Langley Park

Urban Land Institute Regional Land Use Leadership Institute Panelists:

• Ed Chaglassian, The JBG Companies
• Martine Combal, DC Deputy Mayor’s Office for Planning & Econ. Dev.
• Steve Lawson, Baker Tilly
• Manuel Ochoa, Latino Economic Development Corporation
• Noemi Riveira, Habitat for Humanity of Northern Virginia
• Dusty Rood, Rodgers Consulting
Langley Park

- Site Background
- Challenges
- Opportunities:
  - Short Term
  - Long Term
  - Regional Initiative
Langley Park

Regional Goal
1. Prince George’s County seeks input on setting priorities and determining potential projects and strategies that would help structure Langley Park community for future success of implementing the Takoma/Langley Crossroads Sector Plan and potential projects for the Community Legal Grant.

Sponsor Questions for the Panel
1. How should the aged multifamily properties be repositioned without significant displacement of the population?
2. What is a healthy mix of housing around the proposed Purple Line stations?
3. What programs can be used to improve the mix of local businesses to help reposition the shopping area?
4. In reviewing the Takoma/Langley Crossroads Sector Plan, what are the most critical actions that the should take to improve the area?
5. How does the proposed solutions for this area impact the regional goals?
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Site Background

- In 2012, Prince George’s County introduced its Transforming Neighborhoods Initiative (TNI), which has directed a variety of multi-agency resources to address many of the common problems facing six unique communities. The issues are related to education, housing, health, and safety.
- Huge opportunity for Langley Park with the development of 2 Purple Line stations along University Boulevard.
- The Langley Park area is characterized as:
  - Large immigrant population
  - Older housing stock - post WWII
  - Aging but vibrant commercial corridor
Langley Park

Challenges:

- **Neighborhood-wide**
  - Lack of housing options
  - Schools
  - Undefined green space
  - Perceived and real crime

- **Commercial Challenges**
  - Aging, but vibrant shopping centers
  - Walkability

- **Housing Challenges**
  - Lack of step-up dwelling units
  - Overcrowding
  - Walkability
  - Security
  - Lack of homeownership
Langley Park

Opportunities and Assets:

- Culturally diverse and a destination for cultural retail
- Strong sense of community
- Application of two Purple Line stations
  - Riggs Road
  - Takoma / Langley Transit Center
Findings and Recommendations: Short Term Action (0-5 yrs)

• Implementation Chart for Sector Plan
  • Develop an action plan by agency to track progress and initiatives described in the Sector Plan.
  • Update annually and share w/ community to show progress.
Langley Park – Housing

Findings and Recommendations: Short Term Action (0-5 yrs)

- Multi-family property owner task force
  - Establish a relationship with owners to understand needs and potential opportunities to assist with preservation

- Exterior Improvements Pilot Program:
  - Establish landscape and security improvement grant program for MF owners within 1-2 blocks of Purple Line
Langley Park – Housing

Findings and Recommendations: Short Term Action (0-5 yrs)

• Target limited HOME funds to TOD’s for next 10 years near Purple Line Stations
• Target uncommitted HOME funds to Langley Park
• Set up CHDO to assist area in redevelopment –
  • A non-profit partner dedicated to constructing and preserving affordable housing in Langley Park
  • HUD requires at least 15% be spent on CHDO projects
  • Rehab and conversion of garden apartments to larger units requires subsidy
  • CASAS for Maryland. Local organization with Latino involvement will connect better with community.
Langley Park – Phasing Redevelopment

Findings and Recommendations: Long Term Action (5 - 15 yrs)

IMPORTANCE OF PHASEABILITY FOR DEVELOPMENT & INVESTMENT

Garden apartment sites afford opportunity to do phased development, attracting investors and developers for the following reasons:

- Retain Flexibility to develop over time
- Current income to help fund new development
- Ability to concentrate density and preserve common open spaces and amenities during development
- Provide ground for staging of construction
- Limit resident displacement by managing annual turnover
Langley Park – Phasing Redevelopment

