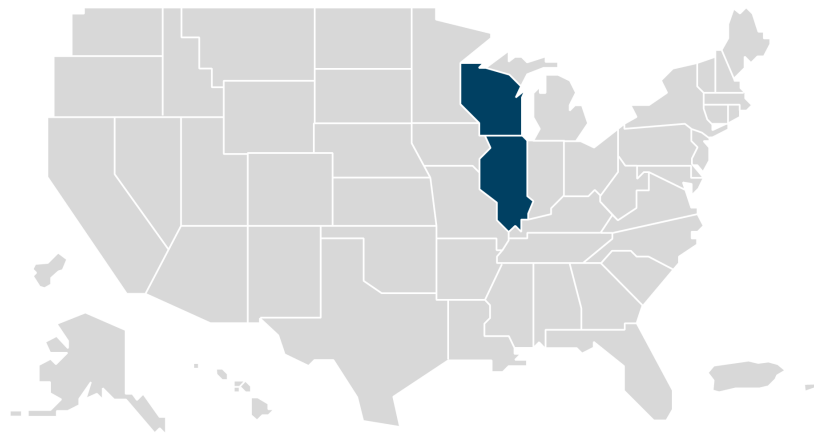


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



FHLB  **Chicago**

Federal Home Loan Bank of Chicago

1ST CONGRESSIONAL DISTRICT OF WISCONSIN

SUB-STATE REPORT

1ST CONGRESSIONAL DISTRICT OF WISCONSIN

Rental, Home Construction and Rehabilitation Activities Economic Basis



\$13.26 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.

\$16.21 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$502.95 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.

\$616.12 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED



139

PROJECTS

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



2,472

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 WISCONSIN Home Purchase Activities

Economic Basis



\$2.58 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.

\$3.10 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$51.19 MILLION

FIRST MORTGAGES

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

\$62.83 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED

 **504**

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 WISCONSIN Rental, Home Construction and Rehabilitation Activities Economic Impact



\$1.38 BILLION

TOTAL ECONOMIC BENEFITS

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



8,754 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.



\$549.99 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.

2.24

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 WISCONSIN Home Purchase Activities

Economic Impact



\$59.90 MILLION

TOTAL ECONOMIC BENEFITS

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



321 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.



\$17.86 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.

2.19

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.

The Last Piece of the Puzzle

The Wisconsin Housing and Economic Development Authority (WHEDA) and AHP share many of the same goals and often work together to fund affordable housing projects throughout Wisconsin. “Both WHEDA and AHP recognize that in order to make rental housing projects both financially feasible and affordable for low- to moderate-income families, you must reduce the amount of debt that a project carries,” says Sean O’Brien, a member of the FHLBank Chicago’s Community Investment Advisory Council.

Before they can proceed, many projects must bring together several different funding sources, and AHP is often the final piece of the puzzle. One resource commonly combined with AHP funds is the Low-Income-Housing Tax Credit (LIHTC). “As the LIHTC allocator at WHEDA, I often see AHP being leveraged with five to 10 other financial resources in order to make a project financially feasible,” says O’Brien. “There have been times when, if a project doesn’t get AHP funds, they’re going to return the tax credits and the project is not going to move forward.”

For example, AHP funds played a key role in the development of the Vincent McCall Lofts, a dilapidated warehouse in Kenosha, Wisconsin that is now being renovated and converted into 60 vintage apartments. “This project required eight resources—between our loans, grants, home funds, historic credits and LIHTCs—just to become financially feasible,” says O’Brien. “The \$850,000 in AHP funds not only closed the financial gap so the project could move forward, but also allowed a third of the building to be set aside for households earning 50 percent or less of the county median income.”

O’Brien sees positives in the patchwork nature of funding for affordable housing development. “It’s nice to see so many players step to the table and say this is something we want as a community.”

Sean O’Brien

Director of Commercial Lending
Wisconsin Housing and Economic
Development Authority