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## **New Energy Efficiency Coordination Between HUD and DOE**

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**O**n May 6, Secretary Donovan of the Department of Housing and Urban Development and Secretary Chu of the Department of Energy signed a Memorandum of Understanding (MOU) to coordinate energy efficiency and energy retrofit programs. The MOU applies to programs funded in the American Recovery and Reinvestment Act of 2009 (ARRA), and facilitates using funds to make such improvements in public housing and assisted housing as well as Low Income Housing Tax Credit (LIHTC) projects. The MOU stems from an interagency initiative established on February 27, 2009 between DOE and HUD to coordinate their energy efficiency efforts, which include the Weatherization Assistance Program (WAP), Energy Efficiency and Conservation Block Grant (EECBG) and Community Development Block Grant (CDBG). [Link to Memorandum of Understanding.](#)

The MOU specifically focuses on WAP, which received multifold increase to \$5 billion in ARRA. The purpose of WAP is to increase the energy efficiency of dwelling units occupied by low-income households (income at or below 200% of the national poverty level, or an income below \$44,100 for a family of four). For multifamily buildings, at least 66% of dwelling units must be eligible for assistance under WAP. The amount of work per apartment that can be spent also increased, and an average of \$6,500 per eligible dwelling unit may be used for weatherization activities. If successfully implemented, this joint HUD-DOE coordination effort could open up access to a source of energy efficient funding that as a practical matter has heavily favored single family housing in past

years. The MOU seeks to eliminate some of the obstacles to participation in WAP by for public and assisted housing and LIHTC projects.

The MOU seeks to eliminate duplicative income verification processes for public and assisted housing and LIHTC projects under WAP. WAP regulations require states to implement an income verification process to determine that a household is eligible for weatherization. According to the MOU, DOE has agreed to rely on HUD's income verification instead of requiring a separate income verification by DOE to verify income for residents of such housing. This new agreement will hopefully eliminate one of the historical barriers to participation in WAP for multifamily housing. The National Housing Trust has described some "best practices" for state policies to use WAP for multifamily housing. [Link to NHT brief.](#)

The MOU does not provide much detail on implementation. However it requires HUD and DOE to issue joint guidance by July 6 as well as conduct a series of joint forums to facilitate the implementation of the MOU. We hope that during this time more details will emerge to improve the participation of multifamily projects in WAP, and will be closely tracking the process.

States are required to submit their comprehensive plans by May 12 for WAP funds under ARRA, so many jurisdictions have likely completed the requisite public hearing required to be held before submitting comprehensive state plans to receive WAP funds. We therefore encourage you to contact your state agency

directly if you wish to share your thoughts on how your jurisdiction might incorporate the goals of the MOU into its state plan. WAP funds in ARRA are significantly higher than the program has received in the past, and the President's FY2010 proposed budget just released does not continue to fund the program at this high a level. ARRA funding of WAP is an opportunity to tap into resources that historically have not been used by the multifamily housing community.

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