

## 6 RENTAL AND MULTIFAMILY DWELLINGS

### 6.1 Introduction

This chapter addresses all rental units, including single-family homes and multifamily buildings of any size, unless otherwise noted.

The primary difference between the weatherization of single-family and multifamily buildings is that multifamily buildings require more upfront preparation, including coordination with the building owner/manager and examination of complex fuel consumption data. Additionally, a multifamily building owner who is not income-eligible, has specific responsibilities that are part of the weatherization process, such as implementing required health and safety measures.

Advantages of multifamily weatherization projects to the tenants include:

- Preservation of the property as affordable housing;
- Further protection against rent increases;
- Lowering of energy bills;
- Increases in tenant comfort;
- Enhancements to indoor air quality;
- Health and safety improvements improving the quality of life; and
- Establishment of shared savings programs.

Advantages of weatherization to the building owner include:

- Lower vacancy rates;
- Higher tenant satisfaction levels;
- Increased durability of the building;
- Lower energy costs; and
- Healthier cash flow.

It is clear that multifamily weatherization projects can benefit all individuals and organizations involved.<sup>1</sup>

Low-income rental and multifamily housing types include:

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<sup>1</sup> Refer to WPN 10-15A, Guidance Regarding Accrual of Benefits to Low-Income Tenants in Multi-Family Buildings Under the Weatherization Assistance Program.

- Public Housing Authorities (PHAs) or Agencies that are partially or fully supported by the federal government. These are administered by the U.S. Department of Housing and Urban Development (HUD);
- Section 8 housing (from Section 8 from the Housing Act of 1937) authorized the payment of rental housing assistance to private landlords on behalf of low-income households. Administered by HUD.
- Section 202, for low-income individuals who are elderly. Administered by HUD.
- Section 811, for persons with disabilities. Administered by HUD.
- Section 515, Rural Housing Rental Assistance. Administered by the U.S. Department of Agriculture.
- Privately owned rental units of any size.

For larger multifamily projects, the building owner is usually the primary contact for a multifamily project; their participation is vital to the success of the weatherization project. The owner applies for the WAP services, coordinates the WAP services delivered to the tenants, and can provide energy-use data and data for income qualification to the WAP agency.

For smaller multifamily projects, building residents play a role in the weatherization process. They might encourage or persuade the owner to apply for weatherization and/or participate in the application process. WAP agencies should always attempt to utilize the services of residents.

Weatherization is not intended to improve the building value of a non-eligible owner. The benefits of weatherization are intended to accrue to the income-eligible occupants of the building.<sup>2</sup>

One-to-four unit buildings shall use the Vermont single-family audit modeling tool (Hancock Energy Audit Tool). Buildings of five units and more shall use the Vermont and DOE approved multifamily audit tool. Projects of 5 or more units in total, including multiple-building projects that include buildings with fewer than 5 units, must have OEO approval before the weatherization process begins.

Sections 6.2 through 6.21 provide a general outline of rental and multifamily procedure. Refer to Section 6.22 Process Flow for Multifamily Buildings (generally projects with 5 or more Units for detailed process flow. Refer to Section 6.23, Process Detail showing Relevant Forms for Rental and Multifamily Buildings, for current forms required.

## ***6.2 Weatherization Intake and Application***

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<sup>2</sup> “The benefits of weatherization assistance in connection with such rental units, including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units.”  
Source: 10 CFR 440.22 – Eligible dwelling units.

For rental and multifamily dwellings, the building owner or a tenant living in a building may initiate the application process with the WAP agency.

If a tenant requires weatherization services, provide the tenant with Tenant application forms, unless the building is categorically eligible (see 6.3 Building Eligibility Verification). Contact the building owner to provide an overview and guide to the weatherization process. Provide the owner with forms necessary to qualify the building(s) as appropriate to the situation.

The building owner may also request weatherization services, either by contacting the WAP agency directly or through a partner program (3E Thermal or Efficiency Vermont).

Once the application process is initiated, the WAP agency must determine if the building is eligible for weatherization. Please refer to Section 6.3 Building Eligibility Verification.

The WAP agency must obtain fuel usage history for the building. Provide appropriate data release forms to the owner and tenants who pay for utilities. These forms must be signed by the person named on the fuel/electric service bill for that building/dwelling unit. This allows the fuel/electric service provider to release information on the recipient's bills, past and future, to the WAP agency. This information is necessary for the WAP agency and OEO to assess the amount of reduction in fuel/electric service expenditures resulting from providing WAP services. This information is also required for any post-fuel/electric service consumption analysis required by OEO and any coordinated projects that may be developed.

Demographic information must be compiled for each household, even if the household does not require eligibility verification. This information may be requested from the owner, or collected by the energy coach, auditor, or office staff, as appropriate.

### ***6.3 Building Eligibility Verification***

Buildings are eligible for weatherization services if they have a minimum number of eligible client households. OEO issues specific eligibility guidelines annually. Buildings may also be categorically eligible if they are listed by the US Dept of Housing and Urban Development (HUD), or by Vermont Housing Finance Agency (VHFA), as rent-restricted by covenant.

For all projects, final eligibility verification is not required prior to providing walkthrough and/or audit services. Verification costs for any projects which were initially expected to be WAP-eligible, but determined later to be ineligible, shall be billable expenses to the agency's WAP grant.

DOE and Vermont Home Weatherization Assistance Program have different requirements. Please refer to Section 6.22 Process Flow for Multifamily Buildings (generally projects with 5 or more Units for details).

### **6.3.a Full services or partial services**

If the owner is eligible for weatherization service and the tenants are eligible, then health and safety and energy-saving measures can be installed by the WAP agency. On the other hand, if the owner is not eligible, then health and safety measures may not be installed by the WAP agency, but energy-saving measures may be installed as defined in this chapter.

If the building is found not to be eligible for weatherization because there are not enough units occupied by eligible families, weatherization of individual units and the entire building shall be denied. Exception: Eligible households in townhouse-type apartments having their own entries and which are effectively separate from neighboring units, including any attic and cellar/crawlspace areas, may be treated as individual units. See Hancock Guidance document.

Similarly, in the case of an eligible owner of a condominium unit that is part of a multifamily building, the WAP agency may weatherize the condominium as a single-family unit. Use Hancock Energy Audit Tool to enter the condominium as if it were a single-family dwelling.

Other ownership structures, such as cooperative housing, should be dealt with on a case-by-case basis by the OEO.

### **6.3.b Eligibility with U.S. Department of Energy (DOE)<sup>3</sup> funding**

1. The building is verified by HUD lists as meeting tenant-income eligibility requirements;<sup>4</sup> or
2. For buildings of 2 to 4 units, 50 percent of the dwelling units must be verified as eligible (or will become eligible within 180 days of project completion)<sup>5</sup>; or
3. For buildings of 5 or more units, not less than 66 percent of the dwelling units must be verified as eligible (or will become eligible within 180 days of project completion)<sup>6</sup>.

If any unoccupied units are required to meet thresholds, the WAP agency must obtain the owner's written commitment to rent those units to eligible households within 180 days of completion.

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<sup>3</sup> DOE defines eligibility as less than 200 percent of the Federal poverty level. Refer to Weatherization Program Notice (WPN) 10-15, March 2, 2010, issued to help identify HUD and USDA buildings eligible for WAP funding.

<sup>4</sup> See Weatherization Program Notice 11-09, Updated Guidance on Eligible Multifamily Property Listings for use in the Weatherization Assistance Program. Lists are available at [www.waptac.org](http://www.waptac.org). Includes properties meeting DOE rule 71 CFR 3847. If a building is on one of the lists, no further effort is required to qualify the building for weatherization.

