



From: Kevin Jackson, Chicago Rehab Network

To: Angela Baldwin, Illinois Department of Commerce and Economic Opportunity, Division of Energy Assistance

Re: Comments on Illinois Home Weatherization Assistance Program, Draft of 2010 State Plan

Date: April 29th, 2009

The Chicago Rehab Network is a coalition of nonprofit community organizations, including developers and owners of affordable housing. We have been working for 30 years to strengthen neighborhoods through the creation and preservation of affordable rental housing and homeownership.

The American Recovery and Reinvestment Act (ARRA) included a dramatic increase in Weatherization funding for residential energy efficiency improvements. **We urge DCEO to ensure that low income families in multifamily housing have an opportunity to benefit from these investments.**

When it comes to achieving wide scale residential energy savings, Illinois' multifamily homes should not be ignored. **Approximately 30% of Illinois households are renters. In Cook County, the second most populous county in the nation, renter households make up 38% while in the City of Chicago, half of all households are renters. Much of this rental property is older multifamily housing at risk from disrepair which is home to many of Illinois' low and very low income families and seniors.**

In order to reach the goals set out by President Obama, we encourage DCEO deploy these funds proportionally to the number of single and multifamily housing. Department of Energy (DOE) guidance specifically suggests that states review any policies beyond the DOE minimum requirements that may impede the ability of the state to meet production requirements (Weatherization Program Notice 09-1B, Section 5.2). **We urge DCEO to take the same approach as states such as Virginia and reduce obstacles to using Weatherization funds in multifamily housing. This would be an effective way to meet ARRA's increased job creation and production requirements.**

Using Weatherization funds in multifamily homes achieves several goals:

- Energy retrofits of larger scale multifamily housing can help states meet their required goals. States must demonstrate they are making progress towards their goals or risk having funds withheld.

- Putting the funds to immediate use in multifamily properties will preserve much needed affordable rental housing. Improvements in efficiency will reduce utility costs for renters and building owners, thus stabilizing the property over the long-term for lower income people.
- Deploying the funds for multifamily will produce much needed green jobs in the shortest amount of time.
- Where acquisition and rehab projects are stalled due to lack of resources, using Weatherization could help fill financing gaps.
- Energy retrofits of multifamily housing would dramatically reduce greenhouse gas emissions.

In addition, in order to leverage Weatherization funds in multifamily housing, we urge DCEO adopt the following recommendations for the implementation ARRA Weatherization funding in Illinois.

RECOMMENDATIONS

STREAMLINE INCOME ELIGIBILITY/TENANT TEST FOR WAP FUNDING THAT LEVERAGES ELIGIBILITY REQUIREMENTS OF EXISTING PUBLICLY ASSISTED PROGRAMS

Documentation of income eligibility of multifamily tenants is a challenging process. If the building is already receiving other financing or subsidies that demonstrate eligibility under requirements of the DOE programs, then flexibility in accepting that documentation and deeming the project eligible would quicken and simplify the process. For example, if this is a Low Income Housing Tax Credit project, receives HUD funding or if tenants receive HUD Section 8 rental assistance or other public subsidies requiring income documentation and subjecting the project to long term affordability restrictions, then these developments should be deemed automatically eligible for WAP funding.

DEDICATE NO LESS THAN 10% OF THE ARRA WEATHERIZATION FUNDS TO HUD AND RD “PRESERVATION” PROJECTS

The use of Weatherization funds in properties that already have long term use restriction agreements is an especially effective use of resources because it ensures that low income tenants benefit for a significant timeframe into the future. Therefore, we urge DCEO to set aside no less than 10% of WAP funds to privately owned, subsidized housing in Illinois.

Section 8 projects and other “Preservation” projects across the state including Rural Development 515 projects provide housing options for thousands of Illinois’ lowest income citizens. Many owners of these properties are seeking to refinance or transfer properties to new owners in order to preserve long term affordability. Most of these properties will undergo renovations as part of their transactions. Investing WAP funds to provide energy system upgrades for these properties will provide significant savings to their low income and very low income residents, provide good jobs, and ensure that tenants benefit from the improvements for many years.

REQUIRE NO MATCH FROM OWNERS FOR ELIGIBLE AFFORDABLE RENTAL PROPERTY RETROFITS UNDERTAKEN BY NONPROFIT OWNERS

We urge DCEO to take the same approach as states such as Virginia and waive this match requirement, especially in cases where the property is owned by a nonprofit.

This match requirement creates a burden on nonprofit owners to use the WAP. Eliminating this match for affordable rental properties owned by nonprofits would allow more affordable rental units to be improved. This would ultimately benefit either the low-income renter with lower renter-paid utility bills or lower overall utility costs of the nonprofit owner who can manage a stable utility expense and keep rents lower.

PROVIDE OUTREACH & EDUCATION TO OVERCOME OBSTACLES OF USING WEATHERIZATION IN LARGE MULTIFAMILY PROPERTIES

Additional training will be required both to provide an overview on how to access additional WAP funds and to instruct the numerous professionals that will be needed in the ramping up of the program to manage and deliver this service.

We urge you to work with the housing community to identify ways to seamlessly integrate weatherization program resources into larger multifamily project renovation efforts. This will require both the developers and the CAPs to develop processes to efficiently integrate weatherization contractors and materials into larger construction budgets and projects.

ENHANCE THE CAPACITY OF THE EXISTING WEATHERIZATION NETWORK IN ILLINOIS TO FACILITATE THE WEATHERIZATION OF RENTAL HOUSING OCCUPIED BY LOW INCOME FAMILIES OR SENIORS

Weatherization Providers need to buy a substantial amount of equipment for the ramp up of their production units – ranging from \$50,000 to \$100,000. This can be a significant burden on a nonprofit entity providing this service. A reimbursement approach rather than an upfront funding approach places a burden on the nonprofit organizations to find funds to make these purchases which can delay the ramp up, or even their ability to participate in the ramp up of the program.

Thank you for providing the opportunity to submit these comments. ARRA has made available unprecedented investments to green America's homes. Preserving our multifamily housing will make these homes more energy efficient, sustainable and healthy for our country's families while allowing households to reduce energy expenses and carbon emissions. This can be an effective and efficient way to contribute to quickly advancing the production goals of this program and create vitally necessary jobs to stimulate local economies.

Any comments or questions can be addressed to:

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