

# ***Designed for Comfort: Efficient Affordable Housing Incentives program***

## **Participant Handbook**

---

July 26, 2006  
HMG Project # 0609

Policies and Procedures

Submitted by:



***HESCHONG MAHONE GROUP, INC.***

11626 Fair Oaks Blvd. #302

Fair Oaks, CA 95628

Phone: (916) 962-7001

Fax: (916) 962-0101

e-mail: [manglani@h-m-g.com](mailto:manglani@h-m-g.com)

website: [www.h-m-g.com](http://www.h-m-g.com)



## TABLE OF CONTENTS

---

1. INTRODUCTION .....	2
1.1 Resources offered by Designed for Comfort Program .....	2
2. PROGRAM REQUIREMENTS AND ELIGIBILITY.....	3
2.1 Project Description.....	3
2.2 Eligibility Criteria .....	3
2.3 Financial Incentives Levels.....	4
2.4 Eligible Upgrade Measures.....	4
2.5 Owner/Developer Role and Responsibilities .....	5
2.5.1 <i>Application and Project Description Forms</i> .....	5
2.5.2 <i>Field Verification: Existing Conditions Inspection</i> .....	5
2.5.3 <i>Energy Analysis &amp; Design Assistance</i> .....	5
2.5.4 <i>Approval to start Upgrade</i> .....	6
2.5.5 <i>EnergySmart Pak Installation &amp; Verification</i> .....	6
2.5.6 <i>Field Verification: Altered Conditions HERS Inspection</i> .....	6
2.5.7 <i>Request for Incentives</i> .....	6
2.5.8 <i>Customer Satisfaction Survey Form</i> .....	6
2.5.9 <i>Checklist of documentation submittal</i> .....	7

## 1. INTRODUCTION

---

Designed for Comfort (DfC), is an affordable multifamily and supportive housing incentives program, capturing one of California's most critical areas for energy savings – the older building stock. Funded by the California Public Utilities Commission (CPUC) in the Southern California Gas Company (SCG) and Southern California Edison (SCE) territory, this program offers a number of incentives to affordable multifamily housing owners to incorporate energy efficiency savings into their rehab projects, many of which were built before an energy code even existed (pre-1978). Cash incentives are provided to owners who improve energy efficiency by at least 20% over existing conditions. Incentives for an energy consultant and a Home Energy Rating System (HERS) Rater is also offered to help offset the cost of analysis and verification. Developers/owners who participate in the program help their tenants to save energy, reduce energy bills and improve comfort and may increase the value of their properties.

### 1.1 Resources offered by Designed for Comfort Program

- Cash incentives to owners of existing affordable multifamily and supportive housing upon successful installation of qualified energy efficient upgrades
- Cash incentives to help offset the cost of the energy consultant team and HERS Raters
- Assistance and training (workshops and one-on-one expert consultation) to help design team analyze the most cost-effective options for energy efficiency upgrades
- Support with finding readily available, proven energy-efficient equipment and materials
- Public recognition — participating projects may be showcased as examples of cost-effective investments in energy efficiency, comfort and durability

## 2. PROGRAM REQUIREMENTS AND ELIGIBILITY

---

### 2.1 Project Description

The following types of projects are eligible for cash incentives through *DfC* program:

- **Large Project:** Any existing affordable multifamily housing project that is eight or more units on residential rates can qualify for ‘Large Project’ incentives.
- **Small Project:** Any existing affordable multifamily housing project that is between 3 to 8 dwelling units on residential rates will qualify for ‘Small project’ incentives.
- **Special Needs Housing:** Any existing affordable project that is a supportive housing property (housing for special needs like disabled tenants, transitional housing, senior housing etc) may qualify for this category of incentives with either group housing or single room occupancies on residential rates.