<sup>5</sup> 10 CFR 440.22 (b)(2).

<sup>6</sup> 10 CFR 440.22 (b)(2).

If any of the above conditions are met, the entire building, including common areas within the building but not including separate unattached common areas or commercial spaces, if any, may be weatherized. All units in a building are considered to be WAP-eligible once the overall building has been deemed income eligible for WAP services (once completed, all units in building are credited as completed units). However, the total value of the measures installed in the entire building may not exceed the current average per-unit investment multiplied by the number of eligible units. (Applies to DOE-funded projects only.)

EXAMPLE: A 6-unit building has 4 units with eligible households. If the DOE average expense per-unit is \$7,100 (in PY17), then the maximum allowable expense for the project would be  $4 \times \$7,100 = \$28,400$ .

### ***6.3.c Eligibility with Vermont Home Weatherization Assistance Program (HWAP) funding***

1. The building is verified by HUD lists as meeting tenant-income eligibility requirements.<sup>7</sup>
2. Income Qualify. Building is verified by VHFA as meeting tenant income eligibility requirements (OEO will provide VHFA contact who will verify property eligibility; a copy of the VHFA verification documentation shall be placed in the project file).
3. For buildings with 25 percent or more of the tenants verified eligible<sup>8</sup> for the current year (tenants must provide documentation of household size and income to demonstrate eligibility).
4. Rent Qualify. Buildings may be qualified verifying rent levels as long as at least one household is verified as eligible and 50 percent of the units in the building have qualifying rent levels. Qualifying rent levels are currently 30 percent of 80 percent of State or area median income, depending on the size of the dwelling unit, as published annually by OEO. Owner must document current rent levels.

If any unoccupied units are required to meet thresholds, the WAP agency must obtain the owner's written commitment to rent those units to eligible households within 180 days of completion.

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<sup>7</sup> See Weatherization Program Notice 11-09, Updated Guidance on Eligible Multifamily Property Listings for use in the Weatherization Assistance Program. Lists are available at [www.waptac.org](http://www.waptac.org). Includes properties meeting DOE rule 71 CFR 3847. If a building is on one of the lists, no further effort is required to qualify the building for weatherization. If on List 3 only, a separate rent stabilization agreement is required.

<sup>8</sup> Vermont OEO defines eligibility as less than 80 percent of State or Area Median income. Refer to income guidelines issued by OEO annually.

If any of the above conditions are met, the entire building, including common areas within the building but not including separate unattached common areas or commercial spaces, if any, may be weatherized. All units in a building are considered to be WAP-eligible once the overall building has been deemed income eligible for WAP services (once completed, all units in building are credited as completed units).

#### ***6.4 Buildings or units containing commercial spaces***

If a building contains one or more dwelling units and is also used for commercial purposes, only the residential part(s) of the building may be weatherized. The eligibility of buildings having commercial space and residential units will be determined based on multifamily eligibility requirements described in the previous parts of this Section. WAP agencies may not weatherize space used for commercial functions.

Rooms or other areas used for commercial purposes cannot be counted as a unit when determining the number of units in the building. Rooms or other areas used only for commercial/business purposes are not considered eligible space for weatherization services.

Where a measure will need to be installed on both the eligible dwelling unit and commercial area to be effective (for example, insulating sidewalls), the WAP agency shall charge the portion associated with the eligible unit to the program and charge the portion associated with the commercial area to the property owner. If the property owner declines the measure or declines to pay for the portion associated with the commercial area, the project must be denied or stopped.

#### ***6.5 Weatherization of Shelters***

When weatherizing shelters, determination of the number of units might be problematic. The WAP agency may count each 800 square feet of a shelter as a dwelling unit or it may count each floor of the shelter as a dwelling unit.<sup>9</sup>

#### ***6.6 Prioritization of Multifamily Jobs***

The priority criteria in Table 6.1 shall be used as a guide when evaluating multiple multifamily weatherization projects. This prioritization process will be needed only when a WAP agency must consider more than one rental or multifamily project at a time.<sup>10</sup> The agency weatherization director shall document reasons for selecting one project over another and make available to OEO on request.

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<sup>9</sup> CFR 10 440.22(f).

<sup>10</sup> For DOE recommendations, see WPN 11-4, Guidance Regarding Prioritizing Weatherization Work Based on Housing Type.

<b>Table 6.1 Priority Criteria for Rental or Multifamily Jobs</b>	
<b>Item in Rank Order</b>	<b>Priority given to. . .</b>
1. LIHEAP	Buildings with LIHEAP-eligible tenants.
2. Who pays for heat?	Buildings with tenants paying heat.
3. Building demographics	Projects housing elderly, disabled, and families with children.
4. Energy intensity	Buildings with highest energy intensity, measured in Btu/ft <sup>2</sup> /heating degree day.
5. Rent stabilization period	Buildings with the longest existing or owner-agreed-to future rent stabilization period.
6. Tenants' average income	Buildings with the lowest average tenant income.
7. Magnitude of job	Larger projects and/or full ("gut") rehabilitation.
8. Private or public project?	Projects that are publicly, rather than privately, owned.

In addition to the criteria in Table 6.1, the weatherization director should consider the following for selecting one rental or multifamily project over another:

1. WAP agency internal variables, such as the effect on the agency work force and schedules;
2. Impact of job in the WAP agency budget;
3. Project schedule restrictions and requirements;
4. Projects that might span multiple program years; and
5. Current funding levels.

WAP agencies may decline to participate in a multifamily project, even though a building or project is WAP-eligible, for budgetary or other reasons approved by OEO. However, WAP agencies may not decline services to WAP-eligible buildings and then bid on for-fee work for the same building.

#### ***6.6.a Projects extending beyond current funding cycle***

For projects that are likely to extend beyond the current funding cycle, the weatherization director at the WAP agency, at their discretion, will deliver a letter to the owner ensuring a commitment to the project, but making it clear that funding cannot be guaranteed.

#### ***6.7 Re-weatherization of Buildings***

Vermont Home Weatherization Assistance Program funds: Buildings weatherized after December 31, 2002 are not eligible for re-weatherization with Vermont Home Weatherization Assistance Program funds.

*Exception:* If it is determined that significant weatherization opportunities were missed during a weatherization project completed after this date, or weatherization opportunities have since become available because of major building rehabilitation, or if measures were installed in an ineffective or substandard manner; OEO may approve a waiver to re-weatherize based on the priority protocol in Table 6.1 or on other reasonable evidence.

DOE funds: Buildings weatherized after September 30, 1994 or units damaged by fire, flood, or an act of God, are not eligible for re-weatherization with DOE funds. However, there may at times be a need for re-weatherization. Re-weatherization must be processed as a new application, including all documentation requirements

In all cases, re-weatherization is subject to prior approval by OEO, and may require approval by DOE.

### ***6.8 Verification Expiration and Waiver***

Building recertification is required if the project is not completed within 12 months of eligibility verification or if it is not occupied within 6 months of completion of the WAP agency work. The WAP agency must obtain written waiver from OEO in these situations.

### ***6.9 Building Owner Requirements***

The requirements of the building owner are dependent on a number of items, including building characteristics, ownership structure, and eligible units.

