

THE 2015 AHAC REPORT



LETTER

FROM THE AHAC CHAIR

It has been a busy 25th year for the Affordable Housing Program at FHLBank Topeka. In 2015, we approved \$11.7 million for AHP rental and owner-occupied projects; disbursed more than \$4 million in Homeownership Set-aside Program funds for first-time homebuyers; approved \$55.4 million in Community Housing Program (CHP) advances for owner-occupied and rental housing; and approved \$248.5 million in Community Development Program (CDP) advances for community and economic development initiatives.

Looking back over the last 25 years, we marvel at the participation of our member institutions and the number of individuals and communities that were positively impacted by AHP. The Orchard Lane apartment building in Baldwin City, Kan., is one example. In conjunction with Mid-America Bank, Baldwin City and Douglas County renovated one of the city's oldest buildings to be more accessible for their senior and disabled residents. In Nebraska, First State Bank Nebraska has provided more individuals the opportunity for homeownership by assisting first-time homebuyers with 28 HSP grants since 2009. FHLBank partnered with community sponsors such as Central Oklahoma Habitat for Humanity and Bluff Lake Apartment Complex in Denver, Colo., to provide safe, affordable housing.

We must now look to the future and ask ourselves, "What should we do to ensure the next 25 years of AHP are even more successful?" We have committed to:

- streamline the administration of the AHP to make it more "user friendly"
- promptly recognize evolving housing needs
- expand lines of communication with our members, project sponsors and project owners
- make timely adjustments to scoring criteria to address impacted populations
- increase program outreach to increase awareness

Following a brief pause to reflect on our stewardship of the first 25 years, we will continue to explore ways to use technology to enhance administrative efficiency such as utilizing social media to promote programs and provide educational opportunities to our members, sponsors and owners. These efforts will help us meet the affordable housing and economic development needs of the district for the next 25 years.

BILL MAJOR

CHAIR | AFFORDABLE HOUSING ADVISORY COUNCIL

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FHLBANK TOPEKA

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FHLBank Topeka, a privately owned, federally chartered corporation, promotes housing and homeownership by providing wholesale products and services that help member financial institutions expand the availability of mortgage credit, compete more effectively in their markets and foster strong and vibrant communities. FHLBank serves 785 banks, thrifts, credit unions, insurance companies and community development financial institutions throughout Colorado, Kansas, Nebraska and Oklahoma.

ABOUT OUR PROGRAMS

GRANT PROGRAMS

LOW-COST ADVANCE PROGRAMS

COMMUNITY INITIATIVES

PROGRAM	USES	BENEFICIARIES	TYPES OF FUNDING	TERMS
Affordable Housing Program (AHP) Owner-occupied and Rental	Gap financing for the acquisition, rehabilitation, or new construction of owner-occupied and rental housing	Households with incomes at or below 80% of the Area Median Income (AMI)	Grants of up to \$750,000 per project \$11,681,471 approved in 2015	<ul style="list-style-type: none"> Competitive program Must meet regulatory guidelines and eligibility/feasibility requirements Must demonstrate need for subsidy 5-year retention period for owner-occupied projects and 15-year retention period for rental projects
Homeownership Set-aside Program (HSP)	Down payment, closing cost, and rehabilitation assistance	First-time homebuyer households in FHLBank's district with incomes at or below 80% of the AMI to purchase, rehabilitate, or construct homes	Grants of up to \$7,500 per household; per member limits apply until May 1 \$4,036,129 disbursed in 2015	<ul style="list-style-type: none"> Non-competitive program Must meet regulatory guidelines and eligibility/feasibility requirements 5-year retention period
Community Development Program (CDP)	Financing for qualifying commercial loans, farm loans, and community and economic development initiatives	Small businesses, farms, agribusinesses, public or private utilities, schools, medical and health facilities, churches, day care centers, or other community and economic development projects	Regular fixed rate, callable, amortizing fixed rate, and adjustable rate advances within a minimum amount of \$10,000 priced below FHLBank's regular rates \$248,546,404 approved in 2015	<ul style="list-style-type: none"> Non-competitive; available terms from four months to 30 years Eligibility requirements apply
Community Housing Program (CHP)	Financing for owner-occupied and rental housing	Households earning at or below 115% of AMI	Regular fixed rate, callable, amortizing fixed rate, and adjustable rate advances with a minimum amount of \$10,000 priced below FHLBank's regular rates \$55,397,186 approved in 2015	<ul style="list-style-type: none"> Non-competitive; available terms from four months to 30 years Eligibility requirements apply
Rural First-time Homebuyer Education Program (RFHEP)	Supporting a community-based delivery system of education that ensures the readiness of homebuyers throughout rural areas of FHLBank's district	Statewide homebuyer education coordinating agencies	Grants of up to \$18,750 per statewide homebuyer education coordinating agency \$75,000 provided in 2015	Non-competitive program

Joint Opportunities for Building Success (JOBS) — JOBS is suspended for 2016 pending program review by FHLBank's Board of Directors.

