

2017

PREPARING FOR THE PURPLE LINE:

**Affordable Housing Strategies for
Langley Park, Maryland**



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EXECUTIVE SUMMARY

The future of affordable housing in Langley Park is uncertain. In this largely low-income community in Prince George's County, the arrival of the proposed Purple Line light rail is both an opportunity and a threat to a place currently defined by an ample supply of market-rate affordable rental housing units and tight-knit community of neighbors, small businesses, and social institutions. Few deny that the Purple Line will bring new amenities and services to this long-neglected and disadvantaged portion of the county, including better transportation, economic development, and better access to jobs and opportunities around the region. But many current residents may not be able to enjoy these benefits unless specific safeguards are put in place to protect and create new affordable housing options. With new transit investment comes the risk of displacement and increased housing cost burdens. In this report, we draw on the scholarly literature on affordable housing near transit, existing housing data, best practices in equitable transit-oriented development from around the country, and relevant state, county, and local legal and policy tools to provide recommendations for development without displacement in Langley Park. We also draw on the voices and visions of local policy experts and residents to speak to the challenges of preserving and creating new affordable housing as well as their fears and desires for the future. Our recommendations emphasize six strategic goals to be undertaken by local and state governments and agencies as well as private and nonprofit organizations and developers. These include strategies for maintaining the quality and affordability of the existing rental housing stock; creating and expanding tools that enable nonprofit housing developers to acquire and rehabilitate existing multifamily properties; exploring land-value capture strategies to create and preserve affordable housing in areas near proposed Purple Line stops; increasing household participation in HUD-subsidized rental housing assistance programs; minimizing displacement as new development occurs; and exploring strategies to enable more Langley Park residents to transition to homeownership. This report hopes to engage the collaborative and collective efforts of various stakeholders in a fair and inclusive planning process about the future of affordable housing in Langley Park.

ACKNOWLEDGEMENTS

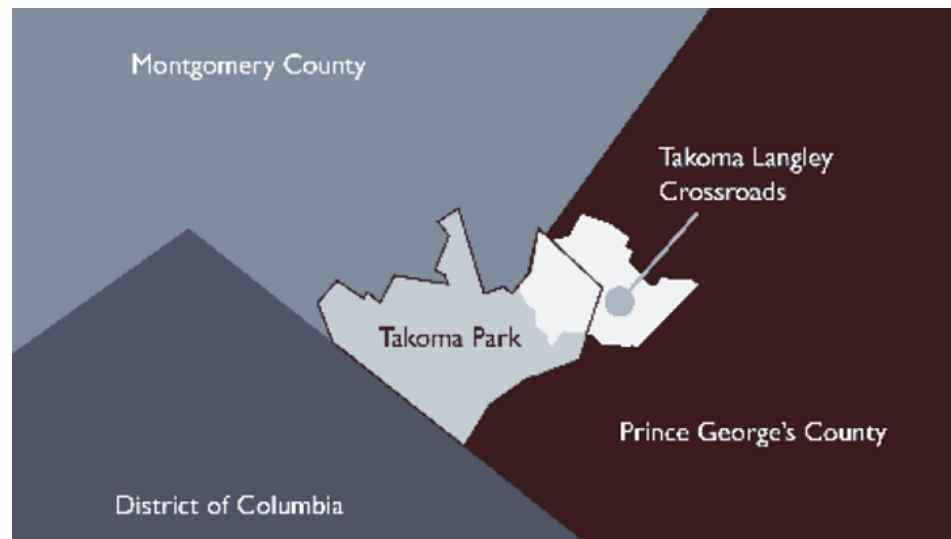
This work would not have been possible without the tireless efforts of various graduate students and staff at the National Center for Smart Growth Research and Education and CASA. A special thanks to Brandon Bedford, Bethany Fincher, Shannon Kennedy, and Karitsa Norman at the University of Maryland. At CASA, our thanks go out the entire teams of Schools and Community Development, Organizing, and Welcome Centers and Adult Education. Several notable experts in the field of affordable housing who shall not be named also lent their opinions and ideas to this report. To them, who know who they are, we are grateful. And to the residents of Langley Park, both those silent voices that informed the work and those whose voices can be found herein, thank you.

INTRODUCTION

Langley Park is an inner suburban community located on the northwest border of Prince George's County. It sits on the boundary of Montgomery County, just over a mile from the northeast border of Washington, DC. The community is at the heart of the region's "International

Corridor," the informal designation for the section of University Boulevard stretching

from Langley Park in Prince George's County to Long Branch in Montgomery County that is widely considered the center of the Latino community in both counties.¹ Of Langley Park's 20,000 residents, nearly three quarters are foreign-born, with the vast majority coming from countries in South and Central America. Many also earn very low incomes. Nearly 50 percent earn below the DC Metro's area household median income.



1. Figure 1: Langley Park as shown in the Prince George's County Takoma/Langley Crossroads Preliminary Sector Plan (2009). This map shows a significant portion of the community as located in Takoma Park, across the Montgomery County line.

The vast majority of Langley Park residents rent one of the neighborhood's many garden-style apartments. Of the neighborhood's roughly 5,000 housing units, nearly 75 percent are rentals and



Figure 2: University Gardens Apartments is one of 13 apartment complexes in Langley Park.

approximately 3 out of 4 Langley Park residents rent rather than own their homes. The small number of federally-subsidized units combined with the relative lack of desirability for homes in this neighborhood compared to others in region has led to an ample supply of market-rate affordable rental housing units.

¹ From Cradle to Career: The Multiple Challenges facing Immigrant Families in Langley Park Promise Neighborhood. <http://www.urban.org/research/publication/cradle-career-multiple-challenges-facing-immigrant-families-langley-park-promise-neighborhood>. Accessed June 10, 2015.

Soon the community will welcome two Purple Line stops. The Purple Line is a proposed 16-mile light rail line. Upon completion, this new fixed route transit system will extend west to east from Bethesda in Montgomery County to New Carrollton in Prince George's County, creating the first inter-suburban transit corridor in the DC Metro system. In doing so, it will pass through some of the area's wealthiest suburbs in the west to some of the poorest in the east. Chief among the latter

is Langley Park.² All of Langley Park's housing units lie within one-half mile of the two proposed stations.

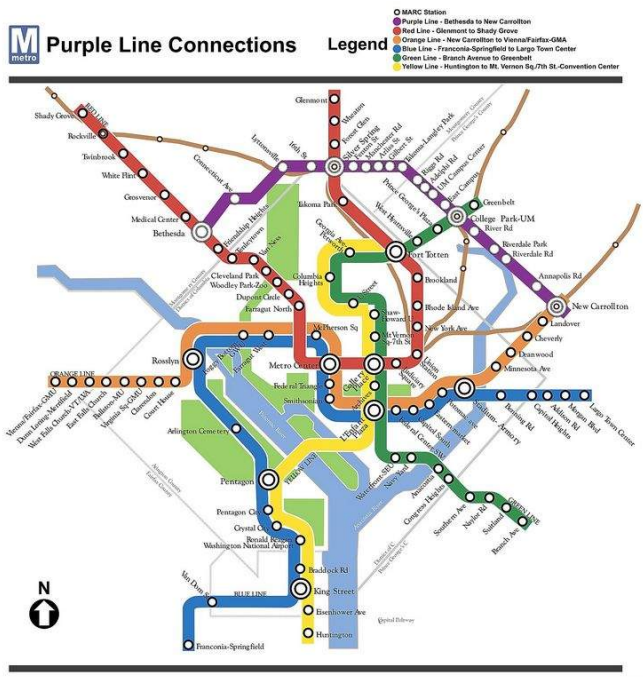


Figure 3: Purple Line Metro Map. The two proposed Langley Park stations are Takoma-Langley Park and Riggs Road. Source: <http://www.gazette.net/>

The Purple Line will undoubtedly change the face of affordable housing in the neighborhood. What is not yet clear is what kind of change it will bring. The impact could be positive. If the development of the Purple Line is accompanied by an emphasis on preserving and enhancing affordable housing options, new investment could help to revitalize the neighborhood, bringing about much needed improvements in the quality, condition, and long-term affordability of housing. Much research has shown that transit is key to the welfare of and opportunities available to disadvantaged groups. Transit improves access to jobs, education, and other amenities for lower-income households who are often heavily reliant on public

transportation (CTOD, 2007; Pollack and Prater, 2013; Claggett, 2014). Transit also tends to stimulate denser, pedestrian-friendly development that can reduce lower-income residents' transportation costs. Lowered parking requirements typically associated with transit-oriented development (TOD) can reduce housing costs and rents, while also creating space for new amenities (Claggett, 2014). Transit also often attracts new housing and businesses, producing a profitable tax base that can be captured and reinvested in the community (CTOD 2007, 2009, 2011; TCRP Report 102, 2011).

In Langley Park, such investment is sorely needed, especially in housing. Many homes were built in the 1950s and suffer from problems common to older rental housing stock, such as deferred maintenance. Many are also overcrowded. The Purple Line can bring new life to its deteriorating housing stock and improve residents' quality of the life through improved pedestrian amenities, open space, public facilities, access to goods and services, and local jobs. With few existing long-term affordability protections in place, a commitment to preserve and fund affordable housing could have a large impact.

² "Project Overview." Maryland Purple Line. Accessed April 23, 2015. <http://www.purplelinemd.com/en/about-the-project/project-overview>

Without such protections, however, the impact of the Purple Line to affordable housing in Langley Park could be devastating. The vast majority of the existing market-rate affordable rental housing units in the neighborhood could be lost, and quickly. The appeal of new transit often raises land values, triggering increases in housing rents and prices in nearby areas and results in the displacement of existing residents (Bowes and Ihlanfeldt, 2001; Ihlanfeldt, 2003; Cervero, 2004). Displacement generally occurs when residents to leave their homes and neighborhoods because of tenure conversions, a loss of subsidized housing, or rising rents, taxes, and homeowners' insurance rates. Higher land values can also induce housing turnover because low-income residents voluntarily move out, and are replaced by higher-income and often better-educated residents (Pollack et al, 2010).

Alarming, about three out of every four households in Langley Park are already cost-burdened, paying more than 30 percent of the area's median income on rent.³ Even small increases in rents, which are already unaffordable for many families, would likely put rates beyond their means. With large parcels of property held by only a handful of owners, the decisions of even one landlord to raise rates could have dramatic impact. Rising land values could also affect commercial rents, impacting the viability of local small businesses, many of whom rely on local patrons and cater to the needs of newly arrived immigrants. With a loss of businesses and residents, the strong sense of community and interdependence that is a hallmark of this neighborhood may be lost.

This report takes a critical look at affordable housing in Langley Park as the community is on the verge of change as a result of the Purple Line. In it, we investigate the neighborhood's existing conditions, best practices on affordable housing near transit, and local and state policies and tools that can be used to protect and create new affordable housing options as the Purple Line project moves forward. Our intent is to provide a platform that will set the stage for discussions among county and state officials, community organizations, nonprofit and for-profit developers, property owners, and Langley Park residents as they work together to create a more sustainable, equitable, and inclusive future. We believe that through collaborative, comprehensive, inclusive, and committed planning and policy-making, existing residents will not be forced to disproportionately bear the costs of the Purple Line and will also share in the benefits. Development without displacement is possible in Langley Park.

Our analysis relies primarily on data on Langley Park available from secondary sources, such as county and state agencies and the U.S. Census as well as reports previously written on the neighborhood by county, state, and nonprofit groups. In part because of the historic failure of the U.S. Census to accurately collect data on low-income Latino immigrants, we also collected primary data about housing conditions and affordability in a door-to-door survey of over 100 Langley Park residents and one-on-one in-depth interviews with four extraordinary community residents. Together, the data reveal the state of and possibilities for affordable housing preservation and development in Langley Park through the numbers as well as through the voices of its residents and advocates.⁴

³ U.S. Census Bureau 2013 (5-year ACS data).

⁴ For further information on data and methodology, see Appendix I.



A BRIEF HISTORY OF AFFORDABLE HOUSING IN PRINCE GEORGE'S COUNTY

Prince George's County's policies and attitudes on affordable housing have changed over the years, reflecting the different priorities of its elected officials as well as the larger politics of inequality at work within the region. As a historic working-class county in one of the wealthiest metropolitan regions in the country, officials have long fought the perception of the county as locus of affordable housing for the region. Although it remains the wealthiest predominantly African American county in the nation, relative to other cities and counties in the region, Prince George's County still lags behind many others economically. The county has long struggled with the complex class and racial dynamics that underlie this paradox, and affordable housing has been caught in the crosshairs.

