NCDA
WASHINGTON REPORT

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FEATURED ARTICLES

- ***Appropriations Update: House Passes HUD Spending Bill – CDBG Restored***
- ***Conference of Mayors Lists Saving CDBG As Top Priority At Annual Meeting in Chicago***
- ***The House Responds to a Supreme Court Ruling on Eminent Domain in Connecticut***
- ***CDBG Coalition Meets with Senior House Staff on HUD Appropriations***
- ***HUD News: Secretary Jackson Announces Affordable Communities Awards;***
- ***NCDA NOTES: NCDA Finalizes CDBG Technical Assistance Agreement Activities***
- ***Job Announcements and Attachments***

APPROPRIATIONS UPDATE: HOUSE PASSES HUD SPENDING BILL – CDBG RESTORED

The House of Representatives debated the FY06 Transportation-Treasury-HUD (T-T-HUD) spending bill on June 29 and 30. Then very late in the evening of June 30, by a vote of 405-18, HR 3058, was approved by the full House of Representatives..

Two favorable amendments were approved by the House regarding CDBG and the Brownfields Economic Development Initiative (BEDI) on June 29. The House approved a measure offered by Rep. Gary Miller (R-CA) to increase funding for CDBG by $24 million in order to fund BEDI as a set-aside within the program (this will not decrease the formula funding). "Brownfields represent more than just eyesores blighting individual communities," Miller said during the amendment's debate, "they threaten our groundwater supply and cost our local communities jobs and revenue. To build their economies and attract employers, an increasing number of state and local governments are working with community groups and the private sector to plan, clean up and redevelop brownfields. There is a clear and critical role for the government to play in this effort." The House also approved a bipartisan amendment offered by Rep. Joe Knollenberg, Chair of the T-T-HUD Subcommittee, and ranking member Rep. John Olver, to increase CDBG by $67.5 million. The amendment would provide $50 million to Youthbuild and $17.5 million to CDBG formula grants.

"I thank Chairman Knollenberg for his thoughtful and cooperative approach, for listening to members and recognizing the great human need for programs like Youthbuild and CDBG," Olver said. The House Subcommittee on T-T-HUD and the House Appropriations Committee agreed with the President's recommendation to transfer the Youthbuild program to the Department of Labor. This amendment now ensures that Youthbuild will remain at HUD, unless authorizing language can be approved by Congress this year to move the program to the Department of Labor. We have heard that Congress is trying to enact such legislation quickly. If so, House staff have told us that the $50 million allotted for Youthbuild in the HUD bill will be moved to the Community Development Fund account to increase the formula funding for CDBG.

The two amendments offered and approved on the House floor increase the overall funding for the Community Development Fund account to $4.243 billion. Of this amount, $3.877 billion is provided to CDBG formula grants (which is approximately $228 million below the FY05 level). The House proposed only four set-asides to the Community Development Fund in FY06: $290 million for Economic Development Initiatives (a.k.a., pork projects), $50 million for Youthbuild, $24 million for BEDI, and $1.6 million for HUD's Working Capital Fund for technology improvements. Most of the programs that are normally funded as set-asides within the Community Development Fund were moved to a new account call the Self-Help and Assisted Homeownership Opportunity Program account or funded under Policy Development and Research. The attached HUD budget chart provides you with a listing of each program.

In speaking about CDBG, Knollenberg told the House members, "We also retained CDBG in the bill and were able to fund it at a level near last year's limit. As most of my colleagues know, the President proposed eliminating the program, but the response was overwhelming to keep it right here at HUD." In a colloquy between Rep. Mike Turner (R-OH) and Rep. Knollenberg during the general debate of the bill on the House floor on June 29, Turner urged Knollenerg – and Knollenberg agreed – to find more funding for CDBG during the conferencing of the bill. Turner said, "I thank him [Knollenberg] for his support of the Community Development Block Grant program and for working so hard to find funds for CDBG in this bill. As the appropriations process continues and the bill moves to conference, will the chairman continue to work to find additional funds to offset the reduction in the CDBG for FY06?" Knollenberg responded, "Restoring funds for CDBG was our highest priority after funding assistance for the neediest families in our society. Funding for CDBG remains one of our highest priorities, and I will do everything to return the program as close to the 2005 enacted level as possible." The CDBG Coalition will meet with Knollenberg's chief of staff soon to discuss higher funding for CDBG during the conference negotiations. Rep. Maxine Waters (D-CA), a very strong supporter of CDBG and Section 108, offered an amendment on the House floor on June 30 to restore Section 108 to its FY05 level of $7 million. The amendment was defeated by voice vote.

