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**AMERICAN RECOVERY and REINVESTMENT ACT
DEPARTMENT of ENERGY WEATHERIZATION PROGRAM
DEPARTMENTAL GUIDANCE**

Guidance Number: DOE WAP ARRA No. 13

Date: 7/1/2010

Subject: Multi-Family Property – Affordable Housing Weatherization
Policies and Procedures

The purpose of this guidance is to advise DOE Energy Service Providers of various modifications to program rules and procedures with respect to eligibility determination and reporting for weatherization activities delivered to qualified, list-certified multi-family properties (MFPs). This guidance is an official CSD determination and applicable to all DOE WAP ARRA contracts. The guidance, directives and/or interpretations contained herein shall be deemed to be incorporated into any current DOE WAP ARRA contract pursuant to ARRA Exhibit A Section 1.B. of that contractual agreement between CSD and the local provider, effective immediately upon the date of this guidance.

On March 2, 2010, the U.S. Department of Energy (DOE) issued Program Notice 10-15 which established conditions for qualifying certain multi-family buildings for Weatherization Assistance Program (WAP) work. The program notice was provided to reduce the review and verification necessary to weatherize identified buildings. DOE made available three (3) lists of multi-family buildings identified by the U.S. Housing and Urban Development (HUD) and the U.S. Department of Agriculture (USDA) as meeting the Minimum 66% Rule regarding DOE's income eligibility requirements. These lists are available at the following link:

http://www1.eere.energy.gov/wip/multifamily_guidance.html

Over the past month, CSD has issued a series of communications encouraging DOE Energy Service Providers to consider the multitude of benefits that can be achieved by targeting weatherization services to California's large public housing market and in particular DOE's select, income-qualified multi-family housing lists. Utilizing the streamlined approach provided by DOE's recent rule changes, CSD sponsored two pilot projects in Sacramento and Orange Counties designed specifically to further explore the application of these multi-family rule changes and to facilitate necessary modifications to existing verification and eligibility rules.

The complete summary of modifications to program rules and procedures referenced in this guidance memo are based on the experience and knowledge gained from recent pilot efforts and through our collaborative partnership with the U.S. Department of Housing and Urban Development.

Accrual of Weatherization Benefits to Tenants

Consistent with DOE Program Notice 10-15A, state grantees must ensure and document that benefits derived from DOE funded weatherization services in multi-family properties (MFPs) accrue primarily to the low-income tenants of the building. In instances where residents of weatherized MFPs have individually-metered energy and are responsible for payment of their own energy usage, the benefits from weatherization services can easily be demonstrated and quantified through reduced utility expenditures (utility bills). However, in instances where utilities are master-metered and tenants pay indirectly for energy usage (e.g., apportioned in their rent, utility allowances) energy savings derived from weatherization services may be more difficult to demonstrate and quantify.

Therefore, DOE Energy Service Providers shall not weatherize a MFP having master-metered units unless direct savings or the benefits of weatherization services are quantifiable and accrue primarily to the low-income tenants. While ensuring that the energy-efficiency objectives of the program are met, DOE Energy Service Providers must ensure that weatherization activities result in energy cost savings, and that any derived energy savings accrue directly to the tenants in one of the following primary forms or benefits:

- Protection against rent increases beyond that required under the DOE WAP regulations (10 CFR 440.22(b)(3)ii);
- Investment of the energy savings in facilities or services that offer a measureable benefit direct benefits to tenants;
- Establishment of a shared savings where energy costs savings are aggregated and distributed to tenants; or
- Longer term preservation of the property as affordable housing.

Recognizing that the benefits of weatherization services are not exclusive to energy-efficiency, DOE Service Providers are strongly encouraged to certify and document the accrual of non-energy benefits to tenants. Non-energy benefits are considered secondary, and DOE Service Providers must certify the existence of at least one primary energy-efficiency benefit to qualify the MFP for DOE weatherization services.

Acceptable non-energy benefits include:

- Investment of the energy savings from the weatherization work in specific health and safety improvements with measurable benefits to tenants; or
- Improvements to heat and hot water distribution, and ventilation, to improve the comfort of residents.

DOE Energy Service Providers must obtain the required documentation from MFP owners or managing agents to certify the accrual of at least one primary and any number of secondary benefits to tenants for DOE funded weatherization services at MFPs, regardless of whether the property is individually or master-metered.

