

NCSHA 2016 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 15, 2016

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact awards@ncsha.org or 202-624-7710.

Fill out the entry name *exactly* as you want it listed in the program.

Entry Name: _____

HFA: _____

Submission Contact: (Must be HFA Staff Member) _____ **Email:** _____

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

Use this header on the upper right corner of each page:

HFA: _____

Entry Name: _____

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

Solarize SSHP
NCSHA 2016 Annual Awards Entry
Special Achievement

| Summary

Connecticut has the highest cost of electricity among the contiguous United States. As steadily increasing energy prices give rise to an emerging market for renewable energy generation, the lowest-income households – those most vulnerable to high energy costs – continue to be locked out of the market. Simultaneously, the State of Connecticut is investing in the revitalization of its State-Sponsored Housing Portfolio (SSHP), a statewide portfolio of low and moderate-income multifamily properties that are home to over 14,000 families and seniors. A key component of this investment is the promotion of long-term sustainability, including the leveraging of resources to increase energy efficiency. The Connecticut Housing Finance Authority's (CHFA) *Solarize SSHP* program brings a sustainable, clean energy solution to those who otherwise would not have access to it.

Solarize SSHP provides access to low-cost, renewable energy opportunities for residents and owners of properties in the SSHP. Through the program, the installation of solar photovoltaic (PV) systems will help lower properties' and residents' monthly electric bills and reduce the SSHP's impact on Connecticut's environment.

At its core, *Solarize SSHP* is:

- **RESPONSIVE** to the growing energy burden faced by Connecticut's low-income households
- **EFFECTIVE** in bringing solar to over 500 families in 2016 alone, saving the annual equivalent in energy of taking 120 cars off the road.
- **INNOVATIVE** by leveraging low-interest financing to provide affordable housing owners and residents access to renewable energy that would otherwise be out of reach.
- **REPLICABLE** in its strategic use of Qualified Energy Conservation Bonds (QECCBs), a resource to which all states have access but most have underutilized.

| A Responsive Solution

While Connecticut's high electricity rates impact the state's residential sector as a whole, elevated energy prices are disproportionately felt by the lowest income households. In a typical home, affordable energy accounts for about 6% of a household's income. According to a 2015 study conducted by Connecticut-based Operation Fuel, for households earning at or below 25% of area median income (AMI), energy costs range from 19-37% of income. Indeed, escalating energy costs play a major factor in renters' decision making process. A recent statewide survey of renters found that energy efficiency was as important as overall affordability.

The impact of this energy burden is amplified in SSHP properties as nearly half of all residents earn less than 25% AMI. Under *Solarize SSHP*, owners of participating properties lock in below-market electricity rates for up to 20 years, protecting the property and its residents against potential rate hikes. In

communities where SSHP properties represent housing of last resort, this can have a substantial impact on quality of life.

Since the program began in fall 2015, ten properties with a total project cost of \$2.5 million have been approved under the initial round of *Solarize SSHP*. As of June 1, 2016, the first seven solar installations have gone "live" and the remaining systems will be energized by early July. Once complete, the systems are expected to save a combined 1,000 kilowatts of electricity per year, the energy equivalent of taking 120 cars off the road. Over the 20-year period of the systems' useful life, these properties combined will save over \$1.1 million on electricity for 566 units. A second round of *Solarize SSHP* is underway for 2016, with projects expected to be placed in service by Q2 2017.

| An Innovative Approach

Solarize SSHP is a product of a CHFA-initiated public-private partnership dedicated to increasing energy conservation opportunities throughout the state. First, CHFA identified proceeds from Qualified Energy Conservation Bonds (QECBs) to support the program. Created by Congress in 2009 under the American Recovery and Reinvestment Act, QECBs are taxable bonds subsidized by the IRS to allow for low-cost financing of publicly supported energy conservation projects. While QECBs were allocated to each state on a per capita basis, few states have utilized them for multifamily housing and only Connecticut is supporting programs specifically designed to promote accessibility to renewables for low-income households.

Critical to the success of *Solarize SSHP* was creating a partnership that provides necessary financial, technical and operational support. CHFA then solicited the CT Green Bank (CGB) as a key partner. CGB is a quasi-public agency created to facilitate clean energy investment. CGB agreed to oversee the installation and operation of the solar systems.

Funding is administered on a property-by-property basis using Power Purchase Agreements (PPAs), wherein CGB owns, operates, and maintains the solar PV systems, and the property owner agrees to purchase the system's electric output for 20 years. This PPA structure enables properties to realize the benefits of low-cost, renewable energy without the responsibility and liability that comes with owning and maintaining the solar systems.

The cost of installation is further supported by zero-emission renewable energy credits (ZRECs) provided by local utility companies, and by equity raised through private investment in federal Energy Investment Tax Credits. This partnership with the utility companies will provide greater access to incentive programs that will promote additional investments such as LED lighting and high-efficiency heat pumps.

Finally, to ensure the overall effectiveness of *Solarize SSHP*, CHFA will monitor each project's performance through WegoWise, a leading online provider of monitoring and analytics solutions for minimizing the water and energy use of multifamily homes. This data will not only help CHFA assess the program's impact; it can be shared with property owners to identify opportunities for further energy conservation measures.

| Achieving a Broader Impact

The impact of *Solarize SSHP* extends beyond those who will benefit from cleaner, reduced cost electricity. Energy conservation measures installed through the program help to leverage non-state resources in the effort to revitalize an aging portfolio. With more 14,000 units at over 300 properties across the state, Connecticut is home to one of the largest state-supported housing portfolios in the nation. Governor Dannel Malloy has committed \$300 million toward a 10-year revitalization effort to ensure long term sustainability of the SSHP. To prioritize the investment of these funds, CHFA and the CT Department of Housing have deployed a portfolio-wide capital plan that considers the physical, financial and operational needs of the SSHP properties. This plan identified the need to leverage alternative resources as a crucial component of an effective revitalization strategy. The combined cost of the initial phase of PV systems is approximately \$2.5 million. This investment allows the state's limited resources to be used for other projects.

