Activating Old Town Bowie
With New Families, Programming, & Connectivity

2017-2018 ULI Washington Regional Land Use Leadership Institute
Presented to: City of Bowie
Presented by: Matthew Clark | Angela Dupont | Emmanuel Egoegonwa | Elizabeth Ellington | Stephen Gardner | Robert Kerns
Overview

- mTAP Assignment
- City
- Site
- Partner
- Recommendations
- Next Steps
mTAP Assignment
Questions to be Address by the Panel

1. What are the physical challenges to developing the properties for affordable housing?

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

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

4. What are the best development options, including participation by affordable housing partners?

5. What is an estimate of the development cost and the projected sales prices for the units?

6. What strategies should the City consider in attracting an affordable housing developer?
City

Site

Partner
City’s Goals and Objectives

- Reinvest in Old Town Bowie and utilize existing city-owned property for affordable workforce and senior housing.
- Strengthen community identity.
- Create a growing and sustainable community that is walkable and accessible for all.
- Consider neighborhood context and compatibility with new development.
- Redevelop the site to protect existing natural resources and strengthen existing infrastructure.
City-owned property located in the Old Town Bowie/Huntington section of the City

Project site is approximately 6.67 acres.
Site Analysis

- What are the physical challenges to developing the properties?

- Possible stream/wetland
- Existing forest cover
- Slopes in excess of 10%
Zoning Challenges

What are the zoning challenges to developing the properties?
PARTNER
Developers Considerations

- Zoning
- Sale Price / Rent per SF
- Land Value
- Total Replacement Cost
- Return on Cost
- City Incentives & Subsidies
“For Sale” Comps

Local Market Insight

February 2018
Bowie, MD

Median Sold Price $336,000

- 8.6% from Jan 2018: $309,250
- 1.8% from Feb 2017: $330,000

YTD 2018 $325,000 (+/- 1.5% from 2017 $329,900)

5-year Feb average: $312,430
For Sale Comps
### Multifamily Senior Comps

**3850 Enfield Chase Ct - The Willows Senior Community**

Bowie, Maryland - Bowie Neighborhood

**PROPERTY**

- No. of Units: 79
- Stories: 3
- Avg. Unit Size: 1,010 SF
- Type: Apartments - Senior
- Rent Type: Market
- Year Built: 2004
- Parking: 75 Spaces; 0.9 per Unit
- Distance to Transit: -

**PROPERTY MANAGER**

Humphrey - The Willows

(301) 390-8000

**OWNER**

Developers Of Oakcrest Inc

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### Asking Rents Per Unit/SF

<table>
<thead>
<tr>
<th></th>
<th>Current:</th>
<th>Last Quarter:</th>
<th>Year Ago:</th>
<th>Competitors:</th>
<th>Submarket:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td>$1,739</td>
<td>$1,736</td>
<td>$1,703</td>
<td>$1,546</td>
<td>$1,489</td>
</tr>
<tr>
<td>Avg SF</td>
<td>$1.72</td>
<td>$1.72</td>
<td>$1.69</td>
<td>$1.69</td>
<td>$1.59</td>
</tr>
</tbody>
</table>

### Vacancy

- Current: 1.3% 1 Unit
- Last Quarter: 1.3% 1 Unit
- Year Ago: 1.3% 1 Unit
- Competitors: 5.0% 111 Units
- Submarket: 7.2% 1,497 Units

### 12 Month Net Absorption

<table>
<thead>
<tr>
<th></th>
<th>Current:</th>
<th>Competitor Total:</th>
<th>Competitor Avg:</th>
<th>Submarket Total:</th>
<th>Submarket Avg:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current:</td>
<td>(1) Units</td>
<td>(5) Units</td>
<td>(0.7) Units</td>
<td>(8) Units</td>
<td>(0.1) Units</td>
</tr>
<tr>
<td>Mux %</td>
<td>Units</td>
<td>Units</td>
<td>Units</td>
<td>Units</td>
<td>Units</td>
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<tr>
<td>Percent</td>
<td>Per Unit</td>
<td>Per Unit</td>
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<td>Per SF</td>
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<td>Per SF</td>
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</tr>
<tr>
<td>Concessions</td>
<td>Per Unit</td>
<td>Concessions</td>
<td>Per Unit</td>
<td>Concessions</td>
<td>Per Unit</td>
</tr>
<tr>
<td>All 1 Beds</td>
<td>759</td>
<td>5</td>
<td>63.3% 2</td>
<td>40.0% $1,405</td>
<td>$1.85 $1.391</td>
</tr>
<tr>
<td>All 2 Beds</td>
<td>1,027</td>
<td>74</td>
<td>63.7% 2</td>
<td>2.7% $1,781</td>
<td>$1.72 $1,757</td>
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<tr>
<td>Totals</td>
<td>1,010</td>
<td>78</td>
<td>100% 4</td>
<td>5.1% $1,739</td>
<td>$1.72 $1,734</td>
</tr>
</tbody>
</table>

