

Memorandum

AIC Multifamily Initiatives

To: Seth Craig-Snell, SCS Analytics, Fred Wu, AIQUEOUS , Ameren Illinois Company
From: The Opinion Dynamics Evaluation Team
Date: July 25, 2022
Re: Summary of Findings from 2021 Property Manager Interviews

This memorandum summarizes findings from in-depth interviews that Opinion Dynamics conducted with property managers who participated in the 2021 Ameren Illinois Company (AIC) Multifamily Initiatives.

Multifamily Initiatives Description

AIC offers a group of Multifamily Initiatives designed to provide a range of measures that result in lower energy use, lower costs of living, and increased comfort for tenants of subsidized or low-income heavy, publicly owned housing serving low-income customers, and non-subsidized or market-rate multifamily buildings with three or more units. AIC serves these multifamily residents through IQ Multifamily, the Public Housing Initiative, and the Multifamily (market rate) Initiative, respectively. Overall, the delivery channels and measure offerings for these initiatives are similar, with some variation. These measures typically include standard and specialty LEDs, thermostatic shower valves, low-flow showerheads and shower handles, faucet aerators, advanced thermostats and power strips, door sweeps, pipe insulation, attic insulation, air sealing, and switch and outlet plate gaskets, as well as more comprehensive upgrades like HVAC units.

AIC transitioned the delivery of the Multifamily Initiatives to a “one-stop shop” model beginning in 2020. The goal of the one-stop shop model is to make access to Multifamily and other portfolio Initiative offerings as streamlined and seamless as possible for property owners/managers and Housing Authorities. AIC provides property managers with a single point of contact, who guides them through the process of accessing offerings from multiple distinct AIC Initiatives. Outside of the traditional Multifamily initiative offerings, properties work with EAs to access Bulk Appliance rebates or recycling incentives, exterior lighting or other equipment retrofits if qualified. This delivery model provides the property manager with an opportunity to develop a trusted relationship with their Energy Advisor (EA), through whom they can obtain project management and technical assistance on any aspect of their project(s). Figure 1 below summarizes the stages of participation.

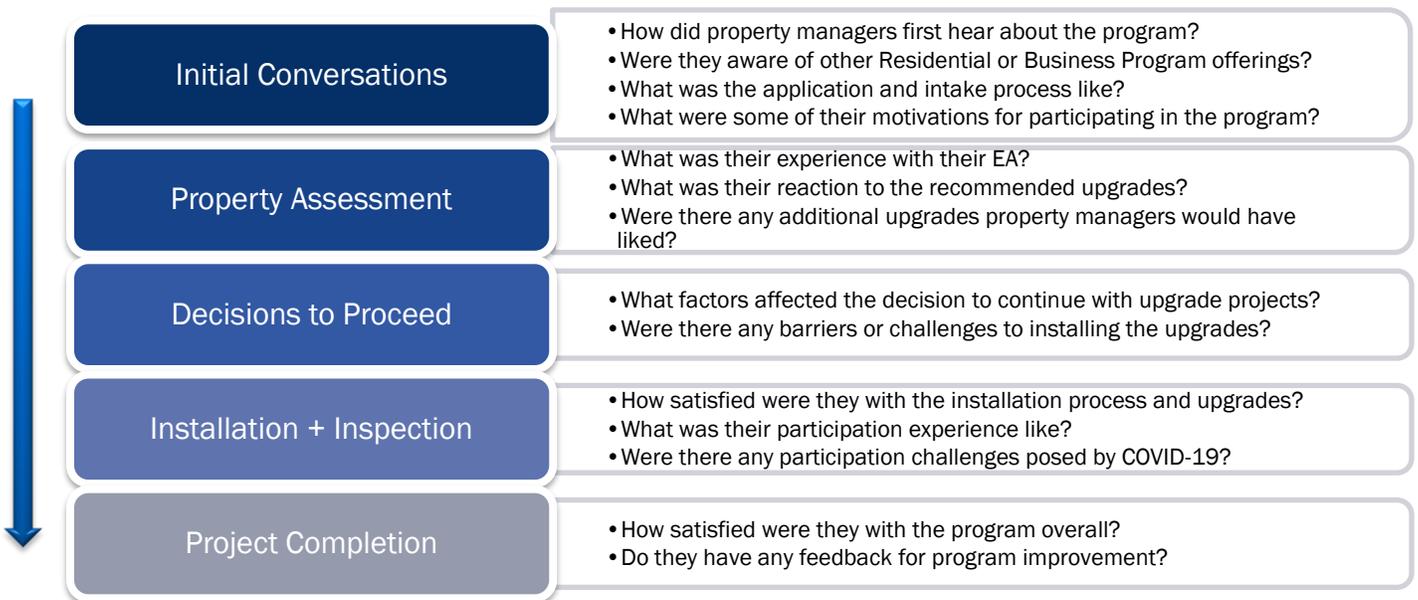
Figure 1: Stages of Initiative Participation



