

2020 Advisory Council Report

FEDERAL HOME LOAN BANK OF DES MOINES



2020 AHAC Analysis of the Bank's Affordable Housing Activities

When I began my role as chair of the Affordable Housing Advisory Council (AHAC or the Advisory Council), my vision about what the year would entail was different than how the year unfolded. After our first quarterly meeting, travel restrictions were implemented in response to the global pandemic caused by COVID-19, which resulted in the remainder of the year's meetings to be held virtually.

I worked closely with Amanda Novak, the 2020 AHAC vice chair, as well as Federal Home Loan Bank Des Moines (FHLB Des Moines or Bank) staff to adapt to a virtual meeting format. We also set the course for the AHAC's analysis of the Bank's affordable housing and community lending activities, which I am proud to summarize in this report.

Important to the context of our analysis was the national awakening to racial equity and social justice as well as the effect of COVID-19 in communities across the Bank's district. Both directly impacted the affordable housing industry and the people it serves, and the Advisory Council explored ways in which the Bank's affordable housing products and activities could provide support.

To inform our discussions, the Bank's leadership met regularly with the Advisory Council. Kris Williams, president and CEO, engaged in open dialogue about the Bank's strategic priorities, including its Diversity and Inclusion (D&I) program. Wil Osborn, chief business officer, informed the AHAC about the Bank's business and the economic landscape impacting its members. Joelyn Jensen-Marren, chief financial officer, facilitated an educational session about the Bank's business model and factors that contribute to its income.

A summary of the Advisory Council's analysis of the Bank district's affordable housing and community lending needs is also provided in the 2021 Targeted Community Lending (TCLP) Plan. The strategy for responding to those needs is summarized in the quantitative goals of the 2021 TCLP and by the requirements and priorities for the AHP as set forth in the 2021 AHP Implementation Plan (IP). In 2020, the Advisory Council recommended approval of both documents, which was approved by the Board of Directors.

Community Investment Products

Competitive Affordable Housing Program (AHP)

Since the inception of the AHP in 1990, FHLB Des Moines member financial institutions have been **awarded \$591.6 million** in equity to help their housing partners finance affordable housing for more than **90,000 households**.

In 2020, a total of 149 eligible AHP applications were submitted; at least one application from each state in the Bank's 13-state district. In the 2020 AHP funding round, **45 FHLB Des Moines members** were awarded a total of **\$41.2 million** to help their community partners **finance 63 affordable rental or owner-occupied projects** that will provide **2,216 affordable homes**.

All 63 projects provide at least 20% of the homes to households with special needs. 35 of these projects are located in rural areas, 20 provide homeownership opportunities, 14 provide housing to Native communities, and 13 preserve affordable housing.

Home\$tart®

Since its inception in 1995, FHLB Des Moines has awarded **\$104.4 million** in equity to Bank members to provide down payment and closing cost assistance to help finance home purchases for more than **19,387 eligible households**.

In 2020, FHLB Des Moines granted its members nearly **\$6.7 million**, which members regranted to **972 eligible first-time homebuyers** to assist with the purchase a home.



Native American Homeownership Initiative (NAHI)

NAHI provides equity for down payment, closing cost, counseling and/or rehabilitation assistance to eligible Native American, Native Alaskan, and Native Hawaiians.

In 2020, through its members, FHLB Des Moines **awarded \$255,000** to provide down payment assistance for **17 eligible Native households**.

Community Investment Advance (CIA)

FHLB Des Moines' CIA is a reduced-rate advance to support affordable housing and economic development projects that meet targeted needs.

In 2020, the Bank approved **297 CIAs** to its members representing **\$437.2 million** in reduced-rate funding.

Targeted Community Lending Plan (TCLP)

The Advisory Council engaged in a multi-year analysis of the affordable housing and community lending needs in the Bank's 13 state district, which are reported in the 2021 TCLP. A new feature of the TCLP is a summary of the affordable housing needs specific for each of the 13 states. Also new for 2021 is a summary of the entire district's community lending needs, which are largely aligned with the eligibility criteria for CIAs.

An important factor in the Advisory Council's analysis is the size and diversity of the Bank's district. FHLB Des Moines has the largest geographic district among the 11 Federal Home Loan Banks, encompassing 40 percent of the U.S. land mass and 11 percent of the U.S. population. The Bank's District encompasses communities ranging from dense urban centers to expansive rural counties and remote Native Alaskan Villages. The local economies are also diverse and include agriculture, ranching, technology, tourism, energy, and much more.

