

Owner/Developer IRA Bootcamp Session #2: Lessons Learned from Past Initiatives

AGENDA

- Overview of New Ecology + Technical Assistance
 - L.J. Eldredge, New Ecology
- Review of Survey Responses
 - Danielle Arigoni, NHT
- Lessons Learned from Past Initiatives
 - Leslie Zarker, NHT
 - Lauren Westmoreland, SAHF
- How Owners are Approaching IRA
 - James "J.T." Engelhardt, NHT
- Update on Treasury/IRS Low Income Solar Guidance
 - Danielle Arigoni, NHT
- Program Updates + Upcoming Sessions
 - Madeleine McCullough, NHT



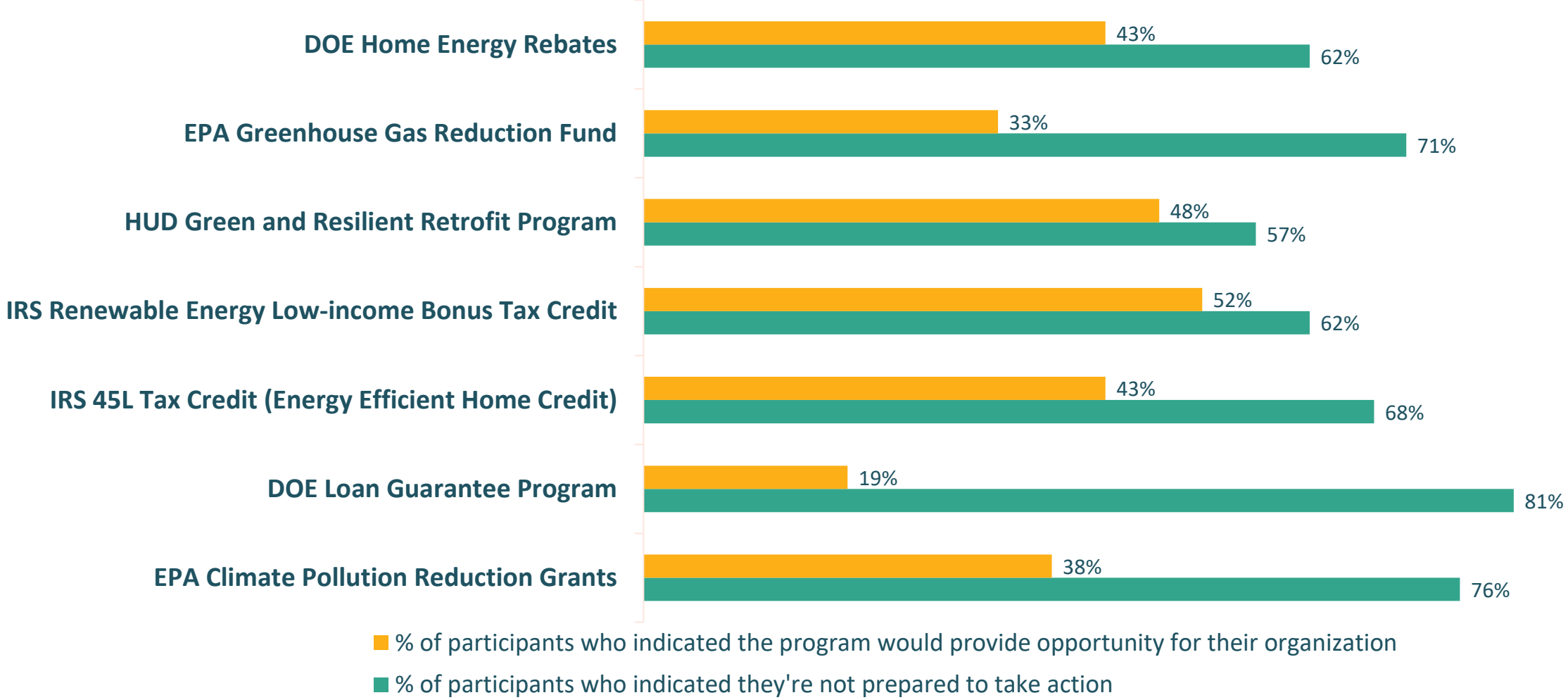
IRA BOOTCAMP TA PROVIDER: NEW ECOLOGY



L.J. Eldredge
Principal Director, Green Building Services
New Ecology, Inc.

