

In the Multifamily Consolidated Request for Proposals (RFP) Common Application, Minnesota Housing is requiring funding applicants to apply for energy efficiency incentives from utilities and other sources. The purpose of this requirement is to leverage utility funds in order to increase energy efficiency in Minnesota's affordable housing. In order to comply, each application must contain an Energy Rebate Analysis that outlines the type and amount of available utility incentives. The estimated incentive amount should also be listed as a source in the Workbook.

The purpose of this document is to help developers better understand the steps in applying for utility incentives as they relate to Minnesota Housing's Multifamily Common Application and the Energy Rebate Analysis requirement. Here are the relevant references as found in Minnesota Housing's guidance documents:

**Multifamily Underwriting Standards, Section 9.07 "Energy Rebates"****Energy Rebates**

All developments receiving housing tax credits (HTCs) or deferred loan funding from Minnesota Housing must provide an Energy Rebate Analysis. The estimated energy rebate will be considered a source used to size HTC and deferred loan awards. Obtaining and including energy rebates as a source is encouraged for all 4% HTC proposals. The energy rebate may or may not be basis eligible; consult your certified public accountant for basis eligibility. The energy rebate must be bridged. The energy rebate must be used to pay back the source used to bridge the rebate; any excess energy rebate funds may be used to pay the deferred developer fee and/or be required to be deposited into a development reserve, at Minnesota Housing's discretion. Requirements and guidelines for the Energy Rebate Analysis can be found in [Minnesota Housing's Rental Housing Design/Construction Standards](#) (Chapter 8 – Sustainable Housing).

**Master Application Checklist, Minnesota Housing Common Application Forms, Form C-15****C-15 Energy Rebate Analysis (Preliminary)**

Submit a preliminary draft explanation of energy rebates being considered, and include estimated rebate amounts at the time of application. An Energy Rebate Analysis prepared by a third-party entity will be required prior to loan closing/commitment. Refer to Chapter 8 of [Minnesota Housing's Rental Housing Design/Construction Standards](#) for further details. Detailed information on the utility incentive application process is available on Minnesota Housing's website at [www.mnhousing.gov](http://www.mnhousing.gov). Contact [katherine.teiken@state.mn.us](mailto:katherine.teiken@state.mn.us) for any questions concerning energy rebates.

### **8.03 Energy Rebate Analysis**

If required by the Minnesota Housing Underwriting Guide, an Energy Rebate Analysis (ERA) must be provided.

- A. At the application phase, submit a preliminary/draft explanation of energy rebates being considered. The preliminary/draft explanation should include the following: utility name; utility type (e.g. electric or natural gas); utility program name (if applicable, e.g. Energy Design Assistance or Multi-Family Building Efficiency Program); and total estimated rebate amount. Also indicate whether the developer has already been in contact with the utility about potential rebates for this project.
- B. Prior to closing/loan commitment, submit a final ERA as follows:
  1. Prepared by a third-party entity with no identity of interest to the developer, borrower, or owner of the development property. The third-party entity may be a licensed architect, licensed engineer, needs assessor, HERS rater, or other entity deemed qualified by Minnesota Housing to provide this service.
  2. The ERA should be on the letterhead of the entity it was prepared by and must include contact information and date it was prepared.
  3. The ERA must include a list of eligible utility company, local, regional, state, or federal rebate programs.
  4. The ERA must include recommendations of applicable rebates to be included with estimated rebate amounts or estimated tax credit amounts.
  5. Include calculations, energy models, or other technical data to support recommendations.
  6. Include letters, program data information, or other documentation from utility providers to support noted programs
  7. If renewable energy strategies are proposed, a cost-benefit analysis must be included.

Visit [www.dsireusa.org](http://www.dsireusa.org) for potential rebate information in your project’s area.

#### **Additional Information in Regard to Rebates:**

We recommend calling your local utility company directly to inquire about incentives for multifamily buildings, as utility websites and other databases often do not have the most recent information available. We encourage developers to contact their utility company prior to finalizing the project design; utilities may be able to make design suggestions that could result in higher rebate amounts.

A few utilities have dedicated multifamily programs:

- [Xcel Energy-CenterPoint Energy: Multi-Family Building Efficiency Program \(MFBE\)](#)
- [Minnesota Energy Resources \(MERC\): Multifamily Energy Savings Program](#)

For new construction or substantial renovations in Xcel or CenterPoint Energy utility territory, we also encourage the use of the [Energy Design Assistance](#) program.

If your utility does not have a dedicated multifamily program, your project will likely still qualify for a mixture of residential and commercial prescriptive energy rebates. Many utilities are also able to utilize custom rebates that are unique to your project. Additional incentives specifically for qualified low-income customers and buildings may also be available.

Contact Katherine Teiken, Clean Energy Program Specialist, at [katherine.teiken@state.mn.us](mailto:katherine.teiken@state.mn.us) with questions or for technical assistance.