

May 13, 2021

Making a Difference in Low-Income Housing: How the RGGI Auctions Affect EE Work

Virginia Energy Efficiency Council

Sponsored by  **PIEDMONT
HOUSING
ALLIANCE**

Session Speakers



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VA Dept. of Housing & Community Development



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Executive Director
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Vice President of Energy Conservation Programs
Project:HOMES



Lesley Fore (moderator)

Senior Manager of Operations
Community Housing Partners Energy Solutions

Presentation Outline

- DHCD's HIEE program overview
- How the RGGI auction money is effecting the Weatherization Assistance Program (WAP) providers
- COVID-19 industry impacts and how the RGGI money is counteracting them
- Real-world examples

Housing Innovations in Energy Efficiency (HIEE) Funding

Virginia Energy Efficiency Council – Spring 2021 Forum

May 13, 2021

Dan Farrell, Associate Director

Department of Housing and Community Development (DHCD)

Virginia's objectives for HIEE (RGGI) funds allocated to DHCD

- Deep energy retrofits - Exceed code requirements in ways that complement existing affordable housing construction and rehabilitation programs, to ensure lowest income population benefits from long-term cost savings;
- Incorporate innovative approaches - Overcome traditional barriers to building and retrofitting affordable housing at scale;
- Prioritize long-term sustainability/durability and occupant health - Improve ventilation and indoor air quality, prevent moisture issues, along with energy efficiency upgrades

Clean Energy and Community Flood Preparedness Act (HB 981 – 2020)

DEQ authorized to establish, implement, and manage an auction program to sell allowances into a market-based trading program consistent with RGGI to raise revenue

Revenue distribution:

- 45% - Community Flood Preparedness fund, administered by DCR and VRA
- 50% - Low-income energy efficiency programs, administered by DHCD (in consultation with DMME)
- 3% - DEQ administrative costs and climate planning activities
- 2% - DHCD/DMME administrative costs

DHCD, DCR, and DMME required to develop annual report (first due Jan. 1, 2022)

Virginia is only RGGI state to explicitly recognize equity and environmental justice

Regional Greenhouse Gas Initiative (RGGI)

- Regional market-based CO₂ reduction program, formed in 2005
 - Original 7 states (CT, DE, ME, NH, NJ, NY, VT)
 - MD, MA, and RI joined in 2007
- Cap-and-Invest
 - Fossil fuel power plants need an allowance for each ton of CO₂
 - Total # of allowances based on declining annual CO₂ budgets
 - First auction – Fall 2008
 - States determine how allowance revenues are invested
- January 1, 2021 – Virginia becomes 11th full participation state in RGGI
- March 3, 2021 - First RGGI auction in which Virginia-based entities participated

