2019 Community Lending Plan

Executive Summary

The Federal Home Loan Bank of Boston is a cooperatively owned wholesale financial institution dedicated to serving its member financial institutions and supporting affordable housing and economic growth.

The purpose of the 2019 Community Lending Plan is to assess the housing and economic development needs and opportunities across New England and in the communities our shareholders serve. This needs assessment informs the community development priorities and activities of the Federal Home Loan Bank of Boston (FHLBank Boston) including administration of our community investment programs and our outreach efforts.

The FHLBank Boston operates several housing and community investment programs that provide funding that member financial institutions and their development partners can use to invest in communities throughout New England, leverage other funding, and create longer-term economic and community benefits.

Since 1990, the *Affordable Housing Program*, including the *Equity Builder Program*, provided direct grants and interest-rate subsidies to finance the acquisition, construction, and rehabilitation of affordable rental and homeownership housing. *Community Development advances* and *New England Fund* advances provide flexible capital to support a wide range of residential, commercial, and mixed-use initiatives. *Jobs for New England* offers members zero-percent advances to fund small business loans to create or preserve jobs and bring about economic activity. *Helping to House New England* offers the six New England housing finance agencies zero-percent advances, bond purchases or grants to address each state's individual affordable housing needs.

The 2019 Community Lending Plan is organized to answer the following questions:

1. Who needs affordable housing? How are these needs changing?
2. What is the current supply of affordable housing? What are the state-level priorities and strategies?
3. What are the economic development needs across New England?

The plan identifies key priorities and sets initiatives, activities, and targeted community lending goals for 2019.

Table of Contents

2019 Key Community Development Priorities

1. The **housing affordability** crisis remains the primary housing challenge affecting renters and homeowners alike. This is driven both by rising prices relative to household incomes and insufficient housing production. As a result:
    a. Production of new housing stock is needed.
    b. Preservation of existing affordable housing stock must continue to be a focus throughout New England.
    c. Creation of additional ownership inventory and provision of down payment and closing cost assistance are needed to meet demand for homeownership and community goals.
2. **Demographic trends** indicating an aging population, households returning to cities and poverty increasing in suburbs help corroborate growing concerns about displacement, gentrification, and the need to meet changing housing needs.
3. The **cost to develop affordable housing** remains a critical challenge for state funders and private lenders and investors in order to maximize the use of scarce public resources.
4. Use of **cost-effective energy efficiency measures** and **sustainable development building practices** are essential to ensure long-term operations and affordability for building owners, tenants, and homebuyers.
5. **New partnerships and new capital structures** are needed to finance affordable housing development, preservation, and community revitalization efforts.
    a. Current federal and state funding resources are not sufficient and potential future federal and state funding reductions could impose additional obstacles to creating and preserving affordable housing.
    b. This includes new federal/state Opportunity zones and new partnerships to help finance the acquisition and rehabilitation of naturally occurring affordable housing stock.
    c. Local communities are implementing a range of tools including inclusionary zoning, linkage fees, housing trust funds, and others to meet these changing housing needs.

6. Municipalities, funders, and developers are increasingly recognizing the **value of resilient design and building materials t**o help protect buildings and infrastructure from natural disasters.
7. **Business development, small business finance, and skill development for lower-income households** are critical economic development priorities in New England.
   a. This includes addressing the construction trades skills and labor gaps.
   b. Housing development and finance are necessary prerequisite activities to support these business investment and education and training efforts.

2019 Initiatives, Activities, and Targeted Community Lending Goals

The Bank will administer its community investment programs, conduct community development outreach, build partnerships with stakeholders, and develop and enhance its programs to address its community development priorities. Specifically, the FHLBank Boston proposes the following:

Initiative 1. Effectively deliver the Bank's Housing and Community Investment programs

Activities:

1. Effectively administer AHP, CDA, EBP, HHNE, JNE, and NEF Programs.
2. Operate the AHP as a flexible funding source to ensure equal access and a balanced portfolio of housing initiatives responding to changing needs across New England and the communities our members serve.
3. The AHP scoring categories are designed to help focus efforts to meet New England's housing needs in partnership with other funders e.g. production, preservation, homeless, first-time homebuyers, and energy-efficiency.

Initiative 2. Conduct community development outreach and networking activities with members and other community partners

Activities:

1. Seek partnerships with New England regional stakeholders such as the state housing finance agencies, the Bank's Advisory Council, Federal Reserve Bank of Boston, the FDIC, OCC, and SBA.
2. Sponsor and play a lead role in the administration of the 2019 Affordable Housing Development Competition.
3. Develop outreach events to build public-private partnerships and expand private capital to meet New England-wide community development goals.
4. Educate members, sponsors and other partners on the changes to AHP resulting from the proposed AHP regulation rewrite (if introduced by the FHFA).

Initiative 3. Pursue community development and solution-oriented research, including program enhancements

Activities:

1. Conduct a gap analysis between the recent AHP regulatory changes and the existing regulation to determine new program opportunities and establish a timeline for implementation.
2. Research and implement changes to AHP scoring categories that respond to critical needs in the district, including Community Stability and Readiness.
3. Research metrics and program policies regarding readiness to proceed, affordable housing

cost reasonableness, need for subsidy, and sponsor capacity, primarily for AHP, JNE, and HHNE.
4. Use the results of program research to inform development of the 2020 AHP Implementation Plan and 2020 Community Lending Plan.

2019 Targeted Community Lending Goals

A) Lead targeted trainings and events primarily for AHP, EBP, CDA, and JNE
B) Develop at least three outreach activities to respond to the 2019 plan's primary or other community development priorities based on funding availability. Topics may include:
  - *i)* Affordable housing finance mechanisms, including Low Income Housing Tax Credits and other public and private funding streams in light of changing federal and state budget priorities and capacities;
  - *ii)* Housing development cost effectiveness;
  - *iii)* The linkages between housing and education, economic opportunity, and health care;
  - *iv)* Rural affordable housing and economic development priorities;
  - *v)* Recapitalization of 'naturally occurring affordable housing';
  - *vi)* Inclusionary zoning best practices;
  - *vii)* New federal Opportunity zones; and
  - *viii)* Job creation and job training for construction trades.

C) Conduct AHP, JNE and HHNE program research to respond to recent regulatory changes (in the case of AHP) and enhance the programs' effectiveness and administration.

Community Development Needs Assessment

The FHLBank Boston's Advisory Council and the Housing and Community Development Committee of the board of directors provided essential input and review, identifying trends and key priorities and strategies. Primary research for the Plan focused on the state-level priorities identified in the state Qualified Allocation Plans for Low Income Housing Tax Credits (QAP) as summarized in Attachment A. Additional research included a range of secondary sources, state and federal housing data, as well as information obtained from the multiple outreach events sponsored by the FHLBank Boston throughout the year. The FHLBank Boston's performance fulfilling its 2018 targeted community lending goals and outreach efforts are summarized in Attachment B.

Demographics and Housing Demand

1. **Who needs affordable housing? How are the demographics by age, race, and income changing across New England? How will this affect demand for housing? Are there new or emerging housing needs?**

Demographic trends shape housing demand and needs. In general, New England demographics appear to follow national trends—growth in population, aging—though the region is growing somewhat slower and aging somewhat faster. Nationally, people are living longer, households may be forming later and are smaller than previous decades. Domestic and foreign migration also impact current and future housing needs especially for lower income households.

