2023 Targeted Community Lending Plan

Executive Summary

The impacts of the Covid pandemic are widespread and will continue to be felt for some time as New England and the nation recover. While incomes have rebounded and unemployment rates have fallen significantly, inflation, rising home prices, and rents are causing increased insecurity among many households and communities, especially those at the lowest income levels.

The 2023 Targeted Community Lending Plan presents the FHLBank Boston's needs assessment of these housing and economic development challenges and business opportunities for our member financial institutions, community partners, and the Bank itself.

This analysis addresses economic development trends, housing supply and demand considerations, and barriers to homeownership primarily those impacting lower-income households and people of color. Additionally, this analysis focuses on the housing and economic development needs of Native American Tribal Communities in New England.

The Bank recognizes the systemic income and wealth disparities among people and communities of color here in New England and the nation. Establishing housing and community investment programs to respond to these disparities is a critical strategic objective for the FHLBank Boston. This Plan presents research regarding the use of Special Purpose Credit Programs to develop a homeownership assistance program specifically to increase homeownership opportunities for people of color.

FHLBank Boston will use this needs assessment to focus our housing and community investment programs so that our member financial institutions are better able to provide development capital for housing production and preservation, expand homeownership, support small businesses, and finance a broad range of community development activities.

2023 Research Approach and Acknowledgements

The Targeted Community Lending Plan (Plan) is an annual research effort undertaken to assess the critical housing and economic development needs and business opportunities for our member financial institutions, community developers and stakeholders, and the Federal Home Loan Bank of Boston (FHLBank Boston, the Bank) itself. The research for the 2023 Plan was conducted primarily through a proprietary research contract with the Joint Center for Housing Studies at Harvard University (Harvard Joint Center, HJCHS) during June through August 2022.

Key data are summarized in the report and the detailed data tables and figures as well as regulatory citations are included in the appendices. The findings and conclusions presented in this report are solely attributable to the Federal Home Loan Bank of Boston (FHLBank Boston or Bank). The research, data tables, and figures contained herein are the FHLBank Boston's modification of original materials and therefore do not necessarily reflect the views, findings, or opinions of the Harvard Joint Center.

FHLBank Boston would like to thank the Harvard Joint Center's staff, primarily lead researcher Samantha Page, senior research analyst Alexander Hermann and Deputy Director David Luberoff for their research, supervision and assistance. Vice President Jason Hwang and the Bank's long-term strategic planning department at the FHLBank Boston provided economic data and analysis.

Note on Data Limitations:
Due to low response rates and non-response bias in the 2020 American Community Survey, the ability to compare 2020 data and estimate trends below the state with prior years is limited. Moreover, as noted below, ACS survey data from the prior 2017-2019 years is used in several cases where the 2020 data is most limited and to establish trends.

2023-2024 Community Development Key Priorities

The following key priorities will guide the Bank's community development outreach and housing and community investment programs for 2023-2024.

1. Targeted community investment initiatives are required in order to help remedy long-standing patterns of racially-based housing segregation and economic disinvestment which have resulted in systemic income and wealth gaps among people of color, primarily Black and Hispanic households.
    a. Strategic investments to provide down payment assistance targeted to people of color can help redress these income and wealth gaps.
2. Technical assistance and access to capital are critical to support New England's small businesses, especially minority- and women-owned small businesses.
3. New affordable housing production is greatly needed in order to address the dual problems of overall inadequate housing supply and the worsening housing costs burdens shouldered by low- and moderate-income households, especially those with the lowest incomes.
    a. Inflation and rising development costs continue to push homeownership out of reach for many families.
    b. This includes production of new rental homes as well as more homes for first-time home buyers.
    c. Preservation, recapitalization or replacement of existing public or other subsidized/income-restricted housing is a complementary priority with net new housing production.
4. Housing development and operating costs continue to rise, requiring new solutions to help contain costs and better leverage private and public capital.
5. The impacts of climate change will broaden in frequency and severity, impacting buildings, residents, neighborhoods, and financial markets. Responding to and mitigating these impacts requires focus on sustainable development, assessment, and climate resiliency.

6. In order to better meet the housing challenges faced among New England's Native American Tribal Communities, targeted outreach and relationship building are the first steps towards building partnerships among Tribes, members, other stakeholders, and the Bank.

2023 Affordable Housing and Community-Economic Development Needs Assessment for New England

New England and the nation continue to recover from the economic shocks of the pandemic, although rising inflation and interest rates may slow future recovery.

Fortunately, New England has rebounded successfully from the recession

- Unemployment is lowest in New Hampshire at 2.0 percent, while the highest in both Massachusetts (3.7 percent) and Connecticut (4.0 percent).[1]
- Year-over- year national unemployment data show significant improvement for Blacks and Hispanics although their overall unemployment rates continue to exceed that for white households and the nation as a whole.
- Similarly, Asian households also experienced considerable improvement in the national unemployment rate, showing a both a greater reduction and overall rate relative to both white households and the nation.[2]

A growing number of adults nationally report rising concerns about overall well-being among all households; these concerns are felt the greatest among Black and Hispanic households.

- An NPR/Robert Wood Johnson/Harvard T.H. Chan School of Public Health survey in April to June 2022 found a growing plurality of households reporting serious financial problems including making loan or credit card payments.
- This includes 42 percent of Black households and 36 percent of Hispanic households. Smaller shares of White (28 percent) and Asian households (20 percent) reported financial problems.
- Another 32 percent of Black and 30 percent of Hispanic households reported facing food insecurity/serious problems affording food.[3]

United States Census Household Pulse Survey data from December 2021 through April 2022 confirm that many households in New England were behind on their housing payments or had lost employment income recently.

- Fortunately, these rates are less than the national average but vary widely by state. Renters face a greater struggle with delayed payments and lost income.
- Rates of nonpayment in New England ranged from the low of 6.0 percent in Vermont to a high of 11 percent in Connecticut.

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[1] U.S. Bureau of Labor Statistics, June 2022. See Table A1.
[2] U.S. Bureau of Labor Statistics, June 2022. See Table A2.
[3] NPR, The Robert Wood Johnson Foundation, Harvard T.H. Chan School of Public Health. https://cdn1.sph.harvard.edu/wp-content/uploads/sites/21/2022/08/NPR-RWJF-Harvard-August-Poll_Final2.pdf

- The share of households with lost employment income also ranged from a low of 9 percent in Vermont to 12 percent in Connecticut and Rhode Island.[4]

Increased housing production is necessary to address high and rising housing costs.

Home prices and rents have risen sharply since the pandemic.

- New England's home prices have risen 33.6 percent from the first quarter of 2020 to the first quarter of 2022, relative to the nation's 33.3 percent.
- As shown in the table below, home prices in New Hampshire, Maine, and Rhode Island have increased faster than both New England and the nation.
- Rising interest rates in 2022 are likely to soften demand nationally and moderate home price growth by deteriorating affordability.

Home Price Increases First Quarter 2020 to First Quarter 2022[5]

States	Home Price Increases (%)
New Hampshire	41.4
Maine	40.9
Rhode Island	33.7
Connecticut	32.6
Vermont	31.2
Massachusetts	30.1
New England	**33.6**
United States	**33.3**

- Rental housing costs across New England exceed the national average by 12 percent.[6]
- Monthly costs to New England's homeowners are even higher at 39 percent higher than national average.[7]

New housing construction is drastically needed across the region.

- Fortunately, both the nation and New England see positive trends in terms of single-family and multi-family permits issued: an 11.4 percent increase regionally between 2020 to 2021, but less than the national rate of 18.1 percent.
  - Housing permit growth was highest in Maine (23.1 percent), flat in Rhode Island (1.3 percent) and negative in Connecticut (-15.0 percent).

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[4] JCHS tabulations of U.S. Census Bureau, Household Pulse Surveys, December 2021–April 2022. See Table A7. Share of Households Behind on Housing Payments and with Lost Employment Income by State (Percent): December 2021–April 2022.

[5] JCHS tabulations, Federal Housing Finance Agency Purchase-only House Price Index and 2019 American Community Survey 1-year estimates.

[6] Median gross rents, including contract rent and utilities, New England wide were $1,250, and highest in Massachusetts ($1,440), followed by Connecticut ($1,210), New Hampshire ($1,170), Rhode Island ($1,060), Vermont ($990), and Maine ($900). JCHS tabulations, 2020 American Community Survey.

[7] Median monthly homeowner costs totaled $1,560 and highest in Massachusetts at $1,760, $1,700 in Connecticut, $1,560 in Rhode Island, $1,510 in New Hampshire, and $1,205 in Vermont. Maine ($920) fell below the national average. JCHS tabulations, 2020 American Community Survey.

- Housing construction has been positive but less robust in New England in 2021: 6 permits out of 1,000 units relative to the nation's 12.4 permits per 1,000 units.[8]
- The Joint Center for Housing Studies reports that material shortages and supply change disruptions have delayed completion of these newly permitted units resulting in more units under construction midway through 2022 than in the past 50 years.

