

Communities of Opportunity

An Interview with Jonathan F.P. Rose, President, Jonathan Rose Companies

EDITORS' NOTE Jonathan Rose's business, public policy, teaching, research, writing, and not-for-profit work focuses on creating more environmentally, socially, and economically resilient cities. In 1989, Rose founded Jonathan Rose Companies, a multi-disciplinary real estate development and investment firm, to address the challenges of declining ecologies and the poor distribution of opportunity through the development of green affordable and mixed-income housing. The



Jonathan F.P. Rose

firm's innovative work has won awards from a wide range of notable organizations including the Urban Land Institute, the National Trust for Historic Preservation, the Natural Resources Defense Council, the American Planning Association, and the American Institute of Architects. Rose was selected as the winner of the 2021 ULI Prize for Visionaries in Urban Development. He also advises global cities on planning, affordable housing, environmental, and social issues. He chairs the Bhutan Urban and Regional Planning Global Advisory Committee. Rose's book on how to create resilient cities, *The Well-Tempered City: What Modern Science, Ancient Civilizations and Human Nature Teach Us About the Future of Urban Life*, was published by Harper Wave in 2016, and won the 2017 PROSE Award for Outstanding Scholarly Work by a Trade Publisher. Rose has been the subject of three Harvard Business School cases. He frequently lectures at graduate schools of business, environment, and architecture on the future of cities, affordable housing community development, the environment, and regenerative business. In 2015, he held the Yale School of Architecture's Edward P. Bass Distinguished Visiting Architectural Fellowship. Rose was appointed an Executive in Residence at the Saïd Business School 2021-2022, focusing on his work on regenerative business and regenerative economies. He has testified before U.S. Senate and House Committees on housing, infrastructure, and environmental issues, and served as an Advisor to the White House Office of Urban Affairs. He serves on the Second District Advisory Council of the Federal Reserve Bank of New York. He is a Trustee of Enterprise Community Partners and The Capital Institute. He and his wife, Diana Calthorpe Rose, are the co-founders of the Garrison Institute and he serves as Chair on

its Board. The Institute connects inner transformation with outer solutions to relieve suffering in the fields of trauma, education, and the environment. He is an Honorary Member of the American Institute of Architects and Honorary Trustee of the American Museum of Natural History, Jazz at Lincoln Center, and Brooklyn Academy of Music. He is also a member of the Council on Foreign Relations. Rose chaired the Metropolitan Transit Authority's Blue Ribbon Sustainability Commission which developed the nation's first

green transit plan, and was a commissioner on the NYS 2100 Commission tasked with identifying strategies for the long-term resilience of New York State's infrastructure post-Hurricane Sandy. Rose graduated from Yale University in 1974 with a BA in psychology and philosophy, received a master's degree in regional planning from the University of Pennsylvania in 1980, and has an Honorary Doctorate from the New School.

COMPANY BRIEF Jonathan Rose Companies LLC (rosecompanies.com) is one of the country's leading developers and investors in sustainable, affordable, and mixed-income multifamily real estate, with more than 18,000 units owned or managed. Founded in 1989, Jonathan Rose Companies is a mission-driven company focused on enhancing the health and wellness of its residents with green, energy efficient property improvements and through its Communities of Opportunities programming. With offices in New York, Connecticut, Colorado, Ohio and California, Jonathan Rose Companies has developed or acquired more than \$3.4 billion of real estate.

What was your vision for creating Jonathan Rose Companies and how has the company evolved?

Jonathan Rose Companies was founded in 1989 as a mission focused for profit. At the time, I was a member of the Social Venture Network, inspired by amazing founders such as Ben Cohen and Jerry Greenfield of Ben and Jerry's, Anita and Gordon Roderick of the Body Shop, John Macke of Whole Foods, Gary Hirshberg of Stonyfield Yogurt, and others. I felt if they could reimagine food and beauty companies, I should be able to reimagine what a real estate company could be. During this time, development in the U.S. was rapidly suburbanizing, and its cities were struggling. The company was launched to focus on urban regeneration, to develop affordable and mixed income housing, to advance green building, and to help grow the cultural life of cities. We were one of the very first real estate companies committed to making this work environmentally responsible.

We now have three main areas of activity – we develop new affordable and mixed income communities; we buy and preserve existing affordable housing; and we do deep renovations of affordable housing in need of rehabilitation. We are a national firm, working in 14 states. All of our work is quite green, and we bring social, health, and educational opportunities to our residents.

How do you define Jonathan Rose Companies' purpose and mission?

The United States was long considered the land of opportunity – and yet that opportunity is not well distributed. Millions of low-income families across the country live in communities that are disconnected from quality schools and jobs, health-care, and healthy food, and are underserved due to their financial status and ZIP Code. Research

“Our goal is to enhance connections between people, creating pathways to opportunity and improving the health of our residents.”



