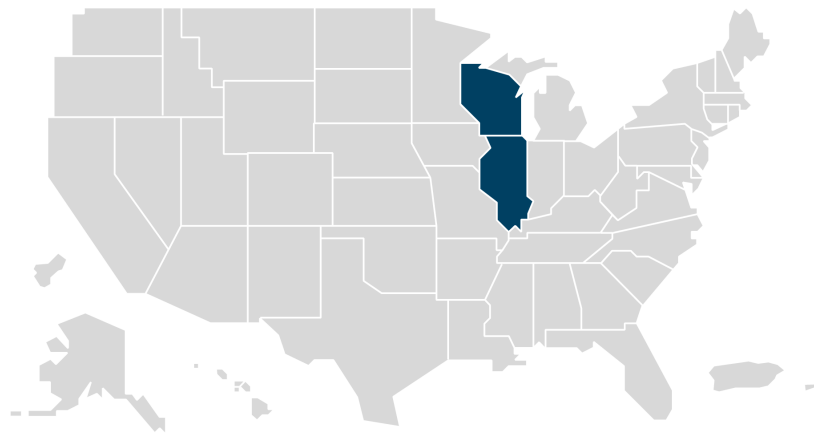


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



FHLB  Chicago

Federal Home Loan Bank of Chicago

MILWAUKEE-WAUKESHA-WEST ALLIS, WI METRO AREA

SUB-STATE REPORT

MILWAUKEE-WAUKESHA-
WEST ALLIS, WI
METRO AREA
Rental, Home
Construction and
Rehabilitation Activities
Economic Basis



\$24.92 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.

\$29.74 MILLION

**TOTAL AHP SUBSIDY
INFLATION-ADJUSTED**



\$593.98 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.

\$701.27 MILLION

**DEVELOPMENT COST
INFLATION-ADJUSTED**



1,282

PROJECTS

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



4,376

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.

MILWAUKEE-WAUKESHA-
WEST ALLIS, WI
METRO AREA
Home Purchase
Activities

Economic Basis



\$24.10 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.

\$28.96 MILLION

**TOTAL AHP SUBSIDY
INFLATION-ADJUSTED**



1,360

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.

MILWAUKEE-WAUKESHA-
WEST ALLIS, WI
METRO AREA
Rental, Home
Construction and
Rehabilitation Activities
Economic Impact



\$1.10 BILLION

TOTAL ECONOMIC BENEFITS

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



7,385 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.



\$410.47 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.

1.57

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.

MILWAUKEE-WAUKESHA-
WEST ALLIS, WI
METRO AREA
Home Purchase
Activities

Economic Impact



\$355.13 MILLION

TOTAL ECONOMIC BENEFITS

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



1,460 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.



\$46.28 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.

All dollars are in inflation-adjusted dollars.

Opening the Door to Homeownership

The competitive AHP may be best known for funding the creation and preservation of affordable rental housing, but Irma Yopez Klassen, a member of the FHLBank Chicago's Community Investment Advisory Council, has seen how AHP funds can create and preserve homeownership too. Before she worked for the city of Milwaukee, she spent 16 years at a nonprofit that employed more than \$2 million in competitive AHP funds over a 10-year period to provide down payment assistance to more than 400 families' local households. "That funding bridged the gap for homeowners who might not have had the money to make a substantial down payment, and it leveraged nearly \$35 million more in mortgage financing," says Klassen.

The assistance was structured to promote a sustainable investment in homeownership. "The funds were awarded as five- year forgivable loans, with the goal of ensuring that recipients were making a commitment to homeownership and the neighborhood," says Klassen. "Homebuyers received credits for every month they owner-occupied the home, which in essence became equity at the completion of the retention period."

Coupled with this assistance was homebuyer education and counseling on how to build strong credit, navigate the purchase process and manage the responsibilities of owning and maintaining a home. "We wanted to make sure homebuyers were going in with a solid understanding of the entire process," Klassen explains. "It was also important that they had access to low- cost mortgages, so we paired the down payment assistance with affordable financing from a consortium of FHLBank Chicago members."

Klassen sees AHP's importance and use growing in Milwaukee and the surrounding areas. "Housing prices are increasing for both homeownership and rental," she says. "AHP helps provide much-needed gap financing to make affordable housing available to vulnerable, lower-income households."

Irma Yopez Klassen

Housing Policy Director, City of Milwaukee