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PUBLISHER/CEO

Saul N. Ramirez Jr.

EDITOR

Sylvia Gimenez

ASSISTANT EDITOR

Mary Barron

DESIGN & PRODUCTION

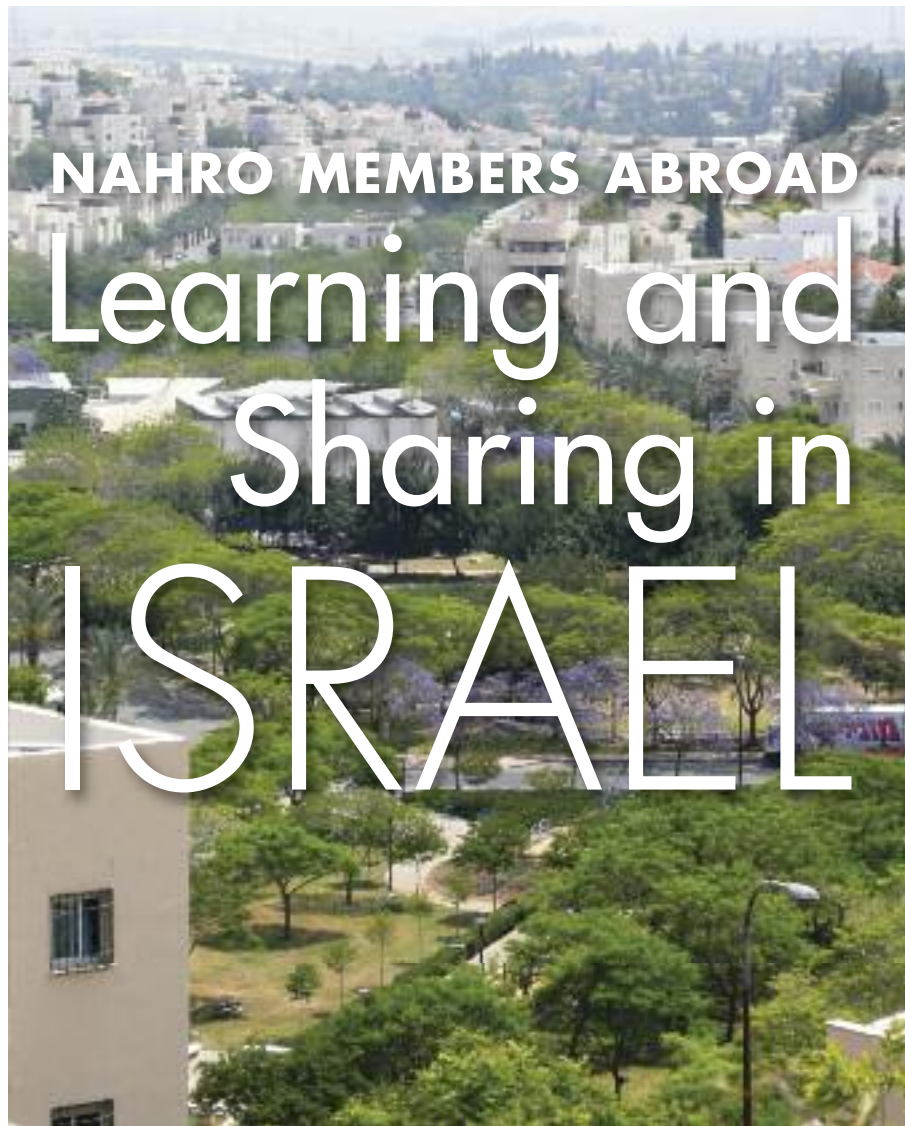
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ADVERTISING REPRESENTATIVE

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 Suite West 1200
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 301/215-6710; Fax: 301/215-7704

NAHRO HEADQUARTERS

630 Eye Street, N.W.
 Washington, DC 20001-3736
 202/289-3500;
 Toll Free: 877/866-2476
 Fax: 202/289-8181
 Web site: www.nahro.org
 E-mail: nahro@nahro.org



BY ELIZABETH MORRIS

IN MAY 2009, six NAHRO members were privileged to have the opportunity to witness firsthand the leadership role that Israel is taking in our field of housing and community development. We assembled in Jerusalem, each using personal or other external resources, under the auspices of NAHRO's Memorandum of Understanding (MOU) with the Israeli Ministry of Construction and

Housing. The MOU, originally executed at the March 2004 NAHRO Board of Governors meeting, was renewed at a signing ceremony with Minister Ariel Atias during our meeting (pictured).