Regional housing costs are rising faster than wages and development is not meeting demand. Not only are low income and extremely low-income households struggling to find affordable homes, but the ‘middle income’, those who do not qualify for affordable housing, also cannot afford market rate housing.

Population Change

Population change and household formation drive both current and future housing demand. Nationally the resident population grew by 4.5 percent from 2011 to 2017. The Joint Center for Housing Studies of Harvard University also projects that the number of households will grow by 12 million from 2017 to 2027. While household size continues to get smaller, the growth in households is fueled by growth in millennial-headed household formation and immigration.[1] Current population trends indicate that New England is growing slower than the nation. Massachusetts and New Hampshire experienced positive population growth over the past six years, at 3.75 and 1.85 percent, respectively. Vermont lost 0.41 percent and Connecticut lost 0.10 percent of their respective populations. Both Maine and Rhode Island displayed positive growth of less than one percent (Table 1).

Table 1. Annual Population and Median Age, by State and Nation, 2011 to 2017

State	Annual Population 2017	Population Percent Change (April 2011 to July 2017)	Median Age 2011	Median Age 2017	Percent Change 2011-2017
Connecticut	3,588,184	-0.10%	40.3	40.9	1.5%
Maine	1,335,907	0.60%	43.2	44.7	3.5%
Massachusetts	6,859,819	3.75%	39.3	39.5	0.5%
New Hampshire	1,342,795	1.85%	41.6	43.1	3.6%
Rhode Island	1,059,639	0.71%	39.7	39.9	0.5%
Vermont	623,657	-0.41%	41.9	42.9	2.4%
United States	325,719,178	4.52%	37.3	38.0	1.9%

Source: U.S. Census Bureau. Annual Estimates of the Resident Population for Selected Age Groups by Sex, July 1, 2011 and July 1, 2017.

Shifting Age Demographics

New England is aging, and states are losing key working-age and young-person population groups. The median age increased across New England, continuing to exceed the national average. Maine and New Hampshire had the largest increase in median age since 2011 (Table 1). The percent of the population that is 65 years and older increased, ranging from 17 to 28 percent across all six New England states (Table 2). Over the same period, the population share of children under 17 has declined in all six states, with

[1] Harvard Joint Center for Housing Studies. *State of the Nation’s Housing: 2018.*

decreases ranging roughly from four to 10 percent.[2] Generally, New England follows national aging trends, but has significantly larger population share of those 65 years and older. There is a tension between the kind of housing demanded by different age cohorts; developers will therefore have to decide who they aim to serve, considering the longevity of a housing initiative and returns on investment over time.

Table 2. Change in Age Distribution in the Nation and New England, from 2010 through 2017

Age Percent Change 2010-2017	United States	Connecticut	Maine	Massachusetts	New Hampshire	Rhode Island	Vermont
Under 5 years	-1.30%	-9.60%	-7.20%	-3.88%	-10.38%	-7.49%	-9.57%
5 to 13 years	0.26%	-7.29%	-10.31%	-4.37%	-11.15%	-10.19%	-13.20%
14 to 17 years	-2.10%	-0.38%	-3.05%	3.67%	-0.36%	-0.35%	-3.81%
18 to 24 years	3.56%	7.81%	-33.97%	3.32%	3.20%	-5.20%	3.05%
25 to 44 years	-0.18%	-4.19%	-1.98%	4.16%	-2.53%	1.83%	-3.62%
45 to 64 years	4.97%	0.37%	-3.17%	3.34%	0.28%	-0.33%	-6.28%
65 years and over	3.54%	18.92%	26.12%	22.81%	32.47%	17.17%	28.32%
85 years and over	26.30%	9.14%	12.33%	10.53%	21.23%	4.16%	9.65%

Source: U.S. Census (2010-2017). Annual Estimates of the Resident Population.

Shifting Race Demographics

As New England becomes more diverse, characteristics of housing demand for rental and for-sale homes will change based on income and locational preferences. The Black or African American population increased by 20 percent in all six states, and roughly 40 percent in Vermont over the past seven years. The Asian population also increased across the region by over 20 percent. [3] This indicates future changes in housing demand based on differences in income, overall wealth as well as housing and locational preferences.

Migration

Nationally, foreign-born households comprise a significant component of population and household growth, offsetting domestic migration, and are projected to grow faster than native-born households. Consequently, the Joint Center for Housing Studies predicts that immigration will have an increasing impact on housing demand over the next decade plus.[4] In 2016 for example, Massachusetts had the highest increase of international immigrants of all New England states, at an estimated 45,298 people (offsetting loss of 23,089

[2] US Census (2010 thru 2017) Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties, and Puerto Rico Commonwealth and Municipios: April 1, 2010 to July 1, 2017; 2017 Population Estimates

[3] US Census (2010 thru 2017). Selected Age and Race Demographics by State.

[4] Harvard Joint Center for Housing Studies (2018). US Census (2017) *Cumulative Estimates of the Components of Population Change - April 1, 2010 to July 1, 2017.*

native-born residents). Connecticut followed with an increase of 17,758 new foreign-born residents, partially offsetting the move out of state by 22,270 native-born.[5]

People are also moving into cities and metropolitan areas. Those counties with the highest population growth from 2010-2017 represent the largest metropolitan city in each state. Suffolk County, Massachusetts saw the largest percent growth at 10.5 percent, more than double any other New England county. Providence County, Rhode Island grew the slowest (1.7 percent) when compared to other states' fastest growing counties.[6] This centralized growth puts excess pressure on the local housing stock; moreover, it suggests a possible labor shortage for more rural areas. As of now, this concentrated demand resulted in increasing rental housing prices and an increase in the housing wage gap in metro areas.[7]

Poverty

Poverty rates vary significantly by state and ethnicity throughout New England, but disproportionately affect people of color, young people, and families with a single parent. The National Low Income Housing Coalition's Gap report found that people of color are about five percent more likely to be extremely low income as opposed to non-Hispanic white households.[8] As of 2016, the Henry J. Kaiser Foundation noted that 87 percent of the Black and African American population in Maine were in poverty compared to an 11 percent rate for white households. In Connecticut, 22 percent of Black households and 18 percent of Hispanic households were in poverty compared with seven percent of white households. Similarly, 30 percent of Hispanics in Rhode Island and 26 percent in Massachusetts lived in poverty relative to seven and six percent of whites, respectively.[9]

In addition, the percentage of children under 18 in poverty is higher in every New England state compared to the percentage of the population over 18. The percentage of families in poverty increased by an average of eight percent in all six New England states between 2012-2016. Single mothers of young children under five are the most vulnerable to poverty; they represent about 40 percent of all families in poverty throughout the region.[10] Extremely low-income households are more likely to be seniors or disabled than the higher income population. The National Low Income Housing Coalition noted in its 2018 Gap report that 46

[5] US Census (2017). Components of Resident Population Change April 1, 2010 to July 1, 2017. Net Migration.
[6] US Census (2017). American Community Survey. Geographic Mobility by Selected Characteristics in the United States; US Census (2017). Population Change and Rankings by County – July 1, 2010 to July 1, 2017.
[7] National Low Income Housing Coalition (2018) *Gap: A Shortage of Affordable Homes*; Harvard Joint Center for Housing Studies (2018).
[8] National Low Income Housing Coalition (2018) Gap.
[9] Henry J Kaiser Family Foundation (2017). *Poverty Rate by Race/Ethnicity. https://www.kff.org/other/state-indicator/poverty-rate*
[10] U.S Census Bureau (2017) 2012-2016 Estimates. Percentage of families and people whose income in the past 12 months is below the poverty level.

percent of extremely low-income renter households are seniors or disabled, as opposed to 26 percent of total renter households.[11]

Poverty in New England is showing signs of expanding from urban cores into the suburbs and away from the services and job training programs often most available in urban, city centers.[12] This poses challenges to the suburban communities which lack supportive services and the lower income households that are losing access to these services. Lower levels of educational attainment further complicate the issue. Of New England residents in poverty, only 3.7 percent have earned a high school diploma or higher.[13]. As lower income households move out of urban cores, more communities, urban and suburban, will struggle with the complicated issues involving displacement, gentrification, neighborhood preservation, nimbyism, and changing housing needs.

