



**Better Buildings Residential Network Multi-Family/ Low Income Peer Exchange Call Series: *Strengthening Relationships between Energy and Housing Programs***

October 31, 2013

# Agenda

- Call Logistics and Introductions
- Discussion:
  - What are some examples of energy and housing programs working together?
  - What are the benefits of pursuing housing and energy goals simultaneously?
  - What strategies are there for strengthening the relationship between energy and housing programs?
  - Are there challenges with this approach?
  - Other questions/issues related to the relationship between energy and housing programs?
- Future Call Topics Poll

# Call Participants

Arlington County, VA  
Boulder County, CO  
Chicago, IL  
Clinton Foundation  
Clean Energy Durham  
Efficiency Maine  
Energy Programs Consortium  
Enterprise Community Partners  
Hodges Development, LLC  
Institute for Market Transformation  
Indianapolis Neighborhood Housing  
Partnership  
Maryland Department of Housing and  
Community Development

Michigan Saves  
National Council of State Housing  
Agencies  
North Carolina Housing Finance Agency  
Natural Resources Defense Council  
Philadelphia, PA  
Pure Eco  
reEnergize Lincoln (Nebraska)  
Richmond Region Energy Alliance  
San Francisco, CA  
Stewards of Affordable Housing for the  
Future  
The Energy Foundation

# Lessons Learned: Lincoln, Nebraska

# Catalyzing Lincoln's Energy Efficiency Market



# Low Income Housing Providers and Rehab Professionals



## Housing Providers Lincoln Worked With:

1. NeighborWorks Lincoln



2. Lincoln Housing Authority



# NeighborWorks Lincoln



- **Trained/Educated Contractor Workforce on Weatherization Workforce Standards**
- **Expand Staff of Neighborworks Lincoln to Expand Energy Efficiency Opportunity to Constituents**
- **Broadened Level of Energy Efficiency to Current and Future Low-Moderate Home Owners**
- **Portfolio Approach to Assist 18 Homes With Efficiency Upgrades**

# Lincoln Housing Authority



- Helped Homes in Need of Energy Efficiency “Dive Deeper” into the Retrofit
- Broadened Level of Energy Efficiency to Staff and Low-Moderate Home Owners
- Portfolio Approach to Assist 10 Homes With Efficiency Upgrades



# Lessons Learned: The Indianapolis Neighborhood Housing Partnership



Dream. Prepare. Succeed.

The mission of the Indianapolis Neighborhood Housing Partnership is to increase affordable and sustainable housing opportunities for individuals and families and serve as a catalyst for the development and revitalization of neighborhoods.

[www.inhp.org](http://www.inhp.org) • 317-610-HOME (4663)

# City of Indianapolis & INHP

- 1987 - housing issues identified by the mayor
  - task force formed to offer solutions/plan
- 1988 - the Indianapolis Neighborhood Housing Partnership begins its mission to increase opportunities for homeownership and support neighborhoods
- From the beginning INHP has been closely tied to the City of Indianapolis

# City of Indianapolis & INHP

- INHP continues to support City initiatives, regardless of the administration
- The City appoints members to the INHP Board of Directors each term
- INHP administers several programs, such as Down Payment Assistance, on behalf of the City

# EcoHouse Program

## It's not about the free audit

- We look at Eligible and Qualified first
- Then, are you interested in a loan?
- Then, application, confirm they are eligible, qualified and interested in a loan
- And, then the audit is scheduled

# INHP strength & weakness

## Strength –

- 25 year old non-profit
- Well regarded within the community
- Deep relationship network in place
- Ability to raise capital to help fund loans
- Well established working relationship with the City
- CDFI with full lending team in place

## Weakness –

- NOT an energy-efficiency expert

# Get the expertise

## INHP decided to find the expertise

- Strong partner with a local utility
- Contracted with a company they recommended to manage the:
  - Energy audit process
  - Contractor management
  - Project management

# Lessons Learned: Maryland Department of Housing and Community Development





# Maryland Department of Housing and Community Development

Multi-family/Low Income: Strengthening  
Relationships between Energy Programs and Housing  
Programs

