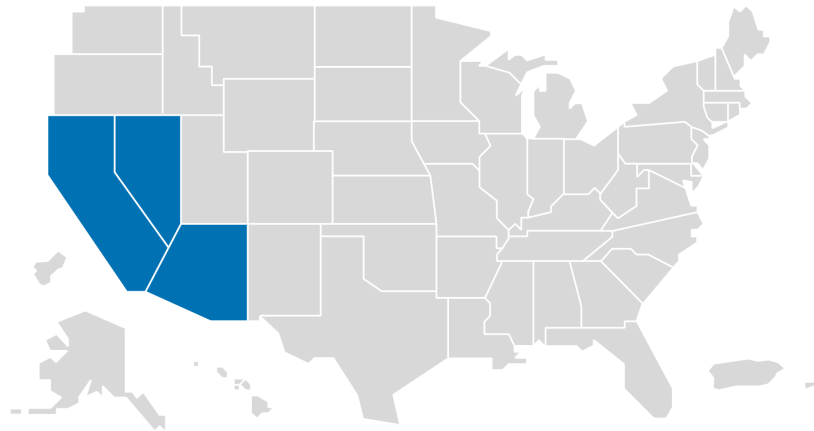


# ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



 **FHLBank  
San Francisco**

**ARIZONA CALIFORNIA NEVADA**  
DISTRICT REPORT

# FEDERAL HOME LOAN BANK OF SAN FRANCISCO 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 San Francisco district includes Arizona, California and Nevada. This report details the economic impact of housing within the San Francisco district that has been enhanced by AHP funding from 1990 through 2016.\*

\* Note: some projects within FHLBank San Francisco’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.

# SAN FRANCISCO DISTRICT Rental, Home Construction and Rehabilitation Activities

## Economic Basis



**\$869.25** 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.

**\$1.10** BILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$22.12** 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.

**\$27.94** BILLION

### DEVELOPMENT COST INFLATION-ADJUSTED



**2,099**

### PROJECTS

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



**117,459**

### 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.

# SAN FRANCISCO DISTRICT Home Purchase Activities

## Economic Basis



**\$86.90** 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.

**\$103.58** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$707.35** MILLION

### FIRST MORTGAGES

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

**\$806.93** MILLION

### FIRST MORTGAGES INFLATION-ADJUSTED



**7,283**

### 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.

# SAN FRANCISCO DISTRICT Rental, Home Construction and Rehabilitation Activities

## Economic Impact



**\$60.30** BILLION

### TOTAL ECONOMIC BENEFITS

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



**383,989** 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.



**\$23.69** 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.

# 2.16

### 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.

# SAN FRANCISCO DISTRICT Home Purchase Activities

## Economic Impact



**\$3.17** BILLION

### TOTAL ECONOMIC BENEFITS

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



**20,013** 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.



**\$849.80** 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.

**2.25**

### 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.

# SAN FRANCISCO DISTRICT Community Insight



## **Native American Connections**

The mission of Native American Connections is to improve the lives of individuals and families through behavioral health, affordable housing and community development services that are culturally appropriate for Native Americans. A \$650,000 grant from the Federal Home Loan Bank of San Francisco's Affordable Housing Program, delivered through bank member Republic Bank of Arizona, was part of the total funding package for our Encanto Pointe development, which is a permanent supportive housing community for people experiencing chronic homelessness. It opened in 2013 and leased all units in less than 60 days. Valley of the Sun United Way provided funds for supportive services and after the first year of operation they conducted a health study for us. This study revealed how well a "housing-first" model can work in our community: the rates for emergency room visits for Encanto Pointe tenants were reduced by 85 percent compared to the prior year, and jail involvement was reduced to zero.

**Diana "Dede" Yazzie Devine**

President and CEO, Native American Connections



# SAN FRANCISCO DISTRICT

## Project Profile: Home Purchase Activity



### The Huerta Family

Maria and Mauricio Huerta came to America from Mexico for the chance to have a better life. Mauricio worked in a warehouse and Maria as a nurse’s aide, and the couple lived in rented apartments for a long time. But they always dreamed of owning their own home and eventually bought a small house in Stockton, California.

