

Financing Energy Efficiency and Complementary Energy Projects

Greener Homes National Summit

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The Office for International and Philanthropic Innovation (IPI)

- President Obama has charged his administration with finding new solutions to old problems by working across public, private and civic sectors
- IPI will help position “HUD as a Hub” for innovation by convening new partners and collaborating across agency, organizational, and international boundaries



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IPI Goals and Activities

- IPI goals are focused on *Research, Networks, Collaborations* and *Internal Tools & Systems*
- IPI works with two primary sectors – **International & Philanthropic**
- Within the International and Philanthropic sectors IPI provides support to HUD and PD&R in four activity areas:
 1. **Outreach & Information Exchange**
 2. **Client Management & Assistance**
 3. **Research & Knowledge Management**
 4. **Joint Research & Project Co-Investment**



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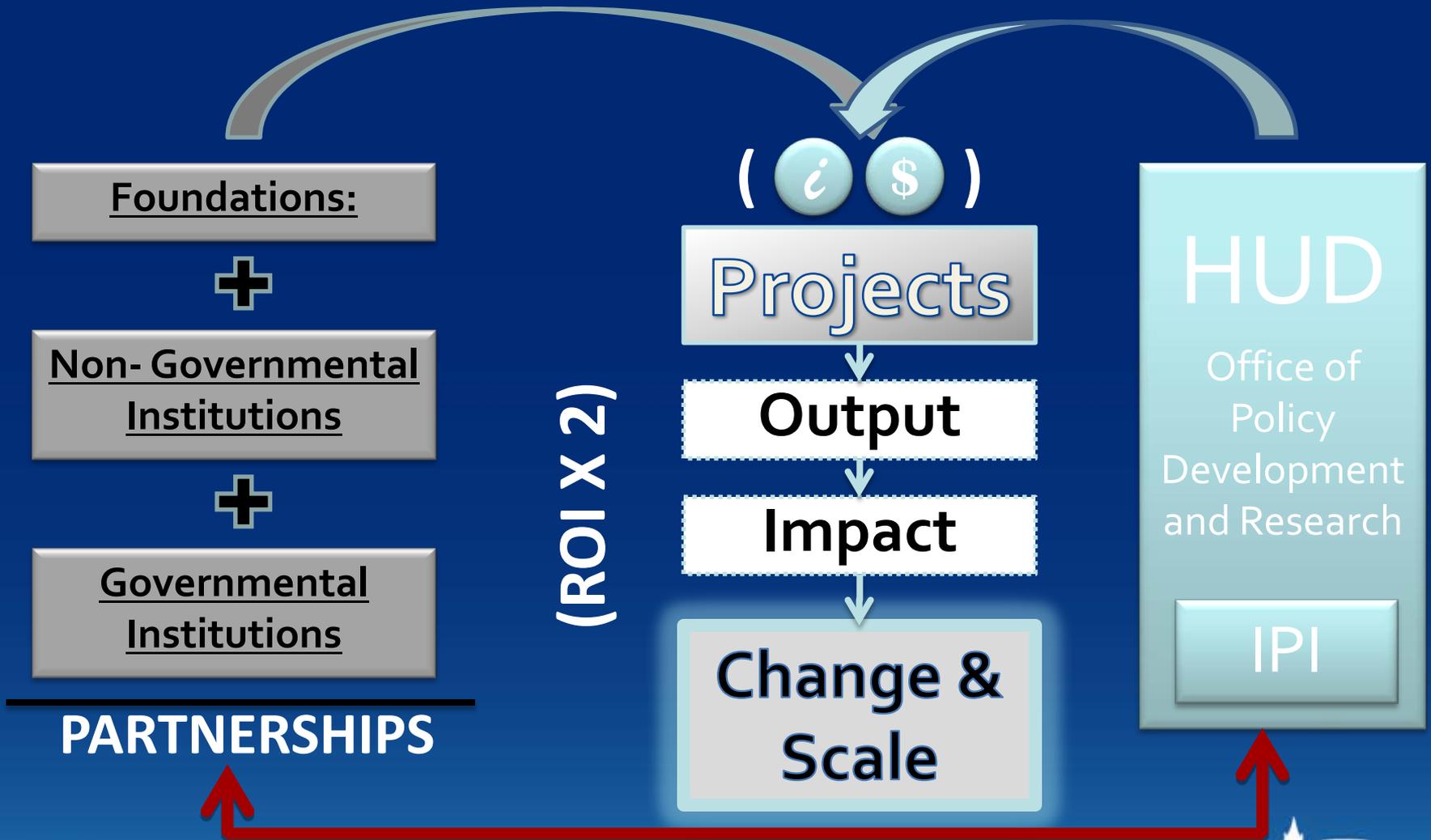
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(ROI X 2) =
Return on Investment
Return on Innovation

