

NOTICE OF PUBLIC HEARING

Department of Energy's 2014 Draft State Plan for the Low Income Weatherization Assistance Program Proposed by the Nevada Housing Division

The Nevada Housing Division will hold a public hearing at 10:00 AM Thursday April 10, 2014 at 1535 Old Hot Springs Road, Suite 50, Carson City, Nevada 89706 with video conferencing at 7220 Bermuda Road, Suite B Las Vegas, NV 89119.

The purpose of the hearing is to receive comments from all interested parties regarding the adoption of the 2014 State Plan pertaining to the Department of Energy's (DOE) Low Income Weatherization Assistance Program for the period of July 1, 2013 to June 30, 2014.

Persons wishing to comment upon the proposed action of the Nevada Housing Division may appear at the scheduled public hearing or submit their comments in written form to the Nevada Housing Division, Attention: Sue Martin, Weatherization Manager, 1535 Old Hot Springs Road, Suite 50, Carson City, Nevada 89706. Written submissions must be received by the Housing Division on or before 5:00 p.m. April 10, 2014.

If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Housing Division may proceed immediately to act upon any written submissions.

A copy of this notice and the proposed plan to be adopted will be on file at the locations noticed below.

Copies of this notice and the proposed plan will also be mailed to members of the public upon request. A reasonable fee may be charged for copies if it is deemed necessary.

This notice of hearing has been posted at the public offices below:

Nevada Housing Division, 1535 Old Hot Springs Road, Suite 50, Carson City, Nevada 89706.

Nevada Housing Division, 7220 Bermuda Road, Suite B, Las Vegas, Nevada 89119.

Nevada State Library, 100 Stewart Street, Carson City, NV 89701.

Office of the Attorney General, 100 N. Carson Street, Carson City, Nevada 89701.

Capitol Police, Grant Sawyer Building, 555 E. Washington Av. Las Vegas, Nevada 89101.

This notice is also being posted on the Nevada Housing Division's website at <http://housing.nv.gov/>

******IMPORTANT NOTICE******

Members of the public who are disabled or require special accommodations or assistance at the meetings are requested to notify Sue Martin in writing at 1535 Old Hot Springs Road, Suite 50 Carson City, NV 89706, or by calling 775-687-2037 no later than five (5) working days prior to the hearing date.

STATE OF NEVADA HOUSING DIVISION PY 2014 (SFY 2015) DRAFT STATE PLAN

U.S. DEPARTMENT OF ENERGY LOW-INCOME WEATHERIZATION ASSISTANCE PROGRAM (SFY: July 1, 2014 – June 30, 2015)

10 CFR 440.14(a) NOTICE OF PUBLIC HEARING (See ATTACHMENT A)

10 CFR 440.14(b) DOE FUNDING FOR SERVICE PROVIDERS (SUBGRANTEES)

At the time of posting this document the Department of Energy (DOE) has not sent out the Funding Opportunity Notice. Therefore, funding is estimated for Program Year (PY) 2014. For purposes of this document, Program Year (PY) 2014 and State Fiscal Year (SFY) 2015 are used interchangeably.

The Nevada Housing Division (NHD) anticipates providing Weatherization Assistance to all areas of the state; however, every service area may not receive a DOE allocation if funding is limited. In that case, the NHD may opt to utilize DOE funds in only certain areas or counties of the state. Statewide weatherization funding will be allocated proportionate to the number of eligible households residing within the six service areas based on estimates of the population with incomes below the federal poverty guideline.

Funding will be based on the following percentages:

SUBGRANTEE	PERCENTAGE OF TOTAL FUNDING
Service Area 1 - Las Vegas Urban League (UL)	20.5%
Service Area 2 - HELP of Southern Nevada (HELP) Service Area	45%
Service Area 3 - City of Henderson, Neighborhood Services (NS)	6%
Service Area 4 - Community Services Agency (CSA)	15.5%
Service Area 5 - Rural Nevada Development Corporation (RNDC)	7%
Service Area 6 - Nevada Rural Housing Authority (NRHA)	6%
Total	100%

10 CFR 440.14 (c)(1) PRODUCTION AND EXPENDITURE SCHEDULE [See 10 CFR, Part 440.14 (c)(1)]

10 CFR 440.14(c)(2) CLIMATIC CONDITIONS

The climatic conditions within Nevada vary dramatically from north to south. Perhaps the clearest indicator of the extremes is evidenced in the number of heating and cooling degree days associated with each area. Typically the north has the highest number of heating degree days while Clark County, in the south, has the highest number of cooling degree days. See details below.