For the first time in many years, the spending bill for HUD is on schedule for completion before the Congress adjourns in early October. . The Senate Subcommittee on Transportation-Treasury-HUD has scheduled mark-up of its bill on July 19, with the full Appropriations Committee marking-up the bill on July 21. We continue to urge you to contact your Senators to press for at least $4.350 billion in formula funding for CDBG in FY06 as well as $24 million for BEDI and at least $7 million for Section 108. Your commitment and constant contact with your congressional members in the House has paid off through increased funding for the program, funding for BEDI, and funding for Youthbuild. The CDBG Coalition has been hard at work meeting with House and Senate staff to shore-up support for increased funding for CDBG. We are working with Senator Norm Coleman (R-MN), an ardent supporter of the program, and the person who sponsored the amendment to the FY06 Budget Resolution to seek fully funding of CDBG in FY06, to sponsor an amendment to restore full funding to CDBG on the Senate floor, if the program is not fully funded in the T-T-HUD Subcommittee or full Senate Appropriations Committee. Your grassroots efforts have been instrumental in providing support for the program and we thank you for your continued efforts.

CONFERENCE OF MAYORS LISTS SAVING CDBG AS TOP PRIORITY AT ANNUAL MEETING IN CHICAGO

Newly elected USCM President, Beverly O'Neill of Long Beach, CA was inaugurated on June 1, in Chicago at the 73rd Annual Conference of Mayors. Mayor O'Neill's inauguration speech entitled *Cities for a Stronger America*, which builds on the theme that metro economies are essential to the prosperity of America.. Mayor O'Neill thanked outgoing President Don Plusquellic of Akron for his strong leadership over the past year and applauded his efforts in "...fighting for the retention of CDBG." Mayor O'Neill provided an overview of what she will focus the Conference efforts during her tenure as President. She is strongly committed to the Conference efforts in developing leaders, finding avenues for participation by new mayors, and giving greater attention to maintaining and increasing membership.

Mayor O'Neill has also identified 10 specific areas of advocacy, they include the following:

1. *CDBG*
2. *Gang Violence*
3. *Homeland Security*
4. *Transportation and Infrastructure*
5. *Jobs and Education*
6. *Housing and Homeownership*
7. *Tax Reform*
8. *Miliary Base Closings*
9. *International Affairs*
10. *Metro Economies*

HOUSE RESPONDS TO SUPREME COURT RULING ON EMINENT DOMAIN IN CONNECTICUT IN THE T-T-HUD SPENDING BILL

On June 23, the United States Supreme Court issued a ruling that many members in the House of Representatives found disturbing. The case involves Susette Kelo and several other homeowners living in a working-class neighborhood in New London, CT, who filed a lawsuit after city officials announced plans to raze their homes to clear the way for the development of a riverfront hotel, health club and office building. The property owners have refused to budge, arguing it is an unjustified taking of their property.

In response to this ruling, which has been a power granted to governments– local, state and federal– by the Constitution since its inception, many in the House of Representatives felt that it is an excessive use of power by the city of New London. To that end, amendment # 427 offered by Scott Garrett ®-NJ) which was approved by a vote of 231-189 seeks to ensure that no funds from HR 3058 would be used to enforce the Supreme Court's ruling. The actual language of the amendment states: "The purpose of this amendment is to prohibit the use of funds in this bill to enforce the judgement of the United States Supreme Court in the case of Kelo v. New London decided on June 23, 2005."

