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Room 4176  
Washington, DC 20410-0500

**Docket No. FR-5913-N-27**

**Office of the Assistant Secretary for Housing –Federal Housing Commissioner**

**60-Day Notice of Proposed Information Collection: Energy Benchmarking**

To Whom It May Concern:

The National Housing Conference (NHC) appreciates the opportunity to comment on HUD’s proposal to start requiring energy benchmarking for HUD-assisted multifamily developments. NHC welcomes HUD’s action to gain a better understanding of the energy use in its portfolio; this action is important as part of the Department’s work to ensure that HUD-assisted housing is not just affordable but also green and healthy. NHC offers its support for the proposal but also provides some suggestions to make the proposal more effective.

Our primary recommendations for improving HUD’s proposal on energy benchmarking are that HUD should:

- Create waiver process that recognizes unevenness in utility data
- Support data accessibility by working with utilities
- Provide resources and training
- Craft a strong plan for using the data

## **I. About the National Housing Conference**

The National Housing Conference represents a diverse membership of housing stakeholders including tenant advocates, mortgage bankers, nonprofit and for-profit home builders, property managers, policy practitioners, real estate professionals, equity investors, and more, all of whom share a commitment to safe, decent and affordable housing for all in America. We are the nation’s oldest housing advocacy organization, dedicated to the affordable housing mission since our founding in 1931. We are a

nonpartisan, 501(c)3 nonprofit that brings together our broad-based membership to advocate on housing issues.

## II. Importance of benchmarking

NHC supports HUD's proposal to collect energy benchmarking data. Benchmarking will be helpful in incentivizing owners to conserve energy and reduce pollution. Benchmarking will also help create a clear definition of reasonable utility costs.<sup>1</sup> HUD's benchmarking proposal is in line with similar efforts, such as Fannie Mae's inclusion of benchmarking in the Green Refinance Plus mortgage product.<sup>2</sup>

For properties covered by HUD's baseline utility allowance requirements, the proposed benchmarking requirements will not be a too large a burden.<sup>3</sup> Applying the benchmarking requirements to properties that are participating in HUD programs that provide incentives in exchange for making energy and water efficiency commitments also makes sense. This would include properties participating in the Better Buildings Challenge and Federal Housing Administration-insured properties receiving reduced mortgage insurance premiums (MIPs) in exchange for meeting green and energy efficiency building requirements.<sup>4</sup> For properties outside of these categories, NHC has some concerns, as detailed below.

## III. Comments on the proposal

NHC supports HUD's leadership and effort to establish benchmarking in its portfolio. We raise some concerns below to strengthen HUD's implementation and make the policy more effective.

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<sup>1</sup> Roman Pazuniak, Vincent Reina, and Mark Willis. "Utility Allowances in Federally Subsidized Multifamily Housing". NYU Furman Center. June 2015

[http://furmancenter.org/files/NYUFurmanCenter\\_UtilityAllowances\\_June2015.pdf](http://furmancenter.org/files/NYUFurmanCenter_UtilityAllowances_June2015.pdf);

<sup>2</sup> For example, Fannie Mae is now requiring benchmarking and energy audits in its Green Physical Needs Assessment, a prerequisite for loan applicants to Fannie Mae's Green Refinance Plus mortgage product.

<sup>3</sup> Notice: H-2015-04: Methodology for Completing a Multifamily Housing Utility Analysis; Properties covered by the baseline utility analysis include: A. Project-based Section 8 1. New Construction 2. State Agency Financed 3. Substantial Rehabilitation 4. Section 202/8 5. Rural Housing Services (RHS) Section 515/8 6. Loan Management Set-Aside (LMSA) 7. Property Disposition Set-Aside (PDSA) B. Section 101 Rent Supplement C. Section 202/162 Project Assistance Contract (PAC) D. Section 202 Project Rental Assistance Contract (PRAC) E. Section 202 Senior Preservation Rental Assistance Contracts (SPRAC) 2 F. Section 811 PRAC; Project Rental Assistance (PRA)1 G. Section 236 H. Section 236 Rental Assistance Payments (RAP) I. Section 221(d)(3) Below Market Interest Rate (BMIR)

<sup>4</sup> HUD Notice on Changes in Certain Multifamily Mortgage Insurance Premiums. October 2015.