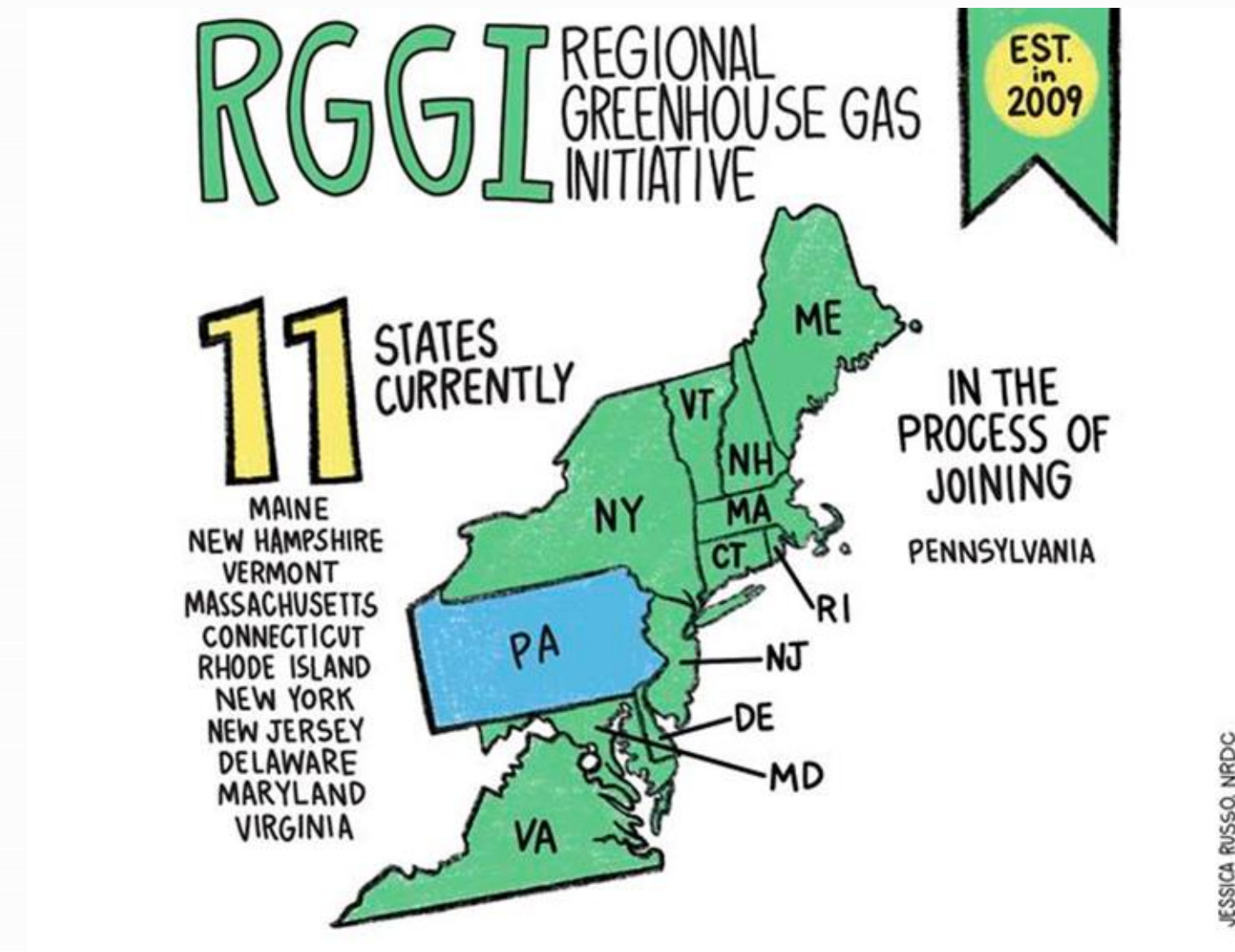
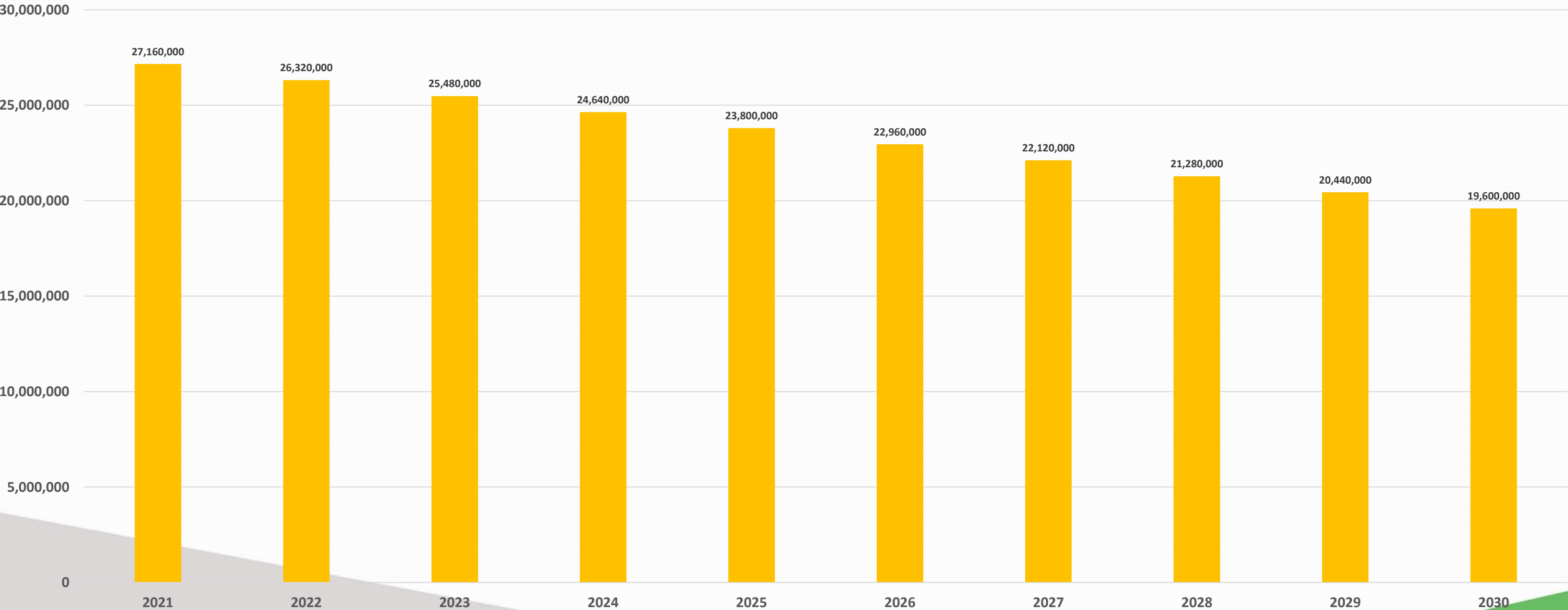


