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2011 Innovations Awards Application

DEADLINE: MARCH 28, 2011

ID # (assigned by CSG): 2011- _____

Please provide the following information, adding space as necessary:

State: **Washington**

Assign Program Category (applicant): **Natural Resources**

1. Program Name
Low-Income Weatherization Program Housing Trust Fund Pilot Project
2. Administering Agency
Department of Commerce (Commerce)
3. Contact Person (Name and Title)
Steve Payne, Managing Director, Housing Improvements and Preservation Unit
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9. Please provide a two-sentence description of the program.
The Low-Income Weatherization Program Housing Trust Fund Pilot Project targeted low-income households living in multi-family buildings for weatherization services in order to quickly boost Washington State's weatherization production. The initial project focus was on eligible residences within Washington State's Housing Trust Fund Portfolio. The project eventually expanded to other low income multi-family housing stock.
10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 28, 2011 to be considered.

November 2009-May 2010

11. Why was the program created? What problem[s] or issue[s] was it designed to address?
Washington State received \$60 million in American Recovery and Reinvestment Act (ARRA) funds for Low-Income Weatherization. Our state's existing weatherization service providers planned and organized to quickly ramp up production; however ARRA weatherization production goals were not met fast enough due to regulatory and system changes required. Thus, Commerce developed this supplemental plan to become the direct service agent in order to supplement and stimulate weatherization services to contribute to the state's economic recovery. The Housing Trust Fund Pilot Project was designed to quickly identify and provide ARRA-funded energy efficiency services to those most in need. Targeting multi-family buildings three-stories and fewer not only resulted in serving more low-income families, it also helped largely non-profit organizations that manage properties dedicated to providing safe, decent, and affordable housing to people most in need. In addition, in 2009, the Washington State legislature enacted a statute that directed Commerce to improve the energy efficiency of properties funded by the Housing Trust Fund, as resources permitted. This pilot contributed to that goal and helped bring attention to the need to improve energy efficiency of Housing Trust Fund Portfolio, as well as many similar low-income housing properties in the state.

12. Describe the specific activities and operations of the program in chronological order.
 - a. **Determined weatherization service providers were not meeting ARRA production goals outlined in state's plan and committed to the Governor.**
 - b. **Decided to become the direct service provider until existing weatherization service providers reached capacity to meet expected production goals.**
 - c. **Chose to target low-income multi-family buildings within the state's Housing Trust Fund Portfolio, later expanding to serve other dedicated, multi-family low income housing stock.**
 - d. **Reassigned personnel to meet requirements as a direct service provider, including researching suitable housing stock, documenting eligibility, soliciting and contracting with vendors, and performing energy audits and inspections.**
 - e. **Conducted daily team coordination meetings.**
 - f. **Solicited and contracted with four vendors to perform weatherization services based on scope of work developed by Commerce's assigned energy auditor.**
 - g. **Developed spreadsheets to track project assignments, documentation requirements (property manager agreements and income eligibility), and task status (energy audit, contractor work assignment, and inspections.)**
 - h. **Targeted less than four story multi-family buildings in western Washington.**
 - i. **Coordinated with the Department of Ecology's AmeriCorp to perform low-cost weatherization improvements. This supplemented major measure improvements, such as building insulation.**
 - j. **Property owners/managers of projects that appeared eligible were contacted to permit access for an energy audit to be performed.**
 - k. **If the property was deemed eligible according to resident income and needed energy efficiency improvements, authorization to proceed with work was obtained from the property owner/manager.**
 - l. **Work was assigned to vendors based on location of the vendor and the selected projects.**
 - m. **By end of the December 2009, Commerce's Pilot Project helped the state weatherization program get back on track, meeting the state's 2009 ARRA production goal. The 2009 ARRA production goal would not have been met if Commerce had not instituted the Pilot Project.**
 - n. **In January 2010, we reduced the frequency of team meetings to weekly.**
 - o. **Continued to identify projects, expanding effort to eastern Washington.**
 - p. **When a project was identified, we contacted the existing weatherization service provider that would normally perform weatherization service. We gave the service provider the opportunity to step in to pick up the project instead of Commerce. If the service provider could not assure us that the project would be completed within the first quarter of 2010, then Commerce would proceed with issuing a work order to a vendor.**
 - q. **On-site inspections were performed to meet Davis-Bacon requirements and quality control.**

- r. In February 2009, based on challenges experienced working with tax credit properties within the HTF portfolio, Steve began advocating (along with the state of New York) for DOE to allow loans of some type so that tax credit properties could benefit from weatherization investments. We continued to press for several months, eventually resulting in DOE recently announcing that they are working with its counsel to permit limited loans for multi-family buildings.
- s. Scheduled and conducted multi-family building training for the weatherization providers not accustomed to serving this building type in the program.
- t. By early March 2010, we determined that the weatherization service providers, based on weekly production reports, had reached full capacity. As a result, Commerce began winding down its direct service production efforts. We then focused on completing projects underway and redirecting projects not yet begun to existing service providers.
- u. Commerce direct service work stopped in May 2010.
- v. Began working with the existing weatherization network to develop strategies that would use our direct service experience so that the existing service providers would be better able to respond quickly if needed in the future.
- w. Work with the weatherization network to direct services to Housing Trust Fund (HTF) projects, as well as other similar low-income housing stock, such as those listed by the U. S. Department of Housing and Urban Development.