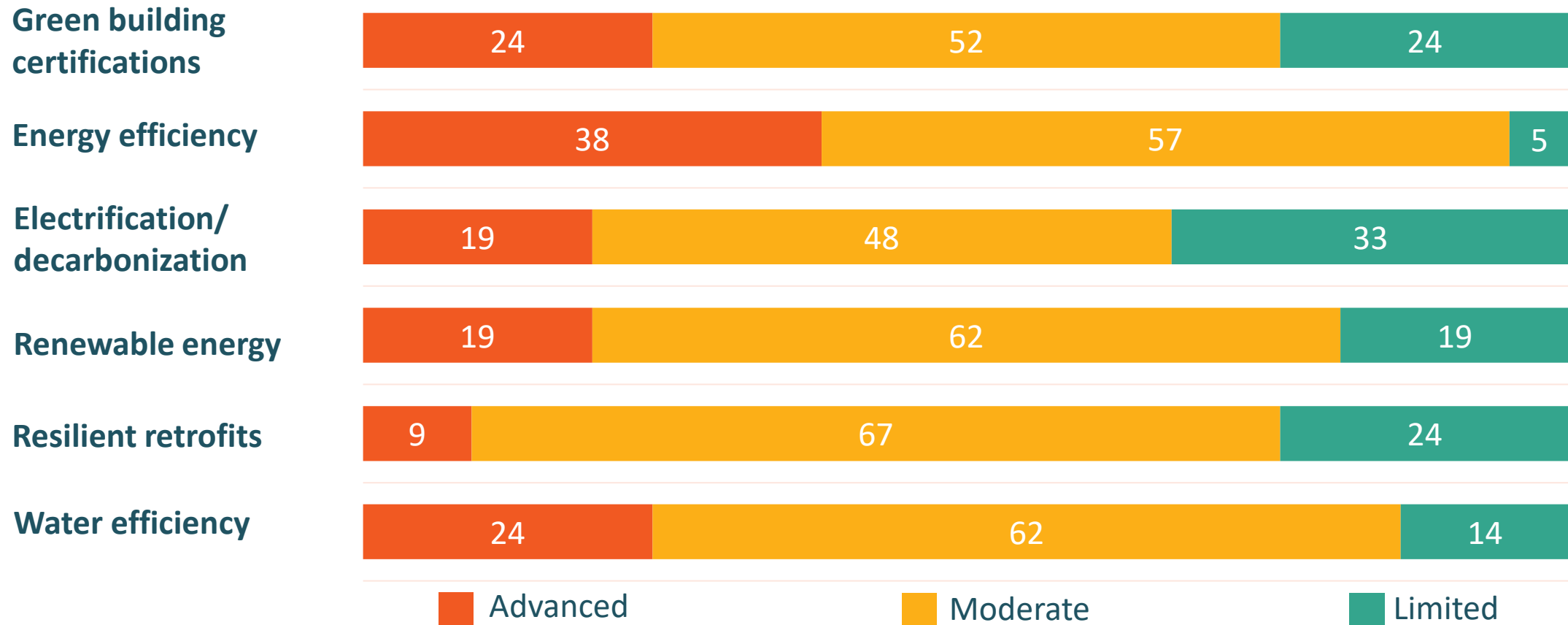
IRA PROGRAMS & PREPAREDNESS TO TAKE ACTION

*Which of the following programs do you think provide the most opportunity for your organization?
Of the programs mentioned below, how prepared do you feel to take action?*



