

**RECOMMENDATION FOR COUNCIL ACTION****City Council Meeting Date**

May 10, 2018

**Posting Language**

Approve issuance of a rebate to Paradise Oaks ICG LLC, for performing energy efficiency improvements at Paradise Oaks Apartments, located at 1500 Faro Drive, in an amount not to exceed \$144,876. (District 3)

**Fiscal Note**

Funding in the amount of \$144,876 is available in the Fiscal Year 2017-2018 Operating Budget of Austin Energy.

**For More Information:**

Jeff Vice, Director, Local Government Relations (512) 322-6087; Denise Kuehn, Director, Energy Efficiency Services (512) 322-6138.

**Council Committee, Boards and Commission Action:**

To be reviewed by the Electric Utility Commission on April 16, 2018 and by the Resource Management Commission on April 17, 2018.

**Additional Backup Information:**

Austin Energy requests authorization to issue a rebate to Paradise Oaks ICG LLC, in an amount not to exceed \$144,876, for energy efficiency measures at Paradise Oaks Apartments located at 1500 Faro Drive, in Council District 3.

The property comprises 32 buildings and 248 apartment units, with a total of 253,842 square feet of conditioned space. The average rent for a one bedroom unit is \$874, a two bedroom unit is \$1,048, a three bedroom unit is \$1,221 and a four bedroom unit is \$1,347. This property is listed in the 2017 Austin Tenants' Council "Guide to Affordable Housing in the Greater Austin Area" as a participant in the Housing Tax Credit Program. Tenants earning up to 60% of the area median family income for their household size and who meet eligibility restrictions of the property may qualify for reduced rent.

The energy efficiency measures proposed at Paradise Oaks Apartments include: duct remediation and sealing, LED lamps and solar screens. The estimated total cost of the project is \$144,876; the rebate will cover 100% of the total cost. This rebate is funded by Austin Energy's Multifamily Weatherization Assistance Program. While similar to the standard Multifamily Rebate Program, the rebates are larger for low income housing and are customized for each measure, based on historical savings and cost data.

These improvements are made in accordance with Austin Energy's Multifamily Weatherization Assistance Rebate Program guidelines. The rebate program is one element of Austin Energy's comprehensive Resource, Generation and Climate Protection Plan to realize 900 MW of energy efficiency and demand response by 2025. It is designed in part to reduce local air pollution through energy conservation, reduce peak demand, reduce the need to purchase additional generation, and assist customers in reducing electric consumption.

The avoided kilowatt-hours (kWh), estimated at 564,692 kWh per year, represent a major benefit to the local environment. This project is estimated to prevent the production of the following air emissions annually: 302.2 metric tons of Carbon Dioxide (CO<sub>2</sub>), 0.13 metric tons of Nitrogen Oxides (NO<sub>x</sub>), and 0.34 metric tons of Sulfur Dioxide (SO<sub>2</sub>). The project savings is equivalent to an estimated 678,819 vehicle miles traveled, the removal of 58 cars from our roadways, or the planting of 7,767 trees or 388 acres of forest in Austin's parks.



## MULTIFAMILY REBATE FACT SHEET

### Paradise Oaks

Community Name	Paradise Oaks				
Customer Name	Paradise Oaks ICG LLC				
Property Address	1500 Faro Drive				
Year Built	1996				
Average Rent per Floor Plan	1 BR \$874; 2BR \$1048; 3BR \$1,221; 4 BR \$1,347				
Number of Rentable Units <sup>1</sup>	248				
Housing Type <sup>2</sup>	Housing Tax Credit Program; Income Levels A & B (Total household income is 50% or less of the area median income and total household income is more than 50% but less than 60% of the area median income.)				
Air Conditioner Tonnage	506 total tons – 2 tons per unit				
Water Heater Type	Natural Gas				
On Repeat Offender List? <sup>3</sup>	No				
Electric Utilization Intensity for this property	8.84 kWh/sq ft				
Average Electric Utilization Intensity for cohort <sup>4</sup>	11.26 kWh/sq ft for properties built from 1985 to 2001 with electric heat				
Energy Conservation Audit and Disclosure (ECAD) status <sup>5</sup>	Compliant				
Total Measure Costs	\$144,875.96				
Total Rebate – Not to Exceed	\$144,875.96				
% of Total Measure Costs	100%				
Rebate per Unit	\$584.18				
Scope of Work <sup>6</sup>					
Perform duct remediation and sealing on 248 furr down air handlers with electric heat					
Replace 3,568 60 watt incandescent lamps with a like number of 9 watt LED lamps					
Install 14,558 square feet of solar screens to non-North oriented and non-shaded windows					
Project Annual Savings at 100% Occupancy					
Kilowatts (kW) Saved – Estimated	227 kW at meter				
Dollars per kW– Estimated	\$638 / kW				
Kilowatt-hours (kWh) Saved – Estimated	530,725 at meter				
Monthly Savings Per Customer - Estimated <sup>7</sup>					
Dollar savings	\$17.83				
Scope of Work					
Measure	Rebate Amount	kW Saved – Estimated	kWh Saved – Estimated	\$/kW	Average annual dollar savings per customer
Duct remediation and seal	\$97,001	195.6	394,388	\$496	\$149.46
LED lamps	\$10,918	17.6	124,455	\$620	\$47.11
Solar screens	\$36,956	60.8	45,849	\$607	\$17.38
Measures Performed - Last 10 Years at this property		Completion Date		Rebate Amount	
None					

<sup>1</sup> Energy Conservation Audit and Disclosure 2015 Energy Guide for Prospective residents lists the total number of units in the property; this may include units that are not rentable such as office spaces, model units, maintenance shops, etc.

<sup>2</sup> Per "Guide to Affordable Housing" published by The Austin Tenants' Council; includes income requirements and restrictions.

<sup>3</sup> <http://www.austintexas.gov/department/repeat-offender-program>

<sup>4</sup> Cohort Type is determined by the year the property is built and the heating type (either gas or electric).

<sup>5</sup> Owner agrees to comply with TITLE 6. ENVIRONMENTAL CONTROL AND CONSERVATION. CHAPTER 6-7. ENERGY CONSERVATION CODE prior to the issuance of the rebate check.

<sup>6</sup> Energy (kWh) and dollars (\$) saved per project varies by both the size of the project and the type of heating. Projects with electric heat generally have higher savings than projects with gas heat.

<sup>7</sup> Calculation based on 10 cents per kWh.

**Paradise Oaks Apartments Rebate**  
**Austin Energy Multi-family Weatherization Assistance Program**  
**Additional ECAD Information**

RCA Posting Language: Approve issuance of a rebate to Paradise Oaks ICG LLC, for performing energy efficiency improvements at Paradise Oaks Apartments, located at 1500 Faro Drive, in an amount not to exceed \$144,876. (District 3)

1. An ECAD Audit was completed May, 23, 2011. Solar screens were in place on most windows at that time. During a recent verification audit, most of the screens had been removed.
2. Duct seal results in 2011 were 23%. During the pre-verification, the average duct seal was 53% for the sample of units tested.
3. Average attic insulation in 2011 was an average of R-22. The pre-verification audit recorded an average of R-18 on the sample units. Additional attic insulation is not being proposed for this project.