<https://www.federalregister.gov/documents/2016/01/28/2016-01511/changes-in-certain-multifamily-mortgage-insurance-premiums>

## **A. Create waiver process that recognizes unevenness in utility data**

NHC's primary concern is that owners will not be able to retrieve the necessary data from utility companies. Access to building energy usage data is uneven across the country. Many utilities provide the data via fax, in a pdf format or via mailed copies which then have to be manually entered into Portfolio Manager, requiring hours of effort by property management staff. Other utilities do not have aggregated whole building data and will have to provide owner and tenant data separately to multifamily building owners, and to retrieve tenant data, utilities will need individual tenant release forms. Collecting tenant consent for existing tenants is a burdensome process. Some utilities also may not have the infrastructure in place to share energy data for multifamily buildings and may have difficulty matching buildings to accounts.<sup>5</sup>

While HUD's adoption of benchmarking can help encourage utilities to be more forthcoming with energy consumption data, HUD needs to recognize the significant level of effort that will be required by owners in certain regions across the country. In the proposal, HUD states that "HUD will consider requests for additional time to submit benchmarking data from owners who experience unexpected delays in obtaining sufficient sample data from utility providers or encounter unforeseeable technical difficulties." Instead of allowing individual properties to request additional time, HUD should create a waiver process that recognizes locations and regions where gathering this data will be infeasible because of utility policy on aggregated data and multifamily buildings. This action would create an efficient and flexible waiver process, and this process can be amended as more utilities engage in providing greater data access. A HUD process that identifies places and utilities that do not provide sufficient support for benchmarking may also help to create an incentive for improvement in those areas.

## **B. Support data accessibility by working with utilities**

While the number of utilities that provide streamlined access to whole building energy consumption data has increased in recent years, the majority of utilities do not currently offer such services. According to the Environmental Protection Agency (EPA), approximately 30 utilities in 14 states and D.C. provide customers with whole-building energy benchmarking data.<sup>6</sup> At a state and local level, the Institute for Market Transformation recommends that because of the challenges facing multifamily owners in collecting monthly tenant energy consumption data, benchmarking requirements should be coupled with data accessibility measures by utilities. Most cities and states that already have benchmarking requirements in place worked with utilities prior to adopting the benchmarking policy to

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<sup>5</sup> Recommendations and Best Practices for Benchmarking Multifamily Buildings. ACEEE. May 2014.  
<http://aceee.org/sites/default/files/pdf/benchmarking-multifamily-buildings.pdf>

<sup>6</sup> Utilities Providing Energy Data for Benchmarking in ENERGY STAR Portfolio Manager  
[https://www.energystar.gov/sites/default/files/tools/Web\\_Services\\_Fact\\_Sheet\\_01202016\\_508\\_1.pdf](https://www.energystar.gov/sites/default/files/tools/Web_Services_Fact_Sheet_01202016_508_1.pdf)

establish whole building data solutions.<sup>7</sup> HUD should explore ways to formally work with and encourage utilities to implement more data accessibility for multifamily building owners.

### **C. Provide resources and training**

NHC welcomes HUD's efforts to provide resources and training through its benchmarking website and encourages HUD to continue to build out its website and develop robust plans for supporting multifamily owners. Examples of ways to work with utilities on retrieving the data should be part of the resources provided to owners. Introductory webinars planned for the website should review the resources and tools HUD has made available like the [Utility Provider Database for Multifamily Utility Data Collection](#) so that housing providers understand how to use these tools. Case studies that are more specific on how to actually implement benchmarking, gather tenant consent and tenant data and work with utilities on getting owner data and aggregated whole building data would be one way to make the policy change more likely to succeed.

HUD should also provide resources on how owners can determine cost-effective energy retrofits as well as access financing and utility programs that can make those retrofits financially possible. These resources can help encourage owners to use benchmarking data to pursue greater energy efficiency. Tools such as Stewards of Affordable Housing for the Future (SAHF)'s Excel-based audit EZ Retrofit tool should be made available to help multifamily property owners and managers identify energy and water efficiency upgrades. HUD should also encourage local HUD offices to engage utilities to make sure that information about available energy efficiency programs are provided to multifamily owners and managers.

### **D. Plan for using the data**

HUD should have a strong plan for how it will take advantage of this benchmarking data and how it can share this data to incentivize energy efficiency across its portfolio. For example, HUD should provide access to the benchmarking data it receives so that owners can easily compare how their buildings perform compared to similar buildings within HUD's portfolio. Having such a plan will help property owners and managers understand why this initiative is taking place and why their work to implement it will be meaningful.

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<sup>7</sup> Burr, Andrew and Kurkowski, Andrea. "Energy Transparency in the Multifamily Sector" Institute for Market Transformation. December 2012.

[http://www.imt.org/uploads/resources/files/Energy\\_Trans\\_MFSector\\_IMT\\_Final.pdf](http://www.imt.org/uploads/resources/files/Energy_Trans_MFSector_IMT_Final.pdf)

#### **IV. Conclusion**

This proposed rule is an important step toward greater energy efficiency in HUD's portfolio. With greater flexibility and support from HUD, this rule can be even more successful. To discuss any of these comments in further detail, please contact Rebekah King, Policy Associate, National Housing Conference, (202) 466-2121 x248, [rking@nhc.org](mailto:rking@nhc.org).

Sincerely,

A handwritten signature in black ink that reads "Chris Estes". The signature is written in a cursive, flowing style.

Chris Estes  
President and CEO