Research Objectives

The overarching objective of this research is to understand property managers' experiences with the new one stop shop design. The interviews gathered feedback on property managers' decision-making processes for completing general property and high efficiency upgrades; property manager satisfaction and experience with Initiative components; challenges or barriers they faced throughout the duration of the participation process; and opportunities for initiative improvements. Figure 2 presents interview research questions by the participation stages previously outlined in Figure 1. Property managers were all interviewed after project completion.

Figure 2: Stages of Participation and Related Research Questions



Key Findings and Conclusions

Overall, AIC's Multifamily Initiatives are successfully utilizing the best practices of a one stop shop delivery model. These key findings are based on eight property manager interviews. Six of the interviews were conducted with property managers who participated in the IQ Multifamily Initiative and two participated in the Public Housing Initiative.

- **Key Finding #1:** All eight property managers were very satisfied with the Initiative and the one stop shop approach. Property managers indicated that they and their tenants were happy with the upgrades. One property manager who replaced outdated in the wall AC units with ductless heat pumps through the Initiative said that their tenants have reported savings of up to 50% off their monthly electricity bill.
- **Conclusion:** AIC's transition to the one stop shop delivery model was successful. Property managers were happy with the Initiative measures and felt that they were able to maximize their savings.

- Key Finding #2: All eight property managers indicated that they were satisfied with their EA. This one point of contact made the participation in the program a smooth process. All property managers had a clear understanding of the participation process and found the EA to be helpful.
 - Conclusion: AIC Multifamily Initiatives successfully leveraged the one stop shop best practice of providing a single point of contact (SPOC). This SPOC was a key element of why property managers participated in the Initiative and were satisfied with their experience.
- Key Finding #3: Participating property managers were motivated to participate due to the ease of the application process and the financial benefits to property managers, as well as the increase in quality of life for their tenants.
 - Conclusion: The Initiative utilized the one stop shop best practice of a single application process. The support of a SPOC (EA in this case) in combination with this single application process was an important motivator to participation that should continue to be leveraged by the Multifamily Initiatives.
 - Conclusion: The increase in quality of life for multifamily tenants is a retention tool for property managers to keep current, responsible tenants. For example, one property manager noted that although each tenant pays their own electricity bill so bill savings are passed on to the tenant, it was important for him to jump at this opportunity to install ductless heat pumps in each unit. This property manager indicated that HVAC improvements would ultimately improve the comfort and provide energy savings to his tenants, which would keep them happy. The benefits to tenants encourages them to stay and allows property management to retain excellent tenants that pay their bills on time and take care of their units resulting in less damage or repairs needed to these units. The Initiative has the opportunity to leverage this type of success as a case study in marketing its benefits to other property managers.
- Key Finding #4: Barriers for property managers to participate in the Initiative include: structural limitations of the building, budget constraints with public housing, and possible need for longer timelines.
 - Conclusion: Barriers to participation in the Multifamily Initiatives remain, especially when it comes to the budgets and uncertainty for low-income housing and public housing with government assistance unknowns and constraints. The continued support through the one stop shop delivery model will be important for the increased success of these Multifamily Initiatives. One best practice of the one stop shop model is to have the SPOC assist in identifying funding sources and financing options like grants for projects, although the overwhelming majority of projects do not have copays and do not require financial resources. The EA's relationship with each property manager and assistance in accessing funding sources for energy efficiency project upgrades (if needed) is an important aspect of the Initiatives support for property managers.
- Key Finding #5: One property manager replaced outdated and drafty AC units installed in the exterior wall of each unit with ductless heat pumps. The property manager was enthusiastic about the significant improvements to the units, the quality of life of tenants, and tenant's electricity bill savings; however, he did indicate that he kept in the electric baseboard heat in each unit in case the ductless heat pumps could not handle the cold winter weather. Admittedly, his tenants did not need to turn on their electric resistance heat during the winter months. This behavior presents a challenge of the Initiative in technology acceptance of ductless heat pumps and their performance during cold weather days.