Homeowner Matthew Dery, whose family has lived in the neighborhood known as Fort Trumbull for more than 100 years said, "I'm not willing to give up what I have just because someone else can generate more taxes here."

City officials contend that the condemnations are proper because the development plans will serve a public purpose, boosting economic growth. New London claims that these takings are valid because the project outweighs the property rights of the homeowners.

The Connecticut Supreme Court agreed with New London and ruled by a 4-3 decision in March 2004 that the mere promise of increased tax revenue justified the condemnation. Increased taxed base and increased revenue provides for the continuation and the expansion of services that the city is obligated to provide; for all of its residents. The condemnation of these properties and the resulting new revenue stream is viewed as a means for the city to honor its responsibilities to its residents.

Residents argued that cities have no right to take their homes and land but for projects with a clear public use, such as roads, schools, or to revitalize blighted areas.

On the Supreme Court Ruling of 5-4, retiring Justice Sandra Day O'Connor assailed the ruling in her dissent by saying that handing "disproportionate influence and power" to the well-heeled, represented a defeat for some Connecticut residents whose homes are slated for destruction to make room for an office complex. She further argued that cities should not have unlimited authority to uproot families, even if they are provided compensation, simply to accommodate wealthy developers. Justice O'Connor continue her outrage and wrote, "Any property may not be taken for the benefit to another private party, but the fallout from this decision will not be random. The beneficiaries are likely to be those citizens with disproportionate influence and power in the political process, including large corporations and development firms."

In writing for the majority, Justice John Paul Stevens said local officials, not federal judges, know best in deciding whether a development project will benefit the community. States are within their rights to pass additional laws restricting condemnations if the residents are overly burdened. "The city has carefully formulated an economic development that it believes will provide appreciable benefits to the community, including– but by no means limited to– new jobs and increased tax revenue," the Justice wrote. He was joined by Justices, Anthony Kennedy, David Souter, Ruth Bader Ginsburg and Stephen Breyer.

It is unclear how much impact this ruling and subsequent Congressional action– if it holds up during conference–will have on eminent domain activities around the nation. What we do know is that there are at least two stand alone bills, one in the House bill HR 3135 and one in the Senate bill S. 1313 that forbids the use of federal funds in the taking of private property for economic development. However, it is very possible, given that the nature of a "taking for the public good" in this case, that states may be forced to define "for the public good" means in an eminent domain case, especially when uprooting long established neighborhoods is concerned.

Under the ruling, residents are entitled to "just compensation" for their homes as provided under the Fifth Amendment. But many of the property owners involved in the lawsuit have pledged to keep fighting. Bill Von Winkle, who refuses to give up, says he won't leave his home even if bulldozers show up. "It's a little shocking to believe you can lose your home in this country. I won't be going anywhere. Not my house. This is definitely not the last word."

CDBG COALITION MEETS WITH SENIOR HOUSE STAFF ON HUD APPROPRIATIONS

On July 12, members from the CDBG Coalition– Chandra Western (NCDA), John Murphy (NACCED), Cassandra Matthews (NACo), Dianne Taylor (COSCDA), Jeff Falcusan (NAHRO), Ali Solis (Enterprise), and a representative from the National Conference of Black Mayors– met with David Gibbons Senior Staff for the T-T-HUD Appropriations Subcommittee and former HUD staff who worked in the CFO's office, to discuss how we could increase the CDBG formula funding and what the possibilities were for restoring the BEDI and Section 108 program.

Mr. Gibbons told the Coalition members that the HUD programs identified in the House committee report will be funded at the levels outlined. However, there is the probability that Youthbuild will be permanently moved to the Department of labor and funded at $67 million. The $50 million allocated to Youthbuild as a set-aside in the CDBG account would be added to the formula amount. Presently Youthbuild is not an authorized program but authorizing language is already being sent to the authorizers, and already has a lot of support for passage. If the Senate doesn't add funding for the Brownfields program or the program isn't reauthorized, the $24 million will also be added to the formula in CDBG.

