



**Weatherization Deferral Repair Program
Program Manual
August 2025**

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I. INTRODUCTION

The Department of Housing and Community Development (DHCD) administers the federally funded Weatherization Assistance Program (WAP) for low-income persons in Virginia, in partnership with a network of local weatherization subgrantees (“subgrantees”). DHCD makes Housing Innovations of Energy Efficiency (HIEE) funding available to the subgrantees through the **Weatherization Deferral Repair (WDR) program** to assist eligible households in Virginia. These households have been deferred from receiving WAP services due to needed repairs to ensure they are eligible to receive WAP services. HIEE funds are derived from the auction proceeds that DHCD receives from Virginia’s participation in the [Regional Greenhouse Gas Initiative](#) (RGGI).

WDR utilizes the Virginia WAP subgrantee network. WDR funds are provided to the weatherization subgrantees by DHCD via separate agreements. Repairs under WDR are intended specifically to address WAP deferrals and enable making homes or multifamily buildings “weatherization ready,” and for income-eligible households to receive weatherization services. ***WDR funds are to be utilized only for repairs identified by the subgrantee as causing the deferral of the home or multifamily building from WAP, selected Health and Safety (H&S) measures that are costly to fund through LIHEAP or WAP funds, and repairs contingent to either the deferral or H&S repairs for the benefit of the customer.***

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

II. WDR PROGRAM OVERVIEW

WDR funds are allocated to weatherization subgrantees specifically to repair issues causing WAP deferrals in Virginia: leaking roofs, minor structural issues, biological contaminants (e.g. mold), moisture issues or water damage, electrical repairs, and plumbing repairs. Deferrals are defined in the State Weatherization Plan in Section V.1.2 of the Master File Worksheet. Deferrals must be linked to a weatherization or H&S measure that can be remedied through repair measures and cannot be completed without WDR intervention. Under certain conditions, heating and cooling system repairs or replacements can also be funded by WDR or co-funded with WAP.

WDR funds are to be used solely to make repairs on eligible Weatherization unit(s) and to address the specific issue(s) that caused, or are causing, the units to be deferred so that the homeowner/tenant may regain eligibility for WAP. WDR is not intended for full housing rehabilitation projects. DHCD limits the total WDR funding allowable per home and repair costs at reasonable cost limits. If estimated repair costs exceed the limits, the subgrantee must notify DHCD via CAMS or email so that the request may be evaluated for approval. The subgrantee must demonstrate that other DHCD funding sources are unavailable. [Gut rehabilitations](#), typically projects requiring major plumbing or electrical replacements, and major structural

repairs, are beyond the scope of WDR and WAP. Derelict, abandoned, and/or condemned homes are not eligible. If, in consultation with DHCD, subgrantees determine repairs needed to address the issue(s) causing the deferral are beyond the scope of the WDR program, DHCD may work with subgrantees to refer these homes to local or other state housing rehabilitation programs. For more detailed information see the sections on [cost limits](#) and [eligible repairs](#).

III. FUNDING ALLOCATION AND ADMINISTRATIVE COSTS

A. SUBGRANTEE AGREEMENTS AND REPAIR COSTS

The WDR Program requires subgrantees to adhere to a WDR Program Agreement, separate from the WAP agreement, but aligned with the WAP program year on a July to June cycle. Allocation of WDR funds through these agreements is based on the subgrantee's identification of eligible deferrals in its service area and estimated cost of the associated repair(s).

DHCD intends to ensure that all subgrantees have a sufficient allocation of funds to initiate the necessary work to address their current and projected 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

Subgrantees with grant awards less than \$1.0 million may spend up to twenty (20) percent of the allocation on administrative overhead and equipment costs; those subgrantees with grant awards over \$1.0 million may spend up to fifteen (15) percent on administrative costs. Administrative costs may include staff time associated with the use of WDR funds, preparing reports and remittances for submission to DHCD, project management (e.g., obtaining evaluations/estimates on needed repairs, inspections of completed work), and similar costs related to administering them. All administrative costs must be based on actual costs paid/incurred.

DHCD reserves the right to change the administrative cost rates on an annual basis and will seek subgrantee network input prior to making any changes.

