

ENERGY **IMPACT** ILLINOIS

ENERGY SAVERS

Overcoming Barriers in the Multifamily Sector

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Chicago Metropolitan Agency for Planning



Better Buildings Neighborhood Program Grantee



Implementation Agency



1 of 2 Programs to Address Multifamily Retrofits

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- ✓ CDFI that specializes in multi-family lending
- ✓ EI2 originally contributed \$1.5 M to LLR
 - *Recently an additional \$1 M*
- ✓ Leveraging \$8,500,000 in lending
- ✓ Expand existing program to entire CMAP region plus City of Rockford
- ✓ CIC was able to still keep low interest rates
- ✓ Challenge in developing relationships in new areas



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Community Investment Corporation

Technical Assistance

- ✓ Provides information that allows owners to make smart investments
- ✓ Assures quality installation
- ✓ Monitors the building post construction to assure savings and encourage maintenance

Financial Institution

- ✓ 3% fixed interest rate, 7-year term for energy-related improvements
- ✓ Can combine with grant and/or rebate sources
- ✓ Can combine with rehab
- ✓ Can combine with acquisition
- ✓ Creates a more flexible program

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- ✓ Capital
 - PRIs
 - Banks

- ✓ LLR
 - Peoples Natural Gas
 - City of Chicago
 - E12

- ✓ City of Chicago
- ✓ Utilities
- ✓ Foundations

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energy savers

A one-stop energy efficiency shop for multifamily building owners

✓ Energy Assessment and Expert Advice

✓ Financial Advice (CIC)

✓ Construction Oversight

✓ Annual Savings Report

- Utility bill analysis
- Building inspection
- Audit Report: identifies most cost-effective energy savings investment

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- Low-cost financing from CIC
- Assist in accessing appropriate utility rebates and programs

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- Assist in developing implementation plan
- Review bids from contractors
- Monitor installation

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- Track building performance
- Annual energy savings reports
- Perform building tune-up if needed

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Process

1. Complete/submit an application for a FREE Energy Assessment
2. Energy Savers contacts building owner to schedule assessment
3. Building owner receives comprehensive audit report
4. Energy Savers contacts building owner to help develop a scope
5. CIC discusses financing needs based on audit and work selected
6. If financing through CIC, submit an energy loan application to CIC



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- ✓ 30% average annual energy savings
- ✓ \$10,000 in annual utility bill savings for the typical 24-unit building
- ✓ Retrofitted over 8,500 units
- ✓ Collective savings of over \$8 million
- ✓ 421 jobs created

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7549 S. Essex Ave. Chicago, IL

- ✓ **Building owner:** Checkmate Realty and Development
- ✓ **Building type:** 4-story building with 23-units
- ✓ **Year of construction:** 1925
- ✓ **Energy savings**
 - Projected energy savings: 33%
 - Projected annual cost savings: \$13,630
 - Projected simple payback: 4.5 years



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Lessons learned

- ✓ **Conduct a pilot**
- ✓ **Important to know the market**
- ✓ **Relationships to building owners is key**
- ✓ **Consider the needs of tenants as well as owners**
- ✓ **Simplify as much as possible**
- ✓ **Flexibility is essential**
- ✓ **Need to keep partners engaged**
- ✓ **Financing can be a tough sell, even at great rates**
- ✓ **Expect it to always be a challenge**

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Things to consider

- ✓ **Belief in savings**

Essex property owner said “...the financing options made it possible to make investments now that will pay off in the long term through lower energy bills.”

- ✓ **Program design for split-incentive**
- ✓ **Financing not secured to the property is ideal**
- ✓ **Need more utility program investment in multifamily**

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