Sustainable Communities™

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Boston's Boom: Fueled by Innovation

BOSTON FINANCIAL
INVESTMENT MANAGEMENT

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Election 2012: Overpriced Power

By Andre Shashaty

The most amazing thing about the November election cycle is just how much money was spent on all the federal races relative to the importance of Washington to the well being of our communities.

Billions of dollars were spent to influence the outcome, but the fact is, Washington just doesn't matter that much anymore, at least not to our cities and towns.

I exaggerate just a tad. The feds have the ability to "tax and spend" trillions of dollars. But that is less and less relevant the more we struggle over budget deficits and suffer from political gridlock. Just look at the transportation bill passed last summer. It was a jury-rigged piece of legislative scrap that did not solve any problems for more than a very short period of time.

Washington has become less relevant every year when it comes to urban economics and community development. It is far less proactive than city governments when it comes to reducing carbon emissions from our buildings and transportation systems.

My recent trip to Boston for the annual conference of CEOs for Cities really drove home the point. As Paul Grogan pointed out, he founded CEOs for Cities to reflect the fact that local governments, private businesses, and educational institutions were solving the cities' problems through local initiative, not through federal programs.

I was chewing on that idea as I looked around in amazement at all the development and job creation taking place in Boston. The city is booming, and it's no thanks to the feds. Okay, there are some federal dollars involved, but not a heck of a lot. The leadership and direction is entirely local.

But to fully grasp this point, you have to look back in time. Not that long ago, the development taking place in Boston would have depended heavily on federal programs or even been superintended by the feds. In fact, one of the projects you will read about in this issue is undoing some of the damage done by a federally directed program many years ago.

Remember the urban renewal program? Dozens of cities have had to undo what it did to neighborhoods. Or more recently, there was the Urban Development Action Grant program, which also forced cities to dance to the fed's tune.

So maybe the federal budget deficit is not such a bad thing for cities. It's forcing them to rely on local initiative and local tax revenue for solutions. And guess what? Local initiative seems to be generating better solutions than the top-down approach ever did.

The best thing the feds can do is to provide financial support with as few strings as possible and get out of the way. The Obama Administration seems to understand that, and I am pleased it will have four more years to run our urban policy. I expect that we will also see a greater focus on reducing carbon emissions in a second Obama term.

The big challenge is to make sure that the negotiations over the "fiscal cliff" do not result in the loss of key tax benefits that local people can use to good effect. Chief among these are the New Markets Tax Credit program, which needs to be renewed, and the Low-Income Housing Tax Credit program, which needs to be protected from curtailment in the quest for more tax revenue.

Washington may be somewhat less gridlocked in 2013, when the new Congress convenes. I hope so, because both these programs have enjoyed excellent bipartisan support in the past.

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1 Georgia

AIRPORTS KEY TO URBAN VITALITY

Atlanta- This city possesses the busiest airport in the world but has yet to leverage fully this remarkable asset for city and regional prosperity. The aerotropolis model, a strategic approach to fostering 21st century urban competitiveness via aviation-linked commercial development, can help change that, according to Dr. John Kasarda.

Atlanta can benefit by implementing the aerotropolis model to attract greater investment and create additional jobs for those at all socioeconomic levels by making the airport area, the city, and the region better connected, more economically efficient, attractive, and sustainable.

Kasarda is the Kenan Distinguished Professor of Strategy and director of the Center for Air Commerce at the University of North Carolina.

"The true challenge is planning to get the aerotropolis right," he said. "If there is not appropriate planning, airport-area development will be spontaneous, haphazard, economically inefficient and ultimately unsustainable. The aerotropolis model brings together airport planning, urban and regional planning, and business-site planning, to create a new urban form that is highly competitive, attractive and sustainable.

"Airports will play an increasingly pivotal role in the competitiveness of this country. If we continue to neglect our airports, we do so at our own long-term economic peril. This is the invisible market shaping your life."

2 Illinois

GREENEST STREET IN AMERICA?

Chicago–Some of the most advanced technology available is in use at what the Chicago Department of Transportation (CDOT) is calling the "greenest street in America."

The first phase of a two-mile stretch of Blue Island Avenue and Cermak Road in the Pilsen neighborhood "demonstrates a full range of sustainable design techniques that improve the urban ecosystem, promote economic development, increase the safety and usability of streets for all users, and build healthy communities," said CDOT Commissioner Gabe Klein.

"It provides both mitigation and adaptation strategies by reducing its carbon footprint and integrating technologies that allow the infrastructure to address and adapt to climate change."

The Cermak/Blue Island Sustainable Streetscape was planned to meet sustainability goals in eight performance areas such as stormwater management, material reuse, energy reduction, and placemaking. The city says it is the first in the country to balance and incorporate such a wide spectrum of sustainable performance into a single urban roadway. Notable achievements of the project include:

Material Recycling and Innovation

- This is the first commercial roadway application of photocatalytic cement, which cleans the surface of the roadway and removes nitrogen oxide (NOx) gases from the surrounding air through a catalytic reaction driven by UV light.
- More than 60% of all construction waste was recycled. More than 23% of all new materials were sourced from recycled content.

Water Efficiency

- Eliminated the use of potable water for all landscape irrigation.
- Piloted 95 drought tolerant, native plant species in bioswales and infiltration planters to evaluate effectiveness in roadside conditions.

Energy Reduction

- Reduced the energy use of the street by 42% and used dark-sky friendly light fixtures.
- Installed the first permanent wind/solar powered pedestrian lights and the first LED pedestrian light poles on a streetscape in Chicago.

Urban Heat Island Effect Reduction / Air Quality

- Installed high albedo pavement surfaces to decrease the urban heat island effect.
- Provided a 131% increase in landscape and tree canopy cover.

Alternative Transportation

- Installed a pedestrian refuge island in Cermak Road adjacent to Juarez Community Academy, and curb-corner extensions throughout the proj-

ect, in order to improve pedestrian safety.

- Installed 1/2 mile of new bike lanes on Blue Island Avenue. Improved bus stop areas with signage, shelters and lighting

❸ New Jersey

COURT HEARS CHALLENGE TO NJ HOUSING MANDATE

The future of state land use mandates that push localities to allow affordable housing development is up in the air as New Jersey's highest court prepares to rule on that state's policies.

The court heard arguments on the 1983 Mount Laurel ruling that required towns to have a certain amount of homes for the poor and later created a state infrastructure to oversee this obligation. Builders and advocates for affordable housing would like to see the practice continue, obligating each town to create a specific number of homes for lower-income earners.

New Jersey Gov. Chris Christie and local officials on the other hand, are pushing for a different approach, where no minimum number of affordable homes are required, arguing that times have changed since the 29 year old ruling.

The Christie administration wants to change the rules by requiring one or two new affordable units for every five homes developers build from normal consumer demand.

According to a recent article in nj.com, municipal officials appear to want similar changes to the landmark ruling.

"Municipalities recognize their obligation, but it's a different landscape than it was in 1975," said Edward Buzak, attorney for the state League of Municipalities, a lobbying group for the state's local governments. "Affordable housing needs to be built as municipalities develop. That's the core theory of Mount Laurel. That's the core constitutional obligation."

Advocates for fair housing practices disagree. "Discrimination continues apace in New Jersey," said Kevin Walsh, associate director of the Fair Share Housing Center.

Walsh argues that the model the state officials would like to see put in effect could unduly benefit the wealthy at the expense of the poor, because many low-income residents live in a city with a higher obligation than their more affluent suburban counterparts.

By Vanessa DeSantis

❹ New York City

BIKE LANES GOOD FOR BUSINESS

Sales are up for stores near new bike lanes and street plazas, according to a new report, "Measuring the Street," from the New York City Department of Transportation. The report explains the huge benefits the city has reaped by curtailing the near monopoly motorized vehicles have had over the streets for decades, including the first "protected bicycle lanes" in the US on 8th and 9th Avenues in Manhattan.

One of the most dramatic retail surges happened in the Chelsea neighborhood, where stores next to the bicycle lanes experienced a 49 percent increase in sales from the time the bike lanes opened in Fall 2007.

Other areas with the new lanes also showed notable increases in sales. In Manhattan overall, retail sales only went up 3 percent during the same time. By making it safer for bicyclists and pedestrians, as well offering pleasant seating areas near shopping districts, the City's redesign team has made shopping easier and more enjoyable – resulting in much higher sales.

❺ Washington D.C.

ADVOCATES TAKE ON MORTGAGE INTEREST DEDUCTION

Low-income housing advocates are gearing up a campaign to make housing part of the upcoming debate about tax reform.

Republicans have said they are willing to adjust tax deductions, and advocates are asking them to adjust the most exalted of them all: the mortgage interest deduction.

▲ Citi Bike is a bike sharing program set to launch in New York City in 2013. Citi Bike will consist of 600 stations, 10,000 bikes in Manhattan, Brooklyn and Queens. It is privately sponsored by Citi and MasterCard.

To back up their position, they have done a poll that shows strong support for helping moderate-income renters – even at the expense of the extremely popular income tax deduction for home mortgage interest.

"It is time to enact reforms that will stop the subsidy of million-dollar houses and use the savings to help middle and low income families who need it most," says Sheila Crowley, president and CEO of the National Low Income Housing Coalition.

The coalition's poll found that 56 percent of Americans favor replacing the mortgage interest deduction with a tax credit that would provide the same percentage benefit for all households regardless of income. Nearly two-thirds—63 percent—support capping the size of mortgage for which one can get a tax break at $500,000, according to the poll, conducted by Belden Russonello Strategists, LLC. ❧

On-bill repayment shows promise as Financing tool for multifamily retrofits

San Francisco–The annual Greenbuild conference took place here in early November, but much of the big news on green building was made outside of the sprawling event at the Moscone Center.

With support from the MacArthur Foundation, the US Green Building Council added more programming on affordable housing with something called The National Affordable Green Homes and Sustainable Communities Summit. It featured speakers from the US Department of Housing and Urban Development, Enterprise Green Communities and a number of housing developers.

Outside the conference, meanwhile, important steps were being taken to improve the feasibility of retrofitting existing buildings, especially affordable housing.

The most promising new approach now being tested is "on-bill repayment" said Matt Schwartz, President & CEO of the California Housing Partnership Corp. (CHPC), which is doing very good work on the issue in California.

The idea is simple in concept. It sets up a tariff for energy efficiency services or for financing to be collected through regular bills from utility companies for gas and electric service.

The program has more potential for financing apartment retrofits than other recently promoted methods because it does not require a lien to be placed on a property to secure financing for energy work, something that meets resistance from existing lienholders, Schwartz said.

Lenders who have loans in senior position on an existing property generally object to a new lien being placed to secure secondary financing for energy improvements. There is also the headache for the owner of trying to obtain permission to record a new small lien on a property with a multimillion dollar financing stack.

The Property Assessed Clean Energy Program (PACE) programs have been used in many cities for single-family homes but PACE requires the expansion of the property tax lien, an approach that has been rejected nationally in the multifamily sector by Fannie Mae and other lending and investing institutions.

▲ **City Gardens in Santa Ana, CA, will undergo an energy retrofit using a variety of tools, including on-bill loan refinancing and a loan under the Green Refinance Plus program for Fannie Mae/FHA Risk-Share loans. The project is owned by LINC Housing.**

Currently, at least 22 states are home to utilities that have implemented or are about to implement on-bill financing programs, according to the American Council for an Energy-Efficient Economy. The organization has published a detailed paper on the subject titled "On-Bill Financing: Exploring the Energy Efficiency Opportunities and Diversity of Approaches" by Catherine Bell and Steven Nadel. The council reports that some states, such as Illinois and California, require utilities to implement on-bill programs.

Illinois, Hawaii, Oregon, California, Kentucky, Georgia, South Carolina, Michigan, and New York have legislation in place that supports adoption in various ways. In New York, legislation has provided for utilities to receive funding to update their billing systems. NYSERDA recently began a new OBR program specifically for multifamily as did New Jersey previously.