C. DEFERRAL TRACKING

Participation in the WDR program requires that all WDR recipients be WAP subgrantees. Potential WDR clients deferred from weatherization are tracked through the WDR Initial Set-up Reports in the Centralized Application & Management System (CAMS). Subgrantees must input the WAP Job Number in the CAMS report. The WAP Job Number is the job number that is entered into the weatherization workflow/data management system and thus links the WDR customer to the WAP record. As WDR projects are completed, the subgrantee must accurately track the addresses of the projects to ensure that they are now eligible for WAP services. Subgrantees may utilize their own systems and processes for re-engaging with clients and prioritizing WDR projects, but participation in the deferral tracking system will be mandatory.

D. SERVICE PROVIDER/CONTRACTOR ELIGIBILITY

For WDR work, subgrantees and/or their subcontractors must be appropriately licensed and insured to perform the work that is needed to repair the issue(s) causing the deferral. Staff or subcontractors performing projects under WDR are generally not required to have WAP-specific training and credentials; however, subcontractors and subgrantee staff must be appropriately trained and licensed in accordance with all relevant state, federal regulations, local authority having jurisdiction (AHJ), guidelines, and agreements.

For WDR/WAP co-funded Crossover Projects¹, staff or subcontractors must complete the installed measures in compliance with federal weatherization program requirements.

E. SERVICE AREAS

WDR funds may only be used to assist eligible households in the Commonwealth of Virginia. WDR service areas align with WAP service areas. DHCD expects that the WDR program is to be available and delivered statewide in coordination with WAP. With explicit written permission from DHCD on a case-by-case basis, subgrantees may serve eligible households outside of their established service areas. Allowances to serve outside subgrantees' service areas are based on need, capacity, and available funding.

F. REALLOCATION OF UNSPENT FUNDS AND PERFORMANCE POOL

DHCD will actively review the expenditures of WDR funds by subgrantees regularly to ensure that the subgrantee is progressing satisfactorily towards addressing needed repairs of deferred homes in its service area. Subgrantees are not required to spend 100 percent of funds allocated per the WDR Program Agreement in an agreement year but must demonstrate reasonable and substantial progress toward addressing the projected number of deferrals. Unspent funds may continue to be spent into the subsequent program year with approval from DHCD. However, DHCD reserves the right to adjust WDR funding allocations or limit/reallocate funding as needed to ensure ongoing production and statewide coverage.

If a subgrantee has been identified by DHCD to have production issues that may compromise the success of the WDR Program, DHCD will confer with the subgrantee to understand barriers and identify a production improvement plan and process. The subgrantee 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 their program services agreement. DHCD may also choose to terminate the agreement.

In addition, DHCD may set aside expiring WDR funds in a performance pool, which may be quickly re-allocated by addendum to existing subgrantees that spend all allocated WDR funds before the end of an agreement period, or have obligated other funding sources such as

¹ Crossover Projects are projects in which WAP funding is supplemented or replaced by WDR funding based on a Savings to Investment ratio below 1, to support a costly Health and Safety measure, or other reasons as determined by both WAP and WDR program staff. Subgrantees should seek guidance from WAP program staff on Crossover Projects for the level of WDR support required prior to submitting a request for WDR funding.

Weatherization Readiness Funds (WRF) and thereby demonstrate need for additional funding to service projects that could otherwise be funded by WDR.

G. MATCHING FUNDS AND COST LIMITS

Matching funds are not required for WDR, and the subgrantee cannot require a client contribution. If a repair estimate exceeds the cost limits and no other DHCD funding streams are available, the subgrantee may request an exception to exceed the limit. However, the subgrantee must receive written DHCD approval by email or CAMS notification before proceeding. In order to receive approval, subgrantee must document that no other DHCD funding stream, such as Weatherization Readiness Fund (WRF) and EHARP, is available to address the repair costs. Subgrantees may apply WDR funds in combination with other sources (e.g., WRF, H&S funds, local government repair funds, utility incentives, etc.) on projects. For more detailed information see the sections on [cost limits](#).

H. VEHICLE PURCHASES AND LEASES

As of January 2024, DHCD suspended the use of WDR funds for vehicle purchases and leases until further notice.

I. USE OF WAP VEHICLE RESOURCES

Because WAP subgrantees are leveraging HIEE funding for WDR, the use of federally acquired vehicles to support WAP administration is appropriate to deliver WDR projects. This is also supported in federal regulation 2 CFR.200.313(c)(2) which states: “Use [of federally acquired equipment] for non-federally funded programs or projects is also permissible. User fees should be considered if appropriate.” Note that use of the vehicle for other federally funded uses besides WAP should be prioritized over uses for WDR.

