



Community Development Advance

FHLBBoston

2017

Agenda



- What is the CDA Program?
- CDA Extra Eligibility
- CDA Eligibility
- Three-Month Look-Back
- Reporting
- Resources

What is the CDA Program?

CDA Program

The Federal Home Loan Bank of Boston's Community Development Advance (CDA) Program is governed by the Community Investment Cash Advance (CICA) regulation 12 CFR 1292.5.

The CDA Program offers two advance products available continuously to all members, CDA Extra and CDA. These advances, simply put, are loans from the Bank to member financial institutions to fund their housing and economic development initiatives.

- All advances under the CDA Program require an application and approval prior to funding.



CDA Program



CDA Extra is a deeply discounted advance that supports affordable housing serving households at or below 115 percent of the area median income and economic development or mixed-use initiatives serving households at or below 80 percent of the area median income.

CDA is a discounted advance that supports a variety of economic development and mixed-use initiatives in urban areas with incomes at or below 100 percent of the area median income and rural areas with incomes at or below 115 percent of the area median income.

CDA Program



Community Development Advance Programs Performance

Since 1990, the CDA Programs has disbursed over **\$14.0 billion** across New England and other states outside New England.

Funding Benefitted:

- **74,142** housing units
- **1,073** economic-development or mixed-use initiatives

Program Benefits



Benefits :

- Bank's lowest cost advances
- Expands community development lending
- Meets the credit needs of communities
- Easy to find qualifying loans

Allows you to:

- Compete on term
- Lock in spread and term
- Mitigate interest-rate risk
- Provide lower cost of funding to community
- May qualify for CRA consideration

Rates

- CDA is a discounted advance
- CDA Extra is a deeper discounted advance
- Available as Classic (bullet), Amortizing, and Member Option advances
- CDA/CDA Extra available in terms from one year to 20 year maturity/30 year amortization

Long-Term	Short-Term	Amortizing	Advance Specials	
Long-Term Classic Advance Rates				
Effective 03:22 PM March 28, 2017				
Term	Reg.	CDA	CDA Extra	NEF
1yr	1.31	1.22	1.19	1.29
2yr	1.74	1.53	1.49	1.72
3yr	1.96	1.75	1.70	1.94
5yr	2.38	2.16	2.10	2.36
7yr	2.76	2.54	2.45	2.74
10yr	3.24	3.02	2.90	3.22
15yr	3.64	3.46	3.29	3.62
20yr	3.84	3.70	3.49	3.82

For Current Rates: <http://www.fhlbboston.com/rates/advances/index.jsp>

Member Limits



CDA Program Approval and Disbursement Limits

- Total member annual limit \$50 million Combined
 - CDA Extra-\$15 million maximum
 - CDA-\$35 million maximum
- No increases to annual limits are permitted

How to Apply



The Application Process

- Easy to use online application
- Submitted applications processed within 10 business days
- No commitment to borrow
- No restrictions on incremental disbursements
- No obligation to match fund initiative
- Online report submission
- Approved applications expire after six months
- No extension of approvals are permitted



CDA Extra

CDA Extra Uses



Members may use CDA Extra to fund:

- Future originations;
- Originations up to three months prior;
- Loan refinancing;
- Entities that make loans for eligible housing or economic development initiatives, such as a CDFI;
- Participation interest in a loan consortium;
- Purchase Low Income Housing Tax Credits;
- Purchase Mortgage Revenue Bonds/Mortgage-backed securities; or
- Create or maintain a secondary market for loans.

CDA Extra Application Options



■ CDA Extra – Housing/Economic Development

- ✓ Mortgage Financing
- ✓ Single or Multifamily Financing

- ✓ Economic Development – nonresidential
- ✓ Mixed-Use (combined nonresidential/residential structure)
- ✓ Three-Month Look-Back

CDA Extra - Housing



To qualify, the initiative must be a residential initiative serving households based on the following:

Income Eligibility: Housing initiatives serving families/ households with incomes at or below 115% of area median income for a family of four based on the income guidelines as published annually by HUD*; or

Manufactured housing parks where the initiative is located in a census tract with a median income at or below 80% of area median income based on the income guidelines as published by HUD.

