

Illinois Department of Commerce & Economic Opportunity - Low Income Programs

March 28 – 29 Stakeholder Questions On Draft Potential Studies Follow-up

The Budget freeze impacted PY7 grants from January to April, 2015. We were not able to process new grants, losing time with the grant application period under the Affordable Housing New Construction Program. Since spring is the height of the construction period, the Affordable Housing Program was not able to get several new projects started in order to complete within the allowed timeframe and subsequently demonstrate the ability to show energy savings. Residential Retrofit also had challenges during this time. The PHA program was somewhat affected because housing authority spending was limited, reducing the amount of projects that could be done in the time frame.

2. **More Detail Low Income Programs - EPY7/GPY4 Data Used**

- How many low-income weatherization implementers? Who are they?
 - 1) *Implementers for Residential Retrofit: Elevate, Historic Chicago Bungalow Association, Affordable Housing Continuum, The Black United Fund of IL, Hispanic Housing Dev. Corp., and Residential Options.*
 - 2) *Weatherization: Department's Office of Energy Assistance*
 - 3) *Efficient Living - PHA program is implemented by the UIUC.*
- How many participants/year? – *See Table 1.*
- Average cost per participant – *See Table 1.*
- Average savings per participant (how were savings determined)? *Ex post.*
- For Energy Savers/Elevate and Weatherization there are multiple funding sources and a per unit cost is not available from EEPS funds. Total cost and savings is included here.

Table 1		Average Per Unit		
PROGRAMS EPY7/GPY4	Housing Units	Cost	kWh Savings	therm Savings
Public Housing	11,640	\$304	203	26
AHNCP	1,170	\$4,334	2,243	85
	Combined	All \$	All Savings	All Savings
Residential Retrofit/Wx/Energy	9,187*	\$8.5M	8,576,837	1,052,202
<i>Source: EPY7/GPY4 Final expenditures, evaluated ex post savings, program reports on housing units. *Est from all units that received work. Updated 5/11/16.</i>				

- Eligible measures – *See Attachment*
 - i. Weatherization?
 - ii. Heating
 - iii. Any others?
- Cost breakdown (per participant) (In Process)
 - i. Measure cost
 - ii. Installation cost
 - iii. Audit cost

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- iv. DI measure cost
- v. Marketing cost
- vi. Other non-incentive implementation costs

3. **Does the Department get any outside funding for low income programs?**
Does the Department or its vendors leverage other outside sources along with Section 8-103 /8-104 dollars?

The Office of Energy Assistance receives federal funding for weatherization programs. Developers who apply for EEACHP funds also apply to the Illinois Housing Development Authority; however Department funds are a small percentage of overall financing.

The DCEO Illinois Efficient Living Program for public housing authorities used EEPs utility funds to leveraged \$ 1,987,899 for six public housing authorities engaged in energy performance contracting through energy service companies (ESCOs). The purpose of energy performance contracting is to install and finance energy cost reduction measures in PHAs low-income multi-family buildings. By upgrading their aging buildings, the PHAs reduce energy costs, improve the quality of life of residents, and help the State of Illinois earn credit towards the Clean Power Plan. The utility funds were leveraged for program years 5-7. The total costs of the six ESCO projects was \$ 28,769,489 impacting 3,091 extremely low to very low income units. The leveraged EEPs funds decreased the amount of private financing needed to complete the project deals. (Updated 5/11/16)

4. **What is the total spending for low income programs (most recent program year)?**

Low Income Programs	Total EPY7/GPY4
Public Housing Authority	\$3,533,202
Residential Retrofit (RR)	\$1,199,080
Energy Savers (Elevate)	\$2,750,000
Weatherization (Wx)	\$4,500,000
Residential Retrofit Total	\$8,449,080
Affordable Housing	\$3,959,535
LOW INCOME EXP	\$15,941,817

5. **What is the breakdown in spending (non-incentive vs. incentive costs) for low income (most recent program year)?**

Low Income Programs	Total EPY6/GY3
AFFHNC Incentives	\$3,123,743
AFFHNC Admin/Tech Assistance	\$80,305
PHA Incentives	\$3,674,368
PHA PGM Admin	\$731,349
ELEVATE Incentives	\$3,170,730
Elevate Admin/Tech Assistance	\$682,700

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RR Incentives	\$1,690,225
RR Admin/Technical Assistance	\$176,421
Wx Incentives	\$5,500,000
Wx Admin	\$0
Low Income Incentives	\$17,159,066
Low Income Non-Incentives	\$1,670,775
LOW INCOME TOTAL	\$18,829,841