



MHP's Green and Healthy Housing Programs

Innovative Financing Strategies

For High-Performance Affordable Housing Forum

June 10, 2019



Massachusetts Housing Partnership



Mission: MHP works with communities to create innovative policy and financing solutions that provide affordable homes and better lives for the people of Massachusetts.



25,000+
Affordable and
mixed-income
apartments
financed



21,000+
Loans to
first-time
homebuyers



300+
Communities reached



\$5 billion
in financing delivered

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Multifamily Lending	ONE Mortgage	Community Assistance	Center for Housing Data
<ul style="list-style-type: none">• Affordable rental housing• Over \$1.2B in financing for over 25,000 apartments	<ul style="list-style-type: none">• Over 21,000 first-time homebuyers• Fixed-rate, 30-year mortgage	<ul style="list-style-type: none">• TA to communities, non-profits, and housing authorities• 40B program	<ul style="list-style-type: none">• Collect, analyze & share info for effective policy creation



Impediments to building green and healthy housing:

- Increased construction costs
- Inability to capitalize energy savings up front/underwrite energy savings
- Additional time and complexity involved
- Lack of capacity/expertise to identify and pursue solutions
- High third-party costs: energy audits, certification, commissioning
- Lack of knowledge about the effect of building design on resident health
- Lack of data on high performance buildings over time

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MHP's Green and Healthy Housing Programs



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MHP's Green and Healthy Housing Programs:

- Green Building Certification Program



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MHP's Green and Healthy Housing Programs:

- Green Building Certification Program
- Green Retrofit Program



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MHP's Green and Healthy Housing Programs:

- Green Building Certification Program
- Green Retrofit Program
- Healthy Housing Financing Program



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MHP's Green Building Certification Program

Big Idea: Green building certifications help ensure that expected energy savings will materialize, giving lenders more confidence in underwriting, which is further enhanced by commissioning.





MHP's Green Building Certification Program:

- For new and existing buildings that have earned an eligible green building certification within the past 5 years
- 15 to 30 basis point interest rate discount
- Up to \$15,000 reimbursement for fundamental systems commissioning
- Free energy performance benchmarking services through WegoWise or Bright Power for the first two operating years



Eligible Green Building Certifications:

PASSIVE HOUSE/ZERO ENERGY CERTIFICATIONS
(30-basis-point rate reduction)

**Certified Passive House
PHIUS+ 2018**

**EnerPHit Certified Retrofit
ILFI Zero Energy Certification**



Eligible Green Building Certifications:

COMPREHENSIVE GREEN CERTIFICATIONS
(20-basis-point rate reduction)

Enterprise Green Communities (2015)

LEED: Building Design and Construction (Version 4 or 4.1)

LEED for Homes Multifamily (Version 4)

Zero Energy Ready Home (DOE)

LEED Building Operations and Maintenance (Ver. 4 and 4.1)



Eligible Green Building Certifications:

ENERGY STAR® CERTIFICATIONS
(15-basis-point rate reduction)

ENERGY STAR® Multifamily New Construction
ENERGY STAR® for Existing Multifamily Housing
ENERGY STAR® Homes
ENERGY STAR® Multifamily High-Rise

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MHP's Green Retrofit Program

Big Idea: Underwriting energy savings and tracking energy performance can maximize financial impact

