



ARRA Resources for Greening Multifamily Housing

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LISC

Affordable Housing
Preservation Initiative

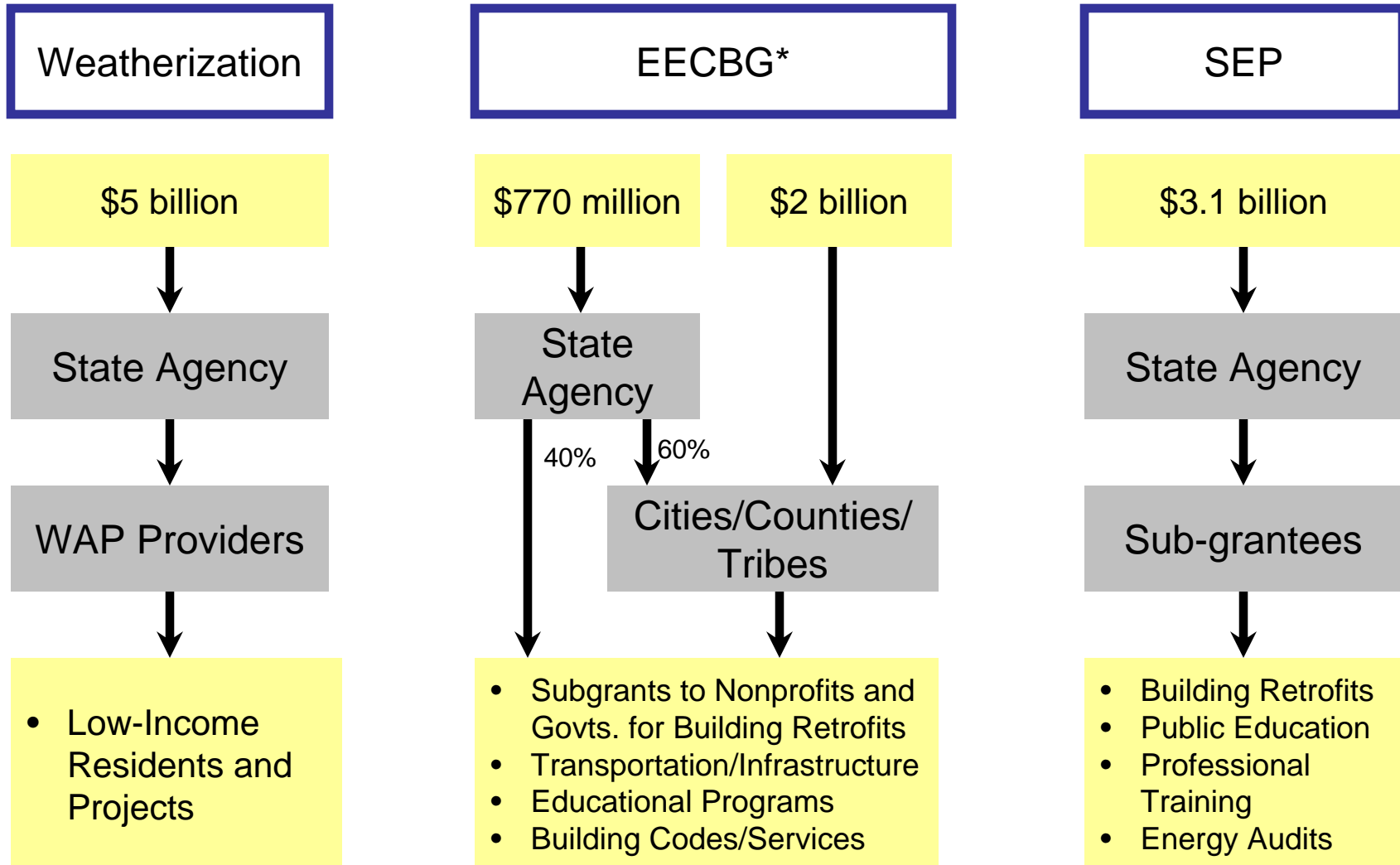


Major DOE ARRA Programs

- Weatherization Assistance Program
 - Began in 1976, with recent typical funding less than \$250 million, now \$5 bil under ARRA
- SEP
 - In current form since 1996, typically less than \$50 million per year, now \$3.1 bil
 - All State Energy Offices required to develop an annual plan
- EECSBG
 - Authorized in 2007 Energy Independence and Security Act
 - Funded first time in ARRA with \$3.2 bil
 - Modeled after CDBG



