



**Better
Buildings®**
U.S. DEPARTMENT OF ENERGY

**Department of Housing and Urban Development (HUD)
Insured and Assisted Housing- Utility Tracking and
Benchmarking Roundtable**

Better Buildings Summit

Monday, May 9th



Utility Benchmarking Roundtable

Office of Multifamily Housing

May 2016

President's Climate Action Plan

- Increase Investments in Energy Productivity
- Eliminate Energy Waste
- Ramp-up standards
- Deploy tools

Energy Consumption

- 21 percent of the nation's greenhouse gas emissions from residential buildings
- 22 percent of operating budgets for PHAs and assisted housing
- HUD spends an estimated \$6.4 billion annually

What HUD is Doing in Multifamily Housing

- Updating utility allowance methodology
- Offering incentives for BBC participation
- Providing access to capital for energy improvements
- Lowering annual MIP for energy-efficient properties
- Developing a CNA e-Tool
- Developing a “pay for success” demonstration program

What HUD Needs

- HUD is currently unable to sufficiently analyze
 - energy and water use patterns,
 - improvement potential, and
 - investment needs
- Harvard Graduate School of Design and the Government Accountability Office, recommended utility benchmarking

What is Benchmarking?

- Tracking the utility consumption of a development on an on-going basis
- Calculating the energy and water efficiency of the development
- Comparing its efficiency to similar developments
- A growing number of municipal and state governments use to make data-driven decisions

Easier Than Ever

- Rapidly becoming quicker, easier, more automated, and more integrated
- Industry-standard best practice
- EPA – free, web-based tool called ENERGY STAR Portfolio Manager
- Calculates an energy-efficiency rating or “ENERGY STAR Score”

Energy Star Scores

- 50 indicates energy performance consistent with the national median,
- 100 represents a top performer
- 75 may make buildings eligible for ENERGY STAR certification

Advantages to Owners

- Helps building owners to understand their buildings' energy and water performance,
- Detect malfunctioning equipment and billing errors
- Prioritize operational and capital improvements,
- Verify the return on those investments, and
- Plan future budget needs

Advantages to Taxpayer

- Allows government to:
 - Account for utility expenditures
 - Plan future budget needs
 - Develop efficiency incentive programs
 - Offer technical assistance
 - Verify the return on investments.

Anticipated Uses of Benchmarking Data by HUD

- Aggregate the data collected at the national and regional levels
- Measure if energy and water efficiency is increasing, decreasing, or staying the same
- Assess energy and/or water efficiency needs and opportunities in the portfolio
- May inform the development of new policy initiatives, financial incentives, and technical assistance, and pledge programs

POLICY PREVIEW

Proposed HUD Requirements (DRAFT)

- Limited requirements for owners to complete utility benchmarking at Multifamily Properties
 - Spot-checks using sampled tenant-paid utility data
 - Submission when completing certain transactions with HUD
 - Applicable to assisted and FHA insured

POLICY PREVIEW

Proposed HUD Requirements (DRAFT)

- Calculated using ENERGY STAR Portfolio Manager
 - Site and Source Energy Use Intensities (EUI)
 - Site Water Use Intensity (WUI)
 - ENERGY STAR Score for Energy
 - When available from EPA – the ENERGY STAR Score for Water

POLICY PREVIEW

Proposed Covered Property Types (DRAFT)

- Section 202 Project Rental Assistance Contract (PRAC) contracts,
- Section 811 PRAC and PRA contracts,
- Section 8 HAP contracts,
- FHA Insured: 223(a)(7), 223(f), 221(d)(3), 221(d)(4), 220, 230, and 241(a)

POLICY PREVIEW

Proposed Trigger Events (DRAFT)

- Contract Renewals
- TPAs
- Contract Assignments
- Issuance of new FHA mortgage insurance (excluding NC/SR)
- Secondary debt approval
- Preservation contract
- Refinance and recapitalization
- Upon submission of a required CNA

POLICY PREVIEW

Proposed Exceptions (DRAFT)

- Projects with less than 20 assisted units
- Properties that have been in existence for less than 12 months
- Will accept a combination of complete owner-paid utility data and sampled tenant-paid utility data
- Good for three years

Examples of Sampling Sizes

| Project Size | Number of Units in Sample |
|---------------|---------------------------|
| • 20-29 Units | 4 |
| • 50-74 | 6 |
| • 100-149 | 8 |
| • 201+ | 10 |

QUESTIONS

