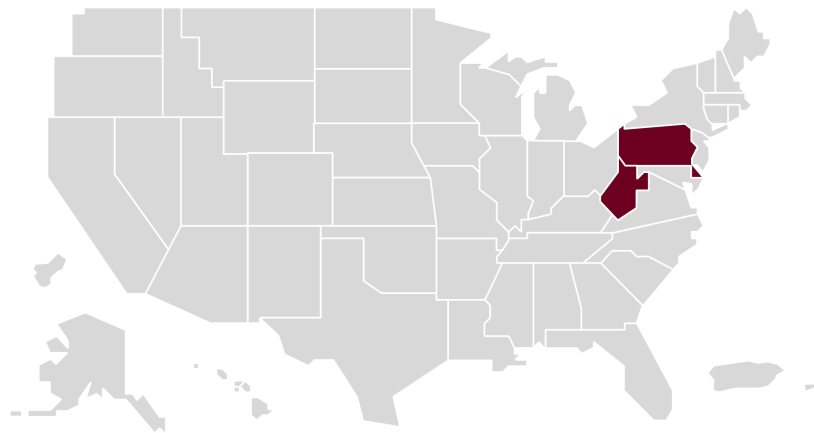


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



DELAWARE PENNSYLVANIA WEST VIRGINIA
DISTRICT REPORT

FEDERAL HOME LOAN BANK OF PITTSBURGH 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 Pittsburgh district includes Delaware, Pennsylvania and West Virginia. This report details the economic impact of housing within the Pittsburgh district that has been enhanced by AHP funding from 1990 through 2016.*

* Note: some projects within FHLBank Pittsburgh’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.

PITTSBURGH DISTRICT Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$241.58 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.

\$312.88 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$3.28 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.

\$4.11 BILLION

DEVELOPMENT COST INFLATION-ADJUSTED



1,190

PROJECTS

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



33,026

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.

PITTSBURGH DISTRICT Home Purchase Activities

Economic Basis



\$53.03 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.

\$66.29 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$983.78 MILLION

FIRST MORTGAGES

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

\$1.20 BILLION

FIRST MORTGAGES INFLATION-ADJUSTED



12,001

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.

PITTSBURGH DISTRICT Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$8.06 BILLION

TOTAL ECONOMIC BENEFITS

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



55,244 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.



\$3.08 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.

1.96

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.

PITTSBURGH DISTRICT Home Purchase Activities

Economic Impact



\$2.57 BILLION

TOTAL ECONOMIC BENEFITS

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



14,602 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.



\$609.95 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.

1.96

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.

St. Francis Villa Senior Housing



St. Francis Villa Senior Housing is located in the Kensington area of Philadelphia, Pennsylvania. The senior housing development project, spearheaded by Catholic Health Care Services (CHCS), had a dual purpose: to increase the number of affordable housing units for elderly residents and to eliminate an abandoned property. The project would not have been possible without an FHLBank AHP grant of more than \$440,000. The funds were awarded to CHCS based on the application they submitted in conjunction with FHLBank-member PNC Bank.

The new 41-bedroom apartment development at St. Francis has improved the quality of my life. I was looking for a comfortable and affordable apartment in Kensington, and I found the right place in my third-floor, corner apartment. I don't think I've felt this good in quite a while. It's like I've gotten younger, and I feel blessed, like God has placed me here with all these wonderful people around me.

I enjoy the common events in the building and have made some friends among my new neighbors. Harvey, my rescue cat, also enjoys our new home. Another reason I love St. Francis is that I can volunteer at St. Francis Inn, and that has given me a purpose. The fellowship with the Franciscan community and the guests that we serve—it's extraordinary.

Theresa

Resident of St. Francis Villa Senior Housing



PITTSBURGH DISTRICT

Project Profile: Home Purchase Activity



Oxford Townhomes

Oxford Townhomes includes 10 newly constructed townhomes in Oxford, Pennsylvania, which were sold to low- and very-low-income first-time homebuyers. The site is located at the corner of South and South Fourth Streets, in proximity to a bus stop, an all-day kindergarten, a supermarket and a planned youth center. The townhomes were designed to be both energy- and water-efficient, and three of the units were reserved for survivors of domestic violence who were seeking long-term, stable and affordable housing. All homebuyers received pre-purchase counseling and access to USDA Section 502 direct mortgages. Counseling was made available in both Spanish and English to further assist members of the community’s Latino population.

SOURCES		
Homeowner Mortgages	\$	2,444,435
HOME Second Mortgages	\$	387,888
AHP Grant	\$	177,000
The Reinvestment Fund Grant	\$	50,000
Total	\$	3,059,323

Recovery Point Charleston



Recovery Point Charleston

Recovery Point West Virginia wanted to find a way to respond to the alcohol and drug addiction epidemic that was hitting our hometowns. The plan was to take possession of a vacant building in Charleston and transform it into an 84-bed facility that would include a detox center. The total construction costs were more than \$2 million. To assist with these costs, Recovery Point Huntington, Inc. worked with Summit Community Bank to secure an AHP grant of \$500,000 through FHLBank Pittsburgh. On Nov. 1, 2016, the Recovery Point Charleston facility opened its doors as a long-term residential program that offers hope to women and their families in this high-need community.

We now serve more than 300 men and women in the communities of Charleston, Huntington, Parkersburg and Bluefield. We also offer drop-in recovery coaching services at locations throughout the state. Our services are free, and our programs use nonmedical detoxification procedures. We find that we can help reduce recidivism of felony offenders who have substance-abuse disorders by offering judges alternative sentencing options.

Summit Community Bank was great in helping us with the project. Tony Ward, senior vice president of commercial lending, expressed his bank's commitment to assisting local communities: "Our sincere desire is to help with this [drug] epidemic, and we're encouraged by the fact that the grant funds for this facility have allowed Recovery Point to treat those in need now and for many years to come."

At Recovery Point, we believe that the addiction epidemic plaguing our communities requires comprehensive solutions to turn the tide. Before Recovery Point, we found that people were forced to leave their homes in West Virginia to find help. Now, they can remain close to their families while they experience the transformative process of recovery.

Matt Boggs

Executive Director, Recovery Point West Virginia

PITTSBURGH DISTRICT

Project Profile: Rental Activity



Oakhurst Heights

A serious shortage of affordable housing for low-income individuals and families, and an even greater need for critical housing for women in alcohol and drug recovery, plagued White Sulphur Springs, West Virginia. Oakhurst Outreach is an organization that provides West Virginia women with safe, clean and secure housing as they establish a new, substance-free lifestyle. The organization converted two buildings into a new facility, Oakhurst Heights, to serve as transitional housing for six low-income women who have completed an initial chemical dependency program and to create a center for community activities. An AHP grant of \$135,000 through FHLBank Pittsburgh—member Pendleton Community Bank helped make Oakhurst Heights a reality.

SOURCES		
AHP Grant	\$	135,000
West Virginia Housing Development Fund	\$	113,420
West Virginia Affordable Trust Fund	\$	10,300
Fundraising	\$	30,000
Total	\$	288,720