

OREGON HOUSING & COMMUNITY SERVICES
Multifamily Energy Program

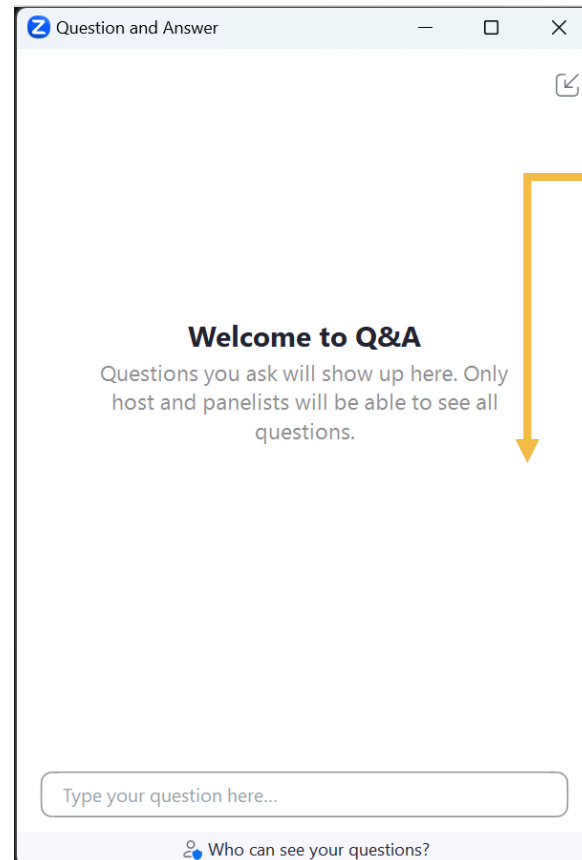
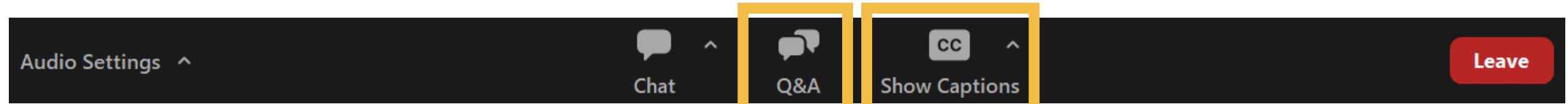
OR-MEP Program Update Webinar

Date: May 18, 2023

Presenters: Mekha Abraham, Julia Sinex



How to Participate in Zoom



Q&A

Enter Questions
in Q&A window.
Questions will
be answered at
the end.

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Captions" to
enable captions
and select arrow
icon (^) to select
language.



**Mekha
Abraham**

*OR-MEP
Program Manager*



**Julia
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*OR-MEP
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**Kristen
Bellows**

*OR-MEP
Marketing Manager*



**Tim
Clark**

*OHCS Program Manager &
State Energy Programs
Coordinator*

Agenda

- ◆ **OR-MEP Program Recap & Highlights**
- ◆ **Program Updates**
 - Updated Program Summary
 - New Open Enrollment Process
 - Participation, Measure & Incentive Updates
- ◆ **What to Expect Next?**
- ◆ **Q&A**

Oregon Multifamily Energy Program (OR-MEP)

Cash incentives and design support for energy efficiency upgrades in affordable multifamily retrofits and new construction.

HVAC

Heating
Cooling
Fans
Smart Thermostats

WATER

Water Heaters
Pumps & Controls
Showerheads
Aerators

ENVELOPE

Windows
Insulation

LIGHTING & APPLIANCES

Kitchen Appliances
Outdoor Lighting
Indoor Lighting
Laundry

Funded through
Public Purpose
Charge from:

- Pacific Power
- Portland General Electric

OR-MEP Program Goal

To reduce the energy burden for residents across multifamily affordable housing.



Efficient Building Design

Influence building design to reduce energy consumption.



Efficient Building Use

Inform and engage residents on building use to reduce energy use/cost and increase comfort.

Oregon Multifamily Energy Program (OR-MEP)

◆ Eligibility Requirements

Any project pursuing OHCS Multifamily Energy Program (OR-MEP) incentives must:

- ✓ Be an existing or new construction multifamily property with at least 5 residential units per building*
- ✓ Receive electricity from Pacific Power or Portland General Electric
- ✓ Be heated by a hard-wired electrical heating system
- ✓ Meet program affordability requirements, where residents in at least 50% of units are at or below 80% area median income (AMI) and units must remain affordable for at least 10 years