T I M E L I N E



On July 17, 1990, FHLBank Topeka awards its first affordable housing grant to Carlton Arms, a 21-unit project in Denver, Colo. It signified the start of AHP. The grant was for \$29,972.



The SANCHO Market Street Studios in Wichita, Kan., becomes FHLBank Topeka's 100th AHP project.



AHP hits \$25 million in awarded grants.

1997

FHLBank Topeka introduces the Rural First-time Homebuyer Program, now called HSP, to help potential homebuyers cover down payments and closing costs. Fifty grants are awarded.

ALSO IN 1997



FHLBank awards its 75th owner-occupied project to the Omaha 100 Homeownership Program in Nebraska.

Salvation Army's 37th St. Residential Readiness Project in Omaha, Neb., is the 500th AHP grant.

2002

AHP grants reach the \$100 million mark.

1998

The Rural First-time Homebuyer Education Program (RFHEP) began to financially support rural homeownership counseling. FHLBank has awarded \$1.2 million over the past 18 years to statewide homebuyer education agencies.



2014

FHLBank Topeka awards \$750,000 to four different AHP projects, which are the largest grants in program history.



The Southwood Apartments, located in Oklahoma City, Okla., become the 400th rental project to be completed.

2010

Rural First Time Homebuyer Program officially changes to the Homeownership Set-aside Program.



Among the new grants will be FHLBank Topeka's 900th completed AHP project.

2015



AHP PROFILES



CRIPPLE CREEK, COLORADO



You hear a lot about young adults in the millennial generation not pursuing homeownership. Tristen Miller, a 22-year-old Coloradan, broke that mold.

She not only purchased her own home, she also helped build it. Thanks to help from Habitat for Humanity of Teller County, Tristen and her two young nieces moved into a brand new home in October 2015. She provided 300 hours of sweat equity to make her new home a reality.

"I usually worked each week from Wednesday through Saturday on the house," Tristen explained. "It was a lot of fun. I learned so much from Paul, the head builder."

Building a home is just one of many items on Tristen's to-do list. She is working on a master's degree in criminal justice while raising Jayden, 10, and Katie, 4.

PROJECT FILE

AGENCY
**HABITAT FOR HUMANITY
OF COLORADO**

SPONSORING MEMBER
FIRST BANK

AMOUNT
\$400,000

"Having this home provides us stability and peace of mind," she said. "It's great to have a designated place to do homework and a good neighborhood for the girls to play in."

Jamie Caperton, Executive Director for Habitat of Teller County, joined the organization two years ago. Teller County is a rural community, and its Habitat affiliate was ready to close. Through Jamie's leadership, the local organization came back to solvency.

"Working with homeowners like Tristen

energizes our board, staff and the community," Jamie said. "If we can find people like Tristen who will work hard, we will find grants to help them."

One way Habitat for Humanity of Colorado supplements their funding pool is through help from FHLBank Topeka and its members. The Habitat for Humanity state organization was awarded a \$400,000 Affordable Housing Program grant in 2012 through FirstBank, Lakewood, Colo.

The grant was shared among Habitat affiliates statewide. Tristen received \$10,000 toward her home.

"With over 20 years of history between us, FirstBank is proud to be associated with such a worthwhile organization like Habitat for Humanity," said Mark O'Connor, SVP, Director of Investments for FirstBank. "The Bank anticipates future projects where this partnership will continue for many years to come."

OKLAHOMA CITY, OKLAHOMA



With Baby Boomers aging, housing for seniors is a big need in most communities. Oklahoma City is no exception.

That's why Neighborhood Housing Services (NHS) ventured outside its typical role in homeownership to develop a rental project to meet the needs of seniors in downtown Oklahoma City. "The need is great," said Roland Chupik, Executive Director for NHS, "especially for low- to moderate-income senior housing."

