



2021

Advisory Council Report

FEDERAL HOME LOAN BANK OF DES MOINES





Amanda Novak
Chair, Affordable Housing Advisory Council

Letter from the Advisory Council Leadership

As chair of the Affordable Housing Advisory Council (AHAC or Advisory Council) for 2021, I am pleased to present the AHAC's analysis of the Federal Home Loan Bank of Des Moines (FHLB Des Moines or the Bank) affordable housing and community investment activities. This report summarizes the activities that shaped the year and our review of initiatives to advance affordable housing.

Once again, 2021 brought uncertainty and change with the ongoing COVID-19 crisis, the continued awakening to racial equity and social justice, supply chain issues, labor shortages, rapidly escalating costs for construction materials and existing homes, and the perpetual demand for affordable housing. As expected, the most vulnerable members of our communities were significantly affected by these issues. Black, Indigenous and People of Color (BIPOC) and low-income individuals faced an uneven economic recovery, and racial inequities persisted despite the growing awareness in our society.

Aware of these challenges, the Advisory Council recognized that these issues were also a catalyst for exploration and transformation. In 2021, we deliberately looked for opportunities to better meet the diverse needs of our communities.

Top of mind was ensuring that the outcomes of our recommendations were aligned with the needs identified in the Targeted Community Lending Plan (TCLP). President and CEO Kris Williams and Chief Business Officer Wil Osborn also helped us better understand how trends within the Federal Home Loan Bank System, the Bank's Diversity Equity & Inclusion (DEI) goals and objectives, and member's business relationships with the Bank impact the Affordable Housing Program (AHP).



COVID-19

Leading under the constraints of a virtual environment presented challenges, however, we remained engaged in robust conversations, demonstrating the commitment of the AHAC to the Federal Home Loan Bank of Des Moines, its member financial institutions, the Board of Directors and, of course, the communities we serve. Since COVID-19 restricted the ability to tour affordable housing projects in the Bank's district, intentional spaces were created within each meeting for AHAC members to share innovations in their communities.

Despite the global pandemic, FHLB Des Moines Community Investment products remained relevant and responsive, and there was a consistent demand for the Bank's Down Payment Products and AHP funds. However, as anticipated, overall member demand for advances was tempered by unprecedented Federal stimulus and lower loan demand from our members' customers. The trend of lower member advance usage also impacted demand for Community Investment Advances (CIA). As a result, the AHAC recommended that the 2022 TCLP's goal for CIA originations be reduced from its 2021 amount.

COVID-19's ongoing effects led to sharp increases in construction costs and a shortage of materials and labor, impacting the Competitive AHP and Down Payment Products. Noting the widening funding gaps, the AHAC recommended that AHP's maximum grant amount per AHP-assisted project remain at \$750,000 so the award could have a meaningful impact to a project's financing.



Historically low interest rates and housing inventory were key factors for the AHAC's analysis of the Bank's Down Payment Products. Additionally, the Advisory Council was mindful of serving as many eligible homebuyers as possible. Considering the range of markets within the Bank's district and rapidly escalating home prices, the maximum per household Home\$tart grant amount remained unchanged for 2022 at \$7,500.





Diversity, Equity and Inclusion (DEI)

Community Investment is an important component of the Bank's DEI Strategic Plan, and this set the tone for discussions around DEI in 2021. The Bank's Chief Diversity and Inclusion Officer Deb Baldwin provided DEI training to the Advisory Council early in the year, with a focus on empathy and awareness. This elevated the Advisory Council's perspective, provided focus, and helped us to support the Bank's DEI goals.

Along these lines, the AHAC supported recruitment efforts for three available AHAC positions. The result was that, out of 40 eligible candidates total, **19 were ethnically diverse and 23 were female**. In further support of outreach to diverse communities, the Bank expanded its diverse contacts to raise awareness about the opportunity to serve on the AHAC among diverse communities.

The Bank's district is home to approximately **30 percent** of the U.S. Native population, and the Bank has a longstanding commitment to serving Native

communities. For example, its Native American Homeownership Initiative (NAHI) provides down payment assistance to Native households. And, over the last three years, an average of **25 percent** of all AHP awards have helped to finance Native affordable housing projects.

It is also important to note that in this same time frame, Native projects have had an average success rate of **72 percent** in the AHP. In other words, when Native projects apply for AHP, they are awarded 72 percent of the time.

