

A PROCESS EVALUATION OF THE IOWA PARTNERSHIPS  
IN LOW-INCOME RESIDENTIAL RETROFIT PROGRAM

In August 1986, the Iowa Department of Natural Resources (DNR) was awarded a grant by the U.S. Department of Energy (DOE) to demonstrate the program entitled "Partnerships in Low-Income Residential Retrofit (PILIRR)." Iowa was one of five states, nationwide, to receive funding for this project.

The PILIRR project was designed to expand the affordable rental housing options for low-income Iowans by developing the capacity of five participating community action program agencies (CAA) to leverage investment in weatherization improvements by the owners of rental property occupied by low-priority, weatherization eligible tenants. Weatherization improvements were leveraged through the creation of a \$30,000 loan interest buy-down fund available to eligible landlords.

The initial goals of the Iowa PILIRR project included: the weatherization of 1,113 units of rental property which were not a priority for assistance under existing state weatherization plan priorities; the leveraging of a total of \$500,651 in landlord-financed weatherization improvements, and; the solicitation of \$50,000 in non-federal monies to replenish the subsidy pool and to fund a statewide expansion of the project.

This evaluation report will examine the processes and procedures implemented by the participating CAA agencies and the DNR with respect to the PILIRR project. The report will also recommend improvements to enhance program performance and to give direction to similar future projects.

The evaluation report is divided into four sections; Recruitment of CAAs, Financial Mechanisms and Recruitment of Financial Institutions, Program Administration, and Marketing and Program Implementation.

I. RECRUITMENT OF CAAs

The original recruitment of CAAs to participate as a pilot member in the PILIRR program encountered the adoption of changes in policy and service direction which historically has not been undertaken by CAAs in Iowa. PILIRR connotated both positive and negative program images as perceived by the CAAs.

A majority of the CAAs viewed PILIRR as a high risk program that may actually cost their agency in terms of uncompensated staff time. The project was small in scope of work and funding size as compared to the various programs that the CAAs currently manage. The relatively low amount of administrative support funds was cited as the major drawback to the Iowa PILIRR concept. Coupled with the lack of available staff time, many CAAs chose not to participate in the PILIRR project.

DISTRIBUTION OF THIS DOCUMENT IS UNLIMITED

MASTER

Final  
FG01-86CE63522  
w

DMB

## **DISCLAIMER**

**This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.**

---

## **DISCLAIMER**

**Portions of this document may be illegible in electronic image products. Images are produced from the best available original document.**

In addition, the "hard sell" of weatherization services to prospective landlords required in the program proved to hamper the recruitment of CAAs. Traditionally, CAA programs have been free assistance programs. The development and implementation of marketing strategies to "sell" programs is generally not within the CAAs realm of expertise. The innovative and uncertain nature of PILIRR was a barrier to recruitment in some cases.

The PILIRR program did offer CAAs with the opportunity to diversify their funding sources and funding schemes. State and federal funds for weatherization services have been reduced in recent years. With the knowledge that sufficient amounts of weatherization funding may not always be available, CAAs are beginning to explore co-funding partnerships such as PILIRR. According to a state weatherization program planner, "You can't afford not to make PILIRR work because it may be the only alternative to federal funding cuts and layoffs." A number of CAAs are recognizing PILIRR and PILIRR-like programs as the type of funding source for the future.

Participating agencies in the program liked the idea that PILIRR has the potential to keep weatherization crews working during off peak periods, thus reducing the possibility of having to lay off workers. The ability to retain workers was the overriding determinant for participation identified by two CAAs.

Another factor in the recruitment process was that PILIRR was regarded as being excellent in principle by serving a great, unmet need -- the weatherization of low-income rental units -- which no other federal or state program specifically reached or addressed. Also, the development of landlord/tenant and community relations were mentioned as incentives for participation.

