Massachusetts Housing Partnership

MHP’s Green and Healthy Housing Programs

Innovative Financing Strategies
For High-Performance Affordable Housing Forum
June 10, 2019
Massachusetts Housing Partnership

**Mission:** MHP works with communities to create innovative policy and financing solutions that provide affordable homes and better lives for the people of Massachusetts.

- **25,000+** Affordable and mixed-income apartments financed
- **21,000+** Loans to first-time homebuyers
- **300+** Communities reached
- **$5 billion** in financing delivered
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- **Multifamily Lending**
  - Affordable rental housing
  - Over $1.2B in financing for over 25,000 apartments

- **ONE Mortgage**
  - Over 21,000 first-time homebuyers
  - Fixed-rate, 30-year mortgage

- **Community Assistance**
  - TA to communities, non-profits, and housing authorities
  - 40B program

- **Center for Housing Data**
  - Collect, analyze & share info for effective policy creation
Impediments to building green and healthy housing:

- Increased construction costs
- Inability to capitalize energy savings up front/underwrite energy savings
- Additional time and complexity involved
- Lack of capacity/expertise to identify and pursue solutions
- High third-party costs: energy audits, certification, commissioning
- Lack of knowledge about the effect of building design on resident health
- Lack of data on high performance buildings over time
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MHP’s Green and Healthy Housing Programs:

• Green Building Certification Program
• Green Retrofit Program
• Healthy Housing Financing Program
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MHP’s Green Building Certification Program

Big Idea: Green building certifications help ensure that expected energy savings will materialize, giving lenders more confidence in underwriting, which is further enhanced by commissioning.
MHP’s Green Building Certification Program:

• For new and existing buildings that have earned an eligible green building certification within the past 5 years
• 15 to 30 basis point interest rate discount
• Up to $15,000 reimbursement for fundamental systems commissioning
• Free energy performance benchmarking services through WegoWise or Bright Power for the first two operating years
Eligible Green Building Certifications:

PASSIVE HOUSE/ZERO ENERGY CERTIFICATIONS
(30-basis-point rate reduction)

Certified Passive House
PHIUS+ 2018
EnerPHit Certified Retrofit
ILFI Zero Energy Certification
Eligible Green Building Certifications:

COMPREHENSIVE GREEN CERTIFICATIONS
(20-basis-point rate reduction)

Enterprise Green Communities (2015)
LEED: Building Design and Construction (Version 4 or 4.1)
LEED for Homes Multifamily (Version 4)
Zero Energy Ready Home (DOE)
LEED Building Operations and Maintenance (Ver. 4 and 4.1)
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Eligible Green Building Certifications:

ENERGY STAR® CERTIFICATIONS
(15-basis-point rate reduction)

- ENERGY STAR® Multifamily New Construction
- ENERGY STAR® for Existing Multifamily Housing
- ENERGY STAR® Homes
- ENERGY STAR® Multifamily High-Rise
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MHP’s Green Retrofit Program

Big Idea: Underwriting energy savings and tracking energy performance can maximize financial impact
MHP’s Green Retrofit Program:

- For owners seeking at least 15% energy savings and at least 30% total energy and water savings in existing properties
- 15 basis point interest rate discount
- MHP will underwrite up to 75% of the projected owner savings and up to 25% of projected tenant savings
- Result: Up to 5% additional loan proceeds possible
- 100% reimbursement of an ASHRAE Level II energy and water audit engaged by MHP or its partners, up to $15,000
- Free energy performance benchmarking services through WegoWise or Bright Power for the first two operating years
Measured % Gas Savings Due to Boiler Replacements

<table>
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<tr>
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<td>10</td>
</tr>
<tr>
<td>&gt;30</td>
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MHP’s Healthy Housing Financing Program

Big Idea: Good design and location can improve tenant health and well-being
MHP’s Healthy Housing Financing Program:

- For owners incorporating health-promoting design and operational features into new or existing properties
- 15 basis point interest rate discount; combine with MHP’s green financing for up to 30 basis point discount
- MHP will reimburse the initial cost of the healthy housing certification through Fitwel® provided by the Center for Active Design
What is Fitwel® Certification?

Fitwel offers over 50 evidence-based design and operational strategies to optimize the health promoting impact of multifamily housing.

Fitwel offers two efficient pathways for achieving certification in as little as 6 weeks.
Who is using Fitwel?
Fitwel® certification overview:

• Goals: encouraging physical activity, healthy eating, and improved air quality
• Measures can include playgrounds, tobacco-free environments, stair visibility, bicycle parking, locations with high Walk Scores, proximity to transit, grocery stores, open space, etc.
• Points are awarded based on the strength of evidence on health impacts across 12 dimensions
• Must score 90 points out of 144 possible points; no mandatory requirements
MHP’s Green and Healthy Housing Programs are available across all of our capital sources:

• MHP’s funding banks
• MHP’s full suite of Fannie Mae multifamily loan programs
• MHP’s FHA risk-sharing program
Special thanks to our many important partners, including: