Housing Innovations in Energy Efficiency (HIEE) Program

Second Stakeholder Advisory Group and Public Meeting

January 13, 2020

10:30 am – 12:30 pm

Mission Statement

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