From a policy perspective, *Solarize SSHP* cuts across a number of statewide initiatives. The Governor's "2013 Comprehensive Energy Strategy for Connecticut" encourages energy conservation and promotes the use of renewable resources in affordable housing. In February 2016, Gov. Malloy joined 16 other governors to sign the "Accord for a New Energy Future," which includes plans to expand sources of clean energy like solar PV. Additionally, CHFA's "Energy Efficiency Policy" further supports the use of renewable and alternative energy in the housing it finances.

Solarize SSHP also successfully facilitates the preservation of affordable housing through the comprehensive SSHP revitalization effort to achieve the following objectives:

- Position the SSHP on a sustainable trajectory that allows each property to address its capital needs and be self-sustaining for the long-term;
- Protect current residents from economic displacement;
- Leverage as much non-State and private funding as possible; and
- Stretch the State's resource commitment for the greatest possible effect.

By offering property owners accessible, low-interest financing and full-service technical support, *Solarize SSHP* effectively bridges the "solar gap" to deliver clean, renewable energy to those who need it most: low income families and individuals. More broadly, *Solarize SSHP* has helped raise awareness among SSHP owners of the resources available to reduce energy consumption and save on utility costs. In April 2016, the state's utility companies pledged more than \$1.3 million in energy efficiency incentives to SSHP properties, more than three times the amount provided in 2015. And there are indications that private providers are creating products that replicate the *Solarize SSHP* model to reach the affordable housing market.



Connecticut Housing Finance Authority and Connecticut Green Bank are proud to announce the second round of **Solarize SSHP**, a program that provides low-cost, renewable energy opportunities to owners of properties in the State-Sponsored Housing Portfolio.

Streamlined Process

Once you provide us with some basic information on your property, Connecticut Green Bank and its energy team will conduct an initial assessment to determine if solar is the right fit for you.

We will then provide you with an easy-to-understand summary of the options for going solar, and what those options mean in terms of dollars and cents.

There is no cost or commitment for this initial assessment.

A Greener Connecticut

Once online, the initial phase of Solarize SSHP projects will save the annual energy equivalent to taking 120 cars off the road.

With your help, we can double that number by 2017!

Join the Movement

More than a dozen SSHP owners from across the state are already enrolled in Solarize SSHP. From Brookfield to Newington to Colchester, SSHP properties and their residents are poised to go solar by spring 2016.

Get started today! Contact Marcus Smith at marcus.smith@chfa.org or (860) 571-4314.



***"Thank you** for such a positive experience. Now let's make some solar power!"*

*Melinda Harvey,
Executive Director
Newington Housing Authority*



Solarize SSHP

Program Overview



| The Players

Connecticut Housing Finance Authority (CHFA)

Issues the bonds and finances most of the installation cost through Qualified Energy Conservation Bonds. CHFA also maintains a close relationship with the owners and property management staff through its Asset Management division.

Bank of America

As the purchaser of the QECB issuance for Solarize SSHP, Bank of America plays a key role in the financial support of the program. To date, Bank of America has invested more than \$8 million in QECB-funded energy conservation projects across Connecticut.

Connecticut Green Bank (CGB)

A quasi-public state agency charged with promoting clean energy investment, CGB coordinates the installation, maintenance and operation of the systems. CGB also provides technical assistance to the owners and property management staff. Private equity through the federal Energy Investment Tax Credit is facilitated through the agency's network of energy-conscious investment partners.

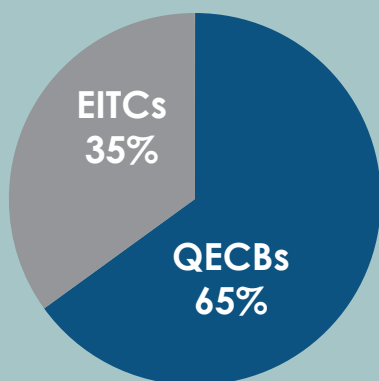
Utility Companies (Eversource and United Illuminating)

Provides a critical monthly operating subsidy through the zero-emission renewable energy credit (ZREC), which promotes "behind-the-meter" generation of renewable energy.

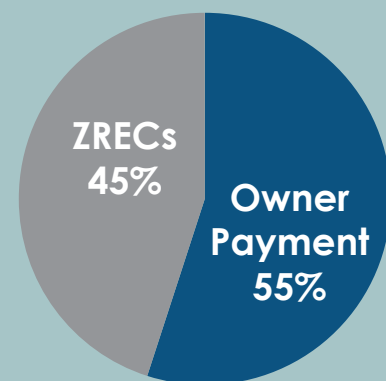
WegoWise

A leading online provider of energy monitoring and analytics solutions, WegoWise is providing CHFA with utility usage data that can be used to track and assess the impact of each project. This data can also be shared with property owners to help identify opportunities for further energy conservation work.

| The Financing



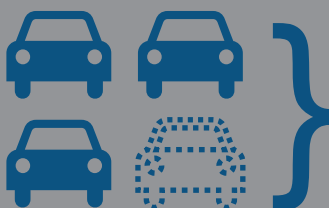
Est. project cost = \$2.5M



Annual debt service on QECBs

| The Benefits

Projected impact of the first 10 system installations, which serve a total of 566 units of low-income rental housing.



Saves energy equivalent of taking **120 cars** off the road every year.

\$1.1 Million
Estimated electricity savings over 20 years.