#### ***6.9.a Proof of ownership***

Verification of ownership must be obtained for all buildings, regardless of whether they are owner-occupied or rental properties. Any one of the following documents is acceptable proof of ownership:

1. Copy of deed;
2. Copy of mortgage or mortgage payment book;
3. Real estate tax bill/receipt for address being weatherized;
4. School tax bill/receipt for address being weatherized;
5. Written statement from local tax assessor's office, county clerk, or deeds commissioner; or



6. Copy of an executed land contract, life tenancy agreement, or life lease.

The address on the proof of ownership must be the same as the address at which the unit to be weatherized is located.

#### ***6.9.b Life Lease Agreements, Land Contracts, Life Tenancy***

When an applicant for WAP services has an executed land contract, life tenancy, or life lease agreement that grants them use of the property that is being considered for weatherization for an extended period, such documentation may be accepted confirmation of “ownership” if the requirements of this section are met. A copy of the agreement(s) must be presented to confirm proof of ownership and meet the following conditions.

1. Income eligible applicants presenting documents meeting all the terms and conditions listed below may be considered “property owners” that are eligible for assistance, and will not be required to provide a contribution for WAP services.
2. The Agreement must meet the following conditions:
  - a. The entire agreement must be in writing.
  - b. It must identify the parties to the agreement (e.g., seller/purchaser; grantor/grantee).
  - c. It must describe the property sufficiently to be able to identify it.

#### ***6.9.c Building owner responsibilities***

The owner shall be responsible for:

1. Compliance with all applicable local and state codes, such as life safety, electrical, and plumbing;
2. Repair of structural issues, including those required by efficiency improvements, for additional snow loads, etc.;
3. Documentation showing that space and domestic water heating equipment has been serviced by a qualified technician within 10 months prior to WAP's energy audit for oil or biomass equipment, and within 22 months for gas equipment. If these requirements are not met, the WAP agency should use its best judgment moving forward.

4. Energy retrofit “buy downs,” or cost sharing for threshold-screening (refer to Section 6.14 Measure Buy-Downs);
5. Health and safety including, but not limited to, lead-safe costs, knob-and-tube removal, and ventilation and indoor air quality, combustion appliance safety, smoke detectors, asbestos, and HVAC work; and
6. All other requirements listed in the Rental or Multifamily Housing Weatherization Agreement, as appropriate. (Typically the Rental Housing Weatherization Agreement is used for small projects of 1 to 4 units; the Multifamily Housing Weatherization Agreement is for larger projects of 5 or more units.)

All health and safety work is the responsibility of the building owner (unless the owner qualifies for weatherization services) and shall be implemented in a manner that does not negatively impact the flow of the weatherization work by the WAP agency. Weatherization work shall not commence until all health and safety issues have been addressed by the building owner or their representative.

In some cases, a measure can be both energy-saving and a health-and-safety item, for example, a heat/energy recovery ventilation unit. In this case, the WAP agency may pay for the incremental cost of the heat/energy recovery unit (above the cost of a non-heat/energy recovery unit) and the building owner shall pay the remainder (the health and safety portion).

**Note that Vermont OEO requires all 1-unit rentals (i.e., single-family) to be completed using HWAP funds, since DOE does not require some of the above-stated Owner responsibilities.**

Rental buildings with 2 or more units may be funded with either DOE or HWAP, at the discretion of the WAP agency.

Applicants in a rental building who request services due to a no-heat or unsafe heating situation must be refused and told to contact the building owner for assistance (unless the owner qualifies for weatherization services). When the heating problem has been corrected, the applicant may then be considered eligible for services under the WAP. In all rental buildings, provision of a heating system in good working order is the responsibility of the building owner.

#### **6.9.d Ownership transfer**

For DOE funds, no weatherization services are permitted if transfer of ownership is pending.

For Vermont Home Weatherization Assistance Program funds, no weatherization services are permitted if transfer of ownership is pending, however OEO may grant a waiver based in part on documents demonstrating that the:

1. Final owner of the building demonstrates site control prior to receiving weatherization services, and

2. Final owner provides documentation demonstrating adequate assurance of intent to rent to weatherization-eligible tenants.

#### **6.9.e Rent stabilization**

The Rental or Multifamily Housing Weatherization Agreement, as appropriate, place restrictions on a building in which weatherized rental units are located because of the increased value of the weatherized units. The benefits of weatherization to rental units are intended for and expected to accrue to the low-income-eligible tenants.<sup>11</sup>

Rent stabilization should be based on rent levels at the time of application and the term of stabilization shall begin upon the completion of the WAP agency weatherization. Buildings appearing on a current HUD “List 1” are long-term rent-stabilized and do not require further restriction.

For DOE funds, there must be an agreement between the eligible tenants and the landlord with a minimum of one-year term for rent stabilization, or the building must be on the HUD List 1.

For buildings not on HUD List 1, the building owner shall agree to 1 year rent stabilization if the eligible tenants pay for their own heat or to 3 years if the building owner pays the heating bill.<sup>12</sup> This agreement must cover all rental units in the building occupied by households eligible for weatherization at the time the owner signs the agreement.

Additionally, the tenant may not be evicted or involuntarily removed from a weatherized unit for the same time period if the tenant complies with all on-going obligations and responsibilities as a tenant.

Increases in rent during the rent stabilization period shall relate only to matters other than the weatherization work performed. These matters include, but are not limited to, increases in property taxes, insurance, and owner’s costs for subsequent building improvements, and for operations, maintenance and services such as trash hauling and snow removal.

OEO may grant a waiver of a rent-stabilization agreement based on documentation from the owner that existing covenants on the property adequately address the rent-stabilization requirement.

#### **6.9.f Weatherizing vacant units**

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<sup>11</sup> “The benefits of weatherization assistance in connection with such rental units, including units where the tenants pay for their energy through their rent, will accrue primarily to the low-income tenants residing in such units.” Source: 10 CFR 440.22 – Eligible dwelling units.

<sup>12</sup> If tenants pay for heat directly, they benefit directly from weatherization; the owner benefits indirectly. If the owner pays for heating, the owner benefits directly from weatherization. This direct benefit to the owner warrants a longer rent-stabilization commitment.

If the building's eligibility is dependent on vacant units, the building owner must agree to rent these vacant units to low-income households and abide by the rent stabilization requirements, these vacant units may be weatherized and counted toward meeting the qualifying minimum percentage. In such cases, the vacant units must be occupied within 180 days. The term of this requirement begins when the job has been signed off by the WAP agency as completed. If HWAP funds are used for a project, the State may grant a waiver to the 180-day occupancy term.

This requirement only applies when the multifamily project has not met the minimum eligibility threshold percentages for DOE or Vermont Home Weatherization Assistance Program funds.

#### ***6.9.g Owner refusal to install health and safety measures***

If the owner refuses to install the health and safety measures required by DOE or the State of Vermont, the owner should be served the deferral of service form.

#### ***6.9.h Maintenance and repair of combustion appliances***

Unless a landlord/owner can demonstrate that they are low-income or have some exceptional circumstances, the responsibility for the maintenance, repair or replacement of the combustion appliance in the rental unit is the responsibility of the building owner.

#### ***6.9.i Violation of Rental or Multifamily Housing Weatherization Agreement***

If the owner violates the Rental or Multifamily Housing Weatherization Agreement, then he/she may be billed for the cost of the WAP work. (Typically the Rental Housing Weatherization Agreement is used for small projects of 1 to 4 units; the Multifamily Housing Weatherization Agreement is for larger projects of 5 or more units.)

### ***6.10 Collecting Energy Information***

Collecting the energy-use data can be complicated depending on who pays the energy bills; the tenant, the building owner, or both; and how the energy use is measured, either individually or by master metering. Another factor to consider is that common areas are often metered differently than rental units.