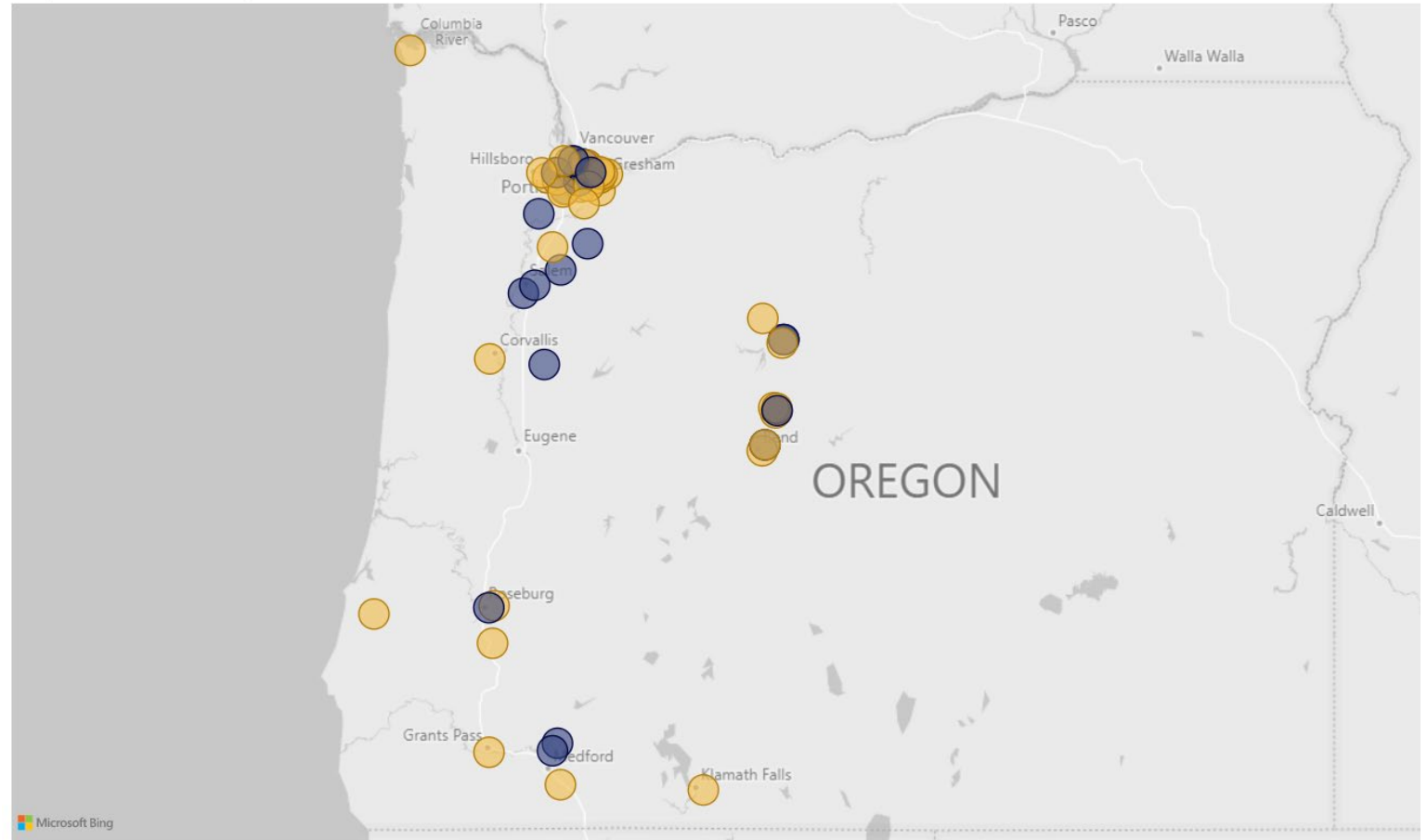
**NEW UPDATE: Campus of five or more duplexes, triplexes, and quadplexes are now also eligible.*

2018-2023 Program by the Numbers

In 5 years, with
\$12M in funding...
93 properties and
6,700+ units
enrolled.

In 2.5 years...
90 properties and
6,100 units waitlisted.
(Anticipate at least \$13M
for next 5 years from PPC)

Project Status ● Completed ● Incentive Reserved



Program identified need to reassess enrollment criteria with a focus on Diversity, Equity, and Inclusion (DEI) to prioritize projects with highest need.

OR-MEP DEI Coalition Vision & Objectives

Vision

Recommend and influence changes to the OR-MEP program to make it more accessible to all, especially customers who spend the highest percentage of their household income on energy costs.

Including:

Customers
of Color

Those for whom
English is not their
first language

Customers living in
rural communities

Those navigating
low incomes

Objectives

1

Modify and develop OR-MEP policies and practices to eliminate systemic racism

2

Help the program team equitably engage with all applicable communities and customers

DEI Coalition Formed in May 2022

Facilitation Team



Quinn Parker
Encolor



Sepideh Rezania
Unrooz Solutions

Coalition Members (current & past)



Mohanad Alnajjar
2022 - present



Ellen Bolus-Edmonds
2022 - present



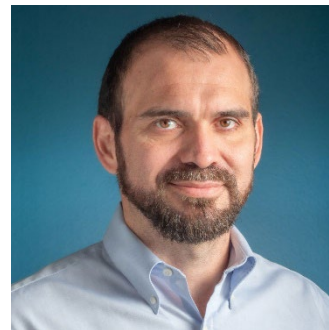
Greg Delgado
2022 - present



Thomas Eldridge
2022 - present



Kwame Kinabo
2022 - present



**Esteban Montero
Chacon**
2022 - present



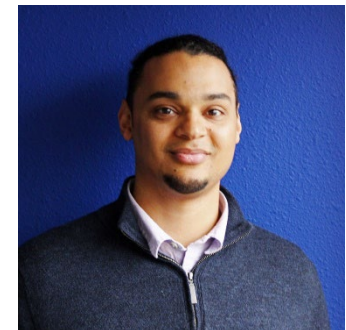
Natalie Thornton
2022 - present



Stepha Dragoon
2022



James Metoyer
2022



Isaiah Kamrar
2022

DEI Coalition Currently Recruiting Members

We are seeking Coalition members who fit one or more of the following descriptions to serve in paid positions:

- Affordable housing residents
- Rural residents
- Members of Oregon Tribes
- Public or community health specialists
- Workforce development specialists

**Apply
Now!**

To apply, visit OregonMultifamilyEnergy.com/dei
and click on “How to Get Involved”

OR-MEP Program Updates

- ◆ Updated Program Summary
- ◆ New OR-MEP Open Enrollment Process
- ◆ Participation, Measure & Incentive Updates



Updated OR-MEP Program Summary

The Oregon Housing & Community Services' (OHCS) Multifamily Energy Program (OR-MEP) is a community-focused program that incorporates energy-efficient design in affordable multifamily housing. The program offers program participants resources including design assistance, cash incentives, coordination with other regional programs.

The purpose of OR-MEP funding is to reduce the energy burden for low-income residents of Oregon through energy efficiency improvements and education in affordable multifamily housing, both Existing Buildings and New Construction. The program targets to benefit residents who are navigating low income, people of color, those who are disproportionately impacted, those customers for whom English is not their first language, and those living in rural communities. Program participants may apply for OR-MEP funding to upgrade Existing Building or New Construction projects.

The OR-MEP Diversity, Equity and Inclusion (DEI) Coalition will analyze, recommend, and influence changes to OR-MEP to make the program more accessible. The OR-MEP DEI Coalition is a team of community members from across the state to help OR-MEP incorporate diversity, equity and inclusion in the program design, understand barriers to participation, and recommend modifications to the program and policies.

To deliver OR-MEP, OHCS works with a program implementation team, including TRC, Dragonfly Consulting, Encolor, Elevate Energy, and Unrooz Solutions. The program team implements, oversees, provides technical assistance, and coordinates the program on OHCS' behalf.

OR-MEP Program Updates

- ◆ Updated Program Summary
- ◆ **New OR-MEP Open Enrollment Process**
- ◆ Participation, Measure & Incentive Updates



New OR-MEP Open Enrollment Framework

- ◆ Enrollment process shifting from “first come, first served” to “competitive” with new DEI focused criteria to prioritize projects with highest need.
- ◆ Prioritization criteria co-created between Program Team & DEI Coalition.
- ◆ OR-MEP Open Enrollment rounds are scheduled to be open twice annually, every 6 months.

