

New York State Weatherization Assistance Program

Program Year 2016 State Plan

Final

New York State Homes and Community Renewal
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Table of Contents

Executive Summary	
Section I- Introduction	1
Section II – Funding	1
II.1 Funding Sources	2
II.2 Funding for the 2015 Program Year	2
II.3 Funding for the 2016 Program Year	2
Section III – Budget	2
III.1 Program Budget	2
III.2 Funding Allocation Formula	2
III.3 Subgrantee Selection Method	5
III.3 Subgrantee Labor	5
Section IV – Program Implementation	6
IV.1 Subgrantee Contracts	6
IV.2 Dwelling Unit Production	7
IV.3 Energy Savings	7
IV.4 Leveraging and Coordination with Other Programs	8
IV.5 Policy Advisory Council/Subgrantee Task Force	10
IV.6 Public Hearings	10
Section V – Program Management	11
V.1 Eligibility	11
V.2 Areas to be Served	15
V.3 Priorities for Assistance	16
V.4 Climactic Conditions	16
V.5 Type of Weatherization Work to be Done	17
V.6 Analysis of Effectiveness	20
V.7 Health and Safety	21
V.8 Program Management	29
V.9 Energy Crisis and Disaster Plan	33
Appendix A - Policy Advisory Council Members	
Appendix B - Allocation Formula	
Appendix C - Subgrantee Allocation Chart	

Executive Summary

The New York State Weatherization Assistance Program Plan for Program Year 2016-17 serves as New York's application to the US Department of Energy for Weatherization funds, and the guide for allocation of more than \$56.7 million in Federal residential energy conservation funding. These funds will provide assistance to more than 7,800 households across the State. The program is administered by New York State Homes and Community Renewal (HCR), which has primary responsibility for the State's housing and community renewal programs. HCR is uniquely positioned to deliver Weatherization services, in coordination with other State and local partners.

The purpose of the Program is to install energy conservation measures in the homes of income-eligible persons, especially homes occupied by the elderly, persons with disabilities, and children. Funds are targeted to the most cost-effective conservation measures, determined from an on-site energy audit of the building. The program helps to reduce national energy consumption, reduces carbon emissions that contribute to climate change, and lessens the impact of higher energy costs on low-income families. The program also improves the health and safety of assisted households.

New York implements the program through a network of local providers with expertise in energy conservation. These program **subgrantees** provide energy conservation services using their own trained crews and by subcontracting work to qualified contractors. Energy conservation measures funded through the program range from air sealing and insulating single-family homes to replacement of heating systems in large apartment buildings. The program assists all types of housing, including detached homes, multifamily apartment buildings, manufactured housing and group homes. Program services are provided in each of the State's 62 counties.

Low-income households in New York need this assistance. The State's climate, with cold, snowy winters and hot, humid summers, generates a high demand for heating fuels and for electricity for cooling. Many of our poorest households live in unsafe or dilapidated housing that was built when energy was cheap and plentiful. Additionally, New York's aging housing stock leaves many low-income households paying 15% or more of their income for utility costs - a condition known as "fuel poverty."

HCR will distribute Program funding in 2016 in accordance with this plan. Section One provides an overview of the Program. Section Two discusses the source of funds for Program Year 2016-17, and Section Three details the formula that the State uses to allocate funding, provides a program budget and subgrantee information.

Section Four sets forth the plan for implementing the program during the coming year, including expected production levels, estimated energy savings, leveraging of other funds and public participation in the development of the plan. Section Five includes eligibility requirements the State has adopted, priorities for assistance, the types of work that will be done and details on training, technical assistance and monitoring.

The Weatherization Assistance Program provides significant contributions to the State's economy and to the well-being of low-income residents. Each dollar invested in program activities can be expected to result in a savings of about three dollars in energy costs over the life of the installed measures – money that is returned to the local economies across the State. The health and safety benefits provided by program administrators – installing carbon monoxide detectors, correcting conditions that may allow dangerous mold to grow in assisted units, or replacing unsafe heating systems that could cause a fire – can save lives. In partnership with the network of energy conservation providers that delivers program services, HCR will ensure that these wise public investments in our future will continue through the 2016-17 Program Year.

Section I - Introduction

The Weatherization Assistance Program (the “Program”) is administered in New York State by the Division of Housing and Community Renewal (HCR), through the Office of Housing Preservation. The Program provides energy services to income-eligible individuals and families to improve the energy efficiency of their dwellings and to reduce their housing expenditures for fuel. Since the inception of the Program in 1977, more than 688,000 dwelling units have been assisted.

Priority for weatherization activities is given to households with children, the elderly, and persons with disabilities. Priority is also given to dwelling units occupied by households that receive Low-Income Home Energy Assistance (HEAP), those with high fuel costs in relation to their household income, and to properties where other state and Federal housing resources are leveraged.

Program services are delivered through a statewide network of local service providers, referred to as “subgrantees.” Subgrantees include community action agencies, other community-based not-for-profit organizations, and local governmental agencies. Under contract with HCR, subgrantees perform a number of services, including identification of eligible clients, evaluation of dwelling units to be weatherized, installation of energy-saving measures, identification and mitigation of related health and safety concerns, supervision of weatherization work performed by staff or subcontractors, maintenance of client and program files and preparation of regular management and fiscal progress reports. HCR has the responsibility for overall monitoring and oversight and provides an ongoing training program to maintain a high level of quality. HCR requires that subgrantees follow sound internal management policies and provide skilled workmanship, high quality materials, and timely production of units.

Federal rules require states to submit an annual plan for administration of the program. This plan was prepared in accordance with the Final Rule for the Program (10 CFR Part 440), and with available grant guidance issued by the US Department of Energy (DOE). It includes information required by DOE to access funding for the program.

Section II - Funding

II.1 Funding Sources

HCR expects to receive funds for the program from the US Departments of Energy (DOE) and Health and Human Services, which provides HEAP funds to the State Office of Temporary and Disability Assistance (OTDA), a portion of which is passed through to HCR for the Program. HCR allocates available Federal funding to each county based on a formula which includes factors related to income-eligible population and climate, and sets aside funds to provide a minimum level of funding to each county where the allocation formula did not generate significant program funding.

II.2 Funding for the 2015-16 Program Year

For the 2015-16 program year, HCR received \$57.6 million to administer the Weatherization Program. This included \$16.7 million in DOE funds, \$40.6 million of HEAP funds; another \$300,000 in recaptured funds carried forward from prior years was also available in 2015-16.

II.3 Funding for the 2016-17 Program Year

HCR anticipates availability of \$58.3 million in new Program funds. This amount includes \$18.8 million in DOE funds and \$39.5 million of new HEAP funds. An additional \$2.3 million in prior year funds will also be available for the 2016 Program Year.

HCR will provide funds to eligible subgrantees based on a formula that measures relative geographic needs, provided the subgrantee was found to be in compliance with applicable State and Federal program requirements and successfully completed work associated with their Program Year 2015 allocation. The minimum allocation for each county will be set at \$325,000 for subgrantees serving an entire county, and \$625,000 for subgrantees serving two or more counties. The Program Year will begin April 1, 2016 and end March 31, 2017. See Section 4.1, below, for information on contract and budget periods.

Section III – Budget

III.1 Program Budget

HCR expects \$60.6 million in Federal funds to be available to support Program activities in Program Year 2016. The DOE Program allocation for Federal Fiscal Year 2016-17 is anticipated to be \$18.8. HCR also expects to receive \$39.5 million in HEAP funds, or 10% of the allocation received by New York State. In addition, \$2.3 million in prior year funds will be available in Program Year 2016, for a total of \$41.8 million in HEAP funds.

The funding sources are summarized below:

DOE Funds	\$ 18.800
HEAP Funds, prior year	2.300
<u>HEAP Funds, current year</u>	<u>39.500</u>
Total Available	\$ 60.600

Up to \$3.8 million in DOE and HEAP funding will be retained by HCR for administrative, leveraging and training and technical assistance costs, including \$939,705 of the DOE allocation.

The balance of \$56.8 million will be allocated to subgrantees for program operations and technical assistance, as described below. Subgrantee allocations are listed in Appendix C.

III.2 Funding Allocation Formula

Program funding is allocated by a formula which takes into account climate (in terms of heating and cooling degree days) and the number of low-income households in each county (see Appendix B). This allocation methodology is similar to that used by DOE to allocate Program funding to the states.

The first factor in the allocation formula (degree days) is determined by calculating the relative heating degree days and cooling degree days for each county, compared to the State average, with cooling degree days given 1/10th the weight of heating degree days. An average degree day total has been established for each county using 30-year averages (1971-2000) for weather reporting stations in those counties. In counties where there were two or more reporting stations, degree days were averaged. In counties where reporting stations did not have 30-year averages, the next closest stations were used. The average of the degree days for each county was then divided by the average of the degree days for the State as a whole to yield a percentage. This ratio of each county's degree days to the State average (7020) is the first factor in the allocation formula.

The second factor in the allocation formula is determined by calculating each service area's number of low-income households as a percentage of all such households in the State. This number of income-eligible households was determined by using 2010 American Community Survey data from the US Census Bureau for households with estimated incomes below \$35,000. This figure was then divided by the total number of such households in the State to yield a percentage of the total low-income households for each county.

These two factors (the percentage of low-income households in each county and the ratio of the county's degree days to the New York average) were multiplied to determine the final percentage for each county. Since the degree day factor represents the relative extent to which each county is above or below the State average, the total of formula factors does not total one hundred. As a result, the final percentages were uniformly adjusted to total 100 percent overall using an adjustment factor of 1.191554, applied uniformly to all counties.

This resulting percentage represents the portion of the total State allocation each county is to receive. This percentage is then multiplied by \$49,784,093 (the amount available for allocation by formula after setting aside funds for technical support subgrantees, for incentive funding, and for minimum funding allocations, as described below) to determine each county's allocation. HCR has identified distinct service areas that have boundaries consistent with census tracts. Each subgrantee within these counties has signed an agreement to provide services to their designated service area. Where a subgrantee service area includes more or less than one county, proportionate allocations to subgrantees are further determined using census tract data calculating the number of low-income households in each subgrantee's service area.

In some counties, application of this allocation formula does not result in a significant level of funding. Most of these counties are in the colder regions of the State and have fewer income-eligible households than other counties. Twenty-nine counties generate an allocation of less than \$300,000. For Program Year 2016, subgrantees serving a single county with a formula allocation of less than \$300,000 will receive an allocation of \$325,000 (plus any incentive funds the subgrantee qualifies for).

HCR finds that it is an efficient practice for subgrantees to administer the program in multiple counties, when one of the counties has a small population. Subgrantees serving all of two or more counties, where one of the counties is below the minimum funding level, will receive an allocation equal to the greater of \$625,000, **or**, the sum of the largest county allocation in the multiple-county area and \$325,000 for each county that has an allocation of less than \$300,000.

As a result of the establishment of these minimum allocations, 14 subgrantees that serve a single county will be funded at the minimum allocation level, and 10 subgrantees that serve multiple counties will receive adjusted allocations.

Additionally, subgrantees that met 2015 production incentive targets will receive additional funding in 2016, to a maximum of \$150,000 per subgrantee. There were 19 subgrantees that met the incentive qualifications; \$1,950,000 will be distributed among these highly-productive subgrantees.

The formula factors that are used to determine allocations have been calculated using 2010 US Census Bureau data from the American Communities Survey. HCR received assistance in updating this data from the Cornell University Institute for Social and Economic Research.¹ This update reflected changes in the low-income population in several counties from the 2000 levels.

Allocations to individual subgrantees will be subject to a review of each subgrantee's production and expenditures during the Program Year and adjusted downward or incrementally funded where HCR determines that the initial allocation may exceed subgrantee capacity. Subgrantees that do not show adequate monthly progress in expenditures and unit production will not be eligible to access any additional funds that become available during the program year, and may be subject to reduced allocations in future years.

III.3 Subgrantee Selection

HCR assigns a subgrantee to cover each county in the State to provide weatherization services to the eligible population. In urban counties, there is typically more than one subgrantee serving each county, each assigned to a specific service area. In non-metropolitan counties, subgrantees typically serve an entire county or a two-county area. HCR may also designate one or more subgrantees to provide specialized program services, such as work on multi-family buildings, in areas where existing subgrantees do not have the capacity to successfully complete that type of work.

