



Preservation through Smart Rehab Program

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Pennsylvania Affordable Housing Stock

- Approximately 139,000 units of existing affordable housing
- More than half are over 25 years old
- Goal is to maintain affordability for residents
- Rising cost of operations – utility costs
- PA Deregulation of Electric - 2010



Preservation through Smart Rehab

- Need to reduce consumption and expenses associated with existing affordable housing stock.
- Key – the Energy Audit
- Recommendations for 10 year payback with identified savings from capital improvements
- Up to \$500,000 anticipated per property



Energy Audits

- Must be comprehensive and detailed
- Analyzes a development's
 - Heating;
 - Cooling;
 - Water heating;
 - Plumbing;
 - Lighting;
 - Ventilation;
 - Elevator; and
 - Building envelope systems.



Energy Audits

- Analyzes past energy usage
- Must provide
 - List of energy savings measures
 - Estimated installation costs
 - Energy savings
 - Utility cost savings
 - Payback period
 - Life cycle cost savings
 - Savings to investment ratio



Energy Audits

- Energy Auditor must have the Building Performance Institute (BPI) Multifamily Analyst certification (or similar designation)
- PHFA to reimburse owner for portion of audit cost



Energy Audit Training

- Pennsylvania has very few certified BPI Multifamily Analysts
- PHFA is sponsoring Energy Audit Training
- Goal – 45 new professionals
- PHFA is partially funding the cost of the training program



Energy Improvements

- Determination of energy savings for improvements with 10 year payback
- Review of scope of work and specifications
- Determine available funding sources



Committed Funding Sources

- PHFA
- MacArthur Foundation
- Rural Development – 515 Demonstration Funds
- ARRA – Weatherization Funds
- Project Reserves
- Utility Companies



ARRA Weatherization Funds

- Pennsylvania allocated \$22.5 million to PHFA for multifamily activities
- State Weatherization Plan includes owner contributions
- Working with state to meet training/certification requirements for workers



Program Monitoring

- PHFA to provide project oversight during construction
- PHFA disbursing agent for project funding
- PHFA will monitor consumption and costs post improvements



Example – Canon House

- Canon House is an eight-story high-rise apartment building for seniors.
- Built in 1977 – 104 units
- Heating is electric and is paid by the project
- Utilities – Electricity, Water and Sewer are averaging \$120,000 annually, or 13.6% of rental income



Energy Savings – Canon House

Projected 2009 Deficit	(\$15,000)
Energy Savings	<u>\$47,610</u>
Revised Projected Net Savings	\$32,610
Supportable debt	
6.50% for 10 years	\$191,400



Energy Savings – Canon House

Total Cost for Improvements	\$400,782
Supportable Debt	<u>\$191,400</u>
Other Funding Needed	\$209,382



Contract Information

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