



# EFFICIENT LIVING

## Illinois PHA Energy Program

**IL EE Stakeholders Advisory Group**  
**January 31, 2017**

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## The low-income customer group is different from non-low-income customers by:

- Serving Public Housing Authorities (PHAs) and Federally-Assisted Housing Consisting of:
  - USDA Rural Development Multifamily Rental Housing Section 515 Program,
  - HUD Section 202 Supportive Housing Program for Elderly,
  - Section 811 Supportive Housing Program for Person with Disabilities, and
  - Section 8 Project Based Program.
- These housing programs were created by the federal government and operate with specific set of rules and regulations to 1) avoid waste and abuse of taxpayer funds and 2) ensure decent safe affordable housing.
  - Most cannot secure private loans on property
- Most of the PHA housing buildings were built in the 1960s and 1970s
  - Capital improvement backlog estimated at \$26 billion for PHAs
  - HUD has a utility bill burden of \$ 6.4 billion dollars for all forms of housing
  - 97% of households served by the program are extremely low to very low-income
  - Seniors, disabled, families – multi-cultural



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## Program Statistics from June 1, 2010-May 31, 2017:

PHAs, 202s, & 515s Served	62
Buildings Served	509
Residential Units Served	22,233
Energy Cost Reduction Measures Installed	138,153
Electricity Savings (kWh)	25,461,422
Natural Gas Savings (therms)	973,523
Water Savings (gallons)	41,663,131
Total Incentives Awarded	\$ 16,629,704
Extremely low to low income Households Served	97%
Number of Senior/Disabled Households Served	47%

- **Winner: Midwest Energy Efficiency Alliance's (MEEA) 2015 Inspiring Efficiency Impact Award**



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## To most effectively serve Extremely Low to Very Low-Income Customers:

The program has developed strategies and services to meet the specific needs of HUD and USDA properties

- Issuing **grants** is important
  - Cover as much of the cost as possible
  - 50% upfront – 50% at completion
- **On-site** technical assistance
  - Application assistance
  - Specification and bid assistance
- **Cost analysis**
  - Calculating total project costs allows for **Leveraging**
- **Statewide Program**
- **Comprehensive Integrated Gas and Electric Program**
- **Need to Foster Working Partnerships**



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## How to coordinate and leverage programs to maximize cost-effectiveness:

- Success with HUD Energy Performance Contracts leveraging EEPs funding totaling \$1,873,451 with six PHAs for total project costs of \$15,985,678.
  - 5 more projects in the pipeline
  - HUD allowing pre-conditional approval to install EEPs measures
- Case Study: Rockford Senior 202 Program – 65 Units – 75 Residents
  - Cost analysis verified \$120,000 to replace a 50 year old roof-top boiler. Crane and additional piping needed for removal and replacement
  - ILPHAEP able to grant \$80,000 EEPs funding
  - Rockford City Council granted \$40,000 in HOME funds after reviewing the ILPHAEP cost analysis and pre-award commitment letter
  - Project scheduled to be completed by May 15, 2017



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## Why there should be different incentive levels for extremely low-income \* to very low income\*\* customers:

- Due to decreasing and/or stagnating funding from Congress for capital improvement expenses, these incentives are becoming the only funding sources available.
- In most cases, if ILPHAEP program is unable to fund the entire cost of the measure, the federally-assisted housing entities may not have enough operating reserves to take on the project:
  - Aged housing stock continues to deteriorate
  - Utility expenses continue to rise
  - Quality of life issues for residents

\* extremely-low income= 0-30% AMI

\*\* very-low income= 30-50% AMI



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