Our district is also home to approximately 30 percent of the U.S. Native population, which is relevant to the ongoing provision of the Bank's NAHI product as well as an allocation of points to Native projects in the AHP scoring criteria.

To establish a framework for prioritizing the wide range of diverse District needs, the Advisory Council has agreed to a set of AHP guiding principles that seek to achieve, over time, a reasonable balance of competitive AHP awards:

- Throughout the Bank's 13-state District
- Between urban and rural communities
- Between rental and owner-occupied housing

To further inform our analysis of the Bank's activities, the Advisory Council often participates in community tours. In Q1 2020, we toured an AHP-assisted project located in the heart of Pike Place Market in Seattle, Washington. Several members of the Bank's Board of Directors accompanied the Advisory Council on the tour, and witnessed first-hand the important role that AHP plays in building partnerships between Bank members and housing groups to strengthen communities.

COVID-19 Impact

COVID-19 impacted communities throughout the Bank's District and the world. Early in the pandemic, the Advisory Council held a roundtable discussion about how COVID-19 was affecting sources of funds for and the development of affordable housing, pressuring the provision of supportive services for vulnerable populations, and more.



Our discussions revealed a need to recommend an extension to the due date for 2020 AHP applications, which the Board of Directors approved. This extension allowed FHLB Des Moines members and their housing partners additional time to respond to an increase in their customer and community needs, while moving forward with their plans to apply for AHP.

Although a direct relationship cannot be drawn between the extended AHP application due date and the number of applications received, it is noteworthy that, despite the global pandemic, there was a 13 percent increase in the number of AHP applications submitted in 2020.

Also early in the pandemic, the Bank's regulator, the Federal Housing Finance Agency (FHFA), granted special authority for the Federal Home Loan Banks to allow members' loans that were eligible for the Paycheck Protection Program to also be eligible for reduced-rate CIA funding. The Advisory Council recommended and the Board of Directors approved the FHLB Des Moines to adopt this expanded CIA-eligibility criterion.

While we were pleased that demand for 2020 AHP funds had not been adversely affected by the pandemic, we were also mindful that CIA activity slowed measurably after Q1 2020. As a result, the Advisory Council recommended and the Board approved a downward adjustment to the 2021 goal for CIA originations.

Diversity and Inclusion

Having analyzed the Bank's efforts to promote D&I principles, we are pleased with both with the progress to date and plans for the future.

In 2020, the Advisory Council intentionally engaged in discussions about diversity and inclusion (D&I). As noted previously, Kris Williams, president and CEO, regularly met with us so that we remained informed about and engaged in the Bank's D&I activities. Additionally, an Advisory Council member collaborated with Bank staff to provide targeted outreach to Native organizations about the availability of NAHL funds.

The Advisory Council also reviewed an analysis of the results of the Bank's survey of AHP-sponsors' use of Minority-, Women- and Disabled-Owned-Business (MWDOBs) in the development of their affordable housing projects. We were pleased to see that the Bank's survey included links to resources to assist AHP sponsors in establishing supplier diversity programs. These resources were provided to enhance AHP sponsors' awareness about opportunities for establishing business relationships with MWDOBs, and to convey the Bank's commitment to enhancing MWDOB customer access.

As we look ahead to 2021, the Advisory Council aspires to elevate how we engage in D&I learning and activities. The Bank has included objectives and metrics specific to Community Investment in its 2021 – 2023 D&I Plan, and the Advisory Council will be providing advice about ways to achieve them.

I am confident that under the leadership of the 2021 chair, Amanda Novak, the Advisory Council will continue to provide thoughtful advice to the Bank's Board of Directors about ways that the Bank's affordable housing and community lending activities can continue to be responsive to local needs.

It has been an honor to serve as chair for the 2020 Advisory Council and vice chair in 2019. I am looking forward to another productive year.