New England also lacks sufficient affordable rental housing, especially for lower-income renters. The National Low Income Housing Coalition tracks affordability and the number of homes available for households at different income level.

- Among extremely-low income renters, Rhode Island and Maine each have the highest number of affordable and available rental homes at 51 out of 100 homes; New Hampshire has the lowest number: 37 out of 100.
- Among very-low income renters, Rhode Island (74) and Maine (71) again lead the region; New Hampshire (69) ranks third while Vermont, Connecticut and Massachusetts range from 64-62 homes out of 100.[9]
- The six New England states have a larger share of housing stock available to lower-income renters due in part to the high share of subsidized affordable housing in the region.
    - Rhode Island leads New England with 23 percent; New Hampshire has the lowest percentage in New England at 14 percent.

While New England's population has declined slightly, new household formation is driving housing demand.

Despite slow population growth in the United States and a slight decline in population in New England since the start of the pandemic, household growth remained relatively strong nationally and regionally. Nationally, people of color and young households drove household growth over the past decade. Across the six New England states, people of color also constituted a large share of household growth in more recent years. In both the US and New England, the continued aging of the large millennial cohort into peak years for household formation and homebuying helped drive housing demand.

- People of color and young households are driving the growth in households both in New England and the nation.
- Overall, the 2021 population of New England fell by 8,600 people; however while Massachusetts and Rhode Island experienced losses, the other four states each had small gains of less than 50,000 people each.
    - Declines in international in-migration did not compensate for domestic out-migration especially from Massachusetts.

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[8] See Table A4. Permits, Annual Change in Permits, and Permits per 1,000 Housing Units: 2019-2021. Connecticut has seen a two-year decline in permits issued while Maine and Vermont have experienced significant annual growth both in 2020 and 2021. Massachusetts comprises approximately 50 percent of all New England permits issued annually, experiencing an annual decline in 2020 (-2.0 percent) but rebounded greatly in 2021 (16.6 percent).

[9] Extremely-low income (ELI) refers to households earning up to 30 percent of the area median income. Massachusetts is next highest at 47 out of 100, Vermont (43), and Connecticut (40). See table A6. National Low Income Housing Coalition tabulations of 2020 5-Year ACS PUMS Data, 2020, "The Gap" Report, April 2022.

  - All six New England states experienced a negative natural population change of less than 10,000.[10]
- Household growth in New England leading up to the pandemic was relatively strong (0.9 percent) just under the national average (1.1 percent).
- Households grew modestly in five of the six New England States led by Maine (2.6 percent) but was static in Rhode Island (0.1 percent decline).[11]
- Overall, household growth was greatest among three categories: homeowner households, households headed by 65 and older, and among higher-income households.
- The number of lower- and more moderate-income households declined slightly.[12]

Changes in Households by Age, Race, and Ethnicity

- New household formations drove the growth of households under 45, as the large cohort of millennials continued to age into important years for household formation and homebuying, driving housing demand.
- The number of households headed by a white person in New England rose by 18,500 on average in 2017–2019, compared with 35,100 households headed by a person of color. That includes 15,000 Hispanic households on average, 7,300 Asian households, 5,500 Black households, 1,900 Native American households, and 5,300 households headed by someone of another race.
- In percent terms, household growth was greatest on average for Native American households (18.5 percent), followed by Asian (3.3 percent), Hispanic (3.2 percent), Black (1.7 percent), and then white households (0.4 percent).
- In 2019, there were 4.6 million households headed by a white person in New England, as well as 516,000 Hispanic households, 331,000 Black households, 238,000 Asian households, and 129,000 households headed by someone of another race.

Based on the 2020 American Community Survey, as expected, overall New England remains less racially and ethnically diverse than the nation.[13]

- Households in New England are less racially and ethnically diverse than the US overall. Indeed, people of color comprised more than one-third (34.4 percent) of US households, but only about one-fifth (22.4 percent) of households in New England (**Figure 1**).
- Fewer than 10 percent of households were headed by people of color in Vermont (5.9 percent), Maine (7.2 percent), and New Hampshire (9.0 percent). Even in Rhode Island (24.8 percent),

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[10] See Table A5: Net Population Change in New England, 2021. Longer term national trends in immigration, falling birth rates, overall aging of the population suggest that household growth will likely slow in the future.

[11] Due to data issues with the 2020 American Community Survey, reliably examining household growth in the six New England states requires using ACS data from 2017-2019.

[12] This is not unexpected given that on average New England households are more likely to be homeowners, older, and have slightly higher incomes relative to the nation. Based on the 2020 American Community Survey, the homeownership rate in New England dropped a little just exceeding the national average 65.9 percent to 65.5 percent.

[13] Due to data issues with the 2020 American Community Survey, the Harvard Joint Center is only able to estimate the distribution/share of households by different demographic characteristics in New England; estimates of the total household count are unavailable.

Massachusetts (25.4 percent), and Connecticut (30.5 percent), people of color still head a lower share of households than the national rate.

- The three higher-cost states in New England had higher shares of Hispanic- and Black-headed households.
  - In Connecticut, for example, the share of Hispanic households (14.1 percent) slightly surpassed the national average of 13.8 percent, while the rates in Rhode Island (12.4 percent) and Massachusetts (10.0 percent) were slightly lower.
  - Meanwhile, Connecticut (9.5 percent), Massachusetts (5.8 percent), and Rhode Island (5.4 percent) had higher shares of households headed by a Black person, but all were still below the national average of 11.5 percent.

Other notable trends from the 2020 American Community Survey include:

- Most New England states had a smaller share of lower-income households. Fully 16.1 percent of households in New England earned under $25,000, compared to 17.7 percent of all households nationally. Only Vermont (18.0 percent) and Maine (20.7 percent) had higher shares of households in this lowest income group relative to the US average.
- Due in part to their higher educational attainment, households in New England also have relatively high incomes. Indeed, over half of New England households earned at least $75,000 in 2020, including 40.1 percent of households earning at least $100,000 (nationally the rate was 32.6 percent).[14]

Persistent Housing Cost Burdens Are Getting Worse

Rising housing costs and the lack of adequate supply coupled with the aftereffects of the pandemic continue to burden many households across New England.[15]

- The three more urban, higher cost states have the highest rates: Connecticut (34 percent), Massachusetts (33 percent), and Rhode Island (33 percent).
- Rates are slightly lower in the northern, more rural and lower-cost states: Vermont (29 percent), New Hampshire (28 percent) and Maine (26 percent).
- Forty (40) percent or more of all renters in each state face the worst cost burdens.

[14] Massachusetts, Connecticut and New Hampshire had a higher share of households with incomes of $100,000 or greater at: 44.5, 40.7, and 29.5 percent respectively. This correlates with higher median housing prices and cost burdens.

[15] Households which pay more than 30 percent of gross monthly income for housing are regarded as cost-burdened. Households paying upwards of 50 percent or more are severely- or extremely-cost burdened. Data is based on Joint Center tabulations of 2020 American Community Survey 1-Year Estimates.

State	Percent of all Renters paying 30 percent or more of income to housing
Connecticut	48
Massachusetts	47
Vermont	45
Rhode Island	45
Maine	41
New Hampshire	40
New England	**32**
United States	**30**

- Fully 25 percent of homeowners in New England were cost burdened, compared with about 21 percent of homeowners nationally
- Black and Hispanic households experienced the highest cost burden rates.
    - Fully 55 percent of Black and Hispanic renters in the region were cost burdened. While comparatively lower, two-fifths of both white (42 percent) and Asian (41 percent) renters in the region were still cost burdened.
    - Among homeowners, Black households had the highest share of cost burdens (37 percent), followed by Hispanic (35 percent), white (24 percent), and Asian (22 percent) households.

Cost burdens are the worst for the lowest-income households.

- Among households in the region earning less than $25,000, 80 percent spent more than 30 percent of their income on housing costs.
- At least 75 percent of lower-income households in five of the six New England states experienced cost burdens; Maine was slightly lower at 66 percent.
- Fortunately, cost burdens ease slightly as household income increases.

At every income level however, cost burden rates in New England are higher than the national cost burden rate at the same income level—a function of the region's higher housing costs—and these gaps are especially large for middle-income households.

- Indeed, households in New England earning under $25,000 are 3.1 percentage points more likely to have cost burdens than the US overall, smaller than the 12.4 percentage gap among those earning $25,000–49,999 and 10.6 percentage point gap among those earning $50,000–74,999. These differences in cost burdens are especially wide for homeowners.

Homelessness in New England continues to be a challenge.

In the six New England states, 26,900 people were experiencing homelessness. In Massachusetts alone, 18,000 people were experiencing homelessness; Connecticut (2,900), Maine (2,100), New Hampshire (1,700), Rhode Island (1,100), and Vermont (1,100) followed. Across the region, 17.6 people per every 10,000 in the population experienced homelessness, on par with the national rate of 18 people per 10,000.[16]

[16] See Table A8: People Experiencing Homelessness in New England, 2020-2021.