With support from Living Cities and the MacArthur Foundation, CHPC is working out the details on how to implement on-bill loan repayment in conjunction with Stewards of Affordable Housing for the Future and other organizations like the Environmental Defense Fund, which along with CHPC has been advocating for this new approach. As a result of this advocacy and building on the success of past commercial on bill financing programs, the California Public Utilities Commission recently ordered California utilities to develop an OBR pilot program specifically for low income multifamily housing.

On-bill repayment makes it easier for owners to see the benefit of doing a retrofit, Schwartz said. A key goal is to achieve utility cost savings equal to or greater than the cost of the improvements, so that an owner's utility bill does not go up as a result of the repayments being added to it.

One sticking point is how to create reserve funds to help give lenders and utility companies comfort with this completely new way to repay loans. After all, the program contemplates no lien to secure the debt. A recently completed

study by Harcourt Brown and Carey for the CPUC, recommends that ratepayer funding be used to create a 10% loss reserve to address this need. The CPUC is expected to rule on this and other related recommendations before the end of this year.


▲ Matt Schwartz

Another potential source of energy efficiency funding is the auction of greenhouse gas emissions permits, which is just beginning in California.

The California Air Resources Board expects the auctions to generate $1 billion in the first year and $2.8 billion to $11 billion a year by 2015.

Advocates and legislators are working to make sure some of the auction proceeds will be available for multifamily energy efficiency retrofits as well as financing new Transit Oriented Development containing significant levels of affordable housing.

There is already some new money "in the bank," so to speak. On November 6th, California voters approved Proposition 39, which is expected to provide $500 million per year for energy retrofits funded by a change in how corporations are taxed.

Finally, California is starting to map out plans for making all existing buildings in the state more energy efficient, as mandated by legislation known as AB 758. The state has issued its AB 758 Scoping Report. Commenting on the plan, CHPC said that the state must do more to help owners improve the energy efficiency of existing multifamily housing.

"The Strategic Plan states a target of 30 percent reduction in existing home energy purchases of 75 percent of all existing homes by 2020, or 1.2 million homes annually. However, the current whole house retrofit program has only accomplished roughly 1,000 upgrades per year, none of which have been multifamily," CHPC wrote in its comments.

"Lowering the barriers to energy efficiency retrofits and financing in multifamily buildings is critical to reaching the state's goals," it added. ❧

DOE'S WEATHERIZATION PROGRAM:

Post mortem explains problems using funding for multifamily

The $5 billion surge in funding for the Energy Department's Weatherization Assistance Program (WAP) as part of the economic stimulus program expired in March.

The Department of Energy said it had completed weatherizing more than 600,000 low-income homes three months ahead of the scheduled expiration of the additional funding, provided under the American Recovery and Reinvestment Act (ARRA)

"On average, the program reduces energy consumption for low-income families by up to 35 percent, saving them more than $400 on their heating and cooling bills in the first year alone," DOE said. "Nationwide, the weatherization of 600,000 homes is estimated to save more than $320 million in energy costs in just the first year."

The story is not as positive for multifamily housing, however. The increase in funding made it possible to target multifamily housing in a big way for the first time. It did not go very smoothly in many states.

The results of that effort in California are detailed in a new study from the California Housing Partnership Corporation (CHPC).

California received an additional $186 million in WAP funding provided through ARRA.

The study identifies barriers encountered by property representatives and makes recommendations to improve program effectiveness. The report found that 50% of the representatives whose properties received WAP services encountered the following barriers in implementation of the program:

- The process for documenting eligibility required by the program was burdensome and time consuming.
- The services provided were less and/or different than what was expected.
- There was a lack of clear communication between the Energy Service Providers (ESPs) and property representatives regarding scope of services and timing of installations.

Despite the barriers listed above, ARRA WAP made major advances in streamlining the income qualification process for low income multifamily buildings as well as defining tenant benefits in a way that recognizes the broader benefits that accrue from energy retrofits of publicly assisted rental housing. Although ARRA WAP funds were available for a relatively short period of time, they have given California an opportunity to develop new approaches to weatherizing low income multifamily rental housing and to advance future weatherization work in the State.

The full WAP report can be downloaded as a PDF here.

Advocates hope bipartisan support leads to tax credit's extension

Since 2000, Republicans and Democrats have agreed on using tax incentives to bolster the economic sustainability of American cities. As we approach the so-called "fiscal cliff" of automatic tax and spending changes to cut the deficit, the future of that policy is up in the air.

The New Markets Tax Credit (NMTC) program expired at the end of last year, and investors and project sponsors have been left in suspense about whether it will be renewed. Advocates are hopeful that a two-year renewal will be approved.

▲ **The United Way of Greater Cincinnati expanded and renovated their Cincinnati headquarters with financing obtained through the New Market Tax Credit.**

The program's fate is tied up with the overall debate over how to reduce the budget deficit through some combination of spending cuts and tax hikes. It is also affected by discussions about tax relief for people affected by Hurricane Sandy.

▲ **Mark Pinsky**

The goal is to win renewal of the credit for 2012 and 2013 at $3.5 billion each year.

In 2005, Congress approved additional NMTC authority to help recovery from Hurricane Katrina. The NMTC Coalition has put forth a proposal to do something similar for victims of Sandy. It is asking for an additional authorization for $1 billion per year for 3 years for qualified areas in the three states hardest hit, said Bob Rapoza, of the New Markets Tax Credit Coalition.

The NMTC program offers federal tax credits for projects that create jobs in low-income neighborhoods. It is administered by the Treasury Department's CDFI fund, which already has accepted applications for the 2012 round. The agency will review them and score them for funding, and the winners will be funded if and when Congress renews the program.

Advocates argue that the program is critical to helping improve the employment picture. More than 300,000 jobs (including construction and full-time) have been created with the NMTC program through FY 2011.

In the Senate, the extension bill (S 996) has over 25 cosponsors, and has been approved by the Finance Committee. With the recent Democratic gains in that body, its chances of passage are probably higher now than they were before.

The challenge is greater in the House of Representatives, which has a large number of serious deficit hawks and remains under Republican control. However, the program has bipartisan support today, as it did when it was originally passed in 2000 by a Republican Congress, said Michael P. Ross, a partner at Baker Tilly based in Madison, Wisc. Baker Tilly helps community development groups implement business strategies and projects eligible for the NMTC.

As of October, 2012, more than 21 Republicans and 61 Democrats have signed on as co-sponsors to the House NMTC extension bill (HR 2655).

The NMTC, which expired on December 31, 2011, has delivered over $45 billion in private capital to credit-starved businesses and revitalization efforts in economically distressed urban and rural communities.

Over 72% of NMTC financing goes to businesses in communities experiencing severe economic distress with poverty rates over 30%; unemployment rates 1.5 times the national average; or median

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incomes below 60% of the area median.

"CDFIs want Congress to extend the New Markets Tax Credit (NMTC) to move the nation forward on its path to recovery, channeling capital and bringing jobs to people and communities hardest hit by the economic downturn," said Mark Pinsky, President & CEO, Opportunity Finance Network.

In Fiscal 2010, 21 network members financed 83 NMTC transactions totaling $556 million. "These deals financed businesses, commercial real estate, community facilities, and for-sale housing development that likely would not have been financed otherwise, leading to job creation, and creating housing and facilities in which people and families can live and thrive." Pinsky said.

"The New Markets Tax Credit Program has been successful by filling a financing void that exists within our low-income communities," said Jim Noone, Vice President, Prudent Lenders, LLC

Another benefit of the program is that "it unites the private sector with Community Development Financial Institutions (CDFIs) and creates professional bonds between the two," he added. "This collaboration is important for future revitalization and development efforts to be successfully achieved and to foster stability and growth in our communities." PrudentLenders provides lending services to CDFIs.

"This has been one of biggest tools to attract private investment into low income communities we have ever had," said Frank Altman, president and CEO of Community Reinvestment Fund, USA, which is based in Minneapolis and operates nationally.

"It is hugely successful at bringing capital into areas it would not be otherwise. It is part of a solution to drive job growth in distressed economies and particularly in areas that were left behind even in good economic times," he added. ❧

Links for further information:

News about the legislative progress from the NMTC Coalition

Status of the House NMTC extension bill:

Treasury department administration of the program

Status of the Senate extensions bill:

To express your support for the program, click here

LIIF's New Book Tackles 'Economic Sustainability'

Making American communities more economically sustainable depends on finding long-term ways to stem the increasing tide of poverty.

You willl find lots of good ideas in new book titled Investing in *What Works for America's Communities*, published by the Federal Reserve Bank of San Francisco and the Low Income Investment Fund (LIIF). It features dozens of innovative ideas that can improve economic prosperity.

▲ **Nancy O. Andrews**

"Poverty affects us all, regardless of where we live – it's not just a housing problem or an education problem or an employment problem. It's all of the above and more," said Nancy O. Andrews, president and CEO of LIIF, a nonprofit community development financial institution based in San Francisco.

"We need to take steps now to address this crisis especially for our children. We know that the obstacles children encounter early in life can create a negative chain of events that is often passed down to new generations. We can't afford to waste these lives if we are to have a strong economy that lifts everyone up for the future," she added.

In the book, key leaders from a broad range of sectors (a full author list is included below) provide specific suggestions for building communities that are healthy places to live, learn, work, and play—places that put families on more solid economic footing.

Investing in What Works for America's Communities is organized into three broad sections:

• The first section traces the history of community development alongside the evolution of American poverty, highlighting initiatives like the Harlem Children's Zone, Living Cities' Integration Initiative, Purpose Built Communities, and other exemplary community-building efforts.

• Section II features voices and opinions from leaders in policy, universities, think tanks, and some of the nation's leading experts from housing, health, philanthropy, and other fields that are working to reduce poverty and address race, equity, transit-oriented development, and financial services for lower-income people.

• Section III maps out a plan for moving ahead, informed by several insights, of which the most profound may be that "community development is about the entire life of the com-

—CONTINUED ON PAGE 35

Water Works Wonders

Even inland cities turn to water features for economic development

For decades, cities usually tried to attract businesses and jobs by offering financial incentives. Suddenly, it seems, city after city is realizing that it works better to make their town more appealing to potential employees.

Two of the cities now on the rise are improving their appeal in a suprising way for places with no coastline: They are making water a central part of their appeal.

Many coastal cities started transitioning their waterfronts from industrial use to serve as entertainment and recreation areas decades ago. But other cities are showing that you don't need a bay or an ocean to have a happening waterfront.

▲ **A boat house along the Oklahoma River**

In Oklahoma City, The Oklahoma River has been transformed from "a ditch that we had to mow from time to time," as the mayor put it, into a major recreational, entertainment and economic asset. This project is mostly complete, and the results are amazing.

In Indianapolis, the planning is just hitting high gear for an effort to make local streams, creeks and rivers a much more vital part of the city's life. Reconnecting to Our Waterways (ROW) is a coalition of Indianapolis neighborhoods and residents, public and private organizations, and civic leaders

After losing several competitions to attract new business, Oklahoma City leaders realized the city lacked the quality-of-life amenities that separate good cities from great cities, according to Mick Cornett, who has served as mayor since 2004.

Through a series of sales tax levies of just 1 percent for fixed periods of time, the city has taken on some amazing capital projects and done so by paying cash, without incurring debt.

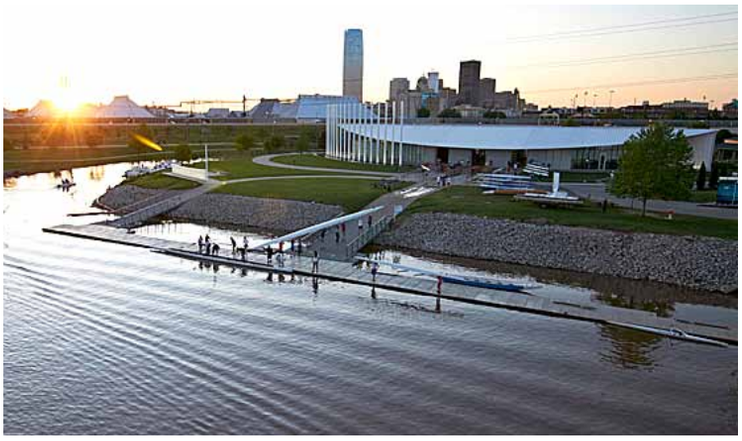
A 7-mile stretch of the North Canadian River has been transformed into a series of river lakes bordered by landscaped areas, trails and recreational facilities and known as The Oklahoma River. The river is the focal point for a variety of festivals and civic events, as well as kayak and canoe competitions, and has attracted a fair amount of real estate development.