Opioid Epidemic

Opioid addiction and mortality is an epidemic in New England. As reported by a study for the Federal Reserve Bank of Boston, from 2002 to 2014, drug overdose deaths doubled in every county in New England; the rates were similar across urban, rural, and suburban areas. In addition, adolescent drug use is higher in New England compared to the rest of the United States. All six New England states are among the top 20 prescribers of opioids in the country. Maine has the highest prescription rate of opioids in the country, and New Hampshire ranks third.[14]

This epidemic in New England has a marked impact on homelessness and poverty. The National Alliance to End Homelessness found that, regardless of location, homeless and impoverished populations are more likely to abuse opioids or other drug substances.[15] The same study also cited a U.S. Conference of Mayors survey reporting that "68 percent of cities" named substance abuse as the largest cause of homelessness for single adults. All in all, the National Alliance to End Homelessness reports that opioids, drug addiction, homelessness, and poverty are part of a deadly cycle that has pronounced impact in New England because of both the high overdose and high prescription rates.

[11] National Low Income Housing Coalition (2018) Gap.
[12] Kneebone, Elizabeth (2011) *Poverty in New England—It's a Suburban Thing.* The Brookings Institution.
[13] US Census Bureau (2017). Educational Attainment of those in Poverty by State.
[14] Monnat, Shannon (2015) *Drugs, Death, and Despair in New England.* Federal Reserve Bank of Boston. (Massachusetts-8th, Connecticut-13th, Rhode Island-14th, and Vermont-16th.)
[15] National Alliance to End Homelessness (April 5, 2016) *Opioid Abuse and Homelessness.*

Homelessness

Overall, New England continues to make gains meeting the housing and service needs of homeless individuals and families, reflecting the continued focus by federal, state, and local policymakers and stakeholders. There remains cause for concern because, according to the U.S. Department of Housing and Urban Development, the number of homeless increased after multiple years of decline. The homeless population increased in Vermont by 0.4 percent and 5.5 percent in Massachusetts; fortunately, all other New England states experienced a decrease in the percent share of this population. Connecticut decreased its homeless population 21.5 percent since 2010, and 13.2 percent in the past year alone, resulting in the largest percent decrease in all New England. While homeless families with children decreased five percent, more unaccompanied youth (under age 25) were unsheltered. Overall, while both veterans and chronic homelessness are significantly reduced, 2017 saw an increase in both homeless cohorts. The New England states collectively rank among the states with the highest percentages of sheltered homeless reflecting common Housing First development and service approach to redressing homelessness.[16]

Homeownership Trends

The Harvard Joint Center notes that declining homeownership rates have leveled off and the actual number of homeowners increased in 2017. Still, homeownership rates have not rebounded to pre-recession levels and continue to vary significantly by age and ethnicity. From 1987 to 2017, the African-American homeownership rate lost ground (-2.7 percent), while rates among Asians (+7.1), Hispanics (+5.7) and whites (+3.6) all increased on a percentage basis. More older Americans own homes and express the desire to age-in-place. Homeownership rates among younger Americans (35-44 and 25-34) declined over the 1987-2017 period, attributed to slower household formation and increasing student debt as well as prices rising faster than incomes. The Harvard Joint Center also posits that immigrants will have a larger impact on homeownership rates than young, native born peoples in the coming years. This could be especially true in New England, where most of the region is seeing a decrease in young, working age individuals and families and an increase in migration.[17] Interestingly, U.S. Census data on the tenure of residents throughout New England shows that the majority of current New England home owners bought their homes in 1980 or earlier; as people live longer and are working later into life.[18]

Based on early 2018 data, the Federal Reserve Bank of Boston found that for-sale home prices grew 6.6 percent nationally and 5.3 percent regionally, where Rhode Island had the fastest growth rate at 8.3 percent. New Hampshire and Massachusetts also exceeded the national average growth rate at rates of 6.9 percent and 6.6 percent respectively. Connecticut had the slowest growth rate at 3.3 percent.[19] Homebuyers face four challenges when trying to purchase: rising housing prices, saving for the down

---

[16] US Department of Housing and Urban Development Office of Community Planning and Development (December 2017). *The 2017 Annual Homeless Assessment report (AHAR) to Congress.*

[17] Harvard Joint Center (2018).

[18] US Census (2016) Total population in occupied housing units by tenure by year householder moved into unit. 2012-2016 American Community Survey 5-Year Estimates

[19] Sullivan, Riley (2018). *Q2 2018: Snapshot of the New England Economy Through June 19, 2018.* Federal Reserve Bank of Boston.

payment, rising mortgage rates, and a very limited supply of available and affordable for-sale homes to buy. This is borne out by the FHLBank Boston's experience with the Equity Builder Program (EBP); lower-income, first-time homebuyers appear to need additional assistance beyond the EBP grants for down payment and closing cost assistance, housing costs and front end ratios are trending higher, reflecting cost burdens, and lack of supply of available homes.

Vacancy Rates and Rents

While rental demand leveled off nationally, low rental vacancy rates across New England confirm high and unmet rental demand. Table 3 contains state data from the U.S. Census overlaying net increase in housing units (2010-2017) and the change in rental vacancy rates (Q12010 to Q12018). While the table shows net positive production based on available census data, the falling vacancy rates show that demand continues to outstrip supply.

Table 3. Comparison of Percentage Change of Housing Units, 2010-2017, and Rental Vacancy Rates, 2010-2018

			Rental Vacancy Rates			
State	**Percent Change in Housing Units 2010-2017 (3)**		**First Quarter 2010**	**First Quarter 2018**	**Numeric Change in Vacancy Rate 2010-2018**	**Percent Change in Vacancy Rate**
Connecticut	1.93%		11.2	7.6	-3.6	-32%
Maine	2.78%		5.4	2.9	-2.5	-46%
Massachusetts	3.71%		4.8	5.4	0.6	13%
New Hampshire	3.16%		7.0	3.7	-3.3	-47%
Rhode Island	1.01%		8.2	4.6	-3.6	-44%
Vermont	3.79%		6.2	3.3	-2.9	-47%

Sources: US Census (2018). Quarterly Vacancy and Homeownership Rates by State and MSA. Table 1. Rental Vacancy Rates by State, 2005 to Present.

