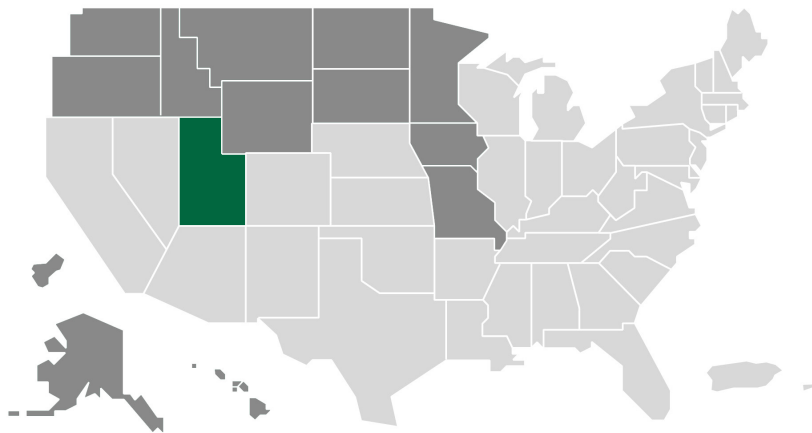


# ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



**UTAH**  
STATE REPORT

# UTAH STATE REPORT

## Table of Contents



Rental, Home Construction and Rehabilitation Activities Economic Basis .....	2
Home Purchase Activities Economic Basis.....	3
Rental, Home Construction and Rehabilitation Activities Economic Impact .....	4
Home Purchase Activities Economic Impact.....	5
Project Profile: Home Purchase Activity.....	6

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 Utah is in the Des Moines district. This report details the economic impact of housing within Utah that has been enhanced by AHP funding from 1990 through 2016.\*

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

# UTAH Rental, Home Construction and Rehabilitation Activities

## Economic Basis



**\$12.06** 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.

**\$17.06** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$219.65** 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.

**\$297.60** MILLION

### DEVELOPMENT COST INFLATION-ADJUSTED

 **61**

### PROJECTS

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

 **2,118**

### 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.

# UTAH Home Purchase Activities

## Economic Basis



**\$9.98** 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.

**\$13.29** MILLION

### TOTAL AHP SUBSIDY INFLATION-ADJUSTED



**\$104.95** MILLION

### FIRST MORTGAGES

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

**\$118.75** MILLION

### FIRST MORTGAGES INFLATION-ADJUSTED



**2,121**

### 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.



# UTAH Rental, Home Construction and Rehabilitation Activities

## Economic Impact



**\$627.08** MILLION

### TOTAL ECONOMIC BENEFITS

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



**4,593** 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.



**\$222.40** 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.

**2.11**

### 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.

**\$17.53** 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.

# UTAH Home Purchase Activities

## Economic Impact



**\$181.80** MILLION

### TOTAL ECONOMIC BENEFITS

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



**1,516** 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.



**\$41.83** 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.

**2.03**

### 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.

**\$4.56** MILLION

### TAX REVENUE

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

# UTAH

## Project Profile: Home Purchase Activity



### Self Help Homes

In 2013, Self-Help Homes received an Affordable Housing Program (AHP) award and helped 43 lower-income families get into affordable homeownership in several Utah communities, including Heber, Elk Ridge City and Santaquin City through the Mutual Self-Help Housing Program.

Groups of families who qualify for the program help build one another’s homes over eight months, working in the evenings and on weekends while under the direction of a Self-Help Homes construction supervisor. Families provide the labor for up to 70 percent of the homes, including framing, roofing, painting, installing cabinets, finish plumbing, finish work, exterior rock work and landscaping. Group sizes vary between eight to 10 families, and no family moves into their home until all the homes in a group are finished.

The U.S. Department of Agriculture’s Office of Rural Development provides low-interest mortgage loans to families and a grant to Self-Help Homes to administer the program. AHP funds are used to lower the cost of the principal of the land, and the many hours of “sweat equity” and elimination of general contractor fees lower labor costs. Families move into their homes on average with more than \$20,000 in equity.

#### SOURCES

<b>U.S. Department of Agriculture Rural Development</b>	\$	<b>9,891,865</b>
<b>FHLB Des Moines AHP</b>	\$	<b>386,957</b>
<b>State of Utah–Olene Walker Housing Loan Fund</b>	\$	<b>135,000</b>
<b>Home Buyer Down Payment</b>	\$	<b>72,655</b>
<b>Total Development Costs</b>	\$	<b>10,486,477</b>