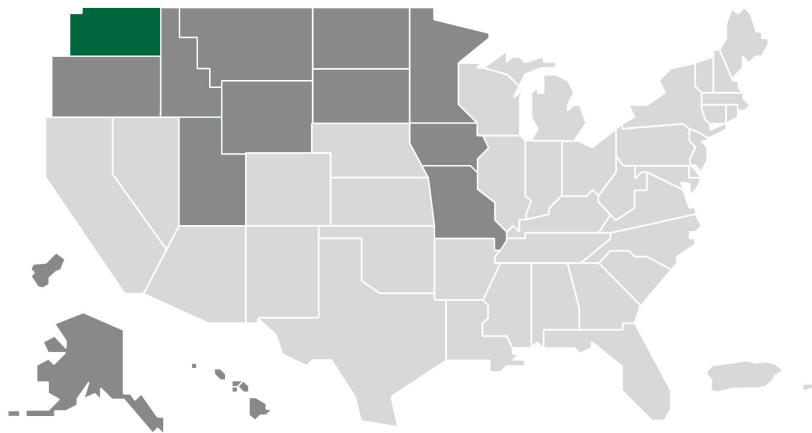


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



WASHINGTON
STATE REPORT

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

* Note: some projects within Washington 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.

WASHINGTON Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$91.69 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.

\$124.94 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$1.73 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.

\$2.37 BILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **407**

PROJECTS

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

 **14,829**

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.

WASHINGTON Home Purchase Activities

Economic Basis



\$17.60 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.

\$22.61 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$131.08 MILLION

FIRST MORTGAGES

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

\$148.85 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED



3,013

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.

WASHINGTON Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$3.57 BILLION

TOTAL ECONOMIC BENEFITS

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



22,225 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.



\$1.32 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.

1.51

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.

\$165.75 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.

WASHINGTON Home Purchase Activities

Economic Impact



\$254.73 MILLION

TOTAL ECONOMIC BENEFITS

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



1,499 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.



\$40.98 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.

1.33

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.

\$12.30 MILLION

TAX REVENUE

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

WASHINGTON

Project Profile: Rehabilitation Activity



Langdon & Anne Simons Senior Apartments

Homestead Community Land Trust used Affordable Housing Program (AHP) funds to rehabilitate 26 single-family homes for sale to income eligible homebuyers in Seattle, Washington. Homestead was awarded \$700,000 in AHP funds through Federal Home Loan Bank of Des Moines member Banner Bank.

The majority of the funds were used to complete unfinished construction in a distressed townhome project Homestead acquired in Columbia City on Renton Avenue, Seattle, Washington. AHP funds were used on 25 of the homes in the 26-unit development. Homestead Community Land Trust retained ownership of the land under each home to allow for control of future sale for ongoing affordability and owner occupancy. AHP funding was used as subsidy that lowered the price to the first homeowner and will subsidize the price to all future homeowners. The balance of funds from the grant were used on a scattered site acquisition rehab single-family residence.

WASHINGTON

Project Profile: Rental Activity



Plymouth Housing Group

In 2006, Umpqua Bank received a \$250,000 Affordable Housing Program (AHP) grant from the Federal Home Loan Bank of Des Moines for Plymouth Housing Group to build a 92-unit apartment building for homeless seniors. Completed in 2008, the project includes green building features, including Energy Star appliances, low VOC paints, low toxic adhesives and recycled materials. The facility also includes a community room with full kitchen facilities, laundry on each floor, two outdoor common areas and two indoor terrace gardens.

The city of Seattle, King County, the State of Washington’s Housing Trust Fund and Low-Income-Housing Tax Credits provided capital financing for this \$23 million project. Key Bank and the Washington Community Reinvestment Association also provided loans. Project-based Section 8 vouchers with a few Veterans’ Affairs Supportive Housing and Shelter Plus Care subsidies primarily paid for operating expenses.

SOURCES

| | | |
|-----------------------------|-----------|-------------------|
| LIHTC | \$ | 10,056,834 |
| City of Seattle | \$ | 5,500,000 |
| Sponsor Loan | \$ | 3,501,320 |
| WA State HTF | \$ | 2,000,000 |
| King County | \$ | 1,300,000 |
| Bank Loan | \$ | 335,000 |
| FHLB Des Moines AHP Subsidy | \$ | 250,000 |
| Deferred Developer Fee | \$ | 250,000 |
| Built Smart | \$ | 25,000 |
| Total | \$ | 23,218,154 |