



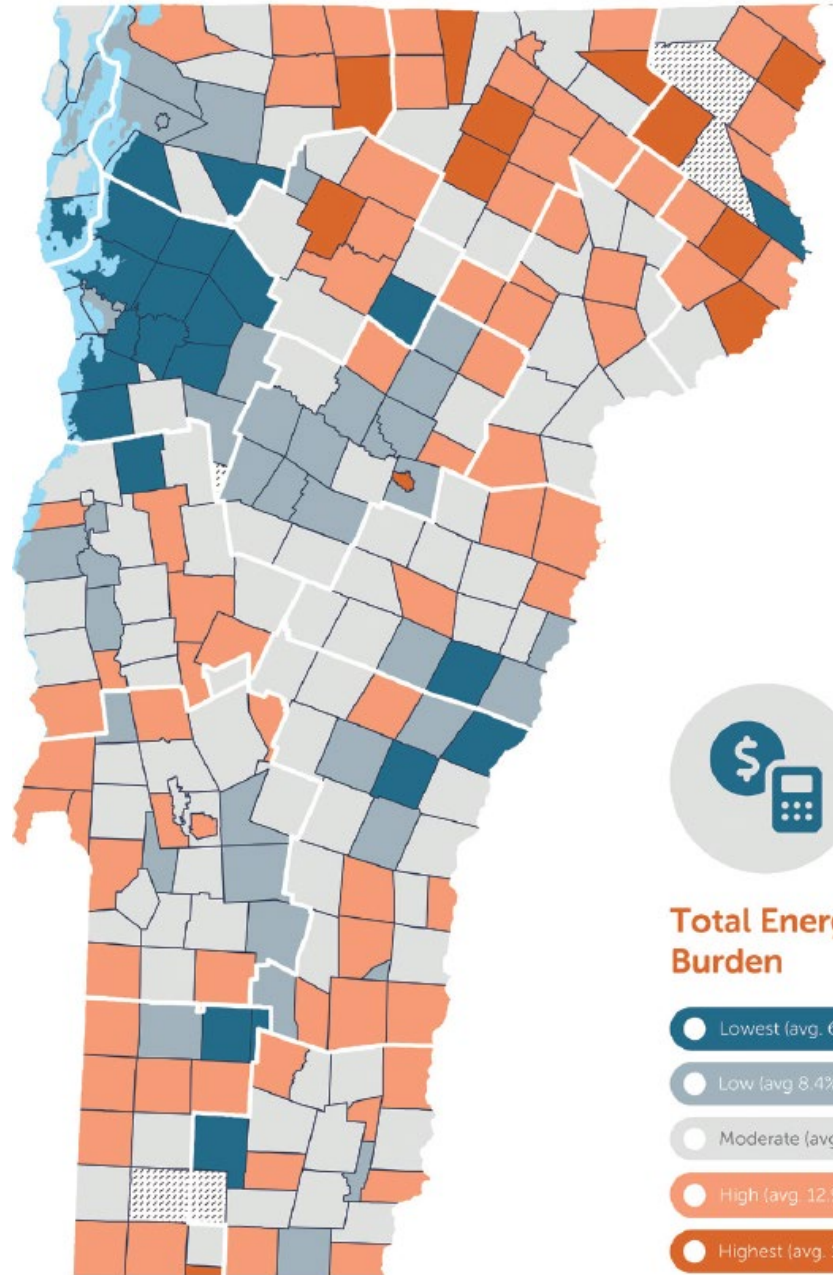
Vermont Housing Finance Agency

VtWARMS

Vermont Weatherization Agency for Rapid Mobilization & Savings

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For Senate Natural Resources, 2/17/2021



Total Energy Burden

- Lowest (avg. 6.7%)
- Low (avg. 8.4%)
- Moderate (avg. 10.1%)
- High (avg. 12.9%)
- Highest (avg. 17.4%)

