

# Utilizing the Weatherization Assistance Program in Preservation Projects

New York State Division of Housing and  
Community Renewal

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# Goals of this Session

- Participants will know what to expect from the Weatherization Assistance Program (WAP)
- Learn how to apply for funding
- Learn how investment levels are determined
  - How the cost-per-unit limit really works
  - Owner contribution requirements
- Find out about upcoming WAP opportunities
- Learn who to contact for more information



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# Weatherization Program Overview

- Federally funded (US Dept of Energy), administered through network of 64 subgrantees
- DHCR provides TA, training and other support
- Closely coordinated with other programs
- Significant demand – 45,000+ on wait lists
- Income limit: 60% of State median income (about \$45,300 annually for family of four)
- Multifamily buildings must be 51% low-income
- Recovery Act increased funding but added prevailing wage and other requirements



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# What to Expect from Weatherization

- WAP is not GAP: doesn't work like other affordable housing subsidy programs
- Level of assistance driven by energy audit
- Coordination works best if subgrantee involved early in pre-development phase of project
- Subgrantee initiates eligibility review, arranges /coordinates audit, monitors installation
- Subgrantee and owner representative jointly develop work scope that WAP can fund
- Owner funds share of WAP work scope



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# Determining Investment Levels

- Audit identifies cost-effective measures
  - SIR of 1.0 or greater, highest SIR done first
  - Limited health and safety work (e.g., CO detectors)
- \$6500 limit includes:
  - All costs the subgrantee incurs related to the project
  - Labor and materials of subcontracted work
  - Program support (cost of audit, equipment, related staff, transportation, project-related overhead, etc.)
- Owner contribution – if funds are limited then WAP scope may be reduced



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# Subgrantee/DHCR Roles

- Subgrantees responsible for implementation
  - Must ensure that activities are eligible
  - Must certify tenant incomes
  - Must account to DHCR for all expenditures
  - Must secure and verify owner contribution
  - Construction management role
  - Compliance with technical standards
- DHCR conducts frequent on-site visits to monitor production, provide TA and ensure compliance



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# How to Apply for Funding

- Contact existing subgrantees to apply for 'regular' funds, determine project eligibility
- Consider partnering to apply in response to multifamily portfolio RFP, if non-profit
- Agree in writing to WAP requirements
- Must provide owner contribution (25%)
- Contact subgrantee to coordinate audit and other application details
- Include WAP in plans early on!!!!



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# Accessing Targeted Multifamily Set-Aside

- \$50 million available for multifamily portfolios
- Temporary subgrantees –
  - Must show capacity in all areas (can partner)
  - Open to both existing or new subgrantees
  - Applicants can specialize in building type, population served or program
  - Opportunity for new outreach partners, others
- Other RFPs for TA, auditors coming soon



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For more information, contact DHCR  
regional offices – see list on web site

[www.nysdhcr.gov](http://www.nysdhcr.gov)



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# Accessing the Weatherization Assistance Program (WAP) in NYC

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# Overview of Today's Presentation

- Key Program Elements of Multifamily WAP
  - Building and Measure Eligibility
  - Building owner obligations
  - Tenant protections
  - Other...
- 10 Steps in the WAP process: Timeline



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# What Housing is eligible for WAP?

1. Small Homes (1-4 units) & Multifamily Building (5+ units) In NYC about 80% of du served in MF buildings.
2. At least 50% of households must be income eligible, (below 60% of State Median Income (by household size)).
3. Once MF building eligibility is established, cost effective weatherization measures can be completed in **all units** and common areas.
4. Privately owned and publicly assisted, government regulated properties eligible if meet income requirements.
5. Due to concerns about self-dealing and conflicts of interest, properties owned or managed by the subgrantee are subject to additional rules.