In 1990, the county signaled its progressive leanings on the affordable housing. That year, the County Council approved an inclusionary housing ordinance, stipulating lower sales and rent prices for 10 percent of units in developments of 50 or more units. The program was part of the council's effort to meet the needs of the large number of blue-collar families moving to the county.⁵

In 1995, however, the county began moving in a different direction. County Executive Wayne K. Curry and other elected officials pushed back against this approach. They threatened a moratorium on the construction of townhomes and instead advocated for the construction of higher-priced, single-family homes to attract higher-income households, businesses, and industries to increase the county's tax base.⁶ They blamed D.C.'s efforts to reduce and improve the public housing stock for the influx of less affluent households and charged that the county was taking on an unfair burden of the region's affordable housing.⁷ A 1996 report by the county's Housing Policy Task Force seemed to support these conclusions and led to the discontinuation of the inclusionary housing ordinance.⁸ In 1998, Curry established a goal of reducing the number of apartments in the county by 30 percent. The county also began maintaining a list of properties with multiple violations, inspecting them twice as often as before. They issued violations that forced owners to rehabilitate or lose their license and the county to condemn the property. New policies also limited county funding available for the redevelopment of aging garden apartment complexes, like many of those in Langley Park.

These policies were concerning to many who disagreed with the county's position that it had a surplus of affordable housing, arguing that the county also had the most low-income households and the lowest median income in the region.⁹ After the 2008 foreclosure crisis, which hit

⁵ Hill, Retha. "P.G. Unveils Ambitious Housing Plan; Churches Join County in \$18 Million Effort." *The Washington Post*. November 20, 1989.

⁶ Neal, T. and Pierre R. "A Push for Palaces In Prince George's; Upscale Housing Is Wanted, Needed, County Officials Say." *The Washington Post*. August 6, 1995.

⁷ Leonnig, C. and Schwartzman, P. "HOUSING CRISIS; Anger over D.C. Demolitions; Curry Says Pr. George's Is Suffering." *The Washington Post*. March 29, 2000.

⁸ Neal, Terry. "Report Advocates Upscale Housing; County Urged to Shift Development Priorities." *The Washington Post*.

⁹ Spinner, Jackie "Weeding Out Garden Apartments; Curry's Year-Old Policy Discourages Renovation of Older Complexes." *The Washington Post*. September 1, 1999.

particularly hard in Prince George's County, many critics thought that the county might change their stance.¹⁰ But this hope has not been borne out in last decade of county affordable housing policy.

In 2009, Prince George's County did not expend their allotted U.S. Department of Housing and Urban Development (HUD) HOME funding, leaving an excess of \$12 million at the end of the fiscal year. HOME funds can be used for any number of housing activities to serve low- and very-low income families. The county's HOME funds had already been cut by the federal government due to similar instances in the past.¹¹ In 2012, the county received \$10 million from the National Mortgage Servicing Settlement to be used for neighborhood stabilization programs, with the stipulation that it first expend its own funds and then receive reimbursement.¹² Only \$6 million was expended before the program was abandoned.¹³ A shortage of funding has also hampered the Prince George's Housing Investment Trust Fund, passed in 2012 by the County Council, from getting off the ground. Prince George's County is the only jurisdiction in the D.C. region without an active affordable housing trust fund.

Despite recent county efforts to discourage new affordable housing construction, there are signs that another shift may be underway. In the 2009 *Prince George's County Takoma-Langley Crossroads Preliminary Sector Plan* and accompanying *Preliminary Affordable Housing Strategies* report, the thrust is on increasing affordable multifamily housing included among the multiple strategies to preserve and create new affordable housing options. The reports recommend giving Prince George's County's Department of Housing and Community Development (DHCD) the opportunity to purchase multifamily properties being sold and converted to condominiums or nonresidential uses. In 2013, the County Council took on this challenge, signing into law the Conversion of Rental Housing Act (CB-27-2013), a tool that has been critical to affordable housing creation and retention in both the District of Columbia and Montgomery County. However, the Prince George's County Council included a section specifying that only areas approved by "resolution of the County Council with concurrence of the County Executive" would be eligible, a provision which is intended to limit the scope of the law. In 2015, the county adopted a new resolution specifying the law would apply to all multifamily dwellings in the county with more than 20 units. Another concern is the willingness and capacity of the county DHCD to procure funding for the purchase of multifamily units at risk of conversion.¹⁴ Although this program could be considered a significant victory in affordable housing preservation, its implementation thus far has left many wondering what effect the policy will ultimately have.

¹⁰ El Boghdady, Dina. Stumbling along. *The Washington Post*. January 1, 2011.

¹¹ Washington Lawyers Committee (2014). *Unfulfilled Promises: Affordable Housing in Metropolitan Washington*. http://www.washlaw.org/pdf/wlc_affordable_housing_report.pdf

¹² Community Review. <http://blog.mdhousing.org/2014/11/20/dhcd-launches-100-million-mortgage-initiative-for-homebuyers-in-prince-georges-county/>. Accessed June 3, 2015.

¹³ "The Prince George's County's 'Double Play' by The Maryland Mortgage Program." <http://princegeorgestripleplay.com/pg-country-my-home-program/>. Accessed June 19, 2015

¹⁴ Anonymous interview. June 5, 2015.

Given the uncertainty of affordable housing policy in the county, we are convinced of this report's importance in stimulating critical conversations on the future of affordable housing in Langley Park. We believe that those stakeholders that occupy seats at the table during these discussions must be broad and inclusive, including not only policy makers, politicians, and planners, but also community groups, developers, property owners, and community residents who must live with the impacts of these decisions.



EXISTING CONDITIONS IN LANGLEY PARK

Langley Park is a vibrant and largely immigrant neighborhood with a mix of small businesses and relatively dense multifamily housing. By some definitions, the neighborhood includes sections of neighboring Montgomery County west of the Census Designated Place (CDP) boundary, which all sets in Prince George's County. For the purpose of analyzing the neighborhood's existing conditions, we have use the CDP boundary.

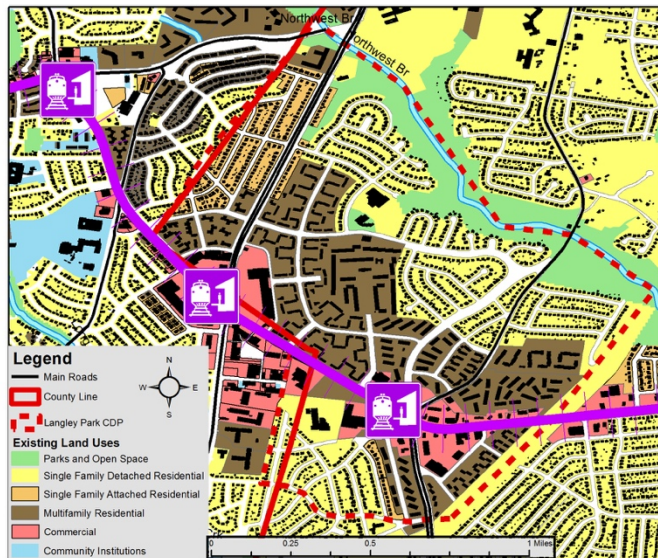


Figure 4: Langley Park zoning map highlighting CDP boundaries, county line, and two proposed Purple Line stops. Properties zoned for multifamily residential, which indicate the location of its apartment complexes, are shown in brown.

Langley Park's population is best characterized as young, male, and Hispanic. About 62 percent of the population is male, 14 percent higher than the average for Prince George's County or the state of Maryland. The median age of residents is 30.5 with 62 percent of residents being between the ages of 15 and 44, a significantly higher proportion than in the county or state. Forty percent of all Langley Park youth are under the age of five, compared to 27 percent of Maryland youth.¹⁵ The neighborhood's median household size is of 3.9 is over 1 point higher than the county or state.

¹⁵ U.S. Census Bureau 2013 (5-year ACS data).



Figure 5: On the left, iconic sign at the intersection of University Boulevard and New Hampshire Avenue, the heart of Langley Park. On the right, residents of Langley Park rally for immigration reform. Source: CASA.

Many of Langley Park’s foreign-born population come from countries in South and Central America. About 81 percent of Langley Park’s 20,746 residents are Hispanic. Roughly half immigrated from Guatemala or El Salvador. Another five percent are of Mexican descent.¹⁶ Among non-Hispanics, over half are African American. Prince George’s County is home to an estimated 68,000 undocumented immigrants.¹⁷ Per the Migration Policy Institute, Langley Park has one the largest concentrations of undocumented Latino immigrants in Prince George’s County.¹⁸

	Langley Park CDP	Prince George's County	Maryland
Total population	20,746	873,481	5,834,299
% male	62.2	48.0	48.4
% female	37.8	52.0	51.6
% age 15-44	62.2	44.4	40.6
% under age 18	20.0	24.0	23.0
% under age 5	7.9	6.8	6.3
Average household size	3.9	2.8	2.7
% non-Hispanic White	4.0	14.8	54.1
% non-Hispanic Black	11.5	63.3	29.0
% non-Hispanic Asian	1.6	4.2	5.7
% Hispanic of any race	81.2	15.4	8.5
% foreign born	70.0	20.2	14.0

Table 1: Langley Park Population Demographics. Source: US Census ACS 5-Year 2013.

¹⁶ Country of origin data comes from the 2010 U.S. Census. It is not available for ACS 2013 5-year data.

¹⁷ Approximately 31 percent of the county’s undocumented immigrant populations qualify for Deferred Action for Childhood Arrivals (DACA) or Deferred Action for Parents of Americans and Lawful Permanent Residents (DAPA), which will allow them to apply for social security numbers and workers’ permits.

¹⁸ Park, M. & McHugh, M. (2014). “Immigrant Parents and Early Childhood Programs: Addressing Barriers of Literacy, Culture, and Systems Knowledge.” Washington DC: Migration Policy Institute.

Langley Park residents, overall, have low levels of education. Just over one third of the adult population has a high school diploma or equivalent, compared to 86 percent of Prince George's County adults and 89 percent of those in Maryland. Language proficiency among parents is also an ongoing challenge to the education of youth. Less than half of those over five years of age speaks English “very well.”¹⁹

	Langley Park CDP	Prince George's County	Maryland
% population 5 years and over that speak English less than "very well"	60.9	9.1	6.4
% population 5 years and over that speak Spanish or Spanish Creole	75.0	10.7	6.5
% high school graduate or higher	36.8	85.5	88.7
% bachelor's degree or higher	10.3	29.8	36.8

Table 2: Language Skills and Education Levels. Source: US Census ACS 5-Year 2013.



Figure 6: On the left, CASA Headquarters in Langley Park. On the right, CASA Worker Center signs welcoming both workers and employers.

Langley Park has few local jobs. While there are hundreds of small businesses in the neighborhood, only 2.6 percent of those employed in Langley Park live there. Residents are most popularly employed in construction, retail, healthcare and social assistance, accommodation and food services, and waste management.²⁰ CASA reports that the construction sector employs about 37 percent of the working population.²¹ There are also many people in Langley Park that are unemployed. In 2013, the unemployment rate in the CDP was 11 percent compared to 8 percent

¹⁹ U.S. Census Bureau 2013 (5-year ACS data).

²⁰ U.S. Census Bureau, Center for Economic Studies, 2011.

²¹ From Cradle to Career.

across the state.²² Since the Great Recession, many of those employed in construction and related sectors have had a difficult time finding jobs, as these industries were particularly hard hit.²³

	Langley Park CDP	Prince George's County	Maryland
% unemployment rate	11.2	7.2	5.6
% workforce in construction	37.5	7.7	6.8
Median household income	\$54,821	\$73,623	\$73,538

Table 3: Langley Park income and employment data for residents 16 years or older. Source: US Census ACS 5-Year 2013

Census data only captures part of the story. Undercounts in Latino communities have been well-documented.²⁴ Unfortunately, the employment data does not account for the large number of undocumented immigrants as well as residents who may hold intermittent, seasonal, or part-time employment. These gaps can be significant in Langley Park. For instance, while the Census reported a 13 percent unemployment rate, only 36 percent of CASA Needs Survey respondents indicated that they held a job. Among those who were employed, 39 percent had two or more jobs and 48 percent held only a part time job.²⁵ Many rely on day labor centers like CASA's Welcome Centers in Langley Park and Long Branch to find temporary employment. These facilities help community members access employment opportunities, provide workers with a safe means of finding temporary work, and negotiate with contractors for fair wages and hours.