### 2.2 Eligibility Criteria

- A participating project must be an existing affordable multifamily or supportive housing property based on criteria listed in section 2.1 above.
- Dwelling units can be individually metered or master metered for electricity or gas on residential rates.
- Project must be in the service territory of at least one of California’s two investor-owned utilities: Southern California Gas Company and/or Southern California Edison.
- During the time of qualifying for this program, 10% of the dwelling units must be occupied by qualified low-income tenants. The criteria for income-qualified for *DfC* will be the same as what the Housing Authority (or any other local jurisdiction) defines it.
- The qualifying energy efficiency measures selected for the project rehab must be **at least 20% more energy efficient** than existing building condition.
- Projects have to hire a HERS rater to inspect and verify the energy efficiency measures before and after installation.
- Projects may hire an energy consultant to provide design assistance for the project.
- Upgrades that take place only in dwelling units of each project and that contributes to 20% better in energy, will get rebate through this program. Any upgrades that take place in common areas (like a lounge) will not be paid for by this program.

- Projects that are not already participating in any other utility/CPUC funded incentives program (a program that is paying for energy efficient measures that are part of this program), are eligible to enroll for the *DfC* program incentives. Projects that are applying for any Tax Credit (TCAC/state/federal) funding, can apply for *DfC* incentives.
- Owner must submit an application form as a commitment to both the program and improving energy efficiency. Enrollment is limited and participation will be available on a first-come, first serve basis.
- Projects that can complete rehab by July 2008 (if in SCE territory) and Dec 31, 2008 (if in SCG territory) can apply for incentives through this program.

### 2.3 Financial Incentives Levels

The table below provides the incentives levels based on the target audience and the type of project. All incentive amounts listed in the table are ‘maximum up to’ amounts based on each dwelling unit of a multifamily project. For example, if the actual project upgrade cost is \$650/unit, then *DfC* program will pay \$650/unit for that project.

Incentive Description	Incentive Amount
Small project (3-8 units): Owner Incentive	Up to \$1,500 per unit
Large project (9 units or more): Owner Incentive	Up to \$700 per unit
Supportive Housing: Owner Incentive	Up to \$500 per unit
HERS Rater Incentive	\$50 per unit (\$6,000 per project cap)
Energy Consultant Incentive	\$40 per unit (\$5,000 per project cap)

### 2.4 Eligible Upgrade Measures

The *DfC* program provides long-term energy benefits by promoting a performance-based, comprehensive, cost-effective package of energy efficient measures with long useful lives. This performance-based approach aims to encourage affordable housing property owners to choose the most cost-effective measures to achieve a 20% energy improvement over existing building conditions. This comprehensive building analysis approach uses energy consultants and HERS Raters to evaluate a wide palette of energy efficiency options when rehabilitating multifamily properties.

The eligible measures include (most likely, a combination of these measures will be applied to achieve maximum savings potential):

- Windows
- Roof/attic insulation

- Wall insulation
- space heating equipment
- space cooling equipment
- water heating equipment

Additional lighting and water savings result from the installation of additional products. The DfC program provides EnergySmart Paks to each dwelling unit of participating projects, consisting of CFLs, low flow showerheads and low flow faucet aerators.

## **2.5 Owner/Developer Role and Responsibilities**

The owner/developer must follow the program enrollment process and submit all required documentation to participate in the program. Incentives will not be paid until all necessary documentation has been supplied.

### **2.5.1 Application and Project Description Forms**

The owner must complete the project enrollment application form and send them to DfC staff. Applications can be faxed, mailed or submitted online. Applications can be downloaded and submitted at [www.designedforcomfort.com](http://www.designedforcomfort.com). Incentive payments are available only to applicants that are owners or builder/developers of the project. In addition to the signed application form, the owner must send the completed pre-qualification form to DfC staff. This form collects basic information on the buildings involved in the rehab like current space heating and cooling equipment etc. Pre-qualification form can be downloaded at [www.designedforcomfort.com/DfCforms](http://www.designedforcomfort.com/DfCforms).