Program Structure



* Remainder of \$3.2 billion is direct competitive program

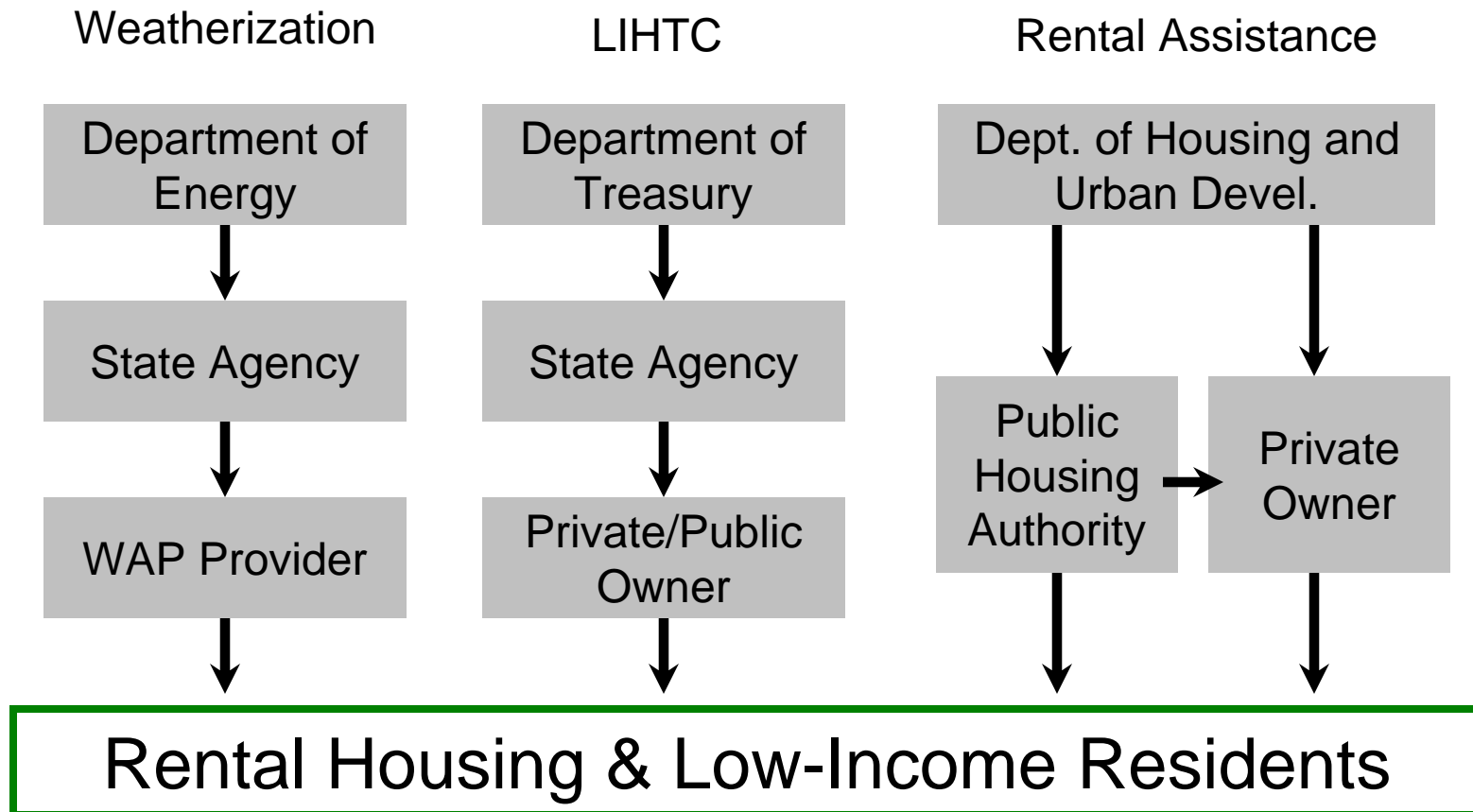


Factors Influencing WAP Implementation – State Level

- State-Level Coordination
 - Delivery System Differences
 - HUD multifamily = direct to owner/housing
 - DOE programs = through state
 - State Interdepartmental Coordination
 - Task Forces, Governors' Offices, etc.
 - State Rules Impacting Multifamily
 - Owner contribution requirements
 - Income verification rules



Diverse Delivery Systems





Sample WAP State Level Grantees

- **New York:** Division of Housing and Community Renewal
 - Administers WAP, HOME, CDBG, LIHTC, Section 8
- **Massachusetts:** Department of Housing and Community Development
 - Administers WAP, HOME, CDBG, CSBG, LIHEAP, LIHTC, Section 8
- **Florida:** Department of Community Affairs
 - Administers WAP, CDBG, CSBG, LIHEAP, Planning/Zoning/Codes
- **California:** Department of Community Services and Development
 - Administers WAP, LIHEAP, CSBG, Lead Hazard Control (HUD)⁶



State Approaches to Connecting WAP to Multifamily Housing

- Set asides or special programs for multifamily housing, including subsidized housing
 - **Florida** has allocated 20%; **Rhode Island** allocated 33%; **New York** has established 12% setaside
- Do not require landlord contributions
 - **Virginia** and **Kansas** have waived a requirement that multifamily owners match a portion of weatherization costs
 - Local providers in **New York** are given the discretion to waive the requirement on a case by case basis



State Approaches to Connecting WAP to Multifamily Housing, cont...