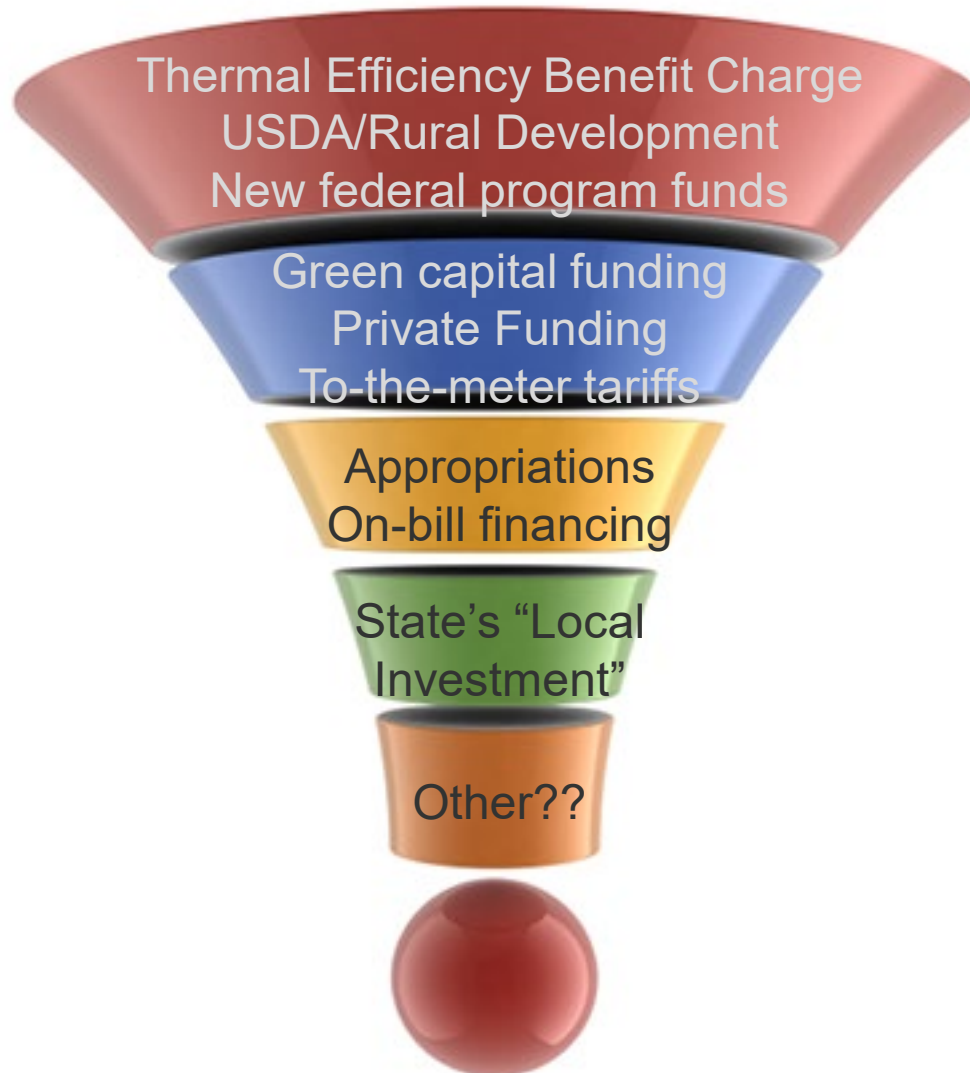
Source: Efficiency Vermont

Vermont Housing Finance Agency



- Created in 1974
- Mission: To **finance** and promote affordable, safe, and decent housing opportunities for low- and moderate-income Vermonters.
- Issued \$3.7 billion in bonds, mostly with Private Activity Bonds
 - 29,000 homebuyers
 - 8,800 apartments





Comprehensive & Sustained Weatherization Funding

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Critical Elements



- Financing and grant incentives (~\$12M)
- Workforce development (~\$2.5M)
- Individualized assistance to customers (~\$1M)
- Compliance, reporting & structure development (~\$0.5M)
- Additional structured leveraging opportunities:
 - For low-income customers: OEO's Weatherization Assistance Program
 - For small landlords: ACCD's VT Home Improvement Program
 - For homeowners: Homeownership Centers Revolving Loan Funds

How Could Financing Work?



- Standardize loan programs
- Offer through more lenders
- Create a secondary market
- Bond to speed up investments
 - Serve 3 years of households in one
 - Spend less on interest rate subsidies
- More compelling model over time



A Model of \$12M in Financing



- ~\$16M to 18M in lendable proceeds
- ~\$3.5M of the \$12M would go to financing support
- ~\$8.5M of the \$12M would go to grant support
- Annual bond debt service could be paid by the loan repayments
- Assumptions:
 - Average loan: \$10,000
 - 60/40 split of financing to grants
 - Average interest rate to customer: 2%

What's Needed



- Create the authorization for VHFA to bond and partner and access needed funds;
- Support the \$16 million in initial investment; and
- Support the framework to develop an ongoing funding stream -- such as the thermal benefit efficiency charge -- to create a predictable and growing pool for weatherization work.