



U.S. Department of Housing and Urban Development

# ***Greening the Multifamily Housing Stock: What's Next for California?***

## **Oakland California**

**January 6, 2010**

# Recovery Act – California Update

## ➤ Program Targeting Energy Efficiency

- *Public Housing Capital Fund Competition - \$36.7 million*
- *Multifamily Green Retrofit Program – TDB*
- *State Energy Program – \$226 Million\**
- *Energy Efficiency Conservation Block Grant\*  
Formula - \$351 million  
Competitive - \$450 million (national)*
- *Weatherization Assistance Program - \$185 million\**

# **Recovery Act – California Update**

## **PIH – Green Retrofits**

### ➤ **Program Overview:**

- ***Funding: \$600 million (Category 4)***
- ***Purposes:***
  - Lower operating costs
  - Conserve energy water, materials and other resources
  - Renewable energy sources
  - Enhance local and regional ecosystems
- ***PHA Funding Caps ranges from \$1,000 to \$3,000 per unit depending on PHA Size***
- ***Prescriptive and Performance Criteria***

# California Program - *Status Report*

- **Energy Retrofit for Moderate Rehabilitation Projects**
  - ***\$35.4 million***
  - ***15 projects***
  
- **Green Retrofit for New Construction/Substantial Rehab Projects**
  - ***\$1.3 million***
  - ***1 project***

# **Recovery Act – California Update**

## ***MFH - Green Retrofit Program***

### ➤ **Program Overview**

- ***Funding: \$250 million (Loans and Grants)***
- ***Up to \$15,000/unit (Average \$10,000)***
- ***Initial Feasibility Assessment:***
  - Cash flows and economic standard;
  - Financial ratio threshold (by building type)
- ***PAE Due Diligence/ Underwriting***
  - Green Physical Needs Assessment
  - Recommend Green Retrofit Plan
- ***Green Retrofit Plan***
  - Owner acceptance 75% of items (by cost)

# California Program - *Status Report*

## ➤ Applications Made:

- *93 applications of ~ 750 (~12%)*
- *7,396 assisted units of ~ 70,000*

## ➤ Projects Assigned to PAE:

- *25 projects (~14% of assigned projects)*
- *1,697 assisted units*

## ➤ Projects on Waiting List:

- *14 projects (~15% of projects on list)*
- *957 assisted units*

# State Energy Program

## ➤ Program Overview

- **Funding: \$3.1 billion**

- **Purpose:**

- Reducing US oil dependency through increases in energy efficiency and renewable energy technologies
- Promoting economic vitality by increasing “**green jobs**”
- Reducing green house gas emission

- **Key Focus: Market transformation initiatives**

- “Strategic interventions that cause lasting changes in the structure or function of a market...”

# California Program - *Status Report*

## ➤ California SEP Funding

- ***California Allocation - \$226 million***

- ***Committed: \$70 million***

- Energy Conservation Assistance Act - \$25 million
- General Services - \$25 million
- Green Jobs Training - \$20 million

- ***In Process: \$156 million***

## ➤ **Resource Utilization:** Projects sought under three concurrent solicitations (\$110 million):

- *Municipal Financing Program* (“AB 811 type programs”)
- *Comprehensive Residential Building Retrofit Program*
- *Municipal and Commercial Building Retrofit Program*

# Energy Efficiency Block Grant Program

## ➤ Program Overview:

- **Funding: \$3.2 billion**
- **Purpose: “...to assist eligible entities in implementing strategies to:**
  - reduce fossil fuel emissions created as a result of activities within the jurisdictions of eligible entities
  - reduce the total energy use of the eligible entities; and
  - improve energy efficiency in **transportation sector**; **building sector**; and other appropriate sectors

# California Program - *Status Report*

## ➤ California EECBG Funding

- *Allocation - \$351 million*
- *Obligated - \$260 million*

## ➤ Resource Utilization:

- *Direct Allocations ~ \$300 million*
  - \$207 million obligated
  - 218 Direct Allocations
- *State Allocations ~ \$49.6 million*
  - 265 small cities/ 44 small counties
  - RFP on Street: \$36.2 million (Applications due 1/12/2010)
  - Unallocated: \$12.3 million
- *Tribal Allocations ~ \$2.8 million*
  - 65 Tribal Entities