Existing subgrantees generally receive funding each year unless the subgrantee withdraws, or HCR monitoring of the subgrantee indicates serious, irresolvable problems. HCR program and fiscal monitoring examines the overall compliance of subgrantees with regard to expenditure of grant funds, production, work quality, and compliance with Federal and State laws, regulations, policies, and procedures. When serious concerns arise, a determination is made regarding the subgrantee's ability to continue providing weatherization services.

When HCR determines that additional subgrantees are needed, selection of a new subgrantee is based on a proposal submitted to HCR, which is evaluated by program and fiscal staffs, as well as testimony offered at a public hearing in accordance with 10 CFR Part 440.15(d). In accordance with these minimum guidelines, a potential new subgrantee must:

- be a not-for-profit, legally incorporated organization, or a unit of local government, or the designated representative of an Indian tribal organization;
- if a not-for-profit organization, meet the charities registration requirements of the State of New York;

1. HCR would like to express gratitude to Dr. Warren A. Brown of the Institute for Social and Economic Research for his invaluable assistance in this effort.

- be in legal and financial compliance with requirements and regulations established under State and Federal law;
- provide a list of the current board of directors or governing body, bylaws and other documents concerning the structure and operation of the organization;
- provide proof that the organization has been responsive to the needs of the community by citing the programs and services in the energy or human services area that it has implemented; or, be able to demonstrate that the organization has the potential to provide such services in an efficient and responsible manner;
- demonstrate special expertise for providing energy conservation programs including management capability, technical skills, outreach capabilities, etc.;
- show experience in housing and construction management-oriented programs;
- submit a detailed budget and narrative work plan showing how the project will be carried out. The budget should list all personnel, including volunteer and paid staff, who will be associated with the program. The work plan will detail how the project will be implemented. Potential weatherization subgrantees must also show a production and expenditure plan, specifying whether subgrantee crews, subcontractors or a combination of the two will be used. New subgrantees will be expected to meet or exceed the work plan goals they propose; and,
- document that the current service area is not being adequately served by an existing subgrantee. Documentation must include an explanation of how the prospective new subgrantee would correct the problem(s) identified and documented.

In accordance with 10 CFR Part 440.15, the State is required to give preference to existing subgrantees that are currently administering an effective program. Additional consideration is given to subgrantees that are located adjacent to a service area that is in need of a service provider. This helps maintain existing experienced subgrantees and provides for economies of scale in allocating administrative costs.

III.4 Subgrantee Labor

New York contracts with subgrantees to deliver program services at the local level. These subgrantees have various systems in place to provide weatherization in their service areas. All subgrantees use in-house staff for some components of the program such as outreach, energy auditing, air sealing, or pre- and post-inspection. Many subgrantees use subcontractors to perform some of the basic weatherization work, such as attic insulation, sidewall insulation, and window installation. Most subgrantees use subcontractors for heating system work, however, several use in-house staff for heating system work. HCR has encouraged subgrantees to develop the capacity to perform heating system repairs with subgrantee staff, to assure quality heating system work and to reduce costs. HCR provides training on heating system work as part of the Program's technical assistance efforts. HCR also encourages subgrantees that assist substantial numbers of multi-family buildings to develop in-house capacity to perform multi-family audits.

Subgrantees may use volunteers to supplement weatherization activities. However, due to the technical nature of the program, the use of volunteers is generally restricted to non-technical areas.

Article 15-A of New York State Executive Law was enacted to promote equal opportunity in contracting for all persons, without discrimination for minority group members

and women and business enterprises owned by them, and to eradicate the barriers that have impaired access by minority and women-owned business enterprises to State contracting opportunities. Governor Cuomo has reaffirmed the State’s commitment to this law, and has directed State agencies to take affirmative actions to provide opportunities for minority- and woman-owned business enterprises. Participation goals have been adopted to ensure the opportunity for meaningful participation of minority and women-owned business enterprises in the work to be undertaken by each subgrantee. These goals are expressed as a percentage of the total value of all work under each contract. HCR staff continues to monitor the progress of each subgrantee in meeting these goals, and provides technical assistance, as necessary, to maximize compliance with the law.

Section IV - Program Implementation

IV.1 Subgrantee Contracts

HCR entered into multi-year contracts with each subgrantee in 2014 to provide weatherization services. These contracts are divided into defined budget periods, referred to in the contract as “program years,” and will include all current requirements for annual production, expenditure, closeout, and reporting. These contracts include both DOE and HEAP funds; payments made during the year are based on funds encumbered at the start of the budget year. Contracts will be amended to provide funding for the 2016-17 program year (the third year of each three-year contract) and to reflect policy changes included in this plan. HCR maintains copies of executed contracts and amendments to confirm subgrantee acknowledgement current-year terms and conditions.

The minimum number of units to be weatherized will be specified in the contract with each subgrantee, based on an average cost per unit not to exceed \$6,500. The individual cost per unit for each subgrantee will be determined prior to the start of the program year, and is based on local conditions, such as labor costs, travel requirements and building type. Statewide, HCR expects the average cost per unit to be approximately \$6,000. The minimum number of units to be completed by each subgrantee will be determined using the following formula:

$$\frac{\text{total allocation} \times .85}{\text{maximum cost per unit}} = \text{approximate number of units}$$

Statewide, an average of 15 percent of each subgrantee's allocation is reserved for administrative and capital expenses, health and safety work, financial audits and liability insurance, leaving 85 percent available for energy efficiency measures. For example, if a subgrantee is allocated \$500,000 and the subgrantee projects an average cost per unit of \$6,000, the minimum number of units the subgrantee is required to complete in the program year is 71:

$$\frac{\$500,000 \times .85}{\$6,000 \text{ per unit}} = 71 \text{ units}$$

Each subgrantee will be allowed to use five percent of their allocation for administrative costs, as mandated by DOE.

HCR will provide training and technical assistance funds directly to subgrantees and, through separate agreements, to the Association for Energy Affordability and the New York

State Weatherization Director’s Association. HCR may also issue a request for proposals for additional training and technical assistance during the program year. Subgrantees will also be allowed to use a portion of any program income earned locally for training and technical assistance, the purchase of diagnostic tools and equipment, and participation in workshops and conferences. Appendix C shows each subgrantee’s estimated allocation.

IV.2 Dwelling Unit Production

During Program Year 2016, HCR expects to weatherize 7,873 dwelling units with HEAP and DOE funds. This production level is based on the estimate of units to be completed by each subgrantee at an average cost per unit of approximately \$6,000. On average, units assisted by the Program will receive \$2,217 in DOE funds and \$4,842 in HEAP funds. This approach will ensure that New York is in compliance with 10 CFR Part 440.18 for the expenditure of DOE funds, and that average investment of DOE funds in assisted units will not exceed the revised expenditure limit of \$7,059. Subgrantees will be allowed to use up to 10% of contract funds to address health and safety deficiencies in assisted units.

The following table summarizes the expected unit production by tenure:

Projected Unit Distribution, Program Year 2016		
Unit Tenure	Units	Percent of all units to be assisted
Owner-occupied	3,149	40%
Renter-occupied	4,724	60%
Single-family (1-4 unit) rental	945	
Multi-family rental	3,729	

IV.3 Energy Savings

With its cold winters and high energy costs, New York State exceeds the national average in both energy consumption per household and energy expenditures per household. In 2005, State residents expended, on average, \$2,409 per household on energy costs, compared to a national average of \$1,810². Low-income households spend more than 10 percent of household income, on average, for heating and other energy expenditures, compared with just 3.3 percent for all households³. These data mean both that needs within the State are greater than in other states, and that there are more opportunities for low-income households to benefit from installation of weatherization measures.

DOE requires states to provide an estimate of the energy savings that can be expected from the program, based on an algorithm that DOE provides; this is summarized in the chart below⁴.

2. US Energy Information Administration, “2005 Residential Energy Consumption Survey: Energy Consumption and Expenditures Tables.”

3. US Energy Information Administration, “Weatherization Assistance Program Technical Memorandum Background Data and Statistics,” March 2010

4. “All funds” includes estimated owner investment and leveraged funds. The average savings per unit estimate is slightly higher than the DOE-recommended 30.5 mmBtu, due to the cold climate and prevalence of oil-heated homes in New York. “Savings after 15 years” is in 2016 dollars, and assumes 3% drop-off in savings per year.

Estimated Energy Savings		
Source of Funds	DOE Funds	All Funds⁵
Amount available	\$18,794,102	\$70,894,102
Average savings per unit	29.3 mmBtu	29.3 mmBtu
Value of savings per unit	\$657	\$657
Units to be weatherized	7,873	7,873
First-year savings, mmBtu	230,679	230,679
First-year savings, 2016 dollars	\$5,172,561	\$5,172,561
Savings after 15 years, mmBtu	2,820,040	2,820,040
Savings after 15 years, 2016 dollars	\$63,234,353	\$63,234,353
Average cost per unit	\$1,827	\$6,992
Benefit/cost ratio	4.59	1.20

The US Department of Energy recently directed Oak Ridge National Laboratory (ORNL) to undertake an evaluation of the Weatherization program to determine energy savings and other impacts in assisted units. Data collection for that study was completed in 2011, but the results were just released in late 2015. The evaluation showed that the program is most effective in cold climates like New York's, and that providing weatherization assistance to large multifamily buildings in New York City also provides substantial savings. The study found that "whole-house" weatherization of gas-heated buildings in cold climate states reduced gas usage by 24% when heating system work is not included and 38% when heating systems are replaced. The multifamily study found savings of more than \$263 per unit annually in gas-heated buildings, and more than twice that amount in oil-heated buildings.

Other studies, including a 2010 study of assisted multifamily buildings in New York City sponsored by Deutsche Bank⁶ (which included a large number of buildings assisted by the Program), have found savings in excess of 20%, compared to pre-weatherization energy use. Since multifamily buildings account for more than half of the units our program assists each year, these data are encouraging. Together, these findings suggest that in New York State, the DOE algorithm (and so, the data included in the table on the preceding page) significantly underestimate the actual savings that accrue from New York's program.

IV.4 Leveraging and Coordination with Other Programs

Subgrantees provide a variety of services for low-income clients as a part of their overall mission, and they are adept at leveraging other resources to coordinate with weatherization services. Most put together a package of services to assist low-income clients with other

5. Amounts in this column include all Federal funds plus an estimated \$10,100,000 in owner contributions and leveraged funds.

6. "The Benefits of Energy Efficiency in Multifamily Affordable Housing." Deutsche Bank Americas Foundation web site, January 10, 2011 http://www.db.com/usa/content/en/ee_in_multifamily_underwriting.html

housing and social service needs as part of providing Program services. HCR actively supports leveraging and coordination with other programs to supplement funding for the Program.

DOE guidance permits grantees to use a portion of the grant to undertake leveraging activities, to generate additional non-Federal resources for Weatherization. HCR intends to use Program funds for this purpose in 2016. HCR estimates that subgrantees will leverage approximately \$4.1 million in other funds in 2016 (excluding owner contributions).

The New York State Public Service Commission recently commenced a proceeding, called Reforming the Energy Vision, or REV, to address challenges to the energy industry brought about by aging infrastructure, increasing use of distributed energy resources, climate change and other factors. REV is intended to reform the regulatory environment and transform markets for efficiency and renewables. The Commission recognizes that low-income residents are particularly vulnerable to these challenges and has ordered that REV and related proceedings address low-income needs. In response, New York State Energy Research and Development Authority (NYSERDA) has proposed a Clean Energy Fund that would change several of its programs, including several low-income programs.