The river is now the "finest venue in the world for canoe, kayak and rowing," said Cornett.

The city's latest project features a 70-acre central park linking the core of downtown with the Oklahoma River; a modern streetcar system; a new convention center; miles of new sidewalks and hike-and-bike trails; and river improvements, including a public whitewater kayaking facility.

At the same time, the city is wrapping up Project 180, a three-year, $140-million redesign of 180 acres of downtown streets, sidewalks, parks and plazas to improve appearances and make the central core more pedestrian-friendly.

The mayor says his goal is to "create an urban core that attracts the young, mobile, creative and highly educated talent pool." He said jobs follow this talent pool and "we are certainly seeing evidence of that in Oklahoma City, where in addition to a growing number of corporate career opportunities, we have also been named by the Kauffman Foundation as the most entrepreneurial city in the country, with the most start-ups per capita."



▲ **The transformation of Oklahoma City is nearly complete.**

He also reported that U.S. Census numbers show that more people from Texas and California are moving to Oklahoma City than are moving the other way.

In the Bricktown area, an entertainment district with historic brick buildings, the city had no water to work with, so it created some. It took a street with very little activity and dug a tree-lined, mile-long canal there that runs right through the district. It has made the district even more popular than it was, Cornett says.

In Indianapolis, Reconnecting to Our Waterways is busy gathering citizen input on how to improve six major waterways in Marion County: Eagle Creek, Fall Creek, Pleasant Run, Pogues Run, White River, and the Central Canal. The focus area is a 10 minute walk (a half mile) around each waterway, and a connectivity area of a 20 minute bike ride (3 miles) around each waterway.

The initial phase of the initiative is focused on six neighborhoods selected because of their strong community engagement network and existing relationships with key initiative partners.

Reconnecting to Our Waterways is focused on holistic solutions that integrate six related elements:

Esthetics
Guiding Principle: Infuse functional art and natural beauty into the process resulting in experiential sensory engagement.

Connectivity
Guiding Principle: Create beauty, artistic and welcoming entry ways to our water ways and improve access through well maintained paths or sidewalks.

Ecology
Guiding Principle: improve ecosystems and water quality along the waterways.

Economics
Guiding Principle: encourage economic growth along the water.

Education
Guiding Principle: Help people investigating the health of the watershed, connecting with its history, and recognizing its value to our neighborhoods.

Well being:
Guiding Principle: develop recreation and fitness ooptions to encourage health and wellness ❧

BOOK EXCERPT:

What cities gain by encouraging more walking

BY JEFF SPECK

From "Walkable City: How Downtown Can Save America, One Step at a Time," Farrar, Straus and Giroux (November 13, 2012)

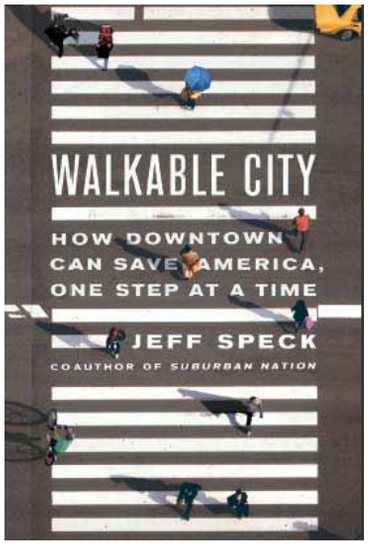
Excerpted with permission of the author

In 2007, Joe Cortright, the fellow responsible for the Walk Score value study, published a report called "Portland's Green Dividend,"[1] in which he asked the question: what does Portland get for being walkable? Quite a lot, it turns out.

To set the stage, we should describe what makes Portland unusual, which is how it has chosen to grow. While most American cities were building more highways, Portland invested in transit and biking. While most cities were reaming out their roadways to speed traffic, Portland implemented a Skinny Streets program. While most American cities were amassing a spare tire of undifferentiated sprawl, Portland instituted an urban growth boundary. These efforts and others like them, over several decades—a blink of the eye in planner time—have changed the way that Portlanders live.

Driving less

This change is not dramatic—were it not for the roving hordes of bicyclists, it might be invisible—but it is significant. While almost every other American city has seen its residents drive farther and farther every year, and spend more and more of their time stuck in traffic, Portland's vehicle miles traveled per person peaked in 1996. Now, compared to other major metropolitan areas, Portlanders



on average drive 20 percent less.

Small change? Not really: according to Cortright, this 20 percent (4 miles per citizen per day) adds up to $1.1 billion of savings each year, which equals fully 1.5 percent of all personal income earned in the region. And that number ignores time not wasted in traffic: peak travel times have actually fallen from 54 minutes per day to 43 minutes per day. Cortright calculates this improvement at another $1.5 billion. Add those two dollar amounts together, and you're talking real money.

What happens to these savings? Portland is reputed to have the most independent bookstores per capita and the most roof racks per capita. The city is also said to have the most strip clubs per capita. These claims are all exaggerations, but they reflect a documented above-average consumption of recreation of all kinds. Portland has more restaurants per capita than all other large cities except Seattle and San Francisco. Oregonians also spend considerably more than most Americans on alcohol, which could be a good thing or a bad thing, but in any case makes you glad they are driving less.

More significantly, whatever they are used for, these savings are considerably more likely to stay local than if spent on driving. Almost 85 percent of money expended on cars and gas leaves the local economy—much of it, of course, bound for the pockets of Middle-Eastern princes. A significant amount of the money saved probably goes into housing, since that is a national tendency: families that spend less on transportation spend more on their homes, which is, of course, about as local as you can get.

The housing and driving connection is an important one, and has been the subject of much recent study, especially since transportation costs have skyrocketed. While transportation used to absorb only one tenth of a typical family's budget (1960), it now consumes more than one in five dollars spent. All told, the average American family now spends about $14,000 per year driving multiple cars. A study of 28 different metropolitan areas determined that the typical working family, remarkably, pays more for transportation than for housing.

Jeff Speck, coauthor of the landmark bestseller "Suburban Nation," is a city planner who advocates for smart growth and sustainable design. As the former director of design at the National Endowment for the Arts, he oversaw the Mayors' Institute on City Design, where he worked with dozens of American mayors on their most pressing city planning challenges. He leads a design practice based in Washington, D.C.

This circumstance exists because the typical American working family now lives in suburbia, where the practice of "drive-'til-you-qualify" reigns supreme. Families of limited means move further and further away from city centers in order to find housing that is cheap enough to meet bank lending requirements. Unfortunately, in so doing, they often find that driving costs outweigh any savings, and their total household expenses escalate.

Ten steps toward greater 'walkability'

City planners and elected officials can encourage people to walk by following these steps, as outlined in *Walkable City: How Downtown Can Save America, One Step at a Time*, by Jeff Speck

Step 1: Put Cars in Their Place.
The automobile is a servant that has become a master. For sixty years, it has been the single dominant factor in the shaping of our cities. Relegating the car to its proper role is essential to reclaiming our cities for pedestrians, and doing so requires a fuller understanding of how the car and its minions have unnecessarily distorted the ways that design decisions are made in American communities.

Step 2: Mix the Uses.
For people to choose to walk, the walk must serve some purpose. In planning terms, that goal is achieved through mixed use, or, more accurately, placing the proper balance of the greatest number of uses all within walking distance of each other. While there are exceptions, most downtowns have an imbalance of uses that can be overcome only through a concerted effort to increase housing supply.

Step 3: Get Parking Right.
As Andres Duany puts it, "parking is destiny." It is the not-so-hidden force determining the life or death of many a downtown. Parking requirements and pricing determine the disposition of more urban land nationwide than any other factor, yet, until recently, there was not even any theory on how to use parking to a city's benefit. That theory now exists, and is just beginning to effect policy nationwide.

Step 4: Let Transit Work.
Walkable neighborhoods can thrive in the absence of transit, but walkable cities rely on it utterly. Communities that hope to become the latter must make transit-planning decisions based upon a number of factors that are routinely neglected. These include the often surprising public support for transit investment, the role of transit in the creation of real-estate value, and the importance of design in the success or failure of transit systems.

Step 5: Protect the Pedestrian
This is perhaps the most straightforward of the ten steps, but it also has the most moving parts, including block size, lane width, parking provision, turning motions, curb cuts, direction of flow, signalization, roadway geometry, and a number of other factors that all determine a car's speed and a pedestrian's likelihood of getting hit. Most streets in most American cities get at least half of these things wrong.

Step 6: Welcome Bikes.
Walkable cities are also bikeable cities, because bicycles thrive in environments that support pedestrians, and also because bikeability makes driving less necessary. More and more American cities are making big investments in bicycling, with impressive results.

Step 7: Shape the Spaces.
Perhaps the most counterintuitive discussion in planning, this may be the step that is most often gotten wrong. People enjoy open spaces, long views, and the great outdoors. But people also enjoy, and need, a sense of enclosure to feel comfortable as pedestrians. For this reason, too much green or grey—parks or parking—can cause a would-be walker to stay home. Public spaces are only as good as their edges.

Step 8: Plant Trees.
Like transit, most cities know that trees are good, but few are willing to pay properly for them. This Step attempts to communicate the full value of trees and justify the greater investment that they deserve in almost all American cities.

Step 9: Make Friendly and Unique Faces.
If recent evidence is to be believed, lively inviting streetscapes have three main enemies: parking lots, drug stores, and star architects. All three seem to favor blank walls, repetition, and a disregard for the need of pedestrians to be entertained. City design codes, typically focused on use, bulk, and parking, have only begun to concern themselves with creating active facades that invite walking

Step 10: Pick Your Winners.
With the possible exception of Venice, even the most walkable cities are not universally walkable: there are only so many interesting street edges to go around. As a result, however well designed the streets, certain among them will remain principally automotive. This is as it should be, but cities must make a conscious choice about the size and location of their walkable cores, to avoid squandering walkability resources in areas that will never invite pedestrians. This task may be the most physically simple and politically complex challenge in planning

This phenomenon was documented in 2006, when gasoline averaged $2.86 per gallon. At that time, households in the auto zone were devoting an average of 24 percent of their income to transportation, while those in walkable neighborhoods spent well under half that amount.

No surprise, then, that as gasoline broke $4.00 per gallon and the housing bubble burst, the epicenter of foreclosures occurred at the urban periphery, "places that required families to have a fleet of cars in order to participate in society, draining their mortgage carrying capacity," as Chris Leinberger notes in *Grist*. "Housing prices on the fringe tended to drop at twice the metropolitan average while walkable urban housing tended to maintain their values and are coming back nicely in select markets today."

Not only have city centers fared better than suburbs, but walkable cities have fared better than drivable ones. Catherine Lutz and Anne Fernandez note that "the cities with the largest drops in housing value (such as Las Vegas, down 37 percent) have been the most car-dependent, and the few cities with housing price gains. . . have good transit alternatives."

This is bad news for Orlando and Phoenix, but it's good news for Portland. . . and also for Washington D.C., which continues to benefit from earlier investments in transit. From 2005 to 2009, as the District's population grew by 15,862 people, car registrations fell by almost 15,000 vehicles. (By my estimate, this all occurred on January 20, 2009, when 15,000 Bush appointees were replaced by 30,000 Obama appointees.) The National Building Museum, in its Intelligent Cities Initiative, notes that this reduction in auto use results in as much as $127,275,000 being retained in the local economy each year. And since each car removed from the typical household budget allows that family to afford a $135,000 larger mortgage, it's easy to see why Washington real estate prices have dropped only 20 percent from their peak, while housing beyond the beltway has lost half its value.

Those are the economic benefits of not driving. Are there additional economic benefits of walking, biking, and taking transit instead? The evidence here is a little more scarce, but the indications are positive. Ignoring the health benefits, there is a clear distinction to be made in the category of job creation. Road and highway work, with its big machines and small crews, is notoriously bad at increasing employment. In contrast, the construction of transit, bikeways, and sidewalks performs 60 percent to 100 percent better. A study of Obama's American Recovery and Reinvestment Act concluded that this job-creation program would have created 58,000 more jobs if its road-building funds had gone to transit instead.

