

MEMORANDUM

TO: COG Board of Directors

FROM: Paul DesJardin, Director, Community Planning and Services (DCPS)

Hilary Chapman, Housing Program Manager, DCPS

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

DATE: June 3, 2022

The Metropolitan Washington Council of Governments (COG) and its members are committed to working to increase 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; 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.

HAPP BACKGROUND AND SELECTION PROCESS

During the October 13, 2021 meeting, the COG Board of Directors adopted Resolution R48-2021 establishing the Housing Affordability Planning Program (HAPP). 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.

A broad range of organizations submitted 25 proposals requesting \$1,656,300 in HAPP funding. 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.

COG staff established and convened two meetings of a Selection Panel of local housing experts (shown below) who reviewed and scored the applications.

| HAPP Selection Panel Member | Affiliation | |
|-----------------------------|-----------------------------------|--|
| Ayan Addou | Virginia Housing | |
| Deborah Bilek | ULI Washington | |
| Liz Price | WMATA | |
| Clarence Snuggs | Baltimore Community Lending, Inc. | |
| Michelle Winters | Winters Community Strategies, LLC | |

HAPP GRANT RECOMMENDATIONS

After careful deliberation, the Selection Panel recommended the 10 following projects listed below in the accompanying descriptions for a total of \$656,300 in grant funding.

Eight of the 10 proposals 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 be a feasibility analysis for increased affordability along several WMATA rail stations. All proposals are located in a COG-designated Activity Center, near High-Capacity Transit Station Areas, and will serve residents in Equity Emphasis Areas.

The COG Board is scheduled to act on these recommendations for HAPP grant funding at the June 8, 2022 meeting.

Fort Totten Senior Affordable Housing Project - Studies and Planning \$75,000 District of Columbia and Arlington Partnership for Affordable Housing (APAH)

"Recognizing the severe shortage of affordable rental housing in the Washington, DC metropolitan area, and particularly in the District of Columbia, the Fort Totten Senior Affordable Housing project will provide 93 independent living senior units designed for residents 62+ earning 30%-50% of Median Family Income. Ten units will be set aside as permanent supportive housing for seniors formerly experiencing homelessness. The new-construction, wood-frame, 4-story building will include 9,550 sq. ft. of retail/commercial space envisioned as occupied by a services provider, like a community health center. The building will include an underground parking garage with 49 parking spaces. With a mix of studio, one- and two-bedroom apartments designed to meet the needs of the target 62+ senior population and outstanding access to transit, jobs, and amenities, this project will enable vulnerable households to age in place. (Note: DC uses Family Median Income, (FMI) which is equivalent to Area Median Income.) HAPP funds will support third party reports and a financial feasibility analysis, pay permitting and design costs, as well as community outreach efforts. These funds will also be used to pursue Enterprise Green Communities building standards."

Residences at Forest Glen

\$75,000

Montgomery County and Montgomery Housing Partnership

"To expand affordable housing in a safe, transit-friendly community, MHP will redevelop Forest Glen Apartments, in Silver Spring, MD, transforming 72-unit 3 story garden apartment buildings into 5 story modern apartment buildings with 189 multifamily residential units. Built in 1947, and largely neglected by the previous owner, existing buildings are obsolete with significantly out of date systems. Through this redevelopment project, MHP will redevelop the property to increase the number of affordable housing units while modernizing structures and efficiencies to provide safe, high quality affordable housing in a desirable transit-oriented development. HAPP funds will be used to fill in the gap of hard-to-find predevelopment costs covering expenses such as design and construction documents, building permits, and land use entitlements."

Transit Center-Adjacent Affordable Housing Development and Economic Feasibility Analyses

\$60,000

City of Alexandria

"The proposed project will consider the development and financial feasibility of constructing new affordable housing at two study areas. The first study area is the WMATA-owned surface parking lot at the Van Dorn Metro Station. The second study area is WMATA-owned remainder land and the City-owned Community Shelter and Substance Abuse Services Center. The second study area is located within 0.4-miles of the Eisenhower Avenue Metro Station. The City would like to explore if those parcels could potentially be assembled in a financial deal to facilitate new affordable housing on the WMATA-owned remainder land and a co-location of new affordable housing and a new City-owned Community Shelter and Substance Abuse Services Center on the City-owned parcel. This project will enable staff to conduct internal studies to inform whether the sites are feasible for development/redevelopment both from a land use perspective and economic perspective and if public planning processes should be undertaken."

Purple Line Affordable Housing Pipeline Development Initiative

\$75,000

Prince George's County, Montgomery County, and Purple Line Corridor Coalition

"Building a pipeline of projects to achieve PLCC's zero net loss goal for the 16-mile Purple Line corridor is a major undertaking, involving collaboration across sectors, intensive outreach and technical assistance to property owners, strengthening public policy, and strategic monitoring of affordable housing data to ensure large-scale progress against this time sensitive goal. COG funding will support the execution of skilled pipeline development and data tasks, as well as the central coordination needed for this partner-driven work."

