

Resolution No. 4

Date: January 14, 2011

City: Orlando, FL

NAHB Resolution

Title: Promoting Mixed-Use Developments
Sponsor: William Tuyn
Submitted by: William Tuyn

WHEREAS, strengthening the livability, character and diversity of communities is a growing trend; and

WHEREAS, including mixed-use developments that offer housing, retail and commercial space is an important component of diverse and lively communities; and

WHEREAS, mixed-use developments allow residents to live close to work, walk to shops and community activities and access services conveniently; and

WHEREAS, consumers interested in urban settings increasingly are looking for residential settings that include a wide array of amenities, including retail and services on-site; and

WHEREAS, mixed-use developments also create value for communities by attracting additional new development and encouraging rehabilitation and preservation activities and by creating and retaining jobs; and

WHEREAS, it can be challenging to finance mixed-use developments because residential loans that are sold to the government-sponsored enterprises, Fannie Mae and Freddie Mac (the enterprises) cannot exceed low percentages of nonresidential space and income from nonresidential sources; and

WHEREAS, similarly, multifamily rental properties that are provided mortgage insurance through the Federal Housing Administration (FHA) cannot exceed low percentages of nonresidential space and income from nonresidential sources; and

WHEREAS, these limitations can impede the development of mixed-use developments, making it difficult for communities to achieve their housing and economic development goals and plans;

NOW, THEREFORE, BE IT RESOLVED, that the National Association of Home Builders (NAHB) urge Fannie Mae, Freddie Mac, and the Federal Housing Administration to implement more flexible rules regarding the allowable percentage of nonresidential space and income for projects with up to 45% nonresidential space and income permitted in loans they purchase or insure, subject to prudent underwriting that does not adversely affect the safety and soundness of the programs, to help promote the development of mixed-use properties and to help communities meet their housing and economic development goals.

Board of Directors Action:	Approved
Executive Board Action:	Recommends Approval
Resolutions Committee Action:	Recommends Approval
Housing Finance Committee Action:	Recommends Approval
Land Development Committee Action:	Recommends Approval
Multifamily Finance Subcommittee of the Housing Finance Committee Action:	Recommends Approval