Image credit: Jessica Russo/NRDC. Used with permission

Virginia Yearly CO₂ Allowances

VIRGINIA TRADING RULE YEARLY EMISSION BUDGETS



RGGI Revenue Estimates

- March 3, 2021 Auction – \$21.7m net program funds to DHCD (\$7.60/ton clearing price)
- 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, revenue remains roughly even
- DHCD will roll June 2 RGGI auction net proceeds into FY'22

HIEE Advisory Group Members

Liz	Beardsley	US Green Building Council
Nate	Benforado	Southern Environmental Law Center
Carmen	Bingham	VA Poverty Law Center
KC	Bleile	Viridiant
Janaka	Casper	Community Housing Partners
Eric	Claville	Norfolk State University, Center for African-American Public Policy
Michelle	Foster	Home Innovation Research Lab
Chelsea	Harnish	VA Energy Efficiency Council
Sunshine	Mathon	Piedmont Housing Alliance
Dawone	Robinson	Natural Resources Defense Council
Brian	Staub	Marlyn Development Corporation
Adam	Stockmaster	TM Associates Development
Narissa	Turner	Virginia Conservation Network
Karen	Wilds	Newport News Housing Redevelopment Authority

HIEE Development –Timeline

- November 2020 - Named agency meetings (DEQ, DHCD, DMME)
- December 2020 – February 2021 – Four Stakeholder Advisory Group meetings
- Mid-March 2021 – Review March 3 RGGI auction results; proposed allocation amounts reviewed and supported by HIEE Advisory Group and by Governor’s and SOCT’s office
- April 30, 2021 – DHCD Affordable and Special Needs Housing (ASNH) Spring application deadline
- Summer 2021 – Agreements with weatherization agencies in place

