

The Other Tax Credit

*Opportunities In Public Financing
and Affordable Housing*

Barbara Collins
Energy Rated Homes West
760-726-2836

Energy Rated Homes

- Program implementation, training, ratings
- Links energy & housing organizations
- Trains & certifies Home Energy Raters
- Provides housing industry training:
Builders, Real Estate Agents, Lenders

Public Financing Opportunities

- State Housing Division

Financed 25,000 dwellings in Nevada
since 1976

2003 Multi-Family Bond Financing

Total = \$64,590,000

Another quality project by:



PACIFIC WEST BUILDERS INC.

(775) 85 BUILD
pacificwest.net

NV Contractors Lic. #33478



Financing Provided by



Nevada Department of Business & Industry

HOUSING DIVISION

05/16/2003



04/18/2003

Nevada State Housing Division

Public Financing

- Low Income Housing Tax Credits
- Tax Exempt Bond Financing
- HOME
- Community Development Block Grant

Common Features of Programs

- Target households 60% or less of median income
- Monitoring and inspections
- Priority also for handicapped, young children and seniors

Low Income Housing Tax Credits

- Credit or reduction in tax liability each year for 10 years for owners and investors in low income housing
- Every state receives an annual allocation based on population @ \$1.75/person
- Nevada 2004 allocation \$3.9 million
- Sale of the credit provides equity to project

Low Income Housing Tax Credits

- Administered by Housing Division (could be Finance Authority or other name)
- Used for new construction or rehab
- Typical project size \$2 – 5 million
- Highly competitive, states may give extra credit to proposals incorporating efficiency

Tax Exempt Bonds

- Used to fund permanent mortgages to finance affordable housing
- Lowers cost of financing versus conventional financing methods
- Projects must start with local government level endorsement and 50% bonding participation

Tax Exempt Bonds

- Project size is over \$5 million
- Developers may combine tax credits with bonds
- State bonding agency may require minimum efficiency levels for projects
- Targets households 60% or less of median income

Strategies Increasing Housing Affordability

- Energy efficiency is a key issue for affordable housing
- The cost of heating and cooling a home or apartment is the highest cost of a dwelling after the mortgage or rent

Strategies for Increasing Housing Affordability

With record setting utility costs, organizations that serve low and moderate income families are looking for ways to address this critical issue.

Tax Exempt Bond Program Minimum Energy Efficiency Requirements

- Energy Performance equal to or greater than EPA Energy Star Home
- Prescriptive minimums, negotiable
- Verified by plans analysis, inspections and testing

ERH Link

- A link between Housing & Energy Groups:
 - Nevada State Office of Energy
 - Fannie Mae
 - Nevada Housing Division
 - Builders Assn of Northern Nevada
 - Nevada Power/Sierra Pacific
 - HUD

Mechanical Systems

- Must be sized using ACCA's Manual J or equivalent
- Combustion appliances inside conditioned space must be sealed combustion (furnace) power vented or direct power vented (water heater)
- TXVs encouraged

Mechanical Systems

- 90% AFUE furnace
- 85 CAafue Combo heating/water heater
- 12 SEER A/C in southern NV
- 10 SEER A/C in northern NV
- 0.61 Energy Factor water heater

HVAC System Leakage

- Total leakage of complete HVAC system 10% or less of air handler rated flow
- Ducts tested with duct blaster during construction and system tested post construction

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Ventilation

- Minimum of 15 cfm per occupant must be provided by ventilation system
- e.g. supply vent integrated with the return side of the air handler

Air balancing

- Transfer grills or jump ducts required at bedrooms unless served by return air duct

Building Envelope

- Insulation minimums
- Low E Windows
- Air infiltration maximum 0.35 ach



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National Fenestration
Rating Council

CERTIFIED

SI INC.

TMF/5400 Vinyl
Sliding Patio Door
PP2 Low-E/Cir

ENERGY Performance

- Energy savings will depend on your specific climate, house and lifestyle
- For more information, call 1-800-WBW-1234 or visit NFRC's web site at www.nfrc.org

Technical Information

| | | | | | | |
|--------------------|----------|------------|--------------------------------|------------|--------------------------------|------------|
| Res Non- Res | U-Factor | .35 | Solar Heat Gain Coefficient | .34 | Visible Light Transmittance | .55 |
| | | | | | | |

Manufacturer stipulates that these ratings conform to applicable NFRC procedures for determining whole product energy performance. NFRC ratings are determined for a fixed set of environmental conditions and specific product sizes.





Hot Water Conservation

- Showerheads use 2.5 gallons per minute or less
- Faucets use 2.0 gallons per minute or less

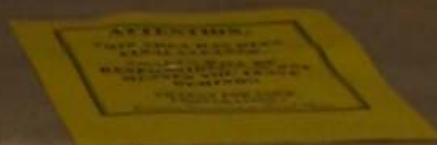
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Appliances

- Energy Star label required
 - Refrigerators
 - Dishwashers
 - Clothes washers





Quality Assurance

- During project construction each unit type (floor plan and location in building) will be inspected and tested until two consecutive units meet requirements.
- Testing may then be reduced to a sampling rate of 15%,

Mechanical Systems

- Proper installation of all requirements verified
- Certification of correct refrigerant charge and air flow over coils required
- Pressure testing of HVAC system leakage







Building Envelope

- Ensure insulation is properly installed at required levels
- Document NFRC rating on windows for U-value and SHGC
- Ensure Low-E coatings are installed on the proper surface
- Pressure test air leakage of building envelope

Appliances and Hot Water Conservation

- Verified by inspection



Occupant Information

- Information relating to the safe, healthy, comfortable operation and maintenance of the building and systems must be provided to occupants and building maintenance staff.

Rehab Existing Projects

- Assessment of current energy use and energy saving opportunities
- New Construction requirements
- Savings to Investment ratio of at least 1



Pressure-activated

WARNING: This door is designed to be used as a fire-rated door. It is not to be used as a normal door. It is not to be used as a normal door. It is not to be used as a normal door.

DO NOT ATTEMPT TO OPEN THIS DOOR WITHOUT THE PROPER KEY OR COMBINATION. DO NOT ATTEMPT TO OPEN THIS DOOR WITHOUT THE PROPER KEY OR COMBINATION. DO NOT ATTEMPT TO OPEN THIS DOOR WITHOUT THE PROPER KEY OR COMBINATION.

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Rehab Existing Projects

- >3100 units in stages of rehab since Feb 2002
- Improvement analysis presented to Nevada Housing Division
- Improvement package negotiated with developer
- Energy Star 86 pt threshold

Rehab Existing Projects

- Testing and verification of all improvements during improvement work similar to new construction



Nevada Housing Division

- Household savings \$30 – \$40/month
- “Energy savings are comparable to moving a household into the next higher income group”
- “Reducing the slice that pays for utilities allows a higher discretionary income slice for health care and food “

HOME

- Federal affordable housing program the “Home Investment Partnerships Act”
- HUD funded, locally and state administered
- Designed to expand the supply of housing for very low to moderate income households

HOME

- Rehabilitation of existing homes in target neighborhoods
- Funding to affordable housing developers