Commonwealth of Massachusetts
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
Deval L. Patrick, Governor ◆ Timothy P. Murray, Lt. Governor ◆ Tina Brooks, Undersecretary

# *Public Housing Notice: 2009-17*

To: Local Housing Authority Executive Directors

From: Amy Schectman, Associate Director, Public Housing & Rental Assistance
Ray Frieden, Director, Bureau of Housing Development and Construction
Debra Hall, Sustainability Program Developer

Date: October 20, 2009

**RE: Energy & Sustainability Initiatives - Update and Request**

The purpose of this memo is to bring housing authorities up to date on immediate and near-term funding opportunities for energy & water-saving projects. We also would like to solicit your questions and feedback for improving DHCD's sustainability program, and what we should present at the NAHRO Fall Meeting.

If you are interested in any of the resources discussed in this memo or have other feedback, please fill out the form attached to the end of this memo and email it to Debra Hall at debra.hall@state.ma.us by end of day Wednesday, October 28.

Here are the highlights:

- $25 million in Weatherization Assistance Program /American Recovery & Reinvestment Act (ARRA) funding is available for heating systems and energy-saving building envelope improvements in family housing where tenants pay heat.
- Small grants and zero interest bond funds are available for solar, wood and heat pump pilot projects, funded through the ARRA State Energy Plan
- Utility Energy Efficiency programs are expanding in 2010, and will offer a new Low Income Multifamily program!
- DHCD's Water Conservation /Low-Flow Toilet Initiative is wrapping up Round 1 projects and Round 2 awards in the works
- Energy & water reporting matter$– Having a robust data set on spending and consumption has helped DHCD make the case for getting the resources discussed above, and the data will also be used to identify cost saving opportunities in the capital improvement planning process as we transition to formula funding next year.

## ARRA Weatherization Funding

State-supported public housing is receiving $25 million of the ARRA-expanded $122 million Weatherization Assistance Program funds that came to Massachusetts from the US Dept. of Energy (DoE) in July 2009.



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617.573.1100

The $25 million must be used in housing where tenants pay for their own heat. We believe that this limits its use to family (Ch. 200 or 705) units in most state-supported public housing, but funding is not limited by program, but by who pays for heat. LHAs can spend $5500-6500 per housing unit to accomplish the following measures, in this specified order that reflects DoE's many years of evaluating energy cost-effectiveness:

- Air sealing & weatherstripping
- Repairs or replacement of expired heating systems
- Attic, wall and floor insulation, and
- Storm or replacement windows.

Since the ARRA funds come with very time-sensitive spending expectations, DHCD has already awarded design funds to Chapter 200 developments at 28 LHAs that the Capital Planning System identified as having expired heating systems. Chapter 705 units in these 28 LHAs will also be weatherized if they are eligible. These heating system replacement projects will use up to $13 million for measures in approximately 2200 units.

> **DHCD needs your help to spend the remaining $12 million on the weatherization measures noted above at other developments with tenant-paid heat (probably only Chapter 200 or 705 developments). Please use the attached form to propose sites that could benefit from weatherization. Even if you have already called to tell us about your 705s that need boilers or insulation, please send us the form so we can compile a thorough list of sites and needs. This does not apply if you already have a CAR, emergency or energy award.**

**ARRA State Energy Plan Funds**

Small grants (<$10,000) and zero interest bond funds should be available soon for DHCD innovative energy projects, funded through the ARRA State Energy Plan administered by MA Dept. of Energy Resources.

Approximately $75,000 will be available for 10 grants of $5,000-10,000 for pilot installations of two types of technology that save energy and reduce emissions. **Community Rooms at all-electric elderly developments are ideal sites for installation of:**

> *Wood Pellet Stoves* that save energy, improve tenant comfort, encourage socialization and produce minimal emissions during winter months. Somerset Housing Authority successfully installed and maintained a wood pellet stove in their community room last winter. For background on the technology, see section on "Pellet Fuel Appliances" at: http://www.energysavers.gov/your_home/space_heating_cooling/index.cfm/mytopic=12570

Or

> *Air source heat pumps* are a year-round cost-saving technology that provides heating in winter and air conditioning in summer. New technologies are available that work even in cold New England climates.
> http://www.energysavers.gov/your_home/space_heating_cooling/index.cfm/mytopic=12620

Zero interest bond funds for building energy efficiency projects will be available and may be attractive for housing authorities with significant energy savings opportunities, and an interest in

a "deep energy retrofit". The program details are coming out soon, and we'd like to identify a few sites that could achieve 30-40% energy cost reductions. Energy cost savings would be the source for bond repayment.

**Utility Energy Efficiency Programs will offer a new Low Income Multifamily program in 2010!**

Most LHAs can look forward to a new, robustly-funded, state-wide Utility Energy Efficiency Program for Multifamily Housing in 2010!

DHCD has been on a statewide working group with utility program administrators who are developing 3-year statewide energy efficiency plans that will be implemented from 2010-2012. Multi-family housing, which can include a mix of commercial and residential meters on the same property, will no longer "fall between the cracks" of the commercial, residential and low-income programs. Multi-family offerings will be the same across the state, which has not been the case until now.

The centerpiece of the program will be a "whole building" energy audit that addresses electricity and heating fuel savings in common areas and housing units, regardless of who pays electricity or heat. Efficiency measures determined to be cost-effective will be implemented either by program contractors paying prevailing wages, at no cost to the authority, or provided as grants or rebates to augment a capital improvement project that include energy efficiency measures.

Unfortunately, these programs won't be in place for housing authorities that are served by municipal electric and gas companies, since "munis" collect no fees for energy efficiency programs.

