



**Virginia Weatherization Deferral Repair
Program Guidelines
2021 - 2022**

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I. INTRODUCTION

The Department of Housing and Community Development (DHCD) administers the Weatherization Assistance Program (WAP) for low-income persons in Virginia, in partnership with a network of local weatherization agencies (“agencies”). DHCD is making additional funding available to the agencies through the Housing Innovations of Energy Efficiency (HIEE) program to assist households in Virginia who have been deferred from receiving WAP services to their homes due to needed repairs to ensure the effective installation of the WAP measures. HIEE funds are derived from the auction proceeds that DHCD receives from Virginia’s participation in the [Regional Greenhouse Gas Initiative](#) (RGGI).

DHCD refers to the HIEE funds used for this purpose as **Weatherization Deferral Repair (WDR) funds**. WDR funds are provided to weatherization agencies by DHCD via separate agreements from WAP, however these repairs are intended specifically to enable making the home “weatherization ready,” and for the income-eligible household to receive weatherization services. *WDR funds are to be utilized only for repairs identified by the agency as causing the deferral of the home or unit from WAP.*

- For more information on HIEE, access the DHCD [HIEE webpage](#).
- For more information on WAP and household eligibility requirements, access the [WAP webpage](#).

II. WDR OVERVIEW

WDR funds are allocated to weatherization agencies specifically for repairs of the most common and frequently-cited issues causing WAP deferrals in Virginia: leaking roofs, minor structural, biological contaminants (e.g. mold), non-operational or unsafe HVAC unit, moisture issues, electrical, and plumbing. Other measures needed to bring the home out of deferral status and enable the home to be weatherized may be considered on a case-by-case basis. DHCD will cap WDR repair costs at reasonable and regionally-specific limits, as shown in [Table 1](#). If estimated repair costs exceed the caps, the agency must contact DHCD so that the request may be evaluated. DHCD has appropriated \$13.0 million in HIEE funds to be made available to weatherization agencies for WDRs starting July 1, 2021. Additional allocations of HIEE funds will be determined based on need and funding availability. Allocations are subject to final approvals by the Office of the Governor and Secretary of Commerce and Trade.

WDR funds are to be used solely to make repairs on income-eligible occupied homes and address the specific issue(s) that caused, or are causing, the home to be deferred so that the homeowner/tenant may regain eligibility for WAP and are NOT intended for full housing rehabilitation. Gut rehabilitations, projects requiring full plumbing, electrical and HVAC replacements, and major structural repairs (such as foundation repairs or collapsed roofs) are beyond the scope of WDR and WAP. Derelict, abandoned, and/or condemned homes are not eligible. If, in consultation with DHCD, agencies determine repairs needed to address the issue(s) causing the deferral and make the home weatherization-ready are beyond the scope of the WDR program, DHCD may work with agencies to refer these homes to local or other state

housing rehabilitation programs. For more detailed information see the section on [eligible repairs](#).

III. FUNDING ALLOCATION

A. AGENCY AGREEMENTS AND REPAIR COSTS

The WDR Program requires agencies to adhere to a WDR Program Agreement, separate from the WAP agreement, beginning July 1. Allocation of WDR funds through these agreements is based on the agency's identification of eligible existing deferrals in its service area and estimated cost of the associated repair(s).

DHCD intends to ensure that agencies have a sufficient allocation of funds to initiate the necessary work to address their current deferral lists. WDR funds will also be allocated to ensure that the weatherization network overall is able to address the maximum number of deferrals that currently exist.

B. ADMINISTRATIVE COSTS

For agencies requesting less than \$1.0 million in HIEE funds, DHCD will include an additional twenty (20) percent of the identified WDR allocation amount for agencies' administrative overhead and equipment costs with each agreement; those agencies requesting over \$1.0 million will receive an additional ten (10) percent for administrative costs. Administrative costs may include accounting for the use of WDR funds, preparing reports for submission to DHCD, project management (e.g. obtaining evaluations/estimates on needed repairs, inspections of completed work), similar costs related to administering the funding, vehicle purchases or leases, and associated staff salaries. **As with all billed expenditures, billing for administrative costs must be based on actual costs incurred during a particular billing period.**

C. DEFERRAL TRACKING

Participation in the WDR program will require that all WDR recipient agencies participate in deferral tracking procedures established by DHCD. DHCD will work with the agencies to establish a consistent tracking procedure for deferrals that protects client confidential information. DHCD will distribute specific guidance on identifying and tracking deferral-related issues and repairs. As WDR projects are completed, the agency must accurately track the addresses of the projects to ensure that they are now eligible for WAP services. Agencies may establish their own systems and processes for re-engaging with clients and prioritizing WDR projects, but participation in the deferral tracking system will be mandatory. Agencies must adhere to DOE regulations for addressing completed WDR projects through WAP: the client should be integrated into the established weatherization queue based on the original intake date and should not go to the bottom of the priority list.