The Ministry of Construction and Housing has a very broad portfolio. It is responsible for housing development and management, administration of housing subsidy programs, and construction of infra-

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Signing of MOU between NAHRO and Israeli Ministry of Construction and Housing (Minister Ariel Atias, center) with (left to right) Angel Tua, author Betsy Morris, Chiam Failkoff (then Director General), Marcie Cohen, Ed Talbot, Minister Atias, Kerron Barnes, Helen Sause, and Sofia Eldor (Ministry's Director of Planning).

structure, as well as planning for new towns and neighborhoods.

Ministry officials hosted our intensive program from May 10 to 14, combining office meetings with local officials and site visits. They took us from one end of the country to the other, ensuring that we were exposed to the breadth of programs available to the 7.5 million Israelis (including about 2 million Arab-Israelis). We saw gleaming high-rise homes in new towns and were hosted by a Bedouin family in the cave that once served as their home. (Seventy percent of Israelis own their own homes; this rate is exceeded among Arabs, of whom 90 percent are homeowners.) We visited delightful stone villages that were over 100 years old, temporary housing for Israeli families transplanted from Gaza, and many examples of historic preservation to foster economic development. Overall, we were inspired by the Israelis' emphasis on well-designed density, land preservation, sustainable practices and commitment to invest in social housing and infrastructure.

Land Use Planning

Our delegation was struck by the emphasis on land use planning as a tool to guide development.

Nationally, over 90 percent of the land is publicly owned, primarily outside the cities. There is strong central planning: comprehensive plans for regions and cities, agricultural and forest preservation plans. Even gas station plans are derived from framework planning originated at the national level and involve numerous ministries.

Israel is one of the most densely developed countries in the world. With limited landmass, much of which is desert, efficient utilization of land is a paramount public policy. Cities rise from broad agricultural fields and vineyards, most with crisp edges that differentiate urban from agricultural uses. Two exceptions are Jerusalem, which sprawls over surrounding hills, and, even more so, Tel Aviv, which spreads like a California city from the Mediterranean coast. But even these two cities now have more defined development limits.

It appears that the most typical

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residential buildings are four stories, with some of two or three stories and some high-rise developments. Single-family development (dense by U.S. suburban standards) is more common in smaller towns. Programs to encourage reinvestment to upgrade older multifamily housing offer an increase in development rights—the right of the property owners to construct an additional story or two to compensate for the costs of adding elevators, seismic retrofit, etc.

Israelis are very interested in our experience with inclusionary housing programs. We spent several hours talking with state and local planners and university researchers about the pros and cons of various approaches tried in the United

States to require that private developers make provision for a percentage of below market housing within their new developments.

An interesting tool used in Israel that merits study at home is the Betterment Tax. When government actions add value to properties (through increased zoning rights or provision of infrastructure that expands development options), this increased value is taxed. Some

of the proceeds are kept by the local jurisdiction and some by the Ministry for national programs. In the USA, owners are typically compensated if government “takes” value but, in most cases, private property owners retain any increase in value. There is also a tax on real estate when it changes hands (akin to the real estate transfer tax used in some U.S. communities) that helps fund government development activities.

Public Housing

During the first two decades of its existence, Israel experienced

Today, these buildings are aging and in need of repairs. Many are located in areas that have urbanized and the parcels of land could sup-

port higher densities. The Ministry actively encourages regeneration of these properties; there are 120 such projects in the works! The Ministry's role is in the planning process—it funds architects and land planners to work with residents and municipalities to re-plan the area. Then it is up to the individual resident owners to come to an agreement with a development company. If 80 percent of homeowners agree, then they have the right to sue the dissenters for damages if they have no reasonable basis for refusing to sign a contract with the developer.

We visited an impressive example of this regeneration program in the Tel Aviv suburb of Kiryat Ono. Originally, the area had 170 social housing units. Most were “sold” to the tenants through the years; 40 are still owned as public housing by the Ministry. Through the planning process, allowable density tripled and new units were slated to be twice the size of the original ones. Ultimately, the new development will consist of 530 units in beautiful mid-rise towers with underground parking and outdoor recreational amenities.

During the two-year construction process, the developer compensates the residents for temporary relocation accommodations. When residents return to the site, they will be entitled to ownership of new units with no resale restrictions; further, the value of their share of the property is transferred to the new home. In addition to the original homeowners, twenty public housing residents agreed to take advantage of the developer's assistance to buy into the new development. The Ministry will still own 20 units (equivalent to the remainder of the original public housing), which they will continue to rent as public

housing. The only financial requirement for the original owners who sold their property to the developer will be monthly common area maintenance fees. The additional 360 new homes will be sold on the open market by the developer.

According to the Ministry staff, this strategy enables them to attract new families with stronger socio-economic status into older neighborhoods. The program makes use of existing infrastructure, institutions and services while simultaneously reversing urban decay.

Sustainable Development

The State of Israel was born, for the most part, out of the desert. Landscaping for communities that we toured is planted with low water usage plants, and use of drip irrigation is widespread. Likewise, agriculture uses water-conserving methods and crops. Desalination plants and canals deliver this precious resource. Forests have been planted and maintained with care.

