



Green Rental Home Energy Efficiency Network

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

GREEN Network Staff

Narisha Bonakdar
Sustainable Housing Campaign Coordinator
Ph: (415) 433-6804 3
Email: nbonakdar@chpc.net

Marilyn Wacks
Housing Policy Manager
Ph: (415) 433-6804 x313
Email: mwacks@chpc.net

Matt Schwartz
President
Ph: (415) 433-6804 x311
Email: mschwartz@chpc.net

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
East Bay Alliance for a Sustainable Economy
East Bay Asian Local Development Corporation
Eden Housing
Enterprise Community Partners
Global Green
Heschong Mahone Group
HUD
Low Income Investment Fund
Mercy Housing
Natural Resources Defense Council
New America Foundation
NonProfit Housing Association of Northern California
Oakland Housing Authority
The San Diego Housing Federation
San Francisco Foundation
San Francisco Mayor's Office of Housing
San Mateo County Department of Housing
Sacramento Mutual Housing Association
Southern California Association of Nonprofit Housing
StopWaste.org
Strategic Energy Innovations
US Department of Energy
Sutter County Housing Authority
Western Center on Law and Poverty

Low Income Rental Housing – Left Out of Energy Retrofit Funding in California

Background:

California's population of 38 million is housed in approximately 13.5 million dwellings of which close to 6,000 are rental apartments. Approximately 10% of California's rental apartments are guaranteed to be affordable to a small number of low income households through various federal subsidy programs overseen by HUD, USDA, and Treasury. The majority of these federally subsidized rentals qualify for low-income energy programs.

California leads the nation in designating resources to increase energy efficiency in its residential buildings, with more than \$1 billion available annually in investor owned utility funding for this purpose and another \$250 million in state-controlled federal stimulus funding. Unfortunately, most of these programs systematically exclude the properties that need energy retrofits the most--federal and state assisted housing.

Most energy retrofit programs are designed for single-family homes, then applied to other types of housing. This presents numerous programmatic and technical barriers that ultimately prevent owners of assisted rental housing from leveraging funds to make much-needed capital repairs.

The result:

- Assisted rental developments do not get **much-needed** repairs.
- The state's lowest income households do not benefit from a reduction in utility bills or a more comfortable living environment.
- The federal and state governments miss numerous opportunities to leverage funding sources for repairs that they will likely be responsible for in the future.
- Funds are used to install measures in homes that have no long-term affordability covenant.

Green Rental home Energy Efficiency Network

Most energy retrofit programs are designed for single-family homes, and then applied to other types of housing. This presents numerous programmatic and technical barriers that ultimately prevent owners of assisted rental housing from leveraging funds to make much-needed capital repairs.

To address these critical issues, CHPC convened The Green Rental home Efficiency Network (GREEN). GREEN is a statewide coalition of mission driven and service organizations across California to work collaboratively for the inclusion of multifamily rental housing as a priority in Federal and State funded energy efficiency programs. GREEN also works to improve the regulatory and administrative provisions to enable a higher rate of green retrofits to public and privately owned assisted housing in California.

CHPC thanks the San Francisco Foundation for their generous sponsorship of our program.

THE SAN FRANCISCO FOUNDATION

The Community Foundation of the Bay Area

Energy Efficiency Program Summary

The **California Department of Community Services and Development (CSD)** administers the Weatherization Assistance Program (WAP), a federal program managed by the Department of Energy (DOE) that provides no-cost weatherization services to low-income families. Under the American Recovery and Reinvestment Act (ARRA), California's funding for WAP increased from \$7 million annually to \$185 million across 2010-2011.

The **California Public Utilities Commission (CPUC)** oversees the Low Income Energy Efficiency (LIEE) program as well as various rebate programs and a newer Whole House Retrofit Program. Funded by rate payers through a line item on all private utility company gas and electric bills, LIEE provides approximately \$300 million per year to utility company certified contractors who solicit energy retrofit opportunities from households earning less than 200% of the federal poverty level.

The **California Energy Commission (CEC)** directly administers the State Energy Program (SEP), a federal program that is typically funded at less than \$50 million nationwide, SEP received \$3.1 billion through ARRA in 2009. California's allocation is \$226 million, of which it allocated \$95 million to various grantees, including some who focus on serving multifamily housing.

The CEC also administers the Energy Efficiency and Conservation Block Grant (EECBG) program. Funded for the first time under ARRA, EECBG provides funding to local and state government agencies, Indian tribes, and territories to develop and implement projects to improve energy efficiency and reduce fossil fuel emissions in their communities. California received \$351 million in EECBG funds. Of this amount, approximately \$300 million is being awarded to local government and tribal entities with the remainder being made available by the CEC through various RFPs.

Barriers and Recommendations

Many barriers prevent owners of low-income housing from accessing these funds.

1. State agencies have neglected to set minimums for investing funds in assisted rental housing; as a result, contractors have generally ignored this segment of the market. *Agencies should set-aside a minimum percentage of funding that must be used in assisted rental homes equal to the percentage that they are represented in the housing stock.*
2. Each household must be individually qualified and agree to participate, creating huge administrative burdens for owners and contractors wanting to retrofit whole rental buildings. *Program administrators provide categorical exemptions to assisted homes since tenants' must income-qualify to reside in the home.*
3. Programs generally favor paying for specific prescriptive measures designed for single family homes rather than whole-building, performance-based measures that provide the greatest return as determined by energy audits. *Programs should be designed to ensure maximum energy savings. A performance-based model, where an energy audit is done to determine which energy efficiency measures will be most beneficial and cost-effective.*
4. Agencies have not established protocols for pre- and post-retrofit energy audits that would make it easier for larger rental buildings to demonstrate the efficiency of whole building improvements. *Agencies should develop a whole building protocol for energy efficiency programs.*
5. Only contractors certified by the agency may deliver services and only 6 out of 48 are qualified to work on multifamily. *Allow owners of multifamily buildings to use their regular contractor, as encouraged in industry best practices, and actively seek and certify contractors with substantial experience in multifamily.*

HOW DO I GET INVOLVED?

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, please contact our Sustainable Housing Campaign Coordinator, **Narisha Bonakdar at 415-433-6804 x310.**