- Conclusion: Participating property managers and potential participants may require additional education on the benefits and performance of ductless heat pumps in cold weather as this measure is increasingly integrated in the Initiative in 2022. This finding presents an opportunity for AIC to increase education and assistance as a result of the one stop shop model.

Sampling and Outreach

The evaluation team developed the sample population of property managers based on the list of property managers who completed projects during 2021 and for whom the Initiative tracking data included adequate contact information. We combined observations with the same contact name and phone number into one contact (resulting in 50 contacts).

We contacted each property manager multiple times through multiple touchpoints. Initial outreach was through email and then we followed up with telephone outreach.

We completed in-depth interviews with eight property managers. Six of the interviews were completed with property managers who participated in the IQ Multifamily Initiative and two participated in the Public Housing Initiative. We did not complete any interviews with Multifamily (market rate) property managers, which may limit the generalizability of these findings to that sector.

Detailed Results

The following subsections summarize results from the property manager interviews.

Awareness, Motivations, and Decision-Making

We asked property managers about how they heard about the Initiatives and the most common response was through direct outreach from an AIC representative. Five of the eight property managers became aware of this Initiative through direct outreach from the Initiative: one with marketing outreach left behind at the property and four from direct telephone outreach from an AIC representative. The remaining three property managers heard about the Initiative through a contractor (two) and the AIC website (one).

We asked property managers what their motivations were for participating in the Initiatives. The most frequent answers were improving the quality of life for tenants (four) and the ease of application and limited costs for both themselves and tenants (four). One property manager noted that:

“The overall benefits to our property and our community as a whole were what made us decide to participate.”

Another emphasized to the ability to generate “clean and affordable housing” for residents as a top driver for initiative participation and they also highlighted the long-term savings from the installations. A few others mentioned the motivation to save not only energy, but also on costs for upgrade projects that would have needed to occur in the future.

“Our goal is to have good, clean, affordable housing for those who are income restricted... that means looking down the road to see what is it that we can do, that can cut cost in an efficient way.”

In terms of decision-making, the Public Housing property managers have the most nuanced process for moving ahead with energy efficient upgrades. Each of them discussed budget restraints as a primary factor in

installing measures, given that their properties are government-subsidized and rely on allocated funds for all operations, including any upgrades or equipment purchases. Any changes in the budget could limit or increase the flexibility to decide what measures can or cannot be installed. Some of the other property managers discussed basing their decisions on the value of going ahead with these projects *now* while the opportunity for assistance from AIC was available.