If using a federally acquired WAP vehicle for WDR that exceeds the minimum disposition value stated in 2 CFR.200.313(e)(1), subgrantees should track all vehicle mileage related to WDR usage. If the use of the federally acquired vehicle for WDR projects exceeds the usage intended for WAP services, the subgrantee should credit user fees to the funding source that purchased the vehicle for WDR usage. Subgrantees should use the mileage used for WAP from the previous program year to establish the basis for determining the relative WDR vehicle mileage in excess of WAP mileage. WDR mileage should be tracked and compared to WAP usage based on the current July to June cycle to determine the reimbursable mileage above WAP usage, if applicable. User fees should be charged on a mileage basis at the going standard federal rate of reimbursement.²

IV. PROGRAM ADMINISTRATION OVERVIEW

A. CLIENT ELIGIBILITY AND INCOME VERIFICATION

All clients (homeowners and tenants) must be determined as WAP-eligible (meet income guidelines) consistent with DOE WAP Regulations. Subgrantees must receive property owner

² <https://www.gsa.gov/travel/plan-a-trip/transportation-airfare-rates-pov-rates-etc/private-owned-vehicle-pov-mileage-reimbursement>

approval in writing for rental properties. Homeowners or renters must sign a service agreement with the local weatherization subgrantee committing to the needed deferral repairs and the subsequent weatherization work. All WAP and WDR 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 WDR application, they are ineligible for the WDR program. All WDR and WAP services must be invoiced within 12 months of income eligibility determination.

Client income eligibility is based on the date of WAP certification. If it has been more than a year since the initial client intake, income eligibility must be re-verified. Subgrantees 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, subgrantees have no obligation to serve potential clients who are unresponsive or hostile, or to offer services where suspected dangerous or illegal activity is taking place.

As of January 31, 2024, DHCD will no longer fund WDR projects for utility weatherization clients that are not federal WAP clients. Utility-program projects with Initial Set-up Reports in CAMS as of January 31, 2024 will be assessed on their merits and follow the regular process.

B. ELIGIBLE REPAIRS AND PROGRAM AND BUILDING CODE COMPLIANCE

WDR funds are to be used solely for addressing needed repair(s) causing the home or unit to be deferred from WAP. Deferrals must be linked to a weatherization or H&S measure that can be remedied through repair measures and cannot be completed without WDR intervention. Under certain conditions, heating and cooling system repairs or replacements can also be funded by WDR or braided with WAP. The repairs listed below are the repairs that are eligible for WDR funding.

All repairs completed through the WDR program must comply with all applicable building codes, Standard Work Specifications (SWS), Authority Having Jurisdiction (AHJ), and other applicable regulations. Subgrantees and their subcontractors are responsible for obtaining any necessary permits needed for all work associated with the WDR program and ensuring inspections, if required, are satisfactorily completed by the AHJ. All applicable permits (for example, building, HVAC, plumbing, and electric permits) must be pulled according to the locality where the home/dwelling is located. If discrepancies occur between the AHJ, applicable codes, and the SWS, the most stringent shall take precedence.

Roofs

- Roof repair or replacement (*attic ventilation strategy and measures must be addressed with all re-roof scopes of work submitted*)
- Chimney repair or removal
- Roof rafters and framing

Structural

- Wall repair- interior or exterior

- Ceiling repair - interior
- Floor repair (framing and/or subflooring)

Electrical

- Electrical component replacements or repairs (e.g., safety hazard or exposed wiring, cannot insulate due to presence of knob and tube wiring, upgrade service panel)

Plumbing

- Plumbing repair (e.g. water leaks that would compromise insulation, cause structural damage, or unsafe/unsanitary conditions)
- Repair or replace domestic hot water (DHW) unit. Replacement of DHW units aged at least 15 years is eligible with documentation and DHCD review.
- Sump pumps

Heating, Ventilating and Air-Conditioning (HVAC) Repair or In-kind Replacement (“Crossover Projects”)

- Non-working or unsafe HVAC unit (repair or in-kind replacement)
- Non-working or unsafe gas/propane range/oven repair or replacement
- Repair, sealing, or replacement of ducts
- Replace or installation of ventilation fans
- Replacement of HVAC equipment aged at least 15 years is eligible with documentation and DHCD review.

