

Friday, May 16, 2008

Residential Real Estate

Falkland Apartments in Silver Spring face historic review

by [Joe Coombs](#) Senior Staff Reporter

When it opened in 1937, Falkland Apartments was hailed as a showcase for President Franklin D. Roosevelt's New Deal legislation. It was the first property in Montgomery County whose mortgage was insured by the newly formed Federal Housing Administration, and it provided homes for hundreds of low-income Silver Spring residents.

The complex, opened with a ribbon-cutting event by first lady Eleanor Roosevelt, debuted with 178 units and was expanded to a three-building, 479-unit garden apartment property in 1938. Today Falkland's current owner has grand plans of its own, but a pending historic designation could stand in the way of a \$318 million redevelopment of part of the complex.

New York-based Home Properties Inc., which has owned Falkland since 2003, wants to demolish the north section of the site and replace it with up to 1,059 apartments and 65,000 square feet of retail space, anchored by a Harris Teeter supermarket. The project would create 133 affordable units.

Those plans will be scuttled if the county's Historic Preservation Commission gets its wish. The commission filed to designate Falkland historic, and the Montgomery County Planning Board has planned a June 12 hearing on the matter. Even if the board recommends the historic designation, the Montgomery County Council will have the final say on the matter, probably sometime this fall.

"This project really has it all," said Michael Eastwood, Home Properties' vice president of development in Tysons Corner. "It's next to the Silver Spring Metro station, so the high-density residential is in lockstep with the county's master plan objectives. There's the affordable housing, the retail and an open space component. There's the potential to create a car-free lifestyle here."

Aside from the Roosevelt/New Deal connection, Falkland carries a special significance as an early example of garden apartments, said Gwen Wright, chief of Montgomery's countywide planning division and the county's former coordinator of historic preservation. Garden structures are typically no more than two or three stories and include courtyards and other common areas.

Home Properties, meanwhile, is seeking a compromise and has agreed to preserve the remaining two-thirds of the original Falklands complex. The developer would also perform about \$3 million in renovations to that part of the property, but that hasn't been received well by preservationists, Wright said.

"The whole complex is significant," she said. "It's hard to say it wouldn't be diminished if you knocked down one-third of it."

This wouldn't be the first time the Falklands property has seen changes. A portion of the original block of apartments was demolished in 1992 by Cleveland-based Forest City Enterprises Inc., which built a high rise, the 406-unit Lenox Park Apartments, on the site.



Men with plans: Michael Eastwood, left, and Donald Hague of Home Properties want to replace part of their Silver Spring property with new apartments and retail but historic interests may halt the plan.



At that point, though, Falkland wasn't under consideration for historic preservation.

Home Properties representatives argue that their proposal should be given a hard look, particularly for the affordable housing component. Of the current 450 units at Falkland, 90 are reserved for low-income housing, but those affordable requirements expire in 2014.

If Home Properties' plan is approved, the new development would produce as many as 282 affordable units -- 133 units at Falkland's new buildings and 149 in Falkland's existing buildings and at other properties it owns in the county where low-income requirements are expected to expire between 2009 and 2014.

Home Properties owns about 3,500 apartments in Montgomery, and the Falkland property was a significant piece of the company's push into the Washington area that started about 10 years ago, said Don Hague, Home Properties' senior vice president of development.

"This is a very attractive asset for us," Hague said.

New, New Deal: Developers want to demolish part of the old Falkland Apartments to construct new ones, with some added retail.