**DHCD's Water Conservation /Low-Flow Toilet Initiative**

Round One of the $1 million dollar Water Conservation /Low-Flow Toilet project is wrapping up. 3000 new toilets are flushing efficiently, and the old toilets have been recycled rather than land-filled -- most likely ground up for aggregate to be used in one of the many ARRA road repair jobs!

DHCD will award Round Two low-flow toilet awards for another million dollars later this fall. Since the initial round generated $2.6 million in requests, DHCD is not inviting new applications, but will work with the applications received last year. If you did not apply last December, but have urgent needs for low-flow toilets to solve an excessive cost, plumbing or septic system problem, contact Debra Hall at DHCD.

**Energy & water reporting matter$!**

Having a robust data set on spending and consumption has helped DHCD make the case for getting the resources discussed above. The data will also be used to identify cost saving opportunities in the capital improvement planning process as we transition to formula funding next year. Please stay current on your energy & water consumption reporting! With your help, we'll top 90% participation in reporting this year.

DHCD also wants to acknowledge the exceptional group of Executive Directors that serve on the NAHRO Energy Committee, to help DHCD prioritize opportunities for reducing operating costs and making capital improvements that minimize energy & water use, as well as improve comfort, health and safety for public housing tenants.

Thanks to these executive directors who make up the committee:

| | |
|---|---|
| Canton – Mark Roy | Chelmsford – David Hedison |
| Fall River – Dan McDonald | Northampton - Jon Hite |
| Plymouth – Joan Pimental | Watertown - Tom Wade |
| Weymouth – Roland Moussally | Woburn - Bob McNabb |

If you have any questions or comments about any of the topics in this memo, please contact Debra Hall by email debra.hall@state.ma.us or phone 617-573-1185.

Thank you!

**REQUEST FOR ENERGY & SUSTAINABILITY FUNDING & TECHNICAL ASSISTANCE**

Please prepare this form electronically to indicate your interest in various financial assistance opportunities. When complete, save and send the file by email to Debra.Hall@state.ma.us

| |
|---|
| Name of Housing Authority |
| Contact Name: |
| Title |
| Tel |
| Email |

| |
|---|
| [ ] YES, our housing authority would like to receive **Weatherization Assistance** for units where tenants pay heat! |
| I need Weatherization Assistance at these family developments: |
| Development Number(s): Chapter 200 or 705 |
| Addresses: |
| # of units |
| # of heating systems over 15 years old: |
| If boilers are newer and in good shape, does development need insulation, window repairs or replacements?<br>Insulation needs if known: Attic Walls Floors |
| Approx. # windows per unit |

| |
|---|
| [ ] YES, our housing authority would like to install a Wood Pellet Stove in the Community Room of an Elderly Development |
| Development Number(s): Chapter 667 |
| Address: |
| # of units in development |
| Current type of Heating System: Electric Gas Oil Propane |
| Community Room has a fireplace? Yes No |

| |
|---|
| [ ] YES, our housing authority would like to install an Air Source Heat Pump in the Community Room of an Elderly Development |
| Development Number(s): Chapter 667 |
| Address: |
| # of units in development |
| Current type of Heating System: Electric Gas Oil Propane |

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|---|
| [ ] YES, I would like more information about the Zero Interest Energy Conservation Bonds that may be available to fund deep energy savings (40-50%) demonstration project |
| Development Number: |
| Type of Project Proposed: |

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| [ ] YES, our LHA urgently needs low flow toilets but did not apply last December |
| Rationale: ( ) Septic system problems ( ) Recent increase > 25% in water & sewer rates |
| ( ) Other - please describe |

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| *Please take a few minutes to complete these questions that will help DHCD understand your energy issues* |
| Who provides "wires and pipes", even if you buy power and fuel competitively: |
| Electric Service Territory: |
| Gas Service Territory: |
| |
| *UNDERLINE OR HIGHLIGHT YOUR SELECTIONS BELOW* |
| How LHA purchases electricity (select one): |
| □ Electric distribution company that also delivers power – NSTAR, Nat Grid, etc.<br>□ Power Options – a non-profit energy buying consortium in Massachusetts, organized by the MA Health & Educational Facilities Authority<br>□ Competitive Supplier that generates electricity<br>□ Energy Broker selling on behalf of various suppliers<br>□ Don't know |
| Questions/ issues about electricity procurement: |
| Electricity Purchasing Contract term is for: (select one) |
| □ 1 year<br>□ 2 years<br>□ 3 years<br>□ 4-5 years<br>□ NA – market price, no contract |
| LHA has received energy efficiency services from electric company: |
| □ past 12 months<br>□ 1-3 years<br>□ 3-5 years<br>□ 5+ years<br>□ never |
| How LHA purchases natural gas |
| □ Utility company that also delivers power<br>□ Power Options – a non-profit energy buying consortium in Massachusetts, organized by the MA Health & Educational Facilities Authority<br>□ Competitive Supplier that generates electricity<br>□ Energy Broker selling on behalf of various suppliers<br>□ Don't know |
| Questions/ issues about natural gas procurement: |
| Natural Gas Purchasing Contract term is for: (select one) |
| □ 1 year<br>□ 2 years<br>□ 3 years<br>□ 4-5 years |

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|---|
| ☐ NA – market price, no contract |
| Energy conservation services needed: (choose as many as applicable): |
| ☐ Boilers<br>☐ Lighting Fixtures<br>☐ Compact Florescent Light Bulbs<br>☐ Insulation<br>☐ Appliances<br>☐ Thermostats<br>☐ Other |
| Energy & Sustainability Topics I would like to learn about & discuss at the NAHRO Fall Conference |
| Other Feedback for DHCD's Sustainability Program |

*Thank you! Please email by October 28 to debra.hall@state.ma.us!*