

Housing Innovations in Energy Efficiency (HIEE) Program

Second Stakeholder Advisory Group and Public Meeting

January 13, 2020

10:30 am – 12:30 pm

Department of Housing and Community Development is committed to creating safe, affordable and prosperous communities to live, work and do business in Virginia.



Agenda Outline

- I. Welcome and introductions
- II. Stakeholder Advisory Group – Introductions and background statements
- III. HIEE program – Proposed timeline and funding areas
- IV. Advisory Group Discussion
- V. Public Comments
- VI. DHCD Weatherization Assistance Program (WAP) – Updates
- VII. Closing discussion and Jan. 26 agenda items

HIEE Program Development – Tentative Timeline

- November 2020 - Named agency meetings (DEQ, DHCD, DMME)
- December 15, 2020 – First Advisory Group public meeting
- January, 2021 – Additional Advisory Group meetings (Jan. 13 and 26)
- February 2021 – FY '21 draft allocation percentages developed, and reviewed by Advisory Group
- Mid-March 2021 – Review RGGI auction results; proposed funding areas and allocation percentages reviewed by Governor's and SOCT's office
- Mid-April 2021 – Program-specific draft guidelines ready for discussion

Regional Greenhouse Gas Initiative (RGGI) - Revenue Estimates from Dept. of Environmental Quality (DEQ)

- FY 2021 (concludes June 30, 2021) – DHCD projected to receive ~\$27 million (March 3 and June 2 auctions)
- Subsequent years – Estimate is mid-\$50 million in funds to DHCD
- Based on conservative RGGI auction clearing price to start (\$3.85) ramping up to \$5.65 by 2030
- Because number of allowances goes down over ten-year period, revenue estimates remain roughly even

Affordable and Special Needs Housing (ASNH) Program

Fiscal Year	\$ Funding	Housing units created/preserved
2020-2021	\$30 mm (estimated)	TBD (proposals being evaluated)
2019-2020	\$20 mm	1,300
2018-2019	\$20 mm	2,013
2017-2018	\$10 mm	683

Current ASNH funding sources: Federal - National Housing Trust Fund, HOME (Home Investment Partnerships Program) State – Virginia Housing Trust Fund, Permanent Supportive Housing

Weatherization Assistance Program

Program Year	# of Households Served
2020-2021	TBD
2019	1,458 (through 9/30/2020)
2018	2,376
2017	2,376

- Current funding sources: US Department of Energy; pass-through funds from the Low Income Home Energy Assistance Program (LIHEAP)
- Program Year 2020-21 funding levels in Virginia:
 - DOE funding - \$5.563m
 - LIHEAP funding - \$14.309m

Benefits of leveraging existing DHCD programs

- Reduce time-to-market for HIEE funds
- Utilize known program infrastructure and partnerships to serve low-income clients
- Leverage other state and federal funding sources for affordable housing
- HIEE funds add flexibility (paired with other sources with less flexibility)
- Additionality: HIEE funds to incent improved EE performance, or “unlock” savings from deferrals (would not be achieved otherwise)

Proposed HIEE funding buckets

- I. ASNH (Serve additional households; increase energy efficiency and health and safety requirements)
- II. WAP (Address deferrals and serve additional households)
- III. Housing Innovation Partnership Grants (competitive grants - examples below):
 - Local government/community-based organization partnership to address low-income housing energy efficiency
 - Scaling manufactured/mobile home retrofits
 - “Deep” energy retrofit demonstration (25%-30% energy use reduction)
 - Emerging technologies

HIEE funds and WAP logistics

- Identifying and prioritizing deferrals (e.g. serving Historically Economically Disadvantaged Communities)
- Provider capacity and financial assurances