
Accessing the National Weatherization Assistance Program (WAP) in NYC

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for the

ENTERPRISE COMMUNITY PARTNERS WEBINAR



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Overview of Today's Presentation

- Background on WAP – National, State, Local
- Key Program Elements of Multifamily WAP
 - Building and Measure Eligibility
 - Building owner obligations
 - Tenant protections
 - Other...
- 10 Steps in the WAP process: Timeline
- TIPS for Enterprise Community Partners
- Other Issues in light of ARRA

What is AEA?

1. A not-for-profit membership organization of weatherization CBOs
2. A DOE-recognized Weatherization Training Center and DHCR funded technical services provider of energy audits, specifications and other technical services to the WAP network
3. A BPI Affiliate and CEEBS Learning Center providing training for all BPI certifications and proctoring of BPI written and field tests.
4. An energy efficiency policy advocate active in Federal, State and City policy arenas representing community-based, low-income and multifamily perspectives
5. An implementer of WAP, NYSERDA, and utility energy efficiency programs over the past 16 years in NY.



What is WAP?

1. Federal program first authorized in 1976, governed by federal statute and regulations of the US Department of Energy, with annual appropriations to States by formula.
2. In NYS, administered by NYS Division of Housing & Community Renewal (DHCR) through its Energy Services Division according to the Federal rules and the NYS WAP Policies and Procedures Manual (PPM)
3. DHCR is required to submit an annual State Plan for administering the program to USDOE for approval.
4. A share of Federal HEAP funds in NY go to DHCR for WAP (HEAP funds traditionally about 60% of total WAP)
5. Funds allocated to local subgrantees (per Federal rules, preference to Community Action Agencies) by formula based upon each area's share of the State's low income population and heating & cooling degree days.



Who carries out WAP locally?

1. A local subgrantee network serves all counties in NYS, typical one per county.
2. 18 Local subgrantee agencies serve the Southern Region (NYC, Long Island, Westchester and Rockland, 15 of these in the 5 boroughs of NYC).
3. Each agency serves a specified geographic service territory consistent with its funding allocation which is based upon that area's share of the state's income eligible population.

(see attached list of subgrantees by borough)



DHCR Field Oversight

1. DHCR Policies and Procedures Manual (PPM) governs program in NY
2. DHCR Field monitoring staff regularly oversee program on regional basis
3. Pauline Morgan, Regional Field Supervisor and Program Field Staff
4. DHCR ESB Fiscal Field staff assigned to each subgrantee provide oversight.



What Housing is eligible for WAP?

1. Small Homes (1-4 units) & Multifamily Building (5+ units) (in NYC about 80% of units served in MF buildings).
2. At least 50% of households must be income eligible, i.e, 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 not eligible for weatherization.



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”



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)



MF WAP Owner Agreement

1. Outlines obligations of each party and is executed with signature of an authorized official from Building Owner/Management Company.
2. Must be accompanied by the initial Owner Investment check (or regulatory approval if access to reserves/funds requires such 3rd party signoff).
3. Lists types of measures to be installed with estimated costs and owner's share, WAP share and leveraged funds committed.
4. Includes benefits such as eligibility for J-51 tax abatements in NYC
5. Provides tenant protections prohibiting MCI rent increases for weatherization improvements and provision that apartments be rented to income eligible households for a specified period of time
6. Specifies the subgrantee's Construction Management fees of not more than 10% of the owner share of the work



Owner Investment in the Project

1. Owner Investment funds are obtained upfront 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.



Tenant Protection Tools Supporting WAP in Low-Income Communities

1. Tenant Synopsis of Owner Agreement—written notice informing tenants of their rights as third party beneficiaries, and recourse if landlord violates tenant protections in Owner’s Agreement.
2. “No Major Capital Improvement (MCI)” rent increase provision is key policy to low-income housing advocates in WAP.



Moving through the WAP Pipeline

1. Movement of a building through the WAP pipeline is highly dependent upon 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.



Steps in the WAP Process

Taking a building through the WAP Process: The Steps

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



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Step 3: Agency collects **client applications** and income documentation for households to confirm 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.**



NYS WAP Income Guidelines: Contrast with HUD AMI

Weatherization Income Limits compared with selected 2008 HUD adjusted income limits for NYS metro and non-metro areas

HH Size	WAP 2008 60% of State Median	HUD 2008 Albany metro 50% AMI	HUD 2008 Buffalo metro 60% AMI	HUD 2008 New York City 50% AMI	HUD 2008 New York City 60% AMI	HUD 2008 Syracuse metro 80% AMI	HUD 2008 NYS rural 50% AMI	HUD 2008 NYS rural 80% AMI
1	\$23,556	\$24,700	\$25,560	\$26,900	\$32,280	\$34,150	\$18,450	\$29,500
2	\$30,804	\$28,250	\$29,220	\$30,700	\$36,840	\$39,050	\$21,100	\$33,700
3	\$38,064	\$31,750	\$32,880	\$34,550	\$41,460	\$43,900	\$23,700	\$37,950
4	\$45,312	\$35,300	\$36,450	\$38,400	\$46,080	\$48,800	\$26,350	\$42,150
5	\$52,560	\$38,100	\$39,480	\$41,450	\$49,470	\$52,700	\$28,450	\$45,500
6	\$59,808	\$40,950	\$42,360	\$44,550	\$53,460	\$56,600	\$30,550	\$48,900
7	\$61,164	\$43,750	\$45,300	\$47,600	\$57,120	\$60,500	\$32,650	\$52,250
8	\$62,520	\$46,600	\$48,240	\$50,700	\$60,840	\$64,400	\$34,800	\$55,650
9	\$63,888	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10	\$65,244	n/a	n/a	n/a	n/a	n/a	n/a	n/a
11	\$69,600	n/a	n/a	n/a	n/a	n/a	n/a	n/a

NYS WAP Income Eligibility by Household Size: Oct 2008

Listed below are the new guidelines as of October 1, 2008:

Household Size	(2008-2009) Monthly	(2008-2009) Annual
1	\$ 1,963	\$23,556
2	\$ 2,567	\$30,804
3	\$3,172	\$38,064
4	\$ 3,776	\$45,312
5	\$4,380	\$52,560
6	\$4,984	\$59,808
7	\$5,097	\$61,164
8	\$5,210	\$62,520
9	\$5,324	\$63,888
10	\$5,437	\$65,244
11	\$5,800	\$69,600
11+	+450	

4. Energy Audit Process

- 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 the local agency weatherization director, the property manager or other representative of the building owner, and the building superintendent, to interview key persons, observe operations and conduct diagnostic tests, including combustion safety tests, and to identify operations and maintenance 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.



5. Developing the WAP Workslope

- Using EA-QUIP, energy auditor runs the calculation engine on the modeled building to produce a series of reports that identify the Saving to Investment Ratios (SIRs) 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)

WAP Measures in MFBs

- 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)

6. Executing the WAP Owners Agreement and Scope of Work

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. without adequate justification
2. DOE funding for EACH measure must meet SIR of 1.0 standard (Owner can reduce the cost to WAP of an expensive measure such as a high efficiency, condensing boiler, thus bringing it up to a 1.0 SIR for the DOE funds.)
3. Development of an estimated ABWS (Apartment Building Work Scope Summary) [form attached] specifies by measure the relative cost to the owner, WAP and this estimate is attached or summarized as part of the Owners Agreement
4. Owner signs Owners Agreement and provides a check for the owner investment share confirming commitment to proceed

7. Owners 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 agency pays subcontractors directly from both the WAP account and the Owner’s account per the terms of the scope of work identified in 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)

8. Selection of Subcontractors to Complete the Measure installation

- Subgrantees must follow Federal and State procurement requirements specified in the WAP Policies and Procedures Manual
- 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).

Heating System Upgrade or Replacement Specifications

- AEA's Energy Engineers develop heating specifications for use by subgrantee in conducting a bid process
- Heating contractors must annually complete the requirements of the "Clean Boiler Program" administered by AEA to be eligible to bid.
- Pre-bid conferences and sealed bids to subgrantee are standard.
- Owners Agreement amounts may be revised, if needed, to reflect prices in final selected winning bid
- During construction, "change orders" are required if there are significant changes to any component or in the cost of work.
- Construction/project management and field inspections conducted by qualified subgrantee staff (who have completed the Clean Boiler Field Inspector training provided by AEA).

9. Construction Oversight/ Project Management of WAP Project Work

- WAP subgrantee is responsible for overseeing the procurement process, developing subcontractor agreements for installation of each measure, and 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

Owner Credit for Recent Work

- Weatherization eligible work that is 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

Leveraging other Funds with WAP

- National Grid Low Income Gas Efficiency Program (in Brooklyn, Staten Island, Long Island and parts of Queens)
 - For multifamily buildings that provide heat or hot water with firm natural gas.
 - For energy efficiency measures that reduce amount of natural gas used for heating or domestic hot water in the building.
- For buildings 100 units or less, the NYSERDA EmPower program, for in-unit electric baseload reduction measures or Con Ed Gas Efficiency Program funds for firm gas buildings.
- For buildings with 101+ units, particularly for oil heated or interruptible gas buildings, the NYSERDA Multifamily Performance Program may provide additional incentives for the owner.
- AEA can assist the owner and subgrantee to access these funds.

10. Completion of Work within Contract Year (typically March 31st)

- 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.

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

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, eg, 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

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

Attachments: WAP Forms, etc.

- Multifamily building application
- Energy Information & Permission to Enter Forms
- WAP Client Application (income documentation)
- Income eligibility guidelines from PPM
- Multifamily Owner Agreement
- Tenant Synopsis of the Owner Agreement
- Apartment Bldg Work Scope Summary (ABWS)
- Sample Scope of Work
- List of WAP subgrantees downstate NY

Tips for ENTERPRISE PARTNERS

1. Review income eligibility status of portfolio of buildings
2. Prioritize buildings based on heating energy usage per unit, heating complaints, downtime or repair bills, or other factors.
3. Identify building reserves and other resources available to provide owner investment for potential weatherization project.
4. Provide WAP subgrantee with initial investment demonstrating serious commitment to proceed with work.
5. If needed, assemble financial information justifying request for waiver reducing the required share of owner investment.
6. Provide timely access to building roof, mechanical rooms and sample apartments for energy audit-related site visits.
7. Ensure building superintendent and property management decision-makers accompany energy engineer on site visit to provide information and for education value regarding auditor's field observations of current operations and conditions.

Other Issues (if time)

1. Weatherization Requirements in the Recovery Act/Stimulus Package: Uncertain Impact of Davis Bacon requirement
2. Legislative and program rule changes being proposed by national advocates: Alignment with HUD 80% of Area Median Income guidelines
3. Coordinating WAP with NYSERDA and National Grid programs will continue in NYC despite increase in average cost per unit with WAP.



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WAP Subgrantee Annual Production Requirements

- Each WAP subgrantee is responsible for
 - completing a minimum specified number of units each program year (April 1 –March 31),
 - for spending no more (or less) than the allocation received that year for units, and for
 - ensuring that all Federal and State rules, regulations, policies and procedures are followed.
- Only funds spent on buildings “certified” by DHCR field monitors will be reimbursed by the State.
- Failure to comply with PPM standards bears high risk to local agencies. Quality control in all aspects of WAP contract management is critically important.



Proposed Scope of Work - WAP

Sample

Proposed Retrofit		Retrofit Cost	Projected 1st Year Monetary Savings	S.I.R.
Health and Safety and Immediately Hazardous Conditions				
1	Install CO and smoke detectors in boiler room and apartments	\$5,400.00	N/A	N/A
2	Repair burner, increase boiler room ventilation, and clean boiler fire tubes to reduce high CO and Smoke readings.	\$3,000.00	N/A	N/A
H&S SUBTOTAL		\$8,400.00	\$0.00	
Most Cost Effective Measures				
3	Install low-flow showerheads and aerators	\$1,350.00	\$901.93	8.0
4	Install 2" fiberglass insulation for heating pipes in basement	\$500.00	\$272.08	6.5
5	Install Boiler Management System to increase efficiency and reduce overheating	\$20,000.00	\$10,207.05	6.1
6	Upgrade and replace common area lighting	\$21,381.00	\$9,136.89	5.1
7	Repair or replace DHW mixing valve	\$4,000.00	\$1,420.28	4.2
8	Replace apartment windows with new double hung double pane Low-E Argon filled windows	\$68,687.40	\$10,567.30	1.8
9	Insulate roof cavity with 12" blown-in loose cellulose	\$18,894.00	\$2,835.53	1.8
10	Replace and upgrade apartment lighting	\$27,358.00	\$5,342.48	1.3
11	Replace inefficient refrigerators with new Energy Star models	\$14,850.00	\$1,124.00	1.1
MCEM SUBTOTAL		\$177,020.40	\$40,905.61	
Operation and Maintenance				
12	Weather-strip the bulkhead door	\$375.00	N/A	N/A
13	Distribution system upgrade. Repair and replace valves and vents as necessary	\$5,400.00	N/A	N/A
14	Vacuum all apartment vent registers and main ventilation trunks	\$2,160.00	N/A	N/A
15	Weather-strip CA windows	\$1,450.00	N/A	N/A
O & M SUBTOTAL		\$9,385.00	\$0.00	
GRAND TOTAL		\$194,805.40	\$40,905.61	

Issues for Program Expansion in NYC

1. Highly regulated, monitored and technical nature of work is well understood by leaders of existing network of experienced local WAP provider CBOs.
2. Outreach and Income documentation of households to confirm building meets program eligibility standards is rigorous, highly labor intensive, often causing delays in starting the WAP process.
3. Increased priority likely for buildings that are publicly assisted with updated income information on site
4. DOE cost-effectiveness standards and climate change goals means screening buildings to identify high energy users is key to achieving energy savings goals



Workforce Development Opportunities

1. Increased ARRA funds will mean new jobs from entry level, middle and advanced in WAP network of agencies and subcontractors.
2. These jobs will require various types of qualifications, but all will require both upfront and on-the-job training to perform the required work and meet quality standards to achieve energy savings in buildings
3. Expansion in numbers of subcontractors and # of their employees, including entry level helpers, creates new business and job opportunities – including for residents of the buildings where we will be doing weatherization.

