greater share in 2018 and again in 2019, but there is a consistently high volume of applications from both states.

Figure 3: AHP awards by region (2011-2019)



Note: Figures reflect projects designated as primary submissions and subsequent commitments to alternate projects from de-obligated or recaptured funds. Figures do not include subsequent project modifications or cancellations.



# Homebuyer Dream Program®

The Homebuyer Dream Program® (HDP), launched by the FHLB NY in 2019, supports homeownership for low- and moderate-income, first-time homebuyers. HDP is a first-come, first-served program in which members submit reservation requests on behalf of their mortgage customers who are currently under contract for their first home. When a household closes on its home purchase, the FHLB NY reimburses the member for a grant of up to \$14,500 and up to an additional \$500 to cover the cost of homeownership counseling. This program replaced a similar program, called the First Home Club<sup>SM</sup>, through which the FHLB NY provided up to \$7,500 in the form of matching funds based on the household's systematic savings within a dedicated savings account. The final First Home Club applications were accepted in March 2019, and the FHLB NY will continue funding successful enrollees through early 2021.

Since inception of the First Home Club program, the two programs together have awarded grant subsidy to over 17,890 households, for a total of over \$136 million. As of year-end 2019, the total number of active households remaining in the FHC pipeline was over 1,400.

## HDP in 2019



*Patricia at her new home (left), and a view of the condo complex. (FHLB NY photos)*

Patricia purchased her new home, a condominium in San Juan, Puerto Rico, in 2019, thanks, in part to an HDP grant. She used the funds for both closing costs and to help her increase her down-payment. An employee of Banco Popular de Puerto Rico, Patricia found that her homebuyer counseling, from Consumer Credit Counseling Services Puerto Rico, was incredibly thorough and prepared her well. She is happy that her new home is close to family, and she now has a much shorter commute to work. Patricia loves to cook and called her new kitchen “perfect.”





## FHC/HDP facts & figures

Table 4 below shows the number of new households enrolled in the First Home Club each year since 2017 and the number of reservation requests for the first round, in 2019 (including households that transferred from the FHC); the number of closings, the total amount funded by the program; and the average subsidy per household.

Table 4: FHC and HDP program activity (2017-2019)

	2017	2018	FHC	HDP	2019 Both programs
Households enrolled/ reservation requests	3,117	2,604	751	734	1,485
Households funded	1,618	1,654	1,283	608	1,891
Total amount funded	\$12,859,470	\$13,162,611	\$10,211,195	\$8,892,699	\$19,103,894
Average subsidy	\$7,948	\$7,958	\$7,959	\$14,626	\$10,103

The FHC Program was sunset in early 2019 to facilitate the transition and launch of the HDP.

Table 5 below shows the concentration of FHC and now HDP concentration among the membership since 2017:

Table 5: Concentration among participating members in FHC and HDP (2017-2019)

Number of members enrolling __ households						Number of members with __ in total funding					
	2017	2018	FHC	HDP	2019 Both		2017	2018	FHC	HDP	2019 Both
≤10	33	38	39	50	49	≤\$50,000	28	34	33	29	37
≤20	13	10	9	5	11	≤\$250,000	17	16	19	20	25
≤30	6	10	0	2	4	≤\$500,000	4	5	2	4	5
≤40	4	3	0	1	3	≤\$750,000	2	1	1	0	3
≤50	0	2	2	1	0	≤\$1 million	0	2	2	2	0
>50	13	11	5	4	8	>\$1 million	4	3	3	2	6

Notes: In the First Home Club program, members enrolled households that then had up to 24 months to close upon a home, at which time the FHLBNY would fund their grant. Hence the total number of members enrolling households in a given year may not match the number of members with households that received a grant.



# 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 AHP and HDP, both of which are grant programs. There are three Community Lending Programs:

- » The Community Investment Program (CIP) provides discounted rate advances, primarily 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.

Under the Community Lending Program umbrella, the Bank can make available the Disaster Relief Funding (DRF) program. The DRF allows members to qualify for the CLP rate on advances against loans made in federally declared disaster areas, regardless of the income level of the particular census tract. In response to Hurricanes Irma and Maria in August and September 2017, the Bank made \$1 billion in DRF advances available to its members to help rebuild communities in Puerto Rico and the U.S. Virgin Islands.