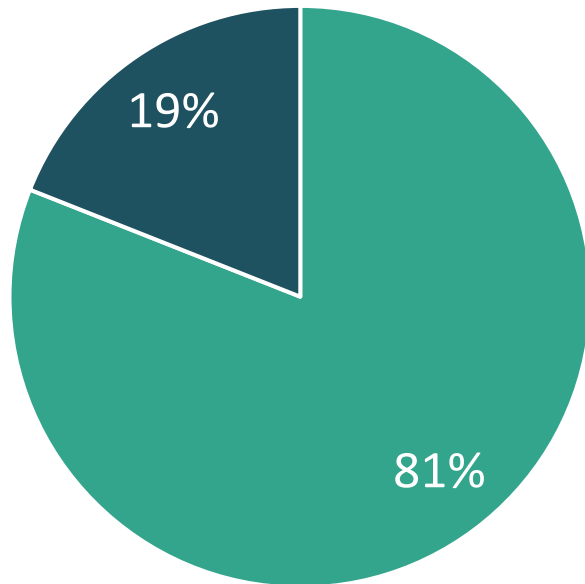
INTEGRATING THE FOLLOWING MEASURES INTO AFFORDABLE HOUSING

Percentage of Respondents with Advanced, Moderate, or Limited Knowledge



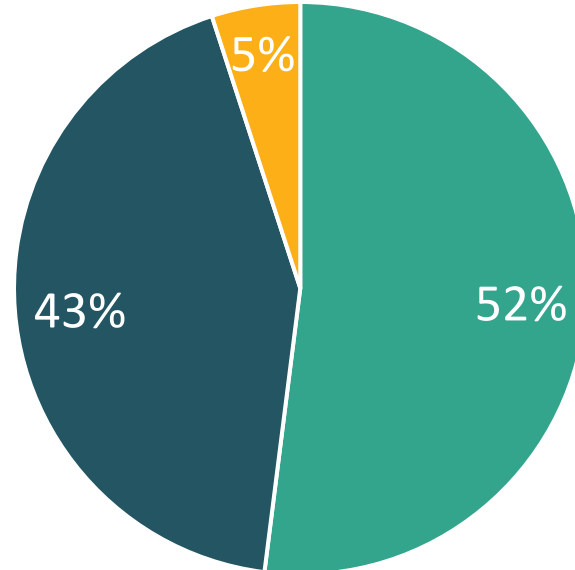
VALUE AND LIKELIHOOD OF...

How would you describe the value of *making sustainable and resilient investments* in affordable housing?



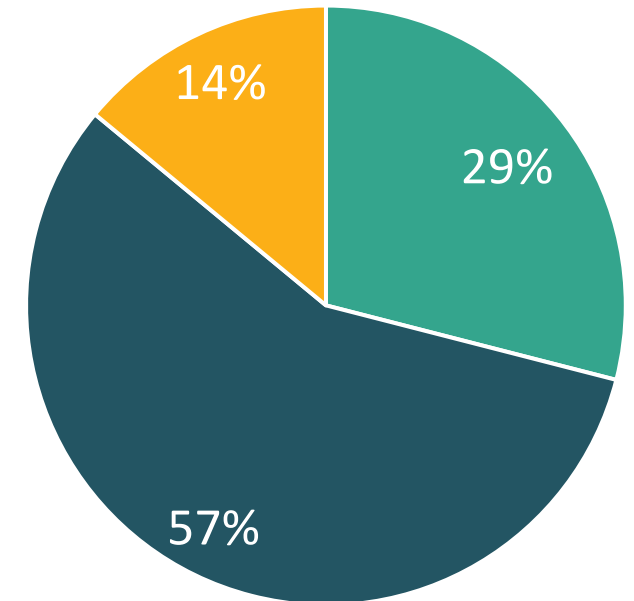
- High Value
- Modest Value

How would you describe the value of *integrating residents* in the design and implementation of sustainability and resilience measures in affordable housing?



- High Value
- Modest Value
- Limited Value

How likely are you to turn to *fellow owners in your state* to collaborate on IRA opportunities?



- Likely
- Somewhat Likely
- Unlikely

LESSONS LEARNED FROM BETTER BUILDINGS CHALLENGE + SAHF'S 'BIG REACH'



Leslie Zarker
Director of Sustainability Policy
National Housing Trust (NHT)



Lauren Westmoreland
Vice President, Energy & Sustainability
Stewards of Affordable Housing for
the Future (SAHF)



Big Reach: Lessons Learned

Lauren Westmoreland, Vice President, Energy & Sustainability
Stewards of Affordable Housing for the Future (SAHF)



contact@sahfnet.org



“People do things to buildings we don’t like because we give them buildings that don’t work for them.”
- SAHF Member Developer

SAHF by the Numbers



230,000+

People Served by SAHF Members



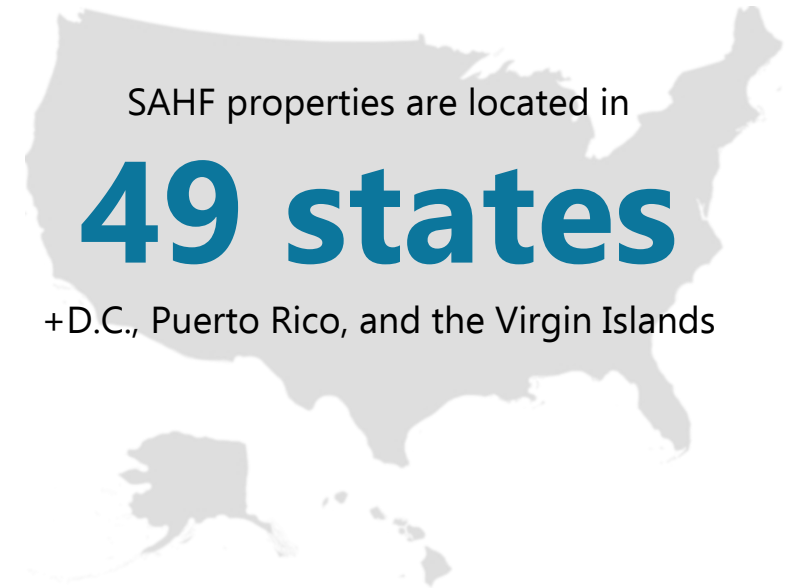
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Non-Profit
Housing Providers



150,000+

Rental Homes for Families, Seniors,
and Special Needs Populations



SAHF properties are located in

49 states

+D.C., Puerto Rico, and the Virgin Islands



2,000+

Multifamily Properties
Across the U.S.