HCR is working with the Commission, NYSERDA and other agencies to help ensure that these efforts benefit low-income clients through coordination of the Program with other funds and programs where possible, and to streamline delivery of all low-income programs available in the State. The following are examples of leveraging efforts HCR currently supports:

- New York supplements weatherization with a transfer of a portion of its allocation of HEAP funding. In program year 2016, HEAP funds are expected to provide more than 60 percent of the funding for the Weatherization Assistance Program in New York.
- NYSERDA administers several efficiency programs that assist low-income households, and provides additional opportunities for subgrantees to leverage Program funding. The additional services provided through these programs include electric reduction measures such as energy-efficient appliance replacement, lighting replacement and retrofits, electric domestic water heater measures, cooling usage reduction, energy-efficient motor replacement and retrofit, and energy education activities. While changes to these programs are anticipated as a result of the REV proceeding, New York is committed to providing additional support to mitigate the impact of changing energy markets on low-income households.
- Although mandatory owner contributions are not considered leveraged funds by DOE, New York's owner investment policy is expected to generate more than \$6 million in owner investments during Program Year 2016.
- An interagency referral program has been established in conjunction with the New York State Office of Temporary and Disability Assistance (OTDA), the State Office for the Aging, and local departments of social services and area aging agencies. These agencies will be encouraged to continue to refer clients to subgrantees for priority service. This program reduces subgrantee overhead since some of the referred clients are considered categorically income eligible, since they have already been determined eligible for other programs such as HEAP, and provides access to other programs administered by the two agencies.

- OTDA operates an emergency heating repair/replacement program for HEAP clients during the heating season, and HCR encourages subgrantees to coordinate with that program, when possible. This work can expand the scope of services to low-income households, to provide additional opportunities to reduce heating expenditures and address health and safety concerns for this population.
- HCR has initiated an enhanced health and safety effort to promote coordination between Program subgrantees, state and local health departments and administrators of housing rehabilitation and lead hazard control programs. This initiative, aligned with the national Health Homes initiative, is expected to provide additional benefits to assisted households and may provide additional funding opportunities for subgrantees.
- In 2015 HCR implemented a pilot program that targets smaller buildings owned by New York City Housing Authority in Brooklyn and Queens. This initiative will continue in PY 2016. The work is being done in conjunction with a demand-management program offered by Consolidated Edison, intended to reduce peak load in vulnerable parts of those boroughs.
- HCR's Office of Housing Preservation is also increasing coordination of Program resources with the HCR Office of Community Renewal HOME Program to provide comprehensive weatherization services and additional repair and rehabilitation work. Local HOME Program Administrators are now required to coordinate with subgrantees when funding rehabilitation of income-eligible buildings. In turn, those subgrantees will be asked to work with local HOME administrators to target properties where an expanded work scope is necessary to avoid deferral of a unit due to health and safety conditions that cannot be addressed with Weatherization funds.
- HCR, in coordination with OTDA, NYSEDA and the Governor's Office for Energy Finance, will implement a Community Energy Initiative, to utilize previously disparate funding streams in a coordinated, targeted fashion to more holistically address the energy needs of low-income communities and improve outcomes for low-income households.

IV.5 Policy Advisory Council

Pursuant to 10 CFR Part 440.17, HCR has established a Policy Advisory Council (PAC) to assist in the development and operation of the Program and provide advice in the development of the State Plan. The PAC is broadly representative of subgrantees, energy advocates, State agencies, and other organizations - including consumer groups - that represent low-income persons in New York. PAC members are well-versed in energy and housing issues. A list of current PAC members and their affiliation is attached as Appendix A.

During the program year, the PAC will meet quarterly, with agendas covering a range of issues of concern to subgrantees, low-income clients, and program partners. HCR typically provides updates on funding, program rules, coordination with other programs, and related issues at PAC meetings. When needed, additional meetings will be scheduled.

Subgrantee Task Force

A Subgrantee Task Force, comprised of subgrantee weatherization directors and staff, has been established to provide opportunities for subgrantees to meet with their peers and HCR staff to discuss the status of the program and identify and resolve a variety of program concerns. Several Subgrantee Task Force meetings will be held during the Program Year.

IV.6 Public Hearings on the State Plan

Pursuant to 10 CFR Part 440.14 (1), HCR is following a public process to receive input on the proposed State Plan. A public hearing on the 2016-17 State Plan was held on January 27, 2016. The hearing was conducted by video conference to enable speakers to present testimony from HCR's Albany, Buffalo, Syracuse and New York City offices. A copy of the hearing notice was widely distributed, and made available on the HCR web site at <http://www.nyshcr.org>.

Copies of the proposed State Plan were also electronically mailed to all current subgrantees and to other interested parties, and made available for inspection at the hearing locations and directly from Homes and Community Renewal, Weatherization Assistance Program, 38-40 State Street, Albany, New York 12207. The Plan was also available on the HCR web site at <http://www.nyshcr.org>. Comments on the plan were accepted through February 8, 2016.

Section V - Program Management**V.1.1 Client Eligibility****Income definition**

HCR has developed a rigorous process to ensure that assisted units meet the eligibility requirements of 10 CFR 440.22(a), with respect to income eligibility. These procedures are described in detail in Sections 3.05.01-06 of the NYS Weatherization Assistance Program Policy and Procedures Manual, which HCR recently updated. Briefly, subgrantees are required to collect third-party documentation from each assisted household to confirm income, and must keep documentation on file to support eligibility determinations. Some households are considered to be categorically income eligible, based on documentation that they receive TANF, HEAP, SNAP or certain other forms of government assistance.

Income eligibility is verified using one of three methods, depending upon the type of building or whether the household is claiming categorical eligibility: 1) households that reside in buildings that have received assistance from certain other Federal programs are considered eligible for Program assistance without additional documentation (DOE publishes a list of such buildings on the EERE web site); 2) households residing in any other building that claim categorical eligibility by participation in another assistance program that has eligibility requirements that are as restrictive as those of the Program must provide documentation from the administrator of the other program establishing participation; or, 3) households must provide third-party documentation of income (i.e., pay stubs, statements from income providers) to support income claimed.

Eligibility basis

HCR has adopted the income eligibility guidelines used in the State's HEAP Program as the standard for the Program for households with six or fewer persons. This limit – 60% of State median income – is higher in New York than the 200% of poverty option for most household sizes, provides opportunity for participation by more households in the State and facilitates coordination with HEAP. For families of 7 or more persons, the 200% of poverty level is higher than 60% of State median income, and HCR sets the eligibility threshold for those households at the higher (200% of poverty) level. This threshold has been selected in

accordance with Federal HEAP rules (Public Law 9735, Sec. 2605(b)(2)(B) and with 10 CFR 440.22(3)). Under these criteria, more than 3.5 million persons in New York State who reside in 2.1 million households are eligible for program services.

For certain large household sizes, (generally families of 7 or more persons), the 200% of poverty level is higher than 60% of State median income, and HCR sets the eligibility threshold for those households at the higher (200% of poverty) level.

Qualified aliens

HCR's weatherization application form requires applicants to affirm that all members of the household are citizens or legal aliens entitled to receive federal government assistance.

V.1.2 Building Eligibility

Eligibility documentation

HCR requires that both household income eligibility and building eligibility are established before any work is done on a building. Building eligibility is confirmed prior to the start of an energy audit. Building owners must provide documentation to confirm ownership of the building to be assisted (such as tax payment receipts, copies of deed, or certain other forms). Procedures for confirming eligibility in buildings with rental units and in certain other types of buildings are described below. More detail on building eligibility can be found in Section 3 of the PPM.

Historic Preservation

HCR has entered into a programmatic agreement with NYSEERDA and the New York State Office of Parks, Recreation and Historic Preservation to facilitate historic reviews of projects assisted with Program funds. The agreement will be renewed to cover the 2016 Program Year.

Re-weatherization

Units assisted with Program funds after September 30, 1994 are not eligible for additional program assistance. In cases where a previously assisted unit has been damaged by fire, flood or other natural disaster, assistance can be provided with prior approval from HCR. Generally, assistance will only be provided to pay for damage not covered by insurance. HCR rules for re-weatherization can be found in Section 6.05 of the PPM.

Eligible structures

Program assistance is provided to all types of residential structures, including eligible single- and multi-family buildings, manufactured housing (mobile homes), group homes, homeless shelters, temporary housing facilities designed to transition persons with special needs into permanent housing, and mixed-use buildings that contain eligible residential units. Building eligibility requirements are detailed in sections three and four of the PPM. Only those structures that can be legally occupied as housing under New York State law, meet all other eligibility requirements and are in such condition that weatherization measures can be installed in a safe and effective manner are eligible for assistance.

HCR permits subgrantees to assist shelters and group homes; in those buildings, the cost per unit is calculated on a square-footage or per-story basis. In the case of eligible dwelling units which meet the definition of "shelter," dwelling units will be calculated based

upon either (a) each 800 square feet of floor space; or, (b) each story of the building which is used as a living area.

Rental units and multifamily buildings

Most low-income people in New York State live in rental housing. While much of the rental housing stock is sound, and HCR has made considerable investment in decent, affordable housing, a large percentage of the units occupied by eligible households have significant need for energy efficiency investment. Rental housing provides significant opportunity to save energy, but assisting rental housing presents unique challenges.

HCR has extensive experience in providing weatherization assistance to rental buildings, including older masonry-construction central-heated multifamily buildings of the type common in much of New York City. Procedures that New York State developed for the Weatherization Program have helped form current DOE policy on assisting multifamily and other rental properties.

HCR requires subgrantees to obtain applications from each tenant in a rental project that has applied for Program assistance before investing any funds in the project (except for certain federally-assisted projects commonly referred to as the “HUD list”). Subgrantees may only invest Program funds in a rental building after they have established that 66% or more of the dwelling units the building are occupied by eligible households, except that in projects where significant energy savings can be expected to result from Program assistance, 50% of the dwelling units must be occupied by eligible households. Additionally, the subgrantee may only count vacant units towards the 50% or 66% threshold when the building has been assisted by a Federal, State or local government program for rehabilitating the building or making similar improvements to the building and the units will become eligible dwelling units within 180 days following completion of the project.

HCR procedures also require that:

- Written permission of the building owner is received before any work commences;
- Benefits of Program assistance primarily accrue to the low-income tenants residing in the rental units;
- Qualified households in assisted buildings are not subjected to rent increases (unless those increases are demonstrable related to matters other than the weatherization work that was installed);
- Tenants and owners are notified in writing of their rights and the procedures tenants may follow to complain or owners to appeal should improper rent increases occur;
- No undue or excessive enhancement of the value of the assisted building results from installation of weatherization materials with Program funds;
- Owners of assisted rental buildings agree in writing to restrictions on their use of the building after Program funds are invested; and,
- Owners of assisted rental buildings participate in the financing of weatherization activities, with certain exceptions, as described below.

In accordance with Federal rules and guidance intended to limit undue or excessive enhancement of the value of multifamily rental units resulting from investment of Program

funds, HCR requires most owners of multifamily rental property to contribute to the cost the weatherization work scope as a condition of receiving assistance. Generally, multifamily building owners must provide 25% of the total cost of the work to be done, including the cost of health and safety measures and energy-related repairs required to meet Program standards. For multifamily buildings that do not that meet the requirements for reductions in assessed valuation pursuant to Section 581-a of the New York State Real Property Law and which have fewer than five units, the owner must make an investment of no less than 25% of the estimated cost of completing the work scope, unless the building is occupied by the owner as his or her primary residence and the owner qualifies for WAP assistance as a low-income household. For multifamily buildings that do not meet the requirements for reductions in assessed valuation pursuant to Section 581-a of the New York State Real Property Law and which have five or more units, the owner must make an investment of no less than 25 % of the estimated cost of completing the work scope. In cases where providing this level of investment will provide a hardship, or where a rental property is known to be in financial distress, HCR may permit the subgrantee to reduce or waive the owner investment requirement, with prior approval by the HCR regional supervisor. Also, to help maintain the supply of affordable housing in the State, HCR does not require an owner investment from certain types of State- and Federally-assisted housing. HCR provides training, technical assistance and other support to maximize inclusion of rental housing in the Program.

Owners of rental property who are eligible for the Program and occupy one of the units in the building to be assisted are not required to provide a financial or in-kind contribution towards the work scope.

HCR requires that subgrantees enter into a written agreement with owners of rental buildings that will receive Program assistance, using a form provided by HCR, before any funds are invested in a project. The agreement names tenants as third-party beneficiaries of the agreement, to establish certain rights. Tenants are provided with a synopsis (Form HCR-9) that explains these rights and the enforcement procedures. Naming the tenant as a third-party beneficiary provides the tenant with recourse in the legal system in the event that a building owner violates the terms of the agreement. In practice, a letter reminding the owner of the terms of the agreement with the subgrantee is generally sufficient to resolve an adverse situation in favor of the tenant. This process reduces the need for monitoring by the State without placing undue burden on subgrantees or owners.

