



**Multi-Family Housing:  
Overcoming the Barriers to  
Accessing Utility-Funded  
Energy Efficiency Programs**

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National Housing Trust**

**NASUCA, Nov. 18, 2013**



## About the National Housing Trust

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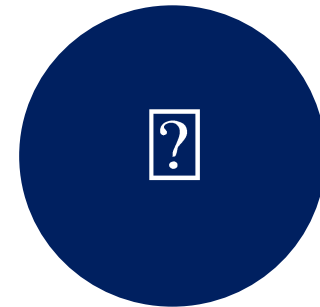
NHT **protects and improves** existing affordable rental homes so that low income individuals and families can live in quality neighborhoods with access to opportunities.



**ADVOCACY**



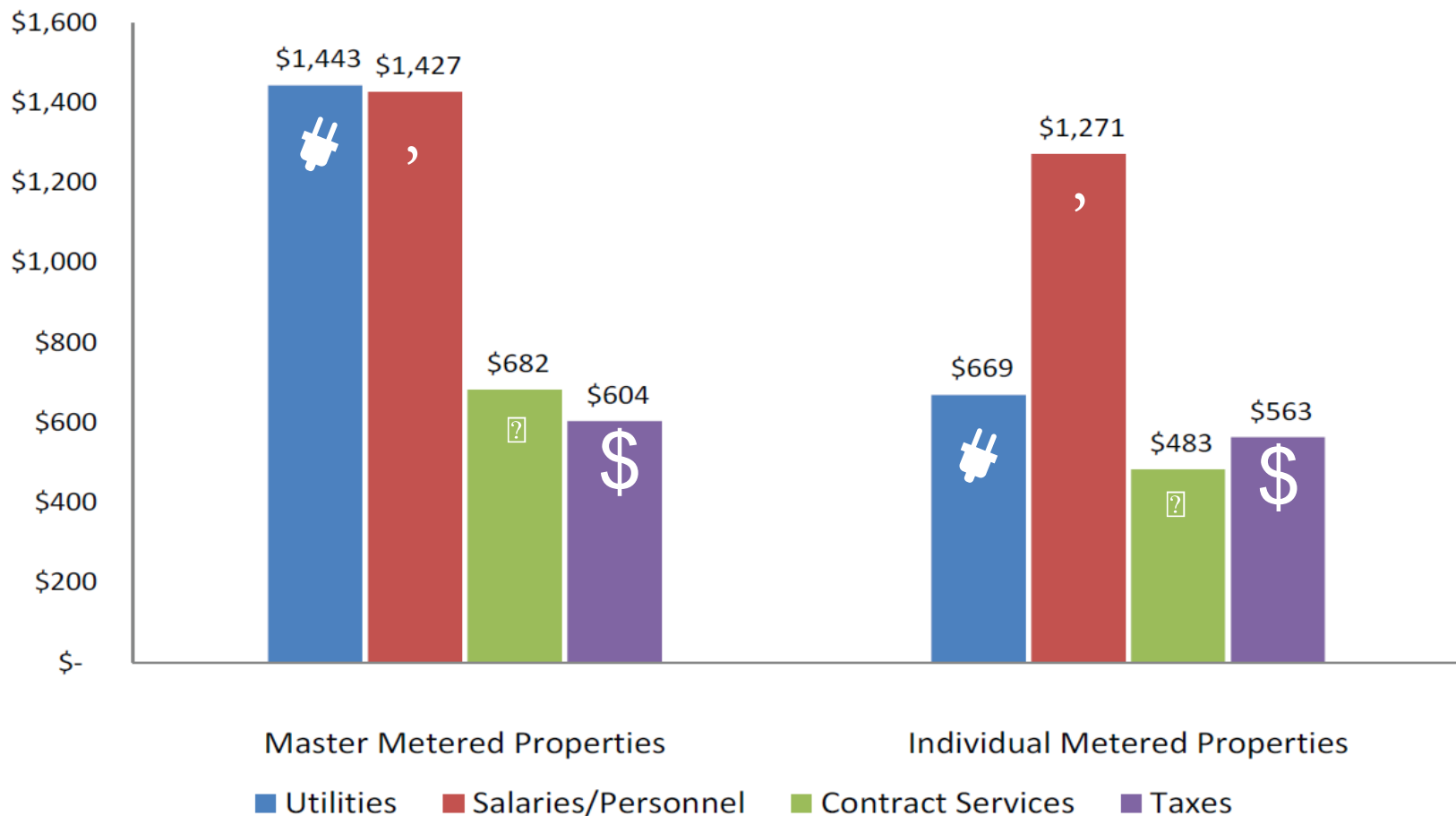
**REAL ESTATE  
DEVELOPMENT**



**LENDING**

# Utility costs present the best opportunity to reduce operating expenses and help sustain affordable housing.

*Top four categories of operating expenses per unit in master and individually metered subsidized multifamily housing*



## Collaboration between housing and utility stakeholders can overcome barriers to reducing energy use in multifamily housing.

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### Current Situation

- Energy efficiency measures less likely to be found in multifamily rentals.
- High energy costs make it difficult to sustain affordable rental housing.
- Utilities and ratepayers do not realize the benefits of reduced energy use.



### Potential Future

- Multifamily rentals have energy efficiency measures at the same rate as other types of housing.
- Lower operating expenses help to preserve affordable rental housing.
- Reduction in energy use helps utilities achieve their energy savings goals.

## NHT has been engaging with utilities and other stakeholders in targeted states to advance multifamily energy efficiency programs.

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- Explore barriers
- Demonstrate the potential for energy savings
- Identify tools and approaches to finance energy efficiency improvements
- Demonstrate the value of new partnerships between utilities and housing stakeholders



### **Partnering for Success:**

An Action Guide for Advancing Utility Energy Efficiency Funding for Multifamily Rental Housing

A REPORT BY:



IN PARTNERSHIP WITH:



<http://www.nhtinc.org/downloads/partnering-for-success-action-guide.pdf>

## **Pennsylvania:**

### **PUC guidance leads to streamlined multifamily programs.**

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#### **Challenges:**

- Lack of tailored multifamily programs
- Master-metered properties ineligible for low-income pgrms
- Lack of policy guidance from the PUC

