



## ARRA Resources for Weatherizing Multifamily Housing:

A Unique Opportunity to Help Low Income Families and Reduce Energy Consumption

### National Housing Trust



- Committed to safeguarding affordable housing.
- National nonprofit engaged in housing preservation through real estate development, lending **and** public policy engagement.
- The National Housing Trust:
  - Partners with investors to raise capital to buy and renovate affordable apartments. *Preserved more than 4,800 affordable apartments.*
  - Lends early money to developers to help them purchase and renovate affordable apartments. *Loans have helped preserve nearly 5,000 homes.*
  - Educates policymakers of the need to dedicate resources for the revitalization of existing affordable apartments.

National Housing Trust, Weatherizing Multifamily Housing

## Overview



- ARRA provided a 20-fold increase in funding for Weatherization.
- Many states have focused on single-family housing in the past.
- Many rental housing properties are already eligible for assistance but have not been proportionately served by existing allocation channels.
- A number of states are adopting policies to support multifamily weatherization, e.g. multifamily set asides, etc.
- Still, challenges exist: lack of mf energy audit skills, reluctance among local providers to undertake mf buildings

*National Housing Trust, Weatherizing Multifamily Housing*

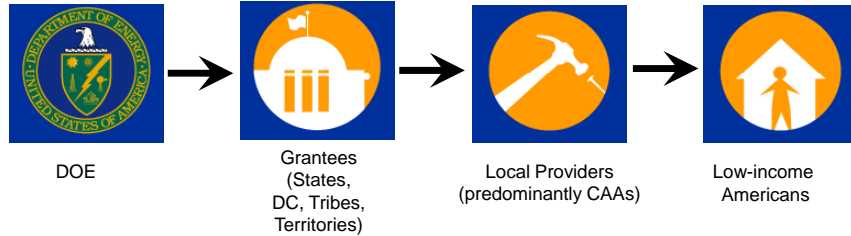
## Weatherization Under ARRA



- \$5 billion total nationwide to be **spent over 3 years**.
- Statewide average expenditure limit per home is \$6,500.
  - States can opt to set a lower limit.
- Increased the eligibility criteria to include any household whose income is at or below 200% of the poverty level.
  - States can opt to set income eligibility at 60% of state median income.
- States decide how to prioritize households, e.g. elderly, disabled, etc.
- Upon plan approval, DOE is releasing 50% of ARRA funding. Remaining funds released after demonstrating successful implementation.

*National Housing Trust, Weatherizing Multifamily Housing*

## Accessing WAP Funds



- Highly decentralized service delivery network. WAP resources are ultimately locally controlled.
- Apply directly to local weatherization provider.
- Providers are Community Action Agencies or other public or non-profit entities.

National Housing Trust, Weatherizing Multifamily Housing

## Identifying WAP Providers



Find contact information for state contacts and local providers:

<http://www.waptac.org/>

WEATHERIZATION ASSISTANCE PROGRAM: Heating & Cooling TECHNICAL ASSISTANCE CENTER

WAP BASICS: Grantee Contacts

**Grantee Contacts**

This section provides contact and other information for each Grantee office. Click on each Grantee below for contact and other information.