How does this translate at the local level? Portland has spent roughly $65 million on bicycle facilities over the past several decades. That is not a lot of money by infrastructure standards—it cost more than $140 million to rebuild just one of the city's freeway interchanges.Yet, in addition to helping to boost the number of bicyclists from near normal to fifteen times the national average, this investment can be expected to have created close to 900 jobs, about 400 more than would have come from spending it on road-building. In a city of half a million, that number is perhaps statistically insignificant—but not if you were one of the 400.

"The Walkable City" in a nutshell

Jeff Speck has dedicated his career to determining what makes cities thrive. And he has boiled it down to one key factor: walkability.

The very idea of a modern metropolis evokes visions of bustling sidewalks, vital mass transit, and a vibrant, pedestrian-friendly urban core. But in the typical American city, the car is still king, and downtown is a place that's easy to drive to but often not worth arriving at.

Making walkability happen is relatively easy and cheap; seeing exactly what needs to be done is the trick. In this essential new book, Speck reveals the invisible workings of the city, how simple decisions have cascading effects, and how we can all make the right choices for our communities.

Attracting youth

But the real Portland story is neither its transportation savings nor its bikeway employment, but something else: young, smart people are moving to Portland in droves. According to Cortright and co-author Carol Coletta:

Over the decade of the 1990s, the number of college-educated 25 to 34 year-olds increased 50 percent in the Portland metropolitan area—five times faster than in the nation as a whole, with the fastest increase in this age group being recorded in the city's close-in neighborhoods.

Portland is now home to more than 1,200 technology companies. Like Seattle and San Francisco, it is one of the places where educated millennials are heading in disproportionate numbers. This phenomenon is what the demographer William Frey has in mind when he says:

A new image of urban America is in the making. What used to be white flight

—CONTINUED ON PAGE 35

Leaders in Sustainability

The Partnership for Sustainable Communities welcomes the following new organizational members, and applauds them for making American communities more environmentally, socially and economically sustainable.

BMI began managing federally assisted housing, expanding over the years, to include conventional housing and commercial developments; however, its specialty continues to be the management of affordable housing. There are more programs than ever for affordable housing to utilize for subsidy, and Barker Management Inc. has stayed abreast of the constant changes. Presently BMI manages properties that include a variety of subsidies from various agencies of programs including United States Department of Housing and Urban Development (HUD), Community, Federal and State Low Income Housing Tax Credits, State Bond Issuers, Federal Home Loan Bank's Affordable Housing program and other state and local funding sources.

With offices throughout California and in Washington D.C., the law firm of **Best Best & Krieger** is a leader in sustainability related legal services. Founded 120 years ago, we know California, federal and state laws and the regulators and stakeholders who implement and influence them. Our multi-disciplinary "Green Team" attorneys have in-depth expertise in green building law, and land use planning, water law, environmental laws including NEPA and CEQA, government relations and contracts for renewable energy and other sustainable projects.

BB&K embraces the pressing need to enhance community sustainability by assisting public and private sector clients in creating and complying with regulatory standards and incentives.

With the support of our visionary clients, **BNIM** is working to redefine the realm of green planning and design. As early pioneers in the arena of sustainable design, BNIM continues to shape the national and global agenda for progressive planning, responsible architecture and design excellence. Established in 1970, the firm has emerged nationally as a leading resource for established methodologies, innovative technologies and cutting-edge research in architecture, planning, landscape and workplace design. BNIM is committed to restorative design, which aims to maximize human potential, productivity and health while increasing the vitality of natural systems.

BRIDGE Housing Corporation, the leading nonprofit developer of affordable housing in California, creates and manages a range of high-quality, affordable homes for working families and seniors. Since it was founded in 1983, BRIDGE has participated in the development of over 14,000 homes serving more than 37,000 Californians. For more information, visit www.bridgehousing.com.

Burbank Housing is a local non-profit organization dedicated to increasing the supply of housing in Sonoma County, so that low-income people of all ages, backgrounds and special needs will have a better opportunity to live in decent and affordable housing.

Camden Property Trust, an S&P 400 Company, is a real estate company engaged in the ownership, development, acquisition, management and disposition of multifamily apartment communities. Camden owns interests in and operates 198 properties containing 67,502 apartment homes across the United States. Upon completion of 8 properties under development, the Company's portfolio will increase to 69,902 apartment homes in 206 properties. Camden was recently named by FORTUNE® Magazine for the fifth consecutive year as one of the "100 Best Companies to Work For" in America, placing 7th on the list.

The Partnership for Sustainable Communities is a nonprofit educational and advocacy organization. We depend on members to advance our mission. For more information, go to www.p4sc.org, or call 415-453-2100 x 303

Organizations that support and work for healthy, successful communities

At the **CDI Group** of Companies, we strive to develop and manage quality affordable housing communities for families, seniors and students. We work with intention and deliver on everything we promise to do. CDI's efforts are directed at serving all income groups, including those with limited resources. CDI recognizes that a fulfilling life includes hope for the future. Accordingly, all of our developments include a supportive services program and enrichment activities for residents wanting to improve their lives. CDI has developed nearly $400 million in housing nationwide in over 103 distinct properties in the US and around the world.
Visit www.cdinet.us to learn more.

CEOs for Cities is a civic innovation lab and network for city progress and success, connecting cross-border, cross-sector, cross-generational civic CEOs and change makers to each other and to smart ideas and practices. We curate ideas by acting as a platform for identifying and elevating the bestideas and emerging trends. We connect leaders, orchestrating compelling andexciting connections within and across cities. Most importantly, we catalyze change by enabling city transformations. We firmly believe that if you want to change the world, you need to start with your city—understanding that small wins can drive big ideas.

Citizens' Housing and Planning Association (CHAPA) is a non-profit umbrella organization for affordable housing and community development activities in Massachusetts. Established in 1967, CHAPA is the only statewide group that represents all interests in the housing field, including non-profit and for-profit developers, municipal officials, local housing providers and advocates, lenders, property managers, architects, consultants, homeowners, tenants, local planners, foundation and government officials, and others. CHAPA pursues its goals through advocacy with local, state, and federal officials; research on affordable housing issues; education and training for organizations and individuals; programs to expand rental and homeownership opportunities; and coalition building..

Churchill Stateside Group (CSG) is a collaboration of the most experienced and respected professionals in affordable housing and renewable energy finance. CSG delivers reliable returns to investors through principled investments in high-quality properties and renewable energy installations and makes deals work for seasoned developers of affordable housing and energy installations nationwide.

CSG's leadership team consists of affordable housing tax credit industry veterans whose collective experience includes direct involvement in the development and syndication of more than $3 billion of federal tax credits over 20 years.
Our expertise covers every aspect of production in multifamily and renewable energy finance and investment.

The Housing Authority of the City of Los Angeles (HACLA) provides the largest stock of affordable housing in Los Angeles and is one of the nation's leading public housing authorities. It is also one of the oldest, providing quality housing options and supportive services to the citizens of Los Angeles since 1938. HACLA will preserve its existing affordable housing supply of 75,400 units and spearhead a collaborative effort to increase the supply of affordable housing in LA by 30,000 units within the next 10 years. HACLA is working to create viable, communities and to empower able residents to achieve financial independence.

City Real Estate Advisors, Inc., ("CREA") is a full service LIHTC Syndicator with tax credit equity financing in excess of $1 billion for 180+ transactions since inception. Formed in 2001, by Jeffrey A. Whiting, CREA is committed to the clients we serve; developers, borrowers and investors alike. CREA was founded on the Real Estate First philosophy that behind every exceptional real estate investment is fundamentally sound real estate. Our team pledges to provide innovative real estate investment solutions by applying our five corporate tenets of Trust, Respect, Integrity, Attitude and Commitment to every facet of our business.

We have expanded nationally, headquartered in Indianapolis, IN with offices in Boston, MA, Austin, TX and Portland, OR.

Clearinghouse CDFI's mission is to provide economic opportunities and improve the quality of life for lower-income individuals and communities through innovative and affordable financing that is

unavailable in the conventional market. Every Clearinghouse CDFI loan benefits the community in a measurable way. To date, the company has funded a total of $925 million in loans to distressed communities, benefiting over 725,000 individuals each year. Clearinghouse CDFI loans have created or retained over 9,000 permanent and construction jobs and developed or rehabilitated 8.6 million square feet. We have been profitable for 12 consecutive years, demonstrating that community development lending can be successful and sustainable.

CPM Housing Group is a family of nonprofit companies with a mission to provide affordable, safe, and sustainable homes for low-income individuals, with a focus on the most vulnerable. Backed by 25 years of experience, the company combines traditional real estate techniques with a social mission, and acts as a full service real estate organization. CPM currently provides housing for more than 3,500 people in over 2,000 units of affordable rental housing with a variety of financing types and populations in Pennsylvania, Washington DC, Maryland, and Delaware.

Community Investment Corporation, Chicagoland's Leading Multifamily Rehab Lender, is a nonprofit providing mortgage financing to buy and rehab apartment buildings with five units or more in the 6-county metropolitan Chicago area. Since 1999 over 9000 landlords and managers have completed CIC property management training to help them better market, manage and maintain affordable rental property. CIC also provides below-market financing for multifamily energy improvements in the Energy Savers program.

Since 1984 CIC has loaned over $1.1 million for acquisition and rehab of over 1900 buildings with 46,000 units. In 2012 CIC received the MacArthur Award for Creative and Effective Institutions.

Concord Energy Strategies, LLC is America's Leading Section 179D Provider working with clients across the United States to help them take advantage of the substantial tax benefits allowed under Section 179D. We work with ESCOs, architects, engineers, building owners, CPA firms, and Fortune 500 corporations across the nation, helping them access the benefits available to them through the Section 179D deduction. Our team of multi-disciplinary professionals are the leaders in the industry, and are available to assist you with your needs wherever you are located.

The **Congress for the New Urbanism (CNU)** is a member-based, advocacy organization promoting walkable, mixed-use neighborhood development, sustainable communities and healthier living conditions. CNU's initiatives advance bipartisan reforms that deliver market-based improvements to the economy, the environment and public health. Initiatives work to remove codes, standards, and financial and tax incentives that act as obstacles to the creation of vibrant, healthy, value-driven and better-performing districts.

Not a CNU member? Join the movement for better performing cities and towns today at www.cnu.org/join

Credit Capital, LLC (CCL) is a real estate investment firm, located in the coastal city of Santa Monica, California, that specializes in property investments located throughout the United States. We focus on sponsoring affordable housing investments, including transactions that use the Section 42 federal Low Income Housing Tax Credit (LIHTC) and the federal Historic Tax Credit (HTC). We are also experienced with various state housing, donation, and historic tax credits.

Dominion Due Diligence Group (D3G), is headquartered in Richmond, Virginia. D3G, established in 1994 by Robert E. Hazelton, provides full-service environmental and engineering real estate due diligence nationwide. D3G's third party reporting is used for HUD-FHA, Fannie Mae, Freddie Mac, conventional lending and property transactions. D3G's services focus on affordable housing, elderly care facilities and historical rehabilitations. D3G is currently the largest due-diligence consulting firm in the nation specializing in HUD-insured commercial loans for multifamily and elderly care housing. Our services include: Capital Needs Assessments, Environmental Site Assessments, Energy Audits, as well as Architectural Review and Cost Estimations.

EAH Housing is one of the oldest and most respected nonprofit affordable housing developers and managers in the western United States with 102

properties in 50 municipalities and 15 counties throughout California and Hawaii. EAH manages 9,300 units, serving over 20,000 families, seniors, and persons with disabilities. The organization has been awarded numerous local, state and national commendations and has been recognized by the California Sustainability Alliance for green accomplishments. EAH developed the largest solar-powered multifamily affordable housing community in the country, Crescent Park Apartments in Richmond, CA, and the first LEED-certified apartment community in Marin County, Drake's Way, in Larkspur, CA.