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*Estimate Updated April 17, 2018*
Multifamily Senior Comps

16010 Excalibur Rd - Pin Oak Village Senior Apartments
Bowie, Maryland - Bowie Neighborhood

**PROPERTY**
- No. of Units: 220
- Stories: 4
- Avg. Unit Size: 748 SF
- Type: Apartments - Senior
- Rent Type: Affordable
- Year Built: Jan 1996
- Parking: 160 Spaces; 0.7 per Unit
- Distance to Transit: 

**PROPERTY MANAGER**
- Humphrey - Pin Oak Village
- (977) 791-1711

**ASKING RENTS PER UNIT/SF**
- Current: $874 $1.17/SF
- Last Quarter: $873 $1.17/SF
- Year Ago: $1,001 $1.34/SF
- Competitors: $1,454 $1.57/SF
- Submarket: $1,489 $1.59/SF

**VACANCY**
- Current: 9.1% 20 Units
- Last Quarter: 9.1% 29 Units
- Year Ago: 9.1% 29 Units
- Competitors: 6.7% 592 Units
- Submarket: 7.2% 1,497 Units

**12 MONTH NET ABSORPTION**
- Current: (1) Units
- Competitor Total: (38) Units
- Competitor Avg: (2.5) Units
- Submarket Total: (8) Units
- Submarket Avg: (0.1) Units

**UNIT BREAKDOWN**

<table>
<thead>
<tr>
<th>Bed</th>
<th>Bath</th>
<th>Avg SF</th>
<th>Units</th>
<th>Mix %</th>
<th>Units</th>
<th>Percent</th>
<th>Avg Asking Rent</th>
<th>Avg Effective Rent</th>
<th>Concessions</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>600</td>
<td>60</td>
<td>27.3%</td>
<td>3</td>
<td>5.0%</td>
<td>$778</td>
<td>$1.83</td>
<td>$268</td>
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<tr>
<td>1</td>
<td>1</td>
<td>784</td>
<td>110</td>
<td>50.0%</td>
<td>0</td>
<td>0.0%</td>
<td>$691</td>
<td>$0.98</td>
<td>$685</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>847</td>
<td>50</td>
<td>22.7%</td>
<td>1</td>
<td>2.0%</td>
<td>$1,154</td>
<td>$1.38</td>
<td>$1,143</td>
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**Totals**
- Avg SF: 719
- Units: 170
- Mix %: 77.3%
- Units: 3
- Percent: 1.8%
- Avg Asking Rent: $702
- Avg Effective Rent: $1,109
- Concessions: $1.09

**All 1 Beds**
- Avg SF: 748
- Units: 220
- Mix %: 100%
- Units: 4
- Percent: 1.8%
- Avg Asking Rent: $674
- Avg Effective Rent: $866
- Concessions: $1.16

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Updated April 14, 2018
RECOMMENDATIONS
Guiding Principles

- **Improve Walkability & Connectivity**
  Improve neighborhood walkability and connectivity with street grid and sidewalk extensions and better access to multi-modal transit.

- **Respond to the Context**
  Respond to the context by incorporating single family residential immediately adjacent to existing homes and locating missing middle housing typologies to transition to larger Bowie context and/or multi-family/mixed use building(s).

- **Connect to Public Amenities**
  Utilize the stream corridor and natural assets as opportunities to connect new and existing residents to existing public amenities.

- **Design Open Spaces**
  Design open spaces to incorporate improvements such as adequate sidewalks, pedestrian crossings, stormwater treatment, landscaping, and street trees.