SAHF Initiative: The Big Reach

- SAHF members demonstrated that portfolio-wide energy and water reductions can be achieved and measured.
- We are now looking towards including carbon measurement and reduction.



Big Reach Results



Consumption Reduction

Annual Cost Savings

Portfolio

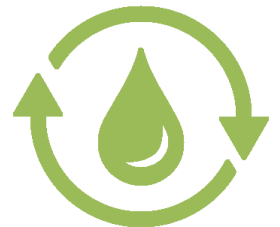
Per Unit



29% = 4.9 billion kBtu

\$43,443,103

\$298.15



24% = 1.7 billion gallons

\$14,815,387

\$101.68



816

properties

68,060

homes

UPGRADED

29,673

homes

BUILT/REHABBED



46,598

homes

RETROFITTED

installed at

**RENEWABLE
ENERGY**

146

properties

Benchmarking

- Tracking the utility consumption
- Calculating the energy and water efficiency
- Comparing its efficiency to similar developments

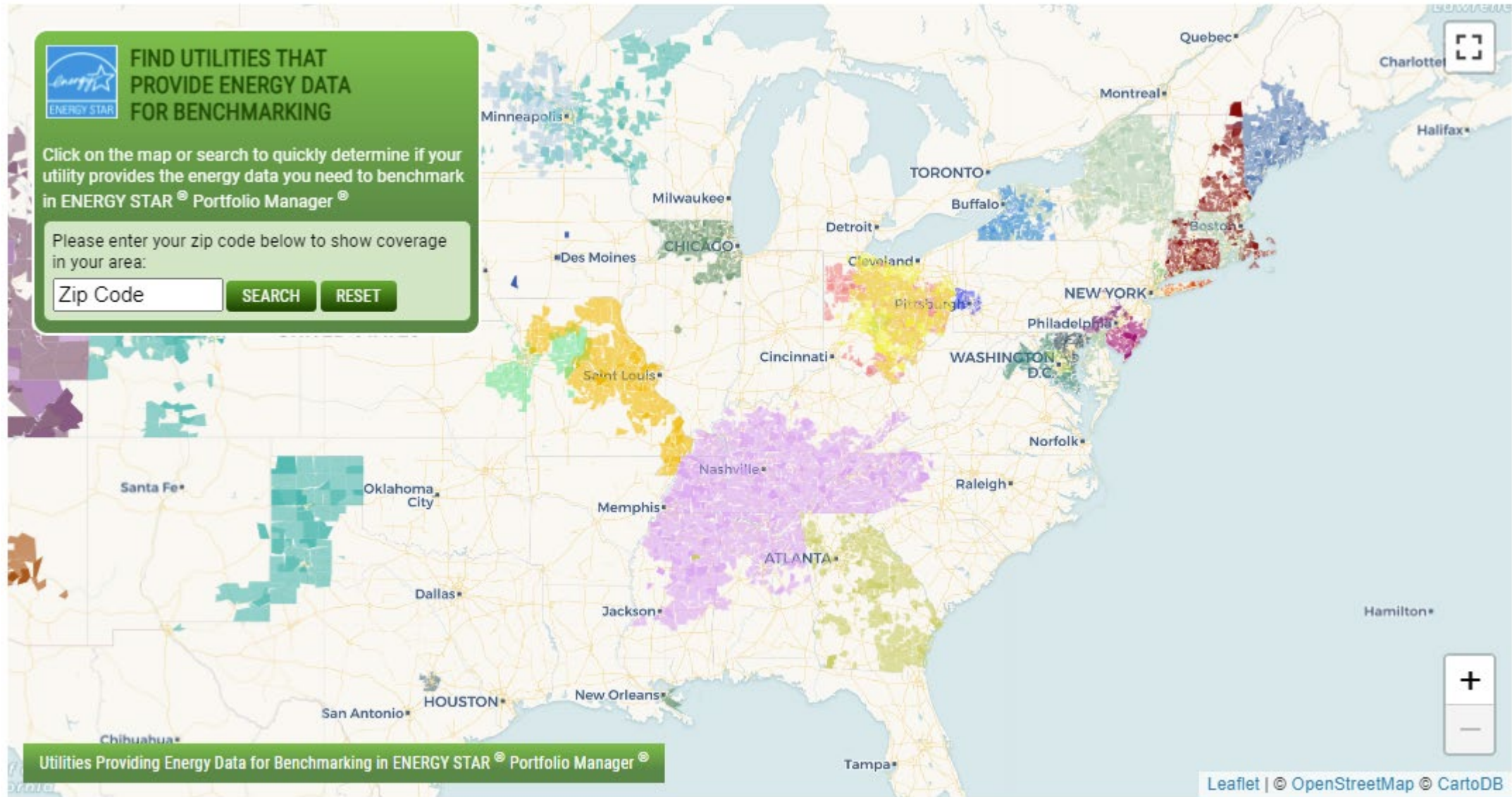
Typical metrics:

- Energy Use Intensity (energy consumption per square foot)
- Water Use Intensity (water consumption per square foot)



Image credit: Institute for Market Transformation

Data Issues: Pervasive



Energy & Sustainability in Affordable Housing



Focus: Building Retrofits



Mercy Housing: Water Leak Detection



- Installation: 2 (1.5) days for 106 units; 5 min a unit (for both sensors)
 - 135 toilet sensors + new supply line; 145 flood sensors
- Two installers + maintenance tech walking and knocking
- DIY Option?

Mercy Housing: Water Leak Detection



Keeping our home safe from water damage!

- Installation: 2 (1.5) days
 - 135 toilet sensors +
- Two installers + maintenance
- DIY Option?

Decatur has had several flood events in recent months. In an effort to prevent future floods, we are installing flood sensors in bathrooms. Flood sensors detect and prevent flooding, water damage and mold - like a smoke alarm, but for water!

If the flooding is not stopped within 5-10 minutes, the sensor will alert property maintenance staff to the presence of water so that they can prevent a major flood from occurring.

To ensure their effectiveness, please do not remove or tamper with the sensors and you never have to worry about changing the battery or maintaining the device. Note: these devices merely detect water and are by no means monitoring you in any other way. Please let us know if you have any questions.



Renewable Energy: Solar

- Direct Ownership
- Power Purchase Agreements
- Subsidiary Model
- Community Solar
 - Renewable ITC!

EXPANDING ACCESS TO COMMUNITY SOLAR FOR AFFORDABLE HOUSING RESIDENTS THREE TIPS FOR RESIDENT ENGAGEMENT

Community solar is any solar project or purchasing program, within a geographic area, in which the benefits flow to multiple customers. Community solar customers can either buy or lease a portion of the solar panels, and typically receive a bill credit for electricity generated by their share of the project. This guide provides tips for increasing the number of multifamily residents subscribing to programs that issue direct bill credits. Community solar provides affordable housing property owners and/or residents with a path to access the benefits of solar energy regardless of who owns the solar panels, the suitability of rooftop for solar, and location of the property. As community solar programs scale up, there is an opportunity for multifamily affordable housing providers to help connect more low-income households (earning 80% or less of the area median income) to the benefits of community solar programs. Members of the Department of Energy's National Community Solar Partnership, Multifamily Affordable Housing Collaborative, have installed solar projects and partnered with local subscription programs to provide benefits to both affordable housing providers and the residents they serve. This tip sheet highlights resident engagement and outreach strategies used by Collaborative members to build trust in community solar programs and increase the number of subscribers among affordable housing residents.

#1: ASSEMBLE YOUR TEAM

Tip: Identify and empower community solar champions within your organization

Affordable housing providers can start by working with potential internal champions. To increase individual participation, housing providers will need to build resident trust. Property managers and resident service coordinators interface with residents on a range of issues and can be trusted sources of information for community solar programs. They can also work with third-party consultants to design and execute engagement strategies.

Tip: Identify potential external partners with dedicated community solar subscription experience

While a housing provider may own the community solar project and have some technical expertise, administering community solar subscriptions and conducting resident outreach is a separate skill set. Collaborative members have found success engaging with residents through partnerships with organizations that are deeply experienced in working with communities and/or community solar subscription management. You may be able to identify potential partners through a government program or if your budget and timeline allow, independently partner with a subscription manager. Outreach strategies and goals should be developed collaboratively with partners. Collaborative Examples:

Boulder Housing Partners (BHP), a housing authority in Colorado, relied on its property management team to subscribe residents living at its



DELIVERING THE BENEFITS OF SOLAR

Affordable housing residents can benefit from community solar projects through:

- Direct utility bill savings or indirect financial benefits
- Secondary benefits: Improved air quality in the community, increased green workforce opportunities

However, they face persistent barriers to participation, including, but not limited to:

- Lack of community trust due to power dynamics between residents and authority
- Language barriers
- Administrative burdens

Steps outlined in this tip sheet can help housing providers increase community solar program participation.

properties. Significant staff time was dedicated to conducting outreach to residents who lived at BHP-managed units with good success. For households not living in BHP-managed housing, BHP partnered with [Energy Outreach Colorado](#), a community-based organization specializing in energy efficiency upgrades, to raise awareness of their community solar programs. Energy Outreach Colorado has established relationships with low-income communities in the region and has the processes, funding and programs in place to reach communities that would benefit from BHP's free community solar subscriptions.

