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NATIONAL ASSOCIATION FOR STATE COMMUNITY SERVICES PROGRAMS

Transforming Low Income Communities Through Energy Efficiency

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February 27, 2015



Introduction

- **Fuel Poverty** in Low Income America;
- Related problem of **Affordable Housing**;
- What Can We Realistically Do in the Near Term:
 - Financing and incentives;
 - Public & Private Partnerships;
 - Emphasize Non-Energy Benefits of EE;
 - Promote Greater Public Awareness; and
 - Stronger Support for Existing Resources like WAP, LIHEAP & HUD Programs like Hope VI



Energy Burden of Low Income Americans

- Residential energy use is 22% of total energy consumption;
- Americans spend \$230B annually on home energy;
- Low income households spend between 17% and in some cases 50% of their disposable income to heat and cool their homes;
- Middle class Americans spend about 4% to 5% for home energy;
- Existing programs like WAP reach only a small % of eligible clients; 7.4 million homes Weatherized; 30 million additional homes are currently eligible.



Priority Problem: Manufactured Housing

- 7% of housing in the U.S.; largely in low income rural areas; 17 million residents of mobile homes;
 - Most energy *inefficient* housing;
 - Median annual income for residents is \$30K;
- No HUD standards before 1976; health and safety issues; 2 million mobile homes are pre 1976;
- Residents spend more than twice as much on energy per square foot of living space compared to occupants of site-built homes.



Priority Problem: Multifamily Housing

- 30% of U.S. population lives in multi-family housing, which tend to be older properties;
- Studies show that 3.4B in annual utility bills could be saved with multifamily upgrades;





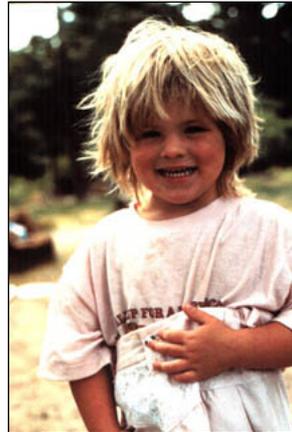
Public Housing & HUD Assisted Housing

- 5% of Americans live in subsidized housing;
- Huge opportunities for energy efficiency;
- Increasing use of energy service or ESCOs;
- Energy Savings Performance Contracts;
- The ESCO designs, installs, and maintains the EE solutions;
- Energy savings are used to pay back the cost of the ESCO over a 5 to 15 year period.



Fuel Poverty

- Low-income households who spend more than 10% total income on energy needs suffer from fuel poverty;
- Low-income families often choose between heat and other necessities
- Health and safety problems are greater in low income housing stock, whether single family or multifamily;
- Fuel poverty & affordable housing need are closely linked





Related Problem of Affordable Housing

- 18 million Americans (renters and homeowners) pay more than 50% of their annual incomes for housing;
- Only 1 in 4 eligible families receive housing assistance (24% of 19 million families). Source: Urban Institute
- A family with one full-time worker earning the minimum wage cannot afford the local fair market rent for a two bedroom apartment anywhere in the U.S. Source: www.HUD.Gov



Rental Housing Demographics

- 35% of Americans (43 million) are renters, according to the Harvard Joint Center for Housing Studies;
- Out of that number, one quarter have incomes under \$15K annually, and another quarter have incomes of \$15K to \$30K annually;
- Only 17% of renters earn more than \$75K annually;
- www.jchs.harvard.edu



Aging Rental Housing

- Structural problems
 - Wiring and plumbing problems
 - Poorly maintained
 - Neglected heating systems
- 
- Half of unassisted rentals available for \$400 a month or less were built more than 50 years ago and are likely to have serious health and safety problems;
 - At the height of the height of the recession, the share of renters paying more than 30% of their income for housing rose to 50% of all renters (Harvard Joint Center)



What Can Be Done in Near Term:

Financing is Key

- On bill financing (or on bill payment);
- Overcome split incentives;
- State revolving funds for “up front” funding;
- Key is for payback on upgrades plus regular bill to be less for consumer than regular energy bill;
- Social Impact Bonds;
- Green leases;
- Energy service agreements and ESCOs;
- Residential PACE



What Can Be Done

- Greater Public Awareness
- Many people are unaware of existing programs;
- Wary of getting involved with government agencies; and
- Unwilling to take on the paperwork burden;
- Need for public education and awareness campaign targeting low income households;
- “Energy Efficiency Works” theme.





Emphasize Non-Energy Program Benefits

- Health and safety; Healthy Homes Initiative;
- Higher property valuation and tax revenues;
- Community revitalization;
- Program evaluation only measures costs versus reduction in energy bills; undervalues energy efficiency investment;
- Reducing air infiltration and carbon footprint;
- Integrating new technologies for “Aging in Place;” and
- Rely on Public/Private Partnerships: Baltimore example



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Stronger Support for Existing Programs

- Stringent federal budget;
- FY 2016 Budget Resolution & Sequestration;
- “Louder” support needed for WAP, SEP, LIHEAP & HUD programs
- Build coalitions between EE and Affordable Housing groups;
- Low Income Housing Tax Credits;
- Better organized advocacy to bring “success stories” to the Hill.





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Habitat for Humanity 2015 Shelter Report



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“Less is More: Transforming Low Income Communities Through Energy Efficiency”

www.Habitat.org

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