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From: Julie Klump  
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Preservation of Affordable Housing (POAH)

To: EEAC [ma-eeac@mass.gov](mailto:ma-eeac@mass.gov)

RE: Final Passive House Incentive Amount

My name is Julie Klump and I work for an Affordable Housing developer based in Boston but with properties in ten states and DC. In most locations where we have affordable housing units, we use incentives from utility companies to help us ensure that we can provide affordable, healthy and comfortable homes. Affordability Subsidies to create or rehab affordable housing are very competitive and always come with a per unit cap. Currently we have several projects in design in MA and we have goal of certifying one or more of them to the Passive House (PH) standard. We know from experience in CT that the hard cost premium is around 3% to 5% and will not be possible within a low-income tax credit allocation without an incentive that can cover that premium. I am confident that the premium will go away once builders in MA complete projects built to PH levels and lenders see the real data of lower operating costs which would allow for more debt during financing.

In 2018 I attended several EEAC meetings to offer comments advocating for incentivizing PH. I also attended the July 2018 Stakeholders Workshop organized by Kristen Simmons of ICF regarding how the existing Residential High-rise and Low-rise programs fit with potential PH incentive programs. At the stakeholder workshop incentive amounts of \$1,400 to \$1,800 per unit were discussed. I really appreciate that EEAC was willing to listen to comments and am thrilled to know that a detailed framework for a meaningful Passive House Incentive program is in the current Three-Year Plan. I understand that actual incentive amounts are being finalized and will be announced in March. What would concern me is that the plan won't include a per unit incentive that will cover the added cost of building to the PH standard. It seems a shame to have worked so hard to create a plan and then underfund it which may cause it to fall short.

What seems like a remarkable opportunity is three years of sufficient incentives to generate market transformation and educate lenders of the potential savings of a PH project. Without enough incentive we may fall short of the number of projects needed to move the needle in creating high performing affordable housing and achieving the carbon reduction goal of the state.

I believe targeting an incentive of \$4000 per unit is justified and needed to make this incentive program a success, and I hope that you will size the certification adder to reach this goal. It would be tragic to not deliver the number of projects that could achieve the EEAC's program goal.

Thank you.