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

- 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

<table>
<thead>
<tr>
<th>Project Type</th>
<th>VA Housing LIHTC Requirement</th>
<th>HIEE Requirement**</th>
<th>Additional HIEE funding (available as additional soft loan at 0% interest)</th>
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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, or 5% of Total Construction Costs (whichever is greater, up to $1.5m)</td>
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<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, or 5% of Total Construction Costs (whichever is greater, up to $1.5m)</td>
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<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, or 5% of Total Construction Costs (whichever is greater, up to $1.5m)</td>
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**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

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