



American Planning Association

Housing and Community Development Quarterly

Summer 2006

Call for Sessions Proposals for 2007 APA Conference

The APA National Conference will be held in Philadelphia on April 14-18, 2007 and all APA Divisions are allowed to submit two by-right sessions. Housing Choice and Affordability is now an APA supertopic and the Division is looking for cutting edge session proposals on housing and community development topics.

For a list of possible ideas, please refer to the newly adopted APA Policy Guide on Housing, which is available at www.planning.org/policyguides/housing2006.htm. The Policy Guide includes a list of suggested policy initiatives. Session proposals that support these initiatives are encouraged.

If you are interested in submitting a proposal, please send an email to Candace Stowell at chstowell@nchfa.com no later than August 11th. Please include a brief description of the session as well as the names of potential speakers.

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APA National Planning Awards Deadline

The deadline for most of the 2007 National Planning Awards is September 11, 2006 and the award categories include the HUD Secretary's Opportunity and Empowerment Award as well as a new Innovation in Neighborhood Planning Award in Honor of Jane Jacobs.

More information about the awards and submission information is available at www.planning.org/awards/2007.htm.

Chair's Message –

As we start the next two years of leadership for the Housing and Community Development Division, I want to thank Gavin Schermer, AICP, our outgoing Secretary/Treasurer for keeping the bills paid and the lights on, so to speak. We wish Gavin all the best as he continues to work on housing and community development issues in Davenport, Iowa. Annemarie Maiorano is the new Secretary/Treasurer for the Division and you can read more about Annemarie and see our current financial picture on page 6 of the newsletter.

A special thank you is also in order for Vice-Chair Jenny Raitt who ran an excellent Annual Meeting in San Antonio. The adopted work plan is located on page 6.

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American Planning Association

Housing and Community Development Quarterly is the newsletter of the Housing and Community Development Division of the American Planning Association. Please send news items, announcements, and conference dates to Chrissy Gruninger, Newsletter Editor, at chrissy@forHarmony.net.

**Deadline for Fall Issue:
October 15th**

CHAIR

Candace H. Stowell, AICP
North Carolina Housing Finance Agency
chstowell@nchfa.com

VICE-CHAIR

Jennifer M. Raitt
North Shore Housing Trust
jmraitt@nshousingtrust.org

SECRETARY-TREASURER

Annemarie Maiorano
Wake County Government
Amaiorano@co.wake.nc.us

NEWSLETTER-EDITOR

Chrissy Gruninger
Sonoma State University
Chrissy@forHarmony.net

REGIONAL REPRESENTATIVES

David Cristeal, Arlington County
Housing Division
Arlington, VA

Kristin Cooper, Clark County
Community Resources Management
Las Vegas, NV

Chair's Message Continued...

We are still looking for additional Division members who wish to serve as regional representatives for the Division. We would like to hear about housing and community development news from around the country and Kristin Cooper's article on using Bureau of Land Management (BLM) land for affordable housing is an excellent example of why we need more regional representatives for the Division. If you are interested, please contact me at chstowell@ncfa.com

The next APA Conference will take place in Philadelphia and the Division is entitled to two sessions at each annual conference. APA wants to receive session proposals no later than August 25th so we need to receive any proposals from Division members no later than Friday, August 11th. Please read the article on page 1 for more information about the 2007 Conference proposals.

The Housing and Community Development Division is actively developing more training opportunities for Division members and is interested in continuing the pilot subsidy program that we recently used for the APA Housing Plan Webcast in May. The Division will continue to offer a subsidy for Division members who wish to participate in upcoming APA web conference trainings. There are some excellent training opportunities scheduled for the fall and spring, including Green Communities on October 4, Universal Design on November 8, Maintaining Neighborhood Character on March 14, 2007, and one of our favorite topics, Inclusionary Housing on May 23, 2007. If you are interested in receiving a 50% subsidy for any of these APA web trainings, please contact me at chstowell@nchfa.com

Best wishes for an enjoyable summer!

Candace H. Stowell, AICP

Dirt is Destiny: Using Public Lands for Affordable Housing

By Kristin Cooper

In Clark County, Nevada the new construction of affordable housing has always been a difficult task, with the need for qualified non-profits with technical expertise, many layers of subsidy required to make the housing financially feasible and the existence of community opposition to having affordable housing in existing neighborhoods. However, these challenges are not unique to Southern Nevada. Suddenly, though, the job of creating new affordable housing became much, much harder beginning in 2003.