He stated that House Subcommittee Chairman Joe Knollenberg has two priorities when the bill eventually reaches a House-Senate Conference Committee. His first priority is to protect Public Housing capital funding and Section 8 and his second priority is to increase CDBG formula funding. The bill is expected to reach conference in September, with conclusion before the October 1st start of the federal 2006 fiscal year.

When asked about the House agreeing to Section 108 if it's funded in the Senate bill, he said he didn't think so. Section 108 has nearly three years of loan guarantee authority in the pipeline. He said the Administration hasn't asked for 108 funding for the last six years because it is now the only 100% loan guarantee program in the country, with a maximum repayment rate of 20 years. Other federal loan programs guarantee no more than 85% and are for a maximum of 15 years. He said this is one area of possible reforms for CDBG to make it consistent with other federal loan guarantee programs.

HUD NEWS

SECRETARY JACKSON ANNOUNCES AFFORDABLE COMMUNITIES AWARDS: NCDA HAS 8 MEMBERS ON THE LIST

One of the Bush Administration's top priorities is the reduction of local and state regulatory barriers that impede the development of affordable housing. To forward this goal, HUD created an awards program to highlight and showcase efforts local governments and counties are taking to address the development of affordable housing.

In the awards ceremony held in Washington, DC, HUD Secretary Alphonso Jackson, said "All across this country, local leaders are answering the call and demonstrating they can get the job done when it comes to cutting red tape and encouraging the production of affordable housing. I hope other communities around the nation look to these places for creative ways to reduce regulatory barriers, making it easier for working families to afford a home of their own."

Communities receiving the *Robert L. Woodson Jr.* Award are:

Austin, Texas
Carolina, Puerto Rico
Chicago, Illinois
Cincinnati, Ohio
Corte Madera, California
Fitzgerald, Georgia
Fort Collins, Colorado
Grand Forks, North Dakota
King County, Washington
Orlando, Florida
Oxnard, California
San Antonio, Texas
Santa Fe, New Mexico
White Plains, New York

THE ROBERT WOODSON, JR. AWARD

The Robert L. Woodson, Jr. Award is named in rememberance of HUD's late chief of staff and is designed to recognize local governments who aggressively work to reduce regulatory barriers to affordable housing. Prior to coming to HUD and serving as the Department's Chief of Staff in 2002, Woodson served as senior policy advisor on housing and community development issues for President Bush's campaign for president. He also served as a senior aide to Sen. Kay Bailey Hutchison (Texas), Chief of Staff for Rep. Bob Inglis (South Carolina), and as a budget analyst for the House Budget Committee.

In addition, Woodson worked to help low-income persons achieve economic self-sufficiency as a project director and spokesperson for the National Center for Neighborhood Enterprise, a national organization that helps community- and faith-based groups reduce crime and violence, revitalize low-income neighborhoods and create economic enterprises. A graduate of the university of Delaware, Woodson received a B.A. in Sociology with a concentration in Urban Studies.

America's Affordable Community Initiative

Regulatory barriers to affordable housing are public regulatory requirements, payments or processes that significantly impede the development and availability of affordable housing without providing a commensurate health and/or safety benefit. These barriers can impede housing rehabilitation, limit supply and raise the cost of new development by up to 35 percent. As a result, millions of Americans are priced out of buying or renting the kind of housing they otherwise could afford.

In 2003, HUD made barrier reduction one of the Departments's top priorities and created *America's Affordable Community Initiative.* HUD continues to review its own regulations to identify those that effectively discourage the production of affordable housing. Meanwhile, HUD is aggressively working with state and local leaders to create more affordable housing-friendly environments around the country. For more information about this important priority, visit **www.hud.gov/initiatives/affordablecom.cfm**. Below are the NCDA Woodson Award winners of the descriptions of their affordable housing programs.