Household income as a % of HAMFI	Langley Park			Prince George's County		
	Owner	Renter	Total	Owner	Renter	Total
Less than 30%	13%	23%	20%	6%	22%	12%
31% to 50%	13%	33%	27%	9%	21%	13%
51% to 80%	13%	18%	17%	10%	18%	13%
Greater than 100%	34%	17%	21%	63%	25%	50%
Total households	1,425	3,750	5,175	191,830	110,855	302,685

Table 4: Percentage of households within various income ranges defined by HUD's Area Median Family Income (HAMFI). Source: HUD.

²² U.S. Census Bureau 2013 (5-year ACS data).

²³ From Cradle to Career.

²⁴ Gleeson, L. & Bloemraad, I. (2012). "Assessing the Scope of Immigrant Organizations: Official Undercounts and Actual Underrepresentation." *Nonprofit and Voluntary Sector Quarterly* 42(2), pp. 346–370.

²⁵ CASA Needs Assessment Survey.

With such low levels of education and employment, many Langley Park residents also have below-average incomes. Their median household income of \$54,821 is nearly \$20,000 lower than that of the county or the state.²⁶ Further, approximately 80 percent of families also provide financial support to relatives in their home country.²⁷ This further stretches their already modest budgets. Nearly half of all households earn less than \$53,100 per year, which is less than half of HUD's Adjusted Median Family Income (HAMFI) for region.²⁸ Seventeen percent have incomes that fall below the federal poverty level.²⁹ Much like in employment, Census numbers likely inflate Langley Park's picture of economic well-being by failing to account for its high undocumented population.

²⁶ U.S. Census Bureau 2013 (5-year ACS data).

²⁷ From Cradle to Career.

²⁸ HUD's Adjusted Median Family Income is a measure of average household income for a specific metropolitan area. In 2011, the HAMFI was \$106,100/year for the Washington, DC MSA. HUD, Comprehensive Housing Affordability Strategy (CHAS), 2011.

²⁹ U.S. Census Bureau 2013 (5-year ACS data).

Community Member Profile: Juan Cuellar



In 1996, Juan moved to Langley Park from El Salvador in search of new opportunities for him and his family. The strong and welcoming immigrant community attracted him because of the many businesses that catered to immigrants.

The current housing conditions in Langley Park are a major concern for Juan. Not only are the apartments deteriorating, but they are also riddled with cockroaches, bedbugs, rats, and mold. In addition, management continually raises the rent each year. Rent increases—no matter how small—makes it more difficult for Juan to make ends meet.

Juan fears the Purple Line will further increase his rent, but not his income. He believes that the Purple Line will not benefit current residents if they are not protected from displacement. Juan fears his family will be forced to move and does not know where they will go. He hopes to continue living in Langley Park, but given the rising cost of rent and the deplorable housing conditions he has witnessed, he is not sure how much longer he can afford to.

HOUSING CHARACTER AND OWNERSHIP

Housing and ownership characteristics are substantially different in Langley Park than the county as a whole. Langley Park homes tends to be older and denser, with a higher proportion of multifamily rental units. Three out of every four residents rent rather than own their homes and the same proportion of the neighborhood's 5,245 housing units are rental apartments. Langley Park apartments have an average of 279 units spread across multiple low-rise garden-style complexes. In Prince George's County, almost two-thirds of the housing are single-family homes. Of the 891 single-family units in Langley Park, many are condominiums or single-family attached dwellings. Only 28 percent are single-family detached homes.³⁰ Over 90 percent of the apartment units were constructed between 1940 and 1979.³¹ The median year of construction for all housing units is 1950.³²

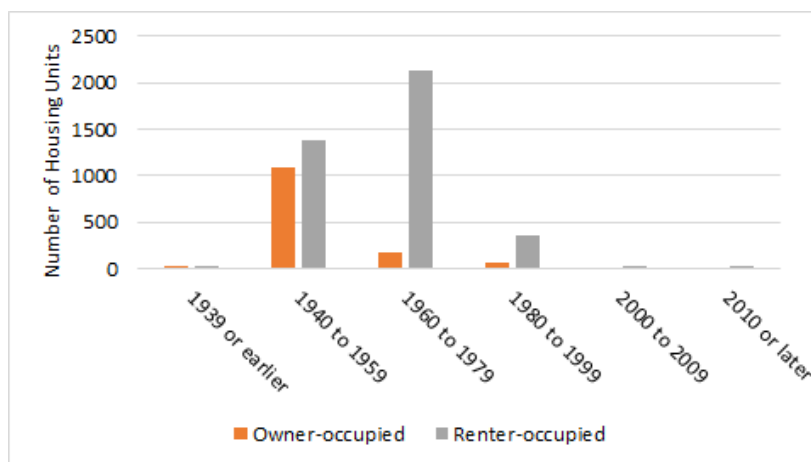


Figure 7: Year constructed of Langley Park housing units. Source: US Census

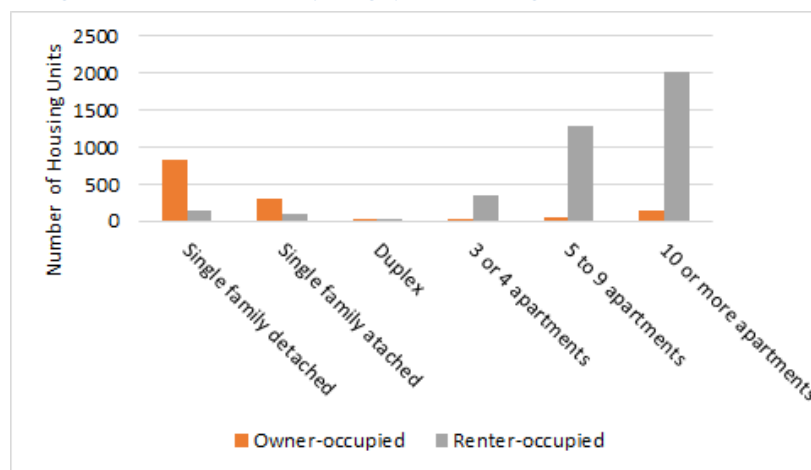


Figure 8: Langley Park housing type by number of units and structure. Source: US Census ACS 5-Year 2013.

³⁰ Prince George's County Planning Department, "Preliminary Affordable Housing Strategies: Takoma/Langley Crossroads Sector Plan Implementation." April 2012.

³¹ U.S. Census Bureau 2013 (5-year ACS data).

³² PropView Cama.

The majority of apartments are owned and operated by one of three companies or their subsidiaries.³³ The presence of such few property owners puts residents at particularly high risk. With the arrival of the Purple Line, the decisions of just a few property owners to raise rents or redevelop their properties can have widespread impacts.

HOUSING COST AND AFFORDABILITY

The overwhelming majority of affordable housing in Langley Park is market-rate affordable rental housing, which is defined as rental housing that does not utilize any government subsidies but is cost-efficient to low-to-moderate income households, usually because they are in less desirable neighborhoods, are older, or have few amenities. In March 2015, the median rents for one-bedroom and two-bedroom apartments were \$1,020 and \$1,210, respectively.³⁴ Despite a median household size of 3.9, there were no three-bedroom units available in the neighborhood.

Complex	Property Address	Total Units	Unit Mix		1BR Rent	2BR Rent
			1 BR	2 BR		
Langley Garden Apartments	8106 New Hampshire Dr	204	62	142	\$1,035	\$1,249
Quebec Arms	8321 14th Avenue ³⁵	332	143	174	\$1,015	\$1,220
University Landing	1001 Merrimac Drive	117	26	91	\$1,151	\$1,452
University Manor Apartments	800 University Blvd E	136	79	57	\$1,049	\$1,239
Campus Gardens	2214 Phelps Road	390	198	192	\$1,025	\$1,290
Hampshire Village	1325 Merrimac Drive	199	101	98	\$1,070	\$1,340
Langley Terrace	1400 Langley Way	106	52	54	\$1,070	\$1,370
Liberty Place	1352 University Blvd E	178	86	92	\$1,029	\$1,339
University Gardens	1713 Jasmine Terrace	436 ³⁶	194	237	\$960	\$1,160
Victoria Crossing	8208 14th Avenue	125 ³⁷	---	---	\$995	\$1,170
Victoria Station	1401 Merrimac Drive	101	48	53	\$1,034	\$1,222
Villas at Langley	8100 15th Ave	589 ³⁸	---	---	\$1,010	\$1,325
Bedford Station	1400 University Blvd	586	250	336	\$974	\$1,277
University City	2213 University Blvd	400	187	213	\$949	\$1,204

Table 5: Langley Park apartment complexes. Information on rents was obtained by calls to property owners or managers.

Either because of the proposed Purple Line or otherwise, rents in Langley Park are on the rise. One in four CASA Needs Survey respondents indicated that their rent had increased at least ten percent per month over the last two years. Given residents' low incomes, even these market-rate affordable housing rental units are not affordable. Over half of all Langley Park households (53 percent) spend more than 30 percent of their income on rent and utilities.³⁹ Eighty seven percent of CASA Needs Survey respondents said they were worried about how to pay their next month's rent. HUD

³³ PropView AtData.

³⁴ NCSG collected current rents for each apartment complex in Langley Park by making phone calls to apartment managers.

³⁵ Includes 14 three-bedroom apartments with monthly rent of \$1,430.

³⁶ Includes five studio apartments with monthly rent of \$895.

³⁷ Breakdown of units unavailable for this complex.

³⁸ Breakdown of units unavailable for this complex. Includes unknown number of three-bedroom apartments with monthly rent of \$1,535.

³⁹ For renters, housing cost is gross rent (contract rent plus utilities). For owners, housing cost is select monthly owner costs, which includes mortgage payment, utilities, association fees, insurance, and real estate taxes (HUD CHAS, 2011).

measures neighborhood affordability by the number of units available in a given community to households that fall within particular thresholds of HUD's Area Median Family Income (HAMFI). Ideally all households would spend less than 30 percent of their incomes on housing in their neighborhood. As table 7 illustrates, however, all the rental housing units in Langley Park would be affordable only to those households with incomes of at least 30 to 50 percent of the HAMFI. Nearly half are affordable only to households whose income is at least 50 to 80 percent of the HAMFI. But for the one in five Langley Park households whose incomes are less than 30 percent of the HAMFI, there are no affordable housing units available in the community.

% of household income spent on housing	Langley Park			Prince George's County			Maryland		
	Owner	Renter	Total	Owner	Renter	Total	Owner	Renter	Total
Total households	1,425	3,750	5,175	191,830	110,855	302,685	1,456,470	682,335	2,138,805
Less than 30%	42%	49%	47%	60%	51%	57%	69%	51%	63%
31% to 50%	31%	31%	31%	25%	26%	25%	19%	24%	20%
51% or more	26%	20%	22%	15%	21%	17%	12%	23%	15%
N/A	1%	1%	1%	1%	1%	1%	0%	2%	1%

Table 6: Percent of Langley Park households by housing cost burden. Source: HUD CHAS 2008-2012.

