

THE GAZETTE

Gaithersburg is nearing revitalization that could boost vitality in aging areas — and oust hundreds from their affordable homes

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by Jaime Ciavarra

Staff Writer

John Small, 81, has lived in a two-bedroom, red brick apartment in Gaithersburg for more than half of his life.

He watched his two children grow up there. His church, grocery store and mechanic are just down the street. More than 41 years worth of memories adorn the apartment's beige walls.

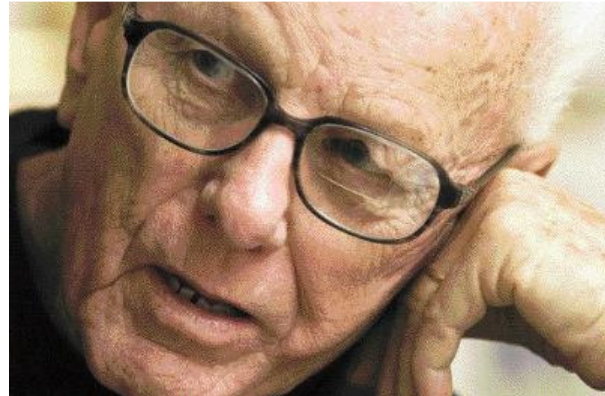
But Small — who now lives on a fixed income of about \$4,000 a month and pays \$774 in monthly rent — could be losing his home in the name of progress.

Broadstone Apartments on West Deer Park Road, the 41-year-old rental complex where Small lives, is slated for redevelopment, meaning his home and those of 350 other families could be demolished to make way for townhouses, condominiums and a new apartment building.

Broadstone is one of about five multifamily rental complexes around the city of Gaithersburg — up to 800 units — that could be demolished for higher-end, luxury living over the next few years as revitalization takes hold.

Many low- to moderate-income renters could be pushed out at a time when options for affordable housing are scarce.

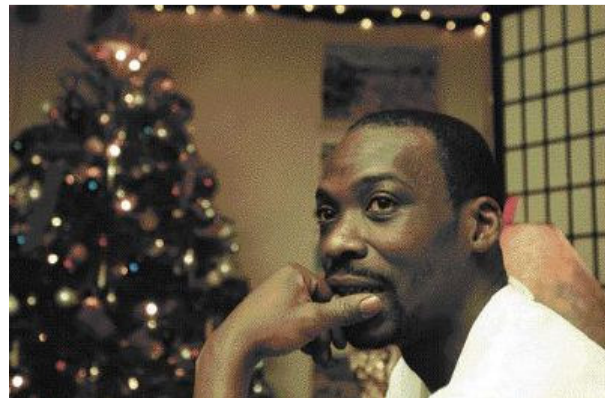
City officials have adopted new laws aimed at curbing the devastating impact of redevelopments for existing renters and requiring a percentage of affordable units be built, but city staff and housing advocates say



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Chris Rossi/The Gazette

John Small, 81, has lived in the same Gaithersburg apartment for 41 years. If a redevelopment project is approved, he could be forced out of the home that costs him \$774 a month.



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Naomi Brookner/The Gazette

If Amadou Idrissa has to move, he would like to find another home in Gaithersburg.

there will still be a gap.

The situation is similar in the county where wait lists for public housing exceed 4,800 people this year, and units set aside for moderate- and middle-income households are dwindling, especially as policy makers support slower growth, housing observers said.

Elizabeth Davison, until recently the director of Montgomery County's Housing and Community Affairs Department, estimates that about 10 to 15 percent of the county's total rental and ownership opportunities are considered affordable.

In 2000, about 23 percent of the county's population sought housing assistance, and the number is likely higher today, she said.

This shortage could lead to an increase in overcrowding, homelessness, and people living in substandard housing, Davison said.

It will also result in tenants scraping together money to pay for housing that they can't quite afford, she said.

"It can cripple people, and it's only going to get worse," Davison said. "The county has one of the most progressive programs around the country, but at best we're running in place."

