

# City Council Approves Home Loan Program For Displaced Tenants

Funds Are Inadequate, Critics Say

By Mariana Minaya

Washington Post Staff Writer

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The Gaithersburg City Council unanimously approved a home ownership assistance program Monday night that would provide loans for people displaced by residential redevelopment. About \$400,000 will be made available to help residents such as those in the Broadstone Apartments. Tenants of the Broadstone, which is to be razed near the end of the year, could receive loans to buy homes up to three years after they move as long as they express interest in the program by April 1.

**"I'm very excited about it," said *Eric Miles, a Broadstone resident*. "Hopefully, I'll be able to use those funds toward home ownership."**

The interest-free loans could be repaid when the home is sold or refinanced. Residents making 80 percent or less of the area median income -- \$75,600 for a family of four -- could receive up to \$20,000 in federal funds if they buy a home in [Gaithersburg](#) or \$15,000 if they purchase outside the city. Those who make more could receive up to \$15,000 to buy a home in the city or \$10,000 if they purchase elsewhere.

But ***Thomas Cowley of Action in [Montgomery](#)*, a religious-based group that worked with the Broadstone tenants to secure the displacement funds, said the grants are not enough for low-income residents. The organization had lobbied for up to \$40,000 in aid per household and for a portion of the loan to be forgivable.**

**"It's kind of hard to end up being critical when they're doing something, but I can be critical of the fact that what they're doing is inadequate," Cowley said after Monday's meeting. "It's kind of like somebody saying, 'Okay, here's the life raft.' Then saying, 'Oh my God, we're five feet short.' "**

The assistance program nearly fell apart in June when Mayor Sidney A. Katz threatened to veto the city budget because the plan's details were unclear. The council then voted to provide \$300,000 to the program. On Monday, the council allotted an additional \$100,000 in federal funds.

City staff members working on the program said they built on their experience helping occupants of the adjacent West Deer Park apartment complex. Tenants of the 198 apartments, which were vacated last year, received up to \$10,000 if they bought a home in the city.

Seven families purchased homes with city help. Funds were available for a year, which the staff determined was not long enough.

"I think we've got the start of a good plan," council member Michael A. Sesma said during Monday's meeting.

Former West Deer Park tenants will be eligible for aid under the new program, Assistant City Manager Fred Felton said. Residents of the 73 units in the nearby Archstone complexes would be eligible for the funds if a residential redevelopment were approved there.

**"I do think it's better than West Deer Park for the simple fact that they extended the timeline; that alone is big," *Miles said.* "Because they increased the funds and extended the timeline, it makes it a better opportunity than the tenants at West Deer Park had."**