

OREGON HOUSING & COMMUNITY SERVICES

# MULTIFAMILY Energy Program

## OR-MEP Open Enrollment: 2023-Round 1 (2023-R1)

Open Enrollment Open Date: **Month XX, 2023**

Open Enrollment Closing Date: **Month XX, 2023**, 5:00 PM PST

This document details the OR-MEP Open Enrollment framework for 2023 Round 1

**DRAFT: April 21, 2023**



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# Introduction

## Purpose

Oregon Housing and Community Services (“OHCS”) is seeking applications (“Applications”) in this Open Enrollment: 2023-Round 1 period for the enrollment of new construction or existing multifamily properties into the Oregon Multifamily Energy Program (“OR-MEP”).

As detailed in the Funding Allocations (2023-2027) section, 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 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.*

## Enrollment Timeline

Enrollment Stage	Date
OR-MEP Open Enrollment - 2023 Round 1 Opens	TBD (Target: June 21, 2023)
OR-MEP Open Enrollment - 2023 Round 1 Closes	TBD (Target: August 7, 2023, at least 45 days after enrollment open date)
Notice of Selected Projects Issued for OR-MEP Open Enrollment – 2023 Round 1	TBD (Within 30 days enrollment round closing)

## OR-MEP Program Requirements

### 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 energy burden<sup>1</sup> 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, 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 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.

### Program Requirements

For complete details on program requirements, please review the OR-MEP Program Manual.

**<Once Rulemaking process is closed, final Program Manual V2023.0 link to be added>**

### General Eligibility

- ◆ Eligible applicants include nonprofit organizations, for-profit businesses, and local government entities including, but not limited to, cities, counties, housing authorities, nonprofit community organizations, regional or statewide nonprofit entities and private individuals or corporations.
- ◆ 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. Campus of five or more duplexes, triplex, and quadplexes are also eligible.
- ◆ Projects must be in Oregon and must receive electric service from Portland General Electric or Pacific Power.
- ◆ Projects must be heated by a hard-wired electrical heating system.
- ◆ To meet affordability requirements, the residents residing in at least 50% of the dwelling units must be at or below 80% AMI (area median income) and these units must remain affordable for a period of 10 years, unless superseded by other department funding resource requirements.
- ◆ The program can only provide incentives for measures that result in electric savings.

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<sup>1</sup>**Energy burden** is defined as the percent of household income spent on energy bills. Energy burden is a key component to determining if a housing unit is affordable. The most commonly used metric is that an affordable energy burden must be no higher than six percent of the household's income.

(<https://www.oregon.gov/energy/Get-Involved/Documents/2018-BEEWG-Ten-Year-Plan-Energy-Burden.pdf>)

## Open Enrollment Funding Sources, Set-Aside Categories and Allocations

### Funding Sources

OR-MEP is funded through the [Public Purpose Charge](#). Public purpose charges help fund conservation in schools, low-income weatherization and housing, and renewable energy projects in Oregon.

Senate Bill 1149 directed Oregon's two largest investor-owned electric utilities – Portland General Electric and Pacific Power – to collect a public purpose charge from their customers. Through December 31, 2021, the charge collected was equal to 3 percent of their revenues and funded energy efficiency, development of new renewable energy, and low-income weatherization projects throughout the state.

[ORS 757.612](#), the Oregon statute that outlines the requirements for public purpose charge expenditures, allocated the first 10 percent of collected funds to be distributed to school districts located within PGE's and Pacific Power's service territories. Of the remaining 90 percent, the statute designated 63 percent for energy conservation, 19 percent for renewable energy projects, 13 percent for low-income weatherization, and **5 percent for low-income housing. This 5% is what funds the Oregon Multifamily Energy Program.**

In 2021, the Oregon Legislature passed House Bill 3141, which made numerous changes to the statutes for the Public Purpose Charge. These changes include extending the Public Purpose Charge collection and programs associated through January 01, 2036, moved energy conservation funding out of the Public Purpose Charge to energy efficiency through utility rates, reduced the collection of 3% to 1.5% and lastly adjusted the funding percentages allocated to the remaining categories:

- 0.30% of 1.5% to School Districts
- 0.51% of 1.5% to Renewable Energy
- 0.55% of 1.5% to Low-Income Weatherization
- **0.14% of 1.5% to Low-Income Housing**

**This 0.14% of 1.5% is what currently funds OR-MEP and is administered by Oregon Housing and Community Services.**

### Funding Allocations (2023-2027)

OHCS anticipates \$14 million in funding for OR-MEP over the next 5 years through 2027. This Open Enrollment framework estimates the following funding distribution for the anticipated \$14 million distributed over 5 years.

