

Better Buildings Residential Network Multifamily/ Low Income Peer Exchange Call Series: *Trends in Multifamily Programs: What's Working and What's Challenging* 

Call Slides and Discussion Summary

January 9, 2014



#### Agenda

- Call Logistics and Introductions
- Featured Participants
  - Brian Kennedy (Austin Energy)
  - Faith Graham (MPower Oregon)
- Discussion:
  - What strategies or approaches has your program used to build interest in multifamily energy efficiency? What has worked well, and why do you think it was effective?
  - What barriers or challenges has your program encountered in introducing energy efficiency to affordable and multifamily housing?
  - What innovations or tactics has your program utilized to overcome barriers for affordable and multifamily housing energy upgrades?
  - Has your program had experience with approaches that have not worked well? Are there any lessons learned about these approaches?
- Future Call Topics





### Call Participants

- American Council for an Energy-Efficiency Economy
- Arlington County, VA
- Austin, TX
- California
- California Housing Partnership Corporation
- Durham, NC
- Economic Opportunity Studies
- Enterprise Community Partners
- Oregon
- Maine
- National Housing Trust

- Populus, LLC
- Richmond, VA
- Vermont





**Lessons Learned: Brian Kennedy, Austin Energy** 



## Lessons Learned: Austin Energy's Multifamily Program

- Austin Energy has an established multifamily program that uses RESNET certified auditors and offers rebates for energy upgrades
- The program has upgraded 1570 units in 1 year, at 25 multifamily communities
  - Efficiency upgrades included duct sealing, CFLs, low-flow water saving devices, and other low cost improvements
- Portfolio-wide, energy efficiency savings are estimated at 20-22% for multifamily properties





## Lessons Learned: Austin Energy's Multifamily Program, Cont.

- Key challenges for the multifamily program have included outreach and resource capacity
  - With 90-95% occupancy in low-rise/multifamily, contractors have very little incentive to work with renters
  - The program has had fewer resources for activities such as processing energy modeling data and QA in the field
- Austin Energy has addressed these barriers by:
  - Focusing outreach on key contractors that understood how to bundle rebates and incentives
  - Highlighting the program on the utility website and in student newsletters
  - Developing a simplified calculator for estimating when rebates would apply based on upgrades installed





**Lessons Learned: Faith Graham, MPower Oregon** 



#### Green For All's MPower Toolkit

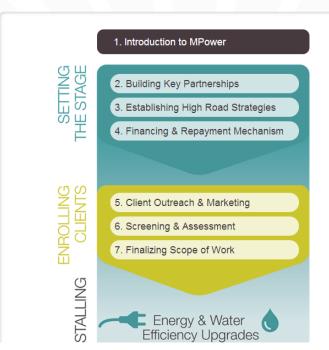




- ABOUT PROGRAMS FOCUS AREAS RESOURCES MEDIA VIDEOS BLOG
- Describes the MPower model for expanding access to energy and water savings for affordable housing residents
  - Aggregated capital (incentives, loans, grants)
  - Financing and efficiency upgrades
  - Repayment through utility bills
- Provides guidance, templates, and resources
- Includes lessons learned from MPower Oregon, an MPower demonstration pilot



MPower delivers water and energy cost savings to affordable housing tenants and building owners, creating local economic opportunities while reducing carbon pollution and resource waste.





#### Lessons Learned: MPower Oregon

- MPower Oregon is a non-profit that provides energy and water efficiency savings to affordable housing apartments along with financing for the upgrades
  - MPower pays all the up-front costs of the upgrades
  - Savings from reduced energy and water use are split between the utility and MPower to recover its costs
- MPower Oregon has assembled financing and building owner partners for an initial set of projects in 2014
  - 12 projects (900 units) are planned in 2014, and
    MPower hopes to double that in 2015





#### Lessons Learned: MPower Oregon

- No one was interested (there was a "pipeline of zero") until the program started to listen to partner needs
- MPower changed from a product approach to a cost-based approach (i.e., focusing on the upgrade costs and when those costs would be recovered), which made more sense to building owners
- Building owners were cautious about the risk, so MPower decided to have 100% financing to cover costs
  - 75% of the financing is loans, at an unsecured rate of 6% based on the efficiency savings
  - Projects are only conducted if they will be paid off within 10 years
- There weren't many master-metered buildings in Oregon with lowhanging fruit, so the program had to look elsewhere for savings
  - People have been excited about the water savings





#### Discussion

- What strategies or approaches has your program used to build interest in multifamily energy efficiency? What has worked well, and why do you think it was effective?
- What barriers or challenges has your program encountered in introducing energy efficiency to affordable and multifamily housing?
- What innovations or tactics has your program utilized to overcome barriers for affordable and multifamily housing energy upgrades?
- Has your program had experience with approaches that have not worked well? Are there any lessons learned about these approaches?





### Multifamily Experiences and Lessons: Maine

- Show that your program is interested in stakeholder input through focus groups and engaging partners in program design
- Make it easy for owners to leverage other building investments
  - Last winter a lot of homes in Maine needed work on their boilers
  - The program now provides additional incentives so owners can convert boilers in the winter and save more energy
  - Maine has realized 26% energy savings from multifamily projects this season





## Multifamily Experiences and Lessons: Marketing and Outreach

- There are many avenues to reach the multifamily market:
  - Contractors are key partners for identifying leads and reaching out to property owners (Austin, Maine)
  - Consider contacting local banks that finance the multifamily properties (Maine)
  - The asset manager, property manager, and building manager all should be convinced that your project is worthwhile (Oregon)
- Find out who would be getting the savings with the upgrades to determine how to market to them (Maine)
  - With subsidized housing, building owners may not save money with the efficiency improvements, so may not be interested
  - HUD and USDA (those paying the subsidies) may be interested





# Multifamily Experiences and Lessons: Other Strategies and Challenges

- Help owners to coordinate (or integrate) utility programs for efficiency improvements
  - Chicago gas and electric utilities have an integrated program.
    CNT Energy aggregates financial incentives and is a "one-stop shop" for service delivery
  - Enterprise Community Partners provides loans, underwriting, and energy services for multifamily and other properties
  - Austin's program includes the electric and water utilities, but has had more difficulty coordinating with the gas utility
- A barrier to expanding EE in the multifamily sector is that there are less clear policy drivers for working on regular multifamily housing (not low income)





### Future Call Topics Poll

- Which of the following topics are of interest for future multifamily / low income peer exchange calls?
  - Outreach to multifamily landlords and tenants: 83%
  - Strategies for generating demand from large building upgrades:
    50%
  - How to provide simple, cost effective modeling and savings projections: 33%
  - Strategies to overcome split incentive tenant/landlord EE issues:
    33%
  - Loan programs for low and moderate income households: 33%

Please send other suggested topics to peerexchange@rossstrategic.com



