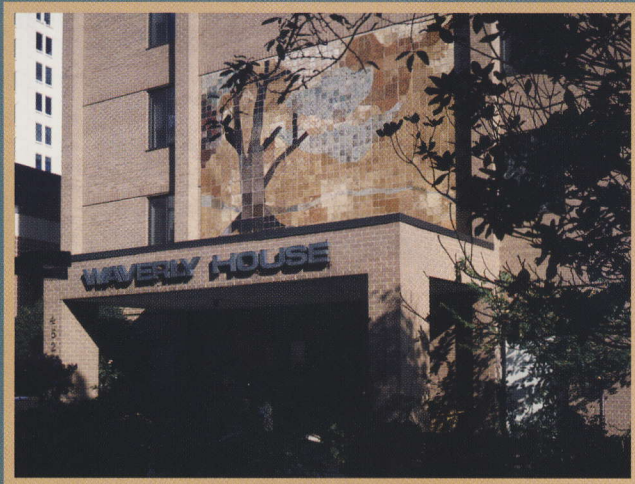


HOUSING ACROSS THE WORLD: A Delegation from Israel Visits the U.S.

BY SYLVIA GIMENEZ

IN EARLY DECEMBER of 2006, a delegation of NAHRO members as well as representatives from Yachad (the Jewish Housing and Community Development Corporation of Greater Washington, D.C.) and Fannie Mae hosted a delegation from Israel including Minister of Construction and Housing Meir Sheetrit; Amigour Company CEO Yuval Frenkel; Senior Deputy Director General, Planning and Communication (Ministry of Construction and Housing) Dr. Chaim Fialkoff; and Director of Urban Planning and Development (Ministry of Construction and Housing) Sofia Eldor.



"I'd like to give the low-income families the opportunity to choose to live wherever they want...in nice neighborhoods, with nice apartments and nice schools, to give them the opportunity to get out of the vicious cycle [of poverty]."

—Minister Meir Sheetrit

The visit was part of an exchange begun with a NAHRO delegation's trip to Israel in April 2005 (see "NAHRO in Israel" in the September/October 2005 JoHCD for details).

The group arrived in Washington, D.C. on the afternoon of Monday, Dec. 13. Their first stop was the Washington Jewish Community Center, where they met with NAHRO's Executive Director Saul N. Ramirez, Jr. Bank of America Community Development Banking Executive Brian Tracy spoke briefly with the delegation about the role of the private sector in developing affordable housing—a topic that Minister Sheetrit found particularly interesting. "I want to encourage developments by banks and [other financial institutions] to invest money in housing projects for long-range rentals." (For a brief interview with Minister Sheetrit, see page 34.)

Following Mr. Tracy's presentation, the delegation was taken on a tour of various affordable housing

sites in the Washington, D.C. area. These included several mixed-income HOPE VI developments under construction (including Capitol Gateway, Henson Ridge and Arthur Capper Carrollsburg) and Barry Farms, a New Communities public housing project. The New Communities Initiative was introduced by former D.C. Mayor Anthony Williams as a means to improve communities with high crime and poverty through transforming high-density, low-income developments into mixed-income neighborhoods, as well as providing connections to valuable social services such as job training and counseling.

After the tour, the delegation, various NAHRO members, some Fannie Mae staff and Yachad representatives were treated to a dinner at the home of one of Yachad's Board members.

Tuesday began with presentations at the offices of the Housing Opportunity Commission (HOC) in Montgomery County (Md).

Karyine Brown spoke about mixed-income development and Low-Income Housing Tax Credits, and HOC's Director of Legislative and Public Affairs Tedio Osias discussed Moderately-Priced Dwelling Units (MPDU). A brief question and answer session followed, which touched on topics ranging from financing to the use of tax credits to elderly services.