OHCS anticipates releasing OR-MEP Open Enrollments in rounds approximately every six (6) months. This frequency allows OR-MEP to better serve projects that initiate throughout the year and ensure an equitable distribution of funded projects through a bi-annual enrollment frequency.

*Table 2: OR-MEP Funding Calendar 2023-2027 (Assuming \$14 million over 5 years)*

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

**Set-Aside Categories – OR-MEP Open Enrollment – 2023 Round 1**

For this OR-MEP Open Enrollment 2023-R1, OR-MEP has set aside the following funding amounts and reserves the right to add resources to fully fund Projects:

*Table 1: 2023-Round 1 OR-MEP Open Enrollment Set Aside Categories*

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

**Definitions**

For purposes of this Open Enrollment, the following terms have the following meanings:

- ◆ **BIPOC:** Black, Indigenous, People of Color. BIPOC communities, or communities of color, are identity-based communities that hold a primary racial identity that describes the racial characteristics of the community that its members share (such as being African American) that

supports self-definition by community members, and that typically denotes a shared history and current/historic experiences of racism. The community may or may not also be a geographic community. Given that race is a socially defined construct, the definitions of these communities are dynamic and evolve across time.<sup>2</sup>

- ◆ **Affirmatively Furthering Fair Housing:** Affirmatively Furthering Fair Housing (AFFH) is a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. This obligation to affirmatively further fair housing has been in the Fair Housing Act since 1968 (for further information see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608 and Executive Order 12892). HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. As provided in the rule, AFFH means "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws."<sup>3</sup>

## Enrollment Process

### Application Submission Process

The OR-MEP Open Enrollment application process requires submission of a form that is submitted electronically.

<Application link to be added once open enrollment is live>

### Application Review Process

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

OHCS, at its sole discretion, may choose not to award all available resources.

Applications are first ranked within each Set-Aside Category. Applications that have the highest scores within each set-aside category will be recommended for funding as allocated resources allow. If Applications within a set aside do not score well enough to be funded (meet a minimum of at least 10 points) or if there are no Projects to fund within a set-aside category,

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<sup>2</sup> Adapted from Curry-Stevens, Ann, Marie-Elena Reyes & Coalition of Communities of Color (2014). Protocol for Culturally Responsive Organizations

<sup>3</sup> U.S. Department of Housing and Urban Development

the set-aside category funds will be put back into the OR-MEP incentive pool in accordance with their set-aside definitions.

2. **Tie Breaking Rule:** If the total evaluation scores of two (2) or more Applications result in a tie and OR-MEP allocation availability is insufficient to fund all tied Applications, the following factors, in order of priority, will break the tie:
  - a. Project with earlier construction start date will be selected.
  - b. Project with higher total points in BIPOC and High Priority Area Index (Energy Burden) categories will be funded.

### 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%
<b>Total</b>	<b>31</b>	<b>100%</b>

### Prioritization Criteria

The following criteria will be scored and will contribute to Application Ranking Process as noted above.

Scored Criteria	# of Points	% of Total Points
<p><b>1. Project is in a BIPOC community.</b>                      Score will be noted in Open Enrollment application based on project address provided. The data source is based on data found in <a href="#">Affordable Housing Assessment Map, "Ethnicity and Race – Census Tract – Percent of BIPOC"</a> layer</p> <p><i>OR-MEP Intent: The intent of this criteria is to prioritize projects located in BIPOC communities.</i></p>		
<b>% BIPOC in Census Tract: &lt;15%</b>	<b>0</b>	<b>0%</b>
<b>% BIPOC in Census Tract: 15-24%</b>	<b>1</b>	<b>3%</b>
<b>% BIPOC in Census Tract: 25-34%</b>	<b>3</b>	<b>10%</b>
<b>% BIPOC in Census Tract: 35%+</b>	<b>5</b>	<b>16%</b>



**2. Project is primarily serving BIPOC communities.**

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 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

*OR-MEP 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 BIPOC Residents: 0%	0	0%
% of BIPOC Residents: 25%	1	3%
% of BIPOC Residents: 50%	3	10%
% of BIPOC Residents: 75%+	5	16%

**3. Project’s High Priority Area Index Score (Energy Burden).**

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

*OR-MEP 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). For more information about how this index was created, refer to: <https://www.oregon.gov/energy/Get-Involved/Documents/2018-BEEWG-AHA-Guide-Methodology.pdf>*

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%

**4. Project is in a rural area.**

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" region.

