Owner/Developer IRA Bootcamp Session #2: Lessons Learned from Past Initiatives
AGENDA

• Overview of New Ecology + Technical Assistance
  • L.J. Eldredge, New Ecology

• Review of Survey Responses
  • Danielle Arigoni, NHT

• Lessons Learned from Past Initiatives
  • Leslie Zarker, NHT
  • Lauren Westmoreland, SAHF

• How Owners are Approaching IRA
  • James “J.T.” Engelhardt, NHT

• Update on Treasury/IRS Low Income Solar Guidance
  • Danielle Arigoni, NHT

• Program Updates + Upcoming Sessions
  • Madeleine McCullough, NHT
IRA BOOTCAMP TA PROVIDER: NEW ECOLOGY

L.J. Eldredge
Principal Director, Green Building Services
New Ecology, Inc.
IRA PROGRAMS & PREPAREDNESS TO TAKE ACTION

Which of the following programs do you think provide the most opportunity for your organization?

Of the programs mentioned below, how prepared do you feel to take action?

- **DOE Home Energy Rebates**
  - % of participants who indicated the program would provide opportunity: 43%
  - % of participants who indicated they're not prepared: 62%

- **EPA Greenhouse Gas Reduction Fund**
  - % of participants who indicated the program would provide opportunity: 33%
  - % of participants who indicated they're not prepared: 71%

- **HUD Green and Resilient Retrofit Program**
  - % of participants who indicated the program would provide opportunity: 48%
  - % of participants who indicated they're not prepared: 57%

- **IRS Renewable Energy Low-income Bonus Tax Credit**
  - % of participants who indicated the program would provide opportunity: 52%
  - % of participants who indicated they're not prepared: 62%

- **IRS 45L Tax Credit (Energy Efficient Home Credit)**
  - % of participants who indicated the program would provide opportunity: 43%
  - % of participants who indicated they're not prepared: 68%

- **DOE Loan Guarantee Program**
  - % of participants who indicated the program would provide opportunity: 19%
  - % of participants who indicated they're not prepared: 81%

- **EPA Climate Pollution Reduction Grants**
  - % of participants who indicated the program would provide opportunity: 38%
  - % of participants who indicated they're not prepared: 76%
INTEGRATING THE FOLLOWING MEASURES INTO AFFORDABLE HOUSING

<table>
<thead>
<tr>
<th>Measure</th>
<th>Percentage of Respondents with Advanced, Moderate, or Limited Knowledge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Green building certifications</td>
<td>24% Advanced, 52% Moderate, 24% Limited</td>
</tr>
<tr>
<td>Energy efficiency</td>
<td>38% Advanced, 57% Moderate, 5% Limited</td>
</tr>
<tr>
<td>Electrification/decarbonization</td>
<td>19% Advanced, 48% Moderate, 33% Limited</td>
</tr>
<tr>
<td>Renewable energy</td>
<td>19% Advanced, 62% Moderate, 19% Limited</td>
</tr>
<tr>
<td>Resilient retrofits</td>
<td>9% Advanced, 67% Moderate, 24% Limited</td>
</tr>
<tr>
<td>Water efficiency</td>
<td>24% Advanced, 62% Moderate, 14% Limited</td>
</tr>
</tbody>
</table>
How would you describe the value of *making sustainable and resilient investments* in affordable housing?

- **81%** High Value
- **19%** Modest Value

How would you describe the value of *integrating residents* in the design and implementation of sustainability and resilience measures in affordable housing?

- **52%** High Value
- **5%** Modest Value
- **43%** Limited Value

How likely are you to turn to fellow owners in your state to collaborate on IRA opportunities?

- **57%** Likely
- **29%** Somewhat Likely
- **14%** Unlikely
LESSONS LEARNED FROM BETTER BUILDINGS CHALLENGE + SAHF’S 'BIG REACH'

Leslie Zarker
Director of Sustainability Policy
National Housing Trust (NHT)

Lauren Westmoreland
Vice President, Energy & Sustainability
Stewards of Affordable Housing for the Future (SAHF)
Big Reach: Lessons Learned
Lauren Westmoreland, Vice President, Energy & Sustainability
Stewards of Affordable Housing for the Future (SAHF)
“People do things to buildings we don’t like because we give them buildings that don’t work for them.”

- SAHF Member Developer
SAHF by the Numbers

- **230,000+** People Served by SAHF Members
- **12** Non-Profit Housing Providers
- **150,000+** Rental Homes for Families, Seniors, and Special Needs Populations
- **2,000+** Multifamily Properties Across the U.S.

SAHF properties are located in **49 states** +D.C., Puerto Rico, and the Virgin Islands.
SAHF Initiative: The Big Reach

• SAHF members demonstrated that portfolio-wide energy and water reductions can be achieved and measured.

