

## BUSINESS MARYLAND

# \$4 billion to go toward making houses green

Enterprise backing affordable-housing effort, challenges builders to do the same

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A Columbia-based national affordable-housing financier intends to funnel \$4 billion in the next five years toward building and retrofitting homes that aren't just affordable, but also green.

Enterprise Community Partners, a nonprofit that raises money from corporations, foundations and government agencies, said Wednesday that it believes that investment can build or renovate 75,000 homes and apartments.

At the same time, it challenged builders across the country to go green on all projects aimed at lower- and moderate-income residents. Increasing energy efficiency, improving indoor air quality and using environmentally friendly materials are cost-effective, the group said.

The utility savings alone — an average of about \$4,850 over the useful lifetime of a residence — outweigh the about \$4,500 cost of complying with Enterprise's green-building criteria, the group said. Enterprise leaders launched a green-building initiative five years ago to encourage such work and have been studying the results.

"This is the right direction," said Dana Bourland, vice president of Enterprise's green initiative. "Not only are there financial savings, but there are health benefits and lower carbon emissions. ... We just can't afford not to make sure everything we do is green."

Green housing — or at least aspects of it, like energy efficiency — has broken into the mainstream. Shelley Poticha, senior adviser for sustainable housing and communities at the U.S. Department of Housing and Urban Development, said her agency is "encouraging public housing authorities to go green." And traditional builders, ones who aren't part of the affordable-



The Renaissance Square development in Essex is one of the affordable "green" projects Enterprise Community Partners is funding. Enterprise wants to channel money to other developers to help them go all-green.



PHOTOS BY LLOYD FOX/BALTIMORE SUN

Enterprise says the savings on utilities alone compensate for the extra cost of building a "green" project.

housing movement, are also increasingly embracing green construction to attract budget-conscious buyers in a tough market.

"The economic picture right now is such that people are looking for something with a real payback," said Kevin Morrow, senior program manager for the National Association of Home Builders' green building program. "People see a benefit in that, and they're doing it."

Like Enterprise, the home builders association has its own green-building criteria. Since it began certifying homes as green last year, 550 have received its seal of approval and 4,500 more are in the pipeline.

Enterprise's effort is designed to make sure the projects it helps fund or finance are green. Its home-building arm, which works in the Mid-Atlantic, is already green-only on all projects.

The nonprofit has invested more than \$10 billion in affordable housing nationwide since it was founded by Columbia developer James W. Rouse in 1982. It believes \$4 billion in five years is a reachable goal, though it relies in part on a pool of money that has shrunk thanks to the credit crunch. One of its roles is as a broker, helping developers turn federal Low Income Housing Tax Credits into cash by selling them to investors. The market for those credits is a shadow of what it was before financial institutions — the major buyers — began failing.

"We are raising capital as we speak," Bourland said. The idea of \$4 billion in five years "is more than we have done in the past, but we're committed to doing so, and we also think our commitment to green will ... be an advantage in the marketplace."

Doris W. Koo, president and chief executive of Enterprise, said it's not only the financial considerations that make the shift to green an important one. In 60 green, affordable homes in Seattle, the emphasis on reducing moisture, cutting down on toxins and improving ventilation made a real difference in residents' health. The children there with asthma had a 60 percent increase in symptom-free days in just a year, she said.

"Green and affordable works," she said.