

INTERSECT

NEWSLETTER

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WASHINGTON REGIONAL NETWORK FOR LIVABLE COMMUNITIES

Rock Creek Park Plan Proposes Reclaiming Road for Weekday Recreation

Last month the National Park Service, after a seven-year study, unveiled a draft General Management Plan/EIS for Rock Creek Park that will guide the park over the next 15 years. Among the proposed improvements is the heavily favored closure of three segments of Beach Drive to cars between 9:30am and 3:30pm on weekdays. These are the same three segments that are currently closed to automobiles on weekends.

The People's Alliance for Rock Creek (PARC), a broad alliance of more than 40 environmental, recreation, and community organizations, supports the NPS plan to close Beach Drive on weekdays, calling it "a big step forward."

The designated car-free zones are an important effort to improve safety and expand recreational opportunities within the park. Much of the park's roadways do not have adjacent lanes or trails designated for joggers and bikers, making them dangerous for recreational uses. Since the early 1980s, when the National Park Service first closed segments of Beach Drive on weekends, Rock Creek Park has been a mecca for recreation for D.C., according to PARC.

Since traffic rates are low during the proposed restriction times, only around 150 cars per hour, the impact to drivers will be slight, while, potentially being a great benefit for recreators.

The plan also calls for "Improved Management of Established Park Uses," to improve visitor safety, control traffic volumes and speeds through the park, enhance interpretation and education opportunities, and improve the overall use of park resources.

The plan is now under the required 90-day comment period that will end in late June. Public hearings are scheduled for Tuesday, May 20 and Thursday, May 22 from 6-10 pm, at the UDC auditorium (4200 Connecticut Ave., Van Ness/

UDC Metro). Written comments may be submitted to: Superintendent, Rock Creek Park Headquarters, 3545 Williamsburg Lane, NW, Washington, D.C. 20008, or emailed to: rocr_superintendent@nps.gov.

Visit www.rockcreekpark.net or <http://www.nps.gov/rocr/phtml/newseventsdetail6735.html> for more details.

Fixing Metro's Budget Woes

By Shannon Brown

After eight years of no fare increases and strong ridership, a record of 181 million riders in 2002, the Washington Metro Area Transit Authority (WMATA), is looking to fare and fee increases to help address Metro's projected \$48 million budget shortfall for next year.

On April 2, WMATA board members Chris Zimmerman (Arlington County Board member) and Jim Graham (DC Council member, Ward 1) joined the Washington Regional Network for Livable Community's Executive Director Cheryl Cort in a discussion addressing Metro's budget troubles at a WRN forum at the University of the District of Columbia.

While WMATA faces a \$48 million budget shortfall for FY 2004, the magnitude is fairly modest considering the agency's annual budget approaches \$1 billion, according to Zimmerman. "The budget issue is not really as tough as some government's around the region are facing" he said. WMATA's budget problems are unique, however, in how the agency is funded. Zimmerman illustrated the complexity Metro's funding sources by saying, "Metro is not a creature of one government but a creature of several, it is not a creature of one state, but a creature of three." Metro's budget is wholly dependent on the governments that fund it, and each do so differently. In Maryland, the state government foots the bill while in Virginia, funding obligations are left to local governments. D.C. pays for its share, acting as a state.

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WASHINGTON REGIONAL NETWORK

FOR LIVABLE COMMUNITIES

WRN advocates transportation investments, land use policies, and neighborhood designs that enhance existing communities and the environment of the Washington D.C. region.

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Cheryl Cort, Editor & WRN Executive Director; Shannon Brown, staff writer. Comments and articles welcome.

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Metro aims to raise half of the budget deficit, \$24 million, through increased passenger revenue. To cover the shortfall, Metro proposes to increase the base boarding fare by up to 30 cents and raising parking rates by 25 cents to \$1.

Cort presented WRN's proposal of raising \$24 million by increasing parking fees by \$2, eliminating the 10 percent bonus on high-value fare cards, and increasing feeder bus service instead of an across the board fare hike. "Parking is a major contributor to the peak hour crunch that currently strains the rail system. Enhancing feeder bus service spreads out the peak for less costly service," Cort said.

WRN's proposal of increasing parking fees by \$2 would generate an estimated \$17.6 million, ending the current subsidy for park and riders. "Metro is currently running an \$11 million deficit with parking," when annualized capital rehabilitation costs are included, Cort said. Eliminating the parking subsidy is an equitable solution for all Metro riders, especially low-wage riders who do not own cars. Metro's proposal to increase parking fees by up to \$1 will not cover the total costs of operating and rehabilitating those spaces. Both Zimmerman and Graham agree with WRN's proposal but say politically, it may be very difficult to implement.

