



Building Bridges to Net Zero



# Engaging the Affordable Multifamily Market

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# Agenda

- Program Overview
- Overcoming Barriers
- Creating Strategic Partnerships
- Case Studies





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# Program Overview

# Energize Connecticut

- Energize Connecticut is a statewide branding initiative to help consumers save money and use clean, affordable energy.
- A partnership of the Energy Efficiency Fund, the Connecticut Green Bank, Department of Energy and Environmental Protection (“DEEP”) and local electric and gas utilities.
- Efficiency incentive programs funded through the Connecticut Energy Efficiency Fund.
  - Established in 1998 with natural gas programs added in 2005



# What We Offer

- **Comprehensive energy solutions** for market rate and income eligible multifamily properties
  - Financial incentives, rebates, and financing
  - Technical assistance and installation services
  - Owner and tenant education



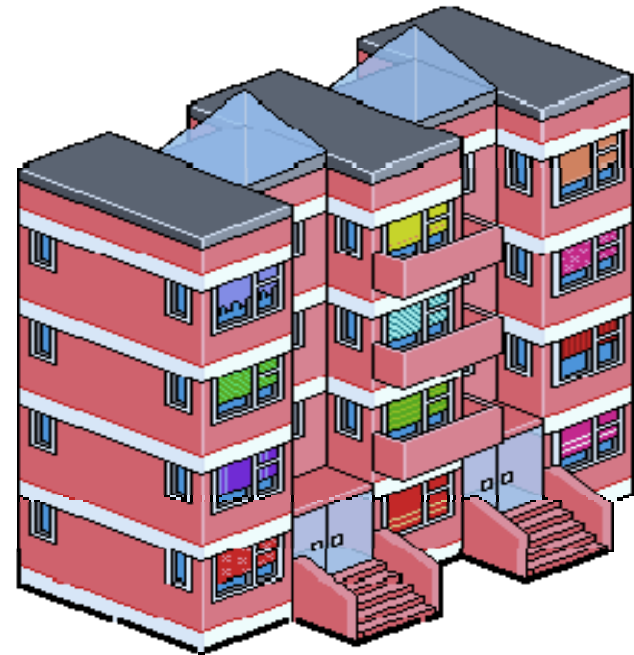
# Why Energy Efficiency?

- Reduce energy bills
- Reduce operations and maintenance costs
- Improve energy performance
- Improve tenant comfort
- Improve tenant satisfaction



# Why Energy Efficiency?

- Any multifamily property with 5+ units
- Not-for-profit, market rate and income eligible customers, including:
  - Private owners / landlords
  - Housing authorities
  - Housing associations



# Paths to Incentive Program Participation

- **Market rate** – no tenant income restrictions.
- **Income eligible** – two-thirds of the property’s residents are at or below 60% of the state median income (“SMI”).
  - Subsidized housing (e.g. Section 8)
  - Housing for disabled veterans
  - Housing for elderly
  - Group homes
  - Residential treatment facilities





# Commonly Incentivized Measures

- Weatherization:
  - Air sealing / duct sealing
  - Low flow shower heads
  - Faucet aerators
  - Pipe wrap
- Energy-efficient lighting:
  - Dwelling unit
  - Common area
  - Exterior
- Add-on Measures:
  - Insulation
  - Windows
  - High efficiency heating equipment
  - Domestic hot water heaters
  - High efficiency control strategies (e.g., ECM pumps, VFD)
  - Appliances

Custom measures are evaluated based on opportunities identified within the property.

