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New Partners for Smart Growth
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Thank you for that warm introduction. And thank you, Gadi, for your important contributions to today's discussion.

I'm pleased to be back in Seattle with all of you to share ideas and insights on such an important topic.

I want to thank EPA/LGC for sponsoring a very green conference.

In the past two days, we've heard from distinguished researchers.

Thought leaders, government officials, and planning and design professionals.

From policy makers, elected officials, and mission-driven private-sector developers.

All have shared evidence and their deep beliefs in integrating place, transit, health and equity into smart and holistic neighborhood design.

The joint appearance of our cabinet secretaries and EPA administrator last evening is truly historic.

This morning, Angela Glover Blackwell and Majora Carter inspired and challenged us

— by confirming the inherent values in our smart and equitable growth strategies.

We are faced with three incredibly challenging global trends.

Climate change, population growth, and the widening gap between poverty and wealth.

Smart and equitable growth has grown from a concept and a movement into a necessity –

— the necessity to integrate and leverage all of our ideas, technology, disciplines and resources into place-based partnerships and solutions.

This necessity demands sustained and intentional public policies and investments.

This necessity demands honest public debate and dialogue.

Smart and equitable growth requires each of us to accept sacrifices and trade-offs –

— as organizations and as global citizens.

It requires that we challenge our own biases and inertia on fundamental values such as density, consumption, shared prosperity, and equitable growth.

America is variously hopeful, anxious and uneasy.

In a still-lagging economy, with its sluggish job and housing markets, we are all asking:

Where are the solutions?

Where is the momentum?

Momentum must come from our top leaders, from the grassroots, and from everywhere in between.

The private sector needs a public purpose.

Communities need scale.

Government needs an entrepreneurial action plan.

Today I want to share my thoughts on smart growth from a community development perspective.

I want to share the lessons we've learned from the launch of Enterprise Green Communities –

— and the tremendous hope and impact it has already brought to low-income communities around the country.

But first, I want to share the story of how community development helped transform neighborhoods in New York City.

In the late 1960s and 70s, the story of New York's neighborhoods was not a pretty one.

The South Bronx was burning.

Hundreds of thousands of abandoned buildings languished in distressed communities.

An article published by the New York City Department of Housing Preservation and Development captures the dynamics that undermined so many neighborhoods during this era.

I quote: “The fundamental cause of housing abandonment was demographic change and steady impoverishment and depopulation of many inner-city neighborhoods.

“The problem was exacerbated by the high fuel cost, high inflation rates, and difficult economic times of the 1970s.

“Higher heating bills increased owner-operating expenses, while high inflation rates made refinancing impossible.

“Owners could not recover these increased costs because their tenants could not afford higher rents.

“Unable to make a profit on their properties, many owners deferred maintenance and services, which led to further physical and financial decline of buildings.

“As income decreased and cost increased, many owners were unable to pay the property taxes on their buildings, which ultimately led to City foreclosure.”

Many of us know the story’s next unhappy twist that followed.

Again, I quote: “Once owners recognized City foreclosure was imminent, they often intentionally accelerated property

disinvestment: they failed to make repairs and stopped services, and many eventually abandoned these buildings.”

In the midst of this decline, the city of New York became the unwilling slumlord of hundred of thousands of dilapidated properties.

Meanwhile, a corps of community and faith-based organizations and neighborhood entrepreneurs emerged.

In places like the Bronx, Harlem, the Lower Eastside and Brooklyn’s Bedford Sty.

They tried their best to hold their communities together.

These neighborhood entrepreneurs did not have sufficient capacity or resources to solve the enormous challenge of property abandonment, drugs and crime.

But still they organized tenants.

Some trained to become court-appointed managers and administrators.

And together they pushed ahead for the next break, and the next opportunity.

Community development organizations have been on the ground for decades.

Working to create and improve affordable housing.

Strengthening and revitalizing neighborhoods.

They have been a resilient and nimble force.

And they remain comprehensive in their thinking and in their approach.

What many miss in scale, they more than achieve in innovation and place-based solutions.

I should know. I came from one of them.

In the early 1980s Mayor Ed Koch initiated a bold and ambitious 10-year housing plan.

In the decade that followed, New York City invested \$500 million each year into affordable housing – more than the 50 largest cities combined.

It took two federal programs – the LIHTC and CRA – to create incentives and direct billions of dollars in private investments into affordable housing, small businesses, retail, and community facilities, to rebuild distressed communities.

It took national foundations and private-sector corporations, and national intermediaries, to help the city channel resources through loans, grants, and other financial and technical assistance, into distressed neighborhoods.

But ultimately it took the pioneering, resilient CDCs to solve the seemingly unsolvable problems –

— rebuilding their communities, building-by-building, block-by-block.

Investing in neighborhoods, not just housing.

Attracting retailers. Creating parks, community gardens.

Helping create access to jobs, child care.

Within two decades, this network of community development corporations in New York had rebuilt and reclaimed over 100,000 tax-foreclosed and abandoned apartments.

In the process, they had rejuvenated whole communities, repopulated schools, brought back neighborhood services.

And reconnected the human spirit.