<a href="#">Alabama</a>	<a href="#">Kansas</a>	<a href="#">North Carolina</a>
<a href="#">Alaska</a>	<a href="#">Kentucky</a>	<a href="#">North Dakota</a>
<a href="#">Arizona</a>	<a href="#">Louisiana</a>	<a href="#">Ohio</a>
<a href="#">Arkansas</a>	<a href="#">Maine</a>	<a href="#">Oklahoma</a>
<a href="#">California</a>	<a href="#">Maryland</a>	<a href="#">Oregon</a>
<a href="#">Colorado</a>	<a href="#">Massachusetts</a>	<a href="#">Pennsylvania</a>
<a href="#">Connecticut</a>	<a href="#">Michigan</a>	<a href="#">Rhode Island</a>
<a href="#">Delaware</a>	<a href="#">Minnesota</a>	<a href="#">South Carolina</a>
<a href="#">District of Columbia</a>	<a href="#">Mississippi</a>	<a href="#">South Dakota</a>
<a href="#">Florida</a>	<a href="#">Missouri</a>	<a href="#">Tennessee</a>
<a href="#">Georgia</a>	<a href="#">Montana</a>	<a href="#">Texas</a>
<a href="#">Hawaii</a>	<a href="#">Nebraska</a>	<a href="#">Utah</a>
<a href="#">Idaho</a>	<a href="#">Nevada</a>	<a href="#">Vermont</a>
<a href="#">Illinois</a>	<a href="#">New Hampshire</a>	<a href="#">Virginia</a>
<a href="#">Indiana</a>	<a href="#">New Jersey</a>	<a href="#">Washington</a>

National Housing Trust, Weatherizing Multifamily Housing

## Implementing Weatherization



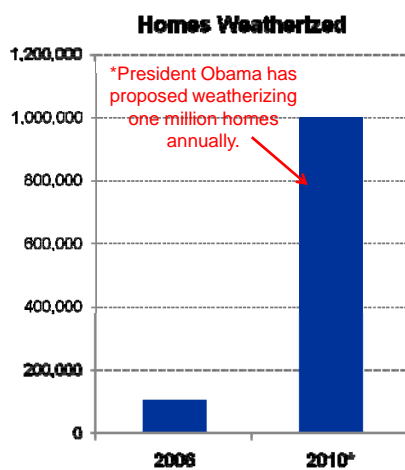
- Client applies for services.
- Eligibility determined based on income. **Multifamily: 66% of units must be income qualified for entire bldg to qualify.**
- Energy audit is conducted.
- List of cost effective energy measures is developed.
- **Only measures supported by the audit are completed.**
- Energy efficiency measures are installed.
- Post work inspection is conducted.

National Housing Trust, Weatherizing Multifamily Housing

## Making the Case for Multifamily



- Help those most in need. More than 70% of households living in multifamily buildings earn less than \$40,000 a year.
- Helps states meet their required production/job creation goals.
- Properties with long-term use restrictions → low income tenants benefit for longer timeframe.
- Reduces carbon emissions and lowers utility costs; benefits entire families. Multifamily buildings comprise more than 20% of housing units in the U.S.



National Housing Trust, Weatherizing Multifamily Housing

## Obstacles and Solutions



Obstacle	Solution
Income verification burdensome	Streamline eligibility requirements
Landlord contribution requirement	Waive or modify requirement
Local providers reluctant to pursue m/f weatherization	Create a m/f set aside or encourage providers to undertake m/f
Ensuring benefits accrue primarily to tenants	Consider preservation of affordable housing a direct tenant benefit
Providers may lack m/f skill sets	Provide technical training on m/f
State might have a burdensome process for approving m/f applications	Streamline approval process

National Housing Trust, Weatherizing Multifamily Housing

## A View from the States— Promising Approaches



- **Set Asides for multifamily housing, incl. subsidized housing—**
  - ✓ **Florida** is proposing to allocate 25% for multifamily; **RI**: 33% for multifamily
  - ✓ **MA, NY, KS, OR** reserving funds for privately owned subsidized housing
  - ✓ **WI** and **CO** creating programs for large multifamily properties
  - ✓ **PA** and **NJ** creating programs for state financed affordable rental housing
  
- **Do not require landlord contributions —**
  - ✓ **Virginia** and **Kansas** have waived a requirement that multifamily owners match a portion of weatherization costs
  - ✓ Local providers in **NY** given the discretion to waive the requirement on case by case basis

National Housing Trust, Weatherizing Multifamily Housing

## A View from the States (Con't)



- **Encourage local providers to pursue multifamily properties –**
  - ✓ **Ohio** urging providers to consider multifamily properties, especially at risk properties with expiring rental subsidies
  
- **Define tenant benefit to include the preservation of affordable housing and improved health and safety –**
  - ✓ **Washington** and **Oregon**
  
- **Streamline income verification—**
  - ✓ **Oregon** has removed subsidized properties from the income verification process.