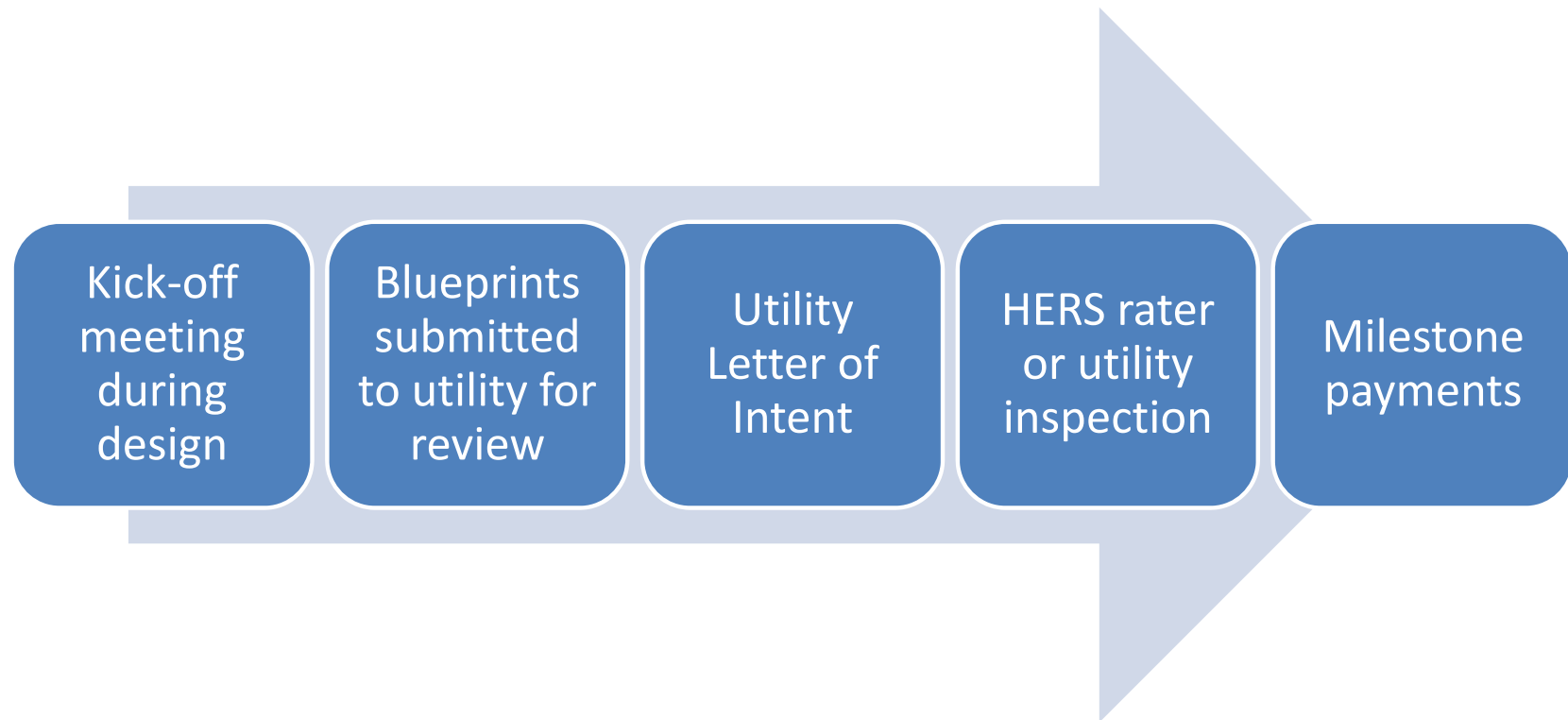


# Two Multifamily Paths

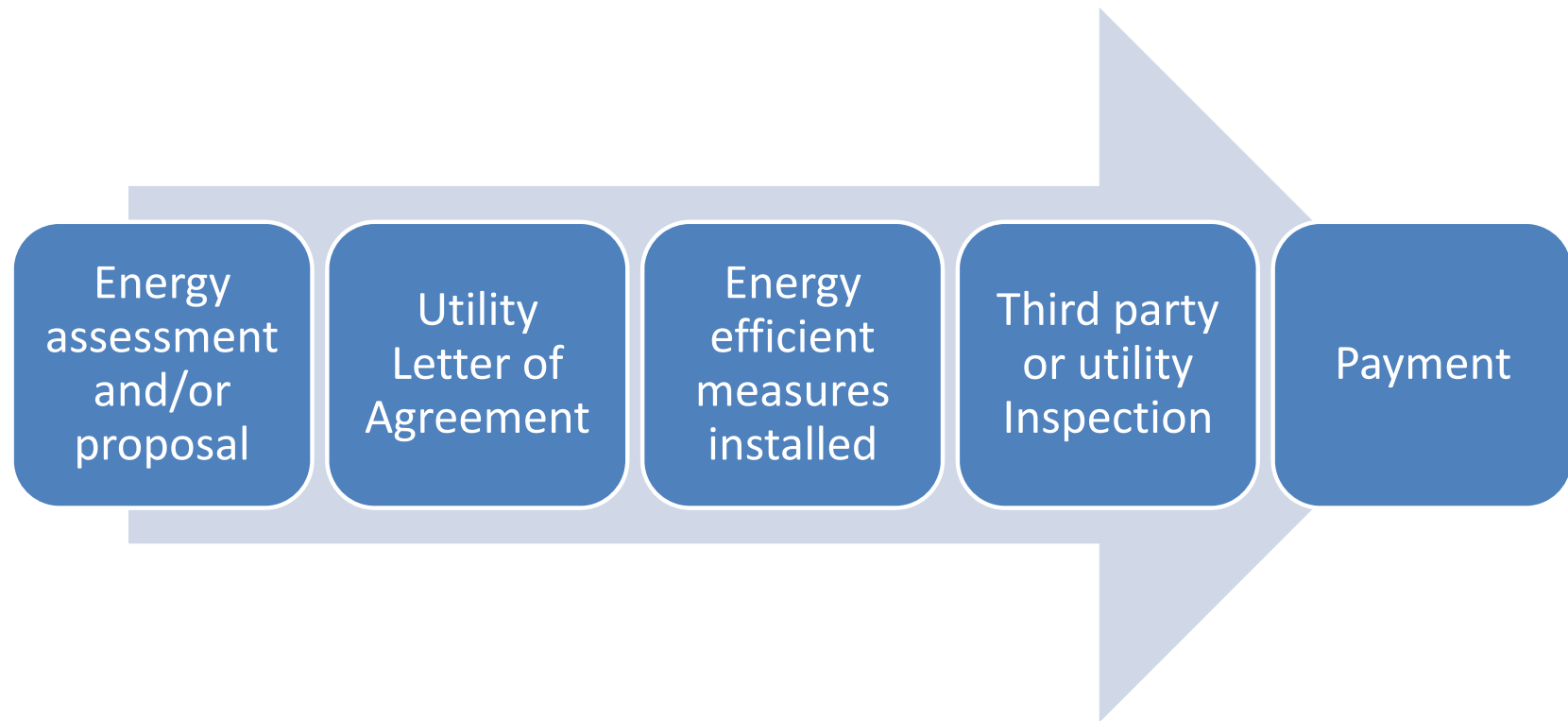
- New Construction
  - Ground up new construction
  - Redevelopment
  - Gut rehabs
- Retrofit
  - Moderate rehab
  - Capital improvements
  - Targeted energy upgrades



# New Construction Multifamily Project Process



# Retrofit Multifamily Project Process





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# Overcoming Barriers

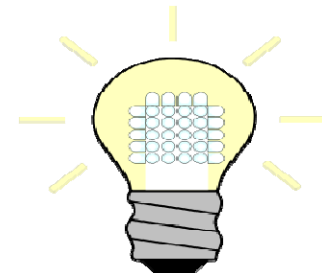
# Potential Barriers

- Qualification Thresholds
- Multiple Applications
- Red-Tape
- Referral Mechanisms
- Coordination of Services
- Health and Safety Issues