Example
Langley Park – Phasing Redevelopment

Example (cont’d)
Langley Park – Phasing Redevelopment

Bass Circle Example in Washington, DC
Langley Park – Land Use and Housing

Findings and Recommendations: Long Term Action
Implementation of Sector Plan Vision

- Undertake Sectional Map Amendment (not piecemeal rezonings) to quickly and comprehensively grant zoning.
- Streamline TOD Development Review Process to incent redevelopment at the proposed Purple Line stations
  - Zoning Code Rewrite Opportunity
- View redevelopment of 2nd and 3rd Tier garden apartment properties as catalysts, even with lower densities and SF product.
Langley Park – Affordable Housing Fund

Findings and Recommendations: Long Term Action (5–15yrs)

• **Create a Countywide Affordable Housing Fund** designated to preserve affordable housing in a one to two miles radius around the new Purple Line Metro stops with priority to areas with significant existing affordable housing stock such as Langley Park.

• This program would become a financing tool for the development and preservation of affordable housing.

• The fund would be a revolving loan fund comprised of local and federal dollars, loan repayments & developer contributions.
Langley Park – Affordable Housing Fund

Findings and Recommendations: Long Term Action (5–15yrs)

Countywide Affordable Housing Fund:

• Provide low-interest loans for developers of affordable housing.

• Fund used in conjunction with other funding sources such as the Low-Income Housing Tax Credit (LIHTC), other federal and state funding sources, and private financing.

• Subsidize moderate and substantial rehabilitation to keep affordable housing safe and efficient.

• Prevent significant loss of affordable housing units in MF projects.
Langley Park – Affordable Housing Fund

Countywide Affordable Housing Fund:
Eligible Activities
• Acquisition, rehabilitation and/or development of affordable multifamily units
• Specialized housing for seniors or persons with disabilities
• Affordable homeownership opportunities

Criteria
• Must highly leverage other financial sources
• Must provide affordable housing for minimum of 30 years (60 preferred)
• Must demonstrate that no additional fund dollars will be required for project feasibility
Langley Park – Regional Initiative

Regional Goals

• Langley Park is a Regional Activity Center listed in Region Forward
• Region Forward encourages more development around Regional Activity Centers called Complete Communities
• Rehabbing and Preserving Affordable Housing furthers Land Use, Housing, and Transportation Goals
• By rehabbing garden apartments near Metro, Prince George’s County is ensuring Social Equity goals are met in TOD development
Langley Park – Regional Initiative

Regional Benefits

• With the creation of a countywide fund designated to preserve affordable housing around the new Purple Line Metro in Langley Park, the County can strategically pool its resources to target the preservation of the most at-risk group of market-rate affordable housing.

• Demonstrate it is possible to rehab and preserve multi-family projects near transit and maintain affordability for Langley Park families
Langley Park

Questions and Feedback?
Introduction:

- Introduction
  - Langley Park Panel
  - Urban Land Institute
    - Nonprofit organized by over 2,000 members in the National Capital Region and 36,000 members worldwide.
    - Designed to support research and education to its members on the entire spectrum of land use and real estate development.
  - Urban Land Institute Regional Land Use Leadership Institute
    - Participants from public, private, and nonprofit sectors
    - Program designed to provide opportunity for emerging leaders to learn and discuss challenges facing the Washington D.C. region in the areas of land use including,
      - Challenges addressed include:
        - Regional competitiveness and challenges,
        - Transportation & infrastructure,
        - Development and capital markets,
        - Economic development
        - Demographics and housing market
        - Environment and sustainability
        - Community building
  - Purpose of Langley Park mini Technical Assistance Panel
    - To provide recommendations to Prince George’s County Transforming Neighborhood Initiative (TNI) panel addressing problems facing the community of Langley Park.
  - Site Background – Langley Park
    - An unincorporated community located in the Capitol Beltway
    - Approximately 19,000 residents located in approximately 500 acres
    - Commercial Development
• Langley Park primarily known as a center of commercial activity in northwest Prince George’s County.
• Home to 9 shopping centers located primarily along University Boulevard.

