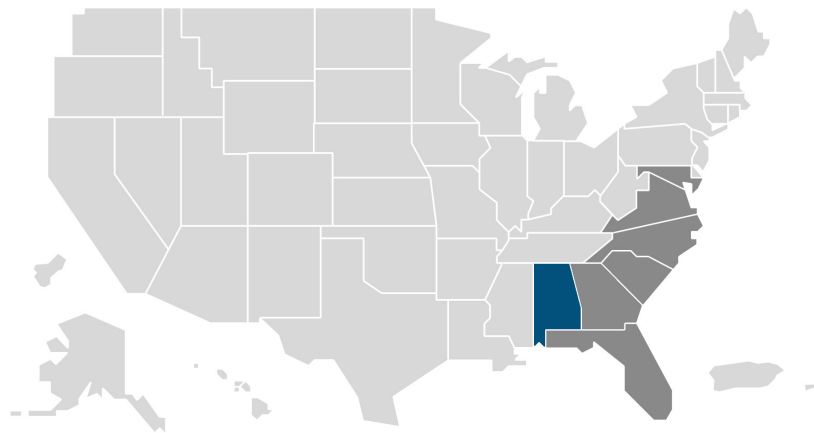


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



ALABAMA
STATE REPORT

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

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

ALABAMA Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$61.35 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.

\$73.48 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$474.21 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.

\$591.84 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED



2,083

PROJECTS

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



7,351

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.

ALABAMA Home Purchase Activities

Economic Basis



\$3.44 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.

\$4.19 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$49.38 MILLION

FIRST MORTGAGES

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

\$59.32 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED

 **656**

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.

ALABAMA Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$1.12 BILLION

TOTAL ECONOMIC BENEFITS

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



9,039 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.



\$373.55 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.

1.89

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.

\$37.07 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.

ALABAMA Home Purchase Activities

Economic Impact



\$141.31 MILLION

TOTAL ECONOMIC BENEFITS

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



1,037 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.



\$32.07 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.

2.07

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.

\$2.61 MILLION

TAX REVENUE

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

Connecting Seniors to Services in Rural Alabama



With the mission of serving the underserved senior population of rural Alabama, the Alabama Council on Human Relations (ACHR), Inc. partnered with Bennett and Company to develop Garden Greene Apartments. Designed to provide quality, affordable and accessible housing for the elderly low-income population of Lanett and the surrounding Chambers County area, Garden Greene Apartments helps achieve ACHR's mission to improve economic conditions, education and racial relationships for all people.

The land for the development was donated by the city of Lanett and is located in an area targeted by the city for revitalization. The site was the perfect location to serve the elderly community, with proximity shopping, pharmacies and medical care. Beyond access to essential services, Garden Greene Apartments is located within walking distance of the Lanett Senior Citizens Center, which provides daily activities, meals and services that focus on the elderly population in Lanett. By connecting seniors to services, ACHR is working to improve the economic and education conditions as well as racial relationships throughout Garden Greene and the community of Lanett and Chambers County.

Through the combination of Low-Income-Housing Tax Credit equity, HOME Funds, owner equity, rental subsidy and FHLBank Atlanta AHP subsidy, lower rents are maintained to serve very-low- and low-income residents, thereby reducing the housing cost burden endured with traditional market-rate housing.

FHLBank Atlanta provided \$240,000 in AHP funding to enable the construction of a 48-unit apartment project that includes features designed to enhance the accessibility, livability and affordability of the residential units. FHLBank Atlanta was a critical member of the team that brought Garden Greene to fruition.

**Garden Greene Apartments
Lanett, Alabama**

ALABAMA

Project Profile: Home Purchase Activity



First-time Homebuyer Product – Helping Alabama Families Since 1999

Each year, with the help of the Affordable Housing Program offered by FHLBank Atlanta, thousands of people in the Southeast become homeowners. Through FHLBank Atlanta’s First-time Homebuyer product, qualifying homeowners can receive up to \$5,000 in down payment assistance and closing cost assistance from a participating FHLBank Atlanta member. The assistance is forgiven after the new homebuyer has lived in the home for five years. Since its inception in 1999, the First-time Homebuyer product has provided more than \$3.1 million to assist more than 610 families in Alabama with down payments and closing costs for their first homes. These families can now make dinner in their own kitchens, their children can play in their own backyards, and they can build equity in their futures.

SOURCES

Total Mortgages Leveraged	\$	50,766,810
FHLBank Atlanta	\$	3,140,072
Number of Transactions		611

North Ward Planned Community



As much of the rich fertile soil throughout the Alabama Black Belt has converted to catfish ponds and poverty rates have remained high, local partnerships have worked to alleviate the chronic poverty and transform once-neglected rural towns into robust communities. In response to long-term disinvestment in rural communities across Alabama, several organizations have been created to address the injustices of prolonged neglect through socially conscious design and community development.

Through collaboration between the Hale County Resource Center (HERO), Habitat for Humanity and the Rural Studio, an off-campus design-build program of Auburn University, 20 single-family homes were designed and constructed to serve low- and very-low-income individuals in Hale County. As the Rural Studio’s creator Samuel Mockbee’s philosophy suggests, everyone, both rich and poor, deserves the benefit of good design.

To fulfill this ethic, the studio used innovative techniques to design and construct affordable homes that are architecturally consistent with homes in surrounding neighborhoods. All three organizations are firmly rooted in the belief that quality affordable housing is a right, and every person should be treated with dignity despite his or her economic status. North Ward was envisioned to further these ideals of equity and support the Greensboro and Hale County communities.

North Ward was designed and built as planned community to set a national standard for affordability and design innovation in the Black Belt of the South and in rural communities across the nation. Development cost and mortgages were funded through the Rural Housing Service of the U.S. Department of Agriculture from local banks using the Alabama Housing Finance Authority “First-Time Homebuyer” program and FHLBank Atlanta AHP subsidy for down payment assistance. The combination of financing and innovative building materials and techniques ensured the homes would remain affordable for Hale County residents well into the future.

**North Ward
Greensboro, Alabama**

ALABAMA

Project Profile: Rental Activity



Willow Springs Apartments

Willow Springs is a 56-unit, very-low-income apartment complex in the city of Ft. Payne, Alabama that was financed through the use of Low-Income-Housing Tax Credits, HOME Funds and conventional financing. The development serves individuals and families of all ages whose incomes are at or below 50 percent of the area median household income as well as disabled persons of the appropriate income level. The property includes affordable two- and three-bedroom apartment homes with access to a fenced playground and picnic area, 24-hour security surveillance, quality outdoor space and an active community center. FHLBank Atlanta AHP funds were used to support the construction of the project.

SOURCES

LIHTC Equity	\$	6,303,405
HOME Funds	\$	1,765,710
FHLBank Atlanta	\$	490,000
Conventional Mortgage	\$	326,500
Deferred Developer Fee	\$	1,478
Total	\$	8,887,093