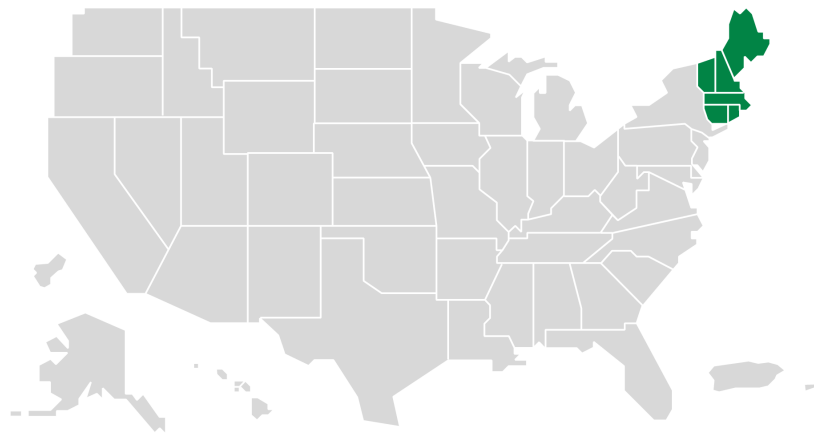


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



1ST CONGRESSIONAL DISTRICT OF MASSACHUSETTS
SUB-STATE REPORT

1ST CONGRESSIONAL DISTRICT OF MASSACHUSETTS

Rental, Home Construction and Rehabilitation Activities Economic Basis



\$14.56 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$19.48 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$215.03 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$292.41 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **64**

PROJECTS

Projects refers to the distinct use of AHP funding for a specific acquisition, construction or rehabilitation of building(s) or housing unit(s).

 **2,605**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

1ST CONGRESSIONAL DISTRICT OF MASSACHUSETTS Home Purchase Activities

Economic Basis



\$5.29 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$6.15 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$48.93 MILLION

FIRST MORTGAGES

First Mortgages refers to the volume and value of first-lien position mortgages financed by lenders in a home purchase activity.

\$54.98 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED

 **521**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

1ST CONGRESSIONAL DISTRICT OF MASSACHUSETTS

Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$645.90 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with rental, home construction and rehabilitation enhanced by AHP funding.



4,712 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



\$253.66 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

2.21

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

1ST CONGRESSIONAL DISTRICT OF MASSACHUSETTS Home Purchase Activities

Economic Impact



\$172.74 MILLION

TOTAL ECONOMIC BENEFITS

Total Economic Benefits measure the economic activities associated with home purchases, enhanced by AHP funding.



1,221 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



\$44.20 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

2.32

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

AHP: A Critical Piece to a Complicated Puzzle



People's United Bank has actively participated in the Federal Home Loan Bank of Boston Affordable Housing Program (AHP) for 27 years.

AHP funding is a critical puzzle piece in a very complicated puzzle. Affordable housing projects require multiple funding sources with each depending on the other. Without AHP, the puzzle is not completed and many of these projects do not progress past the initial design stage.

Over the past five years, People's United Bank has facilitated AHP awards for 21 projects in five states—534 units of affordable housing. The total amount of awarded grants for these projects is \$10,576,777. Total development cost for these projects is \$108,385,859. Every \$1 of AHP funding is leveraging \$9.25 in other sources of funding.

A recent example of an AHP-funded project is Hilltown Community Development Corporation's (CDC) Haydenville Village Center Apartments in Western Massachusetts.

Haydenville Village Center Apartments consisted of the purchase and rehabilitation of a four-unit apartment building and the rehabilitation of five buildings—a total of 24 units. Renovations included roof repairs, heating system, kitchens, bathrooms, plumbing and electric. Different units addressed different needs—veterans, ADA, small families, large families and low- and very-low-income households.

This scattered site project is critical to the rural villages in Western Massachusetts. In this region, there are no large-scale affordable projects and many do not want to leave their communities in search of decent affordable housing. During a site visit to the properties, it was common to hear the residents praise CDC and to remark that they do not know where they would be without this housing.

AHP funding of \$190,000 was one of 11 sources of funding for this \$4.6 million project.

Arne Hammarlund
Community Services, People's United Bank

