Our 2018 Advisory Council Annual Report, *Gears in Motion*, highlights the accomplishments of the Federal Home Loan Bank of Dallas (FHLB Dallas) and our members in promoting affordable housing and economic development in our five-state region. In this report, you will read about how FHLB Dallas’ community investment programs, through member institutions, have transformed communities through $14.1 million in grants awarded to 29 affordable housing projects, helping to create 1,853 new or rehabilitated housing units in 2018.

In 2018, we put our gears in motion alongside our members to positively impact their communities. To maximize that impact, we increased the amount of Affordable Housing Program (AHP) competitive funds available to members from $7.9 million to $14.1 million in 2018. Of those funds, a $224,000 AHP grant helped create the first sustainable rental community in Greenville, Mississippi, one of the most impoverished areas in the United States, according to city-data.com.

We also created and launched the Disaster Rebuilding Assistance set-aside program in response to Hurricane Harvey in March 2018, making available $500,000 in funds to cover repair costs for qualified households in impacted communities. During the program’s inaugural year, we funded $26,095 through three members to benefit families whose homes were damaged by FEMA-declared natural disasters.

In October 2018, we unveiled our newest voluntary program, Small Business Boost (SBB), which will take the place of Economic Development Program Plus (EDPPlus) grants. SBB is recoverable assistance that can accompany a member’s primary loan to help finance new businesses in our members’ communities that might be experiencing a lack of equity or do not meet members’ underwriting criteria. In 2019, we made $3 million available in SBB funds for members to give their communities an extra boost.

While constant motion helps in advancing our mission, it is the intention behind the movement that propels the gears forward. Somewhere between never losing sight of our mission and constant movement toward advancing our mission is the key to effecting real change in our members’ communities. By continuously working to improve our community investment offerings, we strengthen our commitment to our members and the communities in which they operate and serve.

We hope you enjoy the contents of this report.

Sincerely,

Tim Pierce
2019 Affordable Housing Advisory Council Chairman
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10 A Hero Finds a Safe HAVEN
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For a complete list of 2018 AHP awards, visit fhlb.com/ahp.
At a Glance

In 2018, FHLB Dallas expanded public and private funding for affordable housing and created new sources of financing. Filling the gap where other sources fell short, the Affordable Housing Program (AHP) helped 29 affordable housing projects achieve viability in Arkansas, Louisiana, Mississippi, New Mexico, and Texas, when other funds were not available.

The AHP also provided affordable and accessible housing for the lowest income households. Of the 1,853 units supported by the AHP, 1,495 (78 percent) are for very low-income households. Eleven AHP projects will provide a total of 480 units to house the homeless and 96.5 percent of AHP projects will serve 1,104 special-needs households.

The AHP helps preserve affordable housing in rural areas and supports gentrifying urban neighborhoods where low-income residents are threatened by displacement.

Supported 29 affordable housing projects consisting of 1,285 units in rural communities

Of the 1,853 units supported by the AHP, 1,495 (78 percent) are for very low-income households

In 2018, FHLB Dallas improved access to mainstream financial institutions in low-income and rural communities.

- Participated in 45 grant celebrations in our members’ communities in the FHLB Dallas five-state region
- Sponsored, presented and/or participated in four banking conferences and 14 housing related conferences
- Conducted 15 educational workshops/webinars
Community Investment Program (CIP) and Economic Development Program (EDP) Summary

Letters of Credit
19 for $272.7 million
Results 1,284 jobs and 2,422 affordable housing units

Advances
101 for $52.4 million
Results 883 jobs and 341 affordable housing units

Small Business Grants
$739,855
Results Assisted 52 small business owners
Hailed as the Delta’s first sustainable community, The Reserves of Gray Park is a 42-unit apartment community in Greenville, Mississippi, that was assisted by a $224,000 Affordable Housing Program (AHP) grant from Planters Bank and Trust Company and the Federal Home Loan Bank of Dallas (FHLB Dallas). The grant to Greater Greenville Housing and Revitalization Association provided gap funding for the $4.4 million affordable housing development.