Left in the cold

Jane Li and her husband Bin Hu, both Chinese immigrants, moved to Broadstone Apartments in September. It was the most affordable place they could find, they said.

Hu is a researcher at the National Institutes of Standards and Technology in Gaithersburg, and Li, who has a graduate degree in risk management, is waiting for her work visa.

They live on \$36,000 a year, and most of the income the couple has earned thus far has gone to furnishing their one-bedroom place with a table, a bed, two couches and a television, Li said.

Gaithersburg's new law, adopted last month, requires developers of homes and condominiums to set aside 15 percent of new or redeveloped property as affordable units.

Half of that percentage is reserved for moderately priced dwelling units (MPDUs) that can be purchased by those earning 60 percent to 80 percent of the area's \$90,300 median income. For a family of two, that means an annual income of \$43,344 to \$57,792.

The other 7.5 percent of those set-aside would be deemed workforce housing, aimed at public service employees who earn 80 percent to 120 percent of the median income, or \$57,792 to \$86,688 for a family of two.

In the case of new apartments, which represent only a small portion of new building, all 15 percent must be MPDUs.

But if Broadstone were redeveloped tomorrow — even with the city's new law — Li and Hu would be out in the cold. Their income is too low to qualify them for even the MPDU provision.

Housing advocates say Gaithersburg's law is flawed.

At the very least, it does not require enough for those with moderate incomes, they say.

In comparison, Montgomery County's 30-year-old MPDU program, a national model, requires 12.5 percent of developments be moderately priced units. And Davison said even that does not meet demands.

The small mandate of the city law is especially concerning when the stock of affordable housing in Gaithersburg is expected to decrease significantly over the next 10 to 50 years, observers have said.

At Broadstone, for example, all 350 apartments are currently considered affordable. The monthly rent for a one-bedroom starts at \$799.

If demolished and redeveloped with 334 new apartments, as the developer has proposed, only 50 of them would be set aside as affordable units.

And in the nearby Olde Towne historic district, no affordable housing is required.

City Council members agreed that mandating it would be a disincentive for developers, whom they are anxious to attract for revitalization.

Alisa Glassman, lead organizer of Action in Montgomery, a coalition of congregations that lobbies for affordable housing in the county, says the city has a responsibility to do more.

“To call this an affordable housing policy is a farce,” Glassman said. “We have to be in favor of redevelopment and strengthening the economy, but the incentives for building in Gaithersburg comes on the backs of the working poor.”

City Council members and a vocal group of residents maintain that it's time to bolster home ownership opportunities in Olde Towne and lure viable retail and office to Gaithersburg's aging core.

“We are allowing Olde Towne to become a pocket of poverty, and what we're becoming in Gaithersburg is a city of haves and have nots,” said Councilman Henry F. Marraffa Jr. “We need to get Olde Towne back up to par. One thing you learn is, you must keep the vitality of your city in tact.”

Other areas in the county have already reaped the benefits of revitalization.

Silver Spring's downtown, once an area of abandoned buildings and chronic crime, is now a restaurant, residential and retail hub with improved economic vitality. Since 2000, the tax base there has increased by 54 percent, according to county estimates.

And Rockville is currently undergoing a \$352 million redevelopment that will bring homeownership opportunities and about 175,000 square feet of retail and restaurants to its town square.

“Communities, like people, age. As places get more densely populated, there is a need to make sure they are still competitive, attractive and meeting the demands of the marketplace,” said Robert C. Brennan, executive director of the Maryland Economic Development Corporation, a state organization. “Redevelopment is typically prompted in areas that have lost their ‘umph.’”

Collateral damage

Amadou Idrissa, 37, and his brother have strung lights from their third-story, two-bedroom Broadstone apartment for the holidays. Inside they have set up a tree.

“This is home,” Idrissa says. “You try to make it cozy.”