Due to pandemic-related restrictions in January 2021, national data on people experiencing homelessness only counted people living in shelters at the time. The January 2021 count of sheltered people experiencing homelessness suggests that 326,000 people in the US lived in a shelter—a sharp decline of more than 28,000 from the prior year and part of a general decline in the sheltered homeless population since 2015.[17] However, it is unclear if this decline signifies genuine improvement in the number of people experiencing homelessness. On the one hand, eviction moratoria, diversion programs, and federal income supports may have reduced the number of people experiencing homelessness. On the other hand, the reduction in sheltered homelessness could reflect concerns about the spread of COVID-19, regulations to de-densify shelters or a hesitancy to congregate in shelters. Meanwhile, no consistent count of unsheltered homelessness is available since the start of the pandemic. But according to a 2021 survey by the National Alliance to End Homelessness, two-thirds of practitioners/service providers believed the population of people experiencing unsheltered homelessness was increasing.

In 2021, the number of people experiencing sheltered homelessness in Vermont jumped 160 percent to 43 people experiencing homelessness per 10,000. Vermont had the highest rate in the region—more than four times the national average, and second in the country only to Washington, DC (66). It is not entirely clear what caused this anomalous rise, the largest percentage increase in the country. As a potential explanation, Vermont's Annual Point in Time Count cites expanded eligibility for and access to non-congregate emergency shelters at hotels and motels in response to the COVID-19 pandemic as part of the explanation for the increase (2021 and 2022 PIT count).

Responding to Rising Development and Operating Costs

FHLBank Boston and other funders recognize the importance of maximizing the investment of limited subsidies in order to effectively finance as much affordable rental and homeownership housing as possible. FHLBank Boston works to achieve this by evaluating projects for need for subsidy using feasibility metrics for development and operations, and including a leverage "subsidy per unit" scoring category in our AHP scoring matrix. We benchmark our standards based on current R.S. Means cost metrics and best practices from lenders and other state public funders. Land, construction, and operating costs are continuing to increase even faster given our current inflationary context. One primary metric is the R.S. Means calculated benchmark for hard costs per gross residential square foot. As an illustration, the highest apartment square foot hard cost occurred in Connecticut, increasing from $315 to $371 from 2021 to 2022. The lowest cost was in New Hampshire, increasing from $275 to $328 from 2021 to 2022.[18] Assessing costs and identifying innovative building strategies are two areas that FHLBank Boston can collaborate with other state funders, housing developers and lenders in order to maximize investment and have the greatest cumulative impact.

One of the most significant barriers to affordable housing production is the high cost of land and the lack of suitable and available land that is zoned for additional multifamily housing. It has been commonly noted that most of communities in New England have very little zoning permitting multifamily housing. This is an

[17] HUD was unable to conduct a full point-in-time count of people experiencing homelessness in January 2021, including unsheltered people, due to the pandemic. As a result, we report only estimates of people experiencing sheltered homelessness here.

[18] These costs are for illustration purposes only and cannot be used to estimate exact year over year changes but rather to show overall magnitude and direction.

area of concern which is increasingly receiving attention at the municipal and state levels.[19] The Bank partnered with the Citizens Housing and Planning Association (CHAPA), hosting a webinar highlighting these issues and innovative land use policies in play in New England.[20] Massachusetts is implementing its 2021 MBTA Communities legislation, requiring communities in Eastern Massachusetts to develop multifamily housing zoning around transit stations with minimum as-of-right densities of 15 units per acre. In April 2022, the Maine State Legislature passed new legislation to increase housing densities up to two-to-four units on existing single-family lots, legalizing accessory dwelling units, and permitting density bonuses for affordable housing in town-designated growth areas. These state laws are propelling change at the municipal levels and drawing attention from the other states in the region.

Many municipalities are also leading in this area, proactively using inclusionary zoning and other techniques to encourage transit-oriented development and higher densities. The City of South Burlington Vermont uses community visioning and planning to build consensus around affordability, economic development and climate change reduction/resiliency goals. The city is using form based zoning code, inclusionary zoning, fiscal support to implement this community visioning with positive results. Policymakers acknowledge that New Hampshire has a severe affordability problem, a housing deficit of at least 20,000 units, and that these pose significant barriers to continued economic growth. At the state level, New Hampshire is exploring a workforce housing statute, permitting accessory dwelling units, and zoning appeals process to facilitate affordable and market-rate housing development.

Mitigating and adapting to the impacts of climate change

As a regional, wholesale bank and affordable housing/community development funder, FHLBank Boston focuses on both how climate change affects communities, residents, the buildings we help finance and vice versa. FHLBank Boston works to ensure that the Affordable Housing Program prioritizes sustainability, durability, and energy- and resource-efficiency based on location, development and operations. Buildings are a primary factor in energy consumption and carbon emissions. This is a commitment which has grown since 2004, informed by best industry practices including Leadership in Energy and Environmental Design (LEED), Enterprise Green Communities, Energy Star, and Passive House standards.

Ensuring that the most efficient and sustainably built structures along with progression away from fossil fuels towards renewable energy and electrification, will help reduce such carbon footprints and move towards more sustainable status over time. This includes preservation of existing structures where possible, smart locations, and higher housing densities to use land more effectively. Additionally, sponsors, owners, and property managers need to be prepared to manage the impacts of severe weather events as the impacts of climate change become more widely known. This includes planning for more unpredictable storms, flooding, and extreme heat events, in ways to support resident safety and recovery.

[19] As noted in the 2022 Targeted Community Lending Plan, many municipalities and several state-level initiatives are implementing a number of zoning strategies, including inclusionary zoning, to help encourage housing development.
[20] The Bank and CHAPA hosted the Innovative Land Use Policies in New England: Looking Forward forum, online, on September 21, 2022. Panel discussions focused, first, on the state legislation in Maine and Massachusetts and recent proposal considered in Connecticut. The second panel detailed the issues and opportunities for municipalities, including the connection between housing production, zoning, economic development and inclusionary zoning. Panelists profiled the City of South Burlington Vermont, and multiple efforts in New Hampshire to analyze and build local public-private partnerships to address these needs. The Bank will explore how to continue this conversation further in 2023.

We have modeled our AHP Community Stability scoring category on these industry best practices in ways but also with an eye towards enabling flexibility so that applicants and builders can do what makes the most effective choices for the site and project goals, including managing development costs. As a gap funder, the FHLBank Boston works to ensure that the AHP is complementary in this regard and that we do not work at cross purposes with other affordable housing funding streams. Each of the six New England states prioritizes various elements of sustainable development in their Low Income Housing Tax Credit Qualified Allocation Plans.

Findings:

1. Increased housing production is needed to address the affordability gaps, challenges, and financial risk faced by lower-income households.
2. Cost burdens are disproportionately felt by lower-income households, renters, and people of color.
3. Housing needs and cost burdens are widespread throughout New England. The addition of a new 'In-District' scoring category may help ensure AHP funding is more accessible for each of the six New England states, reflecting strategic priority of the Federal Housing Finance Agency and the Bank's focus serving our members and their communities.
4. Innovative design and building practices need to be explored in partnership with other funders, sponsors, and members to maximize investment and the overall impact of AHP funding.
5. Sustainability and climate resiliency are essential development components in order to mitigate the negative impacts of climate change.

Housing Needs of Native American Tribal Communities

Native American Tribal Communities are often underrepresented in analyses regarding housing needs and opportunities. Identifying and responding to these needs is a strategic priority for the Federal Housing Finance Agency and the FHLBank Boston.

Demographics

New England is home to 21 state and federally recognized tribes in Connecticut, Maine, Massachusetts, Rhode Island and Vermont. This includes 30,300 American Indian and Alaska Native (AIAN) people and 12,700 AIAN-headed households, based on the 2015-2019 American Community Survey five-year estimates.[21]

Native American headed households are generally younger and appear to have lower incomes and educational attainment rates than households headed by people of another race/ethnicity.

Compared to all households in New England, Native American households were much less likely to be homeowners and experienced housing insecurity at relatively high rates. Native American households were more likely to be cost burdened and live in overcrowded dwellings. Nationally, AIAN people also had higher rates of homelessness than most other racial and ethnic groups.

[21] The majority of AIAN households reside in Massachusetts (3,700) and Maine (3,400). Smaller numbers of AIAN households live in Connecticut (2,300), Vermont (1,300), Rhode Island (1,200) and New Hampshire (900). Appendix B lists the 21 federally- and state-recognized tribes in New England.

- 47 percent of Native American Households in New England owned their homes.[22]
- 45 percent of AIAN households in New England were housing cost-burdened in 2015-2019.[23]
- AIAN households experience higher rates of homelessness based on national data released in the U.S. HUD 2020 Annual Homeless Assessment Report (AHAR) to Congress.
    - there were about 18,900 Native American people experiencing homelessness across the US at a point in time in January 2020.[24]
    - This constituted 3.3 percent of the overall population experiencing homelessness, nearly five times the share of AIAN people in the US population.
    - For every 10,000 AIAN people in the US population, 84 experienced homelessness at that time, more than quadruple the national rate of 18 people experiencing homelessness for every 10,000 people in the US.

