



# Next Steps for Improving Energy Efficiency in Multi-Family Affordable Housing

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Todd Nedwick  
Housing and Energy Efficiency Policy Director  
National Housing Trust



# About the National Housing Trust

**NHT protects and improves existing affordable rental homes so that low-income individuals and families can live in quality neighborhoods with access to opportunities**



**ADVOCACY**



**REAL ESTATE  
DEVELOPMENT**

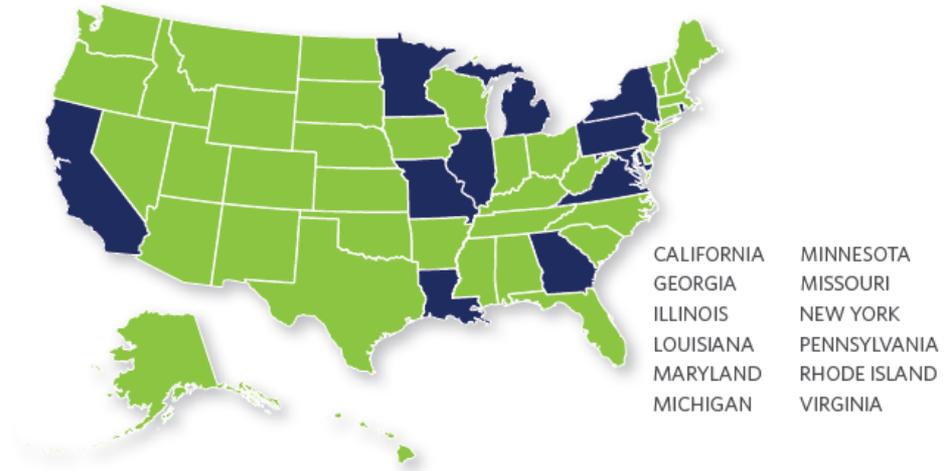


**LENDING**



# About Energy Efficiency For All

**EEFA Mission:  
Make multifamily  
homes healthy and  
affordable through  
energy efficiency**



**WORKING TO REACH 5 MILLION  
HOMES IN TWELVE STATES**



## Why Target Multifamily Affordable Housing?

- Help low-income customers meet their basic energy needs and live in healthier housing
  - Home to 1/4<sup>th</sup> of poor and 1/2 of very poor households
- Help sustain the affordable housing stock
  - Utility costs are the highest variable operating expense
- Help utilities/EE program administrators meet their efficiency goals
- Help state/local governments reduce carbon emissions
- Help improve the local economy



## Energy Characteristics of Multifamily Affordable Housing

- Two-thirds of multifamily buildings of 5+ units were built since 1970
- Multifamily rentals have fewer energy-efficiency features compared with other types of housing
  - Rentals occupied by low-income households have fewer energy-efficiency features than those occupied by higher-income renters
- Higher energy costs than single-family housing on a per square foot basis
- Several studies estimate cost-effective efficiency gains of 20-30% are available



# Unique Market Characteristics of Multifamily Affordable Housing

<b>Building type...</b>	Considerable variety in building structures (e.g. # of stories, # units/bldg)
<b>Ownership...</b>	public housing, subsidized private owners, market-rate
<b>Decision makers...</b>	Multiple actors may be involved in making property decisions, e.g. owners, investors, and managers
<b>Capital events...</b>	Multifamily buildings are typically refinanced every 15 years and often receive major system upgrades at that time
<b>Utility meter...</b>	Significant variety in metering arrangements, e.g. tenant-paid residential and owner-paid commercial meters
<b>Market actors...</b>	Contractors and lenders with commercial building/multifamily experience
<b>Access to data...</b>	Owners find it difficult to access whole-building energy usage data because it is fragmented across multiple utility accounts



## Features of well-designed energy efficiency programs for multifamily affordable housing

- Program features tailored to multifamily housing
  - Target incentives to whole-building savings
  - Simplify income eligibility, e.g. based on building's participation in HFA/HUD programs
- Creating and growing demand
  - Target owners preparing for major events, esp. purchase, sale, refinancing, or replacement of major equipment
  - Support benchmarking and make energy consumption information easily available (aggregate building level)



## Features of well-designed energy efficiency programs for multifamily affordable housing (continued)

- Financing
  - Include financing options that assist building owners
  - Work with lenders to deliver incentives in connection purchase or refinancing
  - Work with local/regional lenders for smaller projects
- Marketing and Coordination
  - One Stop Shop model
  - Work with state housing finance agency to tie utility programs to existing HFA programs and/or align program terms/calendars with efficiency goals



# Additional Resources

Available at: <http://www.energyefficiencyforall.org>

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ANAL REPORT MAY 2015

## Potential for Energy Savings in Affordable Multifamily Housing

PREPARED FOR NATURAL RESOURCES DEFENSE COUNCIL BY OPTIMAL ENERGY

2

## PROGRAM DESIGN GUIDE: ENERGY EFFICIENCY PROGRAMS IN MULTIFAMILY AFFORDABLE HOUSING

A PROJECT OF: NRDC, NHT, ENERGY FOUNDATION, ELUANTE ENERGY  
PRODUCED WITH THE ASSISTANCE OF ICF INTERNATIONAL

MAY 2015

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## CLEAN POWER PLAN OPPORTUNITIES FOR ENERGY EFFICIENCY IN AFFORDABLE HOUSING

SEPTEMBER 2015

### A Primer for the Affordable Housing Community

A new federal rule requires states to reduce certain carbon emissions. The Clean Power Plan creates an historic opportunity to increase energy efficiency in affordable rental housing, because those investments will provide a cost-effective way to meet the new requirements. The plan each state adopts should include energy efficiency investments in affordable housing. The affordable housing community needs to get involved now with state officials as planning is already well underway.

THIS BRIEF IS PRESENTED BY:



Thank you!

Todd Nedwick  
National Housing Trust  
[tnedwick@nhtinc.org](mailto:tnedwick@nhtinc.org)  
202-333-8931 x128