* <u>Average Heating Degree Days (Base 65 F)</u>	
Clark County & Henderson	2,601
Western Service Area & Washoe County	6,022
Eastern Service Area	7,236
* <u>Average Cooling Degree Days (Base 78 F)</u>	
Clark County & Henderson	3,201
Western Service Area & Washoe County	508
Eastern Service Area	320

*Source: Mechanical Engineering Department
University of Nevada - Reno

10 CFR 440.14(c)(3) TYPE OF WEATHERIZATION WORK TO BE DONE

On May 3, 2012, the NHD received multi-year approval of Nevada's Audit tool and Priority Lists for the Weatherization Assistance Program. The program's Subgrantees and Contractors will be responsible for: installing the approved energy conservation measures; addressing client health and safety issues; and, providing minor home repairs related to energy conservation. Weatherization measures may include:

1. Insulation of ceiling, floor, duct and wall.
2. Duct leakage sealing (return, plenum and supply systems).
3. Shell infiltration sealing (i.e., replace broken glass, window and exterior door replacement, door weather-stripping, caulking, evaporative cooler covers, etc).
4. Insulation of water heater and water heater pipes.
5. Low-flow showerheads.
6. Solar Screens (Southern Nevada only).

7. Heating and cooling system repairs and/or replacements.
8. Compact fluorescent light bulbs.
9. Refrigerator replacement.
10. Heat Pump Water Heaters.

All weatherization Subgrantees funded by the NHD will be responsible for the installation of weatherization materials in accordance with 10 CFR Part 440.21, "Weatherization Materials Standards and Energy Audit Procedures", the state's "Weatherization Program Field Manual" and approved Priority Lists.

Blower door diagnostics will be performed on each unit receiving weatherization assistance to ensure compliance with Indoor Air Quality Standards. A combustion appliance safety inspection will be performed on each single family dwelling unit containing a combustion appliance (furnaces, water heaters, ovens, cook tops and gas dryers). A final inspection will be performed by the program's Subgrantees on each dwelling receiving weatherization assistance. The NHD will inspect a minimum of five percent of the dwellings weatherized by each Subgrantee on an annual basis.

10 CFR 440.14(c)(4)

ESTIMATE OF AMOUNT OF ENERGY CONSERVATION

DOE studies indicate that a household's combined annual heating and cooling costs will be reduced by approximately 20-25% as a result of receiving weatherization assistance. Typically, the energy savings attributed to weatherizing electrically and propane heated households are nearly twice as great as those heated with natural gas.

10 CFR 440.14(c)(5)

AREA TO BE SERVED

The SFY 2015 Weatherization Program will continue to provide assistance to all counties in the state as feasible.

SERVICE AREA
1. City of North Las Vegas plus Northern Rural Clark County
2. City of Las Vegas plus Southern Rural Clark County
3. City of Henderson
4. Washoe County
5. Eastern Rural comprised of Churchill, Elko, Esmeralda, Eureka, Humboldt, Lander, Lincoln, Mineral, Nye, Pershing and White Pine Counties
6. Western Rural comprised of Carson City, Douglas, Lyon and Storey Counties

10 CFR 440.14(c)(5)(i)

DOE funding is estimated at \$654,604.

10 CFR 440.14(c)(5)(ii)

The number of dwelling units expected to be weatherized during the program year is contingent upon the allocation amount. The number of units is estimated at 83 units completed with Federal Funds.

10 CFR 440.14(c)(5)(iii)

The sources of labor will include: NHD management and staff; six (6) Subgrantees; Contractors; and Subcontractors.

10 CFR 440.14(c)(6)

THE MANNER IN WHICH THE STATE PLAN SHALL BE IMPLEMENTED

The State Plan has been drafted in accordance with the U.S. Department of Energy's Regulations stated in 10 CFR, Part 440.14. NHD issued a Request for Application on February 21, 2014 to determine interest from qualified agencies in providing weatherization assistance within the six service areas.

