

Multifamily Weatherization Assistance Program

ARRA-funded Multifamily
Energy Efficiency Improvements for
NJHMFA Portfolio Projects

Program Years 2009 - 2012



ARRA

- American Recovery & Reinvestment Act
 - Federal Stimulus package
 - Create & retain jobs
 - Loosen markets, stimulate spending in economy
 - Improve energy efficiency of new & existing infrastructure
 - Maintain transparency & accountability
 - Increases funding through existing channels including:
 - State Energy Program (SEP) – managed by the BPU’s Office of Clean Energy
 - Weatherization Assistance Program (WAP) – managed by the DCA’s Office of Low-Income Energy Conservation

ARRA Requirements

- Unprecedented emphasis on transparency
 - Expands reporting requirements on expenditures
- Davis-Bacon Prevailing Wages
 - Entities receiving funds must pay their workers at the prevailing wage (includes contractors)
 - Certified payrolls for contractors performing work on the job site
- Funds must be expended by March 31, 2012



MF WAP

- Multifamily Weatherization Assistance Program
 - Funded under 2009-2012 ARRA WAP Grant to NJDCA
 - Total of \$30 MM available as Grants (not revolving) to properties with a primary HMFA mortgage
 - Competitive, 2-Part Application
 - Part 1 – Eligibility Screening
 - Part 2 – Competitive Ranking
 - Projects must commence construction within 30 days of Grant Closing
 - All improvements **completed** by January 1, 2012

MF WAP

- Program Highlights

- Focus is on projects that are “most in need”

- Very low income

- Very high energy bills

- Very low operating reserves (property)

- Properties will be ranked in order of need

- Properties that are not awarded in the first funding round will remain (in ranked order) on a list and will be awarded funds as they become available

- Maximum of \$5000 per unit available, no upper limit on total grant per property



MF WAP

- Program Highlights

- Eligible measures will be recommended by Energy Auditor based on the results of an energy audit
 - Eligible measures include (but are not limited to):
 - Insulation, air sealing and weather stripping
 - Heating system improvement/replacement
 - Lighting replacement/refrigerator replacement
- Each **individual** measure must have an SIR greater than or equal to 1



MF WAP

- Program Highlights

- All work must be performed by a Responsible Contractor (as defined in the State Plan)
- Workers must adhere to Lead Safe Weatherization practices while on site
- Workers must be paid the prevailing wage as determined by a study by the US Dept of Labor.

<http://www.dol.gov/whd/recovery/dbsurvey/weatherNJ.htm>



Application - Part I

- **Eligibility Screening** – We don't want projects to spend too much time or money if they don't meet the program's minimum eligibility:
 - Existing HMFA primary mortgage
 - No outstanding tax liens
 - Agree to extend affordability for an additional 15 years
 - Are unable to finance *substantial* energy efficiency improvements
 - Vacancy rate is less than 30%
 - Up-to-date on HMFA reporting
 - Project has no Health & Safety violations, or has a detailed plan to remediate issues prior to Weatherization
 - Weatherization will make this project viable through lower utility costs

Application - Part I

- **Application will be released online today**
- **Deadline** – All applications must be received no later than **2 p.m. April 23, 2010**
 - Applications received at HMFA after the deadline will not be accepted.
 - Projects will be notified of their approval on or about April 30, 2010.
 - **Only** projects that are approved should proceed with Part II of the Application.

Application – Part II

- **Competitive Round**

- Projects that have received an approval letter to proceed will need to contract with an Energy Auditor
 - Energy Auditors must be on the list of OCE's Pay for Performance Program Partners (njcleanenergy.com)
- Energy Auditor will conduct an Energy Audit to determine the measures and costs for ranking
 - Auditor will remain with the project throughout the Weatherization process to assist with all phases of construction
- Projects will score themselves to assess their need for Weatherization Assistance

