

#### **MEMORANDUM**

TO: COG Board of Directors

FROM: Paul DesJardin, COG Community Planning and Services Director

Hilary Chapman, COG Housing Program Manager Shirin Wilkerson, COG Regional Housing Planner

SUBJECT: Housing Affordability Planning Program (HAPP) Grant Award Recommendations

DATE: October 4, 2023

The Metropolitan Washington Council of Governments (COG) and its members are committed to increasing the amount, affordability, and accessibility of the region's housing supply, particularly near transit. In 2019, the COG Board adopted housing targets calling for an additional 75,000 housing units beyond those which are already planned; at least 75 percent of all new housing should be in Activity Centers or near high-capacity transit station areas; and at least 75 percent of new housing should be affordable to low- and middle- income households. These targets, when taken with other shared goals, are helping the region work toward creating more transit-oriented, equitable, and sustainable communities.

### HOUSING AFFORDABILITY PLANNING PROGRAM BACKGROUND AND SELECTION PROCESS

In October 2021 the COG Board of Directors adopted Resolution R48-2021, establishing the Housing Affordability Planning Program (HAPP) in 2022. With financial support from the Amazon Housing Equity Fund, the purpose of HAPP is to award small, flexible grants of up to \$75,000 to area local governments and non-profit developers (applying in coordination with a local jurisdiction) engaged in the planning, approval, or development of housing around transit stations. HAPP grants are intended to assist with a variety of housing (rental and ownership) pre-development, project implementation activities, or housing policy studies that have the potential to increase the amount of housing opportunities near transit that are accessible to those with lower incomes.

Amazon provided \$500,000 to support a second round of HAPP grants in 2023. COG staff established and convened a meeting of a Selection Panel of local housing experts (shown below) who reviewed and scored the applications. The applications, and recommended grantees, represent COG member governments and traditional and non-traditional non-profit affordable housing developers in the District of Columbia, Maryland, and Virginia.

HAPP Selection Panel Member	Affiliation	
Ayan Addou	Virginia Housing	
Hilary Chapman	COG Staff	
Michelle Krocker	NVAHA, Founder, Former Executive Director	
Aseem Nigam	Montgomery County DHCA, Former Director	
Shirin Wilkerson	COG Staff	

#### **HAPP 2023 GRANT RECOMMENDATIONS**

After careful deliberation, the Selection Panel recommends the following projects receive HAPP grant funding. Six of the projects will create new rental housing units with long-term affordability restrictions. One proposal will address the need for long-term affordable homeownership opportunities. One proposal will conduct an inventory of the housing resources and survey market trends. Five proposals are in a COG-designated Activity Center, six proposals are near High-Capacity Transit Station Areas, and three proposals will serve residents in Equity Emphasis Areas.

Crystal House 6 \$75,000

Arlington County and Arlington Partnership for Affordable Housing (APAH)

"The Crystal House 6 project is a senior living apartment building project in Crystal City, Arlington, Virginia—just 0.3 miles from the Crystal City Metro. Part of a two-phase development, the project consists of a 5-story approximately 80,000 gross sq. ft. building with an approximately 23,000 sq ft underground 1 level garage. The project will include 80 apartment units on the 1st through 5th floors with first floor housing amenities and office areas. All the units in CH 6 are affordable at 30% or 50% of AMI. HAPP grant funds would be used for project implementation activities and to continue advancing the project by paying for 3rd party reports and financial feasibility analysis, permitting and design costs, and cover community outreach costs. These funds will also be useful in pursuing the EarthCraft Gold certification, US DOE Zero Energy Ready Home Program (ZERH) and help us push the project through the permitting process."

750 23<sup>rd</sup> Street South \$75,000

Arlington County and Wesley Housing

"750 23rd Street South will offer up to 104 units of critically needed mixed-income housing in a transit-oriented neighborhood in Arlington County. Expected to be completed in 2028, the development will offer units to families at an average of 60% of the Area Median Income and will help meet the County's housing goals. The project will be completed by partners Wesley Housing (developer) and Melwood (site/services provider) and will ultimately offer specialized on-site supportive services for families and persons with disabilities. Funds will be used to advance the predevelopment process by conducting community outreach; retaining a historic consultant to assess preservation needs; and offsetting application costs associated with county design and zoning processes."

# College Park Community Preservation Trust

\$75,000

College Park City-University Partnership

"The City of College Park's neighborhoods are under increasing pressure from absentee investors who are competing with prospective homeowners and purchasing single-family houses to turn them into student rental properties. This has made affordability a problem for families seeking to buy a home in College Park and has eroded neighborhood stability and balance. The College Park City-University Partnership has established a Shared Equity Housing Trust to address and reduce the cost of housing and maintain long-term affordability in College Park. This initiative is part of the University Community Vision 2030 which explicitly calls for a focus on addressing two critical needs: preserving affordable housing and stabilizing our neighborhoods. College Park has two Metro stations, future Purple Line stops, and one of the region's largest employers, the University of

Maryland. As the City redevelops and experiences significant growth, it is imperative to ensure that employees can live near work and it is crucial for the City, with incredible transit access, to have residents that can afford to live in College Park and have access to employment and all of the richness of our entire Metropolitan Washington region. The Community Preservation Trust will purchase existing single-family homes and put them into a Shared Equity homeownership Program. These homes will then become available for purchase by families making between 65 percent and 140 percent of the HUD Median Family Income. At the beginning of this program, the financial model projects a deficit, and then, in time the program will become self-sustaining. The College Park City-University Partnership will use these funds to support operations and expansion of the Trust."