* Reporting Required

CDA Extra – Economic Development

To qualify, the initiative must be a **non-residential** initiative serving households based on the following:

Income Eligibility: Economic development initiatives benefitting families/households with incomes at or below **80%** of area median income based on the income guidelines as published by HUD. CDA Extra can be used to support:

- ✓ Commercial initiatives
- ✓ Industrial/manufacturing initiatives
- ✓ Public-facility initiatives
- ✓ Social-service initiatives
- ✓ Public/private infrastructure projects

CDA Extra – Economic Development



Economic Development Eligibility

Individual Beneficiaries

- Creates or retains jobs for at least 51% of income-eligible workers*
- Benefits 51% of income-eligible families

Geographic Beneficiaries

- initiatives serving households at or below 80% of AMI

Located in:

- Income-eligible census tract
- Champion Community
- Empowerment Zone
- Enterprise Community

* Reporting Required

CDA Extra –Mixed-Use



To qualify, the application must support a mixed-use initiative comprised of nonresidential and residential space:

Eligibility: Initiative must satisfy the targeted income requirements for at least ONE of the eligibility criteria listed under Housing Initiatives **AND** Economic Development Initiatives.

CDA

CDA Application Options



■ CDA — Economic Development

- ✓ Economic Development – nonresidential
- ✓ Mixed-Use (combined nonresidential/residential structure)
- ✓ Three-Month Look-Back

CDA Eligible Uses



Members may use CDA to fund:

- Future originations;
- Originations up to three months prior;
- Loan refinancing;
- Entities that make loans for eligible economic development initiatives; or
- Participation interest in a loan consortium.

CDA



To qualify, the initiative must be a non-residential, or mixed-use initiative serving households based on the following:

Income Eligibility: Economic development initiatives benefitting families/households with incomes at or below:

- 115% of AMI for a rural initiative or
- 100% of AMI for an urban initiative

CDA can be used to support:

- ✓ Commercial; initiatives
- ✓ Industrial/manufacturing initiatives
- ✓ Public-facility initiatives
- ✓ Social-service initiatives
- ✓ Public/private infrastructure projects

CDA – Economic Development

Economic Development Eligibility

Individual Beneficiaries

- Creates or retains jobs for at least 51% of income-eligible workers*
- Benefits 51% of income-eligible families

Activity Beneficiary

- Initiative qualifies as a Small Business

*** Reporting Required**

Geographic Beneficiaries

- Urban initiatives serving households at or below 100% of AMI
- Rural initiatives serving households at or below 115% of AMI

Located in:

- Income-eligible census tract
- Champion Community
- Empowerment Zone
- Enterprise Community
- CAIP area
- brownfield
- Indian area
- Area affected by military base closing
- Federal or state-declared disaster area

CDA – Mixed-Use



To qualify, the application must support a mixed-use initiative comprised of nonresidential and residential space:

Mixed-Use

Eligibility: Initiatives must meet at least one of the eligibility criteria for economic-development. There are no eligibility requirements for the housing portion of a mixed-use initiative.

A teal banner with white text and a faint image of a house on the right side.

Three-Month Look-Back

Three-Month Look-back



- Used to fund two or more loans originated up to three months before submitting application
 - ✓ Can be used for the CDA Extra or CDA programs
 - ✓ One application per application type
 - ✓ An Excel spreadsheet is provided for each application type
 - ✓ Loans will be reviewed based on application type



CDA Programs Reporting

CDA Programs Reporting



Members will have two options for providing required beneficiary data:

1. Provide beneficiary report data with application submission **or**
2. Provide beneficiary report data within 30 days of each disbursement linked to the approved application.

Reporting Documentation Requirements

- After each disbursement, an email will be forwarded to member requesting the required eligibility data to correspond with the funds disbursed.
- Documentation must be consistent with the eligibility parameters of the approved application.
- Reporting data must be submitted through the FHLB's online submission system.
- Submission of multiple loans must be submitted using the Excel spreadsheet provided as part of the report submission process.

CDA Programs Reporting

Key Reporting Points

- Data provided after disbursement must be loans originated no more than 90 days prior to the date CDA Extra/CDA funds were disbursed and up to the date of report submission.
- Loans submitted with an closing date that is “after” the report submission date will **not** be considered for reporting eligibility.
- Total dollar amount of loans submitted must be equal to or greater than the total amount of CDA Extra/CDA funds disbursed.

Note: Report data is subject to final approval by FHLB staff. Any member with outstanding an CDA Extra or CDA report will be subject to compliance review prior to submitting any subsequent applications.

Residential Eligibility

CDA Extra
Only

Using HUD: <http://www.huduser.org/portal/datasets/il.html>

FY 2016 Income Limits Summary

FY 2016 Income Limit Area	Median Income Explanation	FY 2016 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Boston city	\$98,100	Very Low (50%) Income Limits (\$) Explanation	34,350	39,250	44,150	49,050	53,000	56,900	60,850	64,750
		Extremely Low Income Limits (\$)* Explanation	20,650	23,600	26,550	29,450	31,850	34,200	36,730	40,890
		Low (80%) Income Limits (\$) Explanation	51,150	58,450	65,750	73,050	78,900	84,750	90,600	96,450

Annual Income: \$98,100 x 115% AMI = \$112,815


Maximum Rent: \$98,100/12 x 30% = \$2,452*

*Max rent based on sample annual income.