D. SERVICE PROVIDER/CONTRACTOR ELIGIBILITY

For WDR projects that agencies do not perform with their own staff, agencies must utilize subcontractors appropriately licensed and insured to perform the work needed to repair the issue(s) causing the deferral. Staff or subcontractors performing the WDR repairs are not

required to have WAP-specific training. However, subcontractors must be appropriately trained and credentialed in accordance with all relevant regulations, guidelines, and agreements.

E. SERVICE AREA

WDR funds may only be used to assist households in the municipalities of the Commonwealth of Virginia. WDR service areas are established for each funded agency based on the WAP service area. With explicit permission from DHCD, agencies may serve households in municipalities outside of the established service area. Allowances to serve outside the service area are based on the need, capacity, and available funding.

F. REALLOCATION OF UNSPENT FUNDS AND PERFORMANCE POOL

DHCD will actively review the expenditures of WDR funds by agencies regularly to ensure that the agency is progressing satisfactorily towards addressing needed repairs of deferred homes in its service area. Agencies are not required to spend 100% of funds allocated per the WDR Program Agreement in the contract year, but must demonstrate reasonable and substantial progress toward addressing the projected number of deferrals. Unspent funds may be rolled over into the subsequent program year agreement with approval from DHCD. However DHCD reserves the right to adjust WDR funding allocations or recapture/reallocate funding.

If at any point the agency has been identified by DHCD to have production issues that may compromise the success of the WDR Program, DHCD will confer with the agency to understand barriers and identify a production improvement plan and process. The agency must agree in writing to implement steps identified for production improvement. If issues relating to lack of production are unable to be resolved, DHCD reserves the right to de-obligate and reallocate part or all remaining funds subject to this agreement.

In addition, DHCD may set aside HIEE funds in a performance pool, which may be quickly allocated by addendum to existing agreements to agencies that are able spend all allocated HIEE funds for WDRs before the end of the agreement period and need additional funding to maintain their WDR repair pipeline.

G. MATCHING FUNDS AND COST CAPS

Matching funds are not required for WDR, and the agency cannot require a client contribution. If a repair estimate exceeds the regional cost caps (see [Table 1](#)), the agency may request an exception to exceed the limit. However, the agency must receive DHCD approval before proceeding.

H. VEHICLE PURCHASES AND LEASES

Prior written approval from DHCD is required for agency purchase of any vehicle with WDR funds. The cost of vehicles or equipment to support the program must be charged to the administrative budget category. Agencies must use approved bidding and purchasing procedures to acquire vehicles, or through a fleet contract. Vehicles will be titled in the name of the agency and a first lien in the name of DHCD must be placed on the title. Agencies must submit the title to DHCD upon receipt. Insurance coverage is required for vehicles purchased with DHCD funds.

Agencies must request permission from DHCD to sell or dispose of vehicles with a value greater than \$5,000.00 purchased with WDR funds. DHCD must approve all vehicle leases prior to lease execution

IV. PROGRAM GUIDELINES

A. CLIENT ELIGIBILITY AND INCOME VERIFICATION

All clients (homeowners and tenants) must be determined as WAP-eligible (meet income guidelines) consistent with the procedures in the [WAP Operations Manual](#). Agencies must receive property owner approval in writing for rental properties. Homeowners or renters must sign a service agreement with the local weatherization agency committing to the needed deferral repairs and the subsequent weatherization work. DHCD notes that all WAP clients participate on a voluntary basis. If it is determined up front that a client intends to forgo WAP services and/or will not sign the service agreement, they are ineligible for use of the WDR funds.

If it has been more than a year since the initial client intake, income eligibility must be re-verified. Agencies must prioritize serving income eligible clients first, along with immediate health and safety issues (such as unsafe combustion appliances or no heat/no A/C). Consistent with WAP guidelines, agencies have no obligation to serve potential clients who are unresponsive or hostile, or to offer services where dangerous or illegal activity is taking place.