Federal weatherization funds are received from the Department of Energy (DOE) and Low Income Home Energy Assistance Program (LIHEAP) funds from Health and Human Services (HHS); state weatherization funds are received through the Nevada Public Utility Commission, Universal Energy Charge (UEC) (also known as Fund for Energy Assistance and Conservation, FEAC). When combined, these funds are allocated proportionate to the number of eligible households residing within the respective service areas based on estimates of the population with income below the federal poverty guideline. Other utility funds received from Southwest Gas (SWG) will be distributed proportionate to population in the areas where SWG provides services. Housing Trust Fund dollars will be distributed based on population.

Due to the relatively high costs in providing oversight of the Weatherization Program, all Subgrantees receiving less than \$350,000 of DOE funding may use up to 10% of their grant award for administration pursuant to section 440.18 (d). Subgrantees receiving awards of \$350,000 or more may only use 5% of their award for administration.

The Subgrantees primary responsibilities are to provide program outreach, determine client eligibility, conduct energy assessments, provide various weatherization measures, and to ensure the satisfaction, and health and safety of the program recipients. NHD will be responsible for providing program oversight, ensuring compliance with state and federal laws and regulations, as well as monitoring Subgrantee performance. NHD will inspect a minimum of 5% of the households weatherized by each of the Subgrantees.

ANALYSIS OF THE EXISTENCE AND EFFECTIVENESS OF SUBGRANTEE WEATHERIZATION PROJECTS

Listed below is the status of the Subgrantees currently administering weatherization programs using state and/or federal weatherization funds received from NHD for the period July 1, 2013 through February 28, 2014.

For reporting purposes, DOE, FEAC, SWG and LIHEAP funds are combined. Planned Production and Expenditures are based on 67% of production with 67% of the fiscal year complete as of February 28, 2013. Due to delays at the federal level, DOE funding was not available until August 2013. FY 14 LIHEAP funding was not released until December 1, 2013 and is available through September 30, 2014.

AGENCY: Nevada Rural Housing Authority (NRHA)

Administering program since 2008

Service area: Douglas, Lyon, Storey Counties and Carson City

	PLANNED	ACTUAL	% COMPLETE
PRODUCTION	58	47	81%
EXPENDITURES	\$256,192	\$186,350	73%

AGENCY: HELP of Southern Nevada (HELP)

Administering program since 1991

Service area: City of Las Vegas plus Rural Clark County

	PLANNED	ACTUAL	% COMPLETE
PRODUCTION	218	214	98%
EXPENDITURES	\$1,162,462	\$1,068,938	92%

AGENCY: Rural Nevada Development Corporation (RNDC)

Administering program since 2003

Service area: White Pine, Elko, Humboldt, Eureka, Esmeralda, Lincoln, Pershing, Lander, Mineral, Churchill and Nye Counties.

	PLANNED	ACTUAL	% COMPLETE
PRODUCTION	46	47	102%
EXPENDITURES	\$221,940	\$223,045	100%

AGENCY: Neighborhood Services (NS)

Administering program since 2003

Service area: City of Henderson

	PLANNED	ACTUAL	% COMPLETE
PRODUCTION	31	27	87%
EXPENDITURES	\$175,484	\$117,758	67%

AGENCY: Community Services Agency (CSA)

Administering program from 1979-2007 and July 2009-Present

Service area: Washoe County

	PLANNED	ACTUAL	% COMPLETE
PRODUCTION	85	75	88%
EXPENDITURES	\$443,710	\$400,400	90%

AGENCY: Urban League (LVUL)

Administering program from July 2010 - Present

Service area: City of North Las Vegas

	PLANNED	ACTUAL	% COMPLETE
PRODUCTION	99	90	91%
EXPENDITURES	\$529,565	\$476,407	90%

All of the agencies described above have received training in basic weatherization training, blower door diagnostics, combustion appliance testing, energy auditing, inspection protocol and Lead Based Paint Weatherization Practices. All agencies have at least one staff member certified through the Building Performance Institute's Building Analyst series.

10 CFR 440.14(c)(6)(ii) **METHOD USED TO SELECT AREAS TO BE SERVED**

In SFY 2015, the Weatherization Program plans to offer assistance to all areas of the state; however, DOE funds may not be available in all service areas. The service areas proposed for SFY 2015 are based on: the estimated number of eligible households located in each county, the availability of funds and qualified service providers.

