

MULTIFAMILY WEATHERIZATION - FREQUENTLY ASKED QUESTIONS

Table of Contents

Definitions.....2

Multifamily Energy Audits.....4

Building Type Eligibility9

Administration10

Definitions

Q. How should Grantees define a multifamily building?

- A. In WAP a multifamily building is any residential building containing two or more units. 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. Generally speaking, the common types of multifamily buildings are as follows:
- Residential buildings with 25+ units or are more than three stories are usually referred to as large multifamily buildings.
 - Residential buildings with 5-24 units that are 3-stories or fewer are usually referred to as small multifamily or low-rise multifamily buildings.
 - Multi-unit buildings with fewer than 5 units are usually referred to as 2-4 unit buildings.

Q. Which multifamily buildings are eligible for WAP funding?

- A. 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 the Multifamily Weatherization Program Notice, currently [WPN 22-12](#).

Q. Which auditing tools and protocols necessary when addressing multifamily buildings?

- A. 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 (outlined in [WPN 19-4](#)) 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 building type. 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.

Q. How are completions of multifamily buildings reported?

- A. For reporting, DOE characterizes multifamily buildings as any building that contains two or more dwelling units wherein the units cannot be isolated from one another. DOE has adjusted the reporting mechanism to allow Grantees, beginning in PY 2017 to report 2-4 units and 5+ units in two separate columns. All units within a building containing two or more units, are reported as completed multifamily units with each unit counted separately within the designated category.

Multifamily Energy Audits

Q. When does the Grantee submit an audit and audit procedures for a multifamily building to the DOE PO?

- A. 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 19-4](#)) 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 approved audit 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 a 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.

Q. When can multifamily buildings use a single-family priority list and when must you have a multifamily specific list?

- A. Per Audit Approval Guidance ([WPN 19-4](#)), 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 PO to determine whether certain projects are appropriate to address using an approved single-family priority list.

Q. Does DOE allow Weatherization providers to use pre-approved multifamily priority Lists?

- A. Yes. [WPN 22-8](#), Streamlining the Energy Audit Process, provides Weatherization Assistance Program Grantees with the option to use regional priority lists for low-rise multifamily projects to facilitate greater impacts and reduce administrative burden.

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

- A. 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 Ratios (SIRs) and cumulative SIR; a narrative description of the existing project, defined building envelope, building mechanical equipment and associated facilities and the proposed improvements; and the building assessment including photos and dimensions and the complete building audit. If the Grantee wishes to be approved to use a DOE regional priority list, refer to [WPN 22- 8](#) for submittal requirements.

Q. Are row houses considered single-family?

- A. Individual units in row houses and townhomes may be treated as single-family dwellings if they have independent mechanical systems and are attached by vertical walls that contain a continuous pressure boundary (i.e., fire-rated assembly) that is not penetrated from the foundation to the highest point of conditioned space, and need to be deemed eligible, audited and reported as such. There may be situations where minimal penetrations can be sealed through energy efficiency measures with an ECM of 1 or greater to establish the pressure boundary. In these cases, the unit may be treated as a single-family dwelling.

However, if the row house unit does not have the separation of systems or has extensive penetrations in the shared pressure boundary, 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 as a multifamily building.

NOTE: DOE's definitions for row houses are strictly for the purpose of auditing a building and does not alter or supersede existing state or local definitions that impact taxation, land use, etc.

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

A. DOE believes weatherizing individual unit(s) in a building is marginally effective relative to weatherizing the whole building and creates additional challenges in tracking, re-weatherization, etc. However, DOE recognizes that 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 Project Officer (PO) in instances where the following conditions are met:

- i) The unit is self-contained, without sharing an attic or basement with adjacent units, and has its own individual heating and cooling systems,
 - ii) 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
 - iii) The scope of work is specific to allowable measures within the eligible unit(s).
- When weatherizing individual units in a multifamily building, the health and safety conditions of the whole building or adjacent units shall be considered to ensure neighboring units do not negatively impact the health and safety of the weatherized unit(s) and the weatherized unit(s) will not negatively impact the health and safety of neighboring units. If such negative effects will occur then some health and safety or incidental work to neighboring units (with their permission) can be funded by WAP. If such necessary work cannot be addressed, the unit would need to be deferred.