- **Create a Sense of Place & Activate**
  Create a sense of place and activate the neighborhood for visitors and new residents with active programming and community amenities.

- **Strengthen Old Town Bowie Appeal**
  Strengthen Old Town Bowie appeal and catalyze new development through full utilization of the site and building upon Old Town architecture.
Single Family Detached

Annapolis, MD

College Park, MD

Mt Rainier, MD

Mt Rainier, MD
Duplexes
Two-over-Two Condos

Glenarden, MD
Connect to Public Amenities

Design Open Spaces

Improve Walkability and Connectivity

Create a Sense of Place and Activate
Respond to Context

Strengthen Old Town Appeal
Framework
Alternative 1: Duplexes

**SUMMARY**

- 58 total dwelling units.
- Each dwelling is 32 ft. wide and 45 ft. deep.
- Contains either 2 senior ADA flats in one story (total 1440 SF) or 2 duplex side-by-sides (total 2880 SF).
- Three 45 x 55’ pavilions that could contain workshops, communal cooking/dining, social, art, and crafts/events.
- 2 large lawns or community gardens.
Alternative 2: Maximizing Investment

SUMMARY
- ~100 multi-family units
- 100 two-over-two units
- 5 single family detached
- Shared community open space
- Opportunity for mixed use or community amenity in multi-family building
- Central neighborhood lawn or community garden
## Summary Underwriting

<table>
<thead>
<tr>
<th></th>
<th>Alternative 1</th>
<th>Alternative 2</th>
<th>Alternative 2</th>
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</thead>
<tbody>
<tr>
<td><strong>Units</strong></td>
<td>58 Units</td>
<td>100 Units - 2over2; SFH</td>
<td>100 Units - Senior</td>
</tr>
<tr>
<td><strong>Acres</strong></td>
<td>6.67 Acres</td>
<td>4.67 Acres</td>
<td>2 Acres</td>
</tr>
<tr>
<td><strong>Market</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Workforce</strong></td>
<td></td>
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<tr>
<td><strong>Sale Price</strong></td>
<td>350,000</td>
<td>318,000</td>
<td>N/A</td>
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<tr>
<td><strong>Rent/SF</strong></td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Land Value</strong></td>
<td>1,000,000</td>
<td>2,000,000</td>
<td>500,000</td>
</tr>
<tr>
<td><strong>Net Profit/(Loss)</strong></td>
<td>1,937,769</td>
<td>(1,817,731)</td>
<td>(1,883,089)</td>
</tr>
<tr>
<td><strong>Total Cost/Expense (Less Land)</strong></td>
<td>15,114,731</td>
<td>21,555,589</td>
<td>25,500,508</td>
</tr>
<tr>
<td><strong>Return/ Margin on Cost</strong></td>
<td>12.02%</td>
<td>12.66%</td>
<td>4.65%</td>
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</table>

1. **Average sales price. Does not take into account options or upgrade.**
2. **Land value is a function of the amount of density achievable on the site.**
3. **Includes costs for design, engineering, permits, etc.**
4. **Typical ROC to attract equity is 6.5% for a multifamily developments, and 12% - 14% for “For Sale” developments.**
5. **The workforce sale prices are based on an income of approximately $65k and a 20% down payment.**
Conclusions

- Authentic integration of new development into the context of Old Town Bowie.
- Affordable development, senior and workforce, is viable with a mix of market rate.
- In addition, depending upon the amount of market rate housing the City can provide other incentives such as:
  - Reduce land cost
  - Subsidies to the developer/buyer
  - Grants
  - Waiver of fees
- Density can be accommodated with consideration of context, utilizing grade and site conditions to minimize building impacts.
NEXT STEPS
Future Considerations

- Site Survey and Appraisal
- Consider acquisition of adjacent parcels
- Issue RFP for developer interest
- Consider exploring Low-Income Housing Tax Credits as well as soft state and local gap funds (HOME Funds, Rental Housing Works, etc.)
- Consider deed restrictions/agreements with Developer to retain a number of affordable housing units once developed
- Coordinate with the County on zoning rewrite to favor additional density at this site
- Connect to the larger transportation network - MARC, Bowie University, etc.