Fuel Switching of HVAC Systems

DHCD will support fuel switching projects through WDR under limited conditions, including the following:

- Inoperable oil heating system
- Hardship (e.g., Fuel management such as wood)
- Market access (e.g., Delivered fuels no longer available for location)
- Provide heat pump for cooling service where needed and previously not available
- Other inoperable systems for technical requirements (e.g., space requirements)

Hazardous Materials Removal

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

Other

The following are other issues that may cause WAP deferrals and may be remedied with repairs under WDR:

- Roof soffit and fascia
- Downspouts and gutters

- Removal of vegetation (e.g., tree, bush, shrub trimming) needed to provide safe access to make eligible repairs and ensure long-term durability of repairs made through WDR
- Pest or wildlife infestation
- Moving and/or temporary storage of personal belongings, if needed, is an eligible expense
- Siding replacement with a preference for installation of insulated siding products for major replacements (not spot replacements). Wall insulation should be addressed in accordance with SWS and Virginia WAP Field Guide standards.
- Repair or replacement of windows or doors where units are damaged beyond repair and/or are leaking.
- Repair or replacement of deteriorated entryway components (e.g., steps, landings, railings) to restore safe access into the home.
- Underpinning and skirting

Repairs not listed here are assumed to be ineligible for WDR funding. DHCD reserves the right to determine the eligibility of repairs, or any costs not listed.

All repairs that include products having qualifying ENERGY STAR-labeled alternatives should install ENERGY STAR-labeled products over standard efficiency products. A list of eligible products with the ENERGY STAR label and product finder can be found on the ENERGY STAR web site.³

C. SPECIFIC WDR REPAIR REQUIREMENTS

All WDR program repair requirements meet, and may exceed typical WAP and NREL's Standard Work Specification (SWS) requirements (or address repairs, such as roofing, that are not covered in the SWS):

Energy Conservation/Savings and Health & Safety Measures ("Crossover Projects")

- Eligible repairs include any Energy Conservation/Savings measure with SIR less than 1 and Health and Safety (H&S) measures after DOE and IIJA Health and Safety funds have been exhausted. When installed using WDR funds, the repairs ***must be completed in compliance with the [Virginia WAP Field Guide](#), and NREL's [Standard Work Specifications \(SWS\)](#), applicable codes (building, HVAC, plumbing, electrical, etc.) If discrepancies occur between sources the most stringent shall take precedence.***
- Eligible Energy Conservation/Savings and Health & Safety measures are defined under WAP. This includes, but is not limited to, the following:
 - HVAC equipment
 - Duct replacement or sealing
 - Ventilation fans (Kitchen and Bath)
 - Vapor Barriers
 - Smoke Detectors

³ www.energystar.gov

- Dryer venting
- Electrical work
- Low-flow plumbing fixtures
- Water management and drainage

Duct Systems

If ductwork components are installed, replaced, or repaired, those portions of the system (or the entire system if new) must be sealed, effective, quiet, and have optimal air flow.

- For full duct system replacement or new installations under WDR:
 - Clearly define extent of duct repair/install in WDR Initial Setup Report, such as including linear feet and descriptions of the replacement components, such as trunk line and plenum.
 - Duct systems must be properly sized according to a Manual D, Ductulator, or equivalent method discussed and verified with DHCD.
 - WDR remittances must contain visual evidence (clear and high-quality photos) of mastic and proper sealing practices (use [VA WAP Field Guide](#)).
 - Full duct system replacements or new installs must be verified one of two ways:
 1. Blower door pressure pan testing of all registers indicating a pressure pan reading of 1.0pa or lower.
 2. An acceptable duct blaster test based on Virginia Residential Code N1103.3.5 & N1103.3.6.
- For partial duct system installation or repair under WDR:
 - Clearly define extent of duct repair/install in WDR Initial Setup Report, such as including linear feet of the work and description such as supply ducts, trunk line, crossover duct and/or the returns.
 - WDR remittances must contain visual evidence (clear and high-quality photos) of all sealing measures (use [VA WAP Field Guide](#)).
 - QCI/EA/Building Performance Institute (BPI) Infiltration and Duct Leakage Certification (IDL): Statement that proper sealing practices were used in accordance with the WDR Program Manual and VA WAP Field Guide.
 - Photographic documentation must clearly indicate duct components addressed as part of the WDR scope of work are sealed according to the SWS and VA WAP Field Guide.
 - If WAP will be addressing duct leakage and insulation for the full system at a later date, notes and documentation must clearly indicate WAP will address duct insulation and sealing.
 - Partial duct installation and/or repair must be included in the WAP energy audit at or before the WDR remittance is submitted to DHCD.
 - No pressure pan readings or duct blasting testing are necessary at this stage.

