

AFFORDABILITY AS WE GROW

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County Council, District 3, and co-Chair for Housing Opportunities for All

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SEPTEMBER 8, 2022

RISE PRINCE
GEORGE'S

PRINCE GEORGE'S COUNTY
COUNCIL



Angela D. Alsobrooks
County Executive



AGENDA

- Prince George's County Economic Development Platform and Affordable Housing Goals
- Prince George's County Comprehensive Housing Strategy: Housing Opportunities for All (HOFA)
- Implementation Efforts to Date
- Looking Ahead



PRINCE GEORGE'S COUNTY ECONOMIC DEVELOPMENT PLATFORM

JUNE 2021 – COUNTY EXECUTIVE ANGELA D. ALSOBROOKS

Support the **production of 26,000 new residential units, 75% of which would be committed as affordable** to households with income less than 120% of the area median.

Support the **preservation of 6,000 affordable** residential units.

Increase the number of new **multifamily construction** starts by 10,400 by 2030.



COMPREHENSIVE HOUSING STRATEGY
HOUSING OPPORTUNITY FOR ALL

Prepared in partnership with Enterprise Community Partners, Inc.

Housing Opportunity for All

- The **County's 10-year comprehensive housing strategy (CHS) to serve the housing needs of all Prince George's County residents** - both current and future - while expanding access to opportunity
- Designed to:
 - build the County's and partners' capacity for successful implementation
 - address specific housing needs through new or expanded tools

COMPREHENSIVE HOUSING STRATEGY GOALS

**Support existing residents,
including long-time residents,
seniors, and residents at-risk
of displacement**

**Attract new residents,
including millennials, families,
employers, and developers**

**Build on strategic investments
+ submarket conditions,
including transit-oriented
development (TOD) areas like
the Purple Line Corridor and
areas around other strategic
investments, including
Opportunity Zones**

CORE HOUSING NEEDS FROM THE CHS

Demographic changes, including an increase in seniors and both smaller and larger households

Limited housing diversity, with mostly single-family detached homes and large multifamily buildings

Varied & changing market conditions, with higher rents and home values relative to incomes and higher housing costs in the suburban and rural parts of the county (relative to countywide figures)

Housing quality & conditions, many related to aging homes and infrastructure

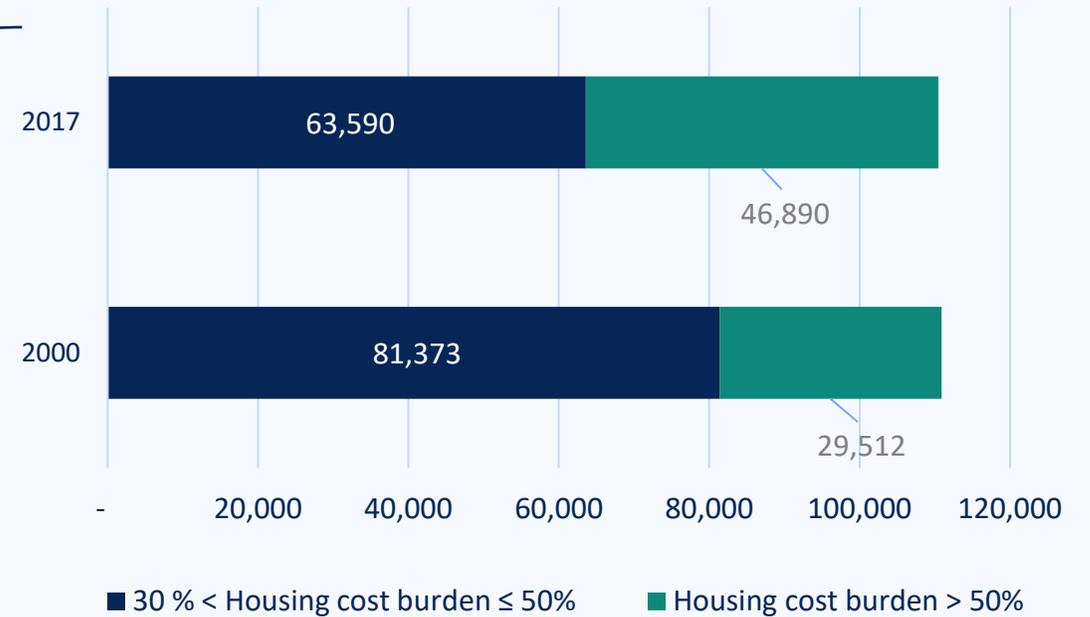
Housing affordability challenges, with a range of people experiencing these challenges, including individuals working as administrative assistants or retail clerks (households of 3 people with household incomes of \$58,050 or less); populations with special needs; and households of color

