

Integrating Energy Efficiency into Affordable Housing Webcast Questions and Answers  
EPA Local Climate and Energy Program  
April 21, 2009

1. EPA and HUD: What are the 3 top things that I should look into if my community is interested in improving Energy use in our affordable housing units? You've shared a lot of great information but where should I start?

*Answer:* The opportunities and resources can vary by locality and may influence your immediate priorities. In terms of developing an energy efficiency program for affordable housing I would start with the following.

1. Engage the State or local governmental administering the Energy Efficiency Conservation Block Grant program to consider residential energy efficiency strategies in their development of the strategy and plans they must submit to DOE for funding.
  2. In partnership with local affordable housing providers assess the energy efficiency opportunities for the portions(s) of the residential housing stock you are targeting. This can be accomplished through project specific energy audits or, if resources are limited, by grouping the targeted housing stock by vintage, construction characteristics, energy source, etc to identify common cost-effective energy investments across a category of building types. Partnerships with utility companies, local governmental agencies, or other community organization may help to provide or offset the costs of the work.
  3. Once the energy efficiency investment opportunities are identified, determine what financing tools and program support are needed to facilitate investments in energy efficiency by the property owners. In addition to leveraging Federal grant or loan programs to support community energy efficiency objectives, such as the Weatherization program or HUD's funding for energy retrofits, local approaches might include creating low cost lending programs or "pay as you save" financing programs. To support community energy efficiency efforts, you may also want to consider any of the following:
    - Providing training to residents on energy conservation behavior,
    - Coordinating a community bulk purchase program to acquire ENERGY STAR products
    - Offering technical assistance to properties to design and implement energy retrofits
    - Providing training to contractors on energy efficient rehabilitation practices
    - Engaging outside energy consults and companies to assist in designing or provide needed energy services
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2. HUD: Where can I get more information about how energy factors will be reviewed in Neighborhood Stabilization Projects and the timing of the funding cycles of these projects?  
*Answer:* The rating factors for the competitive Neighborhood Stabilization Program funded by the American Recovery and Reinvestment Act of 2009 will be included in a Notice published by HUD. That Notice should be published in the Federal Register sometime in May 2009.
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3. HUD: I've heard of companies working with banks to help renovate and sell real-estate owned properties. Could these private companies get access to the Neighborhood Stabilization funding to pay for energy efficiency improvements made to these REO properties?

*Answer:* The NSP Competitive program encourages partnerships with for-profits entities to leverage resources and facilitate the process of acquiring, rehabilitating, and selling abandoned and foreclosed properties. Any partnership must comply with Federal requirements; particularly the terms under which the property is sold.

4. HUD: I've heard that the FHA EEM caps have not yet been removed due to some technical issue with the legislation. Is that correct?

*Answer:* Yes that is correct. HUD Secretary Donovan has advocated greater attention to energy efficiency in conjunction with residential time of sale or refinancing transactions. We anticipate that this technical correction will be made in the near future.

5. HUD: Has there been any determination as to the exemption from Davis-Bacon requirements for the Weatherization Assistance Program?

*Answer:* Pursuant to language in the American Recovery and Reinvestment Act of 2009, Davis Bacon requirements are applicable to all programs funded through this legislation. This requirement cannot be waived.

6. HUD: If I am developing a strategy for EE in affordable housing, which stakeholder should I engage and what resources are available to educate them. Wayne mentioned the E Star builder options package for contractors. Who else should we work with?

*Answer:* Who to engage ultimately is determined by the organizations that are interested in energy efficiency in your community. Stakeholders typically involved in developing affordable housing strategies for energy efficiency include the housing providers, residents, local governmental entities, utility companies and energy efficiency service providers such as local weatherization agencies, State energy offices, community based organizations involved in energy issues and energy consultants and auditors. There are also a number of private organizations providing specialized energy services, such as Energy Service Companies (ESCO), that depending on the objectives might be consulted.

Collaborating with these organizations will enable you to identify issues requiring training or education and possible resource provides in your community or State.

Builder Options Packages provide a useful “checklist” of energy efficiency measures that could be incorporated into property specific or community strategies, but this is only one approach. Depending on your objectives there are other external resources, such as the Enterprise Green Communities Underwriting Criteria, that include a broader range of “green building” measures that might be useful. Checklists such as those mentioned are useful in that they provide property owners with clear information about investments that improve energy efficiency. For more detailed investment planning, on-site energy and/or green building assessments are recommended.

7. HUD: Tribal housing is a unique housing issue and is not often governed by the authorities you've discussed here. Are there currently any HUD or other federal agencies working with tribes to address energy efficiency in the tribal housing stock?

*Answer:* Tribal governments are sovereign entities. Energy activities in Indian Country are supported by various federal agencies. The Department of Energy has an active Tribal

Energy Program. Tribal entities are also eligible to participate in DOE's Weatherization Assistance Program and tribal entities also receive a allocation under the new Energy Efficiency Conservation Block grant program. At HUD, funding provided by the Indian HOME and Indian Community Development Block Grant programs may be used to support investment in energy efficiency and renewable energy systems.

8. HUD: To what degree, if at all, are any of the efforts that have been discussed considering the location of housing? In other words, the most energy-efficient home in a far-flung, low-density, suburban site will not be nearly as effective in achieving energy and climate gains as one located in a compact, central location.

*Answer:* Location is a significant factor in household energy use and costs. Recently, FannieMae successfully piloted a Location Efficient Mortgage program in selected cities around the country. Location is a factor that is and should be consider in update our mortgage products to support local efforts to build more sustainable communities.

9. HUD: Transportation costs often equal (or in some cases exceed) housing costs, particularly among lower-income households. In addition, transportation and buildings together represent upwards of 60% of our GHG emissions and energy consumption. In that vein, locating affordable housing near a range of viable transportation choices (including walking and biking) has huge potential to both reduce the total cost of housing (mortgage/rent plus transportation) and yield important climate change impacts.

*Answer:* Transportation use and costs have a significant affects on green house gas emissions and affordability. HUD is currently working with the U.S. Department of Transportation on strategies for facilitating Transit-Oriented Development that better link transportation and housing investments. This issue is also under review by the General Accountability Office (GAO) at the direction of Congress.

10. Ithaca: What types of support (funding, expertise, etc.) is available for under-served, low-income community weatherization and EE upgrade pilot projects?

*Answer:* Each community is different so you'll have to do your own inquiring, but don't be discouraged from doing an EPC if you do not have support from your local Weatherization. Weatherization was an added benefit, and an EPC is still worth doing even without this extra benefit.

11. Ithaca: Are communities/residents involved in the energy upgrades completed for affordable housing? I noticed in the Topeka example mentioned in the first presentation, there was an outreach component. Is this an essential/helpful element of the programs?

*Answer:* The community and residents are made aware of the energy improvements via a public hearing, but unfortunately, only a couple of residents turned out for that. We keep the residents up-to-date on the energy upgrades through our monthly newsletter to them.