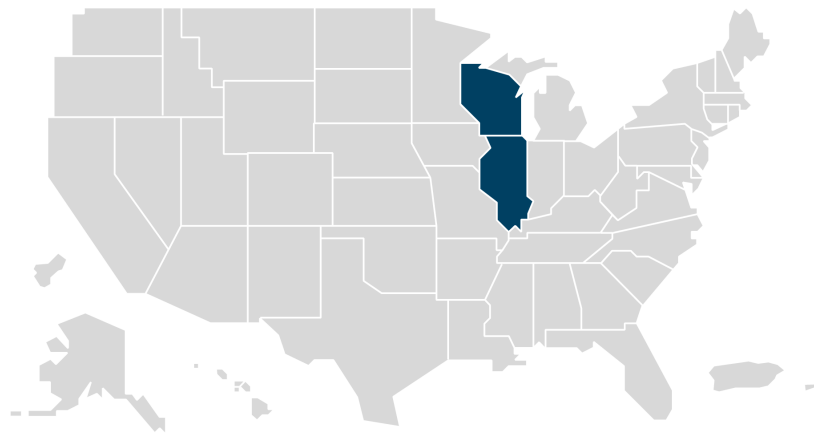


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



FHLB  **Chicago**

Federal Home Loan Bank of Chicago

DANE COUNTY, WISCONSIN

SUB-STATE REPORT

DANE COUNTY, WISCONSIN Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$10.77 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.

\$12.08 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$180.15 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.

\$202.69 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **230**

PROJECTS

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

 **1,433**

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.

DANE COUNTY, WISCONSIN Home Purchase Activities

Economic Basis



\$6.82 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.

\$7.92 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$113.63 MILLION

FIRST MORTGAGES

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

\$133.00 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED



1,173

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.

DANE COUNTY, WISCONSIN Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$315.74 MILLION

TOTAL ECONOMIC BENEFITS

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



2,117 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.



\$116.60 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.

1.56

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.

DANE COUNTY, WISCONSIN Home Purchase Activities

Economic Impact



\$127.25 MILLION

TOTAL ECONOMIC BENEFITS

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



513 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.



\$14.22 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.

1.23

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.

Making Good Ideas Possible

Dane County has the fastest-growing population of any county in Wisconsin, with current estimates more than 530,000, according to the U.S. Census Bureau. “We are home to the state capital and the University of Wisconsin–Madison,” says Valerie Johnson Renk, a member of the FHLBank Chicago’s Community Investment Advisory Council. “Even with 60 municipalities, we still have enough land to be the second-highest-producing agricultural county in the state.”

But while Dane County may be a popular place to live, for many it’s just not affordable. According to Renk, the average two-bedroom apartment in Madison now costs more than \$1,100 a month, and low vacancy rates mean landlords can keep increasing rents. “A minimum-wage worker would have to clock 112 hours per week to afford the average two-bedroom apartment,” she says. “When our volunteers conduct home visits of potential Habitat for Humanity families, they sometimes find as many as five kids sharing a tiny bedroom and sleeping on the floor. Families qualifying for the Habitat for Humanity program are often spending as much as 60 percent of their income on rent.”

While Renk sees affordable housing development as a proven way to provide families with a path out of poverty, she notes that it comes with a high upfront cost that can be prohibitive for organizations like Habitat for Humanity, which require significant initial investment or long-term mortgages. “I have seen how programs like AHP allow nongovernmental organizations to help more families gain access to affordable housing or achieve homeownership, contributing to a healthy economy, stable communities and strong families,” she says. “By providing an additional funding source, AHP can make the difference between a good idea and actual implementation of that idea.”

Valerie Johnson Renk

CEO, Habitat for Humanity of Dane County