Personal Information / Demographics Collection – Energy Service Providers are not required to collect Social Security Numbers (SSN) and Date of Birth (DOB) information from tenants of a list-certified MFP. Furthermore, due to confidentiality requirements,

property owners or managing agents are typically prohibited from providing sensitive tenant specific information including: client name, household size, household demographics and income. To assist Energy Service Providers in collecting required information directly from MFP owners / managing agents, Service Providers must utilize CSD's Multi-Family Property Intake Form (CSD Form 43-MFP). The MFP-IF is designed to collect required property and tenant information from the property's master file as opposed to obtaining this information from each individual tenant.

Following are more complete summaries of the requirements for data collection, data input, and related data entry protocols for list certified MFPs as they apply to both DOE and LIHEAP programs. More specific guidance for MFPs not currently listed by DOE is forthcoming.

Income – Service Providers are not required to collect income documentation from each tenant in order to substantiate or further verify the income eligibility at list-certified MFPs. Rather, Service Providers shall obtain from the property owner or its agent the average income for tenants residing within the building.

Consent to receive weatherization services – Service Providers are not required to obtain permission from individual tenants to receive WAP services. The property owner or managing agent shall sign all consent forms, coordinate WAP scheduling with tenants, and provide the needed access allowing for the delivery of WAP services.

Energy Verification – for list-certified MFP properties where energy services are individually metered, Service Providers must obtain copies of current utility bills to demonstrate individual unit costs and to calculate energy burden. For master-metered properties, Service Providers must obtain energy cost documentation from the building owner / managing agent for all qualifying units within the certified building. Acceptable forms for documenting energy costs include:

1. HUD utility allowances for each unit;
2. A proration of the total energy expenses of the building across each individual unit. Proration formula should consider individual unit size (e.g., number of bedrooms) in the calculation.

Citizenship Verification – Because WAP services are a benefit conferred on the community of people and to the building structure itself, as opposed to an individual household unit, list-certified MFPs are exempt from citizenship verification requirements. The exemption applies also to non-DOE list-certified MFPs where at least 66% of the residential units within MFP are weatherized.

Data Input/Reporting – ServTraq, ServTraq Lite or Equivalent Systems - Following are the requirements for data input and their related keying protocols for list-certified MFPs, non-list certified MFPs and LIHEAP with regard to input and reporting within ServTraq, ServTraq Lite and other equivalent systems.

Data Element and Data Entry/Reporting Standards

Data Element	DOE	LIHEAP	Keying Protocol
Tenancy Status (New Field)	Drop-down menu. Select either: <ul style="list-style-type: none"> • MFP-HUD 100% • MFP-HUD / USDA 66% 	No selection required.	Use Drop Down Menu.
SSN	Not required for DOE list-certified MFPs. Required for all others.	No Change – applicants SSN is required to process or may obtain a temporary SSN (client unique identifier) for LIHEAP Wx services.	SSN field will be blacked out.
Applicant Name	Optional for DOE list-certified MFPs. May be taken from MFP-IF. Required for all others.	No Change - applicant names are required for LIHEAP Wx services.	For example: Brookfield Apts. Enter this name into the last name field for all the reporting of all individual units weatherized within the building.
DOB	Not Required for DOE list-certified MFPs. Required for all others.	No Change – DOB is required for LIHEAP Wx services.	DOB field will be blacked out
Address	Required.	Required.	Not blacked out – Required – with unit number.
Phone	Not Required for DOE list-certified MFPs. Required for all others.	Required.	Not a required field for list-certified MFPs. Insert the property's main phone number here.

Income	<p>Required.</p> <p>For DOE list-certified MFPs this may be obtained from MFP-IF provided by the owner / manager. This may consist of an average income for the entire property.</p> <p>Required for all others.</p>	Required.	For list-certified MFPs, this could be a property average supplied by the owner / management company or the actual household income if provided.
Energy Cost	<p>Required.</p> <p>For DOE list-certified MFPs, this may come from the following sources:</p> <ul style="list-style-type: none"> • Household Utility Bills if individually metered. • Proration by owner / manager, or HUD utility allowances if master-metered. 	Required.	For list-certified MFPs, enter the individual unit's utility bill amount, or if master-metered, enter a proration provided by the owner / manager, or HUD utility allowance.
HH Size	<p>Optional for DOE list-certified MFPs. May be taken from MFP-IF.</p> <p>Required for all others.</p>	Required.	Enter the number provided on the MFP-IF.
Demographics	<p>Required. For DOE list-certified MFPs this information can be obtained thru the MFP-IF.</p>	Required.	Enter the fields provided on the MFP-IF.

Important Note: These list-certified income eligibility rules and modified intake information guidelines are specific to the DOE Standard and DOE ARRA programs only and may not be applied to any multi-family weatherization projects funded exclusively with or leveraged in part with LIHEAP funding