■ Residential Development
• Residential Community was designed as a planned community after World War II and consists of primarily low-rise apartments and semi-detached single-family homes.
• Langley Park is home to 14 multi-family apartment complexes building in the late 1940’s and 1950’s.

■ Demographics
• One of the largest concentrations of international people and cultures.
• Approximately 76% of the population is of Latino or Hispanic dissent.
• Of the 5,000+ households, 32% had children under the age of 18, 33% are married couples
• Average household size is about 3.7

■ Opportunities of the Area
• Culturally diverse
• Strong sense of community
• Application of two Purple line stations (1) Riggs Road (2) Takoma/Langley Transit Center

■ Challenges of the Area
• Older housing stock
• Overcrowding
• Perception of high crime, low unemployment and lower education rates
• Application of two Purple line stations

■ Questions for Panel
1) What strategies can be implemented in the near term to create a mix of housing and reposition the aged multifamily properties without displacement of immigrant population?
2) What is the right mix of housing types and price range to promote the mixed income character that is desired for the area along the new transit stations? What are some short and long term actions the county should undertake to achieve that mix?

3) What programs and incentives can be used to improve the mix of local businesses that could help reposition the shopping areas?

4) What are the most critical actions that the county should take to improve the area?

5) How does the recommend solutions for the area impact the regional goals as adopted by COG’s Region Forward Plan

- Focus of ULI panel is short and long term goals and strategies to implement the right mix of housing and reposition the current housing stock for future development of the Purple line stations.

**Land Use and Zoning:**

The Takoma/Langley Park Sector Plan sets forth a land use plan based on two future purple line stations building on the cultural diversity and vibrant commercial corridor. The Plan focuses redevelopment around the two stations, located at the intersections of University Boulevard and New Hampshire Avenue and University Boulevard and Riggs Road. The plan proposes mixed used development around the two metro stations, with slightly higher densities envisioned at the New Hampshire station. The densities transition away from the transit areas to multi-family in the garden apartment areas, most of which are within a brief walk.

To move this plan forward, the County should NOT WAIT until after the zoning code rewrite. Rather, in order to provide community and investor certainty, the county should undertake a sectional map amendment and grant the zoning needed to implement this vision. Piecemeal zoning will be highly risky for investors.

To help overcome the obstacles of redevelopment, opportunities should be explored to streamline the development process for TOD projects. The zoning ordinance rewrite may be such a vehicle to explore this opportunity.

Finally, given the need for a catalyst to spark investment and redevelopment, the market should be strongly considered when evaluating project densities and housing types. While maximum densities may be desired given the proximity to transit, lower density multifamily (ie, stick built) may be more feasible - particularly for the pioneer investors.

**Housing Recommendations, Short Term (0-5 years):**

- Implementation Chart for Sector Plan
• Help to track priorities by each agency and update the community annually to maintain the Sector Plan as a living document.

• **Establish a multi-family property owner task force** to engage owners within a few blocks of the proposed Purple Lines, such as:
  • Riggs Hill
  • University City
  • Bedford Station
  • Liberty Place

• The purpose of the group is to discuss issues and opportunities facing the owners.
  • Some potential issues could include overcrowding, public intoxication, lack of family-sized units, maintenance and operational costs.
  • Short and long term recommendations could evolve from this working group and the County could provide small pilot grant opportunities to assist with supporting various ideas.
  • Several years ago in DC, we started a Distressed Properties Initiative, which was a collective of developers, housing advocates, housing counselors, the Office of the Tenant Advocate, and the regulatory agencies – Department of Housing and Community Development and Department of Consumer and Regulatory Affairs.
  • After several months the group ended up with a series of recommendations to address multi-family slum housing, which included code enforcement actions, as well as coordination with housing counselors.

