



Worcester Green Jobs coalition

Organizing a local movement for green collar jobs for all.

www.GreenJobsWorcester.org

Tel: (508) 579-6916

Email: Info@GreenJobsWorcester.org

Weatherization Revolving Loan Fund for Worcester DRAFT DOCUMENT

9/3/09

Long term goal: robust weatherization of homes across Worcester providing steady living wage jobs to do the work, starting with neighborhoods that most need the jobs and energy conservation.

To accomplish this we need initial funding for the revolving loan fund. The initial endowment needs to cover not just initial weatherization work but enough money to underwrite continuous work while initial weatherization sites start paying back.

Role of Worcester Green Jobs Coalition: bring people together, define the bottom-lines of the project, help figure out funding stream. The Worcester Green Jobs Coalition as a genuine community voice will provide the central nexus of a collaborative project weaving together the many organizations whose expertise will fill out the various aspects of the Loan Fund.

Worcester Roots Project: Fiscal Conduit for WGJC, grant-writing time

Project Outline:

Put together the funding to start a weatherization loan fund in Worcester. The Fund would provide money for weatherization initially targeting the homes in areas of the City where financial savings & jobs will make the most difference. We envision the work of the fund as a wrap around of Worcester Community Action Council weatherization efforts which can only be provided to income eligible households up to \$5K worth of work*. The Loan Fund will need to address differences in existing models of weatherization standards in the field and the fact that most weatherization efforts only cover a small percentage of identified worthwhile investments.

The Loan Fund will drive a significant increase in weatherization jobs in the area since Worcester Community Action Council contractors are small and federal funding has generally not provided for consistent work. Our goal is for these jobs to provide reliable ongoing living wage jobs & benefits to those constituencies of Worcester who have needed job streams for a while. The Weatherization Revolving Loan Fund Project will need to include targeted training and job recruitment, at prevailing wage; this should be possible as part of a job ladder with unions – understanding, of course, that much of the trade union workforce in Worcester is presently significantly under-employed.

The Loan Fund will need to establish a repayment method that provides some regular financial savings for participating residents and a regular re-payment stream. Since the weatherization is attached to the dwelling, the repayment note also needs to be anchored to the dwelling not the residents; existing residents may move during the life of the repayment schedule and so the new residents will reap the benefits and should therefore make the continuing loan payments. Two methods for such repayment arrangements have been worked out elsewhere – either payments tied directly into utility bills or into municipal water/sewer bills.

Either way the Weatherization Revolving Loan Fund needs to identify loan fund expertise and a manager and the legal and financial materials. Since occupants will make repayments as an additional part of their utility or water/sewer bills, the Loan Fund needs to negotiate with local utilities or the City to commit to use their billing for repayments.

The Loan Fund must assess the realistic costs and payback period for weatherization. Our financial planning must include:

- Costs of weatherization,
- Reasonable initial down payments,
- Means of repayment that balances some savings for the resident with necessary and reasonable repayment schedules and an appropriate allowance for default.

These estimates then drive the amount necessary for an initial financial pool to be raised from stimulus money and other federal, state and local investment.

The Loan Fund will partner with the many elements necessary to the project that other Worcester organizations already accomplish. Through Memorandums of Understanding or similar to outline our roles and agreements with different parties in the project, the Loan Fund will bring these organizations together in our collaborative to provide a viable and growing resource to transform Worcester's housing and green job market.

The Loan Fund needs to explore its relationship to existing lead abatement and new foreclosure rehabilitation efforts and revenue streams.

**Can other funds be used to complete work beyond WCAC's \$5K investment in income eligible homes?*