Community Development Challenges and Opportunities
The same housing challenges noted above– lack of adequate and available supply, affordability, absence of homeownership opportunities – beset many Native American Tribal Communities but are also exacerbated by longstanding patterns of segregation, lack of investment, rural locations and complicated land trust ownership.

Most of American Indian land is held in trust by the federal government and managed by the Bureau of Indian Affairs. This legal trust land status becomes an obstacle to homeownership development and community development more broadly and requires developers and lenders to obtain federal guarantees and enter into leasehold mortgages, which are complicated and take additional time to implement.

Another key housing challenge in Native communities is the severe shortage of housing stock and quality issues among housing that does exist.[25] According to a 2017 report, tribes/TDHEs identified issues around infrastructure development, labor, funding, and land acquisition/assembly as the main obstacles to developing new housing in tribal communities.[26]

One avenue for solutions is to build deeper partnerships with community financial institutions, including tribal housing authorities, private banks and credit unions and community development financial institutions (CDFI). FHLBank Boston staff participated in two instructive conferences addressing community development issues on Tribal lands. First, Tribal leaders at the "People of the Dawn" Native American Housing Symposium in Bangor, Maine noted the need for more connections with local lenders who understand the complicated Indian development process.[27] At the seventh annual Oweesta Convening, Native CDFIs were identified as underutilized capital partners, with dedicated staff and capital structures to

[22] The homeownership rate among AIAN households is greater than Black and Hispanic households despite having lower median earnings. This is partially due to geography as 44 percent of AIAN households live in lower-cost states of Maine, New Hampshire, and Vermont, compared with just four (4) percent of Black and Hispanic households. See Figure B2.
[23] See Figure B3.
[24] AHAR data only makes demographic breakdowns available on a national scale, precluding state-by-state and regional analyses. See Figure B4.
[25] Native Nations Institute, "Access to Capital and Credit in Native Communities," 46–47; Native Nations Institute, 57; "Tribal Leaders Handbook on Homeownership," 3.
[26] Nancy Pindus et al., "Housing Needs of American Indians and Alaska Natives in Tribal Areas: A Report From the Assessment of American Indian, Alaska Native, and Native Hawaiian Housing Needs," 11.
[27] Annual "People of the Dawn" Tribal Housing Symposium, August 9-10, 2022, Bangor, Maine.

facilitate investment in Tribal Communities. Four Directions Development Corporation in Maine is one such Native CDFI.[28] In an August 2022 stakeholder interview, Four Directions leaders described the complicated frameworks and different approaches taken regarding land ownership and creation of homeownership opportunities as impediments to wealth building. These leaders also expressed a need for a native credit union, union established in the communities, to eliminate financial leakage and keep funds available locally and within the tribes.

Next steps for future relationship building, understanding the tribal development constraints, and crafting solutions include more outreach to Four Directions Development Corporation, tribal development housing entities, tribal council members, advocates, and state and federal policy makers. Additional policy research into overcoming the disconnects between the myriad of American Indian funding programs and Low Income Housing Tax Credits, and public and private capital funding is also needed.

Findings:

1. Native American Tribal Communities face equally difficult housing challenges; solutions are more complex requiring additional partners and more patient public and private capital.
2. Specific, targeted outreach to tribal development housing entities, tribal governments, and other partners is the first step towards addressing these needs.

Creating Homeownership Opportunities for People of Color

Public policy scholarship and frequent news articles illustrate the saliency and need to address the systemic racial gaps in income, wealth, and homeownership, especially for Black and Hispanic households. People of color face significant obstacles and disparities in terms of access to homeownership, resulting from historic patterns of discrimination, segregation, and the cumulative lack of access to build intergenerational wealth.

Designing and implementing an additional, voluntary housing program to meet these challenges is a strategic business objective of the FHLBank Boston. The Harvard Joint Center conducted detailed literature review, empirical analysis of wealth and homeownership in New England, and 16 stakeholder interviews of regional and national programs to frame out the potential future program design.[29] The Harvard Joint Center's research details:

a. The gaps in wealth, savings, income, access to credit;
b. The barriers to homeownership for people of color;
c. Special purpose credit programs; and
d. Critical program elements and considerations for a future homeownership program serving households of color.

Racial homeownership gaps are more pronounced in New England than in the rest of the country, persist across all six New England states, and exist even for households at similar income levels.

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[28] "Amplifying our Collective Voice", 7th annual Native CDFI Capital Access Convening, June 28-30, 2022, Oweesta Corporation. www.oweesta.org/capital-access-convening/

[29] The research is summarized here. The Bank appreciates the full extent of the research conducted. The full bibliography is available upon request.

- People of color are far less likely to own homes in New England than white households. Just 38 percent of households headed by people of color own their homes in New England, compared with 72 percent of white households—a difference of 33 percentage points.[30]
  - Only 31 percent of Hispanic households owned their homes, 41 percentage points lower than white households.
  - Similarly, 36 percent of Black households owned their homes, a 35 percentage point gap with white households.
- Statewide, the homeownership rates for people of color ranged from 50 percent in Maine to 34 percent in Rhode Island.
  - The racial homeownership gap was greatest in Connecticut (36 percentage points), followed by Rhode Island (33), Massachusetts (32), New Hampshire (27), Maine (24), and Vermont (23).
  - The Black homeownership rate varied from between 25 percent in Maine and Vermont to 39 percent in Connecticut. The corresponding Black-white homeownership gap ranged from 34 percentage points in Rhode Island to 48 percentage points in Maine.
  - Meanwhile, the Hispanic homeownership rate varied from 27 percent in Massachusetts to 54 percent in Maine, and the Hispanic-white homeownership gap varied from a low of 20 percentage points in Maine and Vermont to a high of 43 percentage points in Massachusetts.

Disparities in income, wealth, and cash savings explain some but not all of the difference in homeownership rates. At every income level in the region, households of color remained far less likely to be homeowners than white households. (See Figure 2).

People of color face more severe barriers to homeownership including lack of resources for down payment, lack of sufficient credit, and higher interest rates.

- While income disparities are significant and persistent, differences in accumulated wealth, defined as savings, property, and business holdings, are even starker.[31]
  - The median wealth in 2019 for white households was $190,000, $75,000 for households headed by someone Asian, multiracial, or of another race, $36,000 for Hispanic households, $24,000 for Black households.[32]
- As a consequence of these imbalances in savings, white families are more likely to benefit from an intergenerational transfer of wealth than families of any other race.
  - A 2019 report from the Federal Reserve shows that nearly 30 percent of white families received an inheritance, compared to about 18 percent of families of other

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[30] Nationally, 47 percent of households headed by people own homes. We use the 5-Year ACS data in this analysis because it generates a sufficient sample size to examine racial homeownership gaps within each New England state. Estimates might not add up due to rounding. See Tables A9 & A10.

[31] Liam Reynolds, Vanessa Perry, and Jung Hyun Choi, "Closing the Homeownership Gap Will Require Rooting Systemic Racism Out of Mortgage Underwriting," Urban Institute, October 13, 2021, https://www.urban.org/urban-wire/closing-homeownership-gap-will-require-rooting-systemic-racism-out-mortgage-underwriting; McCargo and Choi, "Closing the Gaps: Building Black Wealth through Homeownership," 1–2.

[32] McCargo and Choi, "Closing the Gaps: Building Black Wealth through Homeownership," 1–2. Joint Center for Housing Studies, "The State of the Nation's Housing 2022," 2022, 20.

races/ethnicities, 10 percent of Black families, and 7 percent of Hispanic families.[33] Without a gift or inheritance, it could take the average renter household 14 years to save $15,000, based on one 2021 analysis.[34]

- Low or nonexistent credit scores are another major factor that can limit access to an affordable mortgage. Historic and ongoing exclusion from credit—in the form of redlining and mortgage denials—has resulted in lower credit for households of color and households of color being more likely to be unbanked, due in part to distrust of traditional financial institutions.[35]
    - Black borrowers are more likely than white, Hispanic, and Asian borrowers to lack a credit score entirely; for Black consumers who do have credit scores, their median score is more than 100 points lower than white consumers' scores.[36]
- When potential homeowners of color do secure a mortgage, they often pay higher interest rates than white borrowers at the same income level or lower.
    - Recent research from the Joint Center for Housing Studies shows that Black homeowners earning $75,000-$100,000 paid higher interest rates than white homeowners earning $30,000 or less.[37]
- The traditional model of risk-based pricing also leads to the higher interest rates that Black borrowers pay at their mortgage's origination.[38]
    - For example, loan-to-value ratio, loan size, and credit score are used to assess risk and inform interest rates—all factors that are negatively impacted by a history of race-based discrimination in the housing market, resulting in a disadvantaged position for borrowers of color.[39]

Using Special Purpose Credit Programs to Narrow Racial Homeownership Gaps
The expanded authority afforded through special purpose credit programs (SPCP) affords funders the opportunity to create homeownership assistance programs targeted to households of color, without running afoul of the Fair Housing Act and potential discrimination claims. The greatest number of homeownership assistance programs, SPCP or not, offer down payment assistance, similar to the Bank's Equity Builder and Housing our Workforce homeownership assistance programs.

