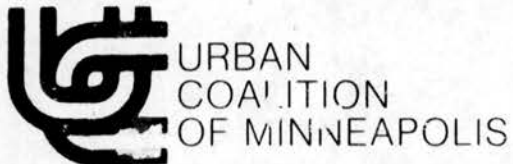




Irene Gomez-Bethke Papers.

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URBAN  
COALITION  
OF MINNEAPOLIS

CONFIDENTIAL

EARL D. CRAIG, JR.

*President*

MEMORANDUM:

December 24, 1980

TO: Board of Directors

FROM: Earl D. Craig, Jr., President

Approximately two months' ago, Vusumuzi Zulu, the Director of the Weatherization Program was involved in an altercation with an employee of the Minneapolis Park Board. This took place at the Community Center at North Commons Park. Vusi allegedly punched this person whom he thought was "roughing-up" his son. The altercation stopped when the son indicated that he and the park board employee, "were just playing". Vusi apologized to the person and offered to pay any medical expenses. He received the impression that the employee was satisfied and, despite some pressure from other park board staff and police to press charges, the matter would be dropped.

On Friday, December 26th, Vusi will be arraigned on the charge of felonious assault.

This confidential memo to you is to inform you that for now I have no intention of changing Vusi's status as Director of the Weatherization Program. For your information, we have in two circumstances in the past, with other Weatherization employees kept them on the job pending trial and have indicated to the judge, in one case, that we would hire the person back if he was placed on probation. It is my belief that this policy should be applied to good administrators as well as to good employees. I have discussed this with Gene Bier, Chairman of the Board, and he supports this decision of mine.

If you have any questions, comments or concerns, do not hesitate to call me.



TO: Board of Directors  
FROM: Earl D. Craig, Jr., President  
RE: UCM Weatherization Program

November 3, 1978

As you may know, the City of Minneapolis has just received notice that it will receive in FY 1979 15% of the CETA Title VI monies that it received in FY 1978. Needless to say, massive cuts have taken place. The Health and Social Services Committee of the City Council has recommended that of the 29 programs being funded last year by CETA Title VI monies, only 3 will be funded. Not only is our Weatherization Program one of those 3, but it is substantially the largest.

We are forced to cut back significantly in job slots (from 44 to 32 slots) and in program duration (April 30 instead of September 30). The other 2 programs (Partners For Strong Neighborhoods and HIRED) are funded together for significantly less than our 32 slots.

We are making every effort to develop a flexible response to this cut which will minimize or eliminate the number of employees actually put out of work. We will keep you informed on this.

I am sure you join me in commending Al and the rest of the Weatherization staff for the good job they have done these last 6 months, which is evidenced by the vote of confidence by the City Council. Enclosed is the evaluation of the program which the Weatherization Program received.

EDC/eee  
Enclosure

NEW APPLICATION

The Weatherization Program is operated by the Urban Coalition of Minneapolis. The services available include Caulking, window repair, attic insulation, storm windows and doors and weatherstripping. Eligibility for the program is based on income and City residency.

PLEASE PRINT

NAME \_\_\_\_\_ PHONE # \_\_\_\_\_ DATE \_\_\_\_\_

ADDRESS \_\_\_\_\_ OWNER \_\_\_\_\_ RENTER \_\_\_\_\_

LANDLORD'S NAME, ADDRESS, PHONE \_\_\_\_\_

HOW MANY IN HOUSEHOLD? \_\_\_\_\_ ANY DISABLED? \_\_\_\_\_ OVER 60 \_\_\_\_\_

TYPE OF FUEL FOR HEATING: GAS \_\_\_\_\_ OIL \_\_\_\_\_ ELECTRIC \_\_\_\_\_ OTHER \_\_\_\_\_

LIST THE GROSS INCOME OF ALL MEMBERS OF THE HOUSEHOLD FOR THE PAST 12 MONTHS \_\_\_\_\_

SOURCE (S) OF INCOME: EMPLOYMENT \_\_\_\_\_ AFDC \_\_\_\_\_ WORKMAN'S COMP \_\_\_\_\_  
RENT \_\_\_\_\_ SOCIAL SECURITY \_\_\_\_\_ UNEMPLOYMENT \_\_\_\_\_  
PENSION \_\_\_\_\_ OTHER (SPECIFY) \_\_\_\_\_

INCOME INCLUDES SALARIES, OTHER WAGES, RENTS, INCOME FROM SELF-EMPLOYMENT, PAYMENTS FROM PUBLIC ASSISTANCE, SOCIAL SECURITY, ALIMONY, CHILD SUPPORT, UNEMPLOYMENT OR WORKER'S COMPENSATION, REGULAR GIFTS, VETERANS BENEFITS, STRIKE BENEFITS, PENSION OR ANNUITY BENEFITS, INTEREST OR ANY OTHER INCOME

INCOME DOES NOT INCLUDE MONEY OR PROPERTY RECEIVED FROM A SALE OF A HOUSE OR CAR, TAX REFUNDS, FUNDS WITHDRAWN FROM A BANK ACCOUNT, FOOD OR RENT PROVIDED IN PLACE OF WAGES.

IF YOU ARE UNSURE WHETHER SOMETHING IS INCOME, LIST THE ITEM ON THIS FORM. IT WILL BE CHECKED BY A MEMBER OF THE WEATHERIZATION PROGRAM STAFF.

The information on this application will be used to determine eligibility for participation in the program and will be verified by a member of our staff who will contact you. Information obtained from the application will be kept confidential as prescribed by law.

I CERTIFY TO THE BEST OF MY KNOWLEDGE THAT THE ABOVE INFORMATION IS TRUE AND COMPLETE. I UNDERSTAND THAT FALSIFICATION OF THIS INFORMATION MAY LEAD TO CRIMINAL PROSECUTION AND CIVIL LIABILITY.

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

COMPLETED FORM SHOULD BE SENT TO: URBAN COALITION WEATHERIZATION PROGRAM  
3400 NICOLLET AVENUE SOUTH  
MINNEAPOLIS, MINNESOTA 55408

IF YOU DESIRE FURTHER ASSISTANCE OR INFORMATION, CALL THE URBAN COALITION WEATHERIZATION PROGRAM AT 827-5465. THANK YOU.



## WEATHERIZATION APPLICANT

The Weatherization Program is conducted by the Urban Coalition of Minneapolis. The services available include caulking, window repair, attic insulation, storm windows and door replacement and weatherstripping. Eligibility for the program is based on income and City residency.

There are two major differences between this program and other which have been operated in the past. The first is that renters as well as home owners may apply and secondly, that materials will be installed by union carpenters.

The program has begun operations and is now accepting applications until further notice. Please send completed applications to the address below. Thank You.

### UCM WEATHERIZATION APPLICATION

NAME \_\_\_\_\_ PHONE# \_\_\_\_\_ DATE \_\_\_\_\_

ADDRESS \_\_\_\_\_ OWNER \_\_\_\_\_ RENTER \_\_\_\_\_

city \_\_\_\_\_ zip \_\_\_\_\_

LANDLORD ADDRESS \_\_\_\_\_

How many in your household? \_\_\_\_\_ How many over age 60? \_\_\_\_\_ Any disabled \_\_\_\_\_

What was the gross income for your household for the past 12 months? \$ \_\_\_\_\_

Source(s) of income: Employment \_\_\_\_\_ AFDC \_\_\_\_\_ Workmans Comp \_\_\_\_\_ SSI \_\_\_\_\_

Unemployment \_\_\_\_\_ Veterans Pension \_\_\_\_\_ Other(specify) \_\_\_\_\_

GROSS INCOME MEANS: Money wages, salaries, receipts from self-employment after deductions for expenses, regular payments for public assistance, social security, unemployment and workers compensation.

Does not include: food or rent paid in place of wages, assets drawn down as withdrawals from a bank, sale of property, house or car, tax refunds, gifts, one-time insurance premiums or compensation for injury.

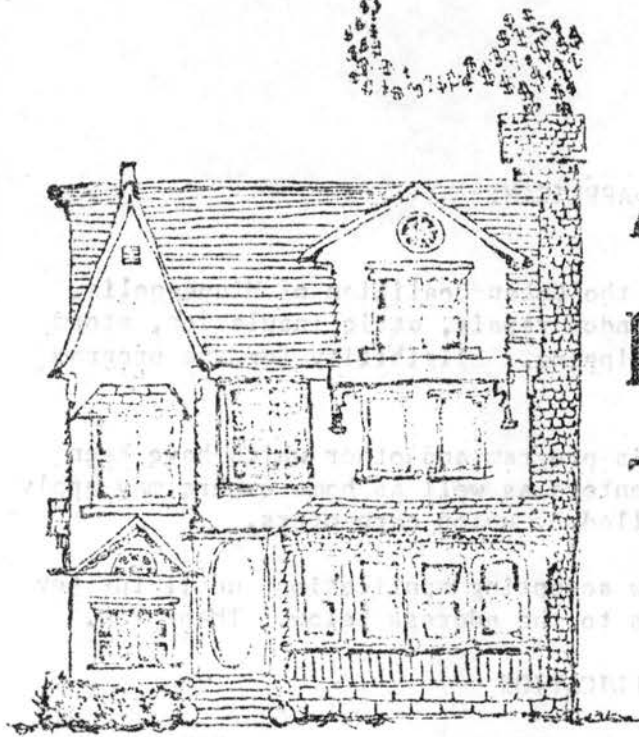
The information on this application will be used to determine eligibility for participation in the UCM Weatherization Program. Information obtained from the application will be kept confidential as prescribed by law.

I certify to the best of my knowledge that the above information is correct:

Signature \_\_\_\_\_ Date \_\_\_\_\_

Completed form should be sent to:: UCM Weatherization Program  
3400 Nicollet Avenue South  
Minneapolis, MN 55408

If you desire further assistance or information call the UCM Weatherization Program at 827-5465. Thank you.




# ARE YOUR FUEL BILLS TOO HIGH?

## **FREE** HOME INSULATION and WEATHERIZATION in Minneapolis for... **RENTERS and HOMEOWNERS**

LOW INCOME RENTERS AND HOMEOWNERS MAY BE ELIGIBLE TO HAVE UP  
TO \$750 WORTH OF MATERIAL INSTALLED ON THEIR RESIDENCES.  
CAULKING, WEATHERSTRIPPING, INSULATION, STORM WINDOWS AND  
STORM DOORS WILL BE INSTALLED AS NECESSARY WITHOUT CHARGE TO  
PROGRAM PARTICIPANTS.

### Contact:

 **URBAN COALITION  
WEATHERIZATION PROGRAM  
3400 NICOLLET AVENUE  
MINNEAPOLIS, MINNESOTA 55408**

» 827-5465 «



URBAN  
COALITION  
OF MINNEAPOLIS

WEATHERIZATION MANAGEMENT COMMITTEE

*approved  
Oct. 24, 1980*

Earl D. Craig, Jr., Chair  
89 South 10th Street  
Minneapolis, MN 55403  
(348-8550)

Margit Berg, President  
League of Women Voters  
of Minneapolis  
2112 Newton Avenue South  
Minneapolis, MN 55405  
(377-4776) (H)

Ron Edwards, President  
Minneapolis Urban League  
1325 Morgan Avenue North  
Minneapolis, MN 55411  
(330-6912)

Richard Mitchell, Manager  
Branch III  
810 South 10th Street  
Minneapolis, MN 55404  
(375-9476)

Seymour Mansfield  
Executive Director  
Legal Aid Society of Minneapolis  
323 4th Avenue So., Room 222  
Minneapolis, MN 55415  
(332-1441)

(Control Data Corporation)  
Glen Van Gilder  
Industry Marketing Manager for Energy  
Control Data Corporation  
8100 34th Avenue South  
Minneapolis, MN 55440  
(853-4234)

(Honeywell)  
Mr. James K. Frakes  
Manager of Advanced Production Planning  
Honeywell Defense Systems Division  
600 2nd Street N. E.  
Hopkins, MN 55343  
(931-5631)

(Kraus-Anderson)  
Dave Zeman, Vice President  
Kraus-Anderson  
2500 Minnehaha Avenue  
Minneapolis, MN 55404  
(721-7581)



## CITIZENS UTILITY COALITION

### STATEMENT ON PRIVATE UTILITY INVOLVEMENT IN INSULATION AND ALTERNATIVE ENERGY DEVELOPMENT AND FINANCING

A growing number of private utility companies have launched programs to finance and/or install insulation or solar units in the homes of their residential customers. In most instances the recipient customer pays for these services through a add-on or surcharge on his/her utility bill. Generally, the surcharge for insulation programs involves the customer paying for the services until the utility has recouped the cost of the insulation material, the cost of labor involved in installation and some profit for the utility. It is vital that problems involved in these programs be fully considered before we proceed to commit ourselves to any program of giving the private utility companies an even larger role in determining the course of our future energy policies.

