

Case 55

The Enterprise Foundation

Surdna Foundation, 1982

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Background. James Rouse, a successful real estate developer “who sought not just to make profits but to transform the landscape and the quality of civic life,”⁸³⁷ got his first taste of community development work in 1972, when he assisted three women from his church in a venture to purchase and renovate a low-income housing complex in the Adams Morgan neighborhood near DuPont Circle in Washington, D.C. That project led Rouse and his wife Patty to become board members of the women’s nonprofit, Jubilee Housing, where his involvement with the struggle of low-income Americans to find decent housing deepened.⁸³⁸ In 1982, the Rouses founded the organization that James would later call “by far the most important work” of his life.⁸³⁹

Strategy. The Enterprise Foundation was conceived as an intermediary organization that would harness private and government capital to help build affordable housing for the poor. It would offer grants, low-interest loans, and equity investments, and would not shy away from the hardest cases: people with dim financial prospects and neighborhoods with histories of violence and poverty.

Today, the Enterprise Foundation works in thirteen cities, as well as the upstate New York area. It also has a program for Native American communities, and an office dedicated to public policy advocacy.⁸⁴⁰ Over the last twenty-three years, the Foundation has spun off a number of nonprofit and for-profit affiliates. All of these are driven by social conscience, and they include such organizations as a not-for-profit lending firm and a “socially motivated for-profit subsidiary”⁸⁴¹ that collaborates with developers and other investors to support real estate projects that qualify under federal law for Low Income Housing Tax Credits. The work of the Enterprise Foundation is similar to that of the Local Initiatives Support Corporation (LISC), another intermediary organization started by the Ford Foundation to help secure funds for community development. Enterprise, however, is very “social welfare oriented,” and has, therefore, maintained a firm commitment to taking on the most difficult cases.⁸⁴²

The Surdna Foundation has been a consistent supporter of the Enterprise Foundation, making a number of grants for infrastructure development, including strategic planning, new program development, fund-raising capacity building, and more. Since 1990, Surdna has given to Enterprise grants worth \$1.07 million for this sort of institution building. The Surdna Foundation has also given \$6 million to Living Cities: The National Community Development Initiative, which is co-managed by the Enterprise Foundation.

Outcomes. Since 1982, the Enterprise Foundation has wrought enormous change on the community development landscape. It has raised and invested over \$5 billion from private funders and especially from the federal government. This money has gone to support affordable housing construction and renovation, childcare facilities, school improvements, job creation, and anticrime programs.⁸⁴³ In 2003 alone, the Enterprise Foundation invested over \$550 million in community improvements around the nation. It also built or rehabilitated more than 14,000 homes for low-income buyers; helped 1,000 people get entry-level jobs; gave 400 children access to child care; and trained over 150 community residents to patrol their communities through neighborhood watch programs.⁸⁴⁴ All told, the Enterprise Foundation’s efforts since 1982 have helped provide more than 160,000 new affordable homes for the poor and 40,000 jobs to the unemployed.⁸⁴⁵

Impact. The Enterprise Foundation is one of the leading intermediary institutions working to strengthen the community development movement. In addition to economic development and housing, key features of community renewal, to be sure, Enterprise is distinguished by its strong

focus on social service provision for the most disadvantaged Americans. This is an especially difficult niche to fill effectively, and Enterprise has been helped enormously by the steady aid of the Surdna Foundation. The kind of support Surdna has given Enterprise, for infrastructure development, is particularly important and notoriously hard for nonprofits to find. According to Ed Skloot, the Surdna Foundation's president, Surdna has made it clear to Bart Harvey, Enterprise's Chairman and Chief Executive, that Surdna cares deeply about Enterprise's organizational health, and will be receptive to requests for this kind of support. Bart Harvey and Enterprise's Board of Trustees have stayed true to James Rouse's difficult agenda. With the support of the Surdna Foundation and others, they continue to justify Mr. Rouse's conviction "that what ought to be, can be, with the will to make it so."⁸⁴⁶

Notes

837. Paul Goldberger, "James W. Rouse, 81, Dies: Socially Conscious Developer Built New Towns and Malls," *New York Times*, 4/10/1996.
838. Available from <http://www.enterprisefoundation.org>.
839. Paul Goldberger, "James W. Rouse, 81, Dies: Socially Conscious Developer Built New Towns and Malls," *New York Times*, 4/10/1996.
840. Available from <http://www.enterprisefoundation.org>.
841. Ibid.
842. Edward Skloot, interview with Joel L. Fleishman.
843. Enterprise Foundation, *Annual Report*, 2003, available from <http://www.enterprisefoundation.org>.
844. Ibid.
845. Ibid.
846. James W. Rouse, "The American City Award Acceptance Speech; New York," November 1993.