Roof Drainage and Water Management

- Gutters - Where damaged gutters are present with cracks, holes, filled or covered with debris, have incorrect pitch or missing pieces, the existing gutters shall be cleaned/repaired if possible, or replaced. The repairs or replacement of gutters will ensure the gutters work properly to direct bulk water away from dwelling as well as protect the new roof or roofing repairs.
- Fascia boards - Where fascia boards are damaged, missing and/or rotten, the existing fascia boards shall be replaced or repaired. The new fascia boards must be structurally sound, and properly connected to the roof rafters and gutters to ensure repairs will not be compromised.
- Downspouts/ drain pipes – Where downspouts and/or roof drain pipes are missing or damaged, the existing downspouts and /or roof drain pipes shall be repaired or replaced with proper connections to direct bulk water 6 feet away from the building.

Interior Repairs and DHW Units

- Drywall repairs - Where damaged drywall is removed and replaced, the newly repaired area(s) must be appropriately primed/sealed/smooth. Finish painting is not required. Paint Ready is required.
- Floor repairs – Where repairs to floors (framing and/or subflooring) are made, particularly in wet locations such as bathrooms, and if existing flooring is damaged and must be replaced, a floor covering selected to match existing flooring as closely as possible shall be installed to protect the newly repaired area.
- DHW unit drain pans – Where space allows, drain pans shall be placed under newly-installed DHW units, including those installed on a basement and crawlspace (concrete) floor(s).

Client Education

When applicable, subgrantees must ensure that all clients are educated on the following issues related to their WDR-funded projects, by confirming on the [WDR Certificate of Completion](#) upon remittance. The following items are described verbatim from the [WAP Operations Manual](#):

- Combustion—if a heating system is present that requires combustion air, the client must be educated on the importance of keeping combustion air vents free and uncovered. Clients must also be informed if there are unsafe conditions that are discovered during the combustion appliance testing and be instructed not to operate it until it is repaired or replaced. If the conditions cannot be corrected by Weatherization or Health and Safety funds, the house must be deferred.
- Lead—the EPA’s lead pamphlet should be given to each client living in houses built prior to 1978.
- Asbestos—materials testing positive or assumed to contain asbestos should be identified and revealed to the client. Further instruction must be given on how to avoid disturbing such material, especially when it is friable.
- Moisture and mold—clients should be instructed on how to remove excess moisture from the dwelling (e.g., exhaust fans when taking showers or cooking).

Additionally, as a WDR requirement, subgrantees should ensure that clients are educated on the following items by confirming on the [WDR Certificate of Completion](#) upon remittance:

- Warranties – subgrantees should ensure warranty registration and technical information for installed equipment is communicated and provided to the client for ease of registration with the manufacturer.
- Thermostats – Subgrantees should ensure clients are demonstrated proper thermostat use and the operations manual provided by the manufacturer is left with the client.

D. INELIGIBLE REPAIRS

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

- Gut rehabilitation or major structural repairs (e.g. unsafe foundation, collapsed floor/roof)
- Replacement of entire plumbing or electrical systems, or major structural repairs
- Replacement of windows or doors where existing units are not broken, missing, damaged beyond repair, or leaking and causing structural damage
- 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
- Any work not related to addressing cause(s) of the deferral from WAP, or qualifying as a difficult to fund H&S measure.

Additionally, homes in deferral status should remain in deferral under the following conditions:⁴

- The client has self-declared health conditions that prohibit installation of weatherization materials;
- The client is uncooperative, abusive or threatening;
- The illegal presence or use of controlled substances in the home exists during the weatherization process;
- There are unsecured pets or wildlife that may pose a danger to workers;
- The client refuses measures or declines services.
- The building structure or components are in such a state of disrepair that failure is imminent and the conditions cannot be resolved cost-effectively.
- The house has sewage or other sanitary problems that would further endanger the client and installers if weatherization work is performed.
- The house has been condemned.
- Moisture problems that are beyond the scope of this guidance.
- Any condition which may endanger the weatherization workers and is beyond the scope of this guidance.

⁴ DRAFT 2024 VA State Weatherization Plan, Master File Worksheet, Section V.1.2.

E. WDR PROGRAM UPDATES AND EFFECTIVE DATES

This WDR Program Manual has been updated to reflect additional program requirements to those previously established. Updates to the WDR Program Manual will occur twice yearly, if needed, and follow a January and July schedule.

