

# City of Alexandria, Virginia

## MEMORANDUM

**DATE:** MARCH 19, 2014

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** RASHAD M. YOUNG, CITY MANAGER *m / in / FOR*

**SUBJECT:** RESIDENTIAL ENERGY EFFICIENCY INITIATIVES - UPDATE ON HOUSING MASTER PLAN GOAL 7

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The following informational memorandum provides an update on various housing-related energy initiatives. Working with partner agencies and City Energy Manager Bill Eger of the Department of General Services on a number of initiatives, the Office of Housing is actively implementing Goal 7, “Enhancing public awareness of the benefits of healthy, well-designed and energy efficient housing that fosters the well-being of Alexandria residents” of the Housing Master Plan. Consistent with Alexandria City Council Strategic Plan Goals 2 and 5, the Eco-City Charter, the Environmental Action Plan, and the Energy and Climate Change Action Plan goal, a variety of energy efficiency and conservation efforts will make housing more affordable, more energy efficient and healthier for over 500 local households by 2015, with the potential to serve hundreds more in future years. Through formation of strategic partnerships, it has been possible to both amplify the options, resources and leverage available for City residents to improve the energy efficiency of their homes and reduce the community’s carbon footprint while limiting City investment. The initiatives described below represent real win-wins for the City.

### **Rental Housing Initiatives**

#### Brent Place

Brent Place, located at 375 S. Reynolds Street, has been selected to participate in an energy and water conservation demonstration program under the Department of Energy’s (DOE) Weatherization Innovation Pilot Program. The program uses a model known as Energy Performance Contracting (EPC) to achieve savings in utility costs as a vehicle to preserve affordability in aging rental properties by reducing operating costs. Under the EPC model, an energy service company (ESCO) performs an investment grade audit to identify energy savings opportunities and recommends a bundle of energy efficiency improvements which are intended to generate savings sufficient to pay for installation costs of the measure. In the event that annual projected savings are not achieved, the ESCO guarantees any shortfall.

Owned by nonprofit developer Homes for America, Brent Place is a 207-unit high rise affordable rental property which serves lower income households, including many families and seniors. The resident demographic has a large number of Housing Choice Voucher holders and recent immigrants to the U.S. Built in 1975, the property has had two modest renovations; in 2011, the City provided a HOME loan of \$497,477 to fund a modernization of the property's elevators. To facilitate Brent Place's participation in the DOE program, City staff plans to subordinate its loan for a period of 10 years to allow the property to take advantage of federal dollars available to fund improvements recommended by the audit. The proposed energy loan is not expected to impact the property's ability to continue to make residual receipt payments on the City loan (so far, Brent Place has made two payments of \$31,270 from surplus cash reducing its balance to \$460,282). In fact, it is anticipated that the energy efficiency measures undertaken with the DOE funds will strengthen property cash flow over time, resulting in projected 10 year savings of \$226,060 to the property's owner.

### Energy Masters Program

City staff is working with the Arlington-Alexandria Cooperative Extension Office and Arlingtonians for a Clean Environment (ACE) to expand its Energy Masters' Program into Alexandria. Energy Masters trains volunteers to work with residents of affordable rental housing to complete basic energy efficiency improvements and train households on energy conservation techniques. ACE has requested funding from the U.S. Environmental Protection Agency's (EPA) Environmental Education Model Grants Program to support the expansion of Energy Masters into the City.

Since it began approximately three years ago, Arlington Energy Masters volunteers have worked with renters in more than 300 units in Arlington County to make apartments serving low and moderate income households more water and energy efficient. Low-income renters here will similarly benefit from the project by both increasing comfort in their homes and decreasing their utility bills. In addition, trained volunteers have also conducted outreach in the community and schools, enhancing information regarding energy use and the resulting impacts on our planet. Housing is currently working with the Alexandria Redevelopment and Housing Authority (ARHA) to identify units that may benefit from participation in the program. If funded, the Alexandria component will get underway this summer. Staff is also working with ARHA to coordinate outreach and education efforts on energy efficiency through ARHA's Family Self-Sufficiency Program (FSS).