The mission of **Eden Housing** is to build and maintain high quality, well-managed, service-enhanced affordable housing communities that meet the needs of lower income families, seniors, and persons with disabilities. Since 1968, more than 60,000 people have come home to an Eden Housing community. We have developed or acquired more than 6,600 affordable housing units at 91 properties throughout California. Eden Housing provides professional property management services to more than 4,600 affordable apartments. In addition, we provide a range of supportive services and training programs to meet the needs of our diverse resident population.

Enterprise's mission is to create opportunity for low- and moderate income people through affordable housing in diverse, thriving communities. Since 1982, Enterprise has raised and invested more than $11.5 billion to help build or preserve nearly 300,000 homes nationwide. Enterprise Green Communities emerged to bring the benefits of green building to all housing. More than 51 percent of all homes financed with support from Enterprise meet the Enterprise Green Communities Criteria, the national framework for green affordable housing. Enterprise is committed to 2020Green, a call to action to ensure all housing has the opportunity to benefit from green practices by 2020.

Forest City Enterprises, Inc. is an owner, developer and manager of a diverse portfolio of premier real estate property located throughout the United States. Forest City operates under three strategic business units:

- The Commercial Group is Forest City's largest business unit - with 96 retail, office, arena, hotel and mixed-use properties.
- The Residential Group owns and/or manages rental units in urban and suburban apartment communities, adaptive re-use, supported living properties and military housing.
- The Land Development Group works with major corporations and individual landowners in developing master-planned communities and land for residential, commercial and industrial use.

Gateway Planning provides town design, implementation and economic development services to both public- and private-sector clients. We work with communities, local governments, state agencies, universities and developers to facilitate growth in mixed-use, pedestrian-friendly patterns. We focus on mixing of housing types, neighborhood retail, pocket parks, community schools, great civic spaces and transportation choice, integrated by streets designed for both cars and people.

Through master plans for downtowns, urban cores, neighborhoods, universities and fast-growing suburban growth corridors, we bring plans to life with form-based urban codes that both elevate quality of life and harness the market's ability to deliver profitable, sustainable neighborhoods.

Gubb & Barshay LLP, established by Natalie Gubb and Scott Barshay in 1993, is widely-known as one of the top law firms specializing in the field of affordable housing. Based in San Francisco, California, the firm is recognized nationally for its expertise in the low income housing tax credit program and in other affordable housing finance programs.

With a portfolio exceeding 27,000 units located in some 275 communities nationwide, Gardena, Calif.-based **Highridge Costa** companies are among America's leading developers, asset managers, financiers, owners and operators of affordable workforce and senior apartment communities. The group consists of Highridge Costa Housing Partners, LLC and Highridge Costa Investors, LLC.

HCHP/HCI have been leading the way in creating housing that makes a difference in the lives not only of its residents, but also the communities in which they live, since 1994. Our commitment is to deliver attractive, award-winning communities that are indistinguishable from market-rate apartments and which serve larger social needs as well, helping reinvigorate

neighborhoods in decline. The company is also dedicated to creating sustainable communities through the use of green building materials, high-efficiency fixtures, and the installation of photovoltaic cell arrays at a number of locations.To learn more, visit the company's website, www.housingpartners.com.

Integratec

Integratec provides asset management and investor reporting software and outsourced data processing services. Our 45+ clients include affordable housing (LIHTC) investors and syndicators, multifamily lenders, private equity real estate funds, and developers. Dedicated Integratec client service teams work closely with each client to provide day-to-day software and operational support.

Our software and services support the asset management of more than 10,000 investment partnerships and 600 fund investments. Integratec has proven – since 2002 – to make our clients' real estate talent as effective and efficient as possible. Please visit www.integratec.biz for more information.

JB Partners Group, Inc

Since 1997, **JB Partners Group**, Inc. has provided high quality and affordable housing throughout the Los Angeles area. We believe our long-term success is a result of our strong personal relationships with our residents, vendors, and the greater community. JB Partners enhances communities that have been under managed and underutilized giving the residents what we feel is the best residence, for their hard earned dollar. Each building is maintained both inside and out. From our beautifully painted interiors to our well preserved grounds and exteriors, specifics are given thought and consideration.

LARAMAR

Founded in 1989, **Laramar** has specialized in multifamily and mixed use properties throughout our entire company history. Our portfolio consists of approximately 40,000 apartment units nationwide. We have a presence in 28 major markets from coast to coast, with corporate offices in Chicago, Denver and San Francisco, and regional offices in each of our markets. We have approximately 900 employees between corporate and the field. Laramar has grown from a small real estate investment company to a vertically integrated and distinguished national investment and property management corporation with a multi-billion dollar portfolio.

LINCOLN INSTITUTE OF LAND POLICY

The Lincoln Institute of Land Policy is a leading resource for key issues concerning the use, regulation, and taxation of land. Providing high-quality education and research, the Institute strives to improve public dialogue and decisions about land policy. As a private operating foundation whose origins date to 1946, the Institute seeks to inform decision making through education, research, policy evaluation, demonstration projects,and the dissemination of information, policy analysis, and data through our publications, Web site, and other media. By bringing together scholars,practitioners, public officials, policy makers, journalists, and involved citizens, the Lincoln Institute integrates theory and practice and provides a non partisan forum for multidisciplinary perspectives on public policy concerning land, both in the U.S.and internationally.

McCormack Baron Salazar

McCormack Baron Salazar is the nation's leading for-profit developer of economically integrated urban neighborhoods. The company's communities are known for offering quality, affordable housing and fostering economic opportunities for residents and neighborhoods. Since 1973, McCormack Baron Salazar has been a pioneer in community development and urban revitalization, with over $2.5 billion invested in 149 projects in 36 cities and more than 16,000 units of attractive, high quality housing in urban areas.

MidPen HOUSING

It is the mission of **MidPen Housing** to provide safe, affordable housing of high quality to those in need; to establish stability and opportunity in the lives of residents; and to foster diverse communities that allow people from all ethnic, social, and economic backgrounds to live in dignity, harmony and mutual respect. Since 1970, MidPen has developed and professionally managed over 6,900 homes for low-income families, seniors and those with special needs. With offices in Foster City and Watsonville, MidPen works in 10 Northern California counties.

NAHMA

NAHMA is the leading voice for affordable housing management, advocating on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing. NAHMA's mission is to support legislative and regulatory policy that promotes the development and preservation of decent and safe affordable housing. NAHMA serves as a vital resource for technical education and information, fosters strategic relations between government and industry, and recognizes those who exemplify the best in affordable housing. NAHMA is the voice in Washington for some 20 regional, state and local affordable housing management associations (AHMAs) nationwide.

National Affordable Housing Trust is a non-profit organization dedicated to the creation and preservation of quality affordable housing throughout the United States for elderly persons, families, persons with disabilities, and all others in need. Based in Columbus, Ohio, with offices in cities throughout the country, NAHT is a specialized financial intermediary and consulting firm that provides equity, grants and loans, in addition to development, asset management, and financial advisory services, for the creation and preservation of affordable housing. We are affiliated with five of the nation's largest, non-profit affordable housing owners.

The National Leased Housing Association (NLHA) is a national organization dedicated to the provision and maintenance of affordable rental housing for all Americans. NLHA is a vital and effective advocate for nearly 500 member organizations, including developers, owners, managers, public housing authorities, non-profit sponsors and syndicators involved in government related rental housing.

The Non-Profit Housing Association of Northern California (NPH) is the collective voice of those who support, build and finance affordable housing. NPH promotes the proven methods of the non-profit sector and focuses government policy on housing solutions for lower income people who suffer disproportionately from the housing crisis. Founded in 1979, the mission of NPH is to advance affordable housing as the foundation for thriving individuals, families and neighborhoods. Through NPH, the affordable housing field amplifies its voice to promote innovative housing solutions at the local, state, and federal level.

The Ohio Capital Corporation for Housing (OCCH) is a nonprofit financial intermediary based in Columbus, Ohio. Originally created by the Ohio Housing Finance Agency in 1989, OCCH is now an independent nonprofit organization with its own board of directors. Its mission is "to cause the construction, rehabilitation, and preservation of affordable housing in Ohio."

OCCH's core activity is raising private capital from corporations for investment in affordable housing developments in Ohio and Kentucky utilizing the Low-Income Housing Tax Credit Program. As a "syndicator" of these tax credit transactions, OCCH performs long-term asset management and related activities for its investors, developers, and property managers. OCCH has raised over $2.25 billion in capital and invested in over 27,500 units.

Founded in 1998, **Pacific Urban Residential ('PUR')** is an industry-leading West Coast apartment investor. Since its inception PUR has acquired over $2.5 billion dollars of multifamily assets. Today, PUR owns and operates nearly 7,000 apartments providing homes for nearly 14,000 residents in four major west coast markets. PUR is headquartered in Northern California in the City of Palo Alto, the diverse, job centric heart of Silicon Valley. Additionally, PUR has investment offices in Seattle, Washington, Los Angeles and Irvine, California.

Pacific Urban Residential is dedicated to implementing and maintaining sustainable best practices that lower operating costs, create value, and preserve the environment for future generations.

A healthy community begins at home. **REACH**'s mission is to provide quality, affordable housing for individuals, families and communities to thrive. Since 1982, REACH has pioneered affordable housing and supportive programs that address complex challenges facing communities. REACH has gained local, state and national acclaim for innovation and responsiveness to difficult urban issues. Our portfolio of over 1,400 units includes new and renovated plexes, apartment buildings and mixed-use developments are across the Portland metropolitan area. REACH also offers a comprehensive Resident Services Program, as well as the Community Builders Program, a free home repair service available to senior and disabled homeowners, as well as families suffering from home environmental health hazards. More info at http://reachcdc.org

Reliance's mission is to develop sustainable and diverse communities by building high quality affordable housing, revitalizing neighborhoods and responding to community needs. Our business model focuses on opportunities to develop exemplary multifamily housing in areas that suffer from a large disparity between incomes and housing costs. When evaluating our Return on Investment, we consider economic reward with social and environmental benefit.

Seattle-based **Runberg Architecture**

Group specializes in urban mixed-use, senior housing and assisted living, affordable housing and adaptive reuse and historic preservation projects. For more than 14 years, the firm has designed award-winning projects throughout the West Coast, totaling more than 10,000 housing units and representing over $1 billion in construction. The firm¹s passion for appropriate housing for all and historic preservation are evident in the studio's body of work. Runberg Architecture Group stands by the philosophy that the quality of life is highest in places where social, economic and environmental interests are in balance.

SARES•REGIS Group of Irvine, Calif., is one of the leading developers and managers of commercial and residential real estate in the western United States. SARES•REGIS Group has a combined portfolio of property and fee-based assets under management valued at more than $4 billion, including 15 million square feet of commercial and industrial space and more than 13,000 rental apartments. Since its inception, the company has acquired or developed approximately 44 million square feet of commercial properties and 20,000 multifamily and residential housing units.

Seven Generations Ahead (SGA) is a 10-year old non-profit organization based in the Chicago metro area whose mission is to promote ecologically sustainable and healthy communities. SGA works with local government, community, and private sector leaders to help communities make the changes they need to create a healthy and sustainable future. Through the facilitation of local community, multi-stakeholder sustainability planning and implementation, regional educational conferences and forums, and zero waste and farm to school programming and operations consulting, SGA is a catalyst for local community solutions to global environmental issues. SGA's work covers a broad range of sustainability topic areas, including: energy efficiency and renewable energy; transportation; community development; waste reduction; water conservation; green business development; local, sustainable food; open space and ecosystem enhancement; and sustainability education.

Stewards of Affordable Housing for the Future (SAHF) is a 501(c)(3) collaboration of twelve social enterprise nonprofits. SAHF's members provide high quality, affordable rental homes for over 96,000 households in 49 states, the District of Columbia, Puerto Rico, and the Virgin Islands. SAHF sees affordable rental housing as a platform for families with children, seniors, persons with disabilities, and the formerly homeless to improve their lives.