October 31, 2013



# What is DHCD?

- Cabinet level agency created in 1987 to address MD's housing and community development needs;
- State of Maryland's Housing Finance Agency (HFA)
- Committed to expanding, creating and preserving housing opportunities and strengthening communities in MD.
- Functions like a community bank;
- DHCD works where there is a financing gap in private markets and where State investment can stimulate additional public and private resources.
- Authority to issue bonds: Community Development Administration



# What does DHCD do?

- Finances loans;
- Insure loans;
- Administers grants;
- Provides services to promote home ownership and affordable housing for:
  - low and moderate income families,
  - the elderly,
  - individuals with disabilities,
  - the homeless.
- Provides low-cost loans, grants and technical assistance to support neighborhood revitalization efforts and SmartGrowth development *in order to strengthen communities and improve quality of life.*



# Community Development Administration: Single Family Programs (Homeownership)

- DHCD operates a mortgage program for low to moderate income families;
- In State FY 13, DHCD provided more than \$270 million in mortgage loans to 1550 households throughout Maryland.
  - Provided an additional \$8.7 million in down payment assistance
- Synergy: Lending for energy efficiency upgrades to mortgage borrowers that have been in their homes 10+ years.



# Community Development Administration: Multifamily Housing

- DHCD provides rehabilitation and refinancing assistance for low to moderate-income rental housing, in addition to financing new affordable multifamily housing.
  - Low Income Housing Tax Credits
  - State Funds
  - Leverages Private Funds
- In State FY13 DHCD provided more than \$35 million in State funds, \$158 million in LIHTC equity, and \$103 million in bond funds to preserve 1,152 units of affordable housing and produce 2,158 units of affordable housing.
  - Total project costs of more than \$400 million.
- Synergy: Financing for energy efficiency improvements work well to leverage other funds as part of rehab or refinance. Developer relationship facilitates stand-alone retrofit projects as well.



# Community Development Administration: “Special” Loans and Weatherization

- Special Loans Programs
  - Lead Hazard Reduction Program
  - Maryland Housing Rehabilitation Program
- Weatherization Assistance Program
  - Financing to assist over-income families with energy efficiency improvements.



# Program Experience Highlights

- reEnergize Lincoln identified its partners and reached out to them to fill a perceived need.
- INHP was a natural fit for a partnership for the BetterBuilding grant because they already had an existing partnership with the city.
- Maryland leveraged existing partnerships and systems to conduct its energy upgrade activities during the BetterBuilding grant period.

# Benefits of Energy and Housing Program Partnerships

- **Accessing Additional Populations and Audiences**
  - Lincoln, NE benefited from its partnerships by leveraging NeighborWorks Lincoln's credibility and existing programs to gain access to and make inroads with a target population they otherwise would not have.
- **Additional Communication Channels**
  - NeighborWorks Lincoln has discussed adding energy efficiency components into its first-time homebuyer program based on the partnership.
- **Fill in weaknesses in individual organizations**
  - INHP brought in expertise where they saw a weakness in their organization to achieve the desired results.



# Other Challenges in the Multi-family Sector

- Some programs have had difficulty accessing individual unit utility information. Suggested solutions included:
  - Have tenants sign an initial release form built into the intake process.
  - Acquire landlord buy-in and recruit them to help with tenant outreach.
- Call participants have observed a trend of commercial finance institutions being hesitant to commit to the multi-family market. This has led to some programs doing direct lending themselves (e.g., Maryland, Kansas City).

# Future Call Topics Poll

- Which of the following previously suggested topics are of interest for future Multi-Family calls?
  - Outreach to multi-family landlords and tenants: 71%
  - Strategies to overcome split incentive tenant/landlord EE issues: 50%
  - Loan programs for low and moderate income households: 50%
  - How to provide simple, cost effective modeling and savings projections: 36%
  - Strategies for generating demand from large building upgrades: 29%

*Please send other suggested call topics to  
[peerexchange@rossstrategic.com](mailto:peerexchange@rossstrategic.com).*