

# The Washington Post

## Building On Her Mission

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Fifteen years after she helped set up one of the region's and the country's most successful affordable housing groups, Leslie A. Steen is moving to a national organization with a broader perspective: to develop cutting-edge solutions and financing to address America's affordable housing shortage.

Most people may not be familiar with Steen's name, or with the Washington-based Community Preservation and Development Corp., where she will continue to serve as president and chief executive until Nov. 1.



Leslie Steen is leaving the Community Preservation and Development Corp. to take a vice president's job with the Boston-Based Housing Partnership Network.

But they may know the work the group has done: transforming apartment buildings from miserable drug- and crime-infested zones into revitalized communities and updating gritty but affordable rental buildings in neighborhoods where rent is rising.

The group has restored 23 large housing complexes, with 3,500 units. Among them is Edgewood Terrace in Northeast Washington, a sprawling complex of subsidized public and private housing for families, seniors and the homeless that had earned the nicknames "Little Beirut" and "the killing fields."

The group put together a financing package of millions of dollars in public and private money that rescued the entire complex for low- and moderate-income residents. The 10-year, \$76.4 million rehab was completed a year ago.

Another success story is Wardman Court, a rehabilitation of the drug- and crime-ridden Clifton Terrace apartments in Columbia Heights. The CPDC's goal was to restore the historically designated complex as rentals and condos for residents of mixed income.

The CPDC and Michaels Development Co. bought the property, built in 1918 as luxury apartments, for \$1 in 1999. Two federal attempts to rescue the building had already failed. Steen cobbled together \$37 million in financing from the District, the federal government and private lenders for the five-year restoration effort.

Other CPDC rehabs are found in Annapolis, Reston, Takoma Park and Aberdeen. Work is underway on a handful of sites, including the 32-year-old Immaculate Conception Apartments at 1330 Seventh St. NW, near the new Convention Center. The faded brick building is in an area

under considerable gentrification pressure. Among the challenges is that the entire facade is crumbling.

The CPDC hopes the renovations, to be completed early next year, will preserve affordable units while offering residents the services that the group sees as essential to community revitalization: job training, education classes, youth programs, computer training and high-speed Internet access.



Northeast Washington's Edgewood Terrace is among Community Preservation and Development Corp.'s renovations. (Michael Temchine For The Washington Post)

Partnering with residents on redesign and on how their buildings can enhance their lives is key to the philosophy behind the CPDC, Steen said. She co-founded the nonprofit organization with Silver Spring developer and apartment manager Eugene F. Ford in 1989 to bring this philosophy to the challenge of building and maintaining housing that very-low-income and low-income families could afford. She is president and chief executive; Ford is chairman.

Steen said the decision to take a vice president's job with the Boston-based Housing Partnership Network was "a hard one to make," but she added that "the mission of the organization is really compelling to me."

The network is a collaborative of 80 nonprofit housing enterprises, including the CPDC, from 37 states. Goals include revitalizing neighborhoods, developing and financing affordable rental housing, helping lower-income families become homeowners and providing social services. As a network board co-chair and at the CPDC, Steen has helped generate new concepts, including ways to overhaul crumbling public housing with a mix of government and private money.

Steen recently talked about the state of the nation's affordable housing; here's an edited version of that discussion.

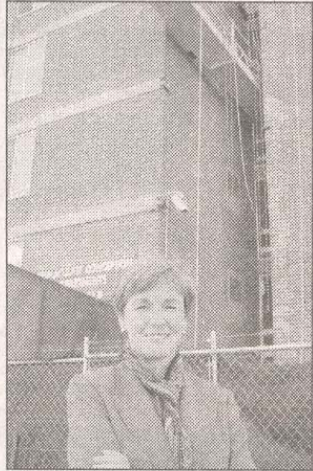
**Q What do you consider your biggest accomplishment? The transformation of Clifton Terrace or Edgewood Terrace?**

**A** I don't see CPDC's accomplishments as projects. I see them as concepts. There are two things that CPDC really believes in -- and that we were at the forefront of.

One is mixed-income projects, because they are more sustainable. A mix of incomes is what a healthy community is all about. . . . If you didn't have government interference, you wouldn't have 100 percent low-income projects.

