

Best Practices in Weatherization Policies for Use in Multifamily Housing

The American Recovery and Reinvestment Act (ARRA) included a dramatic increase in funding for residential energy efficiency improvements through the Weatherization Assistance Program (WAP). Investing in multifamily housing will help states meet ARRA's production and job creation goals, while helping families in need reduce energy consumption. Many states are adopting innovative strategies to ensure that families and seniors living in multifamily housing have an opportunity to benefit from these investments.

States are setting aside a portion of weatherization funds for multifamily properties. *Kansas* has set aside 25% of its allocation to weatherize Low Income Housing Tax Credit, Section 8 and Section 515 rural development properties. *Massachusetts* is proposing to use \$6 million specifically for "Expiring Use/Preservation Properties". *New York* has reserved \$50 million to target multifamily housing including HUD-assisted housing and Low Income Housing Tax Credit properties. *Florida* has reserved 25% of its allocation to weatherize more than 6,000 affordable apartments. *Pennsylvania* is seeking to set aside a portion of funds to weatherize their portfolio. The *New Jersey* Housing Mortgage Finance Agency (HMFA) will receive \$30 million to weatherize approximately 3,877 units of multifamily housing over the next 3 years.

States are waiving requirements for financial participation from owners of multifamily buildings. States decide whether an owner must pay to match weatherization costs. *Virginia* required landlords to match 15% of costs, but has waived this requirement, thereby reducing a significant obstacle to weatherizing multifamily buildings. *New York* will continue to require that owners contribute to the cost of WAP work but will provide maximum flexibility to owners that can demonstrate the inability to provide the required match as a result of economic hardship.

States are streamlining the process for multifamily building owners to access weatherization funds through collaboration and outreach. In *Ohio*, local weatherization providers are being encouraged by the state to pursue multifamily affordable rental projects. The Ohio Department of Development (ODOD) has created a working group to strategize on technical and coordination issues as well as streamline the process for accessing weatherization dollars and conducting outreach to multifamily owners. The working group consists of representatives from state and local housing agencies, affordable housing providers, local weatherization agencies, tenant advocates, HUD, and USDA's Rural Development.

States are requiring protections from rent increases to ensure benefits from weatherization accrue to tenants. In instances where tenants pay for energy through rent, some states have taken a number of steps to ensure that benefits accrue to tenants rather than the landlords. This includes extending protections against rent increases. For example, under the *New York* State Weatherization Program, landlords who pay utilities are subject to a longer restriction on rent increases (five years) than landlords of buildings where tenants pay utilities themselves (two years).¹

Oregon's Plan to Weatherize Multifamily Housing

Oregon has developed an innovative affordable multifamily weatherization program:

- Oregon Housing and Community Services (OHCS) has made multifamily housing a priority and plans to use 25% of its funds for multifamily housing, including 10% for rental housing properties at-risk of losing federal housing subsidies.
- A number of organizations, including OHCS, the Network for Oregon Affordable Housing (NOAH) and Enterprise, are collaborating to overcome challenges to weatherizing multifamily housing.
- These agencies have developed a priority list of at-risk affordable housing properties that require energy upgrades. This list will be sorted according to the jurisdictions of the local weatherization agencies.

Weatherizing multifamily homes achieves several goals:

- + Help those most in need. More than 70% of households living in multifamily buildings earn less than \$40,000 a year.
- + Energy retrofits of multifamily housing can help states meet their required production and job creation goals under ARRA.
- + Reduce energy use and carbon emissions. Multifamily buildings comprise more than 20% of housing units in the U.S.

¹ Harack, Charles, and Olivia Bae Wein. Access to Utility Service. 4th ed. Boston: National Consumer Law Center, 2008.