

FEDERAL HOME LOAN BANK OF SAN FRANCISCO

2011 Community Lending Plan

Introduction

The Bank gives regular updates to the Affordable Housing Advisory Council (AHAC) and the Board regarding the Bank's progress in developing and implementing the Community Lending Plan (Plan). The AHAC reviews the progress on the Plan and helps identify new areas of opportunity to promote the Bank's community investment programs. The activities described in Section I are designed to gain input from members, housing associates, and public and private economic development organizations in the Bank's district to develop and implement the Plan every year. Sections II and III outline the Bank's non-mandated grant program, Access to Housing and Economic Assistance for Development (AHEAD), and Community Support Program activities. The AHEAD program and the homeownership set-aside programs, the Individual Development and Empowerment Account (IDEA) Program and the Workforce Initiative Subsidy for Homeownership (WISH) Program, were developed in response to identified credit needs and market opportunities in the Bank's district. Section IV describes the Bank's quantitative community lending performance goals.

The activities identified in Sections I, II, and III are very similar to those in the 2010 Community Lending Plan, except for the addition of the Bank's support for "green" building described in Section I.F. The first four goals listed in Section IV are also the same as the goals for 2010, except for an increase in the targeted number of conferences, meetings, and workshops. The Bank has added a new goal to Section IV to specify the target amount of small business, small farm, and small agribusiness loan collateral to be pledged as of yearend 2011 by Community Financial Institution (CFI) members that receive borrowing capacity on their CFI collateral. The target amounts are based on an estimate of the amount of additional CFI collateral that could be pledged by CFI members and receive borrowing capacity, assuming the Bank's outreach efforts are successful.

Recommendation

Management recommends that the Affordable Housing Committee, acting under delegated authority from the Board, approve the proposed 2011 Community Lending Plan that appears on pages 2-3.

2011 Community Lending Plan

- I. Develop and maintain relationships with community and economic development organizations**
 - A. Create opportunities to support and participate in conferences and workshops sponsored by community organizations.
 - B. Develop, sponsor, and co-sponsor workshops and meetings to promote relationships among the Bank, its members, housing associates, and community-based organizations.
 - C. Provide technical assistance to community and economic development organizations on the Bank's programs and products.
 - D. Provide support to community-based organizations, including faith-based organizations, to link such organizations to sources of technical assistance, experienced partners in community development, and advocacy groups.
 - E. Support members, housing associates, and their community partners in their foreclosure prevention and community recovery initiatives through the competitive AHP, the AHP set-aside programs, and the AHEAD program by expanding outreach and information-sharing activities.
 - F. Support members, housing associates, and their community partners in their efforts to expand their markets into sustainable "green" building with the objective of promoting building practices, developing loan underwriting standards, and creating a securities market for loans on "green" building developments.

- II. Non-Mandated Grant Program: Access to Housing and Economic Assistance for Development (AHEAD)**
 - A. Promote and engage the participation of members and housing associates in the AHEAD program.
 - B. Accept and evaluate applications and administer the program in 2011.

- III. Community Support Program Activities**
 - A. Promote affordable housing finance and partnerships among members, housing associates, and community developers.
 - B. Administer the Affordable Housing Program, including the competitive program and the set-aside programs, WISH and IDEA.
 - C. Promote the Bank's community investment programs and products in seminars, workshops, and meetings.

IV. Quantitative Goals for 2011

- A. **CIP, ACE, and HPA advances and letters of credit:** Transact Community Investment Program (CIP), Advances for Community Enterprise (ACE), and Homeownership Preservation Advance (HPA) advances and letters of credit (number of members). *The 2011 goal is the same as 2010: most transactions in 2010 were done by members using the LC economic development authority that will expire at the end of 2010.*
- B. **Bank-sponsored AHP workshops:** Conduct Bank-sponsored AHP (competitive and set-aside) and monitoring workshops to increase member involvement in the Bank's programs, improve the quality of applications, and reduce compliance issues. *The 2011 goal is the same as 2010.*
- C. **Actively participate in and/or convene conferences, meetings, and workshops:** Foster expansion of, and member and housing associates' involvement in, affordable housing and economic development and promote understanding of the Bank's mission and community investment programs by supporting and actively participating in, or convening, conferences, workshops, and meetings with members and public and private community and economic development organizations. *The 2011 goal is higher than 2010.*
- D. **Provide technical assistance and guidance on the Bank's products and programs:** Provide technical assistance and guidance on the use of the Bank's affordable housing, credit, and economic development programs to members, housing associates, and affordable housing and economic development organizations. *The 2011 goal is the same as 2010.*
- E. **CFI collateral:** Increase the amount of small business, small farm, and small agribusiness loans pledged by Community Financial Institution (CFI) members that receive borrowing capacity on their CFI collateral, as measured by the total unpaid principal balance of each loan type pledged as of yearend 2011. *The goal is included for the first time in 2011.*

2011 Goal	Meets	Exceeds	Far Exceeds
CIP, ACE, and HPA advances and letters of credit (# members)	7	10	13
Bank-sponsored AHP workshops	40		
Actively participate in and/or convene conferences, meetings, and workshops	80		
Provide technical assistance and guidance on the Bank's products and programs	150	175	200
CFI collateral (<i>Unpaid principal balance in millions</i>):			
Small business loans	\$4,931		
Small farm loans	\$333		
Small agribusiness loans	\$183		

2010 Goals	Meets	Exceeds	Far Exceeds	As of 10/31/10
CIP, ACE, and HPA advances and letters of credit (# <i>members</i>)	7	10	13	16
Bank-sponsored AHP workshops	40			37
Conferences, meetings, and workshops	75			94
Technical assistance	150	175	200	211