Federal Investment in Real Estate
A Call for Action

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Audio will broadcast automatically via web
or
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#RethinkRealEstate
Panelists

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Panelists

Richard Baron  
President, McCormack, Baron, Salazar

Eric Larson  
Managing Partner, Bedrock Real Estate Services

Dennis Allen  
Director of Planning and Development, ZRZ Realty
Over 50 different federal programs influence real estate in the United States

- Loan Guarantees
- Individual Tax Deductions
- Commercial tax credits

Potential savings: $40 billion annually

Proposed spending on new or improved programs: $7 billion annually

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Changing real estate programs would benefit families and communities.
From Examination to Action

Federal Involvement in Real Estate: A Call for Examination (January 2013)

• No overarching principles guide these programs
• That’s hurting America’s families, restricting economic development in communities, failing taxpayers

Programs should:

• Support balanced housing choices
• Reinvest in existing neighborhoods
• Provide a safety net for American families.
• Help more Americans reach the middle class
We have a fiscal responsibility to act.
Why do these programs matter to developers?

Demand for real estate is changing:

• Walkable neighborhoods
• Rental housing, infill development, historic rehabilitation
Benefits of Investing in Existing Communities

- Savings on infrastructure: 38%
- Savings on services: 10%
- Revenue generated: 10x
Federal real estate programs are not designed for today’s fiscal and market realities

• They penalize families who can’t afford to or choose not to buy a home.

• They favor single family homes over other types.

• They offer financial incentives to purchase second homes when many cannot afford a single home.

• They fail to support America’s existing neighborhoods.
Federal real estate policy: the long-term view

Frank Alexander
Sam Nunn Professor of Law, Emory University
Our Recommendations

• Establish pre-tax Mortgage Savings Accounts for first-time home buyers

• Refocus the Federal Housing Administration on its mission

• Expand the Low-Income Housing Tax Credit

• Expand the Rehabilitation Tax Credit to include buildings 50 years old

• Create an innovative infrastructure financing option for redevelopment
How do we pay for it?

• Refocus federal programs such as the mortgage interest deduction & capital gains tax exemption on helping more people reach the middle class and become homeowners.

• Reduce federal subsidies for flood insurance, so that insurance rates better reflect the true risk of flooding and support is targeted to those most in need.

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Smart Growth America
Making Neighborhoods Great Together
Better development strategies can make entire regions economically stronger and more competitive.

It’s time federal programs reflected that.
Questions & Answers

Type your questions below or use #RethinkRealEstate on Twitter to ask

For a copy of the report, visit us at:
www.SmartGrowthAmerica.org/federal-real-estate
Thank you for attending!

For more information and webinar slides visit: www.SmartGrowthAmerica.org