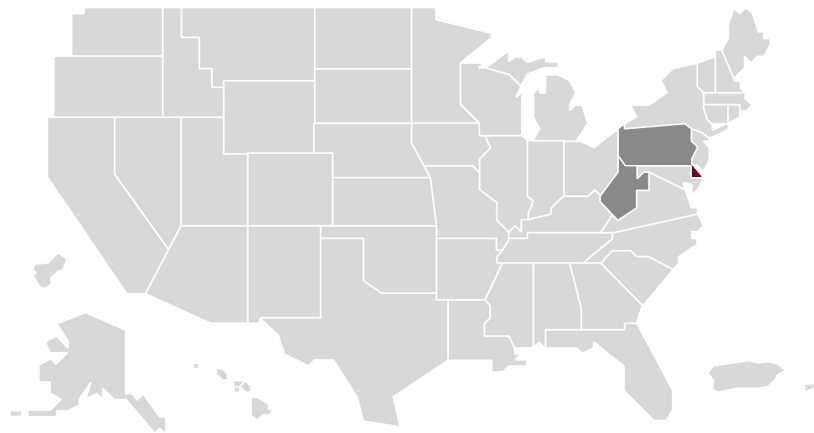


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



DELAWARE
STATE REPORT

DELAWARE STATE REPORT

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Since its creation in 1989, the Federal Home Loan Bank System’s Affordable Housing Program (AHP) has been a substantial and valuable source of real estate equity for the financing of affordable housing in the United States. From 1990 through 2016, the 11 Federal Home Loan Banks (FHLBanks) collectively contributed more than \$4.1 billion (\$5.4 billion in inflation-adjusted dollars) in AHP real estate finance equity for rental, home construction and rehabilitation activities. This equity was combined with \$65.7 billion (\$83.9 billion in inflation-adjusted dollars) in leveraged dollars from other private and public sources, enabling \$69.9 billion (\$89.3 billion in inflation-adjusted dollars) in total development funding for more than 601,000 housing units. From 1995 through 2016, the FHLBanks also collectively contributed approximately \$1.0 billion (\$1.2 billion in inflation-adjusted dollars) in AHP equity for down payment assistance and mortgage principal reduction, assisting more than 183,000 home purchase activities. Each FHLBank allocates at least 10 percent of its annual net earnings to fund its AHP. As such, the continued operating and mission success of the FHLBanks has directly enhanced the development and purchase of affordable housing throughout the country and has had a positive impact on local and state economies and on the national economy. The state of Delaware is in the Pittsburgh district. This report details the economic impact of housing within Delaware that has been enhanced by AHP funding from 1990 through 2016.*

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

DELAWARE Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$25.02 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$30.59 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$263.42 MILLION

DEVELOPMENT COST

Development Cost refers to the cost of acquiring land or pre-existing housing units, demolition and/or relocation costs and any costs incurred while constructing, rehabilitating or redeveloping housing.

\$323.62 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **100**

PROJECTS

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

 **2,374**

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

DELAWARE Home Purchase Activities

Economic Basis



\$6.80 MILLION

TOTAL AHP SUBSIDY

AHP provides real estate finance equity for both rental and for-sale housing. AHP is more often referred to as a subsidy or grant and is delivered to FHLBank-member financial institutions to assist in the funding for construction, rehabilitation and purchase of affordable housing.

\$8.99 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$170.36 MILLION

FIRST MORTGAGES

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

\$220.91 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED



1,537

TOTAL UNITS

Total Units refers to the total number of single-family and multifamily units constructed using AHP funding, where each individual dwelling unit in a multifamily building is counted separately.

Inflation-Adjusted refers to the measure of return that takes into account the time period's inflation rate. For example, \$100 in 1990 is worth \$192 in 2018. This study reports all economic impacts in inflation-adjusted dollars.

DELAWARE Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$648.85 MILLION

TOTAL ECONOMIC BENEFITS

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



4,464 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced rental, home construction and rehabilitation activities.



\$234.50 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

2.00

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home construction and rehabilitation of affordable rental and housing units.

\$17.27 MILLION

TAX REVENUE

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

All dollars are in inflation-adjusted dollars.

DELAWARE Home Purchase Activities

Economic Impact



\$449.40 MILLION

TOTAL ECONOMIC BENEFITS

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



2,534 JOBS

JOB CREATION

Job Creation includes new full-time, part-time, temporary, permanent, salary-based and fee-based jobs generated by the addition of AHP-enhanced home purchase activities.



\$100.98 MILLION

LABOR INCOME

Labor Income refers to all forms of income that stem from employment, such as salaries and hourly wages and profits made by developers, builders and contractors.

1.96

MULTIPLIER (IMPLAN Factor)

Multiplier is a term used for the economic ripple effect measured by an economic impact model. In this case, the multiplier effect accounts for how each additional job or dollar of output enhanced by AHP funding impacts the home purchases of affordable housing units.

\$22.02 MILLION

TAX REVENUE

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

Revitalizing a Neighborhood in Georgetown



Georgetown Point

When a homebuilder couldn't finish the last 22 lots of a planned 36-home community in Georgetown, Delaware, the builder's loss became Sussex County Habitat for Humanity's gain. The remaining land in the Georgetown Point neighborhood went up for bid in 2010, and Habitat acquired it for a good price. "The plan was to build simple, decent and affordable housing for low-income families," says Kevin Gilmore, executive director of the county's Habitat chapter. "We wanted to make sure the homes we built fit into the neighborhood," he says, "so that when you are driving through it a few years from now, you won't be able to tell which ones are Habitat homes and which ones aren't."

