Executive Summary

The following is intended as an executive summary of the findings and recommendations of the Urban Land Institute (ULI) Mini Technical Assistance Panel (mTAP) prepared in response to a request submitted by the City of Bowie, Maryland. The purpose of this mTAP is to assess opportunities for the development of workforce/senior housing on a site located within Old Town Bowie. The 6.67-acre site is located at the western terminus of 8th Street between 7th Street and Lanham Severn Road.

As part of its request, the City of Bowie has posed six questions to the ULI mTAP panel. In consideration of these questions, the panel has developed a series of guiding principles to serve as a basis for the response. These guiding principles serve as a framework through which any development proposal should be considered and include the following:

- **Improve Walkability and Connectivity:** The character of the existing grid street pattern represents an intimate scale of development and a transition from Old Town Bowie. Any new development should help improve neighborhood walkability and connectivity by incorporating sidewalk connections to Old Town Bowie as well as connections to multi-modal transit options.

- **Respond to Context:** Any new development should be cognizant of existing single-family residences located within the area. The site presents opportunities to incorporate higher density uses (i.e. duplexes, single-family attached, and limited multi-family), however any alternative housing types intended to increase density should be developed at a similar scale and include appropriate transition.

- **Connect to Public Amenities:** The existing stream corridor and adjacent Huntington North Recreation Area function as existing amenities that should be capitalized upon. Sidewalk and trail connections, combined with the construction of new complimentary active recreation opportunities and/or nature pavilions, provide the opportunity for the site to serve as a bridge connection to the greater region for both new and existing residents.

- **Design Open Spaces:** Development should include well designed open space amenities that could serve the dual purpose of community gathering spaces. Sidewalks, street trees, and landscaping should be included in the design.

- **Create a Sense of Place and Activate:** The unique character of Old Town Bowie is a distinguishing factor that creates sense of place and represents a strategic advantage. Any new construction should capitalize upon these assets. Incorporation of active programming and community events further accentuate this appeal and activate the neighborhood. Activation in this context should be on a community wide basis.

- **Strengthen Old Town Bowie Appeal:** The existing development patterns and architectural styles of Old Town Bowie create a character that could be catalytic to new development. Any new construction should utilize an architectural style and form that is consistent.

The questions posed by the City of Bowie are noted below. The panel has included as part of this summary the considerations taken into account as part of its analysis as well as specific recommendations.
What are the physical challenges to developing the properties for affordable housing?

**Key Considerations:** The site consists of two property assemblages bisected by 8th Street and is currently vacant and undisturbed. The site includes an existing stream along the western property boundary and steep slopes located along the southern property boundary. The property includes an existing grid and block development pattern.

**Recommendations:** The environmental features and existing grid/block development pattern should be considered assets that can be leveraged to enhance the property’s unique identity and sense of place. The existing grid street pattern represents a mechanism to connect the site to the remainder of Old Town Bowie, and the natural resources represent potential amenities that could activate the site. The panel recommends the City extend 8th to Lanham Severn Road to further enhance the existing grid/block pattern. This new intersection would enhance the existing grid, open additional acreage to development, provide a physical transition should higher densities be considered, provide needed visibility to the site, and serve as a gateway to the property. The panel further recommends that the development program include trails, nature pavilions, and/or outdoor active recreation opportunities to capitalize upon the stream and proximity to the Huntington North Recreation Area. These public amenities could host outdoor markets and or festivals. Finally, the panel recommends that any new development include a buffer to the existing stream as well as appropriate mitigation of any impacted natural resources.

Are there current zoning challenges, and if so, how can the City address them?

**Key Considerations:** The property’s current R-55 zoning designation (One Family Detached Residential) represents a significant challenges in developing the site. The inability to realize alternative unity types other than single-family detached will create density limitations that will render development of the site financial infeasible or unattractive to potential developers. To achieve economies of scale in the development process, single-family attached or multi-family will need to be included as part of the mix. The current zoning prohibits these uses. Further, given almost the entirety Old Bowie is zoned R-55 and R-R (Rural Residential), rezoning to a higher intensity zoning designation may not be desirable or practical.

**Recommendations:** The City should consider alternative zoning designations for the site that permit alternative units types, including single-family attached and/or multi-family. If rezoning of the site is impractical due to political considerations, the City should pursue uses that are permitted in the R-55 such as independent living that would increase the number of potential units. Changes to the current zoning designation could be considered in conjunction with updates to the City’s Zoning Ordinance.