EXCESSIVE PROFIT TAKING -- Under most proposed insulation and solar leasing schemes, the utilities involved would be in a position to realize a substantial profit. For example, the U. S. Department of Energy's so-called "Rosenberg Plan" proposes to provide utilities a return factor of 17% for customer insulation programs. These are substantially higher than the usual profit margin allowed utilities for other services by public service commissions.

MONOPOLIZATION -- Utilities could sufficiently monopolize the insulation and solar energy fields and drive small industries out of business. This is made possible by the utilities' vast supply of capital that would enable them to buy needed materials on a large scale from just one or two favored companies. Small businesses already involved with solar concerns would be hurt. A utility may determine that it would be most economic not only to purchase from the given manufacturer/distributor, but to also acquire that company. A utility could thus become integrated in the same way as the nation's large companies are, with the same attendant problems of: a) suppression of competition; b) price maneuvering within the different levels/components of the integrated industry; or c) suppression or chilling of innovative research and development. Large purchases from big insulation companies by the utilities could make it impossible for small business concerns to enter the field as the demand for insulation increases in the years ahead. Moreover, utility installation of insulation could endanger small and minority owned or independent contractors if the utility undertakes to perform all the work itself. This concern has already been voiced by the Federal Trade Commission's Robert Reich: "The utilities have access to every home and thereby are going to have an advantage over every other contractor."

INCREASED COSTS TO CONSUMERS -- Invariably, as the utilities move into the insulation and alternative energy products field, they will justify investments in these areas warranting increases in overall utility rates -- the increases to be used to cover alleged increases in administrative costs, as well as costs associated with program research

and development. This trend has already begun. In Los Angeles, the Southern California Gas Company recently requested a rate hike to fund a solar demonstration project. In regards to insulation, the FTC warns that utilities could charge higher prices and get away with it because people don't do the kind of comparison shopping they should.

CONSUMERS WOULD PAY TWICE -- Much approved and pending legislation in state legislatures and in Congress includes proposals for subsidies to homeowners who buy insulation materials and solar equipment. If utilities install home insulation or solar systems, they would receive the government subsidy. The result would be the consumer paying doubly for the materials/equipment through taxation, as well as paying to purchase/rent from the utility.

CONSERVATION AND ALTERNATIVE TECHNOLOGY ARE INHERENTLY DECENTRALIZED --

Historically, the nation's gas and electric utilities evolved as a response to the need to provide large, centralized fossil fuel (and later nuclear) plants with broad distribution systems. By comparison, insulation and solar technology are simple, relatively low cost, usually small and suited to dispersed decentralized applications.

Based on these arguments, the Citizens Utility Coalition recommends close monitoring and regulation of current utility companies' programs and granting permission to expand only after these concerns are taken into account to assure that the public and not the utilities will be the primary beneficiaries.



SUMMARY OF THE  
WEATHERIZATION PROGRAM  
PROPOSED BY THE  
URBAN COALITION OF MINNEAPOLIS

Included are:

- I. Project Summary
- II. Goals
- III. Timetable
- IV. Staff Organizational Chart
- V. Composite Administrative Budget  
(Money is coming from four sources)
  - A. \$210,315 from CETA (Plus an additional \$23,827 which CETA will supply from another source to pay union wages to carpenters).
  - B. \$69,448.48 from CSA
  - C. \$95,606.00 from FEA
  - D. \$6,790.00 from State Match
- VI. CETA Program Budget
- VII. Combined CSA/FEA Program Budget  
(The Non-Federal share (\$17,362.12) is in-kind money which must be provided as a 20% match of CSA funds and is coming from supportive services of UCM, as well as from anticipated donations from insulation distributors).

- I. Project Summary - Provide a one page summary of the proposed project (include number of participants to be employed by your organization, total dollar amount requested, project goals, and project activities, etc.) \*

The Urban Coalition of Minneapolis (UCM) Energy and Training Project is composed of three major components: (1) training /employment activities; 2) weatherization activities; and 3) energy education activities. These will be conducted in concert, as recommended by the memorandum of understanding signed by the then Federal Energy Agency, Community Services Administration and Department of Labor (copy appended).

31 CETA trainees and one Project Director would be employed under this project. \$210,315 is requested from CETA for the personnel costs; \$165,054 is requested from FEA/CSA to provide weatherization materials; and \$15,760 is provided by the UCM as an in-kind contribution.

The training/employment component would reduce unemployment, particularly among minorities, long-term unemployed and recipients of income assistance. Participants would receive training in jobs with strong future employment potential because of the energy crisis, the likely continuation of the demand for rehabilitation and other carpentry related skills, and the certain need for individuals with administrative and personnel skills. The training received by the carpentry trainees from journeymen carpenters will serve as a step toward achievement of union membership. Prevailing wages will be paid to the apprentice and journeymen carpenters. Wages and benefits comparable to those received by workers in similar positions will be paid to other project participants.

The weatherization component will cut residential energy consumption and mitigate the impact of spiraling energy costs on lower income households by weatherizing housing units to the optimal level possible with available funds. Special emphasis will be given to lower income residents of rental properties who have heretofore been neglected by governmental assistance programs. They are trapped in a legal/economic environment where neither they nor the rental property owner have any incentive to weatherize adequately the property. The "losers" in this situation are the tenants, who experience rising energy costs, and society as a whole, which experiences needless consumption of energy.

A recent DOL ruling (copy appended), obtained by the UCM, permits the use of CETA funds on for-profit rental units if MCAA approval and rent control guidelines are used.

The energy education component is based on the premise that considerable energy-saving investment and changes in behavior are not occurring because of ignorance. The broadest possible effort will be made to inform residents and small business owners in Minneapolis of the available responses to the energy crisis. The projects energy educators would conduct, programs for neighborhood, church and school groups, develop and distribute educational materials, refer individuals to sources of weatherization funds, and conduct energy audits on individual properties.

\*For a complete presentation of the goals/objectives/activities linkage, see chart submitted in response to Question III.

## II. Goals

Identify project goals and objectives.\*

- A. Reduce unemployment particularly for minorities, youth and others who chronically experience employment problems in Minneapolis.

Objective 1: To recruit 31 CETA qualified persons through utilizing community and unemployment sources which are directed at minority and long term unemployed.

Objective 2: To hire 31 CETA qualified individuals by April 30, 1978, to work in CSA weatherization program.

- B. Increase future employability of CETA individuals through program involvement

1. 12 CETA qualified apprentice carpenters will be trained to perform tasks appropriate for weatherization and insulation of dwellings under union supervision

2. 12 CETA qualified energy educators will be trained to do outreach and community education in Minneapolis

3. 4 CETA qualified carpenters and 1 assistant director will gain supervisory experience. They will also receive weatherization training.

4. 2 CETA qualified persons will gain experience and on the job training in office and inventory procedures.

5. Ceta staff will gain experience in program planning, accountability procedures.

- C. Train people for jobs that are needed in energy related roles in the areas of weatherization, housing audits and energy education.

### Energy Impact Goals

- D. Reduce the impact of increasing energy costs to low income and small businesses of Minneapolis.

1. By recruiting at least 50% of housing units from the population of low income (according to federal regulation) residents and of Minneapolis.

2. By weatherizing 360-400 housing units\*\* in Minneapolis by project termination date.

3. By conducting community seminars to 300-500 persons concerning energy retrofit techniques in housing.

4. By conducting 25-50 energy audits of small businesses.

5. By referring persons to other areas of weatherization assistance.

- E. Reduce dependence on imported fuel among the project participants through energy conservation.

1. Reduce energy consumption in project participants homes .

2. Reduce energy costs to at least 160 rental units

\*a housing unit may be a single family home or a multi-family unit

#### IV. Approach

##### A. Provide a timetable for the activities outlined in Part III.

2/27 Proposal due.

MCAA/CETA staff will make delegate agency recommendation.

MCAA Program Committee and Energy Advisory Council will have acted on staff recommendation.

MCAA Board meets and acts on recommendation.

Health and Social Services Committee of City Council act on staff recommendation.

3/10 Full City Council action on proposed delegate agency.

3/11-12 Advertise director's position.

3/13-15 Interview director applicants.

3/17 Mayor acts on Council action

3/20 Council action published and contracts can be executed.  
Hire director.

3/21 Advertise CETA positions

3/22-24 Interview CETA applicants

3/27 Hire CETAs

3/28-4/3 Classroom training

3/30 Begin outreach, phone recruiters begin taking calls.

4/4-4/5 Demonstration of weatherization on the job

4/6 Begin weatherizing (using units from MCAA --last years files)

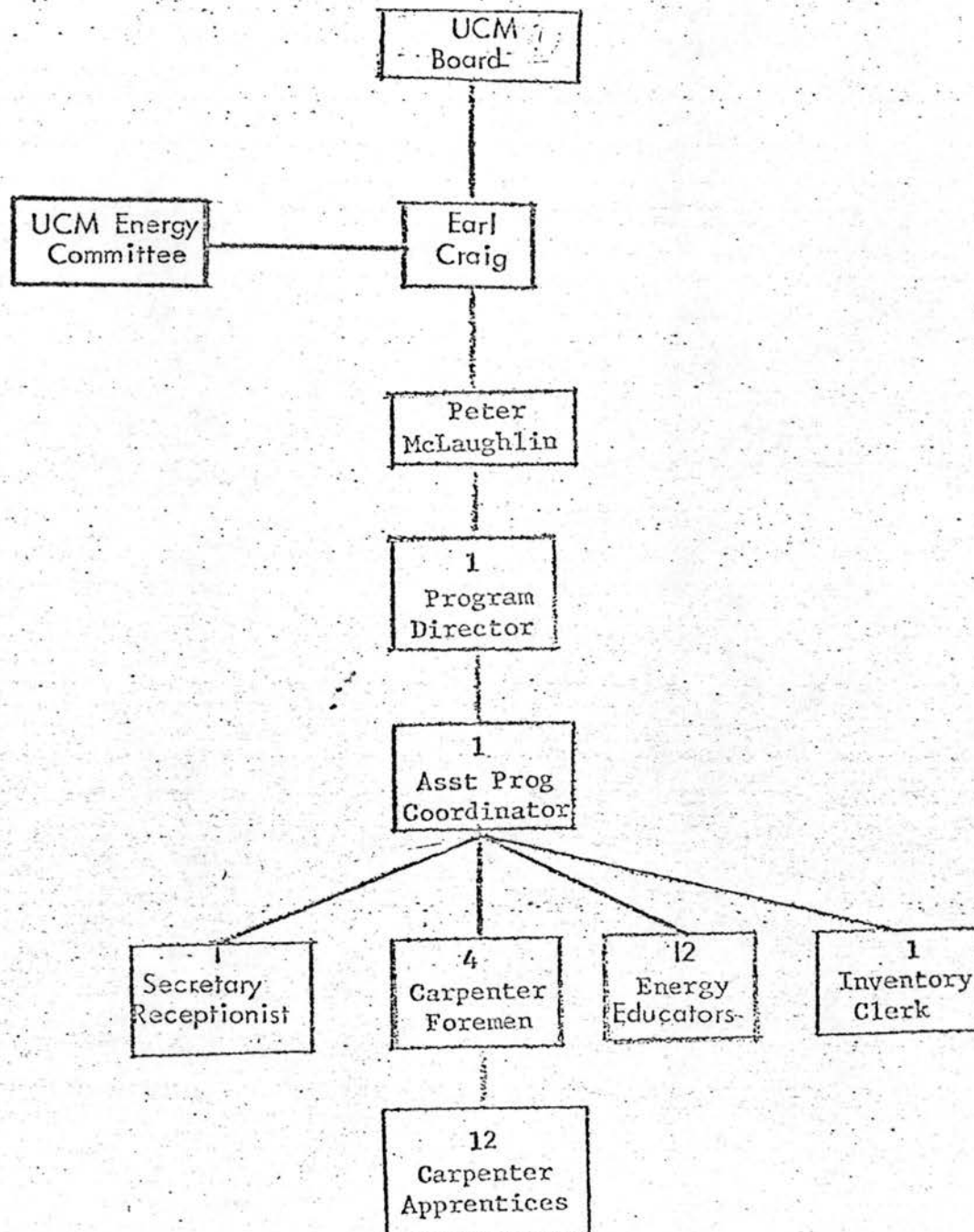
4/28 Deadline for applications

5/1 Begin weatherizing houses from applications

9/31 Program termination. Evaluation due.