US Census. Quick Facts. Housing Units, July 1, 2017, by State. US Census. Physical Housing Characteristics for Occupied Housing Units. American Community Survey 5-year Estimates.

Housing Cost Burdens

According to US Census data, an average of 40 percent of all New England residents spend 35 percent or more on rent.[20] As the National Low Income Housing Coalition's *Out of Reach: 2018* report confirms, wages are not keeping pace with rising rents, further exacerbating the affordability gap. The difference between the income needed to afford a two-bedroom unit and what renters earn in New England is about $10 dollars in hourly wages, a larger difference than the national average. Five out of the six New England states are in the top 10 states with the largest disparity between what people earn and rental cost of a two-bedroom home (all but Rhode Island). [21]

[20] US Census Bureau (2016). Gross Rent as a Percentage of Household Income (GRAPHI) by Percentage of Population.
[21] National Low-Income Housing Coalition (2018). *Out of Reach.*

Extremely low-income households experience even more drastic cost burdens and have fewer opportunities to find housing that they can afford. The extremely low-income population constitutes 30 percent of renters in New England and experiences an average cost burden of 63 percent.[22] In recent years, housing for the extremely low-income population has become increasingly scarce, both nationally and throughout the New England region.[23] For example, housing construction is meeting only 43 percent of demand for the extremely low-income populations throughout New England. This shortage in low income housing development ranges from 12,145 units in Vermont and 162,286 in Massachusetts. The National Low Income Housing Coalition observes that minimum wage earners in New England must work between 60 hours per week in Maine to 96 hours per week in New Hampshire to afford a one-bedroom apartment.[24]

Housing Supply: Priorities, Opportunities and Constraints

2. What is the current supply of affordable housing? What are the strategies and priorities in each of the six New England states to meet these changing housing needs? Are there new solutions or opportunities that FHLBank Boston can leverage or partner with?

The persistence of housing cost burdens demonstrate that the foremost housing priority remains the production of new housing units, both rental and homeownership. Estimates from the National Low Income Housing Coalition point to the lack of available and affordable housing units for both extremely low-income and very low-income households.[25] The Harvard Joint Center observes that the supply of these units "…shrank significantly after the Great Recession and has remained essentially unchanged since 2015." Low-cost unsubsidized units remain at risk due to upgrading or removal. Subsidized units are also at risk as low-income housing tax credit equity restrictions or federal Section 8 contracts expire. Furthermore, the *State of the Nation's Housing: 2018 report* further notes that federal tax law changes have reduced the equity yield values for low-income housing tax credits; this loss of future equity capital is estimated to result in "232,000 fewer affordable units over the next decade."[26]

Prioritizing Production, Balancing Preservation
Each of the six New England QAPs prioritize new production while also seeking to balance other community development goals e.g. preservation, adaptive reuse, supportive housing, and smart growth. The Rhode Island QAP identifies the need for new production in the face of cost burdens, a 'continually aging housing stock', and the continued prevalence of a high number of blighted vacant and abandoned

[22] National Low Income Housing Coalition (2018). *Out of Reach: 2018*. State Profiles.
[23] National Low-Income Housing Coalition (2018) *Gap.*
[24] Connecticut – 79 hours/week; Massachusetts – 84 hours/week; Rhode Island – 66 hours/week; Vermont- 68 hours/week. National Low Income Housing Coalition (2018). State Profiles.
[25] National Low Income Housing Coalition (2018). *Out of Reach; Gap*.
[26] Harvard Joint Center (2018). *State of the Nation's Housing: 2018.* Pages 28 and 34. The report also notes that over the next 10 years affordability restrictions on 533,000 LIHTC units as well as 425,000 project-based Section 8 units and another 142,000 subsidized units are expected to expire (p.34).

properties. At a minimum, developers applying for nine percent credits need to create a minimum of 20 new units. Rhode Island Housing (RIH) places equal priority on new production in communities with a lack of affordable housing (areas of opportunity) and investment in urban neighborhoods, to obtain geographic diversity across communities rather than a concentration of investment in larger developments in a few urban areas. RIH stipulates that it will only award one preservation award per round.[27]

Often the new production goal dovetails with a focus on family or two-bedroom units, rather than smaller or age-restricted units. New Hampshire Housing (NHH) has a ten-point QAP scoring priority for general occupancy units with two or more bedrooms. Projects with age restrictions or that are focused on tenants with special needs are given equal footing provided the need for one-bedroom units can be documented. The new production is balanced with other scoring preferences regarding income targeting and market units and supportive housing serving veterans or the homeless. NHH only allocates one point for preservation and five for historic rehabilitation.[28] Maine favors the production of two- and three-bedroom units (up to six points) over the reuse of existing structures or historic preservation.[29]

The AHP's guiding principles ensure that the program remains a source of flexible, gap funding to serve a balanced mix of housing types, locations, and households/income levels; maintains transparency, simplicity, and accessibility for members and their business partners; and implements design and administration to meet changing community and housing marketplace needs.

Massachusetts reserves 70 percent of the nine percent competitive credits for production in the QAP. The Massachusetts Department of Housing and Community Development steers preservation deals to the four percent credits associated with tax-exempt bonds. Other states do the same. Massachusetts calls for the production of more rental homes serving families and individuals with a wide range of incomes – extremely low-income as well as mixed-income. Massachusetts deliberately focuses on family housing in neighborhoods which provide access to jobs, transportation, education, and public amenities. This aligns with focus on those locations that have not achieved 12 percent affordable housing stock as defined by the state subsidized housing inventory.[30]

Preservation of existing affordable housing stock and addressing blight both serve critical community needs as well. All six state QAPs value remediation of vacant or blighted buildings and recapitalizing existing affordable stock. In high-density and hot market areas, increasing rents are pushing affordable housing outside of the metro-core where many residents work. With little space left in dense urban cores, preservation of existing stock is critical. Less dense, more rural areas are experiencing an aging population, older housing stock, plus likely declining population and labor shortages. This adds additional challenges to meeting these rural housing needs.

---

[27] Rhode Island Housing (2018). *State of Rhode Island 2018-2019 Qualified Allocation Plan.*
[28] New Hampshire Housing Finance Authority (2018). *2018 Qualified Allocation Plan for the Low Income Housing Tax Credit Program.*
[29] Maine State Housing Authority (2018). Low Income Housing Tax Credit 2018 Qualified Allocation Plan.
[30] Commonwealth of Massachusetts Department of Housing and Community Development (2018). *Low Income Housing Tax Credit Program 2018-2019 Qualified Allocation Plan.*

Massachusetts still maintains a preservation set-aside of 30 percent of available credits in the QAP because of the number of privately-owned affordable units which could be converted to market. Massachusetts has further focused its preservation matrix used to rank different preservation activities for the 2018-2019 period to emphasize housing that is at risk of loss due to market conversion, significant physical capital needs (minimum $30,000/unit rehabilitation) or financial distress, or the property presents a 'time-limited opportunity' to be acquired. In similar fashion, the FHLBank Boston's AHP program currently focuses on preserving housing that is at risk of loss due to conversion, physical or financial distress.

Regarding housing production and preservation, two additional observations are critical. First, the Harvard Joint Center as well as state funders all acknowledge the importance of operating rental assistance. Federal Section 8 subsidies only reach one-quarter of eligible beneficiaries. Such subsidies are critical to ensure long-term affordability for residents especially in the wake of rising development costs and rising cost burdens.