The Harvard Joint Center research identifies the following program design elements to be considered for a future voluntary, SPCP program serving people of color:

- Program objectives;

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[33] Stegman and Loftin, "An Essential Role for Down Payment Assistance in Closing America's Racial Homeownership and Wealth Gaps," 3. Neil Bhutta et al., "Disparities in Wealth by Race and Ethnicity in the 2019 Survey of Consumer Finances," September 28, 2020, https://www.federalreserve.gov/econres/notes/feds-notes/disparities-in-wealth-by-race-and-ethnicity-in-the-2019-survey-of-consumer-finances-20200928.htm.
[34] Alexandra Lee, "How $15k in Down Payment Assistance Could Help Millions Achieve Homeownership," *Zillow Research* (blog), March 16, 2021, https://www.zillow.com/research/15k-down-payment-assistance-2021-29134/.
[35] Reynolds, Perry, and Choi, "Closing the Homeownership Gap Will Require Rooting Systemic Racism Out of Mortgage Underwriting."
[36] McCargo and Choi, "Closing the Gaps: Building Black Wealth through Homeownership," 7.
[37] Raheem Hanifa, "High-Income Black Homeowners Receive Higher Interest Rates than Low-Income White Homeowners | Joint Center for Housing Studies," February 16, 2021, https://www.jchs.harvard.edu/blog/high-income-black-homeowners-receive-higher-interest-rates-low-income-white-homeowners.
[38] Aronowitz, Golding, and Choi, "The Unequal Costs of Black Homeownership," 6–7.
[39] Aronowitz, Golding, and Choi, 6–7.

- Targeting of beneficiaries;
- Eligibility criteria;
- Finance product and terms and conditions; and
- Engagement mechanisms.

Program Objectives
Based on stakeholder interviews and program documentation, there are three types of program objectives.

1. To expand homeownership access broadly by focusing for serving low- and moderate-income households such as the Connecticut Housing Finance Authority's Time to Own program. Other programs focus specifically on serving Black, Latinx, and/or BIPOC households or communities.
2. Generate wealth in POC communities. This objective ultimately informs the shape of the financial product that the program delivers, most commonly impacting whether the down payment assistance is structured as a grant/forgivable loan or is a loan due upon sale or repayment of the first mortgage.
3. Create housing stability for POC communities. In the case of the Chase Homebuyer Grant, the goal to stabilize and revitalize minority communities informs the program's use of geographic designations as a basis for disbursement.[40] For the Wells Fargo refinancing program, keeping BIPOC homeowners in their homes through sustainable homeownership informs the program's focus on lower interest rates through refinancing for Black homeowners.[41]

Targeted Beneficiaries
The second program component is defining the intended customers and ensuring that funding is directed to those households.

- **Status-based programs.** Such programs focus on first-time home buyers or first-generation home buyers as targeted participants. Two examples include the Vermont Housing Finance Agency's first generation homebuyer program set to open in the fall of 2022. Another is the STASH (Savings Toward Affordable & Sustainable Homeownership) Program at the Massachusetts Affordable Housing Alliance.
- **Place-based programs target funds based on a specific geographic location(s).** Examples include 'high opportunity' communities in Connecticut or Gateway Cities in Massachusetts traditional centers of industry and home to immigrant communities. Nationally, the Chase Homebuyer Grant is the best known example of an SPCP that uses a place-based designation. Chase structured its program around 6,700 majority Black census tracts, where anyone buying a primary residence within those boundaries would qualify for a grant.[42]
- **People-based programs**. These programs use identifying characteristics, such as race/ethnicity, to qualify customers for advantageous credit programs. A notable example is the LISC San Diego

[40] "Chase Expands Grant Program to Help Families Buy a Home and Stabilize Minority Communities," accessed June 6, 2022, https://media.chase.com/news/chase-homebuyer-grant.
[41] "Wells Fargo Expands Efforts to Advance Racial Equity in Homeownership," accessed August 9, 2022, https://newsroom.wf.com/English/news-releases/news-release-details/2022/Wells-Fargo-Expands-Efforts-to-Advance-Racial-Equity-in-Homeownership/default.aspx; "Wells Fargo Adds Minority Refinancing Program amid Scrutiny of Lending Practices," Insider Intelligence, accessed August 9, 2022, https://www.insiderintelligence.com/content/wells-fargo-adds-minority-refinancing-program-amid-scrutiny-of-lending-practices.
[42] One concerned raised about this approach is that incentivizing homeownership in predominantly POC communities could lead to gentrification and displacement. Further evaluation will be needed to determine the extent of this effect.

Black Homebuyers Program[43], which names the specific group of people it aims to serve at the outset.

Eligibility Criteria

Existing homeownership assistance programs design financial products with several terms, conditions, and other eligibility criteria.

Generally, these programs offer down payment and closing cost assistance which for the most part appear to be in the form of a forgivable loan or a grant, which expire after a period of time or not secured in any manner. This includes the Champlain Housing Trust's Homeownership Equity Program, CHFA's Time to Own, as well as our own EBP and HOW programs which are grants secured with mortgages and notes, forgiven pro rata over five years. MassHousing's down payment assistance program - Gateway Cities Plus - is structured as a non-forgivable, 0 percent, deferred payment loan which must be repaid when the home is sold, refinanced, or the first mortgage is paid off.[44]

Financial Product Terms and Conditions

Other programs offer lower interest rates or expanded underwriting requirements on their down payment loan product. Most notable in this category is the Wells Fargo refinancing program, which automatically drops all participating Black borrowers with an FHA mortgage in the Wells Fargo servicing portfolio to a 3.75% interest rate.

Engagement Mechanisms

The last facet of these homeownership SPCP are their engagement mechanisms: how will the program reach potential participants. Three criteria are common: linking to homebuyer education/counseling, being tied to the mortgage application process, or specific targeted outreach via a range of marketing efforts. The Bank has found through the EBP and HOW programs that linkage to homebuyer education/counseling is essential for the long-term success for the homebuyers. This also helps the programs reach out to the pool of potentially mortgage-ready, low- to moderate-income first-time home buyers. The Bank has also found combining the EBP and HOW grants with the first mortgage loan provided by the participating member is also the most effective marketing medium but also ensures long-term program success.

The Harvard Joint Center research concludes with the following three points:

1. The significance of community engagement and collaboration for trust-building and promotion was a recurring theme in stakeholder interviews.
2. Many practitioners also emphasized the importance of thinking outside of the traditional channels of mortgage financing and real estate for connecting with new homebuyers.
3. To promote a program designed to expand access to homeownership, one should think broadly and creatively about how to engage people who have long been discouraged and excluded from the opportunity.

[43] "Homebuyers Program | LISC San Diego," Local Initiatives Support Corporation, accessed August 9, 2022, https://www.lisc.org/san-diego/homebuyers/.

[44] The rationale behind this approach is that requiring down payment assistance funding to be repaid upon sale or refinance of the home allows the subsidy to be recycled and serve future families.[44]

Findings:

1. Socio-economic data demonstrate the compelling need for additional homeownership assistance programs to address the widespread and long-standing racial income, wealth, and homeownership gaps.
2. Special Purpose Credit Programs provide a useful mechanism to specifically target down payment assistance funding to people and households of color.
3. There are a number of programs within New England and nationally that the FHLBank Boston can use to inform our future program structure and program outreach.

2023 Community Development Initiatives and Activities

The Bank operates its programs and conducts outreach in order to:

- Help member financial institutions identify community development business opportunities and partnerships;
- Expand access to capital for housing and economic growth; and
- Fulfill our mission and corporate values.

Initiative 1. Effectively administer the Bank's Housing and Community Investment programs (AHP, CDA, EBP, JNE, and NEF), including outreach and training.

a. Operate the AHP as a flexible funding source to ensure equal access and a balanced portfolio of housing initiatives responding to changing housing needs across New England and the communities our members serve.
b. Conduct outreach and training regarding the AHP and EBP/HOW programs, including:
    i. In-person and online trainings across New England for application, disbursement and reporting; and
    ii. Technical assistance for members and sponsors.
c. Continue to evaluate and enhance program administration to achieve operational efficiencies for applicants and the Bank, including:
    i. AHP scoring categories, focusing on Diversity, Equity, and Inclusion, In-District, and Community Stability;
    ii. AHP application and review procedures within regulatory standards and requirements;
    iii. AHP monitoring and reporting processes; and
    iv. AHP and EBP compliance procedures.
d. Operate the Jobs for New England program to provide discounted advances for small businesses, including program trainings, technical assistance, and assessment to identify areas for operational enhancements.

Initiative 2. Develop a Bank-funded voluntary homeownership assistance program serving households and communities of color, including:

a. Design and roll out a pilot down payment assistance program in 2023;
b. Conduct in-person and online outreach to stakeholders, members, and housing sponsors regarding the program, application/enrollments, disbursements, and reporting; and
c. Assess program roll out and performance for future efficiency improvements.