Weatherization Program  
Staff Organizational Chart





COMPOSITE ADMINISTRATIVE BUDGET

Item	Expenditure	Charged To		
		CETA	FEA	CSA
HIRED	\$ 5,000		5,000	
CLSR	2,500		2,500	
Office Rent	1,250			1,250
Office Equip.	900			900
Phones	1,400			1,400
Office Supplies	500			500
Printing	1,000			1,000
Postage	1,000			1,000
Director	8,938	8,938		
Legal	1,250		1,250	
Energy Educator				
Vans	4,500	4,500		
Bus Passes	432	432		
Bond	150			150
Mileage	729	729		
Design	745			745
TOTAL	\$30,294	14,599	8,750	6,945

Non-Administrative/  
Non-Material Budget

CSA	
\$ 2,300.00	Liability Insurance
4,120.00	Truck Leasing
	(for material delivery)
4,000.00	Blowers
3,750.00	Storage of Materials
\$14,170.00	Total
- 12,500.53	Allowable
\$ 1,699.47	From State Match

Non-Administrative/  
Non-Material Budget

FEA	
\$1,872.00	Gas
812.00	Insurance
\$2,684.00	Total

State Match (\$6,790)

\$1,669.47	Over CSA limit for truck leasing, blowers, insurance, storage
3,000.00	Urban Coalition Wages
2,000.00	Contingency
\$6,669.47	Total

PROGRAM BUDGET: CETA TITLE VI - SPECIAL PROJECTS


PROGRAM CLASSIFICATION: PUBLIC SERVICE EMPLOYMENT

Urban Coalition Weatherization Program  
Name of Activity or Project

1009 Nicollet Mall Suite 303 Minneapolis, MN 55406  
Address of Activity or Project

Sub-Grantee No.

Modification No.

COST CATEGORY	Item No.	PROGRAM BUDGET		
		Title VI	Sub-Grantee Other Source	Total
I. Participant Wages	101	166,718	21,656	
II. Participant Fringe Benefits	201	28,797	2,171	
III. Training	301			
VI. Administration	600's	14,800		
Total		210,315	23,827	

Note: The Title VI budgeted share for training and administration may not exceed 7 1/2% of the Title VI total share.

OFFICE OF ECONOMIC OPPORTUNITY - APPLICATION FOR COMMUNITY ACTION PROGRAM

PROGRAM ACCOUNT BUDGET (Please type or print clearly)

Form Approved.  
Budget Bureau No. 116-R0153

1. APPLICANT AGENCY

Urban Coalition of Minneapolis

2. DATE SUBMITTED

Jan., 1978

3. PROGRAM YEAR

END DATE: 12-31-78

4. GRANT NO.

50228

5.

PROGRAM ACCOUNT

a. P.A. NO.

05

b. NAME

General Community Programming

c. BEGINNING DATE

March 20, 1978

d. END DATE

Sept. 30, 1978

6. SUBMITTED AS PART OF (check one):

a. ☐ FUNDING REQUEST

b. ☐ AMENDMENT REQUEST (If this item is checked, attach CAP Form 25b, "Justification for Program Account Amendment".)

SECTION I.

BUDGET SUMMARY

COST CAT. NO.	COST CATEGORY	APPROVED PY		REQUESTED PROGRAM YEAR				REQUESTED PROGRAM YEAR + 1				REQUESTED PY + 2	
		TOTAL PROGRAM	NO. MOS.	TOTAL PROGRAM	FEDERAL SHARE	NON-FEDERAL SHARE	NO. MOS.	FULL-YEAR		EXPANDED		EXPANDED	
								TOTAL PROGRAM	NO. MOS.	TOTAL PROGRAM	NO. MOS.	TOTAL PROGRAM	NO. MOS.
(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
1.	PERSONNEL COSTS			16,105	7,500	8,605							
1.1	SALARIES AND WAGES			7,486	--	7,486							
1.2	FRINGE BENEFITS (Employer's share only)			1,119	--	1,119							
1.3	CONSULTANTS AND CONTRACT SERVICES			7,500	7,500	--							
2.	NONPERSONNEL COSTS			164,709	--	7,155							
2.1	TRAVEL			7,273	6,804	469							
2.2	SPACE COSTS AND RENTALS			6,426	5,000	1,426							
2.3	CONSUMABLE SUPPLIES			135,637	135,005	632							
2.4	RENTAL, LEASE, PURCHASE OF EQUIPMENT			4,956	4,900	56							
2.5	OTHER COSTS			10,417	5,845	4,572							
	TOTAL COSTS			180,814.48	165,054.48	15,760							
	FEDERAL SHARE			165,054.48	165,054.48	*15,760							
	NONFEDERAL SHARE												

CAP FORM 25

(REV. AUG 60)

REPLACES CAP FORMS 23, (APR 60); 25, (FEB 66); AND 43, (MAR 67); WHICH ARE OBSOLETE.

\*It is anticipated that the remaining \$1,602.12 needed for the CSA non-federal share will be made up in discounts from material suppliers, printing supplied by utilities or equipment loans from the city.

OFFICE OF CITY COORDINATOR  
CITY HALL  
MINNEAPOLIS, MINNESOTA 55415  
(612) 348-2001

DAVID C. N. KLAUS  
CITY COORDINATOR

ECONOMIC DEVELOPMENT  
ROBERT D. DRONEN ..... 348-2664  
RESOURCE AND PROGRAM COORDINATION  
ROBERT C. MOFFITT ..... 348-2426  
PROGRAM MONITORING AND EVALUATION  
RICHARD F. HUNTER ..... 348-2006  
ADMINISTRATIVE SERVICES  
JUDITH KALATZ ..... 348-2006

minneapolis

city of lakes

October 27, 1978

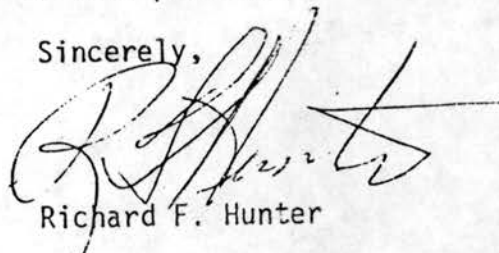
Mr. Al Lopez  
Weatherization Project  
3400 Nicollet Ave. So.  
Minneapolis, Minnesota 55408

Dear Mr. Lopez:

Attached for your review is the Title VI Project evaluation which was recently conducted by evaluation staff. Any comments you have concerning the evaluation should be submitted in writing and forwarded to Ms. Donna Harris, Room 210½, City Hall.

We thank you for your cooperation in this process.

Sincerely,

  
Richard F. Hunter



CETA TITLE VI SPECIAL PROJECTS EVALUATION

Urban Coalition of Minneapolis - #9376

October 27, 1978

Prepared by: City of Minneapolis  
Coordinator's Office  
Program Monitoring & Evaluation Staff



## Urban Coalition of Minneapolis - #9376

### GENERAL PURPOSE

The Urban Coalition of Minneapolis entered into a contract with the City of Minneapolis under CETA Title VI for \$200,247 for the period March 20, 1978 to September 30, 1978 to hire 31 persons to: 1) help low income families, low income seniors, and the handicapped reduce their heating costs through winterization/weatherization of their homes or rental units, and 2) educate Minneapolis residents and small businessmen in the use of energy conservation techniques. The contract allowed for an Assistant Program Coordinator, four carpenter foremen, twelve carpenter apprentices, twelve energy educators, one secretary/typist, and one inventory clerk.

Modification of the contract provided twelve additional carpenter apprentices, two carpenter foremen, and four energy educators, bringing the total number of CETA personnel to forty-nine and the contract total to \$310,926. The City Council authorized a program extension to November 17, 1978 for 44 participants. The agency also had contracted with the Community Action Agency of the City to help carry on the project.

### COMPLIANCE SUMMARY

The Title VI monitor reported that the agency was in compliance with Title VI regulations and local CETA letters governing personnel policies, grievance procedures, fiscal accounting and record keeping, prohibited activities, and physical environment.

### PARTICIPANT/PERFORMANCE SUMMARY

Forty-nine positions were assigned for most of the contract period. This level has been maintained throughout the project although some turnover problems were experienced early in the contract period. There have been a total of fifteen terminations--seven to another job, seven voluntary (two for medical reasons), and one fired. All fifteen were replaced shortly after termination.

Supervision was adequate. Each carpentry crew consisted of four carpenter apprentices and a carpenter foreman (a journeyman). All crews were supervised by the assistant project coordinator. The energy educators were also broken into crews of four with one serving as coordinator. Through bi-weekly meetings, overall supervision was provided by the assistant project coordinator. All participants confined their work to contracted areas.

Participants received the training necessary for them to perform their jobs adequately. Training was both formal and informal. A week-long training session was held near the beginning of the contract period for energy coordinators, carpenter apprentices, and journeyman carpenters which covered eight hours of structural analysis, three days of classroom instruction in weatherization techniques, and two days of on-site training. In addition, thirty (30) hours of follow-up training was provided carpenter apprentices and journeymen. Forty-eight hours of training in the techniques of supervision was provided journeyman carpenters.

## PROGRAM/PERFORMANCE SUMMARY

Contracted activities for the Urban Coalition of Minneapolis were clearly defined and, in many cases, quantified. Performance as compared to contracted goals for the period ending September 21 follow.

### Contracted Goals (Activities)

- weatherization of 360 to 400 low income homes and rental units (which includes insulation, venting, installation of combination storm doors and windows, weatherstripping, and caulking as needed)
- negotiation of landlord agreements to insure that fuel savings are passed on to tenants
- conducting an energy educative program
  - a) via TV, radio, newspapers
  - b) hold 40 group seminars with a total attendance of 800 persons
  - c) prepare and distribute energy brochures to 2,500 people
  - d) conduct on-site energy audits for 500 homeowners/renters and 25-50 small businessmen

### Actual Performance

The first goal of weatherizing 360-400 dwelling units was met, 375 having been weatherized through September 21. Of these, 133 were homes and 242 were rental units. Landlord agreements have been negotiated to insure that each of the 242 rental unit tenants will benefit from weatherization improvements either through lower rent (where the landlord pays the fuel bill) or by a moratorium on raising rent (where the renter pays). Savings in heating bills are estimated to average between 15 and 20 percent. A comprehensive education program has been conducted through a series of energy announcements (setting forth eligibility requirements) on TV (WCCO-TV, KSTP-TV, WTCH-TV) and on radio (KQRS, KUXL, KUOM, KSJN). Sixteen thousand (16,000) announcements were mailed out with AFDC checks. And, twelve (12) community newspapers carried ads.

A total of 55 group seminars were held including those at Jordan Junior High School, YMCA Job Fair for Native Americans, and Sun Day at Powderhorn Park. The total number of people reached by seminars was 1,564. The goal of 40 seminars reaching 800 people was significantly exceeded. Over 5,000 energy brochures have been distributed. Again this significantly exceeded the contracted goal of 2,500.

Audits of energy needs have been conducted for 511 homeowners/renters and 8 small businessmen. An additional 15-20 small businesses are expected to be audited by September 30. Again, the goal of 500 homeowner/renter energy audits was exceeded. The small business energy audit goal should be met by September 30.

### COMMUNITY BENEFIT

While no city-wide study was conducted to assess the magnitude of need among low income people for weatherization, data from the Center for Local Self Reliance and the Minneapolis Community Action Agency provided an indication of need: Center for Local Self Reliance reported that approximately 300 dwelling units needed weatherization and the Community Action Agency reported 400. The Center for Local Self Reliance had been working on the problem but were only able to accomplish weatherization of about 100 living units per year since owners did the actual installation. Thus, the need for a more concerted effort was evident.

The more intense program by the Urban Coalition has made significant progress toward meeting the existing need. The agency's weatherization of 375 homes represents a 375% increase over what was being done previously (100 units/year). In addition, the Urban Coalition's publicity program prompted the submission of 1,077 applications for weatherization aid of which 815 were deemed eligible, thereby uncovering a much larger need than was originally reported. Comparing the number of units weatherized (375) with the number of eligible applications (815) results in a 46% accomplishment figure, again a fairly significant accomplishment.

Clearly, the level of service to the eligible community was raised, and that community received significant benefit.

### CONCLUSIONS

The weatherization project has been in compliance with regulations, has shown adequate supervision and training of participants, has exceeded performance goals and has made impact on the need for weatherization. In summary, the project merits a rating of success.

### RECOMMENDATIONS

1. The weatherization project, operated through the Urban Coalition of Minneapolis, should be considered for continued funding if program is consistent with the goals and policies of the City of Minneapolis.





URBAN COALITION  
WEATHERIZATION PROGRAM

--827-5465--

We are soliciting applications for our program, enclosed you will find a sample application and information on what is required of applicants, please post.

Also enclosed are job announcements. Please post.

Thank you,



John Ostfield

Assistant Director

3400 NICOLLET AVENUE  
MINNEAPOLIS, MINNESOTA 55408



URBAN COALITION  
WEATHERIZATION PROGRAM

..827-5465..