Sincerely,
Andrea Davis,
2020 Chair, Affordable Housing Advisory Council



Andrea Davis
2020 Chair, Affordable Housing Advisory Council

2020 Advisory Council



Andrea Davis
Chair



Amanda Novak
Vice Chair



Michael Ackerlow



Tawney Brunsch



Angela Morton Conley



Lynne Keller Forbes



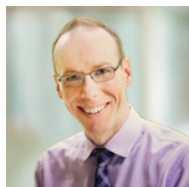
Leon Gray



Michelle Griffith



Stephen Grimshaw



Sean Hubert



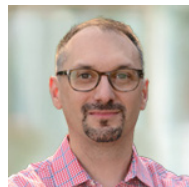
Gary Lozano



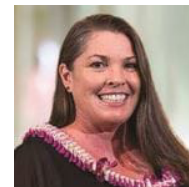
Dan Madler



Robert Peterson



Christopher Perez



Heather Piper



2020

COMPETITIVE AFFORDABLE HOUSING PROGRAM

FEDERAL HOME LOAN BANK OF DES MOINES



ALASKA

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Northrim Bank Anchorage, AK	Covenant House Alaska	Bridge to Success	ANCHORAGE	AK	\$985,000.00	22	\$4,243,554.00
Northrim Bank Anchorage, AK	Cook Inlet Housing Authority	Spenard East Phase I	ANCHORAGE	AK	\$1,000,000.00	48	\$10,938,094.00

IOWA

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Iowa State Bank Sac City, IA	Region XII Council of Governments Inc	2020 Region XII Owner Occupied Rehabilitation	CARROLL	IA	\$303,280.00	16	\$303,280.00
First Federal Credit Union Cedar Rapids, IA	Willis Dady Emergency Shelter, Inc	Willis Dady Works	CEDAR RAPIDS	IA	\$700,000.00	14	\$1,652,595.00
NSB Bank Mason City, IA	NIACOG Housing Trust Fund	NIACOG Regional Housing Rehabilitation - 2020	MASON CITY	IA	\$336,000.00	12	\$336,000.00
Hills Bank and Trust Company Hills, IA	Housing Trust Fund of Johnson County	Johnson Homeowner Rehab 2021	IOWA CITY	IA	\$144,000.00	10	\$182,500.00
Keystone Savings Bank Marengo, IA	East Central Iowa Housing Trust Fund	ECIHTF Rural Rehab 2021	CEDAR RAPIDS	IA	\$147,800.00	10	\$183,000.00
Cedar Rapids Bank and Trust Company Cedar Rapids, IA	Housing Fund for Linn County	Linn Homeowner Rehab 2021	CEDAR RAPIDS	IA	\$153,700.00	10	\$181,200.00

IDAHO

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Columbia State Bank Tacoma, WA	Commonwealth Agency, Inc.	Sunny View Seniors LLC	MOSCOW	ID	\$500,000.00	24	\$5,167,616.00
Banner Bank Walla Walla, WA	AutumnGold Senior Services, Inc.	Vineyard Cottages Homedale	HOMEDALE	ID	\$400,000.00	24	\$3,676,112.00

MINNESOTA PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Woodlands National Bank Hinckley, MN	American Indian Community Development Corporation	Anishinabe III Supportive Housing	MINNEAPOLIS	MN	\$800,000.00	40	\$7,262,838.00
Bell Bank Fargo, ND	Fergus Falls HRA	Garitz Grove	FERGUS FALLS	MN	\$1,000,000.00	24	\$6,693,912.00
North Shore Bank of Commerce Duluth, MN	One Roof Community Housing	Brewery Creek	DULUTH	MN	\$1,000,000.00	54	\$17,277,612.00
Sunrise Banks, National Association Saint Paul, MN	Alliance Housing Incorporated	700 10th Avenue	MINNEAPOLIS	MN	\$1,000,000.00	55	\$14,297,700.00
Midwest Bank Detroit Lakes, MN	White Earth Reservation Housing Authority	White Earth Low Rent Rehab Project 2020	WAUBUN	MN	\$999,996.00	26	\$999,996.00
Financial Security Bank Kerkhoven, MN	Swift County HRA	Swift Preservation - RD 515 - Gra-Mar Courts	KERKHOVEN	MN	\$229,075.00	16	\$1,219,890.00
Bell Bank Fargo, ND	Housing & Redevelopment Authority of Clay County	Fieldcrest Townhomes	MOORHEAD	MN	\$1,000,000.00	40	\$8,034,476.00
Security State Bank of Fergus Falls Fergus Falls, MN	Fergus Falls HRA	2020 AHP Applicaiton - Fergus Falls HRA	FERGUS FALLS	MN	\$241,350.00	13	\$615,100.00

MISSOURI (1 OF 3)