HOUSING CONDITIONS AND AFFORDABILITY

Reported Housing Problems



Housing Cost-Burdened Households

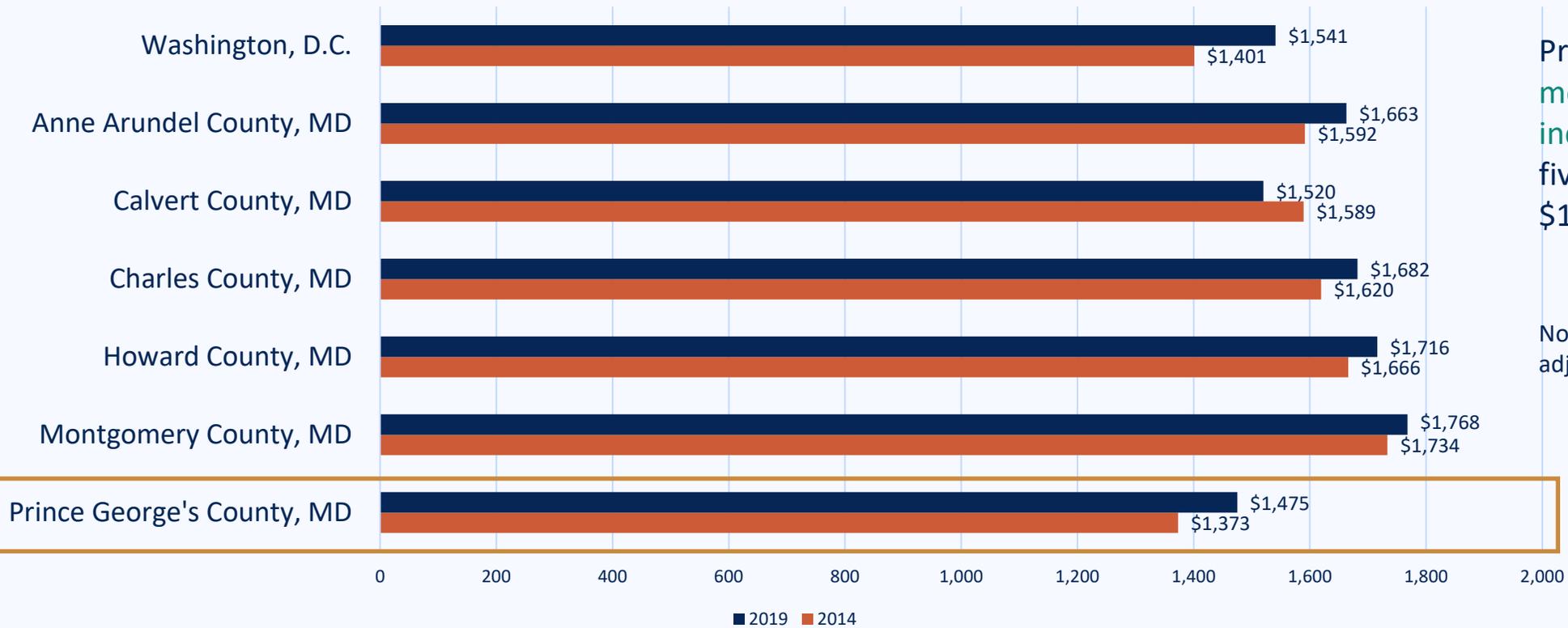


Note: HUD-defined housing problems include incomplete kitchen facilities, incomplete plumbing facilities, crowded living conditions, and cost burden

Source: United States Department of Housing and Urban Development, Comprehensive Housing Affordability Strategy (2000 and 2017)

CHANGING RENT COSTS IN CONTEXT

Median Gross Rent

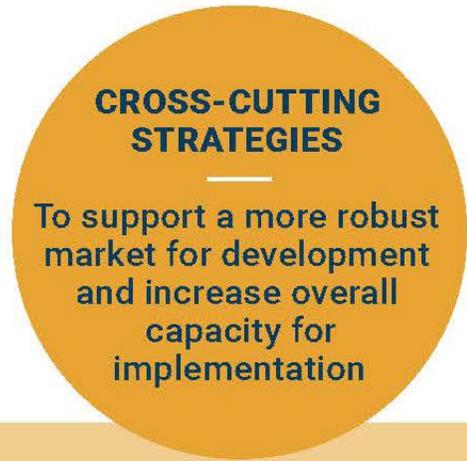


Prince George's median rent increased by 7.4% in five years (from \$1,373 to \$1,475)

Note: reflects 2019-inflation adjusted US dollars

Sources: 2014 American Community Survey (5-year estimates), and 2019 American Community Survey (5-year estimates)

HOUSING OPPORTUNITIES FOR ALL STRATEGIES



- Enhance policies and incentives for housing development;
- Increase collaboration, coordination and transparency; and
- Expand funding and diversify financing mechanisms.