## II. FINANCIAL MECHANISMS AND RECRUITMENT OF FINANCIAL INSTITUTIONS

The Iowa PILIRR program chose to provide landlords with a loan interest rebate as an incentive to weatherize their rental units. The procedures established by the CAAs included:

- loan terms and conditions be negotiated between the borrower and the lender;
- financial institutions are not to be required to modify their processes to absorb, document, or account for the receipt of interest subsidy funds;
- payments would be made directly to the borrower who could then negotiate a reduction of the loan by the amount of the rebate or apply the rebate as an early payment;

- rebates would apply only to landlords who acquire loans, landlords that choose to directly pay for weatherization services will not be compensated.

The process of providing interest rebates can allow CAAs to establish good communication networks with local banks. Local bankers generally could identify, or be in a position to identify, landlords who may need financial incentives and who own eligible property for inclusion in the PILIRR program. The "networking" between the CAAs and banks offer the opportunity for both parties to benefit: CAAs would acquire the services of a good program recruiter while the banks would reduce their loan risks (by the up-front loan interest payment) and participate in a community improvement project.

However, by solely utilizing the use of interest rebates through banks to leverage weatherization, an eligible segment of the target audience was shut out. Landlords who would choose not to apply for a loan were not eligible for participation under the established guidelines. Even though the same amount of program monies would have been spent for the same amount of weatherization services, a direct cost-of-service rebate was not allowed.

A problem did arise in the recruitment of interstate holding banks for participation in the program. The contacted banks tended to have fairly rigid loan guidelines and did not want to be included as a financial source in the program. It is unclear to whether these banks would not accept the program under any circumstances or if the banks simply did not understand how the program operated. One banker, who did participate in the program, remarked that initially he was confused on the parameters of the program. The program concepts as presented were "extremely complex to a person unfamiliar with the governmental regulations of the weatherization program."

Bankers conceptually supported the PILIRR approach. They did stress the need for a greater public awareness campaign with emphasis on a clean, simple presentation of the program which is void of complex or bureaucratic statements.

The financing aspects of the PILIRR program could be enhanced given the following changes:

1. Offer a direct percentage rebate of the total eligible weatherization bill to landlords as an alternative to the established interest buy-down component of the program.
2. Expand contacts in the banking services industry. Inform and educate bankers of the PILIRR program. Bankers are a creditable reference and tend to have a good knowledge of potential clients. The bankers could directly or indirectly promote PILIRR and consequently help recruit program participants.

### III. PROGRAM ADMINISTRATION

The PILIRR program appointed a project coordinator to work  $\frac{1}{2}$  full-time for the duration of the contract. A staff employee of the Iowa Association of Community Action Agency Directors was originally hired, but was subsequently replaced by a weatherization coordinator from one of the CAAs participating in the program. Administrative support funds were provided to compensate the project coordinator and clerical support staff. Administrative support funds were not provided to the individual CAAs.

Major barriers to successful program implementation surfaced from these administrative processes, they include:

- project coordinator did not have direct authority over other CAA personnel;
- limited financial incentives for participating CAAs;
- program development and administration was too burdensome for  $\frac{1}{2}$  FTE project coordinator position; and
- administrative reporting requirements for individual CAAs tended to be bureaucratic and repetitious.

As mentioned, the project coordinator is fully employed as a weatherization coordinator for one of the participating CAAs. The PILIRR program administrators on the local CAA level are also weatherization coordinators. Coupled with the fact that the local CAAs do not receive financial compensation as approved by the project coordinator, there was not a leveraging mechanism for the project coordinator to ensure cooperation from each CAA. Since the project coordinator was a peer of the other weatherization coordinators, strong authoritative leadership was difficult to establish. If performance standards were not met by a particular CAA, the project coordinator did not have the financial or chain of command authority needed to remedy the situation.

The majority of interviewed program participants believed PILIRR would have been strengthened by the appointment of an independent project coordinator who had authoritative and financial control over the supervision, performance, and monitoring of the program. It was stated that "management from a member of a participating CAA may not be in the best interest of the program to be successful."

CAAs participating in the PILIRR program expressed their reluctance to invest a large amount of time in developing and marketing the program. The program does not ensure individual CAAs will recover all administrative costs. The only method for CAAs to recoup their administrative costs were through fees rolled into services charged for the weatherization of property. If a CAA was not immediately successful

in recruiting eligible landlords, they tended to channel their labor resources to other funded programs. Local staff became easily discouraged with the program when large amounts of time was invested to recruit individual landlords with the end result being unsuccessful in signing a PILIRR contract. CAA employees are fully employed and PILIRR is not a priority unless free time is available.