	Available Rental Units		Available Units for Sale
Affordable RHUD 30% or below	0	Affordable VHUD 50% or below	0
Affordable RHUD 31% - 50%	135	Affordable VHUD 51% - 80%	35
Affordable RHUD 51% - 80%	130	Affordable VHUD 81% - 100%	0
Affordable RHUD 81%+	0	Affordable VHUD 101%+	20

Table 7: Available housing unit affordability in Langley Park. RHUD and VHUD are HUD-defined measures for affordability that compare available units in a given area with the area's HAMFI. Source: HUD CHAS 2008-2012

Despite the clear need for additional affordable housing, there are no public or subsidized housing projects in Langley Park and few voucher recipients. Housing Choice Vouchers (HCV), also known as Section 8 Vouchers, are federally-

provided subsidies to low-income households that offset the cost of renting private market housing. Langley Park's primary zip-code, 20783, had 52 HCV recipients from 2009 to 2010. Neither of the neighborhood's other two zip-codes had any recipients.⁴⁰ The number of voucher-holders is well below the national average. In the 50 largest metropolitan areas, Housing Choice Vouchers are utilized in 1.6 percent of all occupied housing units and six percent of all market-rate affordable rental housing units.⁴¹ In Langley Park, they are used in less than one percent of housing units. One explanation for their low levels of use could be that recipients may prefer to live in higher opportunity neighborhoods. However, nationwide, 83.5 percent of tracts with existing market-rate affordable housing also have voucher holders.⁴² The more likely reasons are a lack of education about the application process combined with the currently closed voucher waiting list. Eighty-two percent of CASA Needs Survey respondents indicated that they had never applied for federal

⁴⁰ Prince George's County Planning Department, "Preliminary Affordable Housing Strategies: Takoma/Langley Crossroads Sector Plan Implementation." April 2012.

⁴¹ HUD, 2003. Housing Choice Voucher Location Patterns: Implications for Participants and Neighborhood Welfare. http://www.huduser.org/Publications/pdf/Location_Paper.pdf. Accessed May 29, 2015.

⁴² Ibid.

housing assistance. The most frequently cited reasons were a lack of knowledge about the programs and their immigration status. Though the surveys did not elaborate as to why immigration status was a concern, we suspect many undocumented *and* documented immigrants do not pursue aid to avoid the threat of legal consequences or deportation. Those aware of their eligibility for federal housing assistance may also be dissuaded from applying by the long waiting lists and short window of time to submit an application.

HOUSING CONDITIONS AND COMPLAINTS

The age of properties and lack of maintenance contribute to the poor conditions of Langley Park homes. Property View tax data classifies the vast majority of housing in the neighborhood as a three on a scale of one to six, which is “fair.” Fifty-four percent of CASA Needs Survey respondents stated that their landlord maintained their property “poorly” or “very poorly;” 38 percent said they had experienced problems with mice or roaches in their units; and 24 percent said they had experienced two or more of the following: bedbugs, mold, mice, or roaches. More than half of the housing units were built prior to 1960 when the use of lead paint and asbestos was widespread.⁴³ The health hazards associated with both are well documented. Many buildings have not been substantially updated in decades. A lease provided to CASA from one Langley Park apartment complex indicates that lead paint was used in certain areas and requires that residents accept the risks associated with exposure. CASA has worked with tenant associations since 2010 and many of tenants have expressed concerns regarding lease provisions requiring them to pay for air conditioning units, despite others stating that utilities are included, no loitering addendums that do not allow tenants and their families to be outside, and bedbug extermination fees that require tenants to assume responsibility, despite the complex-wide pest issues.

The Prince George’s County Department of Permitting, Inspections, and Enforcement recorded 14 code violations in Langley Park out of a total 279 violations filed in the county between January and April 2015. Most of Langley Park’s violations arose from either a failure to maintain a “clean, safe, and sanitary appearance,”⁴⁴ presence of noxious weeds or plant growth in excess of 12 inches, or outdoor storage of a vehicle that is “wrecked, dismantled, inoperable, or not currently licensed.”⁴⁵

⁴³ From Cradle to Career.

⁴⁴ Prince George’s County Bill CB-39-2001.

⁴⁵ Ibid.



Figure 9: On the left, abandoned couch outside an apartment complex. On the right, broken furniture and appliances litter the front of a single-family lawn.

Overcrowding in Langley Park is also a significant issue. According to the U.S. Census, about 26 percent of occupied housing units in Langley Park are overcrowded, a rate that is five times more than in the county or state.⁴⁶ Nearly 48 percent of households had four or more people living in unit, approximately double the rate of the county or state.⁴⁷ In many cases, unrelated individuals, including large numbers of male workers, share apartments in order to afford the rent. Twenty six percent of residents live in households with non-relatives, a rate nearly five times higher than in the state. As mentioned earlier, the average household size is substantially higher than the state or county (3.9 compared to 2.8 and 2.7 respectively). In Maryland and Prince George's County, the average family size is larger than the average household size, yet in Langley Park, the opposite is true, likely an indication of a large number of non-family related individuals living together.⁴⁸ According to HUD, substandard housing is defined by the presence of any one of the following issues: a high cost burden, overcrowding, incomplete kitchen, or incomplete plumbing. Using this definition, 69 percent of units in Langley Park are substandard.⁴⁹

HOUSING STABILITY

Langley Park residents are not only burdened by poor housing conditions and high housing costs, but also housing instability. In 2009, a large portfolio, consisting of six multifamily properties, were foreclosed. During this time, the properties, which comprised over 1,000 rental units, were placed in receivership and managed by a third party company. The first receivership lasted nearly three months before it was replaced by another management company. During this time, tenants dealt with changing managers, policies, and systems. Many tenants were reportedly wrongly taken to court for failure to pay rent because of the recurring accounting errors on behalf of management company due to the constant changes of management. As a result, CASA worked with the tenants, the county, Enterprise Community Partners, and many others to develop a strategy to intervene in the purchase of the portfolio. However, due to the high asking price, the deteriorating conditions of the units, and the short timeline for purchase, they could not raise the necessary funds to submit

⁴⁶ U.S. Census Bureau 2013 (ACS 5-year data).

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ HUD CHAS 2011.

a competitive bid for the units. That year, Maryland DHCD named the Langley Park a “severe foreclosure hot spot”⁵⁰ with a foreclosure index 38 points higher than the state average.⁵¹

Among residents, the CASA Needs Survey reveals evidence of a more stable, tight-knit community than these statistics and various stereotypes about the neighborhood would suggest. Survey respondents reported that they lived in Langley Park for an average of nine years and two months and in their current dwelling for an average of five years and five months.⁵² According to the Census, 26 percent of Langley Park residents moved in 2010 or later compared to 15 percent in the state and 18 percent in the county. Langley Park has a high proportion of renters who generally move more frequently than owners. Renters in Langley Park, however, have moved less recently than those in the county. Only 31 percent of Langley Park renters moved within the past five years compared to 37 percent in Prince George’s County.⁵³

Langley Park faces significant threats to the long-term stability of its housing stock and residents. Increasing costs, overcrowding, substandard housing, and foreclosure make residents particularly vulnerable to housing instability. The construction of the Purple Line will likely improve housing conditions, but at a cost that current residents likely cannot afford.

⁵⁰ Preliminary Affordable Housing Strategies.

⁵¹ From Cradle to Career.

⁵² Not necessarily the Census Designated Place, as this is an arbitrary boundary to area residents.

⁵³ U.S. Census Bureau 2013 (ACS 5-year data).



BEST PRACTICES IN AFFORDABLE HOUSING NEAR TRANSIT

Langley Park is not alone in facing its affordable housing challenges. Many low-income communities across the nation have been wrestling with similar pressures of development and displacement associated with new transit investments and development around existing transit stations. In response, a growing movement for what is being called “equitable transit-oriented development” or equitable TOD, has produced a range of tools to minimize displacement and ensure long-term affordability near transit. Common tools include inclusionary zoning ordinances, which require a percentage of affordable units in any new residential development, housing land trusts, and community benefits agreements. The latter are written agreements that require development plans consider the impact to existing residents and often to reinvest in the communities they adversely impact (Salkin and Lavine, 2008; Feinstein and Allen, 2011; Bates, 2013; Claggett, 2014). Planning is also key. Adequate local control, clear and proactive planning, community participation, and consensus building among diverse stakeholders promote more equitable outcomes (Kahn, 2007; Feinstein and Allen, 2011; Dorsey and Mulder, 2013; Pollack and Prater, 2013; Claggett, 2014; Kay et al, 2014; Lung-Amam et al., 2014). Nationally available “tools kits” such as the Environmental Protection Agency’s Building Blocks for Sustainable Communities, HUD and Department of Transportation’s portfolio on preserving affordable housing near transit, and PolicyLink’s equitable development toolkit all focus on strategies to preserve affordability and prevent displacement.

While the existing research and toolkits offer some insightful strategies, many of the best lessons can still be drawn from case study examples of communities that are currently or have recently engaged these issues. Below we summarize the lessons in protecting and creating affordable housing from several different regions around the U.S. that we feel most directly speak to the unique environmental, social, economic and political conditions in Langley Park. These include examinations of programs and policies implemented in coordination with the Portland Metro, Seattle Link Light Rail, Atlanta Beltline, the Twin Cities’ Central Corridor and Hiawatha Light Rail, San Francisco Bay Area Rapid Transit, Denver FastTracks, and Los Angeles Metro. While we concentrate on these seven examples, we have researched many other case studies that have influenced our recommendations. All of the case studies show what is possible with the commitment of time, financial resources, planning, and collaboration at all levels of the community and government.

DENVER, CO

In 2004, voters approved the FastTracks plan, creating 122 miles of new light and commuter rail, 18 miles of bus rapid transit, and improving existing stations across the eight counties in the Denver metro area. Nearly 75 percent of federally subsidized housing in Denver is located within a half mile of existing or proposed transit lines.⁵⁴ In response to a potential massive loss of affordable housing, the city and county joined with investors to create the first affordable housing TOD fund in the country. Several features of Denver's program were key to its success, including:

- A network of community-based organizations that engaged residents in station-area planning and trained community leaders;⁵⁵
- Enterprise Community Partners and the City of Denver used \$24 million in investor funding to buy land near transit and sell it to affordable housing developers, resulting in the creation of 600 new affordable units since 2010;⁵⁶
- Mile High Connects, a partnership of 17 organizations from public, private, and nonprofit sectors leveraged funding to offer grants to projects that increased resident participation in station-area planning and improved access to housing choices, good jobs, quality schools, and essential services via public transit, particularly for low-income communities and communities of color;⁵⁷
- Funds from New Starts, a federal program providing financial support for new and expanding transit systems, were targeted specifically for affordable TOD projects.⁵⁸

SEATTLE, WA

In 2009, the LINK light rail opened, connecting the central business district to neighborhoods in southeast Seattle. Funding from HUD, EPA, and other sources created Community Cornerstones, a program administered by the city with involvement of the housing authority, a local university, and neighborhood groups. With the prevention of displacement of residents and small, minority-owned businesses as their primary goal, Community Cornerstones promoted a neighborhood-based planning process that considered the priorities of diverse, immigrant populations and low-income, communities of color located along the corridor. Their successes included:

- Community Cornerstones accepted funding proposals for land acquisition and pre-development of 281 affordable housing units using \$1.3 million from a HUD Community Challenge Grant;⁵⁹

⁵⁴ Enterprise Community Partners, 2010. "Preserving Affordable Housing Near Transit." <http://www.reconnectingamerica.org/assets/Uploads/preservingaffordablehousingneartransit2010.pdf>. Accessed June 12, 2015.

⁵⁵ Montesano, M., 2012. *Effective Practices in Community Engagement for Equitable Transit-Oriented Development*. http://www.metrostability.org/efiles/TOD_Community_Engagement_Report_CURA.pdf. Accessed June 4, 2015.

⁵⁶ "Denver Regional Transit-Oriented Development (TOD) Fund." <http://www.enterprisecommunity.com/financing-and-development/community-development-financing/denver-tod-fund>. Accessed June 24, 2015.

⁵⁷ Mile High Connects. "Homepage." <http://milehighconnects.org/>. Accessed June 25, 2015.

⁵⁸ HUD Public Affairs, "HUD's Recovery Act Programs." February 18, 2014. <http://blog.hud.gov/index.php/2014/02/18/huds-recovery-act-programs/>. Accessed June 25, 2015.

⁵⁹ City of Seattle Community Cornerstones Program, Annual Evaluation Report 2013. <http://www.seattle.gov/housing/Cornerstones/docs/CommunityCornerstones2013EvaluationFINAL.pdf>. Accessed March 28, 2015.

