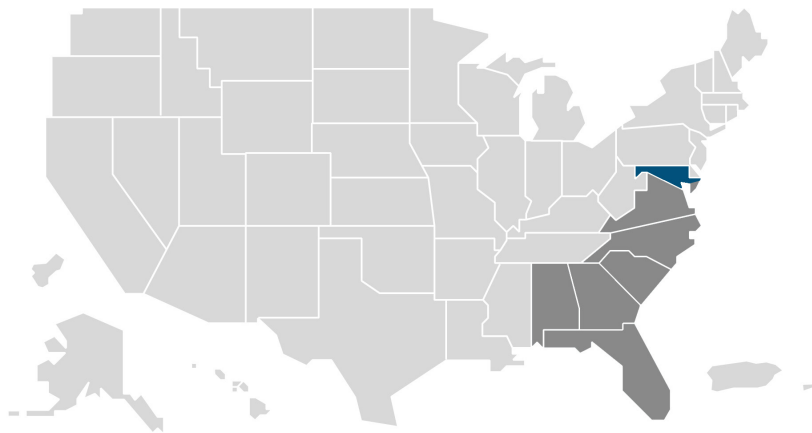


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



MARYLAND
STATE REPORT

MARYLAND 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 Maryland is in the Atlanta district. This report details the economic impact of housing within Maryland that has been enhanced by AHP funding from 1990 through 2016.*

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

MARYLAND Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$50.92 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.

\$65.93 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$1.20 BILLION

DEVELOPMENT COST

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


\$1.54 BILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **194**

PROJECTS

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

 **9,399**

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.

MARYLAND Home Purchase Activities

Economic Basis



\$38.62 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.

\$44.90 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$895.39 MILLION

FIRST MORTGAGES

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

\$1.02 BILLION

FIRST MORTGAGES INFLATION-ADJUSTED

 **6,617**

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.

MARYLAND Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$3.30 BILLION

TOTAL ECONOMIC BENEFITS

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



23,166 JOBS

JOB CREATION

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



\$1.23 BILLION

LABOR INCOME

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

2.14

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.

\$112.65 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.

MARYLAND Home Purchase Activities

Economic Impact



\$2.41 BILLION

TOTAL ECONOMIC BENEFITS

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



14,780 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.



\$646.48 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.

2.23

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.

\$78.79 MILLION

TAX REVENUE

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

Roof Over Head and Peace of Mind for Family of Six



Since 1999, Howard Bank has recognized the challenge that many potential homebuyers have in achieving homeownership. By utilizing the Federal Home Loan Bank of Atlanta AHP homeowner-assistance products, they have made dreams come true for more than 1,400 customers. April McDaniels' family is just one of the many families that have benefitted from the assistance of Howard Bank.

April, a cashier at a Royal Farms convenience store in Baltimore, had been living with her five children in a rented apartment since 1998. She decided to consider homeownership for her family to add more stability to their lives and give them a place they could call their own. "I didn't know the first thing about buying a home, but I was determined," she says. "I had saved some money, although it wasn't enough to cover the down payment and closing costs for a mortgage."

"For many families, it is not the monthly payments or credit problems that prevent them from purchasing a home", says a representative of Howard Bank. "The biggest hurdle is coming up with enough money for the down payment and closing cost." One way Howard Bank is able to help applicants like April and many other low- to moderate-income families qualify for a mortgage is with the FHLBank of Atlanta's AHP homeowner-assistance products, which include a First-time Homebuyer down payment assistance product. Today, thanks to Howard Bank and FHLBank Atlanta's AHP, April and her children live in a house within walking distance of her job. Her children have a stable environment and a safe neighborhood, and she has the peace of mind that comes with having a place to call her own. Now, April and her family can make dinner in their own kitchen, the children can play in their own backyard and the family can build equity in their future.