When DHCD issues updates to the WDR Program Manual, updates to required forms, and any additional further program updates, these will be distributed to the subgrantees in a timely manner and posted on the [DHCD website](#). ***WDR program manual updates and updated forms are effective and apply to projects submitted in CAMS on the first business day following the date the updates are issued to the subgrantee network.***

F. WDR COST LIMITS

DHCD limits the total amount of WDR funding paid on single family homes by total job cost, individual repair measure, and change order. The cost limits are as follows:

- Total WDR job cost (Total Cost field in the WDR Initial Setup Report): **\$30,000**
- Individual repair measure by category: **\$15,000**
- Change order: **\$5,000**.
 - With an approved change order, total WDR job cost may be \$35,000 and/or a individual repair measure may be up to \$20,000. For guidance on change order requests, see the [Change Orders](#) section.

G. HIGH-COST AND MULTI-FAMILY JOBS

Under rare circumstances, if either the total WDR job costs, WDR repair measure costs, or WDR change order costs exceed these cost limits, the subgrantee must contact DHCD so that the request may be evaluated for approval. The request must include:

- Documentation of specific client hardship that justifies exceeding the WDR cost limits.
- Demonstration that other DHCD repair funds, such as Weatherization Readiness Fund (WRF) and Essential Home and Accessibility Repair Program (EHARP) are unavailable for this project.
- Complete and relevant measurements such as square footage of areas and length of the pipe(s) or duct.

DHCD emphasizes that any requests to exceed the cost limits are infrequent and within a small percentage of the established limits, especially when other DHCD funding sources are available. Multiple requests to exceed the cost limits on the same job will not be approved.

Use of WDR funds for multi-family projects must be pre-approved as firm, including all leveraged funding sources, with a \$5,000 WDR cost limit on change orders.

V. FINANCIAL AND REPORTING REQUIREMENTS

A. CLIENT REPORTING/REQUIRED DOCUMENTATION

Subgrantees understand they have the responsibility of monitoring contractor activities by ensuring the amounts requested are accurate and can be substantiated with appropriate

supporting documentation. For each household served by WDR funds, the subgrantee must retain and readily available for review the following:

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

B. PROJECT MANAGEMENT – CAMS

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

Subgrantees 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 subgrantee audit
- Requesting budget revisions
- Submitting remittances (a.k.a. invoices, drawdowns)
- Fulfilling reporting requirements

C. INITIAL SETUP REPORTS

Prior to beginning each job, the weatherization subgrantee or local service provider must submit a WDR Initial Set-up Report in CAMS. Prior to submission, the subgrantee must retitle the report in accordance with the instructions on the report in CAMS. This requires the inclusion of unique identification information for each client/project. Subgrantees must also include the WAP Job Number.

The subgrantee must also append documentation to each set-up report. This includes:

- WDR Application Form and Homeowner Agreement - This must be signed by a subgrantee representative, homeowner or landlord and tenant; application must include site address, homeowner/tenant name, a description of the repairs needed and/or equipment to be replaced and estimate of repair costs.
 - Project Funding Plan – Best estimate of how the project will be funded across all available funding sources.
- WDR Authorization and Release form.
- Clear, good-quality photos of issues to be repaired and/or equipment to be replaced.

If the project will address potentially hazardous materials such as asbestos, mold, or lead-based paint, the subgrantee must provide documentation (such as testing report) that the material has been identified with the set-up report. These materials must be

handled and disposed of in accordance with all applicable federal and state regulations and WAP best practices to protect client and worker health and safety.

Once DHCD has reviewed and approved the initial set-up report, the subgrantee may proceed with the project. Subgrantees may either fund each repair upfront and request reimbursement by DHCD once the project is finished (see Remittance submittals below), or on a drawdown basis as noted below. DHCD will not reimburse for work outside of the approved scope of work unless justification is submitted to DHCD for review and approval.

Change Orders

If there is a change order from the approved scope of work, provide the justification documentation as soon as possible to expedite the review and approval process. The documentation should be provided prior to submission of the remittance. If the scope of work has changed, such as the addition of a new repair measure and/or subcontractor, and/or if the change order is \$2,000 or more, then reach out to DHCD staff via email with the information as soon as possible. A new WDR Initial Set-up Report will be required that includes the previously approved documentation as applicable, the new documentation, and a description of the change order for the original approval. Pending approval of the new WDR Initial Set-up Report, the original report will be removed. If the change order is under \$2,000 and within the approved scope of work, fully document the circumstances and submit notification to DHCD via email.

