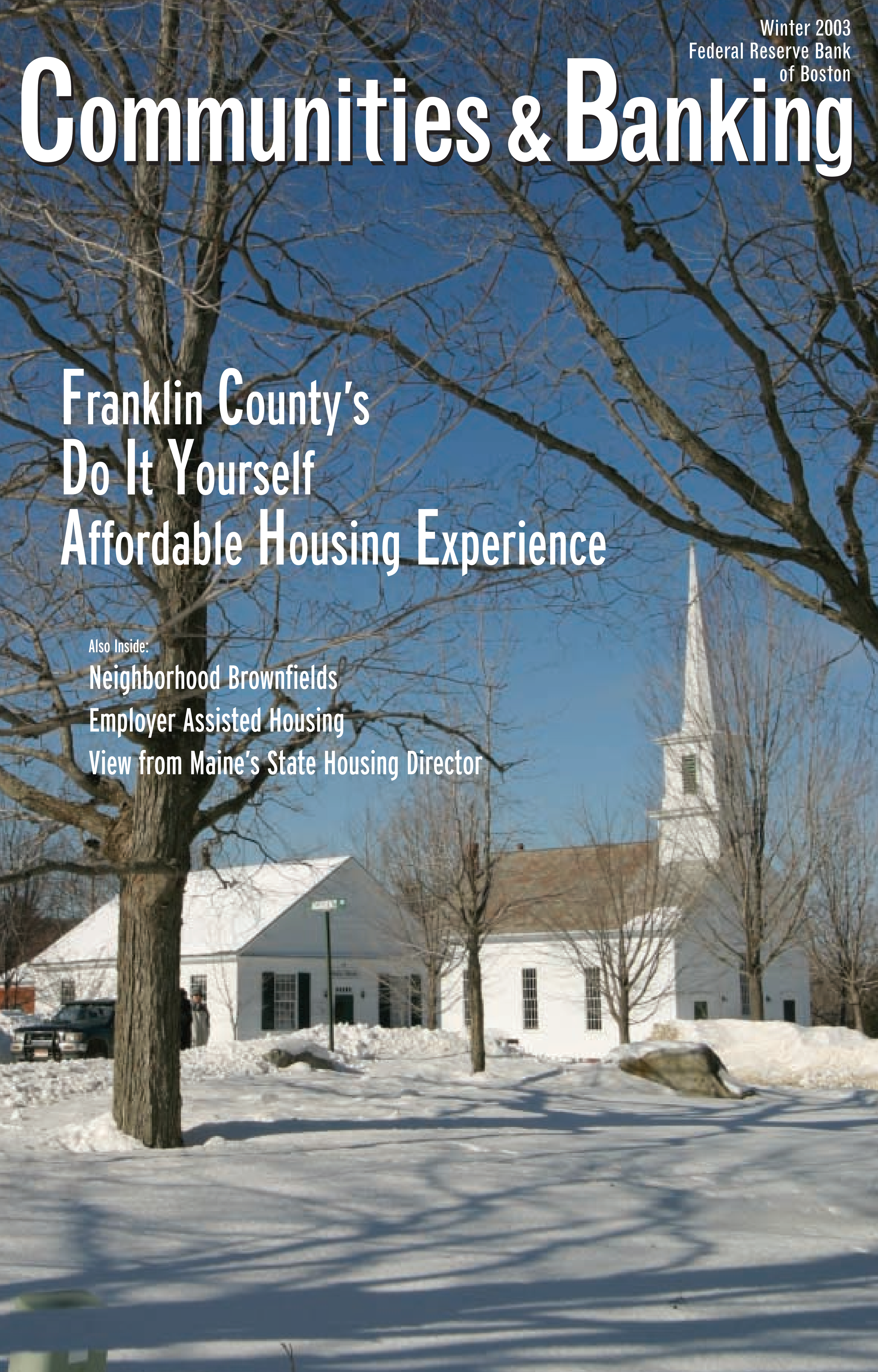
Winter 2003
Federal Reserve Bank
of Boston

Communities & Banking



Franklin County's Do It Yourself Affordable Housing Experience

Also Inside:

Neighborhood Brownfields

Employer Assisted Housing

View from Maine's State Housing Director

Communities & Banking

The mission of *Communities & Banking* is to enhance community and economic development by exploring effective ways for lenders to work with public, private, and nonprofit sectors toward proactive compliance with the Community Reinvestment Act.

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THIS ISSUE:

On the cover and on page 3, New Salem's historic town center in Franklin County. Cover photo and photography on pages 3 through 8 by Reinis Kanders. Photo on page 11 by Laura Solitare.

When Affordable Homeownership Means Doing It Yourself

By Paul Douglas, Franklin County Regional Housing and Redevelopment Authority

Picture a landscape that boasts miles of meandering dirt roads, mountain rivers and streams, green valley pastures, woodlands, and quaint New England villages. This is Franklin County, Massachusetts' most rural and least populated region. Twenty-six small towns make up Franklin County; its neighbors include Vermont and New Hampshire to the north, the Berkshires

to the west, and the Quabbin Reservoir to the east. Franklin County is a quiet, peaceful, and friendly place to live, enjoy the outdoors, and raise a family. But it is also among the poorest counties in the Commonwealth. The region's historic economic staples of farming, logging, and industrial milling have faded away. So too has the county's prominence as America's home of the tool and die industry. Today, Franklin County is struggling to find new underpinnings to support economic growth.

THE SELF-HELP HOUSING PROGRAM WORKED – BUT NOT WITHOUT EXACTING A TOLL ON PARTICIPATING FAMILIES.

Despite the region's sluggish economy, the thriving five-college area in Hampshire County to the south has placed significant pressure on Franklin County's housing market. Existing home prices are rising three to five percent each year, and land prices are increasing faster. Franklin County's stock of predominately single-family homes may seem affordable when contrasted with Boston's real estate market, but there is a definite affordability gap when factoring in resident income. Households earning less than 80 percent of median area income find it difficult to afford even a modest home.

Making Affordable Homeownership Mission One

Despite its efforts over the years to help families obtain affordable housing, the Franklin County Housing and Redevelopment Authority (HRA) thought more could and should be done to make affordable homeownership a reality for the county's low- and moderate-income families. Since 1987, when it and the Franklin Community Action Corporation commissioned a study on the region's housing situation, the HRA had witnessed a growing gap between what the average-income family in Franklin County could afford to pay for a single-family home and what was available. In 1987, the gap was $17,000; by the early 1990s, the gap had widened so much that the HRA concluded it had to do something about it.

In 1993, the HRA created a nonprofit spin-off called Rural Development, Inc. (RDI) as a vehicle to produce quality, affordable single-family housing. The new organization would support homeownership as a means for families to become more empowered in their lives and equity stakeholders in their communities. To date, the program has led to the creation of over 60 affordable homes.

By Their Construction Bootstraps

Looking for a reliable program to offer and funds to operate it, RDI turned to the U.S. Department of Agriculture's Rural Development division (known formerly as the Farmers Home Administration) to offer the Self-Help Housing Program. Self-help housing enables low-income families, through the value of their collective labor, or "sweat equity," to own homes that would normally be beyond their financial means. Families work together in small groups of five to eight households to build their own and one another's homes under the guidance of a construction supervisor. None of the families can move into their homes until all the houses are ready, and together the families have to invest about 65 percent of the construction labor for one another's homes.

RDI knew of USDA's Self-Help Housing Program from past efforts by nonprofits in neighboring Worcester County and on Cape Cod. The program began in the early 1970s and, with more than 13,000 houses built, it was credited as being the number one producer of single-family homes in rural areas throughout the United States. RDI decided this was the program to bring to Franklin County.

A BEGINNING IN MIND. . . AND ON PAPER

In the early 1970s, Franklin County's commissioners agreed that action was needed to help meet the rural area's housing and community development needs. They envisioned creating a regional entity with the professional capacity to serve as a multifaceted resource for all the towns and their residents. In 1973, legislation created the Commonwealth's first regional public housing authority, the Franklin County Regional Housing Authority. In 1997, its role was expanded, and it became the state's sole regional redevelopment authority, the Franklin County Housing and Redevelopment Authority (HRA).

