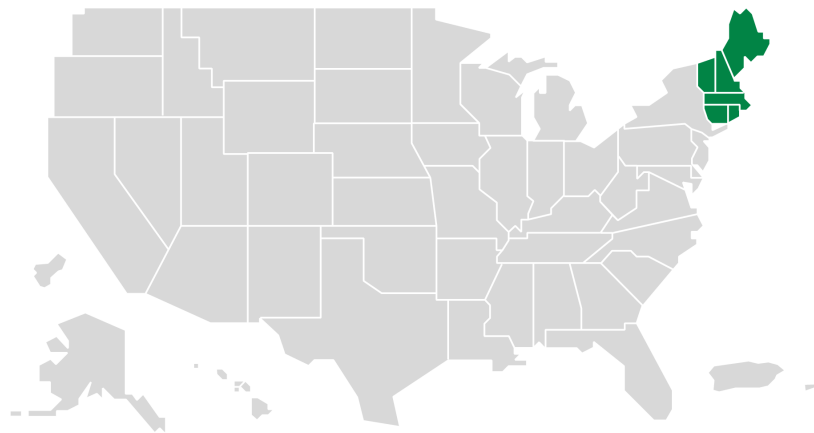


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



CONNECTICUT MAINE MASSACHUSETTS
NEW HAMPSHIRE RHODE ISLAND VERMONT

DISTRICT REPORT

FEDERAL HOME LOAN BANK OF BOSTON 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 Boston district includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont. This report details the economic impact of housing within the Boston district that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within FHLBank Boston’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.

BOSTON DISTRICT Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$286.74 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.

\$369.18 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$3.88 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.

\$5.07 BILLION

DEVELOPMENT COST INFLATION-ADJUSTED



1,014

PROJECTS

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



28,449

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.

BOSTON DISTRICT Home Purchase Activities

Economic Basis



\$40.64 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.

\$49.32 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$346.53 MILLION

FIRST MORTGAGES

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

\$397.82 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED



4,442

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.

BOSTON DISTRICT Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$9.81 BILLION

TOTAL ECONOMIC BENEFITS

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



67,368 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.



\$4.06 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.

1.94

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.

BOSTON DISTRICT Home Purchase Activities

Economic Impact



\$1.40 BILLION

TOTAL ECONOMIC BENEFITS

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



8,401 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.



\$326.85 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.

1.91

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.

BOSTON DISTRICT Community Insight



Rachel Heller

Citizens' Housing and Planning Association (CHAPA) deeply values the Federal Home Loan Bank of Boston's Affordable Housing Program for its role in helping developers to create affordable housing opportunities and lending institutions to invest in our communities. The AHP fills a critical gap in providing equitable access to capital and resources for affordable homes in numerous communities.

From small homeownership projects on the Cape to larger rental developments in both cities and towns throughout Massachusetts, the AHP helps the Commonwealth and all of New England better reach our common goal of increasing the production and preservation of housing that is affordable to low and moderate-income families and individuals. CHAPA believes that every person should have a safe, healthy and affordable place to call home; the AHP plays a crucial role in helping to bring us closer to that reality.

Rachel Heller

CEO of Citizens' Housing and Planning Association



BOSTON DISTRICT

Project Profile: Rental Activity



Bixby Road

A site on Bixby Road in Spencer, Massachusetts has been transformed into 42 units of service-enriched, family housing clustered in 10 four-unit buildings and one duplex. Thirty-nine units are two- and three-bedroom townhomes and three are single-level accessible units. Eleven units serve extremely low-income homeless families, 15 homes are reserved for low-income households and 16 are for households earning below 60 percent of area median income. Seven acres of the 15-acre site is designated green space. The goal of the housing is to begin addressing the severe need for permanent housing for under-housed and homeless families in Worcester County, as part of the town’s Master Plan.

All Bixby Road residents benefit from intensive services including workforce-readiness training and self-sufficiency programs. The wood-framed buildings are constructed using high-performance, health-conscious building technologies and include state-of-the art fire detection and suppression systems. The project was financed using Low Income Housing Tax Credits, funds from the Life Initiative and other state sources. People’s United Bank provided an Affordable Housing Program (AHP) direct subsidy and a permanent loan using an AHP-subsidized advance.

SOURCES

Low-Income Housing Tax Credit	\$	7,540,346
State Tax Credits	\$	2,572,500
Affordable Housing Trust Fund	\$	993,197
FHLB Bank AHP-Subsidized Advance	\$	990,000
Needham Permanent Loan	\$	956,000
Department of Housing and Community		
Development Housing Innovations Fund	\$	500,000
FHLBank Boston AHP Direct Subsidy	\$	400,000
Total	\$	13,952,043

BOSTON DISTRICT Community Insight



Maine

The members of the Maine Affordable Housing Coalition—from developers to managers to builders to banks—know very well how important the Affordable Housing Program (AHP) is to our ability to create the homes that Maine people need. While unmet housing needs continue to grow throughout our state, and the federal resources to address those needs remain at constant risk, we deeply appreciate the dependability of the AHP program. We also value the collegiality, partnership and engagement of the Federal Home Loan Bank of Boston staff that make the program so accessible for all.

The work of our members in creating affordable apartments, the economic impact on our communities, and most important, the success of the people who call these apartments home have been profoundly and positively affected by the AHP. We look forward to many more years of successful partnership.

Greg Payne

Director of Maine Affordable Housing Coalition



MAINE AFFORDABLE HOUSING COALITION

BOSTON DISTRICT

Project Profile: Rental Activity



The Burlington Housing Authority (BHA)

The Burlington Housing Authority (BHA) has been addressing the needs of low-income families in Burlington, Vermont, as well as rehabilitating properties in downtown neighborhoods. Thirty Forty-Two is one example of BHA’s ability to revitalize neighborhoods and preserve historic buildings in Burlington. This initiative involved rehabilitation of a historic two-unit apartment building, a warehouse utilized by a local retail store and a vacant commercial building. BHA demolished the warehouse and commercial space to construct 14 new units of affordable housing, and rehabilitated the two historic units, for a total of 16 housing units. Thirty Forty-Two is a service-enriched supportive housing development that provides a Family Self Sufficiency program, as well as tenant and substance abuse counseling for homeless individuals. Merchants Bank provided \$1 million in construction financing and just over \$1 million in permanent financing to Thirty Forty-Two.

SOURCES

Merchants Bank	\$	1,080,000
Burlington Housing Authority	\$	560,277
Vermont Housing and Conservation Board		
Trust Fund	\$	400,000
FHLBank Boston AHP Direct Subsidy	\$	400,000
State of Vermont – Capital Funds	\$	395,421
Burlington Housing Trust Fund	\$	40,000
State of Vermont – Dept. of Corrections	\$	12,500
Vermont Housing and Conservation Board		
Feasibility	\$	10,000
VT Gas Funds	\$	3,893
Burlington Economic Development	\$	2,412
Total Sources	\$	2,904,503