PILIRR is perceived by the CAAs as an administratively risky venture. The lack of performance or staffing requirements diminished the effectiveness of the program. However, in the future, CAAs may find PILIRR more attractive and be willing to assume more risk as funding for weatherization services are reduced.

The development and administration of a new program such as PILIRR was more time consuming and complex for the project coordinator than originally anticipated. The task of developing and implementing the program on a part-time basis limited the success of PILIRR. Effective levels of planning, coordination and problem solving were not attained. The overall PILIRR concept had, as stated by a CAA coordinator, "an excellent initial information base to work from but had only a final skeleton level of detail in planning." Participating CAAs reported that program direction was unclear at times. Most of the problems encountered in the administration of PILIRR can be attributed to the new nature of the program and the lack of staff time budgeted for project coordination and implementation.

The need for daily program administration on both the coordinator's level and the individual CAA level was evident. Communication and program planning levels must be expanded to establish a solid program base.

The need to simplify and reduce the amount of administrative paperwork associated with all phases of PILIRR was unanimously cited by all state administrators, CAA administrators, bankers and landlords interviewed regarding the program. Although it was generally agreed upon that the forms were thorough, most forms are in need of refinement. CAA administrators noted that some of the paperwork was neither required by the DOE or the DNR. Comments suggested that each CAA should use its own existing administrative job system for documentation of PILIRR. This would limit the accounting formalities and give the CAAs use of forms which are familiar and easy to explain to program participants. As one CAA administrator remarked, "When it takes over one hour to explain the paperwork processes required for PILIRR to a prospective landlord, you realize we have problems and will probably lose some eligible landlords just by the bureaucracy involved in explaining the program."

The strong across-the-board criticism of the paperwork is quite surprising. The paperwork was created by CAA personnel and was not uniformly based upon requirements imposed by state or federal government.

In order for the PILIRR program to succeed from an administrative standpoint, the following conditions must be met:

1. The project coordinator must be hired full-time for at least a period of three months to initially plan and develop the PILIRR program. After the start-up period, the project coordinator should be budgeted  $\frac{1}{4}$  to  $\frac{1}{2}$  full-time to administer the program. This will allow for adequate planning and support levels throughout the duration of the program.
2. The PILIRR program must incorporate a system of performance accountability. The project coordinator should discuss performance expectations with each participating CAA before the beginning of the project. It may be determined that providing direct funds for CAA administrative support will be required as an incentive for program performance, however, implementing the program with a limited amount of direct administrative funds (except for the project coordinator and associated clerical support staff) is the preferred approach.
3. Communication and coordination levels between the project coordinator and the individual CAAs must be expanded. The project coordinator must provide daily program support in the early stages of PILIRR or, more importantly, be accessible to solve problems in a timely manner that are encountered by the CAAs.
4. All administrative forms should be reviewed and refined. Of particular importance is the need to limit the amount of paperwork that the landlord must review. The landlord should be able to sign one or two documents in order to participate in the program. The greater the amount of perceived or actual "bureaucratic paperwork" involved with PILIRR, the greater the probability that landlords will become frustrated or overwhelmed by the program. Also, the project coordinator and the CAAs should work together and agree upon acceptable methods of reporting to streamline the administrative processes.

#### IV. MARKETING AND PROGRAM IMPLEMENTATION

This section is divided into three parts:

- Description of Program Implementation and Marketing Activities;
- Analysis of Marketing Activities; and
- Marketing Recommendations.

##### A. Description of Program Implementation and Marketing Activities.

The project coordinator and the participating CAAs developed a set of procedures for the implementation of the PILIRR program. Six basic components were established, they are:

1. Free walk-through audit with the landlord to look at general problems and to provide an estimate of cost.

2. Verify tenant's income. Tenants must fall under 150 percent of HUD poverty guidelines for landlords to receive interest rebate. Above income tenant dwellings can be weatherized but are not eligible for the rebate.
3. Provide an in-depth weatherization work write-up. An experienced evaluator will do a detailed examination of the unit to determine all weatherization materials and labor that needs to be done. The write-up is reviewed by the landlord and the CAA coordinator.
4. Landlord arranges loan with bank and signs PILIRR agreement.
5. Weatherization work is done by CAA crew or contractor and is inspected.
6. After work is completed, a check in the amount of the loan interest is issued.