Subgrantees are monitored to ensure that low-income renters – particularly those living in smaller, privately-owned buildings – are provided with the same opportunity to access Program services as all other households. Additional information on subgrantee monitoring is provided in Section 5.8.3, below. More detail on rental housing procedures is included in Sections 3 and 4 of the PPM.

Deferral process

HCR prohibits subgrantees from investing funds in any building where legal, financial, structural or safety impediments exist that would compromise eligibility or place occupants or workers in an unsafe or unhealthful situation. Section 6.01 of the PPM (“When Not to Weatherize”) lists 16 common situations that may warrant deferral, and provides subgrantees

with guidance on how to handle those situations. When a subgrantee determines that assistance must be deferred for health or safety reasons, they must issue the HCR Health and Safety Notice (Form HCR-15), and obtain signatures of the owner and occupant on the form, if possible. The subgrantee is also expected to inform occupants and owners of any resources that may be available to correct the problem.

In cases where assistance to a unit is deferred for other reasons (such as a pending sale) subgrantees are required to notify the owner and any affected tenants in writing, and inform them that the application will be kept active for a specified period of time or until the issue is resolved, whichever comes first.

V.1.3 Children, Definition of

The Federal Weatherization Program rule provides flexibility in the definition of “children” for purposes of determining household eligibility, and requires states to specify the age at which dependents are considered “children” for this purpose. Consistent with this guidance and past practice, New York will define children as dependents not exceeding 17 years of age. This definition will help more households in need of assistance to qualify.

V.1.4 Tribal Organizations

Assistance is made available to all low-income residents of the State without regard to tribal organization status, to the extent that funding is available. Additional funds are allocated to counties with large Native American reservations.

V.2 Areas to be Served

All areas of the State will be served. HCR allocates funding for each county in the State by use of a formula that considers climate and share of low-income households. Funding is also reserved to provide a minimum allocation to each county where the formula does not otherwise generate sufficient funding to feasibly operate a program.

HCR designates a subgrantee to provide weatherization services in each county in the State. In urban areas, subgrantee service areas are typically a portion of a county, while in rural areas subgrantee service areas often cover one or two entire counties. Each community in the State is served by one, and only one subgrantee.

Housing in New York is generally older than elsewhere in the nation. According to the US Census, more than 5.6 million housing units in New York were built before 1970. That’s nearly 70% of the State’s total housing stock. Nationally, just 41% of the housing stock was built before 1970. This means that most housing in the state was built at a time when energy costs were low, and the technology to produce energy-efficient housing unavailable.

New York’s households are also more likely to live in rental housing than in any other state. Census data shows that 45.5% of the occupied housing units in the State are rental. Most households in New York that are eligible for weatherization assistance live in rental housing. While 20% of the State’s owner households have annual incomes less than \$35,000, more than 50% of the State’s renter households have annual incomes less than \$35,000.

Households with incomes below the poverty level are especially likely to live in rental housing and to live in older units. While just five percent of owner households have incomes below the federally-established poverty level, fully 24% of renter households have incomes at this level, and 77% of those households live in housing built before 1970.

Census data also show that utility-supplied gas is the most commonly used fuel. About 57% of owner households and 54% of renter households heat with utility gas. About 28% of households in the state heat their homes with oil, but households in rental units are far more likely to heat with expensive electricity than owner households. More than 70% of all units that heat with electric are rental units; these units are home to more than 510,000 households. Our experience suggests that electrically-heated rental units are often located in multifamily housing built in the 1960s and 1970s. Given the high costs of electricity in New York, and the likelihood that many of those units were built using inferior energy conservation techniques, this is a significant concern.

There are regional differences in utility usage. Generally, Western and Central New York are more reliant on utility gas, and the Eastern parts of the State are more likely to use oil. For example, in the Buffalo Metropolitan Statistical Area (MSA), 89% of all housing units heat with utility-supplied gas, but in the Syracuse MSA 66% use gas, and in the Albany MSA just 60% heat with gas. In the Albany area, 25% heat with oil and almost 13% with electricity. In New York City, which has a predominance of large multi-family buildings, about 39% of all units are heated with oil.

These regional differences are not consistent by tenure. While owners in Albany and Buffalo are about as likely to heat with gas as renters, in New York and Syracuse renters are much less likely to use gas. In New York, more heat with oil, but in Syracuse more than 29% of all rental units are heated with electricity. In non-metropolitan areas, where more than 70% of all housing units are owner-occupied, oil and gas both account for about one-third of the fuel used in all units, and electrically-heated units are more common, especially among renter households.

These data, when considered together with New York State's harsh climate and high energy costs, show that the needs for energy conservation assistance are different for rental and owner housing, and vary according to location. Because of this diversity, New York has developed procedures to target assistance to those most in need, using methodologies that are best suited to conditions within the State.

V.3 Priorities for Assistance

Priority for weatherization assistance is given to households with children, elderly persons and persons with disabilities. Priority is also given to homeowners or renters with high energy use (more than 68 Mcf per year for gas-heated units or more than 500 gallons of fuel oil per year for oil-heated units) and to households that receive assistance through the State's Home Energy Assistance Program (HEAP). For the purposes of the Program, HEAP recipients are considered to be High Energy Burden households.

HCR has also established a referral process to facilitate assistance to households that are clients of local offices for the aging and county HEAP providers (typically departments of social services). Finally, HCR will continue to encourage subgrantees to prioritize assistance to properties where other State or Federal housing resources can be leveraged, particularly those that also meet one or more of the other priorities listed above.

V.4 Climactic Conditions

The climate of New York varies from temperate coastal to cold mountainous conditions. Climate is a key element in the formula used for allocation of program funds. Climate severity is measured in degree days, which are an indicator of how much fuel will be necessary on any given day to maintain comfort conditions in a home. Data on degree days is compiled on an annual basis by the National Climate Data Center. The allocation formula (see Section 2.1) uses 30-year averages for annual degree days to indicate the relative severity of climate in New York locations and its impact on low-income housing affordability.

Average Heating and Cooling Degree Days 1971-2000		
Location	Heating Degree Days	Cooling Degree Days
Albany	6860	206
Buffalo	6692	202
New York City	4754	604
Plattsburg	7817	132
Syracuse	6803	195
Long Island	5357	371

Source: National Oceanic and Atmospheric Administration

Each DOE-approved energy audit that HCR uses considers climactic variances within the State to determine cost-effectiveness of measures proposed for individual buildings. Subgrantees analyze buildings using approved energy auditing software that includes region-specific data on climate. These data files are then considered in calculation of the savings-to-energy ratio for each measure.

V.5 Type of Weatherization Work to be Done

HCR permits subgrantees to conduct activities that are authorized by Program rules and guidance. Any material listed in Appendix A of 10 CFR Part 440 may be installed, provided that it has been determined to be cost-effective pursuant to the protocols set forth by DOE, is based on a proper analysis of the building (see Section V.5.2, below), and can be installed in a safe manner without compromising the health or well-being of occupants of the dwelling unit. Generally, work conducted in assisted buildings includes air sealing, insulation, heating system repairs, window or furnace replacement, electric base load reduction measures, and work items that mitigate energy-related health and safety hazards. Other than health and safety work, only those measures with a savings-to-investment ratio of 1.0 or greater can be installed by subgrantees. In other words, the cost of installing an energy conservation measure in a building must not exceed the savings that can be expected during the expected life of the installed work.

HCR permits replacement of incandescent lighting with LED bulbs or fixtures as electric base load reduction measures, pursuant to approval received from DOE in 2015. Their use and implementation will follow established program protocols for lighting, including the

requirement of meeting a group SIR of 1 or greater, based upon an established minimum run time.

HCR encourages use of renewable energy systems, alternative energy sources, and other “green” practices in its housing and energy programs. HCR will consider installation of renewable energy systems and green building materials on a case-by-case basis, or as part of a pilot program when proposed by subgrantees. Installation of renewables will only be permitted when consistent with DOE guidance and justified by a savings-to-investment ratio of 1.0 or higher, or by other allowable considerations. Any materials used must meet the specifications listed in 10 CFR 440, Appendix A, or otherwise be approved by DOE for use in the program. Subgrantees proposing installation of renewable energy systems will be required to obtain prior approval from the appropriate HCR regional supervisor. HCR will then obtain prior approval from DOE before authorizing any sub-grantee to use WAP funds for such measures.

Where feasible, HCR will encourage subgrantees to coordinate installation of weatherization materials with replacement of heating systems in buildings that can be converted from oil or other delivered fuels to natural gas. HCR is participating in an initiative sponsored by the NYS Public Service Commission to explore cost-saving opportunities associated with expansion of natural gas service to residences in the State that are not currently served by gas.

V.5.1 Technical Guides and Materials

HCR has developed a Policy and Procedures Manual (PPM) that sets forth specific guidelines that subgrantees must follow in administering the program. The PPM was most recently revised in September, 2015. The PPM is an attachment to the written agreement between HCR and the subgrantee and subgrantees are bound by signing the agreement to comply with the PPM. Subgrantees that don't comply can be found to be in default of the agreement, and risk losing funding. The PPM covers administrative procedures; building and household eligibility; building analysis (energy audit) procedures, including health and safety protocols; deferral guidelines; reporting and payment procedures; and, procurement and fiscal requirements. Section 5 of the PPM also provides specific technical guidance to subgrantees on work standards and related protocols, including guidance on multifamily work scope development, building assessment and health and safety issues. The PPM is available on the HCR web site at the following link:

http://www.nyshcr.org/Publications/WeatherizationManual/WAP_Manual.pdf.

HCR has also issued the New York State Weatherization Field Guide for use by subgrantee crews and auditors. This field guide, which incorporates information from several different standards, including the Standard Work Specifications for Home Energy Upgrades (SWS), provides on-site guidance to subgrantees in the installation of measures and other technical aspects of the program.

HCR has updated the New York State Weatherization Field Guide to incorporate links to the SWS to meet requirements included in DOE guidance on maintaining work quality (WPN 15-4). These updates were conducted during Program Year 2014 and approved by DOE in April of 2015.

Any revisions necessary to the New York State Weatherization Field Guide will be done by Saturn Resource Management through an existing contract with the NYS Weatherization Director's Assn. in the form of an annual update over the course of the three year contract.

A copyright protected version of the New York State Weatherization Field Guide is available to all NYS WAP subgrantees through the HCR Weatherization website: <http://www.nyshcr.org/Programs/WeatherizationAssistance/>

All subgrantees have been provided with the Field Guide and trained in its use, to become familiar with the specifications, objectives and desired outcomes outlined in the SWS for single family, multifamily and manufactured housing.

HCR will continue to provide subgrantees comprehensive field standards and training (see Section V.8.4, below) outlining requirements for work scope development and work quality that will meet or exceed the minimum standards found in the SWS. Subgrantees will also be provided with any revised technical requirements for building assessment (energy audits), installation of energy efficiency and health and safety measures and procedures for conducting final inspections in support of the quality work plan. These requirements will be referenced as a part of the agreement with each subgrantee to provide a mechanism for compliance.

V.5.2 Energy Audit Procedures

Weatherization subgrantees in New York use the **Targeted Investment Protocol System (TIPS)** energy audit to analyze building energy usage and set priorities for weatherization work in all one- to four-unit buildings, including manufactured or mobile homes, as well as for auditing multi-family buildings containing up to 25 individually heated units and the **Energy Audit Using the Queens Information Package (EA-QUIP)** for analysis of multi-family buildings. Both of these audit platforms are being submitted to DOE for reauthorization in 2016.

New York also has DOE approval for use of the **Targeted Residential Energy Analysis Tools (TREAT)** Energy Audit. The TREAT software can be used for multi-family buildings and in coordination with NYSERDA energy efficiency projects. Subgrantees doing weatherization work in buildings participating in NYSERDA programs, or in buildings that have had TREAT audits conducted for other programs, can also use TREAT for Weatherization to avoid the need for multiple audits. TREAT was most recently approved for use in the Program by DOE in May, 2011, and will also be resubmitted for DOE approval in 2016.

HCR subgrantees are expected to maintain in-house capacity to conduct building analysis for one- to four-unit buildings, and are encouraged to develop capacity to conduct multifamily audits on certain types of buildings with fewer than 75 units. HCR has implemented a quality control and review process for subgrantees that are designated to conduct their own multifamily audits.