JOB TITLE: Energy Auditor  
ESTIMATED  
DURATION: Permanent  
OPENING DATE: 10-19-79  
CLOSING DATE: 10-26-79  
SALARY RANGE: \$11,500 Annual  
SUPERVISED BY: Assistant Director

DUTIES AND RESPONSIBILITIES:

Visit client's residence's to determine needs for weatherization and the specifics of what has to be done. Transform raw data from audit of residence into work orders and material orders, keeping within stated budget limits. Perform heat loss calculations according to D.O.E. method. Visit client after carpentry crew to verify installation of materials according to work order.

Other duties as assigned pertinent to the goals of the weatherization program.

DESIRED QUALIFICATIONS:

High School Diploma required. College preferred.  
High level of verbal and math skills required.  
Ability to work with others of varying cultural and racial background.  
Ability to work with high level of public contact.

APPLY/RESUMES TO:

Al Lopez  
Director  
3400 Nicollet Avenue South  
Minneapolis, Minnesota 55408

AFFIRMATIVE ACTION EMPLOYER

3400 NICOLLET AVENUE  
MINNEAPOLIS, MINNESOTA 55408





URBAN COALITION  
WEATHERIZATION PROGRAM

--827-5465--

JOB ANNOUNCEMENT

JOB TITLE: Journeyman Carpenter  
ESTIMATED DURATION: Permanent  
OPENING DATE: 10-19-79  
CLOSING DATE: 10-26-79  
SALARY RANGE: Union Scale Salary And Fringe  
SUPERVISED BY: Associate Director

DUTIES AND RESPONSIBILITIES:

Perform and supervise Carpenter Apprentice performance of:  
Installation of insulation, Storm windows and doors, Prime  
windows and doors, Reglazing windows, and ventilators.

Supervise and evaluate Carpenter Apprentices, and duties pertinent  
to the goals of the Weatherization Program.

DESIRED  
QUALIFICATIONS:

Union Journeyman Carpenter required, experience in working on older  
residences desired, experience in weatherization desired.  
Ability to work with others of varying cultural and racial background.

APPLY/RESUMES TO: Al Lopez  
Director  
3400 Nicollet Avenue South  
Minneapolis, Minnesota 55408

AFFIRMATIVE ACTION EMPLOYER

3400 NICOLLET AVENUE  
MINNEAPOLIS, MINNESOTA 55408



November 5, 1980

Ms. Irene Bethke  
4649 Decatur Ave. No.  
New Hope, MN 55428

Dear Ms. Bethke:

This is to notify you that you have been appointed to serve as a member of an appeal committee for the Urban Coalition Board of Directors.

This committee will hear the appeal of termination of Mr. Al Foster, who was terminated from the Urban Coalition Weatherization Program, and whose termination was upheld by Earl Craig. This hearing will be on Monday, November 10, 10:00 a.m., at the Coalition office, 89 South 10th Street. Enclosed you will find all necessary information pertaining to this hearing.

If you have any questions, please notify Michael Cohen at 348-8550.

Sincerely,



G. A. Bier  
Chairperson  
Board of Directors

/cda

Enclosures

# #

TO: EARL CRAIG  
FROM: AL LOPEZ, D. ROBINSON, PAUL TRUMCKE, E. SAUCE, J. BETTIE  
DATE: 10/27/80  
RE: AL FOSTER Appeal

1. CHELSE Coleman

BARBARA Coleman

- REAUDIT ON TWO WINDOWS (AUDITOR)

- SOLID CORE WOOD PLANNED

INCORRECTLY; SMEARED CAULK  
AROUND STORM DOOR; LEFT  
SIDEWALL HOLES UNPLUGGED;

STORM DOOR INSTALLED WITH GAPS;

CRACKED SIDING. SLOPPY WORK (AL FOSTER)

DISCREPANCY IN THE INSTALLATION  
OF ATTIC VENT.

2. ~~BETTY DEWANE~~

- ~~AUDITOR'S FACT~~

3. ~~MARY KALLMAN~~

- NO REAUDIT, NO REORDER -

- INSUFFICIENT HINGES - INSTALLED

2 ON A SOLID WOOD DOOR -

NEEDED 3 - DOOR HAS COME LOOSE.  
PER WORK ORDER

4. BETTY LEWIS

- 4 SIDEWALL HOLES WERE DRILLED

& LEFT UNPLUGGED. STORM WINDOWS

OUT OF TRACK, NOT REPAIRED AS

PER THE WORK ORDER.

5. Noelle MacMillion

- NO REAUDIT, NO REORDERS
- DRILLED ~~3~~ TEST HOLES (WALLS WERE EMPTY - 3 1/2" SPACE)  
However, Holes were plugged & patched without blowing sideways - TOLD Homeowner WALL INSULATION WAS NOT NECESSARY.  
THERMOSTAT NOT PROPERLY INSTALLED.

6. Beverly Morris

- NO REAUDIT, NEEDED REORDER
- REORDER BECAUSE WINDOW FRAMES WERE DESTROYED (4) AND NEVER REPLACED. 1 PRIME GLASS NOT REPLACED FOR OVER A MONTH UNTIL NEW CREW DID IT.

7. ~~SOPHIA MOSBY~~

- NO REAUDIT, NO REORDER
- DROPPED OFF FIBERGLASS ~~GETTULOSE~~ NOT CALLED FOR ON THE WORK ORDER - 7 TONS.

8. DONALD MURRY

- NO REAUDIT, NO REORDER
- FAILED TO INSTALL DOOR WEATHERSTRIP AS CALLED FOR ON WORK ORDER. TOOK GLASS & 2 SASH OUT & NEVER WENT BACK TO REPLACE THEM.



9. ~~ELIZ. PILKAREK~~

- NO REAUDIT, NO REORDER
- 2 SASH LOCKS NOT INSTALLED. PER WORK ORDER

10. GLORIA REED

- NO REAUDIT, NO REORDER
- GLASS NOT REPLACED AS CALLED FOR ON WORK ORDER.

11. HELEN STAFFORD

- REAUDIT, REORDER

UNABLE TO DETERMINE IF REORDER OF MATERIALS WAS THE AUDITOR'S FAULT OR THE VENDOR. AUDITOR RESIGNED.

- WOOD WINDOWS improperly installed, VENTS improperly installed, DOOR CASING installed improperly, SMEARED CAULKING.

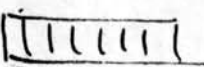
12. ELIZ. VARICHAK

- NO REAUDIT, NO REORDER
- MESSY CAULKING, OMITTED FRONT DOOR WINDOW, TORE THE SCREEN ON A NEW WINDOW INSTALLED - NEVER REPLACED. PER WORK ORDER

13. PAM WALDRON

- NO REAUDIT, NO REORDER
- WORK ORDER CALLED FOR THRESHOLD REPAIR - WAS NOT properly repaired (CUT OUT A GOOD DOOR SILL INSTEAD)

14. HAZEL WETTSTAD

- NO REAUDIT, NO REORDER
- GABLE VENT INSTALLED  
SIDeways 

15. URSELLA BASHAM

- NO REAUDIT, NO REORDER
- CAULKING NOT DONE AS  
CALLED FOR ON THE WORK  
ORDER.

16. ~~REBA FIDEL~~

- NO REAUDIT, NO REORDER
- DID NOT FINISH BLOWING  
INSULATION IN THE ATTIC.  
DID NOT WEATHERSTRIP 3 DOORS  
AS PER WORK ORDER. COUNTED  
THE HSR. AS DONE.

17. ~~KAREN NORMAN~~

- REORDER

REORDER FOR THE MISSING  
STORM.

- TOOK STORM WINDOW TO HDWARE.  
NEVER REPLACED IT, BUT  
COUNTED THE USC AS DONE.

18. ALICE KRIEFALL

- REAUDIT, REORDER

AS A JUDGEMENT CALL  
BY A. LOPEZ & P. TRUCKEE  
WE ORDERED 3 NEW STORM  
WINDOWS (REORDER) AUDITOR  
HAS SINCE BEEN F.I.E.D  
FOR OTHER NON-RELATED  
REASONS.

- DOOR SILL IMPROPERLY CUT,  
WINDOWS NOT SEALED (LARGE  
GAPS), SCREEN TORE ON A  
NEW WINDOW & NOT REPLACED.

-5-  
19. BARBARA GALLO

- NO REAUDIT, NO REORDER
- 12/20/79 FINAL completion OF HOUSE; HOWEVER, ATTIC WAS NEVER INSULATED & 8 BAGS OF CELLULOSE LEFT ON THE HOMEOWNERS PORCH.
- 8/25/80 WENT BACK & FINISHED INSULATING THE ATTIC AFTER BEING INSTRUCTED TO DO SO.

MEMORANDUM

To: Mr. Zulu

From: Al Foster

Re: Al Lopez's Decision of Ernie Saice Conduct Disbecoming of a Foreman (My Memorandum).

Date: 10-2-80

Second Paragraph of Mr. Lopez's Decision

For example: The client answered her own phone, therefore it was given to me. She was still within hearing range of Ernie's voice because her phone was next to her sofa where she was knitting. Ernie said he called to make sure that I was at the house that I was assigned to. He also asked about my truck keys. I told him we could talk about it when my crew and I return to the office. At this point he started cursing at me. Not in the sense that Mr. Lopez writes it up, (as if he was wishing evil upon me), but I do realize down-right street profanity when I hear it, and that was what Ernie was doing in hearing range of the client.

cc: Al Lopez  
Ernie  
Jesse



TO: MR. ZULU, DIRECTOR  
FROM: AL FOSTER, C.J. & UNION STEWART  
RE: DISCRIMINATION  
DATE: AUG, 7, 1980

Mr. Zulu, at the meeting for the Crews, Auditors, and Inventory on August 4th, you made it known that crews that met their quotas could remain the same. Individuals that were dissatisfied with their crew could be changed. One of my crew members did not request a change nor was he dissatisfied working on my crew. He also helped make up the bonus crew. I know of other crews that stayed the same and were not changed. Therefore I feel that I am being treated different. If this is the case, all crews should have been changed.

*All crews  
have changed*

MEMORANDUM

To: Al Foster ✓

From: Al Lopez *AL*

Re: 9/17/80 "Conduct disbecoming of a Foreman"

Date: 9/23/80

In reference to your memo of 9/17/80.

Ernie's request for your location was not out of line, in fact he needed to know where all of the crews were that had not signed out.

His talking very loudly and not being polite within hearing distance of a client seems very unlikely since you were there not he.

~~To~~ curse to me means to swear at, wish evil upon someone, hateful words towards someone. I do not believe that Ernie cursed you but may have perhaps used profanity to emphasis a point. I must point out that I do not condone profanity and I will instruct Ernie to refrain from its use.

The loudness of his voice may have been a reaction to your anger at his questioning where you were working at. You mentioned that you were in an attic, well there's not way we can tell in the office where a person is in the field before calling.

I realize that your "attitude" has been used to explain certain actions by you, but I disagree with your conclusion that it is being used as a communication problem.

I am convinced that Ernie did not act in a behavior unbecoming a Foreman but may have used words unbecoming an employee of the Urban Coalition Program.

Be reminded that your location in the field may be requested by us or our funding sources at anytime and you are expected to furnish that information with a minimum amount of hassle.

Also, it is expected of supervisors not to harass subordinates with unwarranted demands.

I believe that Ernie was not acting in a malicious manner, but that a conflict arose after the fact.

cc: Vusi ✓  
Ernie  
Jesse Davis

M E M O R A N D U M

To: Al Lopez

From: Al Foster

Re: Conduct disbecoming of a Foreman

Date 9/17/80

On Tuesday- Sept. 16th at 9:50, I, Al Foster had a conversation with my supervisor, Ernie Saice. During the time he used an aggressive tone of voice and words unbecoming to a professional position, (talking very loud, cursing and not being polite within hearing distance of a client. This is not the first(1st) time this kind of thing has occurred. On 7/23/80, when he assigned James Dillard's home to me, he cursed me. I can understand his reminding me about not signing out, because its a part of his job. But on Sept. 16, 1980, security was late opening the doors. I had promised a client, Mrs. Martha Tibon I would be there at 8:30 therefore I went directly there. What I am objecting to is the manner in which he did it. I feel that professional people working together should not allow their personal feelings to interfere with working situations. Ernie has been using my attitude as being a real communication problem. In other words, when there is a concern in which I am involved, my attitude is used as a reason for any difficulty.

cc: Vusi  
Ernie  
Al. F.

MEMORANDUM

To: Al Lopez

From: Ernie *ef*

Re: Al Foster ✓

Date: 9-16-80

On 9-16-80, no one was able to enter into the Bryant-Sabthani Building until 7:49A.M., because the Security Guard could not open the door with the keys he had in his possession.

While waiting for access into the building, I saw Al Foster in his truck going to his assignment. The Security Guard had opened the gate to the yard.

All crews must sign the job sheet as to where they are. Al F. was beeped three times.