Sustainable Technologies Group provides a comprehensive approach to saving energy and reducing operating costs for existing structures. STG assists property owners with basic energy efficiency improvements to their building envelope while also reducing energy use through replacing inefficient heating and cooling equipment and reducing water use as well as integrating alternative energy sources such as Photo-voltaic or fuel cell technologies. Sustainable Technologies Group concentrates on adding value to multifamily properties and bringing the benefits to the bottom line through implementation. It offers comprehensive services to its clients on a consulting and implementation basis designed to identify opportunities to cut costs and increase returns while providing expertise as it relates to new technologies and implementation. STG measures estimated benefits as compared to net costs, and implement ways in which they may be "capitalized". It will identify and bring subsidies/rebates and financing sources to the table and help structure partnerships in such a way so as to bring benefits to the bottom line.

Since 1981, **TNDC**'s mission has been to provide safe, affordable housing with support services to low-income people in the Tenderloin community and to be a leader in making the neighborhood a better place to live. With 30 buildings in several San Francisco neighborhoods, TNDC provides homes and support services to over 3,000 low-income seniors, families, people with disabilities, emancipated youth and formerly homeless individuals. Support services include 25 on-site social workers, the free TNDC Tenderloin After-School Program, and a Community Organizing program to encourage residents to get involved in making positive change in their neighborhoods. For more information visit www.tndc.org

Trammell Crow Company, founded in 1948, is one of the nation's leading developers and investors in commercial real estate. The company has developed or acquired over 525 million square feet totaling over $55 billion in value. Trammell Crow Company's teams are dedicated to building value for its clients through creative solutions and highly skilled, locally connected professionals in approximately 15 major cities in the U.S. and in Canada. Trammell Crow Company serves users of and investors in, office, industrial, retail, healthcare, multi-family residential and mixed use projects.

Urban Housing Communities LLC, a partner of Bank of America Community Development Corporation and Morgan Stanley, was formed in 2003 by Douglas, John and David Bigley with the aim of creating livable, sustainable, affordable housing developments that serve distinct purposes in communities. Our credentials include executive management experience at for-profit and not-for-profit organizations such as SunAmerica, ASL Housing, CalFed, Heritage Community Housing, J. Paul Getty Trust and University of Notre Dame. We draw on this experience to examine the desired objectives of each stakeholder when planning our communities, and work to ensure we meet the goals of our civic, financial and not-for-profit partners.

USA Properties Fund, Inc. (USA), a California corporation, is a privately owned real estate development organization specializing in the creation of outstanding senior and family communities. Founded in 1981 and headquartered in Roseville, California, USA provides a full range of capabilities for community development, including financing, development, construction services, rehabilitation and property management. Our values, leadership and team structure reflect our success with the development/construction and acquisition/rehabilitation of over 11,000 units of family and senior apartments in over 82 communities throughout California and Nevada.

Verizon Enhanced Communities is Verizon's business unit dedicated to serving the residents of multifamily properties with Verizon FiOS Internet, TV and phone services over the award-winning Verizon FiOS all-fiber-optic network. Only Verizon's network has the bandwidth to support the latest technologies today and those to come. Verizon offers a wide variety of programs benefiting property owners and unique services to enhance any community, differentiating it from a property without FiOS services. Learn how your property can get an upgrade and benefit from the value of having an all-fiber-optic network at www.verizon.com/communities.

VGI Energy Solutions promotes sustainable development solutions that deliver social, environmental & economic returns. By sustainable, we mean the ability to meet the needs of the present without compromising the ability of future generations to meet their own needs. Through our commitment, leadership, and relationships, we engage in the acquisition, development, ownership and operational evaluation and integration of renewable energy and energy efficient solutions.

Since 1896, **Volunteers of America** has believed that a safe and affordable home is the foundation for self-sufficiency. Our nationwide portfolio includes large urban complexes and small rural developments, ranging from emergency shelter and transitional housing to permanent housing for seniors, families and special needs individuals, many who are among our most vulnerable citizens.

Visit www.VolunteersofAmerica.org to learn more about our housing initiatives and expertise.

Housing and Transport Costs Continue to Bleed Middle Income Families

Focusing on moderate-income households, a new report by the Center for Housing Policy called Losing Ground links housing with transportation costs in 25 major American cities. It found that since 2000, the combined costs in these cities have gone up by 44 percent. Incomes, however, have not kept up.

The report offers an in-depth study of the challenges American families confront as housing and transportation costs continue to eat into their incomes.

In order to get a sense of the true "costs of place," Center for Housing Policy Executive Director, and co-author of the study, Jeffrey Lubell believes housing and transportation costs must be examined together.

One example is moderate-income households in the Miami metro area: the study shows that this group has the highest combined costs, spending an average of 72 percent of income on housing and transportation.

Read the full report here.

Financing Energy Improvements With Tax Incentives

By Margaret Moore
Capital Review Group, an EnOcean Alliance Member

Commercial building and facility owners today are investigating a wide variety of ways to cut energy usage and costs. Many of them are using significant tax incentives to help pay for them. This article is intended to help building owners understand one of the most important of those incentives.

Section §179D of the Energy Policy Act of 2005 includes full and partial tax deductions for investments in energy-efficient commercial buildings that are designed to increase the efficiency of energy-consuming functions. A building owner or a tenant/lessee who has paid for energy efficient construction or improvement projects may be eligible for a tax deduction of up to $1.80 per square foot for improving the energy efficiency of their existing commercial buildings or designing and integrating high efficiency into new buildings. For government owned buildings, the person primarily responsible for designing the building or project may be able to claim the deduction. These deductions are applicable to buildings that were either built or retrofitted after Dec. 31, 2005.

To qualify for the full deduction, a building owner or tenant must make investments designed to reduce energy costs by 50% or more compared to an IRS predetermined baseline. A partial deduction of $.60 per square foot is available for investments in one of three subsystems – lighting, heating and cooling; or building envelope – designed to reduce energy costs by 16-2/3% (one third of the 50% requirement). There are several alternative ways to qualify for the partial deduction.

Faced with a list of building components that may each potentially provide tax and energy savings, it makes sense for building owners to use a whole-building (integrated) design to build or make improvements. This approach analyzes the way a building's systems complement and work together, rather than segregating the components to make improvements individually. Whole-building integration results in a more efficient design maximizing energy efficiency and minimizing the building's impact on the environment.

Investing in wireless technology for operating and tax savings is a smart strategy, but facility owners may be concerned by the upfront cost.As energy efficient system improvements are considered, the owner is faced with the choice of coming up with the required capital or continuing to face increased operating costs and future repairs.

The ROI/SPP (Simple Pay-back Period) on occupancy-based HVAC and lighting control and monitoring systems based on energy harvesting wireless technology may be less than 18 months or up to 3 years, but the equipment will perform more reliably, provide a better environment and lower operating costs both short- and long-term.

Most business owners will assume that funding for energy efficient upgrades must come from dipping into their equity in the facility, or from an outside funding source such as a bank loan. However, one alternative strategy that may be initiated to fund energy efficiency projects is to significantly lower the business or building owner's tax burden through 179D deductions.

Margaret (Marky) Moore is CEO of Capital Review Group, which specializes in helping commercial property owners and contractors/architects to find tax incentives in building or renovation projects. Capital Review Group is affiliated with EnOcean Alliance. EnOcean Alliance innovations such as energy harvesting lighting devices, architectural controls, dimmers, occupancy sensors, photo-sensors, relay panels and timer switches form the foundation of a whole-building automation system that is an important part of an effective energy efficiency plan. The solution's basis is the EnOcean energy harvesting wireless technology, which requires neither cables nor batteries. The modules generate the energy needed for transmitting a wireless signal from the surrounding environment – from motion, indoor light or temperature differences. Products, such as the recently unveiled Adura EnOcean Receiver, apply advanced technology to make whole-building design and control even easier. This new technology allows a networked lighting control system to integrate with EnOcean occupancy sensors and switches throughout the facility. ❧

CEOs for Cities

Innovative ideas showcased at conference on urban issues

BOSTON—Speakers at the fall conference of CEOs for Cities emphasized the importance of knowledge, an educated labor force and collaborative efforts to encourage innovation and business start-ups.

CEOs for Cities President Lee Fisher tied together a variety of high-level presentations from a combination of mayors and top-level scholars under the theme "City of Ideas."

One of the critical lessons was that successful cities no longer follow the maxim that people go where the jobs are. They are guided by the principle that people go to cities that are attractive to them, and the jobs follow. In other words, the most successful cities, including Boston, have worked hard to appeal to the young, well-educated workers that today's growth businesses want to employ.

Other speakers emphasized the importance of using modern technology to measure and monitor metrics of a city's performance. Again, the city of Boston is in the lead in using detailed metrics to find solutions to problems and increase awareness of dynamics that are not well understood.

▲ **Kairos Shen, Director of Planning, City of Boston**

▲ **Paul Grogan, CEO of The Boston Foundation**

CEOs for Cities was the brainchild of Paul Grogan, a long-time leader in housing and urban revitalization, and currently CEO of The Boston Foundation.

Grogan founded the organization to fight for the nation's cities in a way that reflected the public-private partnerships that emerged for community development in the 1970s and gained momentum in the 80s.

"We needed a new national urban organization that reflected what was happening in cities, to reflect the local partnerships that were driving urban revival," he said.

Grogan wrote about many of the cities that fought back from the decline of the 60s in a book titled "Comeback Cities: A Blueprint For Urban Neighborhood Revival," which was published in 2001.

PHOTOS: TARA STURM, CEOS FOR CITIES

▲ **Lee Fisher kicks off CEOs for Cities conference in Boston**

CEOs for cities was seen as an alternative to traditional urban advocacy groups, which adhered to the old model of asking for federal financial assistance through prescriptive programs for urban development.

Grogan helped organize the CEOs for Cities conference in Boston and assisted with moderating duties.

Asked what he considered the group's most impressive achievement, Grogan said it is the City Dividends project. This research shows the value to cities of increasing such things as the rate of college completion or reduction of vehicle miles travelled even by small percentages.

City Dividends calculates the monetary gains the top 51 metros could realize if they increase their college attainment

▲ **Experts on one of the panels at the CEOs for Cities conference**

by one percentage point (The Talent Dividend), reduce VMT by 1 mile per person per day (The Green Dividend) and reduce the number of people in poverty (The Opportunity Dividend) by one percentage point.

City Dividends is designed to help urban leaders make the case for pubic policies that will help raise incomes, encourage citizens to drive less and increase opportunities for bringing people out of poverty. City Dividends establishes a framework for examining the policies, actions and conditions that are needed for cities to actually realize these gains in practice.

▲ **Carlo Ratti, Director, SENSEable City Laboratory, a new research initiative at the Massachusetts Institute of Technology**

"It shows there is a financial benefit to cities to push for these things. It helps people get a handle on things where the benefits are not readily identifiable," Grogan said.

Another organizational achievement is the encouragement of groups of officials from the same city to participate as a cluster in the group's events, Grogan said. "It amplifies the power to be influential and plant ideas, when people from the same town go to meetings together. It reflects how things are getting done." ❧

Which cities will succeed?

Data compilation by CEOs for Cities points to likely winners

By Alexander Cartwright

Data is everything in today's battle among cities to be successful, green, and attractive to businesses with jobs to offer and taxes to pay. One of the best compilations of data is City Vitals from CEOs for cities, not just because it contains a lot of good information but mostly because it puts it in a clear, understandable context.

The material is in a book titled "City Vitals 2.0: Benchmarking City Performance" by Joe Cortright, senior policy advisor at CEOS for Cities, Impresa, Inc.

In the report, Cortright benchmarks city performance in the four areas most vital to success: Connections, Innovation, Talent, and Your distinctiveness. Connectedness of a city has to do with behaviors like voting, community involvement, economic integration, transit use, walkability, international students, and internet connectivity.

Innovation is measured by things like the number of patents, venture capital activity, entrepreneurship, and small business success. Talent is measured by the percentage of college graduates, the number of creative professionals, and other factors.

San Jose, California

PHOTO: WIKIMEDIA COMMONS

The most unusual item in CEOs list of what makes a city successful is distinctiveness, which includes something CEOs calls "the weirdness factor." It's best to just quote City Vitals directly: "The unique characteristics of place may be the only truly defensible source of competitive advantage for regions. In a world of global competition, a strategy of 'pretty much the same, maybe cheaper' is a recipe for mediocrity and economic stagnation."