*OR-MEP 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.*

No	0	0%
Yes	5	16%

**5. Project is Naturally Occurring Affordable Housing (NOAH).**

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

*OR-MEP 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.*

No	0	0%
Yes	5	16%

**6. Applicant entity is a nonprofit or housing authority.**

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.

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

No	0	0%
Yes	2	6%

<p><b>7. Is this project planned to be a highly energy-efficient performing building (e.g., net zero energy, passive house, etc.)?</b>                  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.</p> <p><i>OR-MEP Intent: The intent of this criteria is to prioritize projects that are going beyond to reduce the energy burden for residents through a high energy performance building design.</i></p>			
	No	0	0%
	Yes	2	6%
<p><b>8. Is this the applicant entity organization’s first time applying for OR-MEP and they have never previously received OR-MEP funding?</b>                  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.</p> <p><i>OR-MEP Intent: The intent of this criteria is to prioritize first time participation in OR-MEP.</i></p>			
	No	0	0%
	Yes	2	6%
<b>Total Maximum Points</b>		<b>31</b>	<b>100%</b>

The following criteria will not be scored and includes both prerequisite questions and informational question for program team to better understand your project.

Not Scored Criteria	
<p><b>1. <u>PREREQUISITE:</u> If selected for OR-MEP funding in this Open Enrollment round, project will finalize development of energy efficiency scope to <u>reserve incentives within 6 months of Open Enrollment selection.</u></b></p> <p><b>How soon will project be able to finalize submittal for OR-MEP incentive reservation if you are selected for OR-MEP Open Enrollment?</b></p> <p><i>OR-MEP Intent: The intent of this criteria is to confirm project will meet prerequisite requirements and finalize incentive reservation within 6 months of Open Enrollment selection.</i></p>	
	<b>Within 1 month</b>
	<b>1 – 2 months</b>
	<b>2 – 3 months</b>

	3 – 4 months
	4 – 5 months
	5 – 6 months
	More than 6 months
<p><b>2. PREREQUISITE:</b> If selected for OR-MEP funding in this Open Enrollment round, project will <u>start installing energy upgrades within 1 year of Open Enrollment selection.</u></p> <p><b><u>Install/Construction Timeline:</u></b> What is anticipated energy upgrade installation/construction start date of project? What is anticipated energy upgrade installation/construction completion date of projects?</p> <p><i><b>OR-MEP Intent:</b> The intent of this criteria is to confirm project will meet prerequisite requirements and start installing energy upgrades within 1 year of Open Enrollment selection.</i></p>	
	<Enter installation/construction start date>
	<Enter installation/construction completion date>
<p><b>3. INFORMATIONAL:</b> Does project have all funding sources in place to move forward with design and construction and incorporate OR-MEP design elements?</p> <p>Please confirm the following:</p> <ul style="list-style-type: none"> <li>• Are all funding sources confirmed (e.g., NOFAs have been awarded)? If so, please provide details of funding confirmed, including name of fundings source, date confirmed, and funding amounts confirmed.</li> <li>• If not, what is pending and when is anticipated date of funding confirmation?</li> </ul> <p><i><b>OR-MEP Intent:</b> The intent of this criteria is to confirm that project can move forward and finalize OR-MEP incentives if selected for OR-MEP Open Enrollment.</i></p>	
	Yes (please provide details)
	No (please provide details)
<p><b>4. INFORMATIONAL:</b> Do you have an Energy Consultant and third party Verifier lined up for this project?</p> <p><i><b>OR-MEP Intent:</b> The intent of this criteria is to understand who you may be working with as an Energy Consultant and third party verifier. If you do not have these roles defined yet, OR-MEP can help you find Energy Consultants who are familiar with the program and can serve in this role.</i></p>	
	Yes, if so state who.
	No, I need help to find one
	No, not yet, but I have someone in mind
	No, I don't plan to work with an Energy Consultant or Verifier.