- Legislation passed to allow King County to issue up to \$45 million in workforce housing bonds for affordable housing located within a half mile of transit stations;⁶⁰
- Active resident participation in neighborhood workshops, particularly among low-income residents of color and recent immigrants, which led to the building of a multicultural community center;
- Cooperation from 16 local jurisdictions resulted in a non-binding regional compact outlining equitable TOD plans and goals.⁶¹

PORTLAND, OR

Portland's TOD Program, led by the regional transportation agency TriMet, began in 1998. TriMet successfully leveraged funds to incentivize the private market to provide dense, mixed-income development near transit. A corridor-based Urban Renewal Area (URA) enabled tax increment financing (TIF) for TOD. Guided by citizen advisory committees, the funds captured by the URA have been allocated to provide benefits to existing communities in the URA. Key achievements have included:

- Surplus federal funding used to purchase land and sell to developers at reduced prices for affordable housing TOD projects;⁶²
- Property Tax Abatements incentivize developers to add affordable housing and community amenities into high-density projects along transit corridors;⁶³
- TriMet took an active role in selling property to developers with the condition that affordable housing be included.⁶⁴

SAN FRANCISCO, CA

In 2001, the Metropolitan Transportation Commission (MTC), the transportation planning and financing agency for the San Francisco Bay Area, adopted a regional transit expansion plan. High housing costs in the region made affordable housing an important focus of the Bay Area Rapid Transit (BART) expansion. In 2011, the Great Communities Collaborative (GCC), which is comprised of regional community foundations, launched the Bay Area Transit-Oriented Affordable Housing (TOAH) Fund. Funding from MTC, community development financial institutions, and lenders provided the initial funding for the TOAH Fund. Their success has included:

- \$50 million in TOAH funds providing flexible loans to developers to purchase and preserve affordable housing units near transit;⁶⁵

⁶⁰ Bhatt, S. "Affordable-housing legislation sent to governor's desk." *Seattle Times*. April 16, 2015. <http://www.seattletimes.com/seattle-news/politics/affordable-housing-legislation-sent-to-governors-desk/>. Accessed June 25, 2015.

⁶¹ Puget Sound Regional Council, "Growing Transit Communities Strategy." <http://www.psrc.org/growth/tod/growing-transit-communities-strategy/>. Accessed June 25, 2015.

⁶² Carlton, I. & Zuk, M. (2015). "Equitable Transit Oriented Development: Examining the progress and continued challenges of developing affordable housing in opportunity and transit-rich neighborhoods." <http://www.prrac.org/pdf/EquitableTOD.pdf>. Accessed May 3, 2015.

⁶³ Oregon Metro, "Transit-Oriented Development Program Annual Report 2014." <http://www.oregonmetro.gov/sites/default/files/TOD-program-AnnualReport-2014.pdf>. Accessed June 22, 2015.

⁶⁴ Government Accountability Office (2009). *Affordable Housing in Transit-Oriented Development*. <http://www.gao.gov/new.items/d09871.pdf>. Accessed June 22, 2015.

⁶⁵ Bay Area TOAH Fund. <http://bayareatod.com>. Accessed June 22, 2015.

- The current fund is expected to produce between 1,100 and 3,800 new affordable units;⁶⁶
- Since 1998, the MTC has used federal Congestion Mitigation and Air Quality Improvement and Transportation Equity Act funding to provide \$200 million in planning and capital grants and affordable housing incentives to Bay Area counties.⁶⁷

ATLANTA, GA

Atlanta Beltline, Inc. (ABI) was formed in 2005 by Invest Atlanta, the city's economic development authority, to oversee the planning and execution of the Beltline rail system. ABI generated broad community engagement during the planning process and kept residents informed about construction throughout the process. ABI provided funding for affordable housing by starting a corridor-based, tax-allocation district (TAD), of which 15 percent of the proceeds go to the Beltline Affordable Housing Trust Fund. ABI's efforts have resulted in:

- Trust fund awards grants to developers that create or rehabilitate affordable housing near transit and to homebuyers in need of down payment assistance;⁶⁸
- To eliminate blight and create additional affordable housing, Fulton County/City of Atlanta Land Banking Authority secures and manages nonprofit and government property for three to five years, eliminating delinquent taxes and taxes that accrue while development occurs;⁶⁹
- Community-led advisory boards monitor and make recommendations to the city on affordable housing and the use of TAD bond proceeds.

TWIN CITIES, MO

The Metropolitan Council for the Twin Cities formed Corridors of Opportunity (CoO) in 2011 using a HUD Sustainable Communities Regional Planning Grant and funding from The Integration Initiative of Living Cities, a consortium of 22 of the nation's largest philanthropies and financial institutions. CoO placed a strong emphasis on using the development of the Central Corridor light rail to revitalize existing communities and provide affordable housing. While this program has ended, the Metropolitan Council awards grants for projects building and preserving affordable housing near transit through the Livable Communities Act.⁷⁰ This collaborative effort has resulted in:

- The Twin Cities Community Land Bank and the partner lending institutions in the CoO initiative funded the Housing/TOD Loan Program with \$14.3 million and issued a request for proposals for projects preserving or creating affordable housing within one-half mile of transit;⁷¹

⁶⁶Metropolitan Transportation Commission, "MTC Contribution Keys New Affordable Housing Fund." March 23, 2011. http://www.mtc.ca.gov/news/press_releases/rel523.htm. Accessed June 22, 2015.

⁶⁷Metropolitan Transportation Commission, "Transportation for Livable Communities Program." http://www.mtc.ca.gov/planning/smart_growth/tlc/#2. Accessed June 19, 2015.

⁶⁸BeltLine Affordable Housing Advisory Board 2013 Annual Briefing (2014, April 29). <http://beltline.org/wp-content/uploads/2014/05/2013-Annual-Report-Meeting-4-29-14-Final-Draft.pdf>. Accessed June 26, 2015.

⁶⁹Fulton County/City of Atlanta Land Banking Authority. <http://www.fccalandbank.org/banking.htm>. Accessed June 22, 2015.

⁷⁰Metropolitan Council. "Livable Communities Program Facts." <http://www.metrocouncil.org/About-Us/Facts/CommunitiesF/FACTS-Livable-Communities.aspx>. Accessed June 25, 2015.

⁷¹Corridors of Opportunity. "Housing/Transit-Oriented Development (TOD) Loan Program Request for Proposals (RFP)." <http://tccalandbank.org/downloads/Corridors-of-Opportunity-RFP.pdf>. Accessed June 25, 2015.

- In 2011, the Livable Communities Program began awarding grants to affordable housing projects within one-quarter mile of transit.⁷² Since then, they have funded the construction of 374 affordable units.⁷³

These case studies provide many lessons for Langley Park. While each were sensitive to their unique contexts, most were shepherded by strong leaders with clear visions and goals, often to serve the needs of underprivileged communities with better access to transit. Most were bolstered by regional governing structures that allowed for coordination across multiple jurisdictional lines. All were collaborative, with proactive attempts to involve local residents, community groups, developers, and other stakeholders in planning and often implementation. In working with disadvantaged populations, most recognized the need to go above and beyond to involve residents and meet their unique needs. Many began planning early, measured their progress regularly, and remained flexible and responsive to changing needs and circumstances. Many worked hard to finding federal, state, and grant funding, but local and regional governments also took the initiative to direct resources toward new initiatives and when necessary to create new long-term funding sources. Many held developers accountable for providing critical neighborhood resources. In all cases, the political will and support of elected representatives as well as the participation of local communities were key to their successes.

⁷² 2014 Metropolitan Livable Communities Annual Report to the Minnesota State.

<http://archive.leg.state.mn.us/docs/2015/mandated/150617.pdf>. Accessed June 2, 2015.

⁷³ Metropolitan Council, “\$1.5 Million Will Promote Affordable Housing Opportunities in Lakeville, Minneapolis, Ramsey, Roseville, Saint Paul, and Waconia.” December 11, 2014. [http://www.metrocouncil.org/News-Events/Communities/News-Articles/\\$1-5-million-will-promote-affordable-housing-pppor.aspx](http://www.metrocouncil.org/News-Events/Communities/News-Articles/$1-5-million-will-promote-affordable-housing-pppor.aspx).



LANGLEY PARK AFFORDABLE HOUSING “TOOL BOX”

While examples from other communities are useful for thinking about the long-term possibilities for an affordable housing in Langley Park, an effective strategy must rely on and build upon the tools at hand. Various legal and regulatory frameworks can and are being used to support affordable housing in the neighborhood. In this section, we assess the strengths and weaknesses of tools available at the federal and state level, Montgomery and Prince George’s County, and in Langley Park that can aid in the preservation of existing or creation of new affordable housing options around the Purple Line. These tools include those that provide individual assistance to households seeking affordable housing and place-based programs that local governments, housing authorities, and developers can use to support the creation and/or preservation of affordable housing projects in particular neighborhoods.

INDIVIDUAL ASSISTANCE

At the federal and state level, there are many programs that provide rental and homeowner assistance directly to individuals. Prince George’s County is often reliant on federal or state funding for these programs. Many are closed or have limited capacity. Rental assistance is usually restricted to the neediest and is often difficult to obtain, even if one qualifies.

Community Member Profile: Glenda Rosales



In 1998, 16-year old Glenda Rosales emigrated from Guatemala to the United States in hopes of fulfilling her American dream. For the past 12 years, Glenda and her family have lived in Langley Park because of the proximity to public transportation, immigrant stores, and affordable housing relative to neighboring areas.

When Glenda's family first arrived in Langley Park, they lived in a two-bedroom apartment with her brother-in-law. Glenda feels that the apartment was not worth the high rents they paid for such a small space, coupled with their high monthly utility costs. During her time in the apartment, she made numerous complaints to management about maintenance issues, which went ignored for months. Glenda found that for just a little more money, they could rent a four-bedroom house that provided them with more space and better quality housing. Glenda and her husband now share their new house in the neighborhood with her brother-in-law and cousin in order to split the cost of rent. However, the family still worries how they will pay rent.

Glenda has mixed feelings about the Purple Line. While she is excited for this project because it will benefit existing residents by providing them a new way to travel, she fears that if rents increase too much, many will be displaced. Ultimately, she supports the construction of the Purple Line, but under the condition that existing communities be protected from displacement.

HOMEOWNERSHIP

Homeowner assistance is often provided in the form of loans to low- and moderate-income households. Several federal and state programs have been used in Prince George's County, but many have suffered from a lack of funding.

Maryland Mortgage and Down Payment Assistance Programs. Maryland DHCD offers the Maryland Mortgage Program (MMP), which provides loans and down payment or closing cost assistance. In FY 2013, 384 loans were given to homeowners in Prince George's County.⁷⁴ DHCD also offers the Down Payment Assistance (DPA) Program, which provides deferred second mortgage loans to eligible homebuyers to help with down payments and settlement expenses. Many residents of Langley Park are eligible to apply for loans through MMP as they would fall below the income cut off of \$88,000.⁷⁵ Prince George's County has made extensive use of this program, surpassing all other Maryland jurisdictions. In FY 2014, 279 loans were made through the DPA program, totaling over \$1.5 million.⁷⁶

Housing Rehabilitation Assistance Program. The Housing Rehabilitation Assistance Program was funded by Maryland DHCD and administered by the nonprofit Housing Initiative Partnership, Prince George's County DHCD, and the county's Redevelopment Authority. The program provided loans up to \$60,000 for low-income homeowners of properties in need of repair. To be eligible, the applicant's household income must be equal to or less than 80 percent of the county median.⁷⁷ In FY 2014, Prince George's County awarded only three loans.⁷⁸ As of June 2015, the program was not accepting new applicants.

My Home Program. Prince George's County has had success with the My Home program, providing loans to over 250 first-time homebuyers to assist in down payment or closing cost assistance.⁷⁹ Closing costs and down payments are often the biggest hurdle for potential homebuyers so programs that meet this need represent an effective way to fill the gap and create homeownership opportunities.

Housing Choice Voucher Homeownership Program. The Prince George's County Housing Authority has assisted 63 families in purchasing homes since the start of federal Housing Choice Voucher Homeownership Program. As of June 2015, the waiting list was closed to new applicants.

⁷⁴State of Maryland, "2013 Consolidated Plan Performance Report."

http://www.dhcd.state.md.us/website/About/PublicInfo/Publications/Documents/DRAFT_CAPER_2013.pdf. Accessed June 23, 2015.

⁷⁵Households of 1 or 2: Less than \$88,400. Households of 3 or more: Less than \$101,300.

<http://mmp.maryland.gov/Pages/Eligibility.aspx>. Accessed June 25, 2015.

⁷⁶State of Maryland, "2014 Consolidated Plan Performance Report."

http://www.mdhousing.org/website/About/PublicInfo/Documents/DRAFT_2014_CAPER_Consolidated_Plan.pdf. Accessed June 23, 2015.