Funds for marketing efforts by individual CAAs was fairly limited. The DNR offered \$500 per CAA to help offset direct marketing expenses, however, none of the CAAs fully utilized this opportunity.

A ten-page informational booklet was the first marketing tool developed to explain the PILIRR program to eligible landlords. The booklet discussed the need for the program, services available, tenant eligibility, building evaluation, tenant evaluation, weatherization, other repairs and tenant training.

The booklet was mass mailed to landlords in the service territories of the participating CAAs. Eligible landlords were identified through information available on LIHEAP application forms. Landlords who paid the tenant's utility bills were considered the prime target group for participation in the program.

Results from the initial mass mailing of the booklet was very limited. Responses tended to be more frequent from landlords that have had weatherization work done previously on other units. There appeared to be very little interest in the rural areas. The CAAs did place follow-up calls to landlords who did respond to the booklet, otherwise no other marketing activities were included after the first mass mailing.

After the low positive response from landlords with regard to the informational booklet, Iowa Southern Utility (ISU) representatives were solicited to assist with the marketing of PILIRR.



The CAAs and ISU came to the conclusion that the ten-page informational booklet was not an effective tool in the marketing of the PILIRR program. The following problems were cited as drawbacks to the effectiveness of the booklet:

1. The booklet contained too much information. Ten pages was too much information for landlords to digest and remain interested in the program. The booklet may have the potential to be used as a reference guide for landlords once they understand the program, but it should not be used as an introduction to the program.
2. The booklet was bureaucratic. The booklet was not simple and concise. Landlords had problems in understanding the booklet.
3. The booklet did not stress benefits to the landlords. Benefits were not immediately recognized by landlords. The booklet was not "designed to sell."

It was also determined that the original \$50 charge to landlords for energy audits and the optional \$30 charge for tenant education would be eliminated from the program. ISU believed the \$50 audit charge would restrict marketing efforts. Since the landlords needed the audits to determine their weatherization costs before participation in the program, it was perceived that landlords would not be receptive to an up-front \$50 charge. The tenant education aspect of the program was dropped due to the uncertainty of benefits in relation to the costs as perceived by the landlords and the lack of interest by tenants.

ISU informed the CAAs that PILIRR would be a "tough sell." They stated that the PILIRR program was not extremely attractive to landlords but there are some incentives for participation. The CAAs and ISU identified the following program benefits to landlords to be used in the CAAs' marketing efforts:

1. Weatherization tightens up air leaks and will contribute to a reduction in space heating and cooling costs.
2. Living in a house or apartment is more comfortable without drafts. Tenants will be less likely to raise the level of the thermostat.
3. CAAs have been weatherizing homes for 15 years and can take care of all the details and the weatherization work without problems. Work is thorough and professional.
4. Professional evaluators and energy conservation advisors will conduct free detailed evaluations and provide energy savings analysis reports for recommended improvements.

5. The CAA will handle all bidding, work, and inspection details. Each job will be inspected to ensure quality workmanship.
6. CAAs usually can do the weatherization work for a better price than the general markets. CAA weatherization crews and contractors specialize in this area.
7. Weatherization is a home improvement. Weatherization will increase the home or apartment's value without raising the property tax.
8. There may be savings on taxes for maintenance costs.
9. Weatherization reduces tenant turnover and vacancies because the tenants save on utility costs. If the landlord pays the utility costs, the same logic applies as landlords will have lower operating expenses which helps keep rent payments in check.
10. Provides an interest rebate on units occupied by low-income clients.

