

# Funding Affordable Housing Development: An Introduction



November 2024

# Regional Housing Legal Services

RHLS is a nonprofit law firm with unique expertise in affordable, sustainable housing and its related components — community and economic development, utility matters, and preservation of home ownership and affordable rentals. RHLS provides innovative project and policy solutions that help create sustainable communities offering decent, safe, and affordable housing for lower-income Pennsylvanians.

# Webinar Overview

- For people who are new to housing development or have limited experience who want to know more about how to fund the creation of affordable homes.
- Just an overview; each program has detailed guidelines.
- Focusing on resources for housing development; not covering programs for tenants, homebuyers, or homeowners.
- Covering the major and most commonly used programs.
- Not including COVID funding (CARES Act, ARPA)
- If you have a development in mind and want more information, get in touch with us and we will connect you with one of our attorneys.

# Disclaimer

The information included in this presentation is not legal advice. Regional Housing Legal Services has verified that the information about each program is accurate as of November 2024, but it is subject to change. Please visit the websites of the administering agencies to get the most up to date information about program requirements and contact them directly with specific questions.

# Federal Home Loan Bank's (FHLB) Affordable Housing Program (AHP)

12 U. S. C. 1430(j)  
12 C. F. R. Part 1291

After the Savings and Loan crisis of the 1980s, Congress passed the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) that included, among other things, the creation of the Affordable Housing Program, funded by member banks from their earnings.

# AHP: What's It For?

- Grants and loans to support the development of homeownership and rental opportunities for lower income households
  - ❖ Competitive – at least 65% of funds
    - Owner-occupied: at or below 80% AMI
    - Rental: at least 20% of units at or below 50% AMI
  - ❖ Set-Aside – up to 35% of funds
    - Direct assistance to first-time homebuyers

<https://fhlbanks.com/affordable-housing-2020-awards/>

## AHP: Who Administers It?

- Federal Housing Finance Agency (FHFA) issues rules
- Each regional FHLB runs its own AHP
- Most applications for PA projects go to FHLB-Pittsburgh
- Depends on where the member institution is headquartered

# AHP: Who Administers It?

- Each regional FHLBank has some flexibility within the federal limits
- Example: FHLB-Pittsburgh's 2024 Implementation Plan
  - ❖ 75% for competitive grants (general fund)
  - ❖ 25% for First Front Door (FFD) homebuyer assistance
  - ❖ Assignment of points for scoring priorities
- Voluntary Housing Grant Initiative



# AHP: Who Can Use It?

- Only FHLB member institutions may apply
  - ❖ Applications are on behalf of a project “sponsor”
    - non-profit organization
    - for-profit organization
    - public entity
  - ❖ Homebuyers apply to their mortgage lender for assistance

# AHP: Who Can Use It?

The screenshot shows a web browser window with the URL <https://www.fhlb-pgh.com/members-list?search=1>. The browser's address bar and tabs are visible at the top. The website's navigation menu includes: Financials & Capital, Products, Impact, Public Policy Network, About Us, and Resources. The main heading is "Member Financial Institutions". Below this is a breadcrumb trail: Home > About Us > Our Members. The central section is titled "Search Our Member Directory" and features a search input field labeled "Institution". Below the input field are two checkboxes: "First Front Door (FFD) Participant" and "Banking On Business (BOB) Participant". There are two buttons: a yellow "Search" button with a right-pointing arrow and a red "Clear" button with an 'x' icon. Below the search area is a horizontal list of letters from A to Z, with the "All" button highlighted in red. The Windows taskbar is visible at the bottom, showing the time as 2:49 PM on 9/25/2023.

[www.fhlb-pgh.com/members-list](https://www.fhlb-pgh.com/members-list)

# AHP: How Much Money Is There?

- 10% of FHLBank's prior year's net earnings
- 2023 awards for PA projects:
  - ❖ \$14.1 M from FHLB-Pittsburgh
  - ❖ \$1.5 M from FHLB-NY
  - ❖ \$750,000 from FHLB-Atlanta
  - ❖ \$1.9 M from FHLB-Boston
- FHLB-Pittsburgh's Voluntary Housing Grant Initiative for 2024: \$18 M

# AHP: Citizen Participation

- No direct citizen participation
- Policy set by regional Affordable Housing Advisory Council
- Each FHLBank produces an annual Targeted Community Lending Plan

## For More Information

- RHLS presentation: [www.rhls.org/pafundingreport](http://www.rhls.org/pafundingreport)
- National Low Income Housing Coalition  
([www.nlihc.org](http://www.nlihc.org))
  - ❖ [Advocates' Guide](#)

**For More Information**

Regional Housing Legal Services

[www.rhls.org](http://www.rhls.org)

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