IPI DESIGN

(i \$) =
Ideas and/or Dollars



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The Intersection of HUD Goals 3 and 4: Aligning Public and Private Investments

HUD Goal 3 - Housing as a Platform:

Economics

Health

Safety

Education

Investments in stable, secure housing and neighborhoods lead to expanded outcomes, leveraging of funds and cost savings, short and long term

HUD Goal 4: Sustainable and Inclusive Housing & Communities:

Policies

TOD

Regions

Green

**Arts &
Culture**

**Land
Use**

... nurture healthier, more inclusive communities which provide opportunities for people of all ages, incomes, races, and ethnicities...



HUD Programs Focusing on Energy and Efficiency

- HUD – DOT – EPA Partnership for Sustainable Communities
 - The 6 Livability Principles
- Energy Innovation Fund Multifamily Pilot Program
- Green & Healthy Homes Initiative (GHHI)
- HUD – DOE Weatherization Partnership
- HUD – DOE – EPA Home Energy Rating Partnership



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Partnership for Sustainable Communities

- HUD, DOT, and EPA have formed the Partnership for Sustainable Communities and are committed to aligning programs and resources in support of 6 Livability Principles



Sustainable Communities

- An urban, suburban or rural community that has more housing and transportation choices, is closer to jobs, shops and schools, has vibrant local economies, is more energy independent and helps protect clean air and water.*



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HUD's Sustainable Communities Initiative

Office of Sustainable Housing and Communities:

FY2010 Sustainable Community Regional Planning Grants

- More than 1,300 expressions of interest
- 225 applications (in a nation with 363 regions)
- **52% of applications came from regions under 200,000; 1/3 of those funded**
- \$444 million in demand for the program
- One of five applicants received an award (20 percent)

FY2010 Community Challenge Planning Grants

- More than 1,000 pre-applications
- 766 complete applications (every state represented)
- **43% from communities under 100,000 in population**
- \$1.28 billion in demand for the program
- One of twelve applicants received an award (8 percent)

This \$138 million is leveraging \$137.9 million in co-investment.



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The Partnership's 6 Livability Principles



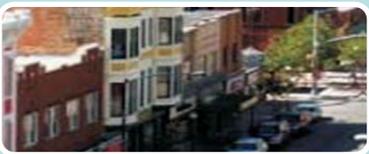
Provide more **transportation choices** to increase safety, accessibility, and reliability while reducing household transportation costs.



Promote equitable, affordable housing that expands location- and energy-efficient **housing choices**



Improve **economic competitiveness** by giving people reliable access to employment centers, educational opportunities, and other basic services.



Target Federal funding toward **existing communities** to increase community revitalization, maintain infrastructure & support local needs