ISU also stressed a number of marketing techniques to stimulate sales, these include:

- Avoid using acronyms. Use words to describe the program. Landlords unfamiliar with the program see red tape. Be sure to let the landlords know that the CAAs will deal with the red tape.
- When explaining program savings do not talk in terms of utility bills, talk in terms of heating and cool costs. There is a base load amount on all bills that weatherization will not affect.
- Any information sent to landlords should be followed with a telephone call.
- Stress benefits. Present all information in positive terms.
- Return calls promptly. Follow-up.
- Inform all CAA staff of PILIRR activities. Inform staff of appropriate contact people in the organization which can handle questions. Start from the door and work back. The receptionist will generally make the first contact with the landlord.

- Don't be depressed over a low response rate. The program only targets a small select group.
- Word-of-mouth publicity will create more sales. Try to attain testimonials.
- Creditability is won or lost in the first five minutes. Enthusiasm sells.

A consensus was reached by the CAAs and ISU that a simple, two-fold brochure would be created to introduce landlords to PILIRR. The brochure stressed the benefits of PILIRR to landlords by incorporating short and concise sentences. The CAAs reacted positively towards the new brochure.

The brochures were mass mailed to targeted landlords. Responses to the brochure were greater than the booklet, but overall they had a limited impact. Out of a total of over 4,000 booklets and brochures distributed, the CAAs received follow-up calls from 132 landlords. Eight landlords participated in the program.

The type of landlord who appeared to be most interested in the program were those who owned large, older dwellings which have been divided into multiple units and share a common furnace. Because the individual units could not be metered, the landlords directly paid the utility bills and were more receptive to the PILIRR approach.

Other marketing efforts included a dinner meeting which drew 30 landlords to discuss the PILIRR program. The dinner was sponsored by ISU.

#### B. Analysis of Marketing Activities

The marketing strategies incorporated to promote the PILIRR program did not produce the results anticipated by the CAAs. Several factors contributed to the overall limited success of the program. They include both institutional and programmatic barriers.

Traditionally, CAAs have not had to market their programs. The PILIRR concept represented a substantially shift in program mentality for the CAAs. A "mismatch of areas of expertise" occurred when the CAAs were assigned the responsibility of marketing and promoting the program. A CAA coordinator best summarized the new environment and territory of PILIRR, "We experienced a lot of trouble marketing the program because it was not a free program. We just never had to really convince anybody to participate in our programs."

The CAAs encountered some pre-conceived negative attitudes by landlords regarding the program. According to a CAA coordinator, "It was sometimes difficult to sell the program to landlords because we had a hard time trying to reverse their image of us as a give-away organization."

The lack of a developed marketing plan was the largest single factor responsible for the shortcomings in the program's success. Market research and program implementation strategies were extremely limited.

Another marketing problem encountered was the "tough sell" of the program benefits to landlords. Landlords surveyed by the CAAs identified the following reasons for non-participation:

1. The subsidy was too low. The incentive was not great enough to consider the investment.
2. The landlords could not afford to borrow.
3. The landlords could do the work themselves. Once the weatherization work to be done was identified, the landlords chose to incorporate their own improvements.

The bankers and landlords who did participate in the PILIRR program gave strong praise to the CAA personnel involved in the program but were fairly critical of the processes involved to participate. Landlords and bankers remarked that initially the PILIRR presentation was very complicated and they were confused on the principles of the program. Those interviewed noted that they witnessed "a lot of paperwork and bureaucracy" as they progressed through the program. However, once the landlords and bankers understood the processes involved with PILIRR, they were very complimentary of the program and the CAA personnel associated with the program. Typical comments included:

- "The CAA people were excellent. They were very helpful and answered all our questions."
- "We trusted the CAA and believed their services and prices were honest."
- "I saw a lot of papers and forms which almost discouraged me from participating, however, they (CAA) explained everything and dealt with most of the paperwork."
- "After I was able to understand just what the program was about, I truly believe it is a wonderful program."