### **Owner-occupied Energy Initiatives**

#### Arlandria-Chirilagua Housing Corporation

The Office of Housing facilitated funding to Rebuilding Together Alexandria (RTA) to conduct energy efficiency improvements at the Arlandria-Chirilagua Housing Corporation (ACHC) to assist its 278 households. This initiative, funded through DOE's Energy Efficiency and Conservation Block Grant (EECBG), included both energy and water conservation measures such as installation of new toilets, replacement of inefficient refrigerators, and replacement of four HVAC units.

In October 2013, volunteers from Fannie Mae distributed weatherization kits to all residents and conducted numerous community education sessions on energy efficiency and conservation techniques. Preliminary results indicated a 25.7% reduction in energy kilowatt hours used among the participating households. RTA's volunteers also installed 13 bike racks during the fall to help residents secure and organize the large number of bicycles used by members of the community.

### Home Rehabilitation Activities

The City's Home Rehabilitation Loan Program (HRLP), primarily funded through the federal Community Development Block Grant (CDBG), assists approximately 10 low income Alexandria homeowners each year to address code violations, energy efficiency improvements, and accessibility needs. This program provides no-interest, deferred payment loans to income eligible households. Common improvements include replacement and installation of energy efficient heating and cooling systems, insulation upgrades, installation of Energy Star certified appliances and water conserving toilets and faucets. While the focus of the program is not limited to energy efficiency, funded improvements have assisted lower income homeowners in lowering their monthly utility costs and have served to reduce the City's carbon footprint.

The City also supports home repair initiatives administered by RTA through annual funding for both their year-round volunteer-based home repair program as well as for their April Rebuilding Day. In addition, the Neighborhood Stabilization Program (NSP), administered in partnership with the Alexandria Housing Development Corporation (AHDC) and RTA, offered affordable, energy-efficient, renovated homes (acquired through foreclosure or short sales) to 11 low and moderate income first-time homebuyers through a \$936,000 grant provided by the Virginia Department of Housing and Community Development. With City support, RTA is continuing this successful effort and has acquired 5 units, two of which have been sold to lower-income, first-time homebuyers.

As part of RTA's program, each unit it purchases receives an energy audit and documentation of energy efficiency and other green improvements that are completed during RTA's rehabilitation are submitted to the Office of Housing. The Office of Housing plans to link these first time homebuyers with a LEAP Energy Coach who will review the energy audit with the new homeowner, conduct a Dominion Residential Home Energy Checkup and install energy efficient light bulbs, a smart power strip and other energy saving supplies to reduce the owner's ongoing home maintenance costs.

### Local Energy Alliance Program (LEAP)

The City continues to work actively with LEAP, manager of the DOE's Northern Virginia Home Performance with Energy Star Program. Almost 500 Alexandria households have completed LEAP's online audit and 16 homes have achieved an Energy Star certification through the program. In promoting LEAP's work within Alexandria, LEAP and City staff has marketed the program at the Old Town Farmer's Market, neighborhood association meetings, and other special events such as the Northern Virginia Housing Expo.

Lynhaven has been particularly active in promoting LEAP's work, with Environmental Policy Commission member Steve Walz serving as a community "Energy Champion" working to promote LEAP's work in that area's neighborhoods. The Del Ray community is also targeted for new LEAP outreach initiatives to promote neighbor to neighbor information and participation.

CommonWealth One Federal Credit Union has also partnered with LEAP and the City to offer low interest loans to moderate-income households to affordably finance efficiency improvements, including replacement of aging systems and appliances. CommonWealth One also offers a loan program for higher income families to accomplish these same goals.

#### Community Outreach and Education

City staff expects to partner with Dominion Virginia Power in organizing consumer education workshops, including access and use of Dominion's Smart Meter data available on the company's consumer website. Among the target populations staff hopes to reach are older Alexandrians who may benefit from the utility monitoring and cost saving opportunities offered by this program. Staff anticipates coordinating outreach with the City's Office on Aging and Adult Services and AARP Virginia

The Northern Virginia Housing Expo, scheduled for March 29<sup>th</sup> at Springfield's Lee High School, will include a seminar on improving energy efficiency in your home. This is the fourth annual regional Housing Expo which is held at no cost to the City and supported entirely by sponsors and exhibitor fees. In April, staff from the Office of Housing will again participate in the City's annual Earth Day celebration to promote its residential energy initiatives.

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