The I. Donald Terner Salute to
Innovation and Leadership in Affordable Housing
A One-Day Symposium and Prize Lunch

Wednesday, January 31, 2007
8:15am – 2:15pm
The Latham Hotel
3000 M Street NW, Washington, DC

Presented by:
Family and Friends of I. Donald Terner
The Center for Community Innovation, University of California –Berkeley
The College of Environmental Design, University of California –Berkeley
The Fisher Center for Real Estate and Urban Economics, University of California –Berkeley

NOTES FROM SYMPOSIUM

8:15-8:45am registration and Coffee

8:45-9:15am Welcome and Framing the Scene for the Day
Introductions: Harrison Fraker, Dean College of Environment

1. Rep. Barney Frank, Congressman, Massachusetts

9:15-10:30 Housing Policy at the Federal and State Levels
Introductions: Doug Abbey, IHP Capital and Chair of the Terner Prize Advisory Council
Moderator: Barbara Thompson, National Council of State Housing Agencies
Panelists:

2. Nic Retsinas, Joint Center for Housing Studies, Harvard University

3. Bryce Maretzki, Pennsylvania Department of Housing and Community Development

See PowerPoint. Key Points:

- Principles (CAT)
  i. Proactive v. Reactive
  ii. Engagement v. Application
  iii. Market Driven
  iv. Fix-It-First
  v. Impact (Scope and Scale)
  vi. Think Regional - Act Local
  vii. Link to Economic Revitalization
  viii. Measurable

- Approach (CAT)
  i. Modeled on business recruitment: Governor’s Action Team (GAT)
  ii. Single point of contact
  iii. Silo integration
  iv. Inter-agency coordination
  v. Away from mail-in applications
  vi. Based on local priorities
  vii. Strong local capacity/leadership
  viii. Strategic focus on revitalization
- Results
  i. $318 million invested
     1. $457 million leveraged
  ii. 49 CAT designated “core communities” projects across state
     1. Goal: 150 projects by 2010
  iii. Changing community and economic development interface
     1. Focus on the revitalization of older towns, cities and boroughs
  iv. Fighting outward investment of 50 years

- Challenges and Barriers
  i. Over 2,500 units of local government + 501 school districts
  ii. Pervasive fiscal distress in communities
  iii. Legacy of sprawl and urban core “hollowing”
  iv. Transitioning economy
  v. Lagging job and population growth/diversity
  vi. Integration of education in revitalization

- Opportunities
  i. Four more years
     1. Visionary Governor who “gets it”
  ii. Much more diverse economy
     1. New industries, growing global awareness
  iii. Recognition of Ed’s and Med’s as asset
     1. Over 265 colleges and universities
  iv. Alignment of issues and leadership
     1. Local/regional efforts, willingness to invest

4. Buzz Roberts, Local Initiatives Support Corporation

Open Discussion Notes:

With the cost of construction escalated the Section 42 Tax Credits are not longer working for us.

- Issue for home owners all over
- Get rid of penalties with substances
- Has to continue to serve low income
- Improve tax exempt bond programs
  o 40% of financing is bond finance

Work Force Housing
What is LISC calling work force housing?
- Programmatic approaches
- First definition local (varies)

- Home ownership tax credit working similarly
- Bond financing
- 40-30% of medium income – is harder group to serve with housing credit
- Term
  o Boston 80-120% medium
  o Careful to use term to set people against each other
  o Negative image of housing by mill site
  o Homes for working families
Some people don’t / can’t work – don’t lose sight of them

Coordination of Industries
- Coordination of funding services
  - Time spent (how to make it better)
- Strategies
  - Work better together confirming /rationalizing rules
  - New resources – do not add bells and whistles that trip up others
    - Example- trust fund
  - Let's get resources in one pot

State level support
- Trying to improve funding
- HUD development regulation for Section 30
  - Forget to re-capitalize/re-furbish existing housing needs to be added into flow of funds

Concern about targeting lower income (special needs)
- Bond programs
- Challenge – support services
- How do you come up with funds to serve? – Careful when targeting