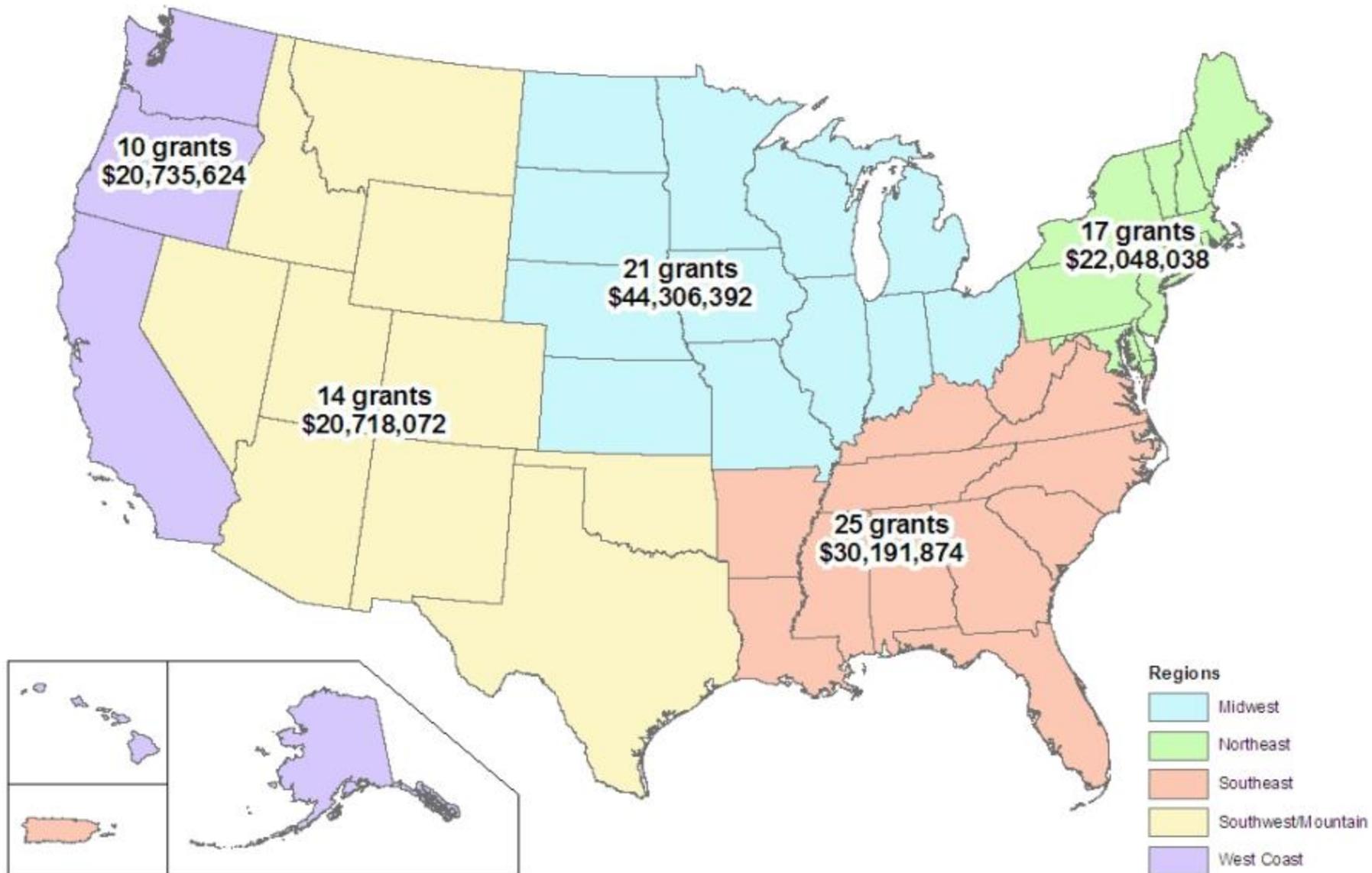


Align federal policies to remove barriers to collaboration, leverage funding and increase the effectiveness of existing programs.



Enhance the **unique characteristics** of all communities whether rural, suburban or urban.

Total Number of Grants and Amount Awarded by Region



Spotlight on Tribal Sustainability

Apache and Navajo Counties, AZ: a process for the 14 communities to revisit their local plans in the context of regional sustainability



Porcupine, SD: a Regional Plan for Sustainable Development (RPSD) in the remote, rural portion of southwestern South Dakota within the geographic boundaries of the Pine Ridge Indian Reservation (PRIR) encompassing the counties of Jackson, Bennett and Shannon.

Northwoods Nijii, WI: The plan will seed catalytic projects identified in Phase I work, fill certain demographic and planning gaps, and further revise the Regional Comprehensive Strategic Plan for Northwoods Nijii Enterprise Community.

Spokane, WA: Plan for areas of new location-efficient affordable housing and zoning code



