MEMO

Date: March 22, 2010
To: Claire Johnson
    Department of Energy
    Robert Adams
    Department of Energy
From: Naomi Bayer
    Senior Vice President, National Initiatives & Innovation
Re: Response to Request for Information DE-FOA-0000283

Enterprise Community Partners is a national housing intermediary. We help provide local communities with the tools, expertise and development capital to build decent, affordable homes and revitalize low-income communities. We work with public and private partners — from the grass roots to the national level — to provide innovative solutions for communities to create opportunities for low-income Americans.

Enterprise’s nearly $9 billion investment in communities over the past 25 years has produced over 240,000 affordable homes and provided opportunities for those most in need. Through our Green Communities Initiative, we are committing $5 billion over the next five years to green affordable housing. In the initial five years of our Green Communities Initiative, we have invested over $650 million to build and rehabilitate over 14,500 energy efficient and healthy affordable homes. We have trained over 4,000 housing professionals through on-line events and in-person trainings across the country.

We welcome the opportunity to comment on the weatherization program, and in particular on the Sustainable Energy Grants.

The infusion of additional resources in the weatherization program through the American Reinvestment and Recovery Act (ARRA) will enable working and low-income families to benefit from more sustainable and healthy housing while minimizing energy and utility bills. In particular, older multifamily rental housing faces increasing utility expenses and can greatly benefit from additional funding available through the Department of Energy (DOE).

Though we have been working directly with states to urge them to use weatherization funds to meet needs in multifamily rental housing, much of it owned and managed by not-for-profit
groups committed to long term sustainability and affordability, only a handful of states have the capacity, expertise and desire to work in multifamily housing. This is unfortunate, given that directing funds to multifamily housing would not only help those families most at need, but would help DOE and states ensure that weatherization funds are spent by the statutory deadlines.

We continue to urge DOE to provide additional guidance to states to ensure that affordable multifamily housing can be made energy efficient, and believe the following changes should be made to the program:

- Broadly publicize to States, sub-grantees and potential applicants new information that will help target funds to multifamily buildings. DOE’s final rule of January 25, 2010 provides a list of multifamily buildings that meet the income requirements of the weatherization assistance program without further verification and lists buildings that address the procedural requirement against undue enhancement of benefits of weatherization assistance to multifamily rentals. DOE has recognized that the requirement to accrue benefits to residents can be met in various ways, including an owner certification that the building will remain affordable to low-income households for at least three years after energy efficiency improvements are completed.

- Prohibit states from requiring an owner contribution in conjunction with the use of weatherization funds in multifamily properties where retrofits are undertaken by not-for-profit owners and where an owner certifies that the building will remain affordable at least three years after improvements are completed.

- Require that a portion of each state’s weatherization funds be used for training, technical assistance, and energy efficiency assistance to eligible multifamily buildings. Where states and sub-grantees have been open to weatherizing multifamily rentals but lack capacity and expertise, DOE could support these efforts by accelerating training and technical assistance for multifamily rental housing. There are an existing and growing number of states and WAP providers with this expertise and they could serve as resources for peer to peer training and technical assistance. Allowing experienced WAP providers and approved energy auditors to be available to partner/provide services in other localities and states could accelerate this use of WAP funds in multifamily housing.

- Encourage states that haven’t already done so to sub-allocate weatherization funds to state and local housing agencies and new providers to reach multifamily owners and renters that may not otherwise be served.

- Establish that weatherization funds or work performed on properties that are receiving or have received low income housing tax credits, tax credit exchange funds, or tax credit assistance program funds will have no impact on the property’s tax credit basis.
• Authorize states to make direct loans to building owners who complete authorized weatherization improvements as part of a larger rehabilitation effort to encourage further leveraging of private financing for more comprehensive energy efficiency retrofits

We are excited to see a Request For Information regarding a competitive weatherization program to meet additional needs and would recommend that DOE encourage innovations in multifamily rental weatherization. We offer the following comments on this program:

1. We urge you to target some funds under the competitive program for weatherization of affordable multifamily housing. While the traditional weatherization assistance program has assisted many homeowners, there has been little attention given to multifamily housing, where many lower-income families reside, including the elderly and the disabled. Working in affordable multifamily housing can help meet the priorities in the underlying legislation including benefits to low- and moderate-income energy consumers, the potential for replication of successful results, and the impact on health and safety and energy costs of consumers.

2. We believe that addressing health and indoor air quality should qualify as additional materials and benefits under the program. According to the US Department of Housing and Urban Development’s current Healthy Homes Strategic Plan, environmental hazards in the home harm millions of children each year and cost tens of billions annually. The inclusion of building practices and materials that minimize moisture, provide proper ventilation, prevent pest infestation and avoid chemical and biological contaminants to protect parents and children against asthma or other respiratory should be explored through Sustainable Energy Grants.

3. We urge that grant applications be encouraged to include funding for tracking data and performance. Through Enterprise Community Partners’ comprehensive evaluation efforts, we found that to demonstrate operational costs savings as a result of energy and water improvements, the actual performance of properties must be measured. To do this utility costs must be periodically tracked and compared to pre-rehab data. Building this body of data that demonstrates proven financial benefits helps set the stage to get the public and private affordable housing finance sector to recognize these financial benefits.

4. We urge that at least one grant focus on neighborhood stabilization activities designed to rehabilitate foreclosed properties. Unfortunately, differing income requirements in weatherization and neighborhood stabilization program hinder the ability to leverage both sources of funding. We urge you to work with HUD to streamline program requirements and look to coordinate income restrictions
5. and other program requirements. The coordination of these two programs will help meet current policy goals including energy efficiency and neighborhood stabilization.

We believe weatherization assistance program funds provide an opportunity to assist renters and homeowners make their homes green and healthy while lowering their energy costs. We appreciate the opportunity to comment and look forward to continuing to work with the Department of Energy on ensuring that all Americans and all communities can benefit from the move to a green economy.

If you have any questions or would like further information, please contact Lydia Tom, Senior Advisor, at 212.284.7112 or by email at ltom@enterprisecommunity.org.