Comprehensive approach with environmental levels (sustainability) at policy levels
- Many state housing agencies are including
- How do you make it happen?
  - Energy credits don’t produce penalties with housing credit
  - One utility licenses – reflect energy lost saving in building allowance calculations

Public Sentiment
- Don’s Passion – to articulate public sentiment
  - Not doing so well / struggling
  - Difficult to get congress to see housing as an issue
  - Not doing as good of a job as we could be
  - Way to tell story is interview people doing the project
  - Have you ever seen a healthy homeless person? – The “Oh, I get it.” Response
  - Look at what locals do (innovation)
  - Do operating census
  - How to improve program?
    - Serves a variety of needs

How do we fund services at sustainable long-term level?
- GSE Bill (look at 3rd)
- Taking a look back at older programs
  - Will be fixes – don’t lose site of what we have learned in the last 10 years
  - All tax credits – should have waiver to vary at local level
  - Key Lesson – flexibility, targeting, policy

Speaking different languages – trying to communicate
- Co-housing
- Partnership with occupants
- Fixing NIMBY attitude
- Wealth building and capacity building

10:30-10:45  Break

10:45-12:45  Innovations in Affordable Housing

Introductions: Heather Hood, Center for Community Innovation
Moderator: Marty Jones, Corcoran Jennison, Inc.
Panelists:

1. Carol Galante, BRIDGE Housing - Mixed income and ownership innovations
2. David Rusk, Consultant - Inclusionary housing
3. Ray Gindroz, Urban Design Associates - Designing for affordability

See PowerPoint.

4. Ed Connelly, New Ecology - Going green and affordable?

See PowerPoint. Key Points:

- Green Affordable Housing:
  - What does it mean to be green?
    • Energy and water conserving
    • Healthy, improved IAQ
    • Durable
    • Siting
    • Materials

- Green? Why Should I Care?
  1. Global Warming
  2. Operations Costs
  3. Risk Mitigation
    1. Major Risk Factors Addressed by Green Strategies
      1. Poor design and construction
      2. Cost overruns
      3. Higher Than Projected Operating Costs

- Where are the leaders going?
  1. Green with no cost Premium
  2. Zero Energy Homes
  3. Green Renovations
  4. Alternative Funding
  5. Green Management

Open Discussion Notes:

Oakland – Inclusionary Zoning
- California laws that trigger with housing – pay to play
- Lot more effort needed to put yourself in builders shoes
- Win, win approach

Developers get funding but then get caught up at the city level
- Cities not for innovation
- In mist of culture change and it has to permeate society
- Documents for Louisiana – going to all levels of the state
- Get in there early and promote broader level of programs
- Better design, planning and presentations of what you are doing

30-40% Support Housing
What populations mix?
Experience with mixed income?
- Proportion – lowest/low less then 30% mix at high proportion issues of marketability
- 50% affordable – 50% median
  o 15-20% low – no one knows the difference
- Location
  o Economic/racial integration
  o Seen as a regional difference in dynamic

Ways to reduce energy costs?
- Next agenda for affordable housing energy efficiency
- Two Tier Utility Allowance (California Program)
  o Provides incentive to developers who build efficiency
  o Look for ways to incorporate in tax credits

12:45-1:30 Lunch
1:30-2:00 2007 Prize for Innovation and Leadership in Affordable Housing
Moderator: Doug Abbey, AMB Properties
Inspiration for the prize: Doug Abbey
Acknowledgement of Sponsors: Doug Abbey
Jurors’ Summaries: John King, Juror, San Francisco Chronicle
Finalist Awards Presentation: Terner Jury - Elinor Bacon, ER Bacon Development, LLC; David Baker, David Baker + Partners; Mike Pitchford, Community Preservation & Development Corporation; and Geoff Wooding, Goody Clancy
Brief video presentation
Winners’ Award Presentation: Doug Abbey

2:00-2:15pm Update on ULI Workforce Housing Initiative
1. Ron Terwilliger, Trammell Crow Residential