

Energy Audit

The Minnesota Housing Finance Agency (MHFA) may require an Energy Auditor to examine the existing facility and prepare an energy audit prior to establishing a rehabilitation work scope. Energy efficiency is critical to the success of the project, that is, because after debt service and taxes, utility payments are often the third largest operational expense. An energy audit will not be required if the facility is scheduled to undergo major site improvements that include replacement of all existing building components having an impact on energy efficiency.

Most experts agree that utility costs are a primary manageable expense item. Therefore, energy efficiency should be an important consideration prior to starting any rehabilitation project.

Purpose: Identify operational cost-saving opportunities through investment in energy efficiency.

Requirements: The Energy Auditor shall comply with the following requirements:

1. The Energy Auditor performing the energy audit shall be certified by the State of Minnesota as a "Multifamily Energy Auditor". For purposes of objectivity, they shall not be affiliated with any product or service contractor.
2. The energy audit shall examine the facility for compliance with Minnesota Rental Standards and complete a one-page report titled, RENTAL STANDARDS COMPLIANCE SUMMARY. The MHFA requires the Developer to bring the property toward compliance with these statewide standards.
3. The energy audit shall examine retrofit of existing systems, as well as replacement strategies. Furthermore, the energy audit shall provide information on the economics of major rehabilitation expense items, such as window and door replacements. All items considered shall be itemized with estimates of cost, annual energy savings and simple payback period. The MHFA will require the Developer to take measures that will provide a payback that is reasonable.
4. The energy audit should provide a wealth of information including other sources of subsidy such as utility rebate programs that reward energy investments.