

# FHLBBoston: *Community Development Advances*

## *Our goal:*

- ❑ To help members build their core businesses by responding to economic needs in their communities.
- ❑ To provide low-cost funding for community-development, affordable-housing, and mixed-use initiatives.



**“Our team approach focuses on providing education, forming alliances, and developing partnerships between the Bank and its membership.”** Michael A. Jessee, President and CEO, FHLBBoston

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## *Critical ingredients:*

- ❑ Develop partnerships between relationship managers (RMs) and community investment managers (CIMs).
- ❑ Collaborate in the field to address community and membership needs.



**“The team approach links the commercial lending / financial backgrounds of the RMs with the development expertise of the CIMs.” David Parish, Senior Vice President, Housing and Community Investment, FHLBBoston**

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*Since 1990, community development advances have taken different forms:*

- ❑ Community Investment Program (CIP)
- ❑ Massachusetts Community Building Program (MCBP)
- ❑ Community Development Advances (CDA)



**“We needed to piece together a very complicated set of city, state, and private funds. We couldn’t have done this without the Federal Home Loan Bank of Boston.” Linda Cornell, President, Visiting Nurse Foundation (AHP developer and CDA borrower)**

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- ❑ Since 1990, \$4 billion in Community Development Advances have funded 36,996 units of housing and 162 economic-development or mixed-use initiatives.
- ❑ In 2001, \$1.27 billion in CDAs were approved to finance 10,873 units of housing and 45 economic-development or mixed-use initiatives



**“Our goal is to relate profitability to community support. Technical assistance and use of leading-edge technology helps members find solutions to business issues.” Jim Real, First Vice President, Member Services, FHLBBoston**

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## *Advances support:*

- Small businesses
- Mobile-home-park co-ops
- Child-care centers
- Fire-safety facilities
- Brownfield revival



**“The FHLB’s Community Development advances are a key tool in our lending strategies to help rebuild the neighborhoods we serve.” Esther Schlorholtz, Senior Vice President, Boston Private Bank and Trust Co.**

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## *Public Facilities:*

❑ A \$892,000 CDA was used to fund a new fire-department and ambulance-service facility on Martha's Vineyard.



**“With a rate lower than that for a regular advance, the Community Development advance let us compete aggressively for this business.” Keiver L. Magee Jr., CFO, Edgartown National Bank**

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## *Manufactured Housing:*

□ More than \$10 million in CDAs have been used to preserve affordable housing in New Hampshire by converting manufactured-housing parks to resident-owned cooperatives.



**“What’s unique is the cooperation between the New Hampshire Community Loan Fund, the Bank of New Hampshire, and the Federal Home Loan Bank of Boston to get these cooperatives done.” Tom Potter, Vice President, Bank of New Hampshire**

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## *Other Projects:*

□ A \$620,000 CDA was approved to acquire and renovate a church to serve as the new headquarters for Helping Hands: Monkey Helpers for the Disabled.

□ A \$2.2 million CDA and a \$1.1 million MCBP advance financed the Cape Ann Fisheries Center in Gloucester, Mass.



**“You can’t measure in dollars the contribution that Helping Hands makes to society. It’s an organization that does an incredible amount of good for people all over the United States, and it doesn’t charge its clients a cent.” Jim Gavin, Vice President, Peoples Federal Savings Bank, Brighton, Mass.**

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## *Child Care:*

□ \$2.5 million in MCBP advances were used to create 460 new child-care slots for nonprofit providers in Massachusetts.



**“The RMs relationship with the CEOs and CFOs of our member institutions help link the ‘decision makers’ with the line-lending functions, enabling funding decisions to be made quickly.” Michael Wilson, Senior Executive Vice President and COO, FHLBBoston**

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## *Expanding our reach:*

- ❑ In 2002, our focus has been to attract new CDA users.
- ❑ \$1,000 Grants for New England Partnership awards to new CDA users in 2002 for local nonprofits.



**“The Community Development advance is an important source of funding for economic development.” U.S. Rep. William Delahunt (D-10<sup>th</sup>)**