# Innovations

- Incorporate Applications
- Income Eligibility Requirements
- Common Assessment Tool(s)
- Strategic Partnerships
- Streamlined Referral Process





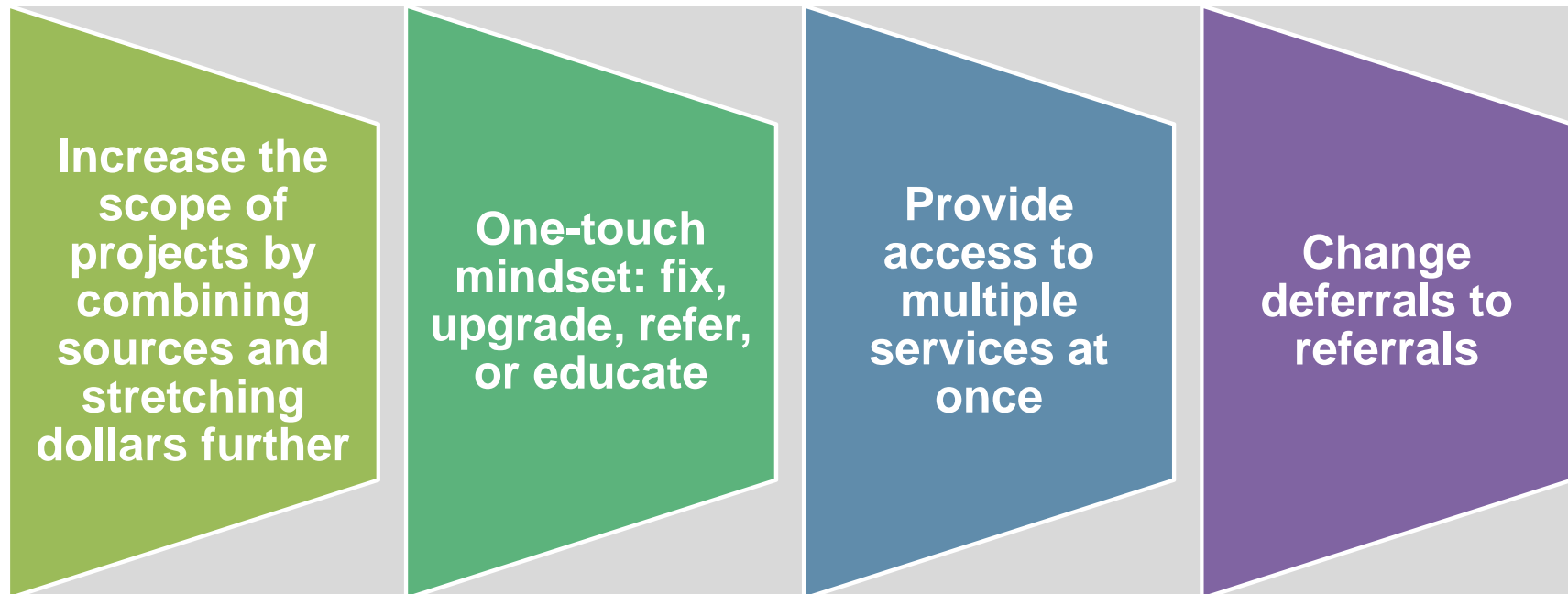
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# Strategic Partnerships



# Partner Collaboration



# Healthy Homes Partner Network

- Connecticut Children's Healthy Homes Program
- L. Wagner & Assoc.
- City of Bridgeport
- Bridgeport Lead Free Families
- City of New Haven
- Bridgeport Neighborhood Trust
- NauVEL
- Waterbury Department of Health
- Department of Public Health
- Yale - New Haven Hospital
- Municipalities, offices of community development, rehabilitation agencies, financing agencies and others



# Financing Partner Network

- Connecticut Housing Finance Authority
- Connecticut Housing Investment Fund
- Connecticut Green Bank
- Private Lenders
- Federal/State Subsidies
  - Connecticut Department of Housing
  - Housing and Urban Development



