



MEMORANDUM

To: Working Committees

From: Daniel Olson

Date: 1/5/2011

Re: Chicago Region Retrofit Ramp-Up (CR3) Program Update

Overview

Chicago Retrofit Ramp-Up Program (CR3) one of the 25 projects, totaling \$452 million, awarded nationally in April 2010.

- Part of the American Recovery and Reinvestment Act (ARRA) through the U.S. Department of Energy (DOE).
- Renamed BetterBuildings Initiative in September by DOE, and represents the competitive portion of the Energy Efficiency and Conservation Block Grant Program (EECBG).
- The regional collaboration is led by the Chicago Metropolitan Agency for Planning (CMAP) and the City of Chicago, with support from the City of Rockford and other local and regional stakeholders. The CR3 program utilizes grant to fund three major initiatives:
 1. Access to comprehensive information (\$6.55 million)
 2. Access to functional finance tools (\$15.75 million)
 3. Access to a trained workforce (\$200,000)
- During the initial 3-yr period, the CR3 program looks to retrofit at least 8,000 units, leverage more than \$500 million in local investments, and create more than 2,000 jobs.

Recent Activities

The CR3 team progress to date includes:

- Senior Energy Efficiency CR3 project manager hired to join the CMAP team.
- Contracted with CNT Energy, a division of the Center for Neighborhood Technology, to act as the CR3 implementation agency responsible for program development, oversight and implementation of CR3 in partnership with CMAP.
- Development and release of RFPs for program:

- **Approved by CMAP Board - (December 8, 2010)**

- Employer Assisted Housing Retrofit Program

Employer Assisted Housing (EAH) is a tool to allow employers to assist employees in buying or renting homes close to their workplace. This program will build off the existing Regional Employer Assisted Collaboration for Housing (REACH) program with EECBG retrofit incentives by offering participating employers, and their employees, access to retrofit funding.

- CR3 Communication Strategy

The Communication Strategy will determine the most effective approaches to communicate the benefits of energy efficiency retrofits and resources to all market segments in the Chicago region. Specific program objectives include development of market research and segmentation strategies, branding and marketing efforts, and outreach strategies that ensure the optimal utilization of the most appropriate communication channels.

- **In Progress - (Anticipated CMAP Board Approval, January 12, 2011)**

- Multifamily Retrofit Loan Loss Reserve Fund

The Multifamily Retrofit Loan Loss Reserve Fund aims to complement housing preservation initiatives taking place across the region by reducing energy costs in multifamily rental buildings. The program will provide multifamily building owners and managers with a turn-key solution to retrofitting multifamily buildings, including affordable financing options

- Chicago Regional Retrofit Ramp-Up Information System (CR3 IS)

The CR3 IS is a comprehensive information system which will be used by a range of customer types to support their energy efficiency retrofit

activities including energy efficiency programs, financial incentives/rebates, case studies, FAQs, and additional energy efficiency related content. The increased accessibility and confidence in building retrofit information and resources provided by this program will lead to higher consumer demand and a better-aligned set of energy efficiency suppliers; ultimately leading to an information system that drives users to the programs (utility, community organization, state programs, private market, etc.) that are best suited to their needs.

- Multi-Unit Retrofit Improvement Loan Program

The Multi-Unit Retrofit Loan Improvement Program also aims to complement affordable housing preservation initiatives taking place across the region by reducing energy costs in Multi-Unit buildings. The program specifically targets low and moderate income residential building units through aligning retrofit activities with existing housing rehabilitation projects administered through participating jurisdictions with CDBG and/or HOME dollars.

Upcoming Activities

The CR3 team's upcoming activities include:

- Drafting and releasing RFPs through early 2011:

- **Information**

- Web-based, Building Energy Tool(s)

The Building Energy Tool(s) will consist of building energy analysis and decision support applications geared toward providing reliable analyses to building owners within the residential, commercial, and/or industrial building sectors. They will be integrated into the larger CR3 Information System (CR3 IS) (described above), and will be key resources in addressing area #1, access to comprehensive information in the seven-county, northeastern Illinois region and the City of Rockford. This RFP will support the deployment of innovative tools and systems that can benefit the region and complement the CR3 IS.

- **Financing**

- Single Family, Green Loan Program

The Single Family Green Loan Program will look to provide unsecured, small capital loans to single family, moderate to high income residential building owners. Ideally, this transaction would occur between the customer and the retrofitting contractor in order to lessen the transaction

time and paperwork involved with loan origination. This approach has been successfully used by contractors participating in pilot studies in other parts of the country.

- Loan Loss Reserve Program for Commercial/Industrial

The C&I Loan Loss Reserve Program will aim to stimulate the retrofit market in commercial and industrial buildings by making new financial products available in the marketplace that are plausible and affordable to building owners. This program intends to assist financial institutions in lending to C&I buildings owners by providing a credit enhancement or other innovative methods that, when paired with existing or new lending programs, will increase participation and market penetration of energy efficiency retrofit activity in this building sector.

- Energy Efficiency Rating Incentive Financing Program

This program will leverage the Illinois Association of Energy Raters and contractors trained in Home Performance with Energy Star (HPwES) to audit units and install energy efficiency improvements among residential building owners at all income levels. Incentives will be provided to owners based on the increase in energy efficiency achieved through their specific retrofits.

- **Workforce**

- Workforce Intermediary

This program looks to establish a new workforce intermediary for the energy efficiency sector, where limitations in the skills of the available workforce, as well as the lack of alignment amongst a variety of workforce preparation and training services continue to create confusion in the consumer market. The CR3 workforce intermediary will address these limitations by: ensuring the workforce needs of employers in the industry are met; ensuring that local workers are prepared for the jobs that are created or changed as the retrofit market grows; and serving as a point of contact amongst employers, workers, and workforce preparation and training providers.

- ARRA and DOE Q4 reporting activities; January 2011
- Beginning of retrofit activity in early Q2 of 2011