

Housing Innovations in Energy Efficiency (HIEE) Program

Fifth Stakeholder Advisory Group and Public Meeting

March 15, 2021

3:00 pm – 4:30 pm

Agenda Outline

- I. Welcome and introductions
- II. Stakeholder Advisory Group – Roll call
- III. Summarize March 3 RGGI auction results
- IV. HIEE proposed allocations for FY'21 and '22
- V. Advisory Group discussion
- VI. Working group summaries
- VII. Public comments
- VIII. Closing Advisory Group discussion and recommendations

Summary and Looking Ahead

- March 3 RGGI auction proceeds to DHCD (50% program component): \$21.7 million
- Above estimates (but estimates were conservative)
- June 2 RGGI proceeds to be considered as part of FY'22 allocation (unlikely these funds can be obligated in FY'21 ending June 30)
- Other potential funding buckets: layer HIEE with other DHCD programs that address affordable housing development and homeownership for LMI customers (e.g. Community Development Block Grants; Acquire, Renovate, Sell)

HIEE Program Development – Proposed Timeline

- Dec. 2020 – Feb. 2021 – First four Advisory Group public meetings
- February, 2021 – FY '21 and '22 draft allocation percentages developed and reviewed by Advisory Group
- Mid-March, 2021 – Review March 3 RGGI auction results; DHCD develops decision package for Governor's office on FY'21 allocations
- End of March, 2021 – HIEE-ASNH draft guidelines ready for review
- Mid-April, 2021 - HIEE-WAP draft guidelines ready for review
- April Advisory Group meeting (date TBD)
- April 30, 2021 – ASNH project applications due

Proposed allocation percentages

HIEE Component	FY '21 - % HIEE allocation	Program revenue to DHCD (\$21.7 m March RGGI auction)	FY '22 - % HIEE allocation	Projected revenue (\$55 m from 6/2, 9/8, 12/1/2021 and Q1 2022 auctions)
Weatherization Assistance Program	60%	\$13.0 m	30%	\$16.5 m
Affordable and Special Needs Housing Program	40%	\$8.7 m	60%	\$33 m
Housing Innovations Partnership Grants	0%	\$0 m	10%	\$5.5 m

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

March 9 - HEDC Workgroup Read Out

- ❖ Update on DHCD work with Low-income Energy Affordability Data (LEAD) tool and other data sources for energy cost burden, income, and demographic information for GIS mapping
- ❖ WAP serves mostly low-income households - at or below 60% SMI and ASNH also serving low-income up to 80% AMI with emphasis on 30-50% AMI
- ❖ DHCD has some demographic data on families served through ASNH (e.g. developer market study, initial tenants on lease-up per federal guidelines for project receiving federal funds); DSS for WAP/LIHEAP demographic information?
- ❖ Identified potential partners for outreach to HEDCs on availability of additional funding through HIEE for WAP

March 11 - ASNH Workgroup Read Out

Project Type	VA Housing LIHTC Requirement	Proposed HIEE Requirement**	Additional ASHN- HIEE funding <i>(available as additional soft loan at 0% interest)</i>	Implementation Timeframe
New Construction	ENERGY STAR v3.0	Zero Energy Ready Homes (ZERH)	\$7000/unit; 5% of TDC for large projects (more than 130 units)	April 30 ASNH application round
Substantial Rehab	30% improvement in HERS index or HERS index 80 (or below)	· 40% improvement in HERS index or average of HERS 70 (or below) across all units	\$7000/unit; 5% of TDC for larger projects (more than 130 units)	April 30 ASNH application round
Adaptive Reuse	HERS index 95 (or below)	Average of HERS 80 (or below) across all units	\$7000/unit; 5% of TDC for large projects (more than 130 units)	April 30 ASNH application round

**Additional HIEE requirements: Green building certification; Manual J; fresh air ventilation; dehumidification; duct leakage testing and sealing; Architect cost certification/HERS Rater plan review and preliminary rating

WAP Agency Updates

- Grateful for confidence shown in the Wx network!
- Project pipeline has slowed due to COVID; vaccine availability will be leading indicator of comeback
- Under considerable capacity pressure with multiple new sources of funding becoming available
- Trades/subcontractors for deferral work under high demand on market rate projects (backed up for months)
- Material (lumber, insulation, HVAC equipment) prices increasing sharply (impacts project cost)