Initiative 3. Develop partnerships to advance the Bank's goals and deepen the incorporation of Bank values around diversity and inclusion in our housing and community investment programs.

a. Conduct outreach across all six New England states to help identify minority- and women-owned businesses in order to build partnerships and increase participation in the Bank's housing and community investment programs, primarily AHP and JNE.
b. Build relationships and develop partnerships with Native American Tribal Communities, member financial institutions and other state funders to help expand access to community development capital; and
c. Identify and develop partnerships with professional associations representing Black, Hispanic, Asian, and other communities of color.

Initiative 4. Conduct community development outreach and networking activities with members and other community partners to identify new business opportunities and help communities rebound from the pandemic and recession.

a. Lead the 23rd Affordable Housing Development Competition;
b. Partner with stakeholders such as the Federal Reserve Bank of Boston, the FDIC, OCC and Small Business Administration to help members identify community development lending opportunities.
c. Consider additional forums to address innovative land use best practices and cost containment to help increase housing production.

2023 Targeted Community Development Lending Goals

A. Sponsor a range of regional outreach events with state housing finance agencies, the Advisory Council, and/or other stakeholders including:
   1) Host the 23rd Affordable Housing Development Competition.
   2) Trainings and networking events regarding the 2023 HCI regulatory and voluntary programs.
      a. Contact 100% of member institutions with program outreach materials, noting that a separate strategy is more appropriate for insurance company and non-depository members.
      b. Adapt training materials to be application-process oriented to reduce applicant errors, streamline required documentation and templates.
   3) Conduct in-person AHP applications trainings in each of the six New England states.

B. Develop and implement a new Bank-funded voluntary down payment assistance program for people of color.
C. Expand program participation of Native American Tribal Communities through additional outreach and relationship building efforts, including:
   1) Outreach to federal- and state-recognized Tribes in New England;
   2) Explore potential member and Tribal Communities partnerships;

D. Disburse 100% of the subsidy funds allocated for the 2023 Jobs for New England programs.

E. Disburse $100 million in Community Development Advances, including the CDA Extra program.

F. Assess potential capital funding strategies and operational approaches for the preservation of Naturally Occurring Affordable Housing in New England.

G. Conduct 16 outreach and technical assistance meetings with members and sponsors regarding identifying community development business opportunities, how to strategically access the Bank's Housing and Community Investment programs, and/or specific technical assistance regarding the Bank's Housing and Community Investment programs.

    1) A separate outreach strategy is more appropriate for insurance company and non-depository member financial institutions.

Appendix A: Data Tables

Table A1. Unemployment Rate in New England	
Unemployment Rate (%)	**Jun-2022**
United States	3.6
New England	3.5
Connecticut	4.0
Maine	3.0
Massachusetts	3.7
New Hampshire	2.0
Rhode Island	2.7
Vermont	2.2
Source: U.S. Bureau of Labor Statistics.	

Table A2. U.S. Unemployment Rate by Race, 2021Q1 and 2022Q1

	2021Q2	2022Q2	Year over Year Change
U.S.	5.8	3.5	-2.3
White	5.1	3.1	-2
Black	9.2	5.9	-3.3
Asian	5.6	2.8	-2.8
Latino or Hispanic	7.2	4.1	-3.1

Source: Bureau of Labor Statistics; Hispanic or Latino may be any race

Table A3. Serious Financial Problems Facing U.S. Adults, May-June 2022
(Percent of respondents answering "yes")

Category	White	Black	Asian	Hispanic/ Latinx
Serious problems paying credit cards/loans/other serious financial problems	28	42	20	36
Serious problems affording food	21	32	13	30
Serious problems paying mortgage/rent	14	23	15	26
Serious problems affording medical care/prescription drugs	16	22	14	19

Source: NPR, The Robert Wood Johnson Foundation, Harvard T.H. Chan School of Public Health
https://cdn1.sph.harvard.edu/wp-content/uploads/sites/21/2022/08/NPR-RWJF-Harvard-August-Poll_Final2.pdf

Table A4. Permits, Annual Change in Permits, and Permits per 1,000 Housing Units: 2019–2021

State	Housing Units Permitted (Total)			Annual Change in Permits (Percent)			Housing Units Permitted (Per 1,000 Existing Units)		
	2019	2020	2021	2019	2020	2021	2019	2020	2021
Connecticut	5,900	5,500	4,700	21.6	-6.5	-15.0	3.8	3.6	3.0
Massachusetts	17,400	17,000	19,900	1.9	-2.0	16.6	5.9	5.8	6.8
Maine	4,800	5,300	6,500	1.3	11.4	23.1	6.3	7.1	8.7
New Hampshire	4,700	4,300	4,900	6.7	-8.9	13.2	7.4	6.7	7.6
Rhode Island	1,400	1,400	1,400	8.2	-1.9	1.3	3.0	2.9	3.0
Vermont	1,800	2,100	2,300	-13.4	15.3	11.7	5.3	6.1	6.8
New England	35,900	35,600	39,600	4.5	-1.0	11.4	5.4	5.3	6.0
United States	1,386,000	1,471,100	1,737,000	4.3	6.1	18.1	9.9	10.5	12.4

Source: JCHS tabulations of US Census Bureau, Building Permits Survey.

Table A5: Net Population Change in New England, 2021

State	Components of Population Change			Overall Population Change	
	Domestic Migration	International Migration	Natural Change	Total	Percent
Connecticut	5,100	4,600	-5,000	5,300	0.15
Maine	15,500	900	-6,300	10,000	0.74
Massachusetts	-46,200	12,700	-4,200	-37,500	-0.55
New Hampshire	13,600	1,200	-3,700	11,100	0.82
Rhode Island	900	600	-2,300	-600	-0.06
Vermont	4,600	300	-1,800	3,100	0.49
New England	-6,500	20,300	-23,300	-8,600	-0.06
US	-1,300	244,500	147,900	391,100	0.12

Note: Natural population change is the difference between births and deaths.
Source: JCHS tabulations of US Census Bureau, 2021 Population Estimates Program.

Table A6: Rental Homes Affordable for Extremely Low and Very Low Income Households and HUD-Assisted Share of Rental Stock (2020)

State	Rental Homes Affordable and Available per 100 Renter Households, by Income Level		HUD-Assisted Share of Rental Stock
	Households at or below 30% AMI	Households at or below 50% AMI	
Connecticut	40	64	17%
Maine	51	71	17%
Massachusetts	47	63	19%
New Hampshire	37	69	14%
Rhode Island	51	74	23%
Vermont	43	62	17%
United States	36	58	11%

Source: National Low Income Housing Coalition tabulations of 2020 5-Year ACS PUMS Data, 2020, "The Gap" Report, April 2022, and JCHS tabulations of HUD Picture of Subsidized Households (POSH) data, 2020.

Table A7: Share of Households Behind on Housing Payments and with Lost Employment Income by State (Percent): December 2021–April 2022.

	Behind on Housing Payments			With Lost Employment Income in the Past Four Weeks		
State	Owners	Renters	All Households	Owners	Renters	All Households
Connecticut	7	17	11	10	19	12
Maine	6	9	8	9	14	11
Massachusetts	5	14	9	8	15	11
New Hampshire	5	10	7	8	15	10
Rhode Island	6	14	10	9	17	12
Vermont	5	8	6	8	14	9
New England	6	13	9	9	16	11
United States	6	15	10	10	20	14

Source: JCHS tabulations of US Census Bureau, Household Pulse Surveys, December 2021–April 2022.

Table A8. People Experiencing Homelessness in New England, 2020–2021

	Total Homelessness, 2020		Sheltered Homelessness, 2020-2021			
State	Total	Rate per 10,000	Total (2020)	Total (2021)	Change (#)	Change (%)
CT	2,900	8.1	2,600	2,200	-400	-15.4%
ME	2,100	15.6	2,000	2,100	100	5.0%
MA	18,000	26.1	16,700	13,900	-2,800	-16.8%
NH	1,700	12.3	1,300	1,200	-100	-7.7%
RI	1,100	10.4	1,000	1,100	100	10.0%
VT	1,100	17.8	1,000	2,600	1,600	160.0%
NE	26,900	17.6	24,600	23,000	-1,600	-6.5%
US	580,500	18	354,400	326,000	-28,400	-8.0%

Source: JCHS tabulations of US Department of Housing and Urban Development, 2020–2021 Annual Homeless Assessment Report Point-in-Time Estimates.