- Encourage local providers to pursue multifamily properties
 - **Ohio** is urging providers to consider multifamily properties, especially those with expiring rental assistance
- Define tenant benefit to include the preservation of affordable housing and improved health and safety
 - **Washington** and **Oregon**
- Streamline income verification
 - **Oregon** has removed subsidized properties from the income verification process



New York State WAP

- New York establishing temporary subgrantees to focus on multifamily buildings specifically with ARRA WAP \$
- Set aside \$50 million / \$395 million ARRA total
- LISC/Enterprise awarded \$15 million to weatherize 2,100 HUD/LIHTC units in New York City
 - Focus on Year 15 LIHTC, City funded, Section 202, Section 8
- Portfolios targeted by other ARRA temporary awards:
 - Project-based Section 8
 - Supportive Housing
 - RD Section 515
 - Public Housing



Pennsylvania - WAP

- Preservation Through Smart Rehab program funded from PHFA, DCED (WAP \$), MacArthur Foundation, Utility Companies
 - \$20 million in Weatherization funds
- Energy audit to determine needed improvements. Recommend completing improvements with payback < 10 years
 - Up to \$500,000 per property, including loan financed by expected savings
 - 50% of units must remain affordable to 60% AMI throughout loan term
- Challenge: lack of in-state skilled MF energy auditors



Colorado - WAP

- Original WAP plan called for 3% MF set aside
- Coalition of MF owners led by Housing Colorado started dialogue with Governor's energy office
- Governor's Energy Office announced new effort targeted to large multifamily buildings
- First year funding of \$2.8 million to statewide nonprofit, with possible 2 year extension
- Issues: landlord contribution requirement; urging subsidized properties be exempt



Factors Influencing WAP Implementation – Provider Level

- Provider-Level Coordination
 - Single-family waiting lists/backlogs
 - Provider familiarity with multifamily programs/owners
 - Provider/contractor familiarity with multifamily buildings and systems
 - Culture of collaboration in local/regional area



Examples of Provider/Grantee Coordination

- Center for Neighborhood Technology
 - Facilitating conversations between Chicago-area jurisdictions, public housing authorities, and WAP providers
 - Discussing how the DOE-HUD WAP partnership will work on the ground: common forms, processes, etc.
 - Advising jurisdictions in developing their EECEBG plans, encouraging to direct funds to private housing and coordination with neighborhood stabilization plans
 - Partnered with regional housing finance nonprofit to provide Energy Savers one-stop shop for multifamily housing



NYC Greener, Greater Buildings Plan - EECBG

- NYC using \$16 million in EECBG to establish revolving loan fund for private building owners
- Loans sized to be paid for by energy savings
- Data being collected to help document feasibility of financing energy savings
- All buildings eligible, not just multifamily
- Coordinated with new local law
 - originally to require energy audits and retrofits in all buildings of 50,000 sq. ft.
 - now retro-commissioning required



New Jersey – SEP and WAP

- NJ Housing and Mortgage Finance Agency collaborating with NJ Department of Community Affairs
- Overseen by NJ Green Homes Office within NJHMFA
- Properties with existing NJHMFA financing
- Owners must agree to extend affordability 15 years
- Includes:
 - \$15 million in **State Energy Program** funds
 - \$30 million in **Weatherization Assistance Program** funds



Chicago's Multifamily Energy Retrofit Program - EECBG

- Leverages EECBG funds
- Applies the ESCO model to private housing
- ESCOs conduct assessments of building energy performance, identify and oversee implementation of cost-effective retrofit measures, and guarantee energy savings to use as a source of loan repayment



Parting Thoughts...

- State level coordination is happening
- Not all states are created equal
 - Many states are starting with no multifamily WAP experience
 - State agency structure and cooperation is key
- State level coordination is helpful, but not the only avenue
 - Partnerships with local WAP agencies are possible



Thanks & Resources

- Thanks to the National Housing Trust for their work tracking State work on multifamily weatherization
 - www.nhtinc.org
- Additional resources:
 - Brookings - Implementing ARRA
 - Green for All
 - Efficiency Cities Network