

"Federation Corner" column
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How low is Home Properties willing to go?

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On July 10th, there will be a public hearing, worksession, and action by the Planning Board on whether or not they will recommend to the County Council that the Falkland Apartments be placed on the Master Plan for Historic Preservation (MPHP). This will be the fourth time in 5 years that the Planning Board will be asked to make such a decision about this property. In what has become the most examined historic resource in the history of Montgomery County, the Planning Board will again consider whether or not the Falkland Apartments, built from 1936-38, meets one or more of the nine criteria for historic designation listed in the county's historic preservation ordinance known as Chapter 24A.

In 2003, sparked by the recommendation of a consultant, the Planning Board found that the 450 apartments of the Falkland Apartments, located at three of the four corners of the intersection of 16th Street and East-West Highway, met three of the criteria and were then given temporary protection from exterior alteration or demolition by being put on a list known as the Locational Atlas and Index of Historic Sites. In 2005, after the owner claimed that the legal noticing requirement was defective, a second hearing was held by the Planning Board and it again found that this first garden apartment complex in Montgomery County met criteria to go on the Locational Atlas.

In December 2007, in an arcane action, the Planning Board found that this apartment complex COULD be taken off the Locational Atlas and COULD begin the process of being placed on the county's MPHP, which would provide for permanent oversight of exterior changes by the county's Historic Preservation Commission (HPC). The evaluation of the property using the historic criteria was identical each of the three times. This fourth time will also use identical criteria when the Planning Board is to decide if it SHOULD be placed on the MPHP. The HPC has also held four hearings and found that the Falklands met several historic criteria each time.

This bizarre process has given the owner, Home Properties, multiple bites of this apple, allowing it continuing opportunities to try new arguments that it hopes will sway the Planning Board to agree with them that the property should not be historically designated. For the first two hearings, Home Properties tried to argue that the buildings did not meet any of the historic criteria.

For the third hearing, the company presented a project proposal for four apartment towers with 1060 units on the section known as Falkland North, claiming that this project would be so good for Silver Spring that this north section should not be designated but that the other two sections could be designated, even though Home Properties still claimed that none of the three sections met any of the historic criteria.

Groups interested in affordable housing were trotted out for the first time, particularly one known as Action in Montgomery (AIM). This group, which claims that it draws its inspiration from Saul Alinsky, the nation's preeminent 20th century community organizer, also claimed that they had negotiated a great deal with Home Properties to provide so much extra affordable housing that it would be better to allow the company to build its project than to preserve the historic buildings.

It did not matter to AIM that the Falkland Apartments were the first attractive and successful affordable housing built in Montgomery County - built forty years before the county government required that affordable housing be included in new housing projects. The Falkland Apartments helped show builders in Montgomery County, in Maryland, and across the nation that building such housing would be successful.

Garden apartments built throughout this county have helped make it affordable to hundreds of thousands of people over the decades who otherwise could not have lived here. It all started at the Falkland Apartments in 1936.

When I testified at the third hearing that if Saul Alinsky were alive today, he would be helping the Falkland tenants organize against AIM and Home Properties' scheme to kick them out of their apartments to make way for this huge proposed project, I was booed and hissed by AIM members. AIM did not inform the Falkland tenants of their plan to displace them because they now seem to care more about numbers of market rate units built rather than numbers of real people hurt.

In preparation for the fourth Planning Board hearing, Home Properties has hired a PR firm to produce several slick flyers normally only seen in well-funded political campaigns. One bright yellow flyer shows five people who appear to represent a teacher, a doctor or surgical nurse, an auto mechanic, an administrator and a firefighter. It states: "WE NEED THE PEOPLE WHO NEED AFFORDABLE HOUSING. All of these people are essential to our communities. We need to embrace and accommodate their housing needs. Right now there is an opportunity to add 282 new affordable housing units in downtown Silver Spring right next to Metro. Don't let this pass by - Take action and voice your support TODAY! Click here to send a message to the Chairman of the Planning Board."

