

# Housing Innovations in Energy Efficiency (HIEE) Program

Fourth Stakeholder Advisory Group and Public Meeting

February 22, 2020

10:00 am – 12:00 pm

# Agenda Outline

- I. Welcome and introductions
- II. Stakeholder Advisory Group – Roll call
- III. HIEE proposed percent allocations
- IV. Advisory Group discussion
- V. Working group summaries
- VI. Public comments
- VII. Closing Advisory Group discussion and next steps

# 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 and '22 draft allocation percentages developed and reviewed by Advisory Group
- Mid-March, 2021 – Review March 3 RGGI auction results; proposed funding areas and allocation percentages reviewed by Governor's and SOCT's office
- End of March, 2021 – HIEE-ASNH draft guidelines ready for review
- Mid-April, 2021 - HIEE-WAP draft guidelines ready for review

## Proposed HIEE funding buckets

- I. Affordable and Special Needs Housing (ASNH) - Serve additional households; increase energy efficiency and health and safety requirements
- II. Weatherization Assistance Program (WAP) - Address deferrals and serve additional households
- III. Housing Innovation Partnerships (HIP) Grants – Foster innovative and scalable solutions to increase access to energy efficient affordable housing in the Commonwealth

# Proposed allocation percentages

<b>HIEE Component</b>	<b>FY '21 - % HIEE allocation</b>	<b>Projected revenue (\$27 m from March/June 2021 auctions)</b>	<b>FY '22 - % HIEE allocation</b>	<b>Projected revenue (\$55 m from four auctions)</b>
Weatherization Assistance Program	60%	\$16.2 m	30%	\$16.5 m
Affordable and Special Needs Housing Program	40%	\$10.8 m	60%	\$33 m
Housing Innovations Partnership Grants	0%	\$0 m	10%	\$5.5 m

Fiscal Year '21 is July 1, 2020 – June 30, 2021

## Flexibility Going Forward

- Annual report due Jan. 1, 2022 will include review of decision-making process, revenues received, and spend to date
- FY '23 and subsequent years allocations to be reevaluated based on first 12-18 months of operation (opportunity to reposition HIEE funds as needed with advance notice to all interested parties)
- Layer HIEE with other DHCD programs that address affordable housing (Community Development Block Grants; Acquire, Renovate, Sell)?

## Working Group Meeting Summaries

1. Historically Economically Disadvantaged Communities (HEDCs) – Focused on ensuring HIEE is identifying and serving these communities well
2. Affordable and Special Needs Housing (ASNH) – Focused on additional energy efficiency and health and safety performance requirements to access HIEE funds

# HEDC Workgroup

- Prioritize Historically Economically Disadvantaged Communities (HEDCs)
  - Per VA Clean Economy Act "Historically economically disadvantaged community" means (i) a community in which a majority of the population are people of color or (ii) a low-income geographic area."
- How can demographics (race) be considered in terms of prioritizing households to serve?
- Acknowledge income/race correlation (WAP and ASNH serve low-income households by definition), but be intentional about including communities of color
- Possible solution: Set goals (e.g. serve 50% households of color, focus on lowest-income households)



# ASNH Workgroup

- Several options for new construction in terms of incremental increases in energy efficiency performance (e.g. tiered performance levels)
- LIHTC min. EE performance is already good (ENERGY STAR)
- Rehab needs are greater; diversity of existing building stock and building conditions makes energy upgrades challenging; rehabs typically applying for 4% LIHTC
- Possible solution: Increase ASNH soft loan cap per project, with focus on rehabs

# Measure Eligibility

- During Jan. 26 Advisory Group call and Feb. 10 ASNH workgroup, question raised about eligibility of renewable energy systems for HIEE funding
- Language in the code established by HB 981 is clear; refers specifically to “energy efficiency program” definition in § 56-576 in state code
- For eligible measures for HIEE, DHCD believes it’s best to focus on widely-understood energy efficiency measures that result in energy use reductions (both electric and fossil fuels)
- Other repairs needed for health and safety will likely be allowed, that do not have an energy use reduction benefit but will enable EE measures to be installed (e.g. WAP deferrals)
- Fuel-switching requests in WAP will still be evaluated on case-by-case basis, but as DHCD gets more data may consider updating WAP guidelines