#### **Actions:**

- Multiple convenings identified barriers
- Partnered with Penn. Utility Law Project and state housing finance agency
- Urged the PUC to incent utilities to develop programs
- OCA supported targeted program for master-metered MF

#### **Outcomes:**

- PUC allows savings to count under the NP/Govn't carve out
- PECO Smart Multi-family Solutions
- PPL Master-Metered Low-Income Program
- Duquesne Light Multifamily Market Manager

## **Minnesota: Utilities develop LI MF programs with enhanced rebates.**

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- Challenges:**
- Utility incentives not tailored to LI MF bldgs.
  - Lack of guidance on how to qualify properties as low-income
- Actions:**
- Convened utilities, housing finance agency, owners, staff from SEO and PUC
  - Identified barriers incl. insufficient rebates and the need to upgrade water heating equipment
  - Identified recommendations for qualifying low-income bldgs.
- Outcomes:**
- CenterPoint creates Low-Income Multifamily Building Rebate project-- 25% higher rebates than typically offered to commercial customers
  - Policy guidance allows properties with use restrictions to automatically qualify as low-income

## **Maryland:**

# **Aligning utility & housing finance programs to better serve LI MF.**

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### **Challenges:**

- Utilities fell short of low-income targets.
- Difficulty verifying low-income eligibility.

### **Actions:**

- OPC supported transferring responsibilities of low-income programs to the MD Dept. of Housing and Community Dev.
- NHT and partners provided testimony to the PSC in support of this approach
- DHCD demonstrated track record of delivering efficiency services

### **Outcomes:**

- Carve out of \$12.5 million for low-income MF
- Streamlined application process provides easy access to incentives
- Targeted to properties in DHCD's pipeline for financing; income eligibility already established



## Concluding thoughts...

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- Significant energy savings potential in affordable multifamily housing
- Strategies must be targeted to overcome market barriers
- Common attributes of successful programs include:
  - Streamlined process so owners can access incentives for both individual units and common areas
  - Ensure that MF renters are not excluded from low-income housing programs
  - Align utility and housing programs to better reach customers
  - Tailored incentives

## For more information:

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