⁷⁷See

<http://www.princegeorgescountymd.gov/sites/DHCD/FederallyFundedPrograms/SingleFamilyRehabilitationloan/Pages/default.aspx>. Accessed June 25, 2015.

⁷⁸State of Maryland, "2014 Consolidated Plan Performance Report."

⁷⁹Redevelopment Authority, "My Home Assists over 250 Buyers." February 6, 2015.

<http://www.princegeorgescountymd.gov/sites/RedevelopmentAuthority/News/Pages/My-Home-Assists-Over-250-Buyers.aspx>. Accessed June 24, 2015.

RENTAL

HUD provides funds to Maryland as well as the local housing authorities in Prince George's County to administer rental assistance programs, such as the Section 8 Housing Choice Voucher Program and the Rental Allowance Program (RAP). The amount of funding a local housing authority receives depends on the initiatives it puts forward. In 2015, HUD allocated over \$62 million in renewal funding to the Housing Authority of Prince George's County. Montgomery County Housing Authority received about \$82 million.⁸⁰ Prince George's County households are, however, generally less well-off than their counterparts in Montgomery County. The median household income in Prince George's is \$73,623 compared to \$98,221 in Montgomery County.⁸¹

Housing Choice Voucher Program. For residents of Prince George's County, it can be very difficult to access this program. Individuals seeking vouchers often find that the waiting list is closed, as it was in June 2015. Once on the waiting list, most applicants wait years before receiving assistance. Data on Prince George's County wait list times was not available, however, the average waiting period for Housing Choice Voucher recipients in the District of Columbia is between eight and 10 years.

Rental Allowance Program (RAP). RAP provides fixed monthly rental assistance to low-income families who are homeless, in danger of becoming homeless, or in need of emergency housing. Households with incomes below 30 percent of the statewide or area median income are eligible. In June 2015, the waiting list for this program in Prince George's County was closed to new applicants. Generally, the program is reserved for select, severe cases. In FY 2013, only 22 families in the county received assistance.⁸²

AFFORDABLE HOUSING PRESERVATION AND CREATION

Another option for providing affordable housing is through place-based, rather than people-based interventions. A variety of programs provide funding to help preserve or rehabilitate existing affordable housing units or to create new opportunities.

Neighborhood Stabilization Program. The Neighborhood Stabilization Program is funded by HUD and administered by local jurisdictions. The Prince George's County Redevelopment Authority uses funding from this program to purchase and rehabilitate foreclosed and abandoned homes and make them available to qualified first-time homebuyers. There are three zip-codes in Langley Park, and only one, 20784, was eligible for the program in June 2015.

Low-Income Housing Tax Credits. For-profit and nonprofit sponsors of qualified low-income rental buildings may apply to Maryland DHCD to receive annual tax credit allocations through the federal Low-Income Housing Tax Credit Program (LIHTC). Tax credits may be claimed at four or nine percent, subsidizing either 30 or 70 percent of project costs respectively. Nine percent

⁸⁰ HUD CY15 Housing Authority Renewal Funding.

<http://portal.hud.gov/hudportal/documents/huddoc?id=CY15RenewalFundforPosting.xlsx>.

⁸¹ U.S. Census Bureau 2013 (5-year ACS data).

⁸² Prince George's County DHCD, "Consolidated Annual Performance and Evaluation Report, FY 2013."

http://www.princegeorgescountymd.gov/sites/DHCD/Resources/PlansAndReports/Documents/HCD_CAPER_Fiscal_Year_2013_09_11.pdf. Accessed June 24, 2015.

tax credits support projects without other federal subsidies. If selected, a LIHTC building must continue to offer below market-rate units for a minimum of fifteen years.⁸³ In FY 2014, a tax credit of \$1.5 million was awarded to a project of 100 low-income units in Prince George's County.⁸⁴ This program provides a valuable incentive to developers if they take advantage of it. LIHTC's "10-year rule" is a potential barrier to its use in Langley Park. This provision limits the use of LIHTC property acquisition credits to those properties that have not changed hands or been substantially improved within the previous 10 years. Many apartments within Langley Park have changed ownership during the last 10 years and have not been substantially renovated for decades.

Maryland Sustainable Community. As a designated Sustainable Community, Langley Park has access to several programs offered by Maryland DHCD. The Strategic Demolition and Smart Growth Impact Fund provides funding to local governments and nonprofit community development organizations for site acquisition, demolition, and development of vacant, "grey field" developments.⁸⁵ Langley Park does not have large parcels of undeveloped land so this program presents an opportunity to fund redevelopment of existing structures, which is often costlier. In addition, the program makes Langley Park eligible for the DHCD's Community Legacy program, which provides grants and loans for revitalization projects, Sustainable Community Tax Credits, and bonus weighting under the Low-Income Housing Tax Credit Program.

Transforming Neighborhoods Initiative. In 2012, Prince George's County targeted six distressed communities, among them Langley Park, to receive assistance through the Transforming Neighborhoods Initiative. These neighborhoods all suffer from significant economic, health, public safety, and education concerns. The objective of TNI is to improve key indicators of community health and well-being, such as crime, reading and math scores, school absentee rates, foreclosure rates, income levels, and pedestrian fatalities and injuries. The Langley Park TNI developed an annual strategic plan to work issues of housing, services, public safety, education, and community engagement. The initiative worked collaboratively with community partners and members to improve neighborhood conditions, such as improving the conditions of the housing units through increased code enforcement in ways that were sensitive to residents' language barrier, fear of government, and housing overcrowding. In January 2017, the Langley Park TNI will no longer be facilitated and managed by the county and will transition to a community-led entity.

Single-Room Occupancy Program. Through the Section 8 Moderate Rehabilitation Single-Room Occupancy (SRO) Program, HUD enters annual contribution contracts with housing authorities to fund moderate rehabilitation of residential properties providing single-room occupancy (SRO) to very low-income, single, and homeless individuals.⁸⁶ Given the population of young, single, low-

⁸³ Maryland Department of Housing and Community Development, "Federal Low Income Housing Tax Credit Program Fact Sheet." <http://www.dhcd.maryland.gov/Website/Programs/lihtc/Factsheet.aspx>. Accessed June 20, 2015.

⁸⁴ State of Maryland, "2014 Consolidated Plan Performance Report."

⁸⁵ "Strategic Demolition and Smart Growth Impact Fund." <http://www.neighborhoodrevitalization.org/programs/SGIF/Default.aspx#e>. Accessed June 25, 2015.

⁸⁶ HUD, "Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program." <http://portal.hud.gov/hudportal/HUD?src=/hudprograms/sro>. Accessed June 2, 2015.

income men in Langley Park and problems with overcrowding, this program may be useful for improving the housing conditions of many residents.

HOME Investment Partnerships Program. HOME Investment Partnerships Program (HOME) is a federal program administered by Maryland's Community Development Administration (CDA). It provides zero-interest deferred loans to nonprofit organizations, local governments, local housing agencies, and state government agencies for the creation or rehabilitation of rental, owner-occupied, and special needs housing. The percentage of affordable units must be equal to the proportion of the project costs covered by HOME funds.⁸⁷ In FY 2014, there were no funded projects in Prince George's County. Due to Prince George's County's previous misuse of HOME funds described earlier, the county's funding has been repeatedly cut.

Partnership Rental Housing Program. Through the Partnership Rental Housing Program (PRHP), Maryland DHCD provides up to \$75,000 per unit for the construction, acquisition, or rehabilitation of affordable rental housing for households with individuals with disabilities or special needs. Projects typically involve a partnership between the state and local government or housing authority. This loan is provided at zero interest and no repayment is required if the building remains low-income housing.⁸⁸ The terms of the funding are very favorable, but Langley Park has a small number of persons with disabilities, only five percent compared to eight percent in the county and 10 percent state-wide.

Multifamily Bond Program. The Multifamily Bond Program (MBP) provides tax-exempt or taxable bonds for construction and permanent financing to leverage federal Low-Income Housing Tax Credits (LIHTC). The MBP loans offered by the State of Maryland's Community Development Administration can be used to cover a significant portion of the funding needed for an affordable housing project in Maryland. Loans can also be used to refinance existing private loans, if refinancing is associated with housing rehabilitation. Developers may apply for tax-exempt bonds, which have lower interest rates but require that at least 51 percent of units be made affordable to families whose income is below 85 percent of the statewide median. Taxable bonds generally have higher interest rates and lower requirements for affordable units.⁸⁹ State-wide, this program provides the largest share of affordable housing funds for projects selected. But in 2013, no LIHTC recipients in Prince George's County received bonds through this program.⁹⁰

Rental Housing Works. Projects that are financed through the MBP and the four percent Low-Income Housing Tax Credits (LIHTC) can also receive up to \$2.5 million in financing through Rental Housing Works (RHW). In addition to meeting the program criteria for MBP and LIHTC, RHW projects must also provide documentation of required zoning for use and density, acquisition of other funding sources, and an estimate of the jobs to be created by the project.⁹¹ In FY 2014, only one affordable housing project in the state received financing.⁹²

⁸⁷ Maryland Department of Housing and Community Development, "HOME Investment Partnerships Program." <http://dhcd.maryland.gov/HousingDevelopment/Pages/hipp/Default.aspx>. Accessed September 26, 2016.

⁸⁸ Maryland Department of Housing and Community Development. "Programs." <http://www.mdhousing.org/website/programs/>. Accessed June 10, 2015.

⁸⁹ Ibid.

⁹⁰ Maryland Department of Housing and Community Development, "2013 LIHTC Recipient List." <http://www.dhcd.maryland.gov/Website/programs/lihtc/Default.aspx>. Accessed June 10, 2015.

⁹¹ Ibid.

⁹² State of Maryland. "2014 Consolidated Plan Performance Report."

Community Development Block Grant. The primary sources of funding for the creation and rehabilitation of affordable housing in Prince George’s County are Community Development Block Grants (CDBG) and HOME funds. In FY 2013, these funds were used to rehab 30 rental units and 340 single-family homes.⁹³ Prince George’s County DCHD accepts CDBG applications from nonprofit organizations, municipalities, and local government agencies that can use them to fund both residential and non-residential projects. Programs like CDBG and MBP should be used in conjunction with other tools.

Affordable Housing Trust Funds. Maryland DHCD provides grants through the Maryland Affordable Housing Trust (MAHT). MAHT provides funding to nonprofit and for-profit organizations, public housing authorities, and government agencies for costs associated with preserving or creating affordable housing. In FY 2014, there were no projects in Prince George’s County that received funding, while two projects in Montgomery County received awards totaling \$70,000.⁹⁴ Projects that incorporate green building techniques, quantify a housing need, and target very low-income individuals have the best chance of being selected. In addition, many counties and cities often initiate their own housing trust funds. As previously indicated, Prince George’s Housing Investment Trust Fund was passed in 2012, but as of June 2015 was yet to be funded.

Conversion of Rental Housing Act. In 2013, Prince George’s County passed the Conversion of Rental Housing Act. This act, codified in the County Code, requires owners who wish to sell a multifamily rental complex with 20 or more units to give DHCD the right of first refusal (ROFR), or the option to purchase the property. DHCD has six months to purchase the property before this right is waived. It is largely intended to prevent apartments from being converted to condominiums. An owner is not required to give notice to DHCD or residents if the buyer agrees to maintain the complex as rental for at least three years or preserve 20 percent of the units as rentals for 15 years. If the owner of the multifamily property is converting its use without the involvement of a third-party buyer, the property may be sold without providing DHCD the ROFR. Priority areas for this program include transit-oriented development areas, TNIs, and Inner Beltway communities.⁹⁵ Langley Park fits all three criteria. However, stipulations on the legislation currently limit its effectiveness. The original law currently specified that the ROFR only applies to properties that are fully within areas identified by the County Council, but as of 2015, the ROFR was extended to all areas of the county where the owner of a multi-family rental facility of 20 units or more intends to sell the facility.

Inclusionary Zoning. While Montgomery County has adopted an inclusionary zoning program to support the construction of affordable housing, Prince George’s County has not. A previous inclusionary zoning ordinance adopted in Prince George’s County was repealed in 1996, after producing 1,600 affordable units during its five-year span. Many other municipalities, including the District of Columbia and Montgomery County have such programs. Montgomery County’s

⁹³ Prince George’s County Department of Housing and Community Development, “Consolidated Annual Performance and Evaluation Report, FY 2013.”