#### ***6.10.a Tenants pay energy bills***

If the tenants pay the energy bills, then the benefits of the WAP improvements automatically go directly to them. In this case, the WAP agency must obtain copies of energy bills or have each head of household sign a waiver allowing the agency to obtain copies of bills from the energy provider. This energy data may be limited to the energy paid for directly by the tenants; for master-metered energy sources, common areas, security lighting, etc., the agency must obtain data from the building owner.

In some cases, it will be difficult to obtain more than 50 percent of the tenants' energy data. In such cases, a representative sampling might provide a good estimate with as few as 10 to 25 percent of the tenants' energy bills. It is always best to obtain as many energy bills as possible in order to increase the accuracy of a representative sample.

#### ***6.10.b Building owner pays energy bills***

If the building owner pays the energy bills, they must agree in writing that the tenants will benefit from the weatherization. This requirement is satisfied by their signature on the Rental or Multifamily Housing Weatherization Agreement, as appropriate. If any of the energy sources are master metered, the WAP agency must obtain energy data from the building owner.

#### ***6.11 Approval to Proceed with Projects***

Upon approval to proceed from OEO, and if requested by the building owner, the WAP agency may provide a letter of Intent indicating preliminary commitment to the project.

The WAP agency may require a reciprocal letter of intent from the building owner.

#### ***6.12 Permission to Enter Building***

The WAP agency representative shall not enter the building(s) to conduct the energy audit or to collect information before having written permission from the owner. The WAP agency shall provide a form for sign-off at the initial contact or meeting with the owner.

#### ***6.13 Energy Audit***

WAP agencies play a central role in performing or facilitating the building analysis (energy audit), and in managing the process used to complete work on multifamily buildings, regardless of whether the work is subcontracted or performed by WAP agency staff.

The Vermont multifamily audit tool was approved by the Department of Energy in 2012 for use in the Vermont Weatherization Assistance Program. This tool will be used by the Vermont WAP agencies for analysis of multifamily buildings of 5 or more units. Rental properties with 1 to 4 units will be audited with the Hancock Energy Audit Tool.

When scheduling the audit site visit, the WAP energy auditor must advise the owner of requirements and expectations in order to complete the audit.

The following information is backup documentation for the energy audit:

1. Three years' fuel usage history, or documentation why it was not obtained. The more history obtained the better, since vacancies and differences in individual household use patterns become less significant over longer periods;

2. Justification for any instance where audit priorities are not followed (i.e., where a measure with a lower SIR is prioritized over one with a higher SIR), and written approval from OEO;
3. Documentation of negotiations on investment and scope of work with the owner (lead hazard control/abatement and related work to assure that WAP work can be conducted in a lead safe manner must be considered); and
4. Documentation of reason if the building was analyzed and then not subsequently funded with WAP.

WAP agencies are required to supervise the day-to-day work on their projects, are responsible for documenting inspections, and taking any other steps necessary to ensure that the building analysis is done properly and will result in a scope of work that meets the goals of the program. WAP agencies must perform a variety of tasks that cannot easily be assigned or left to consultants. It is OEO's expectation that WAP agencies remain involved in every applicable phase of the project, and take any actions necessary to improve the overall performance of the work, to ensure proper quality control and energy savings on each project.

#### **6.14 Screening of Measures**

Qualifying measures shall be determined by the corresponding savings-to-investment ratio (**SIR**); the SIR shall be based on funding source requirements. Priority shall be given to measures with the highest SIR. See also 6.14.b Measure Buy-Downs.

Repair costs required by any measure with WAP investment must be included in the overall SIR calculation of the project's complete package of measures.

Health and safety costs are excluded from SIR calculations.<sup>13</sup>

##### **6.14.a Allowable measures**

Measures with high savings-to-investment ratios will be given priority, as budgets allow.

Allowable measures include air sealing and insulation on all qualified properties regardless of type of tenancy. On properties with rent-restricted tenancy of ten or more years (e.g., nonprofit trusts with housing covenants and project-based Section 8 units), heating system upgrades and heat/energy-recovery ventilators will be allowable contingent on other available funding and WAP agency budget.

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<sup>13</sup> The WAP agency may provide labor to install the ventilation fans and related systems if such installation by the building owner will impose a significant negative impact the weatherization job workflow. For example, the agency may provide labor to install ventilation ductwork and termination devices in an attic in an effort to expedite the installation of insulation in the attic. This decision will be made by the weatherization director. These costs would still be excluded from Project SIR calculations.

All measures must be installed in accordance with the most recent version of the *Vermont Technical Policies and Procedures Manual*.

#### **6.14.b Measure Buy-Downs<sup>14</sup>**

WAP agencies will use their standard SIR calculation and minimum threshold; however, they have the discretion to use Owner's or other funding to *buy-down* any allowable measures. Buy-downs reduce the Investment portion of a measure's SIR calculation. Allowable measures are restricted to levels required by the Vermont energy code (for example, if R-60 attic insulation is specified, but code requires R-49, WAP agency investment for the measure is limited to a SIR threshold of R-49). Buy-downs may also be provided by 3E Thermal.

An energy-saving measure with a SIR of less than 1.0<sup>15</sup>, but implemented with the use of buy-downs, cannot be completed until all higher SIR measures have been completed unless documentation outlining the reasons for the exception has been submitted and approved by OEO.

In all cases, the overall project SIR must be 1.0 or greater. Project SIR shall include all savings and investment costs for all measures supported in whole or in part by WAP funds.

WAP agencies will invest as much as possible in each project, taking into consideration such factors as building owner capacity; length of rent stabilization; the WAP agency overall budget; and other qualifying factors of tenants. See Section 6.6 Prioritization of Multifamily Jobs for more information.

For DOE-funded multifamily buildings, the total job expenditure by WAP agency is limited by the formula: Job expenditure = (job cost average) x (number of eligible units).

When weatherization shelters, determination of the number of units might be problematic. The WAP agency may count each 800 square feet of a shelter as a dwelling unit or it may count each floor of the shelter as a dwelling unit. See Section 6.5 Weatherization of Shelters.

In income-eligible, owner-occupied units, energy-related measures that have an SIR of less than the allowable value may not be completed by the WAP agency unless it has received non-WAP funding to pay the un-screenable portion.

#### **6.15 Scope of Work**

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<sup>14</sup> Buy-downs effectively are the same thing as "threshold-screening," that is, screening the investment in a measure up to the amount where its savings will meet the SIR threshold.

<sup>15</sup> Buy-downs may be applied to allowable measures with an SIR less than one. For example, if the SIR for a measure is 0.6, and the required minimum SIR is 1.2, then 50 percent of the measure's cost may be funded. Note that replacement windows are not an allowable measure regardless of buy-downs.

WAP agencies shall complete all allowable measures that meet or exceed SIR screening requirements, including threshold screening, in order of SIR priority as budgets allow.

When the owner's work is subject to the Lead Poisoning Prevention Act,<sup>16</sup> copies of test results shall be provided to the WAP agency.

For projects in buildings with 5 units or more, a summary of the draft scope of work shall be included in the energy audit submitted to OEO as part of the agency's submission to OEO for approval.

#### **6.15.a Full rehabilitation of building**

Where energy use reduction cannot be safely achieved through WAP due to the need for extensive rehabilitation of the building or dwelling unit, the energy auditor must report this finding to his/her WAP agency supervisor. If the building or dwelling unit is to be rehabilitated under another program, the weatherization work may be coordinated with the overall rehabilitation project. Upon presentation as completed to OEO, all WAP agency work must be complete and of acceptable quality.

