



Sacramento Manor completes largest-ever apartment electrification retrofit project



Sacramento Manor, built in 1961, is a low-income housing community in South Sacramento featuring 260 senior living garden apartments on a sprawling, 10-acre site. Photo by Steve Martarano

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Affordable senior living community makes a conscious shift from gas to electric

By Steve Martarano

The recent transformation of 260 senior living garden apartments at Sacramento Manor, a sprawling, 10-acre, low-income housing community in South Sacramento, is considered the largest electrification retrofit project of its kind in California.

Except for some finishing touches and pending resident permits, the project is now complete, and Sacramento Manor's outdated gas-reliant infrastructure has been fully replaced, with every apartment running solely on electricity, which saves on energy costs for property owners and residents.

Alliance Property Group and California Commercial Investment Group, who both invest in and develop affordable housing properties, worked with Sacramento Housing and Redevelopment Agency to obtain the 62-year-old property early in 2021, eventually bringing in Bright Power to manage the gas-to-electric equipment upgrade.

"It was really a two-pronged approach, where we were able to achieve energy efficiency and affordability," said Danielle Curls Bennett, president of the Alliance Property Group. "It's consistent with what we've done in other projects, although on a much larger scale. This is by far the largest electrification and the largest energy efficiency initiative scope of work that we've done on any of our projects."

Sacramento Manor is a Naturally Occurring Affordable Housing (NOAH) property — an affordable residential rental property, but unsubsidized by any federal program, which keeps rents relatively low compared to the local market. Using the NOAH designation, Bennett said by recording a regulatory agreement that restricted a portion of the units to a lower income level, “it allowed us to access the funds that gave us the resources to do the energy efficiency improvements.”

Accordingly, “a big chunk” of the project’s total cost was covered by \$2.5 million in incentives from a variety of programs, including from SMUD and California’s Low-Income Weatherization Program, said Kelly Knutsen, the vice president of sales and director of policy for Oakland-based Bright Power, an organization that helps multifamily owners and managers reduce greenhouse gas emissions.

“Part of what makes this such a great story is the partnership with SMUD, the City of Sacramento and the state to support this project, which is really becoming a known entity within the industry,” said Knutsen, citing analysis showing \$240,000 is being saved yearly on energy costs at the entire property, including to residents, because of the new equipment.

The project fits into **SMUD’s ambitious goal** to eliminate carbon emissions from the power supply by 2030, through electrification of buildings and transportation, and other technologies to improve air quality, public health and support inclusive economic development, said SMUD CEO and General Manager Paul Lau.

“Our vision for a clean energy future is remarkable, not only because SMUD will pioneer large-scale utility decarbonization, but also because we will work hand-in-hand with all communities to achieve our goals, ensuring that everyone can reap the economic and health benefits of a future powered by clean energy and a sustainable economy,” Lau said before a June 1 ribbon-cutting ceremony at Sacramento Manor.



Each apartment unit took about two days to retrofit and residents were able to remain in their units without moving out. Photo by Steve Martarano

In late 2020, the pending new owners at Sacramento Manor reached out to Bright Power, Knutsen said, indicating they were about to acquire some property in Sacramento and wondering if they could help piece together the project scope to find available incentives.

Scott Heaton, an executive vice president with the California Commercial Investment Group, said that after first visiting the property it was evident Sacramento Manor’s building systems needed to be replaced. The question was how?

“That’s when we started hearing the state of California’s emphasis on getting rid of things that leave a carbon footprint like gas and fossil fuel,” Heaton said. “That’s how we were fortunate to team up with Bright Power, because at that time, there were a number of grants being offered for electrification retrofit programs. I’m happy that we were able to do something that benefits the goals of the state of California and benefits the environment.”

Less than a year later, construction began. Most of it was completed by May 2022, a key deadline, Knutsen said, because owners wanted to make a smooth transition from the old system to the new one before summer.

Sacramento Manor’s rents range from \$1,417 for a studio, up to \$1,806 for a two-bedroom unit plus utilities. The complex has had a long history of complaints and problems with its aging equipment, impacting its ability to keep residents seasonally cool or warm. The complex’s huge underground pipe system, which included a “rickety electric chiller,” was failing, Knutsen said, affecting the delivery of hot water for showers, and keeping units cool with air conditioning.

“Some of it was still electric, but not working well,” Knutsen said. “It became clear that the best way to serve the residents so that they had steady hot water and steady heating [and] cooling, was to be able to switch to highly efficient heat pump systems for both heating and cooling.”

Residents in each unit now control their individual interior temperatures, and water heaters were placed outside building clusters, with 45 of them placed outside the complex’s 21 buildings to service all 260 apartments.

Each apartment unit took about two days to retrofit, Knutsen said, and residents were able to remain in their units without moving out. Each retrofit included a total HVAC (heating, ventilation and air conditioning) replacement, new attic insulation and LED lighting. Low-flow shower heads and aerators to reduce water use were also installed and refrigerators and windows were replaced.

“That [window replacement] was one of the success stories, I think, because they were old 1961 single-pane windows and we put in modern, energy efficient, dual-pane windows,” Knutsen said. “We’ve actually heard a lot of positive responses from the residents because windows can really help reduce the draftiness.”



Each retrofit included a total HVAC replacement and new LED lighting. Low-flow shower heads and aerators to reduce water use were installed and refrigerators and windows were replaced as well. Photo by Steve Martarano

The equipment upgrades improved energy efficiency so significantly that overall cost increases to residents, as one of the requirements under California's Low-Income Weatherization Program, would not be affected, said Sebastian Cohn, senior project manager at Association for Energy Affordability, which contracted with SMUD on the project.

"I will say the initial analysis — the initial modeling and energy modeling that was done — did show effectively that all of the energy efficiency improvements essentially completely offsets any added energy usage due to moving things from gas to electric," Cohn said.

Addressing the concerns of residents at Sacramento Manor was a huge priority during the entire process, Bennett said.

"That was a real big concern that we heard loud and clear from residents," Bennett said. "But we have amazing residents out there who have been really engaged and vocal. They share the pro and the con."

Knutsen said that while Bright Power has been involved with about 25 similar, though smaller, projects, he considers Sacramento Manor the model.

"We really want to show that the City of Sacramento and SMUD are leading the way and in the partnership that makes these kinds of projects happen, and that this electrification is real," Knutsen said. "We're seeing the future unfolding right there in Sacramento. And we hope that folks across the state of California and the country can learn from Sacramento on how we can meet our climate goals as well as helping out the residents of our state."

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