

The Big Picture with Erin Brereton: Energy-Efficiency's Vitalizing Effect on Affordable and Low-Income Housing

Green design has become a popular way to market new homes. Now, it's catching on in a new segment of the housing market: Affordable and low-income housing building renovations. With benefits that include savings and a better overall residential experience, it's a trend that's likely to continue. Increasing Energy Efficiency and

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Increasing Energy Efficiency and Savings

LINC Housing Corp. is currently renovating the Terracina Apartments in San Jacinto, Calif., for general maintenance improvements. To offer residents energy savings, LINC also is making several green upgrades and renovations to the property, Hunter L. Johnson, LINC Housing president and CEO, tells MHN.

The alterations—which should offer a 25 percent improvement in energy efficiency—include:

- Adding cool-roof radiant shingles
- Installing CFL lighting
- And adding energy-efficient water heaters, heating and cooling systems and appliances.

In market price properties, over-time energy savings may offer a huge draw for residents. With energy costs soaring, renters are looking to reduce their gas and electric bills.

If a property has been recently outfitted with extra insulation and energy-saving appliances that will allow them to, the units will have an advantage over other area rentals that aren't energy efficient—which the affordable housing industry is also starting to recognize.

Making Affordable More Reasonable

In affordable housing, energy efficiency can be even more of an issue.

It's clear rising energy costs have become a concern for economically challenged residents and the states they live in.

- Illinois, for example, expects costs to be so high that it has added an additional \$118 million to help low-income families with winter heating costs, according to Chicago's ABC affiliate.

- The Metropolitan Housing Coalition, a Louisville, Ky.-based nonprofit housing group, released a study this week showing families are spending more of their income on utility bills due to rising energy costs.

The group is recommending new incentives and public funds be allotted to raise the energy efficiency of rental units and older homes, according to the Louisville Courier-Journal.

But residents aren't the only ones who can benefit from increased energy efficiency. It can help management companies control their costs, as well.

Use of additional insulation and low-energy lighting can reduce the expense of lighting and heating of common areas—and improve the bottom line for management companies.

Improving Resident Life

In addition to offering residents savings, going green can also help improve resident life.

Consider Wheeler Terrace, a development located in Washington, D.C.'s Anacostia, neighborhood. The 118-unit complex is about to undergo a renovation with green materials such as carpets that won't attract dirt and paints that aren't linked to asthma.

Using environmentally- and health-conscious materials can be a particularly important component of low-income housing, according to David Bowers, the Local Office Director for Enterprise Community Partners, which is overseeing the renovation.

"What often gets lost in the discussion about living green is that often, low-income folks and persons of color are disproportionately impacted by respiratory illness," Bowers told the Washington Post. "Many times that's related to the fact that they're living in substandard housing."

Conclusion

In many ways, adding energy efficient touches and green materials makes more sense than ever—partially because in the rise areas, the need for affordable housing appears to be on the rise.

That's true in areas like California, where the housing market was particularly hard hit during the slump. In troubled markets, the need for rental housing is likely to be strong as single-family home foreclosures increase and home loans become harder to obtain due to tightened credit conditions.

We're already seeing a need for more affordable housing in some parts of California. In San Mateo, Calif., for example, the city council last week approved a five percentage point increase in the number of mandatory affordable units in new developments, according to the Palo Alto Daily News.

And, in addition to the need for more housing, the recent U.S. financial stumbles may actually help green renovation practices take root.

A new report by McKinsey Global Institute called "Fueling Sustainable Development: The Energy Productivity Solution" suggests that the current rocky economy and recent oil price spikes could urge governments and businesses to invest heavily in energy efficiency, according to the New York Times.

That could mean more funding for adding energy-saving features during building remodeling—which could prompt more builders and developers to go green.

Green materials and design do add a slight additional cost to a project. (About 5 percent or less, according to the World Business Council for Sustainable Development.)

With today's tight credit and budgets, increasing a development's renovation costs can be a tricky proposition—especially for low-income and affordable housing remodeling jobs.

Could the extra cost have a deterring effect? Or will the eventual savings green design can offer residents and building owners outweigh the extra expense?

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