The fact that CEOs tried to quantify this characteristic is impressive. It's not the sort of thing that lends itself to measuring and I've yet to see anyone else suggest how to do so. CEOs candidly admits that its measures of distinctiveness are inherently incomplete. "Every city has its own unique characteristics for which there are few, if any, statistics," the report says. CEOs is basically giving people a starting point to think about this dimension of city life.

Among the measures of distinctiveness are the ratio of persons that reported attending a culture event in the past year to the number of households with high definition televisions, the variety of restaurants in the city, and the variety of internet searches undertaken.

The report also introduces the concept of core measures of vitality, which look at income, poverty and college attainment within the urban core vs. the entire city. CEOs believes this is a better way to compare city to city performance.

> **"The unique characteristics of place may be the only truly defensible source of competitive advantage for regions. In a world of global competition, a strategy of 'pretty much the same, maybe cheaper' is a recipe for mediocrity and economic stagnation."**

So, you are probably wondering where specific cities stack up in terms of these metrics. To get the full report, click here.

But here's a preview on a few key measurements, including the top five cities in each category.

Voting: Measured by the number of votes cast in the November 2008 presidential election divided by the voting age population of the metropolitan area, 2008. The highest scoring cities are:

- Minneapolis-St. Paul-Bloomington, MN-WI
- Milwaukee-Waukesha-West Allis, WI
- Raleigh-Cary, NC
- St. Louis, MO-IL
- Jacksonville, FL

These cities had scores of 68 to 76 percent. The mean is 60 percent.

GHG emissions highest in midwest

The City Vitals report also ranks cities according to per capita GHG emissions in 2008. While you might expect Los Angeles to be at the top of the list, it's not. Los Angeles is at the bottom.

- Cincinnati-Middletown, OH-KY-IN
- Louisville-Jefferson County, KY-IN
- Nashville-Davidson-Murfreesboro-Franklin, TN
- St. Louis, MO-IL

These cities had per capita emissions of 3.2 to 3.4 tons.

At the bottom of the list were the New York, LA, Seattle, San Jose and Portland metro areas. The mean for all areas is 2.4 tons of carbon emissions per person per year.

Innovative City; Measured by the number of patents issued per 10,000 employees, 2009. The highest scoring cities are:

- San Jose-Sunnyvale-Santa Clara, CA
- Austin-Round Rock, TX
- San Francisco-Oakland-Fremont, CA
- Seattle-Tacoma-Bellevue, WA
- Rochester, NY

These cities had 22 to 83 patents. The mean is 8.8.

Talented City: Measured by the percentage of the metropolitan population 25 years old or older that have completed a four-year college degree, 2010. The highest scoring cities are:

- Washington-Arlington-Alexandria, DC-VA-MD-WV
- San Jose-Sunnyvale-Santa Clara, CA
- San Francisco-Oakland-Fremont, CA
- Boston-Cambridge-Quincy, MA-NH
- Raleigh-Cary, NC

These cities had scores of 41 to 47 percent. The mean is 31.6 percent.

Your Distinctive City: The "weirdness index" is defined as the average of the extent to which the metropolitan area's ten most distinctive consumer behaviors exceed the national norm for each behavior, 2008. The highest scoring cities are:

- San Jose-Sunnyvale-Santa Clara, CA
- San Francisco-Oakland-Fremont, CA
- Salt Lake City, UT
- Denver-Aurora-Broomfield, CO
- Miami-Fort Lauderdale-Pompano Beach, FL

These cities had scores of 6 to 9.1. The mean is 3.4. ❧

Boston's Innovation Renaissance

New jobs, more housing drive resurgent economy

By Andre Shashaty

Boston–If you come to this city on Massachusetts Bay from almost any other metropolis, you will see something that seems to belong to a previous era: construction cranes and men in hard hats.

Construction is happening all over town, but especially in the new South Boston waterfront and the Innovation District that is part of it.

The city has made excellent progress on several very long-term development efforts that are improving transportation, solving a housing shortage and protecting the environment.

It has been four years since the city started to enjoy the fruits of a huge transportation project known as the Big Dig.

Like the dig, the redevelopment of the South Boston waterfront has taken many years and sometimes it seemed like it was stalled. But now it too is bearing fruit in the form of jobs and new housing for the young workers taking those jobs.

"Boston has outperformed the nations and its counterparts with higher growth, lower unemployment and greater housing stability," according to The Boston Indicators Report 2012, from The Boston Foundation.

From the depth of the recession in 2009 through 2010, the metro Boston economy grew by 4.8%, the highest rate among all US metros, the foundation reported.

Strong leadership

It's no coincidence that Boston also has continuity of leadership, a hallmark of America's most successful cities. Thomas Menino has been mayor since 1993, and is well known for his detailed involvement in every aspect of city government.

"Boston is booming," said Mitch Weiss, chief of staff to Menino.

The heart of the economic action is the South Boston waterfront, and the cutting edge of that transformation is the 1,000 acres that constitutes the city's Innovation District. Weiss said that when Menino established the district, he had three goals:

- To attract jobs, not by targeting specific industries but by seeking to attract entrepreneurs and innovators in a range of industries.
- To have housing, to make the district a neighborhood, including small units affordable to young people working for entry level salaries.
- To create a social infrastructure that would help the city

PHOTOGRAPHY BY WWW.LESVANTS.COM

▲ Wide view of Boston from the water shows the financial district in the center and the South Boston waterfront on the far left side. Aerial photo above shows a very early phase of construction on the "new" waterfront, with the convention center in the middle.

win the "war for talent," a goal that recognizes that social relationships are seen as a key business asset.

Part of the mayor's plan was to create an attractive and reasonably priced place for companies that wanted to tap the regional crop of smart college grads but were getting priced out of the existing centers like Kendall Square in Cambridge, near MIT. His vision is paying off, and the progress in the district has been accelerating quickly in the last two years. "There is a real sense of excitement about it. For a long time, development of the South Boston waterfront was moving slowly. Now it feels like a tipping point has been reached," said Paul Grogan, CEO of The Boston Foundation.

With some 100 acres of open land on the Boston Harbor and within walking distance from the financial district, the South Boston waterfront is catching the attention of private developers.

Among the first projects were the Boston Convention & Exhibition Center and the Institute of Contemporary Art. They were followed by a number of hotels and a major corpo-

Rendering of buildings on Fan Pier, some of which are completed. One structure houses MassChallenge, a business incubator that is helping start-ups with a range of support services.

▲ **Rendering of development getting underway on Pier 4**

rate headquarters building. Much more private development is now underway.

New projects include two buildings totaling over 1.1 million square feet for Vertex Pharmaceuticals. Another is a mixed-use complex on Pier 4 by master developer New England Development.

One of the biggest developments planned for the area is a 6.3 million square foot new urban neighborhood called Seaport Square. It will take up 23 acres and include 2.6 million sq. ft. of residences. The project is a partnership of Boston Global Investors and Morgan Stanley. The first construction is underway, for the 12,000-square-foot, $5.5 million Boston Innovation Center. It is designed as a place for entrepreneurs and venture capitalists to gather.

Pier 4 is a mixed-use project on the South Boston Waterfront that will include approximately 1 million square feet of hotel, residential, office, retail and civic uses on approximately 9.5 acres (including about 4 acres of water).

The Hanover Company of Houston broke ground this fall on rental apartments in a 21-story tower as the first phase of development at Pier 4.

"The city is a tremendous magnet for the educated young people everyone is seeking to employ. Boston has made itself into an incredibly vital urban place, and young people are flocking here," said Grogan.

As of November, 2012, 100 firms have located in the district and 3,000 new jobs have been created.

Housing is extremely important to the economic vitality of Boston, and Menino and his staff have made it a high policy priority overall, and especially for the Innovation District.

"People have come to understand, if you want 24/7 urban

Hiding the cars, and replacing some of them

The Rose Fitzgerald Kennedy Greenway is a roughly 1.5-mile-long series of parks and public spaces in downtown Boston that takes the place of the elevated freeway that served as the main highway through downtown for more than 40 years. That highway (Interstate 93) was rerouted into a tunnel in an arduous construction project known locally as the "big dig." If you haven't been to Boston since the project was completed, you will be amazed. Together with the proliferation of bike sharing stations, the city is nowhere near as automobile-centric as it used to be. Even the drivers seem to be a little a bit less aggressive, if you can believe it.

vitality, you've got to have housing. There has been an acceptance of mixed use. People recognize that for it to work, you need people there. Density has captured the day," said Grogan.

The problem is the high cost of housing in the city. Grogan said the economic downturn has magnified the problem because home prices and rents in Boston have not declined as much as they have in other cities.

To address the need for housing affordable to workers at entry-level salaries, the city is encouraging developers to build projects with studio apartments as small as 350 sq. ft. They are calling these "micro apartments," and there are two projects under construction that include them.

▲ **Rendering of apartment project at 319 A Street in the Innovation District**

The buildings will have common areas that will allow residents to dine, work, and socialize outside their individual units. Many other amenities will be available within a short walk.

The Portland, Ore, developer Gerding Edlen broke ground on its first project in Boston at 319 A Street Rear. The 202-unit apartment building will be the first high rise project in Boston's historic Fort Point neighborhood, bridging the neighborhood's past with a recent influx of modern office and residential buildings nearby. The towers will include 22 affordable units and a large number of micro units.

The developer's second project, 63 Melcher, is an existing 6-story warehouse originally built in 1908 that is being preserved and redeveloped into a highly sustainable apartment project with anticipated LEED Gold certification. The property is located in the Fort Point Channel historic district of South Boston.

The housing in the Innovation District is mostly market rate. However, when it comes to low-income housing, Boston has done well. The Homeless Census in 2010 showed a decline of 30% over five years thanks to development of housing with supportive services. (One example of the ongoing achievements of the city's affordable housing developers is the redevelopment of Jackson Square, which is covered in this issue.). ❧

Tom Menino's vision for Boston's "new waterfront"

Tom Menino

"A new approach is called for on the waterfront – one that is both more deliberate and more experimental. Together, we should develop these thousand acres into a hub for knowledge workers and creative jobs. We'll define innovation clusters – in green, biotech and health care, web development, and other industries. And there, we'll experiment with alternative housing models. We will test new ideas that provide live/work opportunities to entrepreneurs and affordable co-housing for researchers. We'll give architects and developers the challenge to experiment with new designs, new floor plans, and new materials. Our mandate to all will be to invent a 21st century district that meets the needs of the innovators who live and work in Boston – to create a job magnet, an urban lab on our shore, and to harvest its lessons for the city."

BOSTON'S ENVIRONMENTAL GOALS:

New chief calls for climate change preparedness

BOSTON–The leaders of this city know better than most just how central a role a healthy environment plays in ensuring prosperity. Cleaning up the polluted harbor was critical to the city's recent economic development successes. Now, confronting the threat of climate change is equally important.

With that in mind, the city adopted an ambitious greenhouse gas reduction goal, and has a powerful environmental cabinet to help achieve it.

As the recently appointed Chief of Environment and Energy, Brian Swett oversees several city agencies including the Inspectional Services Department, the Environment Department, Parks Planning, and recycling. This includes tasks like building inspections and permits and even the appeals function for zoning decisions.

Climate action plan

Two key components of the battle to control GHG emissions are the city's Climate Action Plan and the Boston Green Ribbon Commission, a group of business, institutional and civic leaders in Boston working to develop shared strategies for fighting climate change.

The main goal of the climate action plan is to reduce community greenhouse gas emissions 25% by 2020 and 80% by 2050. It also calls for incorporating projected climate change into all formal planning and project review processes.

Swett is working to get "wholesale buyin from neighborhoods and constituents" to a range of programs for mitigation and preparedness, he said. He is focused on moving the discussion about climate change from "science speak to sidewalk speak." As one example, he talks about climate change preparedness, which he thinks is easier for most people to understand and embrace than "adaptation" to climate change. "It's hard to argue against being prepared," Swett said.

Being prepared is a major issue for real estate owners in Boston, with its miles of waterfront. Every new development has to respond to a climate change preparedness survey which asks questions about how it will perform in a storm with various levels of rising water levels.

"This creates the opportunity to have a robust conversation before a project is approved," Swett said.