Through the District of Columbia's [Solar for All](#) program, **National Housing Trust (NHT)** partnered with Groundswell, a third-party community solar nonprofit that is funded by DC government agencies. Groundswell conducts onsite and virtual outreach and also manages [resident subscriptions](#) for DC Solar for All. This no-cost partnership reduced NHT's staff time and cost to subscribe residents.



Visit www.energy.gov/communitysolar for more information

Green Operations and Maintenance

- Manuals maintenance staff can follow on-site
- Increasing training opportunities
- Automated equipment monitoring technologies
- Other resources:
 - Procedures, checklists, schedules
 - Prioritization guidance
 - Operational guidelines
 - Set points
 - Schedules



- Troubleshooting recommendations
- Reporting methodology

Community Housing Partners (CHP)



Cedar Crest: A 78 townhome community in Blacksburg, VA undergoing a moderate rehabilitation.

Scope of Work

Building shell: Doors

Hot Water: High-Efficiency Electric Water Heater

Lighting: **In-Unit and Exterior LED Lighting***

Ventilation: Kitchen and Restroom Exhaust Fans

Appliances: **Refrigerators***, Dishwasher, Countertop Microwaves, Garbage Disposals, and Ceramic Top Stoves

Water: Faucets, Aerators, and High-Efficiency Toilets

Other: **Cabinets with Additional Storage*, Refurbished Decks*, Outdoor Playground*, ADA Accessibility Upgrades***

***Measures influenced by residents**

Community Housing Partners (CHP)

Process

- **Pre-work Survey:** design, language and distribution is important.
- **Design:** act on resident feedback, provide a why for items not prioritized in scope
- **Construction:** clear communication and flexibility
- **Post-construction Feedback:** ask how to improve



Thank you!

Lauren Westmoreland
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HOW OWNERS ARE APPROACHING THE IRA



James "J.T." Engelhardt
Director of Real Estate
National Housing Trust (NHT)

