

Community Investments Vol. 11, Issue 2 New Players on the Block: HUD's Community Builders

Author(s): Larry Bush, Communications/Media Officer for Pacific/Hawaii Region and Ruth Osunu, Community Builder Fellow, U.S. Department of Housing and Urban Development
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Last spring, Andrew Cuomo, Secretary of the U.S. Department of Housing and Urban Development (HUD), embarked on an ambitious overhaul of HUD's multi-layered bureaucracy. The labyrinth of HUD programs and offices was becoming increasingly cumbersome, making it difficult for the "outside world" to navigate its organizational structure. To remedy the problem, Secretary Cuomo dismantled a number of institutional layers, and redesigned HUD staffing across the country. The result was the creation of a corps of 'Community Builders' whose main purpose is to increase access to the myriad of HUD's programs.

There are over 400 community builders who serve as central points of contact in each of the Department's 81 offices across the country. Each local office is headed by a senior community builder who manages a team of community builders. Community builders are career HUD professionals who serve specific geographic areas and have extensive institutional and industry knowledge. HUD also added a select group of community builder fellows: individuals recognized for their talents in the non-profit or private sector who agree to serve two-year terms at the Department.

There are 17 local HUD offices within the Federal Reserve's Twelfth District, which is comprised of Alaska, Washington, Oregon, Idaho, Utah, California, Arizona, Nevada and Hawaii. Each office now operates under a written business and operating plan that sets out specific annual goals. In the San Francisco office for example, a team effort is underway to address the looming issue of owners opting out of HUD's subsidized housing programs, an issue that threatens to move rents up to market levels. With San Francisco already in crisis over affordable housing, a further loss of units would be deeply felt. In other offices, priority issues include redeveloping brownfields into economically productive sites, addressing fair housing issues, expanding homeownership, and increasing local investment by community banks.

Community builder projects range from broad-based, regional efforts to more targeted, local efforts. Regional initiatives include the facilitation of new partnerships to expand the capacity of housing developers, better serve the needs of homeless people, and balance the ratio between jobs and housing. A local example is a program in Guadalupe, Arizona that trains high school dropouts, through a school/work construction program, to build new homes for low-income families.

Opportunities to Work with Financial Institutions

HUD community builders are charged with finding new ways to leverage their resources, and are interested in developing unique partnerships with financial institutions. One way is through the preservation of affordable housing units. Approximately 10,000 FHA-insured multifamily projects contain housing units subsidized by Section 8 project-based assistance contracts. Many of these contracts are due to expire over the next five years, and HUD will need to devote ever-larger portions of its budget for finding alternative ways to keep these units affordable.

Unfortunately, numerous units have already converted to market-rate rent levels since, in 1996, Congress authorized a multifamily portfolio reengineering demonstration aimed at reducing funding for FHA's mortgage insurance and rental assistance programs. In addition, the fiscal 1997 budget de-emphasized project-based subsidies, and instead allowed tenants to use these subsidies for the rental housing of their choice.

Even with subsidy vouchers in the hands of tenants, there is still a need to provide housing units that are affordable. To assist in this effort, community builders are working with non-profit organizations to acquire properties from owners who want to end participation in the subsidy program. The financial restructuring of these properties is critical to preserving their affordability, and requires the participation of financial institutions interested in extending mortgage loans on multifamily properties.

In addition, HUD has developed new cooperative lending models targeted for cities whose economies are lagging. These co-lending opportunities are focused primarily on small business and infrastructure development. Finally, HUD is in the process of expanding their Empowerment Zone/Enterprise Community (EZ/EC) program, which will open up a number of new lending and investment opportunities in those areas. New EZ/ECs will be announced shortly.

To learn more about Community Builder programs in your area, please use the contact information that follows. For information about other HUD programs, consult HUD's award-winning Web site at www.hud.gov.

HUD's Senior Community Builders

Federal Reserve's 12th District

ALASKA

Anchorage

Arlene L. Patton

San Francisco

Art Agnos, Secretary's Representative

(415)436-6532

(907)271-4170

<http://www.hud.gov/local/anc/>

ARIZONA

Phoenix

Terry Goddard

(602)379-4434

<http://www.hud.gov/local/phx/phxhome.html>

Tucson

Sharon Atwell

(520)670-6237

<http://www.hud.gov/local/tuc/tucson.html>

CALIFORNIA

Fresno

Ann Marie Sudduth

(559)487-5032

<http://www.hud.gov/local/fre/index.html>

Los Angeles

Tom Honore

(213)894-8007

<http://www.hud.gov/local/los/>

Sacramento

William Bolton

(916) 498-5220

<http://www.hud.gov/local/sac/>

Santa Ana

Nelson Hernandez

(714)796-1200

<http://www.hud.gov/local/sna/index.html>

<http://www.hud.gov/local/sfc/index.html>

HAWAII

Honolulu

Gordon Furutani

(808)522-8175

<http://www.hud.gov/local/hon/>

IDAHO

Boise

Gary Gillespie

(208)334-1990

<http://www.hud.gov/local/boi/>

NEVADA

Las Vegas

Ken Lobene

(702) 388-6513

<http://www.hud.gov/local/veg/>

Reno

Wayne Waite

(775)784-5383

<http://www.hud.gov/local/ren/>

OREGON

Portland

Tom Cusack

(503)326-2561

<http://www.hud.gov/local/por/>

UTAH

Salt Lake City

Julie Fagan

(801)524-3322

<http://www.hud.gov/local/sla/>

WASHINGTON

San Diego

Charles J. Wilson

(619)557-5310

<http://www.hud.gov/local/sdg/index.html>

Seattle

Robert Santos

(206)220-5101

<http://www.hud.gov/local/sea/seahome.html>

Spokane

Rafael Metzger

(509)353-0674

<http://www.hud.gov/local/sea/seahome.htm>

About the Authors

Larry Bush is HUD's communications/media officer for the Pacific/Hawaii region, comprising California, Arizona, Nevada and Hawaii. He works in the San Francisco HUD office, and has a 25-year background in local, state and federal government as well as in news reporting as a journalist and columnist for various newspapers.

Ruth Osuna is a community builder fellow in HUD's Phoenix, Arizona office. She has more than 20 years of experience in the public and private sectors in a variety of leadership roles in the areas of community and economic development, public administration, management, public finance, housing development, and finance. For the past 2 years as community development manager for Division 3 of Norwest Mortgage, Inc., Ms. Osuna has initiated, coordinated, and directed special programs to increase the company's lending efforts to low- and moderate-income home buyers and minority communities. From 1991 to 1996, she was vice president, community development and fair lending officer for Bank of America Arizona.