Change order documentation may include the following:

- 1) Description and total cost of the work or measure including photo(s).
- 2) What events caused the work or measure (i.e., local code official request, unseen damage(s) not discovered until the start of the approved scope of work, or missed repairs at the time of the initial inspection).
- 3) A change in the subcontractor(s) from the approved scope of work.

Payment amount is established based on the approved repair estimate for each project. Subgrantees must inform DHCD if the final remittance amount will exceed estimates provided at the time the project's WDR Initial Set-up Report was approved. Depending on the scale of the change, DHCD may require the subgrantee to submit a change order or resubmit the report.

D. REMITTANCE SUBMITTALS

Subgrantees may request payment in CAMS upon full project completion to the extent feasible. However, subgrantees have the option to request payment on a partial remittance schedule, based on completing project milestone as follows:

- Materials and equipment delivery (up to 50 percent of the project cost estimate, not including administrative costs, as specified in "Total Cost" in the CAMS WDR Initial Set-up Report). Required documentation includes most recent signed and completed versions of the following:
 - WDR remittance cover sheet

- WDR Application Form and Homeowner Agreement specifying a planned date of completion. DHCD expects to receive a remittance request within six months of WDR Initial Set-up Report approval.
- Materials / equipment invoice
- Documentation of delivery date to job site (for example: shipping manifests, photos of materials on site or work in progress).

To initiate the payment process, the subgrantee must submit a remittance in CAMS for each project. For each remittance, the subgrantee must submit the required and fully completed documentation, which consists of:

- DHCD-provided signed cover sheet
- Invoice documentation (e.g., contractor invoices) – This must include the following at a minimum:
 - Specifically indicates the invoice is a “Invoice.”
 - The subcontractor’s license number.
 - The invoice provides actual material costs and a reasonably complete description of the associated materials used.
 - The invoice provides a description of the labor required to accompany the total cost of labor included and/or fixed price.
- Certification of Completion form (“Post-Repair Completion Checklist and Certification Form”)
- General Contractor Affidavit, Warranty, and Lien Waiver
- Photos clearly showing all completed work - Scanned photos are not acceptable. Remittances that do not include appropriate photo documentation will be denied and must be resubmitted.
- Completed inspection reports from the AHJ. If an inspection is not required for roof replacement, HVAC replacement/installation, DHW replacement/installation, and electrical panel upgrades, include verification that the permits and associated inspection are not required. A signed letter or email from the AHJ is acceptable.
- Permit invoices, if applicable.

Specific requirements regarding photo documentation:

- For all heating and cooling equipment, provide a clear photo of the data plate and Energy Guide sticker showing unit efficiency ratings. If Energy Guide sticker is unreadable, damaged or missing, a cut sheet showing the efficiency ratings must be provided.
- Photos of completed re-roofs must include photos taken from above the roof deck showing finished details around all roof penetrations and potential leakage points (chimneys, stack vents, etc.) If subgrantee staff do not go on roofs for inspections as a matter of safety/ policy, subgrantees should arrange with the roofing contractor for photos of finished work to be taken and provided in an acceptable format.

All forms and the remittance cover sheet are available in CAMS or on the [WDR webpage](#).

The average time from remittance submission to DHCD approval is 30 days for remittances that are accurate, complete, and include all required documentation at the 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 subgrantee regarding incomplete remittances.

E. QUALITY CONTROL, CORRECTIVE ACTION, AND SITE INSPECTIONS

DHCD will employ a quality control process to ensure that WDR work quality is acceptable and durable. DHCD will check the following details to ensure project set-up reports and remittances meet program requirements:

- Work scope and photos provided with set-up reports must clearly identify all measures to be installed and work to be completed through the WDR program
- Post work photos provided with remittance must clearly show areas of completed work or measures installed, consistent with the set-up report
- DHCD staff may contact subgrantee staff by phone or e-mail for clarification and/or additional information at any point during the process

If DHCD determines that completed work is not acceptable or is non-compliant with WDR program requirements, DHCD staff will proceed as follows:

Level 1 - DHCD will send an e-mail request to subgrantee staff noting the deficiency in submitted work and request the subgrantee (or its subcontractor) make the requested correction(s). Subgrantees shall respond within two weeks to the request with a plan of action to correct non-compliant or substandard repair(s), unless there are significant health and safety deficiencies, the subgrantee must respond immediately and make the corrections.

After photos of corrected work are re-submitted with the remittance and reviewed, then remittances will be approved.