# Streamlined Approach to Multifamily Project Financing

- Opportunities for Improvements:
  - Unpredictable financing options for energy efficiency, health and safety, and other capital improvement projects
- Project Scope:
  - Streamline the process of providing financing for affordable multifamily housing projects



# Goals

- Create a common definition of “affordable” and “multifamily housing” and identify market segments.
- Standardize documents for prescriptive incentives, and methods for calculating performance based incentives.
- Develop a comprehensive approach to financing energy, health, safety, and structural/capital improvement projects on existing and new construction.



# What Do Customers Value?

- Net operating income
- Increased asset values
- Reduced energy bills
- Reduced number of service calls
- Increased tenant retention
- Improved comfort for tenants
- Simplified financing process with a reliable outcome



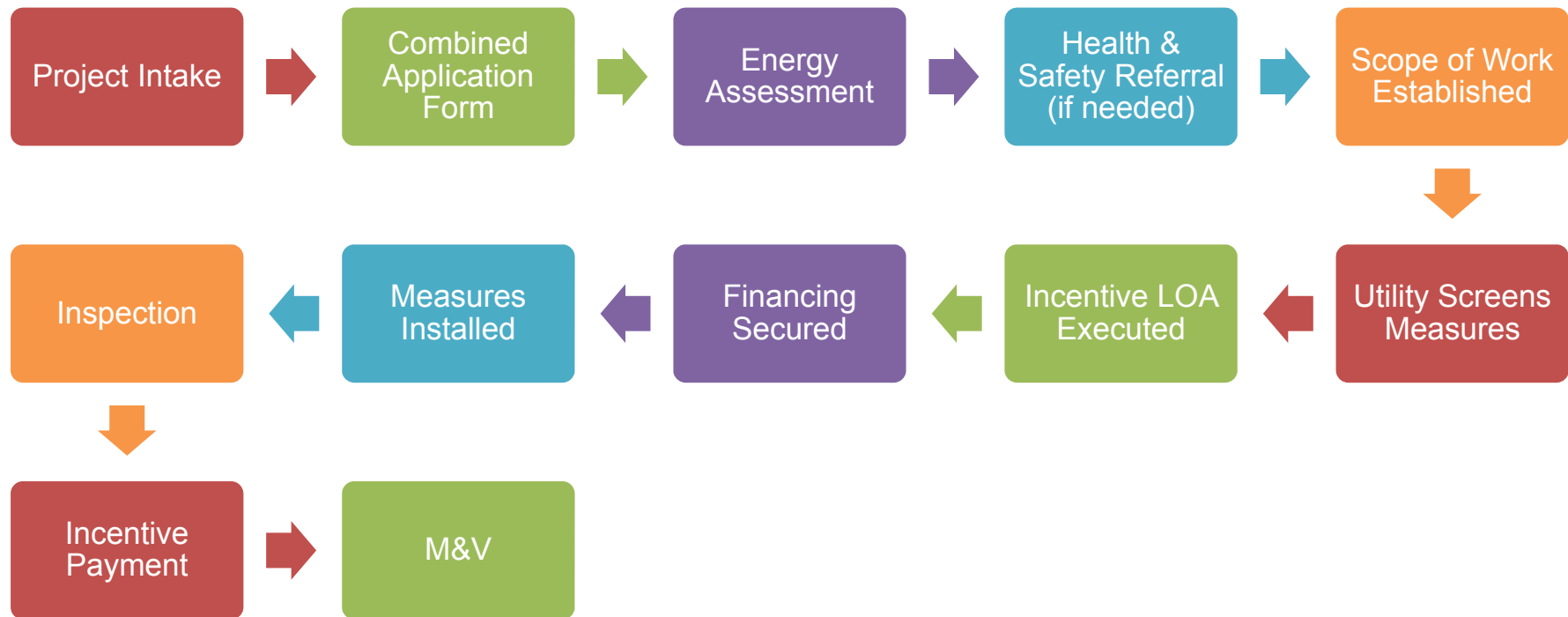
# Current State

- Disjointed application process for affordable multifamily projects seeking financing for energy improvements:
  - Separate application processes among agencies
  - Lack of consistent guidelines and joint resources
  - Lack of focus on energy improvements as part of capital improvement projects



# Future State

- Streamlined customer experience.





