



Improving

THE LIVES OF MARYLANDERS



**2017
ANNUAL
REPORT**



**Governor
Larry Hogan**

*HELP
Veterans Village
Groundbreaking
at Perry Point*



**Lt. Governor
Boyd Rutherford**

*Maryland
SmartBuy
Program Launch*





Secretary
Kenneth C. Holt

*Toy Drive for
the Maryland
Community
Connection*



Deputy
Secretary
Tony Reed

*Keep Maryland
Beautiful Day*





**"The Maryland Department of Housing
and Community Development is an
incredible catalyst for job creation and
economic growth. Their work touches
every part of the state, and is truly
changing Maryland for the better."**

- GOVERNOR LARRY HOGAN

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Photos courtesy of the Executive Office of the Governor, Ashley Stewart and William Beard, United Way of the Lower Eastern Shore and the Maryland Department of Housing and Community Development.

Secretary's Message

ECONOMIC IMPACT



The Maryland Department of Housing and Community Development improves the lives of thousands of Marylanders each year. We find solutions for younger homebuyers saddled with student debt; business men and women in need of capital to grow their businesses; and homeowners looking to acquire or rehabilitate a home. We also address the affordability gap in workforce housing and have made a commitment to ending homelessness across the state.

Through programs that support infrastructure improvements, downtown revitalization, and blight reduction, we help Maryland's communities achieve their unique redevelopment goals, making them more attractive destinations for visitors and better places to live. The department significantly impacts Maryland's economy by leveraging public and private investment, creating jobs, and improving the business climate. I'm proud of our employees and the powerful role they play in building a better future for Maryland.

\$3.6
Billion
IN ECONOMIC
IMPACT
GENERATED

16,782
FULL-TIME EQUIVALENT
JOBS CREATED

\$941
Million
IN WAGES & SALARIES

\$69.3
Million
STATE &
LOCAL TAXES
GENERATED

\$17.60
IN DIRECT INVESTMENT
GENERATED PER DOLLAR
SPENT IN STATE FUNDS

\$28.00
OF TOTAL IMPACT
STATEWIDE

Improving the lives of Marylanders...

A man and a woman are smiling and posing for a photo in front of a two-story house. The man is on the left, wearing glasses and a blue and white floral shirt. The woman is on the right, wearing glasses and a green and yellow floral shirt. The house behind them has white siding, a dark door, and a window with a flower box. The sky is blue with some clouds.

**"It seemed
too good to
be true!"**

- Ashley Stewart, first-time homebuyer

By Growing... HOMEOWNERSHIP

Our department has programs to assist first-time homebuyers as well as homeowners. For homebuyers, we offer mortgages and down payment assistance to help families achieve the American dream of homeownership. For homeowners, we provide loans and grants for home repairs and energy efficiency improvements, as well as resources for those at risk of foreclosure.

MORTGAGES
PROVIDED

2,101

DOWN PAYMENT
ASSISTANCE

**\$9.7
Million**

MORTGAGE
VALUE

**\$404.5
Million**



**MARYLAND
MORTGAGE
SMARTBUY**

*Helping Millennials With Student
Debt Achieve Homeownership*

Maryland Smartbuy helps homebuyers pay off student debt and offers highly attractive financing and closing cost assistance to purchase move-in-ready homes made available through the Department of Housing and Community Development. On average, buyers participating in SmartBuy have seen more than \$26,000 in student debt relief. The program has been featured on NBC Nightly News with Lester Holt and has inspired other states and cities to create similar programs. Ashley Stewart was able to pay off \$25,000 in student debt when she and her fiancé purchased their first home in Carroll County.

PROJECTS
FUNDED

41

PROJECT
COSTS

**\$979
Million**

UNITS CREATED
OR PRESERVED

4,254

By Developing... AFFORDABLE HOUSING

Affordable housing is an ongoing need for hard-working Maryland families. Our department offers financing programs to multifamily housing developers for the creation or preservation of affordable rental housing units for low- to moderate-income Marylanders. We support new construction or the acquisition and rehabilitation of existing housing, helping to create jobs, leverage additional investment, and provide safe, decent, affordable housing opportunities for families, senior citizens, and individuals with disabilities throughout the state.