**Howard Bank
Baltimore, MD**

MARYLAND

Project Profile: Home Purchase Activity



Uplands by Bozzuto Homes

Uplands by Bozzuto Homes is part of a mixed-income community in Baltimore of for-sale homes and rental apartments that were constructed on 761 acres, which was formerly a 979-unit, public-subsidized apartment complex. The complete development consists of more than 1,100 residences and include single-family homes, townhomes, semi-detached homes and rental homes. Design architect David Dixon told Baltimore City Paper in 2008 that it will be “an urban village” that would lift up the area and resemble Roland Park, with trees, grass and winding lanes. In a unique agreement, the city maintained control of the site but allowed Bozzuto to build the homes via right of entry, and at homebuyer closings land title passed directly from the city to each homebuyer. FHLBank Atlanta AHP funding through Howard Bank was used to assist five townhome buyers with more than \$90,000 in down payment assistance.

SOURCES		
Sales Revenue Proceeds	\$	756,410
HUD Grant	\$	200,000
FHLBank Atlanta	\$	90,910
City of Baltimore (CDBG)	\$	75,000
Uplands Homebuilding, LLC Partners	\$	21,293
Total	\$	1,143,613

Restoration Efforts in Baltimore Link Residents to Supportive Services



EHM at Calvert

Calvert Street, which is less than two miles from downtown and the Inner Harbor, was viewed as an eyesore in the city of Baltimore. The location's close proximity to Baltimore's Midtown Business District made it an ideal location, but it was often overlooked, and few developers saw potential in the area. What others viewed as an unusable space, Empire of Maryland, Inc. (EHM) saw potential in six dilapidated and vacant buildings and what the area could become to the surrounding community and the city of Baltimore. Consistent with its mission to develop, manage and maintain affordable residential properties for low-income people and those with disabilities EHM laid the foundation for what is now known as EHM at Calvert. What seemed to be an impossible task required extensive planning and cooperation from several diverse groups, including input from local supportive-service providers, which brought together many resources to bring the project to existence. In addition to major financial support from the Harbor Bank of Maryland and Maryland Department of Housing and Community Development, EHM relied on a variety of partners contributing not only time but also expertise. Once completed, the renovation had an immense impact on the area and changed the landscape of Calvert Street. While EHM was able to rely on its previous success in developing and providing affordable housing, it was able to bring something to the project that no amount of money could have—a sense of community. The changes resulted in 18 apartments reserved for very-low-income residents and mentally or physically disabled persons. Lives were changed as individuals with incomes on average below \$10,000 were able to have decent, safe, affordable housing within the city of Baltimore. With 100 percent occupancy at project completion, EHM at Calvert is effectively serving the community by providing housing assistance to those most in need. As an added benefit, the residents not only now have affordable housing, but they are also within walking distance of supportive-service providers.

**EHM at Calvert
Baltimore, MD**

MARYLAND

Project Profile: Rental Activity



Gateway Crossing Phase I

The Housing Authority of the city of Hagerstown worked vigorously to develop a plan to revitalize the distressed west end of the city. When awarded a \$27 million dollar HOPE VI grant, they knew the plan was finally coming to fruition, and 352 new affordable units were now within reach. With full support from the city, a revitalization plan was approved that proposed the complete demolition of a severely distressed 210-unit community. Gateway Crossing Phase I was the first phase of the multiyear project that added 83 new and affordable townhouse-style duplexes with front porches and landscaped yards. Columbia Bank’s partnership with the Federal Home Loan Bank of Atlanta resulted in \$400,000 being awarded to the development, eliminating the need for additional debt on the project and allowing the housing authority to fulfill its mission to provide affordable housing to the community of Hagerstown. Although AHP was not the largest funding piece for the project, it filled a critical gap to allow the project to be successfully completed.

SOURCES		
Related Capital Company (MD LIHTC equity)	\$	6,957,126
Housing Authority of the City of Hagerstown	\$	4,476,202
FHLBank Atlanta	\$	400,000
Community Development Block Grant	\$	238,500
Total	\$	12,071,828