Scoring Categories & Weighting

Category	Max Total Points	% of Points
BIPOC (Community + Residents)	10	32%
High Priority Area Index (Energy Burden)	5	16%
Rural	5	16%
Naturally Occurring Affordable Housing (NOAH)	5	16%
Non-profit/government entity	2	6%
Energy Efficient Design	2	6%
First Time Participant	2	6%

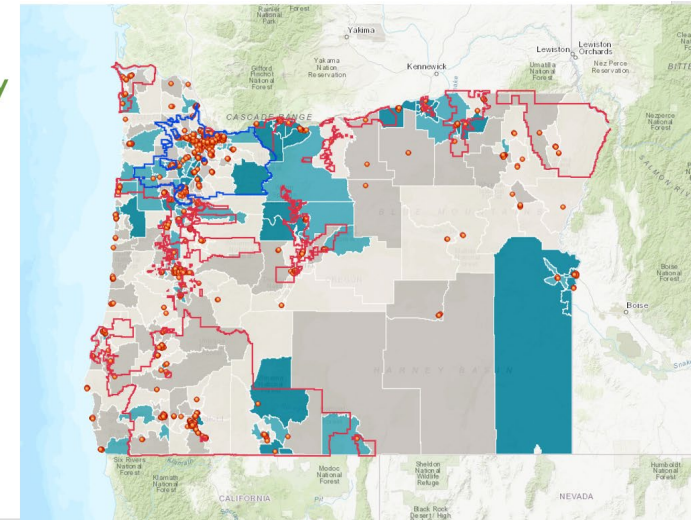
Affordable Housing Inventory of Multifamily Properties

+ Ethnicity & Race by Census Tract

Percent people of color (%)

- > 25%
- > 15% - 25%
- > 10% - 15%
- 0% - 10%

+ Portland General Electric & Pacific Power Service Area



Affordable Housing Inventory of Multifamily Properties

+ High Priority Area Index by Census Tract

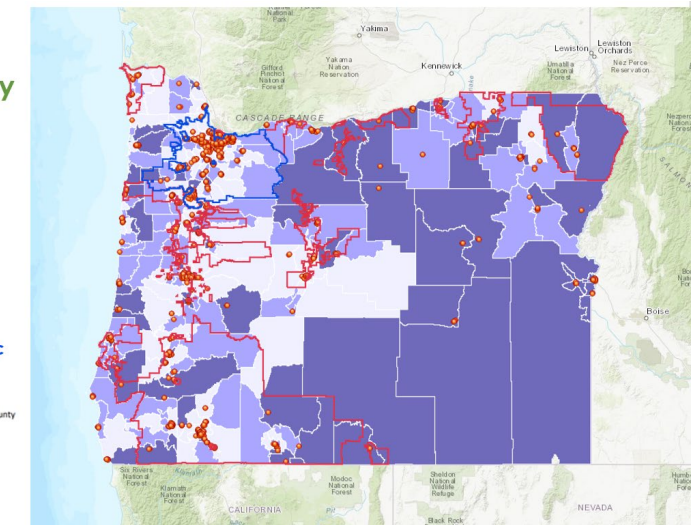
Index

- > 3.5 - 4 high priority
- > 2.5 - 3.5 medium-high priority
- > 2 - 2.5 medium priority
- 1.25 - 2 medium-low priority

+ Portland General Electric & Pacific Power Service Area

The four variables used to develop this index for each county were:

- Percent of energy burdened households,
- Percent of low-income households,
- Percent of units built prior to 1990, and
- Percent of people of color.



Key Data Source: Ten Year Plan: Reducing the Energy Burden in Oregon Affordable Housing Affordable Housing Assessment Map

OR-MEP Open Enrollment Funding Calendar (2023-2027)

Open Enrollment Round	Date of Open Enrollment Release	Date of Open Enrollment Close	Funding Availability	Estimated Units / Projects
2023-R1	Jun 21, 2023	August 7, 2023	\$2,500,000	825 units 13 projects
2023-R2	Dec 15, 2023	Jan 31, 2024	\$2,500,000	825 units 13 projects
2024-R1	Jun 15, 2024	July 31, 2024	\$1,750,000	575 units 9 projects
2024-R2	Dec 15, 2024	Jan 31, 2025	\$1,750,000	575 units 9 projects
2025-R1	Jun 15, 2025	July 31, 2025	\$1,300,000	425 units 7 projects
2025-R2	Dec 15, 2025	Jan 31, 2026	\$1,300,000	425 units 7 projects
2026-R1	Jun 15, 2026	July 31, 2026	\$1,300,000	425 units 7 projects
2026-R2	Dec 15, 2026	Jan 31, 2027	\$800,000	275 units 5 projects
2027-R1	Jun 15, 2027	July 31, 2027	\$800,000	275 units 5 projects
TOTAL			\$14,000,000	4,625 units 75 projects

Funding rounds every 6 months to ensure equitable distribution of funding for next five years.

Project Type / Utility	Pacific Power Service Area	Portland General Electric Service Area	Total
New Construction	\$625,000	\$625,000	\$1,250,000
Existing Multifamily	\$625,000	\$625,000	\$1,250,000
TOTAL	\$1,250,000	\$1,250,000	\$2,500,000

2023 Round 1 Set Aside Categories

Should I Apply For OR-MEP Open Enrollment Funding Round 1?

