



FINANCIAL ADVISORY SERVICES

## NEWS RELEASE For Immediate Release

Contact: TeAnne Coleman Chennault  
213.787.8234 – office  
[Tchennault@enterprisecommunity.org](mailto:Tchennault@enterprisecommunity.org)

Alex Jablokow  
617.502.5907 – office  
[ajablokow@casfas.com](mailto:ajablokow@casfas.com)

### **ENTERPRISE RETROFIT AUDIT PROTOCOL ESTABLISHED TO STANDARDIZE GREEN AUDITS FOR THE NATION’S AFFORDABLE HOUSING STOCK**

*Protocol Used to Enable Evaluating and Financing of Energy and Water Efficiency  
Improvements to Multifamily Affordable Housing Properties*

(COLUMBIA, Md. – February 4, 2010) – Enterprise Community Partners, Inc. (Enterprise) and CAS Financial Advisory Services (CAS FAS) today announced the joint development of a green audit protocol for existing affordable multifamily buildings. The Enterprise Retrofit Audit Protocol establishes a baseline for metrics and disclosures in the analysis of green improvements, enabling better decisions to be made with regard to selecting which energy- and water-saving measures to deploy in a retrofit and when to deploy them. Currently, most retrofit analyses fall short of underwriting requirements because they rely on audits conducted using inconsistent metrics and incomplete energy-conservation and cost-saving models. This new protocol gives the user an evaluation of the physical and capital needs of a building that is complete and can be underwritten. It incorporates the energy audit as a component of a broader capital needs assessment (CNA) and allows for cost projection benefits. The result is an analysis that meets both ecological and financial imperatives and will enable underwriting mechanisms for retrofitting existing properties.

“With this protocol, we will help building owners, lenders and providers of public subsidies establish clear guidelines for how to approach evaluating the potential retrofit of a building,” said Dana Bourland, vice president of Enterprise Green Initiatives, Enterprise Community Partners, Inc. “As we seek to improve the energy and water efficiency in a multifamily property, we must use financial resources efficiently as well. That requires a complete understanding of how the building is currently operating and what its total needs will be over the next 20 years in order to provide decent housing to its tenants.”

The Enterprise Retrofit Audit Protocol is part of Enterprise’s larger effort to make green the standard in affordable housing. Enterprise recently launched its next generation of Enterprise Green Communities, a \$4 billion commitment to accelerate green affordable housing nationwide and a national call to action to public, private and nonprofit sectors to make all affordable housing green by 2020. Enterprise research shows that green affordable homes offer significant health, economic and environmental benefits to residents.

“Greening an existing property is a process, not a single event,” said David Smith, CEO of CAS FAS. “If we want to make progress toward greener, healthier multifamily housing, we have to retrofit properties, incrementally, over time. But owners and lenders are reluctant to make retrofit decisions without consistent, well-grounded financial underwriting. Now, they have it.”

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The Enterprise Retrofit Audit Protocol will be made available to help facilitate the deployment of funding for retrofit programs. In addition to financial considerations, the protocol requires examination of the health implications to residents and building maintenance workers, as well as a determination of the property's impact on the environment.

The Enterprise Retrofit Audit Protocol establishes a clear methodology that can be applied nationally, resulting in better decision making and more consistent comparisons. Enterprise will collect and analyze data and publish its findings to enable the retrofit of the national affordable portfolio and to further the collective effort.

On-Site Insight, a wholly owned subsidiary of CAS FAS, developed the green capital needs assessment (GCNA) built upon its industry recognized CNA. Over the past two decades, On-Site Insight has performed more than 6,000 assessments to help building owners with their capital planning. Enterprise is using the GCNA as an underwriting tool as it seeks to retrofit multifamily properties nationally. Environmentally centered features of the GCNA include energy and water audits, air quality testing and a detailed analysis of "sensible green" improvements. Results are presented with metrics designed for decision making, including Simple Payback, Savings to Investment Ratio (SIR), Green Internal Rate of Return (IRR) and Life-Cycle Net Present Value (NPV). As a CAS FAS product, the GCNA is also commercially available to any multifamily property owner with a need for green capital planning.

"To make a significant impact on resource conservation, global climate change and other pressing environmental challenges, greening our nation's existing housing stock is critical. Over half of the existing housing stock was built before the first energy codes were introduced," said Nate Kredich, vice president, Residential Market Development, U.S. Green Building Council. "There is a need for reliable and consistent retrofit standards in order to access private capital to finance the most cost-effective improvements. The work that Enterprise and CAS FAS have done with the Enterprise Retrofit Audit Protocol is a significant step forward in this regard."

The new protocol clearly establishes methodologies by identifying building systems that need to be inspected and measured, highlighting analysis that needs to be performed, and providing guidelines on how to present the information. During the next several months, Enterprise will be collecting feedback on the protocol with the expectation of publishing a review in late 2010.

For more information regarding the Enterprise Retrofit Audit Protocol, please visit <http://www.greencommunitiesonline.org/tools/funding/loans/retrofit.asp>.

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**Enterprise** is a leading provider of the development capital and expertise it takes to create decent, affordable homes and rebuild communities. For more than 25 years, Enterprise has introduced neighborhood solutions through public-private partnerships with financial institutions, governments, community organizations and others that share our vision. Enterprise has raised and invested more than \$10 billion in equity, grants and loans to help build or preserve more than 250,000 affordable rental and for-sale homes to create vital communities. Enterprise is currently investing in communities at a rate of \$1 billion a year. Visit [www.enterprisecommunity.org](http://www.enterprisecommunity.org) and [www.enterprisecommunity.com](http://www.enterprisecommunity.com) to learn more about Enterprise's efforts to build communities and opportunity.

**CAS Financial Advisory Services** (formerly Recap Advisors) is a Boston-based financial services company that provides solutions to complex multifamily asset problems. It is the financial services and asset management group of CAS Partners. Over the company's history, CAS Financial has completed transactions on more than 780 properties nationwide, with aggregate property value of more than \$2.7 billion. It currently manages nearly \$5 billion in multifamily assets. Through its wholly owned subsidiary On-Site Insight, it has performed more than 6,000 capital needs assessments. CAS Financial Advisory Services and CAS Financial are trade names of Recap Advisors, LLC. CAS Financial Advisory Services has a strong reputation in the capital planning, operations, and financing of all types of multifamily housing. Visit [www.casfas.com](http://www.casfas.com).