Al Foster did not sign out. In order to verify the whereabouts of Al Foster, I called the home that he had filed in his mail box, and he was there, I then signed him in for 9:20A.M. During our conversation, I told him the reason I had called him, and that was to make sure he was at his assigned house. And to find out why he had not turned in his keys last night. He then got angry with me for calling him just for that and told me he thought I was picking on him.

*CC. Al Foster ✓  
Personal file*





URBAN COALITION  
WEATHERIZATION PROGRAM

--827-5465--

MEMORANDUM

To: CF Ernest Saice

From: CJ Al. Foster

Re: Complaint

Date:

Name of Resident Betty Lewis Date 8-13-80

Address 5111 Irving Ave No. Telephone# \_\_\_\_\_

Specific Complaint April left the decision up to me as to  
Whether resident should have a <sup>storm</sup> door and vents. I feel  
that this decision should not be left up to me.

EA involved April Pesner Intake involved \_\_\_\_\_

Others involved \_\_\_\_\_

Action Recommended more training.

Signed \_\_\_\_\_

Action Taken \_\_\_\_\_

Signed Alfred Foster Date 8-14-80

Comments: \_\_\_\_\_

cc: Director LA; CJ; CF;  
Assoc. Director Resident's file  
3737 3rd AVENUE  
MINNEAPOLIS, MINNESOTA 55408

NOTICE OF APPEAL

November 3, 1980

Mr. G.A. Bier, Chair  
Board of Directors  
Urban Coalition of Minneapolis  
89 South 10th Street  
Minneapolis, Minnesota 55403

Grounds: DENIAL Of Due PROCESS TO PROCEDUAL RECOURSE

(A.) I, Alfred Foster gave notice of appeal to Mr. Zulu's dismissal of 10-10-80 within due time of five (5) days in accordance with UCM Practices and Policy; with specific stipulations to waive a Presidential hearing.

(B.) According to UCM Personnel Policy and Practices, I was denied an immediate appeal before a five (5) person committee of the Board Of Directors.

To Wit:

The term "dismissal" refer to termination of employment by the agency because of unsatisfactory job performance or misconduct. The employee shall receive a written notice of reasons for dismissal. (Refer to clause for disciplinary action). An employee who has been notified of dismissal shall be entitled to an immediate appeal before a five(5) person committee of the Board of Directors, appointed by the Chairman within five working days of Notice of Appeal. This committee shall hear such appeal within five working days. If the appeal is sustained the employee shall be reinstated without loss of pay or other benefits.

(C.) Earl Craig Jr., The President of UCM,impediment of Due Process to Procedual Recourse denies me rights to a immediate appeal of which I was entitled.

1. Earl Craig Jr. instead established a grievance procedure on 10-23-80, and 10-24-80 in which he is empowered to hear. Prima-facie, the hearing with Mr. Earl Craig seen to reflect a proper recourse. But to due course of procedure in accord with UCM Policy and Practices, it is a flagrant violation of Policy and Practices along with the rights of the Individual.

2. A grievance procedure should have been taken prior to the dismissal, Not after dismissal.

Alfred Foster



November 3, 1980

To Whom It Concern:

I, Alfred Foster would like this matter of Denial of Due Process  
to Procedual Recourse resolved at this particular hearing.

Thank you

Alfred Foster

*Alfred Foster*

## 2. Causes for Disciplinary Action (con't.)

- c. Insubordination or willful disobedience of a lawful order of a supervisor.
- d. Dishonesty, including false statements given during the time of job application.
- e. Using alcohol or illicit drugs (not medically prescribed) or being under the influence of the same during working hours.
- f. Discourteous or offensive treatment to the general public.
- g. Incapacity due to mental or physical health.
- h. Fraud.
- i. Theft, abuse, damage or willful negligence of agency property, equipment or supplies.
- j. Absence without proper leave.
- k. Violation of provisions of these personnel policies and procedures concerned with regulation of employees.
- l. Soliciting or taking money as gifts in connection with duty.
- m. Tardiness or poor attendance.

## 3. Grievance Procedure

Grievance procedure is a method established by the Urban Coalition to settle grievances on the part of any employee or group of employees.

- a. The most effective ways of preventing and adjusting grievances is through discussion between the employee and his immediate supervisor. Therefore, the supervisor shall give prompt and fair attention to any such grievances presented.
- b. If the aggrieved person is not fully satisfied with a decision reached at this level, the matter shall be presented in writing to the supervisor at the next highest level and succeeding levels up to and including the President. All appeals must be submitted within five (5) working days of the decision with which he/she is unsatisfied to the appropriate level.
- c. If suitable adjustment cannot be reached through consultation with the President, the aggrieved may request in writing and will be granted a review and hearing by the Chairperson or a committee he/she may appoint. This five-person committee of the Board of Directors, appointed by the Chairperson within five (5) working days of notice of the appeal shall hear such appeal within five (5) working days. Said findings shall be final and binding upon all parties concerned.
- d. A written record shall be kept of action taken at each level of the grievance procedure to be filed with the President. In no event will any legal fees be incurred by the Urban Coalition for such hearings.
- e. Any grievance filed by the President shall be reduced to writing and submitted to the Chairperson or a committee he/she may appoint.



## G. Termination of Service (con'd)

### 1. Release (con'd)

Should the agency be unable to continue a full employee (who has rendered satisfactory service) in his current position because of budget cuts, reorganization or discontinuance or curtailment of a department, division or area of service, and is unable to offer some other mutually satisfactory assignment, the employee shall be released.

Notification of release shall be given to the employee in writing by the President or his/her designee thirty (30) days in advance of date of separation.

Accrued vacation credit will be paid on termination of employment.

### 2. Dismissal

The term "dismissal" refers to termination of employment by the agency of a non-probationary employee for "cause". (Refer to Causes for Disciplinary Action, Pages 6 and 7.)

### 3. Resignation

The term "resignation" refers to the voluntary termination of employment on the part of the employee. In the event of resignation, the agency must receive a written notice thirty (30) days in advance of date of termination. Accrued vacation credit will be paid upon termination of employment.

## H. Disciplinary Action

Disciplinary action may be taken against any employee for good cause as specified in the following section. Such action is taken by the President or his/her designee in consultation with the immediate supervisor.

### 1. Kinds of Disciplinary Action

- a. Written warning.
- b. Suspension without pay for a maximum of five (5) days by the President or his/her designee.
- c. Dismissal by the President or his/her designee.

### 2. Causes for Disciplinary Action

The following, while not exclusive, are declared to be causes for disciplinary action:

- a. Incompetency or inefficiency.
- b. Neglect of duty.



URBAN COALITION  
WEATHERIZATION PROGRAM

--827-5465--

# 5

MEMORANDUM

To: Mr. Alfred Foster, Carpenter Foreman  
From: V. Zulu, Director *(VZ)*  
Date: October 10, 1980  
Subject: Dismissal

This memorandum is notice of your dismissal effective immediately. Your dismissal is with cause and based upon our Personnel Policies (as amended) Section H(2)A&B which are incompetency or inefficiency and neglect of duty.

Attached to this memorandum are copies of memoranda from your Foreman recommending termination and the Associate Director's concurrence with that recommendation. The information specified in both are not new but recurring incidents about which you have been warned would result in your termination.

The fact that you are a Journeyman makes your workmanship even less acceptable. You have been in the role of one who must teach those assigned to you how to do the job quickly and well. The number of bonus checks you have received attests to your quickness, however having the highest number of complaints of any CJ on our staff attests to poor quality workmanship.

Stating that you have completed work on your Cost Per Unit (CPU) sheets when in fact that work has not been done and deliberately falsified attests to neglect of duty and dishonesty.

This program cannot, should not, and will not tolerate such performance. Our credibility rests upon our performance far more than it does upon what we say; what we do speaks louder and longer than any verbal professing of our interest in our clients.

Your final check and bonus check will be available for release after you have turned in all property assigned to you by the Urban Coalition Weatherization Program to Mr. Al Lopez on October 10, 1980. The final check to include payment for four (4) hours for the date of dismissal which is October 10, 1980.

You may appeal this decision in writing by directing such appeal within five (4) days to:

Mr. Earl D. Craig, Jr.  
Urban Coalition of Minneapolis  
89 South Tenth Street  
Minneapolis, Minnesota 55403

cc: ✓ Earl D. Craig, Jr.  
Al Lopez  
Ernie Saice  
Personnel File



URBAN COALITION  
WEATHERIZATION PROGRAM

--827-5465--

MEMORANDUM

To: Al Lopez, Associate Director  
From: Ernie Saice, Carpenter Foreman  
Subject: Al Foster, Carpenter Journeyman

Date: October 3, 1980

Al Foster has been getting his three (3) houses per week and has been doing it consistently, but, has more recalls\* than any other crew because of work being done that is not up to what is expected of a good weatherization job. The following are examples:

- ? —
- A. He did a job at 2750 Queen Avenue North ID# 860 on June 3, 1980. Prior to the final inspection, the home owner called Vusi to complain. I went to the home on September 22, 1980 to check out the complaint. I found that the sill had been cut, the door which was a CA/SS fit poorly, the caulking was not done around the windows and doors, and the basement screen had a hole in it. The lady said she had asked the person but was told that that was the way it came in and there was nothing they could do about it.

I wrote an order for Al to return to the home, put in a new door sill, fix the door, do caulking and fix the screen.

He returned to the house on June 22, 1980 to correct all the errors above; instead of replacing the old door sill, he put in two pieces of 1"x8" pine that will not hold up. I gave orders for a new sill which he put in on September 26, 1980.

- B. On September 5, 1980, I was called by the Inspector, Jack Bethke to a home at 4200 Wentworth Avenue South ID# 1873. Jack had been inspecting the home as a result of Al Foster turning in a CPU that the work was complete.

The work order had called for sidewall insulation which was not done. The home owner had asked Jack about this. Three (3) test holes had been drilled and patched with Sackrette. Jack broke open two (2) holes and found a 3 1/2" cavity existing and wrote an order for Al to go back and blow the sidewalls and replace a broken prime glass. He had put in a set-back thermostat and left the holding tabs in which would not let the thermostat work. While there, I fixed the thermostat and set it to run right.

- 8' 13- 432-  
C. While inspecting a home at 2632 4th Street North, ID# 1663, I found that the back door had not been weatherstripped and prime windows had been taken out to replace glass, the window was still sitting in the home owner's living room with no glass in it. The home owner told me that Al had put glass in and set it on the front porch when he went to lunch the wind

3737 3rd AVENUE  
MINNEAPOLIS, MINNESOTA 55408

blew the window over and broke it, this was in the middle of August. Al told the home owner he would be back to fix it which was never done. I wrote up an order to do these things which he said he had done. He returned to do them on or about September 15.

- D. At a home at 5111 Irving Avenue North, ID# 1514, Al had drilled test holes in siding and found that the wall had insulation in it on or about August 14, 1980. He had drilled four (4) test holes and had not plugged them and the back bedroom storm window was off track and had not been fixed. I wrote up an order for him on August 27, 1980 to go back to do this which he then went back and fixed on September 9, 1980.

These are but four (4) examples of the poor quality work that Mr. Foster is doing. He has been told verbally on previous occasions to return to do work that he had written up as completed (on one occasion there were bags of cellulose in the home which had never been blown!). He has been warned verbally that incomplete and/or poor quality work would not be tolerated. However, the examples given above are proof that he continues to do the same.

Al Foster has been with the program since October 1979. All of us (Paul Armstrong, Al Lopez and me) have talked to him at different times trying to help him or find out what the problem is. In the past three (3) months alone, it just keep getting worse. I recommend that he is terminated effectively immediately.

cc: V Zulu

\* thirteen (13) recalls



MEMORANDUM

To: Vusi

From: Al *al*

Re: Al Foster

Date: 10/7/80

I received yesterday a memo form Ernie Saice that enumerates several "recalls" on Al Foster.

A memo was generated listing several other "recalls" that I personally visited:

1. Coleman #1085  
1402 Emerson Ave. No.  
Mpls., MN

This duplex had messy caulk on a storm door, a storm window was installed incorrectly, and a solid core door was planed irregularly.

2. Kriefall #260  
2750 Queen Ave. No.  
Mpls., MN

This single unit dwelling had a door step gouged out to attempt the installation of a storm door on the front door. In my opinion the step could have been cut down in a more professional manner.

3. Varichek # 908  
620 36th Ave. N.E.  
Mpls., MN

This single unit dwelling had extremely poor application of caulking and missing front door lite was not replaced. White caulk was applied on a dark red wall.

In conclusion, Al has at least seven (7) significant recalls that merit action on behalf of his supervisor(s). Incompetance or willful neglect of duty can be argued for the majority of his recalls.

It is with the program's best interest and the future benefits of low income people that I concur with Ernie's recommendation of termination.

MEMORANDUM

To: Vusi

From: Jack Bethke 

Re: I.D. #1147 - Helen Stafford  
5651 Girard Ave. No.