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Commerce Bank Kansas City, MO	Interfaith Residence dba DOORWAYS	DOORWAYS 2.0	SAINT LOUIS	MO	\$750,000.00	50	\$10,221,096.00
Citizens Bank and Trust Company Kansas City, MO	Northland Neighborhoods Inc	2021 NNI Minor Home Repair Program	KANSAS CITY	MO	\$249,345.00	20	\$369,600.00
First State Bank and Trust Company, Inc. Caruthersville, MO	Delta Area Economic Opportunity Corporation	2020 BOOTHEEL HOME REPAIR PROGRAM	PORTAGEVILLE	MO	\$358,398.00	27	\$493,398.00
Hawthorn Bank Jefferson City, MO	Elevate Lives	Homes With A Purpose Rehab (a/k/a Homes With A Purpose)	SPRINGFIELD	MO	\$600,000.00	16	\$679,376.00
Enterprise Bank & Trust Clayton, MO	Beyond Housing	West 24:1 Community Home Repair Program	SAINT LOUIS	MO	\$998,000.00	50	\$998,000.00
Midwest BankCentre Saint Louis, MO	Beyond Housing	South 24:1 Community Home Repair Program	SAINT LOUIS	MO	\$999,000.00	50	\$999,000.00
Commerce Bank Kansas City, MO	Beyond Housing	East 24:1 Community Home Repair Program	SAINT LOUIS	MO	\$1,000,000.00	50	\$1,000,000.00
Commerce Bank Kansas City, MO	Drumm Center for Children	Drumm Farm COMPASS Program Duvall Campus Expansion	INDEPENDENCE	MO	\$550,000.00	11	\$1,183,158.00
Central Bank of Kansas City Kansas City, MO	Footprints Inc	Heroes Home Gate Campus	KANSAS CITY	MO	\$600,000.00	24	\$1,445,886.00

MISSOURI (2 OF 3)

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Midwest BankCentre Saint Louis, MO	Carondelet Community Betterment Federation, Inc.	63118 Home Repair	SAINT LOUIS	MO	\$985,600.00	40	\$985,600.00
Mid-Missouri Bank Springfield, MO	Joplin Area Habitat for Humanity	Joplin Area Habitat for Humanity (CHRP) Critical Home Repair Project 2021-2022	JOPLIN	MO	\$750,000.00	30	\$810,000.00
First Midwest Bank of Dexter Dexter, MO	Housing Authority of the City of Dexter, Missouri	Dexter rehab	DEXTER	MO	\$999,999.00	136	\$999,999.00
Progressive Ozark Bank Salem, MO	Grovespring Senior HSG Project	Grovespring Senior HSG Project	GROVESPRING	MO	\$190,000.00	12	\$190,000.00
Hawthorn Bank Jefferson City, MO	Warsaw Senior Citizens Housing Inc	Warsaw Senior Housing	WARSAW	MO	\$953,750.00	60	\$953,750.00
People's Bank of Seneca Seneca, MO	Wheaton Local Housing Authority, Inc	Wheaton Local Housing Authority	WHEATON	MO	\$347,899.00	20	\$347,899.00
OakStar Bank Springfield, MO	Meadow Brook Manor, Inc	Meadow Brook Manor	WHEATLAND	MO	\$636,006.00	36	\$636,006.00
O'Bannon Banking Company Buffalo, MO	Buffalo Area Community Housing Corp	Buffalo Area Community Housing Corporation	BUFFALO	MO	\$897,750.00	48	\$897,750.00
Legends Bank Linn, MO	Liberty Senior Citizens Home Inc	Liberty Senior Apartments Renovations	JEFFERSON CITY	MO	\$546,070.00	24	\$558,070.00

MISSOURI (3 OF 3)

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Branson Bank Branson, MO	Elevate Branson	Elevate Branson Community Village	BRANSON	MO	\$1,000,000.00	24	\$2,610,200.00
Phelps County Bank Rolla, MO	Meramec Regional Planning Commission	Meramec Region Affordable Housing Program	SAINT JAMES	MO	\$295,840.00	20	\$354,000.00
People's Bank of Seneca Seneca, MO	Knob Noster Senior Citizen Housing, Inc.	Knob Noster Senior Housing	KNOB NOSTER	MO	\$289,218.00	12	\$289,218.00
Country Club Bank Kansas City, MO	Westside Housing Organization, Inc.	Westside Housing Home Repair Program	KANSAS CITY	MO	\$750,000.00	40	\$750,000.00
Central Bank of Boone County Columbia, MO	River Hills Hsg	River Hills Housing Renovation Project	HARTSBURG	MO	\$357,163.00	12	\$363,163.00

