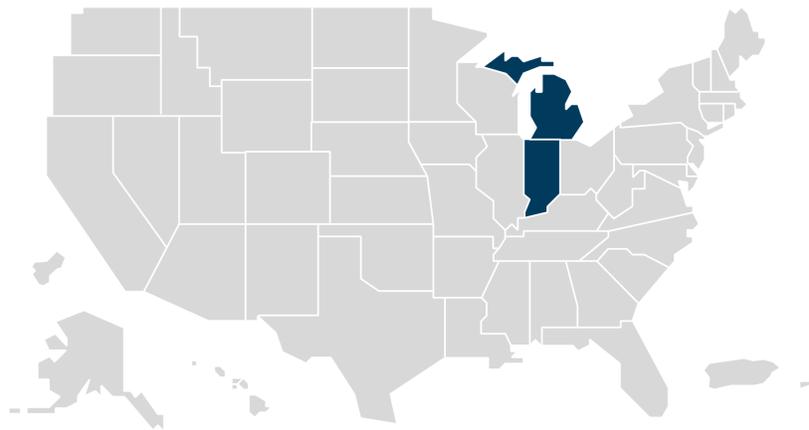


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



GRAND RAPIDS-WYOMING, MI METRO AREA
SUB-STATE REPORT

GRAND RAPIDS- WYOMING, MI METRO AREA Rental, Home Construction and Rehabilitation Activities Economic Basis



\$19.15 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.

\$24.02 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$148.42 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.

\$179.36 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **280**

PROJECTS

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

 **2,342**

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.

GRAND RAPIDS- WYOMING, MI METRO AREA Home Purchase Activities

Economic Basis



\$2.69 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.

\$3.50 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$20.04 MILLION

FIRST MORTGAGES

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

\$22.72 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED

 **485**

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.

GRAND RAPIDS- WYOMING, MI METRO AREA Rental, Home Construction and Rehabilitation Activities Economic Impact



\$367.29 MILLION

TOTAL ECONOMIC BENEFITS

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



2,557 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.



\$133.32 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.

2.05

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.

GRAND RAPIDS- WYOMING, MI METRO AREA Home Purchase Activities

Economic Impact



\$43.49 MILLION

TOTAL ECONOMIC BENEFITS

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



330 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.



\$11.10 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.

2.07

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.

Gap Funding for Grand Rapids



Affordable Housing Program (AHP) grants have given Mercantile Bank of Michigan the opportunity to impact the housing landscape in Grand Rapids by providing a much-needed source of gap funding for the construction and rehabilitation of affordable housing.

“Over the past eight years, we have received eight AHP grants totaling \$3.7 million that have leveraged millions of additional funds to support over 400 units of affordable housing. An example of the local impact from AHP is the Pleasant Prospect Homes project,” says Sonali Allen, chief compliance and community development officer of Mercantile Bank of Michigan. “Projects like Pleasant Prospect Homes help revitalize and stabilize neighborhoods; they have a significant impact on the housing landscape in Grand Rapids, Michigan where the need for quality, affordable housing exceeds the supply of available units.”

The Inner City Christian Federation (ICCF) received a \$500,000 AHP grant that supported the substantial renovation of 60 rental housing units and the construction of 30 additional rental units, for a total of 90 affordable units. Twenty-three of the units are designated as Permanent Supportive Housing units for persons with physical disabilities, persons at risk of homelessness and the chronically homeless. The remaining 67 units serve low-income residents with incomes between 30 and 60 percent of the area median income. Renovations included new roofs, new kitchens with cabinets, countertops and appliances, as well as new bathrooms. Energy efficiency was promoted with the installation of efficient furnaces, energy-efficient windows and lighting and Energy Star-rated appliances. The development also includes a 2,100-square-foot community center that provides a conference room, workstations, laptops and a part-time resident support coordinator who provides additional services, including educational workshops. Residents of Pleasant Prospect Homes also have access to ICCF’s broad array of housing education and counseling services.

Sonali Allen
Chief Compliance and Community Development Officer