Date: 9/29/80


Tom Howie came to me about a house that had been weatherized a while back (in April).

I arrived at Mrs. Stafford's house to investigate the work. Jesse Davis was with me (his first week on the job) looking at houses that I was assigned to finalize. Tom Howie, Jesse Davis and I were just shocked to see a bad job. Mrs. Stafford was very distressed. Evidently Cole-SEWELL had given the wrong size CT2's. Al Foster had been given this house. He still worked in the office at this time. Anyway, after the 2nd reorder from Cole-Sewell, the CT2's were installed. However, the final results were this: Sloppy work was done on the house. No careful measurements were used to position the blind stop and parting stop. Blind stop are used for storm windows. Parting stop for inside sashes. Each rough opening had different depth of one over one and CT2's. Set in some windows, were as much as two inches in depth difference. No finish trim were used. Pine lumber was sawed carelessly and not meeting flush with overall appearance. Caulk used on CT2's were smeared so recklessly with putty knife that I thought it was white paint. Vents were improperly installed, door knob on solid core was installed in dead bolt position. Dead bolt was installed underneath door knob, should be 35 inches-deadbolt 40 inches. In fact the door knob on solid core was interfering with handle on storm door, that in stead of removing the door knob to the standard 35 inches (switch dead bolt and door knob around). He took the handle off the storm door, dropped and redrilled holes a full inch below regular position. He filled the old holes with wood putty! So you have brown wood putty filled holes on a white door.

I had Jesse Davis go and re-do the windows. The job looks better and Mrs. Stafford feels better about the appearance. However, we are still waiting for (1) CT2 from Cole-Sewell to finish the job.

MEMORANDUM

To: Al Lopez

From: Jack Bethke 

Re: ID# 1873 Noelle MacMillion  
4200 Wentworth Ave. SO.  
Al Foster's unit

Date: 9/5/80

- 9/2/80 I went to this house on Tuesday, August 2, to finalize the house. Everything except the thermostat, (1) primepane 26x28 and the sidewall. Evidently Al Foster felt it did not need additional cellulose in the sidewalls.
- 9/4/80 There were three test hole done by Al Foster. (There three test holes were patched by sakrete, I broke two of the (3) holes and found 3 $\frac{1}{2}$  cavity existing. The other hole was not drilled. (I did this after the woman explained that she had a very high heat bill and wondered why sidewalls was not needed.) I called Ernie to verify my findings and to have a second opinion. Ernie agreed that Al should come back and do the sidewalls. Berore Ernie left he fixed the thermostat. The front box was not in the right holes and the clips were still holding the face plate against the backboard. This prevented the minute hand from turning. (I had tolded Al Foster on 9/2/80 to fix the glass and the thermostat; on his CPU for 9/4/80 he wrote, "Fix thermostat, replace glass", which he did)

I recommended that the woman open her floor boards in her walk-in attic to have Insulation blown (Joist are 2x and not one shred of any existing insulation) I will have al Foster go back, do the sidewalls and also blow insulation under her floorboards. This house has been counted as complete. This house will not be counted again and no bonus will be given towards Al Foster's July total. However, I feel additional action is needed concerning this situation.

cc: Vusi  
Ernie S. L



URBAN COALITION  
WEATHERIZATION PROGRAM

--827-5465--

TO: CJ's, CA's, EA's  
FROM: Al Lopez *AL*  
RE: Production  
DATE: January 10, 1980

STICK TO THE BASICS

---

- (1) DO STORM WINDOWS
- (2) IF SMALL CRACKS ARE IN THE GLASS - LEAVE IT
- (3) IF THERE IS A SMALL HOLE IN THE FOUNDATION - LEAVE IT
- (4) IF THE STORM DOOR IS CROOKED OR RUSTY - LEAVE IT IF SERVING THE PURPOSE
- (5) DO WEATHERSTRIPPING
- (6) DO BLOWING AND VENTING IF 7 DOESN'T APPLY
- (7) IF R-22 IS IN THE HOUSE ALREADY - DON'T BLOW OR ADD INSULATION

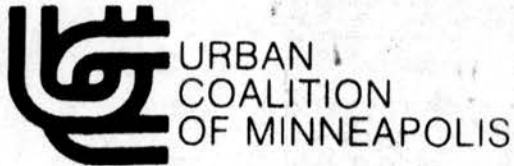
NUMBER OF HOUSES NOW IS THE ULTIMATE GOAL

---

A Joint Project with the City of Minneapolis Community Action Agency and the CETA program.

3400 NICOLLET AVENUE  
MINNEAPOLIS, MINNESOTA 55408





URBAN  
COALITION  
OF MINNEAPOLIS

EARL D. CRAIG, JR.

President

28 October 1980

MEMORANDUM

TO: Alfred Foster

FROM: Earl D. Craig, Jr.

RE: Appeal of your termination with the Weatherization Program

I have considered the following challenges which you presented against your termination when we met last Thursday (October 23rd):

1. You indicated that if there were "too many recalls" for the houses that you and your crew work on, it was because of errors made by the energy auditors and not because of errors on your part. You said "I completely followed the work orders."

2. You indicated that there had been no previous indication of dissatisfaction with the quality of your work. And you further questioned why the program would pay you bonuses if there was dissatisfaction with the work.

3. You indicated that it was just not true that you claimed on the CPU forms that certain work was completed when in fact it was not. You said that any time that this happened you had discussed it with your foreman who told you that "it was okay."

4. And, lastly, you said that all of your difficulties were a result of a personality conflict between you and the foreman, Ernie Saice.

1. In regard to whether the recalls were the fault of the auditor or your crew, the enclosed attachment # A is a list of the houses the files for which the foremen, inspector, audit supervisor and office manager investigated at my request. Of the nineteen (19) houses listed, the recalls of three houses (Nos. 11, 17 and 18) are quite possibly the fault of the energy auditor and not the crew. All of the rest (16 houses) seems to be the fault of the carpenter crew, which you headed.

2. In regard to whether there had been any previous indication of dissatisfaction with your work, Mr. Zulu, in the meeting the three of us had last Thursday, stated that the matter of the large number of recalls and the issue of side wall insulation not "blown" while claimed as such was discussed with you and your crew at a meeting on August 7, 1980. Mr. Zulu said that this meeting was called in response to a memo from you expressing unhappiness at a crew member reassignment and further saying that you thought that there was discrimination against

Mr. Foster

-2-

your crew. Mr. Zulu said to me that in explaining why the reassignment of the crew member, Rick Mason, was made, the two issues ( the number of recalls and the insulation undone) were presented as a part of the rationale for the reassignment.

You then indicated to me that that was a lie and that there had been no discussion at all of these two issues at the August 7th meeting. You told me that it was devoted totally to the issue of the allege discrimination in the reassignment of the crew member.

To check out this obvious discrepancy between you and Mr. Zulu, I had a meeting the next day (Friday, October 24th) with the two former crew members (Rick Mason, who is still employed with the program and Dora Thomas, who is no longer employed with the program), the two foremen (Paul Armstrong and Ernie Saice), the associate director (Al Lopez), Mr. Zulu and you.

I asked Lopez, Armstrong, Saice, Mason and Thomas whether these two items were discussed. Regarding the issue of the large number of recalls, Thomas and Mason said that it was "mentioned but not really discussed." They said that the main topic of discussion was the accusation of discrimination. Lopez, Armstrong and Saice said that it was "discussed as one of the reasons for the reassignment" but that "there was not extensive discussion." Saice said (Lopez and Armstrong agreed and Mason and Thomas said that they did not remember) that he (Saice) specifically mentioned 13 recalls. Armstrong supported this by indicating that you responded that "there were only 11 recalls."

On the issue of the side wall insulation not installed, no one remembered this being discussed. However, Saice said that it was not side wall insulation but bags of attic insulation left on the porch of a house. Lopez and Armstrong remember this part of the discussion. Mason and Thomas said clearly that this particular discussion did not take place.

And regarding your question about why bonuses were paid if there was dissatisfaction, Mr Zulu indicated in the meeting that we had on Thursday that the bonuses are paid on the basis of work that the journeyman indicates is completed. Even though the bonus is not paid until after the final inspector and after incomplete or erroneous work is corrected, the house is counted toward the bonus in the month in which the original completion claim was made. You indicated to me that this was indeed true.

3. In regard to your statement that whenever there might be some discrepancy between the work order and the CPU, you had checked-it-out with your foreman and he had said that "it was okay." Neither of the foremen have agreed with this statement of yours.

Mr. Foster

-3-

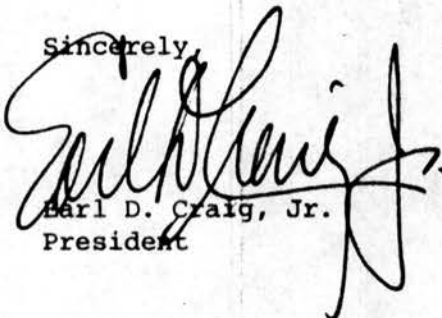
4. In regard to your claim that this all revolves around a personality conflict between you and Ernie Saice, my conversations at the meeting on Friday with Lopez and Armstrong indicate that the dissatisfaction with your work extends beyond Saice.

Therefore, because there seemed to indeed be a significant pattern of poor workmanship as evidenced by the number and kind of recalls and because there had indeed been previous warnings to you that the management of the program was concerned about the quality of the workmanship done by you and your crew, it is my decision that your appeal is denied. In my view, the termination was reasonable and justified.

You may appeal this decision by indicating such appeal in writing within five (5) working days to:

Mr. G. A. Bier, Chair  
Board of Directors  
Urban Coalition of Minneapolis  
89 South 10th Street  
Minneapolis, Minnesota 55403

Sincerely,

A large, stylized handwritten signature in dark ink, appearing to read "Earl D. Craig, Jr.", is written over the typed name and title.

Earl D. Craig, Jr.  
President

cc: G. A. Bier  
Vusumuzi Zulu



**URBAN COALITION  
WEATHERIZATION PROGRAM**

**--827-5465--**

*Letter  
or call you*

*Dear Irene —*

You are cordially invited to attend an Open House at the offices of the Urban Coalition's Weatherization Program on Wednesday, August 26, 1981, from 2:00 to 4:00 P.M. Our offices are located in the Sabathani/Bryant Community Center at 3737 Third Avenue South, Minneapolis, Minnesota 55409 (Corner of 38th Street and Third Avenue).

Since 1978, the Urban Coalition of Minneapolis, a delegate of the Minneapolis Community Action Agency, has run the largest weatherization program in the State and one of the largest in the country. Further, it is acknowledged by many as being the most innovative and comprehensive Program in the country. From the inception of the Program, we have completed four thousand eighty-seven (4787) units.

On August 26, you will have the opportunity to meet the men and women (Managers, Inventory Clerks, Drivers, Inspectors, Carpenters, Carpenter Apprentices and Clerical Personnel) who work so hard to make energy conservation a reality to low income people. We hope you will take advantage of this opportunity to meet our office staff and union carpenters, clients, funders, public officials and neighbors.

Sincerely,

Earl D. Craig, Jr.  
President

EDC:jcc

P.S.: RSVP - Please call the Weatherization Program Offices at 827-5465.

**3737 - 3rd AVENUE SOUTH  
MINNEAPOLIS, MN. 55409**



Case Study of  
Weatherization of For-Profit Rental Units  
by the  
Urban Coalition of Minneapolis Project

EXECUTIVE SUMMARY

Prepared by:  
Urban Coalition of Minneapolis

Funded by:  
U. S. Department of Energy  
Office of Consumer Affairs  
Under Contract No.: DE-FG01-80IR1114

January, 1981

This report examines the weatherization of for-profit rental properties by the Urban Coalition of Minneapolis Weatherization Program under the Department of Energy's and the State of Minnesota's low-income weatherization program. The report is based on interviews with program staff and participants, review of project files, and related research and analysis.

### Introduction

As a matter of public policy, failing to take full advantage of the conservation potential in the rental segment of the nation's residential sector would be a great mistake. Likewise, it would be a mistake to proceed on the assumption that conservation techniques and programs for rental housing can be identical to those appropriate for owner-occupied dwellings.

Rental units constitute a 52 percent of the total housing in the City of Minneapolis. Statewide more than half of rental housing was built prior to 1939 and tends to be poorly insulated as well as substandard. Most important, low-income families, those hardest hit by rising energy costs, tend disproportionately to be renters. Despite the fact that multi-family dwellings generally use less energy per unit than single family homes, increasing fuel prices will continue to raise substantially the cost of heating apartments as well as rented homes. Conservation through weatherization of rental units can reduce by up to 32 percent the energy consumed in such units in Minneapolis. This will yield public benefits in terms of conserving energy resources, freeing some for other uses, and increasing the efficiency of those consumed. Further, conservation generates personal benefits by lowering the energy costs of poor families below the level to which these costs would otherwise have risen.

