

FOR IMMEDIATE RELEASE

April 3, 2009

Release # 01-09

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HUD SECRETARY DONOVAN KEYNOTES NEW YORK CITY GREEN AND AFFORDABLE HOUSING CONFERENCE

Announces Program for Using Neighborhood Stabilization Funds for Green Retrofit of Foreclosed Homes in NYC

NEW YORK— US Department of Housing and Urban Development (HUD) Secretary Shaun Donovan today gave the keynote address at a New York City housing conference on strategies for expanding the nation's stock of green and affordable housing. In his remarks, Donovan announced that the green conference sponsor, the City's Department of Housing Preservation and Development (HPD) along with not-for-profit partners, has embarked on a pilot program to rehabilitate a number of small bank-foreclosed homes using green, energy-efficient standards and practices. HPD is responsible for implementing Mayor Michael R. Bloomberg's \$7.5 billion New Housing Marketplace Plan to create and preserve affordable housing for half a million New Yorkers.

"New York City and its partners have shown real leadership and innovation in developing green and affordable homes for low- and moderate-income families," said US Department of Housing and Urban Development Secretary Shaun Donovan. "The green retrofit program announced today will provide affordable energy efficient homes while also strengthening neighborhoods hit by foreclosures. HUD is competitively awarding another \$2 billion in neighborhood stabilization funds through the Recovery Act and we hope that sustainable homes will be a feature of that investment in many neighborhoods across the country."

The conference, *Green and Affordable: Sustainable Strategies for the New Housing Marketplace*, brought together more than 200 leading housing professionals representing government, development, finance, nonprofits and academia for a daylong event on the new generation of affordable high-performance green buildings. Individual panels focused on innovative strategies for financing projects, techniques to promote healthy indoor environments, green maintenance practices and the role of city government in green affordable building. The conference was held at Bank of America Tower, located at One Bryant Park. The building was designed to receive a Platinum Leadership in Energy and Environmental Design (LEED) certification as one of the world's most environmentally-responsible high-rise office buildings.

HPD Commissioner Rafael E. Cestero said, "New York City has a great partner in HUD and Secretary Donovan. We are proud of what we are beginning to accomplish in green and affordable housing in New York—and our trailblazing projects bear the hallmarks of Secretary Donovan's drive and passion for this work. At HPD, we continue to apply green standards and practices to as many projects as we can. I believe that the opportunities are limitless and range from small one- to four-family houses that we are retrieving from the mire of foreclosure to retrofitting existing multifamily buildings to large, architecturally significant projects such as New Housing New York, better known as Via Verde. As we are seeing in this conference today, there are

innovative green and affordable programs across the country—our challenge now is to sustain the progress we are making. With the help and vision embodied in this federal government, we can succeed.”

As HPD commissioner from 2004 to 2009, Donovan was a leader in creating affordable and sustainable housing in New York City and now, as the federal HUD Secretary, Donovan is highlighting his plans to bring green initiatives to a national level. In his keynote address, Secretary Donovan spoke of HUD’s commitment to promoting energy efficiency, specifically through President Obama’s Recovery and Reinvestment Act, which is designed to generate tens of thousands of jobs, modernize homes to make them more energy efficient and help the families and communities hardest hit by the economic crisis. Among the programs the Secretary highlighted today is HPD’s newest venture into greening affordable housing in neighborhoods hard hit by the foreclosure crisis.

The Neighborhood Stabilization Program provides emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The program is authorized under the Housing and Economic Recovery Act of 2008. An additional \$2 billion in neighborhood stabilization money will be awarded by HUD through the American Recovery and Reinvestment Act of 2009. Using funds allocated to the City under the federal Neighborhood Stabilization Program, HPD and its non-profit partner, Restored Homes Housing Development Fund Corporation (Restored Homes), have created the Real Estate Owned Program (REO Program) to acquire, rehabilitate and sell bank-foreclosed one- to four-family homes in New York City to qualified low-and moderate-income families.

As part of this program, HPD and Restored Homes are working with Enterprise Community Partners, Inc., a leading provider of expertise and development capital for building decent, affordable homes and revitalizing communities, on a pilot program to rehabilitate a number of REO properties using green, energy efficient standards. The program, which will begin with five homes, is part of Enterprise’s Green Communities initiative to create safe and healthy living environments by using non-toxic construction materials, reduce the amount of construction debris going into landfills by employing highly efficient waste management and recycling techniques for construction and demolition waste, and significantly increase the energy efficiency of homes, which will, in turn, reduce energy and maintenance costs, thereby making homeownership more financially sustainable for homeowners.

“During a time when many families are losing their homes, Enterprise commends the City of New York for its innovative use of Neighborhood Stabilization Program funds. This funding will not only provide affordable ownership opportunities for qualified low and moderate income families, it will help ensure that neighborhoods at risk of disinvestment because of foreclosure remain thriving communities,” said Keith Fairey, Regional Operating Officer, Enterprise Community Partners. “Enterprise is pleased that HPD and Restored Homes will be adopting Enterprise’s Green Communities Criteria, the country’s only set of green building standards specifically designed for affordable housing. We look forward to working closely with them on this program.”

In addition to awarding funding toward public housing programs, HUD is collaborating with the US Department of Energy to streamline and better coordinate federal weatherization efforts to make it easier for families to weatherize their homes. This effort has the potential to spur a new home energy efficiency industry that could create tens of thousands of jobs.

HUD is also working with the US Department of Transportation to create a high-level interagency task force to better coordinate federal transportation and housing investments and identify strategies to give American families:

- More choices for affordable housing near employment opportunities;
- More transportation options to lower transportation costs, shorten travel times and improve the environment; and
- Safe, livable, healthy communities.

Secretary Donovan said, "HUD's central mission - ensuring that every American has access to decent, affordable housing – can be achieved only in context of the housing, transportation, and energy costs and choices that American families experience each day. President Obama has charged federal agencies to work together to build sustainable, affordable communities and we are proud to be doing so."

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NYC Department of Housing Preservation & Development (HPD)

HPD's mission is to promote quality housing and viable neighborhoods for New Yorkers. It is the nation's largest municipal housing preservation and development agency. Responsible for implementing Mayor Bloomberg's New Housing Marketplace Plan to build and preserve 165,000 units of affordable housing, HPD also actively promotes the preservation of affordable housing through education, outreach, loan programs and enforcement of housing quality standards. For more information visit www.nyc.gov/hpd.

US Department of Housing and Urban Development (HUD)

HUD is the nation's housing agency committed to sustaining homeownership; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.