⁹⁴ State of Maryland, “2014 Consolidated Plan Performance Report.”

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<http://www.princegeorgescountymd.gov/sites/DHCD/Services/Documents/Right%20of%20First%20Refusal%20-%20Proposed%20Regulations.pdf>. Accessed June 25, 2015.

Moderately Priced Dwelling Unit Program (MPDU) requires that 12.5 to 15 percent of all new developments of 20 units or more be made affordable to individuals earning less than 65 percent of the area median income. A density bonus is given to participating developers, such that MPDUs do not limit the number of market-rate housing units that can be built on the same amount of land. Though inclusionary zoning is an important tool in almost any long-term affordable housing strategy, Langley Park's lack of undeveloped land may limit the effectiveness of this tool, as it would largely apply to the development of new complexes, rather than the rehabilitation of older buildings. However, much of the housing in Langley Park was recently up-zoned to accommodate the economic boost the Purple Line may bring to Langley Park. As Langley Park is redeveloped because of the Purple Line, inclusionary zoning could be a critical and effective tool to secure affordable housing units in the new development.

Transit-Oriented Development Funds. The Maryland Department of Transportation (MDOT) TOD Program provides designated areas with access to tools that can help them achieve denser, mixed-use development near transit. Local governments in designated TOD areas can use tax increment financing (TIF) to fund TOD and provide affordable housing and community amenities. Affordable housing in designated TODs also receive priority for LIHTC funding. Langley Park is not yet an MDOT-designated TOD site. A local jurisdiction, in this case Prince George's County, can nominate a project for review by the Secretary of Transportation and the Smart Growth Subcabinet as part of its annual priority letter to MDOT.

Code Enforcement. Code enforcement, when applied correctly, can help to enhance the quality of affordable housing and eliminate blight. In Prince George's County, any property in violation of the County Code will be issued a misdemeanor with a fine of \$500. Each day that the property remains in violation is a separate offense. The county has the right to demolish, repair, or otherwise bring the property up to standard and place a lien in the amount of all funds expended on the owner.⁹⁶ Code enforcement has been used in Montgomery County to put pressure on owners to sell. In Langley Park, stricter use of code enforcement could put pressure on landlords who fail to maintain their buildings, but could also result in condemnation of buildings and the displacement of many residents.

Langley Park currently relies on a market-rate affordable rental housing, but there are no long-term subsidized units in the community. To retain or create a reasonable stock of affordable units in the face of the coming pressures associated with the Purple Line, significant constraints need to be overcome. There is currently no inclusionary zoning in the county and much of the area is already built out with existing medium-density multifamily units. Residents will require deep subsidies to provide for a population with incomes that average close to 30 percent of the area median, and most of whom already shoulder heavy housing cost burdens. One of the biggest challenges is locating funding for acquisition costs and redevelopment, which are particularly high in Langley Park given the state of disrepair of many of the complexes. With such a small number of landowners, there are also significant challenges in finding parties to initiate funding applications or utilize existing funding towards this goal. Because Langley Park is not a municipality, it relies on the initiative of the county, the Housing Authority, local nonprofits, developers, and individual property owners. The will to create additional affordable housing options and protections in Langley Park is lacking at many of these levels.

⁹⁶ Prince George's County, Maryland, Municipal Code § 13-114.

Community Member Profile: Maria Guardado



Maria Guardado was determined to provide her children opportunities, which is what drove her to emigrate from El Salvador to the United States in 1997. Maria is recognized for her work in empowering Langley Park parents and youth.

Maria's family of seven shares a five-bedroom home with her sister's family of four. Maria's housing costs are over 60% of her income. According to Maria, her utilities are not included with her rent, and the property owner at times raises the rent without cause. Maria's husband and brother-in-law are the family's sole financial providers. Due to high housing costs, the family constantly worries about making ends meet. Maria tried to alleviate the financial burden by applying for food stamps, but she had been turned away.

Maria expressed mixed feelings about the Purple Line, but overall said she supports the new \$3.5 billion light rail transportation project. She mentioned that many people, including her husband, work seasonal construction jobs, and the Purple Line can connect the community with new job opportunities. However, she expressed concerns that the Purple Line has the possibility of increasing rents and gentrifying Langley Park. Ultimately, she approves of the project if leaders in public office protect the existing community.



AFFORDABLE HOUSING STRATEGIES FOR LANGLEY PARK

Based on our analysis of existing conditions, several characteristics of Langley Park's households and housing stock are pertinent to our recommendations, including:

- Langley Park is home to many low-income foreign-born families that spend a large portion their incomes on housing;
- Although many of Langley Park's residents would qualify for HUD subsidies based on income, few receive subsidies, due in part to lack of familiarity with HUD programs and ineligibility due to their citizenship status;
- Few of Langley Park's residents own their own homes;
- A large number of Langley Park's residents live in overcrowded housing that is in poor condition; and
- The affordable housing stock in Langley Park is dominated by older, privately-owned rental multifamily properties.

These characteristics suggest that affordable housing strategies appropriate for other communities may not necessarily be appropriate for Langley Park. With additional insights provided by the foregoing analysis of best practices, existing local, state, and federal policies and practices, and interviews with local housing policy experts, we propose that six strategic goals be pursued by relevant local and state government entities in concert with local private and nonprofit organizations.

1. Maintain the quality and affordability of the existing rental housing stock.

Langley Park's affordable housing stock is dominated by privately-owned and managed apartment complexes. More than half of the housing units were built prior to 1960, and a majority have been rated as "fair" in quality by the county. As noted in the CASA Needs Survey, the majority of respondents stated that their unit was maintained poorly, and a large percentage noted problems with pest control. According to HUD's definition, 69 percent of Langley Park's housing stock is substandard. Due in part to these conditions, the rents are affordable compared to similar rental housing within the county and state. Despite the preponderance of poor quality housing, only five percent of Prince George's County code violations between January and April of 2015 were in Langley Park. Of these violations, most were due to exterior conditions and not to conditions affecting the interior quality of individual units. A significant challenge facing Langley Park is the preservation of affordable rents while simultaneously maintaining and enhancing the quality of the rental units inhabited by residents. To achieve this objective, we advocate the following strategies:

Target building code enforcement. Code inspections in Prince George's County are conducted as part of an overall "cleanup" strategy in specific communities and in response to complaints initiated by residents.⁹⁷ Inspections for multifamily properties with three or more units are also required as part of the county's multifamily licensing process. We recommend that the county explore more targeted code enforcement for older multifamily properties that have not been

⁹⁷ <http://www.princegeorgescountymd.gov/sites/DPIE/Services/PropertyMaintenance>. Accessed June 25, 2015.

substantially renovated. The emphasis of code enforcement efforts should be on code violations that compromise the health and safety of residents. In order to ensure that compliance with codes does not compromise the affordability of units, we recommend that any such targeted enforcement strategy be combined with a strategy to direct property rehabilitation resources to landlords not in compliance with codes, from sources including State Weatherization Program funds and federal HOME funds. A similar strategy was adopted in neighboring Montgomery County (Kingsley and Williams 2007).

Explore the adoption of affordable housing preservation property tax incentives. We recommend that the county explore the feasibility and likely impacts of a property tax credit that could be awarded to multifamily property owners that maintain affordable rent levels while also remaining in compliance with building codes. The purpose of such an initiative would be twofold: to discourage the demolition of existing privately-owned affordable rental units and to provide a resource that could be used to capitalize the county's Housing Trust Fund. Since any modification to the property tax code is likely to come with costs, the impacts of such a policy should be closely evaluated prior to enactment.

Advocate for state-level changes in property taxation procedures to allow for the establishment of differential taxation rates for land and structures. Local governments in Pennsylvania have levied differential property tax rates for land and structures, reducing the structure portion of the tax to reduce or eliminate the implicit tax penalty associated with property improvements. This property taxation approach is often referred to as a “split-rate” or “two-rate” tax system. Some evidence suggests that Pittsburgh's split-rate tax system contributed to an increase in construction activity (Oates and Schwab 1997). In Maryland, establishing a differential rate would be easier administratively than in most states, given that land and structures are already assessed separately. In a variation on this approach, multifamily property owners could be given a rebate on the structure portion of their property tax bill if property owners make investments that improve the quality of their properties while maintaining affordable rent levels.

2. Create and expand tools that enable nonprofit housing developers to acquire and rehabilitate existing multifamily properties.

Langley Park's affordable rental housing stock is aging and in need of repair and renovation. Low-Income Housing Tax Credits (LIHTC) are a potentially useful financial resource for preserving this stock, but as we have previously discussed, the LIHTC “10-year rule” is a potential barrier to using LIHTCs to offset the costs of property acquisition in Langley Park. Furthermore, given the age of the apartment complexes, the costs of renovation in excess of acquisition costs are prohibitively high, particularly for nonprofit housing developers with limited financial resources. Given these conditions, we offer the following strategies as potential tools for removing the financial and market barriers facing nonprofit developers seeking to preserve and rehabilitate Langley Park's affordable rental housing stock:

Act on Right of First Refusal legislation. Montgomery County and the District of Columbia have successfully employed a right of first refusal (ROFR) strategy to acquire and preserve a considerable number of privately-owned affordable rental housing units. The county's recent enactment of the legislation marks an important tool enabling the County DHCD to proactively acquire and preserve multifamily housing in Langley Park. In order for it to work effectively,

DHCD must pursue an active strategy of acquisition based on the current priorities set out for the program.

Expand the utilization of state and federal affordable housing preservation resources. Prince George's County DHCD and local nonprofit developers often lack the financial capital to purchase and rehabilitate aging multifamily rental properties. The county currently receives approximately \$4.5 million annually in CDBG funds that can be used for a variety of activities that benefit low-to-moderate income households, including acquisition and rehabilitation of affordable rental properties. While an important resource, the funding from this program is allocated to a variety of residential and nonresidential projects throughout the county. One idea for expanding the funds available from the county's CDBG allocation is the HUD Section 108 Loan Guarantee Program, which allows CDBG entitlement communities such as Prince George's County to borrow up to five times their annual appropriation to pursue large-scale community development projects. The previous section identifies a variety of other state and federal resources that could also be explored for multifamily housing preservation. Especially critical is that new options be created for a range of household incomes, and serve the unmet need for very-low income housing within the neighborhood.

3. Explore land-value capture strategies to create and preserve affordable housing in areas near proposed Purple Line stops.

Public investments such as the Purple Line affect the value of privately-owned land and property. Land-value capture strategies are based on the idea that since a portion of the increase in the value of privately-owned land is often directly attributable to a public investment, this value increment should be returned to the community as a revenue source. Such a strategy could be employed to recapture the incremental increase in property value associated with Purple Line for funding affordable housing development and preservation initiatives. Two land-value capture strategies are particularly worth considering:

Explore the feasibility of establishing a Tax Increment Financing (TIF) District around proposed Purple Line stations in Langley Park. Tax Increment Financing is a mechanism that many communities around the country have relied upon to debt-finance public improvements using the increase in property tax revenues anticipated following a public investment. It has been used to finance the preservation and development of affordable housing in many communities. We previously highlighted the Atlanta's BeltLine Tax Allocation District, which helped transform an abandoned rail line into a vibrant transit corridor with greenspace, amenities, and affordable housing. The City of Atlanta and its city and county school districts agreed to forgo property tax increases in the area over the next 25 years and dedicate them towards investments along the BeltLine. The BeltLine Affordable Housing Trust Fund helps to finance the construction and preservation of affordable housing in BeltLine neighborhoods.⁹⁸

Fund the county's affordable housing trust fund. The Prince George's Housing Investment Trust Fund offers an opportune vehicle for creating a permanent source of affordable housing funding

⁹⁸ U.S. Department of Housing and Urban Development, Office of Policy Development and Research, "Atlanta, Georgia: Affordable Homeownership on the BeltLine." http://www.huduser.org/portal/casestudies/study_05062015_1.html. Accessed June 25, 2015.

that has yet to be capitalized upon. Finding a long-term revenue source for the fund is vital to the strength of county's long-term efforts in Langley Park and elsewhere. In both Montgomery County and the District of Columbia as well as in many of the case studies reviewed in this report, housing trust funds have provided the needed seed funding for many affordable housing projects, including those initiated by nonprofit developers and community groups wishing to take advantage of ROFR laws. In Washington, DC, its housing trust fund has helped to produce and preserve 8,583 affordable homes since it began in 2002.⁹⁹ TIF funds can be allocated toward the fund.