OHCS anticipates releasing OR-MEP Open Enrollment rounds every 6 months. We encourage project teams to apply for this round if your project meets the following prerequisites if selected for OR-MEP funding in this Open Enrollment round:

- ☐ Project will finalize development of the energy efficiency scope to **reserve incentives within 6 months of Open Enrollment selection.**
- ☐ Project will **start installing energy upgrades within 1 year of Open Enrollment selection.**

***Note:** If your project is not yet ready to commit to these timelines or are awaiting confirmation of other funding sources to confidently move forward, we ask that you wait for the next OR-MEP Open Enrollment round to apply. We want to prioritize projects that are ready to move forward immediately after being selected, and projects with an uncertain viability to move forward takes away a spot from another project that could benefit from funding in this round. OHCS will enforce these deadlines for any project selected from this Open Enrollment round. Project teams that show a repeated pattern of not meeting deadlines or not making progress to move forward may be disqualified from participating in future OR-MEP Open Enrollment rounds.*

Prioritization Criteria (Scored)

1. Project is in a BIPOC community. [0-5 points]

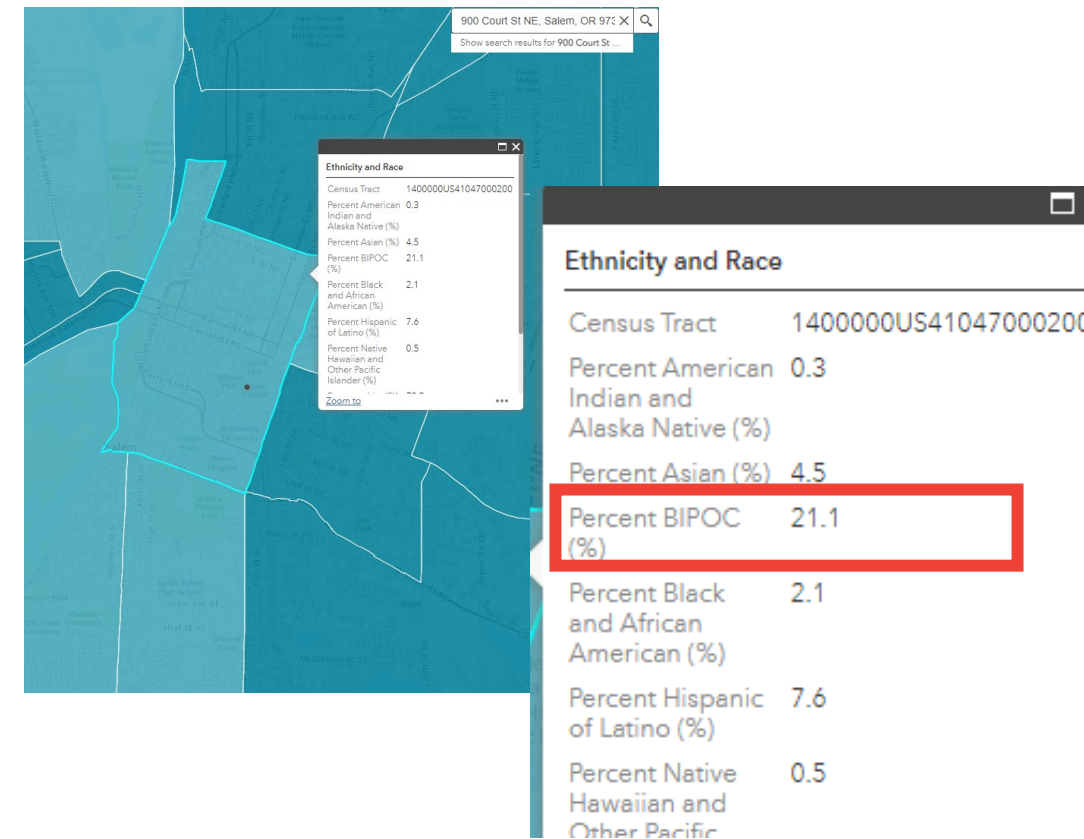
Score will be noted in Open Enrollment application based on project address provided. The data source is based on data found in [Affordable Housing Assessment Map, "Ethnicity and Race – Census Tract – Percent of BIPOC"](#) layer

- Program Intent: The intent of this criteria is to prioritize projects located in BIPOC communities.

	# of Points	% of Total Points
% BIPOC in Census Tract: <15%	0	0%
% BIPOC in Census Tract: 15-24%	1	3%
% BIPOC in Census Tract: 25-34%	3	10%
% BIPOC in Census Tract: 35%+	5	16%

Example: 900 Court Street NE, Salem OR 97301

- % BIPOC = 21.1%
- Project eligible for 1 point



Prioritization Criteria (Scored)

2. Project is primarily serving BIPOC communities. [0-5 points]

Score will be noted in Open Enrollment application based on self-attestation by applicant on current (for existing properties) or anticipated (for new construction) % of BIPOC residents in property. Applicant should make selection to the best of their current knowledge and goals of property. Please detail in narrative response (limited to 200 words) how applicant will ensure the selected % of BIPOC residents is currently or will be met. Specifically,

How do you plan to ensure that members of these communities are aware of the housing opportunity? Please describe planned outreach efforts and community resources that you will connect with/utilize to publicize to BIPOC communities the availability of housing opportunities created by the Project consistent with [Affirmative Fair Housing Marketing \(AFHM\) Plan](#). Some examples include: outreach partnerships with community, places of worship, community centers, stores that sell culturally specific products

- Program Intent: The intent of this criteria is to prioritize projects that are explicitly designed and located to address displacement of BIPOC residents and communities, and to ensure underserved BIPOC communities are represented as residents of property.

	# of Points	% of Total Points
% BIPOC Residents: 0%	0	0%
% BIPOC Residents: 25%	1	3%
% BIPOC Residents: 50%	3	10%
% BIPOC Residents: 75%+	5	16%

Prioritization Criteria (Scored)

