Maryland Department of Housing and Community Development

Multifamily Energy Efficiency & Housing Affordability Program

Multifamily Energy Efficiency and Housing Affordability-EmPOWER (MEEHA) is funded by utility customers through Maryland utility companies and regulated by the Public Service Commission.

ELIGIBILITY

Individually and mixed metered properties located in the service territories of the following utility companies are eligible:

- Baltimore Gas and Electric Company (BGE)
- Delmarva Power
- Potomac Edison
- Potomac Electric Power Company (PEPCO)
- Southern Maryland Electric Cooperative, Inc. (SMECO)
- Washington Gas Light (WGL)

Eligibility is determined by the Maryland Department of Housing and Community Development (DHCD) but generally properties that are financed through HUD, USDA, Low-Income Housing Tax Credit, existing assisted rental housing developments, including those with project-based Section 8, and properties that have received or will receive a reservation of DHCD financing are deemed eligible.

All properties must maintain affordability restrictions for a minimum of 5 years. For properties with existing affordability restrictions, a minimum of 5 years of affordability must remain, otherwise an extension of affordability will be required. If a property has no existing affordability restrictions, a 5-year period of affordability will be imposed on the property.

Funding is available as a grant or loan. Loan terms are typically 0% interest and deferred payments for the life of the loan. The flexibility of funding types helps reach with different funding preferences and constraints.

ESTIMATED SAVINGS

A recent evaluation of completed projects found that there was an 18% reduction in electricity usage on average per unit, saving approximately 1,163 kWhs per year. This translates into annual electric cost savings of $170/unit. This does not include any savings resulting from upgrades in common areas (common area measures were not included in the evaluation).

AVAILABLE ENERGY EFFICIENCY ITEMS

Multifamily energy funds are used to make loans and grants for the purchase and installation of cost effective energy conservation measures identified by an Energy Audit. DHCD targets a package of energy conservation measures that collectively demonstrate a minimum Savings-to-Investment (SIR) Ratio of 1.1. MEEHA can fund energy conservation measures in residential units as well as commercially-metered common areas.

MEEHA-EmPOWER funds may only fund the costs of energy conservation measures which result in the reduction of electrical (kWh) or gas usage. The cost of the energy audit may be partially reimbursed at the end of project.

Projects which involve the rehabilitation of existing multifamily rental housing are eligible for DHCD's multifamily energy funding for qualified energy conservation measures as detailed in an acceptable Energy Audit as follows:

- 100% of the cost of qualified energy conservation measures that collectively demonstrate a Savings-to-Investment Ratio of 1.1;
- Partial funding ("cost sharing") of qualified energy conservation measures that collectively demonstrate a Savings-to-Investment Ratio of less than 1.1 when energy funding is matched with other funds to bring the item(s) into a Savings-to-Investment Ratio criteria compliance.

MEASURES ELIGIBLE FOR FUNDING

- Energy audit
- Air sealing, duct sealing, and/or insulation
- Interior/exterior Energy Star lighting
- Low flow faucet aerators and shower heads
- Smart thermostats
- Controls, devices or equipment which increase the efficiency of existing HVAC equipment or systems
- High performance HVAC equipment or systems
- Energy Star appliances
- High efficiency water heaters or distribution equipment
- Energy recovery ventilation devices
- Energy Star windows and roofing shingles
- Elevator motor and controls
- Variable speed pumps and/or ventilation
- Other qualifying energy conservation measures identified in the project energy audit

PROGRAM HISTORY

Reduction in SIR requirement. Originally, the program required projects to meet an SIR of 1.5 or higher to qualify for funding. The requirement has been lowered to an SIR of 1.1.

Funding for common areas. Common area electric measures were not eligible for funding until 2015.

Potential for partial energy audit reimbursement. Upfront funding for energy audit is not currently available.

"The Maryland MEEHA EmPOWER Energy Grant Program is **a wonderful resource and tool** that Homes for America has used to make tremendous improvements in terms of energy efficiency in our communities.

Without MEEHA, the cost alone would have prevented us from pursuing these upgrades. Through MEEHA, several measures were covered in full and additional items were able to be cost shared allowing us to maximize the potential savings for our residents. From the energy audit to the installation, **DHCD made the process simple for us** to ensure savings were being realized at the three communities that have received grants to date (Homes at Foxfield, Parkside Apartments and The Bradford). The retrofits lowered the workload of our maintenance staff and energy bills for our tenants. We plan to continue to utilize the MEEHA grant program at several of our properties in the future to achieve our mission of providing great housing for our low-income residents."

Frank Fudala, Vice President, Portfolio Management, Homes for America

STEP-BY-STEP PROCESS

1. Building owner completes an application and submits it to DHCD.
2. DHCD reviews the application to determine that the property is eligible for the program.
3. Building owner obtains tenant consent to release utility usage.
4. DHCD conducts an application inspection and develops a written report of potential energy conservation opportunities.
5. Building owner selects an energy auditor from DHCD's qualified auditor list.
6. Energy auditor completes a comprehensive energy audit and identifies cost-effective measures.
7. Building owner solicits contractor bids for energy improvements.
8. Building owner submits full application package to DHCD with contractor pricing and other documents needed for underwriting and legal review.
9. DHCD reviews and determines funding amounts.
10. DHCD issues a reservation of funds and sends proposed funding package to building owner.
11. Building owner reviews proposed funding package and determines if he/she wants to move forward.
12. DHCD reviews documents submitted for underwriting and legal review.
13. DHCD creates and sends grant/loan agreement to building owner.
14. Building owners reviews and signs the grant/loan agreement and returns it to DHCD.
15. Contractor installs measures.
16. Building owner submits requisition(s) for installed measures.
17. DHCD performs inspection(s) to ensure that the measures pass quality assurance tests and match the energy efficiency ratings stated in the grant/loan documents.
18. DHCD issues payment.
19. Building owner collects energy usage data for 24 months after construction is complete.

HOW TO APPLY

Complete and submit an application to multifamilyenergy.dhcd@maryland.gov

For more information, contact Turia Cook, Housing and Building Energy Programs
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