Now with 30 years behind it and 30 staff members contributing to its mission, HRA has formed partnerships to bring more than $220 million in housing and community development resources to Franklin County's communities. HRA builds and manages affordable rental housing and rental assistance programs, carries out municipal infrastructure projects, operates housing rehabilitation programs, and provides consumer counseling services, among other things.

Anne Perkins of RDI reviews blueprints for a house under construction in Wendell with RDI carpenters Wayne Briggs and Stanley Gadomski.

The program worked — but not without exacting a toll on participating families. For one, the families became worn down from working daily at their regular jobs while also laboring a year or more of nights, weekends, and most holidays on one another's homes. In addition, the families felt enormous stress and strain from coordinating child care, accommodating the whimsy and harshness of New England's weather, and dealing with the ups and downs of group dynamics throughout a long construction process. When asked in a wrap-up interview about the most challenging part of the program, one person said, "Spending 20 hours a week with people you didn't get along with — a lot of people didn't pull their weight."

RDI was cognizant of the merits of self-help housing but knew there had to be a more effective way to streamline, expedite, and improve the process. It envisioned a program with homeownership just as affordable as the existing program, especially for single-parent households. It also wanted the families' labor contribution and time commitment to be reduced substantially, more homes to be constructed in a shorter period of time, and the construction quality to be first-rate. There had to be a way, and there was.

Appropriating the GC's Hat

To make the entire process easier and more efficient, RDI gravitated away from the self-help group model of construction and tried hiring local general contractors to build the homes. But when the real estate market got hot, even with guarantees to build a certain number of houses, the general contractors took on other work and RDI's houses lagged. RDI learned quickly that it could retain greater control of costs, quality, and the construction timeline by becoming the general contractor itself. As it turns out, the general contractor RDI was looking for was already in-house.

RDI's Director of Homeownership, Anne Perkins, had worked in the building trades for over two decades as a carpenter, building inspector, vocational carpentry teacher, and building contractor. Under her supervision, RDI hired a crew of two highly skilled carpenters and two carpenter assistants to do all the rough and finish carpentry on 11 single-family homes each year. A twelfth house is now constructed annually by supervised students of the Franklin County Technical School.

Aggressively Pursuing Savings

RDI's biggest challenge has been the rising cost of, and competition for, suitable land. An undeveloped par-

THE HOUSE THE TECH SCHOOL STUDENTS BUILT

Building this house in Erving is a project "just the right size to be done in a school year" says Franklin County Technical School carpentry teacher Kenny Vautrin (third from left in picture at bottom). The class of 35 students began work on this three-bedroom home in September, once the foundation was finished. The "free labor" provided by the students helps RDI with cost savings.

Inside the home pictured above, students Sara Jenny and Robert Eagles (at sides) get first-hand experience in the work of constructing a house. Below, the teachers take a break to talk with Anne, RDI's Director of Homeownership. From left to right: Bill Gallant (electrical), Anne Perkins (RDI), Kenny Vautrin (carpentry) and Paul Doran (plumbing and heating).

cel of land that went for $20,000 two years ago today costs $30,000 or more. As people from more affluent regions to the south "head to the hills" in search of affordable housing, it becomes increasingly difficult to develop housing for residents with low incomes.

To quickly identify and access available land, RDI works with a dedicated group of real estate agents who actively seek building lots for its homeownership program. Whenever an affordable parcel of land is listed in Franklin County, local agents forward the information immediately to RDI staff, who then quickly assess the possibilities. RDI also works with communities to acquire donated parcels and is currently seeking U.S. Department of Housing and Urban Development HOME Program certification to become a priority purchaser at foreclosure sales of blighted HUD homes. RDI will either restore the homes for affordable homeownership or remove them and build new.

Another way RDI lowers costs is by securing goods and services at below-market rates. Using its volume purchasing power, RDI has negotiated agreements with local lumberyards to acquire construction materials and supplies at sizable dis-

PUTTING TECHNOLOGY AND CREATIVITY TO WORK

Rural Development Inc. (RDI) is committed to constructing and renovating high quality, energy efficient homes. Interest in sustainable development models is increasing across the country, and Franklin County is no exception. RDI employs some creative measures when developing affordable homes:

Energy Star Homes

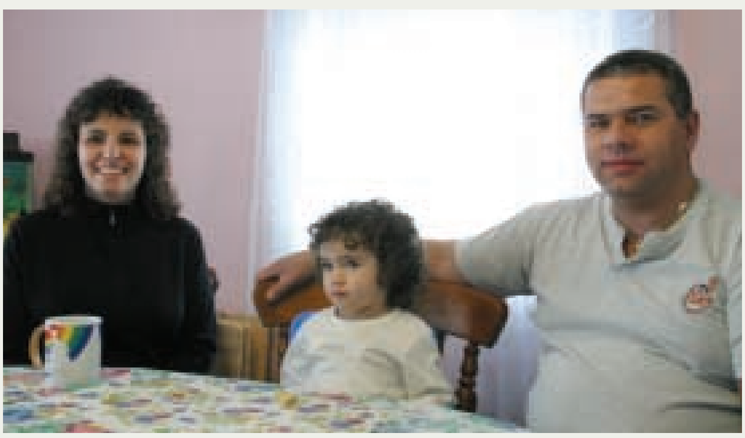
In 1999, RDI partnered with the Energy Star Homes program and local utility companies to make RDI's single-family homes Energy Star compliant, with a minimal increase in cost. Construction now incorporates tight building envelopes, fans with timer controls, an indirect hot water heater, and outdoor intake to the boiler. Combined with other detailing, the houses consistently pass all Energy Star inspections. (Financial assistance comes from the Western Massachusetts Electric Company and the Massachusetts Electric Company.)

Renewable Energy Technologies

Because of the perceived extra costs, RDI had not tried until recently to incorporate renewable energy technologies in the development of its affordable homes. In July 2002, however, RDI obtained a $20,000 grant from the Massachusetts Technology Collaborative Renewable Energy Trust's Green Building Initiative to assess the feasibility of using various "green" building options, including solar power. As a pilot project, RDI hopes that two of the twelve homes to be built in 2003 will incorporate renewable energy technologies. These technologies will also become part of the curriculum for the Franklin County Technical School students who work with RDI.

Adapting Houses for People with Disabilities

RDI recently altered one of its standard housing plans to accommodate a home buyer with a physical disability. With down payment assistance from the Citizens Housing and Planning Association, a Massachusetts nonprofit focused on affordable housing, RDI was able to hire a subcontractor to install attractive fencing around the home's perimeter so the legally blind mother could more safely supervise her young toddler. Additional lighting and windows were also added to the home. RDI is currently working with a potential home buyer who suffers from multiple chemical sensitivity, and is examining the possibility of affordably constructing a nontoxic home.



Elizabeth Rivera, Ariel Medina, and Norman Medina appreciate their RDI-built home in Orange. Extra windows and lighting help Elizabeth, who is legally blind, care for Ariel.

LEVERAGING FINANCIAL RESOURCES

It takes many resources to make an affordable home-ownership program possible. Because of RDI's partnerships, its homes sell at reduced prices, carry below market rate mortgages, and do not require down payments. RDI's partners include:

Massachusetts Department of Housing and Community Development's Private Housing Division
The department has awarded RDI $2 million in six allocations of federal HOME funds to develop 46 homes. The reduction in the homes' sales prices made possible by the HOME funds is crucial to RDI's success; the houses become truly affordable with this reduction.

USDA, Rural Development
The agency awarded RDI a Rural Home Partnership Initiative for set-aside Section 502 mortgages for the past two years, and it has loaned Section 502 mortgages to every RDI home buyer to date. These mortgages are available to families and individuals with good credit and incomes below 80 percent of median area income. These 33- or 38-year mortgages are subsidized based on a household's income and family size to an effective interest rate as low as 1 percent without a required down payment.