Second, federal and state capital funding sources are limited and insufficient to finance housing development activities to produce all the housing which is needed. Moreover, most renters live in privately-owned housing stock; many are occupying older apartments often referred to as 'naturally occurring affordable housing'. This housing stock is also at risk of loss which would also greatly exacerbate the affordability crisis.

Additional private capital is needed to preserve naturally occurring affordable housing stock which comprises the bulk of housing occupied by low-to moderate-income households. The National Affordable Housing Trust Fund and new Federal Opportunity Zones offer additional capital and possibilities for private investment. The FHLBank Boston's role as a wholesale lender for our member financial institutions offers available community development capital to fund new business opportunities for members and the communities they serve.

Homeownership Housing

As the Harvard Joint Center indicates, demand for homeownership is rebounding; buyers continue to face several obstacles. Buyers need savings and financial education/homebuyer counseling to be successful homeowners. Production of homes that first-time home buyers can afford is not, however, adequate to meet the demand. Public and private efforts to encourage more production of starter homes is needed. The FHLBank Boston plays a critical role as a funding source, offering a range of advance products to support construction and residential mortgage lending (CDA, AHP, HHNE) as well as grant dollars to facilitate housing development and purchases (AHP and EBP).

> FHLBank Boston's recent experience with the Equity Builder Program confirms rising home prices, higher average housing cost to income ratios, limited savings and the need for down payment and closing cost assistance.

Housing and Health Hazards

Given New England's aging population and older housing stock, adapting the existing housing stock to meet changing needs and help seniors continue to age in place also continue to be a state and municipal focus. The rising number of elder households will demand additional healthcare services and change the amenities needed in housing developments. As explored at the Housing Solutions for Maine's New Age conference, this takes several forms and includes the need to retrofit existing homes with accessibility improvements, develop independent housing co-located near supportive services, as well as expand community-based services. Municipalities are exploring zoning changes to permit more accessory dwelling units, encouraging higher housing densities, and other options.[31] As noted in prior Community Lending Plans, the value of coordinated services with housing options such as the Support and Services at Home (SASH) program in Vermont have proven health benefits and help ensure the ability to age in place, leading to positive financial savings and outcomes as well.

Lead paint remains a health hazard for many New England residents given the age of our housing stock. In addition to existing federal funding sources, new capital sources are emerging. MaineHousing is partnering with state departments of environmental protection and health and human services to offer a lead hazard reduction demonstration grant program to provide additional funding for lead remediation. Reducing lead hazards are also a policy goal acknowledged in the Rhode Island QAP.

> *"Much of the state] suffers from a continually aging housing stock, a significant portion of which is characterized by severe or moderate physical problems such as lead-based paint hazards." -The Rhode Island QAP*

Sustainable Development, Energy Efficiency, Building Resilience
The region's aging housing stock does not have the protections it needs to withstand high heat hazards, storms and especially flood damage. This vulnerability is compounded by the region's aged, combined-sewage system. Heavy rain, or sometimes light rain, can cause sewage to overflow; such contaminated outflows can be especially potent and problematic hazards, for which most New England communities are not adequately prepared.[32]

Sustainable development, energy efficiency, and resilient design are becoming higher state level priorities as noted in the QAPs and are becoming more engrained in funding, planning and design for residential development. Each New England state, in its QAP as well as other housing development programs, values achieving a number of locational factors e.g. areas of opportunity including access to transit, services, civic/green/public spaces, and employment. States help incentivize sustainable development building practices consistent with LEED or Enterprise Green standards.

At a more fundamental level, it is critical that buildings be designed to be as energy-efficient as possible to ensure that they are the most cost-efficient to operate, helping to preserve long-term affordability and housing quality e.g. internal air quality, ventilation, heat and cooling. For example, both the Connecticut and Vermont QAP give credence to 'Passive House' design. The Passive House Institute notes that the goal is to maximize energy efficiency and residential comfort through a comprehensive systems approach to modeling, design, and construction.[33]

New England developers and state funders are thinking about ways to make housing and neighborhoods more resilient to natural hazards and disasters for low income people. Resilient design can help diminish the financial loss of hazards and disasters by diminishing the likelihood of extensive damage to a home or

---

[31] Maine Council on Aging. *Housing Solutions for Maine's New Age.* Conference, May 31, 2018.
[32] US EPA (2018). *Combined Sewer Overflows (CSOs) in New England.*
[33] Passive Housing Institute (2018). *Passive Housing Principles.*

unit.[34] The goal for many developers is to create affordable housing that will last 25-100 years, with the knowledge that extreme heat hazards and natural disasters will continue to increase in severity.[35] The Connecticut and Vermont state housing finance agencies included ideas like resilient design in their 2018 QAPs.

Development Costs, Readiness to Proceed, and Developer Capacity
In order to achieve all of these housing priorities, controlling development and operating costs and ensuring that funded projects move forward are critical program responsibilities. The New England states each establish both threshold and scoring priorities in their QAPs and other programs around development costs, operating subsidies, development timelines and developer capacity and performance. Such scoring categories include points for controlling development costs, leveraging other public funding, having zoning, environmental, and/or building permits, or the presence of committed operating subsidies. Other categories award points for prior successful development and usage of public resources by the housing developers and/or negative points for delayed completion or other noncompliance. These types of thresholds and scoring categories are being used increasingly to prioritize allocation of very scare public resources including LIHTC reservations.

Similarly, the FHLBank Boston's AHP program is annually oversubscribed and must prioritize funding awards based on developer capacity, readiness, feasibility, and then through scoring categories. Analyzing development costs for feasibility and costs reasonableness is a fundamental program obligation to ensure effective and efficient usage of the AHP capital subsidies. Establishing readiness standards for applications and performance benchmarks during development, lease-up or sale of homes is equally important. The FHLBank Boston is committed to reviewing its standards, scoring categories, and program policies and procedures so that the AHP direct subsidies and subsidized advances help finance successful affordable housing initiatives over the long-term.

Economic Development Needs

3. **What are the economic development needs across New England? Are there new solutions or opportunities that FHLBank Boston can leverage or partner with?**

Economic Development, Unemployment and Growth Rates
The New England region has experienced solid economic growth within the past several years, on par or better than the nation.[36] The Federal Reserve Bank's New England Economic Indicators show that employment continued to expand, and unemployment rates fell within the past fiscal year.[37] Nationally, the

[34] US Green Building Council (2018). *The Road to Resilience.*
[35] Chase, Thomas. *Multifamily Housing Resiliency Audits.* New Ecology, Inc.
[36] Stackhouse-Kaelble, Steve (2017). *Regional Report: A Slow, But Steady Pace of Economic Growth for the New England States.* AreaDevelopment.
[37] Sullivan, Riley (2018). *Q2 2018: Snapshot of the New England Economy Through June 19, 2018.* Federal Reserve Bank of Boston.

current unemployment rate as of May 2018 (3.8 percent) has not been this low since 2001. New Hampshire (2.70 percent), Maine (2.80 percent), and Vermont (2.80 percent) have the three lowest unemployment rates in the region; Massachusetts posted a 3.5 percent unemployment rate while Rhode Island (4.40 percent) and Connecticut (4.50 percent) also had strong results albeit exceeding the national average.[38]