Habitat divided the project into phases and lined up resources, but when it came time to break ground, there was still a budget gap to fill. They applied for, and were awarded, AHP grants through FHLBank Pittsburgh—member Fulton Bank, which helped them meet their goal. "The funds were the piece that we were missing," Gilmore says, "and AHP was what we needed to make it happen."

When Habitat announced its plans to sell the new homes to families with incomes at 30 to 60 percent of the area median income, with one home going to a special-needs family and another to a homeless family, there was some pushback from existing homeowners who were worried how the future tenants might affect the neighborhood. Gilmore and the Habitat team worked to ease the homeowners' concerns, inviting them to events where they could meet their future neighbors and explaining how Habitat's program requirements—12 months of homeownership classes and 250 hours of "sweat equity" building their home or the home of another Habitat family—were designed to create highly trained, invested homeowners. Gilmore knew the plan was working when people in the neighborhood started waving as the construction volunteers passed by.

"I would love to get to a point where they want to volunteer with us," Gilmore says.

Phase I of the project was completed within a year, resulting in five new homes. Phases II through IV added 16 more homes. Habitat received AHP funding support for all four phases.

Gilmore looks forward to more Habitat projects and partnering with other organizations to continue revitalizing the Georgetown area. He points to his chapter's expanding local headquarters as a demonstration of their ongoing commitment to serve the region. "We plan to be part of this community for a long time," he says.

**Georgetown
Delaware**

DELAWARE

Project Profile: Home Purchase Activity



Dover – A Place to Call Home

This project consists of seven newly constructed homes and one home renovation located in a designated community under Restoring Central Dover’s consolidated plan. Four of the seven new homes meet National Green Building Standards for energy efficiency under the Silver rating. The homes were sold to homeowners through zero-percent-interest, 30-year mortgages after each homeowner completed their “sweat equity” and financial literacy training requirements.

SOURCES

AHP Grant	\$	400,000
Homeowner Mortgages	\$	361,217
In-Kind Labor and Materials	\$	114,674
DSHA Housing Development Fund	\$	97,500
Grants (Various)	\$	67,852
DSHA Strong Neighborhoods Housing Fund	\$	50,048
Apostles Build	\$	15,869
Habitat for Humanity International	\$	11,400
Fund for Women	\$	10,000
Central Delaware Habitat for Humanity Cash	\$	7,658
City of Dover NSP	\$	2,944
Kent County Levy Court	\$	2,000
It’s All Good	\$	1,500
Total	\$	1,142,662

The Power of Partnership: Kids Building for Kids



Life Lines 8th Street and DuPont Street

What happens to kids who age out of foster care? When they can neither remain in the system nor return to families, many of these young people, still teenagers, need a supportive environment in which they can set goals and realize their highest personal levels of self-sufficiency. In fact, this population—young adults exiting foster care yet needing additional onsite supportive services—has been listed as a category of highest priority by the Delaware State Housing Authority.

The only program in Delaware that provides a combination of housing and training specifically targeting emancipated foster youth is Life Lines. Since its inception in 2001, Life Lines has gradually increased its housing capacity from 11 to 22 young adults. As part of an AHP project called Life Lines 8th Street and DuPont Street, FHLBank Pittsburgh awarded \$50,000 to West End Neighborhood House to acquire and renovate a 100-year-old townhome for three more displaced young people. Upgrades included HVAC, plumbing, electrical systems and a rear addition. The project included assistance for financial education, medication management, employment placement and general life-skills instruction from Life Lines staff.

The Life Lines 8th Street and DuPont Street renovation was even more exciting because it triggered a second community initiative. West End Neighborhood House, a veteran AHP user and longtime friend of FHLBank, selected the Challenge Program to be the general contractor and builder for this AHP project and partnered with them to create an initiative called “KIDS Building for KIDS.” The Challenge Program offered construction training and paid apprenticeships to young men who were formerly in the juvenile justice system or serving time on probation. Through this program, at-risk young people learned new skills and helped three Life Lines youth on their way to self-sufficiency, thanks to KIDS Building for KIDS.

**Wilmington
Delaware**

DELAWARE

Project Profile: Rental Activity



Central YMCA in Wilmington

The Central YMCA project provided a total renovation of the historic YMCA building in downtown Wilmington, Delaware. The six-story, red brick building, built in the Spanish Colonial Revival style, was rehabilitated to create 180 single-room-occupancy rental units, 36 of which were marked for formerly homeless men. FHLBank Pittsburgh—member PNC Bank sponsored an AHP application for a \$500,000 grant, which was used for building acquisition and rehabilitation costs. Today, in addition to the housing units, the Central YMCA is a hub of activity for youth, teens, adults and seniors.

SOURCES

PNC Bank	\$	5,297,660
Construction Equity	\$	2,959,549
Housing Development Fund	\$	2,500,000
Foundation Grants	\$	2,100,000
FHLB New York	\$	1,350,000
Equity for 75% Developer Fee	\$	1,126,254
HUD EDI	\$	750,000
AHP Grant	\$	500,000
Equity for Non-eligible Cost	\$	466,458
City of Wilmington	\$	226,902
Total	\$	17,276,822.58