The city is also looking at existing buildings. It is doing studies to assess the current preparedness along the waterfront.

Make buildings safer

One example of how new construction projects are being altered is a new hospital that is putting its electrical equipment on its roof, instead of the ground floor. The emergency room is also moving up, from the ground floor to the second floor.

Swett thinks US cities can and should learn from European cities, where there is a greater willingness to spend money on preparedness.

The biggest challenge for Boston is to enlist regular citizens in the effort. This will be done through a major outreach campaign called Greenovate Boston--now in a "soft launch" phase.

The idea is summed up well in the marketing materials: "By implementing simple everyday changes and contributing innovative solutions to some of our city's challenges, we can responsibly prepare for the environment of tomorrow. Together we will lower Boston's greenhouse gas emissions 25% by 2020, save money through efficiency, and grow our green economy."

According to Swett, the city is working to reduce private car use with a Complete Streets program and with a bicycle sharing system launched in 2011 called Huway. The program is so popular that businesses are clamoring to have rental stations located near them.

But Swett says 71 percent of GHG emissions in the compact city are from the built environment, so that's a key focus.

Next on Swett's to-do list is to propose an energy efficiency disclosure requirement for owners of existing buildings, similar to ones in New York, San Francisco and Seattle.

Before taking his current position, Swett was a project manager at Boston Properties. He advised and oversaw LEED and sustainability related initiatives throughout the Boston region and across the company. Prior to joining Boston Properties, Swett worked for an environmental justice non-profit, two socially responsible investment firms, U.S. Senator Barbara Boxer, and several offices in the U.S. Environmental Protection Agency. ❧

WinnDevelopment takes rehab to greener heights

Boston is home to some of the greenest real estate in America, and WinnDevelopment has set the bar even higher with several recent retrofit projects.

It recently completed a deep energy retrofit of Castle Square in Boston's South End. The 540,000-square-foot, mixed-use property consists of 500 apartment units and 17 ground floor commercial spaces.

The $50 million retrofit received LEED Platinum certification. WinnDevelopment was also presented with the "Green Residential Award" and named "Climate Action Leader" by Mayor Menino for Castle Square.

Castle Square's owners expect to realize reductions of up to 71% in the natural gas needed for heat and 78% for hot water. Electricity usage is also expected to decrease by up to 60 percent. The 192-unit Tremont Street midrise is expected to be the first building of its size to achieve energy savings of 72%.

The key difference between Castle Square Apartments Deep Energy Retrofit and standard energy efficiency renovations is insulation, which at Castle Square will be located on the outside of the building, visually transforming the dated property.

A new 5" super insulated shell, combined with a super insulated reflective roof, high efficiency windows and extensive air sealing, will increase the insulation value of the building by a factor of ten. Because of super insulation, the building will require only a fraction of the energy to heat and cool.

Additional energy savings will be made using small high efficiency cooling and heating equipment, LED and CFL lighting, Energy Star appliances and solar hot water.

WinnDevelopment also went for (and received) LEED Platinum for the renovation of a 19th Century building into residential lofts. Oliver Lofts was renovated after 30 years of vacancy. The mixed-income housing community consists of 62 residences, including artist studios, one and two bedroom flats, and two bedroom-plus den townhouses. All 62 residences are leased, 43 of which are affordable.

It is located in two connecting historic mill buildings in Boston's Mission Hill. It is the only midrise, multi-family building in Boston to earn LEED Platinum, and one of only

PHOTO: DAMIANOS PHOTOGRAPHY

▲ **Castle Square is a 500-unit project that underwent a deep energy retrofit**

two historic mid-rise buildings in the entire country to achieve LEED Platinum certification after being converted into mixed-income housing.

Formerly known as the Pickle-Ditson factory, Oliver Lofts represents an exceptional rehabilitation of a formerly vacant, underutilized historic mill. The Winn design team focused on maintaining the historic integrity of the building by blending artistic and historical architectural detail with ultra-modern finishes.

"Green living and sustainability are hallmarks of WinnDevelopment's projects," said Gilbert Winn, Managing Principal of the firm. "Oliver Lofts are a perfect example of our company's ongoing commitment to green building practices and historic preservation, and we are thrilled to provide residents with the highest quality apartments which also positively impact the environment."

The façade of Oliver Lofts, a historic building that was renovated with efficiency in mind

WinnDevelopment also won the 2012 Multifamily Executive Award in the Mixed Income Project of the Year category for Oliver Lofts.

Larry Curtis, president and managing partner of WinnDevelopment, has been elected to the Board of Trustees for the National Trust for Historic Preservation. ❧

Mixed-use Visions Become Reality

Years of fighting highways, big boxes pay off for Boston residents

Community leaders in the Jackson Square area of Boston are finally seeing the results of years of effort to bring transit-oriented, mixed-use development to their locale.

Back in the 1950s, transportation planners earmarked the area for demolition to make way for construction of Interstate 95. Community activists managed to do something quite unusual at the time. They stopped the highway project and managed to get the money reprogrammed to expand the city's subway line to serve the area.

But the victory did not come until after much of the land in the area had been cleared, leaving the area with some very wide streets and a lot of vacant scrap parcels. Now, thanks to The Community Builders, Urban Edge and others, the area is finally about to come back to life as a transit-centered community.

▲ **225 Centre Street is the first of many developments slated for Jackson Square in Boston.**

225 Centre Street is the first phase of an ambitious 14-building, $250 million redevelopment plan covering 6.5 acres, according to Bart Mitchell, CEO of The Community Builders.

In 1995, a consortium of community groups, including the Jamaica Plain Neighborhood Development Corporation, Urban Edge and the Hyde Square Task Force, began planning the comprehensive redevelopment of Jackson Square. Working closely with city and state officials and a private developer, Mitchell Properties, the team created a master plan that includes over 400 units of housing, 60,000 square feet of retail space, 13,000 square feet of office space and 50,000 square feet of community facilities.

A joint venture between The Community Builders, Inc. and Mitchell Properties, 225 Centre Street has received tremendous support from city, state and local officials and community stakeholders. The project will use $2.3 million in state issued low-income housing tax credits, $2 million in Department of Housing & Community Development (DHCD) program subsidies and another $503,988 in federal low-income housing tax credits.

The new mixed-use/mixed-income building will feature 103 rental units, including 35 affordable units, over 16,000 square feet of commercial/retail space, an off-street parking structure and dramatic landscape improvements.

Ten of the affordable rental units will be reserved for extremely low-income families. Overall project costs are estimated at $50 million. and construction is expected to be completed in 2013.

The second project to start construction is developed by Urban Edge.

In addition to Urban Edge, the team includes Jamaica Plain Neighborhood Development Corporation, Hyde Square Task Force, Friends of the Kelly Rink, Gravestar, and Mitchell Properties.

"The whole effort will re-knit Jamaica Plain to Roxbury," according to Paul McMorrow, writing in the Boston Globe. "A straight line runs from the early anti-highway activism in

Jamaica Plain and Roxbury, through the construction of the (subway's) Orange Line, and to the contemporary redevelopment of Jackson Square. At all three stages of the 50-year effort, local activists formed broad coalitions, engaged in proactive planning, and knew that saying no wasn't good enough. The activists won because they didn't just oppose poor land use — they articulated an alternative vision." McMorrow said they fought for mass transit in the form of the Orange Line, and public open space that became Southwest Corridor Park. Then, when Kmart tried to build there, they fought instead for the development scheme that is now being realized. ❧

TCB MOVES FORWARD UNDER NEW CEO

The Community Builders has played a prominent role in the redevelopment of public housing projects under the HOPE VI program. In the process, it has expanded from its Boston base to operate in cities all the way from Boston to Chicago.

Bart Mitchell replaced Pat Clancey as CEO in 2012, moving up from the COO role.

TCB is not looking to expand into any new regions or states at the moment, he said. Its main priority is to continue to refine and expand its efforts to help tenants of its properties become more successful and self-sufficient.

▲ **Bart Mitchell**

TCB currently operates the "Ways and Means" program at five properties: three mixed income former public housing sites in Akron, Ohio, Chicago, and Norfolk., Va., and two Sec 8 projects in Worcester, Mass., and Chicago.

The main goals are to increase resident's earned income and to improve youngsters' educational outcomes.

Mitchell is particularly proud of what TCB has achieved at Oakwood Shores in Chicago. While other public housing conversion projects in the city have had serious problems, he said Oakwood was "a shining example of transformation."

Oakwood is built on the site of the old Ida B Wells public housing project. Mitchell said it is the only Chicago public housing redevelopment that has a mix of 1/3 market rental, 1/3 subsidized rentals and 1/3 homeownership. Other projects relied heavily on market-rate homeownership and got in trouble when home prices slumped. Market rate rentals are less risky, and having them in the mix helped Oakwood withstand the decline in home prices, he said.

TCB developed Oakwood in a joint venture with Granite Development.

Reznick Merges But Keeps Housing Focus

Professionals in the housing and energy fields have relied on The Reznick Group for accounting and consulting for many years. Now the Reznick operation is part of CohnReznick LLP after a merger with J.H. Cohn LLP, a firm with a strong presence in the Northeast.

The new firm will still focus heavily on housing and energy, according to Kenneth Baggett, who is co-CEO of the new firm along with J.H. Cohn chief executive Thomas Marino. However, it will have more people located in more markets. The new firm will have 2,000 employees, 25 offices and more than $450 million in revenue.

▲ **Kenneth Baggett**

"We will never lose focus on what made us what we are, that is, affordable housing and tax incentivized approaches to real estate," Baggett said.

The firm will have offices from Boston to Atlanta on the East Coast, with a number of offices on the West Coast, in Austin, Texas, in Chicago, and overseas in India and the Cayman Islands.

"Our single largest practice area is affordable housing," said Baggett. "We will continue to put resources and talent there and build it out," he said. The biggest expansion for Reznick's clients will come in New York, New Jersey and Connecticut, where the new firm has 13 offices with 1000 people.

Renewable energy projects are a major area of growth for the firm. It is doing everything from a $3 billion utility scale project in the Southwest, to helping individual building owners put solar on their rooftops.

Baggett, who is based in Atlanta, has been personally as well as professionally involved in affordable housing for many years. He is president of the Georgia Affordable Housing Coalition. "I love being part of affordable housing. That's what I grew up doing," he said. ❧

BOOKS & RESOURCES

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to the suburbs is turning into 'bright flight' to cities that have become magnets for aspiring young adults who see access to knowledge-based jobs, public transportation and a new city ambiance as an attraction.3

The conventional wisdom used to be that creating a strong economy came first, and that increased population and a higher quality of life would follow. The converse now seems more likely: creating a higher quality of life is the first step to attracting new residents and jobs. This is why Chris Leinberger believes that "all the fancy economic development strategies, such as developing a biomedical cluster, an aerospace cluster, or whatever the current economic development 'flavor of the month' might be, do not hold a candle to the power of a great walkable urban place."❧

LIIF'S NEW BOOK

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munity." This means recognizing the complex, far-reaching and constantly changing dynamics of poverty, as well as the need to connect struggling neighborhoods with the broader economy in order to breathe new life into them. A successful 21st century model for community development will be driven by data; accountable, with incentives build into achieve desired outcomes; comprehensive and collaborative; flexible; and strategic in its deployment of capital to achieve scale.

For more information about the book and its authors or to request a hard copy, visit www.whatworksforamerica.org. ❧

Links for further information:

Report on California's experience with Weatherization Assistance Program for multifamily housing from California Housing Preservation Corp.

"What Works for America's Communities," published by the Federal Reserve Bank of San Francisco and the Low Income Investment Fund (LIIF)

"Losing Ground," a report on the combined cost of housing and transportation in 25 major cities from The Center for Housing Policy. Read the full report here.

New Markets Tax Credit
News about the legislative effort to get the credit extended from the NMTC Coalition

CEOs for Cities
CEOs for Cities is a global learning community and partnership network that connects urban leaders to each other and to smart ideas and practices.

"City Vitals 2.0: Benchmarking City Performance" by Joe Cortright, senior policy advisor at CEOS for Cities, Impresa, Inc.

Boston development and GHG action:
225 Centre Street
Climate Action Plan.
Boston's Innovation District