Throughout 2021, we explored strategies for promoting racial equality. We discussed how to apply a racial equity lens to our discussions, researched methods to measure the Bank's impact in diverse communities, reviewed the Bank's district demographics on a state-by-state basis, and discussed opportunities to serve diverse communities.





Community Investment Products

Competitive Affordable Housing Program (AHP)

FHLB Des Moines offers a variety of products to support the purchase, construction or rehabilitation of affordable housing. Since the inception of the Affordable Housing Program in 1990, FHLB Des Moines has awarded over **\$665.5 million** to provide affordable housing opportunities to more than **90,024 families** and individuals.

In 2021, a total of 116 eligible AHP applications were submitted; at least one application from each state in the Bank's 13-state district. In the 2021 AHP funding round, 42 FHLB Des Moines members were awarded more than **\$40 million** to help their housing partners finance 67 affordable rental or owner-occupied projects that will provide 2,143 affordable homes.

All 67 projects provide at least 20 percent of the homes to households with special needs. 26 of these projects are located in rural areas, 27 provide homeownership opportunities, 16 provide housing to Native communities, and 10 preserve affordable housing.

Home\$tart®

Since its inception in 1995, FHLB Des Moines has disbursed **\$141.7 million** in equity to Bank members to provide down payment and closing cost assistance to help finance home purchases for more than **31,021 eligible households**.

In 2021, FHLB Des Moines granted its members nearly **\$7 million**, which members regranted to **985** eligible first-time homebuyers to assist with the purchase a home.

Native American Homeownership Initiative (NAHI)

NAHI provides Bank members with equity for down payment and closing cost to help finance home purchase for eligible Native American, Native Alaskan, and Native Hawaiian households. In 2021, through its members, FHLB Des Moines disbursed in **\$454,000 in NAHI funds** to provide down payment assistance for 32 households.

Community Investment Advance (CIA)

FHLB Des Moines' CIA is a reduced-rate advance to support housing and economic development projects that meet targeted needs. In 2021, the Bank approved 49 CIAs to its members representing **\$72 million** in reduced-rate funding.





Targeted Community Lending Plan (TCLP)

The TCLP identifies significant affordable housing and community lending needs and how the Bank will address them through its AHP as set forth in the AHP Implementation Plan (IP). The Bank's AHP guiding principles provide a framework for prioritizing these affordable housing needs throughout its diverse 13-state district. Specifically, these principles promote a balanced distribution of funds across the district, and a reasonable balance between urban and rural areas and between rental and homeownership projects.

The AHAC conducted a comprehensive state-by-state review of distribution of funds in both the Competitive AHP and Down Payment Products. After analysis, it was determined that those results, the guiding principles, and the needs identified in the TCLP aligned.

The Advisory Council recommended approval of both the 2022 TCLP and the 2022 IP this year, and both were approved by the Board of Directors. The TCLP provides a comprehensive summary of published market assessments for affordable housing and community lending in the Bank's district, which is compared to and corroborated by AHAC analysis and reports from other widely accepted industry publications.

The 2021 TCLP had been significantly enhanced from prior years, and we were able to carry these revisions forward into 2022 as the needs identified remained relevant.

Joint Meeting of the AHAC and BOD

Finally, in a joint meeting between the AHAC and the Bank's Board of Directors, we discussed the affordable housing crisis facing our communities, and AHAC members presented information about ways community groups are advancing affordable homeownership.





Closing

Over this past year, my colleagues on the Advisory Council have gone above and beyond whatever has been asked of them to ensure that affordable housing needs are being addressed. I know this commitment will continue in 2022, under the leadership of AHAC chair Robert Peterson (Washington) and vice chair Heather Piper (Hawaii), along with our newest Advisory Council members.

I would like to thank Kris Williams and Wil Osborn, AHAC vice chair Robert Peterson, the Board of Directors, the Bank's member financial institutions and their community partners for their dedication to affordable housing. I also extend gratitude to Community Investment Officer Jennifer Ernst for ensuring the AHAC had the resources needed to make informed, thoughtful recommendation.

Special recognition must also be given to outgoing AHAC members Angela Morton Conley (Missouri), Leon Gray (General At Large) and Tawney Brunsch (Native At Large) for their years of dedicated service.

I am confident that the AHAC and the Bank will continue to explore opportunities in support of DEI priorities and investment in providing quality affordable housing.