What happened?

A nexus of circumstances conspired to push the price of land and housing up exponentially in the last three years. In 2003, the number of housing units available for purchase could not meet the demand caused by the great influx of new residents to Southern Nevada. This caused the price of a single-family home to rise from a median new home price of \$183,000 in 2002 to \$310,000 in 2006, a 69% increase. The price of land skyrocketed as developers scrambled to provide for-sale products that meet market demands. As land prices climbed, tens of thousands of apartment units were converted to condominiums providing a more affordable ownership opportunity. However, this caused a net decrease in the number of available apartment rental units and led to higher rents. The high land prices have severely affected the financial feasibility of new apartment construction for market rate rental housing, let alone housing for low- and moderate-income individuals and families. The price of an acre of infill land has risen from approximately \$100,000 in 2002 to almost \$1 million an acre in 2006.

While the housing market has cooled slightly thus far in 2006, this simply means that the increases are not quite as substantial as the last three years. More alarming, less buildable land is available in the Las Vegas Valley. This surprises those who are not aware that the federally-operated Bureau of Land Management and Department of Defense own 85% of the land in Southern Nevada.

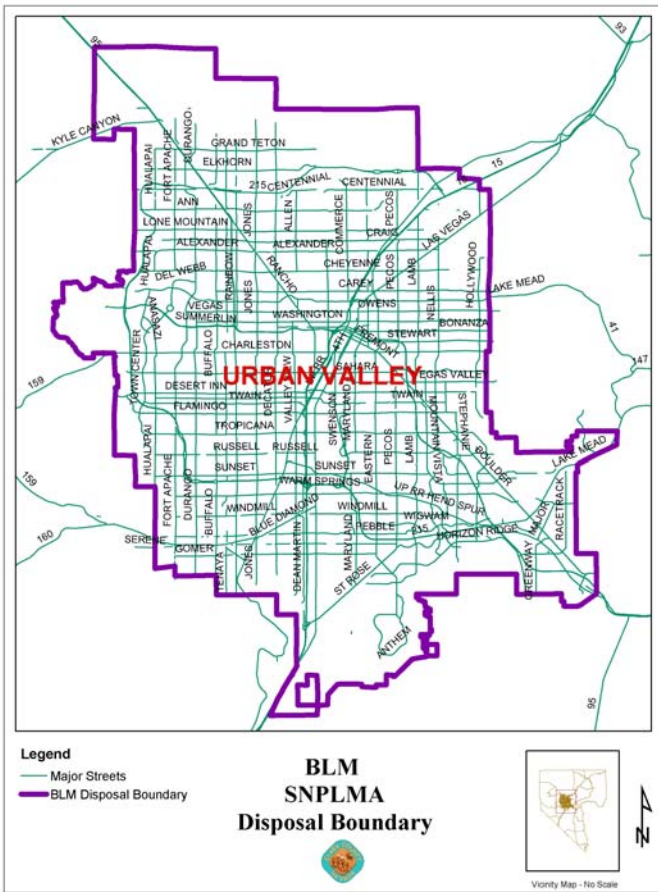
Ironically, it is this federally owned land that may provide the means to meet some of Southern Nevada's need for thousands of units of affordable housing. In

1998, Congress passed the Southern Nevada Public Land Management Act (SNPLMA or The Act) to expand the boundary line between privately held land in the Las Vegas Valley and BLM land. The Act authorized BLM to sell the land freed up within the disposal boundary and use the profits to further their mission by buying environmentally sensitive land elsewhere in Nevada. The Act included provision Section 7(b) allowing the Secretary of the Interior in consultation with the Secretary of Housing and Urban Development to make BLM Land available at "less than fair market value" for affordable housing. These lands are available for direct sale to the State of Nevada, local government entities, and public housing authorities for the purpose of providing affordable housing serving people at 80% or less of median family income.

Since 1999, Clark County has withheld from auction approximately 1,300 acres of BLM land slated for future for affordable housing. Once the legislation was enacted, local housing advocates and local government began pressing BLM to make lands available. Public meetings were held to discuss the possibility of implementing the affordable housing portion of the Act. However, BLM did not have a mechanism to transfer lands to local governments for the provision of affordable housing.