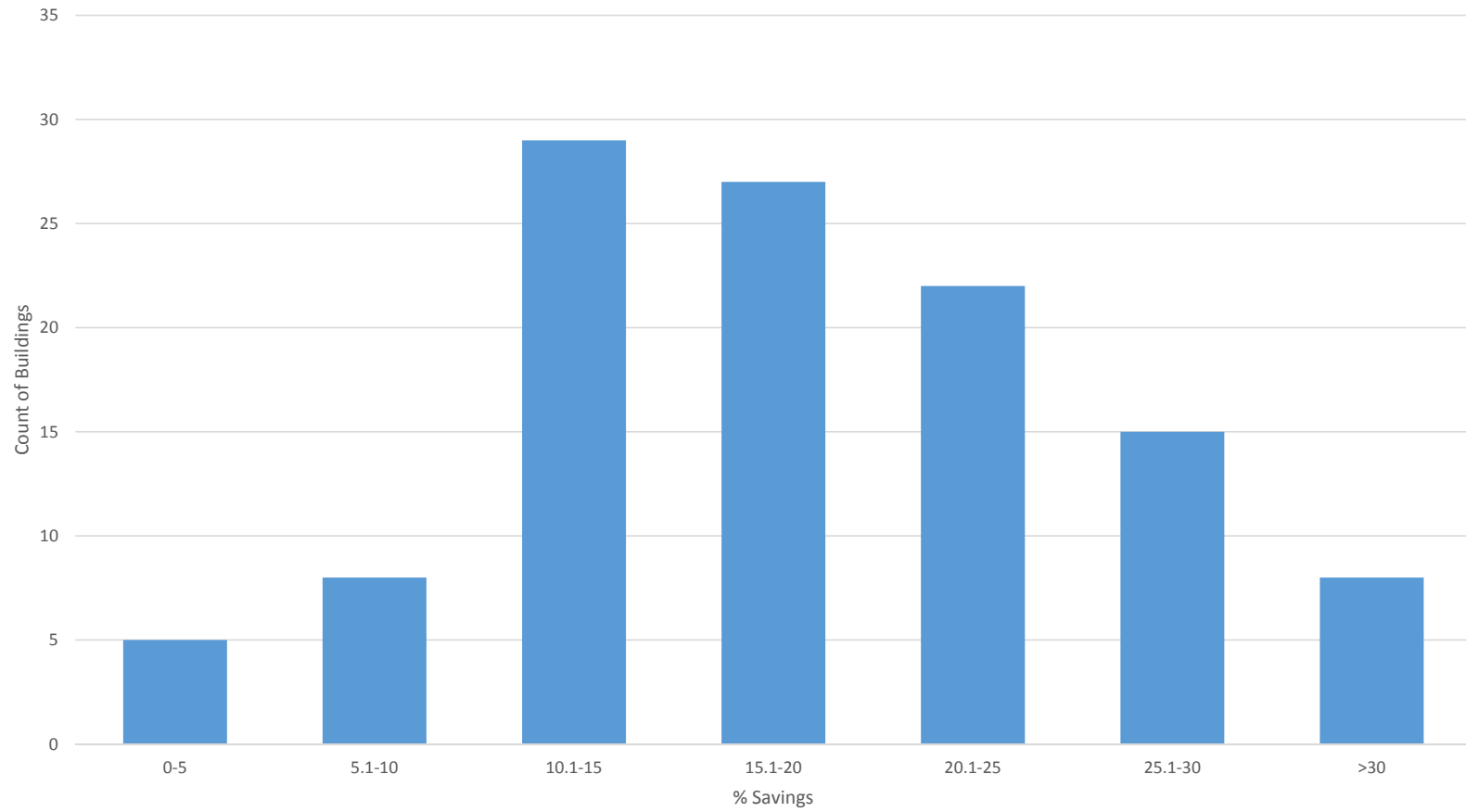




MHP's Green Retrofit Program:

- For owners seeking at least 15% energy savings and at least 30% total energy and water savings in existing properties
- 15 basis point interest rate discount
- MHP will underwrite up to 75% of the projected owner savings and up to 25% of projected tenant savings
- Result: Up to 5% additional loan proceeds possible
- 100% reimbursement of an ASHRAE Level II energy and water audit engaged by MHP or its partners, up to \$15,000
- Free energy performance benchmarking services through WegoWise or Bright Power for the first two operating years

Measured % Gas Savings Due to Boiler Replacements



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MHP's Healthy Housing Financing Program

Big Idea: Good design and location can improve tenant health and well-being





MHP's Healthy Housing Financing Program:

- For owners incorporating health-promoting design and operational features into new or existing properties
- 15 basis point interest rate discount; combine with MHP's green financing for up to 30 basis point discount
- MHP will reimburse the initial cost of the healthy housing certification through Fitwel[®] provided by the Center for Active Design

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What is Fitwel® Certification?

Fitwel offers over 50 evidence-based design and operational strategies to optimize the health promoting impact of multifamily housing.

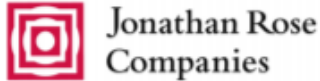
Fitwel offers two efficient pathways for achieving certification in as little as 6 weeks.



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Who is using Fitwel?



Fitwel[®] certification overview:

- Goals: encouraging physical activity, healthy eating, and improved air quality
- Measures can include playgrounds, tobacco-free environments, stair visibility, bicycle parking, locations with high Walk Scores, proximity to transit, grocery stores, open space, etc.
- Points are awarded based on the strength of evidence on health impacts across 12 dimensions
- Must score 90 points out of 144 possible points; no mandatory requirements

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MHP's Green and Healthy Housing Programs are available across all of our capital sources:

- MHP's funding banks
- MHP's full suite of Fannie Mae multifamily loan programs
- MHP's FHA risk-sharing program

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Special thanks to our many important partners, including:

