



THE SCHOCHET COMPANIES: INTEGRATING COMPREHENSIVE SUSTAINABILITY PLANNING INTO ANNUAL BUDGET PROCESS

SOLUTION OVERVIEW

The Schochet Companies, together with its energy and sustainability consulting firm, Rethinking Power Management (RPM), launched a comprehensive Sustainability Initiative with the goal of continuously reducing Schochet's environmental footprint across its housing portfolio. The team transformed the company's approach to energy and water retrofit planning, providing sustainability training to property and facility managers and involving them in every step of the retrofit planning process. Schochet developed a Sustainability Roadmap – a portfolio-wide, property-level list of energy and water projects based on input from staff – to guide the budgeting and refinancing processes. The team sets portfolio-wide sustainability targets in energy, water, and CO² reduction in 4-year phases. Schochet estimates its energy cost avoidance at approximately \$1.67 million per year; water reductions at over 3.1 million gallons per year; and greenhouse gas reductions at approximately 16,900 tons per year, equivalent to 3,754 cars off the road.

ORGANIZATION TYPE

Multifamily Housing

BARRIER

Sustainability planning siloed in headquarters, lacking on-the-ground knowledge and commitment from property and facilities management staff.

SOLUTION

Through the Sustainability Initiative, cultivate a commitment to sustainability and continuous improvement amongst all employees.

OUTCOME

More cost effective projects resulting from improved capital planning processes; improvements in maintenance practices and ongoing property management.

POLICIES

The Schochet Companies is a full service real estate development and management company. It owns and/or manages over 25 primarily affordable multifamily properties throughout the Northeast, overseeing approximately 5,000 units. Rethinking Power Management (RPM) is an energy and sustainability consulting firm based in Boston, Massachusetts that manages Schochet's energy efficiency and sustainability efforts.

Schochet and RPM launched the Sustainability Initiative based on the principle of continuous improvement. The Initiative's goal was to reduce Schochet's environmental footprint by improving building performance, optimizing energy and water consumption, and minimizing solid waste and the use of toxic materials across its portfolio of multifamily properties. The Initiative defined strategies to achieve specific targets related to:

- Energy and water use reductions
- Greenhouse gas emission reductions
- Staff and tenant engagement
- Information exchange with others in the industry
- Healthy living
- Organizational development

The approach combined site-specific sustainability and cost-saving opportunities with employee training and portfolio-wide no/low-cost measures.

PROCESS

Schochet implemented internal processes to cultivate a spirit of sustainability and continuous improvement amongst all employees, and embed them into existing practices.

Staff Sustainability Training:

Schochet instituted sustainability training for all new property managers and facilities managers. The training provides information on the background, purpose, and goals of the Sustainability Initiative, cost-savings goals and opportunities for properties, and the role of RPM staff. Each property manager also participates in an introductory call with RPM staff to understand energy- and water-saving challenges and opportunities at their property.

Sustainability Calls with Property Staff:

Each May, RPM staff hold sustainability calls with property managers to prepare for Schochet's annual September – December budget planning season, when managers create capital budgets for the next year. Managers share any issues they're having with the property's energy or water performance, related equipment upgrades or replacements needed (like boiler replacements), and deferred maintenance issues. Together with RPM staff, they look at opportunities for energy or water cost savings, such as an LED lighting project, or replacing refrigerators with ENERGY STAR® rated models. The property managers are often joined by the property's maintenance supervisor and an

area portfolio manager.

Annual Budget Process – Sustainability Roadmap:

A constant barrier to financing energy and water efficiency improvements is ready access to capital. To address this issue, RPM introduced the concept of a “Sustainability Roadmap” into Schochet’s budgeting and refinancing processes. The Roadmap is a portfolio-wide, property-level list of energy and water projects – encompassing both near-term, low-cost projects and more capital-intensive longer-term projects – that would benefit the properties ([see sample Roadmap tool](#)). The list is compiled based on:

- property staff and management recommendations;
- previous engineering analysis, energy audits, and otherwise identified project opportunities;
- wish lists such as space reconfiguration or renewables; and
- capital needs assessments.

The Roadmap also includes estimated project costs, potential funding, and information about other factors that could influence project feasibility, and incorporates the notes from property manager calls.

Schochet’s upper management holds Green Team meetings with RPM staff 2-3 times per year to discuss individual energy and water efficiency projects and plan portfolio-wide strategies for savings. The Roadmaps are updated annually and integrated into property budget and refinancing discussions. This type of early planning ensures that cost-effective and environmentally-effective projects are considered as part of the capital planning process far enough in advance to allow sufficient time for planning, engineering, and incentive development.

FINANCING

Once projects in the “Roadmap” are determined financially feasible, the team submits the project for application to the LEAN Multifamily Program, Massachusetts’ statewide program for financing energy efficiency measures in affordable housing. Based on project needs and eligibility, the program sends an energy auditor to assess opportunities for energy efficiency at a property.

The program staff schedules, manages, and oversees all qualified energy efficiency improvements, and once completed provides an inspection to ensure quality control. The program is part of Mass Save®, a state-mandated collaborative of Massachusetts’ utilities and energy service providers that funds energy efficiency improvements through a charge on customers’ energy bills.

TOOLS AND RESOURCES

- [Sample Sustainability Roadmap spreadsheet](#) - a portfolio-wide, property-level list of energy and water projects
- [One-page guidance](#) for property managers on the utility upstream incentive program.

MEASURING SUCCESS

Schochet’s Sustainability Initiative sets both qualitative and quantitative targets. Quantitative reduction targets are set in 4-year phases. The team tracks the following metrics:

- Energy Use Intensity
- Water Use Intensity
- CO² (metric tons)

The team set a goal of 3% reduction in energy and water use and CO² emissions from 2016 through 2018, with a baseline year of 2015. After exceeding that goal, they have set a 5% goal for energy, water, and CO² for 2019-2022.

Qualitative targets include providing sustainability training to all incoming Schochet employees and developing a healthy environmental plan, e.g. no-smoking policy and integrated pest management practices.

OUTCOMES

Schochet exceeded its 3% reduction goal for the phase ending in 2018, reaching 5.2% energy savings and 8.7% water savings. Building from this success, Schochet set a goal of 5% savings in energy, water, and CO² for 2019 - 2022.

Schochet has implemented over 160 projects across the portfolio at a value of over \$12 million; 79% of that cost was covered by incentives and grants through careful planning of comprehensive, common sense projects that optimized the region's generous programs. Measures implemented include:

- Installing smart thermostats across the portfolio, which allows facilities staff to control temperatures from their computers;
- Streamlining standardization of chemical water treatments for boilers across all properties, and hiring one contractor to service them all; and
- Hiring a single contractor to provide consistent green cleaning across all properties.

Schochet estimates energy cost avoidance at approximately \$1.67 million per year; water reductions at over 3.1 million gallons per year; and greenhouse gas reductions at approximately 16,990 tons per year, which is equivalent to 3,754 cars off the road. Qualitative outcomes include streamlined improvements in operations and maintenance practices and the use of property-level energy and water consumption data in ongoing property management.