• We are now looking towards including carbon measurement and reduction.
## Big Reach Results

<table>
<thead>
<tr>
<th>Consumption Reduction</th>
<th>Portfolio</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>29% = 4.9 billion kBtu</td>
<td>$43,443,103</td>
<td>$298.15</td>
</tr>
<tr>
<td>24% = 1.7 billion gallons</td>
<td>$14,815,387</td>
<td>$101.68</td>
</tr>
</tbody>
</table>
816 properties
68,060 homes
UPGRADED

29,673 homes
BUILT/REHABBED

46,598 homes
RETROFITTED

RENEWABLE ENERGY
installed at 146 properties
Benchmarking

- Tracking the utility consumption
- Calculating the energy and water efficiency
- Comparing its efficiency to similar developments

Typical metrics:
- Energy Use Intensity (energy consumption per square foot)
- Water Use Intensity (water consumption per square foot)
Data Issues: Pervasive

FIND UTILITIES THAT PROVIDE ENERGY DATA FOR BENCHMARKING

Click on the map or search to quickly determine if your utility provides the energy data you need to benchmark in ENERGY STAR® Portfolio Manager.

Please enter your zip code below to show coverage in your area:

[Input field for Zip Code] SEARCH  RESET
Focus: Building Retrofits

- Air Sealing
- Water Fixtures
- Water Conservation
- Motors & Controls
- HVAC
- Duct Sealing
- Lighting
- Water Heaters
- Kitchen Appliances
- Clothes Washers
Mercy Housing: Water Leak Detection

- Installation: 2 (1.5) days for 106 units; 5 min a unit (for both sensors)
  - 135 toilet sensors + new supply line; 145 flood sensors
- Two installers + maintenance tech walking and knocking
- DIY Option?
Mercy Housing: Water Leak Detection

• Installation: 2 (1.5) days for 106 units; 5 min a unit (for both sensors)
• 135 toilet sensors + new supply line; 145 flood sensors
• Two installers + maintenance tech walking and knocking
• DIY Option?

Keeping our home safe from water damage!

Decatur has had several flood events in recent months. In an effort to prevent future floods, we are installing flood sensors in bathrooms. Flood sensors detect and prevent flooding, water damage and mold - like a smoke alarm, but for water!

If the flooding is not stopped within 5-10 minutes, the sensor will alert property maintenance staff to the presence of water so that they can prevent a major flood from occurring.

To ensure their effectiveness, please do not remove or tamper with the sensors and you never have to worry about changing the battery or maintaining the device. Note: these devices merely detect water and are by no means monitoring you in any other way. Please let us know if you have any questions.
Renewable Energy: Solar

- Direct Ownership
- Power Purchase Agreements
- Subsidiary Model
- Community Solar
- Renewable ITC!
Green Operations and Maintenance

- Manuals maintenance staff can follow on-site
- Increasing training opportunities
- Automated equipment monitoring technologies
- Other resources:
  - Procedures, checklists, schedules
  - Prioritization guidance
  - Operational guidelines
    - Set points
    - Schedules
  - Troubleshooting recommendations
  - Reporting methodology
Community Housing Partners (CHP)

Cedar Crest: A 78 townhome community in Blacksburg, VA undergoing a moderate rehabilitation.

**Scope of Work**

**Building shell:** Doors

**Hot Water:** High-Efficiency Electric Water Heater

**Lighting:** In-Unit and Exterior LED Lighting*

**Ventilation:** Kitchen and Restroom Exhaust Fans

**Appliances:** Refrigerators*, Dishwasher, Countertop Microwaves, Garbage Disposals, and Ceramic Top Stoves

**Water:** Faucets, Aerators, and High-Efficiency Toilets

**Other:** Cabinets with Additional Storage*, Refurbished Decks*, Outdoor Playground*, ADA Accessibility Upgrades*

*Measures influenced by residents
Community Housing Partners (CHP)

Process

• **Pre-work Survey**: design, language and distribution is important.

• **Design**: act on resident feedback, provide a why for items not prioritized in scope

• **Construction**: clear communication and flexibility

• **Post-construction Feedback**: ask how to improve
Thank you!

Lauren Westmoreland
VP, Energy & Sustainability
Lwestmoreland@sahfnet.org
HOW OWNERS ARE APPROACHING THE IRA

James “J.T.” Engelhardt
Director of Real Estate
National Housing Trust (NHT)
In addition to the **30% base ITC tax credit**...

<table>
<thead>
<tr>
<th>Eligible Project Categories</th>
<th>Amount of Credit Bonus</th>
<th>Maximum Credit Capacity 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed in a low-income community*</td>
<td>10 percentage point</td>
<td>700 MW</td>
</tr>
<tr>
<td>Installed on tribal land</td>
<td>10 percentage point</td>
<td>200 MW</td>
</tr>
<tr>
<td>Installed as part of a qualifying low-income building**</td>
<td>20 percentage point</td>
<td>200 MW</td>
</tr>
<tr>
<td>Installed as part of a low-income economic benefits project***</td>
<td>20 percentage point</td>
<td>700 MW</td>
</tr>
</tbody>
</table>