In coordinated energy/rehabilitation projects, documentation to show that a public procurement process was followed in the selection of contractors must be available for review upon request. Documentation of a production schedule must also be available for review upon request. Documentation of all rehabilitation work proposed and completed must be in the file explaining the nature and scope of the rehabilitation provided, and the WAP services provided documenting what each program paid for. Documentation should be available with pictures and relevant supporting data.

If a vacant building or dwelling unit is being rehabilitated using a combination of WAP and other funds, a production schedule should be part of the building file along with any other information that may impact the filling of vacant, eligible units, within 180 days.

Any additions to buildings will be considered new construction and therefore not eligible for WAP work.

All work, including gut rehabilitation, must be evaluated and screened based on the existing condition of the building. For example, for a wall renovation, the *existing* wall insulating value, the final wall insulating value, and the cost of the rehabilitation of the wall, must be considered when determining the savings-to-investment ratio of the wall renovation.

All projects involving full rehab must be approved by OEO. WAP agencies shall submit the appropriate approval form with the energy audit showing weatherization measures, SIR value for each, and estimated WAP-funding for each measure.

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<sup>16</sup> See <http://www2.epa.gov/lead/lead-policy-and-guidance#paint>.



The project may not commence until this form is signed by the appropriate OEO representative.

#### ***6.15.b Letter of commitment***

After receiving project approval from OEO, the WAP agency may issue a Letter of Commitment for a specific scope of work and dollar value, if requested by the owner. Typically this will occur when construction is well in the future, and/or Owner is still securing final funding and financing. This letter will indicate that WAP agency is committing to provide certain services and funding contingent on the availability for funding when the project construction begins and the final scope of work and subcontractor bids.

#### ***6.16 Ventilation fans in multifamily buildings***

WAP agencies are not required to install ventilation fans in rental and multifamily buildings, unless the owner qualifies for weatherization. It is the building owner's responsibility to provide ventilation systems for adequate indoor air quality and to apply for the Efficiency Vermont rebate. The WAP agency shall inspect and assess ventilation systems and may provide technical expertise and design services.

Exception: The WAP agency may provide labor to install the ductwork and related items for exhaust-only ventilation fans if such installation by the building owner will impose a significant negative impact on the weatherization job workflow. For example, the agency may provide labor to install ventilation ductwork and termination devices in an attic in an effort to expedite the installation of insulation in the attic. This decision will be made by the weatherization director. Ductwork for heat- and energy-recovery ventilation systems should be installed by the firm installing the HRV or ERV equipment.

#### ***6.17 WAP Agency Relationship with 3E Thermal***

3E Thermal (3E) is a statewide program that partners with Weatherization, Efficiency Vermont, and housing agencies. Its purpose is to analyze, recommend, and incentivize comprehensive energy improvements with the objective of improving long-term sustainability of Vermont's affordable multifamily housing stock.

OEO, Vermont Housing and Conservation Board, Efficiency Vermont, Vermont Community Action Partners (representing the WAP agencies), Vermont Department of Housing and Community Development, and Vermont Housing Finance Agency agreed in December 2013 to a *Statement of Principles* regarding the implementation of Vermont's low-income multifamily energy efficiency and weatherization programs, which describes shared goals for all programs, including 3E.

A companion document, *Operational Agreement for Maximizing Resources and Improving Energy Efficiency Services to Affordable Multifamily Properties in Vermont*, agreed to by WAP agencies, OEO, Efficiency Vermont, and state and local housing agencies in fall 2014, explains how OEO WAP, Efficiency Vermont, and 3E will coordinate and integrate service delivery. Refer to that document for specific outline of service coordination.

An important goal of both these documents, and the series of meetings that led to them, is to improve the “customer experience” for affordable housing owners, to reduce confusion and redundancy, and streamline the process for accessing all available services. WAP agencies are encouraged to take an active part in the evolving partnership of providers through the 3E Thermal Advisory Group.

WAP agencies also have individual subcontracts with 3E that describe services and payment provisions. Refer to current *Subcontract between 3E Thermal and WAP Local Agency Partners*.

WAP agencies are expected to coordinate services closely with 3E Thermal. 3E participates with WAP in projects wherever possible. Generally, if the building owner has resources to augment WAP-funded work, 3E can add incentives toward “deeper” energy retrofits. 3E should be notified at project inception and walkthrough and, if 3E is also participating in the project, at all subsequent stages through completion and final inspection.

Refer to Section 6.22 Process Flow for Multifamily Buildings (generally projects with 5 or more Units for this process-flow detail.

#### **6.17.a Multifamily-projects database**

3E Thermal maintains a database of multifamily projects, which it shares with OEO and the WAP agencies. Accordingly, WAPs shall update 3E as projects develop. A complete project pipeline will assist all parties in budgeting and planning production capacity (see 3E *Operational Agreement*).

#### **6.17.b Eligibility verification**

Buildings receiving WAP services, or on the federal or state list<sup>17</sup> of WAP-qualified properties, are automatically eligible for 3E; no further verification is required. Otherwise, qualification shall be based on current rent levels and apartment size. This is similar to HWAP rent-qualification procedure, except that it is not necessary to verify income eligibility of one household.

For all projects, final eligibility verification is not required prior to providing walkthrough and/or audit services. If a building is ultimately found ineligible, 3E will reimburse for these services. If

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<sup>17</sup> These lists are referenced in more detail at Section 6.3.b and 6.3.c. The federal list, also known as the “HUD list”, includes properties meeting DOE rule 71 CFR 3847. A similar list for Vermont properties is available through the Vermont Housing Finance Agency.

3E is not involved with the project, the auditor's time will be reimbursed by the weatherization grant if the project is found to be not eligible.

#### **6.17.c Audit and screening**

WAP agencies shall coordinate energy audit services with 3E, as appropriate for the particular project. In particular, WAP auditors shall make efforts to accommodate the schedules of Owners, project managers, consultants, and 3E and Efficiency Vermont, to coordinate walkthrough and energy audit site visits, in order to minimize disruption to client households. WAP auditors shall also cooperate to maintain progress on projects, through completion of audit reports, participation in design development meetings, etc., even though in some cases construction start may be in the distant future.

Screening of efficiency measures for multifamily projects of five or more units shall use an approved multifamily screening tool, currently 3E's *Building Energy Analysis and Screening Tool*. Screening shall follow established protocols for all WAP projects, except that:

1. Measures may be bought-down or 'threshold-screened'. WAP agencies may screen allowable measures using only the WAP investment in the SIR calculation. See Section 6.14 SCREENING OF MEASURES.
2. Allowable measures may include heat- or energy-recovery ventilation and heating system upgrades (screening for savings realized), on certain long-term, rent-restricted properties.

OEO has contracted with 3E Thermal, currently through June 30, 2017, to assist WAP agencies in use of the 3E screening tool, and in implementation of the procedures in this Chapter generally. 3E is available to assist WAP agency energy auditors as needed on any projects, whether involving 3E or not, until the end of the current, or any future, contract.

#### **6.17.d Project management and inspections**

WAP agencies shall coordinate with 3E project management and quality assurance inspections on any multifamily projects where 3E is participating. Refer to *Operational Agreement*, cited at the beginning of this section.