Zimmerman also supports WRN's proposal to eliminate the 10 percent bonus on \$20 or more fare cards. "It is an old policy that doesn't serve its purpose anymore," he said. The bonus was first implemented as an act to increase ridership by encouraging long-term commitments to Metro. As Metro approaches maximum capacity during rush hour, it is evident that a commitment has been well established. Eliminating the bonus is unlikely to hurt ridership and could provide a \$10 million savings.

Graham suggested extending Metro's hours as a means to increase ridership and revenues. "I know a bargain when I see one," Graham said, "we can increase ridership by 6 percent for only \$4 million." Opening earlier and staying open later on weekends are a high priority for Graham. Graham said that a large proportion of low-wage workers depend on transit to get them to their jobs, extending hours would go a long way in serving this community.

A larger budgeting issue raised at the forum is Environmental Protection Agency's recent downgrade of the Washington, DC region's air quality to "severe" and the implications of facing non-compliance with the Clean Air Act by the 2005 deadline. Non-compliance could "deny the region of all kinds of federal dollars," Zimmerman said. Loss of such funds could mean an even worse financial situation in a few years if transit programs are not officially adopted as air quality measures.

"We need to create the right incentives, we don't want incentives for people to get in their cars," Zimmerman said. The looming air quality problem creates a substantial opportunity for investment in the region's bus and rail service.

"The more we can do to create an attractive alternative to turning on the engine, the better off the region will be as a whole," Cort said. Raising boarding fares for Metrobus and Metrorail, while continuing to subsidize parking are the wrong measures in terms of addressing air quality, according to Cort. By raising fares, Metro stands to lose more riders than by increasing parking fees, riders that may start driving.

WMATA board member, former Maryland state Senator, Decatur Trotter was unable to present at the forum.

Special Feature Section

Affordable Housing in the Washington Metropolitan Region

Part I – Montgomery County

Special Editor: Janet W. Brown

Starting in this issue, *Intersect* begins a series on affordable housing in the Washington area. When complete, these articles will provide a comprehensive view of the region's housing programs, a sense of the players, and a picture of continuing needs in what is clearly a region-wide problem. We begin with the Montgomery County story, which makes clear how many different kinds of institutions are involved in policy choices, and in the production, preservation, and management of affordable housing. Even in the description of a single county's efforts, we can see issues emerging that appear in other area jurisdictions as

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WRN thanks the following organizational donors and individuals for their support for WRN's efforts to promote livable communities for the Washington region: Mary K. Ishee and David P. Smole.

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well: questions about the length of affordability, the high cost of meeting the housing needs of really low-income households, and rental needs vs. home ownership. The picture is constantly changing: on March 25, Montgomery County passed legislation that permanently earmarks 16.1 million or 2.5 percent of property tax (which ever is largest) annually for the County's Housing Initiative Fund, making it the largest financial commitment to affordable housing by any locality in the country.

Below, Tad Baldwin, longtime affordable housing builder and advocate, leads off with a provocative proposal for greater concentration of housing around the county's transportation hubs. Montgomery County's Affordable Housing Program Manager, Stephanie Killian, offers a detailed analysis of county programs that shows what a consistent local housing program with steady annual funding can accomplish over the years. Rob Goldman, President of the Montgomery Housing Partnership, illustrates that it takes more than bricks and mortar to build community. And Gladys Clearwaters, of Unitarian Universalist Affordable Housing Corporation, provides a profile of a modest faith-based lending institution that is representative of a host of on-going independent efforts to help meet the region's housing crisis.

WRN, hoping to stimulate a dialogue on affordable housing practices and progress, welcomes your comments on any part of this series. Please respond to the Special Editor at <staff@washingtonregion.net>.

What It Will Take to Meet Housing Needs in Montgomery County

By Tad Baldwin

Despite all the talk of "Smart Growth" and the wisdom of mixed-use developments at key locations, housing production is down in Montgomery County, and new affordable units almost non-existent. Production of moderately priced dwelling units (MPDUs), those built under the County's inclusionary-zoning law, is shrinking and road gridlock increasingly common.