The Housing Assistance Council
A national rural intermediary, the Council has awarded HUD Self-Help Opportunity Program (SHOP) funds each year to RDI for the acquisition and development of building lots for a total of $586,000 to date.

Greenfield Cooperative Bank
The bank has provided RDI with a below market rate line of credit, and it provided a letter of credit for the infrastructure of RDI's first subdivision. Complementing loans from USDA Rural Development, the bank provides most RDI first-time home buyers with 30-year, market rate mortgages of $10,000 to $40,000.

The Life Insurance Community Investment Initiative
This consortium of Massachusetts life insurance companies, formed in response to the Commonwealth's Community Reinvestment Act, has loaned RDI $500,000 for 5 years at 4 percent interest. These funds are used for site acquisition, site development, and construction. It has approved RDI's investing of a portion of this money to offset interest charges, thereby reducing costs that would ultimately be borne by the first time home buyer.

Andreana Garcia, son Gunnar, and husband Marty (not pictured) moved into their new, four-bedroom, two-bath home in November 2002. Andreana, who is expecting a baby soon, says the house has great space they wouldn't otherwise be able to afford.

counts. RDI also negotiates prices with area subcontractors to obtain good prices on jobs ranging from excavation to heating in exchange for their being guaranteed 11 or 12 houses worth of work per year.

And finally, getting the prospective homeowner involved in the process minimizes costs. RDI home buyers contribute at least 200 hours of work cleaning up after subcontractors, hauling trash away, insulating, painting drywall and trim, and preparing the landscape. This sweat equity contribution is relatively easy on the prospective homeowner, saves an estimated $5,000 on the total construction cost of each home, and vests the home buyer in the new home. In addition, RDI has found that educating its home buyers through a series of first-time home-buyer workshops is invaluable.

TARGETING DERELICT PROPERTIES PROVIDES AFFORDABLE HOUSING OPPORTUNITIES CLOSER TO THE REGION'S LIMITED PUBLIC TRANSPORTATION CENTERS.

Apprentices in Action

Still looking for ways to reduce development costs, RDI formed a partnership in 2000 with the Franklin County Technical School. RDI would purchase all materials and students would complete one single-family home each year. School faculty instruct and supervise the students in carpentry, electrical work, plumbing, and heating. RDI earmarks 15 percent of the home's total materials cost to be paid to the school. The school can use this income for tools and training materials for students. Landscaping students of the technical school are now being incorporated into the program; they will seed grass and plant shrubs on several RDI constructed homes.

Each year after the students complete a home, RDI and the new owner sponsor an open house and ceremony to celebrate the students' success. Family, friends, and school faculty all take great pride in the students' accomplishment, and graduating seniors are presented with tools for their respective trades. This past year the Massachusetts Electric Company and the Western Massachusetts Electric Company each presented the technical school with $3,000 donations to recognize its contribution in building an Energy Star certified home. The utilities gave each of the students twenty-five foot construction tape measures.

Always Learning on the Job

RDI is pleased with the evolution of its homeownership program. More families are realizing their dream of homeownership, more quality homes are being built annually, and the program seems to be running smoothly for both families and RDI staff. But getting to this point took some on-the-job learning.

Early in the program, RDI sold land up-front to the buyer and then built the home under a construction contract. Now all homes are built as "spec houses" — produced as RDI decides for its general home-buying public. This brings the purchaser into the process after the house is under construction and reduces the administrative time RDI spends working with families. Families continue contributing "sweat equity" to their homes, but these efforts are formalized as labor agreements at the time a purchase and sales agreement is inked.

To get around the high cost of land, RDI will work with communities to target existing derelict properties (both single- and multifamily) for purchase and adaptive reuse, or demolition, new construction, and resale. This will complement downtown revitalization efforts and provide affordable housing opportunities that are closer to the region's limited commercial and public transportation centers.

As RDI enters its tenth year of operation, 63 affordable single-family homes have been built. Eight more are currently in construction, and the search for more sites continues. RDI has creatively fashioned a homeownership program that remains every bit as affordable as before, while substantially reducing the "sweat equity" demands on families. RDI will continue to assemble savings and make modifications wherever it can to expand affordable homeownership opportunities for many more county residents in the years ahead. Although building affordable housing is not easy, RDI believes, as do recent homeowners Norman, Elizabeth, and their daughter, Ariel, that "it's a wonderful thing to own your own place."

Paul Douglas is executive director of the Franklin County Regional Housing and Redevelopment Authority.

Participation in Brownfields Redevelopment

By Laura Solitare, Rutgers University

What engages people in redeveloping the brownfields located in their neighborhoods? Eight cases studies in Boston and Houston provide some explanation.

Brownfields are problems for many American cities. As abandoned or underutilized properties with real or perceived contamination, brownfields can be eyesores that decrease neighborhood property values. Brownfields can scare off development for both the actual site and the surrounding neighborhood. In many older city neighborhoods, brownfields are often found in conjunction with additional problems including a declining economic base, high unemployment and poverty rates, poor education systems, dilapidated infrastructure, high crime, poor public health rates, and limited open space.

But just as brownfields are problems, they are also opportunities. Their cleanup and reuse have the potential to improve neighborhood residents' overall quality of life by bringing in jobs and tax dollars, repairing dilapidated infrastructure, and reducing environmental and health risks. Depending on the agenda driving the redevelopment process, however, the benefits might be confined just to the site and have minimal advantages for the residents.

Public participation is one way to steer the agenda driving redevelopment. By contributing to the decision-making process, residents and others may feel that the end result is more fair, and that the redevelopment as a whole is more successful. Currently, in hundreds of cities across the United States, brownfields redevelopment projects are going full-steam ahead. As I found in my research, some decision-making about brownfields redevelopment is being done behind closed doors, based upon the opinions and input of technical experts. Public participation is minimal. However, I also found cases of stronger participation. This article explores the dynamics of those cases and tries to understand what factors supported such stronger participation. It also provides some policy recommendations.

At Right: The Modern Electroplating plant operated for 40 years in Roxbury's Dudley Square until it was shut down by the Attorney General's office in 1994. The three-acre brownfield site was supposed to be redeveloped beginning in February 2001, but it continues to sit.

Background

Urban revitalization and brownfields redevelopment have produced failures and successes. For the most part, the successes are marked by a decision-making process that maximizes communication between stakeholders and produces a common vision. My motivation with this project was to find out if and how participation in the brownfields redevelopment process helped or hindered economic development and environmental safety. I wanted to determine what encouraged residents to get involved in the redevelopment processes happening in their neighborhoods.

This article is based on eight case studies of brownfields sites located in residential neighborhoods in Boston, Massachusetts, and Houston, Texas. I conducted numerous interviews with people belonging to various stakeholder groups including state and federal officials, local public officials, residents, local business owners, community nonprofits, and private/big business. In Boston, the four sites were at Amory Street (Jamaica Plain), Bay Street (Dorchester), Boston Center for the Arts (South End), and Modern Electroplating (Roxbury's Dudley Square). Those in Houston include the BFI landfill, Latino Learning Center, Ormandy Street, and Washington Courtyards.

Expectations and One Big Obstacle

It seems reasonable to think that real and perceived contamination would spur participation in the redevelopment process, but in all of the cases, the majority of the stakeholder groups did not view it as a big deal. Many residents believed the contamination talk to be exaggerated, and some developers said that minority groups were used to living in undesirable and often unhealthy

It seems reasonable to think that real and perceived contamination would spur participation in the redevelopment process, but most did not view it as a big deal.

places. Only residents near Boston's Modern Electroplating site were moderately concerned about health risks from the contamination — but even then the priority issue was not how to clean up the site, but how to develop it appropriately — for example, by not putting a daycare center on the grounds. Other residents viewed the cleanup of a particular site as somewhat futile. As one local businessperson near the Modern Electroplating site said, "How much zeal can you have about cleaning up the immediate site when you realize that 300 to 500 yards outside of that immediate area there is still contamination to the level that it would affect human life?"