The other concept is the need for a combination of housing and community-based programs that are arrived at in partnership with the residents. . . . We call it our "asset-building" program, because our programs are educationally-oriented, job-oriented and technology-oriented . . . to help people move up the ladder and to become part of the economic mainstream.

Technology access is very important. Wherever we can put together the resources, we wire the apartments and bring in high-speed Internet. We build in community space, including computer learning centers. So the community is using technology as a tool.



BY SUSAN BIDDLE—THE WASHINGTON POST

**Leslie Steen stands in front of the Immaculate Conception Apartments, a CPDC project on Seventh Street NW.**

### **Have you ever doubted that your projects would succeed?**

I didn't. Lots of other people did, and our board did. . . . But if we are ever at a point where it could fall apart, the approach I take is that if there's a problem, we have got to find a solution.

On Clifton Terrace, for instance, in 1998, when we started on the project, I had somewhat of an understanding of what was going to happen in the neighborhood around it. I knew that it was going to be developed [leading to pressures to turn Clifton Terrace into high-end apartments]. I just didn't know it was going to happen so quickly.

### **Is there a secret to developing affordable housing that you can share?**

There is no secret. There's no magic. Anybody that thinks there is, there just isn't. The approach we take that is the most important is the partnership with the residents. We respect them; we build on the assets that exist.

As for financing, we don't do it any differently than others, although we may do more complex structuring. Essex House in Takoma Park is an example. It has seven layers of regulation and six layers of funding [because of the various federal and state housing subsidies involved]. It is extremely complex to put them all together, but we did that so we could preserve . . . a naturally occurring community of many income levels.

It was a market-rate property without any form of government subsidy [and to protect it as affordable housing] we needed to put together a whole package of financing.

The Edgewood seniors building took us seven years to finance, but we did it because we wanted to keep it the way it was, with housing for extremely low-income seniors. . . . Then once we did that, we had to do [the other three phases] to preserve the whole community.

### **How does CPDC choose projects and ensure they will work out?**

With a thorough renovation, good solid property management, a solid partnership with the residents and good screening of tenants . . . you can do enormous things with a community. Also, it matters how the building fits into its surroundings. If, for instance, Clifton Terrace had been surrounded by a sea of trouble, then I would have been concerned. Then I would have worried that it couldn't be accomplished.

Southeast Washington is a good example. Until there was a concerted effort by a whole range of partners, it was hard to consider doing a project there.

If you just sort of plunk down in the middle of trouble, you could get swallowed up. We knew that Clifton Terrace and Edgewood Terrace were the problem and felt that we could solve it.

### **What's the biggest hurdle to getting affordable housing built?**

It's resources. It's money. The resources for affordable housing have been getting cut over the years. The dollars that used to come from the federal government have been shrinking.

We're very fortunate that the dollars from local governments have been increasing, in the District . . . in Montgomery County. . . . But the cut in federal funding is enormous and the local governments just can't make up the difference.

### **What does the future hold?**

We're losing our affordable housing very rapidly in this region. . . . If we don't preserve it, the region's economy will end up choking because we won't have any workforce housing.

### **How do you maintain and manage affordable housing so that projects do not descend into the problems that have plagued public housing over the years?**

Your first golden rule is you always have a long-term perspective. And your second golden rule is to look at your residents as resources. . . . Value them. Listen to them. Manage your asset responsibly. Invest in the project, in the capital needs and in the residents. Don't look for short-term profits.

### **But how do you keep housing affordable when there is so much gentrification?**

It's very difficult. In the District, the tenants' first right to purchase [when a landlord gets a purchase offer] is the mechanism that you can use to preserve affordable housing.

[At the Immaculate Conception Apartments project on Seventh Street NW, for instance, CPDC joined with the tenants association to buy the building.]

In other jurisdictions, it is much more difficult because we lack the ready resources to acquire property quickly. We depend on government funding that takes a long time.

One of the things I will be doing is creating an equity fund for nonprofits to acquire housing quickly. . . . It will be a mix of equity money, foundation money and bank loans. . . . If we don't have to use the government's money we can move quickly when we need to. . . . The market-rate people [putting together developments] are out there with lots of places where they can go to get equity. Their equity . . . is based on increasing rents.

We can't tap those resources because we're not about increasing rents. But we are going to try to create our own equity.

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