Idrissa, a manager at the Cinnabon store at Lakeforest mall, has lived at Broadstone for six years and likes it. The complex is safe, his neighbors are nice, and a bus stop is less than a block away, he said.

If he has to move, he says he wants to stay in the city to be close to work.

But his options may be few.

Gaithersburg officials say the city has had its fair share of affordable housing for years. There are nearly 4,000 apartments around the city center that rent for \$1,150 or less a month, according to city data.

Yet in Olde Towne, an area that Idrissa can afford, there are few vacancies. The majority of the rental complexes there have occupancy rates of 80 percent or more, the data shows.

“I guess it’s got to be the right time,” Idrissa said.

Pete Exis is not sure the time is ever right for tenants in these cases.

Exis and 198 other families were forced to move from the city’s West Deer Park Apartments in June when the new owner proposed demolishing the complex to make way for luxury townhouses.

The city devised a contentious relocation plan that compensated tenants for their loss. But Exis, co-founder of the West Deer Park Apartments tenants association, said its effectiveness was spotty as some, especially those who did not speak English, left before receiving the money owed to them.

Others found it difficult to find a comparable place they could afford and moved out of Gaithersburg or the county all together, he said.

The issue has gotten even more complicated as the developer, RST Development, has now said it would like to re-lease the complex due to the slowing housing market.

Gaithersburg planners and city officials have not yet determined whether to allow RST to withdraw its original plans. The question goes before the city’s board of appeals in January.

“There’s more to come on that one,” said Greg Ossont, Gaithersburg’s planning and code director. “To put 200 residents out on the street and then say ‘We’re going somewhere else with it’ is not the intent. But I don’t have an answer on that right now.”

Picking up the pieces

John Small is looking at his options.

He’s picked out an apartment where he would move if it comes to that. While he’d pay at least \$500 more a month, it is near a wooded area for his daily walks and it’s close to Gaithersburg, where his wife lives in a nursing home.

He has followed the possible redevelopment with city planners, and he is ahead of the curve.

The property manager at Broadstone, Penelope Edmonds, said tenants have been notified of the situation in their leases, all of which end in July.

But the majority of the tenants contacted said they have not been told they could lose their homes as early as this summer.

AIM volunteers are knocking on doors to educate tenants of their rights. A newly passed city law says that displaced renters must be given three and a half months of rent to help them find a new home, and other programs are being put in place.

Mark Coletta of Fairfield Realty, the company that bought Broadstone for \$29 million in June, said tenants will be formally notified when plans are approved. They are scheduled for public hearing in February.

Fairfield has over 5,000 apartments in the county, including MPDUs and other subsidized housing that could absorb some of those displaced.

“We’d try to find them some place to live as close to where they’re currently at,” said Coletta, vice president of development. “We have a large management team that can make it as smooth and painless as possible.”

Gaithersburg is also setting up a fund to help people with down payments and closing costs if they want to buy a house.

But Exis and Glassman say that Gaithersburg is turning its back on the working people who have called the city home for years.

Many don’t fit into the new affordable programs.

“As far as a plan for its citizens, I get the feeling that people are just dollar signs here,” Exis said. “Gaithersburg needs to find its identity. It needs to find what it wants to be, and who this city is for. Right now, I think the message is that Gaithersburg is not looking out for people that don’t make six figure incomes.”

City Councilman Michael Sesma, who campaigned on affordable housing during last year’s elections, said the issue is a complex one that is hitting aging communities around the country.

He says Gaithersburg is better off now than in previous years, as recently passed legislation requires that at least some of the affordable housing inventory be maintained.

“I think we’re looking at a dynamic process that we’ll adapt as we need to,” Sesma said. “Our growth will include all segments of the population.”

But at 81, John Small doesn’t want to move. Still, he’s been consolidating his old scrapbooks and World War II memorabilia just in case.

“I’m not any kind of a real estate expert,” he said. “What I am is an old settler fighting for the homestead from big city developers. And I’m hoping that whatever happens, they’ll remember we are people. These are our homes.”