

bring the Emerson Street House back to Net Zero. Once adjustments have been made, the 12-month operational phase starts over. The Energy Team will also be installing monitoring system to help identify potential problems before they happen and troubleshooting the electrical system which has had some challenges.

At Rooted Investing, we always ask – How did we contribute to the problems with this investment? What would we do different next time? What have we learned?

Diane relied solely on “building science” (**STEM**). Diane reverted to linear thinking, her old finance and accounting problem solving skills, that fail to consider the whole system, even though Diane knows that linear thinking doesn't work.

Then the Artists started showing up and solutions began to appear. Nikki Brown, Robin Corbo, Wynde Dyer, Joanne Green, Vanessa White, Maria Maggi, Muffie Connelly, Hazelnut Grove Artists, and so many more.

“Building science” (**STEM**) can construct a building. Only **ART + STEM** can build a community.

The Original Design Build Contractor and the Original Collaborative Partners have indicated to Rooted Investing and to Diane personally that they no longer want to continue with the Emerson Street House project.

Diane and the Rooted Investing Team has registered the Emerson Street Community, a Neighborhood Co-Operative, for the Living Community Challenge. The Team is registering the Emerson Street House for the Living Building Challenge since all Living Communities must have one building pursuing the Living Building Challenge.

The Emerson Street House web site is on hiatus until February 2017, while we complete Brand Frame and Messaging. Until then, Diane will be posting blogs about the Emerson Street House on dianefreaney.com and on Facebook – Diane Freaney and Emerson Street House.

Rooted Investing LLC is choosing to register the Emerson Street House LLC for the International Living Future Institute's (ILFI): Living Building Challenge (LBC) because ILFI uses a systems approach. A flower, with seven Petals. Three Petals – Water, Energy, and Materials are common among many Certifying Agencies, although ILFI's standards are the highest.

The remaining four Petals – Place, Equity, Health and Happiness, and Beauty and Inspiration – are the reason Rooted Investing chose ILFI. These four Petals are the most important Petals, fully integrating ILFI's mission with building science. We will use the Energy Petal as a catalyst to involve the full community in creating a socially just, culturally rich and ecologically restorative community in the Emerson Street Neighborhood, fulfilling ILFI's mission.

*ILFI's Mission - To lead and support the transformation toward communities that are socially just, culturally rich and ecologically restorative.*

The Emerson Street House had many challenges during construction. The Certification of Occupancy was issued May 2, 2016, approximately six months after the estimated completion date. Diane moved in May 5, 2016. The Emerson Street House is a PHIUS+ CERTIFIED Project of the Passive House Institute, certificate dated August 1, 2016 and an earth advantage HOME CERTIFICATE, labeled ZERO ENERGY issued in May 2016.

I checked and the PHIUS+ CERTIFIED Project is a Pre-Certification done on computer, by the numbers. DATE: August 1, 2016 is the issue date and has no relationship to the actual environment in the house on August 1, 2016. The actual outside temperature was 79 degrees, the inside temperature was 84 degrees with dead air, not the healthy 70 degrees with excellent ventilation promised in Passive House literature.

ILFI requires a 12-month operational phase prior to audit (for certification). In November 2016, the MAIN unit of the Emerson Street House failed the Net Zero test. The test is SIMPLE – the Pacific Power bill for the MAIN Unit is \$29.13 for the month as compared to the minimum bill of \$10.80 to be connected to the grid. This provides our Energy Team with the perfect opportunity to look at the system and make the adjustment necessary to

In SIMPLE terms, Money is linear; Community is a system. Wall Street is linear; we all live in a systems world.

Rooted Investing, Bringing Capital Back to Earth, started to come into focus. Rooted Investing is mycelium investing. According to Wikipedia – “Mycelium is the vegetative part of a fungus or fungus-like bacterial colony, consisting of a mass ... has killed the forest above it several times over, and in so doing has built deeper soil layers that allow the growth of ever-larger stands of trees.” The mycelium supports all living things on earth.

Wall Street investing is Mount Everest, the earth’s highest mountain. A handful of wealthy adventurers underpay local Sherpas to get them safe passage to the top. Once at the top of Mount Everest, then what, the adventurers and the Sherpas go back down. There is no life at the top of Mount Everest.

Diane’s BGI classmates convened a Circle Meeting to provide structure for Rooted Investing. As every systems thinker knows, structure drives behavior.

Diane decided she would have to invest her own money first, before she was qualified to coach folks on investing strategy. **MOM (My Own Money)** – the polar opposite of OPM (Other People’s Money). The principles of MOM are simple:

- SIMPLE - (OPM = COMPLEX)
- DIY - (OPM = EXPERT)
- Relationships - (OPM = Numbers)
- Local - (OPM = Global)

Some Oregon Attorneys were preparing Oregon Benefits Company legislation as we looked at organizational structure. Rooted Investing and Oregon Benefits Company regulations shared Two key values – **ACCOUNTABILITY** and **TRANSPARENCY**. Rooted Investing LLC, registered as a single-member Oregon Benefits Company soon after the January 1, 2014 date OBC became law.

## Energy Builds Community

Diane Freaney learned about Net Zero, High-Performing Buildings during the second year of her MBA at BGI/Pinchot, now Presidio Graduate School. Jason McClellan taught Green Build, Jimmy Jia taught Energy, John Gardner taught Food & Agriculture and Stuart Cowan taught Local Living Economies. Diane was taught by internationally recognized experts in their fields.

## Rooted Investing

The idea of Rooted Investing started that year. Diane, a former Wall Streeter, knew what caused the Global Financial Crisis in 2008. **OPM (Other People's Money)** Diane learned OPM from Sam Hayes - Investment Banking Professor at Harvard Business School in 1982. By 2008, the algorithms and spreadsheets had become so complex only a handful of backroom geeks actually knew how everything worked and Global Economies collapsed. The emperor has no clothes.

Diane only lost 40% on her money from the top of the market to the bottom of the market. Diane knew how to play games with the numbers from her years on Wall Street. She felt confident her investments would recover. But what about all the folks suffering – tenants evicted, mortgage foreclosure, more houseless folks on the street, more mental illness, more negative emotions and unhappiness.

Diane enrolled at BGI and found herself in a hotbed of like-minded folks – visionary and passionate about Changing Business for GOOD. Diane studied the most Entrepreneurial Countries in the World and discovered those countries are also the Happiest Countries in the World. These countries seem to do the exact opposite of the USA in so many areas – education, healthcare, equity, etc. – AND create the most entrepreneurial business – a goal that the USA is unable to achieve.

Wall Street recovered. Diane's classmates' hopes and dreams converged around community, not money, even though most were saddled with student debt. Diane, now 73, was the oldest BGI MBA student ever – what did that mean for her?