13. Why is the program a new and creative approach or method?

Historically, Commerce has not engaged in direct service weatherization; instead, Commerce contracts with service providers located around the state to perform weatherization work. It was a dramatic shift to change from only distributing, administering, and overseeing quality control of weatherization funds, to being the direct service agent for weatherization work. This alteration demanded new processes and procedures be quickly put in place, along with reassigning staff members to focus on this project as their primary assignment, while concurrently satisfying state and federal rules and policies. Commerce's approach was rapid and innovative and helped to develop new partnerships. The creative aspect stems from the way in which Commerce selected our four contractors and identified projects in need. In addition, the HTF pilot helped Commerce identify ways to remove policy that acted as barriers to increasing production. For example, Commerce had a long-standing policy requiring a comprehensive, computer energy audit tool be used on every multi-family building. We realized that for the buildings we were targeting (small, multi-family buildings three stories and under) we could legitimately use priority measures lists developed for single family homes. In doing so, considerable time was saved in determining the cost effective measures that could be installed.

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

Reassigned existing personnel

- a. Compliance section manager became project lead and energy auditor.
- b. Enlisted a program manger from another unit to temporarily cover Compliance Section duties.
- c. Two compliance section members were reassigned to assist with project audits and inspections.
- d. Five inspectors hired through an interagency agreement were used for inspections on an as needed basis.
- e. One compliance section member was reassigned to assist project lead with tracking project and task details, including communication with all external parties and documentation of each project.
- f. Two previous monitors assisted with performing energy audits.
- g. Contracts manager issued procurement RFPs through open, competitive process for vendor solicitation.

15. What are the program's annual operational costs?

The total expenditure amount for this pilot was \$3.5 Million.

16. How is the program funded?
DOE ARRA Funds.
17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.
This program did not require the passage of legislation, executive order or regulations. We employed existing program policies and standards. We viewed the effort as temporary and had the intention of stepping back from direct service administration as soon as the existing weatherization service providers had proven sustained production.
18. What equipment, technology and software are used to operate and administer this program?
Since this program employed general contractors to perform the work, very little equipment was required on our part. State motor pool vehicles were used for transportation. Basic field equipment was needed to perform visual assessments of potential projects, including: personal safety gear, flashlights and ladders. Tablet computers, portable GPS devices and Blackberrys were used for field work. We used Microsoft Excel and Word for organization and project tracking. We authorized the Department of Ecology's AmeriCorp to purchase low cost energy saving measures, such as, compact fluorescent light bulbs.
19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.
This project did originate in our state. The Department of Commerce's ARRA Weatherization Program was being monitored closely by the Governor. We weren't meeting our ARRA production goals at the end of September 2009, and the Governor and our Department's director sent the message that we needed to take action that would quickly help us achieve production goals. Steve Payne offered to his division director at the time, Will Graham, the suggestion that Commerce could step in and act as the direct service weatherization provider to temporarily boost production. Subsequently, Steve shared the pilot project's success with other states at a winter and fall 2010 conferences of the National Association of State Community Services Programs. Several states expressed interest and may have done something similar.
20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?
All states and territories have a low-income weatherization program that was funded by the Recovery Act. Since most states experienced a slow start up, other states looked at what we did. The Department of Energy or the National Association of State Community Service Programs could be resources to learn if states adopted or adapted Commerce's strategy.
21. Has the program been fully implemented? If NO, what actions remain to be taken?
Yes it has. It was only a 6 month pilot with the final goal of reaching a certain unit count, which was accomplished. As a result of the pilot, the state will exceed our original ARRA production goal by several thousand units. In addition, we're continuing to engage with our historical delivery network on how the network can help be organized to respond quickly when production goals are not being met satisfactorily and targeting projects within the HTF portfolio, as well as HUD and Department of Agriculture properties.
22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.
The pilot project was highly effective in boosting our state's ARRA weatherization production, which is the problem the project was designed to fix. Some of the reasons the pilot project was so successful are due to the following:
- **Developed efficient processes in tracking projects start to finish**
 - **Secured proper documentation of work completed**

- **Refined Request for Qualifications procedures**
- **Limited initial focus to Housing Trust Fund Multi-family projects**
- **Outlined detailed Work Orders with clear expectations**

Some areas to improve in future for similar endeavors are the following:

- **Ensure contractors secure necessary permits**
- **Refine project selection process (no door to door visits)**
- **Refine Multi-family procedures for audits and inspections**
- **Afford training opportunities for interested service providers**
- **Help the U. S. Department of Energy refine its rules to permit loans for multi-family projects, which will help more people faster, as well as result in a direct return on the investment upon sale of property that can then be reinvested in more homes.**

23. How has the program grown and/or changed since its inception?

The pilot project encouraged our weatherization network to ramp up ARRA production. The network received the message and now produces units more quickly, which is what the pilot project was encouraging. More multi-family properties are being served. The network continues to function at this higher level of production.

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

Other states might encounter push back from the local service providers if they have an existing weatherization program like we did in Washington State. Depending on the state, they might have problems with geographic areas not having the poverty level required by such programs, limiting the amount of people that can be served in that area. Our state has the HTF portfolio that gave Washington a ready resource to turn to. Other states might be able to focus on HUD and USDA properties.

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2011 Innovations Awards Application Program Categories and Subcategories

Use these as guidelines to determine the appropriate Program Category for your state's submission and list that program category on page one of this application. Choose only one.

Infrastructure and Economic Development

- Business/Commerce
- Economic Development
- Transportation

Government Operations and Technology

- Administration
- Elections
- Information Systems
- Public Information
- Revenue
- Telecommunications

Health & Human Services

- Aging
- Children & Families
- Health Services
- Housing
- Human Services

Human Resources/Education

- Education
- Labor
- Management
- Personnel
- Training and Development
- Workforce Development

Natural Resources

- Agriculture
- Energy
- Environment
- Environmental Protection
- Natural Resources
- Parks & Recreation
- Water Resources

Public Safety/Corrections

- Corrections
- Courts
- Criminal Justice
- Drugs
- Emergency Management
- Public Safety

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This application is also available at www.csg.org.