



Better Buildings Neighborhood Program  
Low/Moderate Income Peer Exchange Call: *Targeted  
Marketing and Program Design for Low and Moderate  
Income Households*

*Call Slides and Discussion Summary*

October 20, 2011

# Participating Grant Programs

- Austin, TX
- Bainbridge Is., WA
- Carrboro, NC
- Chicago, IL
- Connecticut
- Phoenix, AZ
- Portland, OR
- NYSERDA (Long Island, NY)
- Michigan
- New Hampshire
- Indianapolis, IN
- San Diego, CA
- San Jose, CA
- Seattle, WA

- Call Logistics and Attendance
  - What are programs doing to target low/moderate income households?
- Insights from Programs:
  - John Hazlett, Kristin Trovillion, and Becca Murphy—*City of Indianapolis Better Buildings Program*
  - Hilary Franz—*RePower Bainbridge/Bremerton/Kitsap*
- Grant Project Q&A and Discussion
- Potential Future Call Topics



# Indianapolis - Near Eastside Neighborhood Sweeps Program



- Purpose of the Neighborhood Sweeps Program is to market energy efficiency to residents and small business owners
  - Targeting at least 800 homes, 20 nonprofits, and 200 businesses for upgrades
  - Improvements can be more cost-effective by using the combined demand/purchasing power of neighborhood blocks
  - Once accepted, homes receive a free energy evaluation, quick energy saving measures, and energy efficiency upgrades of up to \$1,500 for residents and \$2,000 for small businesses based on the energy assessment
- Targeting the Near Eastside neighborhood
  - Neighborhood has experienced economic and population decline in the past 30 years
  - Many homes built in 1935 or earlier with limited insulation, etc.

# Indianapolis - Near Eastside Neighborhood Sweeps Program, continued



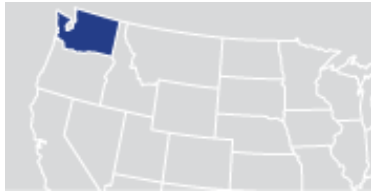
- Program has been well received
  - Overly subscribed - more than 950 interested parties applied, 150 more than the program can accommodate
  - Achieved success with minimal marketing – were able to redirect marketing budget to produce detailed program guides
- Addressing some health and safety issues with energy efficiency upgrades
  - Generally seeing issues related to unvented bath exhaust fans, electric, and combustible appliances/carbon monoxide
  - 70% of customers have chosen to address health and safety issues along with energy efficiency work
  - For customers who cannot afford to do both or have more costly issues (e.g. mold), the program has partnered with local community centers and received community block grant funding to help
- Next steps
  - Use marketing and outreach to encourage customers to go further than the upgrades received in Sweeps Program

- Loan loss reserve program for financing deeper energy efficiency improvements
  - Targets low to moderate income households
  - Loan term is for up to 10 years with a competitive interest rate
  - Natural fit with Sweeps Program (although not required to participate)
- Qualification criteria
  - Indianapolis residents who have owned and occupied their homes for 12 months
  - Income cannot exceed 80% of area median (where other charitable purposes have been identified, can go up to 120% of area median)
  - Meet credit guidelines: Minimum FICA score of 580, debt-to-income ratio up to 45%, no late payments (non-medical) within last 12 months
- Secured and secured loan options
  - Unsecured is \$4000 for 48 month term, interest rate ~6.24%
  - Secured is up to \$15,000 for 10 year term, interest rate ~5.11%
- Almost all fees and closing costs are covered by the program
  - Exception: a recording fee (\$50) for secured loans is passed on to the borrower

