
COLORADO DIVISION OF HOUSING ADVANCES

Energy-Efficiency and Comfort in Affordable Housing

The development, rehabilitation, and construction of affordable housing in Colorado encompass many individual decisions during the process from land acquisition and market feasibility to final sale or lease-up. Along the way, each decision is benchmarked against a list of criteria including the costs and benefits of each decision. Fortunately, the decision to include energy-efficient design considerations in affordable housing developments has the unique ability of providing benefits to all parties involved in the development process.

Energy-efficient design benefits the developer or builder by creating unique marketing opportunities, enhancing customer loyalty, adding a "mark of quality" to a development and increasing the number of financing opportunities. The financial parties in the development process benefit through an increase in the number of financial programs available and the enhanced ability of the eventual owner to make the mortgage or loan payment. Taxpayers as a whole benefit from the protection of our environment and the increased leveraging of government funds in a development.

While building energy-efficient and comfortable affordable housing benefits everyone involved in the development process, the individual who owns or occupies the housing benefits the most. These benefits include:

- decreased space heating and water heating bills that result in more money available every month to pay the mortgage or rent
- increased comfort and health in the winter and summer
- protection from potential increases in the cost of utilities
- fewer warranty call backs concerning uncomfortable and drafty homes
- fewer complaints about comfort and other maintenance issues in multi-family buildings, and enhanced property value

At the same time, these energy-efficient design considerations may add little or no additional cost to an affordable housing project over the life of the project. A unique characteristic of energy-efficient construction is the positive economics of installing or upgrading various construction components to a higher level of increased energy-efficiency. For example, the difference in cost for increasing the attic insulation level from R-30 to R-38 will be paid for out of the energy savings from this upgrade over just a few years.

In Colorado, each local building department sets and designs the codes that impact the final energy consumption and comfort of a building. Many local communities have already made the decision to incorporate energy-efficient design into their building codes. These local officials understand the long-term benefits of building structures that are energy-efficient.

Several programs are available in Colorado to promote the installation of energy-efficient materials and design into affordable housing. Single-family home new construction and the energy-efficient rehabilitation of single-family and multi-family rental and owner projects are covered by these programs. Listed below are brief descriptions and contact information:

Energy Rated Homes of Colorado Energy Rated Homes of Colorado offers a standardized evaluation method to determine the energy-efficiency of new or existing homes. This is called an "Energy Rating." An "Energy Rating" enables an owner or potential owner to obtain the benefits of an Energy Efficient Mortgage (EEM) or Energy Improvement Mortgage (EIM) (see below). Please contact Energy Rated Homes of Colorado at (800) 877-8450 or visit their web site at <http://www.e-star.com/>.

Energy Efficient Mortgages (EEMs) These mortgages are designed to take advantage of the lower energy costs associated with energy-efficient homes. These lower energy bills increase the amount of money available to pay a mortgage payment. In addition, a potential homeowner using an EEM will qualify for a larger mortgage amount than a potential homeowner without an EEM. This additional mortgage money can be used for upgrades in the purchased home. Information on where to obtain these mortgages can be obtained from Energy Rated Homes of Colorado at (800) 877-8450 or visit their web site at <http://www.e-star.com/>.

Energy Improvement Mortgages (EIMs) An Energy Improvement Mortgage allows home energy improvements to be included as part of the home purchase or refinance process. A borrower can finance the cost of the energy improvements specified by an energy rating into the mortgage at the same rate and terms as the home purchase. The lender based on the energy rating results and the specific loan type determines allowable improvements and maximum costs. Information on where to obtain these mortgages can be obtained from Energy Rated Homes of Colorado at (800) 877-8450 or visit their web site at <http://www.e-star.com/>.

Energy-Saving Partners of Colorado This program provides no-cost energy-efficient rehabilitation services to lower income owners and renters in single-family and multi-family buildings. Program information can be obtained by calling the Colorado Office of Energy Management and Conservation (DEMC) at (303) 894-2383. Information on how to obtain services can be found by calling toll-free (888) HEATLINE (432-8546) or visit their web site at <http://www.state.co.us/DEMC/>.

The Colorado Division of Housing has staff that specializes in assessing the energy use and design of proposed affordable housing developments. These staff members can assist affordable housing developers in determining the effectiveness and impact of the energy-efficiency design features of a proposed building. Please contact Ken Abeles at (303) 866-4658 or Rick Hanger at (719) 544-2466 for assistance with energy-efficiency issues in your affordable housing project or your own home.

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Contact: [Department of Local Affairs](#)