Unless the private sector is able to produce more higher-density units-- and with them a fair share of MPDUs and other long-term affordable units -- the existing inadequate stock of affordable housing will shrink. As the demand for housing at all price levels increases, pressure on remaining open land in Montgomery County will become harder and harder to resist, and more forest and farm acreage in distant counties will also become more urbanized. While publicly owned parcels can be useful resources, their number is limited. Those interested in substantial and on-going

housing programs must find adequate incentives for the private sector to build many of the needed affordable units, and also to give opportunities for Housing Opportunities Commission and to access affordable land via proffers in exchange for higher densities.

Think about where another 75,000 units of housing (5,000 a year) for the whole income spectrum might be built in the County between 2010 and 2025. Most should be located at Metro or proposed light-rail stations, and some in secondary-ring locations. Some of the more built-out sites, such as Friendship Heights and Bethesda, would only receive 1,500 units over the fifteen-year period, and Forest Glen even fewer. But Glenmont could easily absorb 6,000 units, and Shady Grove a whole new town center, including 10,000 housing units -- if the planners and politicians think boldly. At both stations a majority of homes would be within walking distance of the Metro.

Inner ring locations such as White Oak/FDA could easily absorb 2,000 or more units, providing both jobs and housing at this site. A number of parking lot locations along Rockville Pike could take 500 or more units, utilizing shared parking arrangements. Secondary ring locations such as Olney, Randolph/Briggs Chaney, and Burtonsville could take as many as a 1,000 units each over fifteen years.

Of course, most of these sites have nowhere near the zoning capacity to build this many homes (along with commercial space in some cases, to achieve the benefits of mixed use), so County zoning would have to be overhauled. This is admittedly a tough proposition, since the political will seems more intent on pleasing low-growth neighbors, rather than concerned with the future of the regional housing supply, let alone affordable housing.

Those who advocate more affordable housing should therefore join forces with the building community, environmentalists, and smart growth advocates to promote these larger goals and to raise the pitch of this debate. Those interested in affordable housing also need to be more creative if we are to get new units built. This means extending much higher-density bonuses for affordable units, including land proffers by developers of a portion of their acreage in return for a higher number of market units. With garden-apartment ground costing \$40,000 a unit and ground for town homes at \$75,000, Montgomery County affordable housing developers cannot afford to pay market rates for land. The County leaders need to expend creative energy to solve this dilemma, while the County continues to rehab existing affordable housing, which enhances and preserves existing affordable units, even though it does not increase the overall supply.

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I expect many to be horrified by the number of proposed new neighbors, even over 20 years. But before you voice your outrage, think about how convenient and vibrant these mixed-use hubs could be if properly planned and designed. How much they could contribute to the tax base, the amenities that add to the quality of life, and protections of our open lands. Many of the residents and workers at the Metro locations will be able to walk to work or take convenient transit, the major alternative (in addition to telecommuting) to more congested roads. Think of Bethesda and the Ballston/Rosslyn corridor as positive examples of compact urban communities.

The housing shortage is a region-wide problem. Other jurisdictions around the beltway have the same spiraling housing costs, the same desperate need for affordable housing for working families, the same zoning restrictions, and same NIMBY attitudes. Wouldn't it be great if Montgomery County could regain its place as regional leader of smart growth and affordable housing innovator?

Mr. Baldwin recently retired as president of Montgomery Housing Partnership. Earlier, he served as the first Director of Development and Mortgage Financing at the Housing Opportunities Commission in Montgomery County. He is active in Action in Montgomery and other voluntary housing efforts.

Montgomery County's Housing Programs: How They Are Financed and Managed

By Stephanie Killian (Summary)

Montgomery County, an urban county of almost 900,000 people, is an affluent residential community that is also home to several large federal agencies and corporations. Affordable housing was an issue twenty years ago, even before the recent escalation in housing costs created problems, especially for lower income households.

The goal of the County's housing programs is to preserve and enhance the County's housing stock and to maintain affordable rent levels for people of all income levels. Its programs to build and preserve affordable housing are well established and often pointed to as possible models for other jurisdictions in the region. A variety of programs under the overall responsibility of the Department of Housing and Community Affairs (DHCA) serve a range of income groups mostly 40 percent to 60 percent of Area Median Income (AMI) (\$36-52,000 per year for a family of four). This fiscal year, starting July 1, 2002, DHCA's budget exceeds \$32 million.

