

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT



Green MIP CURRENT PERSPECTIVES

SWAC 2018

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Green MIP Initial Endorsements

	FY 2016		FY 2017		FY 2018	
	# Loans	\$ Volume	# Loans	\$ Volume	# Loans	\$ Volume
223a7 Green	9	308,288,000	25	743,724,600	18	316,794,600
<i>223a7 Total</i>	<i>146</i>	<i>1,754,619,400</i>	<i>183</i>	<i>2,552,642,000</i>	<i>52</i>	<i>574,464,900</i>
223f Green	5	174,934,200	40	1,000,048,200	51	1,325,183,800
<i>223f Total</i>	<i>446</i>	<i>4,557,626,470</i>	<i>572</i>	<i>7,266,103,750</i>	<i>319</i>	<i>4,526,051,700</i>
221d4 Green	16	557,191,300	82	2,755,572,300	64	2,175,017,500
<i>221d4 Total</i>	<i>206</i>	<i>3,629,924,300</i>	<i>199</i>	<i>4,403,052,554</i>	<i>152</i>	<i>3,670,034,229</i>
Total Green	30	1,040,415,516	147	4,499,347,117	133	3,816,995,900
<i>Total Initial Endorsement</i>	<i>805</i>	<i>9,960,814,370</i>	<i>959</i>	<i>14,271,562,904</i>	<i>523</i>	<i>8,770,550,829</i>

Green MIP Initial Endorsements

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<i>Total Initial Endorsement</i>	805	9,960,814,370	959	14,271,562,904	523	8,770,550,829
	# Loans	\$ Volume	# Loans	\$ Volume	# Loans	\$ Volume
Green %	4%	10%	15%	32%	25%	44%

As of 5/4/2018



GUIDANCE UPDATE:

Green Standards for Existing Buildings

- *Energy Star for Existing Buildings & LEED Existing Buildings Operations and Management (LEED EBOM)*



- These particular Standards are designed to award **based on verified existing performance**;
- Standards lack evaluation and monitoring of proposed improvements / construction.



GUIDANCE UPDATE:

Green Standards for Existing Buildings

- *Clarification on Energy Star for Existing Buildings*

- Certification based on:

- ✓ **Actual energy consumption data;**
- ✓ **100% entire property;**
- ✓ **Past 12-consecutive months.**



- No acceptance of anticipated/projected scores (often based on sampled data);

- Cannot be prospective on proposed improvements;

- Official Certification required at the time of Firm Commitment Application.



GUIDANCE UPDATE:

Green Standards for Existing Buildings

- *Refinancing of Newly Constructed Projects*
 - ❑ New construction after September 2016 **without** the Green Standard Certification (e.g. LEED, NGBS, etc.):
 - ✓ May not refinance to qualify for Green MIP using Green Standards for Existing Buildings (i.e. Energy Star & LEED EBOM);
 - ✓ This restriction applies within the first 3-years from the date of certificate of occupancy.



GUIDANCE UPDATE: Annual Energy Performance

- *Failure to Provide Satisfactory Annual Energy Scores*
 - ❑ **Scenario:** Updates of EPA's benchmarked stock properties used for Energy Star Score scale.
 - ❑ **HUD Response:**
 - ✓ HUD will review the actual energy consumption (Energy Use Intensity in kBtu) figures;
 - ✓ Compare the EUI against the initial/original EUI;
 - ✓ HUD may waive the minimum 75 Score for the year of non-compliance if the EUI remained the same or better, and;
 - ✓ Owner elects energy improvement measures to implement.



GUIDANCE UPDATE:

Annual Energy Performance

- *Failure to Provide Satisfactory Annual Energy Scores*

Updates to ENERGY STAR® metrics with new market data

If you benchmark one or more properties in ENERGY STAR Portfolio Manager®, you'll likely see a change in your buildings' 1–100 ENERGY STAR scores and other source energy metrics after **August 26, 2018**. That's because EPA is updating performance metrics in Portfolio Manager based on the most recent market data available. This update is part of EPA's standard process to keep ENERGY STAR metrics as current as possible, and reflective of current market performance.

Exact score changes for specific buildings or portfolios will not be available prior to the August release. Your individual building's ENERGY STAR score may increase or decrease, depending on your energy use, fuel mix, business activity, property type, and other variables.

The following 1–100 ENERGY STAR score models will be updated:

- Bank branches
- Courthouses
- Financial offices
- Hotels
- Houses of worship
- K-12 schools
- Offices
- Retail, including retail store and wholesale club/supercenter
- Supermarkets
- Warehouses, including refrigerated, non-refrigerated, and distribution centers



GUIDANCE UPDATE: **Scattered Sites**

- *Need to obtain singular SEP/SEDI Energy Star Score*
 - ❑ **Scenario:** Scattered sites property qualifying for Green MIP
 - ❑ **HUD Response:**
 - ✓ The entire property must generate one singular Energy Star Score;
 - ✓ HUD will not be able to process multiple annual SEP reports/scores for a give property;
 - ✓ Owner may attempt to work with EPA to achieve Energy Star 'Campus' arrangement to generate one SEP Score for the entire property, but...
 - ✓ No strenuous legal arrangement must be required.



BEST PRACTICES RECOMMENDATION:

Energy Data Collection

- *Ensuring Annual Energy Consumption Data Collection*

- Scenario:**

- ✓ Individual tenant metered property (no master meter at the property level);
- ✓ No State or Local Government law/regulation requiring energy benchmarking;
- ✓ Utility Provider(s) casual agreement to provide aggregate Energy Data at the property;

= No definite guarantee of annual data needed for Energy Star Scores (SEP) submissions.



BEST PRACTICES RECOMMENDATION:

Energy Data Collection

- *Ensuring Annual Energy Consumption Data Collection*

- ❑ **HUD's Recommendation:**

- ✓ Be cautious about casual agreements (e.g. email exchange from a staff from the utility company);
 - ✓ Check to see if the Utility Provider already has the benchmarking system in place for the customers (e.g. benchmarking website for the owners to login, etc.)
 - ✓ Installation of data-logging devices (aka sub-metering) for the entire property (100% data).