The lack of concern people feel about possible contamination is compounded by my finding that most people rank brownfields redevelopment low on the list of neighborhood priorities. It simply is not an urgent issue — and this seems to be the biggest obstacle to strong public participation. While brownfields redevelopment is important, when resident and local business stakeholders put it into the context of other neighborhood issues, it usually does not top the list. As one resident living near the Modern Electroplating site explains, "Modern was not a neighborhood priority, but it was important. At the time we were dealing with other higher priority issues. The neighborhood was deathly afraid of gentrification — we saw developers were eating up the South End, so we fought the encroachment of gentrification. We wanted to keep out private developers so that they wouldn't gentrify the area."

Considering that environmental safety isn't a huge anxiety, and that brownfields are quiet problems, what gets people to participate in the redevelopment process? The best predictors are if neighborhood organizations exist in the community, if the initiator of the development is an "outsider," and if the future reuse involves potential traffic impacts on the neighborhood.

One Brownfield Story

1. Dorchester's Savin Hill neighborhood is an historic community that was settled before Boston was in 1630.

2. A five-acre piece of property at 65 Bay Street was once home to Boston Insulated Wire and Cable Co. The property was declared a brownfield in 1988. Dorchester Bay Economic Development Corporation bought the property in 1994, demolished the building and cleaned up the site. Initial plans to lure a noodle factory to the site fell through, however.

3. Dorchester Bay, along with 16 other financers, then worked to develop an 80,000 square foot office and industrial building to serve as the headquarters for Spire, a marketing, graphic design, and printing company (3). The ribbon cutting for the $14.5 million project occurred in October 2002. As Mayor Menino said at the ceremony, "This development project brings this deserted site back into productive use."

1.

Photo courtesy of Laura Solitare.

2.

Photo courtesy of Laura Solitare.

3.

Photo courtesy of Dorchester Bay Economic Development Corporation.

Predictors of Participation

An Inclusive Environment

Communities with active neighborhood organizations (all four in Boston and two in Houston) had stronger participation than those lacking such organizations. These organizations — including general neighborhood associations, historic preservation groups, environmental groups, and local business associations — have place-based missions that focus on the activities affecting the immediate neighborhood. Faith-based organizations would also fit in this group, but none were involved in any of the eight cases. As one resident near the Bay Street brownfield said, "I think actually we are probably one of the better-organized neighborhoods within the Boston community as far as dealing with development issues. I don't know how the BRA [Boston Redevelopment Authority] feels about us. They probably think that we're the neighborhood that always says no. That's fine with us. At least they know they have to come to us."

Trust

Another influential factor affecting the strength of participation is trust between the stakeholder groups. For cases with active neighborhood organizations, I found that when the stakeholder groups were more trusting of one another, the participation was weaker. When stakeholders trusted each other less, their participation was stronger. This is particularly true for the relationship between the residents and the developer of the site. If residents felt as though the developer was part of the community, an "insider" rather than an "outsider," then they tended to be more likely to trust the developer. This made for minimal participation that mostly focused on reuse and redevelopment issues such as design and traffic. As one Houston resident put it, "We are very supportive of the Latino Learning Center. It has been a good neighbor — it provides services to lots of residents. I trust them to do this right." But when residents felt the developer was an outsider, then the trust was not automatically there and was hard to build. In these cases, residents tended to focus on larger issues such as how the land would be used.

In none of the cases did the residents have full trust in the city as a stakeholder in the process. In particular, distrust of the Boston Redevelopment Authority, the lead Boston agency involved with brownfields redevelopment, led to increased participation by residents in one of the cases. In the four Houston-based cases, trust of the city did not appear to be a factor because residents did not appear to have any established, trusting or non-trusting, relationship with the city.

Traffic

When traffic is the topic, it seems people can always find something to say. Accordingly, throughout each of the eight cases, many residents participated in discussions about traffic resulting from redevelopment. They debated many issues — such as an increased number of vehicles, driveway access, pedestrian crosswalks, and changing of street directions — but some of the most intense discussions focused on minimizing any new truck traffic. (Most of the sites were accessed only by narrow streets.) As one resident living near a Boston brownfields site said, "We took real issues with the traffic studies. We just knew from living here that what the traffic consultant was saying wasn't right. He may have studied it for 20 or 30 hours, but we've lived here for 20 to 30 years."

If residents felt as though the developer was an "insider" rather than an "outsider," then they tended to be more trusting. This made for less participation.

More general design issues also engaged people, but according to some, this involvement was at the expense of the end result. As one local businessperson in Boston said, "The architecture of the project as originally conceived has been compromised much to the detriment of the project. We do not have nearly as good-looking a project here anymore as was originally proposed. This is directly due to neighborhood input. As long as the building gets built, it is fine from a business perspective; but as a resident I think we have an ugly building on our hands and the beautiful aspects of the building were considered too daring and have been removed."

Differences in Decision-Making

Decisions about brownfields redevelopment occur on a broad spectrum. On one end, decisions are made by a small group of "experts" through an act of guardianship. This technocratic decision-making works as a means to an end; such decision-making is often fast. Yet it does not guarantee success. Technocratic decisions often come face to face with public resistance and are not implemented.

On the other end, decisions are made through acts of direct democracy. This can increase the public support for a particular solution and make its implementation successful. However, one of direct democracy's main downsides is that it is often a time consuming and lengthy process. These time constraints frequently deter capital, resulting in paper solutions with no financial backing for implementation.

Of course, these two types of decision-making are the extreme ends of the spectrum. Most decisions are made through a process that takes place somewhere in between.

Some Overall Findings

From my observations, stronger participation did not prevent one brownfield from being redeveloped, nor did it seem to have significantly slowed one down. On the flipside, I am not sure if weak participation actually hurts the redevelopment. I could not document any such cases. However, I did find that late-starting participation can delay projects beyond the developer's initial deadline.

Stronger participation did not prevent one brownfield from being redeveloped, nor did it seem to have significantly slowed one down.

By conducting these interviews, it became clear that the developer, residents, and local business stakeholders think of brownfields redevelopment in two distinct phases: cleanup and reuse. And lack of concern or participation in the cleanup phase does not preclude these groups from having interest in the reuse phase. But for the public official stakeholder group, there are no phases. There is no distinguishing between cleanup and reuse; it is all part of the same redevelopment.

So public officials reason that if there is no interest in the cleanup, then there will be no interest in the reuse. This bodes poorly for residents, who, I found, would participate in brownfields redevelopment when it focuses on the reuse, but, for the most part, not when it focuses on the cleanup. It also could be injurious to the developer and other capital partners because delaying the process of engaging the public can be much more costly than engaging them early.

Repackaging Brownfields

My main recommendation addresses the disconnect between cleanup and redevelopment, which may be a result of bureaucratic misalignment. The brownfields redevelopment program originates at the federal level within the Environmental Protection Agency (EPA), where its intent is mainly to decontaminate sites. In contrast, local or state governments implement the program with, for the most part, intent to spur economic development. To bridge this gap, I support a new overall approach that promotes brownfields redevelopment as a means for neighborhood revitalization.

Viewing brownfields redevelopment holistically differs from current approaches, which tend to emphasize environmental remediation and/or job creation. (It should be noted though that the jobs created are often not for local people.) The current approach makes it appear as though decision-making is technical, with experts being the most qualified to make the decisions. This discourages layperson participation, and it may marginalize residents and others. In turn, these laypersons may not realize that they actually have a stake in the outcome until the redevelopment process is advanced to the point where they feel as though their participation would be useless.

If brownfields redevelopment is framed from the outset as an opportunity to improve neighborhood quality of life, improve public health, and create local jobs and other opportunities, then local residents and other affected stakeholders may realize the potential impacts on their lives and want to be part of the decision-making. Getting early involvement from residents and others may make the redevelopment process less contentious, which in turn means it may proceed more quickly and be more cost efficient for the developer. Early involvement can also mean that the project will be more representative of what the neighborhood wants.