Likewise, we saw stellar examples of sustainable energy practices. On the roof of every walk-up apartment complex is a water tank and solar panel for each unit. Larger



NAHRO delegation and Ministry hosts enjoy Bedouin hospitality.

buildings utilize more sophisticated solar hot water systems. This has been a requirement of the building codes for years.

We visited a progressive Bedouin village in the Negev Desert powered by solar systems. This remote and low-income village began with no electricity, then relied on noisy and polluting generators for a few hours each day before going solar.

Today, their commitment to invest in the solar generating systems will enable economic development that will surely motivate other villages to follow their example. This warm Bedouin family was quite taken with NAHRO member Angel Tua and, for a brief time, it looked like he might leave us to join their clan.

At the macro level, comprehensive land planning is also contributing to sustainable development. As noted above, there is an emphasis on intensifying development in older communities, and planning new towns with urban limit lines and sustainable practices. Transit planning is a part of these plans. A train that moves passengers between Tel Aviv and Jerusalem, with stops at new towns along the route, is being upgraded to provide more rapid and dependable commuter service, relieving congestion on local roads.

New Towns

Our delegation was very impressed with the new town development that we saw in Israel. The Ministry, and in particular, our primary host, Sofia Eldor (an architect originally from Poland, who spent a few years working in New York and is now Director of Planning for the Ministry), and her team, can take



Computer learning center in Be'er Sheva at model comprehensive social services agency.



Temporary housing (right) built for farmers displaced from Gaza could serve as a model for American disaster relief. Note the round concrete structures on the rear left with children's murals – these are bomb shelters. If an alarm sounds, residents have 20 seconds to reach the shelters.

pride in the remarkable communities that they have developed. The Ministry first identifies housing and transit requirements of the population they plan to accommodate. Initially, its job was to stake out communities for the waves of immigrants flowing to the new nation; now, it appears to be responding to internal growth and migration patterns as younger workers are drawn to the big cities.

In either situation, the Ministry would approach the Israeli Land Administration and make the case for a needed town. The Land Administration would set the conditions for making land available to the Ministry. Next the Ministry would contract with top name architectural and planning firms to create the master plans, then fund contractors to construct needed infrastructure and grade building pads. Finally, the Ministry would competitively offer these pads to developers.

This is a lengthy (10 years or more) and complex planning process. The degree of government involvement exceeds anything we see in the United States. In the Israeli system, the Ministry performs the advance planning. Thus, developers are generally (but not always) shielded from entitlement risk and can devote their attention to mitigating their market risks. The results are stunning. Both Helen Sause and Kerron Barnes, who had been part of a previous NAHRO delegation to Israel, were struck by the progress in implementing these new town plans in just the past few years.

Karmiel was the first planned city; 60,000 families now live there. The urban service and commercial center for an agricultural region to the north, it was intentionally designed to integrate housing types and income levels in every phase. Due to the large number of elderly residents (in particular 9,000 sen-



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iors from the U.S.S.R. moved there, part of the wave of 900,000 Russian Jews who immigrated to Israel in the 1990s), there are four distinctive high-rise senior developments with accompanying service centers.

Land planning in Karmiel preserved a network of valleys as open space while emphasizing mixed uses, transit and a ring road design. Schools are placed as links between neighborhoods. We saw inviting parks, including an impressive Family Park complete with gym, sports fields, bowling alley and miniature golf course. The mixed-use retail center achieved what many American developments are trying to create; it was very attractive and busy.

This relationship between NAHRO and the Israeli Ministry, and the exchange of information that it fosters, continues to be of value to both organizations.



Housing programs are also available to residents in Arab-Israeli towns (identifiable by the minarets) such as Kfar Manda – new construction of single-family homes is taking place behind the photographer – but infrastructure improvements are more complex due to historic patterns of land ownership.

We also visited Modi'in, a newer city for the middle-income workforce, which has garnered national awards. It currently has a population of 73,000, but will ultimately accommodate 250,000 residents. One unanticipated outcome is that, as young families moved here, their older parents followed. As a result, the master plan has been amended to include housing and service for seniors. Plans for Modi'in are so specific that they show building envelopes and specify access and parking locations. Emphasis is on highly efficient utilization of the land with a strong edge between urbanized and rural uses.

In Modi'in, valleys were edged with a couple of one-way roads;

open and public spaces are sited between the roadways. Libraries, community centers and recreation facilities were located in these greenways. Terraced housing that affords every unit with an outdoor patio rises from the valleys, and the hills are topped by high-rise arched residential buildings to emphasize the topography. Pedestrian walkways weave down the hillsides, linking residences with the valley's facilities.

