

## Chicago, Cook County walk-ups get help to go green



During a recent energy audit, Tessa Maurer of nonprofit Elevate Energy checks an old boiler in a North Side apartment building. She recommended replacing the boiler. (Alex Garcia, Chicago Tribune)

By **Julie Wernau**, Tribune reporter

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**L**ou Sopcz has invested in energy efficient lights, insulation and new boilers in Chicago apartment buildings he owns where he pays the utility bills. But he acknowledges that springing for such improvements in buildings where his tenants pay for their own heat or cooling is difficult.

"Your drive to make it energy efficient is not as big," Sopcz said. "It's unfortunate. But that's the way it is. You're not constantly looking at that huge gas bill because it's spread out among the tenants."

Sopcz is hardly alone in his thinking. The vast majority of Chicago's housing stock — rented two- to four-story walk-ups that also include a sizable share of the city's affordable housing — has largely been left behind in efforts to reduce energy consumption.

"Better efficiency would allow renters to increase spending on food, health care and other essentials. This is not only an economic issue; it has implications for household health, social equity and environmental problems tied to energy consumption," concluded a University of Arizona study published in May.

Residents of lower-income rental apartments pay 76 percent more on energy than owner-occupied single family homes based on cost per square foot, the study found. The study estimated the lost savings at between \$200 and \$400 per year.

Both Chicago and Cook County have been pressing for energy efficient buildings. A county ordinance that took effect Friday requires owners of large buildings to report their energy use and be scored on efficiency. Chicago has a similar ordinance that took effect in June. The ordinances focus on the 1 percent of large buildings that consume 22 percent of all energy used by buildings. Two- to four-story walk-ups are not addressed.

Elevate Energy, a Chicago-based nonprofit, has been working since its 2008 founding to convince owners of such buildings that they, too, can reap benefits from energy efficiency improvements, even when tenants foot the bills for utilities.

William Holtz, who owns seven buildings in Chicago, is a case in point. The idea that clicked with him is that improvements could attract and, potentially, retain tenants if he could prove their utility bills would be cheaper than those at other buildings.

"The areas where the properties are located, the tenants are very financially challenged," Holtz said. "If the winter (rental) market gets competitive, we can have that edge over another unit. A lot of people don't realize what the cost of turnover is."

Last year, Holtz upgraded a West Side apartment building in the Austin neighborhood with energy efficient fixtures and insulated water pipes. He also bought a new furnace after Elevate Energy made him aware of available rebates. This year, he's upgrading two South Side buildings in Woodlawn.

"We want to do something about climate change, but we also want to preserve affordable housing, said Anne Evens, director of Elevate Energy. Its goal is to help retrofit 7,500 units a year.

The company doesn't perform any work or repairs: It analyzes where energy is being lost, recommends changes, breaks out estimated costs and guides owners on where they might find financing, grants and contractors.

Peter Ludwig, director of building retrofits for Elevate Energy, runs a team that attends building organization meetings to find prospective building owners. Coaxing such an owner to move forward on energy efficiency is difficult, he said.

"Building owners are thrown a lot of competing offers. They have a lot more on their minds than energy efficiency. There's pest control, window replacement, property management companies. It's almost unending."

The nonprofit, with 100 employees, is funded through a variety of sources, including foundation grants, along with government and utility contracts.

James Morris, who owns several apartment buildings in the Auburn Gresham area on the city's South Side and supplies heat as part of the rent, said he commissioned upgrades at three small apartment buildings after Elevate Energy pulled together 12 months of his utility bills.

"I see everything in numbers," he said. "So it has to make sense."

Elevate Energy totaled how he'd been paying, calculated how much it would cost to lower those bills and how long it would take for him to recoup the upgrade costs.

An energy analyst from Elevate Energy recommended roof and pipe insulation, a new boiler in one building and boiler controls in his other buildings. His buildings, all built in the 1920s, are heated by a central steam boiler.

Morris said one of his best investments was spending \$3,500 for new boiler controls at one of his four-flats because he can manage the heat in four apartments and adjust the temperatures based on any number of factors — including whether a tenant has a window open.

"It made a huge difference for the heating bill," Morris said. "Even this past winter, which was brutal, the heating bill wasn't very high."

The insulation paid for itself within a couple of years, he said. Like many building owners, Morris had been told that pricey new windows would save him money, but the insulation did the trick.

His goal is to have as little turnover as possible, he said. Keeping utility bills low helps make that possible, he said.

Morris' natural gas bills have declined 11 percent since the upgrades.

Savings can be dramatic and even keep an affordable rent building on the market.

At his 100-unit affordable housing complex in Rogers Park, Sopcic said that when he first bought the Far North Side building, utility bills totaled \$120,000 per year. With studio apartments starting at \$625 per month and two-bedroom apartments in the \$900 range, he said that without making energy upgrades, the building wouldn't have been viable. Utilities are included in the rent, and no one would have paid the prices that he would need to pay the utility bills.

He learned about Elevate Energy through a lender.

"We had a few things they suggested where I thought — how much will that really make me?" he said. "Like insulating your attic space. I just don't see how that's going to do that much. But you know? It did. It just winds up under your roof and goes up, pushing out the hot air. I just never thought of that."

His natural gas bills have fallen 46 percent, Sopcic said, or about \$46,000.

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