In addition to the application form, the owner must provide the address of all the units of the project so the utility companies can verify whether the project units have an existing utility account with either SCG or SCE or both.

### **2.5.2 Field Verification: Existing Conditions Inspection**

Once the application form has been sent to the DfC staff, owners must hire a certified HERS (Home Energy Rating Systems) Rater and schedule a existing conditions inspection. The owner may choose to hire a HERS Rater or DfC staff can assist them in finding qualified Raters. A handbook for HERS rater requirements can be downloaded at [www.designedforcomfort.com/DfCforms](http://www.designedforcomfort.com/DfCforms).

### **2.5.3 Energy Analysis & Design Assistance**

Once the Pre-upgrade inspection is done, energy analysis must be conducted to document that the project is 20% more efficient than existing conditions. Owners may hire an energy consultant, work with other member of their design team or do the energy analysis themselves. Typically owners will hire an energy consultant for this work. The owner and consultant will work out a cost effective energy efficient strategy for the enrolled project. A handbook for Energy Consultant requirements can be downloaded at [www.designedforcomfort.com](http://www.designedforcomfort.com).

#### **2.5.4 Approval to start Upgrade**

DfC staff will verify that the owner agrees to a specific list of project upgrades. When DfC staff receives a signed application, the project is considered “committed,” and DfC will commit funds for the owner’s participation in the program. Once DfC staff approves the energy analysis, the owner will receive an approval via email to start upgrade. DfC program is not responsible for quality of equipment or their installation. Any problem that may arise during rehab of participating projects due to improper installation of qualified equipment via contractors is not the program’s responsibility.

#### **2.5.5 EnergySmart Pak Installation & Verification**

Once the project rehab is completed, each dwelling unit of the participating project will receive an energy savings box consisting of two compact fluorescent light bulbs, a low flow shower head and a low flow faucet aerator. It is the responsibility of the owner to make sure all these items are installed in each dwelling unit of the participating project prior to the Altered Conditions HERS inspection.

#### **2.5.6 Field Verification: Altered Conditions HERS Inspection**

The owner must notify the DfC staff and the HERS rater when the project upgrade is completed. Owner must schedule a final HERS inspection with the HERS rater. The role of the HERS rater is provided as a downloadable document from [www.designedforcomfort.com](http://www.designedforcomfort.com). Owners are responsible for keeping all new equipment and product labels intact so the HERS Rater can verify the installed efficiency. For example, all NFRC labels on new windows should not be removed before the HERS inspection.

#### **2.5.7 Request for Incentives**

Incentive payments will only be made upon project completion and Altered Conditions HERS rater verification. Once the HERS rater has submitted the Altered Conditions inspection certificate, DfC staff will notify the owner to complete the Request for Incentives form and send it to DfC staff. Request for Incentives form can be downloaded from [www.designedforcomfort.com](http://www.designedforcomfort.com). The owner must submit a signed Request for Incentive form. In addition to the request for incentives form, the owner must submit a copy of the total project upgrade cost with copies of equipment invoices.

#### **2.5.8 Customer Satisfaction Survey Form**

At the completion of the program process, owners will be given a Customer Satisfaction Survey Form. Owners will be encouraged to complete this survey form and return it to DfC staff, so that DfC staff can gauge overall program satisfaction. The customer satisfaction form will assist the DfC staff to better serve owners and developers in future projects.

## 2.5.9 Checklist of documentation submittal

<b>Document Name</b>	<b>Person Responsible</b>
Application form	Owner of project
Pre-qualification form	Owner of project
Addresses of each dwelling unit	Owner of project
Pre-rehab HERS inspection report	HERS Rater
Energy analysis report (pre and post rehab)	Energy Consultant (EC)
Acceptance letter to owner of project	DfC program staff
Post rehab inspection report	HERS Rater
Request for incentive payment	Owner of project/HERS Rater/EC
Invoices of equipment purchase	Owner of project
Customer satisfaction form	Owner of project