10 CFR 440.14(c)(6)(iii) **EXTENT OF PRIORITY GIVEN TO SINGLE FAMILY OR OTHER HIGH ENERGY CONSUMING DWELLING UNITS**

Priority assistance is determined by a point evaluation matrix which awards additional points for single family units (including manufactured housing) and/or households utilizing electricity or propane as their primary source of heating or electricity as their primary source of cooling.

10 CFR 440.14(c)(6)(iv) AMOUNT OF NON-FEDERAL RESOURCES APPLIED TO THE PROGRAM

NHD anticipates awarding approximately \$3,300,000 in Weatherization Funding from the following sources: FEAC, Southwest Gas and Housing Trust Funds.

In addition, Subgrantees are responsible for ensuring the owners of rental properties pay a minimum 50% of the installed costs of capital improvements related to repairs or replacement of the following: heating and cooling systems, water heater, insulation (roof, attic, sidewall, floor), and window replacement.

With the exception of SWG, owner investment is required on all rental properties including single family, manufactured housing and multi-family dwellings where capital improvements are proposed. In SWG funded weatherization projects owner investment is required in multi-family dwellings.

10 CFR 440.14(c)(6)(v) AMOUNT OF FEDERAL RESOURCES OTHER THAN DOE WEATHERIZATION FUNDS

NHD anticipates receiving a 5% transfer of LIHEAP from the Welfare Division estimated at \$475,700.

10 CFR 440.14(c)(6)(vi) AMOUNT OF DOE GRANT FUNDS

The amount of DOE funds allocated to Nevada for PY 2014 for the Low Income Weatherization Program is estimated at \$654,604.

10 CFR 440.14(c)(6)(viii) AVERAGE AMOUNT OF DOE FUNDS APPLIED TO EACH UNIT FOR PROGRAM OPERATIONS (labor, materials, insurance, vehicles, equipment, warehouse rent, transportation, etc).

The average amount of DOE funds to be applied to each dwelling unit for program operations is estimated at \$4,500. These costs do not include funds budgeted for administration, technical assistance, liability insurance and health and safety.

10 CFR 440.14(c)(6)(ix) RESERVED

10 CFR 440.14(c)(6)(x) PROCEDURES FOR PROVIDING ADDITIONAL ADMINISTRATIVE FUNDS TO SUBGRANTEES

NHD intends to award an additional 5% of administrative funds to the program's Subgrantees, as allowed by the Department of Energy for grant recipients receiving less than \$350,000. This decision is based on the relatively high costs associated with the program's extensive administrative and financial management costs.

10 CFR 440.14(c)(6)(xi) PROCEDURES FOR DETERMINING THE MOST COST-EFFECTIVE MEASURES IN A DWELLING UNIT

An energy audit software program (REM/Design™) and blower door diagnostics were used to rank and identify the most cost-effective measures installed in each house receiving assistance. The measure list is based on a number of criteria such as: climatic zone, type and rate of utility, housing type, type of heating and cooling system, etc. NHD has developed a northern and southern Nevada priority list based on the results of the energy audit recommendations. The Energy audit software program and the NHD Priority List have been approved by DOE.

The energy audit program selected for Nevada's program lends itself to site built single family, manufactured housing and multi-family units.

State program policy prohibits the installation of any conservation measures having a savings to investment ratio of less than one. The program's Weatherization Field Manual requires the measures be installed in accordance with their relative savings to investment ratios. Exempt from the cost-effectiveness test are those measures related to reducing or eliminating any problems affecting a client's health or safety and related minor home repairs.

10 CFR 440.14(c)(6)(xii) DEFINITION OF "LOW-INCOME" HOUSEHOLD

NHD defines "low-income" as a household whose total annual gross income is at or below 200% of the national poverty income guidelines established by the Office of Management and Budget. NHD defines "low-income" as being 150% of the national poverty income guidelines when using **non-DOE** funds.

10 CFR 440.14(c)(6)(xiii) DEFINITION OF "CHILDREN"

NHD defines "children" as individuals who are 6 years of age or less.

10 CFR 440.14(c)(6)(xiv) AMOUNT OF FEDERAL FUNDS TO BE USED AND HOW THEY WILL BE USED TO LEVERAGE NON-FEDERAL STATE WEATHERIZATION FUNDS

No DOE or other federal funds will be used to increase the amount of weatherization assistance funds made available during PY 2014.

DRAFT