To redevelop brownfields in a way that benefits all involved and spurs enthusiasm, the EPA and other federal, state, and local government agencies could begin by attempting to redefine how they market brownfields redevelopment. The U.S. Department of Housing and Urban Development (HUD), an agency that focuses on redevelopment, could become the lead federal agency in brownfields redevelopment. HUD could partner with the EPA to assure that environmental issues are thoroughly addressed; however, HUD would need to continue to assure that redevelopment issues are kept at the forefront of brownfields redevelopment. In addition, HUD and EPA could provide local governments with resources to enable residents and other stakeholders to participate in the redevelopment decision-making.

Regardless of what bureaucratic changes take place, neighborhood groups can be important players in turning the problems of brownfields into opportunities. These neighborhood groups are important in getting people involved in brownfields redevelopment, but they may struggle to get participation because brownfields are not viewed by most people as dreadful problems that require immediate attention. If neighborhood groups desire participation for the sense of empowerment it gives residents, they may have to work hard in cases where the developer is trusted, and traffic problems are minor.

Laura Solitare is a lecturer at the Edward J. Bloustein School of Planning and Public Policy at Rutgers University, where she recently earned her Ph.D.

Is Housing Next in Company Benefits?

By Kristin Kanders

The idea of employers' helping their workers with housing has recently been revived in Massachusetts and other parts of the country, especially in places with expensive housing. The effort may have staying power if businesses don't get derailed by economic uncertainty.

Metro Boston's latest push for employers to help with housing began about a year ago. In February 2002, the Greater Boston Chamber of Commerce and Fannie Mae, the nation's largest source

of financing for home mortgages, started encouraging the chamber's 1,800 business members to provide their employees with housing benefits. In general, this means employers help employees buy homes by loaning or granting them money for closing costs, down payments, and interest-rate buy downs, among other things. Some programs provide for rental assistance, but most target home buyers. By September, the two organizations were promoting the program to 300 other chambers of commerce across the country. (For some historical perspective on the ties between employers and housing, see page 17.)

Why Employers Offer Housing Benefits

"The word is getting out about the value of employer-assisted housing," says H. Beth Marcus, Fannie Mae's national director of employer-assisted housing. In large part, the message is spreading because Fannie Mae has undertaken an extensive marketing campaign to meet its goal of having 1,000 employers initiate such benefits by the year 2010. As of 2002, according to the Society for Human Resource Management, about 15 percent of businesses nationwide provided some sort of housing benefit, through mortgage, down payment, or rental assistance.

Employer-assisted housing (EAH) benefits are primarily used to recruit and retain workers. Businesses trying to attract workers to housing-crunched areas in particular use the benefit to offset their area's high cost of living. Many loan programs are structured to be forgiven in increments over time, say over five years, which helps to retain workers. Housing benefits are also thought to increase employee loyalty and morale, likely inducing employees to stick with their employers.

Community revitalization can also motivate employers to offer the benefit. By providing incentives to buy homes in select, usually deteriorated neighborhoods, employers can help stabilize the communities in which they operate. Beside the good-neighbor mission, which can have publicity rewards, the value of the employer's real-estate holdings may improve. Employers grounded in their communities, such as hospitals and universities, are especially inclined to take this approach. (See the sidebar on page 20, "In It for a Turnaround," for the story of how Yale University's homeownership program has helped revitalize New Haven, Connecticut.)

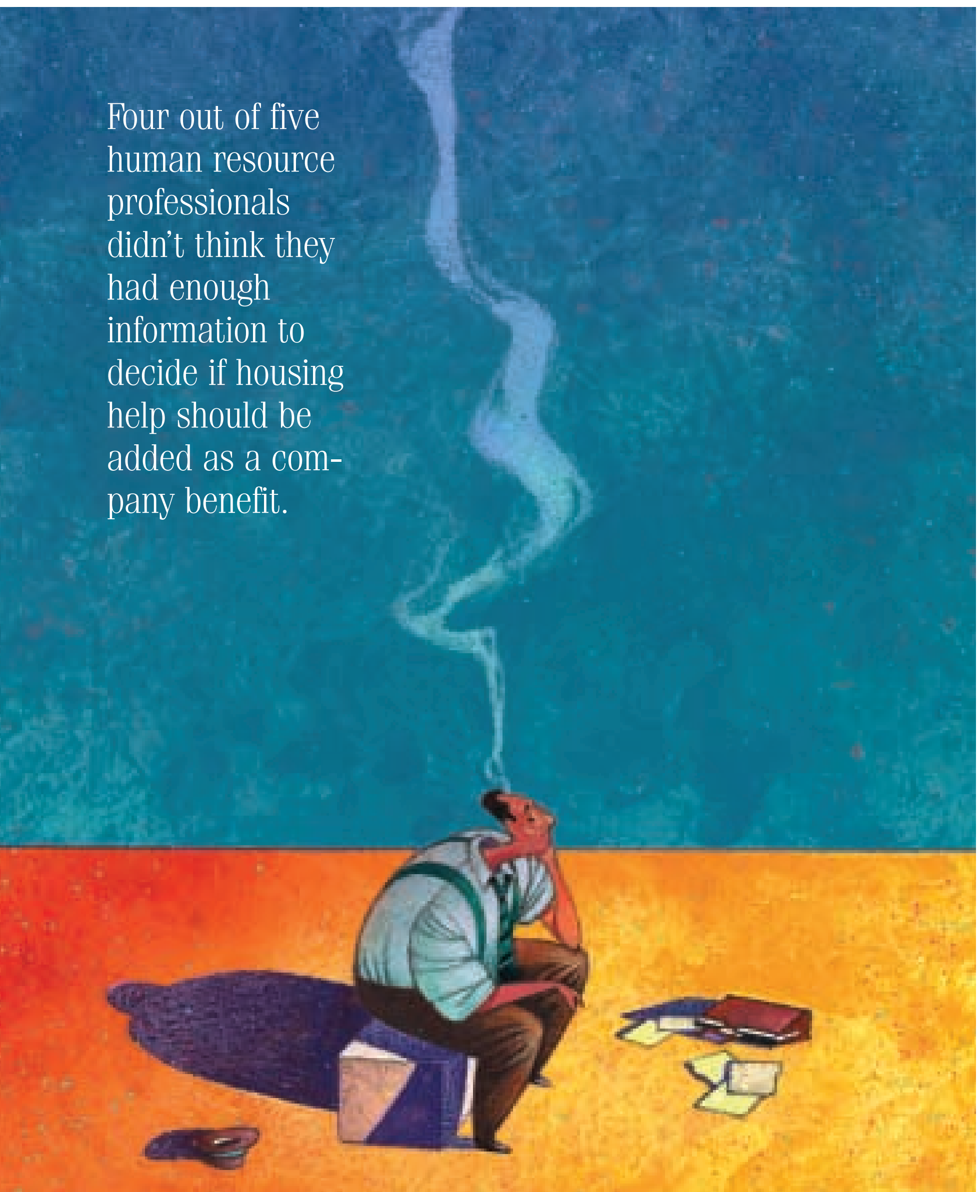
Employers design EAH programs as they see fit. Some emphasize education by paying for employees to attend home-buyer classes; others advance smart growth principles by encouraging employees to live near their work, or at least near transportation infrastructure. Reduced commuting, after all, is thought to improve worker productivity by lowering employee absenteeism and stress.

Despite the various advantages of EAH benefits, Fannie Mae certainly has its work cut out for it. As it discovered in 1998, four out of five human resource professionals didn't think they had enough information to decide if housing help should be added as a company benefit. But Fannie Mae's promotional work has made some headlines since then; EAH was a 2001 cover story in *HR Magazine*, and many newspapers now report on the subject. A larger obstacle is convincing employers to think of housing affordability issues as critical to business success. Furthermore, interest in employer-assisted housing seems to track the economy, and so enthusiasm is currently depressed.

Home Economics

The economic boom of the 1990s may have passed, but Greater Boston's housing affordability problems — in both rental and homeownership markets — remain. Massachusetts' unemployment rate has doubled since 2000, but housing prices have not faltered. In one sense, the housing affordability problems of today are a mark of success; the region has been an attractive place in which to live and work. But high housing costs can ultimately undermine the prosperity that created them.