Participation Experience and Satisfaction

All property managers (eight) reported being satisfied with their participation experience and their interactions with the EAs; with some noting that it was a “great” and “fairly simple” experience with an “easy” process. They said the process was succinct, guided, and designed in such a way that prevented any major hiccups. Part of this satisfaction came from the streamlined assistance of the EAs who served as a one-stop-shop for all questions and concerns relating to initiative scope, participation, and execution. Most participants (seven out of eight) noted high satisfaction with their EAs and emphasized the support they provided in aiding them through the process. One property manager said his EA “was extremely professional, extremely thorough.” Two others highlighted the strong communication and smoothness to the process overall. Only one property manager identified some hiccups with delivery of the equipment but noted that this really did not have a negative impact on her experience with the Initiatives overall.

In terms of the installed measures, all (eight) property managers were satisfied with the upgrades for which they were eligible and the ability of the initiative to alleviate costs for these projects. One noted that despite high gas prices and the challenges posed by the age of the building, the upgrades installed by AIC helped to “minimize what would’ve otherwise been a pretty heavy cost and continued energy burden.” Others also spoke to the benefits provided to the tenants, both in terms of comfort and savings. One property manager who oversees a senior living facility said, “the handheld showerheads were the absolute best feedback that we’ve ever received.” Another manager noted that tenant satisfaction and improved comfort and savings translates to an improved quality of life and is an important retention tool for property managers like himself. This property manager said this about their satisfaction with the equipment:

“We are just elated with everything, and the equipment – the renters are just in shock... In fact, one lady over the weekend, she said, ‘My electric bill’s in half.’”

While satisfaction was relatively high, two property managers mentioned that they would have liked to receive weatherization upgrades; specifically, new window insulation. Another mentioned wanting compatible fixtures to come with the LED bulbs. A fourth manager mentioned that the faucet aerators were clogging, and the maintenance staff continued to get calls about the aerators. Nonetheless, all four were satisfied with the upgrades they received.

Challenges and Barriers

Of the eight property managers interviewed, five provided specific challenges and barriers that either did or would potentially prevent property managers from going ahead with certain projects.

- One manager mentioned the structural design of their property and extended timeline of project work as challenges to moving forward. The extensive work necessary to install attic insulation and run HVAC lines prevented that manager specifically from moving forward with attic insulation, and they focused on having ductless heat pumps installed instead.

- One property manager indicated that the multifamily building was extremely old and he felt that the Multifamily Initiative offered many opportunities for upgrades but there were limitations to the energy efficiency they could achieve without a complete overhaul of the building.
- The two Public Housing property managers we interviewed discussed budget restraints as a primary challenge. As public housing budgets can change from year to year, allocated resources strictly determine which measures can be covered with the allotted funds. This budget constraint poses a conflict for property managers to decide whether to abandon the project altogether or install the upgrades while there is additional funding.
- Finally, one manager mentioned potentially having AIC elongate their project timeline a bit more to accommodate unique property operations such as theirs (but they made clear they were still satisfied with the initiative and upgrades). In this case, the manager felt pressure to provide an exact date that all measures would be installed and found this difficult to agree to with COVID impacts. This barrier is more of a specific COVID-related concern, as they could not allow outside technicians to come in to install the measures directly in each unit. However, the EA's desire to keep this project on a tight and specific timeline speaks positively to the Initiative's implementation efficiencies.

Beyond these barriers that they experienced themselves, property managers speculated what could potentially be barriers for similar properties to participate in the Initiatives. One manager discussed that pushback from tenants in the building could potentially be a barrier. Another identified not having enough staff or time dedicated to coordinating with AIC as a potential hinderance to participation. A third brought up the hassle of paperwork as a deterrent, given that this initiative demands a "certain motivation you have to have as an owner to jump through the hoops."

One property manager replaced outdated and drafty AC units installed in the exterior wall of each unit with ductless heat pumps. The property manager was enthusiastic about the significant improvements to the units, the quality of life of tenants, and tenant's electricity bill savings; however, he did indicate that he kept in the electric baseboard heat in each unit in case the ductless heat pumps could not handle the cold winter weather. Admittedly, his tenants did not need to turn on their electric resistance heat during the winter months. This behavior presents a challenge of the Initiative in technology acceptance of ductless heat pumps and their performance during cold weather days.