3. Project's High Priority Area Index Score (Energy Burden). [0-5 points]

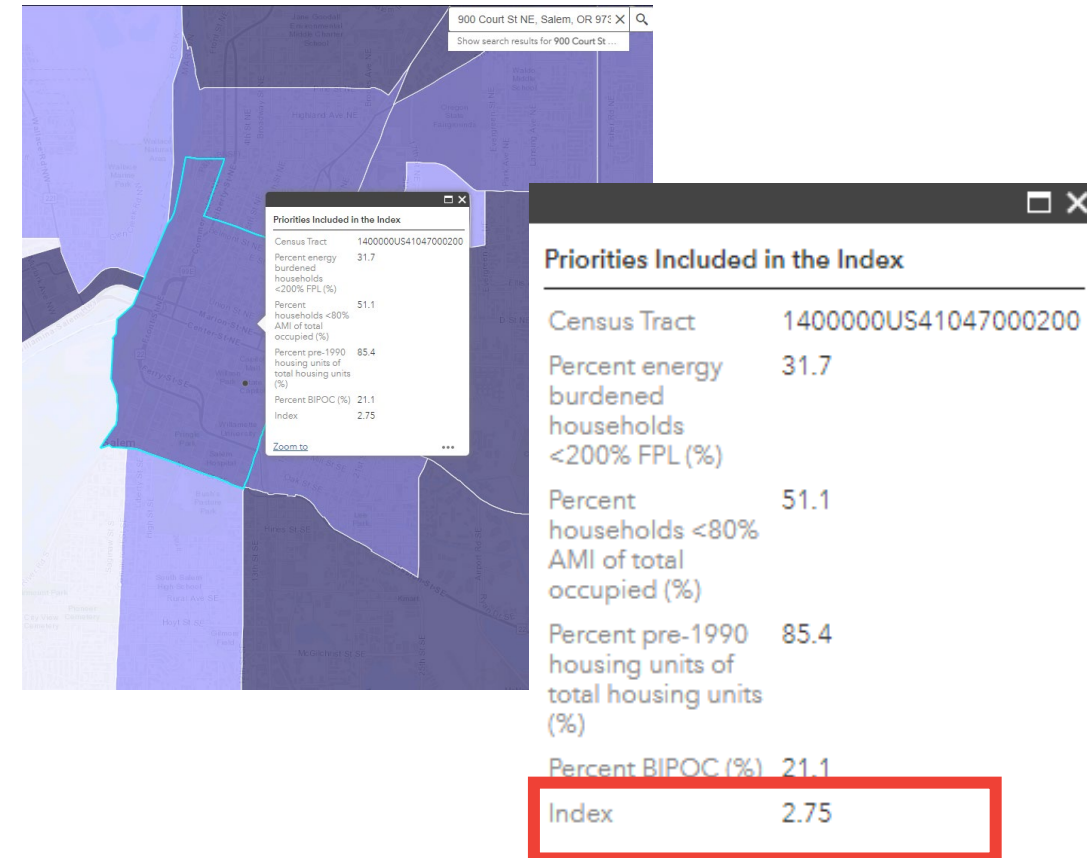
Score will be noted in Open Enrollment application based on project address provided. The data source is based on data found in [Affordable Housing Assessment Map, "High Priority Area Index – Census Tract – Index"](#) layer

- Program Intent:** The intent of this criteria is to prioritize projects with high priority area index score, which is a metric defined in the [Ten Year Plan: Reducing the Energy Burden in Oregon Affordable Housing](#) (p 17). This index was created to identify locations more easily in Oregon with the greatest energy burden. The index includes a measure of energy burden itself along with other factors that are known to drive energy burden, including: affordability hardship due to low household income (economic driver); poor home energy efficiency due to older home vintage (physical driver); and housing inequity issues due to ethnicity/race (systemic driver).

	# of Points	% of Total Points
High Priority Index Score: <1	0	0%
High Priority Index Score: 1.00 - 2.00	1	3%
High Priority Index Score: 2.00 - 3.00	3	10%
High Priority Index Score: 3.00+	5	16%

Example: 900 Court Street NE, Salem OR 97301

- High Priority Area Index Score = 2.75
- Project eligible for 3 points



Prioritization Criteria (Scored)

4. Project is in a rural area. [0-5 points]

Score will be noted in Open Enrollment application based on project address provided. The data source is based on [OHCS' QAP 2022, p. 12-13](#) for “Balance of Non-Urban/Rural” region¹.

- Program Intent: The intent of this criteria is to prioritize projects in rural areas that is currently underserved by OR-MEP and due to their location away from urban centers the projects are typically resource constrained due high labor costs of energy upgrades tied to workforce shortages compared to projects located in urban areas.

	# of Points	% of Total Points
No	0	0%
Yes	5	16%

Example: 900 Court Street NE, Salem OR 97301

- Rural = No
- Project eligible for 0 points

¹“Balance of Non-Urban/Rural” excludes Portland Metro Counties (Clackamas County, Multnomah County, Washington County); cities of Eugene, Springfield, Salem, Keizer, Albany, Ashland, Bend, Central Point, Dallas, McMinnville, Medford, Newberg, Redmond, and Woodburn.

Prioritization Criteria (Scored)

5. Project is Naturally Occurring Affordable Housing (NOAH). [0-5 points]

Is this property currently unsubsidized rental housing with no active affordable regulatory agreement with a federal, state, or local agency? NOAH properties are unsubsidized rental housing that is affordable to residents with incomes between 60-120% of the area median income, and who typically can pay no more than 30% of their income on rent and utilities. NOAH property owners have typically never participated in affordable housing programs (e.g, OHCS NOFAs, Housing Bureau NOFAs, LIHTC, HUD or USDA). To be eligible for OR-MEP incentives, applicant must agree to enter into a 10 year affordability agreement with OHCS. Learn more here:

https://oregonmultifamilyenergy.com/wp-content/uploads/2020/09/OR-MEP_NOAH-Fact-Sheet_2020_09-08.pdf .

- Program Intent: The intent of this criteria is to prioritize Natural Occurring Affordable Housing that are not currently subsidized and by enrolling in OR-MEP NOAH properties agree to meet OR-MEP affordability requirements by entering into a 10-year affordability agreement with OHCS, which will help preserve affordable housing in Oregon. NOAH properties typically have small teams that own and operate the property and need more support than a traditional affordable housing owner and developer to navigate and participate in an affordable housing program.

	# of Points	% of Total Points
No	0	0%
Yes	5	16%

Prioritization Criteria (Scored)

6. Applicant entity is a nonprofit or housing authority. [0-2 points]

To be eligible as a nonprofit, the applicant entity must be a recognized 501(c)(3) organization. To be eligible as a housing authority, the applicant entity must be a housing authority associated with a government entity.

- Program Intent: The intent of this criteria is to prioritize nonprofits and housing authorities that are often more resources constrained than for-profit applicant entities.

	# of Points	% of Total Points
No	0	0%
Yes	2	6%

Prioritization Criteria (Scored)

7. Is this planned to be a highly energy-efficient performing building? (e.g., net zero energy, passive house, etc.) [0-2 points]

Please describe how your project is planned to be a highly energy efficient performing building? Please specify the target level of energy performance for the building (e.g., net zero, passive house), the type of energy upgrades the project is considering, and how the project is equipped to achieve this target. Please demonstrate by providing details on current project team and their experience to achieve these design goals, and any previous experience or projects that will ensure feasibility of such goals.

- Program Intent: The intent of this criteria is to prioritize projects that are going beyond to reduce the energy burden for residents through the highest energy efficient building design.

	# of Points	% of Total Points
No	0	0%
Yes	2	6%

Prioritization Criteria (Scored)

8. Is this the applicant entity organization's first time applying for OR-MEP and they have never previously received OR-MEP funding? [0-2 points]

Please select yes if this is your applicant entity's first time applying for OR-MEP and you have never previously received OR-MEP funding.

