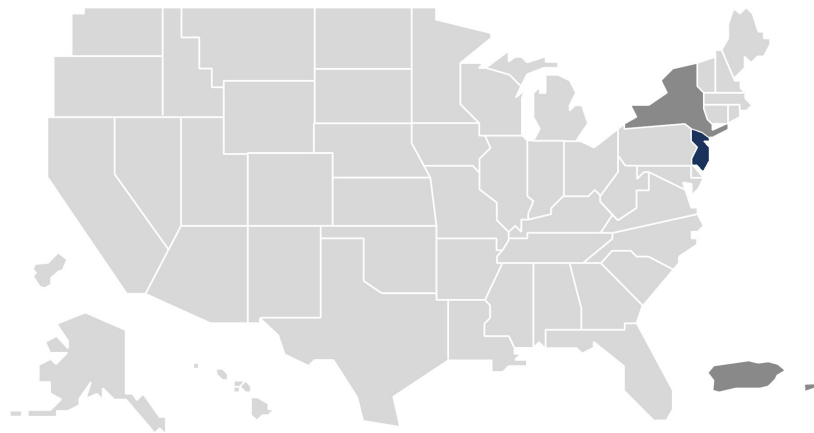


# ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



Federal Home Loan Bank  
NEW YORK

**NEW JERSEY**  
STATE REPORT

# NEW JERSEY Home Purchase Activities

## Economic Impact



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

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

# NEW JERSEY Rental, Home Construction and Rehabilitation Activities

## Economic Basis



**\$173.08** 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.

**\$224.16** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$3.46** 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.

**\$4.39** BILLION

### DEVELOPMENT COST INFLATION-ADJUSTED

 **502**

### PROJECTS

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

 **21,944**

### 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.



# NEW JERSEY Home Purchase Activities

## Economic Basis



**\$6.78** 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.

**\$8.39** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$87.27** MILLION

### FIRST MORTGAGES

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

**\$98.30** MILLION

### FIRST MORTGAGES INFLATION-ADJUSTED



**1,106**

### 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.

# NEW JERSEY Rental, Home Construction and Rehabilitation Activities

## Economic Impact



**\$9.30** BILLION

### TOTAL ECONOMIC BENEFITS

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



**60,149** 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.



**\$3.77** 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.

**2.12**

### 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.

**\$340.95** 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.

# NEW JERSEY Home Purchase Activities

## Economic Impact



**\$442.59** MILLION

### TOTAL ECONOMIC BENEFITS

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



**2,724** 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.



**\$118.01** 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.

**2.10**

### 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.

**\$25.67** MILLION

### TAX REVENUE

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

# NEW JERSEY

## Project Profile: Rental Activity



### Central New Jersey

Cities and towns battling with “zombie” properties in the foreclosure process can turn to the Affordable Housing Program for funding. These projects could be financially and operationally feasible for a small, nonprofit sponsor. In New Jersey, scattered-site group homes are a common model for low-income residents with special needs. This would include projects like Middletown Homes, which consists of two separate sites, donated by the township, to house eight very-low-income developmentally disabled individuals, who may also have a visual impairment. The project, in Monmouth County, New Jersey, received a \$120,000 Affordable Housing Program award in the 2013 round. The newly constructed single-family homes include both private space for each individual and common space, and they are compatible with the style of homes in the neighborhood.

#### SOURCES

<b>HUD Section 811 Supportive Housing Program for Persons with Disabilities</b>	\$	<b>1,200,000</b>
<b>HOME Funds</b>	\$	<b>225,000</b>
<b>Affordable Housing Program</b>	\$	<b>120,000</b>
<b>New Jersey Department of Human Services</b>		
<b>Division of Developmental Disabilities</b>	\$	<b>85,000</b>
<b>Developer’s Equity</b>	\$	<b>20,000</b>
<b>Total</b>	\$	<b>1,700,000</b>



# NEW JERSEY

## Project Profile: Rental Activity



### Trent Center West

The Trent Center West project used Low Income Housing Tax Credits, along with Affordable Housing Program funds, to acquire and rehabilitate an existing Section 8, age-restricted, multifamily development in Trenton. The project, which received a \$2,000,000 commitment in the 2015A AHP round, consists of a 15-story high rise building with 245 units, all for senior residents. Next door, the Trent Center East project received a \$1,500,000 commitment in the same round. That project rehabilitated 228 senior housing units in a 14-story building. Both projects were supported by Citibank, N.A.

#### SOURCES

Conventional Financing	\$	12,600,000
Federal Low-Income-Housing Tax Credits	\$	7,000,000
New Jersey Economic Development Authority	\$	4,300,000
Developer's Equity	\$	1,200,000
Affordable Housing Program	\$	2,000,000
<b>TOTAL</b>	<b>\$</b>	<b>27,100,000</b>