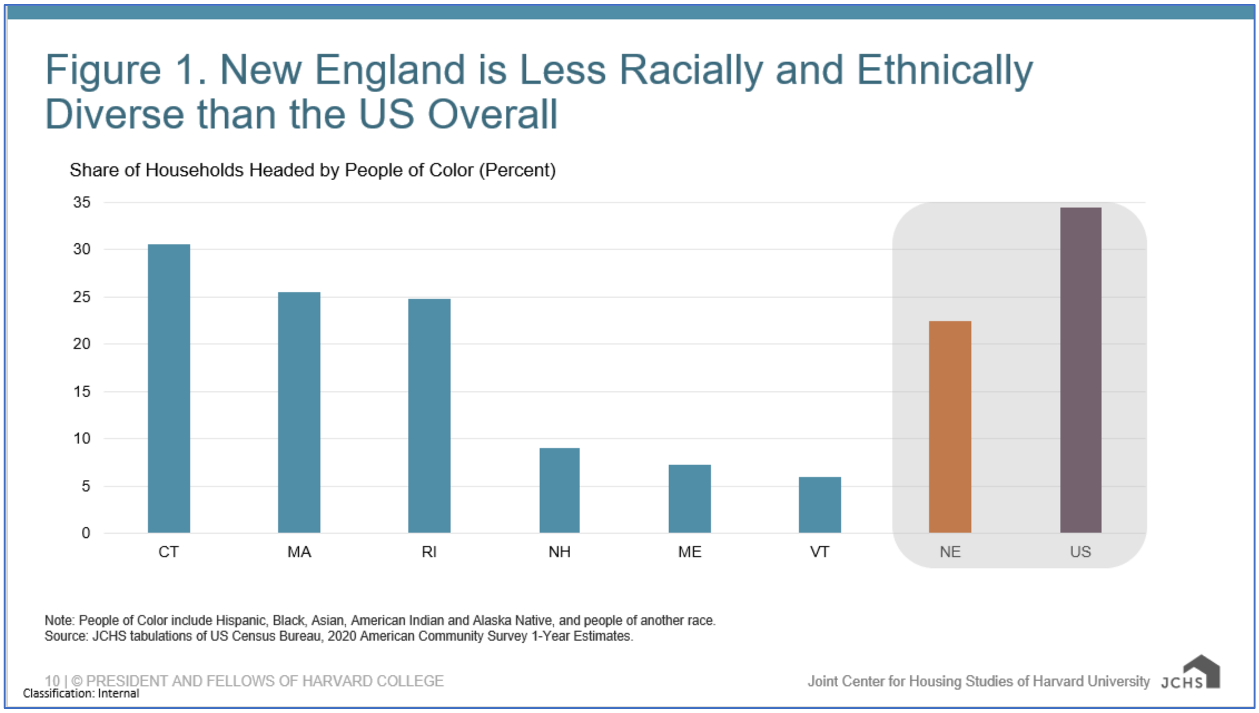


Table A9. Homeownership Rates by Race/Ethnicity (Percent)

Race/Ethnicity	CT	ME	MA	NH	RI	VT	NE	US
White	76	73	69	72	68	72	72	72
People of Color	40	50	37	45	34	49	38	47
Hispanic	34	54	27	41	30	52	31	47
Black	39	25	35	32	34	25	36	42
Asian	59	54	54	54	48	54	55	59
AIAN	50	59	37	55	30	47	47	57
Other	46	52	44	50	40	56	45	49
Total	66	72	62	71	60	70	65	64

Notes: Black, white, Asian, and AIAN households are non-Hispanic. Hispanic households may be of any race.
Source: JCHS tabulations of US Census Bureau, 2015–2019 American Community Survey 5-Year Estimates.

Table A10. Homeownership Rate Gaps by Race/Ethnicity

Race/Ethnicity	CT	ME	MA	NH	RI	VT	NE	US
People of Color	36	24	32	27	33	23	33	25
Hispanic	42	20	43	32	37	20	41	25
Black	37	48	34	40	34	47	35	30
Asian	17	19	16	19	19	17	17	12
AIAN	25	14	32	17	38	25	24	15
Other	29	22	26	22	28	16	26	23

Notes: Black, white, Asian, and AIAN households are non-Hispanic. Hispanic households may be of any race.
Source: JCHS tabulations of US Census Bureau, 2015–2019 American Community Survey 5-Year Estimates

Table A11. Median Household Income by Race/Ethnicity (Dollars)

Race/Ethnicity	CT	ME	MA	NH	RI	VT	NE	US
White	85,000	55,000	84,400	73,300	70,000	59,400	76,000	65,000
People of Color	50,400	46,300	55,500	66,300	43,800	41,140	52,000	49,300
Hispanic	45,700	52,000	43,000	60,000	40,000	41,140	44,600	49,700
Black	46,200	44,750	50,000	57,000	42,000	41,000	48,100	40,000
Asian	90,500	61,000	92,000	80,850	73,000	70,000	90,000	84,000
AIAN	43,000	36,300	34,000	58,590	25,500	40,000	39,500	40,000
Other	60,000	38,400	65,000	64,000	51,000	35,000	59,000	57,000
Total	75,000	54,600	77,100	72,900	64,000	58,800	71,000	60,000

Notes: Black, white, Asian, and AIAN households are non-Hispanic. Hispanic households may be of any race.
Source: JCHS tabulations of US Census Bureau, 2015–2019 American Community Survey 5-Year Estimates

Table A12. Gaps in Median Household Income by Race/Ethnicity

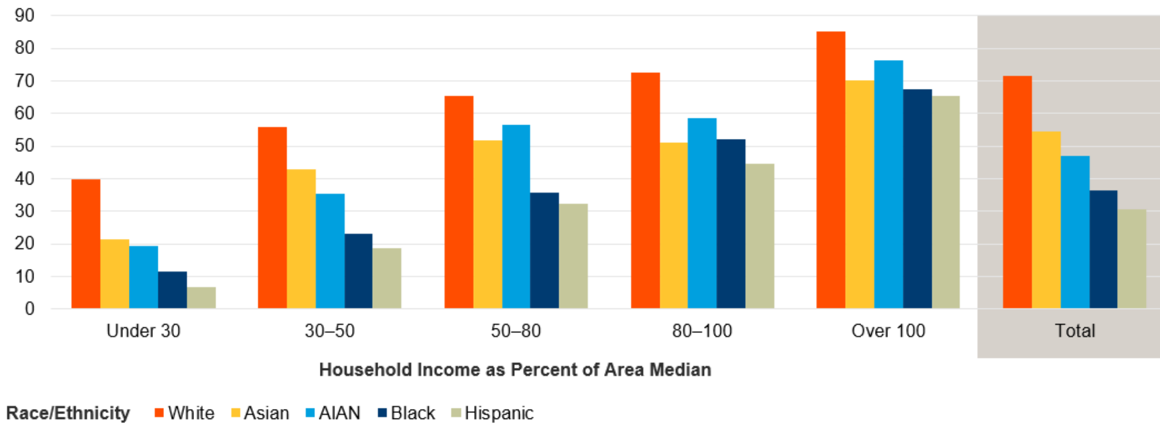
Race/Ethnicity	CT	ME	MA	NH	RI	VT	NE	US
People of Color	-41	-16	-34	-10	-37	-31	-32	-24
Hispanic	-46	-5	-49	-18	-43	-31	-41	-24
Black	-46	-19	-41	-22	-40	-31	-37	-38
Asian	6	11	9	10	4	18	18	29
AIAN	-49	-34	-60	-20	-64	-33	-48	-38
Other	-29	-30	-23	-13	-27	-41	-22	-12

Notes: Black, white, Asian, and AIAN households are non-Hispanic. Hispanic households may be of any race.
Source: JCHS tabulations of US Census Bureau, 2015–2019 American Community Survey 5-Year Estimates

Figure 1. Regardless of Income, Households of Color in New England Have Lower Homeownership Rates than White Households

Figure 2: Regardless of Income, Households of Color in New England Have Lower Homeownership Rates than White Households

Homeownership Rate in New England (Percent)



Notes: White, Asian, AIAN, and Black householders are non-Hispanic. Hispanic householders may be of any race(s).
Source: JCHS tabulations of US Census Bureau, 2019 American Community Survey 5-Year Estimates.

