



## New Jersey's ReHEET (Residential Health, Energy, and Environmental Transformation)

**Financing Source:** New Jersey Neighborhood Revitalization Tax Credit (NRTC)

**Financing Amount:** \$160,000 - \$380,000

**Focus:** Asthma, lead, mold

Isles, Inc. operates a project called ReHEET (Residential Health, Energy and Environmental Transformation) with funding from the New Jersey [Neighborhood Revitalization Tax Credit](#) (NRTC). ReHEET was created to pilot the joint provision of weatherization, structural repair, and healthy homes services in Trenton. The program collaborates with community groups to identify old, substandard, leaky homes in the Trenton region. It tests and repairs occupied homes for energy and health hazards. ReHEET received funding from 2010-2016 and completed 179 units over this period. (A small number of these homes were “re-visits” for emergent issues [such as heating system breakdowns or new roof leaks] and not new units, which lowers the cost per unit.)

### Financing Mechanism

Isles, Inc. operates the ReHEET project with funding from the New Jersey Neighborhood Revitalization Tax Credit (NRTC).

The NRTC was authorized by the New Jersey Legislature in 2002 and is administered by the New Jersey Department of Community Affairs (DCA). New Jersey business entities that invest in the revitalization of eligible low- and moderate-income neighborhoods can receive a 100% credit against various state taxes. The program currently generates a total grant pool of \$10 million per year, and the maximum available for each neighborhood is \$1 million annually.

Each year, the Department of Community Affairs invites applications from nonprofit entities located in those municipalities that qualify for its [Special Municipal Aid Act](#) or contain an [Abbott district](#). The nonprofit should be able to demonstrate a commitment to the neighborhood and should submit a plan or project (advisable for a period of two to 10 years). The plan may be submitted with or without a corporate partner. Projects may be awarded single- or multiyear funding.

ReHEET has received grants from the NRTC since 2010 with award funding ranging from \$80,707 to \$480,000. No loss or reduction in the NRTC funding is anticipated as corporations are expected to increase contributions, and more corporations are being encouraged to participate in the program.

### Program Overview

The ReHEET project was created to pilot the joint provision of weatherization, structural repair, and healthy homes services in Trenton. It provides lead safety, energy efficiency, and healthy homes services via a coordinated approach, delivering multiple residential services instead of individual services that would increase costs and create multiple disruptions for homeowners. The program provides energy audits, healthy homes (lead, mold, asthma) testing and remediation, structural repairs, insulation and air sealing, and community education on energy and home health in Trenton neighborhoods.

### Program Operations

Isles, Inc. operates ReHEET as part of their program to revitalize communities. The program collaborates with community groups to identify old, substandard, leaky homes in the Trenton region. It tests and repairs occupied homes for energy and health hazards. Investment on each home averages roughly \$7,000.

In recent years, funding has been leveraged by handing off structurally stabilized and lead-safe units to a weatherization assistance provider for the county to complete costly heating system repairs, insulation, and airsealing. The number of homes requiring services vary from year to year.

<https://nchh.org/tools-and-data/financing-and-funding/sustainable-financing-mechanisms/>

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### ***Eligible Population Served***

Anyone living within the neighborhood boundaries can benefit from ReHEET; however, those needing services are prioritized according to the following order:

1. Critical health and safety issues such as carbon monoxide leaks, combustion safety issues, or environmental lead hazards (where children under six years old are present in home)—these must be handled immediately;
2. Foundation or structural issues that affect the integrity of the home;
3. Nonoperational heating system;
4. Water intrusion, mold, and moisture;
5. Inadequate/inoperable or damaged doors or windows;
6. Inadequate insulation, air sealing, ventilation, et cetera;
7. Other home issues (faulty stove, older water heater, et cetera);
8. Other energy-wasting issues (refrigerator, pipe insulation, light bulbs, et cetera).

### ***Staffing***

For service providers, project construction managers have their criteria to vet contractors. They are required to carry New Jersey business and contractor licenses, RRP (Renovation, Repair, and Painting) training and firm certifications, insurance, liability, and workers' compensation insurance.

### ***Billing for Services***

Services are provided at no cost to homeowners.

## **Outcomes and Evaluation**

No formal program evaluation report has been conducted.

From 2010 to 2016, ReHEET received funding totaling approximately \$1,249,000, completing 179 units over this period. (A small number of these homes were "re-visits" for emergent issues such as heating system failures and new roof leaks and not new units, which lowers the cost per unit.)

### ***Return on Investment***

Isles, Inc. reports that each \$7,000-\$8,000 investment in lead-safe, energy-efficient, and healthy homes "saves the homeowner money, improves their safety and health, and keeps the home occupied, while saving the community and taxpayers much more." Also that "for every \$1 invested in healthy homes or energy efficiency repairs, taxpayers—not just homeowners—receive many times more in health and energy savings."<sup>1</sup>

## **Lessons Learned**

When funding is not specifically restricted to lead, asthma, energy, or healthy homes but may be used to address all issues identified from testing, more issues can be addressed, ultimately at a lower cost overall.

It is important to keep strong network connections to get information on funding opportunities. Although the NRTC program is now well publicized, Isles, Inc. initially became aware of the program through its strong network ties. Other funding opportunities may be available that are not widely known but may be discovered through networking.

It's helpful to seek smaller grants even if they are nonrenewable (Community Development Block Grant [CDBG], energy companies, et cetera), as they can be helpful in building the portfolio and reputation of the ReHEET program and position it to secure more funding.

ReHEET's success can be replicated and can be promoted as an intervention model to community organizations that provide lead and healthy homes services, to pave the way for energy and weatherization services to be incorporated as a total package. This has recently been done with the New Jersey Department of Community Affairs Lead-Safe Home Remediation Pilot, which encourages the coordination between lead remediation and energy efficiency providers in the grant RFP.

In 2019, the program will continue to work on three pilots:

1. A \$1.8 million pilot funded through the Department of Community Affairs to provide lead hazard control services to 160 units. The money includes funding for "ancillary issues." Isles will use that money to address healthy homes issues that might not relate specifically to lead but which may cause lead-based paint deterioration, such as roofing issues and moisture intrusion.
2. The Princeton Area Community Foundation funded Isles and the Trenton Health Team to identify students with absenteeism issues and then provide comprehensive home testing for lead and healthy homes.

3. Funded by New Jersey Health Initiatives, this grant targets people with high use of the medical and health systems for services similar to those provided in the student absenteeism project.

## **For More Information**

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<https://isles.org/services/healthy-homes-lead-asthma/about#.WJD3402QyUI>

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<sup>1</sup> Isles, Inc. (2015, February). *IslesWorks*. Retrieved from

<http://archive.constantcontact.com/fs175/1101674599623/archive/1120226890864.html>