



NATIONAL
HOUSING
TRUST



Green Preservation:

**Preserving Affordable Housing for
Sustainable Communities**

New Partners for Smart Growth
February 2010

National Housing Trust, Weatherizing Multifamily Housing

Green Preservation Panel



- General overview of Green Preservation
- Local examples of Green Preservation
- Resources to help fund Green Preservation projects
- Green Criteria to follow while preserving affordable housing
- Research to make the case for Green Preservation

National Housing Trust



Committed to safeguarding affordable housing.

National nonprofit engaged in housing preservation through real estate development, lending **and** public policy engagement.

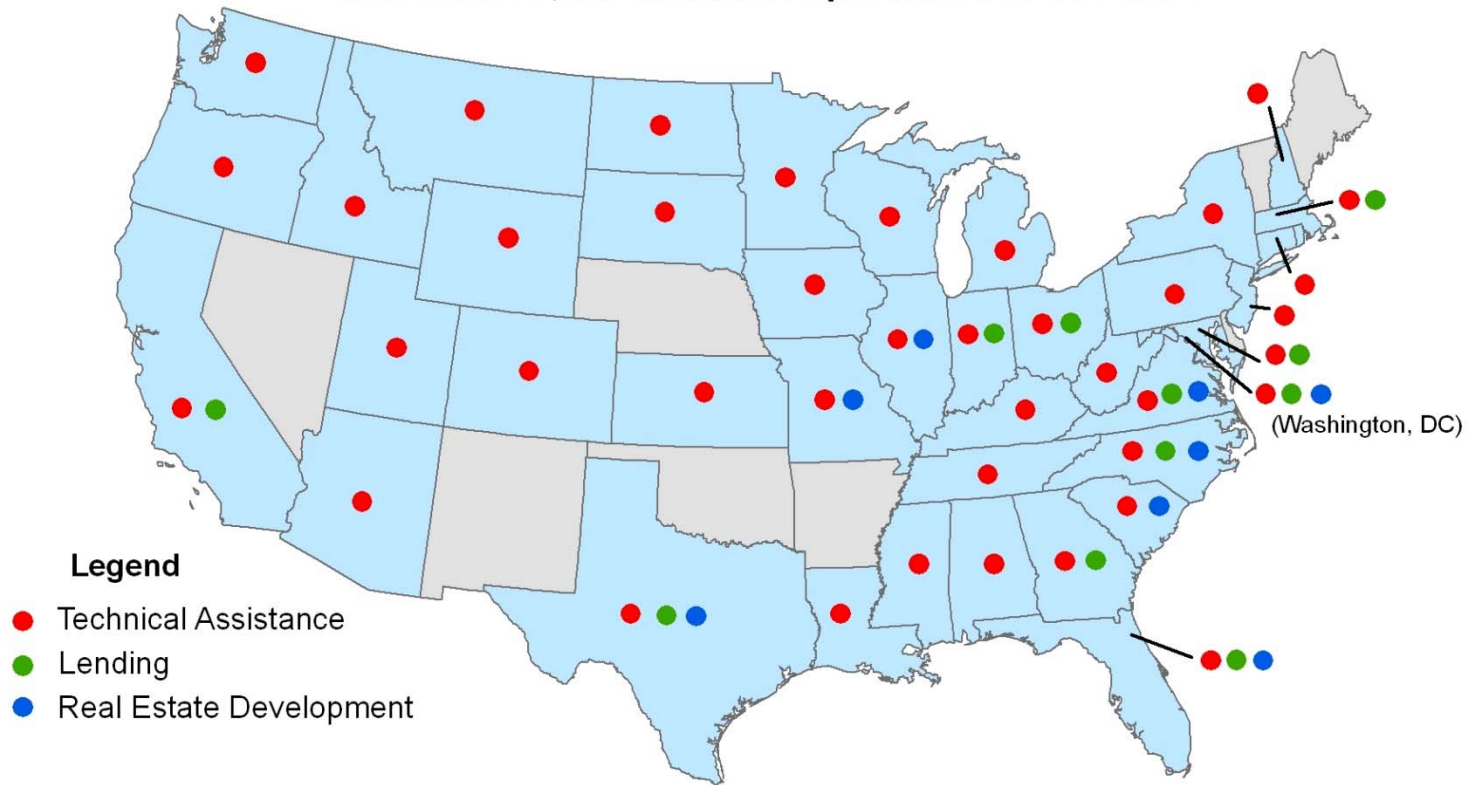
■ The National Housing Trust:

- Partners with investors to raise capital to buy and renovate affordable apartments. *Preserved more than 4,800 affordable apartments.*
- Lends early money to developers to help them purchase and renovate affordable apartments. *Loans have helped preserve nearly 5,000 homes.*
- Educates policymakers of the need to dedicate resources for the revitalization of existing affordable apartments.