- Program Intent: The intent of this criteria is to prioritize first time participation in OR-MEP.

	# of Points	% of Total Points
No	0	0%
Yes	2	6%

Enrollment Process

Application Submission Process

- ◆ The OR-MEP Open Enrollment application process requires submission of a form that is submitted electronically.
 - Application link will be available when Open Enrollment Round 1 opens.
- ◆ Open Enrollment rounds are scheduled to be open for 45 days.

Application Review Process

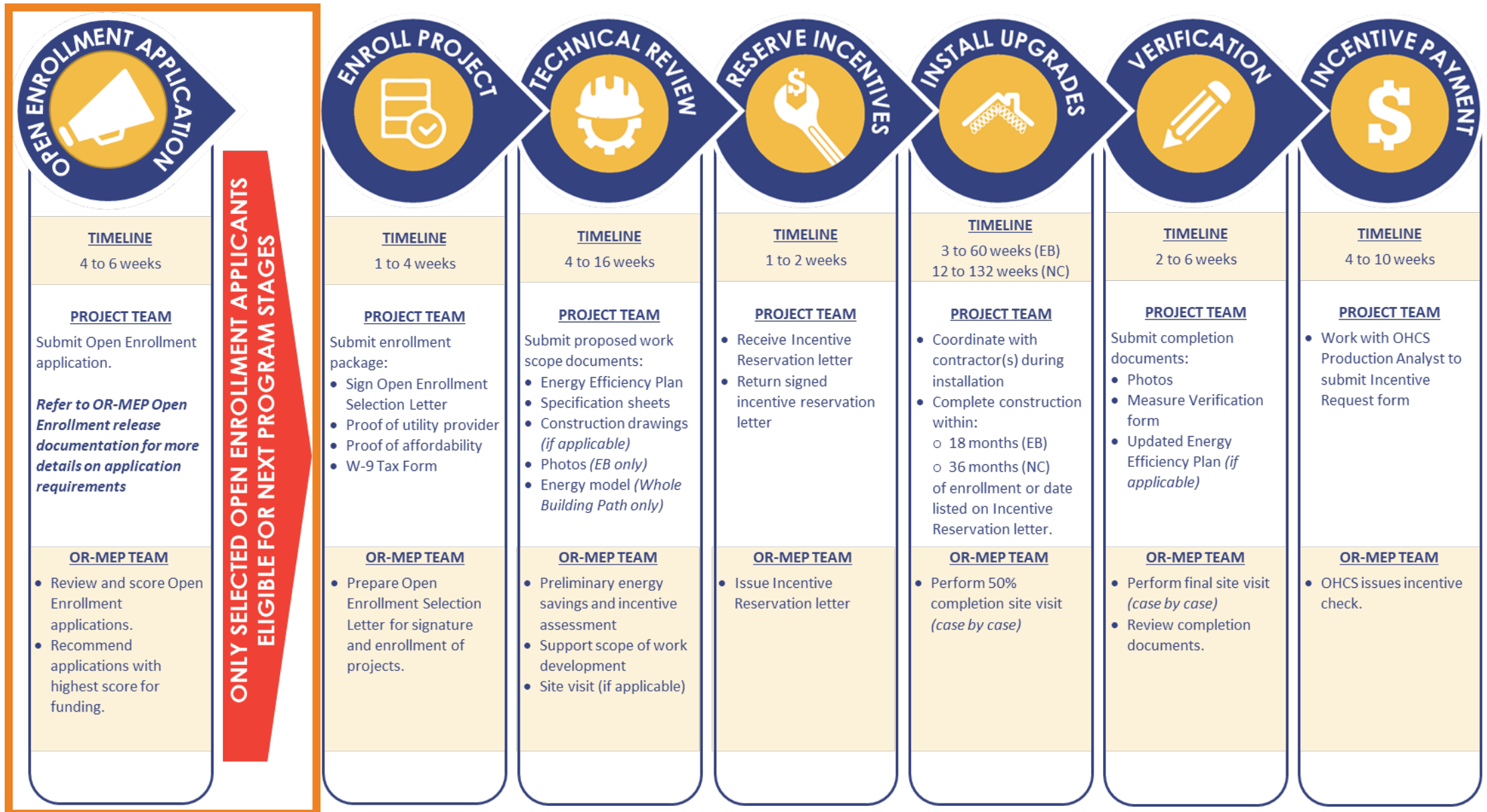
- ◆ Applications in response to this Open Enrollment are reviewed and competitively ranked in accordance with the following:
 - Complete application submission
 - Receive an overall score (for Scored Criteria),
 - Ranked highest to lowest by score in the appropriate set-aside.

Applications that have the highest scores within each set-aside category will be recommended for funding as allocated resources allow.
- ◆ OR-MEP anticipates issuing notice of selected projects within 30 days of enrollment round closing.



Draft Open Enrollment Framework to be posted on OR-MEP website and shared in webinar follow-up.

