

Process and Priorities for VHCB Administered ARRA SEP Funds

Adopted July 17, 2009

Amended November 5, 2009

Process

- Applications for energy audits only would be treated in a fashion similar to the VHCB Feasibility Fund and require staff approval only.
- Applications for energy efficiency improvements that request \$50,000 or less could be approved by staff
- Applications for energy efficiency improvements that request more than \$50,000 would require staff recommendation and board chair approval
- The full board will be provided with periodic updates regarding use of the funds
- Applications that are part of a larger request that includes VHCB and/or HOME funds as well would go to the board as usual
- There would be at least two application deadlines –Jan. 1, 2010, and April 1, 2010. Subsequent application rounds would be scheduled if all of the funds are not committed in the April round.

Funding Amount and Type

- Per unit expenditures will be capped at \$7,000 but the board chair has the ability to make exceptions under extenuating circumstances, if necessary.
- Unless a loan or deferred loan is requested by the applicant, awards shall be in the form of grants.
- Applicants are expected to maximize leverage from other sources including but not limited to weatherization, RGGI and/or loans from VHFA's or VCLF's energy loan funds.

Eligibility

- Awards will be made to owners of multi-family affordable housing that are eligible for funding under VHCB's enabling statute
- All projects must be cost effective, screen based on whatever screening tool is acceptable to the Dept. of Public Service, and be able to meet the three year timeline imposed by ARRA

Priorities

- To the greatest extent possible funds will be spread throughout the state
- Highest priority shall be given to projects that are shown on the VHFA/VHCB updated energy usage survey to be the biggest energy users on a BTU/square foot basis
- A second tier priority will be projects that are being acquired and or are already in the portfolio of an eligible applicant and are being redeveloped or restructured financially and energy efficiency improvements are part of that redevelopment
- Other considerations will include (1) the financial vulnerability of an owner's entire housing portfolio and the ability of energy efficiency improvements to stabilize that portfolio (2) if an

award will result in improved financial health of a property experiencing operating losses or insufficient replacement reserve levels and (3) whether or not the project is eligible to apply for other sources of funds to pay for the work proposed and such funds are available in a timely fashion.

Uses

- The most cost effective measures and measures achieving the greatest level of energy savings would be undertaken first
- Uses include: energy audits, base weatherization, ventilation packages, mechanical system energy upgrades, energy and air sealing, window and door replacement, advanced thermal shell upgrades/deep energy retrofit, solar domestic hot water, related clerk-of-the work/project management activities

Other Requirements

Projects funded by EECBG are subject to Section 106 historic preservation and other environmental reviews, Davis Bacon wage rates, federal procurement standards, and other federal requirements.