In the 1960s and 1970s, the County decided not to build large public housing projects, but to acquire and renovate scattered-site properties through the Housing Opportunities

Commission (HOC, the County's housing authority and housing finance agency). The County does own a few Section 8 buildings and four high-rise buildings for the elderly, but most affordable units are found in otherwise privately-owned, mixed-income developments. In this effort, the Multifamily Housing Development Program is responsible for the greatest number of affordable units, financed by the Housing Initiative Fund (HIV), a housing trust fund founded in the early 1970s. Last year, the Fund made loans exceeding \$17 million to acquire land, construct affordable housing, rehab existing rental units, and to subsidize affordable units in private mixed income developments. The Fund's loans (it does not make grants) leverage other investments. Most of the Fund's money comes from County general revenues, nearly \$12 million in FY03. There is vigorous discussion each year in the Council over the amount, but the level of support has been pretty steady over the last three years. Other sources of money are loan repayments, 25 percent of the proceeds of the sale of any county property, windfall profits from the sale of a subsidized property, and a variety of development fees.

Key to meeting the goal of housing for people of all incomes is the County's 1974 Moderate Priced Housing Law, passed over some vociferous opposition. Sometimes called "inclusionary zoning," the law requires that 12.5 percent to 15 percent of the houses in new subdivisions of more than fifty units be moderately priced dwelling units (MPDUs). Forty percent of the MPDUs must be offered to the HOC and other nonprofit housing agencies for use by low and moderate income families. Over 11,000 houses and apartments have been sold (70 percent) or rented under the program.

A variety of County programs help keep all affordable housing, whether rental or owner-occupied, in good condition. The Department administers a weatherization program, a fund to rehabilitate group homes, and a housing replacement program for low and moderate owners living in particularly dilapidated houses, usually in more rural areas.

As elsewhere in the region, Montgomery County makes maximum use of Section 8 vouchers, but suitable quarters are hard to find. The County prohibits discrimination by landlords against voucher recipients, but violations are hard to prove. The County needs to serve very low-income households (families of four with incomes less than 40 percent of AMI) better. The high cost of land, development, and operating means that building for this group requires much deeper subsidies. So the fact is, the County does not have ample accommodations for groups at the lowest end of the income scale.

Additional information is available from Stephanie Killian at the Montgomery County Department of Housing & Community Affairs, 240-777-3693, stephanie.killian@co.mo.md.usa.

Not by Bricks Alone: Affordable Housing and Neighborhood Revitalization in Montgomery County

By Robert Goldman (Summary)

For Diana Noland, conditions in her neighborhood were becoming severe. There was a major drug market along the street feeding into the neighborhood. There were 32 vacant houses and generally deteriorating housing conditions. People from all over were dumping bulk trash in the public median. Many would be surprised that these were the living conditions in a neighborhood in Montgomery County, a county known for its fancy neighborhoods and wealth.

The recovery of the Connecticut Avenue Estates neighborhood in Wheaton, MD is a come-back story that demonstrates that successful affordable housing programs require building *community* as well as housing. In this case, cooperation of county and state institutions, initiated by a resident and orchestrated the non-profit Montgomery Housing Partnership (MHP) made it possible. Diana Noland organized residents in a civic association. MHP purchased and remodeled abandoned properties and resold them to eligible buyers. The County's Department of Housing and Community Affairs rigorously enforced housing codes and provided low-cost loans to make needed repairs. The Housing Opportunity Commission and State Department of Housing and Community Development developed special loan products to encourage home ownership. MHP worked with owners to organize workshops, a tree-pruning program, and assisted in preparing and translating a newsletter, advocated with county agencies, researched abandon houses, and monitored progress. The result was a dramatic decline in abandoned properties and absentee ownership, an increase in home ownership, obvious home improvements, increased public safety, and a self-sufficient civic association. MHP has taken the lessons learned and is developing more than bricks and mortar in the 850 units of affordable housing a that it owns and operates in the county.

In the extremely tight market of the 1990s, housing did not keep up with population growth, despite a well established housing program that has enjoyed strong support from the political leadership. The County's experience in maintaining affordability in the face of expiring income restrictions is perhaps useful to other jurisdictions. County assistance enabled MHP to buy one such property, a 104 unit town house development, renovating it while long-term residents stayed on, avoiding displacement and preserving the community. But another problem persists: the high cost of land and housing makes it more and more difficult for the county and cooperating organizations such

as MHP to find properties at low enough prices for them to acquire and renovate for low-income households.