Safe, Decent, Affordable Housing for Seniors

When Rachel Greene used to walk by the Marlborough Apartments, she marveled at the building's architecture and hoped to one day live there. Thanks to renovations to the 110-year-old building supported by \$25 million from the department's Multifamily Bond Program, Greene is one of the over 220 residents who now call the affordable 10-story apartment complex located in Baltimore City's Bolton Hill neighborhood home. Since moving in, Greene has enjoyed Marlborough's services, including weekly visits from student nurses, and the sense of community fostered by meals, parties, and cookouts, as well as weekly bingo games and dances with fellow residents. "They make you feel special and wanted," Greene said of both her neighbors and the building's staff. "I feel safe here." Marlborough Apartments is an example of the type of work the department does to preserve affordable units across the state -- in FY17, rehabilitation of affordable housing units represented about 64% of the multifamily projects financed by the department.

"I've always lived in efficiencies. This is my first apartment where I can close the bedroom door."

-Rachel Green,
Marlborough Apartments resident





**"For us,
what the
[department]
was able to do
changed our lives."**

-Angela Tersiguel,
Tersiguel's French Country
Restaurant

By Expanding...

SMALL BUSINESS

DHCD offers flexible financing to new and expanding small businesses and nonprofit organizations contributing to the revitalization of commercial districts and town centers. The department also assists in small business recovery after disasters.

Maryland Business Recovery Loans - Rebuilding and Renewing Ellicott City

In July 2016, the town of Ellicott City experienced heavy flooding that caused over \$22 million in damages to its historic Main Street. The department immediately responded with its Maryland Business Recovery Loan program, providing numerous loans to local businesses affected by the disaster for renovations, repairs, inventory replacement, and other recovery costs. For main street businesses like All Time Toys, La Palapa Grill & Cantina, and Tersiguel's French Country Restaurant, the program was instrumental in helping them quickly rebuild and reopen. In the words of Park Ridge Trading Company owner Donna Sanger, "If we had not been able to obtain a Business Recovery Loan through the state, we would not have reopened. This loan... was the difference between coming back and not coming back."

SMALL BUSINESS
INVESTMENT

\$8.7
Million

BUSINESSES
ASSISTED

40

JOB'S CREATED

694

By Revitalizing... NEIGHBORHOODS

Through funding and technical expertise, we work to revitalize cities, towns and neighborhoods across Maryland. Neighborhood revitalization assistance from the department is designed to serve as a catalyst for communities and organizations to leverage additional funding from public, private and nonprofit sources to enhance existing neighborhood resources, support economic development, provide public services and infrastructure, and improve the quality of life for residents.

TOTAL
INVESTMENT

**\$60
Million**

COMMUNITIES
SERVED

389

Serving and Strengthening Communities

For years, Somerset County was the only county in Maryland that did not have a homeless shelter, and county government and the Somerset Committee for the Homeless worked to change that. They recently realized their goal with the opening of the Lower Shore Shelter in Princess Anne, which was supported by neighborhood revitalization investment through the Community Development Block Grant. The facility addresses a critical need, bringing shelter and services to vulnerable Marylanders facing homelessness on the Lower Eastern Shore, and it was already filled to capacity within days of opening for service. The shelter is one of six neighborhood revitalization projects in Somerset County that received almost \$1.4 million in DHCD resources in FY 2017. The department's neighborhood revitalization programs often work together, providing Maryland's communities with highly effective tools to support their "big picture" redevelopment goals.

**"Without this funding resource
we would not have been able
to open this 16-unit facility...
that filled to capacity within
three days of opening."**

- Joyce Cottman, Treasurer for the
Somerset Committee for the Homeless





**"Housing and Community
Development stepped up
to the plate in just a major,
major way."**

- Chris McCabe,
Executive Director of Chrysalis House

By Increasing...

ENERGY EFFICIENCY

Our department offers programs that provide homeowners of all income levels with the resources to improve their home's energy efficiency. Our programs can help with insulation, hot water system improvements, furnace repair or replacement, renewable energy systems, and other health and safety enhancements. We also provide energy efficiency programs specifically for affordable, multifamily rental properties, as well as outreach and training to contractor partners who wish to participate in our programs for residential and small commercial projects.

Saving Money for Nonprofits

Chrysalis House, located in Crownsville, provides addiction treatment services for women from all across the state, while allowing their children to live on-site during the mother's program of recovery. DHCD, in collaboration with the Community Action Council of Howard County, performed a full energy audit of the property. Three outdated and inefficient water heaters were replaced with seven new highly-efficient ones, allowing for warm showers for the building's residents. In addition, a new ventilation system was installed and the building was insulated. Staff members estimate that the upgrades will result in a 10% reduction in annual energy costs which could enable Chrysalis House to use those savings to further support their treatment services.

SINGLE-FAMILY
HOME TOTAL
INVESTMENT

\$24.3
Million

AVERAGE
ANNUAL
SAVINGS

\$385

HOUSEHOLDS
SERVED

4,442

By Financing...