Benefits of Leveraging HIEE Funds via Existing DHCD Programs

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

Allocation percentages

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

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

HIEE Summary and Look Ahead

- Affordable and Special Needs Housing (ASNH) application round closed 4/30; \$7.2m in HIEE funds requested
- Housing Innovation Partnerships (HIP) grant – Straw proposal developed and will be shared with Advisory Group ahead of May 24 meeting.
- DHCD considering adding HIEE funds to incent high energy efficiency performance for other programs that support substantial renovations of homes for low- to moderate-income (LMI) customers, such as Acquire, Renovate, Sell (ARS) and Community Development Block Grants (CDBG)



HOUSING INNOVATIONS IN ENERGY EFFICIENCY

HIEE at the Local Level



Impacting Weatherization Assistance Program Providers (WAP's)

- 17 ACTIVE PROVIDERS IN VIRGINIA
- HIEE FUNDING WILL HELP CITIZENS THROUGHOUT ALL OF VIRGINIA
- BIGGEST DIRECT IMPACT IS THE REDUCTION OF DEFERRALS



Taking on Deferrals with HIEE Funds!

- GOING BACK TO HOMES WE DEFERRED
- THE MOST COMMON DEFERRALS
 - ROOFS
 - ELECTRICAL SYSTEMS
 - PLUMBING
 - COMBUSTION APPLIANCES
 - STRUCTURAL ISSUES



Will HIEE Funds Give WAP's Breathing Room?

- ADDRESSING THE COST OF INDIVIDUAL WEATHERIZATION MEASURES
- ALLOW ROBUST BRAIDING OF FUNDS
- AVOID A SLOW & CUMBERSOME PROCESS
- KEEPING HIEE BROAD ENOUGH TO HELP



How WAP's are Ramping Up

- NEW STAFFING AND SUBCONTRACTORS
- CREATING THE INFRASTRUCTURE
- PRIORITIZING PROJECTS



The Opportunities of HIEE

- SERVE MORE CITIZENS
- ANCHORING OF WAP FUNDING
- STABILIZATION OF WORK FORCE & JOB CREATION
- POSITIVE IMPACT FOR THE ENVIRONMENT

LISTENING TO RESIDENTS : BUILDING FOR THE FUTURE

Friendship Court:
A Reparative Redevelopment Framework



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Sunshine Mathon
Executive Director



Listening to residents – Inspiration for redevelopment

- Need ladder of affordability
- Outdated buildings + stigmatized site
- Charlottesville needs more affordable housing
- History of economic and social isolation
- Disrupt cycles of generational poverty



Friendship Court Advisory Committee



Elected Resident Members

Angela Brooks

Sheri Hopper

Crystal Johnson

Zafar Khan

Betty Lowry

Tyquan Mayo

Yolonda Ross

Tamara Wright

At-Large Community Members

Kathy Galvin

Sarah McLean

Myrtle Houchens

Kevin White





PRIVATE OPEN SPACE : TAMAMI - MOST IMPORTANT

COMMUNITY OPEN SPACE

PUBLIC CIRCULATION SPACE : KIDS RIDE IN PARKING LOT

PUBLIC GATHERING SPACE : FIELD USED THE MOST

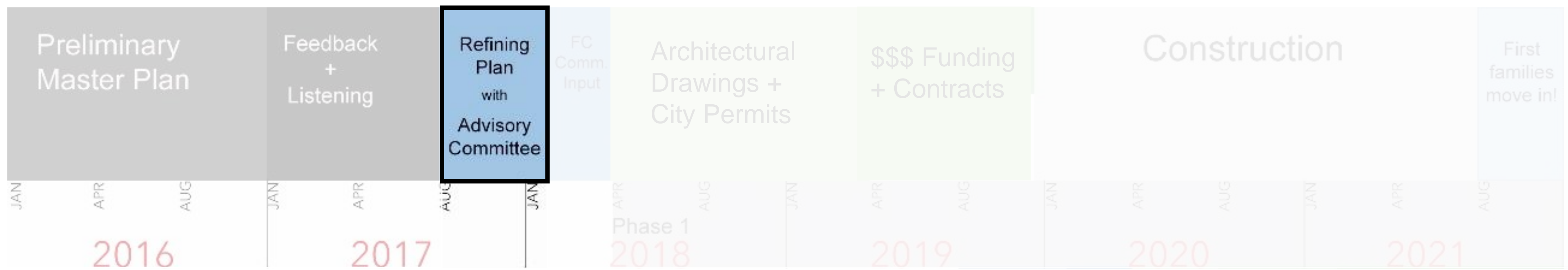
NECESSARY : INTERSECTION OF CONCEPTS.

