Housing Innovations in Energy Efficiency (HIEE) Program

Fifth Stakeholder Advisory Group and Public Meeting
March 15, 2021
3:00 pm – 4:30 pm
Agenda Outline

I. Welcome and introductions
II. Stakeholder Advisory Group – Roll call
III. Summarize March 3 RGGI auction results
IV. HIEE proposed allocations for FY’21 and ‘22
V. Advisory Group discussion
VI. Working group summaries
VII. Public comments
VIII. Closing Advisory Group discussion and recommendations
Summary and Looking Ahead

- March 3 RGGI auction proceeds to DHCD (50% program component): $21.7 million
- Above estimates (but estimates were conservative)
- June 2 RGGI proceeds to be considered as part of FY’22 allocation (unlikely these funds can be obligated in FY’21 ending June 30)
- Other potential funding buckets: layer HIEE with other DHCD programs that address affordable housing development and homeownership for LMI customers (e.g. Community Development Block Grants; Acquire, Renovate, Sell)
HIEE Program Development – Proposed Timeline

- February, 2021 – FY ’21 and ‘22 draft allocation percentages developed and reviewed by Advisory Group
- Mid-March, 2021 – Review March 3 RGGI auction results; DHCD develops decision package for Governor’s office on FY’21 allocations
- End of March, 2021 – HIEE-ASNH draft guidelines ready for review
- Mid-April, 2021 - HIEE-WAP draft guidelines ready for review
- April Advisory Group meeting (date TBD)
- April 30, 2021 – ASNH project applications due
## Proposed allocation percentages

<table>
<thead>
<tr>
<th>HIEE Component</th>
<th>FY ’21 - % HIEE allocation</th>
<th>Program revenue to DHCD ($21.7 m March RGGI auction)</th>
<th>FY ’22 - % HIEE allocation</th>
<th>Projected revenue ($55 m from 6/2, 9/8, 12/1/2021 and Q1 2022 auctions)</th>
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</thead>
<tbody>
<tr>
<td>Weatherization Assistance Program</td>
<td>60%</td>
<td>$13.0 m</td>
<td>30%</td>
<td>$16.5 m</td>
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<tr>
<td>Affordable and Special Needs Housing Program</td>
<td>40%</td>
<td>$8.7 m</td>
<td>60%</td>
<td>$33 m</td>
</tr>
<tr>
<td>Housing Innovations Partnership Grants</td>
<td>0%</td>
<td>$0 m</td>
<td>10%</td>
<td>$5.5 m</td>
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Fiscal Year 2021 is July 1, 2020 – June 30, 2021
March 9 - HEDC Workgroup Read Out

- Update on DHCD work with Low-income Energy Affordability Data (LEAD) tool and other data sources for energy cost burden, income, and demographic information for GIS mapping
- WAP serves mostly low-income households - at or below 60% SMI and ASNH also serving low-income up to 80% AMI with emphasis on 30-50% AMI
- DHCD has some demographic data on families served through ASNH (e.g. developer market study, initial tenants on lease-up per federal guidelines for project receiving federal funds); DSS for WAP/LIHEAP demographic information?
- Identified potential partners for outreach to HEDCs on availability of additional funding through HIEE for WAP
## March 11 - ASNH Workgroup Read Out

<table>
<thead>
<tr>
<th>Project Type</th>
<th>VA Housing LIHTC Requirement</th>
<th>Proposed HIEE Requirement**</th>
<th>Additional ASHN- HIEE funding (available as additional soft loan at 0% interest)</th>
<th>Implementation Timeframe</th>
</tr>
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<tbody>
<tr>
<td>New Construction</td>
<td>ENERGY STAR v3.0</td>
<td>Zero Energy Ready Homes (ZERH)</td>
<td>$7000/unit; 5% of TDC for large projects (more than 130 units)</td>
<td>April 30 ASNH application round</td>
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<tr>
<td>Substantial Rehab</td>
<td>30% improvement in HERS index or HERS index 80 (or below)</td>
<td>40% improvement in HERS index or average of HERS 70 (or below) across all units</td>
<td>$7000/unit; 5% of TDC for larger projects (more than 130 units)</td>
<td>April 30 ASNH application round</td>
</tr>
<tr>
<td>Adaptive Reuse</td>
<td>HERS index 95 (or below)</td>
<td>Average of HERS 80 (or below) across all units</td>
<td>$7000/unit; 5% of TDC for large projects (more than 130 units)</td>
<td>April 30 ASNH application round</td>
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**Additional HIEE requirements:** Green building certification; Manual J; fresh air ventilation; dehumidification; duct leakage testing and sealing; Architect cost certification/HERS Rater plan review and preliminary rating
WAP Agency Updates

• Grateful for confidence shown in the Wx network!
• Project pipeline has slowed due to COVID; vaccine availability will be leading indicator of comeback
• Under considerable capacity pressure with multiple new sources of funding becoming available
• Trades/subcontractors for deferral work under high demand on market rate projects (backed up for months)
• Material (lumber, insulation, HVAC equipment) prices increasing sharply (impacts project cost)