“**We are driven in part by a deep commitment to the communities we serve and are proud to utilize the AHP to benefit those communities,**” said Planters Bank and Trust Company’s Greenville Market President Parker England. “**Our partnership with FHLB Dallas is the key.**”

### AFFORDABLE HOUSING PROGRAM (AHP)

Affordable Housing Program (AHP) funds assist with the purchase, construction and/or rehabilitation of owner-occupied and rental homes, single- and multifamily housing, infill development, transitional housing and housing for the homeless.

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>1990-2018</th>
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<tbody>
<tr>
<td><strong>ALL APPROVED PROJECTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Units</td>
<td>1,853</td>
<td>44,141</td>
</tr>
<tr>
<td>Very Low Income Units</td>
<td>1,495</td>
<td>32,759</td>
</tr>
<tr>
<td>AHP Grants</td>
<td>$14,145,060</td>
<td>$243,384,019</td>
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<tr>
<td>Total Development Costs</td>
<td>$146,464,891</td>
<td>$2,961,328,980</td>
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<thead>
<tr>
<th></th>
<th>2018</th>
<th>1990-2018</th>
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</thead>
<tbody>
<tr>
<td><strong>RENTAL PROJECTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Units</td>
<td>1,601</td>
<td>27,553</td>
</tr>
<tr>
<td>Very Low Income Units</td>
<td>1,248</td>
<td>20,185</td>
</tr>
<tr>
<td>AHP Grants</td>
<td>$11,763,010</td>
<td>$147,062,309</td>
</tr>
<tr>
<td>Total Development Costs</td>
<td>$144,042,841</td>
<td>$1,916,641,440</td>
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</table>
When St. Jude Center, a 104-unit residential complex for low- and very low-income seniors opened in 2018, 10 percent of the city of Dallas’ homeless housing shortage was addressed. A $500,000 AHP grant from Frost Bank and FHLB Dallas to St. Jude Inc. benefited the completion of the residential complex. The property underwent a complete renovation, including upgraded landscaping and parking, new finishes, upgraded in-unit kitchens and upgraded mechanical, electrical and plumbing systems.

“The funds came in at just the right time. Without the grant, we would not have been able to do the renovations and improvements to the degree that we have,” said Joseph Dingman, treasurer of St. Jude Inc.
Joseph Barabin and his wife, Pearly, had their bathroom, kitchen and den renovated, thanks to a $5,846 Special Needs Assistance Program (SNAP) grant from First National Bank of Jeanerette and FHLB Dallas. A stroke left Mr. Barabin partially paralyzed and unable to speak, making it impossible for him to repair his home, which had fallen into disrepair. The grant repaired the foundation in the Barabins’ bathroom, securing the unsteady tub and toilet.

“Our home was in bad shape before being awarded the grant. You couldn’t step foot on our floors without the wood panels lifting up,” said Pearly Barabin, a SNAP grant recipient. “We are thankful for the renovations made to our house through this grant. This program is beneficial to the community because it helps people who cannot do it for themselves.”

**SPECIAL NEEDS ASSISTANCE PROGRAM (SNAP)**

The Special Needs Assistance Program (SNAP) provides grant funds for the repair and rehabilitation of owner-occupied housing for eligible, special-needs individuals.

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<thead>
<tr>
<th></th>
<th>2018</th>
<th>2009-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Units</td>
<td>355</td>
<td>3,033</td>
</tr>
<tr>
<td>SNAP Grants</td>
<td>$1,989,779</td>
<td>$15,167,653</td>
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</table>

Financial assistance for home repairs and accessibility modifications was increased in 2018, especially for low-income seniors in rural areas.

FHLB Dallas provided $1.99 million in SNAP grants, assisting 355 households.

Approved for $2.28 million, seven owner-occupied rehabilitation AHP projects will assist 242 special-needs households.
After sharing a bedroom with her daughters in her mother’s house for four years, Sarah Cerna knew she needed to make a change. Her daughters, ages 9 and 7, were growing up quickly and wanted a yard of their own.

A $4,500 Homebuyer Equity Leverage Partnership (HELP) grant from Lea County State Bank and FHLB Dallas provided Ms. Cerna the necessary capital for closing costs on her new home in Hobbs, New Mexico.

“Life circumstances can put some people at a great disadvantage,” said Dickie Wall, senior vice president and Chief Credit Officer of Lea County State Bank. “HELP humanizes the homebuying process, helping hardworking families achieve the dream of homeownership.”