The Recreation and Public Purpose portion of the BLM regulations do not include affordable housing as a public purpose and no other type of transfer method existed at that time. In April 2004, five years after the meetings, discussions, and negotiations began, BLM issued its implementation guidelines "Nevada Interim Guidance-Policies and Procedures for Affordable Housing Disposals, Southern Nevada Public Land Management Act (Section 7 (b))" (known locally as the Interim Guidance). The Interim Guidance outlines the rules for transferring the BLM parcels earmarked for affordable housing at less than fair market value.

Upon determination of the fair market value (FMV) based upon a federally-approved appraisal, the following discount percentages for the respective median income category will be administratively applied to the FMV by BLM in order to establish the value of the public lands to be sold under the affordable housing provisions.



The development proposal has since been submitted to BLM and HUD for an estimated six-month NORA (Notice of Realty Action) process. The selected developer, Nevada HAND, will only have final site control of this five-acre parcel in late 2006 to early 2007. Nevada HAND successfully obtained Low Income Housing Tax Credits from the State of Nevada on June 12, 2006. The development may begin construction in early 2007 and completed in 2008.

Project details

- \$9,989,000 in Low Income Housing Tax Credit proceeds
- \$4,000,000 first mortgage
- \$750,000 in HOME Investment Partnerships
- \$526,639 in owner equity
- \$412,000 in other grants (applied for FHLB AHP)
- \$448,786 acquisition (Land value is \$2,575,000 for five acres, creating an approximately \$2,126,214 discount)

Two-bedroom units will be 922 square feet.
One-bedroom units will be 701 square feet.

Amenities include: library, media room, sitting areas, beauty salon, wellness center, community room with kitchen, fitness center, pool, spa, patios and laundry free facilities on each floor. All units will be affordable with 63 of the units targeted to households at 50% of AMI or below.

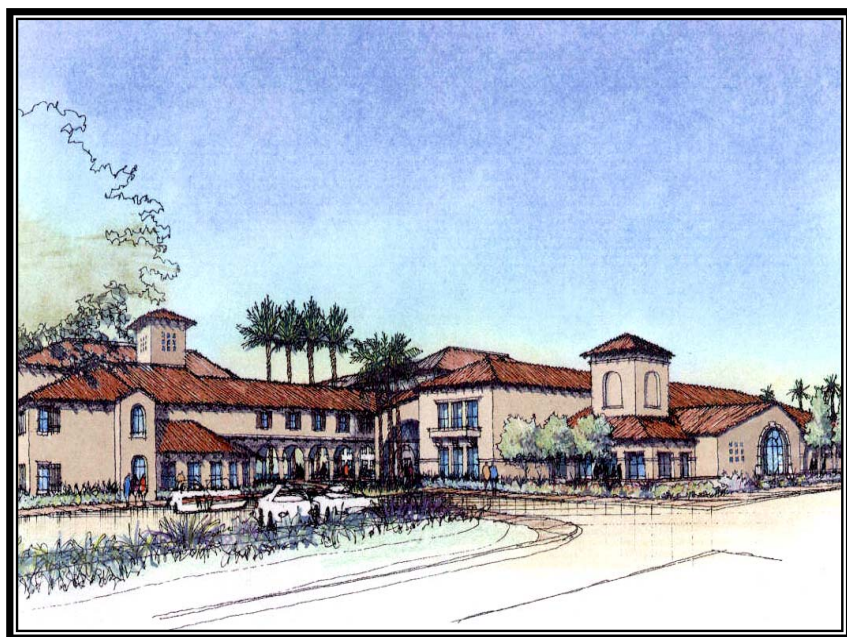
BLM Determination of Less than Fair Market Value			
Rental Development Income Level	Development	Percent of Median Income	Discount
Lowest		40% or less	95%
Lower		50% or less	90%
Low		60% or less	75%

Owner Development Income Level	Development	Percent of Median Income	Discount
Lowest		60% or less	95%
Lower		70% or less	85%
Low		80% or less	75%

Clark County decided to take the new guidelines for a “test-drive”. In June 2005, County staff began its first pilot project effort; the development of a 105-unit senior rental housing complex on a five-acre parcel of BLM land. County staff obtained the necessary zoning approvals, conducted the required public hearing for authority to issue the Request for Proposal, undertook the solicitation process, and evaluated the proposals. The Board of County Commissioners selected a developer and staff is negotiating a Development Agreement.