Nevertheless, weatherization of rental units occupied by lower income families have progressed at an extremely slow pace. This may be attributed in part to the nature of the low-income weatherization assistance program,

but it is also a function of distinctions between consumer (tenant) and investor (landlord) that substantially reduce the incentives for conservation in rental housing.

#### WEATHERIZATION, CONSERVATION AND RENTAL HOUSING

##### Weatherization as One Aspect of Conservation

Weatherization, it should be remembered, is only one of several conservation strategies that can reduce household energy consumption and mitigate the rising burden of energy costs of homeowners and renters. As now practiced by the state and federal weatherization programs, weatherization is intended to enhance the heat retention capabilities of the structural envelope of the residence. Some weatherization measures depend for their effectiveness upon appropriate behaviors of the household occupants (e.g., closing windows). Other measures operate independently of the behavior of the home's occupants.

Different conservation strategies that would complement weatherization if implemented include: 1) increasing the efficiency of heating systems including conversion to other fuels and furnace repairs, tune-ups or replacement; 2) educational measures directed toward modifying occupant behaviors in relation to conservation and utilization of the residence's heating systems; 3) installing supplemental sources of energy (such as passive solar for example) to reduce the heating load on conventional fuels and systems; and 4) routine maintenance and repair of all systems, equipment, and materials related to energy utilization.

Although weatherization programs provide opportunities for implementing all or part of these other strategies, budgetary constraints and limited program goals preclude such activities and thus forego some of the potential for conservation.

### Ownership of Rental Housing

Ownership of rental housing is diverse, and different owners seek different returns on their investments including: positive cash flows, capital gains, and tax shelters for other income. Most rental housing is privately owned, although some receives governmental financing assistance. In Minneapolis, on the basis of numbers, the bulk of owners are small, "ma & pa" type operators who both own and manage small buildings. However, many rental units, about 60 percent, are in buildings having more than five units, involve fewer owners, and have ownership and management and arrangements that are more complex.

### Energy in Rental Housing: Who Pays for Heating

The landlord/investor does not always regard energy costs as part of the costs of doing business. Electricity is generally billed directly to individual tenants. Further, with respect to heating expenses, 43 percent of all rental housing units in Minnesota are occupied by tenants who pay heating bills directly to fuel suppliers. Most of these households (80%) occupy buildings having less than five units. Among larger buildings, the proportion of tenants directly for heat falls off substantially.

Consequently, many owners can escape the direct consequences of rising energy costs, and many others find it possible to pass on those costs to tenants through rent increases. It is this situation in which the consumer is not the investor that complicates and inhibits conservation in rental housing. The consumer lacks control over the building and equipment that determine the efficiency of energy used. The owner/investor who does control that stock of capital has only limited incentives to upgrade its efficiency because he either does not pay the energy bills or can pass them on to tenants.



Summary: Conservation Incentives and Disincentives in Rental Housing

Analysis of the incentives and disincentives attending decisions about conservation by tenants and landlords is complex. Conclusions must be based on particular circumstances as well as financial, market, and regulatory conditions which obtain at any given time. This report attempts to outline the basic incentives confronting landlords and tenants both when tenants do and do not pay utilities directly for heating fuel (these are detailed in the text).

Certainly at some point, rising energy prices will result in some energy efficient rental housing. However, an analysis of incentives underscores the expectation that such changes will occur only very slowly. Moreover, those at the bottom of the income ladder will be among the last to benefit from such changes.

This market failure can be addressed in several ways. One strategy is to improve the effectiveness of the market. Better information, wider access to consumption and cost data among tenants and owners, and useful information about potential solutions can facilitate the social or market oriented decision-making process. Pricing fuel at replacement costs levels could also accelerate conservation in the market. A second strategy relies on regulation to compel owners to install minimum conservation measures. This approach recognizes the inherent weaknesses of the market and uses the force of law to substitute for and/or improve the workings of the market place. A third strategy utilizes financial inducements such as loan subsidies, assistance with applications and decision-making, or grants which by reducing investment costs and accelerating paybacks promotes conservation despite negative market factors. Weatherization assistance conducted by the UCM program is one element in this strategy.

## REVIEW OF PROJECT FILES

### Introduction

The Urban Coalition of Minneapolis (UCM) has operated the low-income weatherization assistance program in Minneapolis under contract to the Minneapolis Community Action Agency (MCAA) since March, 1978. The program is funded by the State of Minnesota and the federal government's Department of Energy. UCM, as a non-profit organization, has two primary objectives in operating the program. First, UCM provides weatherization services to low-income homeowners and tenants in an effort to reduce the increasing burden of heating costs. Second, UCM endeavors to provide employment and on-the-job training for low-income, underemployed individuals. Work crews are comprised of four apprentice carpenters and one journeyman within the structure of the local carpenters union and paid union scale wages and benefits.

### Program Operation

In relation to rental housing, outreach activities have been directed primarily, if not exclusively, toward low-income tenants. Landlords must be contacted, however, to secure their agreement to weatherization (including temporary rent control) and to arrange for energy audits and installation of weatherization materials. The process in multi-unit buildings is somewhat more complex in that more tenants must be contacted, their cooperation secured, and their income eligibility checked to determine whether the entire building or only selected units can be weatherized. Under federal regulations, two-thirds of the rental units must be occupied by low-income households (defined as at or below 125 percent of the federal poverty guidelines) before an entire building can be weatherized. Where fewer tenants are eligible, only limited weatherization can be done on eligible units.

### Per Unit Cost

At this writing, per unit costs for rental units have not been specifically calculated for all those studied. The cost of materials and on-site labor for single family houses has been averaging \$900 to \$1,000 per unit, excluding administrative costs. Costs per unit are expected to be slightly lower in multi-unit buildings.

### Rental Weatherization

Through June 30, 1980, the Urban Coalition had weatherized 139 for-profit rental units in privately owned buildings representing approximately 10 percent of total production. One hundred and twenty-five cases were examined in some detail for this report. Ninety percent of rental weatherization occurred in single family homes of duplexes. Very little was done, up to June, 1980, in larger buildings.

Rent Controls: In the large majority of cases, tenants paid the utility for heating expenses, and this resulted in the use of a weatherization agreement between the landlord and the Urban Coalition calling for a two-year freeze on rents with only limited exceptions. Where owners paid for heat, a slight rent reduction was required and then rents were frozen, with limited exceptions, for two years. Weatherization agreements also included other benefits and provisions relating to tenants.

Tenants: Reported annual incomes among 89 tenants averaged \$4,320. Few exceeded \$6,000. Most significantly, rents (generally exclusive of heating costs) absorbed a very large proportion of tenant incomes. Ninety percent paid out more than 30 percent of their income in rent, and thirty percent paid out more than 70 percent of their income in rents. Adding in heating costs would increase the proportion of income going to provide housing.

## SURVEY OF RENTAL PROPERTY OWNERS

Characterization of the participating owners and assessment of their reasons for participation was the principal objective of this report. Thirty-four owners were interviewed. Collectively, they owned 39 properties housing 60 tenant households served by the UCM Weatherization Program.

### Ownership

Three-quarters of those surveyed were sole proprietors. Most (60%) owned their property outright by virtue of holding title to the deed, but about one-third of the properties covered were being purchased on contracts-for-deed. Less than half (38%) of the owners interviewed owned more than one rental property, and only two or three owned large numbers of properties or units. Finally, nearly half of the owners reported their incomes as low to moderate.

### Attitudes on Energy

The views of owners conserving energy consumption and costs present a confusing picture. Although few rate energy/utilities as first or second among their problems and concerns, many state that they are important. Most felt energy/utilities were important considerations to tenants and also important to an owner in terms of his ability to attract and hold tenants. Nevertheless, very few could state the cost of energy being used for heat, and very few had undertaken any substantive weatherization measures, except routine maintenance. Moreover, very few even knew of state and local conservation standards.

### Rationale for Participating in Weatherization

A variety of reasons were advanced to explain participation in the rental weatherization program. About two-third expressed the view that it was a reasonable tradeoff for rent limitations or that it was of mutual



benefit to all concerned. Another one-third indicated that their willingness to go along was due to the fact that they had no intention of raising rents anyway. Some regarded weatherization as "free" despite the rent control features. A fairly sizeable number also appeared to have some personal connection with the building or the tenants, a factor which may have increased their inclination to participate.

#### Rents and Rent Control

Among the tenants of the owners surveyd, 44 rent histories were available. Rents at the time of application averaged \$182 per month, although that figure increased to \$200 among the more recent clients in the group. In 16 cases where rent control agreements had already expired, rents remained the same in 6 cases and increased in 10 cases.

There is little evidence from this analysis to suggest violations of rent controls. (Interviews with tenants did reveal some violations). However, many participants, both tenants and owners, have no copy of the agreement. The weatherization program also lacks contract copies in some cases, and no monitoring has been undertaken. Consequently, the opportunity for abuse exists whether it is deliberate, due to misunderstanding, or for lack of information.

#### SURVEY OF TENANTS

A small number of tenants (12) were interviewed for this report. They consisted largely of weatherization clients who had remained in the unit weatherized, rather than clients who had moved or new tenants.

Tenants indicated a high level of satisfaction with the program and with weatherization. Some, however, felt that additional work could have been done to improve the conservation capabilities of their units.

The survey identified three violations of rent control agreements, as well as one instance where rent jumped \$40 per month when the agreement

expired. Although the survey among owners found no such violations, these instances suggest problems with the application and enforcement of temporary rent controls as one element of tenant benefits under the weatherization program. However, no tenant had complained, and in fact the UCM program staff has had very few complaints about rent control violations, although this may not be indicative of compliance.

#### ANALYSIS OF ENERGY CONSERVATION

One justification for low-income weatherization assistance is that conservation of energy through weatherization reduces home heating costs below the level that otherwise would have been incurred. The effectiveness of weatherization assistance, in terms of both conservation and cost-effectiveness, depend on several factors, including: 1) the quality of audits; 2) the quality of workmanship and materials; 3) budgetary limitations; 4) limits on the range of conservation strategies employed; 5) owner and occupant behaviors; and 6) program access and market penetration.

Despite research and analysis of this report, the conservation effect of UCM weatherization among rental properties remains unknown. Of 69 tenant heating fuel records examined at the local natural gas utility, more than two-thirds of the records were scrapped because of estimated fuel bills that prevented determining actual fuel consumption. In addition to the small size of the remaining sample and three instances of tenant turnover, which further jeopardizes any conclusions, the lack of a control group precludes more than a very superficial estimate of the change in consumption.

The nine "clean" records showed an average drop in consumption of 8.9 percent after weatherization by UCM, slightly less if two winters after weatherization are included in the comparison. For a broader group of twenty cases, the average reduction in consumption was 16.1 percent, although including 2 winters after weatherization decreased the change to 12.2 percent.

## WEATHERIZATION RENT CONTROL AGREEMENTS

The report defines and discusses the weatherization agreements used between UCM and landlords. They fall into two basic categories:

- 1) rent freeze agreements which apply in cases where tenants pay their own heating bills, and
- 2) rent reduction agreements which apply in cases where owner pays heating costs.

Both approaches cover a two-year period of time, and both permit limited rent increases for certain increasing costs (property taxes and fuel prices) in the second year. Other provisions include: the owner's agreement not to evict tenants except for reasonable cause (Minnesota has no "for-cause" eviction law); its application to any new tenants; repayment requirements; and the fact the agreement is enforceable by the tenants, UCM, and the Minneapolis Community Action Agency.

UCM's rent controls may be analyzed from several perspectives. First, the rental controls go considerably beyond the language of federal law and regulations, although it is certainly debatable how federal standards should be implemented. Second, imposition of rent controls means that weatherization is not free to landlords. Their costs take the form of foregone rents, but the actual amount depends upon how much the landlord would have raised rents. On the other hand, this "cost" may well be less than the cost of complying with state and local rental energy conservation standards. Third, foregone rent represents a benefit to tenants that, at least during the period of rent control, probably exceeds the value of energy savings. Fourth, the presence and severity of rent controls is relevant to whether the weatherization assistance program is accepted by landlords in the rental market. To the extent that rent controls cause landlords to refuse cooperation, weatherization will be less available to eligible tenants.

These factors are complicated by difficulties in determining what rent is permissible in year two of the agreement. A detailed calculation is needed to account for increases of property taxes and/or fuel prices. Moreover, both enforcement and compliance are impaired by the fact that copies of the contract are not routinely distributed to all tenants and landlords. Finally, the absence of any enforcement staff or effort (due to the lack of program funds) undermines the efficacy of rent controls.