Lastly, we asked property managers specifically about any negative impacts from COVID-19. Two of the eight property managers indicated that their facility manager installed the measures in each tenant unit so that it could be done in a timely fashion while also working around tenant availability with the need to quarantine and limit outside staff into the building. One of the eight property managers mentioned that they needed to video conference with their EA through the application process and this made participation a bit harder, but they were able to work around this barrier.

Appendix A. Interview Guide

Instrument

The Interview Guide is a tool to guide process evaluation interviews with initiative participants. The guide helps to ensure the interviews include questions concerning the most important issues being investigated in this study. Follow-up questions are a normal part of these types of interviews. The depth of the exploration with the respondent will be guided by the role that individual played in the program's design and operation, i.e., where they have significant experiences for meaningful responses. The interviews will be recorded and transcribed with the participant's permission.

The purpose of these conversations is to solicit feedback on property owners' overall experience participating in the Initiative. We will also assess their reactions to AIC's one stop shop delivery model and solicit relevant feedback on how to improve ease of access and implementation of these services for their properties and tenants.

Introduction

Thank you for taking the time to speak with us. To give you some context for why we're having these conversations today, I work for Opinion Dynamics, a research company working on behalf of Ameren Illinois to help them identify and refine best practices for implementing their multifamily energy efficiency offerings in order to continue to enhance the customer participation experience and identify potential areas for improvement moving forward.

[IF MORE THAN ONE PROPERTY] Please note that we will be discussing your experience receiving upgrades in each of your properties together, so it is my hope that we can cover these properties simultaneously today. If at any point you feel it's important to make a distinction or note a difference in your experience across the properties, please feel free to do so.

Do you have any questions for me before we get started?

Request permission from participant to record the interview for internal, note-taking purposes.

Questions

Roles and Responsibilities

- Q1. To start, could you please confirm that your property(ies) received energy efficiency upgrades through Ameren Illinois' Multifamily offerings at [ADDRESS(ES)]?
- Q2. Do you own, rent, or manage the property(ies) that received the energy efficiency upgrades?
- Q3. What is your role in making energy efficiency upgrade decisions at [PROPERTY]? Are you the sole decision-maker or are there others who have input into these decisions?
- Q4. Our understanding is that you received the following upgrades at your property(ies). Does this align with what you recall about the upgrades your property(ies) received?

1. [LIST UPGRADES]

- Q5. For the property(ies) that received upgrades, would you characterize their geographic location(s) as urban or rural?

Participant Awareness and Experience

- Q6. How did you first hear about the energy upgrade offerings available to Multifamily properties through Ameren Illinois?

- Q7. Next, I'd like to hear more about your experience with receiving energy upgrades through Ameren Illinois. Could you please walk me through each step of the process for receiving energy upgrades, from completing an application to inspections after the installation of the upgrades? As we walk through the process, please feel free to identify aspects of the experience that you thought went particularly well and where you thought the experience could've been better.

■ [Probe on steps if needed]:

- **Intake:** Property manager/owner completes an online application to request a free energy assessment (fillable PDF)
- **Assessment:** An Energy Advisor interviews property manager/owner and completes the property assessment virtually
- **Planning:** Energy Advisor will conduct a follow-up meeting to discuss energy-saving opportunities, qualifying incentives, and develop a project timeline
- **Installation:** Energy Advisor acts as central point of contact, coordinating projects and communication between the property contact & program allies, providing support throughout entire process
- **QA/QC:** Quality assurance inspections are coordinated by the EA with the property manager/owner and performed by program staff after each project is complete

- Q8. [IF NEEDED] What impact, if any, did the COVID-19 pandemic have on your participation experience? Which aspects of your participation process were conducted virtually or contactless?

- Q9. We'd like to learn more about your interactions with your Energy Advisor (this is the person who you primarily worked with to receive an assessment and complete energy upgrades). What type of assistance did you receive from your Energy Advisor related to the following?

