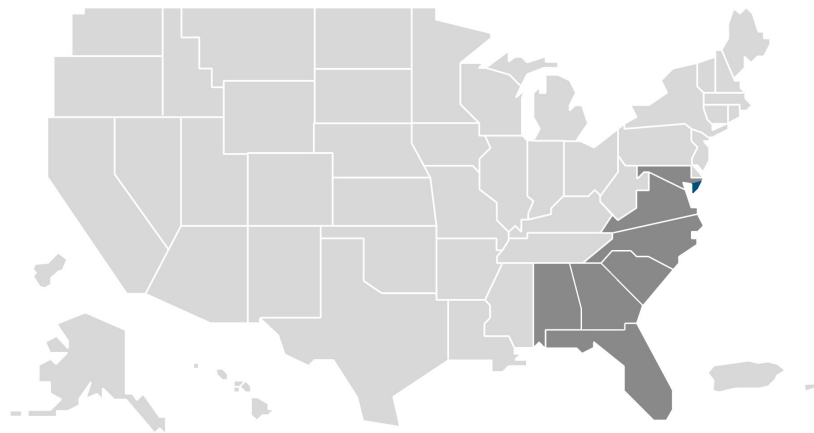


ENHANCING LIVES, IMPACTING COMMUNITIES: THE FEDERAL HOME LOAN BANK SYSTEM



DISTRICT OF COLUMBIA
STATE REPORT

DISCTRICT OF COLUMBIA STATE REPORT

Table of Contents



Rental, Home Construction and Rehabilitation Activities Economic Basis	2
Home Purchase Activities Economic Basis.....	3
Rental, Home Construction and Rehabilitation Activities Economic Impact	4
Home Purchase Activities Economic Impact.....	5
Story Narrative.....	6
Project Profile: Home Purchase Activity.....	7
Story Narrative.....	8
Project Profile: Rental Activity	9

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

* Note: some projects within District of Columbia 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.

DISTRICT OF COLUMBIA Rental, Home Construction and Rehabilitation Activities

Economic Basis



\$19.05 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.

\$27.22 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$567.37 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.

\$752.27 MILLION

DEVELOPMENT COST INFLATION-ADJUSTED

 **74**

PROJECTS

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

 **4,526**

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.

DISTRICT OF COLUMBIA Home Purchase Activities

Economic Basis



\$1.94 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.

\$3.03 MILLION

TOTAL AHP SUBSIDY INFLATION-ADJUSTED



\$13.59 MILLION

FIRST MORTGAGES

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

\$15.71 MILLION

FIRST MORTGAGES INFLATION-ADJUSTED

 **296**

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.

DISTRICT OF COLUMBIA Rental, Home Construction and Rehabilitation Activities

Economic Impact



\$1.29 BILLION

TOTAL ECONOMIC BENEFITS

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



7,358 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.



\$573.87 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.

1.71

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.

\$25.31 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.

DISTRICT OF COLUMBIA Home Purchase Activities

Economic Impact



\$170.86 MILLION

TOTAL ECONOMIC BENEFITS

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



768 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.



\$59.68 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.

1.97

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.

\$5.23 MILLION

TAX REVENUE

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

Displaced by Fire, Residents Seek to Rebuild Community



In March 2008, just before midnight, hundreds of residents were awakened by a five-alarm fire blazing through their Mt. Pleasant, Washington, D.C. neighborhood. The fire destroyed the apartment building, leaving only one exterior façade. It also left some residents with just the clothes on their backs and damaged several adjacent buildings, thereby fracturing the community.

After the fire, the displaced low-income residents dreamed of returning to a restored building with quality ownership and affordable rents. In 2009, the tenants' association negotiated with the previous owner and selected National Housing Trust Enterprise to purchase and rehabilitate the building.

The restoration and rehabilitation project received overwhelming support from the historic, cultural and economically diverse and Metro-accessible community of Mt. Pleasant. Through community outreach meetings held by the Washington, D.C. Office of Planning, a consensus developed that restoring the building and returning the residents who anchor the local businesses was the most important step in improving the commercial area of the neighborhood.