Employment growth in New England is split between the highly technical and the trade professions. Construction is the fastest growing super sector in the region, outpacing national growth in the industry. Manufacturing employment also increased in all states except Vermont, also above the national rate of growth. Overall, New England saw the most significant job growth in construction, professional and business services, manufacturing, and leisure and hospitality.[39]

New England is also home to specific industry clusters, mainly driven by technology and innovation hubs. Top industry clusters throughout the region included financial services, information technology and analytical instruments, and biopharmaceuticals. These professions are not growing at the same pace as construction or manufacturing but show great potential for job and wage growth throughout the region. Additionally, national labor trends indicate that employment in the clean energy markets, personal care and home health aide professions will also grow significantly over the next ten years. These are trends which may favor New England given current employment levels in these areas.[40]

Challenges in the New England Labor Market

Challenge: Age and Labor

New England's workforce is aging. Bureau of Labor Statistics and Census data confirms the labor force participation rate of those aged 65 and up increased in Maine, Massachusetts, New Hampshire and Vermont from 2010 to 2016.[41] It is possible that the increase in immigration will help replace these workers now and into the future.

Challenge: Wages, Employment Growth, Education and Skills

The occupations that hire the most workers do not offer livable wages. Using U.S. Bureau of Labor Statistics 2018 data, the National Low Income Housing Coalition notes that most job growth is projected in the service and lower skill occupations which will pay wages below the needed housing wage to afford a one- or two-bedroom apartment.[42] The three professions expected to grow the most with the highest wages (including general operations managers, software developers or nurses) each require advanced degrees or

[38] US Bureau of Labor Statistics. 2018. Table 1. Civilian labor force and unemployment by state and selected areas, seasonally adjusted. www.bls.gov.

[39] Federal Reserve Bank of Boston. New England Economic Indicators Q1 2018.

[40] US Bureau of Labor Statistics (2018). Employment Change 2016-2026; US Bureau of Labor Statistics (2017) New England Information Office: Employment and Occupation Data.https://www.bls.gov/regions/new-england/data/xg-tables/ro1xg02.htm.

[41] US Bureau of Labor Statistics (2017). New England Information Office. US Census (2018). Age and Sex 2012-2016 American Community Survey.

[42] National Low Income Housing Coalition (2018). *Out of Reach*.

substantial work experience.[43] Currently, the top three highest employed jobs across New England include some iteration of office and administrative support, food preparation and serving, and/or sales and related occupations.[44] The annual mean wage for these professions is either equal to or below the annual income needed to afford a two-bedroom rental in each state, and they are on average below 80 percent median income. In addition, these professions are normally paid hourly and do not include benefits. Educational attainment and access to employment remain a significant issue for extremely low-income households.

Challenge: Labor Force Participation
Labor force participation is steadily increasing in New England, keeping pace with the rest of the United States. Overall, New England's labor force participation increased by 0.80 percent, compared to the national labor market increase of 1.10 percent from May 2017 to May 2018. Of all New England states, Connecticut was the only state to see a direct decrease in the labor force in this same period.[45]

However, the United States and New England both have a significant population of missing laborers.[46] Only about 60 percent of both the national and regional population is working or looking for work—still three percent lower than pre-recession averages. Fewer African American people as well as women are working or looking for work than the national average. Unfortunately, no demographic group has seen a rebound in labor force participation to the level prior to the recession.[47]

Challenge: Skills Gap
New England faces many of the same challenges as the rest of the country regarding labor and economic development. Industry-wide challenges include the existence of a skills gap, wherein there is a mismatch between the kind of training and education candidates have and the kind required by local employers for industries whose primary workforce is aging.[48] For New England, this translates to a labor shortage in in-demand and high-return industries like construction and agriculture.

The construction industry in Maine, for example, is struggling to find adequate, trained workers. 2016 news reports attribute the problem to multiple causes including qualified workers leaving for higher wages in other states, the industry itself aging, and lack of qualified workers to train the younger population. The Portland Press Herald also noted that the job losses and lack of available labor was a consequence of the

[43] National Low Income Housing Coalition (2018). *Out of Reach*.
[44] US Bureau of Labor Statistics (2017). New England Information Office.
[45] US Bureau of Labor Statistics. Local Area Unemployment Statistics by state, region, and nation.
[46] Bureau of Labor Statistics (2017). Employment-population ratios of persons 16 years of age and over by region, division, and state, 2016-17 annual averages. https://www.bls.gov/news.release/srgune.t02.htm
[47] Bureau of Labor Statistics (2018). Employment-Population Ratio. https://www.bls.gov/charts/employment-situation/employment-population-ratio.htm
[48] St. Clair, Noelle, Federal Reserve System (2017). *Investing in America's Workforce: Report on Workforce Development Needs and Opportunities.*

2000 recession. A significant proportion of workers left the labor market who would be training today's generation of workers.[49]

Massachusetts faces a particularly acute gap. 2016 Commonwealth Corporation analysis noted that while Massachusetts maintains one of the most highly educated workforces in the country, it also concurrently has a significant gap for 'middle skill' or hard labor professions.[50] Though the severity changes at the county level, Massachusetts is facing is significant hard labor shortage if not promptly addressed.

Vermont is also having trouble filling agricultural positions.[51] Agriculture is an aging industry in the state, and young people are not showing the kind of affinity towards the profession as they did 20 to 30 years ago. There are many organizations and vocational schools aiming to drum up excitement for the field and get people to work and stay in the state, but many have yet to see significant returns.

Progress: Combating the loss of college graduates
The labor shortage extends beyond technical skilled labor professions in Northern New England; recent college grads are not filling the gaps in the more technical fields as fast as people are leaving them.[52] New Hampshire, Maine, and Vermont have the highest median ages in the entire United States and are losing working age residents at alarmingly fast rates. These states are dominated by rural spaces and lack the draw of an economic hub to attract young people. States and localities are starting to respond. For example, Maine started a tax-incentive program to help keep new college graduates in-state, New Hampshire initiated a scholarship to help students attend in-state college, and Vermont began a marketing campaign to retain and attract new residents.[53]

Small Business Investment and Credit Needs
Small businesses comprise the bulk of firms and provide a significant source of local labor opportunities. Often small businesses of all industry sectors lack access to sufficient capital as well as technical assistance to stabilize and grow over time. The FHLBank Boston's member institutions provide debt and equity investments and participate in technical assistance partnerships in a variety of ways to serve their small business clients.

> Member institutions access FHLBank Boston Community Development advances and Jobs for New England advances to provide lower-cost loans to small businesses across New England. These produce tangible results and contribute to the vibrancy and resiliency of local economies.

[49] Anderson, J. Craig (May 17, 2016). *Skilled-worker shortage crimps new construction in Maine.* Portland Press Herald.
[50] Bundy, Andrew (2016). *Closing the Massachusetts Skills Gap: Recommendations and Action Steps.* Commonwealth Corporation, Eastern Bank.
[51] DVT online (June 1, 2015). *Vermont Technical College Closing the Skills Gap.* Destination VT.
[52] Kamp, Jon (April 27, 2017). *Northern New England's Good Jobless Numbers? They're Bad.* Wall Street Journal.
[53] Kamp, Jon (April 27, 2017).