If a client's income exceeds WAP eligibility requirements, weatherization agencies may refer the client to utility weatherization programs, which typically serve clients up to 80 percent of area median income (AMI). WDR funds may be used for deferral repairs for households with up to 80 percent of AMI, subject to availability of funds and the customer's agreement to participate in a utility-sponsored (investor-owned utilities and electric cooperatives/municipal utilities) weatherization program where those income limits are applicable.

B. ELIGIBLE REPAIRS

WDR funds are to be used solely for addressing needed repair(s) causing the home or unit to be deferred from WAP. The following repairs are most commonly-identified as causing weatherization providers to defer weatherizing the home and are eligible for WDR funding. The list is non-exhaustive and is subject to change. DHCD reserves the right to determine the eligibility of repairs or any costs not listed. All repairs must be code compliant and permitted if required by the Authority Having Jurisdiction (AHJ). Repairs not listed must be pre-approved by DHCD.

Roofs and minor structural

- Roof repair or replacement (e.g. roof leaks and attic cannot be insulated)
- Wall repair- interior or exterior (e.g., walls cannot support insulation without repair)
- Ceiling repair - interior (e.g., ceiling cannot support insulation without repair)
- Floor repair

Electrical, plumbing and HVAC

- Plumbing repair (e.g. water leaks that would damage insulation)
- Electrical repair (safety hazard or exposed wiring; cannot insulate due to presence of knob and tube wiring)
- Non-working or unsafe HVAC unit repair or replacement
- Non-working or unsafe gas/propane hot water heater repair or replacement
- Non-working or unsafe gas/propane range/oven repair or replacement

Hazardous materials

- Mold identification and remediation
- Suspected Asbestos Containing Materials (“SACM” e.g. attic, walls, pipes etc.)

The following are other issues that may cause WAP deferrals and may be remedied with repairs (requires DHCD pre-approval):

- Removal of vegetation (e.g. tree, bush, shrub trimming) needed to provide safe access to make eligible repairs
- Pest infestation
- Clutter restricting access to necessary areas

C. INELIGIBLE REPAIRS

The following repairs are not eligible uses of WDR funds. DHCD reserves the right to determine the eligibility of repairs or any costs not listed. The list is non-exhaustive and subject to change:

- Gut rehabilitation or major structural repairs (e.g. foundation, collapsed floor/roof)
- Replacement of entire plumbing, electrical, or HVAC systems
- Replacement of windows or doors where existing ones are not broken, missing, or damaged beyond repair
- Repairs covered by homeowner’s or flood insurance
- Repairs needed due to willful damage or negligence on the part of the owner/occupant
- Cosmetic improvements (e.g. interior or exterior painting)
- Repairs to detached garages, barns, sheds, or storage buildings

TABLE 1 - REPAIR COST CAPS (BY REGION)

Eligible Measures/Repair Needed*	Northern VA	Central and Hampton Roads	Eastern Shore, Southside, and SWVA
Roof repair/replacement (per project)	\$10,300	\$9,700	\$9,500
Structural (per project)	\$6,660	\$6,200	\$6,100
Hazardous material removal (e.g. mold, asbestos) (per project)	\$14,000	\$13,200	\$12,800
Electrical (per project)	\$5,600	\$5,300	\$5,200
HVAC unit replacement (per system)	\$14,000	\$13,200	\$12,800
Plumbing (per project)	\$2,700	\$2,600	\$2,500

V. FINANCIAL AND REPORTING REQUIREMENTS

A. CLIENT REPORTING/REQUIRED DOCUMENTATION

For each household served by WDR funds, the agency must retain the following:

- Documentation of incurred costs (timesheets, contractor invoices, materials and equipment cut sheets, etc.) to support all invoices, consistent with procedures for WAP jobs.
- A quarterly report including number of homes repaired, amount of WDR funds invoiced, and the nature of repairs accomplished.

B. PROJECT MANAGEMENT – CAMS

Agencies must manage documentation of WDR projects (applications, invoices, and reports) through the DHCD Centralized Application & Management System (CAMS). All grantees must be registered in CAMS and have approved audits in order to manage their project and receive payment. CAMS login and profile registration page may be accessed via the following link: [CAMS login portal](#).