OPTIONAL :

SOCIAL :

- HOW DO WE BALANCE GREEN SPACE + MORE UNITS.
- DESIGN MATTERS!
- NOT JUST MORE "STUFF"
- DIMENSIONS OF GOOD OPEN SPACE SET TO CONTRIBUTE OF HUMAN HEALTH

- EXISTING COURTYARDS → THERE TO TRAVERSE
- SOMETIME JUST STAND THERE TO TALK FOR 10 MIN.
- COULD MAILBOXES BECOME SOCIAL SPACES.
- WHAT KIND OF SPACES CAN YOU BE HAVE" → OUTDOOR! WIFI!
- + STILL HAVE SOME "PUBLIC PRIVACY".
- LIKE NARROW STREETS (LIKE "ORVED" PARK ST. → CAN SEE PEOPLE NARROWLY CROSSING
- LIKE ALLEYWAYS INTO GARAGE.
- BOULEVARDES ARE TOO NIKIT, MAKE NERIOUS w/ KIDS ACROSS STREET.
- KNOTS LANDING, CUL-DE-SAC?





PHASE 1

(Future) Early
Childhood Preschool
+ Community Center
+ PHA office

PHASE 1A

106 new homes
(46 existing families
+ 60 new families)

46 existing families
move

PHASE 1



54 existing families
move

PHASE 2

PHASE 1

PHASE 1A

PHASE 1

~100 new homes
(54 existing families
+ ~46 new families)



50 existing families
move

PHASE 3

PHASE 1

PHASE 3
FUTURE 1 ACRE PARK

PHASE 2

PHASE 1A

~100 new homes
(50 existing families
+ ~50 new families)

PHASE 1



View of Apartment Entry from Garrett Street



View of Apartment Entry from Garrett Street

VA Code Minimum

baseline

baseline

Energy Star

LIHTC QAP baseline (10-15% better than code)

Small EE improvements;
Basic IAQ features;
Third-party testing

ZERH (Zero Energy Ready Home)

QAP (+10 future points)
(40-45% better than code)

Energy Star as base;
Better standard EE improvements (insulation, HVAC, etc.);
Better IAQ (EPA Indoor Air Plus)

Passive House

QAP (+10 future points)
(55-60% better than code)

Prioritizes passive strategies (insulation, air tightness, etc.);
Requires heat pump water heaters and ERVs as “de facto” to hit EE thresholds

Q+A

Thank you for
participating.



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Breakout Session Discussions

1. Using Energy Management Systems for Whole Building Efficiency
- 2. Making a Difference in Low-Income Housing: How the RGGI Auctions Affect EE Work*
3. Pandemic Problem Solving: Facing Energy Challenges Across Sectors


If you would like to attend a different discussion group, leave this breakout room to return to the main room. VAEEC staff will be there to assist you.

Breakout Session Discussions

Making a Difference in Low-Income Housing: How the RGGI Auctions Affect Energy Efficiency Work

Facilitator: Lesley Fore, Community Housing Partners

Event Agenda

Updates, Business Meeting, Member Spotlight	10:00-10:45 am
Networking Session <i>Sponsored by Virginia Energy Sense</i>	10:45-11:15 am
Break	11:15-11:30 am
Concurrent Breakout Sessions	11:30 am-12:30 pm
Breakout Session Discussions	12:30-12:50 pm
 Closing Remarks	12:50-1:00 pm