Housing Innovations in Energy Efficiency (HIEE) Program

Eighth Stakeholder Advisory Group and Public Meeting
September 13, 2021
10:30 am – Noon
Agenda Outline

I. Welcome and introductions
II. Stakeholder Advisory Group – Roll call
III. DHCD staffing and updates since May meeting
IV. Proposed meeting schedule and public input process
V. Advisory Group input and feedback
VI. Public comments
VII. Virginia Center for Housing Research analysis
VIII. Wrap up and adjourn
Updates Since May Meeting

- June 2, 2021 – Second RGGI auction for VA compliance entities; net $22.6m in program funds
- July – Agreements with weatherization agencies established; Weatherization Deferral Repair program launched
- September 1 – HIEE requirements webinar for affordable housing project development teams
- September 8 – Third RGGI auction (net proceeds not established yet)
- September 14 – ASNH how-to-apply webinar
- October 31 – Fall ASNH application round
- December – Stakeholder Advisory Group meeting
Workgroups

- Historically Economically Disadvantaged Communities (HEDC)
  - Met June 22 and July 26
    - July 26 Presentation from VHRC on GIS mapping with focus on energy burden data and analysis
  - Next meeting September 27

- Energy Efficiency and Energy Data
  - Met June 23 and consulted on Sept. 1 HIEE requirements webinar in July/Aug
    - Obtaining data on post-occupancy energy use is challenging for many reasons
  - Next meeting September 17 (Friday)
Stakeholder Advisory Group transition

- Purpose of group was to advise DHCD early on in terms of HIEE structure and funding into operational phase: this has been successful and DHCD is grateful for your commitment of time and expertise
- Final quarterly meeting of this group will be scheduled in Q4 (likely early Dec.)
- Transition in 2022 to twice-yearly HIEE public meetings, open to all interested parties
- Timing: Spring/Summer 2022 (after General Assembly session)
- Purpose: Review proposed FY’23 adjustments to funding allocations; DHCD will share outcomes and updates
Stakeholder Advisory Group transition

- Spring/Summer 2022 - Proposed allocations posted on HIEE webpage for review and comments/written feedback prior to meeting date
- Spring/Summer 2022 – Reconvene for stakeholder discussion and input on FY ‘23 allocations and feedback on programs
- As with other programs at DHCD, all HIEE funding opportunities will be publicly announced and each program funded with HIEE funds will have separate guideline development process
Fiscal Year ‘21 HIEE allocations

<table>
<thead>
<tr>
<th>HIEE Component</th>
<th>FY ‘21 - % HIEE allocation</th>
<th>Net revenue ($21.7m from March 2021 auction)</th>
<th>Actual Allocation (total $21.1m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weatherization Deferral Repair Program</td>
<td>60%</td>
<td>$13.0m</td>
<td>$15.2m</td>
</tr>
<tr>
<td>Affordable and Special Needs Housing Program</td>
<td>40%</td>
<td>$8.7m</td>
<td>$5.9m</td>
</tr>
<tr>
<td>Housing Innovation Partnerships Grants</td>
<td>0%</td>
<td>$0 m</td>
<td>$0</td>
</tr>
</tbody>
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Fiscal Year 2021 is July 1, 2020 – June 30, 2021
Fiscal Year ‘22 allocation percentages

<table>
<thead>
<tr>
<th>HIEE Component</th>
<th>FY ‘22 - % HIEE allocation</th>
<th>Projected revenue ($55 m from Q2-Q4 2021 &amp; Q1 2022 auctions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weatherization Deferral Repair Program</td>
<td>30%</td>
<td>$16.5 m</td>
</tr>
<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>
</tr>
</tbody>
</table>

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

Q2 2021 (June 2) net was $22.6m; DHCD will create programs with the projected $55 million revenue and use any additional revenue above these amounts to allocate to programs with the most demand at DHCD’s discretion.
Virginia Yearly CO$_2$ Allowances
ASNH – April and October funding rounds

April 2021

- $7.2m in HIEE funds requested across 14 projects (out of $8.7m available)
- $5.9m HIEE funds obligated over 11 projects; 705 units to be produced or preserved meeting HIEE requirements

October 2021

- $27m in HIEE funding available; how-to-apply webinar tomorrow (Sept. 14)
- Includes 60% of June 2 and projected Sept. 8 revenue (~$42m) plus $2m carryover from Spring round
- HIEE funds will be available up to 10% of total construction costs, up to $2m
Weatherization Deferral Repair (WDR) program

- All 17 weatherization agencies are participating and have active WDR agreements with DHCD
- $15.2m in FY ‘21 HIEE funds requested, encompassing 1,064 homes/dwelling units; program has been operating since mid-July
- 30 projects approved in CAMS to date; $440,000 total value; jobs are starting to complete and remittances submitted
- Ramp-up time: agencies do not have to spend all HIEE funds in program year one, but need to show reasonable progress
- Performance pool – Additional HIEE funds available to be added to agreements if agencies spend all funds down
Weatherization Assistance Program Updates

• October 5 - Association of Energy Conservation Professionals (AECP) Peer Exchange
  • Focus will be on Weatherization Deferral Repair program launch and discussing any operational issues

• New weatherization provider will be sought for service area covering Brunswick, Lunenburg, Mecklenburg and Nottoway counties (current Telamon service area)
Advisory Group Input and Discussion

I. FY ’23 allocation percentages – Input on allocation plan
   • DHCD plans to develop programs based on allocation plan percentages tied to the $55m projection and reserves right to move allocations or pilot new ideas based on demand for each program and availability of additional funds.

II. Housing Innovation Partnerships (HIP) grant program
   • Fall 2021 – Proposals for deep energy retrofits for affordable housing in HEDCs (up to $5.5m)
   • Spring 2022 – Planning and capacity-building grants (up to $5m)
VA Center for Housing Research - Updates

I. Energy Analysis - Predictive energy modeling for HIEE program savings and GHG emissions reductions

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
Next Steps

• Review September 8 RGGI auction results
• Polling to schedule Workgroup meetings and December Advisory Group meeting
• ASNH Fall round applications due October 31
• Coordination with other agencies on RGGI annual report (due Jan. 1, 2022)
Upcoming HIEE presentations

- Council of State Community Development Agencies (COSCDA) national conference – September 28
- **Viridiant** – Building Sustainability virtual conference – September 29
- **Virginia Housing Alliance** (VHA) Housing Credit conference – October 1
- **Governor’s Housing Conference** – November 10-12