With help from a \$750,000 Affordable Housing Program grant through FHLBank member BOKF, NA, NHS is currently constructing Commons on Classen, a project being built on acreage the organization already owned. Since land can be an expensive part of the affordable housing equation, having a site was a big coup.

"We owned about 1.3 acres in Oklahoma City for the past 15 years," Roland said. "Our offices were on the site."

Commons on Classen will be home to

PROJECT FILE

AGENCY
NEIGHBORHOOD HOUSING
SERVICES

SPONSORING MEMBER
BOKF, NA

AMOUNT
\$750,000

48 seniors with incomes below 60% of the area median. NHS chose Belmont Construction Company, LLC, as the general contractor and Larry Blackledge and Associates as the architect.

The development will consist of a three-story apartment community with a combination of studios, one- and two-bedroom units. The units will have Energy Star qualified appliances, windows, HVAC and water heaters. The complex will also have an array of amenities for residents including a library, fitness center, walking trail and playground. BOKF SVP Lisa Albers said it's a facility her institution is happy to support.

"BOKF is proud to sponsor the AHP grant which assisted in making Commons on Classen possible," she said. "We look forward to the finished development that will provide much needed housing for seniors in the area."

Although the project won't be complete until late summer 2016, NHS is already seeing interest from the community. "We get about a call a day about the project," Roland said. "It's definitely getting noticed."

The impact on neighborhood revitalization doesn't stop with Commons. Since NHS had to relocate their offices for the construction, they are looking for another building to rehab in the neighborhood. The agency also has a long-standing relationship with the Affordable Housing Program, sponsoring four projects since 1991.

"This one is different since we are both the sponsor and the developer," Roland said. "It's very satisfying and rewarding to play a small part in meeting the growing need for senior housing."

BALDWIN CITY, KANSAS

"You have two years to meet accessibility standards" — These aren't words a modest senior living community in a small town wants to hear.

Orchard Lane, formerly Hancuff Place, was built in the late '70s in Baldwin City, Kan., and hadn't seen extensive renovations since. Management found out they needed to make numerous changes in a short time to comply with ADA requirements.

Christie Waters, director of Orchard Lane, said she didn't know how to finance the upgrades until a fellow apartment manager told her about the Affordable Housing Program.

"I had no idea where we'd come up with the funding to make the improvements," she explained. "Without this (AHP) grant, there was no way we could complete the work."

Orchard Lane turned to their local FHLBank Topeka member, Mid-America Bank, which was more than happy to help.

"Mid-America Bank was pleased to sponsor Orchard Lane's AHP application," said Dave Hill, president of Mid-America Bank. "The changes made as a result of the grant increased the occupancy level of the development as well as the comfort and happiness of the residents."

The \$400,000 grant transformed not just the dark, dated apartments but also helped with needed improvements to outdoor space and common areas, as well.

"We have a newly paved parking lot and patio and an accessible kitchen in our community room," Christine



PROJECT FILE

AGENCY
ORCHARD LANE

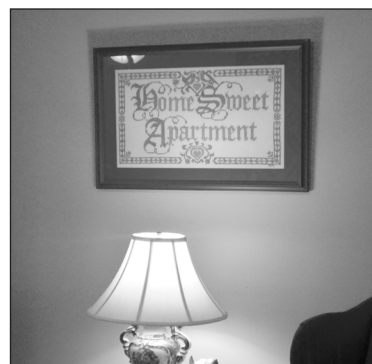
SPONSORING MEMBER
MID-AMERICA BANK

AMOUNT
\$400,000

said. "The renovations changed the whole environment to a fresh, happy place. Our residents love it."

Other upgrades included new flooring, new exterior doors, new washers and dryers in the laundry room, an updated fire alarm system and new guttering and eaves.

The total renovation cost was \$500,000. The remaining \$100,000 was accomplished through hard work of the Orchard Lane staff as well as funds through the city and county.



"We are all part-time employees," said Christine. "But, our maintenance staff still undertook the demolition work and completely repainted all the apartments, doors and trim."

The changes were unveiled to the community at an open house in September 2015. Now, 31 beautifully updated units are available for seniors, and Orchard Lane was able to accomplish the impossible — address accessibility in a short period and brighten the atmosphere for its clients.

2

HSP, CHP & CDP

4

REMEMBERING HARLEY

In September 2015, Nebraska lost a strong voice in banking.