AUSTIN, TEXAS

In 1999, a groundbreaking report entitled *Through the Roof* described how the lack of affordable housing in Austin had reached crisis proportions. This analysis concluded that regulatory barriers, cumbersome and costly review processes, and the *NIMBY* phenomenon contributed to this crisis. In response, the City of Austin created the *SMARTInitiative* (**S**afe, **M**ixed-income, **A**ccessible, **T**ransit-oriented, **R**easonably priced, **M**eets green building standards) to stimulate affordable housing production. According to the city, nearly 4,000 affordably priced homes have been completed since the initiative's inception in 2001.

Specific actions taken:

- Austin is making surplus city-owned land available to non-profit housing organizations at below-market prices for the development of affordable housing.
- The city created a new process to review all proposed changes to city codes, rules, neighborhood plans, and development fees to determine if there is a negative impact on affordable housing.
- Planners created a fast-track review of proposed SMART housing developments and establishment of a new streamlined review process.
- Local housing officials are facilitating an open dialogue between housing developers and neighborhood organizations to defuse "NIMBYISM" thereby promoting early identification and resolution of concerns and issues.
- Austin is waiving certain fees based on the amount of affordably priced housing contained in a proposed SMART development.

CAROLINA, PUERTO RICO

Municipalities in Puerto Rico operate in a regulatory environment totally different from those found on the U.S. mainland. In most cases, the Commonwealth of Puerto Rico is directly involved in the process of providing many of the required permits and approvals for building construction and rehabilitation. As a result, getting approval to build or restore affordable housing tends to be slow, costly and unresponsive. Taking advantage of new legislation, the Carolina Municipio assumed almost all of the regulatory responsibilities for housing development. Combining regulatory reform with innovative financing and other incentives, affordable housing construction increased from 400 units between 1992 and 1000-2000 units between 2001 and 2004.

Specific Actions Taken:

- Carolina Municipio initiated reform on Commonwealth Law of Autonomous Municipalities.
- Local leaders restructured planning and permitting with specific timetables reducing approval times from six months to 10-15 days.
- The municipality waived permit fees for affordable housing developments.
- Carolina created an inventory of all available Commonwealth and city-owned land to

facilitate potential affordable housing development.
- Housing and redevelopment officials lowered the cost of land through release of public property, consolidated small lots, and then released encumbered properties for development.
- Local officials changed the bidding process for city-built housing, resulting in significant savings.

CHICAGO, ILLINOIS

The City of Chicago has staged a strong economic comeback in the 1990s that aggravated an already serious affordable housing gap. Approximately 100,000 new residents moved into the city at that time but managed to produce only 20,000 new housing units. This supply gap impacts a broad spectrum of Chicago residents, especially members of the service community who are essential for the healthy functioning of the city. In 2001, Chicago responded by creating the *Partnership for Affordable Neighborhoods*, which provides a broad array of incentives to private developers to build more affordable housing. To date, nearly 400 affordable housing units have been developed with members of the city's public service workforce (teachers, police officers and firefighters) being the primary beneficiaries.

Specific Actions Taken:

- Chicago provides a variety of incentives, including density bonuses, expedited permit reviews, waiver of various permit fees, and infrastructure investments for market rate condominium and townhouse developments that include affordably priced units for moderate-income families.
- Affordably priced units must be included in all market rate developments that receive city financial assistance and/or city-owned land at discounted prices.
- Local officials offer density bonuses for affordable housing in Chicago's booming central area.

CINCINNATI, OHIO

Cincinnati is an older city with an aging housing stock and a large need for affordable housing. Many of the existing lots are very narrow, pre-Civil War "shot gun" lots, yet existing zoning assumed more contemporary lot configurations. In 2002, Cincinnati passed a resolution mandating "full scale regulatory reform" as part of the city's revitalization efforts. Although new zoning did not go into effect until 2004, prior regulatory reforms alone increased single-family production from 97 units in 2003 to 158 units in 2004.

Specific Actions Taken:

- Cincinnati developed a new zoning code that allows 2000 sq/ft and 4000 sq/ft lots in older neighborhoods, permits clustered housing and provides for reduced requirements for side yards and setbacks.
- The city established a One Stop Development Center to coordinate all permitting and processing and provide builders with a single point of contact, greatly streamlining the approval process.
- Local officials established a cooperative pre-development meeting process involving all agencies to resolve all development issues at one time.

