

**REMARKS OF SECRETARY SHAUN DONOVAN
NEXT GENERATION OF ENTERPRISE GREEN COMMUNITIES
NEWSEUM, WASHINGTON DC
WEDNESDAY, OCTOBER 21, 2009**

Thank you, Dana. This is an exciting day – and I want to thank you, Doris and all of the Enterprise Green Communities team for making it possible.

Let me simply say at the outset that the commitment we celebrate today is extraordinary – taking to scale Enterprise’s efforts to bring the affordable housing and community development industry into the 21st century.

By committing \$4 billion to create, preserve or retrofit 75,000 green, affordable homes and buildings within the next half-decade, you are showing states and communities across the country how private funding can be used to advance the public good and catalyze innovation.

But even more than that, just as we did in New York City with the largest municipal affordable housing plan in the nation’s history, you are putting down a big marker – one that government and the private sector can’t afford to ignore any longer.

With this effort, you are saying that a clean energy economy that reduces our dangerous dependence on foreign oil at the same time it saves consumers money and creates millions of new green jobs is not just the “wave of the future.”

You are saying clearly and unequivocally that future is here – and here to stay.

And you are also saying that building a clean energy economy starts not only in our laboratories or our roads, but also in our homes and buildings, which together contribute 40 percent of America’s carbon emissions, more than the transportation sector.

At HUD, we’re saying the exact same thing, as we invest up to a third of our \$14 billion in Recovery Act funds in the greening of America’s public and assisted housing stock.

We’re encouraging public housing authorities to go green – through \$600 million in Capital Fund competitive grant funds that we’ve awarded to public housing authorities to increase energy efficiency in their properties, saving money, protecting the environment, and creating jobs.

Of course, this kind of synergy between HUD and Enterprise on green and sustainability initiatives is nothing new. When our Office of Assisted Housing, Preservation and Development was developing its Green Initiative, it looked to the model developed by Enterprise, and turned to senior Enterprise leaders as advisors and partners.

It was at a 2007 Enterprise-sponsored conference on green affordable housing that HUD first publicly announced the launch of the Mark to Market Green Initiative. This led to the Recovery Act’s Green Retrofit Program for Multifamily Housing, a \$250 million program to make our affordable housing stock more sustainable. HUD will begin making Green Retrofit Program awards in the coming weeks.

In every way, Enterprise has been a leader, a catalyst and a partner – pushing the Federal government not to be a follower when it comes to green and affordable homes, but a leader.

Indeed, Enterprise has long been ahead of the curve when it comes to using data in innovative ways – to show us what’s working, what isn’t and what we need to do differently.

It was in Seattle that Enterprise and then-County Executive Ron Sims—now HUD’s Deputy Secretary—proved with their Breathe Easy Homes demonstration that housing can create major cost savings in the area of health, by improving air quality that reduces instances of childhood asthma.

Next Generation Enterprise Green Communities builds on the lessons learned from demonstrations like Breathe Easy Homes and takes that approach to the next level – showing us how housing can actually drive down energy costs as well.

In fact, using data drawn from their in-depth, three-year study released today, we now see that an investment of only 2 percent of total development costs to meet the Enterprise Green Communities Criteria can provide major long-term savings – at least \$4,800 in savings for every \$4,500 spent per unit.

What that means is that going green pays for itself – and then some.

At HUD, where we spend \$5 billion on energy every year through our rental assistance programs, we couldn’t agree more.

That’s why we’re working to create an Energy Efficiency Mortgage. If there’s a cost of \$5,000 to upgrade a house that will produce \$10,000 in utilities savings over time, the perfect tool to realize those savings is a mortgage.

When you buy a car, you know its energy efficiency because there’s a sticker on the window – the time has come to do the same for our homes and our buildings.

It’s why we have been working with the Department of Energy to lower barriers to the use of weatherization funds in federally assisted housing.

And it’s why we’re challenging localities to undertake a new wave of zoning, building code, and land use reform with our proposed Sustainable Communities Initiative.

It’s not a coincidence that the neighborhoods facing the brunt of this economic crisis—with the highest foreclosure rates and the deepest job losses—are often the least sustainable – with the least access to transportation and economic opportunity.

And so, by linking our housing investments to our transportation investments, we’re not only lowering energy costs – we’re also addressing one of the biggest threats to keeping housing affordable in the 21st century.

In all these efforts, we can see what Enterprise has been saying for years:

That green and affordable aren't mutually exclusive – they're one and the same. Proving that once and for all—to government, to consumers and to the marketplace—is what this effort is about.

So, thank you for this opportunity – and for your commitment.