

Congress of the United States

Washington, DC 20510

July 23, 2021

Ms. Teresa Bryce Bazemore
President and Chief Executive Officer
Federal Home Loan Bank of San Francisco
333 Bush St., Ste. 2700
San Francisco, CA 94104

Dear Ms. Bazemore:

We write to express our dismay that not one housing development in Nevada received an Affordable Housing Program Award this year. We request that the Federal Home Loan Bank of San Francisco establish a targeted set-aside Affordable Housing Program for Nevada as soon as possible. This new program should be developed in consultation with Nevada's housing groups and state and local government housing agencies.

Nevada is one of the states hardest hit by the coronavirus pandemic. At 7.8%, our unemployment rate is the third highest in the country.¹ We face high levels of poverty, a dire lack of affordable housing, low rental vacancy rates, the third lowest homeownership rate² and an inadequate supply of homes; more than 12 percent of Nevada's population has incomes below the poverty line.³ Nevada has the most severe shortage of affordable housing units in the country, with only 20 units available for every 100 extremely low-income families; 81% of extremely low-income renters are severely cost burdened.⁴ With more than 3 million people, we have a larger population than eighteen states.

As the state seeks to recover from the high levels of unemployment due to the pandemic, we need federal entities and instrumentalities, including the Federal Home Loan Bank of San Francisco (FHLB-SF), to invest in our state and fulfill their statutory mission. Our housing organizations submitted at least half a dozen applications to the FHLB-SF for the 2021 Affordable Housing Program (AHP) awards. We were stunned to learn that no Nevada applicant received an award; instead this year's competitive awards of \$37.4 million to 46 applicants comprised of one grantee in Arizona, 44 in California and one in New Mexico, an out-of-district application.⁵

The underfunding of Nevada's affordable housing programs is a long-standing problem. In the past years, Nevada's AHP awards, totaling \$1.5 million, in 2020 and \$1.25 million in 2019, are less than our share based on population, and less than our share based on need. Nevada received

¹ <https://www.bls.gov/news.release/laus.nr0.htm>

² <https://ipropertymanagement.com/research/homeownership-rate-by-state>

³ <https://talkpoverty.org/state-year-report/nevada-2020-report/>

⁴ <https://nlihc.org/housing-needs-by-state/nevada>

⁵ <https://fhlsf.com/community-programs/grant-programs/ahp-project-info?fromyear=2021&toyear=2021>

2% of the total value of AHP competitive awards in 2019 and under 4% of AHP competitive awards in 2020 even though we have more than 6% of the population of the three states. This pattern of nearly all of the AHP funds being awarded to recipients in California has continued for decades. The attached analysis from Senator Cortez Masto's staff finds that Nevada received the lowest combined total of AHP competitive grants between 1990 and 2016: \$31 million or 3.5% of \$884 million total dollars of the three states served. Arizona received \$88 million or 9.95%; California received \$673 million or 76.13%; and other states – outside of the Bank's service area -- have received \$92 million or 10.4%. If Nevada had been awarded investments consistent with our population, we would have received nearly double the \$31 million. Out-of-state awards should not be nearly three times those of Nevada, considering our dire need for affordable housing.

Despite our oversight and outreach efforts, the FHLB-SF has not provided the technical assistance or investments that we need in Nevada. Neglecting Nevada's housing and community development needs is unacceptable. All eleven of the Federal Home Loan Banks have an obligation to meet the liquidity needs of their members so they can finance housing, community development and other locally-needed investments.

We request the FHLB-SF immediately establish a targeted set-aside AHP fund for Nevada. This fund would include all de-obligated AHP awards and one-third of next year's AHP awards. In the following four years, we request that at least 10 percent of the competitive AHP funds are awarded to Nevada to compensate for the underfunding from the previous three decades. We have many competent housing developers, including our Native American tribes, who can invest these funds wisely to address our long-standing housing challenges.

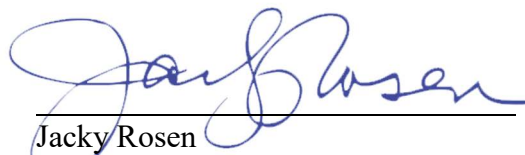
In addition to a targeted set-aside fund for the AHP, we request a stronger focus on the affordable housing and community development needs of Nevada. As you can see from the attached analysis, the FHLB-SF has long neglected Nevada, including our tribal lands. In thirty years, only one of Nevada's 27 Native American tribes has received an AHP award. In addition, the level of financial investment we receive – through the Affordable Housing Program, the Community Investment Cash Advance program, CIP, AHEAD, etc. – has long been lower than funds provided to the other two states. We specifically request additional ongoing training and coaching for member financial institutions, local governments, nonprofits and tribal governments to best use the resources of the FHLB-SF system.

We request a reply to this letter by August 31.

Sincerely,



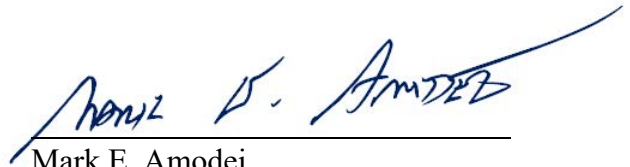
Catherine Cortez Masto
United States Senator



Jacky Rosen
United States Senator



Dina Titus
Member of Congress



Mark E. Amodei
Member of Congress



Susie Lee
Member of Congress



Steven Horsford
Member of Congress

Enclosure: Staff analysis of FHLB-SF Awards

CC: FHLB-SF Board of Directors
FHLB-SF Affordable Housing Advisory Council
Sandra L. Thompson, Acting Director, FHFA