Eventually it was time for a bigger house. Home prices were high, but like most people did at the time, the Huertas believed that prices would only go higher. Six years later, with the housing bubble bursting all around them, Mauricio got sick and couldn’t work, and the family could not support the mortgage. After foreclosure, the Huertas lived with relatives.

Visionary Home Builders of California’s lease-to-own program offered them a second chance at homeownership. They could repair their credit, establish a household budget and save for a down payment, all while living in the home they would ultimately purchase.

The Huertas were enrolled in the Federal Home Loan Bank of San Francisco’s Individual Development and Empowerment Account (IDEA) homeownership program, which matches \$3 for every \$1 the homebuyers save for a down payment. Over three years, the Huertas saved \$5,000 and received the maximum IDEA grant of \$15,000, delivered through MUFG Union Bank, a member of FHLBank San Francisco.

<b>SOURCES</b>		
<b>1st Mortgage</b>	\$	<b>80,492</b>
<b>Other Grant(s)</b>	\$	<b>40,000</b>
<b>IDEA Grant</b>	\$	<b>15,000</b>
<b>Other Sources</b>	\$	<b>11,876</b>
<b>Household Contribution</b>	\$	<b>5,462</b>
<b>Total Sources</b>	\$	<b>152,830</b>



# SAN FRANCISCO DISTRICT

## Community Insight



### **A Community of Friends**

A Community of Friends (ACOF) was founded in 1988 with the goal of ending homelessness for people with mental illness by creating affordable homes with onsite supportive services. Now called “permanent supportive housing” and widely recognized as an evidence-based solution to ending homelessness, ACOF was the first nonprofit organization in Los Angeles to pioneer this housing model. Figueroa Court Apartments was one of our earlier buildings, completed in 1998. Given that supportive housing was a new housing model at the time, there were no dedicated resources to fund construction of supportive housing. We had to figure out how to use existing housing programs to finance construction of our projects, and we recognized early the value of the Affordable Housing Program (AHP) as a critical funding source for our projects. Consisting of 40 studio apartments, with a community room, outdoor deck and 2,000 square feet of office space for services staff, Figueroa Court was also the first supportive housing project in South Los Angeles. Over the past 20 years, this building has given many formerly homeless individuals the opportunity to turn their lives around. Without the Federal Home Loan Bank of San Francisco’s AHP, many of ACOF’s buildings, like Figueroa Court, would not have been built.

**Dora Leong Gallo**

Chief Executive Officer



# SAN FRANCISCO DISTRICT

## Project Profile: Rental Activity



### Lorenz Senior Apartments

Built in 1901 and listed on the National Register of Historic Places, the red-clay four-story Beaux Arts and Italian Renaissance-style Lorenz Hotel received a high-quality renovation to create 60 affordable studio and one-bedroom apartments for low-income seniors in the heart of downtown Redding, California.

Christian Church Homes, which develops and manages affordable housing that allows seniors to live and age in the comfort of their own homes as part of the community, began managing the Lorenz Hotel in 1995 and took over ownership of the property in 2000.

The renovation took 21 months to complete. Residents now enjoy modern kitchens and baths, laundry rooms on every floor, a community room with a big-screen TV and computers, improved accessibility throughout and solar heating, all within a mile of a variety of essential services. The Lorenz Hotel is also helping to rejuvenate the downtown area, filling the nearby streets and park benches with elders who can create a visible sense of intergenerational community.

#### SOURCES

Low-Income-Housing Tax Credit Equity	\$	7,678,338
Citibank Permanent Loan	\$	1,635,000
City of Redding HOME Funds	\$	625,000
FHLBank San Francisco AHP	\$	590,000
General Partner Owner Equity	\$	454,414
Deferred Developer Fee	\$	255,681
Accrued Interest	\$	6,980
<b>Total</b>	<b>\$</b>	<b>11,245,413</b>