HCR encourages the use of renewable energy systems in weatherization projects where permitted by DOE rules. Particularly in multifamily projects, there are significant opportunities for energy savings and cost reduction that result from installation of systems such as solar thermal technology. The TREAT and EA-QUIP energy audit platforms provide the ability to determine cost-effectiveness of renewable energy systems that may be considered in a weatherization project. HCR will comply with the provisions of DOE notices WPN 14-1 and WPN 13-5 and with sections 10 CFR 440.18 and 440.21c concerning use of renewables in weatherization projects.

HCR has been in discussion with DOE Headquarters. Based on DOE's guidance we are assembling materials to submit to SMS for reapproval of each type of audit prior to the expiration date.

V.5.3 Final Inspections

All weatherization projects completed by subgrantees in New York must pass a Quality Control inspection performed by the subgrantee's designated Quality Control inspector before being presented to HCR for certification. Payment for a completed unit will only be made after the unit is certified by HCR as meeting all program requirements (see sections 2.17, 7.02 and 7.06 of the PPM). HCR field staff periodically visit subgrantees and inspect a sample of dwelling units to ensure that the units reported have been completed in accordance with all State and federal program requirements. More detail on the monitoring process can be found in Section V8.3. Each completed unit is inspected per DOE Quality Work Plan requirements by the subgrantee before HCR reports the unit as complete to DOE. The following procedures will support HCR compliance with DOE Quality Work Plan requirements.

During Program Year 2016 every DOE WAP unit reported as a completed unit will receive and pass a Quality Control inspection, performed by a subgrantee's designated Quality Control inspector, ensuring that all work meets the minimum specifications outlined in the SWS in accordance with 10 CFR 440 and NYS WAP requirements. Each client file will have a form(s), signed by the subgrantee's designated QC inspector, certifying that the unit passed a Quality Control inspection, meeting the required standards for NYS WAP. HCR will confirm subgrantee compliance with the QCI requirement during routine monitoring visits and final Quality Assurance inspections of projects.

The final Quality Assurance project inspection includes the following:

- verification of program eligibility and required project file documentation
- review of the audit and work scope to determine that the work specified was eligible, effective, installed per SIR priority and that any changes to the work scope were approved in advance and properly documented;
- photographs of completed work;
- verification of the quantity of materials installed;
- verification that installation standards and work quality is acceptable and meets the Quality Control inspection standard;
- a blower door test to verify final air flow, in units where the test can be conducted;
- verification that required health and safety tests were conducted and that appropriate mitigation measures were performed as necessary;
- review for client signatures verifying completion of work;
- review for program documentation notifying owners and occupants of any unsafe / potentially unsafe conditions; and,
- review of any additional documentation necessary to support the outcome of the weatherization project.

Each subgrantee has certified quality control inspectors on staff, but turnover has been higher than expected, with several instances of staff leaving a subgrantee after obtaining QCI certification. In cases where a subgrantee temporarily does not have a certified QCI inspector

in place, the subgrantee must demonstrate to HCR that it has made arrangements to obtain the services of a certified inspector on a temporary basis, typically by contracting with a nearby subgrantee, and must provide HCR with a plan to fill the vacancy. In any case, HCR does not allow a subgrantee to present a unit for certification without a QCI inspection, and will ultimately disallow costs for any expenditures on units that are not certified.

HCR permits smaller subgrantees that do not have the resources to hire a separate QCI inspector to assign this function to an auditor or other staff person that obtains the required certifications. HCR increases monitoring frequency where needed, but for all subgrantees HCR inspects 10% of completed units. See section V.8.3 for more detail on monitoring policies.

V.6 Analysis of Effectiveness

HCR conducts an analysis of the effectiveness of each subgrantee's program each year, per 10 CFR 440.14(c)(6)(1), and maintains documentation on this analysis on file for review. This analysis is based on frequent on-site monitoring, regular desk audits and management reviews as well as other available information. Subgrantee productivity is measured by reviewing subgrantee production (as reported in the Weatherization Payment and Reporting Database) against contract production schedules; this is done on a monthly basis when subgrantees request payment. HCR's Field Operations unit also conducts comparative analysis to ensure that all subgrantees are administering the Program in an optimal manner and to set priorities for training and technical assistance. Subgrantees with deficiencies are required to submit corrective action plans to resolve impediments to effectiveness.

Subgrantees are also monitored several times during the program year, and their progress in resolving deficiencies and in implementing new procedures and recent training is assessed as part of the monitoring process. The field monitoring instruments themselves allow the reviewer to identify reoccurring problems and problem areas measured in the aggregate. Progress in resolving management findings and unresolved issues from prior annual evaluations is also assessed.

In addition to regular monitoring, HCR conducts a comprehensive annual evaluation of each subgrantee. The evaluation covers both the Program and Fiscal components of the agencies' programs and includes the following:

- Program Administration
- Outreach and Intake
- Energy Auditing and Work Scope Development
- Crew Operations/Subcontractor Management
- Post Inspection
- Database and Reporting
- Leveraging and Coordination
- Production and Quality
- Fiscal Record Keeping
- Financial Stability
- Program compliance
- Procurement

It is a summation of an analysis of the combined monitoring reports documented during the year and various production metrics. Each of the above-listed categories is broken down into its measurement components (56 categories for Program, 29 for Fiscal) with each item being judged as “superlative”, “adequate/in compliance”, or “needs improvement”, with a commensurate numerical rating. Fiscal evaluation criteria are judged as either “no flaws/shortcomings – full compliance”, “issues identified but corrected”, or “issues identified but unresolved”, and Fiscal scores are weighted double. The completed evaluation is shared with each subgrantee, and each area of rating that HCR deems "needs improvement" or “issues identified but unresolved” requires the subgrantee to submit a written corrective action plan, the implementation and progress of which is reviewed and monitored during the following year for effectiveness. Each evaluation area is also reviewed by the Regional Supervisors and the Program and Fiscal Monitors for the identification of problem areas and potential solutions. The scores and subgrantee rankings are compiled for the Weatherization Director and Regional Supervisors as a way of determining the strength of subgrantee performance and possible designated subgrantee service territories whose needs are not being adequately met.

V.7 Health and Safety

The primary goal of the Weatherization Assistance Program is energy conservation. However, installing energy conservation measures sometimes requires subgrantees to address health and safety problems that may exist in client’s homes. If not done correctly, installing certain measures can also create or worsen other health and safety conditions. Many of the buildings that are weatherized in New York have serious deficiencies that can affect the health and safety of both occupants of assisted units and staff performing weatherization work. HCR weatherization protocols require subgrantees to review building health and safety conditions and take appropriate action to mitigate any health or safety concerns when installing weatherization materials, where it is allowable and practical to do so. In some cases, subgrantees will defer work on a unit until existing conditions are corrected.

Health and safety work is only done in units where energy efficiency measures are also being installed. Section 5 of the PPM includes guidance on health and safety protocols.

V.7.1 Health and Safety Budgeting

Subgrantees are required to budget health and safety costs in a separate category that is not included in the cost per unit calculation. Subgrantees will be allowed to budget up to 10% of their total allocation for health and safety.

V.7.2 Health and Safety Measures and Incidental Repairs

Allowable health and safety measures are listed below, by category. Incidental repairs that are not health or safety measures are only allowed when the repair is necessary to install an energy efficiency measure and the total cost of installation, including the repair, has a savings-to-investment ratio of 1.0 or higher. Work will be deferred on buildings that need more extensive repairs until funding is identified to complete the needed repairs.

V.7.3 Health and Safety Expenditure Limits

Subgrantees may expend an average of 10% of their weatherization contract on energy-related health and safety measures in assisted units. Actual health and safety material only costs in 2014 equaled about 5% of total allocations, statewide.

V.7.4 Deferral Policy

In some cases, structural or health and safety deficiencies exist in buildings that are beyond the scope of what the Program can correct. In such cases, assistance will be deferred until the condition has been corrected using other resources. Owners and occupants of buildings where work must be deferred are provided with written notice, and subgrantees are encouraged to identify any resources available to correct the situation. Due to the age and condition of New York's housing stock, deferrals are sometimes necessary, and funding to address repairs that are beyond the scope of the Program is very limited.

The deferral process is detailed in Section 6.01 of the PPM. Also see Section V.1.2, above.

V.7.5 Occupant Health and Safety

Subgrantees must take all reasonable precautions against performing work on homes that will subject workers or clients to health and safety risks. Subgrantees are required to consider the health concerns of each occupant prior to initiating work on a residence. Form HCR #11 - Client Questionnaire - must be completed before any work is begun, to identify existing household occupant health and safety problems.

When performing an energy audit, the energy auditor is required to meet with a member of the household to complete the questionnaire. This questionnaire provides the auditor with information about the dwelling unit and the lifestyle of its occupants to help the auditor identify health and safety concerns. Once identified, these areas can be dealt with through client education or adjustments to the work scope.

The auditor is also required to complete a visual health and safety inspection and provide documentation of any concerns discovered. Where serious concerns are found that cannot be addressed through weatherization, occupants are advised of these possible hazards in writing (HCR #15) in order that they may make informed decisions regarding their safety. Where necessary, applicants will be advised to relocate from the unit during installation of energy conservation materials to ensure the household's safety.

HCR has also developed procedures to protect occupants while work is being installed. A daily safety check is required at the end of each work day to ensure that no conditions exist that would compromise building occupants' health and safety as a result of the weatherization work that was performed. All work and testing must be clearly documented in the client file on the appropriate forms. The following steps are taken at the end of each work day:

- Crews ensure that carbon monoxide (CO) alarms are installed in any dwelling unit containing a combustion appliance were a CO alarm does not presently exist.
- Crews ensure that smoke detectors are present and operational.
- Crews ensure that all combustion appliances, including clothes dryers and hot water heaters, are properly vented to the outdoors.

- Crews ensure that combustion water heaters are properly vented to outdoors per National Fire Protection Association standards (NFPA 211).
- A comprehensive health and safety evaluation and CAZ tests are conducted, and results documented in the project file, for each day following air sealing work.
- All vented combustion appliances are checked for spillage and proper draft.
- Carbon monoxide ambient air testing is conducted when combustion appliances are present.

V.7.6 Documentation of Health and Safety Issues

During the energy audit process subgrantees are required to take pictures of any existing conditions that could represent a health or safety issue or could lead to a dangerous situation if work proceeds. The auditor is also required to maintain written notes documenting the issues or concerns discovered during the audit along with an explanation that weatherization would be inappropriate, or that the weatherization work scope must be modified or changed. Any adverse conditions discovered during installation of energy efficiency measures will also be documented in writing, along with pictures and other relevant information and maintained in the applicant file.

HCR requires subgrantees to notify owners and occupants of any adverse health or safety conditions discovered in a building where weatherization work will be conducted, or where a decision to defer work has been made. Subgrantees are required to complete HCR Form #15 (Health and Safety Notification) to inform occupants and owners of potential health or safety hazards present in the building.

V.7.7 Health and Safety Hazards Addressed by HCR Subgrantees

Air Conditioning and Heating Systems

The New York State Office of Temporary and Disability Assistance (OTDA) may administer an emergency heating equipment repair and replacement program (HERR) if sufficient funding is available. HCR coordinates closely with OTDA to ensure that low-income households that do not have safe, operable heating systems are not placed at risk during the heating season.

When an unsafe heating system is encountered in a single-family owner-occupied unit during the heating season, the subgrantee will notify the household of the hazardous condition, following the procedures described in the preceding section, and will prepare a written referral to the local agency that administers the HERR so that the household can access benefits, if available. In such cases the subgrantee will defer work until the unsafe condition is corrected.

In some cases, such as when HERR is not available or for conditions encountered outside of the heating season, the subgrantee may attempt to determine whether repair or replacement is feasible as an energy efficiency measure (i.e., cost-effective as determined by a building analysis) and of sufficient priority to be included in the weatherization work scope.

State law requires owners of rental buildings to provide adequate heat in rental units during the heating season. When an unsafe heating system is encountered in a rental unit, the subgrantee will notify the owner and the tenant of the condition and defer work until the condition is corrected. In cases where a significant hazard exists, the subgrantee will also

advise the tenant to vacate the premises and provide appropriate referrals to human services or emergency services providers.