The rehabilitation of the property took years of planning and several layers of financing to complete. Through a combination of loans and equity with Capital One, the Washington, D.C. Department of Housing and Community Development and Low-Income-Housing Tax Credits and Historic Tax Credits investment by National Housing Trust Enterprise, the \$19M rehabilitation began in 2013.

During the interior demolition and material testing process, unforeseen construction challenges increased the cost of the project and threatened its viability. The \$440,000 of FHLBank Atlanta AHP funds were critical in ensuring the building was restored to a safe, quality and affordable environment for residents.

Beyond creating homes for returning residents, the property serves as critical additional affordable apartments for the community-at-large, providing stable, affordable housing in a very strong and high-cost rental market. Now complete, the building has a vegetated green roof, solar thermal hot water heating, a community center, a computer lab, free wireless Internet access, bike racks and an outdoor patio.

**Monsenor Romero Apartments
Washington, DC**

DISTRICT OF COLUMBIA

Project Profile: Home Purchase Activity



In high cost cities like Washington, D.C., educators, first responders and health care workers often struggle to afford to live and thrive in the communities they serve. Through a partnership with FHLBank Atlanta, seven banks were able to support homeownership for 10 first responders, educators and health care workers. FHLBank Atlanta’s Community Partners Purchase product provided 10 households with \$7,500 each in homebuyer assistance from January 2015 through December 2017 in the District of Columbia.

SOURCES		
Total First Mortgages	\$	2,489,518
FHLBank Atlanta	\$	75,000
Total	\$	2,564,518

Reality of Housing Costs Disrupts Dreams of Homeownership in Nation's Capital



A 2017 Washington Post survey found one in five Washington, D.C. residents named housing as the biggest problem facing the District of Columbia, overtaking worries about local crime, the education system and the state of the public transportation system. Rapid housing cost escalation, paired with low housing stock and an influx of high income individuals, has placed a strain on the availability of housing options within the District. While the rental housing market has experienced price escalation, the rapid home price escalation experienced across the District is unmatched. Since 2009, median home values have increased 22.5 percent, turning the dream of homeownership into a fantasy for many would-be first-time homebuyers.

To help combat the high cost of homeownership, Capital Bank, National Association utilized \$119,300 of FHLBank Atlanta's AHP First-time Homebuyer product to provide down payment assistance to 24 first-time homebuyers within the District of Columbia, resulting in more than \$7M in mortgages. The use of FHLBank Atlanta AHP funds reduced the financial burden of homeownership, provided homeowners the benefit of a fixed housing payment, and gave them a viable alternative to the rapidly escalating rental housing market. While the benefits of homeownership are felt by individual homeowners, communities benefit as well. Stable housing and homeownership rates have been found to increase civic participation, increase educational achievement and reduce crime.

**Capital Bank
Washington, D.C.**

DISTRICT OF COLUMBIA

Project Profile: Rental Activity



Ontario Court

Originally built in 1922, Ontario Court is a 27-unit rental property providing affordable housing in the Adams Morgan neighborhood of Washington, D.C. The renovation of the property includes the construction of the Jubilee JumpStart Early Childhood Development Center, which serves the low- and moderate-income residents of Ontario Court and the community at large.

The substantial renovation of the property includes a new roof, new electrical, new plumbing, new HVAC systems throughout, new cabinets, new flooring, new doors and windows, new appliances and new electrical and plumbing fixtures, as well as environmental and energy-efficiency upgrades to the units and common space. Existing materials containing asbestos and surfaces containing lead-based paint were abated, and insulation was added during renovation with Energy Star appliances being used in all units and common areas to improve the living conditions for residents and reduce utility costs.

Financing for the project was provided through a combination of a conventional first mortgage, New Market Tax Credits, D.C. Department of Housing and Community Development HOME funds and grants. FHLBank Atlanta AHP subsidy supported the project by providing essential funding for soft costs including architectural, engineering, permitting and environmental costs.

SOURCES

DC Department of Housing and Community Development	\$	3,428,019
PNC Mortgage	\$	2,912,929
New Market Tax Credits	\$	2,478,852
FHLBank Atlanta	\$	250,000
Jubilee JumpStart	\$	108,205
Interest Earned During Construction	\$	65,750
Total	\$	9,573,955