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

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NHT protects and improves existing affordable rental homes so that low-income individuals and families can live in quality neighborhoods with access to opportunities.
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 1/4th 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

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

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