### C. Marketing Recommendations

1. Establish an advisory committee. This committee should include landlords, tenants, bankers, realtors, utility representatives, community leaders and any other organizations which have a stake in the PILIRR concept. The committee will help establish program parameters and marketing strategies and help solve problems that deter the success of PILIRR. A better understanding of landlord and tenant demographics and attitudes is needed.
2. Establish a marketing plan. A laid-out, structured plan is critical. If the development of a marketing plan is out of the "scope of expertise" of the project coordinator, consider hiring a marketing consultant or firm to devise and execute a plan.
3. Provide marketing/sales training to all CAA personnel involved in the solicitation of program participants.
4. Increase the public awareness level of the program. Issue press releases, make presentations at meetings, establish utility/banker/landlord/realtor/community leader and organization contacts. Create a high-profile program.
5. Increase the level of internal communication. The project coordinator should have greater contact with each CAA to monitor the success and problems of each CAA. The project coordinator should serve as an information liaison to relay what has and has not worked to appropriate personnel with regard to the program.
6. Aggressive follow-up of all leads and contacts is necessary. Keep PILIRR "on the minds" of landlords and other interested parties.
7. Develop a comprehensive, well-defined, structured approach to the PILIRR program in general. A strong administrative and communications network between the project coordinator, the CAAs, the advisory committee and state administrators is needed for the program to successfully meet its goals and objectives.
8. Eliminate delays. Do not give the landlords an opportunity to drop out of the program due to delays in administrative processes such as income verification and paperwork.

## SUMMARY OF RESULTS

### 1. Marketing

- a. There was a very low response to the marketing mailings.
- b. Landlords are used to getting work done at no cost to them under the regular weatherization program.
- c. The project was hard to sell to landlords.
- d. CAA's did not have previous marketing experience.
- e. The initial marketing prospectus was complicated and confusing.
- f. Responses from landlords were more successful in urban areas than in rural areas.

### 2. Subsidy

- A. Many landlords indicated that they could not afford to borrow money for the purposes of the project and get an adequate return on their investment.
- b. Banking computerized procedures were not capable of dealing with the type of interest rebate offered by the project.
- c. A "better" kind of subsidy would be required to effectively sell this approach.

### 3. Timeframes for the Process

- a. Verification of incomes of clients not in the system took considerable time.
- b. Staff at the CAA's involved in the consortium had to volunteer their time to the project; that is, there were no specific paid staff at the local level dedicated to the implementation of the project.
- c. Local staff became discouraged when they spend considerable time on prospects and did not close a contract.
- d. Building interest to commitment and work in progress is a slow and time-consuming process.

### 4. Weatherization Work

- a. The CAA's demonstrated that they have the capability to do the work required by the project.
- b. The participating landlords were extremely well satisfied with the work done.

- c. Several of the landlords had work done under terms of the project because they felt they could trust the CAA's to give them a good deal and assure that the work was well done.
  - d. The paperwork associated with the project was too detailed and complicated.
  - e. It was very difficult to find a cost-based energy savings audit available for this type of project.
  - f. Some landlords are capable of doing the work themselves, and only wanted direction as to what they should do.
5. Changes Needed to Broaden Project Base
- a. We found we needed to expand the dimensions of the project to include low-income homeowners and those who cannot get all of the work done under federal grant programs, especially with the inclusion of allowable furnace work.
6. Other
- a. There was no response to tenant training services.
  - b. Due to conflicting regulations, federal programs did not always work to the benefit of landlords.
  - c. The average cost of jobs was considerably more than estimated in the grant.
  - d. The type of landlord most interested in the project owned older housing stock that had been divided into multiple units, and had one furnace to serve all units.

### **DISCLAIMER**

This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

### Other Observations

Tenant training services, which were offered in the project, had no takers among participating landlords.

The Mid-Iowa Community Action Agency (MICA) tried to coordinate PILIRR and HUD rental rehab funds to offer to landlords who had a significant amount of work to be done. The landlords were very excited about the package, but HUD officials were not--they felt there was a conflict of interest and a co-mingling of federal funds. The landlords could not afford to proceed using the PILIRR approach alone, and they didn't apply for rehab funds, either. This was a considerable setback to MICA, and the staff became very discouraged.

The grant estimate was for an average unit cost of \$450. However, the actual average was \$1,120 for material, labor, support and administrative costs. Costs for the project were the same as those allowed by the regular weatherization programs. Landlords were charged support and administrative costs, because no funds for these expenses were included in the project.

All landlords who were interested in the project were those with older housing stock, which had one furnace heating the entire structure, and the landlord paid the heating bills.