

Multifamily Weatherization

Frequently Asked Questions

1. How do Grantees define a multifamily building?

It depends. There is not one all-encompassing definition for multifamily buildings and how they are addressed within WAP. There are nuances related to multifamily eligibility, multifamily auditing, and multifamily reporting that each carry their own definitions.

- **Eligibility:** In order to be eligible for WAP funding, one of the following must be true:
 - At least 50% of the residential units are income qualified in a building that contains only 2 - 4 dwelling units.
 - At least 66% of the residential units in a building that contains five or more dwelling units must income qualify.
 - At least 50% of the residential units are income qualified in the building because it meets the “certain eligible types of large multifamily buildings” as discussed in WPN 16-X.
- **Auditing Tools:** The tools and protocols necessary when addressing multifamily buildings depends on the building.
 - The characteristics of multifamily buildings with 2-4 units align with single family auditing tools and protocols. Energy audit approvals that are renewed every five years include this provision and no further auditing approval is required when dealing with this multifamily building type.
 - Certain buildings with 5-24 units with specific characteristics can be adequately addressed using certain single family auditing tools, however, using an approved single-family tool on multifamily housing stock is still subject to DOE review prior to project commencement. Grantees must submit multifamily auditing protocols and/or project details on a case-by-case basis for DOE’s review and approval prior to starting work. Grantees may go through the review process to receive an audit waiver for small (5-24) multifamily buildings from DOE.
 - Buildings with 25 or more units must be audited using audit tools and protocols specific to this housing. All buildings with 25 or more units require prior DOE approval on a case-by-case basis before commencing work unless the Grantee has gone through the audit approval process and received an audit waiver for large (25+) multifamily buildings from DOE.
- **Reporting:** For reporting, DOE characterizes multifamily buildings as any building that contains two or more dwelling units wherein the units can’t be isolated from one another. As such, all units within a building containing two or more units, regardless of eligibility, are reported as completed multifamily units with each unit counted separately.

Multifamily Energy Audits

1. Are row houses considered single-family?

Row house buildings where there is a complete separation between units of building thermal barrier, air pressure boundary, and mechanical systems, each unit can be considered a single family building and would need to be deemed eligible, audited and reported as such. However, if the row house building does not have the separation of systems, this building would need to adhere to eligibility criteria for multifamily buildings. The building may still be audited with a single family tool (provided it is less than 5 units) but, these units would not be reported as single family because the entire row house building would need to be weatherized. In this case, a row house building in which all units are weatherized will be reported a multifamily building.

2. Can individual units qualify for weatherization or does the whole building need to be weatherized?

DOE believes weatherizing individual unit(s) in a building is marginal relative to the weatherizing the whole building and creates additional challenges in tracking, re-weatherization, etc. However, DOE recognizes there are instances where weatherizing individual units may be taken into consideration and does not prohibit weatherizing individual dwelling unit(s) in a qualified multifamily building on a case-by-case basis in consultation with the DOE PO in instances where the following conditions are met:

- The unit is self-contained, without sharing an attic or basement with adjacent units, and has its own individual heating and cooling systems,
- The unit has been audited with a current, approved energy audit tool and protocol that is able to adequately address a single unit within a larger structure, and
- The scope of work is specific to allowable measures within the eligible unit(s).

a) How do you determine the eligibility of a vacant unit?

If the whole building qualifies for WAP, the vacant units should receive WAP services per the energy audit. The unit may also be counted as eligible if it will become income-eligible within 180 days under a federal, State or local government program for rehabilitating the building or making similar improvements to the building (CFR 440.22(b)(2)(ii)). In the event a vacant unit is counted as an eligible unit but is then occupied by an ineligible family, the project becomes disallowed if the minimum eligibility requirements for the building as a whole, set forth in 10 CFR 440.22, are not met.

In all cases, proper documentation in the file is essential. If the building is on the HUD/DOE eligible list, follow the detailed instructions in the Multifamily Guidance.

3. How do you calculate income for low-income landlords that apply for weatherization assistance?

Landlord income is calculated like any other tenant in the building.

4. Can unattached common areas be weatherized?

No, per 10 CFR 440.22(b), "A Subgrantee may weatherize a building containing rental dwelling units". Common areas (like vestibules, mechanical rooms, kitchens and laundries, for the use of tenants only) that are within the building thermal envelope of the qualified residential building may be weatherized as part of the whole building as a system approach to weatherization. Common areas in buildings having a separate envelope not thermally connected to the qualified building, even if existing only for the use of the tenants of the qualified building, may not receive services paid with WAP funding.

5. How many individual units of a multifamily building must be visited during an audit/assessment?

All units in 2 to 5-unit buildings must be assessed. In buildings with 6 or more units at least 10% of all units in the building, with no fewer than three units of each floor plan, and not fewer than five units total, must be visited for a complete energy audit during the pre-weatherization building assessment. In addition, at some point during each project, all units must have a documented inspection for possible health and safety concerns, including diagnostics if appropriate, followed by work orders for correction.

NOTE: ALL units with a combustion appliance present must receive pre- and post- health and safety diagnostics testing.

6. How many individual units of a multifamily building must be visited during the final inspection?

All individual units in which weatherization improvements were performed must be visited during final inspection, including all common areas in buildings where weatherization improvements were performed.

7. When should a blower door be used in multifamily weatherization?

Unless the auditor/inspector has knowledge of procedures for a whole-(large) building blower door test, which requires specialized skill and equipment, any blower door testing in a multifamily building will be of individual units. Blower door testing of individual units provides only a qualitative indication, not a quantitative measurement, of air leakage. Still, it is a valuable test to perform selectively because it will show the leakage points in the outside envelope as well as the leakage points between adjacent units. Both are important to identify because envelope leakage affects energy efficiency (and comfort) and unit-to-unit leakage affects comfort – maximizing temperature control in the unit and minimizing odors and noise from adjacent units.

a) What percentage of multifamily units should have the blower door test?

For smaller (3-stories and less) buildings it is recommended to test approximately 10% (or 3 minimum) of the units within each set of units with a similar floor plan. If that sample shows widely different (15%) leakage rates or different leakage points, additional units should be tested until the auditor is satisfied there is a good assessment of location of air leaks and can specify

how the unit can be effectively air sealed. For larger buildings a more subjective approach can be taken with the goal of determining where significant air leakage points are located and how the unit can be effectively air sealed.

8. What Health and Safety diagnostics testing (CAZ, CO, draft, combustion efficiency, gas leakage) is required in multifamily buildings/units?

Health and Safety testing is required in all units and common areas: “Combustion safety testing is required when combustion appliances are present. Inspect venting of combustion appliances and confirm adequate clearances. Test naturally drafting appliances for draft and spillage under worst case conditions before and after air tightening. Inspect cooking burners for operability and flame quality.” (WPN 11-6) This includes pre- and post-weatherization gas leakage, ambient CO, combustion appliance (cook stoves, etc.) CO testing and worst case CAZ testing. Results must be documented in the project file.

9. When can multifamily buildings use a single-family priority list and when do you have to have a multifamily specific list?

Per Audit Approval Guidance (WPN 13-6), priority lists are developed for similar dwelling units that do not have unusual energy-consuming characteristics. As such, priority lists are developed by conducting site-specific energy audits of a representative subset of these dwelling units.

Since multifamily buildings differ widely in size and building characteristics it is very difficult to develop a priority list that can be generally applied to multifamily buildings. DOE has approved priority lists for very specific types of multifamily buildings, e.g., 2-story, uninsulated, garden style apartments with individual electrically heated units.

Grantees should consult with their DOE Project Officer to determine whether certain projects are appropriate to address using an approved single-family priority list.

10. What does a Subgrantee submit to have a project pre-approved if the Grantee has no approved multifamily audit?

The Subgrantee must perform an audit using an audit tool approved by DOE for WAP. After verifying the audit results, the Grantee must submit to DOE for its review, on behalf of the Subgrantee, the electronic file of that audit (or a hard copy of the entire audit), the proposed statement of work including costs, estimated first year savings, Savings to Investment Ratio (SIRs) and cumulative SIR; a narrative description of the existing project, building envelope, building mechanical equipment and associated facilities and the proposed improvements; the building assessment including photos and dimensions and the complete building audit

a) When does the Grantee submit an audit and procedures for a multifamily building to the DOE Project Officer?

Where multifamily dwelling units (buildings with 5 or more units) represent more than 20% of a Grantee’s annual production, DOE requires the Grantee to submit multifamily audit procedures for DOE approval in accordance with existing (currently WPN 13-5) energy audit approval

guidance. However, because of normal staff turnover and the infrequent weatherization of multifamily buildings by most Grantees DOE may choose to review individual building audits as part of Grantee monitoring, even if an approval is in place. This oversight ensures the protocols are being followed consistently, regardless of staff performing the audits.

If the Grantee is below the 20% threshold and does not have DOE-approved multifamily audit and procedures, but will weatherize multifamily buildings as part of the Grantee's production plan, each project must first be approved by DOE on a case by case basis.

b) Are duplexes to quadplexes counted as part of the 20% or do they in any way count toward multifamily production?

Beginning in PY 2016, these units will be included in the multifamily buildings category for reporting and those units will count toward multifamily production going forward. However, the 20% threshold that triggers the need for a multifamily auditing tool and accompanying procedures applies to the percentage of units in buildings with 5 or greater units.

Building Type Eligibility

1. What are non-traditional (buildings without separate individual living units) multifamily buildings and do they qualify for WAP?

Eligible buildings: Qualifying residential buildings and shelters “*whose principal purpose is to house on a temporary basis individuals who may or may not be related to one another and who are not living in nursing homes, prisons, or similar institutional care facilities,*” meet the WAP definition of a shelter. To determine how many dwelling units exist in a shelter, each floor may be counted as a dwelling unit or divide the overall square footage of the building by 800 sf for the number of units to be reported as completions. Important definitions in determining group home eligibility are: family unit, dwelling unit, separate living quarters, and shelter. *See* 10 CFR 440.3

Ineligible buildings: Commercial, non-qualifying institutions and non-qualifying religious buildings. These include caretaker housing (e.g., housemother in college dormitories, live-in household at a business such as a bed-and-breakfast), nursing homes, religious housing (e.g., convents, monasteries, nunneries, parsonages) and mixed-use spaces (church basement used for gym during the week but shelter on the weekend).

Mixed residential/commercial buildings: Qualifying residential buildings containing storefronts or other commercial business spaces may be weatherized using WAP funding, however, WAP funding may only be used for the residential portion of the building. If a whole-building audit on a building with a centralized or otherwise residence/commercial shared HVAC unit recommends alterations or replacement of the HVAC system then the commercial owner(s) would have to pay their share of that energy conservation measure (ECM) proportional to the percentage of energy used by the commercial establishment(s).

2. What are the rental weatherization planning requirements for the Grantee?

These requirements are detailed in the Annual Application Instructions, Section V.1.2. Approach to Determining Building Eligibility of the Grantee State Plan.

Before weatherization of rental units, Grantees are required by DOE regulations (10 CFR 440.22(b)(3)) to establish at minimum procedures for dwellings which consist of a rental unit or rental units to ensure at least that:

- The benefits of WAP improvements accrue primarily to the low-income tenants.
- The rent will not be raised within a reasonable time period after weatherization work has been completed (Grantee or Subgrantee defined and justified) unless it is clearly shown that any rent increase is not related to the weatherization work in any way.
- The Grantee has procedures in place to enforce the time period limits before there can be a rent increase.
- The weatherization work will not increase the value of the rental units to an undue or excessive amount.

Administration

1. Are multifamily units eligible for the maximum amount of WAP funding?

Yes, multifamily units qualify the same as single-family units according to the average per unit allowed by the Grantee.

2. What other considerations may Grantees want to consider in designing their buy-down provisions and practices?

To encourage both greater leveraging as well as mitigate the risk associated with the marginal nature of an SIR of 1.0, Grantees may want to consider establishing a higher threshold SIR for buy-down efforts of 1.25, 1.5 or even 2.0. Such consideration upfront reduces risk that may arise from cost overruns, change orders and other unforeseen complicating circumstances to assure final SIRs of 1.0 or greater based on total actual installed costs for individual measures as well as the package of measures.

3. Do Grantees report only the eligible units weatherized in their completed units or all units weatherized, regardless of eligibility?

All units completed in an eligible multifamily building are reported, regardless of occupant income eligibility. For example, in a 100-unit building with 66 eligible units, if all 100 units would be weatherized then all 100 units must receive a final completion inspection. All 100 units would be reported as completions. Demographics must be reported from all 100 units counted as completions (vacant units would have all zeros, over-income units should have application filed showing demographics and documentation in the file that they are over income).

4. Must a minimum investment be made in a rental unit to count it as a completed unit?

The WAP regulations and DOE policy do not require a minimum investment per unit. DOE does require that for a unit to be counted as a completion an ECM must have been installed. An ECM in a common area or a common system ECM (e.g. HVAC, domestic hot water) indirectly affecting a unit, qualifies the unit to count as a completion even if another ECM is not installed within the unit.

5. Can Grantees employ a Grantee renter's coordinator?

Grantees wanting to employ a statewide renter's coordinator have two funding options. A coordinator position could be financed with program administrative funds. A second option is to use Training and Technical Assistance funds to employ a coordinator responsible for providing technical assistance to Subgrantees.

6. How are unattached common areas reported?

Common areas not within the qualified building are not eligible for weatherization with DOE WAP funding.

7. What are legitimate program operations costs for multifamily buildings?

Legitimate program operations costs for Subgrantees include all costs necessary to prepare the audit and do the work, including but not limited to: audit software costs; building assessment, including professional engineers to evaluate the existing HVAC; building audits; in-progress work oversight; final inspections; and any necessary building permits.

8. How are incurred audit/evaluation/engineering costs charged by Subgrantees from projects that "flunked and were never approved or initiated"?

These costs are allowed to be averaged into program operations costs over the total completions within the grant period.

9. For home financing agencies, are closing costs associated with the weatherization project allowable expenses as HFAs tend to use mortgage agreements as their contractual tool?

No.