- Making program accessible to target market
  - Credit guidelines are designed to make loans accessible ; considers factors such as will income continue? Are they able to make payments?
  - Unsecured loan option allows customers without equity to implement the majority of the measures (e.g. insulation) with affordable interest rates
  - Secured loan treated as second mortgage
- Marketing
  - Some customer inquiries have been about energy savings/green, but most are need-based calls (e.g. hard time handling utility bills, furnace not functioning the way it needs to be)
  - Re-launching marketing this month with a focus on need (e.g. if you want to save \$ on bills, this is program for you)
- Outreach
  - Partnered with utilities and 15 community development corporations in the city
  - Attend grass roots events, information fairs
  - Advertise on radio, TV, newspapers (local), websites



- Q: For the Near Eastside Neighborhood Sweeps Program, what kind of upgrades are homeowners choosing to invest in?
  - A: Typical upgrades are air sealing, fixing broken windows, and attic insulation. In addition to upgrades under the program we also connect eligible homeowners to Weatherization Assistance Program resources where they may be eligible for an additional \$5-6,000.
- Q: What percentage of inquiries are coming as a result of the Near Eastside Neighborhood sweep program?
  - A: Around 25-30%.
- Q: How does the program shown a return on investment to customers?
  - A: We do an analysis up front to show the return on investment from specific measures taken.



- RePower Program Goals
  - Complete energy assessments and upgrades
  - Create jobs
  - Offer financing options and incentives to make energy-efficiency improvements affordable
- Focused in two very different communities
  - Bainbridge: Mid to high income community, Seattle suburb, well-educated, liberal
  - Bremerton: Low-income, working-class, military-based
- RePower Bainbridge launched in March
  - Launched first in order to:
    - Leverage homeowners with more capital and interest in environmental issues
    - Generate stories on energy savings
  - Completed 1500 energy assessments in less than 6 months
  - Almost 200 upgrades completed
  - Outreach and marketing was primarily through social networking and word-of-mouth

# RePower Bremerton

- Bremerton community has significant economic challenges
  - Highest poverty rate in the 4-county region that surrounds Seattle
  - Many homeowners are on the verge of foreclosure
  - Old housing stock: 57% of homes built before 1960
- RePower Bremerton launched in September
  - 60 assessments completed; all but one has asbestos
- Partnering with property rental organizations
  - Sixty-seven percent of single-family homes in the community are rentals
  - Designed first part of launch with rental property owners
  - Secured rental property spokesperson from group to be the leader, did 8 assessments and expecting 20 more, he is calling others
- Other outreach and marketing
  - Partnering with local housing authority
  - Hoping to leverage Navy presence and relationship
  - Newspaper campaign
  - Energy summit

- Focusing on motivating landlord associations
  - Streamline the process and remove barriers
    - All pieces (gas, electric, contractors) under one roof
    - Make the available resources and savings clear
  - Showcase their community leadership and where they are giving back to the community, but make sure they don't use upgrades as a reason to raise the rent
- Market energy savings to homeowners and tenants
  - RePower provides certificates/stickers that detail expected savings and life span
    - Similar to energy star appliance labels (e.g. sticker for attic hatch on amount of insulation installed)
  - EPS assessment allows for a report of anticipated savings from implemented measures

- Q: How did outreach differ between Bainbridge and Bremerton
  - A: Given the different demographics and housing situation, Bainbridge focused more on influencing leaders in the community and relying on word of mouth. Bremerton has focused on more targeted outreach to rental housing owners. Stories about what has been accomplished on Bainbridge has helped motivate people in Bremerton.
- What is the motivation for landlords in Bremerton?
  - A: RePower has emphasized how much they can save and how this work can improve their reputations. RePower gave them VIP status and made efficient use of their time. They also developed a certificate for their upgraded houses that they can use to attract new renters.
- Q: How does the program shown a return on investment to customers?
  - A: RePower does this through Energy Performance Scores, which show projected savings from installed measures. They also use stories about what other homeowners have achieved.

# Suggestions for Future Low/Moderate Income Peer Exchange Topics

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- Moving customers towards installing improvements
- Fees for program sustainability
- Small business marketing
- Homeowner sign-up and promotion
- Best practices for working with social services