Economic Development

Israel employs a socio-economic rating system to evaluate needs and focus resources on communities with greatest needs. We visited a

service center in a residential neighborhood in Be'er Sheva that offered as comprehensive a set of family services, youth and senior activities, job and life skills training classes as one might hope to see in an exemplary American Family Self Sufficiency program. Some regions have been particularly successful at forming multi-disciplinary teams with representatives from various ministries (Health, Education, Housing, etc.) that work together to establish community goals and hold each other accountable for funding and delivering the promised activities.

In Tel Aviv we were treated to a walk along the redeveloped boardwalk at the site of the old Port of



Public and private investment has revitalized the abandoned waterfront in Tel Aviv. Even on a weekday, a large number of residents were drawn to active and relaxing pastimes.

key was to refrain from building new, large structures. Keeping the relaxed scale and pace for redevelopment set the stage for residents to reclaim their waterfront.

Our hosts questioned us at length about Business Improvement Districts. They are interested in replicating these districts used in many American cities, with the consent of local property

owners, to collect a fee that is invested in improvements that benefit the district. Issues such as governance and money management for the districts were explored with Ministry and local business leaders.

Other Housing Programs

Although they weren't the focus of this study program, our delegation was exposed to the full range of Israeli housing programs. Their Rent Supplement program assists

Tel Aviv. This was once an abandoned warehouse district that cut the city off from the Mediterranean Sea. Thanks to public and private investment, today it is an incredibly vibrant area welcoming over 1 million visitors a month—residents from throughout the city and tourists alike. Warehouses have been repurposed as restaurants, shops and theaters. A broad boardwalk with telescopes, water features (ask Ed Talbot from Colorado NAHRO about this one) and seats

shaped like river rocks invite strollers. Restaurants are open to the sea and furnished with comfortable seating that encourages lounging beyond the meal. An area was set up for an outdoor cinema, and the farmers' market was getting started as we ended our waterfront walk. Visitors can even touch the seawaters, as our more intrepid delegates can attest when they scampered out on the breakwater.

According to the main architect of the redevelopment project, the

135,000 families (half of whom are senior households) through contracts with a few large private administrators. Everyone who is eligible receives assistance. In addition, new immigrants receive rental assistance for four or five years, regardless of income. There is a strong emphasis on helping to assimilate culturally diverse immigrants in Israel.

Interestingly, Ministry staff quizzed us on our Section 8 program. With recession-led national budget cuts, the Israeli system is strained financially while continuing to assist all eligible households, albeit often with smaller benefits. They are reevaluating the structure of their program, desiring to graduate assistance based on location, among other things. In addition, they are considering instituting a procedure to inspect assisted units, something that the current program does not require. Our hosts were curious about the Housing Quality Standards we employ, as well as staffing and skill levels needed to adequately inspect housing.

There is also a variety of homebuyer assistance programs but, it should be noted, no income tax deduction for homeowners. There are programs for young families, single parents, immigrants and seniors (to piggyback with their adult children's mortgages). One program that we discussed specifically for first time homebuyers utilized interesting criteria that do not include household income. Instead, points are assigned based on years



of marriage (assuming that, if the family could have afforded to buy on their own, they would have done so in the earlier years of marriage), number of children (so that larger, and presumably more financially strapped, families receive assistance sooner) and number of siblings of the head of household (parents of larger families are typically unable to provide financial assistance to very many adult children). This system was very effective in prioritizing families appropriate for the program.

Final Thoughts

In all, the six of us NAHRO members were very impressed with the scope of activities undertaken by the Ministry of Construction and Housing and with the government's commitment of resources in support of housing and community development. The results are impressive and instructive for us all. Our delegation participated enthusiastically each long and informative day. We were aided by being a particularly diverse representation of the NAHRO communi-

ty—Housing Authority, Redevelopment Agency, some with finance or municipal planning experience and others with economic development portfolios. This breadth of experience selected into the delegation by then NAHRO President Rooker, coupled with excellent advanced planning by Sofia Eldor and the Ministry staff who were aided by Mary Barron (NAHRO staff liaison to the International

Committee), enabled us to represent our organization well and to benefit from the experience.

In fact, this relationship has continued since our return. Our delegation has been emailing back and forth with several of our Israeli colleagues who are seeking information regarding nonprofit development, resale controls in for sale housing, HQS forms and procedures, and other related programs ideas.

We cannot express warmly enough our appreciation for the time and attention paid to us by our Israeli hosts. Ours was the second NAHRO delegation to visit Israel (the first was in 2005), and two Israeli delegations have been hosted by NAHRO agencies in return. This relationship between NAHRO and the Israeli Ministry, and the exchange of information that it fosters, continues to be of value to both organizations.

Elizabeth Morris is principal of E.M Advisors consulting firm and former President and CEO of the San Diego Housing Commission. She chairs NAHRO's International Committee.