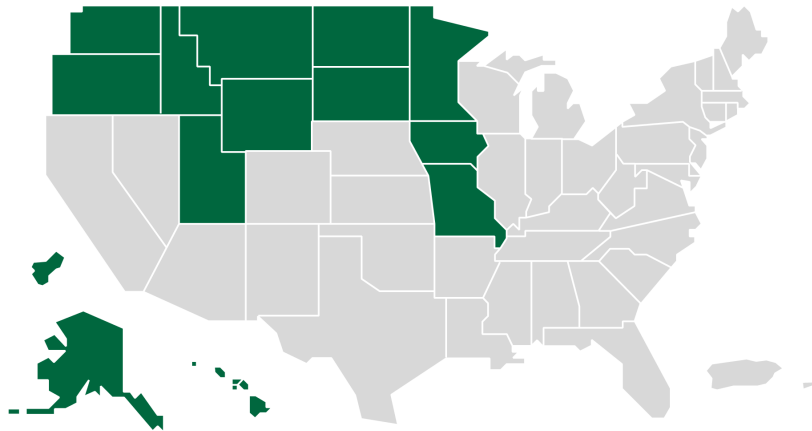


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



ALASKA AMERICAN SAMOA GUAM HAWAII IDAHO IOWA MINNESOTA
MISSOURI MONTANA NORTH DAKOTA NORTHERN MARIANA ISLANDS
OREGON SOUTH DAKOTA UTAH WASHINGTON WYOMING

DISTRICT REPORT

FEDERAL HOME LOAN BANK OF DES MOINES DISTRICT REPORT

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Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The Des Moines district includes Alaska, Hawaii, Idaho, Iowa, Minnesota, Missouri, Montana, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, American Samoa, Guam and the Northern Mariana Islands. This report details the economic impact of housing within the Des Moines district that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within FHLBank Des Moines’s district received AHP funding from another Federal Home Loan Bank. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

DES MOINES DISTRICT Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$405.19 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.

\$540.57 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$5.62 BILLION

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.

\$7.67 BILLION

DEVELOPMENT COST INFLATION-ADJUSTED



2,405

PROJECTS

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



71,710

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.

DES MOINES DISTRICT Home Purchase Activities

Economic Basis



\$110.62 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.

\$145.30 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$1.36 BILLION

FIRST MORTGAGES

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

\$1.60 BILLION

FIRST MORTGAGES INFLATION-ADJUSTED



28,343

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.

DES MOINES DISTRICT Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$14.51 BILLION

TOTAL ECONOMIC BENEFITS

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



101,565 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.



\$5.51 BILLION

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.

1.89

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.

All dollars are in inflation-adjusted dollars.

DES MOINES DISTRICT Home Purchase Activities

Economic Impact



\$4.35 BILLION

TOTAL ECONOMIC BENEFITS

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



31,693 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.



\$1.01 BILLION

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.

1.89

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.

DES MOINES DISTRICT

Project Profile: Rental Activity



66 West

Facing a shortage of housing options for homeless youth, Beacon Interfaith Housing Collaborative (Beacon) created 39 units of housing in the Minneapolis suburb of Edina. They did this through an adaptive reuse of an existing commercial building.

In 2016, Beacon developed the 66 West project and teamed up with Edina Community Lutheran Church to offer high quality, permanent housing for 39 homeless young adults. The project site provides access to jobs, transit and amenities.

Beacon applied a unique approach to build support and lay the groundwork for the project. By educating and organizing hundreds of individuals through their congregations, Beacon spurred the community to rally behind the project, working with their elected leaders to become true partners in addressing this need. Over 225 people showed up at city-sponsored public hearings, asking their elected representatives to support the land use and funding approvals for 66 West. As a result, the Edina mayor, and city council members voted unanimously on land use approvals. They also voted on a city funding commitment of \$550,000 through Tax Increment Financing.

Thanks to the overwhelming community effort and partnerships, homeless youth in the area now have a place to call home.

SOURCES

Minnesota Housing Deferred Loans	\$	5,008,303
Low-Income-Housing Tax Credit Equity	\$	2,993,320
Met Council	\$	900,000
Hennepin County HOME/Affordable Housing Incentive Fund/Transit		
Oriented Development	\$	800,000
City of Edina—Tax Increment Financing	\$	550,000
Met Council Local Housing Incentive Account	\$	400,000
FHLB Des Moines AHP	\$	273,000
Family Housing Fund	\$	227,000
Sales Tax Refund	\$	140,000
Private Financing—Edina Community Lutheran Church and Angels, etc.		
Lutheran Church and Angels, etc.	\$	118,400
Energy Rebates	\$	10,500
Total	\$	6,452,996