

## Expanding to Include the Multifamily Residential Sector

The U.S. Department of Energy (DOE) and the U.S. Department of Housing and Urban Development (HUD) are partnering to expand the Better Buildings Challenge to the multifamily residential sector. The Better Buildings Challenge is a voluntary leadership initiative that asks building owners and managers to make a public commitment to energy efficiency. This expansion is part of President Obama's Climate Action Plan, announced in June 2013, and recognizes the role that increased energy efficiency can play in reducing carbon pollution, fostering healthy communities, and improving the financial stability of housing assets.

Multifamily residential buildings and operations can be made much more efficient using a variety of cost-effective energy improvements, while simultaneously creating jobs and building a stronger economy. Scaling building energy efficiency retrofits in the multifamily sector represents a more than \$30 billion investment opportunity in the United States, which would yield annual energy savings of almost 350 trillion Btu.

Multifamily Partners are industry leaders that own or manage market rate (unsubsidized) multifamily housing, public housing, Low-Income Housing Tax Credit properties, and/or HUD-assisted multifamily properties.

## HUD Energy Efficiency Incentives for Multifamily Partners

The Office of Multifamily Housing Programs is developing policy incentives to help address market and policy barriers in the energy and water efficiency sector:

- ▶ **Management Fee Incentive:** Access to Add-on Fees for eligible energy and water efficiency activities.
- ▶ **PRAC Pay for Success Incentive:** Allow 202/811 PRAC properties to include energy savings associated with energy improvements as an eligible expense to the property budget.
- ▶ **Reserve for Replacement Incentive:** Expedited approval for energy and water efficiency capital improvements.
- ▶ **On-Bill Financing and Repayment Incentive:** Invite BBC Partners to take part in HUD-approved utility and third party programs.
- ▶ **Mark to Market Incentive:** Incentive Performance Fee increase for meeting specific energy and water efficiency requirements.
- ▶ **Increased Distributions:** Up to 100 percent for non-profit Section 8 owners, based upon properties meeting annual energy reduction targets.

### Partners Agree To:

- ▶ **Conduct** an energy use assessment of their building portfolio and pledge an organization-wide energy savings goal.
- ▶ **Take action** by showcasing an energy efficiency project and implementing a plan to achieve lasting energy savings.
- ▶ **Report** results by sharing cost-effective approaches for saving energy and performance data that demonstrates success.

### DOE and HUD Agree to:

- ▶ **Assist** Partners through on-going collaboration and expert technical assistance.
- ▶ **Connect** Partners with energy efficiency stakeholders such as government, industry, service providers, financial institutions, and utilities, as well as Allies that dedicate resources to help Partners achieve their goal.
- ▶ **Recognize** the success of Partners by providing national recognition and preference in certain HUD competitive funding processes.

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The Office of Public and Indian Housing has promised 45 day reviews of Energy Performance Contract applications submitted by Public Housing Authorities participating in the Better Buildings Challenge.

HUD is offering \$1.5 million of direct Technical Assistance resources for all Multifamily Partners to help them reach their energy commitments.

### **Take the Challenge**

To learn more, go to <http://www4.eere.energy.gov/challenge/partners/multifamily>. If your organization is interested in joining or would like more information, please send an email to [betterbuildingschallenge@ee.doe.gov](mailto:betterbuildingschallenge@ee.doe.gov).