Agencies are responsible for managing their own staff access and user roles assignments. The [CAMS User Guide](#) contains project management instructions including but not limited to:

- managing staff access and user role assignment
- submitting the agency audit
- requesting budget revisions
- submitting remittances (a.k.a. invoices, drawdowns)

- fulfilling reporting requirements

C. PAYMENT REQUESTS - SUBMITTING REMITTANCES IN CAMS

Payment is established based on the agreed-to repair estimate for each project. Agencies are encouraged to request payment in CAMS upon full project completion to the extent feasible, especially for smaller jobs (less than \$5,000). However, agencies have the option to request payment on a draw-down basis, based on completing pre-established milestones as follows: homeowner and subcontractor agreement signed 10%, materials and equipment delivery, 60%, installation and project completion, 30%.

Prior to beginning each job, the weatherization agency or local service provider must submit the WDR Application Form and Homeowner Agreement signed by agency representative, homeowner, or landlord and tenant and WDR Authorization and Release in CAMS for reservation of funds to DHCD for approval and funding. The application will include site address, homeowner/tenant name, and a description of the repairs needed. The issues to be repaired/replaced must be photographed and submitted accompanying the WDR Application Form and Homeowner Agreement.

Once DHCD has approved the WDR Application Form and Homeowner Agreement, WDR Authorization and Release WDR Application Form and accompanying documentation in CAMS, agencies may either fund each repair upfront and request reimbursed by DHCD once the WDR Certification of Completion, financial supporting documents (i.e. contractor invoices, receipts) and photos of completed repair(s) have been submitted in CAMS as the remittance supporting documentation. Agencies may pay for the repairs and seek reimbursement or request funds to pay the contractor invoices upon completion on a drawdown basis as noted above. DHCD will not reimburse for work outside of the approved scope of work, or if work is determined to be substandard.

To initiate the payment process, the agency must submit remittances in CAMS. For each remittance, the agency must submit the required documentation which consists of:

- DHCD-provided signed cover sheet(template available on
- Invoice documentation (e.g. paid contractor invoices)
- Certification of Completion form
- General Contractor Affidavit, Warranty, and Lien Waiver
- Photos clearly showing completed work

All forms are available in CAMS or on the [HIEE webpage](#).

The average time from submission to DHCD approval is 30 days for remittances that are accurate, complete, and include all required documentation at time of submission. If there are discrepancies or issues with the remittance documentation, and changes or resubmittals are required, the process may extend beyond 30 days. DHCD will reach out to the submitting agency regarding incomplete remittances.

D. METHOD OF PAYMENT

DHCD requires that agencies receive funds via electronic transfer. Instructions on establishing an account with the Virginia Department of Accounts (DOA) is located on their website through the selection of Electronic Data Interchange (EDI) from the link on the [DOA main webpage](#). The [EDI guide](#) can then be accessed through a link under the Trading Partner Information section. Any grantee with unresolved findings or compliance issues, including for other programs, may have payments suspended.

E. ACCOUNTING AND FINANCIAL CONTROLS

Agencies must have established standard accounting practices including internal fiscal controls, standard accounting procedures, and track agency and program budgets by revenue sources and expenses.

VI. ADDITIONAL AGENCY REQUIREMENTS

A. COMPLIANCE WITH FAIR HOUSING AND CIVIL RIGHTS LAWS

(1) WAP agencies must comply with all applicable state and federal fair housing and civil rights requirements (see 24 CFR 5.105(a)). This includes the Virginia Values Act (effective July 1, 2020) which expands the list of protected classes under the Virginia Fair Housing Act. As the Virginia Fair Housing Act prohibits discrimination based on race, color, national origin, sex, pregnancy, childbirth or other related conditions (including lactation), age (over 40), marital status, disability, sexual orientation, gender identity, or veteran status (collectively the “Protected Classes”). (2) If the WAP agency: (a) Has been charged with an ongoing systemic violation of the Fair Housing Act; or (b) Is a defendant in a Fair Housing Act lawsuit filed by the Department of Justice alleging an ongoing pattern or practice of discrimination; or (c) Has received a letter of findings identifying ongoing systemic noncompliance under Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, or section 109 of the Housing and Community Development Act of 1974, and the charge, lawsuit, or letter of findings referenced in subparagraphs (a), (b), or (c) above has not been resolved before the application deadline, then the subgrantee is ineligible to apply for funds.

CONTACT INFORMATION

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CAMS Issues and Troubleshooting

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