Like a tourist destination with few hotels, business success and the economic competitiveness it leads to are



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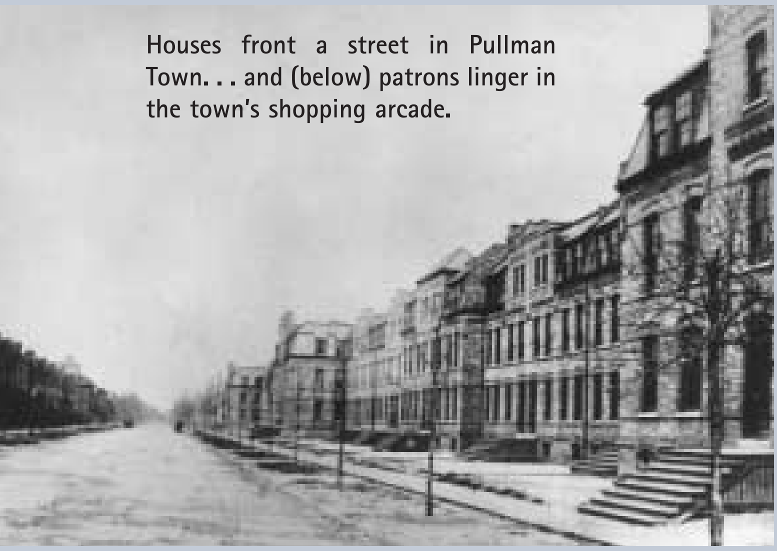
A Long and Contentious History Connects Employers and Housing

The early days of employers getting involved with worker housing provide some cautionary lessons. As times changed, though, so did the way employers helped their employees with housing. For the most part, employers put aside supply-side solutions in favor of demand-side ones that were easier to implement and more representative of what employees wanted.

One of the earliest examples of employers' assisting with employee housing began in Lowell, Massachusetts, in the



Houses front a street in Pullman Town. . . and (below) patrons linger in the town's shopping arcade.

1820s. Young women textile workers were sought from farming communities to work at the mills, and they lived in boardinghouses developed by the mill company. The living conditions were crowded, and older women served as boardinghouse supervisors, monitoring the workers' few free-time activities. For the "mill girls," however, this was their opportunity to be independent and among America's first wage-earning women. The boardinghouse concept spread to other New England mills, but eventually fell out of favor as mills began relying more on immigrant workers, who refused the dormitory-like living conditions.

Other instances of employer-provided housing took off around the country in the 1880s. Most notable of these was that of Pullman, Illinois, named for its founder and railroad sleeping car company president, George Pullman. This 4,000 acre company town was conceived as a utopian community with housing, schooling, churches, and private retail at the worker's fingertips. The idea was that well-taken-care-of workers would have fewer worries and distractions, making for more productive and focused employees. The invention ran seamlessly for well over a decade, until the railroad car business became snared in the nationwide economic slump of 1893. Then it all fell apart.

As orders for railroad cars plummeted, Pullman laid workers off. Still needing to cut costs, he lowered wages while maintaining the dollar amount each worker's paycheck was docked for rent. Squeezed by the situation, the workers unionized and then led a strike that sparked nationwide protests and riots. A year later, after President Grover Cleveland declared the strike illegal, and after two protesters were killed by army troops, Pullman employees returned to work under a contract that forbid their unionization.

Seeing Pullman's utopian dream turn into a nightmare, businesses stopped positioning themselves as both employers and landlords. It wasn't until the late 1980s that the practice of employers' helping regular employees with housing was reawakened, although in different form.

This time, the stimulus came from Local 26, Boston's Hotel Employees and Restaurant Employees Union. In 1988, the union successfully negotiated an agreement with Boston hotel owners for the first-ever creation of a housing trust fund that union workers could draw from when trying to meet their housing needs. Before the housing trust fund could go into effect, however, Local 26 had to win a change to labor law.

After nearly two year's worth of lobbying, President George H. Bush signed an amendment to the Taft-Hartley Act in 1990. Since then, union employees have been able to bargain for housing benefits in compensation negotiations. Also in 1990, employer-assisted housing was deemed to be an appropriate use of federal funds under the U.S. Department of Housing and Urban Development's HOME program. This change encouraged businesses to partner with nonprofits on behalf of employees, because nonprofits could apply for public funds.

As employer-assisted housing has evolved over the years, Massachusetts employers and employees have played a pivotal role in making those changes happen. It remains to be seen whether the same will be said a century from now.

Photos courtesy of Illinois Labor History Society.

Despite the problems they face in ares with high housing costs, employers are not easily convinced that EAH benefits are the way to go.

constrained by a region's capacity to house people. For regions to prosper, businesses must be able to hire and retain workers. If housing costs are too great, some people, especially young workers, will be inclined to move out of the area. Established businesses pay the price by spending more to recruit and retain workers. (This is particularly true for employers such as universities and high-tech companies that seek workers with specialized skills.) Fledgling businesses may decide to locate elsewhere.

Indeed, for those moving to Massachusetts or trying to become homeowners, high housing costs provide little comfort. Housing costs continue to far outstrip increases in wages and salaries and inflation. From 1997 to 2002, Massachusetts home prices (repeat sales) surged 72 percent. Over the same period, wages and salaries grew at a much slower 34 percent, and consumer prices rose just 19 percent. In September 2002, the median sales price of a home in the Boston metro hovered at $415,800.

Although low interest rates, and, therefore, mortgage rates, have had the effect of increasing affordability, high housing prices still block many from becoming homeowners. As MassINC and Northeastern University's Center for Labor Market Studies reported, homeownership rates across the country in 2000 were at historic highs, but Massachusetts trailed the nation. Even after adjusting for the state's higher per capita income, Massachusetts had the third most severe affordability problem in the nation. 2001 U.S. Census data show the national homeownership rate was 67.8 percent; in Massachusetts, the rate was 60.6 percent.

As to be expected, the number of working families struggling to make ends meet has risen in tandem with housing costs. (Working families are those who earn anywhere from the equivalent of a full-time minimum wage up to 120 percent of median area income.) Last year, the National Housing Conference reported that from 1997 to 2001, the number of U.S. working families paying more than half of their income on housing or living in substandard housing increased by 60 percent, to 4.8 million.

Interested. . . but Hesitant

Despite the problems they face in areas with high housing costs, employers are not easily convinced that EAH benefits are the way to go. Financial institutions have been some of the employers more eager to initiate programs. Citizens Bank, for instance, remains New England's most high-profile employer offering an EAH program. Their forgivable loan program, which was launched in June 2002, is open to 13,000 employees, and has been put to use by roughly 200 to date.

So far only about half a dozen employers have been persuaded by the Greater Boston Chamber of Commerce and Fannie Mae's initiative. In time, mainstream corporate employers may follow Citizens' lead. But for now their interest is definitely lagging. Jim Klocke, executive vice president of the Greater Boston Chamber of Commerce, believes the primary reason has been the slow economy. "Companies get creative with benefits when labor markets are tight," he says. And although Klocke believes an EAH plan is "a good idea all of the time," he acknowledges that the case is harder to make when businesses aren't under severe pressure to hire.

Robin Drill, director of Fannie Mae's Massachusetts Partnership Office, suggests employers fail to recognize that an EAH benefit can be as good for them, such as by earning the loyalty of their staff, as for their employees. "They don't seem to realize that not addressing the housing issue really will affect them through recruitment and retention." Drill points out that many employers view housing as a foreign concept, and have historically relied on the "housing community," rather than the business community, to deal with it. "Employers don't see it as a part of their world; they see it as a personal issue." The upside to this: as employers become more educated on housing issues, they may become more amenable to the idea of providing housing help.