NC Five in North Philadelphia

shows the detrimental and long-term effects that poor housing and neighborhood conditions can have on an individual's health, education, and employment.

Our mission is to address the problem of inequality by creating Communities of Opportunity. Every investment we make creates, deepens, or extends housing affordability for the long-term to serve low-income and working-class households in markets most vulnerable to rising rents. We strive to connect low-income communities with fundamental necessities, such as healthy-living, food security, safety, transportation, and arts and culture, so that they can become empowered partners in the transformation of their own neighborhoods.

Exacerbating the already fragile conditions within these communities are the effects of climate change. We meet this challenge by reducing the climate impact of our portfolio while creating resilient, future-proof properties.

Our investment strategy recognizes that the least carbon-intensive solution to the affordable housing crisis in the United States is to preserve the existing affordable housing stock. Renovating existing buildings avoids the bulk of the embodied carbon associated with new construction while we transform the properties to reduce operational carbon emissions, conserve water, improve occupant health, and myriad green improvements. And we are prioritizing human health through our Communities of Opportunity program.

What have been the keys to Jonathan Rose Companies' growth and strength in the industry?

First, we are very good at what we do, completing projects on time and on budget. All of our projects are partnerships – we partner with city, state, and federal agencies to get this work done, as well as investors and other for-profit firms. We are very good partners. We have been very innovative in approaching complex problems, we are

committed to design excellence, and our mission is at the very core of our corporate DNA. And we are authentic – for example, we were authentically and visibly committed to green building long before the rest of the industry. These qualities provided the foundation of our reputation for excellence with mission. Everything grew from that.

How critical is it for Jonathan Rose Companies to build a diverse and inclusive workforce?

We are committed to growing a diverse, equitable workforce at many levels. We have formed an antiracism task group and are moving ambitiously to increase the diversity of our workforce at all levels. This work includes very direct goals and keeping ourselves accountable. For example, we commit to making sure that every hiring slate is diverse, and we track our outcomes. We also work to make sure our partners share our commitment to DEI, and ask our suppliers about their diversity work.

In addition to this, we believe that our “product” – affordable and mixed income housing – helps advance equity and diversity in the communities in which we work. The lack of affordable housing has become a key factor limiting the economic growth and quality of life in cities around the country. Our work, and the work of other firms like ours, is essential if we want all families to thrive.

What do you see as Jonathan Rose Companies' responsibility to the communities it serves?

We have advanced a holistic approach to affordable housing called Communities of Opportunity. Each community we own, whether we build or buy it, includes interventions and amenities that set residents on the path to well-being, such as health exam rooms, fitness centers, community gardens, facilities, computer labs, communal kitchens, libraries, and on-site resident

services coordinators who connect residents to programs and services that meet needs and enable access to opportunity.

Our goal is to enhance connections between people, creating pathways to opportunity and improving the health of our residents. At the same time, we have a broader responsibility to the community of life on earth to reduce our energy use and climate impacts, and also our use of water and toxic materials.

What do you feel are the keys to effective leadership and how do you describe your management style?

Effective leadership requires vision and being effective at translating vision into action. I have also learned that it requires understanding organizations and their behaviors. To achieve that, I have had to learn a lot about humans and their behaviors.

My management goal is “Excellence with Kindness.” Some consider compassion to be the antithesis of rigor – my goal is to bring rigor and compassion together.

Did you always know that you had an entrepreneurial spirit and desire to build your own business?

I grew up in a wonderful family that was very entrepreneurial and very philanthropic. My father and uncles have made significant contributions to New York City through their vision, generosity, and capabilities. They felt that their work should be honorable, but that their impact would be through their not-for-profit life.

I started my career in my family's New York City multifamily real estate firm and volunteered as a board member of The Educational Alliance, a Lower East Side-based not-for-profit, helping them build housing for homeless seniors, drug treatment centers, day care, early childhood education centers, and more. As my career progressed, I wanted to bring the for-profit and not-for-profit streams of my life together.

1989 was a time of economic recession. Financing was scarce and real estate values were dropping. It was a good time to enter the market because there was little competition, and many other developers were struggling with too much debt and too few lenders. But in the quietude of the markets, it was also a time of rebirth.

I founded the company as a mission-focused, for-profit real estate company. Our aim was, and remains, to create model projects with environmental and social responsibility at their core, working in transit accessible locations, planning and developing affordable and mixed income housing, accompanied by a mix of uses that enhance the fabric of its communities. We set out to build, buy and renovate projects with substantial components of affordable and mixed income housing. We would be national in scope, and model what today we call impact investing.

What advice do you offer young people interested in building a career in real estate?

Start working for firms that are committed to excellence, and build your skills. At the same time, volunteer for a not-for-profit. It's a great way to grow leadership skills. And these days, at some point, getting a master's degree in real estate is very valuable. ●