



Supporting Affordable Housing’s Transition to Decarbonization

Key Findings from a National Needs Assessment

Purpose

With a shifting funding landscape and unique equity considerations, affordable housing providers are seeking resources and guidance on how to best incorporate decarbonization strategies across their portfolios.

Recognizing the importance of making decarbonization achievable in affordable housing, Enterprise conducted a national needs assessment to understand how affordable housing providers are engaging with decarbonization and what is needed to advance the field. This included:

- A literature and resource review
- Two developer focus groups with experienced and new-to-decarbonization developers
- Survey of technical assistance providers
- Survey of Enterprise Market Office staff

We are sharing these findings to support funders, technical assistance providers, and affordable housing partner organizations shape strategies to accelerate equitable decarbonization in affordable housing.

KEY FINDINGS

Our assessment highlights both areas of momentum and gaps where support is most needed to move the field. Developers are at every stage of the decarbonization journey – some not yet considering, many preparing, and the majority taking some level of action, most typically with energy efficiency or electrification efforts.

MOTIVATION

Factors motivating developers and owner/ operators of affordable housing to decarbonize:

- **Compliance** with local codes, regulations, and / or financing is the major factor driving adoption
- **Climate resilience and emissions reduction** to strengthen buildings against extreme weather while contributing to sustainability goals
- **Cost savings** and long-term affordability are recognized drivers, though many developers want clearer tools to understand how to estimate savings
- **Healthier living environments** was the most frequently cited benefit in the literature, with links to improved air quality and wellbeing. It is less commonly cited amongst developers

CHALLENGES

Factors limiting adoption of decarbonization strategies in affordable housing:

- **Upfront costs and financing** is the most significant hurdle, both soft costs (energy modeling, scope development) and hard costs (equipment, installation)
- Potential of **increased operating and resident costs** due to higher price of electricity
- Internal and external **capacity**, including ability to find trained and available contractors and staff
- **Existing building conditions** from aging systems, space limitations, and deferred maintenance making it complex and costly



“Making relationships with the humans that will help you complete these projects is 1000% the biggest undertaking that will pay dividends in a successful implementation.”

—Focus Group Participant

EQUITABLE DECARBONIZATION

Key to the success of decarbonization efforts in affordable housing is centering equity and inclusion. While some promising practices exist, there is opportunity for more fully addressing and centering these practices. Findings include:

- There is a limited focus on equity in existing resources, with most guidance not explicitly addressing equity or how to implement resident protections.
- Promising practices include engaging residents in planning and strategy selection, designing a plan to minimize rent or utility increases by pairing efficiency efforts with electrification, or leveraging renewables or centralized systems to lower burdens.
- Workforce and contract efforts are emerging but not yet standard practice and remain difficult to sustain with inconsistent funding

RECOMMENDATIONS

Based on recommendations from the developers and technical assistance providers, the below tools and topics may be particularly effective at meeting the present needs of the field.

Developers are seeking help understanding **technology** associated with decarbonization, such as:

- Heat pumps
- Energy Recovery Ventilation
- Heat pump water heaters
- On-site solar
- Electrical service upgrades
- Benchmarking guidance

Process-oriented guidance is also needed:

- Finding/vetting the right contractor
- Navigating shifting funding and financing landscapes
- Tenant engagement/education
- Training maintenance personnel on upkeep of new systems
- Incorporating racial equity and healing into implementation

Tools and resources of interest:

- Cost calculators to help understand the impact of available incentives
- Peer networks to share questions and lessons learned
- Webinars and short videos on technical topics
- Office hours with technical experts
- Tools to assist with portfolio prioritization

Factors already **enabling** the implementation of decarbonization provide a sense of what is already working and may be replicable :

- Technical assistance programs providing capacity and expertise
- Case studies demonstrating feasibility
- Funding and incentives to offset costs
- Connections with experienced contractors
- Internal cross-department coordination

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