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# Key Program Elements: Measures

- WAP investment in measures is energy audit driven,
  - All building-wide energy efficiency and health and safety materials and measures eligible under DOE regulations (heating, domestic hot water and electric usage reduction)
  - Scope of Work includes only measures with a Savings to Investment Ratio (SIR)  $>1.0$
  - Listed in SIR order, with full interactivity, from higher to lower SIR,
- SIR $>1.0$  requirement to “pay for itself in the life of the measure”



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# Building Owner Obligations in WAP

With the Building Application, provide:

- Proof of Ownership and Permission to Enter premises form (for income documentation, energy audit, construction management and post inspection); and
- Fuel information release forms (for all energy use in the building) that provide access to all building energy usage information for up to five years pre and post weatherization
- WAP Deposit (typical minimum \$1,000)



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# Owner Investment in the Project

1. Owner Investment funds are obtained up-front before work begins.
2. These funds are held in an escrow account managed by the subgrantee agency to pay subcontractors for owner's share of the work.
3. Apartment Building Work Scope (ABWS) is signed off by owner upon completion of work scope with any balance in Owner Investment account returned to owner.



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# Moving through the WAP Pipeline

1. Movement of a building through the WAP pipeline depends on the responsiveness of the building owner, manager and on-site super in submitting required paperwork, funds and regular access to all parts of the building throughout the process.
2. Many more buildings are eligible for WAP funding than available each year, even with the stimulus money; and demonstrated commitment and timeliness counts.
3. Use of WAP staff and technical resources on buildings that do not get weatherized (i.e., that “drop” out of the program) will be discouraged more than ever during the next two years, given increased production goals.



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# Steps in the WAP Process

## Step 1 - Complete and submit **Building Application**

- One boiler/heating plant typically defines the “building” from the energy audit perspective
- Attach account numbers and copies of central, common area energy **usage** information for past 24 months for all fuels used in the building (natural gas, oil, electricity); [usage and cost]
- Attach signed Permission to Enter Premises form
- Attach proof of ownership/control of the property
- Include rent roll for entire building, broken out by apartment
- Include other financial information requested in application

**Step 2 - Include initial deposit – incorporated into owner’s investment if building is weatherized that year.**



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## Step 3 – Verify tenant income and building eligibility

- On-site process, door to door, or at management office (e.g., if publicly assisted property that maintains income information, updated annually, on file)
- Must follow regulatory body's notification and privacy procedures and be signed off by a representative of the subgrantee.
- Categorical eligibility documentation for some households may be obtainable from HRA Income Maintenance office serving the area.
- More that 50% of households < 60% of S.M.I.
- Table on next slide shows income levels by household size.



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# Step 4 – The Energy Audit

- Pre-audit collection and recording of basic data describing existing conditions in the building, by WAP field technicians.
- Field assessment by one or more energy engineers accompanied by local weatherization director, property manager or other building owner representative, and building superintendent, to interview key persons, observe operations and conduct diagnostic tests, including combustion safety tests, and to identify O&M issues as well as energy efficiency upgrade opportunities and health & safety issues to be addressed.
- Energy engineer enters building data into EA-QUIP (or other DOE approved energy audit tool), imports energy usage information and weather data for the same time period, and models the building to obtain a good “fit” between building description and energy usage.



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# Step 5 - Developing the WAP Workscope

- Using EA-QUIP, energy auditor runs the calculation engine on the modeled building to produce a series of reports that identify the SIR of each measure, listed in rank order from the highest to lower SIR measures.
- Recommended Scope of Work (with cost estimates) and Audit Report are completed and shared with owner
- Agency completes “owner negotiations” to confirm the measures to be included and the relative share of the estimated costs to be paid by WAP, owner, and other leveraged funds (such as National Grid Gas Efficiency Program or NYSERDA EmPower program)
- Typical measures shown on next slide



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# Typical Multifamily Building Measures

- Electric base load reduction
  - In-unit CFL & energy efficient HW fixtures
  - Energy Star\* replacement refrigerators
  - Common area EE lighting and controls
- Envelope & ventilation upgrades
  - Roof insulation; air sealing; window replacement (Low-E, argon filled); ventilation system upgrades
- Heating system upgrade or replacement
  - Including controls & building EMS
  - Pipe insulation in basement
- Advanced measures (Solar PV and Solar Thermal)



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# Step 6 - Execute Owner Agreement

1. Scope of Work must meet DOE and DHCR requirements, i.e., cannot skip over a more cost-effective measure to include one with a lower S.I.R.
2. DOE funding for EACH measure must have SIR of 1.0 (Owner can reduce cost to WAP of an expensive measure such as a high efficiency, condensing boiler, to achieve a 1.0 SIR for DOE funds.)
3. The estimated ABWS specifies by measure the relative cost to the owner, WAP and is attached or summarized as part of the Owners Agreement
4. Owner signs Owners Agreement and provides check for the owner share confirming commitment to proceed



