



EMERALD CITIES SAN FRANCISCO BAY AREA

EE Projects in Multi-Family Affordable housing: A Case Study

ACEEE Conference

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Emerald Cities San Francisco Bay Area: Who We Are

- Coalition of labor, city governments, community groups, workforce training programs, affordable housing developers/advocates and business investors
- Emerald Cities chapters across US include Cleveland, Los Angeles, New York, Oakland, Portland, Providence, San Francisco & Seattle
- 29 member organizations in SF constitute our diverse stakeholders



Multi-Family Housing: What We Do

- Identify Opportunities to reduce energy, water and operating costs and generate renewable power
- Engage the Community through jobs, training and education
- We facilitate financing terms and structures that are appropriate to the assets and owners' needs
- Negotiate Community Workforce Agreements with Labor Unions, CBOs & workforce partners



Affordable Housing and EE: Needs

- Overall Management Techniques to address time and capacity challenges of owners
- End-to-end solution for client needs
- Unbiased technical support and understanding of client barriers and opportunities
- Barriers are regulatory, financial and capacity driven



Affordable housing EE: Sector Barriers

- Complexity of distributed ownership
- Challenge of financing building upgrades for work with complicated financing/ownership structures
- Split Incentives between owner and tenants
- Savings estimates accuracy, persistence of savings
- Integration of construction in an occupied properties leading to longer timelines
- Longer contracting process



Affordable Housing SF Case Study: EE Pilot

- Completed pilot energy retrofit project in 2012
- Funded by a \$700K Stimulus Bill grant from SF Mayor's Office of Housing to retrofit 4 buildings
- Facilitated negotiation of *Community Workforce Agreement (CWA)* between SF Building Trades and owner, including Community and workforce partners



Multi-Family CWA Highlights

- SF Building Trades Council negotiated with community representatives
- Trades and Community take a step towards working together in the EE sector
- Trades and Contractor utilize the maximum allowable number of apprentices on a trade-by-trade basis.
- “Community Apprentice” (second apprentice called to jobsite) ensures at least 50% of apprentices are disadvantaged SF residents, from CityBuild or other trade-certified pre-apprenticeship programs in SF
- Goal of at least 33% of all work to be performed by disadvantaged SF residents.
- Emerald Cities SF has standing to grieve on certain clauses in CWA and empowered to monitor outcomes
- Trades and Contractor agree to joint outreach efforts to Disadvantaged Business Enterprise (DBE) subcontractors



Multi-Family CWA Outcomes

- Met commitments made by the trade unions, contractors, and owner in the *Community Workforce Agreement*
- Ensured CWA compliance with weekly certified payroll data from City
- As a result of the project, eight journey-level jobs and two apprentice jobs were created; of whom six were local SF residents



Affordable Housing SF Case Study: Proposed Project

- Project developed by proven and experienced team
- Excellent working relationship between project stakeholders
- \$5M project investment, 20 buildings 1166 units
- Economically Viable – Saves at least \$600k per yr.
- Bankable Finance Plan and Contract Structure
- Addresses Critical Needs
- Creates 30 Green Jobs
- Supports the Local Community



Case Study: Financing and Structure

- EE and solar project across portfolio:
 - Off-balance sheet financing
 - No debt on properties
 - No cross-collateralizing properties.
 - No negative impact on Re-fi of properties
 - Project cost paid and guaranteed entirely by savings in energy bills



Barriers to Project Completion

- Internal Capacity of affordable housing owner/developers
- Perceived lack of transparency and accountability in Energy Performance Contracts
- Inability for non-profit owners to take on repayment risk based on unreliable project savings
- Competing priorities such as re-syndication of properties outweigh the asset management priorities for more efficiency
- Rebates are not enough to implement deeper retrofits, only low-hanging fruit



Factors for Success

- Customer engagement tools that complement technical know-how of engineers and financiers
- Financing tools (OBR, PACE) alone will not address the complex needs of this sector
- Create a whole package solution that integrates the financing and engineering tools, but provides a practical roadmap to getting there