

L. Merion offers a housing lottery

Five lucky families will get a chance to buy an affordable townhouse in a tony neighborhood.

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Early next month, five lucky families will get a crack at buying a brand new townhome for \$180,000 in pricey Lower Merion Township, where houses go for a median price of nearly a half-million.

That's 45 percent off the \$325,000 list price.

Sound like a come-on? It's not. Rather, it may be the first instance in which the Main Line middle class gets a subsidized crack at the chance to buy an affordable home in a very desirable area.

But this being Lower Merion, where the median household income in 1999 was \$86,373, twice that of the nation, the notion of a middle-income wage earner is, well, relative.

Which is why the town has stepped forward with tax incentive finance, a unique way to subsidize housing for the middle class. Under the program - which does not involve federal dollars - a family of three can make up to \$76,000 and still qualify for one of the five units being offered in Ardmore.

A couple can make up to a slightly more modest \$68,000 a year.

Folks earning that much elsewhere wouldn't be seen as needing financial help with homes, but they do in Lower Merion.

"Affordability is relative," said Maryam W. Phillips, the Lower Merion commissioner who worked with housing officials at the township and county level to create the program.

"If they are moderate income, the children of families who are born and raised in Lower Merion, they are moving to Upper Darby or Norristown," Phillips said.

"Or, if they are on the higher end, they are going to Chester County, and yet all their roots are in Lower Merion. This is the big affordability question for us going forward."

Rochelle Caldwell, 40, a separated mother of two, is employed as a secretary by Lower Merion Township. She grew up in Ardmore, but recently moved into an apartment in Delaware County.

She'd like to live near work, but could find nothing affordable. Even with the house subsidy, Lower Merion real estate was too rich for her budget.

"Most of the friends that I grew up with in Ardmore are in other places because of the home prices," Caldwell said.

Since buyers pay only \$180,000, the rest has to come from somewhere; it takes the form of a \$145,000 mortgage subsidy for each house. Money is generated by a bond issue, and the forgiven taxes go to pay down the bond.

Lower Merion, its school system and Montgomery County will each give up a portion of the taxes due them over the next 20 years to subsidize the five homes in the new development called Ardmore Crossing.

The home buyer must be credit-worthy and secure private financing for the other \$180,000. Two of the homes will go to Ardmore residents; two to residents of the Lower Merion school district, and one to a Montgomery County resident.

Applicants must apply at the Lower Merion Township building in Ardmore, and then take part in a lottery there May 11 at 9 a.m. Five potential buyers will be drawn, then checked out by housing officials.

The five specially priced units are among 31 townhomes planned for the upscale development at County Line Road on the site of the former Peco truck parking lot.

Townhomes not in the tax-incentive program are being sold at market rate to others. For those there are no income restrictions. They are priced at \$425,000, more in keeping with the 2004 median home price for the township - \$445,000.

The difference between the \$425,000 units and those costing \$325,000 is in the amenities.

"Instead of hardwood floors, you get carpet. Instead of granite counter tops, you get formica. The appointments such as faucets and lighting fixtures are downgraded slightly," Phillips said.

Angela Murray, a township finance official who helped formulate the program, said she hoped the program would make it possible for Lower Merion volunteer firefighters, police and teachers to live where they work.

Police Superintendent Joseph Daly said patrolmen often choose not to live where they work, but firefighters often do so. The high price of Lower Merion homes has thinned the ranks of firemen available for volunteer duty in the township, Daly said.

"Also, it's a case of what you get for the money," said Daly. "If someone has a choice between a rowhome in Ardmore, and a single in Haverford Township, they're going to go with the single in Haverford Township."

As for interest in the program, and obtaining applications? It's huge.

"They are flying off the shelves," Phillips said. "We had interest long before the applications were available."