Generally, work on air conditioning systems is beyond the scope of the weatherization program. During prolonged heat waves where the State determines that an emergency situation exists and provides funding for an emergency cooling program, subgrantees may be asked to participate in providing assistance, but DOE weatherization program funds will not be used for this purpose.

Appliances and Water Heaters

Replacement of water heaters is allowed when combustion safety testing indicates that the water heater is not performing safely. Subgrantees will ensure that other combustion appliances, such as dryers, are properly vented and will perform minor repairs such as replacing vent pipes when indicated. See section on combustion gases, below, for protocols on testing.

Asbestos

All subgrantees are required to use certified contractors or crew members in compliance with NYS Department of Labor rules when cleaning up, removing or mitigating asbestos.

When working around any asbestos-containing material (ACM), the following will not be done:

- Dust, sweep, or vacuum debris;
- Saw, sand, scrape, or drill holes in the material; or,
- Use abrasive pads or brushes to strip materials.

Siding and other permanently affixed locations – Visual inspection of exterior will be conducted to identify the presence of asbestos siding. Removal of siding where asbestos is suspected is allowed in order to perform energy conservation measures where removal can be done in compliance with State Department of Labor regulations. However, where necessary, insulation will be installed through interior walls in buildings where asbestos siding is present or suspected. Occupant and owner notification will be provided following procedures described in Section V.7.6, above.

Vermiculite – Visual inspections will be conducted to identify presence of vermiculite (typically found in attics). Insulation that looks like vermiculite (as opposed to fiberglass, cellulose, or urethane foams) will not be removed or disturbed. When vermiculite is present subgrantees will assume that it contains asbestos, will notify owners and occupants according to procedures described in Section V.7.6 and will take all proper, precautionary measures, such as avoiding use of the blower door.

Heating distribution systems – Pipe insulation will be inspected for the following:

- Integrity—complete coverage, no holes or tears;
- Damage—holes or tears; and,
- Complete coverage—insulation missing.

In some cases the presence of asbestos may result in deferral of work on the building or unit if other, more cost-effective measures are not available or a complete work scope cannot be achieved. If asbestos is suspected, occupants will be notified and, if suspected asbestos is in good condition, will not be disturbed.

For suspected ACM that is damaged (e.g., unraveling, frayed, breaking apart) or that must be disturbed as part of the retrofit activity, contracting with an asbestos professional for abatement or repair, in accordance with federal, state, and local requirements, may be permitted in very limited circumstances but only when shown to be cost effective and only with the prior approval of HCR. Only a licensed or trained professional may abate, repair, or remove ACM.

Testing is allowed in cases where it is suspected that covering materials do not contain asbestos, where deemed cost effective and requires the approval of HCR. Occupant and owner notification will be provided following procedures described in Section V.7.6, above.

Biological Hazards and Unsanitary Conditions

Information on biological hazards is obtained through the client questionnaire and by visual inspection of the unit. If hazards are present that cannot be mitigated in the course of routine weatherization work, the subgrantee must defer work until funding from other sources is available to address the hazard. Occupant and owner notification will be provided following procedures described in Section V.7.6, above.

Building Structure and Roofing

Incidental repairs are generally not performed as health and safety measures, unless the repair will correct minor health or safety issues at low cost. Incidental repairs that are done to enable installation of energy efficiency work will not be billed as health and safety work. More extensive conditions, such as structural problems or roof replacement, are beyond the scope of the Program. Subgrantees are expected to be familiar with housing rehabilitation programs available in their service area, if any exist, to refer owners to programs that can provide assistance that is beyond the scope of weatherization. In cases where extensive repairs are needed before weatherization assistance can be provided, work will be deferred until repairs are made. Occupant and owner notification will be provided following procedures described in Section V.7.6, above.

Code Compliance

HCR requires subgrantees to ensure that work is performed in accordance with state and local codes, and monitors compliance with this requirement during on-site inspections by verifying that appropriate permits and other documentation from local code offices is on file. However, the role of State staff and of subgrantees is oversight; code compliance is the responsibility of local officials. The visual inspection of the unit includes an analysis of potential code violations in areas where work is being done and, when required by state or local codes, subgrantees must obtain building permits for work to be performed prior to commencement of work. In cases where code violations are serious or apparent, or pose an imminent threat to health or safety, subgrantees will notify owners and occupants pursuant to the procedures described in Section V.7.6, above.

Combustion Gases

HCR requires subgrantees to conduct combustion appliance zone (CAZ) testing, chimney draft testing, heating system steady-state efficiency testing and carbon monoxide testing on all buildings where any combustion appliance is present. Testing must be conducted before work begins, after work is completed and, for some tests, at the end of each work day. In general, HCR testing protocols are identical with Building Performance Institute protocols.

Subgrantees will provide proper venting and minor heating system repairs when necessary to ensure indoor air quality and mitigate combustion gas hazards. In cases where serious hazards exist that cannot be resolved with weatherization program funding, work on the unit will be deferred. When any combustion gas hazard is detected, subgrantees will notify owners and occupants pursuant to the procedures described in Section V.7.6, above. Details on HCR testing protocols can be found in Section 5.08.03 of the PPM.

Drainage

HCR requires that subgrantees inspect each building for mold and moisture conditions. Subgrantees must locate and, where feasible, eliminate sources of moisture, or reduce infiltration of moisture into the structure. Building owners will be required to correct moisture problems that are beyond the scope of WAP before energy conservation work can proceed. This may include repair or replacement of drainage systems (gutters and downspouts). Typically, such repairs are the responsibility of the building owner. In some cases minor work to address moisture issues will be performed as a health and safety measure. Occupant and owner notification of serious drainage conditions will be provided following procedures described in Section V.7.6, above.

Electrical Issues

Subgrantees ensure that work is performed in accordance with state and local codes, and monitor compliance with this requirement during on-site inspections. The visual inspection of the unit includes an analysis of electrical hazards. Voltage drop and voltage detection testing will be conducted where needed. Subgrantees will ensure that all electrical hazards that exist in areas where weatherization work is to be done are corrected prior to commencement of work. Subgrantees avoid insulating any areas of a building where live knob-and-tube wiring is known to exist. Knob and tube wiring can be replaced if the cost of the rewiring and the cost of the insulation added together results in a SIR of greater than one. In buildings with serious electrical hazards or where hazards cannot be addressed in a cost-effective manner, work will be deferred and subgrantees will notify owners and occupants pursuant to the procedures described in Section V.7.6, above.

Fire Hazards

Potential fire hazards are identified during the visual inspection. The presence of smoke detectors is noted. Obvious hazards must be corrected before work can proceed. As a direct result of work that is performed in the course of weatherization such as the reduction of air flow, sealing of thermal bypasses, and installation of insulation, weatherization services reduce the probability of fire spread in a building. In cases where hazards exist that are beyond the scope of the program, work will be deferred and subgrantees will notify owners and occupants pursuant to the procedures described in Section V.7.6, above.

Formaldehyde, Volatile Organic Compounds and other Indoor Air Pollutants

When these substances are suspected in a unit, subgrantees are to issue a Health and Safety Notification (Form #15) to the homeowner. EPA recommendations on air quality levels are to be referenced. In cases where hazards exist that are beyond the scope of the program, work will be deferred and subgrantees will notify owners and occupants pursuant to the procedures described in Section V.7.6, above.

Injury Prevention

See “Occupational Health and Safety Administration Compliance,” below. Training is provided to weatherization crews to avoid falls and other on-the-job injuries. Subgrantees will take all reasonable precautions to reduce the risk of injury to workers or occupants of assisted buildings. In limited cases, minor repairs may be conducted to avoid injury risk. In cases where serious safety conditions exist, work will be deferred and subgrantees will notify owners and occupants pursuant to the procedures described in Section V.7.6, above.

Lead-Based Paint

Lead paint hazards are endemic in some parts of New York State. All subgrantees are required to follow lead-safe work protocols and to employ staff trained in following such practices. Subgrantees must comply with current EPA and DOE requirements for lead hazard control, including worker protection and occupant notification. Each subgrantee must hold current EPA Certified Renovator firm status. Testing for presence of lead hazards is allowed, and clearance testing by a certified Renovator upon conclusion of work in an area where lead hazards are present is required.

HCR requires Weatherization directors and all staff who may come in contact with lead-based paint while performing their duties to attend a one day EPA approved lead renovators certification course. HCR has arranged for this training and encourages subgrantees to have all WAP staff become certified lead renovators. HCR also requires that all Weatherization directors and subgrantee/subcontractor personnel who will come in contact with lead paint attend a one day Lead-Safe Work Practices training session. Assisted households are provided with the required EPA brochure on lead hazards associated with renovation and required to sign the acknowledgement included in that brochure, and subgrantees are required to maintain the signed forms on file. In cases where lead hazards exist that preclude safe and cost-effective installation of energy efficiency measures, work will be deferred and subgrantees will notify owners and occupants pursuant to the procedures described in Section V.7.6, above.

Compliance with lead hazard control requirements is verified through routine monitoring, and subgrantees that fail to comply may be required to submit corrective action plans or be subject to sanctions, as in other non-compliance events. See the Monitoring section of this plan for more information on compliance monitoring. Information on lead-safe weatherization is included in Section 6.02 of the PPM.

Mold and Moisture

Subgrantees are required to inspect each unit to locate any mold and the sources of excessive moisture. If mold or moisture issues are found the subgrantee must notify occupants and either defer work or develop an acceptable corrective action plan. Correction of moisture and mold-creating conditions is allowed only when necessary to safely install and ensure the durability of energy conservation measures. Subgrantees are required to install ventilation when feasible and necessary to address moisture conditions.

Training is provided to all subgrantee staff and grantee field staff on mold and moisture issues. More detail on subgrantee training is provided below. Also see the section on Drainage, above.

Occupant Health Conditions

Information on existing occupant health problems is collected on the client questionnaire. In some cases, where work activities could present a health or safety hazard, occupants will be advised to temporarily relocate while work is being conducted, or work will be deferred until suitable arrangements are made.

Occupational Safety and Health Administration Compliance

Subgrantees are required to comply, and monitor their crews and subcontractors for compliance, with Occupational Safety and Health Administration (OSHA) requirements at all times. Crew and contractor safety is integrated into HCR training and technical assistance curricula, including Confined Spaces protocols and the use of Material Safety Data Sheets (MSDS), and is mandatory training for all WAP workers. HCR staff will monitor to ensure that subgrantee crews and subcontractors are utilizing safe work practices.

Pests

Air sealing and installation of screens or barriers to prevent pest infestation is permitted when feasible and cost-effective. Pest removal is generally the responsibility of the owner. In cases where infestation hazards exist that cannot be addressed through routine, low-cost measures, work will be deferred and subgrantees will notify owners and occupants pursuant to the procedures described in Section V.7.6, above.

Radon

Buildings in areas with high radon levels may be tested, and mitigation measures followed, to ensure that radon hazards are not made worse. Mitigation is limited to ensuring that units are properly vented and installing a vapor barrier over exposed dirt (such as may be found in basements or crawl spaces), except in mobile homes. In cases where hazards exist that are beyond the scope of the program, work will be deferred and subgrantees will notify owners and occupants pursuant to the procedures described in Section V.7.6, above.

Refrigerants

All refrigerators that are replaced will be de-manufactured and disposed of in accordance with applicable EPA requirements.

Smoke and Carbon Monoxide Detectors and Fire Extinguishers

HCR requires subgrantees to install smoke detectors and carbon monoxide detectors where detectors are inoperable or not present. Fire extinguishers are not provided, but owners and occupants are made aware of attendant hazards.

Solid Fuel Heating

About one percent of New York's households heat with wood, coal or coke. Maintenance, repair or replacement of these types of heating systems is allowed, as with other heating system types. A comprehensive health and safety evaluation of all combustible appliance zones must be completed each day following air sealing work to ensure safe operation of solid fuel-burning appliances.

Space Heaters

Standalone electric – Repair, replacement or installation of standalone electric heaters is not allowed. Subgrantees advise removal and inspect electric circuitry in cases where clients

do not permit removal. In buildings where significant hazards exist that cannot be mitigated (e.g., unsafe circuits where occupant will not remove space heater, or use of multiple space heaters) work will be deferred until the hazard is removed or corrected, and owners and occupants notified.