# Future State: What Does Good Look Like?

- Increased reliability of utility incentives
  - Utility letters of agreement (LOAs) are issued by the time of the financing application.
    - LOA included with application form, or
    - Delivered at 40% design for CHFA/DOH applications



# Future State: What Does Great Look Like?

- Energy efficiency is mainstreamed for multifamily properties
- **All** capital improvement projects on multifamily properties incorporate energy improvements



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# Key Performance Indicators

- Completed financed affordable multifamily projects will achieve at least X% average cost savings per unit.
- Completed financed affordable multifamily projects will achieve at least X% of energy savings per unit.
- Increase the number of affordable multifamily units served by financing.





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# Case Studies



# Case Study (Bridgeport, CT)

## UI Partnership with BLFF

- Fully weatherized 6-unit building that contained lead, asbestos, mold, had inoperable leaking water heaters and the sole heating source was unvented gas space heaters
- BLFF completed lead remediation with help from CEEF funding
- BLFF abated asbestos hazard
- Pipes causing mold issues fixed and fans installed
- New high efficiency gas boilers
- Fully weatherized!



# Case Study (New Milford, CT)

UI partnered with HUD, DEEP, New Opportunities, Eversource and CHIF

Fully weatherized 102 unit Senior development

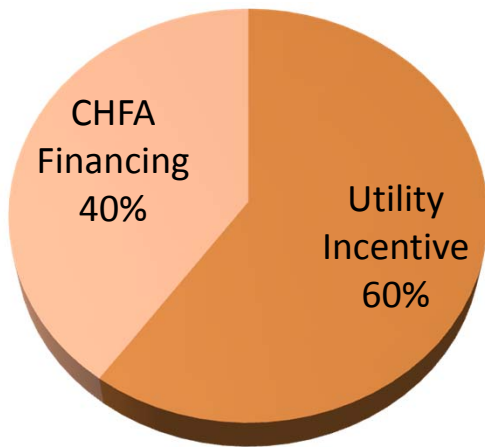
- UI served 72 units in 3 buildings
- WAP served 30 units in one building
- Installed 102 ductless mini split heat pumps
- Eliminated leaky wall mount A/C sleeve units
- Properly vented units
- Fully weatherized!
  - Insulation, air sealing, crawl space insulation, lighting and DHW measures

\* This project won the 2014 weatherization award from the State and Local Energy Report!



# Case Study: Heritage Glen (Farmington, CT)

- CNG natural gas and Eversource Electric
- Income Eligible – 5 buildings, 68 units
  - Natural gas heat and DHW – master metered, owner paid
  - Electric – individually metered, tenant paid



Measure	Installed Cost	Incentive	Annual Savings (kWh)	Annual Savings (ccf)
Air sealing	\$ 72,916	\$ 69,106	1,102	7,795
DHW measures	\$ 1,034	\$ 1,034		95
Dwelling unit lighting	\$ 1,285	\$ 1,285	7,874	
Duct sealing	\$ 25,869	\$ 25,869	17,427	
High-efficiency furnaces	\$ 118,000	\$ 26,793		2,679
ECM motors	\$ 13,940	\$ 13,940	26,180	
Air conditioning units	\$ 70,231	\$ 46,119	17,243	
Attic insulation	\$ 20,884	\$ 14,270	167	686
<b>Total</b>	<b>\$ 324,159</b>	<b>\$ 198,416</b>	<b>69,993</b>	<b>11,255</b>





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# Questions?



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