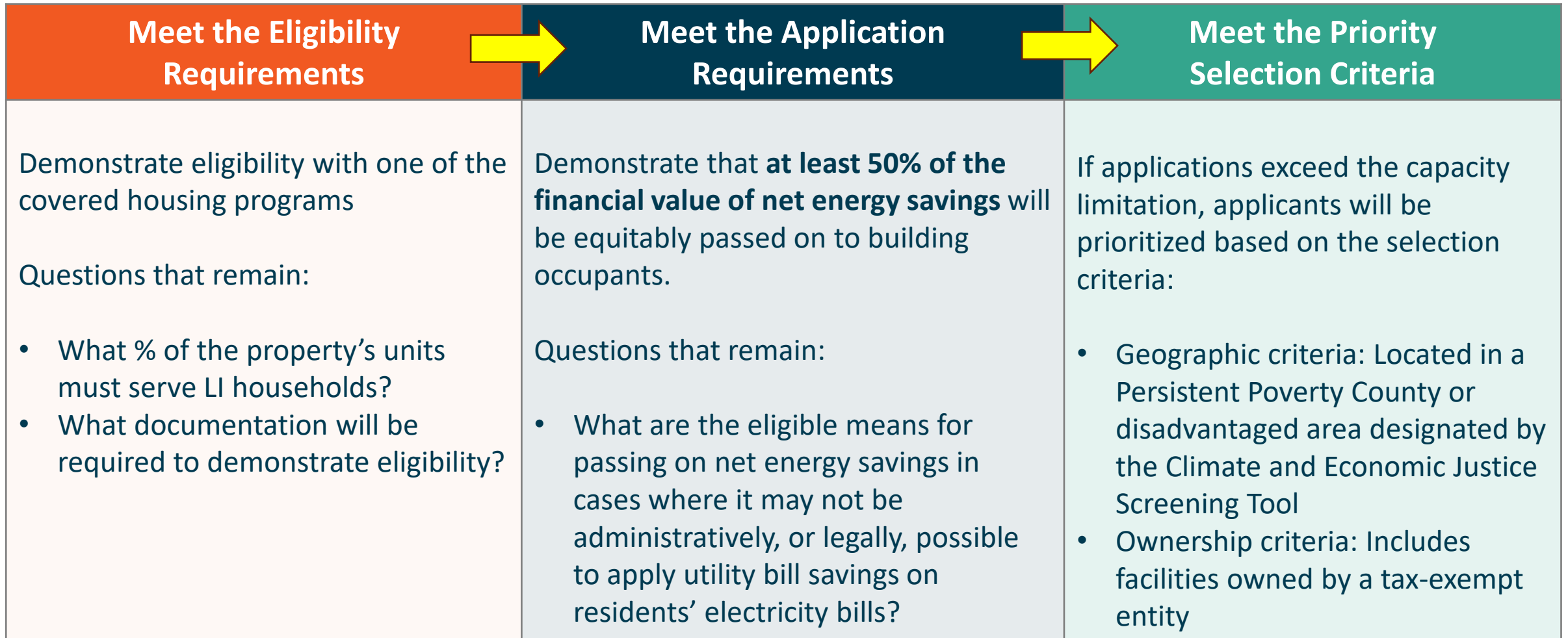
LOW INCOME COMMUNITIES BONUS TAX CREDIT

In addition to the 30% base ITC tax credit...

Eligible Project Categories	Amount of Credit Bonus	Maximum Credit Capacity 2023
Installed in a low-income community*	10 percentage point	700 MW
Installed on tribal land	10 percentage point	200 MW
Installed as part of a qualifying low-income building**	20 percentage point	200 MW
Installed as part of a low-income economic benefits project***	20 percentage point	700 MW

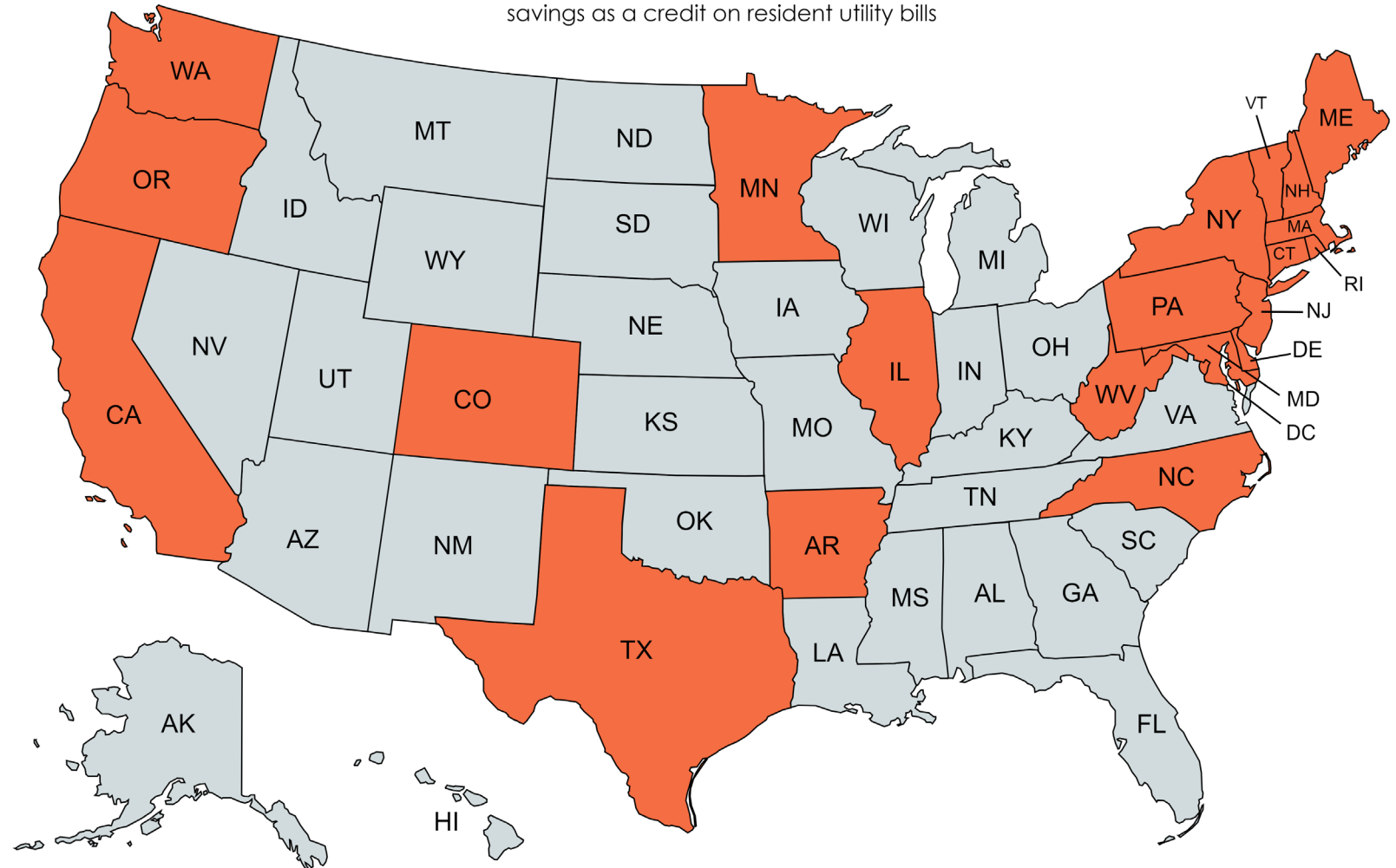
- *census tracts with poverty rates of 20% or more, or census tracts with median incomes of 80% or less;
- **HUD PBRA, Public Housing, 202/811, Section 8 vouchers, 236/221(d)(3), HOME, Housing Opportunities for Persons with AIDS, McKinney-Vento, Rural Development, LIHTC, Housing Trust Fund
- ***provide at least 50% of the financial benefits of the electricity produced by the facility to households with income of less than 200% of the poverty line or at or below 80% of area median income