- Encourage new, context-sensitive development that expands housing types; and
- Improve the quality of the county's existing housing supply and maintain affordability.
- Build stronger economic opportunity and revitalize neighborhoods

LEVERAGE INCREASED CAPACITY AND TARGETING THROUGH SHORT-, MEDIUM-, & LONG-TERM ACTIONS

CHS KEY ACCOMPLISHMENTS 2019 - 2022

50+

HOURS IN DIALOGUE

total time committed by County stakeholders while participating in the Housing Opportunities for All Workgroup

3

ANNUAL REPORTS

recommendations to the County Executive and County Council to advance implementation of *Housing Opportunity for All*

8

ACTIONS FROM THE CHS

total actions advanced by the workgroup through its recommendations between 2019 and 2022

\$15M

RIGHT OF FIRST REFUSAL

funding to support the County's redesigned Right of First Refusal Program, which was recommended by the workgroup in 2020

\$10M

ANNUAL DEDICATED FUNDING

reliable funding for the County's Housing Investment Trust Fund, which was recommended by the workgroup in 2020

\$2.3M

COMMUNITY NAVIGATORS

staff to connect families and individuals to available programs, which was recommended by the workgroup in 2021

HOUSING POLICY AND IMPLEMENTATION ADVISORY BOARD

Roles

Monitor implementation of core housing recommendations and progress toward meeting their outcomes

Advise on housing policy and implementation of housing and development tools

Advocate for new or modified housing & development tools to aid in implementation

Educate residents about housing needs affecting residents and actions to address them

Composition

Diverse, cross-sector representation

Geographic representation from across Prince George's County

Subject matter experts/professionals who serve County residents

TENANT – LANDLORD COMMISSION

Roles

Educate tenants and landlords

Build relationships between tenant and landlords

Mediate or arbitrate tenant-landlord disputes on a voluntary basis

Resolve tenant-landlord disputes

Composition

Tenants, including residents with lived experience of housing instability

Landlords

Relevant subject matter experts (i.e., housing counselor, mediator, legal aid representative)

AFFORDABLE HOUSING PRODUCTION GOALS



Sovren West Hyattsville project – financial closing in 2022 and completion expected in 2024

1. **TOTAL NEW HOMES BY 2030: 26,000** new homes
2. **COMMITTED AFFORDABILITY: 19,500** new units
3. **INCOME LEVEL: up to 120 percent AMI** for new committed affordable units
4. **LOCATION:** emphasis on **transit-oriented development**
5. **HOUSING TYPOLOGY: 10,400** new multifamily construction starts

AFFORDABLE HOUSING PRODUCTION



Homes at Oxon Hill project – under construction with completion expected in 2023

HOME Investment Partnerships Program (HOME) – Federal

HOME ARP (Forthcoming) - Federal

Housing Investment Trust Fund (HITF) – Local / leveraged by State funds

Payment in Lieu of Taxes Agreement (PILOT) – Local

1st NOFA issued in Nov of 2021- resulted in a **pipeline** of over **900** affordable housing units now in the works

2nd NOFA will be issued by Dec of 2022

AFFORDABLE HOUSING PRODUCTION



Gateway at Peerless project – under construction with completion expected in September 2022



9 projects located in TOD's yielding 1,866 units that were either **recently completed**; **in the pipeline**; **scheduled to close within 12 months**; or **under construction**

AFFORDABLE HOUSING PRESERVATION



Haven at Largo project – naturally occurring affordability preserved through the Right of First Refusal Program in 2022

EXISTING COMMITTED AFFORDABLE HOUSING

Affordability covenants have expiration dates.

NATURALLY OCCURRING AFFORDABLE HOUSING

Is a disappearing asset.