## CLP facts & figures

The CLP remains popular with our member banks, and the staff manage the programs within the limits established by the Bank's Board of Directors.

Table 6 shows program performance for each of the past three years. Note that the Rural Development Advance is infrequently used by the membership.



Table 6: CLP advances by program)

	2017	2018	2019
Community Investment Program	\$1,373,434,510	\$905,104,797	\$987,987,960
Urban Development Advance	\$1,074,417,593	\$1,051,039,059	\$767,948,010
Rural Development Advance	\$49,862,500	\$6,710,000	\$9,821,000
Disaster Relief Funding	\$-	\$35,860,000	\$4,460,000
<b>Total</b>	<b>\$2,497,714,603</b>	<b>\$1,998,713,856</b>	<b>\$1,770,216,970</b>

In 2019, 38 members drew CLP funds, a decrease from 2018 and 2017. As Table 7 below shows, within this participating group, there is a high degree of concentration in terms of the dollar value of total CLP advances.

Table 7: Concentration among participating members in CLP (2017-2019)

Members borrowing __ in CLP	2017	2018	2019
≤\$10 million	24	18	15
≤\$50 million	12	17	12
≤\$100 million	13	10	7
≤\$150 million	4	3	2
≤\$200 million	0	0	1
>\$200 million	1	1	1
<b>Total</b>	<b>54</b>	<b>49</b>	<b>38</b>



# Disaster Recovery Grant Programs

In response to the devastation caused by Hurricanes Irma and Maria that struck Puerto Rico and the U.S. Virgin Islands in September 2017, the Bank launched two grant programs to help members drive the recovery. These grant programs were considered voluntary because they were authorized and funded by the Board of Directors separately from the statutory requirement to fund the AHP with ten percent of the Bank's prior year's net income. The Homeowner Recovery Grant program provided up to \$10,000 to households that sustained damage in the hurricanes and that had incomes at or below 140 percent of the area median income, and the Small Business Recovery Grant program provided up to \$10,000 to qualifying small businesses. The programs were made available to participating organizations to deploy beginning in March 2018. The funds for both programs were fully exhausted as of the end of 2019.

Table 8 below shows the breakdown between the Homeowner Recovery Grant program and the Small Business Recovery Grant program.

Table 8: Total Disaster Recovery Grant Program performance (2018-2019)

	Recipients	Total funding
<b>Homeowner Recovery Grant</b>	530	\$3,568,400
<b>Small Business Recovery Grant</b>	156	\$1,431,600

## Disaster recovery in 2019



The devastation of Rosa's home caused by Hurricane Maria (above left). Rosa (above right, in center), was joined by PathStone's Maria Rodriguez-Collazo (right) and Elba Castellana, Executive Director of MCS Foundation, at a welcome-home ceremony.

Rosa's home, in the mountainous area of Aibonito in central Puerto Rico, was completely destroyed by Hurricane Maria in 2017. In fact, her home had been destroyed before, by Hurricane Georges in 1998, only to be rebuilt with substandard materials. This was one of many heartbreaking details of the territory's recent disasters:



materials and practices that were used because they were affordable failed at the worst possible time, putting in jeopardy those families with the fewest resources to respond and rebuild. In the aftermath of the storm, Rosa, a 79-year-old cancer survivor, lived nearby with relatives, and, for a time, on the mainland U.S. Then, in early 2019, in part funded by an FHLB NY grant, Rosa received good news: PathStone Community Development Corporation of Puerto Rico would build Rosa a new home, allowing her to remain in the community she loves.

