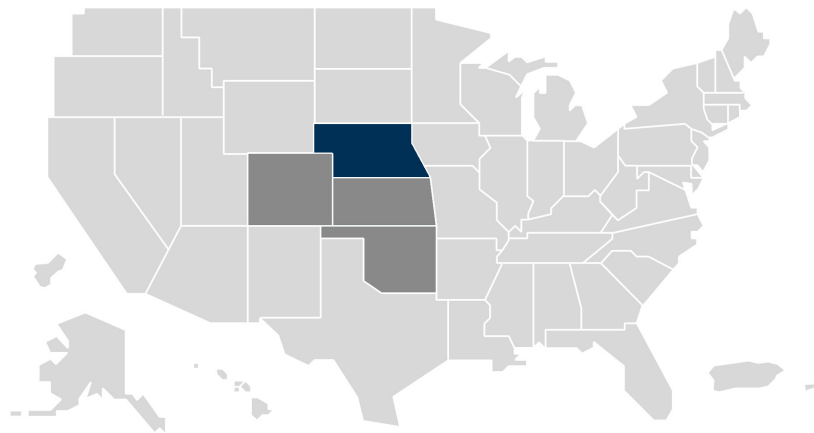


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



NEBRASKA
STATE REPORT

NEBRASKA STATE REPORT

Table of Contents



Rental, Home Construction and Rehabilitation Activities Economic Basis	2
Home Purchase Activities Economic Basis.....	3
Rental, Home Construction and Rehabilitation Activities Economic Impact	4
Home Purchase Activities Economic Impact.....	5
Story Narrative.....	6
Project Profile: Home Purchase Activity.....	7
Story Narrative.....	8
Project Profile: Rental Activity	9

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 state of Nebraska is in the Topeka district. This report details the economic impact of housing within Nebraska that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within Nebraska may have received AHP funding from a Federal Home Loan Bank other than FHLBank Topeka. For further detail on the economic impact study methodology, please see: Study Methodology and Appendices Report.

NEBRASKA Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$34.36 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.

\$43.82 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$560.64 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.


\$726.24 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **173**

PROJECTS

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

 **6,037**

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.

NEBRASKA Home Purchase Activities

Economic Basis



\$24.34 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.

\$29.22 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$327.27 MILLION

FIRST MORTGAGES

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

\$384.13 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED



5,376

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.

NEBRASKA Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$1.46 BILLION

TOTAL ECONOMIC BENEFITS

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



11,094 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.



\$585.68 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.

2.01

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.

\$42.16 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

All dollars are in inflation-adjusted dollars.

NEBRASKA Home Purchase Activities

Economic Impact



\$1.06 BILLION

TOTAL ECONOMIC BENEFITS

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



8,373 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.



\$256.63 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.

1.95

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.

\$46.52 MILLION

TAX REVENUE

Tax Revenue includes the revenue generated by local and state taxes related to rental, home construction and rehabilitation.

Funding Helps Create Vibrant New Neighborhood



Homeownership Pool

In 2010, the town of Columbus, Nebraska jumped at a rare opportunity. The state Department of Economic Development was sponsoring the building of a neighborhood. The citizens of Columbus saw this as a chance to go back to their roots. “As the city gets bigger, it evolves away from old-time neighborhoods,” says Hollie Olk, vice president at Pinnacle Bank. “We wanted to establish a place where kids could walk home from school.” A team was chosen to attend workshops and brainstorm about community needs. Several towns competed for state funds, and six made it to the finals, including Columbus. Three cities were awarded \$500,000 as part of the New Neighborhoods Initiative, including Columbus.

They sprang into action, bought land, developed infrastructure and built 42 lots of low-income housing using the Economic Development grant with additional community funding.

Pinnacle Bank was part of the team that brought the new neighborhood to life. FHLBank Topeka Homeownership Set-Aside Program (HSP) grants helped Pinnacle Bank provide down payment assistance to new homeowners. They didn’t stop there, however.

Nine lenders in Columbus teamed up with NeighborWorks to create a cooperative pool of funds. Builders came in from all over Nebraska to help complete the project, and when it was done, they kept the funding pool going. “It’s recycled money,” Olk says. “When homeowners pay back the loan, it goes back into the pool.” Each homeowner gets \$5,000 toward his or her purchase. The neighborhood, completed in 2010, is flourishing, and the benefits from the Department of Economic Development sponsorship continue to ripple through the community.