Q. How do you determine the eligibility of a vacant unit?

A. 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 or USDA eligible lists, follow the detailed instructions in Expansion of Client Eligibility, currently [WPN 22-5](#).

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

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

Q. Can unattached common areas be weatherized?

- A. 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

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

- A. All units in 2 to 4-unit buildings must be assessed. In buildings with 5 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.

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

- A. 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.

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

- A. 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. Effective air sealing between units maximizes temperature control in the unit and minimizes odors and noise from adjacent units.

Q. What percentage of multifamily units should have the blower door test?

- A. 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.

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

- A. Health and Safety testing is required in all units and common areas as described in current WAP Health and Safety (H&S) Guidance and ASHRAE 62.2. This includes pre- and post- weatherization gas leakage, ambient CO, combustion appliance CO testing and worst case CAZ testing. Results must be documented in the project file.

While every unit must be tested, the Grantee may choose, at their discretion, to require other funds to support the testing cost for units that are not income-eligible but qualify for service because of building eligibility guidelines.

Building Type Eligibility

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

- A. **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 buildings.

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).

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

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

Before weatherizing 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 that:

- i) The benefits of WAP improvements accrue primarily to the low-income tenants.
- ii) 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 in any way to the weatherization work.
- iii) The Grantee has procedures in place to enforce the time period limits before there can be a rent increase.
- iv) The weatherization work will not increase the value of the rental units to an undue or excessive amount.

Administration

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

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

Q. Is a client file required for each household in a multifamily building?

- A. Documentation may be stored in multiple client files for each unit or in one file for the entire building. If using a single job or building file, it must contain the household demographics information required for reporting, income eligibility verification, the landlord agreement, and all other required documentation (e.g., accrual of benefits, combustion safety testing and audit data collection, work order, unit specific measures and expenditures, signed QCI form, etc.). Client or job files can be stored in paper and/or electronic format.

Q. What items besides those specifically addressed in guidance may Grantees want to consider in designing their buy-down provisions and practices?

- A. To encourage greater leveraging and mitigate the risk associated with the marginal nature of an SIR of 1.0, Grantees may want to establish 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 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.

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

- A. All units completed in an eligible multifamily building are reported, regardless of occupant income eligibility. For example, in a 100-unit building with 66 income-eligible units, all 100 units are eligible for all services and all 100 units are reported as completions. Demographics must be reported from all 100 units counted as completions (vacant units would have all zeros and over-income units should have demographics, sometimes collected from landlord, and a notation in the file explaining that they are not included in the eligibility of the building).

Q. Are duplexes to quadplexes counted toward multifamily production?

- A. Beginning in PY 2017, these units will be included in the multifamily buildings category for reporting and will count toward the 2-4 unit 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.

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

- A. 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.

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

- A. Yes, Grantees wanting to employ a statewide renter's coordinator have two funding options:
- i) Finance a coordinator position with program administrative funds, or
 - ii) Use Training and Technical Assistance funds to employ a coordinator responsible for providing technical assistance to Subgrantees.

Q. How are unattached common areas reported?

- A. Common areas not within the building thermal envelope of the qualified residential building are not eligible for weatherization with DOE WAP funding. Therefore, they would not be reported.

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

- A. 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.

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

- A. These costs are allowed to be averaged into program operations costs over the total completions within the grant period. However, Grantees may want to explore alternative approaches because of the high costs that may be incurred for projects that do not go forward.

There are examples of Grantees requiring Subgrantees to collect a fee from multifamily project owners to offset the cost of the audit and when the project goes forward, that fee is considered part of the owner contribution. If the project does not go forward, the owner forfeits the audit fee, up to the costs incurred, thereby ensuring no costs are charged to the program budget.

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

A. No.