Headen Springs Development

\$50.000

Prince George's County and Sowing Empowerment and Economic Development (SEED)

"The Headen Spring Development site provides a unique opportunity to develop a mixed-use, affordable housing project within a quarter mile of the new Riverdale Park – Kenilworth Ave Station on the new Purple Line. Because of its size and complexity, the Project will be developed over several phases. One of the complications of a phased project is that upfront, at-risk capital is requested to study and plan the entire development, although predevelopment financing is only available for the early phases. COG's planning grant will help fill this gap and provide upfront planning funds for future phases of affordable housing."

Columbia Heights TOPA

\$75,000

District of Columbia and Jubilee Housing

"Support from COG will aid Jubilee Housing in our planning process, specifically with concept plan drawings and outreach to communities, as we begin redevelopment on 3 properties recently acquired through DC's Tenant Opportunity to Purchase Act (TOPA). The TOPA project will result in 165 net new units with affordability restrictions. Two-thirds of the units will be reserved for households earning 30% or below of DC's Median Family Income (MFI) and one-third will be reserved for households earning 60% or below of DC's MFI. Residents will have access to onsite and nearby supportive services as well."

Congress Heights Metro Residential

\$75,000

District of Columbia and NHT Communities

"NHT Communities (NHTC) is a non-profit affordable housing developer based in the District of Columbia. In 2015, NHTC started working with a group of residents at a property above the Congress Heights Metro Station in Ward 8 who sought to preserve and improve their affordable homes. After a long legal battle with the owners of the property, the residents were able to assign their development rights to NHTC, who acquired the property in December 2021. Our development plan calls for a nine-story building, with ground floor retail and 179 affordable apartments, ranging from 30-80% AMI, with the vast majority at the 50% AMI level. The former residents of the property will return to the new building upon completion. NHTC will use the funds to expand our community outreach during the development process seeking input on design elements, through an expanded set of design charettes with former residents and stakeholders."

Lincoln Legacy Affordable Housing Development

\$71,300

District of Columbia and Lincoln Congregational Temple United Church of Christ

"Lincoln Congregational Temple UCC, located in the Shaw neighborhood (1701 R Street, NW) of DC, proposes the rehabilitation and repurposing of its three-story underutilized historic church building into 19 units of affordable housing and 5,290 square feet of community facility space. The project will create new and affordable housing for families earning between 30% and 80% of MFI and rental space for nonprofit and community services uses. HAPP grant funds will be used for predevelopment activities including architectural and development consulting services, an engineering assessment, a Phase I Environmental report, and asbestos, lead and mold studies, all of which are needed to prepare the project for regulatory and funding approvals."

Committed Affordable Unit Preservation Analysis at Ballston Park Apartments

\$25,000

Arlington County

"Ballston Park Apartments is a 512-unit rental apartment complex in Arlington that has had 233 committed affordable units since the 1990's. The 30-year affordability period will be ending for these units and in order to possibly extend affordability into the future, the County is considering two scenarios: (1) rehabilitation and preservation of the existing units, or (2) partial redevelopment, where the number of committed affordable units is maintained, perhaps in a combination of new and rehabilitated units."

College Park Community Housing Trust Program

\$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 our neighborhood and has eroded neighborhood stability and balance. The College Park City-University Partnership is seeking to establish a Shared Equity Housing Trust to address 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's crucial for the city, with incredible transit access, to have residents who can afford

to live in College Park and have access to employment and all of the richness of our entire metropolitan Washington region. HAPP funds will be used to start up and launch the Trust."

Housing Affordability Planning Program (HAPP) Summary of Grant Award Recommendations June 3, 2022

| Project Name | Jurisdiction & Sponsor | Recommended Award |
|--|--|----------------------|
| Fort Totten Senior Affordable Housing Project - Studies and Planning | District of Columbia / Arlington Partnership for Affordable Housing (APAH) | \$75,000 |
| Residences at Forest Glen | Montgomery County / Montgomery Housing Partnership | \$75,000 |
| Transit Center-Adjacent Affordable Housing Development and Economic Feasibility Analyses | City of Alexandria | \$60,000 |
| Purple Line Affordable Housing Pipeline Development Initiative | Prince George's County, Montgomery County, Purple Line Corridor Coalition | \$75,000 |
| Headen Springs Development | Prince George's County / Sowing Empowerment and Economic Development (SEED) | \$50,000 |
| Columbia Heights TOPA | District of Columbia / Jubilee Housing | \$75,000 |
| Congress Heights Metro Residential | District of Columbia / NHT Communities | \$75,000 |
| Lincoln Legacy Affordable Housing Development | District of Columbia / United Church of Christ | \$71,300 |
| Committed Affordable Unit Preservation Analysis at Ballston Park Apartments | Arlington County | \$25,000 |
| College Park Community Housing Trust Program | Prince George's County / College Park City-University Partnership | \$75,000 |
| TOTAL | | \$656,300 |