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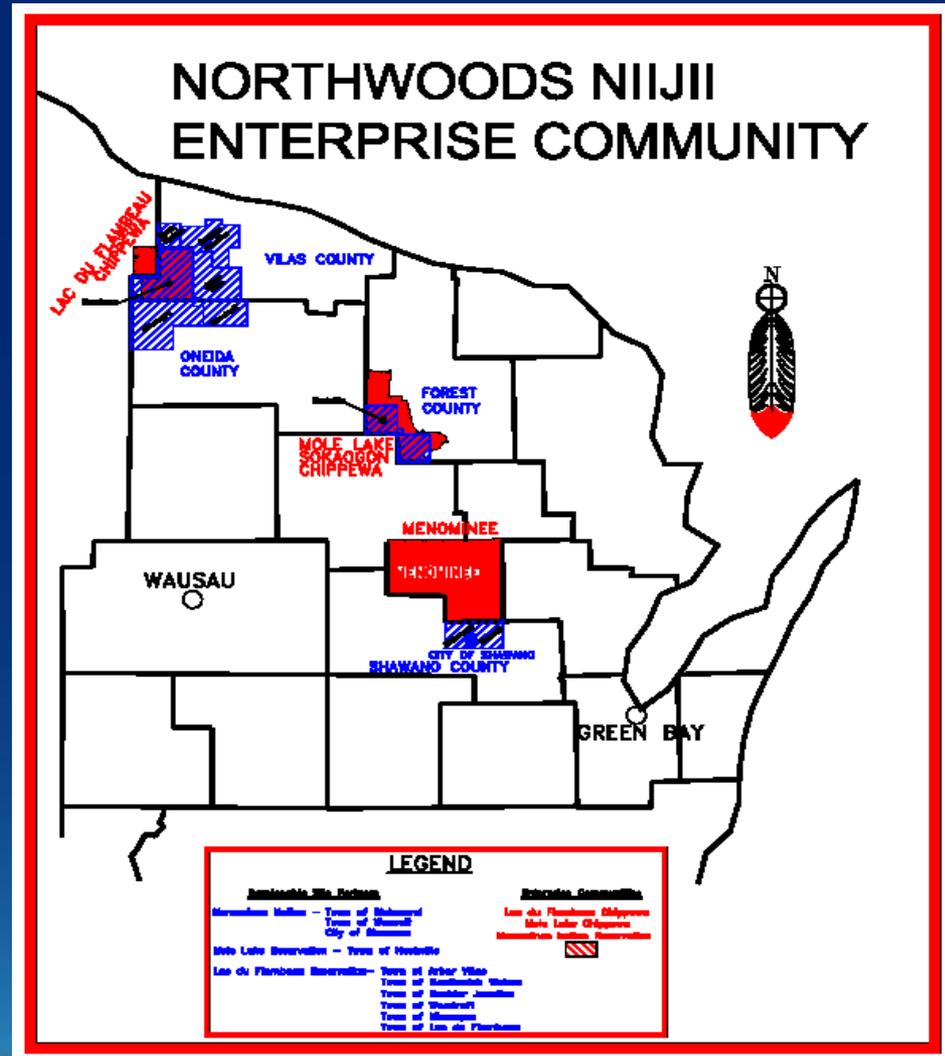
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Northwoods NiiJii Enterprise Community

\$525,000 HUD regional planning grant

- **Regional population:** 6,612
- **Core consortium members:** NNEC, Lac du Flambeau Band of Lake Superior Chippewa Indians, Sokaogon Chippewa Community, Menominee Tribe of WI, Shawano Co. E.D. Progress, Inc.
- **Context:** Three reservations are among the poorest communities in Wisconsin
- **Core Goal/ Projected Outcome:**
 - *Create sustainable communities that are no more impoverished than their neighbors.* Specific goals include improvements to infrastructure, improved housing opportunities, and economic development.



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“For HUD, sustainability means tying the quality and location of housing to broader opportunities, like access to good jobs, quality schools, and safe streets. It means helping communities that face common problems start sharing solutions. It means being a partner to sustainable development, not a barrier”.



~ Secretary Shaun
Donovan



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Multifamily Energy Innovation Fund

- **\$25 M** available for innovations that develop new innovative approaches for multifamily residential properties to
 - reduce their energy consumption
 - lower greenhouse gas emissions, and
 - save money for residents, property owners and taxpayers
- **Goal:** to develop ideas and mechanisms, including new financing tools, that could potentially be replicated nationally, as well as help create industry standards in the home energy efficiency retrofit market
- **Applications Due:** October 20, 2011



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Multifamily Energy Innovation Fund

- Catalyzing a home energy retrofit market by accelerating private investment
- “Rather than tell applicants what we want to see, we are asking the private sector to develop new innovative approaches to create jobs and help people save energy and save money. Since these grants will be complemented by private capital, the investors will also have a unique opportunity to become leaders in helping make affordable multifamily homes greener,”
 - Theodore Toon, Associate Deputy Assistant Secretary for HUD’s Office of Affordable Housing Preservation.