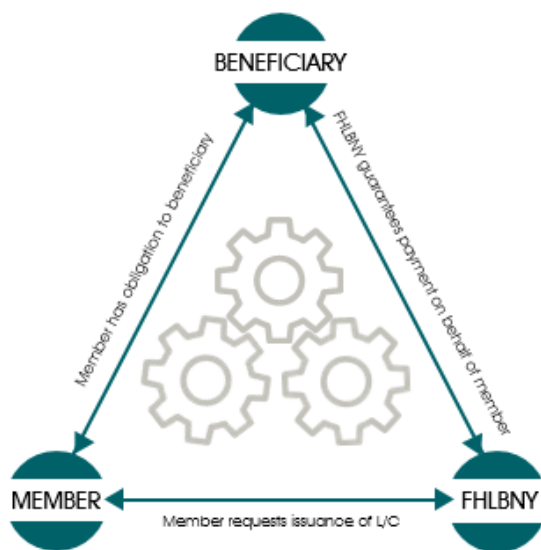
The FHLB NY approved PathStone as one of the implementing partners for the grant programs, alongside the member financial institutions, and PathStone facilitated grants for nearly sixty homeowners. (The organization's director of housing programs, Maria G. Rodriguez-Collazo, is the vice-chair of the Affordable Housing Advisory Council.) While PathStone's work in many cases involved managing contractors for small-scale or comprehensive rehabilitation, in Rosa's case and the situation of over a dozen others, the task required total reconstruction. PathStone determined that the foundation for Rosa's stick-built home could not withstand a proper concrete structure, so a new foundation and retaining wall were required, in addition to a new septic tank and the structure itself. While this approach was more expensive, the organization deemed it the only responsible way to mitigate against the risk of future disasters.

Rosa's family assisted the rebuilding process in important ways, including securing necessary permits, and Rosa herself was able to determine the house's design and color scheme. Rosa moved into her new home in the fall of 2019. She calls it the house of her dreams. In the months since, PathStone has been welcomed to multiple celebration events with Rosa, her children and grandchildren, and her neighbors. As Ms. Rodriguez-Collazo reports, not only was Rosa's home restored, but so was her mental health and sense of security – and, Rosa is once again dancing.



# 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, 2019 the Bank had a total of 769 outstanding LOCs amounting to \$22 billion, as Table 9 below shows:

*Table 9: Total outstanding Letters of Credit by type*

<b>Type</b>	<b>Number outstanding</b>	<b>Amount outstanding</b>
<b>CICA Letters of Credit</b>	2	\$13.59 million
<b>Standby Letters of Credit</b>	10	\$30.69 million
<b>Municipal Letters of Credit</b>	688	\$21.12 billion
<b>Refundable Municipal Letters of Credit</b>	69	\$824.7 million



## Housing Finance Agency Credit Activity and Investments

The Bank looks to further 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 provide much needed financing for the support of housing needs of our district. In 2019, market conditions were unfavorable as the richness in fixed rate offerings failed to achieve the Bank's required minimum net return and the Bank's moratorium on Libor based Investments precluded the Bank from considering alternative floating rate assets. As such, the Bank had no activity for the year.





## 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 Bank's Affordable Housing Advisory Council (AHAC), evaluates housing needs within the Bank's District, and monitors the administration of the Bank's Affordable Housing and Community Investment Programs. All of this is done considering the needs of multiple Bank stakeholders, the Bank's strategic plan, and the Federal Housing Finance Agency regulations. In 2019 the Housing Committee welcomed three new members: David Huber, President of Huber Advisory Services; Charles E. Kilbourne III, Managing Director of Financial Services Volunteer Corps; and Stephen S. Romaine, Chairman of Tompkins Trust Company.

The AHAC consists of representatives from housing and community-development organizations throughout the district. The AHAC advises the Bank and its Board of Directors on ways in which the Bank can better carry out its housing finance and community lending mission. In 2019, Wayne T. Meyer served his first year as AHAC chairperson; and Maria G. Rodriguez-Collazo served her first as vice-chair. The AHAC also welcomed three new members: Jacqueline S. Jones, Executive Director of Vineland Housing Authority; Lisa Kaseman, Regional Vice President of Conifer LLC; and Gwen O'Shea, President and CEO of Community Development Corporation of Long Island.