Unvented combustion – Subgrantees must educate owners and tenants about the dangers of CO and fire hazards associated with using unvented space heaters when encountered. Unvented space heaters must be removed before weatherization measures can be installed, except those used as secondary heat sources that conform to ANSI Z21.11.2., or Subgrantees will defer work on the building until the heater is removed, and will notify owners and occupants pursuant to the procedures described in Section V.7.6, above.

Vented combustion – Vented combustion space heaters will be treated as furnaces. See section on combustion gases, above.

Spray Polyurethane Foam (SPF)

Subgrantees and their subcontractors will follow EPA recommendations concerning the use of SPF in conditioned spaces or when fumes become evident, and will take precautions to avoid transfer of fumes into conditioned or occupied spaces. Notification will be provided to owners and occupants before SPF is installed. HCR sponsors training on the safe use of SPF in the Weatherization Program.

Ventilation

HCR requires subgrantees to comply with ASHRAE 62.2 2013 indoor air quality requirements for low-rise residential buildings and will provide continuing training to staff and subgrantees throughout 2016-17 as needed. HCR will attempt to balance these requirements with the need to maximize energy savings in assisted units and provide recipients with sustainable installations that they will be able to maintain in future years.

HCR has developed a method to safely and responsibly implement the ASHRAE 62.2 standard and allow air-sealing of buildings to levels tighter than previous standards, when physically possible and cost effective (i.e., SIR greater than 1.0). After all air-sealing, buildings will be evaluated and receive mechanical ventilation in accordance with ASHRAE 62.2

Because of the implementing of this standard, some weatherized buildings will be much tighter, requiring client education and additional training. Tighter buildings will also require attention to additional health & safety concerns to ensure the safety of the occupants and integrity of the structure.

Tools have been developed to assist subgrantees with this new process. These include a calculator utilizing building characteristics and blower door test results after all air sealing techniques have been completed, and deemed no longer cost effective to continue, as well as other materials. Subgrantees will be trained in the proper implementation of ASHRAE 62.2 by HCR, NYSWDA, and AEA.

Energy auditors and crew chiefs have been trained to understand and test exhaust airflow to meet the ASHRAE 62.2 requirements. Airflow tests will be performed and documented at the time of the audit, during air sealing work, again after all air sealing work has been completed, and at final inspection.

Additional information on HCR implementation of the ASHRAE 62.2 requirement is provided in Section 5.11 of the PPM.

Window and Door Replacement and Window Guards

Windows and doors will not be replaced as a health and safety measure. Installation of window guards (which is often required on buildings in New York City) will be provided by rental property owners, when required.

V.8 Program Management**V.8.1 Overview and Organization**

The Program is managed in New York by the Division of Housing and Community Renewal (DHCR), a component of NYS Homes and Community Renewal (HCR). The Commissioner of Housing and Community Renewal also serves as President of HCR, and is appointed by the Governor. Within DHCR, the Program is located in the Office of Housing Preservation (OHP). OHP is headed by a deputy commissioner/president that reports to an executive deputy commissioner. In addition to the Weatherization program, OHP administers the Federal Section 8/Housing Choice Voucher program and provides supervision of the State's portfolios of public housing and privately-owned assisted housing. Other offices within HCR include Finance and Development, which primarily administers multifamily housing finance programs such as the Housing Trust Fund, Low-income Housing (tax) Credit and Mortgage Revenue Bond programs, and the Office of Community Renewal, which administers the Community Development Block Grant Program, NYS HOME Program, NY Main Street program and other locally-administered housing and community development programs.

The Director of Energy and Rehabilitation Programs, who reports to the Deputy Commissioner for OHP, has day-to-day responsibility for the Weatherization Assistance Program. Three component units within the Energy and Rehabilitation Services Bureau provide Program staffing: Program Management, which includes central office operations such as contract and payment processing, reporting, budgeting and coordination with other State offices and other units within HCR; Fiscal Compliance, which includes staff that monitors the fiscal operations of subgrantees; and Field Operations, which includes both the field (program) monitoring staff and the Training and Technical Assistance unit.

HCR coordinates closely with other State agencies that administer energy assistance programs. These include the New York State Energy Research and Development Authority, which administers the State Energy Program and several energy efficiency programs, the Office for Temporary and Disability Assistance, which administers the Low-Income Home Energy Assistance Program, the Department of State, which administers the Community Services Block Grant program, the Public Service Commission, the Department of Labor, the State Office for the Aging and others.

A full description of roles and responsibilities of HCR staff involved in administration of the Program, including information on coordination with other State agencies, can be found in the Weatherization Assistance Program Policy and Procedures Manual.

V.8.2 Administrative Expenditure Limits

HCR will retain a portion of available funds to cover staff and non-personal service costs, not to exceed five percent of the allocation. Each subgrantee will be allowed to use five

percent of their allocation for administrative costs, provided that sufficient administrative funding is available to HCR. See budget for details.

V.8.3 Monitoring Activities

HCR combines rigorous field monitoring with an extensive training and technical assistance program to identify areas to improve work quality and the delivery of program services as well as to correct subgrantee administrative and management problems. Field monitoring also provides an opportunity for on-site training and technical assistance and the identification of areas where more extensive training is needed.

A minimum of 10% of units completed by each subgrantee are inspected by HCR QCI monitors. This ensures that, for agencies where energy auditors are also performing QCI inspections, HCR will comply with DOE minimum monitoring requirements. When deficiencies are found at a subgrantee, a higher percentage of units may be inspected.

Staff closely monitors compliance with Program policies and procedures and in accordance with WPN 16-4. Fiscal Compliance unit staff (senior accountants) performs periodic on-site monitoring and desk audits, including reviews of financial statements, to assure compliance with all financial rules. Field Operations unit staff reviews subgrantee production status throughout the year, conducts visits to subgrantee offices to review files and visits assisted units to inspect in-progress and completed work. This information aids in early identification of subgrantee problems and ensures quality work and compliance with Program standards.

The field monitoring process consists of monthly reporting by subgrantees, on-site visits by program and fiscal staff to subgrantee offices and to assisted units, and desk audits, where subgrantee performance reports and other information is reviewed. At the end of the program year an annual evaluation of each subgrantee is conducted that reviews compliance with all program rules, energy audit procedures, crew operations, client interaction, data collection and reporting and fiscal compliance. A minimum of 10% of assisted units are to be inspected.

Subgrantees found to have deficiencies in program operations are required to prepare a corrective action plan for areas needing improvement. HCR has developed an automated monitoring process to more carefully track monitoring results. This process has improved HCR's annual monitoring function, and will provide data on subgrantee performance, work quality and compliance that HCR can use in future funding decisions, and to improve program effectiveness in general. For more information on HCR subgrantee monitoring processes, see Sections 2.17 – 2.20 of the PPM.

Fiscal Field Monitoring

Fiscal monitors (HCR staff accountants) review subgrantee A-133 audits submitted on an annual basis. A management review letter is issued to the subgrantee following review of the audit.

Fiscal monitors complete their monitoring summaries based in part on the summary of their last visit/report. If there were findings on that last report, the follow-up will be part of their monitoring for the current report. If the prior findings remain uncorrected, that will be reported again on the current report. If the condition is sufficient to warrant further action, the agency may be placed on Fiscal Special Conditions, whereby monitoring becomes more frequent and where special Fiscal signoff may be needed for payments.

For deficiencies reported on an agency's annual evaluation, monitors review the corrective action plan and follow-up during the course of the year as to how successfully it has been implemented. Failure to correct deficiencies may warrant increased training and technical assistance, increased levels of monitoring, or in the most severe cases a formal warning notice which may lead to termination.

Program Field Monitoring

HCR Program Field Monitors typically perform on-site field visits to each subgrantee to assess subgrantee performance and inspect completed units between four and six times each year. A written report is generally issued to the subgrantee at the end of each visit, but in any case no later than 30 days following the end of the visit. Where serious or repeated deficiencies are found, the frequency of monitoring may be increased. Each monitor possesses current EPA Renovate, Repair and Paint (RRP) lead paint certifications and NREL Quality Control Inspector certifications.

Grantee staff assigned to monitoring are paid with LIHEAP and DOE administrative funding. Four staff persons assigned to the Training and Technical Assistance unit are paid with DOE T&TA funds.

V.8.4 Training and Technical Assistance

HCR provides a rigorous training and technical assistance program to maintain and improve subgrantee performance and the quality of work installed with program funds. Training is provided by the Association for Energy Affordability (AEA), the New York State Weatherization Director's Association (NYSWDA) and also by HCR staff. Both AEA and NYSWDA are IREC-accredited and have extensive state-of-the-art training facilities that feature pressure diagnostic houses, heating labs, classroom space, and other resources. AEA's main training center is in the Bronx, and NYSWDA's is in East Syracuse. Additionally, AEA has developed distance learning capacity, and NYSWDA has two satellite training facilities, located at Hudson Valley Community College in Troy, and at Erie Community College near Buffalo.

Individual grantee staff independently track their continuing education units required for recertification via the BPI portal. HCR program field representatives review the status of subgrantee staff certification compliance during monitoring visits and will issue written findings to subgrantees that are not in compliance with certification requirements. See Sub Section 2.17 of the PPM for more information on HCR monitoring and field visits.

Required certifications and mandatory training are listed in Section 2.14 of the PPM and communicated via program memo when necessary. Ongoing training is always available through NYS WAP's two contracted technical service providers, who provide a posted training calendar on their websites and send out email notices to the WAP network regarding upcoming training. Ramifications for non-compliance could include: (a) critical program field visit report that would result in an agency having to provide a written action plan for compliance; (b) negative end of year agency evaluation; or (c) disallowing payment for units presented for certification that were not inspected by a certified QCI.

HCR also requires that subgrantee personnel in certain professional positions be certified by the Building Performance Institute (BPI). Subgrantees must ensure that any individual holding a staff position that requires certification must meet certification

requirements no later than 18 months from the time they are assigned to the position. Mandatory training sessions and the personnel required to take them are listed in the PPM (see SS 2.14). If a subgrantee hires a new employee into any of these positions or a current employee transfers into any of these positions, it is required that they receive the mandatory training within 6 months of their start date. HCR does not require Subgrantees to make their hiring decisions based on program training or certification requirements.

AEA and NYSWDA provide on-going training programs to keep subgrantees current in program requirements, including any that subgrantees need to comply with HCR's Health and Safety Plan. HCR requires subgrantees to comply with ASHRAE 62.2 2013 indoor air quality requirements for low-rise residential buildings and will ensure that staff and subgrantees receive continuing training and other support throughout 2016-17, including training on any changes to the ASHRAE 62.2 standard that may impact the program. HCR will continue to attempt to balance these requirements with the need to maximize energy savings in assisted units and provide recipients with sustainable installations that they will be able to maintain in future years.

HCR distributes a portion of its T&TA funds directly to the subgrantees for their use in the following activities: conference attendance, staff training, memberships and subscriptions, computer/electronic media training resources, data gathering and client education materials. Also, since 2014 HCR has provided and posted to their website Customer Education and Training documents for subgrantees to utilize for the purposes of customer education.

Training consists of the following activities:

Activity 1: All subgrantee crews, supervisors, energy auditors and other key staff are provided with classroom, web-based and individual training covering all aspects of the program. Areas such as rules, regulations, policies, procedures, reports, data entry, and forms will be covered. This activity will be aimed at meeting and maintaining State and Federal program, fiscal, and technical standards. HCR will provide this training and technical assistance through assigned staff.

Activity 2: Training of a distinct nature that includes comprehensive, job-specific training which follows a curriculum aligned with the National Renewable Energy Lab's (NREL) Job Task Analyses (JTAs) for the major energy upgrade job classifications, including the required Quality Control Inspector title. This training will be provided by our IREC accredited training providers AEA and NYSWDA under their technical services contract, or in cooperation with a DOE-approved IREC accredited organization, in accordance with all program requirements for Tier 1 training. We anticipate being able to provide Tier 1 training opportunities on an ongoing basis, becoming more varied as needs are assessed, curriculums are approved and accreditations acquired. Currently our training providers hold IREC accreditations in the following NREL worker certification tracks:

NYSWDA: NREL Crew Leader and Quality Control Inspector

AEA: NREL Crew Leader, Quality Control Inspector, Retrofit Installer and Energy Auditor

Activity 3: HCR will also fund AEA and NYSWDA to provide other training and technical support services, including peer-to-peer training activities, air monitoring of lead safe

practices, energy savings analysis, and specialized training activities to address deficiencies found in field monitoring. This activity corresponds to DOE Tier 2 training.