HOMEBUYER EQUITY LEVERAGE PARTNERSHIP (HELP)

The Homebuyer Equity Leverage Partnership (HELP) program assists low-income, qualified, first-time homebuyers with down payment assistance and closing costs.

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<tr>
<th></th>
<th>2018</th>
<th>2002-2018</th>
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</thead>
<tbody>
<tr>
<td>Total Units</td>
<td>356</td>
<td>3,941</td>
</tr>
<tr>
<td>HELP Grants</td>
<td>$2,000,000</td>
<td>$20,262,326</td>
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</table>

In 2018, FHLB Dallas increased funding for homeownership counseling and down payment assistance.

Maximum grant increased from $7,000 to $8,500
Total allocation increased from $1 million to $2 million
After eight Improvised Explosive Device blasts left him seriously injured, U.S. Marines veteran Michael Byrne ended his seven-year career with the Marines. Post-Traumatic Stress Disorder and other injuries pose daily challenges to Mr. Byrne, now living in Humble, Texas, making it difficult for him to work full time.

A $7,850 Housing Assistance for Veterans (HAVEN) grant from Texas Capital Bank and FHLB Dallas helped offset construction costs on a new home, provided by Operation FINALLY HOME, a nonprofit dedicated to honoring American veterans with custom-built, mortgage-free homes. In 2018, HAVEN assisted six veterans, including Mr. Byrne.

“Operation FINALLY HOME is so blessed to work with amazing builders and sponsors such as FHLB Dallas and Texas Capital who help us honor heroes with homes,” said Rusty Carroll, executive director of Operation FINALLY HOME.

HOUSING ASSISTANCE FOR VETERANS (HAVEN)

The Housing Assistance for Veterans (HAVEN) program assists with necessary modifications to homes of U.S. veterans and active-duty personnel disabled by active military service since September 11, 2001, and who earn 165 percent or less of the area median income.
Bob Davis Male Veterans Shelter Secretary/Treasurer and co-founder Joanna Farris has big plans for the shelter. The drug- and alcohol-free, faith-based veterans shelter needed a lot of work before its 2019 opening, which was assisted by $10,000 in Partnership Grant Program (PGP) funds from First Security Bank and FHLB Dallas.

The funds went toward business operations as the shelter underwent extensive renovations. The mission of Bob Davis Male Veterans Shelter is to provide homeless veterans with food, shelter, clothing and social services needed to reintegrate into society. Services provided by the shelter include job training, education, counseling and job placement.

“Programs like the PGP are very important for communities to thrive,” said Ms. Farris, secretary/treasurer and co-founder of Bob Davis Male Veterans Shelter. “Without the grant funds, we would have had to hold more fundraising events.”

**PARTNERSHIP GRANT PROGRAM (PGP)**

The Partnership Grant Program (PGP) provides grants up to $12,000 to help promote and strengthen relationships between community-based organizations (CBOs) and FHLB Dallas members. PGP awards are matched by the member’s contribution to a CBO of $500 up to $4,000 at a 3:1 ratio and are offered once a year via a lottery system.

<table>
<thead>
<tr>
<th>Total Organizations Assisted</th>
<th>Member Grant Funds</th>
<th>Total Grant Funds</th>
</tr>
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<tbody>
<tr>
<td>32</td>
<td>$114,010</td>
<td>$300,000</td>
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2019 Affordable Housing Advisory Council

**Tim Pierce**
*Executive Director (Chairman)*
South Plains Association of Governments
Lubbock, Texas

**Felipe Rael**
*Executive Director (Vice Chairman)*
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Albuquerque, New Mexico

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Greenwood-Leflore-Carroll Economic Development Foundation
Greenwood, Mississippi

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*Director of Development*
JL Gray Company, Inc.
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YES Housing, Inc.
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Prospera Housing Community Services
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Austin, Texas

Chris Monforton
*Chief Executive Officer*
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Gulfport, Mississippi

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Van Buren, Arkansas

Karen Phillips
*Sebastian County Project Coordinator*
Restore Hope Arkansas
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Samuel Sanders
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**Judy Brumley**
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**Paul Speckhals**
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