

# Housing Innovations in Energy Efficiency (HIEE) Program

Seventh Stakeholder Advisory Group and Public Meeting

May 24, 2021

11:30 am – 1:00 pm

# Agenda Outline

- I. Welcome and introductions
- II. Stakeholder Advisory Group – Roll call
- III. Updates and timeline
- IV. Advisory Group input and feedback on discussion
- V. Public comments
- VI. VA Center for Housing Research presentation
- VII. Wrap up and adjourn

# HIEE Program Development – Current Timeline

- Dec. 2020 – Feb. 2021 – Five Advisory Group public meetings
- Mid-March, 2021 – Review March 3 RGGI auction results; Advisory Group supports allocation recommendations; DHCD develops decision package for GOV/SOCT's office on FY '21 allocations
- April, 2021 – FY '21 allocations approved; DHCD establishes technical assistance agreement with VA Center for Housing Research for HIEE
- April 30, 2021 – ASNH project applications due, with HIEE funds available
- Summer, 2021 – Agreements with weatherization agencies for repairing deferred homes finalized
- October, 2021 – Fall ASNH application round

## Recap ASNH April 30 applications

- 41 ASNH proposal received total; \$7.2m in HIEE funds requested across 14 projects (~\$8.7 available); mix of new construction, rehab and adaptive reuse
- Application review nearly complete; DHCD will follow up with some applicants for additional documents to confirm feasibility of meeting HIEE requirements
- For projects receiving HIEE funding offer, commitment letter will be sent soon
- Fall (Oct.) ASNH application round – Funding amount will be flexible based on availability and need

# HIEE Requirements for ASNH

Project Type	VA Housing LIHTC Requirement	HIEE Requirement**	Additional HIEE funding ( <i>available as additional soft loan at 0% interest</i> )
New Construction	ENERGY STAR v3.0	Zero Energy Ready Homes (ZERH)	\$7000/unit, or 5% of Total Construction Costs (whichever is greater, up to \$1.5m)
Substantial Rehab	30% improvement in HERS index or HERS index 80 (or below)	· 40% improvement in HERS index or average of HERS 70 (or below) across all units	\$7000/unit, or 5% of Total Construction Costs (whichever is greater, up to \$1.5m)
Adaptive Reuse	HERS index 95 (or below)	Average of HERS 80 (or below) across all units	\$7000/unit, or 5% of Total Construction Costs (whichever is greater, up to \$1.5m)

\*\*Additional HIEE requirements: Green building certification; Manual J calculation for HVAC; fresh air ventilation; dehumidification; duct leakage testing and sealing; Architect cost certification; HERS Rater plan review and preliminary rating

## Objectives for HIEE Funding for WAP deferrals

- Reduce energy bills and improve comfort, health and safety for low-income households
- Enhance access to services: use state funding source with flexibility to make repairs that have caused (or are causing) the home to be deferred
- *Not a rehab program*: HIEE funds available to repair deferral issues only and unlock energy bill reduction/savings that would not be available otherwise; homes needing full rehab should be referred to rehab program
- May 11 webinar with staff from all 17 Wx agencies

## HIEE Funding Agreements and Invoicing

- Agreements will be separate from WAP agreements; guidelines document in development
- Establish allocations of HIEE funds by agency service area (estimate number of deferrals in service area x average repair cost)
- Recognize needed ramp-up time: agreements can include yearly goals but agencies do not have to spend all HIEE funds in year one, but need to show reasonable progress
- Per project drawdown basis – 10% on homeowner/landlord agreement signing, 60% materials/equipment delivery, 30% on job completion

# Proposed FY '22 allocation percentages

HIEE Component	FY '22 - % HIEE allocation	Projected revenue ( <i>\$55 m from Q2-Q4 2021 and Q1 2022 auctions</i> )
Weatherization Assistance Program	30%	\$16.5 m
Affordable and Special Needs Housing Program	60%	\$33 m
Housing Innovation Partnerships (HIP) Grants	10%	\$5.5 m

Fiscal Year 2022 is July 1, 2021 – June 30, 2022

**DHCD can create programs with the projected \$55 million revenue and use additional revenue above these amounts to allocate to programs with the most demand at DHCD's discretion**



# Demographic Data and Housing Program Impact

- To address client-level tracking of demographic data going forward, DHCD will need to make adjustments; opportunity for stakeholder group to provide feedback
- ASNH/LIHTC application market studies identify demographic composition of neighborhood but owners do not necessarily track occupants by race on lease-up (unless required by federal funding source); focus is on serving low-income clients
- HSNH and RRP track demographic data provided voluntarily by participants
- DHCD can add race/ethnicity questions for voluntary compliance but can't compel responses or set aside units based on demographic data
- DHCD can focus on outreach and income targeting to reach HEDC priority goals

# Advisory Group Input and Discussion

- I. Housing Innovation Partnerships (HIP) grant program proposal
- II. FY '22 allocation percentages – Input on allocation plan
  - DHCD plans to develop programs based on allocation plan percentages tied to the \$55 million projection and reserves right to move allocations or pilot new ideas based on demand for each program in application processes and availability of additional funds.
- III. Advisory Group meeting schedule going forward: quarterly for full group; monthly for working groups, as needed
  - Next full Advisory Group in Q3 (September)
  - Some program development activity is taking place with Wx network, mostly around operational details for deferral repairs

# VA Center for Housing Research - Scope

- I. Energy Analysis - Predictive energy modeling for HIEE program savings and GHG emissions reductions; data acquisition methodology to capture program energy savings impacts and drive program design going forward
- II. GIS – Use of mapping tools to identify communities with high energy burdens; geo-locate projects receiving HIEE funds on map; develop “package” so that DHCD staff can readily update
- III. Program Evaluation Tools: Building-level M&V or benchmarking guidance; occupant feedback (e.g. resident surveys); material cost data; program reporting support and analysis

## Next Steps

- ASNH funding award notifications, to include HIEE funds awarded
- Review June 2 RGGI auction results
- Finalize agreements and funding allocations with weatherization agencies for HIEE-funded repairs to make homes “weatherization-ready”
- If HIP grant program is supported, prepare for Fall application round
- Prepare for ASNH fall round