TOWN OF CORTE MADERA, CALIFORNIA

Corte Madera is a small community located in affluent Marin County, California. Originally, the town was home to modestly priced housing built to accommodate post World War II growth. Over time, however, decreasing land supply, surging demand, economic growth and unnecessary or excessive regulations resulted in skyrocketing home prices. Today, the average sales price of a home in Corte Madera is more than $800,000.

In 2002, the town began to focus on regulatory barriers. Corte Madera changed its land use and related regulations to encourage affordable housing through the creation of an Affordable Housing District as well as other broad-based regulatory reforms. For a small town, results have been dramatic – a 79-unit affordable housing project, various mixed-use projects with low-income and work force housing units, and a number of accessory or "granny flat" units.

Specific Action Taken:

- Corte Madera created an Affordable Housing Mixed Use District that tripled density and required at least 50 percent of units be affordable.
- The town increased densities in a number of residential districts.
- The town waived most fees reducing the cost of building or rehabilitating affordable homes.
- Local officials reduced parking standards for all affordable housing.
- The town streamlined environmental reviews and other approval requirements for mixed-use and accessory units.

GRAND FORKS, NORTH DAKOTA

In 1997, devastating floods destroyed more than 800 homes in Grand Forks. Since then, the city has undertaken an aggressive rebuilding program focused on affordable housing. Local leaders recognized there is no single solution and created a "tool box" of incentives to stimulate the construction of affordable homes including an affordable housing "infill" program and the establishment of assessments and land standards. Developers in these areas agree to build high density, smaller entry-level homes. In the years prior to these efforts, only 14 affordable units were built in the entire city. Since 2002, of the 106 homes built in the affordable housing districts, over 57 percent meet affordable housing target prices.

Specific Actions Taken:

- Grand Forks waived a required 50 percent developers contribution for infrastructure.
- Local tax authorities deferred special assessments imposed on buyers of affordable housing.
- City officials granted a two-year property tax exemption for the first $75,000 of the home's assessed value.
- Likewise, the city granted a three-year property tax exemption for increased values resulting from rehabilitation.
- Grand Forks reduced special assessment rates.
- The city relaxed land development requirements (i.e. narrower road widths, ad reduced right- of-ways.
- To encourage more development of affordable housing, local leaders reduced previous lot size requirements.
- Developers seeking zoning variances now find a more flexible, relaxed application process.

KING COUNTY, WASHINGTON

King County is an extremely large geographic area encompassing the Seattle metropolitan area as well as large tracks of farming, forestry, and recreational land. Under state-mandated growth management requirements, King County established a comprehensive plan that works to achieve orderly growth, to promote farmland and open spaces and to provide an adequate supply of housing. To achieve this balance, county officials made major changes to local zoning and development statutes to increase housing density and to streamline review processes. In the face of declining land supply and increasing housing demand, King County has maintained its overall housing affordability through regulatory reform.

Specific Actions Taken:

- King County changed zoning in most areas to eliminate minimum lot sizes.
- Reversing a traditional regulatory requirement, the county established a unique requirement for minimum densities.
- The county allows multi-family housing in many formally single family residential areas.
- Many exclusively residential areas are permitted for mixed-use.
- Permitted, as of right, accessory units in all lots over 10,000 sq/ft.
- Provided new zoning for town homes and zero lot line development
- Increased customer service, streamlined environmental requirements for small developments, and provided for pre-approval of commonly used home plans.

ORLANDO, FLORIDA

Orlando is no stranger to extraordinarily rapid growth and the need for affordable housing, As early as 1994, the city recognized that changes in land development and regulatory practices were needed if affordable market-based, as well as assisted housing, were to be built in large numbers. Through a series or reforms specifically targeted at affordable housing, more than 6,000 affordable housing units have been built. Most remarkably, a third of these units have been built entirely by the private sector with just local regulatory related incentives.