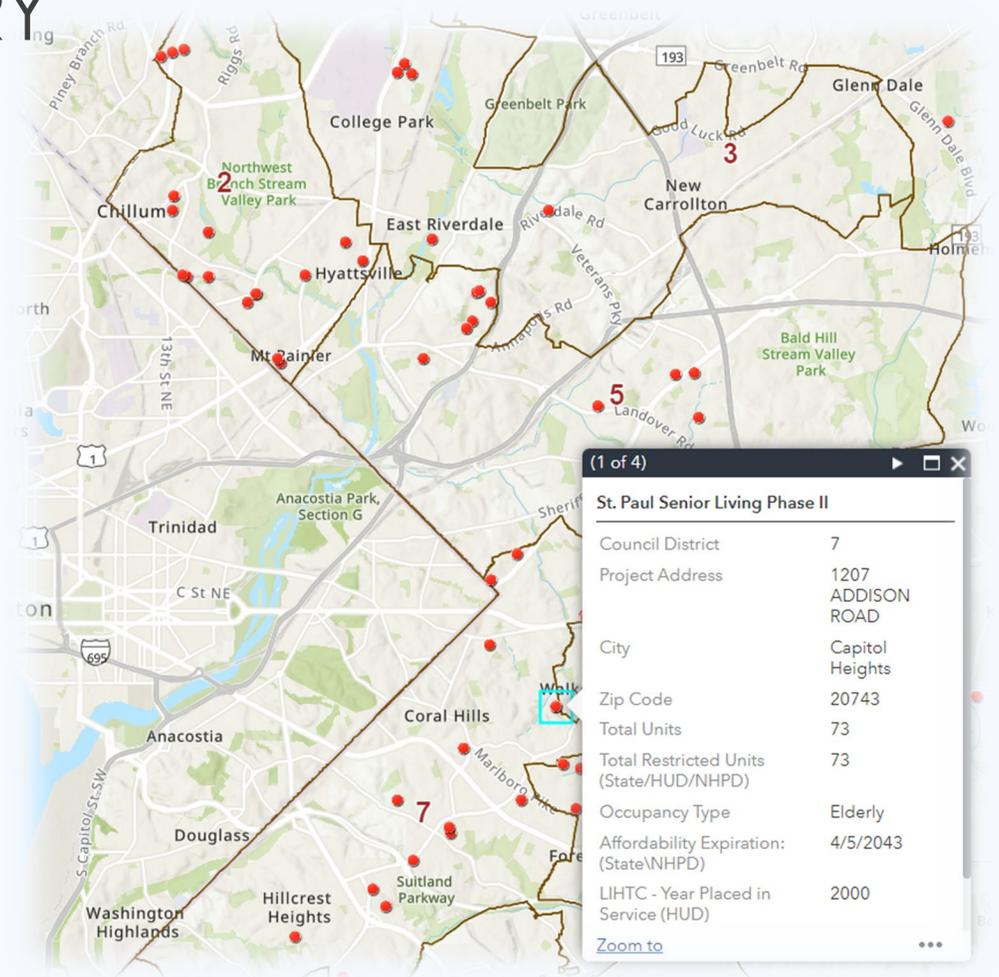
Between **2014 and 2019** the County's median rent increased by **7.4%**. In the last several years rent increases have accelerated. For example, **recent data indicates an additional 16.8% increase in rents since early 2019 in the Landover submarket, and 8.2% in Suburban Maryland as a whole.**

AFFORDABLE HOUSING INVENTORY

- **11,362** committed affordable multifamily rental units in Prince George's County
- **862** units are projected to have expiring affordability covenants **between 2022-2027**
- **3,119** units are projected to have expiring affordability covenants **between 2022-2032**

Updating the data set using the multiple sources is an ongoing effort.

<https://www.princegeorgescountymd.gov/4118/Inventory-of-Affordable-Housing-in-Princ>



ROFR PROGRAM OVERVIEW

- DHCD is **authorized under the Prince George's County Code to exercise its ROFR rights** and purchase covered properties (or assign its rights to purchase the property to a third-party) in accordance with the timeframes and terms of the Code.
- Program was **“re-launched” on December 1, 2020**. Program website was updated to include current regulations and the ROFR Developer roster. <https://www.princegeorgescountymd.gov/984/Apartment-Multifamily-Rental-Owners-ROFR>
- DHCD uses a scoring system to evaluate ROFR opportunities. DHCD's “Yes/No” decision to exercise its ROFR is driven primarily by **existing rent affordability and geographic location**.
- Property Owners and prospective buyers may request that DHCD approve an **exception to the County's ROFR in accordance with Section 13-1114 of the Code**. An exception can only be approved by DHCD upon **execution of a Written Agreement between DHCD and the prospective buyer**. ***Note: The Written Agreement for an exception must be executed prior to the Property Owner and the prospective buyer entering into a bona fide contract of sale.***

ROFR PROGRAM PROGRESS TO DATE

- **1213** units preserved so far through the ROFR program
- The **ROFR Preservation Fund** launched December 1, 2021; supported by **\$15M** of the **County's ARP** funds and leveraged by **\$10M State** funding.
- An **expanded roster of developers** was established in March of 2022.
- State Legislation (2021 Session) was approved to **amend PILOT statute to permit assistance for ROFR properties.**
- DHCD's assistance aims to support the **long-term affordability** along with the **maintenance and capital improvements needed.**



LOOKING AHEAD

Accelerate Housing Production of committed affordable units – develop dashboard to measure progress

Lower new rental units' price points (in some instances significantly)

Support more opportunities for affordable homeownership

Develop / enhance policies and programs to address redevelopment of NOAH properties

Create new office of tenant rights and tenant – landlord commission

Revisit inclusionary zoning opportunities

AFFORDABILITY AS WE GROW

DISCUSSION

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