* census tracts with poverty rates of 20% or more, or census tracts with median incomes of 80% or less;  
** HUD PBRA, Public Housing, 202/811, Section 8 vouchers, 236/221(d)(3), HOME, Housing Opportunities for Persons with AIDS, McKinney-Vento, Rural Development, LIHTC, Housing Trust Fund  
*** provide at least 50% of the financial benefits of the electricity produced by the facility to households with income of less than 200% of the poverty line or at or below 80% of area median income
# PATHWAY TO A BONUS TAX CREDIT AWARD

<table>
<thead>
<tr>
<th>Meet the Eligibility Requirements</th>
<th>Meet the Application Requirements</th>
<th>Meet the Priority Selection Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrate eligibility with one of the covered housing programs</td>
<td>Demonstrate that <strong>at least 50% of the financial value of net energy savings</strong> will be equitably passed on to building occupants.</td>
<td>If applications exceed the capacity limitation, applicants will be prioritized based on the selection criteria:</td>
</tr>
<tr>
<td>Questions that remain:</td>
<td>Questions that remain:</td>
<td>• Geographic criteria: Located in a Persistent Poverty County or disadvantaged area designated by the Climate and Economic Justice Screening Tool</td>
</tr>
<tr>
<td>• What % of the property’s units must serve LI households?</td>
<td>• What are the eligible means for passing on net energy savings in cases where it may not be administratively, or legally, possible to apply utility bill savings on residents’ electricity bills?</td>
<td>• Ownership criteria: Includes facilities owned by a tax-exempt entity</td>
</tr>
<tr>
<td>• What documentation will be required to demonstrate eligibility?</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NATIONAL HOUSING TRUST**
PROPOSED RULES MAY LIMIT ACCESS TO THE BONUS CREDIT IN CERTAIN STATES

“Treasury Department and IRS propose that for sub-metered buildings, the tenants must receive the financial value associated with utility bill savings in the form of a credit on their utility bills.”
PROVIDE FLEXIBLE METHODS FOR DELIVERING FINANCIAL BENEFITS

Treasury/IRS could allow building owners to pass on the financial benefits to residents by other means:

- Job training and workforce development
- Building upgrades that benefit all tenants
- Fund replacement reserves
- Payroll to support resident service coordinators/programming
- Direct rent relief
- Transportation benefits
- Improve on site security
ADDITIONAL SUGGESTIONS TO TREASURY/IRS

• Treasury/IRS propose to prioritize solar facilities owned by a “qualified tax-exempt entity”
  • Amend the definition to ensure that the non-profit managing member/general partner qualifies under the prioritization

• Treasury/IRS propose to require a signed benefits sharing agreement between the building owner and tenants
  • Require owners to provide tenants a benefits sharing plan with opportunity for tenant feedback

• Treasury/IRS propose to prioritize applicants in persistent poverty counties and disadvantaged areas defined by the Climate and Economic Justice Screening Tool
  • Add Qualified Census Tracts as eligible for the geographic priority
• **Bootcamp newsletter launched!**
  - Regular updates as new IRA information comes out
  - Sent to both HFA and Owner/Developer Bootcamp participants
  - *Let Madeleine know if you’d like additional staff from your agency added to the list*

• **IRA Toolkit is coming!**
  - Fact sheets on all IRA programs & funding opportunities
  - Case studies & reference guides from experts in the affordable housing field
  - Glossary of terms and concepts

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**Thank you for your interest in National Housing Trust’s Inflation Reduction (IRA) Bootcamps.**

This email provides news on IRA programs, funding opportunities, IRA Bootcamp information, and links to additional resources.

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**Latest IRA Updates**

**Greenhouse Gas Reduction Fund**: EPA has announced the opportunity for potential applicants, coalition members, and partners of the [Greenhouse Gas Reduction Fund (GGRF)](https://www.epa.gov/energy/greenhouse-gas-reduction-fund) grant competitions to self-identify to create coalitions and partnerships before applying to the $14B National Clean Investment Fund (NCIF), the $8B Clean Communities Investment Accelerator (CCIA), and/or the $7B Solar for All (SFA) competitions. Interested parties should fill out the relevant forms below by June 19, 2021.
### Upcoming Sessions

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Topic</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 18</td>
<td>1-2:30 PM ET</td>
<td>Electrification and Energy Efficiency</td>
<td>Led by New Ecology, Overview of portfolio screening process + data needs, Discussion of how to integrate these concepts and strategies in affordable housing</td>
</tr>
<tr>
<td>July 27</td>
<td>1-2:30 PM ET</td>
<td>Climate Resiliency and Solar Solutions</td>
<td>Overview of how to integrate climate resilience into affordable housing, Exploring solar solutions: how to make it work in affordable MF housing</td>
</tr>
<tr>
<td>TBD</td>
<td></td>
<td>Greenhouse Gas Reduction Fund</td>
<td>Understanding EPA’s Final Guidance/NOFO</td>
</tr>
<tr>
<td>TBD</td>
<td></td>
<td>Clean Energy Tax Credits</td>
<td>Overview of tax credits most relevant to affordable housing, Underwriting impacts</td>
</tr>
</tbody>
</table>
Thank you!
Questions?