#### **6.17.e Reporting and invoicing**

1. WAP agencies shall provide final project expense reports (as spreadsheet export) to 3E for reconciliation with estimated costs, and for inclusion 3E's database.
2. WAP agencies shall invoice 3E for billable expenses in timely fashion, as described in 3E subcontracts with individual WAP agencies.

### **6.18 WAP Agency Relationship with other Organizations**

WAP agencies are expected to initiate contact and coordinate with other efficiency programs that could benefit the project and the tenants, including, as appropriate Efficiency Vermont, Burlington Electric Department, Vermont Gas Systems, and any other available efficiency or renewable energy programs.

### **6.19 Agreements and Contracts**

All projects with rental units shall have a signed *Rental Housing Weatherization Agreement* or *Multifamily Housing Weatherization Agreement*, as appropriate, before work can begin. The appropriate Agreement must be in force with the owner of record regardless of whether the owner resides in one of the units to be weatherized or whether the owner's household is itself WAP-eligible.

#### **6.19.a Owner agreement, 1-to-4 units project**

Rental and/or multifamily projects of four or fewer units shall use the OEO *Rental Housing Weatherization Agreement*, for all projects of this size. These properties will be audited with the Hancock Energy Audit Tool.

#### **6.19.b Owner agreement, 5-or-more units project**

Multifamily projects of five or more units shall use the OEO *Multifamily Housing Weatherization Agreement*. This includes projects involving buildings with fewer than 5 units if the total in all buildings in the project is 5 or more units. Individual buildings with 5 or more units will be audited with the Vermont multifamily audit tool; buildings with 4 or fewer units will be audited with the Hancock single-family audit tool. The scope of work for the project shall be included with this agreement.

### **6.20 Execution**

The Rental or Multifamily Housing Weatherization Agreement, as appropriate, must be signed before the work begins.

The execution of rental unit/multifamily weatherization work – installation of measures – should be implemented according to the most recent edition of Vermont Weatherization Program's *Technical Policies & Procedures Manual*.

OEO will monitor work in process with the appropriate audit tool and may request justification for any work in process exceeding six months.

### **6.21 Quality Assurance**

The WAP agency must conduct a final inspection of each completed dwelling unit before reported as completed to OEO. The following tests and inspections must be performed by a qualified inspector during final inspection and documented as indicated.<sup>18</sup>

1. Review of the audit and work scope to determine that the work authorized was completed. Any changes to the work scope must be documented in the file and be justified with pictures and/or with a reasonable explanation;
2. Quality and quantity of materials installed;
3. Installation standards/work quality;
4. Blower door test to verify final air flow numbers, as allowed by Vermont's *Technical Policies & Procedures Manual*
5. Health and safety tests that were performed, along with test results;
6. Steady-state efficiency test when necessary for compliance;
7. Building Owner signature verifying completion of work;
8. All applicable in-progress inspection reports must be included as part of the building information included in the job file; and
9. Any information including but not limited to pictures, written explanations, etc. that helps to explain and justify the condition of the dwelling unit when post inspected. WAP agencies should generally maintain digital photographs of all work completed in each weatherized unit.

Once a weatherized project is reported as complete, the required final inspection indicates that all applicable work performed has been done in a workmanlike manner, including all work that may have been contracted out, such as furnace work, etc. After the weatherization work is complete, coordinate with partner programs for the final inspection and sign-off.

Performing activities such as routine maintenance, repairs, or warranty-type work after a job is closed and reported is not permitted with DOE funds. WAP agencies may use other funds to pay for the costs associated with these activities after receiving OEO approval. The only method to address "call-backs" or "re-works" where DOE funds are used to pay for the additional work, is to have these previously completed units taken out of the DOE reporting system and subtracting the associated costs from the DOE funds category. WAP agencies faced with this

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<sup>18</sup> WAP agencies are reminded that failure to post inspect every building weatherized prior to submission to OEO is a violation of Federal WAP Regulations 10 CFR Part 440 and constitutes a serious potential program finding.

situation should discuss this matter with OEO before proceeding. Refer to Section 2.21 for more information.

### **6.22 Process Flow for Multifamily Buildings (generally projects with 5 or more Units)**

Refer to Section 6.23 Process Detail showing Relevant Forms for Rental and Multifamily Buildings, for list of specific forms and their appropriate use.

#### **1. Intake**

After determining that building has NOT been previously WAPed past applicable dates:

- a. Determine **type of apartment building** and tenancy.
  - i. **Large apartment building.** Best to contact Owner before verifying Tenant income, to ascertain his/her likelihood of proceeding.
  - ii. Building **owned by nonprofit** agency. Income-eligibility is virtually assured. Housing agency may have sufficient data to satisfy income verification (HWAP only).
  - iii. **Large building or nonprofit Owner. Check HUD list**, or check with VHFA; building may be eligible without any income verification.
- b. **Acquaint Owner with WAP process.** Send appropriate introductory and pre-walkthrough forms.

#### **2. Building Eligibility**

NOTE that full verification of building eligibility is *NOT* required prior to conducting a walkthrough, or even an energy audit, if circumstances indicate the building is likely to qualify.

- a. **3E Thermal.** WAP Agency should notify 3E Thermal of all new projects with more than 5 units, even if in multiple 2-to-4-unit buildings.
- b. **Building Qualification.** Provide Owner only the forms necessary to provide services. A building may be qualified as follows:
  - i. **HUD or VHFA list.** No income-verification required. HUD list satisfies *both* DOE and HWAP requirements. VHFA is confirmed through the multifamily specialist at VHFA office (currently Kim Roy), and satisfies **ONLY** state-funded HWAP.
  - ii. **DOE: Full income-verification.** Building qualifies if 2/3 of Tenant households are income-verified (50% of 2- or 4-unit buildings). Qualifying for DOE allows WAP agency to fund project either through DOE or HWAP.

- iii. **HWAP: Income Verification method.** 25% of Tenants must apply and be verified. NOTE that 2- to 4-unit buildings can be verified eligible by verifying income for a single Tenant.
- iv. **HWAP: Rent Qualification method.** One Tenant household must be income-verified, and 50% of the building must have rent levels, including utilities, below 30% of 80% Area Median Income.
- v. **HWAP: Long-term rent-restricted.** Properties under long-term affordability covenants are qualified with a letter from the Owner and satisfactory documentation demonstrating affordability status.
- c. **Proof of Ownership.** The Owner must provide documentation confirming ownership. However, if **property transfer** is part of overall project development, final property owner may submit letter documenting ownership transfer process and schedule.
- d. **Demographics.** Demographic information for all households is required to be entered in Hancock. (Collection of demographic information is NOT required to occur prior to verifying building eligibility.)
  - i. **HUD or VHFA list job.** Even though no income information is needed, Demographics for all households is still required. WAP Agency should determine its preferred system for collecting, for example, by the Auditor at the energy audit visit, or by the Efficiency Coach during that visit.
  - ii. **HWAP-funded job.** Typically the Owner will submit a rent certification and should be asked to provide demographic (but not income) information for his/her tenants as well.
  - iii. **DOE-funded job.** Demographics are collected on each Tenant household's Weatherization Application form.
- e. **Un-Occupied Units.** If vacant units are needed to complete qualification of building under either DOE or HWAP, Owner may pledge to rent to qualifying tenants within 180 days of completion.

### 3. Initial Walkthrough

In most cases, 5+ unit projects warrant a walkthrough prior to audit. The walkthrough allows the Auditor to assess what will be needed for the audit, and also to review forms and requirements with the Owner or agent in person.

The building **does NOT have to be qualified prior to walkthrough**, if the WAP agency believes it is likely to qualify.