Explore the feasibility of establishing a community land trust. Community land trusts are established by community-based nonprofits to provide affordable housing by owning land and leasing it to those living in residential structures constructed on the land. By communally owning the land, affordability for the residential units can be preserved even amidst rising land values. As a result, this tool has been particularly popular in rapidly gentrifying areas as a way to preserve affordability. An example is the Sawmill Community Land Trust, located near downtown Albuquerque, New Mexico. This organization worked with the City of Albuquerque to protect the character of the ethnically diverse Sawmill community by acquiring a 27-acre former industrial site and developing a plan for the establishment of permanently affordable housing of varying housing types and styles.¹⁰⁰

Designate Langley Park as a Maryland TOD. Langley Park is not currently designated by the state as a TOD site. Prince George's County should be proactive in applying for this designation as soon as possible to start the flow of benefits to the community. These include technical assistance, prioritized funding, and priority for the location of state facilities that can produce needed jobs in the neighborhood. The TOD designation could also allow the county to more strategically make use of TIF or other bond funding. When combined with Langley Park's existing status as a Maryland Sustainable Community, the TOD designation will help to highlight and prioritize the needs of the community at the state level. The county should also consider including Langley Park as one of the several communities that has already been targeted for Purple Line TOD Study Areas. The primary goal of the study areas is to prepare development strategies and maximize their TOD potential. One of the primary planning goals for Langley Park should be the retention of affordable housing and small businesses.¹⁰¹

4. Increase household participation in HUD-subsidized rental housing assistance programs.

Our analysis suggests that despite the large number of potentially-eligible low-income households residing in Langley Park, few residents receive federal housing subsidies. For most HUD programs, qualified low-income households include those earning 80 percent or less of the area median income. In Langley Park, 65 percent of households meet this criterion, yet none receive public housing or project-based subsidies, and only 52 households in one of the neighborhood's

⁹⁹ Coalition for Nonprofit Housing and Economic Development, "DC's Housing Production Trust Fund." <http://www.cnhed.org/hptf/>. Accessed June 25, 2015.

¹⁰⁰ Greenstein, R. & Sungu-Eryilmaz, Y. (2005). "Community Land Trusts: Leasing Land for Affordable Housing." *Land Lines* 17(2). http://www.lincolnst.edu/pubs/1011_Community-Land-Trusts--Leasing-Land-for-Affordable-Housing. Accessed June 25, 2015.

¹⁰¹ The Maryland-National Capital Park and Planning Commission, Prince George's County Planning Department, "Purple Line TOD Study Overview." http://www.pgplanning.org/Projects/Completed_Projects/Completed_Plans/PurpleLineTOD/Overview.htm. Accessed June 25, 2015.

three zip codes receive Housing Choice Vouchers. Barriers to participation in HUD programs include English proficiency and citizenship status. Furthermore, the waiting list for the DHCD-administered vouchers was closed as of June 2015. Efforts should be undertaken to outreach to eligible residents and work with residents who may otherwise qualify. Toward that end, we propose the following:

Expand outreach and education about HUD programs. CASA currently sponsors several events within Langley Park that are geared towards providing residents information about employment and housing opportunities. As part of these events, additional information about HUD programs should be provided in partnership with Prince George’s County DHCD, who also conducts an annual Housing Fair. Bilingual staff should also be made available to assist residents in their applications.

Work with local community organizations to address barriers to HUD eligibility. CASA and other local nonprofits currently work with Langley Park residents to address a variety of tenant issues. These discussions could also be focused on removing potential barriers to HUD and state housing eligibility, in concert with DHCD.

5. Minimize displacement as new development occurs.

Given that new investments along transit lines often bring rising property values and conversion to higher-valued land uses, displacement of existing residents is perhaps the primary challenge facing Langley Park residents. Our research suggests that displacement of existing local institutions, businesses, and other vital community assets is also a source of neighborhood concern. We recommend the adoption of multiple strategies to minimize displacement in areas along new transit lines.

Manage the phasing of multifamily development and redevelopment. Many of the low-rise apartments in Langley Park span a large area, allowing for the phased redevelopment of specific complexes. Advanced notice of property redevelopment and the provision of information about housing options for those displaced is critical. In advance of a planned redevelopment, apartment complexes should be encouraged to maintain a portion of existing residents on-site by creating “natural” vacancies through limitations on new lease contracts while existing residents are relocated. Similar strategies have been pursued by nonprofit developers in the nearby neighborhood of Long Branch.

Expand the use of federal relocation resources for large-scale new development. The federal Uniform Relocation Act establishes minimum standard for relocation planning for any redevelopment project relying on federal funds. Projects using funds from CDBG, HOME, or the Section 108 program allow a portion of such funds to be used for relocation of existing residents. The County DHCD’s Housing Choice Voucher program is another resource that could be made available to residents seeking to move out of or within Langley Park temporarily while redevelopment occurs.

Establish a county impact assistance fund. While the Purple Line is being built by MDOT, which will undergo their own mitigation planning for affected communities, Prince George’s County should consider establishing its own program to assist affected residents and businesses.

Montgomery County's Impact Assistance Program has been used in several TOD project areas, including the recent county-led redevelopment plans in Wheaton, which will impact many immigrant-owned businesses in the downtown. Prince George's County may consider the impacts broadly to include offsetting short-term rental increases or the costs of temporary displacement due to building renovations that may not be provided by property owners or federal funds.

6. Explore strategies to enable more Langley Park residents to transition to homeownership.

Only one in four Langley Park households own their homes. Given that property values are likely to rise as new investment occurs near Purple Line stops, homeownership is an option that would allow residents to reap the benefits of rising values through increases in home equity. Some evidence also suggests that homeownership may provide other nonpecuniary benefits, such as a more stable home environment for children and higher quality neighborhoods. Unfortunately, many of Langley Park's residents face significant barriers to becoming homeowners, including low incomes, limited cash assets for down payments and closing costs, lack of a stable credit history, and poor information about available financing options. Below, we offer suggested strategies for overcoming these barriers.

Expand homeownership and financial counseling efforts. Available evidence suggests that homeownership counseling improves households' knowledge of financing options and reduces the likelihood of eventually defaulting on a mortgage. Efforts should be undertaken to work with local nonprofits, financial institutions, and the Prince George's County DHCD to increase the availability of bilingual homeownership and financial counseling in Langley Park.

Expand utilization of existing state and federal homeownership assistance resources. The previous section identified a variety of state and federal resources for down payment and financing assistance. Another underutilized resource is the Homeownership Voucher Program, which provides funds that first-time homebuyers can use to meet their monthly housing expenses. The program is funded by HUD but administered locally by the County's DHCD. Currently, this program only serves 63 households in Prince George's County, and the waiting list was closed as of June 20015. Efforts should be taken to expand participation in this program within Langley Park.



PROTECTING AFFORDABLE HOUSING IN THE FACE OF THE PURPLE LINE

This report is a call to action. It is a call for state and county officials and agencies, local nonprofit and for-profit developers, property owners, community groups, and residents to come together to find ways of preserving and protecting one of Langley Park's most vital assets—its vast supply of affordable housing. With the coming of the Purple Line, it is not at all certain that this precious resource will be around for future generations to enjoy. Without a community vision, political will, financial resources, policy tools, and planning, the prospects for long-term affordable housing in Langley Park are quite uncertain.

There is, however, evidence that the foundations for a more sustainable future are being built in Langley Park. In 2015, representatives from Langley Park community groups, Prince George's and Montgomery Counties, and the state of Maryland came together in support of the *Pathways to Opportunity: A Community Development Agreement for the Purple Line Corridor*. The agreement is a non-binding "statement of intent," that defines and supports key goals for the corridor, including the preservation of affordable housing, supporting small businesses, and connecting local workers to jobs. The agreement was expected to be signed in the fall of 2016 by state and county officials, cities, towns, and community organizations along the route. But with the recent court ruling against the Purple Line, most aspects of the Purple Line have been placed in abeyance until action is taken by the State of Maryland. As of the writing of this report, neither the Purple Line's future nor the future of the agreement are certain. If achieved, the agreement will be a major win for Langley Park that could set the terms for affordable housing preservation and creation for years to come.

The success of the agreement, however, may not only be measured by its implementation, but also by the coalition of supporters it helped to generate. The effort was pushed forward by the Fair Development Coalition, convened by CASA, and the Purple Line Corridor Coalition (PLCC), convened by the National Center for Smarter Growth Research and Education (NCSG) at the University of Maryland. The PLCC is a group of over 25 members, launched under the leadership of the NCSG at the University of Maryland. It includes public officials, including many from Prince George's County, nonprofit groups, and businesses organized with the aim of fighting for affordable housing, small business incubation, and inclusion of historically underrepresented communities in planning for the new line.¹⁰² The Fair Development Coalition (FDC) is spearheaded by CASA and is a grassroots coalition comprised of over 40 organizations representing non-profits, labor unions, faith based institutions, community organizations, volunteer associations, and business associations. The FDC was launched in 2010 and has raised its united voice in support of an equitable Purple Line that benefits existing communities. In 2013, CASA also launched Somos Langley Park, formerly known as Langley Park Promise

¹⁰² National Center for Smart Growth Research and Education, "Purple Line Corridor Coalition." <http://smartgrowth.umd.edu/plcc.html>. Accessed June 22, 2015.

Neighborhood, a community development collaboration committed to improving the conditions in the neighborhood by focusing on families and increasing and maintaining, among other things, access to affordable housing.¹⁰³

While these efforts are promising, they are not enough. Without the proper tools in place, all the good intentions and strategizing in the world, will not change conditions on the ground. Without property owners investing in improving conditions; county and state officials committing and targeting funds to support and encourage affordable housing; community residents and groups taking a stand and speaking out for what they want and need; and developers and investors working not only for their bottom line, but for the good of the entire community, the prospect of long-term affordability in Langley Park does not look promising.

We hope that this report will not simply be taken as a policy guide, but a starting point for much needed and ongoing conversations among various stakeholders. The best laid plans are never hatched in a vacuum by policy experts, planners, or community groups. They emerge when concerned parties come together with a spirit of compromise, collaboration, and commitment to a fair and inclusive process that creates better futures for all. That spirit is alive and well in Langley Park. Now is the time to move from the spirit to the letter of that intent and together build a future for sustainable and quality affordable housing in the neighborhood that we can all be proud of.

¹⁰³ CASA, “Somos Langley Park.” <http://www.somoslangleypark.org/>. Accessed June 22, 2015.

APPENDICES

Appendix I: Data and Methodology

Our analysis relies primarily on data available from U.S. Census Bureau 5-year American Community Survey, 2009-2013 for the Langley Park Census Designated Place (CDP). This data shows the demographic and housing characteristics of the community, but has its limitations. Langley Park CDP is an arbitrary area that may not match the ways in which many residents experience and navigate the community across county lines. Furthermore, the data fails to account for the significant population of undocumented immigrants who likely experience even harsher economic and housing conditions than the population observed by the Census.

Various reports on Prince George's County and Langley Park and online sources for policy tools were consulted. For data on housing, phone calls were also made to all the property managers or owners of apartment complexes in March 2015 to obtain the most up-to-date rental data as well as to ask a series of questions about their current conditions, issues, and plans. While most property owners responded to our requests for updates rental data, none completed our phone survey.

This report is also informed by our discussions with various affordable housing policy experts. These included four people who work with nonprofit housing providers, as affordable housing advocates, and at the Prince George's County DHCD.

We designed and collected primary door-to-door survey of over 100 Langley Park residents that included a series of questions about housing in the neighborhood, affordability, and the Purple Line. This survey was conducted in coordination with several CASA departments and programs. As such, it also contained several questions regarding education, health, and other issues.

CASA Maryland conducted four in-depth interviews with Langley Park residents. During these interviews, residents were asked about their households, housing conditions, ability to afford rents or mortgages, whether they receive government assistance, employment, and their hopes and fears for the Purple Line. These personal stories are used here to show the human side of affordable housing need in Langley Park.

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