

MEMORANDUM

November 27, 2019

TO: Planning, Housing, and Economic Development Committee

FROM: Linda McMillan, Senior Legislative Analyst

SUBJECT: **Purple Line Corridor Coalition Draft Housing Plan** *some*

PURPOSE: Briefing and Discussion

Expected to attend:

Chris Gillis, Director, Policy and Neighborhood Development, Montgomery Housing Partnership

Stephanie Prange Proestel, Deputy Director, Housing Initiative Partnership (a co-chair of the Housing Action Team)

On July 22, 2019 the PHED Committee was briefed on the Purple Line Corridor Draft Housing Plan. At this session, the Committee will receive an update on the work to finalize the Plan and expected timeline for its release.

Background

The PLCC is a public-private community collaboration that is focused on the impacts of changes that will occur along the entire Purple Line Corridor, which runs from Bethesda to New Carrollton. General information about the PLCC and its activities can be found at:

<http://purplelinecorridor.org/>

The PLCC operates under four main goals, and the Draft Plan reviewed in July had strategies and action items for each.

Goal 1: Diverse, locally established businesses prosper both during and after the construction period.

Strategy A: Prepare and implement an economic development strategy for the Purple Line corridor.

Strategy B: Minimize construction disruption.

Goal 2: Workers in the corridor grow in number, are well trained and are well matched with employers in skills and location.

Strategy A: Build a balanced and productive labor market.

Strategy B: Increase access to local jobs created by the Purple Line for workers and small or disadvantaged business enterprises (SBE/DBE).

Goal 3: Housing opportunities are available for people of all income levels in communities throughout the corridor, especially current low-income, middle-income, and transit-dependent residents.

Strategy A: Build and maintain a thriving and balanced housing market, serving a mix of incomes and offering a range of housing types.

Strategy B: Mitigate market disruptions with adverse impacts on existing residents.

Strategy C: Foster home ownership opportunities throughout the corridor.

Goal 4: Vibrant and sustainable communities enhance health, culture, and a sense of place.

Strategy A: Build, preserve and sustain thriving neighborhoods.

Strategy B: Preserve neighborhood culture and character.

Strategy C: Minimize neighborhood disruption during and after construction.

At the July session, the Committee was informed that the goal is to ensure that a minimum of 19,000 housing units in the corridor are affordable to households earning 60% of the regional area median income.

The Committee expressed its interest in having much more detailed data about the amount of housing needed along the Montgomery County portion of the Purple Line Corridor and additional data on the level of affordability of the current housing and the types of affordability restrictions that are in place. The Committee was also interested in understanding how units that are owned by non-profits and rented to extremely low-income households were included in the data.

The Committee was informed that the Planning Department was undertaking a Preservation Study and suggested that the focus of work should be around large transportation investments like the Purple Line and Bus Rapid Transit.

The Committee requested that the PLCC engage Montgomery County Public Schools in its work.

Attached is an October article from the Washington Post on \$5 million in funding that has been committed by JP Morgan Chase to support small businesses and affordable housing along the Purple Line Corridor.

JPMorgan Chase commits \$5 million to combat gentrification along the Purple Line

By
Robert McCartney

Oct. 22, 2019 at 5:00 a.m. EDT

A major national bank has committed \$5 million to nonprofits to support affordable housing and small businesses threatened by development expected to follow the Purple Line being built in Washington's Maryland suburbs. The award by JPMorgan Chase, announced Tuesday, is the largest grant so far for efforts to combat gentrification that could displace residents along the 16-mile route of the light-rail line linking Bethesda in Montgomery County and New Carrollton in Prince George's County.

The investment, spread over three years, aims to help preserve or create 1,000 affordable homes, according to a draft news release obtained by The Washington Post. The funds also will provide backing for small-business loans totaling \$900,000 to support more than 200 firms. The money will pay for bilingual technical assistance and protect or create 300 jobs, according to the release.

The light-rail line is being built with a \$5.6 billion public-private partnership — one of the broadest of its kind for any U.S. transit project. Under the most recent timetable, the rail line, which will have 21 stations, would begin carrying passengers in late 2022, starting in Prince George's. Many small firms in the project corridor, including in predominantly Latino communities such as Langley Park, are concerned about the loss of business owing to disruption during Purple Line construction.

Community leaders welcomed the JPMorgan Chase investment, saying local governments did not have sufficient resources to do what was needed to ensure low- and middle-income communities benefit from the transit project.

"Here's some real money from a real bank foundation, to do some of the things that got cut out of the budget when the whole Purple Line was launched," said Gerrit Knaap, director of the National Center for Smart Growth at the University of Maryland at College Park. He referred to a gap left when the administration of Gov. Larry Hogan (R) scaled back the project to cut costs as a condition of building it. The National Center for Smart Growth administers the Purple Line Corridor Coalition, a public-private coalition that promotes economic and community development.

“Five million dollars isn’t a trivial amount of money to invest in the corridor, particularly for affordable housing and small-business preservation,” Knaap said. “The counties don’t have a lot of money.”

The funds will allow three community organizations — Enterprise Community Partners, the National Housing Trust and the Latino Economic Development Center — to offer loans and other resources for housing and small-business projects. Previously, the biggest grant for such projects in the Purple Line corridor was a \$2 million award from the Federal Transit Administration. Kaiser Permanente has also contributed money to the effort.

The award is part of a \$1.75 billion, five-year global philanthropic commitment to promote inclusive growth by JPMorgan Chase’s department of corporate social responsibility. “What we’re seeing is inequality is continuing to be a huge issue in the communities where we’re working,” said Colleen Briggs, the bank’s head of community innovation. “It’s not good for business. . . . Despite a growing economy, people are working harder and not getting ahead.” She added: “Governments and charities alone can’t tackle these issues. Companies like JPMorgan have a responsibility to be part of the solution.” *As Purple Line construction ramps up, so do disruptions and complaints.*

The bank’s effort includes a \$25 million, five-year commitment in the greater Washington region. In 2017, it awarded a \$5 million grant for the 11th Street Bridge project in the District. The news release included comments supporting the grant from Hogan, Montgomery County Executive Marc Elrich (D) and Prince George’s County Executive Angela D. Alsobrooks (D).

Hogan said the JPMorgan Chase investment represented “exactly the kind of forward-thinking project that other leaders across the country should be thinking about — a partnership between the federal, state and local governments and the private sector.” Elrich said the effort would help build “a more equitable and inclusive region.” Alsobrooks said, “We have a responsibility to ensure that those who work here are able to live here, while also ensuring that our seniors are able to age in place.”