National Housing Trust



The National Housing Trust has helped to save more than 21,300 affordable apartments in 41 states.



Preservation is the essential first step in solving our housing dilemma



The supply of affordable apartment homes is decreasing.

Nationwide, the number of apartments that rent for \$400 or less declined by 1.2 million between 1993-2003.

New construction alone will not produce enough affordable housing.

The housing we produce costs approx. \$850/1 bedroom. The housing we need costs about \$450/1 bedroom.

Preservation is cost effective.

Rehabilitation properties receive approx. 40% less tax credit equity for each apartment than new construction properties.

Preservation is inherently energy efficient.

Rehabilitation produces less waste and uses less new materials and energy than new construction.

Good News:



States are increasing resources for preservation

- **9% low income housing tax credits**
- **Private activity bonds and 4% credits**
- **State housing trust funds**
- **Predevelopment and bridge loans**
- **Other tax incentives**

For details on State and Local Preservation Initiatives, see www.nhtinc.org

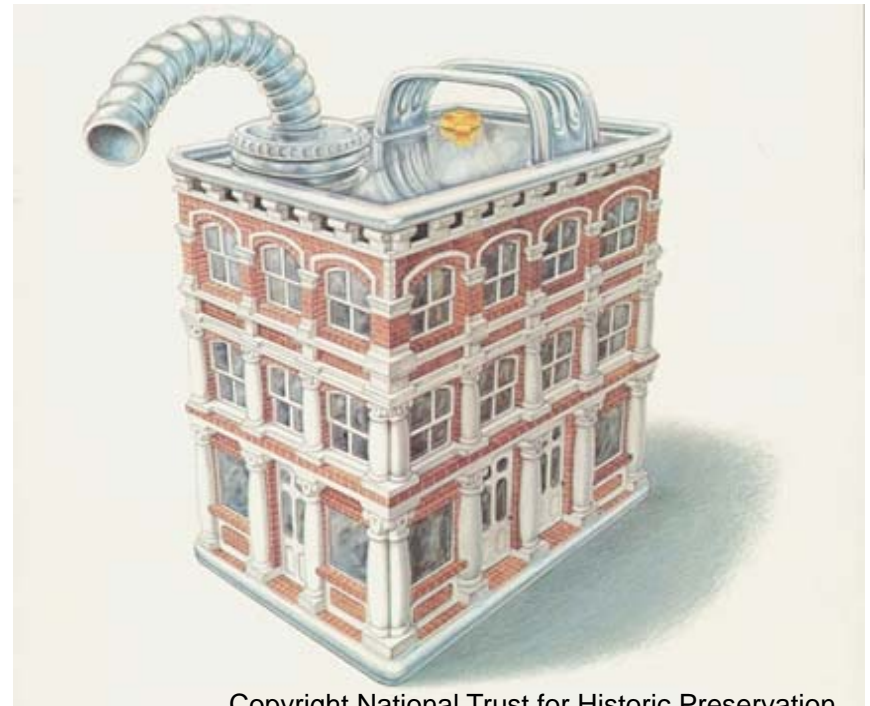
Preserving Affordable Housing: Inherently Energy and Resource Efficient.



■ **Building Reuse.** It produces less waste and uses less new materials and energy than new construction. It takes 65 years for a new energy efficient building to save the energy lost when demolishing an existing building.

■ **Infrastructure.** It does not require new utility or transportation infrastructure.

■ **Green space.** It does not require developing more land.



Copyright National Trust for Historic Preservation

What is Green Preservation?



- Preservation of existing affordable housing by:

1.) Improving Water & Energy Efficiency

2.) Reducing Indoor-Air Toxins

3.) Thoughtful Site Selection

4.) Reusing Materials and Existing Structures

5.) Creating/Maintaining Mixed-Income Communities

Benefits of Green Preservation



1. Lowers financial burden on low-income residents.
2. Reduces carbon footprint of existing housing.
3. Fewer resources used in rehabilitation versus new construction.
4. Lowers operating costs.
5. Retains affordability in areas that are gentrifying.
6. Creates green jobs.

Can this be done? YES



NHT's Galen Terrace: *Breaking New Ground by Going Green*



Galen Terrace Cont'd:



Green Preservation: Well Worth the Cost

- The incremental cost of energy improvements was 3.8% of the total development budget.
- The projected energy savings is 60%.
- The projected water savings is 21%.

