

New Foundations for Multifamily Energy Upgrades



COLLABORATING FOR SUSTAINABLE NEIGHBORHOODS

**San Diego Affordable Housing and
Community Development Conference
October 14, 2010**

PREDICATES FOR LEADERSHIP



- **Older buildings consume more energy**
 - 65% built before 1970
 - 85% over 25 years
- **Energy expenses are a large fiscal outlay**
 - \$6.8 billion
 - Utility Allowances: increase 14% (2006-2008)
- **Building are high GHG emitters**
 - 39.6 percent of all CO₂ emissions
 - 1,230.1 MMTs (equiv. to Central/South America)

ENERGY BURDENS



- **Very Low Income have high energy burdens**
 - 14.6% (household eligible for federal assistance)
 - 4.5 times more than rest of population
- **High Energy Cost Affordability Gap**
 - \$1,391 (National Average)
- **Very Low Income live in inefficient buildings**
 - Higher energy use per sq ft;
 - Older appliances, space heating, less well insulated; lower quality windows

ENERGY SAVINGS OPPORTUNITY



- **McKinsey Report**

- \$7 billion annually
- SIR: 1.74
- 19% of all residential sector savings

- **Benningfield Group**

- \$9 billion
- 29% reduction in costs
- 51,000 gigawatts

- **HUD**

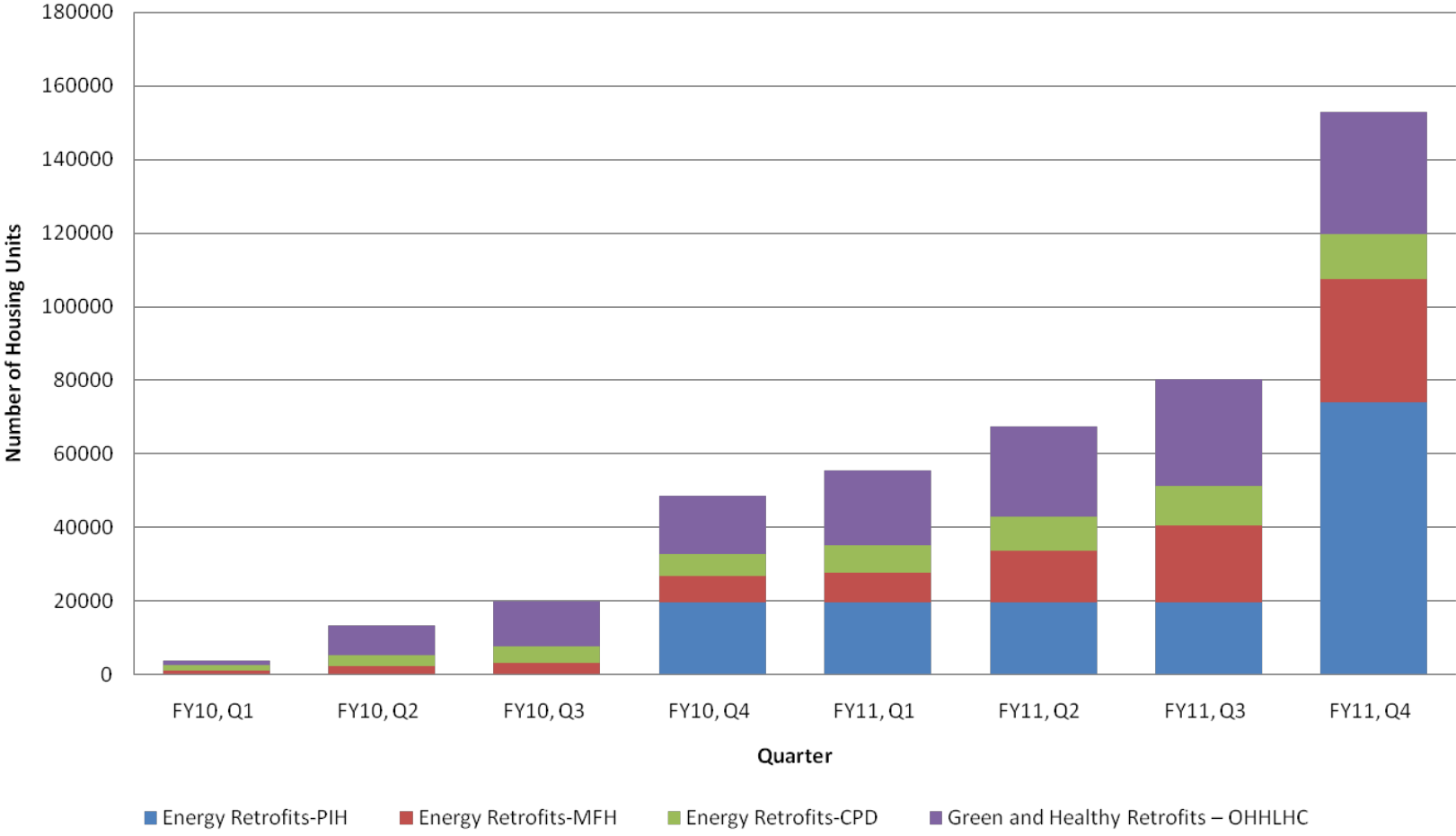
- \$2 billion annual savings
- NPV \$8.3 billion (phases in over 10 years)
- Additional benefits if CPD and FHA are added

