

## **Expanding Building Efficiency Incentives Act of 2009 S. 1637 and H.R. 4226**

*Congress created the New Energy Efficient Home Tax Credit (Section 45L of the Internal Revenue Code) as part of the Energy Policy Act of 2005. Among other provisions, the bills would extend the New Energy Efficient Home Tax Credit (through 2013 in the Senate version; through 2015 in the House version), and make several improvements so that the credit can be more effectively used for affordable multifamily housing.*

### **Bill Status**

The Expanding Building Efficiency Incentives Act of 2009 (S. 1637) was introduced in August 2009 by Senators Olympia Snowe (R-ME), Diane Feinstein (D-CA), and Jeff Bingaman (D-NM). S. 1637 has been referred to the Committee on Finance. A nearly identical House bill (H.R. 4226) was introduced in December 2009 by Representatives Dave Reichert (R-WA), Ron Kind (D-WI), Earl Blumenauer (D-OR), Geoff Davis (R-KY), Tom Perriello (D-VA), and Chris Lee (R-NY). H.R. 4226 has been referred to the House Committee on Ways and Means. No action has been scheduled on either bill to date.

### **Background**

Under current law, the Internal Revenue Code provides incentives for increasing energy efficiency in commercial buildings and single family homes but there is nothing in the Code to help low-income renters and owners of affordable multifamily housing realize the benefits of energy efficiency.

Significant improvements in energy efficiency are achievable for only slightly higher costs than would be the case for projects that do not deliver these benefits — about \$3,000 per unit for a 50% reduction in heating and cooling costs, on average. However, because of scarce federal housing funds, there isn't enough funding for projects to make these units more efficient.

### **S. 1637/H.R. 4226 – Extending and Improving the New Energy Efficient Home Tax Credit**

The Expanding Building Efficiency Incentives Act of 2009 would extend the new energy efficient home credit through 2013 and make the following improvements so that it can be more effectively used for affordable multifamily housing:

- Under S 1637, the credit would not reduce the amount of assistance available through the Low Income Housing Tax Credit (LIHTC), making it easier to use with the nation's largest and most successful affordable rental housing production program. *Enterprise is working to ensure that the final bill includes this provision.*
- The bill would create a new higher credit amount of \$5,000/unit for properties meeting the U.S. Department of Energy's "Builders' Challenge" standard, (i.e., a 50% reduction in all energy costs—heating, cooling, and electricity).
- LIHTC properties would get a 50% bonus over both the current law amount (\$2,000 for a 50% reduction in heating and cooling costs) and the higher proposed standard (\$5,000/unit for a 50% reduction in heating, cooling AND electricity costs)

Building owners would claim the credit the year the building was placed in service and its energy performance would be verified through the same process for the new energy efficient home credit in its current form.

### *What are the benefits?*

Increasing energy efficiency in affordable multifamily housing delivers several important benefits: lower utility costs for low-income residents, more stable operating reserves for building maintenance, better building performance, reduced operating costs, and lower carbon emissions.

**TO SIGN ON TO S. 1637, CONTACT KATHLEEN BLACK (SEN. SNOWE) AT 224-5344, OR DEREK DORN (SEN. BINGAMAN) AT 224-5521.  
TO SIGN ON TO H.R. 4226, CONTACT JASON EDGAR (REP. REICHERT) AT 225-7761, OR DAVID DEGENNARO (REP. KIND) AT 225-5506.**

## Enterprise's Green Affordable Housing Developments

### *Clara Vista -Portland, Oregon*

Clara Vista Townhomes is the new construction of 44 units of family housing in Portland, Ore. Clara Vista is the third phase of a rehabilitation, demolition and new construction project which involves the Villa de Clara Vista complex, Hacienda's first housing project. Constructed in the 1960s, Villa de Clara Vista consisted of 178 units in 21 buildings owned by four separate entities. By the 1990s, deteriorating living conditions and high crime rates prompted the city to create the Hacienda to acquire and rehabilitate these properties. The initial phases of the project included the rehabilitation of 133 of the 178 units, a restructuring of the financing, and revision of the original partnership agreement to allow for the release of the additional 45 units that Clara Vista Townhomes replaces.

- Low-flow plumbing fixtures, controls and water-efficient appliances
- Energy-efficient building systems including passive heating, hydronic heating, fans with timers and delays, day lighting, high performance lighting and fixtures and outdoor lighting controls
- Renewable energy such as solar hot water heating systems
- Developed by Hacienda Community Development Service Corporation (Hacienda)



### *Trolley Square - Cambridge, Massachusetts*



Trolley Square was built on a vacant lot, formerly the site of a bus storage facility. It includes 40 affordable rental and for sale units, 2,800 square feet of office and community space, an underground garage and 14,000 square feet of open space. Building facades were designed to enhance the streetscape and enliven a previously blank stretch of Massachusetts Avenue.

- Low flow showerheads, dual-flush toilets and sink aerators in bathrooms and kitchens
  - Insulated windows, argon-filled glazing and low-E coating in high efficiency boilers, thermostats and variable speed fans throughout
  - Energy-efficient lighting, appliances and controls, including a gearless traction elevator and common area lights controlled by occupancy sensors, daylight sensors and timers
- Storm water retention tanks slow the flow of storm water into the city system as well as help irrigate the drought-tolerant native plants on the grounds
  - Photovoltaic array installed on the roof provides solar energy for the underground garage
  - Developed by Homeowner's Rehab, Inc.

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