PATHWAY TO A BONUS TAX CREDIT AWARD



PROPOSED RULES MAY LIMIT ACCESS TO THE BONUS CREDIT IN CERTAIN STATES

States with metering policies that support sharing solar savings as a credit on resident utility bills



“Treasury Department and IRS propose that for sub-metered buildings, the tenants must receive the financial value associated with utility bill savings in the form of a credit on their utility bills.”

PROVIDE FLEXIBLE METHODS FOR DELIVERING FINANCIAL BENEFITS

Treasury/IRS could allow building owners to pass on the financial benefits to residents by other means:

- Job training and workforce development
- Building upgrades that benefit all tenants
- Fund replacement reserves
- Payroll to support resident service coordinators/programming
- Direct rent relief
- Transportation benefits
- Improve on site security

ADDITIONAL SUGGESTIONS TO TREASURY/IRS

- **Treasury/IRS propose to prioritize solar facilities owned by a “qualified tax-exempt entity”**
 - Amend the definition to ensure that the non-profit managing member/general partner qualifies under the prioritization
- **Treasury/IRS propose to require a signed benefits sharing agreement between the building owner and tenants**
 - Require owners to provide tenants a benefits sharing plan with opportunity for tenant feedback
- **Treasury/IRS propose to prioritize applicants in persistent poverty counties and disadvantaged areas defined by the Climate and Economic Justice Screening Tool**
 - Add Qualified Census Tracts as eligible for the geographic priority

PROGRAM UPDATES

- **Bootcamp newsletter launched!**
 - Regular updates as new IRA information comes out
 - Sent to both HFA and Owner/Developer Bootcamp participants
 - *Let Madeleine know if you'd like additional staff from your agency added to the list*
- **IRA Toolkit is coming!**
 - Fact sheets on all IRA programs & funding opportunities
 - Case studies & reference guides from experts in the affordable housing field
 - Glossary of terms and concepts



Thank you for your interest in National Housing Trust's Inflation Reduction (IRA) Bootcamps.

This email provides news on IRA programs, funding opportunities, IRA Bootcamp information, and links to additional resources.

Latest IRA Updates

Greenhouse Gas Reduction Fund: EPA has announced the opportunity for potential applicants, coalition members, and partners of the [Greenhouse Gas Reduction Fund \(GGRF\)](#) grant competitions to self-identify to create coalitions and partnerships before applying to the \$14B National Clean Investment Fund (NCIF), the \$6B Clean Communities Investment Accelerator (CCIA), and/or the \$7B Solar for All (SFA) competitions. Interested parties should fill out the relevant forms below **by June 19, 2023**.



Session dates and topics are subject to change

Upcoming Sessions

**July 18,
1-2:30 PM ET**

Electrification and Energy Efficiency

- Led by New Ecology
- Overview of portfolio screening process + data needs
- Discussion of how to integrate these concepts and strategies in affordable housing

**July 27,
1-2:30 PM ET**

Climate Resiliency and Solar Solutions

- Overview of how to integrate climate resilience into affordable housing
- Exploring solar solutions: how to make it work in affordable MF housing

TBD

Greenhouse Gas Reduction Fund

- Understanding EPA's Final Guidance/NOFO

TBD

Clean Energy Tax Credits

- Overview of tax credits most relevant to affordable housing
- Underwriting impacts

Thank you!
Questions?

