

**DOCKETED**

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*Comment Received From: MidPen Housing  
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## **MidPen Housing Comments on BUILD Program**

*Additional submitted attachment is included below.*

September 30, 2021

California Energy Commission  
1516 Ninth Street  
Sacramento, CA95814

RE: Comments on the BUILD Program's Preliminary Design

Dear Commissioners,

We would like to thank you for the opportunity to provide comments on the BUILD Program's Preliminary Design released on September 15, 2021.

MidPen Housing is one of the leading non-profit affordable housing developers in Northern California, with over 8,000 affordable homes in our portfolio and an additional 3,500 in our pipeline. We have developed two LEED Platinum buildings and the first all-electric affordable housing building in the Bay Area, Edwina Benner Plaza in Sunnyvale. We currently have three all-electric residences under construction, and more to come.

**We would like to encourage the CEC to provide funds early in the development process, and no later than construction start.** As designed, the program would provide funds up to 90 days after a project's completion. However, all major design choices, including whether or not to build all-electric, are made during the predevelopment process, prior to applying for CTCAC/CDLAC. Plus, receiving the payment after construction completion could be problematic from a tax standpoint.

Edwina Benner Plaza would not have been an all-electric residence without EPC 15-097, and the Technical Assistance provided by the Association for Energy Affordability through that grant. What we have learned from that first project is that, as Mechanical, Electrical and Plumbing (MEP) engineers used by affordable housing developers are still new to all-electric buildings, there are increased design costs associated with all-electric and other decarbonization and resiliency measures. Having a robust Technical Assistance program is necessary, and not sufficient.

Additionally, to be able to compete for CTCAC/CDLAC, and have a chance to be funded, affordable housing projects have to come in under a maximum cost per unit, or a maximum cost per project depending on the funds they are applying for, and the tiebreaker is based on development cost per unit, making projects in the Bay Area and other high-cost areas at a disadvantage in this competition.

Having funds available no later than construction start would allow affordable housing developers to offset additional design and construction costs associated with

decarbonization measures, helping to maintain the competitiveness of our projects for CTCAC/CDLAC.

In addition to releasing funds early, **we would like the CEC to consider having the General Contractor (GC) as a co-applicant, and have the funds made payable to them instead of the developer.** This measure would help lower our construction costs, making our projects more competitive for CTCAC/CDLAC.

We thank you in advance for considering our comments as the CEC finalize its BUILD Program regulations. Please feel free to contact me with any questions at [albesson@midpen-housing.org](mailto:albesson@midpen-housing.org) or (650)-918-8271.

Sincerely,

*Amélie Besson*

Amélie Besson  
Design and Construction Sustainability Manager