- a. **3E Thermal.** Notify 3E of walkthrough schedule for all projects with 5 or more units, even if in multiple 2- to 4-unit buildings.

#### 4. Eligibility Verification

- a. After receiving all documentation necessary to verify eligibility of building through one of three methods described above (2.b), Owner or WAP shall **distribute to all Tenants a notice describing WAP** services and customer rights.
- b. After verifying building eligibility and conducting initial walkthrough, WAP agency may issue a **Letter of Intent**, upon request by Owner, for purposes of securing additional funding or financing. This letter should indicate that:
  - i. Building(s) is/are eligible for WAP services;
  - ii. WAP agency intends to provide services, if funding and budget allows, when the project enters construction;
  - iii. WAP typically provides some services and may subcontract or provide reimbursement for other services; and
  - iv. WAP investment depends on final scope of work, cost-effectiveness screening, and approval by OEO.

#### 5. Audit

- a. **3E Thermal.** Coordinate with 3E Thermal, unless 3E has determined it is not participating in the project. In larger, often multi-year projects, the **audit may occur prior to verifying** building eligibility.
- b. **Other partners.** Typically one program will serve as primary contact for the Owner and design team.
  - i. **WAP-led projects** will be those where the Owner is not investing in the project beyond the minimum required to obtain WAP services.
  - ii. **3E-led projects** will be those where the Owner is making further investments that can be augmented by 3E incentives.
  - iii. **EVT-led projects.** In some cases, Efficiency Vermont may be providing services to a project that 3E is not. Any WAP services on such projects shall be coordinated with EVT.
  - iv. **Design team.** Any project with an architect or engineer requires active collaboration by the WAP agency. The design team needs to understand what services WAP will provide, and what should be included in specs and bids and what should not.
- c. **Scheduling and Notification.** Ensure that Owner understands what will be required to complete blower door test and site assessment, and that Owner is responsible for providing minimum **48-hour notice** before accessing Tenants' apartments.



- d. **Audit tool.** Modeling with approved energy audit tool, developing proposed scope of work, and estimating costs **should by default be done by WAP** multifamily auditor. 3E is available to assist with use of the BEAST audit tool on any project, even if 3E is not participating.

## 6. Determination of scope of work

- a. **WAP investment.** Review audit tool results to rank cost-effective measures and determine type and scope of WAP investment. On projects with partners such as 3E, consider including bought-down or threshold-screened measures as well, in consultation with WAP agency director.
- b. **Audit review meeting, partner-led projects.** For projects managed primarily by 3E or Efficiency Vermont, coordinate a meeting with partner, Owner, and other project participants, to review audit analysis, determine scope of work and what, if any, measures are to be bid out to others.
- c. **Audit review meeting, WAP-led projects.** For projects managed by WAP agency, schedule meeting with Owner to review audit analysis, determine scope of work and what, if any, measures are to be bid out to others.

## 7. Scope-of-work approval and commitment

- a. **OEO Approval.** Work scope on buildings with 5 units or more must be approved by OEO.
  - i. **All jobs using DOE funding must also be approved by the DOE office.**
- b. **Obtain bids.** Owner, or WAP agency, as appropriate: Obtain bids for energy retrofit measures that will not be undertaken by in-house WAP crews.
  - i. If bids are much higher than estimates used for audit screening, project will need to be re-screened and re-approved by OEO.
- c. **Letter of Commitment.** After receiving approval by OEO, WAP agency may issue a Letter of Commitment for a specific scope of work and dollar value, if requested by Owner. Typically this will occur when construction is well in the future, and/or Owner is still securing final funding and financing. Letter will indicate that WAP agency is committing to provide certain services and funding contingent on:
  - i. Availability of funding when the project enters construction; and
  - ii. Final scope of work and subcontractor bids.

*Note: WAP agency commitment should be conservative so that it is unlikely to be reduced when construction begins. Owners typically rely on a suite of funding and financing sources, and significant reduction in one source can jeopardize a project.*

## 8. WAP Agreement for Services

- a. **Finalize scope of work.** After receipt of general contractor and subcontractor bids, and determination of final specifications by Owner or architect, WAP agency will determine final services and funding. ***WAP agency should strive to maintain services and funding commitment originally offered.***
  - i. **OEO Approval.** If there are significant changes to scope of work, WAP services, or funding, re-submit for OEO approval.
- b. **Sign Agreement.** Prepare Agreement including Scope of Work to be attached to the Rental or Multifamily Weatherization Agreement, as appropriate. Obtain Owner signature prior to starting work.

## 9. Quality Assurance

- a. **Pre-Construction meeting.** WAP auditor should attend any pre-construction meetings to improve coordination and alert other contractors of overlapping areas of responsibility, such as sealing mechanical and electrical penetrations in air barriers.
- b. **Progress inspections.** Coordinate with other partner programs as needed to ensure at least one efficiency expert inspects project at critical stages. Examples: foundation insulation prior to backfill; spray foam insulation prior to covering with other insulation or finish material.
- c. **Blower-door tests.** Coordinate with partner programs and general contractor to determine schedule and responsibility for blower door tests. These should be done before air sealing areas are covered with insulation or other materials, and therefore require close coordination with general contractor and subcontractors.

## 10. Completion

- a. **Final inspection.** Upon completion of work, or of energy retrofit aspects of work, coordinate with partner programs for final inspection and sign-off.
- b. **Send Project Cost Report to 3E.** If 3E is partner on project, provide to 3E a **spreadsheet export** of the final Project Cost Report. (Actual expenses typically vary from estimated, and WAP expense as a proportion of overall project expenses affects savings that may be claimed by 3E and other programs.)
- c. **Project completion delay.** If the project is not completed within 12 months of eligibility verification or not occupied within 6 months of the completion of the WAP agency work, a project waiver is required from OEO for recertification.
- d. **Reimbursement to Building Owner.** If weatherization services include reimbursement of cost to the building owner, then the owner must submit a formal request for payment (with invoices).

### **6.23 Process Detail showing Relevant Forms for Rental and Multifamily Buildings**

#### **I. Intake staff person: Application and Qualification**

**(1)** First, check if building previously served; if so, may be ineligible depending on date.

*If building is owned by nonprofit housing agency or is believed to be rent-restricted –*

**(2)** Check if building is on HUD list; if so, building qualifies for both DOE and HWAP and income verification not required.

**(3)** If not on HUD, then check with VHFA. If VHFA, building qualifies for HWAP and income verification is not required (but IS required if WAP agency wishes to use DOE funds).

#### **(4) TENANT applies for services**

- If building is HUD or VHFA, no income verification needed.
- If not HUD or VHFA, give to the Tenant WAP client application **forms 405**
  - **405**, p.1, Application form
  - **405**, p.5, Earned Income Overview
  - **405**, p.7, Income Verification Form
  - **405**, p.6 Obtaining your Explanation of Social Security
  - **405**, p.8, Self-Employment Income Verification
  - **405**, p.4, Fuel Records Release
- After the Tenant returns these and provides the Owner's name, contact Owner to advise of Tenant's application, and send to the Owner the forms in next section.

#### **(5) OWNER applies for services, or first contact with Owner after Tenant applies**

Send ONLY appropriate forms, depending on project type and funding source. Best to walk through the set of forms with Owner or agent to minimize confusion!

NOTE: Client application (Forms **405**) is required for –

- ALL units for DOE;
- 25% of units, or ONE unit plus rent qualification of 50% of units, for HWAP
- NONE for buildings on HUD or VHFA lists.