It probably doesn't help that benefits as a whole, and health care benefits in particular, are getting more expensive. According to the Bureau of Labor Statistics' employment cost index, the cost of private industry benefits rose 10 points faster from 1990 to 2002 than the cost of wages and salary. Stanley Lukowski, president and chief executive officer of Eastern Bank and chair of Greater Boston Chamber of Commerce's housing task force, says, "A lot of employers are focused on health care costs." He believes it is important to get human resource directors to understand EAH, and to realize that the benefit is not necessarily costly or hard to administer. Ongoing marketing efforts, believes Lukowski, will prove effective, because "there is obviously a real affordability issue here — and the housing market continues to increase in cost and value."

Daniel Hoffman, who coined the term "employer assisted housing" in the 1980s and has written widely on the subject, believes the focus of assistance on up-front costs is partly responsible for the slow acceptance of EAH plans. "While Fannie Mae's support has been invaluable in legitimizing the concept," says Hoffman, "not everyone's homeownership problem is [acquiring] a relatively small portion of a down payment. But Fannie's program has driven the EAH discussion in this direction." Moreover, Hoffman says changes in the mortgage market, such as low interest rates and underwriting efficiency gains, have increased affordability and allowed more people to qualify for loans. This results in "less ability for employers and others to negotiate over the 'fat' in the underwriting process."

These changes in the mortgage market have also spurred a proliferation of mortgage products, many of them unfamiliar to potential home buyers. Fannie Mae suggests employers can offer help to their employees by educating them (typically through a third party) about these products. "There's probably at least 20 products out there, excluding the subprime ones" says Drill. "If an employer can help an employee get the best loan, then that's a gift."

Lack of familiarity, bad economic timing, and low mortgage rates are some reasons why employers may be skeptical of EAH benefits. But there are other reasons why employers may not want to get involved with housing for their employees.

On the practical side, the administration of an EAH benefit that is any more complicated than home-buyer assistance may give employers reason to pause. An EAH benefit generally takes a long time to set up (roughly a year from some sources),

Some would say employers offering housing benefits are paving the way.
Others liken it more to pulling too heavy a load.

In It for a Turnaround

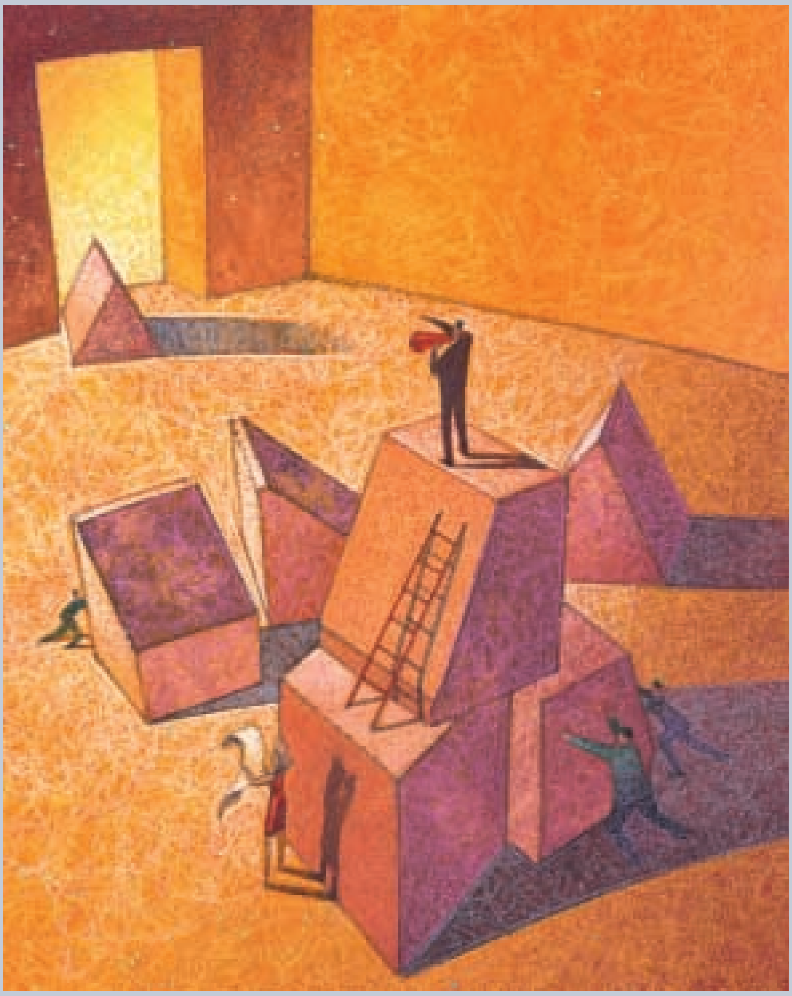
Remember the 1990s television show *Northern Exposure*? It followed the story of a New York doctor, who, in return for financial assistance with medical school, agrees to practice medicine in an underserved area of Alaska. Well, the same concept can be applied to housing. In this case, employers provide financial incentives to encourage people to move into underserved areas, thereby improving the quality of life in those places.

In New Haven, Connecticut, financial incentives provided by Yale University to its home-buying employees are helping to turn distressed neighborhoods around. Yale grants employees $25,000 over 10 years if they buy homes in one of six particular neighboring communities. These communities have suffered from disinvestment, neglect, and high vacancy rates. Since the program's launch in 1994, over 540 employees have purchased homes, and the neighborhoods are doing better. Michael Morand, assistant vice president of New Haven and state affairs at Yale, says the university followed a common sense approach that "homeownership contributes to vital and stable communities."

Morand credits the program's success and widespread use partly to its simple design — and partly to its generosity. Few employers could match the bounty of Yale's employer-assisted housing program. The university has committed over $12 million to its employees' home purchases so far, and the annual cost of operating the program runs over $1 million. But Yale's leadership has made community revitalization a top priority, and it has reason to do so. Improving its surroundings attracts staff and students, and helps fulfill its mission of being an active contributor to its urban society. Yale's program, says Morand, is like a "good housekeeping seal of approval for the community — showing we're putting our money in here."

James Paley, executive director of Neighborhood Housing Services in New Haven, says Yale's employer-assisted housing program is "probably one of the best in the country." He lauds Yale for deciding to further target New Haven's poorest neighborhoods, many of which border the university, when the program was evaluated at the end of its first two years. New Haven's neighborhoods are recovering, says Paley, because "everybody is doing their share."

By investing in distressed communities, Yale lends money, and confidence, to its neighbors.



and the administration of the benefit is primarily done in-house rather than by an outside organization. Unlike with health care benefits, no network of EAH administrators is on hand to work with, and the benefit may not neatly end when the employee leaves the company. For instance, if an employee quits before his or her housing loan has been forgiven in full, the employer may need to recoup some capital.

Philosophical reasons may also cause employers to hesitate with housing benefits. Some businesses may feel they are unfairly being asked to finance the high costs of housing, and that they should not be targeted to fix a problem that will only be solved by increasing the housing supply. How would their demand-side assistance really make a difference, and is it in their best interest to offer it?

Furthermore, providing a specific housing benefit primarily only helps those employees who do not already own a home, and even in Massachusetts, with is comparatively low rate of homeownership, three of every five households are already homeowners. Considering the potential inequity of a housing benefit, and the practical concerns of administration, some businesses probably figure their money is better spent going to increase wages. After all, increasing wages has the same effect of increasing the price cap of what an employee can afford to pay for housing.

The Incentive Spark?

One big, but underestimated, argument in favor of EAH benefits is that people honestly care about housing affordability. In the spring of 2002, a nationwide survey commissioned by the Fannie Mae Foundation found 37 percent consider the lack of affordable housing for low- and moderate-income families to be a very big or fairly big problem — second only to concerns about health care. Affordable housing took precedence over other serious problems such as job loss and unemployment, crime, and a polluted environment. Among working families, the shortage of affordable housing was seen as the number one problem. Anecdotal evidence of the rise in "boomerang children" — those who go off to college and then move back in with their parents, in part because of high housing costs —may be contributing to parents' concerns.

Housing's high priority as a quality of life issue, however, is not borne out in employee workplace benefits. The Society for Human Resource Management's 2002 Benefits Survey found 99 percent of employers provide some sort of health care benefit, but fewer than one in seven provide a housing benefit. Housing benefits are not even tracked by the Bureau of Labor Statistic's national compensation survey, although this is now under consideration. Enterprising businesses that take advantage of the disconnect between people's values and the benefit offerings of most businesses, might win regard both from their workforce and the community at large.

