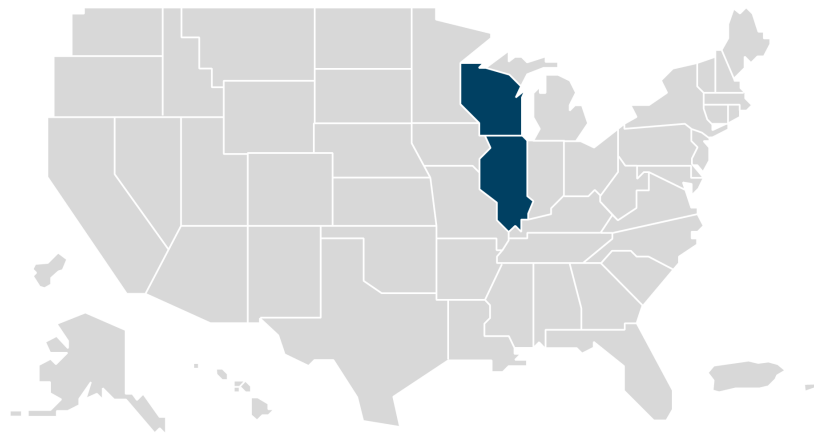


# ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



FHLB  Chicago

Federal Home Loan Bank of Chicago

12<sup>TH</sup> CONGRESSIONAL DISTRICT OF ILLINOIS

SUB-STATE REPORT

# 12<sup>TH</sup> CONGRESSIONAL DISTRICT OF ILLINOIS

## Rental, Home Construction and Rehabilitation Activities

### Economic Basis



**\$6.46** 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.

**\$8.22** MILLION

#### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$98.16** 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.

**\$123.98** MILLION

#### DEVELOPMENT COST INFLATION-ADJUSTED

 **128**

#### PROJECTS

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

 **830**

#### 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.

# 12<sup>TH</sup> CONGRESSIONAL DISTRICT OF ILLINOIS Home Purchase Activities

## Economic Basis



**\$2.41** 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.

**\$2.73** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$23.00** MILLION

### FIRST MORTGAGES

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

**\$26.29** MILLION

### FIRST MORTGAGES INFLATION-ADJUSTED

 **431**

### 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.

# 12<sup>TH</sup> CONGRESSIONAL DISTRICT OF ILLINOIS

## Rental, Home Construction and Rehabilitation Activities

### Economic Impact



**\$191.69** MILLION

#### TOTAL ECONOMIC BENEFITS

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



**1,477** 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.



**\$62.08** 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.

**1.55**

#### 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.

# 12<sup>TH</sup> CONGRESSIONAL DISTRICT OF ILLINOIS Home Purchase Activities

## Economic Impact



**\$39.38** MILLION

### TOTAL ECONOMIC BENEFITS

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



**310** 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.



**\$9.64** 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.

# 2.14

### 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.

# AHP and Economic Development

The Illinois Housing Development Authority (IHDA) is an independent, self-supporting agency created to finance high-quality, affordable housing in Illinois. Executive Director Audra Hamernik states, “We partner with lenders, developers, local governments, housing counselors, community groups and others to provide Illinoisans with opportunities for housing stability and economic growth.” IHDA programs finance the creation and preservation of affordable housing for low- and moderate-income families and underserved communities across the entire state of Illinois, including Illinois Congressional District 12.

The Melmar Apartments in Sparta, Illinois are an example of a project that leveraged AHP funds with state and federal financing to create high-quality, affordable housing for families. Hamernik says, “With federal HOME funding, an Illinois Affordable Housing Trust Fund loan, Low-Income-Housing Tax Credits, and a \$210,000 AHP grant, the development brought 40 modern and affordable duplex-style rental homes to an area where nearly half of all renters were considered cost-burdened.”

The Affordable Housing Program has been a critical source of financing for affordable housing development. “The developments we finance are investments that create jobs, generate tax revenue and add value to our communities,” says Hamernik. “They help our cities maintain stable employment bases and strong economies, and they help families find quality homes with the amenities they need to build a better future.”

**Audra Hamernik**

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Executive Director of Illinois Housing Development Authority