Following this, the delegation toured various projects of the Housing Opportunity Commission. Though, regrettably, visits to some of the former projects had to be cancelled due to time constraints, the visitors were still able to view such projects as Magruder's Discovery, Waverly House and The Metropolitan (all in Bethesda, Md.). They then proceeded to a lunch sponsored by the Housing Commission of Anne Arundel County, and afterwards visited Wiley H. Bates High School, a converted historic high school that is now a senior living facility, and the Boys and Girls Club of Annapolis

A Brief Interview with Meir Sheetrit, Israeli Minister of Construction and Housing

MEIR SHEETRIT was appointed Israeli Minister of Construction and Housing in May of 2006, but he is no stranger to housing issues, having dealt with them extensively during his 13-year term as mayor of the city of Yavne. During his recent trip to the United States, Minister Sheetrit expressed interest in some of the country's programs for construction and maintenance of affordable housing. "I like many of the projects and the ideas that they offer," he said, singling out tax credits and housing rental vouchers as two tools that might help alleviate some of Israel's housing needs.

The high percentage of homeowners in Israel—75 percent—brings its own problems, he explained, one of which is that young people just starting out in the housing market are unable to find apartments for long-term rental. "The only ones on the market are being bought up by people who have two, three, four apartments," Minister Sheetrit said. "They buy them for their children and rent them out...so renters never know when to leave. So there is no other solution except to buy a house. Then they find themselves, at the beginning of their lives, as new families paying most of their salaries to the mortgage, which in my opinion is crazy. We should give them some opportunities to rent a house for long-term, and save some of their income until they make their lives better and they can buy a house wherever they want."

One of his proposed solutions is to "imitate in a way what's going on in the United States"—a reference to tax credit projects. "I want to encourage developments by banks and companies [who will] invest their money in housing projects for long-range rentals [to] create...tens of thousands of houses which will be rented to young couples, families, even bachelors."

Minister Sheetrit also expressed interest in changing over from housing subsidies that take the form of direct payments for a portion of the



rent (as is currently done in Israel) to a housing voucher system. One of the advantages, he noted, would be greater portability. "I'd like to give the low-income families the opportunity to choose to live wherever they want...in nice neighborhoods, with nice apartments and nice schools, to give them the opportunity to get out of the vicious cycle [of poverty]."

"I like many of the projects and the ideas that [the United States has to offer]," he said, but found that the disconnect between unlimited mortgage

tax deductions and the limited aid provided to house low-income families was saddening. "For the mortgage system, there are no limits—no matter how many people buy a house...they get a tax deduction [on the mortgage automatically]. When it comes to poor people, they have a limit—they have a budget, they cannot pass it...Why is there a limit for poor people?" he asked. He then suggested that perhaps a reduction in the tax deduction for mortgages and a concomitant investment of that money into low-income housing would turn out better in the long run. "[The reinvested money] may save from distress thousands and thousands of families who perhaps tomorrow will become citizens who will work for the state rather than depend on it." He also emphasized his preference for a preventative approach versus a corrective one. "Much better, in my opinion, to prevent distress than to take care of it after it has been created. Much cheaper, much more effective."

"Poverty is not someone out of work or committing a crime or something," he said. "It is a form of distress, a symptom of distress." He made clear the need for a more holistic approach to housing issues, including emphasis on education and social services. "If you're only renovating low-income housing, you're just taking care of the symptoms. If you don't put in social workers, community workers, [if you don't] fix people up...you'll have to come back and do it again in five years."

and Anne Arundel County.

Wednesday began with a round of press interviews for Minister Sheerit, which was followed by a visit to the Gateway Community Development Corporation (GCDC) in North Brentwood, Md. There, the delegation was escorted by GCDC Executive Director Nick Francis through the Gateway Arts District, an award-winning, community-based revitalization project that supports the efforts of local artists, the integration of the arts into school curricula and programming, and the building of communities in which residents are encouraged to engage in the arts. After the tour, one of the Israeli delegates commented that the trip had been very inspiring. "It really shows the difference a few people can make."

The delegation left for New York City that afternoon. There, they toured some sites of the New York

City Housing Authority. Afterwards, the delegation attended a dinner hosted by Standard & Poors, who gave an overview of their work with affordable housing finance and public housing authorities, particularly in the areas of capital market investment, private/public partnerships and mixed-finance transaction. The following day the delegation finished its trip with a visit to Freddie Mac's New York City office, where they heard Itai Benosh, Managing Director for Dealer Relations at Freddie Mac, speak on the role of Government Sponsored Entities in the secondary market.

"The visit went extremely well," said Julio Barreto, Department Head - Development, Special Initiatives & International Affairs at NAHRO. "The exposure stimulated a great deal of thought and provoked questions that proved fruitful to everyone involved." ■

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