In Massachusetts, a growing contingent of people are supporting the EAH movement. Steve Grossman — president of MassEnvelope Plus, a printing and graphics company in Somerville and the first employer to formally sign onto the Chamber and Fannie Mae's initiative — advocated for EAH tax credits in his 2002 bid for the Massachusetts governorship. (In general, providing housing loans or grants to employees already reduces an employer's tax burden.) Boston's Mayor Menino continues to use the pulpit provided by his presidency of the U.S. Conference of Mayors to call for workforce housing and employer assisted housing. And former Governor Jane Swift said in her October 2001 introduction of the employer-assisted housing program for Massachusetts' municipal employees, "Unsung heroes such as firefighters, police officers, school teachers and other municipal employees provide critical services every day in every city and town, yet too often they can't afford to live where they work."

Massachusetts Senator Jarrett T. Barrios and Representative Robert Spellane have sponsored legislation calling for financial incentives for employers who provide housing benefits. Under their plan, the state would match $1 for every $2 the employer spends toward housing benefits, up to $100,000 per business and $5 million in total. While the consensus is that Massachusetts, like its fellow states under fiscal strain, is unlikely to adopt any new program costing money, there is also a possibility that the Romney Administration may eventually seek housing legislation, and that employer-assisted housing legislation, which draws on the private sector to leverage scarce public funds, could be part of his program.

Eleanor White, president of Housing Partners Inc. and of the housing advocacy organization CHAPA, which endorses the legislation, says while the legislation is not a silver bullet, "There needs to be financial incentive to help companies get over the hurdle of being frightened of the topic. To the extent that state matching funds can get employers over the *perceived* costs, then we believe this will be very helpful."

Similar legislation already exists in other New England states; Connecticut provides financial incentives (in the form of tax credits rather than appropriations) to businesses that create housing assistance funds. The program, which caps tax credits at $1 million annually, had early success following its enactment in 1993. As a result of stricter eligibility requirements going into effect recently, however, the number of companies participating has declined, and not all of the $1 million allocated each year has been used. A newer program, the Urban Rehabilitation Homeownership program, which also requires businesses to commit funds to their employees in order to leverage state financing, is having greater success.

Massachusetts' housing situation will not be fixed easily, and no one sector or program can solve all its problems. There is no question that an increase in supply is needed. But thinking that production is the only answer excludes other potential sources of help, such as employers. Although employers may worry that getting involved in housing means they are entering employees' "personal issues," they might take comfort in the knowledge that few issues are as dear to employees as being able to afford a home.

A Community Development Work in Process

By Michael Finnegan, Maine State Housing Authority

A banker for life or so I thought. I clearly remember that day in March of 2000 when the phone call came from the Governor's office informing me that my name had been placed on a list of potential candidates to be director of the Maine State Housing Authority. At the time, I was very satisfied with my position as northeast manager of community development finance at Key Bank of Maine. My territory included Maine, New Hampshire, Vermont, and New York, with oversight of five lenders who focused on housing and economic development loan activity that was both profitable and in line with the bank's Community Reinvestment Act objectives.

When the call came, I hesitated while considering the prospect of leaving a 25-year banking career to move to a more bureaucratic and politically oriented position. The appointment would be for a four-year term with no guarantee of reappointment, and it would bring a whole new set of stakeholders to deal with. I thought that, at best, I would be a long shot for the position, as I had not played an active role in state politics. As the interview process unfolded, however, I began to appreciate the position's opportunities.

First, the Maine State Housing Authority, as the state's public housing bank, has a substantial asset base of $1.7 billion with a positive rating by Moody's (Aa1) and Standard and Poors (AA+). Second, even though it has a very "bank-like" design, it is still a nonprofit with a strong affordable housing mission. The thought of leading a well-endowed nonprofit that mobilizes capital to generate a good social outcome was very enticing. Having served as a board member of Coastal Enterprises, Inc., an effective community development corporation, I was already hooked on the satisfaction one gets from making lending and investment transactions that generate social dividends in housing and job creation. Finally, I learned that the prior Authority administration had built a brain trust of dedicated and mission-driven staff who were poised to bring the agency additional success.

By the time I ended up as a finalist, I was convinced that the position would be a logical career step for a banker with a community development orientation. I had also become more comfortable with the concept of bringing private banking sector experience to a public finance agency.

The day I received the call confirming the Governor's nomination was a day filled with mixed emotions. I very much valued my career and associations at the bank, and I still had some trepidation as to how a commercial banker would fit in the Housing Authority role. At the same time, I was energized by the prospect of building upon the Authority's past accomplishments.

My first duty on the job was to address all of the employees at an annual staff day and introduce my overall ideas about my role. From that very first day, I was made to feel welcome, and that experience continues to the present.

I devoted my initial months to understanding the Authority's structure and function. Even though it is a state "housing bank," its funding sources differ substantially from a conventional bank. We are primary users of the states' tax-exempt bond cap and managers of the states' allocation of Low-Income Housing Tax Credits. In addition, we receive a mixture of state and federal funding. This amalgam of sources creates a very efficient "cost of funds" that allows the agency to function with a net interest margin objective that would make many conventional bankers envious. On the other hand, because of regulations with tax-exempt bond financing and state and federal financing sources, we must direct our loan programs to specific low-income and targeted populations.

Having underwritten many for-profit and nonprofit entities during my years as a traditional banker, I could see that the Authority needed a "business plan." This would help it to maintain focus on achieving results in housing that were consistent with its overall mission. This would be valuable not only from an internal agency perspective, but also because the strategy would help build a positive profile of accountability with our external stakeholders. We would be better able to demonstrate our substantial fiduciary responsibility related to the funds we manage and show high accountability and performance to the Governor, legislature, and, most importantly, the citizens of Maine.

To do this, we convened our executive committee at a facilitated retreat. We determined there to be six principal areas of housing focus. These became known as the "emerging issues" of the Maine State Housing Authority:

Affordability in stressed areas. This involves addressing the need to produce more affordable rental and ownership units in the state's most costly areas.

Reducing and working to end homelessness. With rising numbers of homeless needing the shelter offered by nonprofits, it was apparent that the agency needed to build a strategy to improve the situation.

Preserving the existing affordable rental housing stock. The expiration of many Section 8 units in the state calls for an organized and comprehensive rehabilitation and refinance program.

Housing for frail elderly. Maine's aging population and Medicare and Medicaid reforms mean that designing and funding new senior residential living alternatives should be a top priority.

Community revitalization. Many communities are experiencing deterioration because of sprawl and suburbanization, and so it is appropriate to direct housing capital for downtown revitalization.

Capacity and capital support for nonprofit housing organizations. If nonprofits are to maintain their role as strategic partners in affordable housing development for the long haul, our agency must assist them to build and diversify their revenue sources.

We then agreed on a process to tackle each issue and produce results. We would start by gathering research and conforming our policy so that we and others would understand our position on each problem and what we wanted to accomplish. Next we would work to translate policy into meaningful programs and identify human, technical, and financial resources to support those programs. Finally we would implement programs in a timely fashion and record outcomes as they occurred.

These work activities are very much "a community development work in process" but we are pleased to report that we are already seeing results for each of the six emerging issues. Of course, all of this occurs in a context of managing assets and maintaining a strong balance sheet and revenue stream for the agency. Maine voters have further supported our efforts with the passage of a $12 million general obligation housing bond. We will continue to build on this and other outcomes to assure housing opportunity for every citizen in Maine.

Working in the political arena raises the stakes, but being part of a large and socially oriented organization has tremendous advantages.

In retrospect, the transition from banker to housing authority director has been very fulfilling. Working in the political arena raises the stakes, but being part of a large and socially oriented organization has tremendous advantages. It is evident to me that the public and private sectors have much to offer each other. Their further collaboration is needed to generate solutions to the complex challenges of affordable housing.

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