# California Program - *Status Report*

## ➤ Resource Utilization:

- *Energy Efficiency Conservation Strategy*
- *Technical Consulting Services*
- *Building Energy Audits*
- *Financial Incentive Programs*
- *Energy Efficiency Retrofits*
- *Energy Efficiency Conservation Programs*  
*(e.g. LEED)*
- *Development of transportation Programs*
- *Building Codes/Standards*
- *Others: Traffic controls, street Lights, Methane gas recapture...*

# Weatherization Assistance

## ➤ Program Overview:

- ***\$5 billion***
- ***Up to \$6,500/unit***
- ***Up to 20% on training and TA***
  - Training & TA funds may be used to train contractors at the local agency level participating in the Program
- ***Income Eligibility: 200% of poverty rate***
- ***Multifamily Implementation:***
  - “In light of the Recovery Act funding, DOE suggests Grantees review any policies that are beyond the DOE minimum requirement that may impede the ability of the Grantee to meet production expectations (e.g., landlord contributions, percentage set asides, etc.).”

# California Program - *Status Report*

## ➤ California WAP Funding:

- ***Allocation - \$185 million***

- ***Awarded - ~\$93 million***

- CSD expects the final 50% of the award to be issued in July of 2010, provided we all meet our mid-program performance and expenditure benchmarks.

- ***Program Implementation:***

- ~ \$157 million sub-allocated (per State Plan)
- 40 Community Action Program agencies  
[www.csd.ca.gov/](http://www.csd.ca.gov/)
- ~50,000 units
- ~ \$130 million for program contract services
- ~ \$13 million for training and technical services

## Next Steps: Immediate

- **Multifamily Weatherization Assistance Partnership Initiative**
  - ***HUD-DOE Memorandum of Understanding (May 2009)***
    - Focus on Weatherization Implementation
  - ***DOE – Weatherization NPRM: (May 2009)***
    - Streamline Income Qualification Process for Eligible HUD-Assisted and PHA properties
  - ***DOE – Weatherization Final Rule (PENDING)***

# **DOE-HUD Implementation Issues** ***(Under Review)***

- **Income Eligibility**
- **Protection from rent increases**
- **No undue or excessive enhancement to the value of the dwelling units**
- **Accrual of benefits**

**OBJECTIVE: Streamline Process**

## **NEXT STEPS: Planned**

### ➤ **Recovery Through Retrofit**

- ***Launched October 19, 2009***

- ***Objective:***

- Reduce energy consumption by 40%
- Reduce GHG emission by 160 MMT/year
- Self sustaining residential energy retrofit industry
- Green jobs

- ***[www.whitehouse.gov/assets/documents/Recovery\\_Through\\_Retrofit\\_Final\\_Report.pdf](http://www.whitehouse.gov/assets/documents/Recovery_Through_Retrofit_Final_Report.pdf)***

# Recovery Through Retrofit (Core Components)

- **Better Information**
  - *Straightforward/reliable retrofit information*
  - *Sound estimates of the costs and benefits*
- **Financing Mechanisms**
  - *Access to affordable retrofit financing*
  - *Reduce transaction upfront costs; debt coverage from energy savings*
- **Workforce readiness**
  - *Expand green jobs opportunities; facilitate home retrofit workforce mobilization*
  - *National workforce certifications, training standards, programs*

## **NEXT STEPS: Anticipated**

- **Cash for Caulkers**  
**(Proposed - Details Pending)**
- **Scope** *(as reported in New York Times)*
  - ***\$23 billion two-year program***
  - ***Key components***
    - ***\$6 billion: Subsidies for basic or partial weatherization improvements;***
    - ***\$18 billion: Subsidies for comprehensive energy retrofits that reduce energy use by 20 percent or more***
    - ***\$3 billion: Incentives for distribution by “big box” retailers/building contractors;***
    - ***\$2 billion: Project auditing and verification***



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**Wayne Waite**

**U.S. Department of  
Housing and Urban  
Development**

**[Wayne.W.Waite@hud.gov](mailto:Wayne.W.Waite@hud.gov)**