



CUTTING DOWN ON FIXER-UPPERS; PR. GEORGE'S WANTS OLD APARTMENTS DEMOLISHED, NOT RENOVATED

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N. Stephen Stavrou figured he had a winner when he approached Prince George's County Executive Wayne K. Curry last year with plans to renovate a run-down apartment complex in Langley Park.

If the county would agree to help with the financing, Stavrou would add dishwashers and central air conditioning to the 117-unit complex on University Boulevard. He would replace the kitchens and the bathrooms and add landscaping. He would wire the apartments for cable television and build a computer center for the tenants. And as a condition of the financing, he would keep the rents stable so the units could remain affordable to the blue-collar families living in them.

The Curry administration had just one question after he presented his plans, Stavrou recalled. "They asked, 'How much are you tearing down?' I said, 'Nothing.' " It was the wrong answer.

For the past 12 to 18 months, Curry (D) has been moving forward with an unannounced policy to reduce by 30 percent the number of apartments in Prince George's County, which has the largest number of subsidized multifamily dwellings in the Washington suburbs.

The county cannot unilaterally order private buildings demolished unless it takes them over by eminent domain. But officials can require such action of developers seeking local financing.

Officials also have tried to put pressure on landowners by strictly enforcing building codes, which forces owners either to renovate or to close down. In many cases, renovation is far too expensive. And although county officials eventually agreed to help Stavrou rehabilitate the Langley apartments, they have turned away many others with similar plans, leaving neglected neighborhoods to decay even further until a landowner eventually concludes that a complex should be demolished.

"Our goal and all our incentives are aimed at demolition," said P. Michael Errico, Curry's deputy chief administrative officer. "We tell people if they are going to do something, we want them to tear those units down. We are not encouraging people to come in and take these units and rehab them."

The policy is part of a broader objective to encourage upscale development and provide a more balanced housing stock in a suburb that has about 2 percent of the region's market share of the most expensive residences. But it has outraged Washington area housing advocates who worry that the county has embarked on a 1960s-style urban renewal plan that will leave its poorest residents without adequate housing options.

"There is already a shortage of affordable housing in the region, and a 30 percent reduction would have a significant negative impact on that supply," said Chris Whitney, director of the Washington Area Housing Partnership, which promotes affordable housing. "It's a huge number. . . . They seem to be taking a very drastic approach."

County leaders said they are not trying to drive out poor residents and insist that there is an ample supply of housing options for people with low to moderate incomes, even if the number of apartments is reduced.

They point out that Prince George's County offers more affordable housing than the other suburban jurisdictions in the Washington area--nearly 16,000 units, compared with 10,000 in Montgomery County, for example, according to a 1996 report by a Prince George's housing policy task force.

Rents in Prince George's also are lower on average than in other jurisdictions and attract more people with low to moderate incomes, especially as the economy thrives and the housing market heats up.

"We have more than our fair share of affordable housing," said County Council Vice Chairman Dorothy F. Bailey (D-Temple Hills). "I don't have a problem with folks coming here first, but I think we ought to spread it around."

Curry's policy is being implemented at a time when the Washington area, like the rest of the country, is experiencing a gold rush in the housing rehabilitation market. Developers are competing to pay top dollar for blighted apartment complexes and then spending millions to renovate them.

Urban planners say the market is flourishing because of good economic times, smart-growth policies that emphasize redevelopment over new development, and commuter fatigue that is literally driving people back to the urban centers in search of housing closer to their jobs.

"You do have a sense as it relates to the District that there is a kind of new day," said H. Patrick Swygert, president of Howard University. "There's a new sense of investment and stability in the suburbs as well."

Unlike Prince George's, most jurisdictions are actively encouraging the revitalization by offering developers tax incentives and special financing packages.

Arlington County has a revolving investment fund, with \$1.7 million budgeted for this year to offer tax credits for revitalization projects. In recent months, the county has been inundated with requests for help with rehabilitation projects, said Paul F. Ferguson (D), chairman of the County Board.

"As a matter of policy, we try to encourage renovation whenever possible," he said. "There have been cases where we could have added more to the county's tax rolls if we demolished and turned old complexes into luxury houses. But we wanted to preserve some mid-range housing."

In one of the larger housing renovation projects undertaken in the county, a private developer teamed with a nonprofit housing group to renovate 512 units at the Historic Ballston Park apartments on North Glebe Road. The \$55 million project, which included \$2.5 million in direct funding from the county, followed about 100 public meetings, said Wayne E. Rhodes, the county's development director.

In the end, 45 percent of the units were set aside as so-called affordable housing, which are typically units rented out at a reduced rate to families whose income does not exceed 60 percent of the median income in the area.

"It's something we definitely would like to see more of in the county," Rhodes said of the Ballston Park project.

Stavrou got a similar reception in Montgomery County when he proposed to renovate a 97-unit complex in Silver Spring. Montgomery County offered tax-exempt bonds to help finance the \$8.5 million project, which was completed last year.

The Croydon Manor apartments stand out now among a cluster of red-brick complexes on Sligo Creek Parkway. Flowers replaced dirt patches on the once-neglected lawn. The parking lot was resurfaced, the windows were replaced, and new green canopies hang over the entryways. The units have new kitchens, bathrooms and carpeting that one resident, Clara Vasquez, said have made the complex "very nice and tranquil."

"The flowers give it life," Vasquez, an eight-year resident, said in Spanish.

Stavrou said Montgomery County, unlike Prince George's, was more concerned with keeping the rents low.

"It's really a different game entirely in Montgomery County," said Stavrou, whose company is based in Lanham. "Prince George's is saying that they've got enough rents at \$500 and \$600 [a month]. Their issue is they want more of the high-end stuff."

Stavrou and Richard Tager, another developer who has received help from Prince George's to rehabilitate old apartments, do not believe the county's policy is necessarily bad.

They see it as a way to raise the bar on quality. Tager said Curry is just being cautious about how he spends scarce resources.

"They are looking to have these properties look better," Tager said. "They are looking for the kinds of architecture that are distinctive, and I rather support that."

The policy is more frustrating to nonprofit groups seeking to buy properties and renovate them,

because they generally have less capital and are less likely to enter into risky ventures.

Carl S. Williams, executive director of the Saint Paul Community Development Corp., a nonprofit affiliate of Saint Paul Baptist Church in Capitol Heights, said his group has identified several apartment complexes for renovations and has tried to get the county's help in buying the properties and fixing them up.

"The county doesn't have enough soft money to make the deals work," Williams said. "They require you to do density reduction, and you can't do that and still break even."

County Council member Peter A. Shapiro (D-Brentwood) said he understands both sides of the debate.

"It's frustrating," Shapiro said. "At some level, our neighbors are doing this to us" by not providing enough affordable housing in their jurisdictions.

"And the need for rehabilitation is tremendous," he added. "But there's also a part of this that makes me feel very uncomfortable. It feels like we are perpetuating a war on poor people."

Cutline: N. Stephen Stavrou stands in the basement of an apartment building in Langley Park that he is renovating. Prince George's prefers to reduce, not repair, old apartments.

Victor Florez works on a new doorway for a complex in Leesburg. Unlike Prince George's, other jurisdictions encourage renovation of old apartments.

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