

THE GAZETTE

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Gaithersburg should rethink its affordable housing plan

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When it comes to incentives to build, developers are agnostics. They will accept incentives or make concessions as long as they believe they can make a profit in the end.

Municipalities nationwide have successfully devised ingenious and fiscally responsible policies to encourage redevelopment of aging moderate- and low-income housing units. These development incentives include tax credits, higher zoning density, affordable housing trust funds or subsidized financing.

In Gaithersburg, the mayor and City Council have voted on a different kind of building incentive in Olde Towne, no set asides for affordable housing. Ironically, this policy is part of the city's first attempt to create an affordable housing policy.

The majority of Gaithersburg's affordable housing, around 1,331 units, are located in Olde Towne. This new incentive, passed by the council, gives governmental permission to redevelop and displace the current 1,331 families living in Olde Towne affordable housing buildings. Since the property owners would not be required to provide affordable housing units in the renovated buildings, this policy would potentially eliminate all of the existing affordable housing in Olde Towne.

Exempting developers from citywide policies is the wrong tool to encourage revitalization. Giving governmental permission to displace thousands of residents from their current affordable homes is morally wrong.

In addition to the potential large reduction in the existing supply of affordable and moderate-income housing in Olde Towne, the city's new proposed affordable housing requirements for the rest of the city are substantially lower than requirements in the rest of Montgomery County. The county mandates a 12.5 percent moderately priced dwelling unit (MPDU) set aside, with an additional 10 percent for workforce housing in developments near Metro stations. Gaithersburg is considering a 7.5 percent set aside for MPDUs, with an additional 7.5 percent for workforce housing.

In order to create an even playing field for development in the county and to ensure affordable housing for Gaithersburg residents, Action In Montgomery believes the city needs to:

*Mandate a 12.5 percent set aside for MPDUs, not the 7.5 percent the city is considering.

*Apply the proposed affordable housing policy throughout the city, including Olde Towne. This is also smart redevelopment policy. It is harder to attract commercial development to an area when the employers will find it difficult to find workers due to lack of affordable housing.

Gaithersburg should re-examine its approach to expanding and improving the stock of moderate and workforce housing available to current and future residents. In doing so, it needs to recognize the highly deleterious effects of a redevelopment policy whose only incentive to property owners is the chance to evict tenants with moderate incomes.