

ENERGY STAR Qualified Homes: Opportunities to Work with Affordable Housing

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THE NEW JERSEY STORY

- Chapter One begins in 1998...First contacts made with Affordable Housing organizations...targeted an underserved segment of the building industry
- 650 Affordable Housing units were ENERGY STAR Qualified by 2002
- ENERGY STAR Certification became an element of the Tax Credit Qualified Allocation Plan (**QAP**) in 2003
- More than 11,000 State-funded and HUD Affordable Housing units have been ENERGY STAR Qualified to date
- More than 3,000 Affordable Housing units are currently in the construction pipeline
- The State's 10 largest Housing Authorities are committed to ENERGY STAR (A requirement for any new/gut rehab housing being built)
- New Jersey's Principal Funders of Affordable Housing (ie. NJ Dept. of Community Affairs and NJ Housing & Mortgage Finance Agency) now require all their projects to be ENERGY STAR QUALIFIED
- NJ ENERGY STAR Homes served as a model for the HUD/DOE/EPA Agreement requiring HOPE VI, HOME, and other HUD funded & insured housing units to be ENERGY STAR Qualified
- Effort continues today in New Jersey and in surrounding states



AFFORDABLE HOUSING

- An Unexplored Market for Many Raters/Providers
- Can Be Challenging
 - A wide range of knowledge & sophistication among prospects
 - Difficulties in obtaining funding, site acquisition, security, social issues, limited budgets, etc. for projects
 - Many towns & cities do not embrace affordable housing (NIMBY); lawsuits cause delays
 - Timing issues, possible increased paperwork (because of funding)
- Cuts Across Product Types...includes s/f, townhomes, m/f flats, for-sale and rental housing; new and gut-rehab; stick-built and modular housing

*However...many **Opportunities** exist for Raters/Providers who make the effort to network with, educate, and partner with affordable housing community...You need to reach out to those representing a constituency that can least afford high energy bills*



Where Do You Start?

- First....Do your homework. Find out about the industry in your area
- Next, start building relationships with Funders of Affordable Housing
 1. Local/County Housing Agencies
 2. State Department of Community Affairs, Department of Environmental Protection, or Similar Agencies
 3. State Redevelopment Authorities
 4. State Housing (and Mortgage) Finance Agencies
 5. State Depts. of Commerce and Economic Development
 6. HUD Regional Offices
 7. Fannie Mae, Freddie Mac, Federal Home Loan Bank
 8. Banks who are leading Community Reinvestment Act (CRA) lenders in your area



Build Relationships With Other Key Players In The Affordable Housing Industry

- Target leading builders/developers in this industry segment in your area
- Align Your Firm With the Non-Profit Community (who typically sponsor affordable housing projects)
 1. Include Faith-based Community Development Corporations (CDCs), Dioceses Housing Offices, Habitat for Humanity affiliates, etc.
 2. Other Social Service, Housing and Counseling Agencies/Organizations, etc.
- Work With Local Housing, Community Development, and Redevelopment Agencies



SPECIFIC APPROACHES- I

- Reach out to local housing authorities- offer to put on educational programs for development, architectural, planning depts. plus Director's office; introduce the idea of incorporating ENERGY STAR as part of their specification
- Establish relationships, trainings, and events with HUD Office in your area
- Seek out & join affordable housing (trade) organizations in your region; members typically include non-profits, developers, affordable housing consultants, and lenders; sponsor events, display at meetings, offer to conduct educational sessions
- Reach out to your State Department of Community Affairs & Housing Finance Agency; conduct educational sessions for staff; suggest that they consider adding ENERGY STAR qualification as a competitive point category in their Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan; over time suggest that additional weight/more competitive points be given for ENERGY STAR Qualification; ultimately, suggest that QAP rules be written to require ENERGY STAR Qualification; offer to conduct/speak at various workshops and meetings held by agencies; exhibit at any agency- sponsored conferences



SPECIFIC APPROACHES- II

- Follow previous strategy... with other state agencies funding housing initiatives
- In major cities... seek out leading non-profit organizations, CDCs, etc.; many will be involved with/sponsor new or rehab housing activities; educate them on the benefits of ENERGY STAR and the need to provide a better built, energy efficient product to their constituents
- Reach-out to religious organizations that sponsor new/rehab housing...such as Archdiocese Offices, Jewish Federations, Habitat for Humanity affiliates, etc.; meetings & seminars are needed here
- Be Tenacious...It Will Take Time!



What's the outlook for Affordable Housing?

- Funding remains a question mark at the state/local level because of the credit markets, but this segment should be benefitting from actions being taken by the Federal Government
- Demand will continue to remain great, as workforce housing is in short supply and housing stock needs to be replaced
- Demand is also growing for more energy efficient, green, sustainable housing for this population segment...and ENERGY STAR is at the foundation of all green building
- And as we all know...opportunities also will abound for work in your state's existing housing stock of affordable units



RESOURCES

- State Housing & Mortgage Finance Agencies

<http://www.ncsha.org/section.cfm/4/39>

- Housing and Community Development Agencies

<http://www.nahro.org/reference/internethousing.cfm>

- Housing Authorities

http://www.affordablehousingonline.com/housingauthoritysearch.asp?_kk=housing%20authorities&_kt=9a1348ca-db59-4ee6-a58f-eef4691f794c&gclid=COuhlltu5gCF0puGgodt3llZQ

- HUD

<http://www.hud.gov/funds/index.cfm>

- Fannie Mae, Freddie Mac, and Federal Home Loan Bank

<http://www.fanniemae.com/>

<http://www.freddie.mac.com/>

<http://www.fhlbanks.com/html/programs.html>



State-funded, affordable housing project currently under construction; will be ENERGY STAR & LEED Certified



Any Questions??????????

Thank you for your attention!

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