It has been an honor to serve as chair for the 2021 Advisory Council and as vice chair in 2020.

Sincerely,

Amanda Novak



2021 Advisory Council



Amanda Novak
Chair



Robert Peterson
Vice Chair



Michael Akerlow



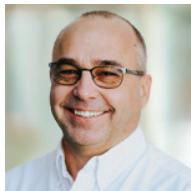
Tawney Brunsch



Angela Morton Conley



Andrea Davis



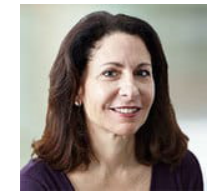
Brent Ekstrom



Lynne Keller Forbes



Leon Gray



Michelle Griffith



Stephen Grimshaw



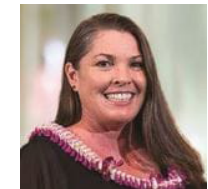
Sean Hubert



Gary Lozano



Christopher Perez



Heather Piper



2021

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	Cook Inlet Housing Authority	Spenard East Phase II	ANCHORAGE	AK	\$750,000.00	38	\$12,522,901.00
Northrim Bank	Wasilla Area Seniors Inc.	Willow House II	WASILLA	AK	\$750,000.00	40	\$11,112,251.00
Northrim Bank	Providence Health & Services	Providence Alaska House	ANCHORAGE	AK	\$750,000.00	52	\$13,491,959.00
Northrim Bank	Valley Residential Services	Bridgeway Community Housing II	WASILLA	AK	\$720,000.00	18	\$5,020,421.00
First National Bank Alaska	Knik Tribe	Knik Homes #1	WASILLA	AK	\$750,000.00	32	\$10,991,423.00
First Bank	Tlingit Haida Regional Housing Authority	2021 Homeownership Housing Rehabilitation	JUNEAU	AK	\$750,000.00	35	\$1,500,000.00
Northrim Bank	Cook Inlet Housing Authority	Tyonek Kenaitze Rehabilitation	ANCHORAGE	AK	\$750,000.00	93	\$20,606,185.00



IDAHO PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Bank of Idaho	Eastern Idaho Community Action Partnership	2021 Rehabilitation and Weatherization	IDAHO FALLS	ID	\$250,000.00	14	\$500,000.00
Bank of Commerce (The)	Pocatello Neighborhood Housing Services, Inc. dba NeighborWo	NWP 2021 Owner-Occupied Rehabilitation	POCATELLO	ID	\$504,000.00	30	\$824,790.00



IOWA PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
MidWestOne Bank	Joppa	Joppa Village	DES MOINES	IA	\$750,000.00	24	\$2,236,000.00
Iowa State Bank	Region XII Council of Governments Inc	2021 Region XII Owner Occupied Rehabilitation	CARROLL	IA	\$322,235.00	17	\$322,235.00
Guthrie County State Bank	Region XII Council of Governments Inc	2021 Panora 4 Single Family Homes	PANORA	IA	\$158,000.00	4	\$859,998.00
NSB Bank	NIACOG Housing Trust Fund	NIACOG Regional Housing Rehabilitation-2021	MASON CITY	IA	\$728,000.00	26	\$728,000.00
Cedar Rapids Bank and Trust Company	Assisted Living Foundation of America (ALFA)	Hotel President	WATERLOO	IA	\$265,000.00	84	\$283,000.00
Peoples Bank	Anawim Housing, Inc.	Star Apartments	DES MOINES	IA	\$750,000.00	20	\$3,957,648.00
Security National Bank of Sioux City, Iowa (The)	Siouxland Interstate Metropolitan Planning Council	SIMPCO's Home Improvement & Preservation Program 2022	SIoux CITY	IA	\$736,470.00	30	\$926,470.00



MINNESOTA PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Bremer Bank, National Association	Project for Pride in Living, inc.	Simpson Community Shelter and Apartments	MINNEAPOLIS	MN	\$750,000.00	42	\$13,917,363.00
First National Bank Bemidji	Red Lake Band of Chippewa Indians	Red Lake Supportive Housing 2	REDLAKE	MN	\$750,000.00	22	\$3,742,401.00
Bremer Bank, National Association	Beacon Interfaith Housing Collaborative	Emerson Village	MINNEAPOLIS	MN	\$750,000.00	40	\$17,688,000.00
North Shore Bank of Commerce	One Roof Community Housing	Community Land Trust New Construction	DULUTH	MN	\$200,000.00	5	\$1,601,970.00
Bremer Bank, National Association	Beacon Interfaith Housing Collaborative	Vista 44	HOPKINS	MN	\$750,000.00	50	\$19,450,843.00