1. Application/intake assistance
2. Virtual property assessment of opportunities for energy efficiency upgrades
3. Explanation of the range of equipment eligible for the program
4. Explanation of the rules and processes of the program
5. Explanation of the available online resources for Initiative participants
6. Explanation of additional available financial programs, including tax credits and rental assistance
7. Other assistance [PROBE: What other assistance?]

- Q10. How satisfied were you with the support offered through your Energy Advisor?

- Q11. How satisfied are you with your experience receiving energy upgrades through Ameren Illinois overall?
- Q12. Are there any aspects of the participation process that you think could be improved to make the experience better? If so, what are your recommendations?
- Q13. Are there any additional resources or assistance that would have been helpful for participating in the Initiative that we haven't already discussed?

Available Measures and Participant Selections

- Q14. In the assessment, the Energy Advisor provides a comprehensive list of the equipment/products available for your property. What was your reaction to the list of equipment/products that were eligible for your property(ies)?
- Q14A. Were there any products/equipment NOT offered through the program that you would have liked to install? If so, what were they?
- Q15. What factors affected your decision to proceed (or not proceed) with the upgrades you were eligible for? [Probe: Did the participation process affect your decision to receive more comprehensive upgrades?]
- Q15A. Does your decision-making process change when considering the no-cost direct install upgrade options (such as showerheads and advanced thermostats) compared to higher-cost, more comprehensive upgrade options (such as HVAC units and building insulation)?
- Q16. [IF NEEDED] Did you opt to not receive any of the available upgrades?
- Q16A. [IF YES] Which upgrades did you opt to not receive?
- Q16B. Before participating in the Initiative, were you aware of the breadth of equipment/products available for Multifamily properties through Ameren Illinois?
- Q16C. Were there any COVID-19 specific impacts to your decision-making process? [PROBE: in terms of the breadth of upgrades installed, cost/capital availability, risk, etc.]

Motivations and Barriers to Participation

- Q17. In general, what factors do you typically consider when making decisions related to installing/replacing no cost in-unit energy efficient equipment?
- Q17A. How, if at all, do your considerations change when making decisions related to installing/replacing more comprehensive upgrades, such as HVAC units and water heaters?
- Q18. What is the main reason you decided to participate in this Initiative?

- Q18A. What other factors affected your decision to participate? [Probe: reduce operating expenses, to be more “green”, to improve tenant satisfaction, to improve value of property/units]
- Q19. What, if any, do you think are the biggest challenges that prevent you from completing energy-saving improvements at your property(ies)?
1. The higher cost of energy efficient equipment
 2. Access to financing or capital for energy improvements
 3. Uncertainty about the utility bill savings from energy efficiency improvements
 4. No remaining efficiency upgrade opportunities exist
 5. Potential negative impacts on aesthetics or comfort
 6. Lack of resources to assess the benefits of energy efficient options
 7. Lack of knowledge of energy efficient options
 8. Other? [PROBE: What else?]
- Q19A. How, if at all, do the challenges vary or change based on whether the upgrade is no cost, in-unit upgrades versus more comprehensive reduced-cost upgrades?
- Q20. What do you view as the main barriers, if any, to property managers/building owners like yourself from completing projects through the Ameren Illinois Multifamily offerings?
1. Available property staff for installation of products
 2. The COVID-19 pandemic social distancing restrictions
 3. Paperwork/application process
 4. Selection of equipment available through the initiative
 5. Awareness of Initiative availability and eligible products
 6. Other? [PROBE: What else?]
- Q21. Did you encounter any internal organizational obstacles to participating in the program? [Ex: Staffing, budget/budget cycles, approval process.]
- Q21A. [IF YES] How did you overcome these obstacles?

Closing

- Q22. Those are all the questions I had for you today. Do you have any additional thoughts you would like to share with us regarding your experience or Ameren Illinois in general?

Thank you very much for your time – we truly appreciate it!