# Avonlea Phase I: Senior \$75,000

Loudoun County and Arlington Partnership for Affordable Housing (APAH)

"The Avonlea development, just 10 miles from Dulles Airport, will reside on acquired and entitled land with 277 senior-family affordable total units. For the first parcel or Phase I, APAH will develop 130 units affordable between 30% and 60% of AMI for seniors. Phase II will be a 147-unit family development, acquired via a seller note that matures in 2025. This innovative project is designed to be a model for multigenerational affordable housing, as APAH anticipates providing both senior and family housing on the site following the build out of both phases in a transit-oriented neighborhood. The HAPP grant funds will be used for project implementation activities and to continue advancing the project by paying for 3rd party reports and financial feasibility analysis, permitting and design costs, and covering community outreach costs for it to start construction as soon as possible."

#### **Elm Gardens Apartments**

\$75,000

District of Columbia and The NHP Foundation

"Elm Gardens Apartments is an apartment building of naturally occurring affordable housing. It was constructed in 1966 and is located at 7050 Eastern Ave NW, Takoma, Washington D.C., adjacent to the Takoma Metrorail Station. In Spring 2022, The NHP Foundation (NHPF) responded to an RFP solicitation issued by the Elm Gardens Tenants Association and was selected to partner in the acquisition and subsequent redevelopment of the Project. NHPF acquired Elm Gardens on October 24, 2022. NHPF plans to redevelop the Project by replacing the existing 36-unit building with a new 80-unit building that will initially be 90% affordable to account for current residents who are currently over income. The Project is in the predevelopment phase, and NHPF is pursuing a Planned Unit Development (PUD) to allow the replacement of the existing 36-unit building with a new amenity and service-enriched building containing approximately 80 units. The HAPP funds will be used to cover professional costs and various studies required for the PUD application, green design charettes, and other predevelopment costs required to secure financing for the proposed redevelopment."

## **KEB Pre-Development for Returning Citizens**

\$75,000

District of Columbia and Jubilee Housing

"HAPP grant funds will aid Jubilee Housing in its pre-development process for the KEB project Reentry Transitional Housing Program (RTHP). This project includes the redevelopment of the historic African American King Emmanuel Baptist Church (KEB), built in 1907. KEB will be a part of the first and only full continuum of housing and services for returning citizens in DC and one of few comprehensive programs for this population in the country. Specifically, we will be addressing program design to ensure that our RTHP requirements and protocols are effectively meeting both the needs of our residents (returning citizens) and the reality of DC's affordable housing requirements. Grant funds will be used to develop program policies and procedures for our Reentry Transitional Housing Program, ensuring that our policies work in harmony with existing guidelines regarding zoning and financing, particularly the Low- Income Housing Tax Credit (LIHC), which will be a core financial component of this development. The numerous revenue sources, combined with the strict guidelines imposed on citizens returning from incarceration, make for a knot of rules and regulations to sort through before finalizing an effective and comprehensive program for future residents."

# **Duke Street Housing Inventory**

\$50,000

City of Alexandria

"The City of Alexandria will use HAPP grant funds to engage consultant services to conduct an inventory of the corridor's housing resources and to survey market trends overtime to potentially forecast upcoming trends. At a public hearing on June 26, 2023, City Council approved design concepts for a Bus Rapid Transit system along Duke Street from King Street Metro to the former Landmark Mall providing for high frequency multi-modal transportation infrastructure that is both efficient and equitable. In FY24 the City will begin a community planning process to develop a Duke Street Small Area Plan. The proposed inventory will be very useful for this and other ongoing city planning processes, including an Update of the Housing Master Plan (HMP) in 2024-25, and may provide context for potential future HMP Update recommendations."

# Housing Affordability Planning Program (HAPP) Summary of Grant Award Recommendations

Project Name	Jurisdiction & Sponsor	Recommended Award
Crystal House 6	Arlington County/APAH	\$75,000
750 23 <sup>rd</sup> Street South	Arlington County/ Wesley Housing	\$75,000
Avonlea Phase I: Senior	Loudoun County/ APAH	\$75,000
College Park Community Preservation Trust	Prince George's County/ College Park City- University Partnership	\$75,000
Elm Gardens Apartments	DC/ NHP	\$75,000
KEB Pre-Development for Returning Citizens	DC/ Jubilee Housing	\$75,000
Duke Street Housing Inventory	City of Alexandria	\$50,000
Total:		\$500,000