MISSOURI (1 OF 2)

PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Mid-Missouri Bank	Joplin Area Habitat for Humanity	JAHFH Critical Home Repair Program (CHRP) Project - Newton County [2022/2023]	NEOSHO	MO	\$560,000.00	20	\$601,040.00
Central Trust Bank (The)	Cole County Residential Services, Inc.	Lewella Estes Apts Rehab Project 2021	JEFFERSON CITY	MO	\$383,663.00	16	\$389,263.00
Midwest BankCentre	Carondelet Community Betterment Federation, Inc.	63111 Home Repair	SAINT LOUIS	MO	\$739,200.00	30	\$739,200.00
Midwest BankCentre	Carondelet Community Betterment Federation, Inc.	63116 Home Repair	SAINT LOUIS	MO	\$739,200.00	30	\$739,200.00
Enterprise Bank & Trust	Rebuilding Together-St. Louis	2022 Rebuilding Together St. Louis - STL City	SAINT LOUIS	MO	\$750,000.00	25	\$750,000.00
Enterprise Bank & Trust	Rebuilding Together-St. Louis	2022 Rebuilding Together St. Louis - STL County	SAINT LOUIS	MO	\$450,000.00	15	\$450,000.00
Commerce Bank	Beyond Housing	24:1 Community Home Repair Program Zone #1	SAINT LOUIS	MO	\$750,000.00	30	\$750,000.00
Central Trust Bank (The)	THE GATHERING TREE	Eden Village 3	SPRINGFIELD	MO	\$750,000.00	24	\$1,888,726.00
Enterprise Bank & Trust	Beyond Housing	24:1 Community Home Repair Program Zone #4	SAINT LOUIS	MO	\$750,000.00	30	\$750,000.00
Midwest BankCentre	Beyond Housing	24:1 Community Home Repair Program Zone #3	SAINT LOUIS	MO	\$750,000.00	30	\$750,000.00

MISSOURI (2 OF 2) PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Montgomery Bank	Housing Authority of the City of Morehouse	Morehouse rehab	MOREHOUSE	MO	\$252,621.00	27	\$252,621.00
Citizens Bank and Trust Company	Northland Neighborhoods Inc	2022 NNI Minor Home Repair Program	KANSAS CITY	MO	\$300,000.00	20	\$403,200.00
Blue Ridge Bank and Trust Co.	Truman Heritage Habitat for Humanity	Aging in Place Rehabilitation Project	INDEPENDENCE	MO	\$251,000.00	10	\$251,000.00
People's Bank of Seneca	Humansville senior Citizens Housing Corporation	Humansville Senior Housing Rehab	HUMANSVILLE	MO	\$728,030.00	40	\$728,030.00
People's Bank of Seneca	Sarcoxie Rental Housing Corporation	Sarcoxie Senior Rehab	SARCOXIE	MO	\$735,151.00	32	\$735,151.00
People's Bank of Seneca	Mt Vernon Housing Commission Incorporated	Mt. Vernon Rehab	MOUNT VERNON	MO	\$747,396.00	32	\$747,396.00
People's Bank of Seneca	California Senior Housing Association	California Senior Rehab	CALIFORNIA	MO	\$744,128.00	66	\$744,128.00
Enterprise Bank & Trust	Beyond Housing	24:1 Community Home Repair Program Zone #2	SAINT LOUIS	MO	\$750,000.00	30	\$750,000.00
Citizens Bank	Rich Hill Non-Profit Housing Corporation	Rich Hill Senior Rehab	RICH HILL	MO	\$729,422.00	36	\$729,422.00



MONTANA PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Glacier Bank	Homeword	Crowely Flats Adaptive Re-Use	LEWISTOWN	MT	\$160,000.00	16	\$3,822,660.00
First Interstate Bank	Northern Cheyenne Tribal Housing Authority	Healthy Home Homeowner Supplemental Grant 2021	LAME DEER	MT	\$379,996.00	10	\$474,996.00



