

SUSTAINABILITY FUND
RESIDENTIAL ENERGY EFFICIENCY LOAN
PROGRAM GUIDELINES

I. WHAT IS THE PROGRAM?

The Village of Oak Park Climate Ready Energy Loan Program (“Program”) was established to provide financial assistance to Owner(s) who desire to reduce their home’s consumption of energy and prepare for electrification. This program is intended to be a compliment to the Climate Ready Energy Grant and any CDBG funded energy-efficiency programs to allow homeowners to make larger and more impactful improvements on their home. The Village of Oak Park intends to utilize the Sustainability Fund to create a revolving loan to maximize the long-term ability of the Village to support meaningful electrification and energy savings for residents.

Energy efficiency upgrades lead to savings on utility bills, improved indoor air quality, improved home comfort, and reduced greenhouse gas emissions. Eligible homeowners may qualify for the program by providing proof of permanent ownership of the property, income eligibility, and energy upgrades completed. The program was established to provide financial assistance to homeowners up to a maximum of \$10,000 per application.

II. HOW DOES THE PROGRAM WORK?

The Village will provide the loan amount either the Owner(s) or the contractor directly upon written request for installation of items related to the conservation of energy, such as by upgrading a dwelling unit’s insulation and appliances.

An Owner can choose between disbursement of loan funds to themselves or directly to a contractor, should the contractor agree. The Program will provide a loan for the purpose of increasing building energy efficiency or electrifying gas appliances up to \$10,000 not to exceed the total cost of the installations. Any cost that exceeds the maximum loan amount approved will be the responsibility of the Owner(s).

An Owner(s) will be required to cover the portion to the contractor (if any) and show proof of payment before the Village can disburse funds to the project. The Village’s funding will always go last at project completion.

An Owner(s) will repay the loan through annual payment, the final payment due five calendar years after the loan was approved. There is no interest due on the Loan, the total of the five annual payments will equal the amount of the original loan.

Each different energy efficiency installation and approach has different costs, degrees of disruption, and levels of efficiencies. The provisions of the most recently adopted International Energy Conservation Code (IECC), the International Building Code (IBC) and the International Existing Building Code (IEBC) by the Village of Oak Park shall be applicable to all projects submitted under this program.

III. WHAT WORK IS COVERED UNDER THIS GRANT PROGRAM?

This Program covers installed energy efficiency measures. The following are *Eligible Costs* that may be covered as part of this program.

1. Home energy audit or assessment (although participants will be encouraged to use free programs)
2. Weatherization measures such as insulation, weather stripping, and air sealing.
3. Energy efficient windows and/or doors.
4. Energy-efficient lighting, including automatic light sensors or timed light sensors. All outdoor lighting must meet International Dark Sky principles.
5. Electric heating, venting, and air conditioning (HVAC)
 - i. Electric air or ground source heat pump (when paired with a gas system, only the electric components are eligible for the grant).
 - ii. Air conditioners with higher SEER than that being replaced.
 - iii. Smart Thermostats
6. Improved efficiency electric water heaters (gas to electric or electric to more efficient electric).
7. Upgrade of electrical panels or wiring to support electrification measures.
8. Installation of EV chargers and/or the wiring to support future EV chargers.
9. Renewable energy systems and/or battery storage.

The costs associated with any measure completed in a manner or using materials which do not meet the requirements of the Village's Specifications or Codes will be considered non-eligible for reimbursement from this program

All the eligible measures, excluding the Home Energy Assessment, **require a permit from the Village**. It is the responsibility of the homeowner to ensure that the appropriate permits have been obtained before work begins. The Village may waive permit fees associated with Loan funded projects.

Projects(s) must be completed or proposed for completions, during the year in which the application is submitted.

IV. WHO IS ELIGIBLE?

A. Eligibility of Owners

The Program is intended to benefit all owner-occupied single-family households and owner-occupied 2-4 flat properties within the Village of Oak Park.

An Owner(s) will be considered ineligible for the Program if:

1. An Owner(s) owes any unpaid taxes or water bills or other debt to the Village;
2. The Owner(s) has any unpaid final judgments of liability from the office of Adjudication which are due and owing;
3. There are any unpaid Village liens on any property owned by the Owner(s);
4. The Owner(s) is not current on any other Village obligations, or otherwise is not in compliance with requirements of the Village Code, including but not limited to multi-family licensing, benchmarking requirements, alarm permit, or vacant building registration requirements; or
5. The applicable property for which an Owner(s) seeks a grant has previously been the subject of a grant under the Program under a different owner during the program year.
6. The amount of the Village loan must represent less than 10% of the home's equity.

B. Eligibility of Village Employees

Eligible Owner(s) who are also Village Employees are eligible for the Program in accordance with the Village's Conflict of Interest and Ethics Ordinance. Program guidelines and requirements, still must be met by Village Employees.

C. Eligibility for Other Village Housing Programs

Participants in the Program may be eligible for multiple grants and loans that are available through the Village of Oak Park. Other programs include:

1. Single Family Rehabilitation
2. Sewer Backup Protection Grant
3. Lead Water Service Replacement Grant
4. Climate Ready Rainscapes Grant
5. Small Rental Property Rehabilitation Loan
6. Climate Ready Energy Grant
7. Climate Ready Oak Park Energy Navigator

Participants of the Single-Family Rehabilitation or the Small Rental Property Rehabilitation loan must wait one (1) calendar year from completion of a project before being eligible for an energy efficiency grant if used in combination with CDBG funded energy efficiency grants, as funding allows.

