

TESTIMONY SUBMITTED TO THE ENERGY AND TECHNOLOGY COMMITTEE

March 8, 2012

Susan Whetstone, Interim President  
Connecticut Housing Finance Authority

**HB 5385 AN ACT CONCERNING ENERGY RETROFITS FOR CERTAIN BUILDINGS AND THE  
DISCLOSURE OF THE ENERGY EFFICIENCY FOR CERTAIN BUILDINGS**

Senator Fonfara, Representative Nardello, and members of the Energy and Technology Committee, I am Susan Whetstone, Interim President for Connecticut Housing Finance Authority. In 1969, the Connecticut Housing Finance Authority (CHFA) was created by legislation for the purpose of helping to alleviate the shortage of affordable housing for low-and moderate-income families and persons in Connecticut. CHFA is a self-sustaining, quasi-public organization, which uses its resources to provide below-market interest rate mortgages for single-family ownership and multifamily rental properties. Tax-exempt bonds are the primary source of mortgage capital for the Authority's housing programs. *Since its founding, CHFA has provided mortgage financing for more than 127,000 first time homebuyers, and has financed the development of more than 35,000 affordable rental homes.*

I am submitting written comments on HB 5385 AAC Energy Retrofits for Certain Buildings and the Disclosure of the Energy Efficiency of Certain Building. Section 4 of the proposal amends Section 8-253a (Connecticut Housing Finance Authority Act) to require that an energy audit of a housing project be conducted prior to the construction or rehabilitation of the project and that the recommendations of the energy audit concerning energy efficiency upgrades are implemented as part of the construction or rehabilitation.

CHFA currently has Standards of Design and Construction that provide a guideline to all developers, owners of multifamily residential projects and architects for the design and construction of multifamily residential communities. The energy efficiency requirements in the CHFA 2012 Standards of Design and Construction exceed the latest State of Connecticut Building Code, which references the 2009 International Energy Code. The CHFA Standards also reflect federal EPA guidelines through ENERGYSTAR® programs for energy efficient buildings, appliances and equipment. ENERGY STAR is the U.S. government-backed label for energy efficiency. The ENERGY STAR label identifies homes, buildings, and consumer products that meet specific standards for energy efficiency and performance. A joint program of Environmental Protection Agency (EPA) and the Department of Energy (DOE), ENERGY STAR is designed to help individuals and organizations nationally and internationally adopt cost-effective, energy-efficient technologies and practices, and better manage their energy costs.

The 2012 CHFA and DECD consolidated application requires applicants that are applying for Low Income Housing Tax Credits and/or CHFA funding to provide current and projected energy use along with estimated savings. In developments that are being rehabilitated, applicants will provide CHFA with a Capital Needs Assessment, which may include recommendations from an energy audit. CHFAs experience, for new construction or gut rehabilitation projects, has been that an audit is not

needed because the project is new or the existing building will be stripped down to its basic structure with all interior partitions and equipment removed. In these specific instances, CHFA requires that the new design meet the CHFA Standards for energy efficiency.

Not all minor or moderate rehabilitation projects need to upgrade energy efficiency items. Over time, many developments have replaced equipment or appliances with items that are energy efficient or Energy Star qualified. So, there are a number of developments funded through CHFA that only require funds for health and life safety measures, handicap accessibility measures, site work or interior modernization upgrades. The amount of work completed in these cases is based upon the ability of the specific development to repay the CHFA loan provided to cover the cost of the rehabilitation work.

CHFA supports energy audits but the requirement that all of the recommendations of the energy audit be implemented in total may be problematic due to a lack of funding to pay for the work or the project's inability to repay the CHFA loan to cover the cost. In these cases, CHFA could work with the owner to determine if a plan to phase-in the recommended improvements over a period of time would be financially feasible taking into account anticipated energy cost savings.

I thank you for the opportunity to provide my comments and look forward to working with the Committee on this legislation.