LOCAL GOVERNMENT INFRASTRUCTURE

PROJECTS
FUNDED

6

JOB'S CREATED

271

TOTAL
INVESTMENTS

\$25.7
Million

Through the Local Government Infrastructure Financing program, municipalities and counties can finance public purpose capital projects in partnership with the department, making critical infrastructure construction and upgrades more affordable. The program can support a variety of needs, such as road repair, construction of public facilities, purchasing safety vehicles, or refinancing existing debt to create savings for local governments.

Upgrading a Facility and Uplifting a Town

The Town of Manchester had been looking into upgrading its town hall and police station for more than 15 years. The police station was headquartered in a converted two-car garage, and the town's history museum located in the basement of town hall was not compliant with the Americans with Disabilities Act. Manchester turned to the Local Government Infrastructure Financing Program to secure \$1.7 million in capital for a new town hall and police station. A new building was constructed, in keeping with the town's architectural character, that expanded office space for town business, significantly upgraded the facilities and technology for the police department, and provided the north Carroll County region with a centralized emergency response location. A new building also enabled the history museum to move to a more prominent and accessible location on the first floor of the former town hall, and the old police station became a community center, providing additional benefits to Manchester residents.

The image shows the Manchester Town Offices building, a two-story structure with a prominent white portico supported by columns. A stone wall in the foreground features the text "MANCHESTER TOWN OFFICES". To the left, three flagpoles hold the Maryland state flag, the United States flag, and a green flag with "NOV" and "EXP" visible. A small sign above the archway of the portico reads "MANCHESTER".

"Being a small town, we don't deal with these types of projects on a regular basis, so the financing aspect can seem daunting. The process with DHCD was not difficult."

- Kelly Baldwin, Director of Finance
for the Town of Manchester



1,186 units of blight removed

From project inception through FY17

Larry Hogan, Governor
Boyd K. Rutherford, Lt Governor

PROJECT C.O.R.E.
OPPORTUNITIES for RENEWAL and ENTERPRISE
Maryland.gov/ProjectCORE

House | Thomas V. Miller Miller Jr., President Of The Senate
Schools | Gompf | Nancy E. Krato, Treasurer

By Creating Opportunities...

PROJECT C.O.R.E.

Project C.O.R.E. (Creating Opportunities for Renewal and Enterprise) is a multi-year city-state partnership to demolish vacant and derelict buildings in Baltimore and replace them with green space or redevelopment. Project C.O.R.E. features simultaneous blight removal activities by three agencies - the Maryland Department of Housing and Community Development, the Maryland Stadium Authority, and Baltimore City Housing. All demolition activity is subject to extensive environmental and safety standards developed collaboratively by the state and its partner organizations and agencies. These standards were designed to protect neighborhood residents from hazards, such as lead dust, and have become a model for best practices in urban demolition. After the demolition phase, Project C.O.R.E. will be supported by more than \$600 million in financing opportunities through DHCD programs. Guided by the needs of each community, the state's investment in housing and small businesses will attract families and support economic growth in Baltimore's neighborhoods.



As part of Project C.O.R.E., nonprofit community organizations and Baltimore City agencies, partnering with private developers, submitted ideas to eliminate blight while addressing the needs of each community. These projects have included the restoration of historic buildings, creation of community centers, homeownership opportunities, new business and retail space and affordable rental housing.

TOTAL FUNDS
AWARDED*

**\$33
Million**

PROJECTS
AWARDED

65

NONPROFIT &
PRIVATE SECTOR
INVESTMENTS

**\$570
Million**

**Represents FY16 - FY18*

By the Numbers...

Totals in
Millions

FY2017 FINANCIAL INVESTMENTS

RENTAL HOUSING DEVELOPMENT

\$717.6

RENTAL SERVICES

\$234.8

HOMEOWNERSHIP & SPECIAL NEEDS HOUSING

\$425.3

RENTAL HOUSING DEVELOPMENT

Multifamily Revenue Bond Loan Program	\$293.2
Federal Low Income Housing 4% Tax Credit Equity	206.8
Federal Low Income Housing 9% Tax Credit Equity	166.0
Rental Housing Loan Programs	20.6
Rental Housing Works Program	19.4
Partnership Rental Housing Program	6.1
Federal HOME Investment Partnership Program	4.1
Shelter and Transitional Housing Program	1.4

RENTAL SERVICES

Federal Section 8 Programs -	
Performance Based Contract Administration	\$215.6
Housing Choice Vouchers	18.2
Miscellaneous Rental Services Programs	1.0