##### **(A) 2-4 units (smaller building, or WAP only)**

- **613** WAP Requirements of Owners (WAP only, or 1-4 units)
- **617** WAP Rental Property Building Standards (energy auditor or production coordinator should review this in person or by phone with Owner)
- **620** WAP-3E Building Owner Fuel Data Authorization (if Owner-paid utilities)

##### **(B) 5+ unit (Larger building or multiple buildings, or joint project with 3E)**

- **609** WAP-3E Application Info for Owners
- **610** WAP-3E Application for Apartment Building Owners
- **615** (WAP/3E, or 5+ units) WAP-3E Requirements of Owners
- (optional, if needed) **638** WAP Agreement for Unoccupied Units
- **630** WAP-3E Rent Certification
 

NOTE that a building under long-term rent-restricted covenant can be qualified with a letter and documentation from the Owner.
- **632** WAP Multifamily Building Household Demographics
- **617** WAP Rental Property Building Standards (energy auditor or production coordinator should review this in person or by phone with Owner)
- **620** WAP-3E Building Owner Fuel Data Authorization (Owner-paid utilities)
 

NOTE: For Tenant-paid utilities, and HUD-, VHFA- or Rent-Qualified (where no WAP Client application is being obtained), a Fuel Release is needed from each Tenant paying utilities. Use p.4 of Form **405**.

## **II. Intake staff person: Application followup**

- (1) For larger or joint WAP/3E projects, send copy of **610** WAP-3E Application form to 3E Thermal and OEO (for information purposes only, not approval).
- (2) After qualifying building as eligible for WAP services, send to Owner:
  - **605** WAP Tenant Notice, for Owner to distribute to EVERY Unit

## **III. Energy Auditor / Production Coordinator: Walkthrough, or pre-Audit**

- (1) Auditor or Production Coordinator should review with Owner the process and forms, particularly **617** Rental Property Building Standards, at walkthrough site visit or energy audit site visit or in office, as appropriate.
- (2) When scheduling energy audit site visit with the Owner or agent, send to Owner:
  - **641** WAP-3E Energy Audit Site Visit Prep Checklist

## **IV. Energy Auditor: Audit**

- (1) Auditor measures building or does measurement take-offs from drawings, performs site assessment and diagnostics, and screens project using authorized audit tool (Hancock for 1-4 unit buildings; BEAST for 5+ unit buildings).
- (2) Auditor reviews WAP work scope and investment with Production Coordinator

## **V. Auditor / Production Coordinator: Audit Review Meeting**

- (1) WAP personnel coordinate with 3E and/or EVT, as appropriate, to meet with Owner and Owner's design team to review savings and cost estimates, and agree on work scope.
- (2) Auditor revises tool to reflect final work scope and cost estimates.

#### **VI. Production Coordinator / Director: OEO Approval (large projects)**

For projects with 5+ units, including multiple 2 to 4-unit buildings in single project – Upon completion of energy audit and savings and cost estimates, send to OEO:

- **661** WAP Multifamily Project Approval (5+ Units)
- Authorized building energy analysis and savings tool.

OEO will review and approve or decline WAP agency participation in project.

#### **VII. Production Coordinator / Director: Owner Agreement**

WAP Agency shall sign formal Agreement with Owner prior to starting work. Letter of Commitment shall be used for projects expected to start after end of current Program Year.

(A) 2-4 units (smaller building, or WAP only)

- **663** WAP Rental Housing Weatherization Agreement

(B) 5+ unit (After OEO approval; large or multiple buildings, or joint 3E project)

- **665** WAP Multifamily Housing Weatherization Agreement

(C) Any project starting after current PY (5+ requires OEO approval)

- **656** SAMPLE WAP Agency's Letter of Commitment, *contingent on funding*

#### **VIII. Quality Control Inspector**

- **670** WAP-3E Multifamily Quality Control Inspection: May substitute Hancock inspection form if preferred.

#### **IX. Other forms**

- **651** SAMPLE Owner's Notification to Tenant: Provide to Owner if he/she requests a format for notifying the Tenants prior to Audit visit.
- **654** SAMPLE WAP Agency's Letter of Intent: Provide to Owner if written confirmation of eligibility is requested. Does NOT commit specific funding.
- **658** SAMPLE Owner's Request for Payment: Provide to Owner if WAP agency is making cash contribution. Form includes required certification language.
- **675** WAP Multifamily Building Project Waiver: OEO signoff required if Completion or Occupancy timing exceeds allowable deadlines.

#### **X. Required Forms in completed job file**

- ☐ **Building Qualification Documentation**
  - HUD List: Cite List number and eligible number of units (66% of 100%); *OR*
  - VHFA List: confirmation from VHFA (currently Sam Falzone); *OR*
  - Client applications, Rent qualification, Documentation from Owner, etc.
- ☐ **405** WAP (Client) Application (*DOE min 66% of Households; HWAP min ONE*)
- ☐ **610** WAP-3E Owner Application, *if initiated by Owner, or joint WAP-3E, or 5+ unit project*
- ☐ **630** WAP-3E Rent Certification (*HWAP only, for 5+ buildings w/ ONE client appl*)
- ☐ **638** WAP Agreement for Unoccupied Units, *if needed to qualify building*
- ☐ **613 or 615** Requirements of Apartment Building Owners & Permission to Enter Premises
  - 613 for WAP-only, *4 or fewer units; OR*
  - 615 for joint WAP-3E projects, *5+ unit projects in single or multiple buildings*
- ☐ **617** Rental Property Building Standards, *signed by Owner*
- ☐ **620** Building Owner Fuel & Electrical Release, *unless all utilities are Tenant-paid*
- ☐ **Proof of Ownership** documentation
- ☐ **632** Multifamily Building Demographics, or Owner data, for Tenants without form 405  
(**633** Demographics WORKSHEET is an optional spreadsheet to collate data for Hancock.)
- ☐ **Energy Audit**
  - *For each building 4 units or fewer:*
    - **Hancock** energy audit tool
    - **RED** tool
    - **CAZ** test documentation, if appropriate
  - *For each building 5 units or more:*
    - 3E **BEAST** tool or approved alternate
- ☐ **661** OEO Multifamily Project Approval (*5+ unit projects, in single building or multiple*)
- ☐ **663 or 665** Weatherization Agreement
  - **663** for WAP-only projects, *generally 4 or fewer units; OR*
  - **665** for joint WAP-3E projects, *generally 5+ units, including multiple 'small' buildings if total units are 5 or more*
- ☐ **Inspection form**
  - **670** WAP - 3E Thermal Multifamily Inspection form, *OR*
  - Hancock Quality Control form

- ☐ **658** Owner Request for Payment, *if WAP provides cash contribution (or similar format on Owner's letterhead with required certification language), with contractor invoices for work being paid for by WAP*
- ☐ **675** Multifamily Project Waiver, *if Completion or Occupancy time limits are exceeded*

Items required in every WAP file, such as:

- ☐ **Photo** documentation
- ☐ Efficiency Vermont **LEEP** forms
- ☐ **Lead** hazard forms, *as applicable*
- ☐ **Hazard Assessment & Deferral** form, *as applicable*
- ☐ **Mold & Moisture** form, *as applicable*
- ☐ \_\_\_\_\_
- ☐ \_\_\_\_\_

# XI. DIRECTORY OF FORMS

## OEO HWAP list of Multifamily forms

update 11/04/2016

STAGE OF PROCESS		--- TYPE OF PROJECT ---					Send or Give Form To ---																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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