This flyer really shows how low Home Properties will go to try to get what it wants. The facts are that 133 of these "new affordable units" would merely replace, not add to, the 182 existing affordable units in the Falkland North section that are proposed for destruction. These 133 units would be part of the legal requirement to provide 12.5% Moderately Priced Dwelling Units (MPDUs) in the huge proposed project of 1060 units. If Home Properties had instead proposed a project with 3000 units, it would be required to provide 375 MPDUs. Both projects would be far too big for the location, but doesn't it sound virtuous to the uninformed to take credit for creating 133 or 375 MPDUs even though it is a requirement of the law?

To get to the so-called "one-for-one replacement" for the 182 existing historic apartments in Falkland North, Home Properties would offer 49 more "new affordable units" by continuing an affordable housing set aside at the Woodleaf Apartments in White Oak for 20 more years. While county law requires rental MPDUs for 99 years, Home Properties is offering a commitment of 49 MPDUs for one-fifth of that time period at a location that is five miles from the Silver Spring Metro. Not only wouldn't these be new at all, they would be in an entirely different planning area near the Prince George's County line.

To get to the total of the 282 units claimed in the utterly deceptive flyer, Home Properties also says it would provide 100 workforce housing units - 50 in the new project and 50 in the remaining historic apartments. Workforce housing is affordable to people earning 80% to 120% of the Area Median Income, which can be as much as \$100,000 for a family of four. Since Home Properties has previously said that all of the housing in the four proposed towers would be priced for workforce income levels, and since all of the current Falkland apartments already are affordable as workforce housing, it is cynical and disingenuous for Home Properties to make an empty promise that any of its new or existing market rate housing will be workforce housing if it will still be charging the same rents.

When Home Properties wasn't yet playing to the crowd, it deliberately filed the project plan for the four towers just before the workforce housing law went into effect in December 2006 because it didn't want to be required to meet the 10% workforce housing requirement in the new law. Now it desperately hopes to be seen as heroic by gullible affordable housing groups for selflessly "volunteering" to provide what it rushed to legally avoid in the first place. Home Properties also initially sought to put half of the MPDUs required in the four towers in the remaining historic Falkland apartment buildings until the county Department of Housing and Community Affairs refused to allow such a subterfuge of the law.

The bottom line is that there would be a net increase of just ONE new unit of market-rate workforce housing, not the heavily-hyped 282 "new affordable units." We would lose 182 historic apartments, 50 existing historic apartments would be labeled as workforce housing, 49 existing units in White Oak would pick up what remains, except for the 1 new unit.

Home Properties has taken the exploitation of the affordable housing crisis for corporate gain to a new low. It has manipulated and then hidden behind naive affordable housing advocates who fancy themselves to be real estate deal makers. It is these kinds of behaviors that threaten to destroy what little credibility remains for the government and for affordable housing providers with a general public being asked to support new affordable housing initiatives by the government. I was recently on an Affordable Housing Task Force committee that made plans to recommend a strong but welcoming PR campaign to convince the public to support affordable housing, but the actions of Home Properties, AIM and others could doom such a campaign before it even begins.

This could well be the high water mark for the influence of certain affordable housing advocates, who will see their influence wane as more people learn the truth about Home Properties. I've been deeply involved with affordable housing for eight years, including loudly and vigorously advocating for the end to MPDU buyouts when few others spoke against them. It's clear to me that if we really want to preserve affordable housing in Silver Spring and elsewhere, we will need to preserve the apartments we already have and we will have to pass rent stabilization legislation that will guarantee landlords a fair return on their investment while guaranteeing tenants a rent they can afford. We never have and never will build our way out of the affordable housing crisis, and the mindless mantra spoken by those who say we can and must do just that only undermines the legitimacy of affordable housing as an important public policy. The rest of us can instead do some good by standing up for both history and for affordable housing by supporting the historic designation of the Falkland Apartments.

The views expressed in this column do not necessarily reflect formal positions adopted by the Federation. To submit an 800-1000 word column for consideration, send as an email attachment to waynengoldstein@hotmail.com