HOMEOWNERSHIP & SPECIAL NEEDS HOUSING

Maryland Mortgage Program Mortgage Backed Securities	\$404.6
Down payment Assistance Programs	9.7
Single Family Housing Rehabilitation Programs	4.3
Housing Programs for Individuals with Disabilities	2.5
Lead Paint Abatement Program	1.8
Group Homes Program	1.2
Maryland Affordable Housing Trust	0.9
Federal HOME Investment Partnership Program	0.3

HOUSING ENERGY EFFICIENCY

EmPOWER MD Single Family Housing	
Energy Efficiency Programs	\$13.0
Other Single Family Housing Energy Efficiency Programs	9.1
Multifamily Housing Energy Efficiency Programs	6.9
Federal Single Family Housing	
Weatherization Assistance Program	2.2

LOCAL GOVERNMENT FINANCING & BUSINESS LENDING

Local Government Infrastructure Financing Program	\$25.7
Neighborhood BusinessWorks	8.7

NEIGHBORHOOD REVITALIZATION

Project C.O.R.E.	18.0
Community Services Block Grant	9.1
Federal Community Development Block Grant	\$6.3
Community Legacy	6.1
Foreclosure Prevention Housing Counseling & Legal Aid	4.8
Baltimore Regional Neighborhoods Initiative	3.6
Strategic Demolition & Smart Growth Impact Fund	3.5
State & Federal Emergency Solutions Grants	3.1
State Community Investment	
& Endow MD Tax Credit Programs	2.0
Rental Allowance Program	1.8
Miscellaneous Neighborhood Revitalization Programs	1.7

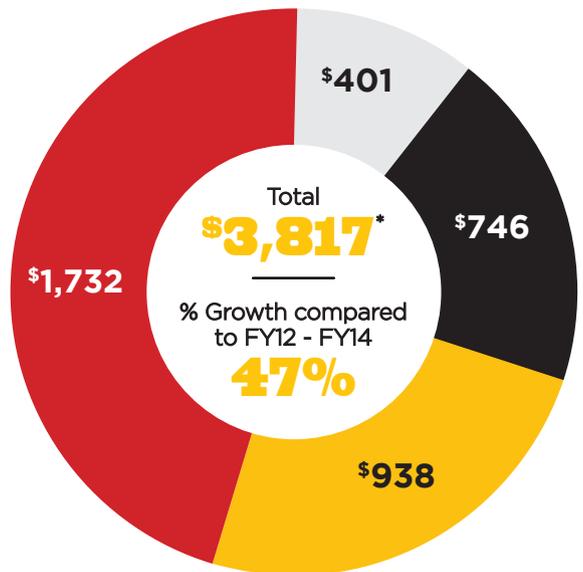
TOTAL INVESTMENTS
\$1,503.4

HOUSING ENERGY EFFICIENCY
\$31.2

LOCAL GOVERNMENT FINANCING & BUSINESS LENDING
\$34.5

NEIGHBORHOOD REVITALIZATION
\$60.0

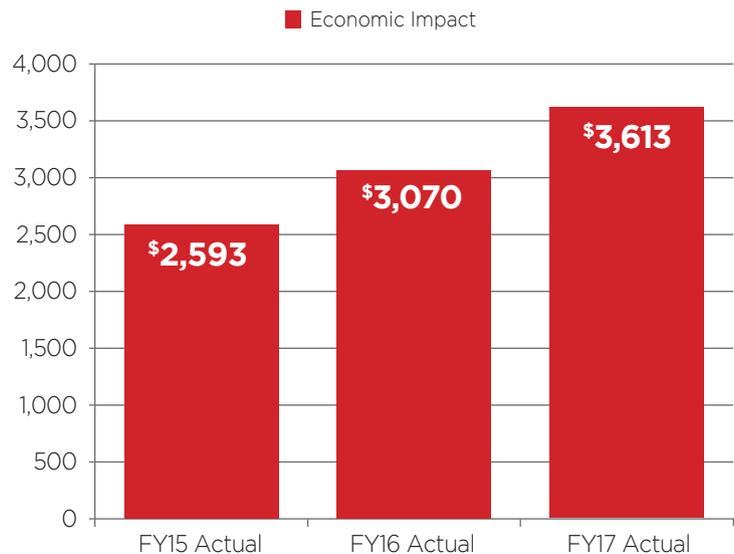
FY15 - FY17 PROGRAM ACTIVITY
(\$ IN MILLIONS)



- State Funds
- Federal funds
- Federal Tax Credits
- Revenue Bonds and Mortgage Back Securities

*Excludes short-term bonds

FY15 - FY17 ECONOMIC IMPACT
(\$ IN MILLIONS)



dhcd.maryland.gov

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CHANGING
Maryland
for the Better



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT