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NASEO

National Association of State Energy Officials

Advancing State Multifamily Energy Efficiency Policies and Programs

Project Overview

- Energy Foundation grant to help improve the energy performance and comfort of the multifamily (MF) building stock in the Mid-Atlantic and Southeast regions
  - MF=5 or more units

- **Goal:**
  Identify challenges, barriers, silos, opportunities, and policy and program options to improve MF energy efficiency

- **Strategy:**
  Engage SEOs, housing finance agencies (HFAs), utilities, and other multifamily partners (such as public or private developers , investors and advocates) through meetings, webinars, and the development of MF policy and program recommendations

- **Desired Outcomes**:
  - Improved coordination between SEOs and HFAs
  - Utility commitment to collaborate on MF issues
  - Development of next steps to maintain forward momentum on SEO-HFA partnerships

Need

A large opportunity to reduce costs , promote affordability, and enhance tenant health and comfort

- Utility costs represent the single largest controllable expense in MF housing communities—usually between 25% and 35% of operating budgets (EPA)

- 83% of all MF buildings are renter-occupied, and renters have considerably lower incomes than owners. MF buildings house 48.9% of all very low income renters (ACS)

- Energy costs per square foot in rented MF units are:
  - 37% higher than in owner-occupied MF,
  - 41% higher than renter-occupied single family detached, and
  - 76% high than owner-occupied single family detached homes (RECS)

Sources:
U.S. Environmental Protection Agency (EPA), "Multifamily ENERGY STAR Fact Sheet"
American Community Survey (ACS), U.S. Census Bureau, 2010.
Residential Energy Consumption Survey (RECS), U.S. Energy Information Administration (EIA), 2005.

Barriers

Challenges in MF sector are unique and often distinct from those in residential/commercial buildings

- Split incentive
- High upfront and transaction costs of installing technical improvements
- Limited property owner knowledge/motivation
- Uncertain/unproven/undocumented returns on investment
- MF energy efficiency is underserved by existing programs and resources
- Even within the MF sector, there is variability in building type, orientation, and ownership, requiring strategic and nuanced policy and program design

Current Approaches

Multifamily energy efficiency is underserved by existing programs and resources

- Multiple silos, sometimes with little coordination:
  - Housing finance agencies
  - Public housing authorities
  - U.S. Department of Housing and Urban Development
  - Private developers, investors, and advocates
- Most ratepayer-funded programs focus first on single-family and small rental properties rather than MF buildings
- As a result, MF building owners often have difficulty finding technical assistance, financing, and qualified contractors

What can SEOs Bring to the Table?

Cross-Cutting Capabilities

- Experience developing, implementing, and administering energy efficiency and other building energy programs
- Technical expertise, understanding of how buildings consume energy and are operated
- Familiarity with state-sponsored financing programs, incentives, and other opportunities
- Established relationships with utilities operating in state
- Priorities to enhance economic development and financial opportunities, particularly for low-income segments

State Success Stories

Massachusetts

Low-Income Multifamily Retrofit Energy Program (LIMFREP)

- Launched 2010
- Administered by utilities in collaboration with MA Dept. of Housing and Community Development, PHAs, community development corporations, and other organizations
- Whole building energy assessment identifies cost-effective measures to be implemented by qualified contractors
- Grants from utilities pay 100% of project costs for MF buildings owned by PHAs or privately-owned projects meeting the program's low-income requirement

http://leanmultifamily.org/

New York State Energy Research and Development Authority (NYSERDA)

Multifamily Performance Program (MPP)

- Incentive program: incentives come in the form of per-unit payments based on meeting energy savings goals (at least 15% on annual energy bills)
- Owners work with MPP "Partners" (authorized local engineering and energy firms) to identify cost-effective upgrades or strategies for new building design construction
- Offered through Green Jobs, Green New York Program
- Incentives are also offered in conjunction with low-cost financing

http://www.nyserda.ny.gov/en/Multifamily-Performance-Program/Multifamily-Performance-Program.aspx

Maryland

Multifamily Energy Efficiency and Housing Affordability Program (MEEHA)

- Administered by MD Department of Housing & Community Development as part of an MOU with the Maryland Energy Administration
- Offers loans and grants for energy efficiency improvements in affordable multifamily rental housing developments
- $12.5 million available through SEP
- Program no longer accepting applications
- As of June 2012: 49 projects in 5,196 units completed, received $8.9 million in funding

http://www.dhcd.state.md.us/website/programs/MEEHA/Default.aspx

Project Timeline

- February 2013: NASEO Buildings Committee meeting MF discussion
- March 2013: HFA-SEO recruitment
- April 2013: Stakeholder meeting in conjunction with SE Regional Meeting
- April 2013: Utility recruitment
- May 2013: Stakeholder meeting to include utilities
- July-August 2013: Development of deliverables, follow-up with stakeholders, and identification of next steps

Questions?
Comments?
Thank you!

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