Economic Development/Mixed Use – Location Eligibility

- Using www.FFIEC.gov
 - ✓ Select “Geocoding/Mapping System”
 - ✓ Enter Target Address
 - ✓ Review “Median Family Income %”
 - ✓ **CDA Extra** = at or below **80%**
 - ✓ **CDA** = at or below **115% AMI** for rural or **100% AMI** for urban

▼ Census Demographic Data

 Address: 534 LINCOLN ST, MARLBOROUGH, MA, 01752
MSA-State-County-Tract: 15764-25-017-3213.00

Census | Income | Population | Housing

Tract Income Level	Moderate
Underserved or Distressed Tract	No
2016 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$98,600
2016 Estimated Tract Median Family Income	\$69,996
2010 Tract Median Family Income	\$64,342
Tract Median Family Income %	70.99
Tract Population	7497
Tract Minority %	30.61
Tract Minority Population	2295
Owner-Occupied Units	1319
1- to 4- Family Units	2274

Economic Development/Mixed Use - Beneficiary Eligibility

- Using www.FFIEC.gov
 - ✓ Select “Geocoding/Mapping System”
 - ✓ Enter Target Address
 - ✓ Review “Median Family Income”
 - ✓ **CDA Extra** = annual income must be at or below 80% of AMI
 - ✓ **CDA** = annual income must be at or below 115% /rural or 100% AMI/urban of AMI

$\$66,234 \times 80\% \text{ AMI} = \$52,987$
 $\$66,234 \times 100\% \text{ AMI} = \$66,234$
 $\$66,234 \times 115\% \text{ AMI} = \$76,169$

▼ Census Demographic Data

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Census Income Population Housing

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Community Lending Programs

Community Development Advances (CDA)

Discounted advances to members to fund affordable housing, economic development and mixed use initiatives

Affordable Housing Program (AHP)

Grant program provides gap funding through member institutions for affordable housing projects

Equity Builder Program (EBP)

Provides assistance for households with incomes at or below 80% area median income

Jobs for New England (JNE)

Zero-percent advances for job creation and preservation and overall economic development

New England Fund (NEF)

Discounted advance to members to fund a broader income range of housing and economic development initiatives

Resources

Where to Get More Information



➤ CDA – Overview

<http://www.fhlbboston.com/communitydevelopment/cda/index.jsp>

- CDA Fact Sheet
- CDA Extra Fact Sheet

➤ CDA Forms & Applications

http://www.fhlbboston.com/communitydevelopment/cda/03_01_07_forms.jsp

- CDA Technical Assistance Training
- CDA Application Manual

➤ HUD Income Guidelines

<http://www.huduser.org/portal/datasets/il.html>

➤ Income Eligibility (FFIEC)

<http://www.ffiec.gov/>

➤ Rural Eligibility

<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?NavKey=home@1>

➤ Empowerment/Enterprise Communities

<http://www.hud.gov/offices/cpd/economicdevelopment/programs/rc/index.cfm>

Where to Get More Information

Housing & Community Investment

Paulette Vass, Community Development Advance Manager 617-292-9792

Additional Contacts

Ken Willis , FVP/Director	617-292-9631
Mary Ellen Jutras , VP/Deputy Director	617-292-9607
Theo Noell , Manager of Programs & Outreach	617-292-9668
Susan Younis , Equity Builder Program Manager	617-292-9606
Kathleen Amonte , HCI Compliance Analyst	617-425-9413

Community Investment Managers

Tobi Goldberg	617-292-9653	(ME & Essex & Suffolk Counties MA)
Kathy Naczas	617-292-9646	(NH; VT; Berkshire, Franklin, Hampden, Hampshire, & Counties MA) & Outside New England
Fatima Razzaq	617-425-9564	(CT & Middlesex & Worcester Counties MA)
Christine Rogers	617-292-9677	(RI; Barnstable, Bristol, Dukes, Nantucket, Norfolk, Plymouth, & Suffolk County MA)

www.fhlbboston.com

1-800-424-3863 [option 1]

Where to Get More Information



Sales & Business Development

Ana Dyer	617-292-9762	Director/Sales & Business Development
Steve McHugh	617-292-9616	Vice President
Matt Stewart	617-425-9528	Vice President
Maria Nichols	617-292-9723	Vice President
Stephen Costa	617-425-9573	Relationship Manager
Rich Moran	617-425-9452	Financial Strategist
Money Desk	800-357-3452	

www.fhlbboston.com

1-888-424-3863 [option 2]

Questions