Short video about Galen Terrace rehab can be found on
NHT's YouTube Chanel:

<http://www.youtube.com/user/Housing1st>

3D Tour of Galen Terrace can be explored at:

http://www.nhtinc.org/galen_terrace_green_tour.php

Can this be done? YES



NHT's R Street: *Transit-Connected Affordable Housing in a Gentrifying Neighborhood in D.C. go green*



Creating a Sustainable Community

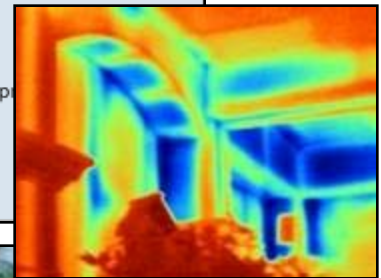


- R Street had the chance to not only address the physical needs of the property but to also address and improve the health needs of its residents.
- R Street Apartments received a \$50,000 grant from Enterprise's Green Community Initiative.
- An energy audit predicts a 19% average energy savings for all units; 12%-39% savings for individual units.
- The long-term outcomes for R Street will be lower utilities, less maintenance and strain on systems, lower operating costs, and a healthier environment for residents.

Diagnostic Tools

Testing the airtightness of a home using a special fan called a blower door can help to ensure that air sealing work is effective. Often, energy efficiency incentive programs, such as the DOE/ EPA ENERGY STAR Program, require a blower door test (usually performed in less than an hour) to confirm the tightness of the house.

The diagram shows a cross-section of a door frame. Labels include: Exterior door frame, Temporary covering, Adjustable frame, Air pressure gauges (three), and Fan. The fan is positioned inside the room, blowing air through the door frame.



R Street: Transit-Connected Affordable Housing



- promotes the preservation of affordable rental housing in areas with access to public transportation as an important economic development strategy
- encourages diverse neighborhoods, ensures easy access to good jobs and services for low-income families, and stabilizes transit ridership
- conveniently located within close proximity to 8 bus routes and 3 metro stations



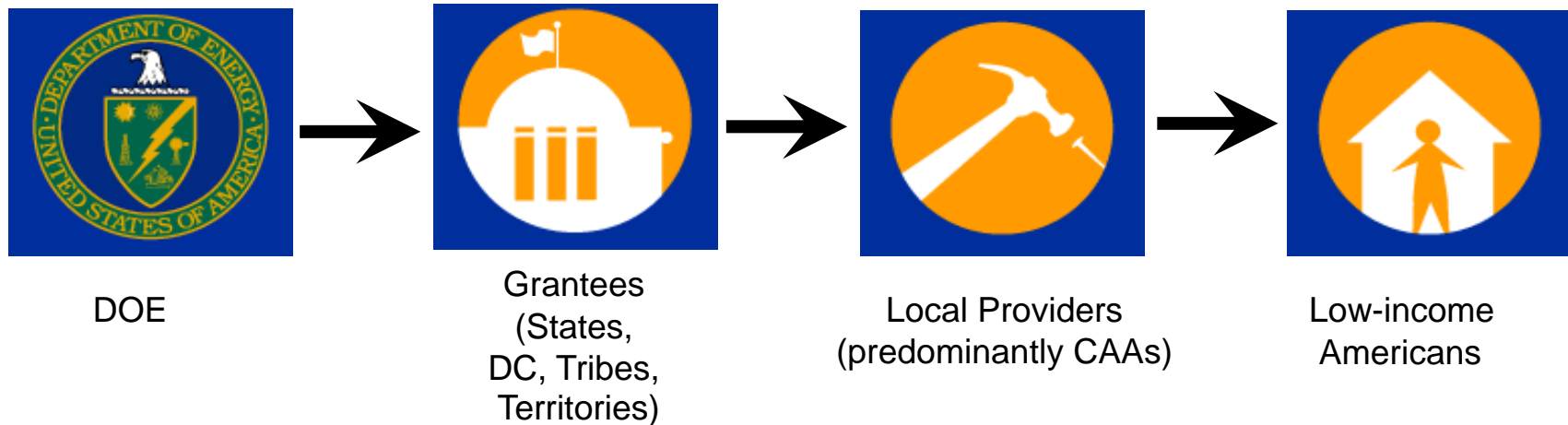
Resources? WAP



Weatherization Assistance Program:

- ARRA provided a 20-fold increase in funding for Weatherization.
- Up to \$6,500/unit for weatherizing low-income housing
- Many states have focused on single-family housing in the past.
- A number of states are adopting policies to support multifamily weatherization, e.g. multifamily set asides, etc.
- Still, challenges exist: lack of mf energy audit skills, reluctance among local providers to undertake mf buildings