ENERGY EFFICIENCY GOALS



- **President Obama –**
 - “Weatherize One Million Homes Annually”
Blueprint for Change
- **DOE and HUD –**
 - 1.1 million energy upgrades in FY 2010 and FY 2011
- **HUD Strategic Plan**
 - *159,000 cost-effective energy and green upgrades in public, assisted and other HUD-supported affordable homes by the end of 2011*
HUD Strategic Plan, Strategic Goal 4

HUD ENERGY UPGRADES



HUD CORE STRATEGIES



- **Strategy I: Raising the Bar:**
 - *Strengthening Standards and Guidelines*
- **Strategy II: Enhancing Access to Capital:**
 - *Funding and Market-Based Incentives*
- **Strategy II: Strengthening Capacity:**
 - *Training and Technical Assistance*
- **Strategy IV: Leveraging Impact:**
 - *Building Strategic Partnerships*
- **Strategy V: Driving Market Transformation:**
 - *Asset Management, Data Tracking and Reporting, Evaluation*

NEW FOUNDATIONS



- **Scope of ARRA Funding**
 - \$80 billion for Clean Energy Investments
 - \$30 billion for Green Energy Measures
- **HUD:**
 - \$13.6 billion; Over \$7 billion in programs targeting energy efficiency investments
- **DOE:**
 - \$11.3 billion (Weatherization Assistance; Energy Efficiency Conservation Block Grants; State Energy Programs)
- **Treasury:**
 - Energy Efficiency and Solar Investment Tax Credits

HUD ACCOMPLISHMENTS



| ARRA PROGRAM | PROJECTS/UNITS |
|---|---|
| PHA – Capital Fund Competitive Program (\$600 million) | New Construction/Substantial Rehabilitation - 36 projects; <u>1,866</u> units Moderate Rehabilitation - 226 projects; <u>112,866</u> units |
| Multifamily – Green Retrofit Program (\$250 million) | - <u>20,000</u> units |
| NSP2 – (\$1.9 billion) | - <u>25,000</u> units constructed or rehabilitated under advanced energy standards |
| PHA – Capital Fund Formula Program (\$3 billion) | - <u>224,958</u> units with various energy upgrades |

NEW FOUNDATIONS



- **LEADING SOURCES - Federal, State, Utility**

- Low Income Energy Efficiency - \$178 million (2009 LIHEAP Clearinghouse)
- HHS – Low Income Home Energy Assistance - \$ 49 million (2009)
- DOE – Weatherization Assistance Program - \$202 million (2009)
- DOE – State Energy Program – \$50 million - Residential Energy Programs

- **SUPPORTING SOURCES**

- TREASURY – Investment Tax Credits
- HUD – Green Retrofit – \$170 million (estimate at avg. \$10,000/unit)
- HUD – Public Housing Capital Fund – \$36.7 million
- HUD – Neigh. Stabilization – \$500 million (NSP1); \$318 million (NSP2)
- DOE – Energy Efficiency Conservation Block Grants – \$349 million
- Low Income Housing Tax Credit Program; Various housing programs

ALIGNING PROGRAM DESIGN



- **Procedural Barriers Affecting Access –**
 - Application and Income Qualifications
 - Role and Responsibility of Property Owner
- **Policy Barriers Affecting Program Scope & Results –**
 - Investment Focus: Household vs. “Whole Building “
 - Investment Criteria: Prescriptive vs. Performance-Based
 - Measurement of Success: Output vs. Outcome metrics
- **Technical Barriers Affecting Program Delivery –**
 - Multiple Diagnostic and Assessment Tools
 - Capacity Limitations; Data Gaps; Multiple Points of Delivery

WEATHERIZATION PARTNERSHIP



- **Memorandum of Understanding**
- **DOE Rule Revisions**
 - DOE Qualified List
 - Procedural Enhancements
- **Training and Outreach**
 - Auditing, Installation
- **State Targeted Efforts**
 - 12 states have targeted/specialized programs
 - 28 states include MF in ongoing programs
 - 8 states have no substantive MF programs

ENHANCED MULTIFAMILY EFFORTS

| STATE | FUNDING | DETAILS |
|--------------|---------------------|---|
| Colorado | ~\$11 million; | State-wide contractor model; multiple providers; |
| Florida | ~\$34 million (25%) | Local provider delivery; State project approval |
| Kansas | ~\$14 million (25%) | Local provider delivery; Low rise emphasis |
| Mass | ~\$25 million | Targeted of State public housing |
| Michigan | ~\$15 million | State-wide contractor model; |
| New Jersey | ~\$30 million | Targeting of State financed multifamily |
| New York | ~\$55 million | Many specialized and highly trained providers; Performance-based whole building model; |
| Penn | ~22 million | Statewide delivery by SHFA; Performance-based whole building model; property managed contracts; High leveraging |
| Rhode Island | ~\$7 million | Statewide contractor model; |
| Texas | TBD | Statewide RFA; PHA's and non-profits invited to participate |
| Vermont | ~2 million | Administered by Statewide EE program provider |
| Wisconsin | ~\$25 million | Partnership with Division of State Facilities for targeted multifamily program |

WEATHERIZATION INFORMATION



- **WEB SITE:**

http://portal.hud.gov/portal/page/portal/HUD/recovery/partnerships/HUD_DOE

- **California Housing Partnership Corp**

- Detailed property lists
- HUD/DOE Guidance
- California Weatherization Guidance

CALIFORNIA INNOVATION



- **Advocacy**

- California Housing Partnership Corporation

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- **Standards**

- Home Energy Retrofit Coordination Committee

- **Partnership**

- Department of Community Services and Development
- California Public Utilities Commission
- Utility Low Income Energy Efficiency Programs
- State Energy Programs