Pinnacle Bank, an FHLBank Topeka member since 1992, helped 13 homeowners get HSP grants in the new neighborhood. “It was amazing—the whole development was done in less than three years,” Olk says.

**Columbus
Nebraska**

NEBRASKA

Project Profile: Home Purchase Activity



First Down Nebraska

In a football-fanatic state like Nebraska, “first down” is a common phrase. But the FirstDown grant program isn’t as much about touchdowns as it is about touching lives.

FirstDown provides \$4,000 for down payment and closing cost assistance to eligible borrowers throughout Nebraska and other First National Bank of Omaha target areas. The Nebraska Housing Developers Association relies on FHLBank Topeka’s Affordable Housing Program (AHP) grants to finance the homebuyer assistance.

AHP isn’t the only connection FirstDown has with FHLBank Topeka, however. The FirstDown housing program is similar to FHLBank Topeka’s Homeownership Set-Aside Program (HSP), which also assists first-time homebuyers. As the success of HSP grows, FirstDown follows suit.

The program financed 80 homes in 2014—2015, a record for FirstDown. When HSP expanded to urban homebuyers, it became even more popular. When that money is all reserved, homeowners turned to FirstDown for help.

SOURCES

Permanent Loan / 1st Mortgage	\$	7,977,677
Other	\$	1,210,981
AHP	\$	400,000
Owner Equity / Owner DP	\$	300,036
Second Mortgage	\$	25,850
Total	\$	9,914,544

President and Ambassador Buildings



Interfaith Coalition

You hear a lot about community in Lincoln, Nebraska—and perhaps no more so than in conversations about the rehabilitation of the President and Ambassador Apartments. While the 2013 Affordable Housing Program project was sponsored by Horizon Bank, it took a heavy dose of teamwork to get it done.

“The President and Ambassador buildings are very much a community-oriented project,” says Bob Lange, president of Interfaith Coalition, a nonprofit organization that oversees the apartments. “We had to work with the city, the state and organizations like FHLBank Topeka to make this happen.”

Formerly accommodations for state senators, the then 64-year-old President and Ambassador buildings became major candidates for conversion in 1989. By virtue of the buildings’ history, community support and the tremendous need for affordable housing in Lincoln, a nonprofit board formed to purchase, rehab and manage the two sites.

They soon became home to many low-income families and residents with disabilities. But over time, the aging buildings were again in need of serious rehabilitation. The community rallied once more, and a trifecta was formed between Interfaith Coalition, Excel Development Group and Horizon Bank.

“If these building were not saved,” says Brent Williams of Excel, “the residents would have most likely ended up at the mission.”

The \$8.1 million rehab took four years to complete. Among the upgrades were full-size refrigerators, new carpeting and the addition of a lower-level movie room. But many residents said the monthly fellowship dinners—joined by new friends from the building rehabilitation team—is their favorite part.

“This meant a lot to the residents,” says Paula Rhian, vice president of Horizon Bank. “And it wouldn’t have happened without the AHP grant from FHLBank Topeka.”

**Lincoln
Nebraska**

NEBRASKA

Project Profile: Rental Activity



Mosaic Housing

Mosaic Housing, headquartered in Omaha, Nebraska, serves more than 3,700 people with intellectual disabilities in 36 agencies located in 10 states. Mosaic is a longtime participant in FHLBank Topeka’s Affordable Housing Program (AHP), with nine successful grants between 2003 and 2014 totaling nearly \$1.5 million.

The latest \$600,000 grant was for the rehabilitation of two collections of duplexes with 20 total units in Omaha. Mosaic worked with American National Bank in Omaha to submit the AHP application. The rehabbed units are targeted to individuals at 60 percent or below of the area median income. Half of the units are designated for individuals with mental or physical disabilities.

The updates to the units were not only structural, such as new plumbing, flooring and lighting; they also freshened the entire space—allowing for more natural light, better livability for families and improved safety.

The rehabilitation also allowed Mosaic to launch new onsite activities to better integrate the residents into the surrounding community. One example of this is the installation of raised garden beds in the green space and plans of turning some of the expansive green space into a community garden.

SOURCES

AHP	\$	600,000
Permanent Loan / 1st Mortgage	\$	515,000
Owner Equity / Owner DP	\$	172,723
Total	\$	1,287,723