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Appendix B: Federal- and State-Recognized Tribes in New England

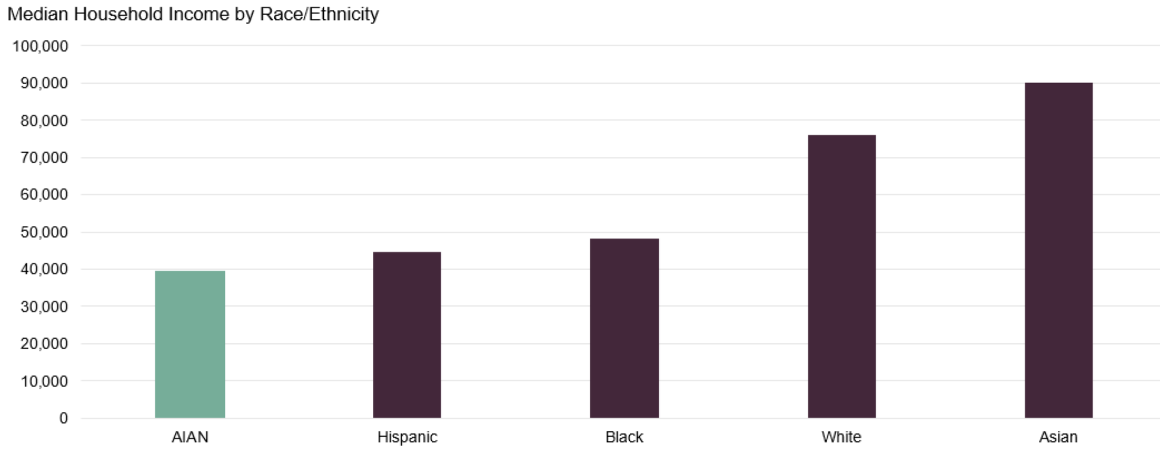
State	Federally Recognized Tribes	State Recognized Tribes
Connecticut	• Mohegan Tribe of Indians Connecticut • Mashantucket Pequot Indian Tribe	• Golden Hill Paugussett Tribe • Paucatuck Eastern Pequot • Schaghticoke Tribal Nation
Maine	• Penobscot Tribe • Passamaquoddy Tribe – Indian Township • Passamaquoddy Tribe – Pleasant Point • Houlton Band of Maliseet Indians • Mi'kmaq Nation	
Massachusetts	• Wampanoag Tribe of Gay Head (Aquinnah) • Mashpee Wampanoag Tribe	• Chappaquiddick Wampanoag • Chaubunagungamaug Nipmucks • Herring Pond Wampanoag Tribe • Nipmuc Nation Hassanamisco Band • Pocasset Wampanoag Tribe • Seaconke Wampanoag Tribe
New Hampshire		
Rhode Island	• Narragansett Indian Tribe	
Vermont		• Elnu Abenaki Tribe • Nulhegan Band of the Coosuk Abenaki Nation

Table B1. American Indian and Alaska Native Population and Households

	Population		Households	
State	**Total**	**Share (%)**	**Total**	**Share (%)**
CT	5,600	0.16	2,300	0.17
ME	8,000	0.6	3,400	0.60
MA	9,700	0.14	3,600	0.14
NH	1,800	0.13	900	0.17
RI	3,400	0.32	1,200	0.28
VT	1,800	0.23	1,300	0.49
NE	30,300	0.2	12,700	0.22
US	2,160,400	0.7	712,100	0.62

Notes: Native American households are non-Hispanic.
Source: JCHS tabulations of US Census Bureau, 2015–2019 American Community Survey 5-Year Estimates.

Figure B1. Native American Households in New England Earn Less than Other Racial/Ethnic Groups



Notes: Black, white, and Asian households are non-Hispanic. Hispanic households may be of any race.
Source: JCHS tabulations of US Census Bureau, 2015–2019 American Community Survey 5-Year Estimates.

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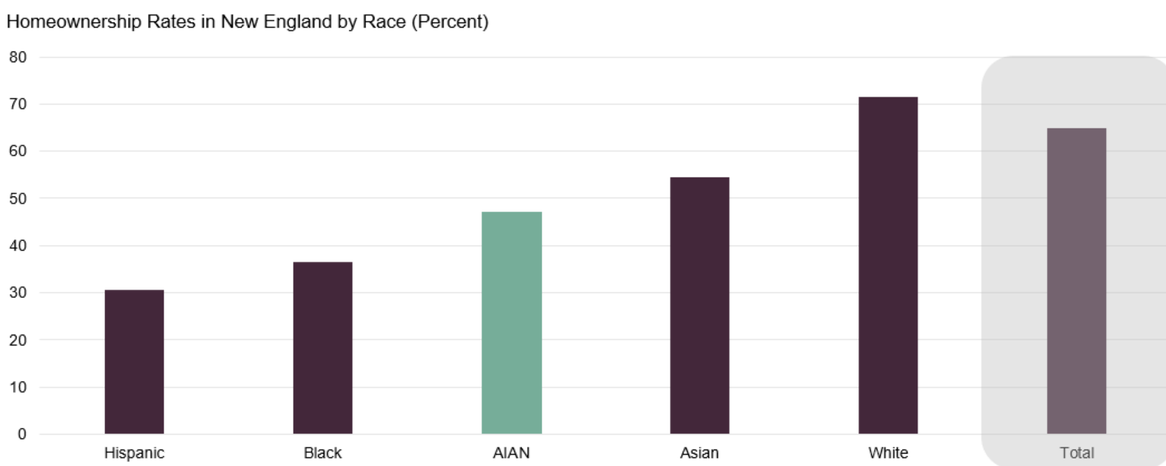
Figure B2. Fewer Than Half of Native American Households in New England Own Their Homes



Notes: Black, white, and Asian households are non-Hispanic. Hispanic households may be of any race.
Source: JCHS tabulations of US Census Bureau, 2015–2019 American Community Survey 5-Year Estimates.

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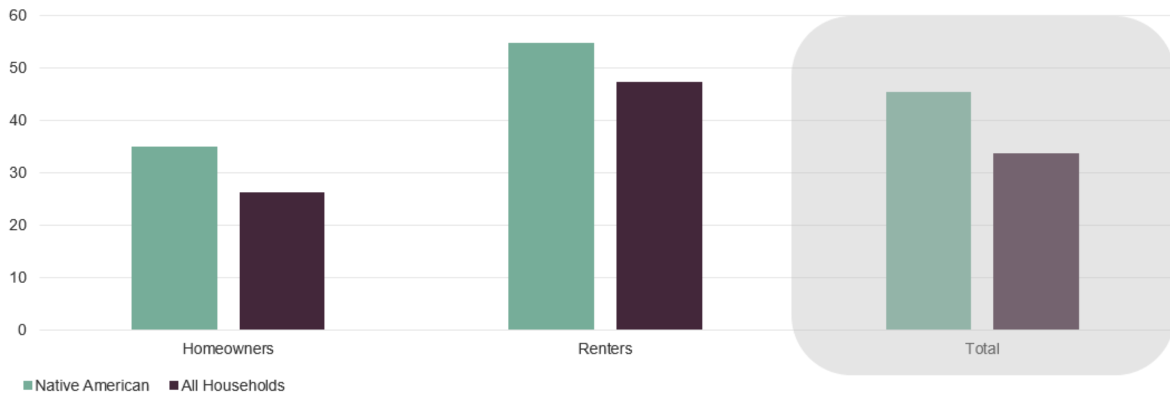
Figure B3. Native Households Are Far More Likely to Be Cost Burdened in New England Than All Households

Share of Households with Cost Burdens in New England (Percent)



Notes: Native American households are non-Hispanic. Cost-burdened households pay more than 30% of income for housing. Households with zero or negative income are assumed to have burdens, while households paying no cash rent are assumed to be without burdens.
Source: JCHS tabulations of US Census Bureau, 2015–2019 American Community Survey 5-Year Estimates.

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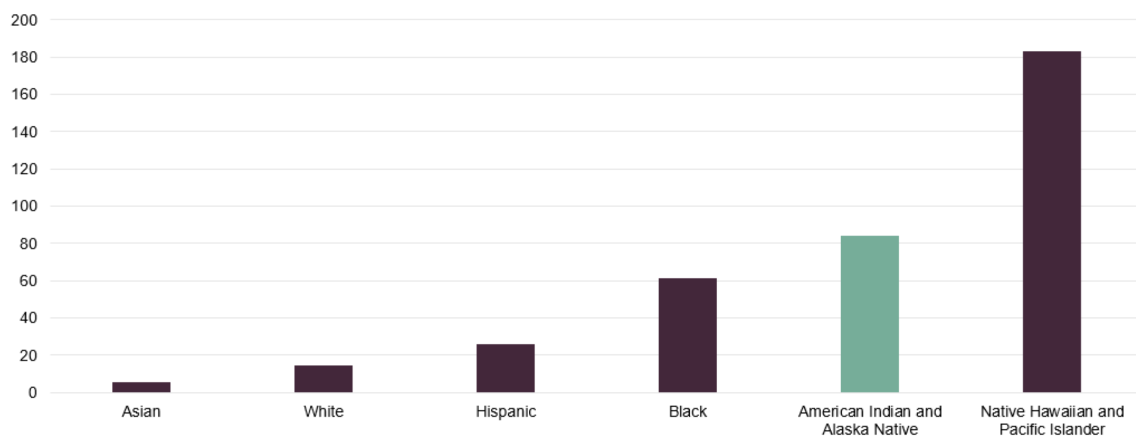
Figure B4. Native Americans Experience Homelessness at Higher Rates

Rates of People Experiencing Homelessness by Race (per 10,000)



Notes: Black, white, and Asian people are non-Hispanic. Hispanic people may be of any race.
Source: JCHS tabulations of US Department of Housing and Urban Development, 2020 Annual Homeless Assessment Report Point-in-Time Estimates.

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Appendix C: Regulatory Citation

12 CFR 1290.6, 12 CFR 1291.13, and 12 CFR 1292.4 require 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 2023 Community Lending Plan is an integral part of FHLBank Boston's programs and, as such, also codifies the Bank's community support program overall.

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

- reflect market research,
- Be developed in consultation with the Advisory Council, members, and other stakeholders, and
- Establish quantitative targeted community lending performance goals.

Bibliography available upon request