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# Step 7 – Set Up Owner Investment Account

- Subgrantee deposits owner investment into the “Owner Investment Account”
- Owner’s funds are due prior to the commencement of work in the building
- Subgrantee pays subcontractors directly from both the WAP account and the Owner’s account per the terms of the owner’s agreement
- At completion of work, owner signs ABWS and receives balance, if any amount not spent on the building (e.g., due to lower costs than estimated in Owners Agreement)



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# Step 8 - Select Subcontractors

- Subgrantees must follow Federal and State procurement requirements
- Typically procurement processes for contract year beginning April 1 begin in March of that year.
- Some city-wide bids conducted by AEA on behalf of the network (e.g., HW lighting and testing equipment)
- Some annual requirements contract bids conducted by each agency in March (window replacement)
- Other job by job bids (e.g., heating system replacement; heating controls or energy management systems).



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# Step 9 - Construction Management

- WAP subgrantee is responsible for overseeing procurement, developing subcontractor agreements for installation measures, providing construction oversight and post-inspection of all work to meet DHCR “certification” requirements.
- Subgrantee’s role in project management of WAP work in its WAP contract and budget.
- Subgrantees may charge 10% of owner investment amount to provide CM of the owner’s work or share of the work scope



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# Owner Credit for Recent Work

- Weatherization-eligible work completed by the owner consistent with WAP guidelines and specifications can be credited toward the owner investment.
- Typically such work if completed within the past 6 months prior to the beginning of the WAP project may be considered, if acceptable.
- WAP subgrantee authorized to make this determination, subject to approval of DHCR field representative



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# Step 10 – Completion and Certification

- WAP subgrantee must post-inspect 100% of the work by subcontractors prior to “certification” of completed work by State field representatives.
- DHCR field representatives conduct field visits to review measures in all buildings presented for certification against the completed ABWS and to inspect all relevant building files (including client income documentation) required by DHCR to demonstrate compliance with the WAP PPM.
- Each building is then “certified” by the State as weatherized, and its units are reported to DOE.



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# Timeline

- Bldg application (with deposit)
  - Collect household application & income documentation
  - Audit data collection
  - Auditor field visit
  - SOW and audit report
  - Execute Owner Agreement and obtain owner investment (or funding source/regulator approval letter) based upon estimated costs
  - Subcontractor selection, obtain final prices, sign subcontractor agreements
  - Work in progress to completion
  - Final agency inspection and State certification
  - Total = 3 to 6 months
- Within 2 to 4 weeks
  - One to 3 months (unless on file at the building)
  - Within 2 to 3 weeks
  - Within 2 weeks (overlapping)
  - Total 4 to 6 weeks
  - Within 2 to 3 weeks
- Within 2 to 6 weeks to agreements
  - Additional 2 to 6 weeks before work starts on site
  - One to two months or more on site
  - Total = 3 to 9 months, start to finish, is typical; 3 to 6 preferred



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# Variables that affect actual timing of specific projects

- Building application is incomplete – insufficient energy usage information, delay in receiving deposit check or regulatory approval
- Access to tenants difficult, tenant resistance to providing required income documentation, delays in obtaining approval to view on-site residential income files; coming up just short of 50% income eligibility (often last 10% is the hardest to obtain)
- Audit data collection – access issues, number of buildings, size and complexity of project
- Auditor field visit – complexity of site and potential project, e. g., if special opportunities for solar thermal or condensing boilers
- SOW and audit report – workload flow not uniform
- Heating system specifications – complexity of system requirements and options



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# Variables affecting timeline (2)

- Signing owners agreement receiving owners upfront investment delayed, e.g., due to need to receive regulatory agency or other third party approval
- Subcontractor selection, pricing, agreements and work start – workload flow of subcontractors and permitting delays with Buildings Department
- Work in progress to completion – on-site access issues for some measures; site configuration impact on timing of multiple subcontractors on site work
- Final agency inspection and State certification – workload flow and scheduling of all involved



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