



Green Rental Home Energy Efficiency Network

*An alliance of nonprofit organizations
dedicated to the sustainability of California's affordable rental homes*

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GREEN NETWORK

Abode Communities, Inc
Bay Area LISC
Benningfield Group
BRIDGE Housing Corp.
Build it Green
CA Debt Limit Allocation Committee
CA Energy Commission
CA Housing Partnership Corp.
CA Public Utilities Commission
Central Coast Energy Services
Community Housing Works
East Bay Alliance for a Sustainable
Economy
East Bay Asian Local Development
Corporation
Eden Housing
Enterprise Community Partners
Fresno Housing Authorities
Global Green
Heschong Mahone Group
HUD Energy Programs
Low Income Investment Fund
Mercy Housing California
Natural Resources Defense Council
New America Foundation
NonProfit Housing Association of
Northern California
Oakland Housing Authority
PolicyLink
San Diego Housing Federation
San Francisco Foundation
San Francisco Mayor's Office of
Housing
San Mateo County Department of
Housing
Sacramento Mutual Housing Assoc.
Southern California Association of
Nonprofit Housing
StopWaste.org
Strategic Energy Innovations
Sutter County Housing Authority
Western Center on Law and Poverty

ENERGY EFFICIENCY IN MULTIFAMILY BUILDINGS Problem Statement and Proposed Resolutions

Background and Conditions: Creating energy efficiency in older multifamily buildings serving low income households is critical because these buildings have been shown to use 27% more energy due to their age and condition. There are more than 600,000 federally assisted apartments in California serving very low income households, many of whom share the cost of paying for utilities with the owners and are therefore ratepayers in the Investor Owned Utility system. Operating on thin margins with a focus on long-term affordability, these properties typically wait until a significant pool of funding can be assembled before energy efficiency improvements are made (which can take years), or endlessly defer these improvements.

Multifamily Barriers: In recognition of the difficulty these buildings have had in accessing energy retrofit resources, the U.S. Department of Energy and the U.S. Department of Housing created a list of 90,000+ low income apartments in California that are deemed to be categorically eligible to meet the 200% of federal poverty level test. To date, however, less than 1% of these apartments have benefitted from energy retrofit programs. This low participation rate is caused by the following barriers faced by the owners attempting to take advantage of the limited energy efficiency resources provided by government programs (e.g. LIHEAP or ARRA WAP or the PUC's LIEE):

- Households must individually qualify and individually agree to participate and to provide access to their homes (even though their lease agreements give the authority to authorize such work to the building owner/manager), forcing an inefficient unit-by-unit approach that does nothing to address larger building systems or common area needs.
- Low income energy efficiency retrofit programs (LIEERP) typically require specific prescriptive measures designed for single family homes that are not suitable for larger multifamily buildings with more complex energy systems.
- There is no coordination of LIEEPs services with energy efficiency rebates and incentives making it very difficult for owners to maximize the opportunities for EE retrofits and to leverage them with other renovation work they wish to undertake.
- Only a limited number of certified contractors may deliver services; currently only 6 out of 48 contractors have been certified by the California Energy Commission to work on multifamily buildings in CA.
- Some funds/services cannot be spent on heating and cooling systems, which is where much of the potential energy savings could come from in larger rental buildings.

Multifamily Solutions: The GREEN proposal calls for recasting the way that energy efficiency funding is delivered to assisted multifamily buildings in the following ways:

1. Funds an optimal cost-efficient package of measures tailored to each building's specific characteristics and needs, thereby maximizing energy savings to tenants and owners while minimizing green house gas (GHG) emissions.
2. Facilitates access to funding and services by determining eligibility by property, not by each individual tenant.
3. Enables owners to use contractors with experience in multifamily rehabilitation who understand these more complex building systems and how to coordinate this work with professional management and ownership companies accustomed to periodically renovating their buildings.
4. Targets funding to multifamily properties serving low income households (in proportion to their representation of the housing stock).

| <i>Multifamily Building Issue</i> | <i>Current program status/barriers</i> | <i>Proposed GREEN programmatic solutions</i> |
|--|---|--|
| Eligibility and Access | Require certifying eligibility of each individual household and obtaining individual household information and permission to do work. | Eligibility of buildings based on owner certification to federal or state agency; allows building operators to provide demographic information and access |
| Eligible Measures or Services Funded | <ul style="list-style-type: none"> • Prescriptive • Don't cover many measures that result in highest level of savings • Ignores interactivity of measures • Ignores range of characteristics found in multifamily buildings | Fund measures based on an energy audit that addresses the performance of the whole building and recommends a package of measures. |
| Contractor selection | Require owners to use only a select list of contractors that are not experienced in installing whole building measures in multifamily housing | <ul style="list-style-type: none"> • Create a streamlined pathway for contractors with experience in multifamily rehab to obtain certification • Allow owners to use their own contractors |
| Single Point of Contact | Building owners must navigate a wide array of rebate and incentive programs most of which have different rules, application procedures and points of contact. | Create a single point of contact for building owners to access all energy retrofit funding. |
| Financing | Place the burden for initially financing the cost of the energy efficiency improvements on building owners. | Enable nearly full funding for the defined energy efficiency work up front with 10 percent held until quality assurance and verification is completed. |

ABOUT GREEN

The GREEN Network is a collaborative effort by stakeholders to make energy retrofit funding available to federally assisted low income rental apartments that serve our state's lowest income residents. To learn more, visit <http://chpc.net/policy/GREENoverview.html>.