Specific Action Taken:

- Orlando offers reimbursement of sewer and transportation fees as well as significant discounts on school impact fees for developers of affordable homes.
- The city implemented flexible, less costly land development standards.
- Orlando reduces and, in some cases, waives land development fees for developers of affordable housing, significantly reducing the cost of production.
- The city implemented a public/private cooperative planning process for fast track approval through the development review process.

SAN ANTONIO, TEXAS

The city of San Antonio confronted its housing affordability challenge by addressing the twin problems of neighborhood revitalization and regulatory barriers. San Antonio's Edgewood community needed revitalization but the goal was impeded by a host of regulatory barriers including excessive zoning and subdivision requirements, high land acquisition costs, cumbersome development review processes, inefficient permitting procedures, and burdensome impact fees.

In partnership with the Greater San Antonio Builders Association, the city launched the Affordable Showcase of Homes to revitalize the Edgewood community through the development of a series of affordable housing subdivisions. Since its inception a decade ago, the Affordable Showcase of Homes has produced nearly 250 affordable homes and has also spurred the development of affordable housing communities in adjacent neighborhoods.

Specific Actions Taken:

- San Antonio granted density bonuses for the development of affordably priced housing.
- The city waived impact fees on all new affordable housing development in the Showcase neighborhoods.
- Local officials exempted Showcase communities from building permits and platting fees.
- Surplus land was set aside for affordable home construction.
- Some homebuyers in Showcase neighborhoods were offered downpayment and closing costs assistance.

SANTA FE, NEW MEXICO

By the early 1990's, the City of Santa Fe was facing a housing affordability crises. At that time three quarters of its residents could not afford a median priced home and housing costs were 40 percent above the national average. One of the country's major tourist destinations, Santa Fe was experiencing dramatic increases in land and housing prices, while complicated development processes and restrictive land use policies further hampered efforts to provide affordable housing opportunities.

To address these problems, Santa Fe embarked on an aggressive campaign to encourage affordable housing development in the following ways: The city enacted an innovative zoning policy to increase densities; reduced or waived a series of impact and review fees; reformed subdivision and land development standards and, streamlined review and permitting procedures.

As a result of these innovations, nearly 16 percent of all new homes built in Santa Fe during the last decade are affordable for working families.

Specific Actions Taken:

- Santa Fe accelerated the processing of housing development that included at least 25 percent affordably priced housing.
- The city waived or reduces various impact, processing, and permitting fees for affordable housing developments.
- Local officials exempts affordable housing developments from water utility expansion charges and related water utility building requirements.
- Developers are offered density bonuses for housing developments that include affordable units.
- Relaxed code requirements allow accessory units and other alterations to encourage greater affordable housing options.
- Modified site development and zoning requirements (such as reduced lot sizes) are increasing lot coverage to promote affordable housing.
- Local leaders now provide increased opportunities for the use of HUD-Code (manufactured homes).

ATTACHMENTS

Please go to NCDAonline (http://ncdaonline.org) to view the attachment below.

