

Multifamily Weatherization State Best Practices



FACT SHEET

March 2010

Multifamily Affordable Housing Weatherization: The Need

Rising energy costs can pose a significant threat to maintaining affordable rental housing. Energy efficiency upgrades in rental housing is a cost effective approach to lowering operating expenses, maintaining affordability for low income households, reducing carbon emissions, and creating healthier, more comfortable living environments for low income families.

Increased funding for the Weatherization Assistance Program (WAP) through the American Recovery and Reinvestment Act (ARRA) provides an unprecedented opportunity to expand the benefits of residential energy efficiency improvements to a much wider range of deserving and eligible families who have not traditionally been served by the program. Nationwide, there are 34 million families who are income eligible for WAP services, including 17 million renter households. Many states have adopted policies to ensure that low-income renters residing in multifamily homes have an opportunity to benefit from weatherization services.



Several state WAP agencies have set aside funds to target multifamily housing, including subsidized properties at risk of being lost from the affordable housing stock.

- Kansas:** Kansas Housing Resources Corp. has set aside 25% of its allocation to weatherize Low Income Housing Tax Credit (LIHTC), Section 8 and Section 515 rural properties.
- Florida:** The FL Dept. of Community Affairs plans to significantly increase multifamily weatherization and has tentatively set aside 25% of recovery weatherization funds for multifamily housing.
- Massachusetts:** The MA Dept. of Housing and Community Development has reserved \$6 million specifically for privately-owned, subsidized multifamily properties in need of preservation. The state will also use \$25 million in federal weatherization funds to improve public housing units.
- New York:** The New York Division of Housing and Community Renewal has set aside \$60 million for multifamily housing, focusing on LIHTC, Section 515 rural housing, and HUD assisted housing. More than 9,400 multifamily affordable homes throughout New York State will be made more energy efficient and safer.
- Oregon:** Oregon Housing and Community Services has made multifamily housing a priority and has set a target of using 25% of its funds for multifamily housing, including 10% for rental housing properties at-risk of losing federal housing subsidies.
- Wisconsin:** The Wisconsin Energy Assistance Bureau has launched the Multifamily Weatherization Recovery Project with the goal of weatherizing 3,000 units in large multifamily buildings where there is considerable potential for energy savings and it will create weatherization jobs in the local community.



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In several states, the Housing Finance Agency has partnered with the state WAP agency to receive an allocation of recovery weatherization funds to supplement existing multifamily retrofit efforts.

- New Jersey:** The New Jersey Housing and Mortgage Finance Agency is receiving \$30 million from the NJ Dept. of Community Affairs to weatherize state financed multifamily housing. Participating owners must commit to additional affordability requirements.
- Pennsylvania:** The Pennsylvania Housing Finance Agency is receiving more than \$20 million from the PA Department of Community and Economic Development to supplement its Preservation through Smart Rehab program.
- Rhode Island:** The Rhode Island Office of Energy Resources has reserved 33% of the state's ARRA WAP funds for large multifamily housing and has contracted with Rhode Island Housing to administer the funds.
- Vermont:** The Vermont Housing Finance Agency is working with the VT Dept. for Children and Families to secure \$12-15 million in weatherization funds to supplement a multifamily energy efficiency loan fund.

Many state WAP agencies are taking steps to support multifamily weatherization by adopting more flexible policies, improving coordination among local weatherization providers, and identifying new local providers with experience weatherizing multifamily housing.

- Colorado:** The Colorado Governor's Energy Office selected a new provider with multifamily experience to run a statewide program focused on weatherizing large multifamily buildings.
- Kansas:** Kansas Housing Resources Corp. has eliminated the requirement that multifamily owners make a financial contribution toward the weatherization costs. Other states are waiving the financial contribution requirement on a case-by-case basis if the owner can demonstrate hardship in paying the costs.
- New York:** Since not all local weatherization agencies have experience making improvements in multifamily housing, the NY Division of Housing and Community Renewal formed partnerships with new subgrantees to weatherize portfolios of multifamily properties. For example, the Local Initiatives Support Corporation and Enterprise have partnered to deliver weatherization services to more than 2,100 HUD and LIHTC units in NYC. Similar partnerships have been formed to provide services to multifamily residents in upstate NY and Long Island.
- Ohio:** The Ohio Department of Development is encouraging all local providers to weatherize multifamily housing including properties with Section 8 subsidies, Section 515 and LIHTC properties. To streamline the process, the agency has designated a staff person to receive and coordinate all multifamily projects.
- Washington:** The Department of Community, Trade and Economic Development (CTED) has revised its weatherization policies to be more inclusive of non-profit owned and HUD-funded multifamily housing. In addition to reduced utility payments, CTED defines benefits to the tenant to include "preserved low-income housing, added comfort, and improved indoor air quality."

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