



# Seizing Opportunities to Green Florida's Affordable Rental Housing



*By Michael Bodaken*

**I**n 2006, the Florida Affordable Housing Study Commission urged the adoption of a comprehensive statewide affordable housing preservation strategy. Since then, Florida has made progress towards creating a policy environment that supports preserving and improving the state's

affordable rental homes. Notably, this progress has included the creation of a preservation set aside in the state's Low Income Housing Tax Credit program administered by the Florida Housing Finance Corporation.

This progress should continue with the help of the MacArthur Foundation's \$1 million award in support of Florida's preservation initiative. This award will help the Florida Housing Finance Corporation, as well as the Florida Housing Coalition and the Shimberg Center for Housing Studies, address some of the most significant challenges to preserving affordable rental housing. This includes developing the capacity of affordable housing providers to undertake

The adoption of the federal American Recovery and Reinvestment Act (ARRA) will provide tens of millions of housing and energy stimulus funds to Florida. If smartly invested, these funds will lead to the protection of existing housing resources, lower utility bills, and a dramatic reduction in greenhouse gases. Consider the following resources flowing to Florida from ARRA:

- \$175 million to make energy efficiency improvements to affordable housing through the Weatherization Assistance Program;
- An additional \$126 million in State Energy Program funding that has, among its uses, energy retrofits of residential housing;
- First time funding for the Energy Efficiency and Conservation Block Grant Program in the amount of \$168 million.
- \$250 million available nationwide to retrofit HUD assisted housing.

The Weatherization Assistance Program (WAP) alone provides a significant opportunity to improve and green Florida's existing affordable multifamily housing stock. As is the case throughout the coun-

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complex preservation transactions and developing data systems to analyze affordable housing at risk from disrepair or impending subsidy expirations. Addressing both of these challenges is key to identifying and supporting preservation opportunities.

However, an equally important preservation challenge-and opportunity-has recently emerged.

try, much of Florida's older multifamily housing—home to many low and very low income families and seniors—is energy inefficient and at risk from disrepair. Although WAP has traditionally been used to make energy efficient improvements in single-family housing, multifamily housing is explicitly eligible under the program. Using these funds in multifamily housing would achieve several goals. Retrofitting multifamily housing is an effective



way to quickly spend these new federal funds, enabling Florida to meet its required goals and deadlines and avert the potential loss of these funds. Where acquisition projects are stalled due to lack of resources, using WAP funds could help fill financing gaps and preserve much needed affordable rental housing.

The use of WAP funds in subsidized affordable multifamily housing recently received a major boost from an interagency agreement between HUD and the Department of Energy (DOE). DOE has concluded that existing income verification procedures for HUD assisted, public housing, and LIHTC properties are sufficient for determining eligibility for weatherization assistance. This agreement reduces a significant administrative obstacle to improving the energy efficiency and livability of these homes. In announcing the agreement, HUD Secretary Shaun Donovan remarked that "this partnership will ensure that HUD and DOE together can play a significant role in the Administration's goal to weatherize one million homes, while at the same time serving a population in need."

In implementing its weatherization program, Florida can look to a number of other states for model multifamily programs. Kansas has set aside 25% of its ARRA weatherization allocation for multifamily housing. These funds will primarily be used to benefit families and seniors living in Low Income Housing Tax Credit, Section 8 and Section 515 rural development properties.

Likewise, Ohio has developed a proactive multifamily weatherization program. Local weatherization providers are being encouraged by the state to pursue multifamily affordable rental projects. In order to facilitate weatherization activities for affordable rental housing units, the Ohio Department of Development (ODOD) is undertaking a variety of actions. A working group has been formed to strategize on technical and coordination issues as well as streamline the process for

*The National Housing Trust recently re-opened R Street Apartments in Washington, D.C. The renovation included the installation of energy efficient, sustainable and healthy features. The long-term outcomes will be lower utilities, less maintenance on systems, lower operating costs, and a healthier environment for residents.*



accessing weatherization dollars and conducting outreach to multifamily owners. The working group consists of representatives from an array of organizations including state and local housing agencies, affordable housing providers, local weatherization agencies, tenant advocates, HUD, and USDA's Rural Development.

In addition to WAP funds, other DOE funds made available through ARRA can be used to make energy efficiency improvements in multifamily housing. This includes the Energy Efficiency and Conservation Block Grant program which provides formula grants for projects that reduce total energy use and fossil fuel emissions, and improve energy efficiency. Nearly 80% of the state's \$168 million allocation will be administered by local policymakers in Florida's largest cities and counties. Among other eligible activities, local policymakers have the discretion to spend these funds on energy efficiency residential retrofits.

Preserving Florida's affordable multifamily housing will make these homes more energy efficient, sustainable and healthy for low income families while allowing households to reduce energy expenses and carbon emissions. The National Housing Trust encourages Floridians to take advantage of this historic opportunity to help preserve and green Florida's affordable rental homes. **HNN**

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