POLICY STATEMENT

The Connecticut Housing Finance Authority (CHFA) is a major provider of construction and mortgage financing that:

- Assists in the purchase, creation and/or rehabilitation of affordable housing throughout the state.
- Requires housing financed by CHFA to be quality developments that are both durable and sustainable.
- Is designed or rehabilitated to remain energy efficient and environmentally sustainable.
- Uses public resources as effectively as possible.

It is therefore the policy of CHFA to 1) require where feasible energy efficiency measures in all multifamily developments it finances, 2) encourage the use of the most cost effective energy efficiency measures, and 3) support use of renewable and alternative energy in any housing it finances. CHFA’s energy efficiency policy is designed to support the State’s policy of encouraging energy conservation and the widespread use of renewable energy.

The purpose of this policy is to ensure that housing constructed or rehabilitated with CHFA financing meets the highest standards of energy efficiency within a reasonable assessment of cost and benefit, and to ensure that all CHFA borrowers have access to resources that will assist them in reducing their properties’ energy consumption as a means to reduce their overall housing expenses. As renewable energy becomes a more common and cost effective component of housing infrastructure, CHFA will endeavor to encourage the use of such systems, particularly in large-scale multifamily rental developments, that reduce energy and water consumption, greenhouse gas emission, and operating or housing expenses.
POLICY STATEMENT

CHFA will implement this policy through:

- Continuous improvement of design standards which ensure cost effective energy efficiency, including installation of renewable systems where practical, for the new construction, substantial rehabilitation and rehabilitation of affordable multifamily rental housing financed by CHFA.
- Regular communication with all of CHFA’s borrowers, multifamily and single family, on energy efficiency resources and improvement programs.
- Partnership with energy utility companies, public and private housing finance agencies, and energy agencies in maximizing energy resources statewide.
- Measurement of energy consumption within the CHFA Multifamily Portfolio.

BACKGROUND AND STATEMENT OF NEED

As of March 31, 2016, there were approximately 600 properties in CHFA’s multifamily rental portfolio of publicly (State-sponsored Housing Portfolio) and privately financed properties representing about 40,000 apartments. In February 2013, the Department of Energy and Environmental Protection issued its “2013 Comprehensive Energy Strategy for Connecticut” which includes a plan to maximize the opportunity to convert oil-heated properties to natural gas, promote the use of renewable energy at scale and offering resources to groups that have not been reached in the past like the low income community. CHFA is poised to support the state’s Energy Strategy through the implementation of its energy efficiency policy and its ongoing, interagency collaborations that promote energy efficiency and renewable energy initiatives in the state.

Since 2005 all multifamily rental properties seeking construction financing from CHFA have to meet energy efficiency criteria as described in the “CHFA Multifamily Design, Construction and Sustainability Standards.” In recent years, CHFA has added more than 2000 newly constructed and substantially rehabilitated housing units to the multifamily rental portfolio annually. Installation of energy efficient and renewable energy systems is an eligible cost in CHFA acquisition and rehabilitation financing when financially feasible. While building and rehabilitating properties to energy efficiency standards is critical to achieving efficiency, data regarding ongoing operation and measurement of impact is not available across the portfolio. Currently, 40% of the multifamily rental portfolios owners pay for the heating in their properties.
and 57% pay for the electric utilities. Many of these properties date from the mid-1900s and have substantial opportunity for improvement. In addition, very few of these owners have the ability to measure and track energy consumption over time, or to analyze their properties’ overall energy performance in comparison with similar properties. Making this type of data available can assist CHFA in measuring and verifying the impact of its capital investments related to energy efficiency as well as assist the owners in effective operations.

Information on energy efficiency and resources for improvements is generally available but in the past was not specifically targeted to homeowners with CHFA-financed mortgages. This policy is needed to ensure that CHFA incorporates the best practices in energy investments in all multifamily developments it finances and provides access to information and resources to all of CHFA’s borrowers, multifamily and single family, regarding energy efficiency.

IMPLEMENTATION & RESPONSIBLE DEPARTMENTS

CHFA will implement this policy through:

1. **Design Standards**

   - Continuously improve the [CHFA Multifamily Design, Construction and Sustainability Standards](#) with regard to energy efficiency expectations for the new construction, substantial rehabilitation and rehabilitation of affordable multifamily housing financed by CHFA.

   - Require where feasible newly constructed or substantially rehabilitated multifamily rental developments financed by or through CHFA to conform to the current [CHFA Multifamily Design, Construction and Sustainability Standards](#) for energy efficiency.

   - Encourage applications for newly constructed or substantially rehabilitated multifamily rental developments financed by or through CHFA to pre-screen for on-site renewable energy and alternative energy systems.
2. Communication with All Borrowers

- Provide energy efficiency tips and resources for all borrowers, multifamily and single family, on CHFA’s website.
- Market energy efficiency improvement programs for all borrowers, multifamily and single family, in partnership with energy utility companies, public and private housing finance, and energy agencies.
- Include educational material on energy efficiency and energy conservation during all borrower training.

3. Finance

- Provide access to financing for project costs associated with energy conservation measures and renewable energy systems with the purchase, construction and installation in new and existing multifamily rental buildings of regardless of whether a building is presently financed in whole or in part by other programs of CHFA.
- Partner with energy utility companies, public and private housing finance agencies, and energy agencies in maximizing funds available to create or improve energy efficiency in all residential properties, multifamily and single family.
- Partner with state and quasi-government agencies on new energy related initiatives to increase financing in the residential market.
- Track and report on program participation of CHFA’s borrowers in partnered programs.

4. Measurement

- Identify appropriate measures by which CHFA will determine energy consumption at the properties in its multifamily portfolio.
- Collect, analyze and report data regarding energy consumption within CHFA’s multifamily portfolio.
- Encourage single family borrowers to participate in tracking energy consumption through incentives and communication.
POLICY STATEMENT

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<td>Energy Efficiency</td>
<td>05/26/16</td>
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Responsible Departments: Multifamily Housing, Single Family Underwriting, working in conjunction with the Planning, Research and Evaluation Department

Responsible Positions: Vice President - Multifamily Housing, Vice President – Single Family Programs

RELATIONSHIP TO OTHER POLICIES AND GUIDELINES

CHFA Procedures, including those governing Multifamily Underwriting, Asset Management, and Single Family

CHFA Multifamily Design, Construction and Sustainability Standards, and

CHFA Construction Guidelines: Energy Conservation

DEFINITIONS

Energy Efficiency: Minimizing the use of electric and fuel utilities for life-supporting functions.

Energy Finance Agency: A federal, state or quasi-state organization that provides monetary assistance to energy efficiency and energy conservation initiatives.

Energy Utility Company: A public or private organization which provides electricity, water, and fuel.

Public or Private Housing Finance Agency: A federal, state or local organization that provides housing assistance through mortgage loans to qualified developments and/or borrowers.
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**Board Approval**

- Date of Board Approval: 04/25/2013
- Effective Date: 05/01/2013
- Date of Board Approved Revisions: 05/26/2016

**Signed:**
Karl F. Kilduff  
CHFA Executive Director  
June 7, 2016