#### Options

Several alternatives are open to the Urban Coalition. One, it could abandon rent control except for the minimal stipulation required by federal regulations, although it is unclear how this standard could be measured and enforced. Two, it could shift to a system allowing a specific percentage increase (e.g., 5%) in the second year to simplify compliance and enforcement. Several other, possibly less useful, options are also available. Although tenant benefits would decrease under either approach, penetrating the rental market and eliciting landlord cooperation might be facilitated by controls that are both less onerous and more understandable. If so, more tenants would benefit from weatherization than is now the case. However, establishing some contract monitoring mechanism appears advisable to ensure cooperation of landlords, but it will require extra funding.

#### MODERATE REHAB FUNDS AND WEATHERIZATION

The report describes briefly the Urban Coalition's effort to utilize low-interest moderate rehab loan funds from the Minnesota Housing Finance Agency (MHFA) in conjunction with weatherization assistance to provide more comprehensive benefits to tenants and landlords. The objective, in part, was to enable owners in need of substantial energy-related repairs such as a new roof or furnace to obtain funding without substantially affecting



rents charged to tenants. Nine percent loan funds from MHFA provided for both energy improvements and other rehab work so long as 75 percent of tenants earned low to moderate incomes. The Urban Coalition is processing three such loans on an experimental basis at this time although the pilot program provided no administrative funding. The MHFA program will probably not be extended significantly due to constraints imposed by the Ullman bill limiting use of tax-exempt bonding for housing programs.

#### RELATION OF RENTAL SECTOR OF MINNESOTA'S PROPOSED RESIDENTIAL CONSERVATION SERVICE (RCS) RULES

The report analyzes Minnesota's version of the RCS program in terms of its applicability to that portion of the rental sector now eligible under RCS rules (i.e., 1-4 unit buildings). The conclusion drawn is that RCS, as now designed, will not effectively serve these rental housing units. However, the costs of RCS will be largely paid by utility rates charged to customers including tenants. RCS is an excellent example of a homeowners program model that will be ineffective in serving tenants and landlords. As a result, it is unlikely that RCS will stimulate conservation investments in eligible rental properties without revisions to require RCS providers to deal with landlords (including those who are not "customers") and to develop affirmative plans to penetrate the eligible rental market segment.

## CONCLUSIONS AND RECOMMENDATIONS

Perhaps the most important conclusion to be drawn from this examination of residential conservation is that, if energy policy and programs are to have some semblance of equity, policymakers must set and achieve conservation goals in the rental sector where the bulk of low-income people and families reside. Simply continuing policies that in effect serve only homeowners will mean that those most in need of relief from rising energy costs will be served last and least, if at all.

Stimulating conservation in rental properties is not the same as promoting it among homeowners. Rental is tougher, more diverse, and requires more effort -- not for technical reasons, like those associated with the adequacy of audits, but for social, economic and institutional ones including the disincentives associated with tenancy, the distinction between consumer and investor, and the complexities of rental property ownership. Further, the conservation policies developed for the rental sector must distinguish among its diverse elements and tailor strategies and tactics to particular types of property and situations.

As of mid-1980, weatherization assistance had reached only a very small proportion of the eligible rental households in Minneapolis. Moreover, the landlords who participated up to that time appear to have been somewhat atypical. Generally, they were small operators who owned relatively few rental units in relatively small buildings. Further, a substantial number of these owners had some personal connection to the property and/or to the tenants occupying it. Finally, the energy savings associated with weatherization does not appear to have been large, although its magnitude cannot be determined with certainty at this time.

These considerations suggest three challenges for the UCM Weatherization Program. First, it must successfully appeal to and attract a larger

number of tenants. Second, it must appeal to and attract a more diverse and larger number of landlords. Recently, the weatherization program has accelerated its rate of intake and level of production, but these challenges will continue to present themselves as long as the weatherization program is intended to serve low-income persons, the majority of whom are renters. Third, the program must strive to improve the amount of energy conserved through weatherization, as this is the primary justification for the program. However, this objective cannot be achieved without adequate funding.

The following are some conclusions based on this study of the problem of rental conservation. The list is certainly not complete, but it attempts to underscore the need to approach rental properties differently in order to achieve conservation objectives.

- A) General Orientation -- Policymakers must develop energy conservation policies and programs that will effectively encourage conservation specifically in the rental housing sector. To be effective, approaches to rental conservation must cope with the complexities of the tenant-landlord relationship wherein the energy consumer and the investor are not the same individual. Further, it is important to avoid the error of assuming that what works with homeowners will also work with tenants and landlords.
- B) Regulation Essential -- Given the conflicting incentives influencing rental conservation, the regulatory approach to residential conservation is essential in conjunction with a variety of other inducements and assistance. Local and state governments should implement, coordinate and aggressively enforce energy conservation standards for rental housing. Regulation without credible enforcement must be regarded as no program at all. Consequently, placing a priority on coping with energy problems in rental housing necessitates funding for regulatory enforcement. Moreover, consideration should be given to consumer based mechanisms enabling consumers as well as public agencies to initiate the enforcement/compliance process. "Weatherization-and-deduct" is one example of a policy enabling a tenant/consumer to incur weatherization expenditures and deduct these from rents in cases where owners have failed to comply with state and local conservation standards.
- C) Federal Policy -- The federal government must adopt policies that encourage conservation in rental properties and modify those that either inhibit or preclude such conservation:

- 1) The RCS program is a good example of the results of policymakers ignoring the rental sector. Unfortunately, the supposed constraints of that ill-designed federal program are used as an excuse by utilities and local officials for not dealing effectively with rental properties in local RCS plans despite the fact that 1-4 unit rental buildings are eligible. The federal government should revise current RCS regulations to require utilities to develop and implement a specific strategy for the rental sector.
  - 2) Fund several demonstration programs to explore and evaluate effective strategies for achieving substantial results by weatherization assistance programs in the rental sector.
  - 3) Provide funds for additional training of weatherization program auditors to increase their capacity for conducting effective energy audits in multi-family buildings.
  - 4) Increase the allocation of administration funds to local program operators in direct proportion to the number of rental units weatherized to sustain effective outreach, processing, and contract monitoring in relation to weatherization of rental properties.
  - 5) Provide suitable financial incentives to stimulate weatherization among owners of rental properties occupied by low and moderate income families.
  - 6) Permit state or local tax exempt bonding for energy-related investment in low and moderate income rental property outside of the limits imposed by the Federal Revenue Act of 1980 (the so-called Ullman provisions).
- D) State Policy -- State governments should develop adequate incentives to stimulate and facilitate energy conservation investments in rental housing:
- 1) Enforce existing conservation standards.
  - 2) Augment existing standards with additional requirements if economically feasible and effective, which in Minnesota could include installation of setback thermostats and flow restrictors.
  - 3) Adopt a substantial tax credit for landlords who invest in energy conservation in rental property:
    - based on an energy audit, and
    - analagous to the federal energy credits for homeowners of 15 percent of the first \$2,000 or targeted more toward basic expenditures.



- 4) Provide, to the maximum extent feasible, low cost loan funds for weatherization (and possibly other basic improvements) of rental properties occupied by low to moderate income households, especially where weatherization assistance funds cannot complete the job.
  - 5) Improve RCS audit policy and change RCS regulations to ensure effective market penetration in promoting conservation in the rental sector.
  - 6) Require regulated utilities to conduct demonstration programs targeting tenants and, particularly, landlords to promote conservation in rental properties inclusive of single and multi-unit buildings, and require that all utility programs (i.e., investments, audits, loans, etc.) include a specific rental component appropriately designed to achieve conservation objectives in the rental sector.
  - 7) Require disclosure of energy costs in rental housing to inform tenants, owners, and prospective tenants of past consumption costs. Both investor (landlord) and the consumer (tenant) must better understand the energy cost burden regardless of who is technically the customer. This could be accomplished by requiring utilities to inform landlords annually (1) of the costs of consumption (particularly for heating fuel) for the past calendar year, and (2) of any standardized measures indicating an increase or decrease in consumption. Landlords would be required (1) to post such statements next to occupancy permits, and (2) to inform prospective tenants of such costs as most recently determined.
  - 8) Provide funds to weatherization programs to sustain training in conducting audits and weatherization of multi-family buildings and adequate audits to determine needs for furnace repairs.
  - 9) Establish rental weatherization goals and increase allocations for administrative costs of weatherization programs in proportion to the number of rental units completed to promote rental property weatherization.
- E) Local Governments -- Local governments should develop mechanisms for stimulating rental conservation at the local level:
- 1) In the absence of effective state tax incentives, seek state enabling legislation to permit deducting from assessed market value, for a limited time, a portion or all of the amount invested to bring a rental property up to state or local conservation standards.
  - 2) Promote community workshops and outreach to encourage landlords, as well as tenants, to undertake conservation measures.

- 3) Target conservation efforts and assistance to low-income neighborhoods.
  - 4) Enact and strictly enforce local conservation codes parallel to state standards; impose effective sanctions against owners who fail to comply; and make implementation a priority of the Housing Inspections Department by educating staff and setting energy-related inspection goals.
  - 5) Require additionally that the Housing Inspections Department refer owners and tenants to weatherization programs, financing programs, and to sources of audits, including RCS audits, for possible assistance in further resolving conservation problems.
- F) Utility Involvement -- (See items under state action above) Energy suppliers should develop demonstration conservation programs for multi-unit rental property landlords and tenants, include explicit and workable rental components in all utility conservation related programs (including publicity programs), and modify RCS audit programs to make them realistically effective for rental properties in the 1-4 unit buildings now eligible for RCS audits. Further, utility companies and other fuel suppliers should actively refer potential clients to weatherization programs.
- G) Weatherization Programs -- Several changes will enhance the coverage and effectiveness of the low-income weatherization program:
- 1) Improve existing audits and auditing capabilities, particularly for larger mutli-family buildings, by securing additional funds for staff training, and using results of RCS audits if available.
  - 2) Increase conservation effects of weatherization in terms of reduced consumption by:
    - using performance goals, such as installing all weatherization measures having paybacks of less than 10 years, rather than setting per unit budgetary limits which may cut off weatherization before it is complete or optimal (although this could not be done without more sophisticated audits), but in any event secure a higher ceiling for per unit expenditures as permitted under regulations;
    - implementing a furnace/heating system auditing capability and subsidizing furnace replacement costs in buildings where 2/3 of the occupants are low income; and
    - introducing and funding an educational component to promote conservation-oriented behavioral changes among tenants and to educate landlords about energy conservation.

- 3) Develop and fund outreach and intake staff capacity to more aggressively and effectively market weatherization to rental property landlords including:
  - specialized advertising and outreach for landlords, and
  - intake personnel who specialize in dealing with landlords and who have knowledge of available loans and grants.
- 4) Expand the times when outreach, intake and audits are conducted to include, to a reasonable extent, evenings and/or Saturdays in order to facilitate access to the program by tenants and landlords.
- 5) Augment weatherization services by providing staff to help landlords (and also homeowners) identify and obtain available loans and grants from private or public sources in order to undertake weatherization or energy-related repairs not funded by DOE.
- 6) Develop the capacity through audit inspections, to inform the landlord whether property meets state and local energy codes before as well as after it has been weatherized.
- 7) Maintain the quality of materials and workmanship in order to ensure the credibility and effectiveness of the program, and in addition, completely repair all damage to property resulting from weatherization activities (including holes drilled for insulation) and painting, sealing and finishing of new windows at no cost to the owner. Anything less detracts from the property, imposes a cost on the owner, and impairs the long-term effectiveness of weatherization as well as discouraging participation.
- 8) Recommendations relating to rent controls have been presented in the section discussing that topic. They call basically for simplification of the agreements and suitable monitoring, but they might also have included consideration of dropping rent control except to the extent required by federal regulations. As a last resort, reverting to minimal rent controls might be useful on an experimental basis to determine whether market penetration can be increased in their absence. The recommendations are repeated here as follows:
  - rent control provisions of the weatherization agreement should be simplified to establish specific rates of increase permissible during the second year or at least rates pegged to an acceptable price index;
  - provisions should be included to allow owners to petition for additional rent increases to fund basic, code-related improvements;



- systematic monitoring to establish a reasonable likelihood of detecting noncompliance should be undertaken, and landlords should be informed in advance of this practice. (This function will necessitate additional funding for staff and legal support unless carried out at extremely rudimentary levels);
  - both tenants and landlords should receive copies and explanations of contracts, and contract copies (or at least its basic provisions and projected rents) should be posted during the term of the contract in the public area of any building weatherized;
  - projection of foregone rents in different circumstances should be used in conjunction with information about energy codes and the cost of code compliance to persuade owners to participate in the weatherization program; and
  - the availability and benefits of the weatherization program should be marketed directly to landlords as well as through outreach to tenants.
- 9) Obtain regulatory amendments increasing the allocation for administrative expenses from 5 percent to approximately 10 percent for local program operators on that proportion of program funds expended in rental property weatherization, in part to reflect the increased cost of outreach, processing, and rent control enforcement associated with rental properties.