# 2019 Board of Directors Housing Committee

**Richard Mroz (Chair)**

President  
New Jersey Board of Public Utilities  
Trenton, New Jersey

**Reverend DeForest “Buster” Soaries, Jr. (Vice-Chair)**

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

**David Huber**

President  
Huber Advisory Services  
Red Bank, New Jersey

**Charles E. Kilbourne, III**

Managing Director  
Financial Services Volunteer Corps  
New York, New York

**Kenneth J. Mahon**

President and CEO  
Dime Community Bank  
Brooklyn, NY

**Stephen S. Romaine**

Chairman of the Board  
Tompkins Trust Company  
Ithaca, New York

**Ángela Weyne**

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



# 2019 Affordable Housing Advisory Council

**Wayne T. Meyer (Chair)**

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

**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

**Daniel Kelly**

President  
Community Quest  
Egg Harbor Township, New Jersey

**Colin McKnight**

Acting Executive Director  
New York State Rural Housing Coalition  
Albany, New York

**Gwen O'Shea**

President and CEO  
Community Development Corporation of Long Island  
Centereach, New York

**Carrie Michel-Wynne**

Vice President of Strategic Relations  
YWCA of Rochester & Monroe County  
Rochester, New York

**Maria G. Rodriguez-Collazo (Vice-Chair)**

Director of Housing Programs  
PathStone Corporation  
Ponce, Puerto Rico

**Krystal R. Canady**

Chief Executive Officer  
The Gateway Family YMCA  
Elizabeth, New Jersey

**Robert A. DiVincent**

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

**Lisa Kaseman**

Regional Vice President  
Conifer LLC  
Rochester, New York

**Retha Leno**

Executive Director  
Akwasasne Housing Authority  
Akwasasne, New York

**Daniel Martin**

Chief Executive Officer  
Housing Partnership Development Corp.  
New York, New York

**David A. Rowe**

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



# 2019 Community Investment Staff

## Office of the CIO

---

**Paul Héroux\***

SVP, Community Investment Officer

**Neela Hanuman**

Bank Operations Coordinator

**Daniel Randall\***

Deputy Community Investment Officer

**Brian Loeb**

Community Investment Policy and Research Consultant

## Housing Programs

---

**Cynthia Palladino\***

VP/ Director

Collateral and Affordable Housing Services

**Affordable Housing Program****Celena Núñez**

AVP/Senior Manager, Affordable Housing Program

**Jennifer Alberto**

Manager, Program Administration

**Malinda Walker**

Affordable Housing Coordinator

**Alina Bajrami**

Program Administration Analyst

**Matthew Breazzano**

Program Administration Analyst

**Denney Minnillo**

Program Administration Analyst

**Nina Demushkina**

Community Investment Programs Officer

**Kristy Seyfert**

Affordable Housing Program Portfolio Manager

**Zhuo Ru (Joey) Li**

Lead AHP Analyst

**Akil Mew**

Affordable Housing Program Analyst

**Jacob Day**

Affordable Housing Program Analyst

**Andrew Griffith**

Affordable Housing Program Analyst

**Dominique Alexander**

Affordable Housing Program Analyst

**Jahmila Martin**

Affordable Housing Program Analyst

**Homebuyer Dream Program/First Home Club Program****Holly Kelly**

AVP/Senior Manager, First Home Club

**Steven Cohen**

Senior First Home Club Analyst

**Glenda Gunning**

Senior First Home Club Analyst

**Max Epstein**

First Home Club Analyst

**Juan Esala**

First Home Club Analyst

**Zenaida Quinones**

First Home Club Analyst

**Alfred Tuason**

First Home Club Analyst

## Community Lending Programs (CIP, UDA, RDA)<sup>†</sup>

---

**Michael Volpe\***

VP/Director, Bank Operations

**John Ryjacek**

AVP/Senior Manager, Credit and  
Bank Operations

**Shirley Lemus**

Credit & Community Lending  
Analyst

*\*Upon the retirement of Mr. Héroux, Ms. Palladino was named SVP/Head of Affordable Housing and Community Investment, Mr. Randall was named VP/Community Investment Officer, and Mr. Volpe was named SVP/Head of Bank Operations as of October 2019.*

*†In mid-2019, management of the CLP was transitioned to the Affordable Housing Program.*