Harley Bergmeyer, chairman of First State Bank Nebraska, Wilber, passed away at 74. Bergmeyer was an FHLBank board member from 2003 to 2006 and 2011 to the time of his passing. He was an advocate for community banking. The majority of his career was spent as President and CEO of Saline State Bank. He also served on other bank and civic boards and was active with the Nebraska Bankers Association and American Bankers Association. He was especially proud of earning the Frank Bruning Ag Banker of the Year Award.

Harley Bergmeyer's legacy of helping his community continues



at First State Bank Nebraska with its involvement with the Homeownership Set-aside Program (HSP). The bank has awarded 28 grants to first-time homebuyers since 2009.

The bank redoubled its efforts in 2014 when HSP was opened up to urban homebuyers. "Although we still did quite a few loans for rural homebuyers, not having a geographic limitation was huge," said Jeff Kanger, VP of Development for First State Bank Nebraska.

First State Bank appreciates the grant money (up to \$5,000 in 2016 per eligible first-time homebuyer), but even more enjoys the ease of the program and the ability to discuss ideas with FHLBank's Housing and Community Development staff.

"Being able to talk through different scenarios with FHLBank staff is invaluable," Jeff said. "It makes it easy to market the program and continue to help homebuyers."

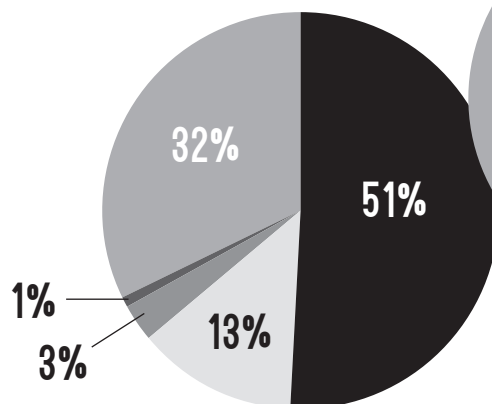
CDP & CHP OFFER FAVORABLE TERMS AND PRICES

Our Community Development Program (CDP) and Community Housing Program (CHP) provide advances priced below our regular rates to support our members' efforts to provide loans and mortgages in their communities. Loans must meet certain qualifications to receive CDP and CHP funding, which has favorable pricing as well as terms from four months to 30 years.

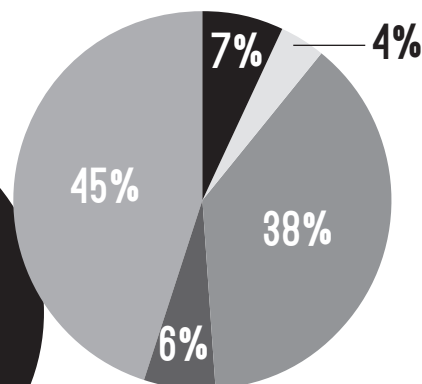
In May 2015, we launched Financial Intelligence, resources tailored to the lending areas of our members. The Financial Intelligence web page includes information about Agricultural, Commercial, Consumer and Residential lending. FHLBank specialists are actively working on ideas to help lenders with strategies to help serve each lending type. We also know that many of our members would be considered Diversified since they aren't concentrated in one lending type.

Our member advance data shows that their lending concentration is related to how likely they are to use CDP or CHP advances.

CDP | \$423 MILLION IN 2015



CHP | \$479 MILLION IN 2015*



*Also includes a small amount of 0% AHP advances

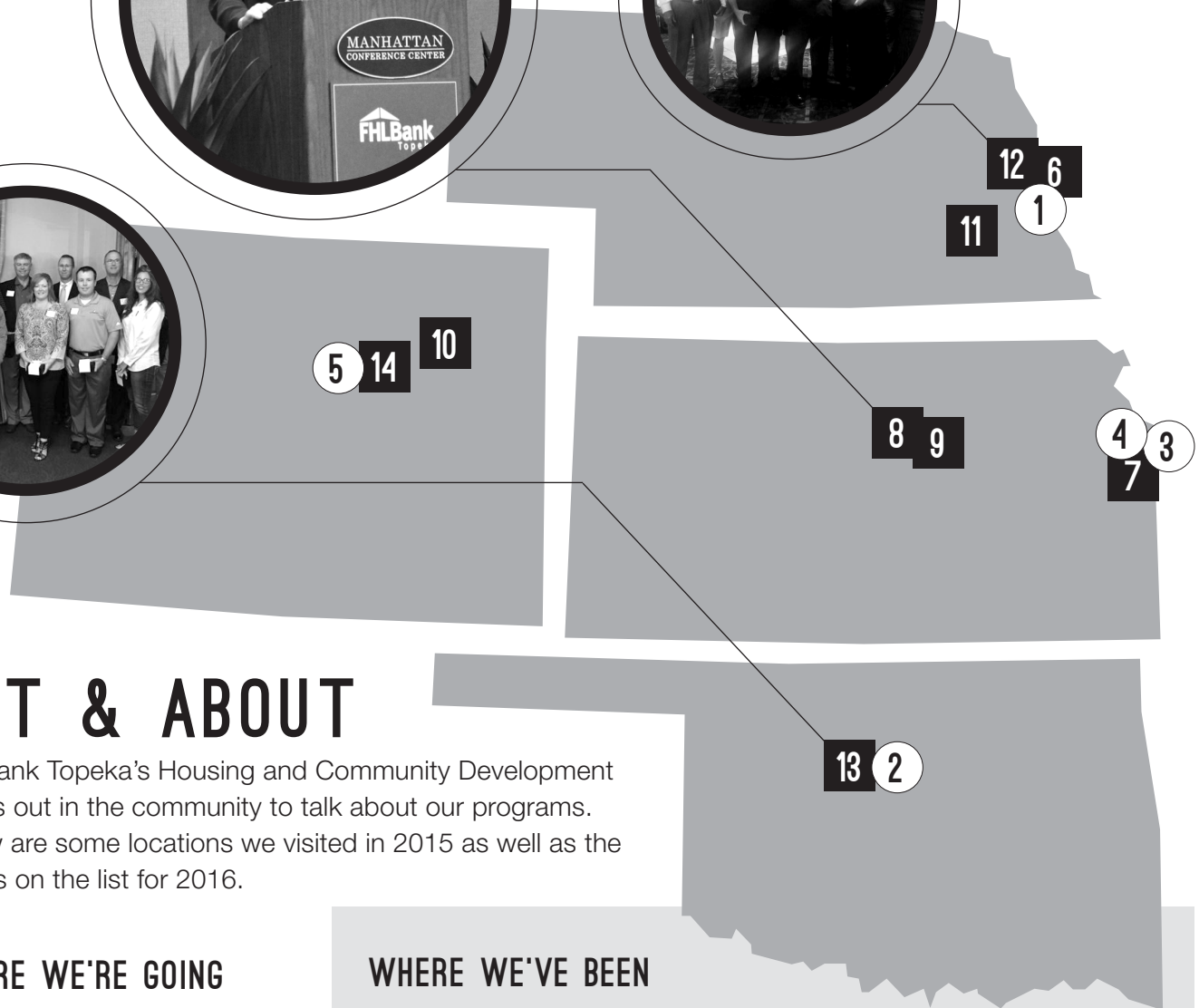
■ AG ■ COMMERCIAL ■ RESIDENTIAL ■ CONSUMER ■ DIVERSIFIED

Lending categories shown clockwise starting with black.

U

ON THE ROAD

U



OUT & ABOUT

FHLBank Topeka's Housing and Community Development staff is out in the community to talk about our programs. Below are some locations we visited in 2015 as well as the events on the list for 2016.

WHERE WE'RE GOING

- 1** Nebraska Investment Finance Authority 2016 Housing Innovation Marketplace, Omaha
MARCH 22-23, 2016
- 2** OHFA's 2016 Housing Summit, Oklahoma City, Okla.
APRIL 14, 2016
- 3** Annual Management Conference, Kansas City, Mo.
APRIL 20-22, 2016
- 4** Kansas Housing Conference, Overland Park
AUG. 23-26, 2016
- 5** Colorado NOW Annual Conference, Beaver Creek
OCT. 5-7, 2016