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Green & Healthy Homes Initiative (GHHI)

- GHHI is:
 - A **public-private partnership** that refocuses how we as a nation repair and improve housing in economically challenged communities
 - A **national strategy** to make sure all families and children live in homes that are healthy, safe, energy-efficient and sustainable
- Key partners include the Council on Foundations, national and local foundations, the Federal Healthy Homes Work Group, HUD, CDC, the U.S. Environmental Protection Agency, the U.S. Department of Energy, and the 15 project sites.



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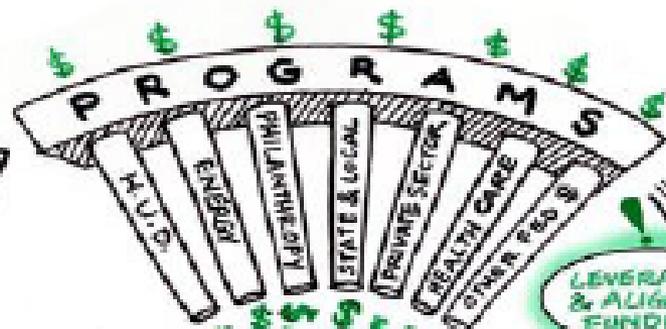


Green & Healthy Homes Initiative

TRIGGERS



1. Compact
2. Community Commitment
3. Comprehensive Assessment
4. Integrated Intervention
5. Leveraged & Aligned Funding



LEVERAGED & ALIGNED FUNDING



PROGRAM FOLLOW-UP
POST-INTERVENTION
EDUCATION

- OUTCOMES
- Reduction in Energy Costs
 - Lower Maintenance
 - Reduction of Asthma, Injury & Poisoning
 - Neighborhood Stabilization



WORK FORCE DEVELOPMENT
Green Jobs
Small Business Development

WORKFORCE

OUTCOME



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Green & Healthy Homes Initiative (GHHI)



- Currently 15 sites- 13 cities and 2 tribes
 - Cowlitz Indian Tribe in Washington
 - Spirit Lake Tribe in North Dakota
- All sites sign a GHHI Compact and commit to work together to:
 - establish an effective collaborative structure
 - streamline the housing assessment and intervention processes
 - utilize safe work practices
 - monitor and evaluate their impact
 - incorporate GHHI standards, and
 - produce a set number of GHHI unit interventions



COWLITZ INDIAN TRIBE



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Weatherization Assistance Program

- streamlining and coordinating federal weatherization programs
- \$16 billion (\$11.2 Billion for DOE and \$4.75 Billion for HUD) in funds appropriated by Congress through the American Recovery and Reinvestment Act of 2009
- easier for low-income families to weatherize their homes and
 - save money for working families
 - create tens of thousands of new green jobs, and
 - lower the carbon footprint of these families
- 1.1 Million public housing units, another 1.2 Million privately owned federally-assisted units, and some 950,000 units financed with Low Income Housing Tax Credits (LIHTC)



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Home Energy Rating Partnership

- HUD, EPA, and DOE Agreement to improve the energy efficiency of affordable housing
- Created and maintains ENERGY STAR as a trustworthy government symbol for energy efficiency
- Goal: to coordinate resources and approaches to **expand the use of Energy Star-labeled products in HUD-financed housing**, expand the number of Energy Star-labeled new homes financed by HUD, and promote energy efficiency improvements in both new and existing HUD-financed housing



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Private Sector Partnerships and Innovations

- Partners and intermediaries can make it happen:
 - Community development financial institutions
 - Colleges and universities
 - Social entrepreneurs: Innovation Ten Thousand – Green Development Zone and Curadores da Terra
- Innovative investment tools and platforms:
 - Program-Related Investments
 - Loan pools and structured funds: New Mexico Native Green Loan Fund
 - Social Impact Bonds/ Pay for Success
 - Impact investing/ Socially Responsible Investing



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New Mexico Native Green Loan Fund

- Public-private partnership between the New Mexico Indian Affairs Department (IAD), The New Mexico Finance Authority, Confluence Philanthropy, and U.S. philanthropies
- Seeks to leverage some \$12 million in annually appropriated State Grant Funds for tribal infrastructure projects (i.e. electricity, water, wastewater, etc) by a projected \$10 million program-related investment fund.
- New Mexico Finance Authority serves as Fund Manager
- Confluence Philanthropy convenes grantmaking participants in the Fund and collects lessons learned



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