

Attachment A

ENERGY EFFICIENCY REQUIREMENTS

MSHDA's Community Development Division (CDD) provides funding to assist Community Housing Development Organizations (CHDO) nonprofits and/or Local Units of Government (UGLG)'s in the development of newly built affordable housing. CDD places various site and design requirements on these projects to maximize their positive impact on the community, and to meet or exceed quality and design standards of neighboring houses, within walkable connections to services and within existing public infrastructure.

Over the past few years, increasing attention has been paid to improving the energy efficiency of affordable housing. CDD has been supportive of local efforts to build more energy efficient housing, believing that such efforts not only make housing more affordable for low and moderate-income households to own and maintain, but also have positive environmental impacts.

Energy Efficiency Requirements for Projects Involving New Construction: CDD grantees are required to ensure that all new construction units developed with MSHDA assistance be built to 5-Star home energy star standard per the Home Energy Rating System (HERS) index. Official 5 star certification is not required however; the house shall meet the 5 star energy rating score required per Michigan County climate zone as shown in the chart below.

County	Score Required
Baraga, Chippewa, Gogebic, Houghton, Iron, Keweenaw, Luce, Mackinac, Ontonagon, Schoolcraft	80 or Less DOE Climate Zone 7
Alcona, Alger, Alpena, Antrim, Arenac, Benzie, Charlevoix, Cheboygan, Clare, Crawford, Delta, Dickinson, Emmet, Gladwin, Grand Traverse, Huron, Iosco, Isabella, Kalkaska, Lake, Leelanau, Manistee, Marquette, Mason, Mecosta, Menominee, Missaukee, Montmorency, Newaygo, Oceana, Ogemaw, Osceola, Oscoda, Otsego, Presque Isle, Roscommon, Sanilac, Wexford	80 or Less DOE Climate Zone 6
Allegan, Barry, Bay, Berrien, Branch, Calhoun, Cass, Clinton, Eaton, Genesee, Gratiot, Hillsdale, Ingham, Ionia, Jackson, Kalamazoo, Kent, Lapeer, Lenawee, Livingston, Macomb, Midland, Monroe, Montcalm, Muskegon, Oakland, Ottawa, Saginaw, Shiawassee, St. Clair, St. Joseph, Tuscola, Van Buren, Washtenaw, Wayne	85 or Less DOE Climate Zone 5

The lower the score, the more efficient the home. Upon construction completion, MSHDA expects Housing Resource Fund (HRF) grantees to have new homes tested by a HERS certified rater for confirmation the newly constructed units were built to the standards outlined in the plans and specifications and the homes achieve the appropriate HERS score related to air infiltration.

Documentation Requirements: Grantees shall have their building plans and specifications reviewed and rated by a certified HERS rater including an on-site pre-drywall inspection insuring prescriptive performance building measures and methods were used to ensure quality control. Additionally, Community Development Construction Specialist staff will review building plans prior to project set-up approval. File documentation must be present and certify that the final plans and specifications will achieve a numeric value score on the HERS index.

Soft Costs: The costs associated with having building plans and specifications reviewed, rated and certified, as well as any costs for final testing of the finished unit are considered soft costs. As such, these costs should be paid from the proceeds of the developer fee.

Leverage Funding: CDD continues to encourage grantees to access any available leverage funding. As with other sources of leveraged funding, grantees that consistently access additional sources of subsidy, receive additional consideration during MSHDA's review of HRF competitive applications.

Resources: CDD will continue to provide ADR component training on these requirements. In addition to training sponsored by MSHDA, grantees are encouraged to learn more from the resources listed below.

- One of the most comprehensive resources for both information and links to technical information is the federal government's Energy Star website <https://www.energystar.gov/>
- Among other things, this website provides a search engine identifying qualified HERS raters and builders by state. Search the following link for potential partnerships and resources. http://www.energystar.gov/index.cfm?c=partners.pt_index
- The energy star training resources section may assist HRF grantees educate appraisers and real estate agents about the added value from energy star construction, and to market the various benefits of such homes to potential buyers. http://www.energystar.gov/index.cfm?c=pt_univ.pt_univ
- HUD's Office of Environment and Energy website contains additional information on other related initiatives at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/energy
- Partnerships for Home Energy Efficiency, is a joint effort of the U.S. Department of Energy, the U.S. Environmental Protection Agency, and the U.S. Department of Housing and Urban Development to educate the public about saving energy and energy conservation. The website is <http://energy.gov/energysaver/energy-saver>
- In April 1995, the National Association of State Energy Officials and Energy Rated Homes of America founded the Residential Energy Services Network (RESNET) to develop a national market for home energy rating systems and energy efficient mortgages. RESNET's website provides a variety of information on, among other issues, energy efficient building techniques, becoming certified as an energy rater, and understanding energy efficient mortgage products. The website is <http://www.resnet.us/>
- A local source of information is the Warm Training Center at: <http://warmtraining.org/gogreen/warm-training-center/>
- Finally, the Michigan Agency for Energy, MI Energy provides additional information and expertise. That website is: <http://www.michigan.gov/energy>