MONTANA

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
First Interstate Bank Billings, MT	Apsaalooke Nation Housing Authority	ANHA LIHTC #1	LODGE GRASS	MT	\$1,000,000.00	43	\$7,767,696.00

NORTH DAKOTA

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Bremer Bank, National Association Saint Paul, MN	Red River Valley Community Action	RRVCA Home Rehabilitation 2020	GRAND FORKS	ND	\$500,000.00	28	\$500,000.00
Gate City Bank Fargo, ND	ABLE, Inc.	Hettinger	HETTINGER	ND	\$400,000.00	8	\$2,027,200.00
Gate City Bank Fargo, ND	Rebuilding Together Fargo-Moorhead Area	Revitalizing Fargo-Moorhead	FARGO	ND	\$441,000.00	15	\$463,500.00
Bank of North Dakota Bismarck, ND	Burleigh County Housing Authority	Dakota Apartments II	BISMARCK	ND	\$1,000,000.00	34	\$10,660,988.00

SOUTH DAKOTA PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Dacotah Bank Aberdeen, SD	Sisseton Wahpeton Housing Authority	SWHA Homeowner Rehab Program	SISSETON	SD	\$500,000.00	10	\$500,000.00
Dacotah Bank Aberdeen, SD	GROW South Dakota	2020 GROW SD Home Improvement	SISSETON	SD	\$988,200.00	54	\$988,200.00

UTAH

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Zions Bancorporation, National Association Salt Lake City, UT	Shelter The Homeless Inc	The Magnolia	SALT LAKE CITY	UT	\$750,000.00	65	\$13,298,645.00
Zions Bancorporation, National Association Salt Lake City, UT	Mountainlands Community Housing Trust	Central Village Condominiums	PARK CITY	UT	\$149,000.00	10	\$2,556,000.00
Zions Bancorporation, National Association Salt Lake City, UT	Neighborhood Nonprofit Housing Corp.	Northern Utah Neighborhood Improvement Project (NUNIP) Phase 4	BRIGHAM CITY	UT	\$345,400.00	25	\$470,825.00
Zions Bancorporation, National Association Salt Lake City, UT	Epicenter	Canal Commons	GREEN RIVER	UT	\$150,000.00	5	\$993,235.00

WASHINGTON PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Wells Fargo Bank, National Association Sioux Falls, SD	Acres of Diamonds	Acres of Diamonds Family Homes	DUVALL	WA	\$550,000.00	11	\$2,691,478.00
Glacier Bank Kalispell, MT	Yakama Nation Housing Authority	TC8 Wishram	LYLE	WA	\$1,000,000.00	46	\$14,176,251.00
Kitsap Bank Port Orchard, WA	Port Gamble S'Klallam H.A.	Warrior Ridge Supportive Housing Project	KINGSTON	WA	\$1,000,000.00	30	\$5,670,423.00
Columbia State Bank Tacoma, WA	Commonwealth Agency, Inc.	Mirabeau Townhomes LLC	OTIS ORCHARDS	WA	\$500,000.00	72	\$18,005,714.00
Washington Federal Bank, National Association Seattle, WA	Plymouth Housing Group	Madison/Boylston Supportive Housing	SEATTLE	WA	\$1,000,000.00	115	\$37,798,468.00
First FS & LA of Port Angeles Port Angeles, WA	Peninsula Housing Authority	Public Plaza	PORT ANGELES	WA	\$981,000.00	218	\$39,939,830.00

OUT-OF-DISTRICT PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Glacier Bank Kalispell, MT	White Mountain Apache H.A.	WMAHA #8	PINETOP	AZ	\$750,000.00	28	\$9,721,177.00
Wells Fargo Bank, National Association Sioux Falls, SD	Duck Valley Housing Authority	NV 6-22	OWYHEE	NV	\$950,000.00	20	\$6,930,451.00
Zions Bancorporation, National Association Salt Lake City, UT	San Pasqual Housing & Community Development	Duro Road Housing Project	VALLEY CENTER	CA	\$575,000.00	30	\$18,330,353.00
Glacier Bank Kalispell, MT	Pascua Yaqui Tribe	Pascua Yaqui Homes VII	TUCSON	AZ	\$1,000,000.00	50	\$19,595,413.00
Glacier Bank Kalispell, MT	Tohono O'odham Ki:Ki Association	TOKA Homes IV	SELLS	AZ	\$700,000.00	29	\$10,796,863.00