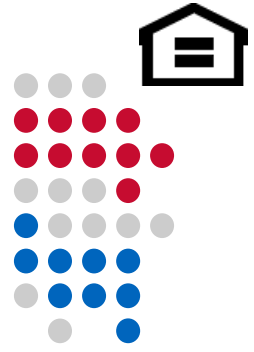




National Call to Action Alert



February 2008 Issue

Dear National Call to Action Participant,

Thank you for your continued support and commitment to the National Call to Action (NCA) as we all work together to help produce more affordable workforce housing for American families. The NCA has spread from the Pacific to the Atlantic, from Anchorage, Alaska to Key West, Florida and from Maine to Southern California. In this time of uncertainty caused by foreclosures and market conditions, it is now more important than ever before, that all of us address the housing puzzle on all fronts. Studies from around the country have documented that regulatory barriers can increase the cost of housing by as much as 20 to 35 percent. That is precisely why Secretary Alphonso Jackson and Deputy Secretary Roy Bernardi have continued their strong commitment for increasing awareness of the need for regulatory reform at all levels of government .

In this issue of the NCA Alert, we highlight the efforts of Puerto Rico. As you continue to honor your commitment to the NCA, we ask that you keep us posted on your progress so that others can learn from your good works. Please don't hesitate to let us know how we can continue to help, and what can we do better. We are in the early stages of planning two conferences that you will hear more about in the near future. HUD has also issued and funded a number of important studies that address the impact of regulatory barriers on affordable housing. The studies can be accessed at www.huduser.org

Again, please send your summaries or other news on your progress to our contractor, Newport Partners, at nca@newportpartnersllc.com so that we can share it with your fellow participants around the country.

Thank you for your dedication to public service.

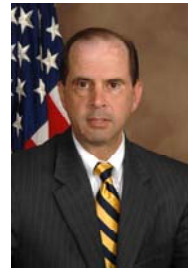
A. Bryant Applegate

Co-Director

Krista Mills

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February 2008



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Puerto Rico



Recently, in a letter from Jorge Rivera-Jiménez, Secretary of the Department of Housing of the Commonwealth of Puerto Rico, to HUD Secretary Alphonso Jackson, the Housing Department accepted HUD's invitation to take part in the America's Affordable Communities Initiative.

As part of the Commonwealth government's initiative to meet its goal of 50,000 housing units developed or rehabilitated by December of 2008, several studies have revealed the importance of promoting the development of affordable housing. In order to do this, the government of Puerto Rico, along with several groups in the private sector, has engaged in an in-depth study of the factors that limit or slow the development of this type of housing. Among these factors are:

- regulations that establish the requirements for housing development;
- access to adequate financing for developers and for the families who make use of the housing units;
- the price of land and the construction costs;
- the process involved in evaluating and granting permits.

To develop mitigating strategies, the Puerto Rico Housing Department created a task force to examine the regulatory aspects, the permitting process, facilities for financing, and other factors that bear on the cost of developing affordable housing. The task force is to submit recommendations to the Secretary of Housing and the Governor of Puerto Rico for modifications to regulations and processes and for the development of new mechanisms to stimulate and facilitate the development of

housing accessible to all population groups and families. The task force is made up of members from the private sector and public agencies that are related in various ways to the housing development industry.

Some of the barriers to developing and providing accessible housing that have been identified so far by the task force are outlined below.

One of the task force's main conclusions is that the term "accessible housing" needs to be better defined, and in addition, that it needs to be distinguished from the concept of "social-interest housing". As part of this definition, it is important to identify and provide an operational definition for the concept of "workforce housing." This last type of housing is intended for those families whose incomes exceed the limits set for subsidy programs but are not high enough to purchase a home on the regular market.

In September 2006, HUD released two volumes of an informative report: *Best Practices for Effecting the Rehabilitation of Affordable Housing Framework and Findings and Technical Analysis and Case Studies*

These reports are available at www.huduser.org/publications.

FHASecure Update

As of January 31, 2008 *FHASecure* had received 209,607 applications and closed 80,888 refinance transactions. And by the end of 2008, FHA expects to help more than 300,000 families refinance their home mortgages.

Puerto Rico continued

Among the problems identified by the task force as limiting the development of accessible housing is the slowness and rigidity in the processing and issuance of building permits. In order to reduce the negative impact of this barrier, it is proposed that a permanent task force be created that will give priority to processing permits for affordable housing projects. Currently, the Commonwealth government has implemented a pilot project whose purpose is to evaluate existing processes for project underwriting and issuing of permits. The objective of this effort is to implement a system for evaluating and approving projects that will be agile, efficient, and effective. The task force studying the barriers to the development of accessible housing is working closely with the team charged with designing and implementing the pilot project.