*National Housing Trust, Weatherizing Multifamily Housing*

## PA's Approach: Preservation through Smart Rehab



- PHFA partnering with PA weatherization agency to support existing Preservation through Smart Rehab program.
  
- Problem: More than **50% of PA's affordable rental homes are more than 25 years old**. Increasing operating costs are undermining long term viability.
  
- Solution: Energy audit to determine efficiency improvements. Funding will be considered for recommended improvements having an average payback of less than 10 years.
  
- PHFA is receiving more than **\$20 million in Weatherization funds** to supplement existing agency resources.
  
- Challenge: Lack of skilled multifamily auditors. Use of out of state auditors increases costs per audit. Currently training in state auditors.

*National Housing Trust, Weatherizing Multifamily Housing*

## NJ: Green Improvements and Extended Affordability



- Problem: Older state financed multifamily properties in need of repair. Thousands of units covered by expiring affordability covenants.
- NJ Housing Mortgage and Housing Finance Authority receiving **\$15 million in State Energy Program funds** for multifamily energy efficiency programs, including a low interest revolving loan fund for multifamily improvements.
- Also receiving **\$30 million in Weatherization funds** to make energy efficiency improvements in state financed multifamily properties. Maximum of \$5,000 available per unit.
- Participating owners must **extend affordability for 15 years.**

*National Housing Trust, Weatherizing Multifamily Housing*

## Colorado: Advocacy is Making A Difference



- Colorado's original WAP plan called for just 3% of ARRA WAP funds to be set aside for multifamily housing
- Coalition of multifamily owners led by Housing Colorado started a dialogue with the Governor's energy office
- Working collaboratively to address challenges of weatherizing multifamily housing.
- On July 30th, the Governor's Energy Office (GEO) announced a new effort in Colorado to weatherize large, multifamily buildings.
- Currently engaged with the GEO re: landlord contribution requirements; urging subsidized properties be exempt.

*National Housing Trust, Weatherizing Multifamily Housing*

## Remaining WAP Issues



- Waiting for DOE guidance to implement DOE-HUD Agreement
  - Proposed policy changes re: income verification would streamline access to weatherization funds for federally assisted multifamily housing.
  - Certain HUD properties would be deemed automatically eligible based on HUD's review of income data.
- Davis Bacon Requirements: Department of Labor seeking to create "Weatherization Worker" labor category.
  - Some local providers reluctant to move forward without additional guidance re: appropriate wages.

*National Housing Trust, Weatherizing Multifamily Housing*

## Additional ARRA Resources



- State Energy Program:
  - \$3.1 B nationwide. Administered by States. Housing is eligible use.
  - ME, NM, DE, VT among states using SEP funds to expand weatherization services to households with incomes just above the WAP threshold.
  - NJ creating low interest revolving loan fund for m/f improvements.
  - CA targeting weatherization services to economic disadvantaged areas.
- Energy Efficiency and Conservation Block Grant:
  - \$3.2 B nationwide. 68% of funding to Cities and 28% to States.
  - NYC creating a revolving loan fund for large multifamily buildings retrofits

*National Housing Trust, Weatherizing Multifamily Housing*

**For more information:**



**Todd Nedwick**  
**National Housing Trust**

- ♦ **E-mail:** [tnedwick@nhtinc.org](mailto:tnedwick@nhtinc.org)
- ♦ **Address:** 1101 30<sup>th</sup> St, NW, Suite 400  
Washington, DC 20007
- ♦ **Phone:** (202) 333-8931
- ♦ **Web:** [www.nhtinc.org](http://www.nhtinc.org)

*National Housing Trust, Weatherizing Multifamily Housing*