Appendix A: Summary of New England Qualified Allocation Plans

Connecticut 2018 QAP (Final)	**Maine 2019 QAP** (Final)	**Massachusetts 2018-2019 QAP** (Final)
• Enhance housing mobility and choice across income levels • Preserve at-risk affordable housing • Production of need-restricted housing through construction, rehabilitation of vacant/blighted properties, and adaptive reuse • Ensure cost effectiveness (e.g. sf costs, subsidy per bedroom/initiative, design) • Sustainable development and energy efficiency (Passive House, high-performance design, renewable energy) • Promote housing in Areas of Opportunity • Promote vibrant, mixed-income and mixed-use neighborhoods (access to transit, TOD) • Demonstrated experience of sponsor and development team • Capital for state-supported public housing	• Production of family housing (two-plus bedrooms) • Preservation of existing affordable rental housing that is at risk of being lost due to deterioration or market conditions • Create housing in areas with access to services, employment, education, health care, public transportation, and other opportunities important to the tenants • Support housing in high opportunity areas • Provide affordable rental housing for households with the lowest income • Manage development and operating cost efficiency to ensure efficient use of the Credit and other MaineHousing resources • Developer experience and performance • Housing accessibility and visitability	• Create new affordable housing units, especially for families • Located in areas with growth potential and locations that constitute areas of opportunity • Promote principles of fair housing • Consistent with the ten sustainable development principles • Including projects in the federal Choice Communities pipeline • Preserve existing affordable housing resources which meet preservation priorities • Extremely low-income and homeless households • Mixed-income housing • Housing for persons with disabilities, including emphasis on visitability • Development cost control • Located in areas of opportunity (e.g. access to education, employment opportunities) • Significant revitalization

New Hampshire 2019 QAP (Final)	**Rhode Island 2018-2019 QAP** (Final)	**Vermont 2018-2019 QAP** (Final)
• Increase the supply of affordable housing through production and preservation • Affordable housing for veterans, persons with disabilities, and the homeless • Provide affordable housing in areas that have none • Non-age restricted housing • Neighborhood revitalization • Adaptive reuse of historic properties • Efficient use of existing infrastructure • Develop housing using Smart Growth principles • Sustainable housing with energy-efficient design • Mixed-income housing	• New production • Redevelop vacant and abandoned properties • Increase housing in communities that lack affordable housing • Reinvest in urban neighborhoods • Preserve affordable housing • Address healthy housing concerns • Prioritize development and revitalization in neighborhoods most affected by the foreclosure crisis • Mixed-income housing and neighborhoods • Affordable housing and services for the homeless • Efficient use of existing infrastructure • Sustainable design, including energy-efficiency • Develop housing using Smart Growth principles • Affordable housing in Areas of Opportunity (access to transportation, green space, educational and employment opportunities) • Controlling development costs and leveraging capital and operating subsidies	• Achieving perpetual affordability of housing resources and investment • Promote development in State designated downtowns, village centers, neighborhood development areas and other areas that are consistent with the state's historic settlement pattern and "Smart Growth" • Link the state's homeless assistance activities with permanent housing through systems, practices and initiatives that are informed by data and proven approaches • Increase the supply and quality of affordable housing, especially in downtowns and village centers • Housing for families • New construction must be in area with vacancy rate of 5 percent or less • Revitalize communities and remove blight • Provide housing that has access to public transportation • Sustainable housing with energy-efficient design • Affordable housing in high opportunity areas • Perpetual affordability • Natural disaster repairs and remediation

Appendix B: Summary of 2018 CLP Goals and Results

Goal 1. Conduct targeted trainings and events primarily for AHP, EBP, CDA, and JNE		
JNE		• Completed two targeted JNE Program and application webinars • Two application periods completed
HHNE		• Program rollout mid-March 2018; individualized outreach to each of the six state housing finance agencies • HHNE Presentation to the six HFAs, New England Development Roundtable, MaineHousing, Portland, ME, September 24, 2018 • Regional HHNE meeting with New England HFA executive directors, Boston, MA, December 6, 2018
AHP		• Completed nine 2018 AHP application trainings and completed eight 2018 AHP application webinars • Completed AHP reporting webinar
EBP		• Completed two 2018 EBP Application webinars • Completed three 2018 EBP Enrollment webinars • Completed three EBP for Loan Originators Webinars • Completed three 2018 EBP Disbursement webinars
CDA		• Completed two of three CDA webinars in March, June, and September
Goal 2. Conduct at least three outreach activities to respond to the 2018 plan's primary or other community development priorities based on funding availability.		
Priority I	Affordable housing production and preservation	• Affordable Housing Development Competition, 18th Anniversary, Boston, MA, April 24, 2018 • A Breakfast on Housing, City of Boston's Housing Innovation Lab, CHAPA, BSA, Boston, MA, May 1, 2018 • Completed five AHP Feasibility/Underwriting Interviews with state funders, including Connecticut Department of Housing and Connecticut Housing Finance Agency, MaineHousing, Rhode Island Housing, New Hampshire Housing, and Vermont Housing Finance Agency. • "CDFI- Is It For You?" workshop, National Association of State and Local Equity Funds, 25th Annual Conference, Boston, MA, September 28, 2018
Priority II	Community-based investment	• Two Hybrid CRA Banker-CBO Roundtable networking events, FDIC, Federal Reserve, OCC; April 10, 2018, Fitchburg, MA and May 15, 2018, Augusta, ME • One CRA 101 for Lenders, Community Reinvestment Act Training, FDIC, Federal Reserve, OCC, Braintree, MA, June 28, 2018 • One CRA 201 for Lenders, Community Reinvestment Act Training, FDIC, Federal Reserve, OCC, Braintree, MA, October 24, 2018

		• New Opportunities to Modernize and Preserve Middle-Income Housing workshop with Champlain Housing Trust, Vermont Statewide Housing Conference, Burlington, VT, November 14, 2018
Priority III	Partnerships exploring the linkages between housing, economic opportunity, healthcare, and education	• Housing and Economic Development as Levers for Health symposium to explore partnerships among lenders, community organizations, hospitals and health care providers, CHAPA, MACDC, Enterprise Community Partners, Boston, MA, December 14, 2018
Priority IV	Small business development and job creation	• Rural Small Business Lending interagency training, FDIC, Federal Reserve, OCC, Pittsfield, MA, September 20, 2018
Priority V	Affordable homeownership development and mortgage financing opportunities	• Three EBP presentations, Massachusetts Homeownership Collaborative committee meeting and train the trainer events, CHAPA, ACT Lawrence, HarborOne Bank, Boston, MA, June 5, 2018; Lawrence, MA, October 11, 2018; and Brockton, MA, November 8, 2018 • EBP Presentation, Massachusetts Community & Banking Council Mortgage Lending Forum, Boston, MA, December 6, 2018
Priority VI	Affordable Housing Program modernization	• AHP Proposed Rule Conference Call with Advisory Council, April 12, 2018 • AHP Proposed Rule Webinar, April 20, 2018 (54 attendees)
Goal 3. Analyze JNE and HHNE to determine overall program effectiveness and impact		
	JNE and HHNE	Program analysis/results/next steps in progress

Appendix C: Regulatory Citation and Bibliography

12 CFR 952.4 and 12 CFR 1290.6 requires that the Bank establish and maintain a community support program that provides technical assistance to members, promotes and expands affordable housing finance, identifies opportunities for members to expand financial and credit services to underserved communities, and encourages members to increase their targeted community lending and affordable housing finance activities by providing incentives and technical assistance. The 2019 Community Lending Plan is an integral part of FHLB Boston's program and, as such, also codifies the Bank's community support program overall.

