

## MEMORANDUM

MAY 16, 2013

**TO:** BOSTON REDEVELOPMENT AUTHORITY AND  
PETER MEADE, DIRECTOR

**FROM:** ROBERT LUISI, DIRECTOR FOR ADMINISTRATION & FINANCE;  
DANA WHITESIDE, DEPUTY DIRECTOR FOR COMMUNITY  
ECONOMIC DEVELOPMENT

**SUBJECT:** INCLUSIONARY DEVELOPMENT PROGRAM FUND &  
ENERGY EFFICIENCY/RENEW BOSTON FUND (CITY WIDE)

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**SUMMARY:** This Memorandum requests approval make an expenditure from the Inclusionary Development Program (“IDP”) Energy Fund to provide for an increase in the Energy Efficiency/Renew Boston Fund

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### **PROJECT BACKGROUND**

On March 16, 2010, the Boston Redevelopment Authority (“BRA”) was authorized to expend up to \$1,000,000 of Inclusionary Development Program (“IDP”) funding to improve the energy efficiency of existing affordable multi-family rental housing (the “IDP Energy Fund”). This authorization allowed the BRA to award grants to be spent on energy efficiency measures and renewable energy systems.

Affordable housing developments that are eligible for the IDP Energy Efficiency Fund are required to complete energy audits, demonstrate cost effective construction plans and, whenever possible, leverage additional funding resources. Many of the applicants are expected to seek funding from the Low-Income Energy Affordability Network (LEAN), a multi-million dollar energy efficiency retrofit grant program for existing affordable rental housing, funded by the utilities and the Recovery Act. The IDP Energy Efficiency Fund will increase the number of affordable housing units that receive energy efficiency improvements, fund cost effective energy conservation measures that fall outside LEAN’s program, and support eligible renewable energy system deployment.

### **PROGRAMMATIC ACTIVITY & FUNDING**

As part of its engagement in the City’s Energy Efficiency/Renew Boston Initiative, the BRA participates in a coordination forum with other agencies which also provide funding to support energy efficiency for Boston’s affordable housing stock (the “Energy

Efficiency/Renew Boston Fund"). These agencies include The Mayor's Office of Energy Policy, the Department of Neighborhood Development ("DND"), Local Initiatives Support Corporation ("LISC") and Action for Boston Community Development ("ABCD").

Since its inception, the Energy Efficiency/Renew Boston Fund has been able to leverage including approximately \$900,000 in Energy Efficiency/Conservation Block Grant funded by the American Recovery and Reinvestment Act ("ARRA") as managed by DND and the Low-Income Multifamily Retrofit Program as administered by ABCD.

#### Criteria for Energy Retrofit/Renew Boston Fund

So as to increase the number of affordable housing units that benefit from the program or provide resources for proven energy efficiency strategies not funded by utility companies, the BRA works in conjunction with the LEAN to award grants for developments that meet the following criteria:

- Developments that are owned by non-profits or developments that are owned by for-profits but whose tenants pay their own heat and electricity;
- Developments that have completed an energy audit which demonstrates a serious need for energy improvement;
- Developments that have restrictions requiring that the majority of the units serve households earning less than 80% of Area Median Income ("AMI"); and
- Developers which have no outstanding obligations with the City of Boston

Developments which have benefited from the BRA's Energy Retrofit/Renew Boston Fund and the agency's collaboration with LEAN include:

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|---------------------------------|-----------------------------------------------|
| • Jamaica Plain Scattered Sites | Urban Edge                                    |
| • Morville House                | Episcopal City Mission/Roxbury                |
| • Mt. Pleasant Homes            | Mt. Pleasant LLC/Roxbury                      |
| • West Fenway Elder Housing     | Fenway CDC                                    |
| • 290 West Third Street         | South Boston NDC                              |
| • Rogers/Preble Street          | South Boston NDC                              |
| • JP Scattered Sites (II)       | Jamaica Plain NDC                             |
| • Brighton Apartments           | Allston Brighton CDC                          |
| • Genesis House                 | Jewish Community Housing for Elderly/Brighton |

The collaborative team of BRA, DND, LISC, ABCD and Mayor's Office continue to receive requests for such funding support in light of impending budget cuts and rising demand for support of energy efficiency strategies for affordable housing.

## **RECOMMENDATION**

In order to facilitate the BRA's continued participation in efforts to make the City of Boston's affordable rental properties more energy efficient, staff recommends the BRA make a \$250,000 commitment to the Energy Retrofit/Renew Boston Fund.

As with previous grants from this fund, conditions related to proposed grant expenditures will be as follows:

- Expenditure of IDP funds must be related to construction/installation costs associated with the energy project's completion and are to be remitted through an invoice system;
- Evidence of continued progress toward project completion;
- Evidence of firm commitment of additional funding sources related to this project;
- An accompanying IDP Grant Agreement will be executed in association with the expenditure and schedule

Appropriate votes follow:

**VOTED:** That the Boston Redevelopment Authority ("Authority") approve the use of \$250,000 from the Inclusionary Development Program ("IDP") Fund to support the Energy Retrofit/Renew Boston Fund; and

### **FURTHER**

**VOTED:** That the Director be, and hereby is, authorized to execute any and all documents deemed necessary and appropriate by the Director in connection with this expenditure from the IDP Fund for the Energy Retrofit/Renew Boston Fund.