If the County can make this pilot project and the two subsequent proposed pilot projects work the other parcels of BLM land set aside for affordable housing may move forward to development. Unfortunately, the process to date is so cumbersome that making it work for several thousand acres is a daunting prospect.

The Interim Guidelines created a government-imposed, not legislatively required, administrative process contrary to current development practices. Under the Guidelines, local government is transformed into housing developer rather than its traditional role of regulating the private sector over zoning approvals and construction.



Clark County continues to work with the local BLM and HUD offices to make the Interim Regulations more user-friendly. Consequently, BLM and HUD staff better understand that even if the land was provided free of charge, the projects would still require substantial subsidy to target low-income households. BLM and HUD recently indicated that discounts may be increased and that a more streamlined land transfer method to provide land earlier in the development process must be achieved.

To move forward on this Pilot Project #1, Clark County had to initiate zoning on the vacant parcel, which required the County to create architectural drawings of a prototypical senior housing development. Traditionally, the developer proponent, not the government, prepares such drawings. The County's drawings will be discarded as Nevada HAND proceeds with its own project. This was an unnecessary expense of money and time, with County staff having to undertake activities that the development community would already have staff to undertake. This is nonsensical and reflects the unusual role local government must follow as it tries to complete the ponderous process required by the Interim Guidelines, in advance of actually selecting a developer for this BLM land and to get preliminary site control of the parcel.

Written by Kristin R. Cooper, Senior Planner for the Community Resources Management (CRM) Division in the Department of Finance, Clark County, Nevada. The CRM Division manages federal, state and local grant funds including HOME, CDBG, ESG, Low Income Housing Trust Funds from the State of Nevada and County General Funds.

Of the nine proposals received in the first pilot project solicitation, it is worth noting that none of the developers could fund their housing development proposals without first identifying additional sources of subsidy, beyond the discounted federal land. This critical information shows that subsidy of several types is needed to expand the production of affordable housing, and while the provision of discounted federal land is helpful, it is not solely enough to develop new housing.

DIVISION BUSINESS

APA Housing and Community Development Division

**Adopted Work Plan
2006-2007**

Education/Advocacy & Research

- Propose Two Sessions for 2007 APA Conference in Philadelphia
- Submit Proposal to JAPA for Winter 2008 Issue “Planning for the Future of Housing”
- Review Initiatives in New Housing Policy Guide and set up Committees to implement high priority initiatives

Membership Training & Skills

- Carry out Membership Survey during Summer 2006 to determine membership interests and training needs
- Continue Dialogue with NeighborWorks regarding training opportunities and increased coordination during 2006
- Begin a training assistance program for Division members which subsidizes the cost of workshops and webcasts that provides increased skills and knowledge in housing and community development

Membership Communications

- Examine feasibility of distributing newsletter on a more frequent basis to increase contact with membership
- Revise Division web page with new resources and updated contact information during Summer 2006
- Evaluate effectiveness of listserv as a communication tool

Financial Report ~ as of May 31, 2006

Annemarie Maiorano, Secretary/Treasurer

The bank balance as of May 31st is \$14,500.81.

Our revenue from October 1, 2005 through June 30, 2006 totals \$5,978.45.

Our expenses from October 1, 2005 through June 30, 2006 total \$2,991.96 and there were bank fees totaling \$27.74. The expenses are distributed as follows:

Travel:	\$1,756.33
Newsletter:	\$ 100.00
Katrina donation:	\$1,000.00
Conference call:	<u>\$ 135.63</u>
Total	\$2,991.96

New Secretary/Treasurer Elected at Annual Meeting

Hello! My name is Annemarie Maiorano and I am the new Treasurer for the Housing and Community Development Division. I look forward to working with all of you and APA. I am located in Raleigh, NC where I serve as the Community Development Director for Wake County Government.

Communication Forum

We would like to start a continuing dialog between our members on various subjects – the first of them being “The Right to Housing”.

If you would like to share your thoughts on this subject, please e-mail them to Chrissy@forHarmony.net.

Possible questions/comments could revolve around:

- “What does “The Right to Housing” mean?”
- “Do you agree that there is a fundamental right for housing?”

Please e-mail your comments by September 15th in order to be included in the Fall Newsletter.