NORTH DAKOTA PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Gate City Bank	YWCA Cass Clay	Lantern Light	FARGO	ND	\$750,000.00	23	\$5,958,628.00
Turtle Mountain State Bank	Turtle Mountain Housing Authority	Veterans Complex	BELCOURT	ND	\$750,000.00	20	\$3,657,000.00
Bell Bank	Beyond Shelter, Inc.	The Milton Earl	FARGO	ND	\$750,000.00	42	\$12,944,497.00
Bank of North Dakota	Community Homes of Bismark Inc	Washington Court Apartments Rehab	BISMARCK	ND	\$750,000.00	96	\$6,619,607.00



OREGON PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
People's Bank of Commerce	Rebuilding Together Rogue Valley	Aging in Place in Rogue Valley	MEDFORD	OR	\$451,000.00	20	\$457,500.00
First Interstate Bank	Union Gospel Mission	The Journey Home	PORTLAND	OR	\$750,000.00	48	\$11,451,023.00
Summit Bank	Shepherd's House Ministries	Shepherd's House Redmond	REDMOND	OR	\$750,000.00	40	\$2,000,137.00



SOUTH DAKOTA PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Dacotah Bank	Homes are Possible Inc	HAPI 2021 Senior Rehab	ABERDEEN	SD	\$332,535.00	15	\$332,535.00
Dacotah Bank	GROW South Dakota	2021 GROW SD Home Improvement	SISSETON	SD	\$732,000.00	40	\$732,000.00
Pinnacle Bank	Rosebud Economic Development Corporation	Keya Wakpala Development	MISSION	SD	\$200,000.00	5	\$1,535,300.00



UTAH PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Zions Bancorporation, National Association	Neighborhood Nonprofit Housing Corp.	Northern Utah Neighborhood Improvement Project (NUNIP) Phase 5	BRIGHAM CITY	UT	\$483,560.00	35	\$660,135.00



WASHINGTON PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Gesa Credit Union	Tri-County Partners Habitat for Humanity	Tri-County Partners Pasco Phase 3	PASCO	WA	\$149,400.00	6	\$1,548,000.00
Umpqua Bank	Parkview Services	Parkview Homes XIV - Riverton Cascade	SEATTLE	WA	\$320,000.00	8	\$1,330,150.00
Kitsap Bank	Port Gamble S'Klallam Housing Authority	Warrior Ridge Apartments	KINGSTON	WA	\$750,000.00	30	\$7,983,289.00
HomeStreet Bank	Habitat for Humanity Seattle-King County	Critical Repairs King & Kittitas Counties	RENTON	WA	\$359,976.00	24	\$449,550.00
Heritage Bank	Korean Women's Association	KWA 15th & Tacoma	TACOMA	WA	\$750,000.00	87	\$28,763,625.00
Umpqua Bank	Spokane Housing Ventures	Vets on N Lacey	SPOKANE	WA	\$400,000.00	10	\$3,050,000.00



WYOMING PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
First Interstate Bank	Volunteers of America Northern Rockies	Albany County Housing	LARAMIE	WY	\$750,000.00	31	\$881,063.00



OUT OF DISTRICT PROJECT LISTING



Member	Sponsor	Project Name	City	State	Subsidy	Units	Dev. Costs
Glacier Bank	Pascua Yaqui Tribe	Pascua Yaqui Homes VIII	TUCSON	AZ	\$567,000.00	27	\$9,629,252.00
Glacier Bank	Tohono O'odham Ki:Ki Association	TOKA Homes V	SELLS	AZ	\$600,000.00	30	\$14,533,214.00
Wells Fargo Bank, National Association	CityTeam Ministries	Grace Village	SAN JOSE	CA	\$750,000.00	66	\$16,303,888.00
Wells Fargo Bank, National Association	Colorado Coalition for the Homeless	Off Broadway Lofts	DENVER	CO	\$750,000.00	81	\$16,331,681.00
Wells Fargo Bank, National Association	Peace Place, Inc.	Peace Place Home	JEFFERSON	GA	\$720,000.00	20	\$934,500.00
Glacier Bank	Pueblo of Acoma Housing Authority	PAHA Homes #2	PUEBLO OF ACOMA	NM	\$450,000.00	30	\$7,162,126.00
Wells Fargo Bank, National Association	Duck Valley Housing Authority	NV 6-22 Phase II	OWYHEE	NV	\$750,000.00	24	\$9,157,717.00





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