WHERE WE'VE BEEN

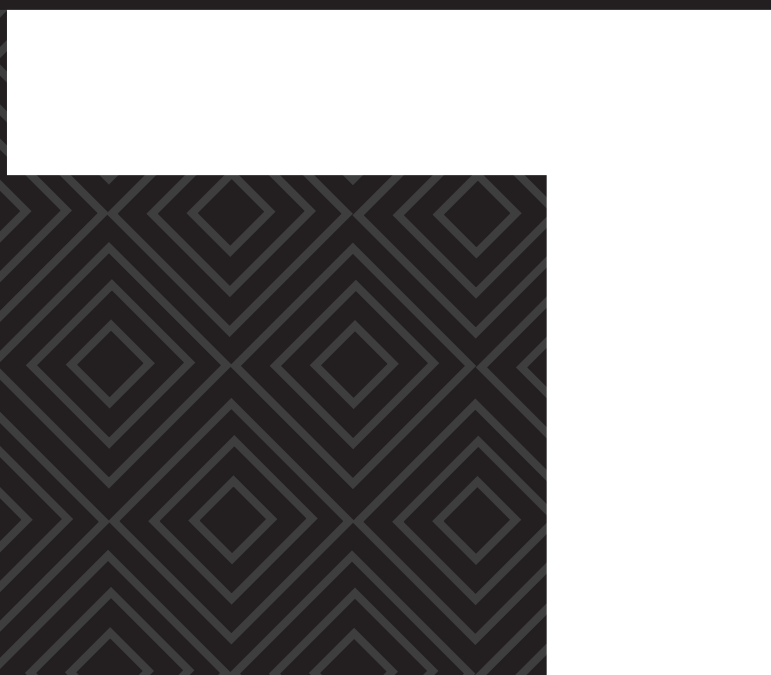
- 6** Nebraska Investment Finance Authority 2015 Housing Innovation Marketplace, Omaha
FEB. 3-4, 2015
- 7** Annual Management Conference, Overland Park, Kan.
APRIL 22-24, 2015
- 8** Kansas Regional Meeting, Manhattan
AUG. 24, 2015
- 9** Kansas Housing Conference, Manhattan
AUG. 25-27, 2015
- 10** Colorado Regional Meeting, Erie
AUG. 31, 2015

- 11** National Association of Housing & Redevelopment Officials, Lincoln, Neb.
SEPT. 15-16, 2015
- 12** Nebraska Regional Meeting, Omaha
SEPT. 21, 2015
- 13** Oklahoma Regional Meeting, Edmond
SEPT. 28, 2015
- 14** Colorado NOW Annual Conference, Beaver Creek
OCT. 14-16, 2015

2016 locations ○ 2015 locations ■

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ABOUT US

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HOUSING AND COMMUNITY DEVELOPMENT STAFF



TOM THULL

VP, Director of Housing and
Community Development

AHP STAFF

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AVP, AHP Manager

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HCD Specialist

JOHN GARY

HCD Coordinator - AHP
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JOAN LICKTEIG

HCD Specialist II

ALYSE MIONI

HCD Coordinator - AHP Rental

DUSTIE NITCHER

HCD Coordinator -
AHP Owner Occupied

MELODY RICHARD

HCD Specialist

ERIKA SKINNER

HCD Specialist

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Programs and Reports

JENNIFER KATHRENS

HCD Administrative Specialist

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HCD Coordinator - HSP

UTIKA SCALES

HCD Specialist

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2015 AFFORDABLE HOUSING ADVISORY COUNCIL



FRONT ROW Claudia Brierre, Sophronia George, Lynn Fleming, Valerie Powell

BACK ROW Donald Smith (Vice Chair), Brent Williams, Bill Major (Chair), Michael Renken, John Wiechmann

NOT PICTURED Jane Harrington, Michael Reis, Joe Rowan

AFFORDABLE HOUSING KUDOS

"Finding safe affordable housing in Denver is increasingly challenging ... FHLBank Topeka's support is making a lasting impact on hundreds of individuals."

CAROL BRESLAU
Chief Philanthropy Officer,
Mercy Housing

"FHLBank's funding through Habitat for Humanity of Colorado helps provide safe and decent homes to hard-working families, and a stable home life they might not otherwise have. Thank you for your support and giving our families a hand up into affordable housing."

KRIS MEDINA
Executive Director,
Pikes Peak Habitat for Humanity

2015 BOARD OF DIRECTORS



SEATED L. Kent Needham, Harley Bergmeyer, Robert Caldwell III (Vice Chair), G. Bridger Cox (Chair), Neil McKay, Mark Schifferdecker

STANDING Richard Masinton, Andrew Hove, Jr., Thomas Olson, Jr., Mark O'Connor, Michael Jacobson, Jane Knight, Thomas Henning, Bruce Schriefer, Milroy Alexander, James Hamby, Douglas Tippens

"NeighborWorks
America values
the Federal Home Loan
Bank's dedication to assisting
homeowners who are struggling
or unable to meet their
mortgage obligations."

PAUL N. WEECH
President and CEO,
Neighborworks

"Now that I am settled
into my new home, I just
wanted to say thanks for your
help with the first-time homebuyer
grant money. It truly helped me
with my goal of buying my
first home."

JUSTIN SAATHOFF
First-time Homebuyer