Level 2 - If there is no response from the subgrantee, DHCD will send a certified letter to the subgrantee director requesting a written response and action plan to address the non-compliant or substandard work. DHCD may request a meeting via video or phone conference with the subgrantee's executive leadership team.

Level 3- If there is no response from the subgrantee two weeks from the delivery date of certified letter, and non-compliant or substandard work has not been corrected to required standards, DHCD will conduct a site monitoring visit to ensure repairs are corrected and compliant. Failure to complete or correct non-compliant repairs may result in non-payment of the remittance and may result in termination of the agreement between DHCD and the subgrantee.

In addition to any needed site monitoring visits related to non-compliance, as noted above, subgrantees should expect one or more site technical monitoring visits by DHCD staff annually as a part of regular program quality control and quality assurance activities. DHCD will reach out to subgrantee staff to coordinate timing of these visits. These visits may include inspection of installed measures.

F. METHOD OF PAYMENT

DHCD requires that subgrantees receive funds via electronic transfer. Instructions 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.

G. ACCOUNTING AND FINANCIAL CONTROLS

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

Sub-recipients understand they have the responsibility of monitoring contractor activities by ensuring the amounts requested are accurate and can be substantiated with appropriate supporting documentation.

H. PROCUREMENT PROCEDURES

Subgrantees must follow fair and open procedures for the purchase of goods and services with WDR funds, in addition to all applicable state procurement laws and regulations. Unless otherwise provided to DHCD, subgrantees should follow their WAP procurement policy in administering WDR funds.

VI. ADDITIONAL SUBGRANTEE REQUIREMENTS

A. COMPLIANCE WITH FAIR HOUSING AND CIVIL RIGHTS LAWS

(1) WAP subgrantees 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 subgrantee: (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.

B. NOTIFICATION OF GRANTEE AS WDR BENEFICIARY

Grantees may not complete WDR work on a property owned by themselves or an affiliate business entity unless they are given explicit written approval from DHCD.

VII. DHCD STAFF CONTACT INFORMATION

The WDR program, along with WAP, is administered under DHCD's Energy Efficiency and Housing Rehabilitation office. For program administrative questions about WDR, please contact:

Aaron Shoemaker
Program Administrator, Energy Efficiency Office
Aaron.shoemaker@dhcd.virginia.gov

For technical questions, please contact:

David Caldwell
Technical Services Manager, Energy Efficiency Office
David.Caldwell@dhcd.virginia.gov

CAMS Issues and Troubleshooting
CAMShelp@dhcd.virginia.gov

APPENDIX A. Questions and Comments with Response: From Subgrantee Engagement and Comment Period

Q1: In [Duct Systems](#), for full and partial duct system replacements there is a requirement to obtain clear, high-quality photos of mastic application and proper sealing practices. Many ducts are located in crawl spaces or attics with limited lighting, making it difficult to capture high-quality images. Our agency experiences challenges in documenting this work, and contractor-provided photos are often of poor quality. In cases where a system or partial system has already been installed and sealed before insulation is applied, does DHCD require that the insulation be cut or removed in order to obtain these photos?

A: Provided this is not a recurring issue, the subgrantee staff should make every reasonable effort to obtain the required photos and use the situation as a training opportunity for both staff and subcontractors. DHCD expects to see improvement in field documentation during the next occurrence of this type of installation. When submitting the remittance, subgrantees must include blower testing results with photo documentation of the pressure pan readings. If the readings are at or below the 1.0 Pa threshold, DHCD can reasonably assume the ductwork has been properly sealed. This alternative documentation method should be used only in rare circumstances.

Q2: Regarding eligible repairs listed in section [ELIGIBLE REPAIRS AND PROGRAM AND BUILDING CODE COMPLIANCE](#), we see homes with insect infestation (like roaches) and some have dog or cat feces throughout the home. Can WDR be used to address these scenarios?

A: Addressing a pest or wildlife infestation causing weatherization deferral is an eligible WDR expense under “other” category. Homes may be deferred from services if the client maintains unsafe or unsanitary conditions.

Q3: Under [CLIENT REPORTING/REQUIRED DOCUMENTATION](#), the manual notes that grantees must report including number of homes repaired, amount, and nature of repairs. Is DHCD requiring additional documentation and reporting?

A: DHCD does not currently require this data to be submitted in a recurring CAMS report. Subgrantees must track this information and have this information readily available for reporting and monitoring as needed. We also encourage subgrantees to track program data for internal quality control and monitoring.