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*From the Baltimore Sun*

## Pricing workers out?

### Report says city needs to ensure that middle class can afford to stay

By Doug Donovan and Ron Hollander  
Sun reporters

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The corner of North Calvert Street and Lafayette Avenue provides a stark example of the vast differences in Baltimore's housing market, as a neighborhood once known more for crime has become the center for renovation.

A block from rotting and boarded-up homes west of Green Mount Cemetery rise shells of new townhouses that are nearly sold out at prices approaching \$500,000.

As Baltimore's real estate market transforms some neighborhoods into gentrified and ever-more-expensive communities, it is diminishing affordable housing for middle-class professionals and the poor, according to a new comprehensive report released yesterday.

While the building surge has been good for the city's tax coffers, experts fear that Baltimore could sabotage its own momentum by backing housing projects that are pricing many longtime residents out of their homes and preventing others from moving into the city.

"If every development is perceived negatively as an effort to displace existing community residents - who have nowhere else to go in an increasingly expensive region - then development could become so contentious and difficult that private investment would be driven away," states the report produced by the 13-member Baltimore City Task Force on Inclusionary Zoning and Housing.

Or, as member and national urban policy expert David Rusk put it: "Baltimore would not be well served by being wall-to-wall Yuppie. You need diversity."

The task force's report recommends steps that City Hall should take to guarantee that new housing projects make room for rental and for-sale properties that are affordable for security guards, carpenters, truck drivers and physician assistants alike.

These include an "inclusionary housing trust fund" financed by 20 percent of transfer taxes and recordation fees; streamlining the process of moving city-owned land onto the private market; requiring city-backed developers to set aside affordable units; and offering financial incentives for private developers to do the same. The report also calls for allowing nonprofits the right to own those units to guarantee that they remain affordable for years.

## City's master plan

The recommendations were presented yesterday to the council on the same day that Mayor Martin O'Malley's planning department introduced its comprehensive master plan, which calls for some of the same actions. The council also gave preliminary approval to a ballot measure that, if passed, would create a \$10 million affordable housing fund.

The council will hold hearings on the master plan and the inclusionary housing proposal over the next several months. It is expected to combine many of the task force recommendations into the final master plan, which is expected to be voted on in October and is the city's first statement of broad goals and how to achieve them in more than 30 years.

"We can't be a city of haves and have-nots," said Councilman Bernard C. "Jack" Young. "We have to be a city that is inclusive of everyone who lives and works here."

## How neighbors see it

That debate played out yesterday on steps at Calvert and Lafayette as residents discussed how Station North townhouses will effect their Greenmount West neighborhood - home to drug trafficking and prostitution.

Henry Spears, whose family has lived at 212 Lafayette Avenue since 1955, chose to see the bright side.

"Well, you got the police patrolling more," Spears said.

His neighbor, Tanglia Bull, expressed the same fear that the task force did.

"Yeah, but you know darned well once they fix them up, they're going to move us out," Bull said.

Roberta Ruffin liked the improvements - as long as they didn't mean she'd be unable to stay in the one-bedroom apartment she has had for four years. "We like the changes but we don't want to move," Ruffin said.

The rising property values mean homes are now worth far more than before, but not all residents are eager to move. "Take the money and run is not my personal goal," said Michael Beverly, who lives on Lafayette Avenue.

The median home price in the region nearly doubled from 2000 to 2005 - from \$128,000 to \$255,000 - while median wages rose by just 19 percent, from \$52,850 to \$62,700, the report states.

## Shrinking market

From 2000 to 2004, homes selling for less than \$140,000 in the Baltimore region decreased from 45 percent to 15 percent. In Anne Arundel and Howard County, homes at this price level virtually disappeared in 2005, the report stated. There are still affordable homes in the city, with about 30 percent of homes listed below \$150,000 in May.

The goal is to add 36,000 households in the city over the next 20 years. One of the main problems is that developers cannot build units for a cost that moderate-income families can afford.

"The proportion of lower-income families greatly exceeds the available supply even in the city," the report states. "The city housing market varies widely from neighborhood to neighborhood, containing some of the region's hottest real estate submarkets and some of the region's most forgotten ones."

The Sun recently reported on one of the worst: the area around the American Brewery in East Baltimore. The abandonment of the blocks around the shuttered brewery illustrates the difficulties of drawing private investment to decayed urban neighborhoods - even while other areas of the city are booming.

Michael A. Sarbanes, executive director of the Citizens Planning and Housing Association and chairman of the task force, said the city has a competitive advantage in a region growing with government jobs because Baltimore

has room to accommodate affordable houses outside of expensive [Inner Harbor](#) developments.

## **Need for teamwork**

But, he said, the government and developers must work together.

"It can't just come out of the developers' pocket," Sarbanes told council members yesterday. "Or else there won't be any inclusive units built."

The master plan introduced yesterday by Planning Director Otis Rolley III incorporates the task force's call to require some affordable housing in publicly supported projects. Rolley was less enthusiastic about the task force's other recommendation: to require developers not receiving public subsidies to include affordable units.

"The market would have to be substantially stronger for us to do that," Rolley said. "San Francisco can do it because their market is ridiculously tight."

Betty Bland-Thomas, president of the Sharp-Leadenhall Community Association and a task force member, said the council must act on the recommendations so that they do not become some bureaucratic footnote.

"We're in a state of urgency," she said. "There's not enough affordable housing for working-class families. We have many people being pushed out of Baltimore City who have been here all their lives."

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**ron.hollander@baltsun.com**  
**doug.donovan@baltsun.com**  
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