The increase in construction costs is another of the problems that has been identified. The group recommends that special treatment in income and property taxes, excise taxes and other type

of levies (municipal and central government) be given for the development of affordable housing projects. In addition, it has been determined that a clear policy needs to be developed as to the infrastructure required for affordable housing projects and the development impact fees imposed on these projects.

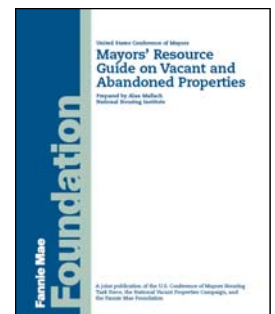
Furthermore, in order to increase inventory and stimulate the development of accessible housing, it is proposed that the government establish a methodology and the information systems needed for informing developers and the public in general as to the resources and programs currently existing for developing affordable housing. It is also recommended that a representative group be maintained in order to give periodical workshops and lectures aimed at developers in order to orient them as to the process for securing permits and for applying for incentives and subsidies from the array of state and federal programs.

The task force will be submitting its final report, containing the findings and recommendations from its commission, to the Secretary of Housing and the Governor of Puerto Rico by the end of February 2008.



Jorge Rivera-Jiménez, Secretary of the Department of Housing of the Commonwealth of Puerto Rico

On January 25, 2008, the National Call to Action addressed the Mayors' Task Force on Vacant and Abandoned Property at the winter meeting of the United States Conference of Mayors. The task force distributed two excellent reports entitled *Mayors' Resource Guide on Vacant and Abandoned Properties* and *Combating Problems Of Vacant and Abandoned Properties: Best practices in 27 Cities*. The reports are available from the Conference of Mayors at: www.usmayors.org/UJSCM/uscm_projects_services/housing/



COMBATING PROBLEMS OF VACANT AND ABANDONED PROPERTIES

Best Practices in 27 Cities



The United States Conference of Mayors
June 2006

Robert L. Woodson, Jr. Award Profile: Fort Collins, Colorado

Each edition of the *National Call to Action Alert* will feature a profile on one of the Robert L. Woodson Award recipients. The Woodson Award, established in 2005 by HUD's America's Affordable Communities Initiative, honors those communities that have expanded affordable housing opportunities by reducing regulatory barriers. In this case, Fort Collins, Colorado, demonstrates another example of how a community can overcome unique challenges to create affordable housing within their neighborhoods.

The City of Fort Collins has a long history of addressing regulatory barriers in order to achieve housing affordability. As early as 1984, local land use controls provided for density bonuses to developers of affordable housing, a technique just now being adopted in many communities. Following the creation of an affordable housing task force in 1992, the City undertook a series of major regulatory changes. Fort Collins institutionalized regulatory reform by creating a public/private Affordable Housing Board whose primary responsibility is to recommend to the City Council new regulatory reform proposals. As a result, a continuing series of reform actions have been put in place over a ten-year period. Over the past decade, more than 1,000 units of market-rate and assisted affordable housing have been built.

Fort Collins, Colorado is a 2005 recipient of the Robert L. Woodson Award.

Specific Actions Taken:

- The city offers developers "density bonuses" for affordable housing.
- Fort Collins created an Affordable Housing Board to recommend new reform efforts to the city council.
- Payments of impact fees are delayed until occupancy and impact fee rebates are offered for affordable rental housing.
- Reducing the required widths of streets and sidewalks significantly lowered the cost of housing.
- Priority is given for processing of affordable housing developments reducing the time between permit application and development.
- Sales and use tax rebates are offered on materials builders purchase for the construction of rehabilitation of affordable housing.
- The city provides exemption on fees for inspections, right of way, and street cuts on affordable housing developments.
- Fort Collins requires a cost -impact analysis prior to any changes to the city's building code.
- Affordable housing builders enjoy more relaxed bonding and landscaping requirements.
- The review time in Fort Collins has been cut by 40 percent due to tighter timelines controls and increased staff assigned for conflict resolution.
- The city initiated a major affordable housing market effort.

How To Apply

Recipients of the Robert L. Woodson, Jr., Award are selected from nominated states, counties, cities, towns, townships, and other municipalities that have significantly reduced regulatory barriers to the construction or rehabilitation of affordable housing for low- and moderate-income families.

In selecting award winners, the review team considers these five factors: Nature of the regulatory reform, Impact, Transferability, Partnership, and Innovative approaches.

To learn more about the Woodson Award or to download a nomination application at www.hud.gov/initiatives/woodson/award.cfm