Given the site’s constraints, what are the range of housing options (including number of units or type of unit) that might be possible?

**Key Considerations:** The site is appropriate for the development of a combination of single-family detached, single-family attached, and/or multi-family uses. Additional density on the site is appropriate provided it is consistent in scale and character to existing single-family residences. Utilizing the site’s existing grade and location provides opportunities to incorporate higher densities in a context sensitive manner that would minimize building impacts.
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Mini Technical Assistance Panel  
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**Recommendations:** The panel has provided two potential site layouts that demonstrate development alternatives at various densities. The first layout includes 58 duplex units that could accommodate either senior flats or side-by-side units. The second layout includes one hundred multi-family units, one hundred two-over-two units, and five single-family detached units. The panel recommends locating multi-family structures along the western portion of the site adjacent to the stream valley and utilizing the grade to locate parking underneath the structures. The panel further recommends the incorporation of a community amenity within the development to activate the space. Finally, the panel recommends the incorporation of community gardens and/or common open space areas that could serve the dual function of a community gathering area.

**What is an estimate of the development cost and the projected sales price of the units?**

**Key Considerations:** When deciding whether to pursue development on a subject site, developers consider the following: site zoning, land value, total replacement costs (i.e. costs for design, engineering, construction, etc.), sales price, rent/sf, and return on costs.

**Recommendations:** Looking at comparable developments in and around the Bowie submarket, sales price for a duplex unit and townhouse/2over2 is approximately $350,000 and $318,000 respectively. In order to achieve affordable “for sale” units, the panel estimated a price range from $260,000 - $280,000. Total estimated development cost (total replacement cost) would range from $15Million for a development with 100% duplex units to $25Million for a senior multifamily development. The chart below shows the range of development costs and potential sale pricing.

<table>
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<th>Alternative 1</th>
<th>Alternative 2</th>
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<tr>
<td>Units</td>
<td>58</td>
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<td>100 Senior</td>
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<td>Acres</td>
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<td>Total Cost/Expense</td>
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<td>Return on Cost</td>
<td>12.02%</td>
<td>-11.28%</td>
<td>12.66%</td>
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1. Average sales price. Does not take into account options or any upgrades.  
2. Land value is a function of how much density a developer can achieve on the site.  
3. Includes design, engineering, fees, contingencies, etc.  
4. Typical ROC to attract equity is 6.5% for MF deal, and 12% - 14% for “For Sale” products.  
5. The numbers represented in this chart are estimates. Each developer considered for this site would underwrite different or similar values.  
6. The negative ROC assumes all costs and land value remain constant. This highlights the impact of adjusting the sale price downward.

**What are the best development options, including participation by affordable housing partners? What strategies should the City consider in attracting an affordable housing developer?**

**Key Considerations:** The best development option for the subject site in Old Town Bowie is one that meets the City’s goals and objectives for affordable workforce housing while meeting a developer/investors desired returns. In order to provide such a development at the subject site, the City should consider strategies that would help attract an affordable housing developer to Old Town Bowie. The City should also consider
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placemaking activities (farmers market, art events, and bike activities) to help create a sense of place for the Old Town Bowie.

Recommendations: The chart above shows that developing only workforce housing on the subject site is not feasible for a developer. The City could consider a more inclusive development approach, one that includes market rate and workforce housing, to increase the viability of affordable housing on the subject site. The City should consider strategies to help offset the gap in the developer’s return on costs, to make the subject site more attractive. This could include financial incentives, such as reduction in land costs and subsidies, and not limited to tax abatement and waived fees.

In conclusion, the subject site presents a potential for a new development that maintains the authenticity of Old Town Bowie. As the City of Bowie moves forward with this project, the panel recommends the following next steps:

- Site Survey & Appraisal - the City needs to identify land value to allow for a better understanding of the potential value contribution.
- Consider acquisition of adjacent parcels - this would allow for contiguous site development.
- Issue RFP for developer interest.
- Work closely with the County on zoning rewrite to favor additional density at this site.
- Work with the Department of Transportation to connect to the larger transportation network and to major nodes - MARC, Bowie University, NASA Goddard, etc. This would increase the flow of traffic through the subject site combined with the activation through authentic place making.