OR-MEP Participation Process

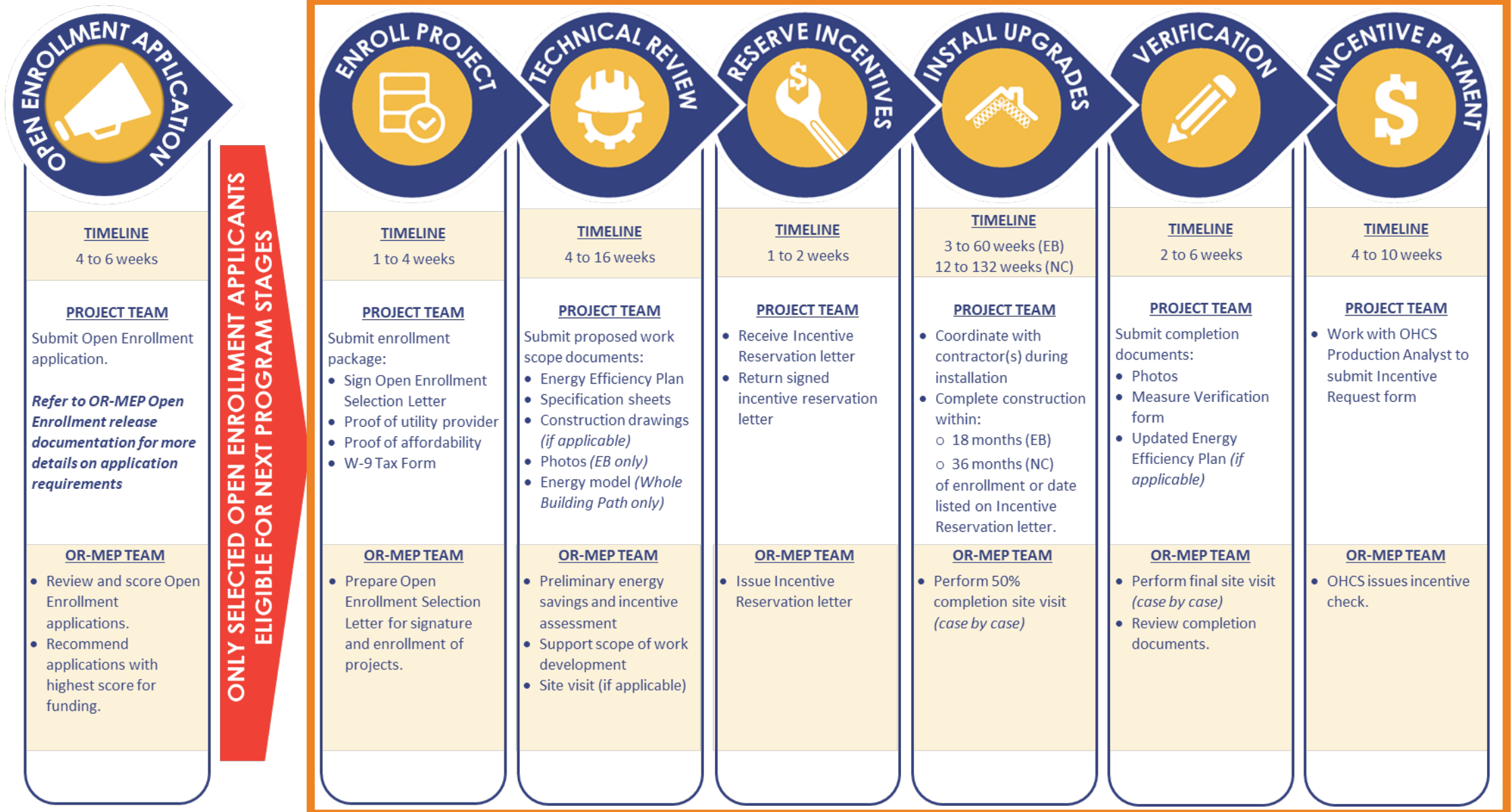


OR-MEP Program Updates

- ◆ Updated Program Summary
- ◆ New OR-MEP Open Enrollment Process
- ◆ **Participation, Measure & Incentive Updates**

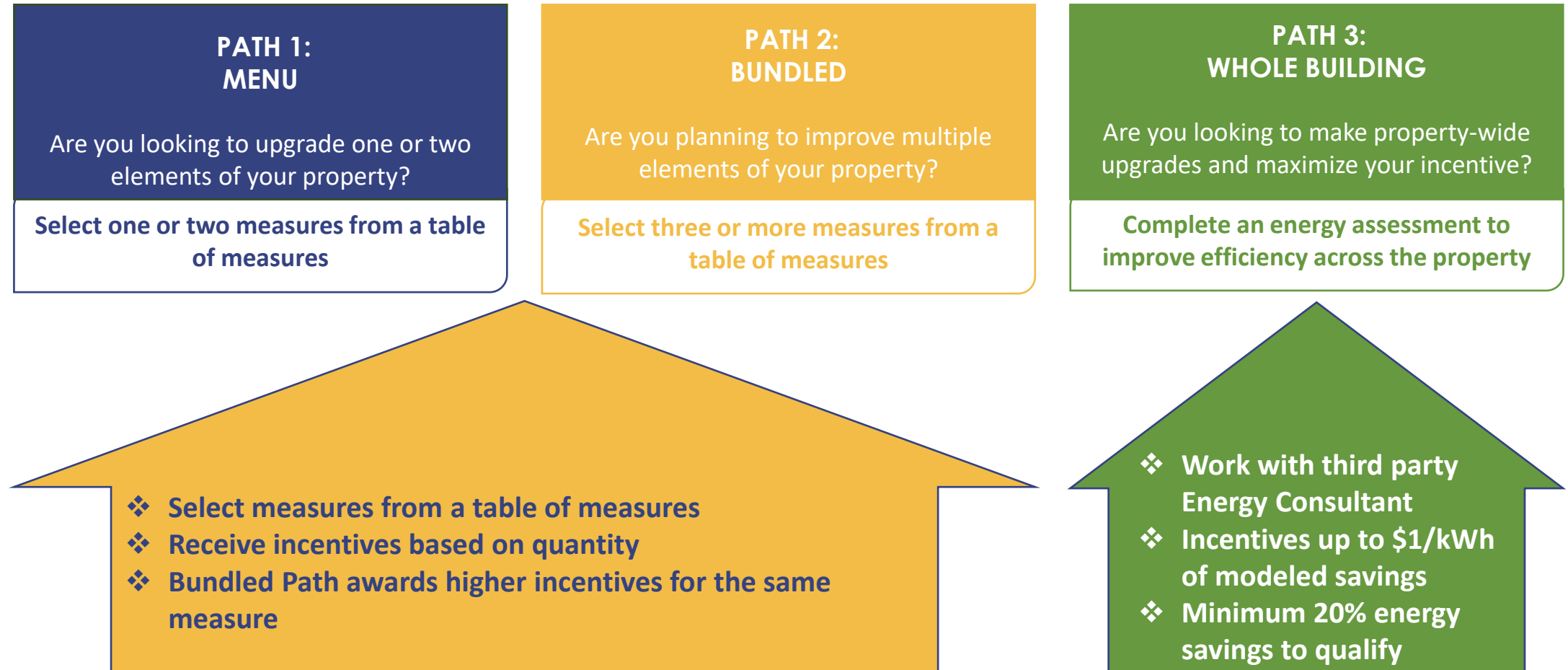


OR-MEP Participation Process



What is not changing

◆ Program Pathways Structure



What is changing

- ◆ General eligibility
- ◆ Participation requirements
- ◆ Existing Building and New Construction measure table
- ◆ Introduced Tailored Measures
- ◆ Bonus Incentives

*See Summary of Changes
on page 8 of the Draft
Program Manual for
complete list of updates*

Program Manual

Summary of Changes

This is a summary of changes since version 1.2, published September 3, 2019.