Resources Cont'd: Accessing WAP

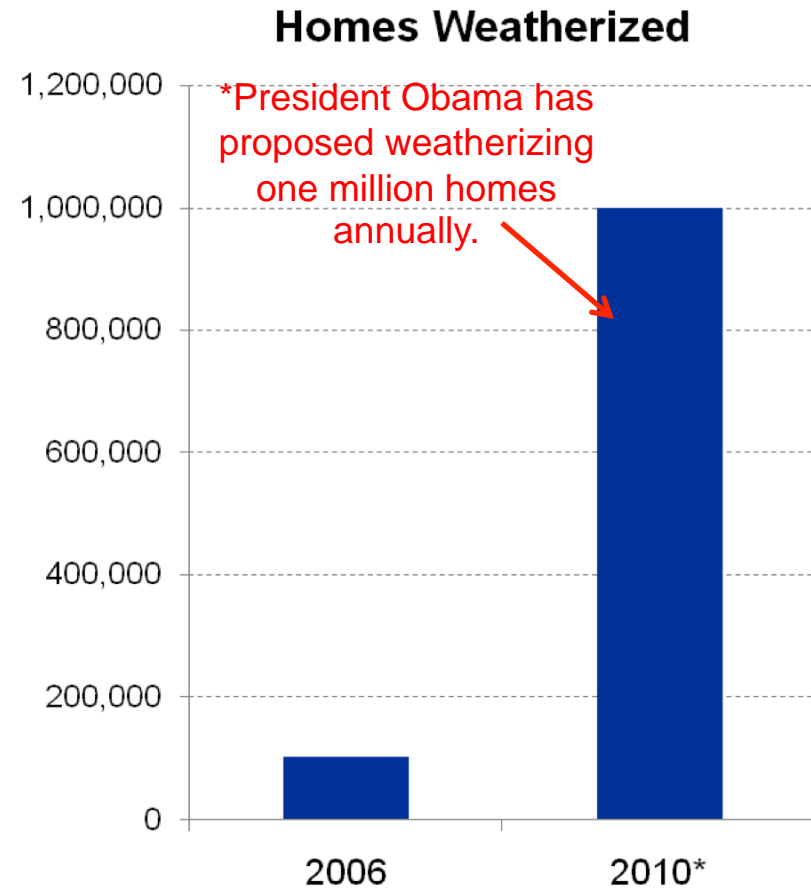


- Highly decentralized service delivery network. WAP resources are ultimately locally controlled.
- Apply directly to local weatherization provider.
- Providers are Community Action Agencies or other public or non-profit entities.

Making the Case for Multifamily



- Help those most in need. More than 70% of households living in multifamily buildings earn less than \$40,000 a year.
- Helps states meet their required production/job creation goals.
- Properties with long-term use restrictions → low income tenants benefit for longer timeframe.
- Reduces carbon emissions and lowers utility costs; benefits entire families. Multifamily buildings comprise more than 20% of housing units in the U.S.



Resources Cont'd: WAP



Obstacle	Solution
1.) Income verification burdensome	Streamline eligibility requirements
2.) Landlord contribution requirement	Waive or modify requirement
3.) Local providers reluctant to pursue m/f weatherization	Create a m/f set aside or encourage providers to undertake m/f
4.) Ensuring benefits accrue primarily to tenants	Consider preservation of affordable housing a direct tenant benefit
5.) Providers may lack m/f skill sets	Provide technical training on m/f
6.) State might have a burdensome process for approving m/f applications	Streamline approval process

Resources Cont'd: DOE & HUD Partnership



Federal agencies recognize the importance of weatherizing the existing multifamily affordable housing stock

- The Department of Energy (DOE) reducing barriers to improve the energy efficiency and livability of HUD, Low Income Housing Tax Credit, and USDA assisted apartments
- DOE concluded in the final rule that hundreds of thousands of subsidized apartments meet certain WAP eligibility requirements without the need for further evaluation or verification
- Streamlines the application process for multifamily applications
- Will help ensure that low-income families who do not directly pay utilities have an opportunity to participate in the program.

For a summary of this rule, please check out www.nhtinc.org

Resources Cont'd: NHTCDF Loan Products



Predevelopment Loans

Loan used by non profit purchasers to help facilitate due diligence required before an acquisition or rehabilitation transaction can be completed.

Interim Development (Bridge) Loans

Loans are used by nonprofit purchasers to quickly acquire properties identified for preservation, to provide working capital or substitute for developer equity during construction or prior to a full refinancing.

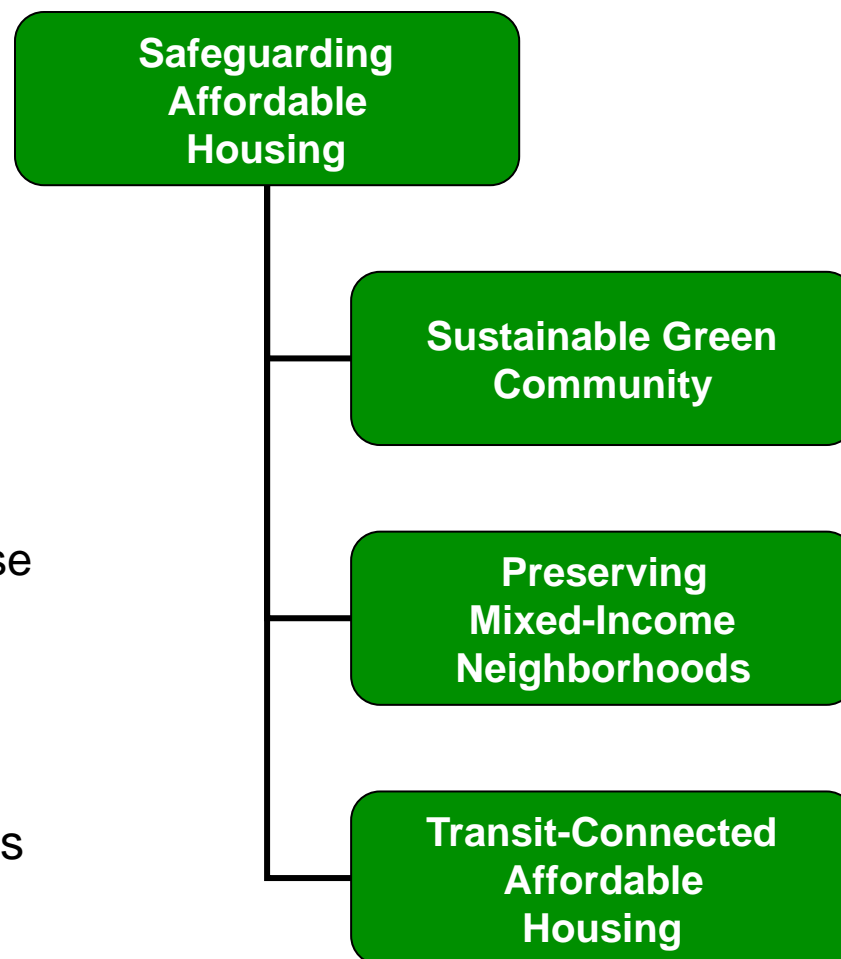
Green Loans

NHTCDF offers special predevelopment and interim development loans to developers preserving affordable housing that is healthy and environmentally sustainable.

Resources Cont'd: NHTCDF Green Preservation Loan



- Green Loan Fund
 - Incentive for developers
 - Below market interest rate
 - Partial loan forgiveness of up to \$10,000
 - Loan size of up to \$150,000
 - Green consultant
 - Green standard such Earthcraft, Enterprise Green Communities, etc.
- Mini Green loans
 - Weatherization of multi-family properties
 - Loans of up to \$25,000



Resources Cont'd: LIHTC Green Requirements



- Largest funder of affordable housing in the country
- Each state Housing Finance Agency required to create a Qualified Allocation Plan to set priorities for development that will receive tax credits
- As of Summer 2008, 25 states had preservation set-asides
- Under HERA, all states must now include energy conservation requirements
- HFAs are under tight ARRA deadlines and are looking for shovel-ready projects
- Many states go beyond and include incentives for developments that are location-efficient, decrease toxins in the home, and conserve water

Information Resources greenpreservation.org



**GREEN
PRESERVATION**



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[home + news](#) [what is green preservation?](#) [resources](#) [greenpres blog](#)



Preserving Affordable
Housing Promotes:



healthier living
environments



operational
savings



lowered utility
costs



reduced carbon
emissions



transit-connected
affordable housing

National Housing Trust

[Click here to add content.](#)

Success Stories

R Street Apartments:
Located in one of D.C.'s
hippest neighborhoods and
a short walk from transit. R

The Latest News and Resources

6 February 2010

National Housing Trust moderates a panel on Green Preservation
with Reconnecting America, Enterprise, LISC and Urban Land Conservancy at
the **New Partners for Smart Growth** conference.

[Click here for the presentations >](#)

26 January 2010

National Housing Trust creates a **summary of DOE/HUD regulations for
using Weatherization Assistance Program funds on HUD subsidized
properties.**

[Click here for the summary >](#)

Get Involved

Want to learn more?

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our newsletter and other
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