For further information, contact Rob Goldman at the Montgomery County Housing Partnership, 301-946-0882, RGoldman@MHPPartnership.org

The Unitarian Universalist Affordable Housing Corporation: A Faith-Based Lending Institution by Gladys Clearwaters (Summary)

In 1989, with volunteer labor and pro-bono legal and accounting services, Unitarian Universalist activists in the Washington area started a non-profit lending institution to finance non-profit housing providers building and rehabbing homes for low-income workers and families. Fourteen years and fifty-seven projects later, they have created 600 units of housing for low-income people. The projects have included day care centers and transitional housing for special needs populations. Their loans have leveraged over \$30 million total investment, 90 percent of it for sale to eligible owners, the rest for rental. They now have a small professional staff, but still rely on volunteers.

The UUAHC made its first \$225,000 loan with a zero cash balance; now it has assets of \$2.3 million. Investments come from Unitarian Universalist churches and individuals, commercial banks, several Catholic religious orders, and foundations. Some are made in the form of gifts, others as low- or no-cost loans. There are no religious or other restrictions (except income limitations) on households that benefit from UUAHC's programs.

Gladys Clearwaters is Director of Investor Relations at the Unitarian Universalist Affordable Housing Corporation in Silver Spring.

New in Print by Alice M. Rivlin

"Revitalizing Washington's Neighborhoods: A Vision Takes Shape," by Alice M. Rivlin, director of the Brookings Greater Washington Research Program, provides a framework for dialogue on how best to enhance the future of Washington D.C.'s neighborhoods. This report explores policies that could help attain Mayor Anthony William's goal to increase the District's population by 100,000 by 2010 and to make D.C. a more vibrant place to live and work.

The report is available online at: <http://www.brook.edu/index/reports.htm>

UPCOMING EVENTS

Saturday, April 26 thru Thursday, June 12. **DC Bicycle Master Plan: Bike Rides and Public Workshops.** The District Department of Transportation announces a series of workshops and bike rides in each ward as part of updating the DC Bicycle Master Plan. During the rides and the subsequent workshops, the participants will locate and map the best and worst routes and identify new bike lanes, paths and parking spots. Visit www.bikemap.com/dcbikeplan for ride and workshop dates and additional details. To sign up for rides, contact Eric Gilliland gill@waba.org or (202)628-2500.

Tuesday, April 29, 7:00pm. **Forum on Housing and Community Development**, hosted by the Urban Studies and Planning Department at the University of Maryland. Panelists will share their views and insights on providing and maintaining housing that is adequate, affordable and accessible as well as designing and implementing community development strategies that encourage neighborhood health and growth. Panelists include: Elizabeth Davison, Director DHCA, Montgomery County; Thomas Thompson, Director, DHCD, Prince George’s County; and Walter Webdale, President and CEO, AHC Inc. in Arlington and former Director, DHCD, Fairfax County. Free. School of Architecture Auditorium. For more information, call 301-405-6789.

Monday, May 19, 4:30 pm. **Fairfax County Board of Supervisors Hearing on Proposed Affordable Dwelling Unit Amendments.** After delay due to opposition by the building industry, the Fairfax County Board of Supervisors has rescheduled the public hearing on proposed improvements to the county’s ADU ordinance. The proposed amendment would require mid-rise multi-family residential buildings to provide 6.25 percent ADUs in exchange for a 17 percent density bonus. To sign up to testify, visit http://www.co.fairfax.va.us/gov/bos/speaker_bos.htm. For additional information on the proposal, visit our website www.washingtonregion.net.

Wednesday, May 7, 7-8:30pm. **Show Me the Money: Financing DC’s Transportation System.** Area transportation decision makers will gather at this public meeting to answer questions about transportation needs that should and can be funded over the next 5 to 10 years given the region’s financial constraints. Speakers include Jim Graham (WMATA) and Dan Tangherlini (DDOT). Hosted by Citizens Advisory Committee, Committee of 100 on the Federal City and the D.C. League of Women’s Voters. Martin Luther Central Library (Gallary Place Metro). Free. For more information, contact John Swanson at jswanson@mwolog.org.

Thursday, June 19-22. **Congress for the New Urbanism XI.** The Congress for the New Urbanism’s 11th annual conference will combine the most informative and inspiring speakers with interdisciplinary networking. Speakers including: Author James H. Kunstler, and Long-time New Urbanism leaders Peter Calthorpe, Andres Duany, Stefanos Polyzoides, and Daniel Solomon. There will be a day-long course called New Urbanism 101. More experienced practitioners will want to enroll in advanced sessions on marketing, transit integration, or other detailed subjects. Omni Shoreham Hotel, Washington, DC For registration and more information on CNU XI at www.cnu.org or by phone at 1-800-788-7077.

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