• **Exterior Improvements Pilot Program:**
  • Establish a pilot program to provide property owners with a mechanism to make landscape and security improvements that could meet urban design guidelines put forward by the County.
  • Eligible Improvements include short cast iron fences to better define property boundaries and discourage cutting-through, as well as lighting and landscaping that could add character and beautify various apartment complexes.

**CHDO and HOME Funds:**

HOME=FY 11=$2,755,567. FY12=$1,499,086. CHDO FY 12= $224,862. Uncommitted=$9.926 million

Average total development costs for rental projects=$96,562
78.7% of Homeowner rehab projects are African-American

60.36% OF completed CHDO disbursement to all CHDO reservations

Phasing Redevelopment for Garden Apartments:

- As focus of our recommendation is Housing, we’ve concentrated our analysis on some of the garden apartment communities surrounding the future purple line metro stops
- One important catalyst for development and redevelopment will need to be Private Investment
- Garden Communities in areas that are poised for future growth are appealing for developers and investors for a few reasons:
  - Allow you to build in Stages – flexibility to time the market
  - Can redevelop part of the site while retaining cash flows from other part to help fund new development
  - Because of staging, can preserve amenities, open spaces for the residents living in the parts of the community not being redeveloped
  - Provides areas for construction staging – sufficient land area to provide logistical advantages
  - Limit resident displacement - typical turnover of Class B product is 35-45% annually; can manage rollover so that people aren’t being “kicked out”
  - Finally, allows you to create and finance new affordable housing since market rate apartments or condos can help pay for the affordable
- Case Study:
  - 12 acre site in Reston, VA, currently improved with 262 units but site zoned for 620 units
  - By eventually redeveloping 60 of the units (23%), you can fit 420 units in two multifamily buildings in its place and utilize all the density on the site and provide brand new affordable housing
- Case Study #2 – Bass Circle, Washington, DC
  - 120 units across 5 buildings. Was a distressed property that was 60% occupied and repositioned by a developer with a construction loan from DC DHCD. Because there was low occupancy the developer relocated residents to one building while they renovated each building and the developers was ultimately able to preserve the units as affordable.

Long Term Action (5-15 yrs)
• **Financing Tools for Affordable Housing Developments**
  o County needs to have political will to increase its level of tax support and increase its commitment for affordable housing – especially in TOD. Make it a priority
  o Offer and fund financial incentive programs for developers who build affordable housing
  o One option would be to create a Countywide Affordable Housing Fund – a financing tool for the development and preservation of affordable housing. The fund would be a revolving low interest loan comprised of local and federal dollars, loan repayments and developer contributions. Funds could be designated to build and preserve affordable housing within a one mile radius of new Purple line metro stops.

• **Countywide Affordable Housing Fund**
  ▪ Provide low-interest loans for developers of affordable housing
  ▪ Fund would be used in conjunction with other funding sources such as LIHTC, federal and state funding as well as private funding – *it would be one of several finance sources within a larger package.*
  ▪ Fund would subsidize moderate and substantial rehabilitation to keep affordable housing safe and efficient.
  ▪ Prevent significant loss of affordable housing stock especially in MF projects. *Preservation is more cost effective than building new.*

  o Eligible Activities
    ▪ Acquisition, rehabilitation and/or development of affordable multifamily units
    ▪ Specialized housing for the elderly or persons with disabilities
    ▪ Affordable homeownership opportunities

  o Criteria
    ▪ Must highly leverage other financial sources i.e. for everyone $1 of public, $3 private dollars are invested
    ▪ Must provide committed affordable housing for a minimum of 30 years (60 preferred)
    ▪ Must demonstrate that no additional fund dollars will be required for project feasibility. *i.e. a one time loan for each project.*
• A homebuyer program
  o Assist first-time low and moderate buyers to purchase homes through down payment assistance. Funds could be allocated to designated areas such as within a mile radius of a metro stop.

Regional Efforts:
Region Forward goals include: Accessibility, Sustainability, Prosperity, and Livability. Social Equity indicators developed by George Washington University include: housing and transportation costs, unemployment, diversity index, % change between Whites and African-Americans, share of jobs