Other required or approved training will cover topics such as Health & Safety, using the TIPS, TREAT, or EA-QUIP software, creating-cost effective job work scopes, infrared thermography, heating system diagnostics, performing post inspections, managing crews and subcontractors, materials installation, air sealing, and pressure diagnostics. The goal of this training is also to introduce or significantly improve the knowledge and expertise needed to successfully operate local programs and provide quality weatherization services. These training sessions will be provided throughout the year.

Activity 4: HCR will distribute a portion of its T&TA funds directly to the subgrantees for their use in the following activities: conference attendance, staff training, memberships and subscriptions, computer/electronic media training resources, data gathering and client education materials.

Coordination of Monitoring and Technical Assistance

HCR utilizes field staff and technical service subgrantees as a quality assurance strategy. Field staff conducts an annual evaluation of each subgrantee's training needs that is used to develop the training curricula for the following year. HCR also has staff specifically assigned to provide specialized training in various administrative and support functions to both staff and subgrantees.

Field staff visit subgrantees on a regular basis to monitor the progress of subgrantees on work required as part of their Program contract. During these monitoring visits, when staff observes areas where subgrantees need assistance, the individual staff member will provide the assistance needed or will arrange for other training as described in Activity 1 and Activity 3, above.

HCR has developed comprehensive written training curricula in several areas that have been used for the training of subgrantee staff on a regular basis. As the need arises for training in additional areas, curricula will be developed to insure a comprehensive and uniform approach to the subject matter. This includes required Lead Safe Worker Training, which is conducted by EPA-certified training contractors. AEA has also implemented a Clean Boilers Program which qualifies heating system contractors as eligible bidders and establishes a Master Bidders List for multi-family heating systems installed within the weatherization program.

V.9 Energy Crisis and Disaster Relief

In the event of a natural disaster during the program year, subgrantees that serve areas that have been designated as federal disaster areas will be required to prioritize service to buildings occupied by disaster victims. In some cases, subgrantees covering adjacent areas will be allowed to perform work in disaster areas, with the consent of the subgrantee that primarily serves that area. Work will be limited to allowable Program measures.

APPENDIX A - Policy Advisory Council

Barden, Joseph
Margert Community Corp.

Brennan, Charles
Attorney at Law

Brogan, Timothy
NYS Department of State

Bryk, Andrew
NYS Office of Temporary and Disability
Assistance

Desmond, Sarah
Housing Conservation Coordinators

Eberhard, John (Chairperson)
Delaware Opportunities Inc.

Hepinstall, David (Vice Chairperson)
Association for Energy Affordability, Inc.

Kather, Cindy
NYS Office for the Aging

Ferreri, Monica
NYS Department of Public Service

Keraga, Kelvin
NYS Energy Research & Development
Authority

Padian, Andrew
Energy Efficiency Consultant

Pedrotti, Maureen
Community Development Corp. of Long
Island

Quinn, Charles
RECAP, Inc.

Rieber, Dan
Northern Manhattan Improvement Corp.

Rice, Wendell
Bedford Stuyvesant Restoration Corp.

Sammons, Massimo
Cortland County CAP, Inc.

Joseph, Tony
NYS Department of Labor

Stone, Andrew
NYS Weatherization Directors'
Association

Zales, JoAnn
National Grid

Zerbian, Tina
Cattaraugus Community Action

Appendix B

Weatherization Assistance Program Allocation Formula

County	Income-Eligible Households		Degree Days *		Allocation Percentage
	County Total	Share of State Total	County Total	Index	
Albany	38,906	1.6467	7,148	1.0182	1.9979
Allegany	8,009	0.3390	7,871	1.1212	0.4529
Bronx	239,738	10.1471	4,901	0.6981	8.4412
Broome	32,509	1.3760	7,134	1.0162	1.6662
Cattaraugus	13,524	0.5724	7,419	1.0568	0.7208
Cayuga	11,669	0.4939	7,041	1.0030	0.5903
Chautauqua	24,126	1.0212	6,539	0.9315	1.1334
Chemung	14,512	0.6142	7,134	1.0162	0.7438
Chenango	7,633	0.3231	7,326	1.0436	0.4017
Clinton	11,725	0.4963	7,831	1.1155	0.6596
Columbia	7,847	0.3321	6,748	0.9613	0.3804
Cortland	6,720	0.2844	7,637	1.0879	0.3687
Delaware	8,115	0.3435	7,327	1.0437	0.4272
Dutchess	25,413	1.0756	6,647	0.9469	1.2136
Erie	143,512	6.0743	7,137	1.0167	7.3584
Essex	5,910	0.2501	8,426	1.2003	0.3578
Franklin	7,972	0.3374	8,818	1.2561	0.5050
Fulton	9,519	0.4029	7,831	1.1155	0.5355
Genesee	8,202	0.3472	6,648	0.9470	0.3917
Greene	6,857	0.2902	7,646	1.0892	0.3767
Hamilton	788	0.0334	9,206	1.3114	0.0521
Herkimer	11,071	0.4686	7,926	1.1291	0.6304
Jefferson	17,335	0.7337	7,635	1.0876	0.9509
Kings	377,874	15.9938	4,902	0.6983	13.3077
Lewis	4,253	0.1800	8,522	1.2140	0.2604
Livingston	7,763	0.3286	6,939	0.9885	0.3870
Madison	8,670	0.3670	8,121	1.1568	0.5058
Monroe	101,710	4.3050	6,743	0.9605	4.9272
Montgomery	8,311	0.3518	7,527	1.0722	0.4494
Nassau	74,151	3.1385	5,488	0.7818	2.9236
New York	232,665	9.8477	4,900	0.6980	8.1905
Niagara	34,135	1.4448	6,748	0.9613	1.6548
Oneida	35,359	1.4966	7,634	1.0875	1.9393
Onondaga	64,924	2.7480	7,544	1.0746	3.5188
Ontario	13,088	0.5540	6,945	0.9893	0.6530
Orange	30,347	1.2845	6,079	0.8660	1.3253
Orleans	5,779	0.2446	6,546	0.9325	0.2718
Oswego	17,635	0.7464	6,745	0.9608	0.8546
Otsego	9,839	0.4164	7,723	1.1001	0.5459

Putnam	5,659	0.2395	6,081	0.8662	0.2472
Queens	244,408	10.3448	4,902	0.6983	8.6074
Rensselaer	20,253	0.8572	7,045	1.0036	1.0251
Richmond	41,756	1.7674	4,908	0.6991	1.4723
Rockland	20,567	0.8705	5,579	0.7947	0.8243
St. Lawrence	17,399	0.7364	8,429	1.2007	1.0536
Saratoga	21,274	0.9004	7,336	1.0450	1.1212
Schenectady	18,837	0.7973	7,151	1.0187	0.9677
Schoharie	4,294	0.1817	7,428	1.0581	0.2291
Schuyler	2,769	0.1172	7,226	1.0293	0.1437
Seneca	4,906	0.2077	7,038	1.0026	0.2481
Steuben	16,175	0.6846	7,426	1.0578	0.8629
Suffolk	86,799	3.6738	5,265	0.7500	3.2832
Sullivan	11,024	0.4666	7,522	1.0715	0.5957
Tioga	6,605	0.2796	7,236	1.0308	0.3434
Tompkins	13,960	0.5909	7,136	1.0165	0.7157
Ulster	20,800	0.8804	6,447	0.9184	0.9634
Warren	9,823	0.4158	8,034	1.1444	0.5670
Washington	8,614	0.3646	7,138	1.0168	0.4417
Wayne	12,047	0.5099	6,647	0.9469	0.5753
Westchester	77,598	3.2844	5,690	0.8105	3.1721
Wyoming	5,359	0.2268	7,528	1.0724	0.2898
Yates	3,582	0.1516	6,942	0.9889	0.1786
Entire State	2,362,623	100.0000	7,020	61.9966	100.0000

Income Eligible Population based on 2010 American Community Survey data on distribution of low-income households

* Degree days = 100% of heating degree days and 10% of cooling degree days.

CODE	Subgrantee	2016 Allocation
ABCS	Action for a Better Community, Inc.	1,158,040
ACOI	Albany Community Action Partnership	495,439
AEAS	Association for Energy Affordability, Inc.	2,495,235
ALCO	Albany County Cooperative Extension	499,219
BDSY	Bedford Stuyvesant Restoration Corporation, Inc.	1,406,511
BXSH	Bronx Shepherds Restoration Corporation	1,587,832
CACH	Sullivan County CACHE, Inc.	325,000
CATT	Cattaraugus Community Action Inc.	833,859
CAYU	Cayuga-Seneca Community Action Inc.	325,000
CHAU	Chautauqua Opportunities Inc.	564,247
CHEM	Eco Opp Prog of Chemung and Schuyler	695,282
CHEN	Opportunities for Chenango, Inc.	400,000
CHTS	Crown Heights Jewish Community Council	998,404
CLIN	JCEO of Clinton and Franklin Counties	653,400
COLU	Columbia Opportunities Inc.	400,000
CORT	Cortland County Community Action Program Inc.	400,000
DELA	Delaware Opportunities Inc.	400,000
DUTC	Dutchess County Community Action Agency, Inc.	704,163
ESSE	Adirondack Community Action Programs, Inc.	400,000
FULT	Fulton/Montgomery Community Action	625,000
GREE	Community Action of Greene County Inc.	325,000
HCCS	Housing Conservation Coordinators	727,844
HELL	Hellenic American Neighborhood Action Council, Inc.	1,923,905
HUDC	Harlem Community Development Corporation	1,054,456
JEFF	Community Action Planning Council of Jefferson Cty	573,375
LEWS	Lewis County Opportunities Inc.	400,000
MADI	Stoneleigh Housing Inc.	325,000
MARG	Margert Community Corporation	1,349,632
NCAP	Niagara Community Action Program, Inc.	823,849
NHSB	Neighborhood Housing Services of South Buffalo, Inc.	1,203,406
NLDC	Northfield Community LDC of Staten Island	857,987
NMIC	Northern Manhattan Improvement Corporation	2,445,256
NWBC	Northwest Bronx Community and Clergy Coalition	1,431,000
ODAS	Opportunity Development Association	2,103,472
ONEI	Mohawk Valley Community Action Agency	1,279,283
ONON	People's Equal Action and Community Effort, Inc.	2,177,213
ORLE	Orleans Community Action Committee, Inc.	625,000
OTSE	Opportunities for Otsego Inc.	400,000
PCCB	Matt Urban Center	469,273
RCAP	Regional Economic Community Action Program, Inc.	659,813
RCDC	Rockland Community Development Council	410,393
RENS	CEO for the Greater Capital Region, Inc.	610,321
RURL	Pathstone Corporation	1,294,915
SARA	Saratoga Cty Economic Opportunity Council, Inc.	1,039,972
SCDC	Community Dev Corp of Long Island Inc.	3,089,976
SCHO	Schoharie County Community Action Program	325,000
SENE	Seneca County Office for the Aging	325,000
STEU	Pro Action of Steuben and Yates Inc.	754,608
STLA	St. Lawrence Cty Comm Dev and Planning, Inc.	652,033
SUPA	Sunset Park Redevelopment Committee	2,266,723
SUPS	Supportive Services Corporation	1,990,657
TIOG	Tioga Opportunities Program Inc.	1,154,487
TOMP	Tompkins County Economic Opportunity Corporation	431,298
UCAC	Ulster Community Action Committee Inc.	579,616
WAHA	Warren/Hamilton Counties ACEO Inc.	625,000
WASH	Washington County Economic Opportunity Council	325,000
WAYN	Wayne County Action Program Inc.	650,101
WPUT	Westchester Community Opportunity Program Inc.	1,904,194
WYOM	Wyoming County Community Action Inc.	625,000
	Technical Service Subgrantees	
NWDA	New York State Weatherization Directors Association	650,000
AEAS	Association for Energy Affordability	650,000