



Fact Sheet

HUD-DOE Weatherization Partnership

Streamlining Weatherization Assistance in Affordable Housing

Updated March 5, 2010

In February 2009, HUD and DOE established a partnership to support coordination of the use of \$16 billion in funds appropriated by Congress through the American Recovery and Reinvestment Act. These funds included \$4.5 billion in HUD capital funds for public and Indian housing and \$250 million to retrofit privately-owned federally-assisted housing. DOE received \$5 billion to fund the Weatherization Assistance Program, \$3.2 billion for Energy Efficiency and Conservation Block Grants for cities, counties, states and Indian Tribes, and \$3.1 billion for the State Energy Program, and additional funds for other programs.

On May 6, 2009 the two Departments published a Memorandum of Understanding (MOU) aimed at lowering barriers that have historically existed to the use of weatherization funds in public and assisted multifamily housing. The MOU is intended to streamline the weatherization eligibility process for residents in approximately 1.1 million public housing units, another 1.2 million privately owned federally-assisted units, and some 950,000 units financed with Low Income Housing Tax Credits (LIHTC).

Implementing the MOU. On January 25, 2010 DOE published a regulation in the Federal Register that is intended to reduce the review and verification burden related to income verification, rent increases and property enhancement criteria under the Weatherization Assistance Program for certain properties identified by HUD. The regulation took effect February 24, 2010.

State discretion and authority. The rule does not require states or local weatherization agencies (LWAs) to provide weatherization funds to income-qualified public housing, assisted housing, or LIHTC properties. The state and/or the LWA retain the authority to set priorities for the use of weatherization funds. The proposed rule simply would eliminate key barriers that have historically constrained or prevented states and their local weatherization agencies in utilizing weatherization funds in multifamily buildings

Weatherization Program Background. DOE's weatherization program reduces energy costs for low-income households by increasing the energy efficiency of their homes, while ensuring their health and safety. The Program provides energy-efficiency services to more than 100,000 homes every year, reducing average annual energy costs by \$413 or more per household. The Program prioritizes services to the elderly, people with disabilities, and families with children. These low-income households are often on fixed incomes or rely on income assistance programs and are most vulnerable to volatile changes in energy markets. "High energy users" or households with a high energy burden may also receive priority.

Eligible Measures. Weatherization crews use computerized energy audits and diagnostic equipment, such as a blower door, manometer, or infrared camera, to determine the most cost-effective measures appropriate for each home. Typical measures include installing insulation in walls, floors, and attics; reducing air infiltration and pressure imbalances; sealing and repairing ducts; and, tuning and repairing heating and cooling units. Energy-efficiency measures must meet a savings-to-investment ratio of 1:1 and above. DOE funds can be used to address energy-related health and safety problems, or to perform incidental repairs. Under the Recovery Act, up to \$6,500 can be spent on these measures per unit.

Focus of the New Regulation. The new regulation (Final Rule) focuses on the weatherization and retrofit of the following properties: (1) Public housing; (2) Project-based Section 8 assisted housing, Section 202 Supportive Housing for the Elderly, Section 811 Supportive Housing for Persons with Disabilities; and (3) Certain Low Income Housing Tax Credit (LIHTC) properties. These properties are collectively defined as “HUD Qualified Assisted Housing” in the proposed rule. Section 221(d)3 and d(5), and Section 236 Below Market Interest Rate properties without project-based assistance are not addressed by the proposed rule. Section 8 tenant-based rental vouchers are also not addressed.

Key Features. The new regulation eliminates duplicative income verification requirements for residents of public housing, qualified assisted housing, and LIHTC projects. To be eligible for weatherization assistance, a unit must be occupied by a family whose income is below 200 percent of the federal poverty level; at least 66 percent of the units in multifamily buildings (50 percent for properties with fewer than 5 units), must be occupied by families who fall below this income threshold.

Under the rule, states will be able to accept HUD’s annual verification procedures for resident incomes in public and assisted housing, as well as income verification procedures in LIHTC properties, as evidence of their eligibility for the weatherization program. HUD will provide a listing, to be posted on DOE’s web site, of all properties where at least 66 percent of the residents have income below the DOE income threshold (50 percent of the residents for smaller properties). The presence of a property on this list would provide automatic evidence of its eligibility for weatherization assistance.

List of income eligible projects to be posted on web. Under the procedures outlined in the rule, HUD will provide a list of income-eligible HUD Qualified Assisted Housing projects and LIHTC properties that, based on HUD data, meet the income eligibility requirements under the Weatherization Assistance Program. This list will be posted on DOE’s web site. Note that appearance on the list simply would mean that the building is income-eligible for the weatherization assistance program – not that the building automatically qualifies for weatherization assistance. Funding for individual projects will be a function of state or local weatherization priorities, and funding availability.

Additional requirements for multifamily projects. In addition to meeting the income requirements, multifamily buildings must also meet additional requirements:

- Tenants who reside in weatherized units cannot be subjected to rent increases unless it can be demonstrated that the increases are not a direct result of such improvements. The new rule deems HUD projects eligible under this requirement.
- No “undue or excessive enhancement” can occur to the value of the property. The new rule deems HUD projects eligible under this requirement.
- The benefits that accrue from weatherization projects must be targeted to low-income residents who pay for utility and other energy-related expenses.

- States may also require a matching contribution from multifamily building owners.

More information about the Weatherization and HUD Qualified Assisted Housing programs.

- For information on HUD's Economic Recovery Act programs, please visit www.hud.gov/recovery.
- For information on DOE's weatherization program, go to www.eere.energy.gov/wip.
- For DOE multifamily lists: http://eere.energy.gov/wip/multifamily_guidance.html.
- For questions on the list, please email energyaction@hud.gov

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