D. Eligibility for Other Energy Efficiency Programs

Participants may be eligible for other energy efficiency assistance programs, including free programs. Staff will connect applicants with these programs if needed. Such free programs include ComEd or Nicor energy efficiency programs and others.

E. Eligibility for subsequent loans

Past loan recipients will be eligible for additional loans after five years from the date of approval of the previous loan if the applicant meets all program criteria. Owners who have previously received a loan must have demonstrated satisfactory performance on their loan before the Village will make any subsequent loans.

V. WHAT PROPERTY TYPES ARE ELIGIBLE?

A. Owner Occupied Up to Four Units

Eligible properties are owner-occupied single-family dwellings containing one to four units. For condominium units, improvements can only be made to those areas within a unit which the Owner(s) of the unit has authority to change, alter or improve, as defined by the condominium declarations, by-laws, and/or other rules and regulations as issued and adopted by the applicable condominium association or board. Improvements to common elements and limited common elements, including window or door repairs and replacements, are not eligible for the Program. A condominium unit is defined as a single-family dwelling.

B. Clear Title

The Owner(s) must have clear title to the owner-occupied dwelling unit, without any cloud on the title, not including any prior recorded consensual liens such as a mortgage or deed of trust. The Owner(s) must be the sole title holder of the dwelling unit which will undergo project rehabilitation, unless an acceptable release is obtained from any person on the title agreeing to an additional encumbrance.

VI. HOW DO I APPLY?

A. Steps

The following are the steps to take to participate in the Program.

1. An Owner(s) is encouraged to schedule a home energy assessment and be able to provide a final report of the findings which supports the need for the chosen improvement and estimated energy savings. Free assessments may be available from Nicor or ComEd as well as through Village programs. An Owner(s) who does not qualify for or chooses not to use free programs may submit the cost of the home energy assessment as a part of their loan application;
2. An Owner(s) must complete an application and submit it to the Neighborhood Services Department;
3. An Owner(s) must apply for any necessary building permits. **Permits are required** for all eligible costs, excluding the assessment. An applicable general contractor and all subcontractors must be properly registered in the Village of Oak Park and must submit evidence of insurances and licenses; and,
4. An Owner(s) is responsible for selecting an applicable contractor. The Owner(s) is encouraged to obtain at least three (3) bids for the work. The applicant may select a contractor from any of the bids.
5. An Owner(s) is encouraged to apply for and report any incentives available through the Village, a utility, the State, or other entities.
6. An Owner(s) will be asked to report energy savings to the Village one year after completion of the upgrades.

B. Priority

Applications will be processed on a first come, first served basis. The Program will expire when all loan funds are expended.

VII. PROGRAM MANAGEMENT

A. Application and Eligibility Review

The Village will review a completed application for an initial determination of eligibility. Staff will verify income and assets, order title searches, request appraisals, obtain credit reports and other necessary verifications. Staff will review the application and scope of work to determine eligibility of improvement and preliminary loan amount estimates.

B. Ineligibility

If the Owner(s) is ineligible, the Village will notify the Owner(s) of the reason for ineligibility. If the reason for ineligibility is due to an outstanding debt, judgment or code compliance issue,

the Owner(s) may re-apply after such matters have been satisfied. For purposes of determining priority, the Owner(s)'s place in line will be based upon the date of reapplication if initially determined to be ineligible

C. Terms and Repayment of Loan

Loans will be made at no interest for terms of up to 5 years. The maximum loan is up to \$10,000 per unit. Loans will be repaid on an annual schedule with the full sum repaid upon the earlier of the following: in 5 years; or upon sale or transfer of title.

D. Agreement

Upon approval of an application, the Owner(s) will be required to sign a Loan Agreement.

E. Building Permits

The Owner(s) **must** obtain permits from the Village before a contractor may begin any work. All work must be properly permitted and as applicable, inspected by the Village.

F. Payments

Upon completion of any applicable work, the Owner(s) must submit a Request for Payment Form. The form must be accompanied by the following:

1. Contractor's mechanics lien waiver (if electing to pay contractor directly);
2. A copy of the Owner(s)'s proof of payment to the contractor and/or final paid invoice;
3. A Permit Card; and
4. A final inspection report (if applicable).

Once all eligible work is completed, the Owner(s) must sign a payment authorization form and provide applicable mechanics' lien waivers. The Village will agree to pay a contractor directly upon proof that the Village's payment is the only outstanding payment to be made to the contractor.

If a Request for Payment is completed in conformance with the Program requirements, the loan will be approved in the final amount. The applicant(s) shall sign a note and mortgage immediately after approval of the loan. The note and mortgage will reflect the approved loan amount and the repayment schedule. Please advise that approval of invoice is separate from final invoice confirmation by Neighborhood Services to Homeowner.

G. Report of Energy Savings

One year after reimbursement, the Village will reach out to the homeowner to request data on energy and cost savings related to the upgrades. The request will include the following:

- A request of monthly energy usage and costs for the year (12 months) prior to project completion and year (12 months) after project implementation.
- A request for information on any additional energy efficiency property upgrades conducted in the 12 months after reimbursement.