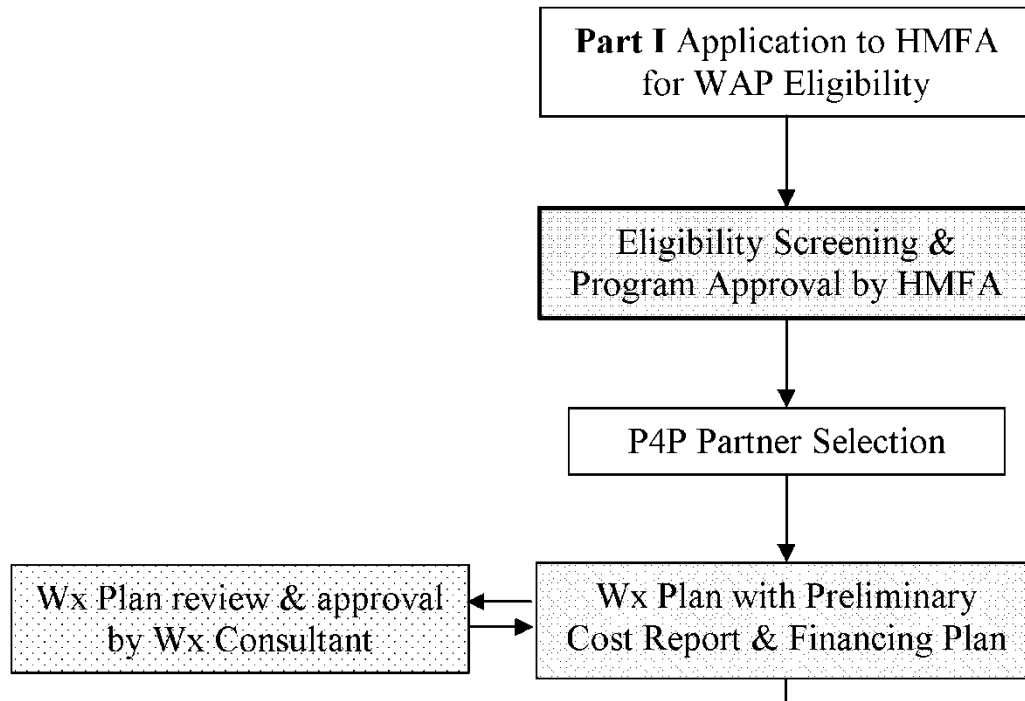
Application – Part II

- **Ranking Score** based on:
 - Ownership of the property (for profit/non-profit)
 - Percentage of income-eligible units
 - Net Income (operating profit or loss)
 - Projected Energy Savings from Wx
 - Comparison of Available Cash vs. Cost of Wx
 - Comparison of Available Cash vs. R&R Balance
 - Tie-breaker: Cost-effectiveness (\$/unit requested)

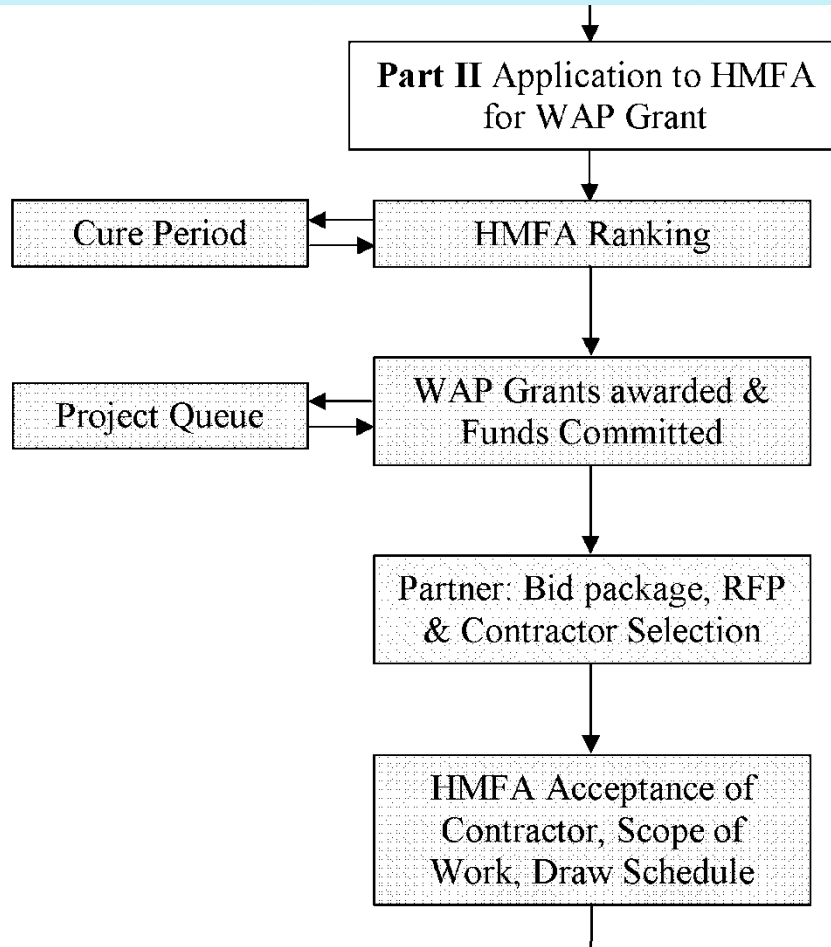
Application - Part II

- **Deadline** – Part II applications must be received no later than **2 p.m. July 9, 2010**
 - Applications received at HMFA after the deadline will not be accepted.
 - Projects will be notified of their award on or about July 23, 2010
 - Projects must close on their award within 60 days
 - Projects must commence construction within 30 days of closing on the grant