< ***Letter to Senators Bond and Murray***

U.S. Department of Housing and Urban Development

Program	FY05 Enacted Level	FY06 President's Request	FY06 House Level
Community Development	$4.671 billion	$0	$4.243 billion
Fund			
Set-Asides:	$262 million	$0	$290 million
EDI Special Purpose Grants	$62 million	$0	$50 million
Youthbuild	($23.8 million)*	$0	$24 million
Brownfields	$3.4 million	$0	$1.6 million
Working Capital Fund	$68.4 million	[$58 million]**	[$45 million]**
Native American CD Grants	$33.5 million	$0	[$28 million]a/
NCDI	$43.4 million	[$29 million]***	[$8.9 million]***
Section 107 (University	Funded under Section 107	Funded under Section	[$2.99 million]***
Prog.)	Funded under Section 107	107	[$2.5 million]***
Alaska & Hawaiian	Funded under Section 107	Funded under Section	[$5.9 million]***
Institutions	Funded under Section 107	107	[$5.9 million]***
Tribal Colleges/Universities	Funded under Section 107	Funded under Section	[$2.5 million]***
Comm. Outreach Part.	$3.3 million	107	[$3 million]b/
Program	$2.3 million	Funded under Section	[$1 million]b/
Hispanic Serving Insitutions	$4.7 million	107	$0
CD Work Study Program	$4.7 million	Funded under Section	$0
Housing Assistance Council	$25 million	107	[$23.8 million]b/
Native Am. Indian Council	$1.8 million	$0	[$1 million]b/
NHDC	$42 million	$0	$0
National Council of La Raza	*$560.5 million*	$0	*$365.6 million*
SHOP	$4.105 billion	$0	$3.877 billion
Special Olympics		[$30 million]a/	
Neighborhood Initiatives		$0	
Total Set-Asides		$0	
Formula Grants		*$0*	
		$0	
Section 108	$5.95 million	$0	$0

Program	FY05 Enacted Level	FY06 President's Request	FY06 House Level
HOME Program	**$1.900 billion**	**$1.941 billion**	**$1.900 billion**
Set-Asides			
ADDI	$49.6 million	$200 million	$50 million
Housing Counseling	$41.7 million	[$42 million]c/	$41.7 million
HOME/CHDO TA	$17 million	$10 million	$17.3 million
Working Capital Fund	$2 million	$1 million	$1 million
Total Set-Asides	*$110.3 million*	*$211 million*	*$110 million*
Formula Grants	$1.789.7 billion	$1.730 billion	$1.790 billion
Self-Help/Assisted Homeown. Opport. Program Account			
SHOP	[$24.8 million]d/	[$30 million]a/	$23.8 million
National Comm. Dev.	[$33.5 million]d/	$0	$28 million
Initiative	[$3.3 million]d/	$0	$3 million
Housing Assistance Council	$0	$0	$4 million
Housing Partnership Network	[$2.4 million]d/	$0	$1 million
Native Am. Indian Hsg. Council	[$1.8 million]d/	$0	$1 million
Special Olympics	$65.8 million	$30 million	$60.8 million
Total			
EZs/ECs	$10 million	$0	$0
Homeless Assistance Grants	$1.24 billion	$1.440 billion	$1.340 billion
Elderly Housing (Section 202)	$741 million	$741 million	$741 million
Disabled Housing (Section 811)	$238 million	$120 million	$238 million
Tenant-Based Rental Assistance	$14.766 billion	$15.845 billion	$15.631 billion
Project-Based Rental Assistance	$5.298 billion	$5.072 billion	$5.1 billion
Public Housing Capital Fund	$2.58 billion	$2.33 billion	$2.6 billion
Public Housing Operating Fund	$2.438 billion	$3.407 billion	$3.6 billion

Program	FY05 Enacted Level	FY06 President's Request	FY06 House Level
HOPE VI	$143 million	$0	$60 million
Native Am. Hsg. Block Grant	$621 million	$583 million	$600 million
Native Hawaii. Hsg.Block Grant	$8.8 million	$8.8 million	$8.8 million
Indian Hsg. Loan Guarantee	$4.9 million	$2.6 million	$2.6 million
Native Hawaii. Loan Guarantee	$992 thousand	$882 thousand	$882 thousand
HOPWA	$282 million	$268 million	$290 million
Rural Hsg. & Econ. Dev.	$24 million	$0	$10 million
Fair Housing	$46 million	$32 million	$46 million
Lead Hazard Control	$167 million	$119 million	$167 million
Faith-Based Prisoner Re-Entry	$0	$25 million	$0

*Funded as a separate program in FY05, not as a set-aside within the Community Development Fund

**Funded under the Native American Housing Block Grant

***Funded under Policy Development & Research.

a/The President recommended that SHOP be funded as a separate program in FY05.

b/Funded under Self-Help Assisted Homeownership Program

c/The President proposed to fund Housing Counseling as a separate program in FY06

d/Funded under the Community Development Fund in FY05.