12 CFR 1290.6 also requires that the Community Lending Plan should:

- Include market research,
- Include a description of how FHLB Boston will address identified credit needs and market opportunities,
- Consult with the Advisory Council, members, and other stakeholders in developing and implementing the Community Lending Plan, and
- Include quantitative targeted community lending performance goals.

United States

- Chase, Thomas. *Multifamily Housing Resiliency Audits.* New Ecology, Inc.
- Insight at Pacific Community Ventures (2016, April) *Moving Beyond Job Creation: Defining and Measuring the Creation of Quality Jobs*
- Henry J Kaiser Family Foundation (2017). *Poverty Rate by Race/Ethnicity. https://www.kff.org/other/state-indicator/poverty-rate*
- Joint Center for Housing Studies of Harvard University (2018, June 19). *The State of the Nation's Housing 2018.*
- National Alliance to End Homelessness (April 5, 2016) *Opioid Abuse and Homelessness.*
- National Low-Income Housing Coalition (2018). *The Gap: A Shortage of Affordable Homes*.
- National Low-Income Housing Coalition (2018). State Profiles.
- National Low-Income Housing Coalition (2018). *Out of Reach*
- Passive Housing Institute (2018). *Passive Housing Principles.* http://www.phius.org/what-is-passive-building/passive-house-principles
- St. Clair, Noelle, Federal Reserve System (2017). *Investing in America's Workforce: Report on Workforce Development Needs and Opportunities.*
- US Green Building Council (2018). *The Road to Resilience.* https://www.usgbc.org/education/sessions/learning-pathway-road-resilience-11313345
- US Department of Housing and Urban Development (2017). *Annual Homeless Assessment Report to Congress: Part 1- Point-in-Time Estimates of Homelessness in the U.S.* https://www.hudexchange.info/resource/5639/2017-ahar-part-1-pit-estimates-of-homelessness-in-the-us/

New England

- Federal Reserve Bank of Boston. New England Economic Indicators Q1 2018.
- Kamp, Jon (April 27, 2017). *Northern New England's Good Jobless Numbers? They're Bad.* Wall Street Journal.
- Kneebone, Elizabeth (2011) *Poverty in New England—It's a Suburban Thing.* The Brookings Institution.

- Monnat, Shannon (2015) *Drugs, Death, and Despair in New England.* Federal Reserve Bank of Boston.
- Stackhouse-Kaelble, Steve (2017, December). *Regional Report: A Slow, But Steady Pace of Economic Growth for the New England States.* AreaDevelopment.
- Sullivan, Riley (2018). *Q2 2018: Snapshot of the New England Economy Through June 19, 2018.* Federal Reserve Bank of Boston.
- US Environmental Protection Agency (2018). *Combined Sewer Overflows (CSOs) in New England.* https://www.epa.gov/sites/production/files/documents/combinedseweroverflows.pdf

Connecticut

- Connecticut Housing Finance Authority (2018). *Low Income Housing Tax Credit Qualified Allocation Plan 2018 Application Year.*

Maine

- Anderson, J. Craig (May 17, 2016). *Skilled-worker shortage crimps new construction in Maine.* Portland Press Herald.
- Maine Council on Aging. *Housing Solutions for Maine's New Age.* Conference, May 31, 2018.
- Maine State Housing Authority (2019). *Low Income Housing Tax Credit 2019 Qualified Allocation Plan.*

Massachusetts

- Bundy, Andrew (2016). *Closing the Massachusetts Skills Gap: Recommendations and Action Steps.* Commonwealth Corporation, Eastern Bank.
- Commonwealth of Massachusetts Department of Housing and Community Development (2018). *Low Income Housing Tax Credit Program 2018-2019 Qualified Allocation Plan.*

New Hampshire

- New Hampshire Housing Finance Authority (2018). *2018 Qualified Allocation Plan For the Low Income Housing Tax Credit Program*.

Rhode Island

- Rhode Island Housing (2018*). State of Rhode Island 2018-2019 Qualified Allocation Plan.*

Vermont

- DVT online (June 1, 2015). *Vermont Technical College Closing the Skills Gap.* Destination VT
- Vermont Housing Finance Agency (May 1, 2017). *Qualified Allocation Plan IRC Section 42 Housing Credit Program 32 VSA 5930u Vermont Affordable Housing Tax Credit Program State of Vermont.*

Datasets

- US Bureau of Labor Statistics (2017). Employment-population ratios of persons 16 years of age and over by region, division, and state, 2016-17 annual averages. https://www.bls.gov/news.release/srgune.t02.htm
- US Bureau of Labor Statistics (May 2017). *New England Information Office*. https://www.bls.gov/regions/new-england/data/xg-tables/ro1xg02.htm
- US Bureau of Labor Statistics (2018). *Employment Change 2016-2026.*
- US Bureau of Labor Statistics (2018). Employment-Population Ratio. https://www.bls.gov/charts/employment-situation/employment-population-ratio.htm

- US Bureau of Labor Statistics. 2018. Table 1. Civilian labor force and unemployment by state and selected areas, seasonally adjusted. www.bls.gov.
- US Census Bureau (2010 thru 2017) Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties, and Puerto Rico Commonwealth and Municipios: April 1, 2010 to July 1, 2017; 2017 Population Estimates
- US Census Bureau (2010 thru 2017). *Selected Age and Race Demographics by State.*
- US Census Bureau (2016). Gross Rent as a Percentage of Household Income (GRAPHI) by Percentage of Population.
- US Census Bureau (2016) Total population in occupied housing units by tenure by year householder moved into unit. 2012-2016 American Community Survey 5-Year Estimates
- US Census Bureau (2017) 2012-2016 Estimates. Percentage of families and people whose income in the past 12 months is below the poverty level.
- US Census Bureau (2017). American Community Survey. Geographic Mobility by Selected Characteristics in the United States; US Census (2017). Population Change and Rankings by County – July 1, 2010 to July 1, 2017.
- US Census Bureau (2017). Annual Estimates of the Resident Population for Selected Age Groups by Sex, July 1, 2011 and July 1, 2017.
- US Census Bureau (2017). Cumulative Estimates of the Components of Population Change - April 1, 2010 to July 1, 2017.
- US Census Bureau (2017). Educational Attainment of those in Poverty by State.
- US Census Bureau (2017). Population Change and Rankings by County- July 1, 2010 to July 1, 2017.
- US Census Bureau (2018). Age and Sex 2012-2016 American Community Survey 5-Year Estimates. https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_5YR_S0101&prodType=table
- US Census Bureau (2018). Annual Estimates of the Resident Population for Selection Age Groups 2010-2016.
- US Census Bureau (2018). Quarterly Vacancy and Homeownership Rates by State and MSA. Table 1. Rental Vacancy Rates by State, 2005 to Present.
- US Census Bureau. Quick Facts. Housing Units, July 1, 2017, by State. US Census. Physical Housing Characteristics for Occupied Housing Units. American Community Survey 5-year Estimates.