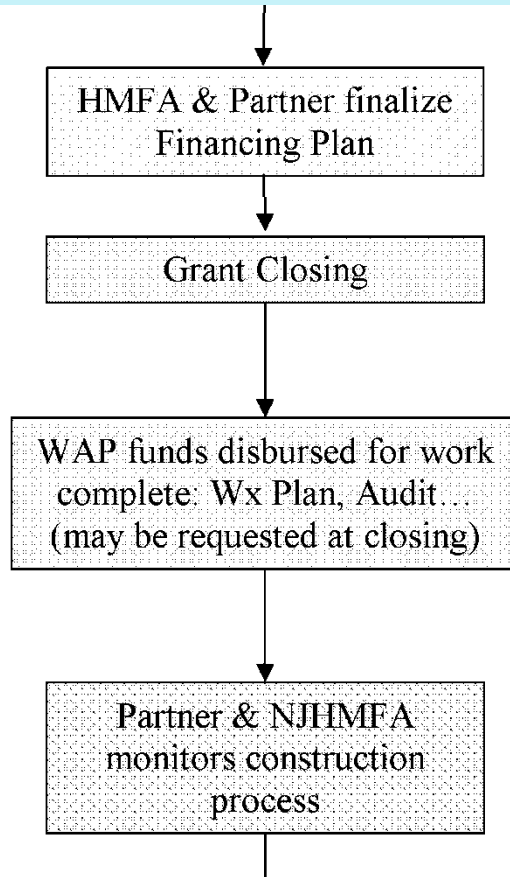
MF WAP Flowchart



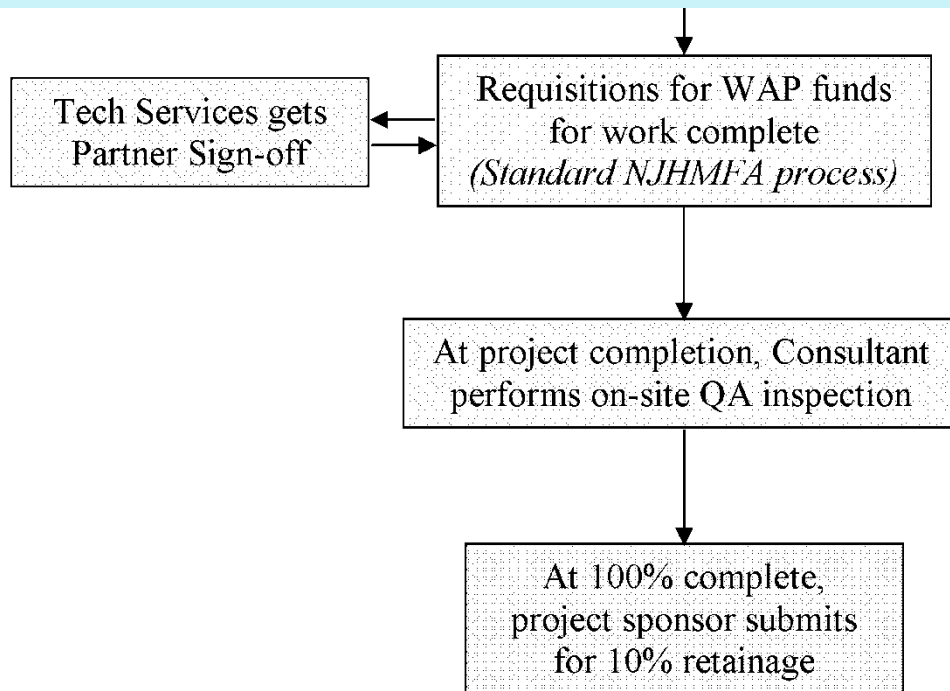
MF WAP Flowchart



MF WAP Flowchart



MF WAP Flowchart



Questions?



Coming Soon

More ARRA-funded Multifamily Programs
for NJHMFA Portfolio Projects

Program Years 2009 - 2012



MEEIP

- Multifamily Energy Efficiency Improvement Pilot
 - Funded through the BPU's SEP ARRA Grant
 - Total of \$4 MM in funds available
 - Low-interest Loan (2% cash-flow loan)
 - Affordability extension of 15 years required
 - All improvements complete by January 1, 2012

MEEIP

- Program Highlights
 - Funding level based on results of energy audit and financial assessment
 - Maximum of \$500,000 per project (up to \$2000/unit)
 - Must show a projected savings of at least 15% on current utility costs
 - Participation in BPU's "Pay for Performance" program is required
 - Incentives allow more and greater depth of improvements
 - Incentives help cover the cost of the audit and measures
 - **Cumulative** SIR for project must be 1:1 or greater

Multifamily Solar

- Multifamily Solar Funding Pilot
 - Funded through the BPU's SEP ARRA Grant
 - Total of \$7 MM in revolving funds available
 - No-Interest Loan (0% financing)
 - Application on a first-come, first-served basis
 - No deadline for application, but funds are limited
 - Projects must commence construction within 60 days of the award of funds
 - All improvements complete by January 1, 2012

Multifamily Solar

- Program Highlights
 - Loan based on projected SREC production for 15 years (at a max. of \$400 per SREC)
 - Projects should leverage Federal and State incentives
 - Federal Business Energy Investment Tax Credits / Renewable Energy Grants (for-profits only)
 - NJ Renewable Energy Incentive Program (REIP, formerly CORE Program)
 - Applicant must participate in either the REIP, or the SREC-only Pilot through the BPU

Questions?



Contact

- For more information, or questions:

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