Manual Version Number

- ◆ Version numbering convention update to program calendar year (YYYY) and iteration number (i) in the form of: YYYY.#.

General Eligibility

- ◆ Expanded eligibility to duplex, triplex, and quadplex projects where five or more buildings are on one site.

Participation Requirements

General Eligibility

- ✓ Existing or New Construction affordable multifamily properties with five (5) or more apartments per building are eligible to participate including low-rise, mid-rise, and high-rise multifamily buildings.
NEW: Campus of five or more duplexes, triplexes, and quadplexes are also eligible.
- ✓ Electric utility must be Portland General Electric or Pacific Power (Oregon only).
- ✓ Projects must be heated by a hard-wired electrical heating system to qualify for program funding.
- ✓ Affordability requirements: Residents in at least 50% of the dwelling units must be at or below 80% AMI and these units must remain affordable for a period of 10 years
- ✓ The program can only provide incentives for measures that result in electric savings.
- ✓ **NEW: Project in construction are eligible to apply for Open Enrollment**
 - *Note: If construction is complete the project is not eligible*

Participation Requirements



◆ New: Milestone Meetings

- Required program check-ins before and during construction to discuss scope

◆ Invoices no longer required at completion

- Please continue to enter the estimated costs to the best of your ability.

Existing Building (EB) and New Construction (NC) Menu and Bundled Path Measure Table

◆ Removed points structure

- All incentives are listed as incentives per defined measure unit
- *Note: Some measure units have changed*




◆ Removed pre-made bundles in Bundled Path

- You can select three or more measures that fit your needs




◆ Measure Table

- Increased incentives wherever possible to meet increased costs (Ductless Heat Pump, Heat Pump Water Heaters)
- Introduced tiered incentive structures to windows, insulation, HVAC equipment, heat pump water heaters, and thermostats
- Added Central Heat Pump Water Heater (HPWH) measure, ENERGY STAR window air conditioners, drain water heat recovery
- Ungrouped New Construction (NC) measures (e.g., envelope, ventilation, appliances)
 - Example: Envelope measure now separates wall and attic insulation (no more requirement for continuous insulation)
- Removed low-e storm windows and reduced infiltration

Examples (Existing Buildings)

	Increased and Tiered DHP Incentives 	Updated Heat Pump Water Heater Incentives 	Added Window AC Measure 
Previous Incentives	HSPF \geq 10: \$1,540/each	NEEA Tier 1-3: \$245/each	<i>Not Available</i>
New Incentives	HSPF 9 - 11: \$1,800/each HSPF \geq 11: \$2,000/each	<u>In-Unit HPWH</u> NEEA Tier 1: \$600/each NEEA Tier 3: \$650/each NEEA Tier 4: \$750/each <u>Central HPWH</u> EF \geq 2.0: \$400/dwelling unit (up to total installed cost)	<u>ENERGY STAR Window AC</u> \$70/each

Examples (New Construction)

	Increased and Tiered DHP Incentives 	Updated Heat Pump Water Heater Incentives 	Ungrouped Envelope Measure 
Previous Incentives	HSPF 11.2: \$350/dwelling unit	NEEA Tier 1-3: \$245/dwelling unit	High Performance Envelope including continuous insulation (c.i.): \$420/dwelling unit
New Incentives	HSPF 9 - 11: \$450/dwelling unit HSPF \geq 11: \$500/dwelling unit	<u>In-Unit HPWH</u> NEEA Tier 1: \$500/dwelling unit NEEA Tier 3: \$550/dwelling unit NEEA Tier 4: \$600/dwelling unit <u>Central HPWH</u> EF \geq 2.0: \$400/dwelling unit (up to total installed cost)	<u>Wall Insulation</u> Cavity only (R23): \$70/dwelling unit Cavity + c.i.: \$300/dwelling unit <u>Attic/Roof Insulation</u> 10% better than code: \$150/dwelling unit >20% better than code: \$200/dwelling unit

NEW: Tailored Measure

Menu and Bundled Path projects may add ONE custom “Tailored” measure not available in the measure table

REQUIREMENTS

- ✓ Lead to electric savings
- ✓ Residents are the primary users of the equipment and space
- ✓ Have proven, quantifiable energy savings potential (e.g., Regional Technical Forum, Department of Energy, ENERGY STAR, etc.)

INCENTIVE

\$0.70/kWh of estimated annual energy savings



Discuss your interest to pursue a tailored measure with your OR-MEP Energy Advisor



Complete the “Measure Feasibility” section in the new Tailored Measures tab and submit to your Energy Advisor for approval



Calculate the estimated Energy Savings for the measure. Your Energy Advisor is available to provide technical support

NEW: Bonus Incentives



Rural Bonus for DHPs

- **Intent:** Address higher cost of installing DHPs in locations without contractors, fewer local incentives etc.
- \$500 DHP bonus for projects in rural areas (*as defined by OHCS*)



Smart Homes

- **Intent:** Incentivize smart home technologies that promote energy savings by influencing behavior and provide residents more control of their home.
- Whole Home Energy Monitor (*EB: \$350/unit; NC: \$200/unit*)



Wildfire Resiliency

- **Intent:** Incentivize upgrades with dual benefit of energy savings and improve health and safety during wildfire events
 - ERV/HRV with HEPA filter
 - Triple Pane Windows
 - Fire Resistant Attic Insulation
 - Unvented Attic
 - Fire Resistant Continuous Wall Insulation

(See Program Manual for incentive details. Varies for EB + NC)

What to Expect Next?

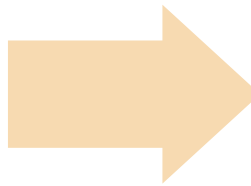


What to Expect Next?



Public Comment period open through May 31, 2023 for draft Program Manual.

- Submit comments to:
Tim Clark
timothy.i.clark@hcs.oregon.gov



Goal to finalize Program Manual and Open Enrollment framework by June 21, 2023 (*timing dependent on public comment response*)

- Open Enrollment Round 1 to launch soon after, with a webinar to be scheduled to review application process.



Subscribe to OR-MEP email list to receive all program announcements and the most up to date information.



Q&A?

◆ Please type questions
via Q&A button.

Audio Settings ^

Chat ^

Q&A

CC ^
Show Captions

Leave

THANK YOU!

Oregon Multifamily Energy Program



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