This story would be replayed many times in cities and communities across the country – Baltimore, Cleveland, Chattanooga.

I tell this story because there are important lessons to draw from the unique community development experience.

First, decent, affordable housing is a fundamental platform to maintaining community stability and opportunities.

Second, solving seemingly intractable problems means we must be willing to organize our collective knowledge, resources, and capacity –

— to develop a comprehensive response with a single focus, over a steady period of time.

Today's community development sector is battling another unprecedented foreclosure crisis.

Economists predict another 2.4 million foreclosures in 2010.

By 2012, more than 8 million homes are expected to foreclose.

Meanwhile, communities with abandoned and vacant properties are once again fighting against the threat of rising crime and vandalism –

— determined to prevent years of hard-won revitalization from unraveling.

This time, the community development sector has turned the early lessons of community revitalization into a valuable national response, and an opportunity.

Supported by shoestring budgets and overwhelmed by the need for assistance, community-based nonprofits aligned to take on the formidable task of counseling thousands of homeowners facing foreclosures, to help keep families in their homes.

National organizations like NeighborWorks America, Self Help, National Urban League, NAACP, National Council of LaRaza, National Coalition of Asian Pacific American Community Development, mobilized, resourced and trained networks of local community partners.

So they could offer outreach, counseling and other forms of assistance to millions of troubled homeowners in some of the hardest hit neighborhoods.

In the meantime, another group of organizations — including Enterprise, Housing Partnership Network, LISC, NeighborWorks, Urban League and LaRaza — formed the National Community Stabilization Trust.

Our goal was to pool expertise, resources and capacity to tackle the severe impact of abandoned properties in communities saddled with foreclosures.

The National Community Stabilization Trust fulfills two critical functions.

The first is facilitating the transfer of foreclosed and abandoned property from financial institutions to local governments or nonprofit providers.

And the second is providing short-term capital for acquisition/rehabilitation and other priority financing needs.

After one year, the Trust has signed agreements with major servicers, including Bank of America, Chase, Citibank, Fannie Mae, Freddie Mac, to create a first-look program with standard protocols in place to purchase REO properties in bulk.

The Trust has also signed up 180 local governments to identify and access, from this first-look pool, properties in targeted communities.

To help these local entities compete with the many cash-rich vulture funds, the Trust created a capital pool, with the help of the Ford Foundation.

This financing is critical for municipalities and nonprofit community consortiums to take ownership of and eventually redeploy these assets.

As a member of the Trust, Enterprise also brought funding and expertise.

We offered environmentally responsive rehabilitation specs to help green up these abandoned properties.

Others like the National Vacant Property Campaign are also at work to develop smart growth and land banking strategies —

— in an effort to turn a looming disaster into future opportunities.

The effort to hold together communities, residents and their assets addresses a key ingredient of smart growth.

In a time of scarce resources, preserving and greening affordable homes and pursuing infill development to give new purpose to vacant lots makes very good sense.

And CDCs have some very good experience and track records in both areas.

Our founder Jim Rouse always believed that with the right tools, resources and policies, CDCs could erase America's poverty and transform distressed communities.

That spirit continues to drive and shape Enterprise's work on behalf of low-income families —

— whether in rebuilding the Gulf Coast or revitalizing neighborhoods torn apart by joblessness and foreclosures.

Last fall, Enterprise mobilized a wide range of public and private partners to introduce the next generation of the Enterprise Green Communities initiative.

We issued a call to action to green all affordable housing, both new and existing, by 2020.

We put our own stake in the ground with a \$4 billion commitment over the next five years to continue to transform the affordable housing industry nationwide.

By 2013, we want everything Enterprise touches – our capital, our products, the homes we build and preserve, our own operations –

— to be green.

We launched Enterprise Green Communities in 2004 with the goal to transform the way we locate, design and build affordable housing.

With the help of partners like NRDC and the US Green Building Council, and support from foundations and corporate leaders, we developed the Enterprise Green Communities Criteria –

— the only national standard created to green affordable housing.

Within five years, nonprofit developers in all geographic and climatic regions of the country stepped up to build and preserve affordable housing that meets the Green Communities Criteria –

— producing nearly 16,000 healthier, green affordable homes.

The Criteria provide a proven, cost-effective framework for creating healthy, vibrant communities for low-income families and advancing smart growth practices nationwide.

They detail more than 60 measures for achieving integrated, green and affordable design.

They promote environmentally sustainable materials.

Location efficiency and access to transit.

Healthy indoor living environments.

And smart growth.

In fact, “Site, Location and Neighborhood Fabric” is one of the primary categories of the Criteria.

It ensures that every Enterprise Green Communities development is designed within an existing neighborhood, with access to community amenities, public transit and jobs.

For example, in San Francisco, the Arnett Watson Apartments is located on a former parking lot – underutilized since 1906 – in a compact, walkable neighborhood near the center of the city and several transit lines.

The nine-story building provides affordable housing to formerly homeless individuals and families.

It was developed in partnership by the Tenderloin Neighborhood Development Corporation and Community Housing Partnership.

Combined, the two entities have been working on the ground in the Tenderloin for close to half a century.

In Minneapolis, a vacant maternity hospital-turned nursing home was redeveloped and expanded into Ripley Gardens.

The Green Communities development offers 52 affordable homes for rent and ownership.

With its density exceeding 30 units per acre – while preserving one acre of green space – Ripley Gardens offers a pedestrian-friendly site design located next to public transportation with direct service to downtown Minneapolis.

The developer, Aeon, is a community-based affordable housing provider. It was formed in 1986 in an effort to replace homes lost through construction of the Minneapolis Convention Center.

When President Carter made his famous visit to the Bronx 30 years ago, the intersection of Intervale Avenue and Louis Nine Boulevard looked like a bombed-out war zone.

Today it's the site of Intervale Green, a Green Communities development and the nation's largest multifamily high-rise building that is Energy Star certified.

Intervale Green offers affordable homes to about 400 low-income residents.

One-third of the residents move in directly from homeless shelters.

Located one block away from the subway, Intervale Green features four commercial storefronts on its main level.

The developer – the Women’s Housing and Economic Development Corporation – has been giving people in poverty the opportunity to build a healthy, financially stable future for nearly 20 years.

To date, Enterprise has invested more than \$700 million in equity, loans and grants to developers —

— who nationwide, have built and preserved more than 365 developments that meet the Green Communities Criteria.

A number of cities – including Denver, Cleveland, Los Angeles and Washington, D.C. – have embraced the Enterprise Green Communities Criteria and incorporated the Criteria’s Smart Growth Guidelines into their local housing policies.

The criteria or its substantial equivalent have been adopted by 20 states, including Minnesota, Iowa and Washington.

And by the Department of Housing and Urban Development.

Dana Bourland, who leads Green Initiatives at Enterprise, often reminds us, “The greenest, smartest, most sustainable home is the one that already exists.”

That’s why we will be introducing new retrofit tools such as the Green Communities Retrofit Services.

We want to bring a suite of innovative financing – including the Green Communities Offset Fund, Green Communities Retrofit Fund, TOD Fund, and Green Communities Equity Fund

— to create one seamless process for owners of affordable multifamily properties

— one that reduces the use of energy and water, cuts carbon dioxide emissions, and increases healthy indoor air quality.

Nationwide, there are more than 5 million federally subsidized housing units.

Imagine the payoff of making all those homes holistically sustainable.

- 10 million metric tons of CO₂ emissions reduced.
- Hundreds of millions of dollars in energy and water savings.
- More than 2 million cars taken off the road.
- More than 80,000 acres of forest preserved from deforestation.
- More than 3 million tons of waste recycled instead of landfilled.

Every year.

Households living near transit spend 9 percent of their income on transportation.

In contrast, households in auto-dependent neighborhoods spend 25 percent of their income on transportation.

But a recent study warns that subsidized housing near transit systems faces a growing risk.

The study – led by AARP, the National Housing Trust and Reconnecting America – found that in 20 metropolitan areas, more than 250,000 affordable apartments are located within a half-mile of public transportation.

But more than two-thirds of the subsidies that keep these apartments affordable are set to expire in the next five years.

Fortunately, transit-oriented development is a healthy trend across the country.

Where we must be vigilant – and where CDCs can play a vital role – is ensuring that plans are inclusive and address the needs and interests of low-income people.

That was our goal when Enterprise joined the city of Denver and the Urban Land Conservancy to form a transit-oriented development fund.

The fund's goal is to preserve or create 1,200 affordable homes along Denver's mass transit corridors over a 10-year period.

To date, the fund totals \$15 million. Investors and funders include the Surdna Foundation, MacArthur Foundation and US Bank.

In Atlanta, the Beltline project marks the nation's most ambitious urban redevelopment undertaking. The project counters two decades of sprawl by organizing future growth around parks, transit and trails.

It also marks Atlanta's largest investment ever in affordable workforce housing with close to 6,000 affordable homes planned.

Across the country, we see examples like Atlanta and Denver that are extraordinary in vision and scope.

Efforts that bring together federal, state and local governments, foundations, corporations, private-sector partners, and community nonprofits.

We have found a new way, by necessity, to organize our knowledge.

To organize our financial resource.

And to organize our collective capacity.

To make the whole greater than the sum of its parts.

Enterprise is working with multiple partners to create the knowledge platform, data, verification protocol, technical assistance, turnkey services, and innovative financing

— to support our national call to action to green our nation's entire affordable housing stock.

Within a decade.

We are joining forces with environmentalists, labor and community leaders in the Emerald Cities Collaborative to green our cities, strengthen our communities and build our democracy.

In addition to supporting smart growth, Emerald Cities advocates for deep retrofit of our cities' entire building stock —

— and in doing so, generating high-road green jobs that will give low-income communities a solid pathway out of poverty.

The power of equitable sustainability is a platform for so many common interests to come together.

To advance shared priorities in *tangible* ways that improve people's lives.

To organize knowledge, capital, and capacity to produce green communities and emerald cities across our country.

And to make our collective impact felt by building the communities of tomorrow today –

— communities that are sustainable, productive, and offer opportunities for the fulfillment of human potential.

Thank you.

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