Green and Resilient Retrofit Program (GRRP)

OFFICE OF HOUSING

OFFICE OF MULTIFAMILY HOUSING PROGRAMS

HUD Northwest Regional Administrator Margaret Salazar

June 16, 2023
HUD’s Climate Action Plan

• Reflects a comprehensive effort to reduce HUD’s energy and carbon footprint by investing in more efficient, sustainable, and equitable housing infrastructure.

• Overarching strategies:
  1. Increasing climate resilience (e.g., better understanding of risk and capacity building for our residents, owners, and borrowers)
  2. Reducing greenhouse gas emissions (e.g., energy benchmarking, energy standards, and incentives)
  3. To pursue environmental justice (e.g., focusing on those communities historically overburdened by environmental and climate hazards)

• Unified HUD commitment to addressing climate change
IRA Overview

- Inflation Reduction Act signed in August 2022
- Total $370 billion in investments, clean energy tax incentives
- Focused on promoting green and climate-resilient solutions
  - Clean energy tax incentives
  - Accelerate private investment
  - Improve supply chains
  - Create more green jobs
IRA Programs Involving Housing

- Green and Resilient Retrofit Program
  - Grants and loans for energy efficient and resilient retrofits
  - Utility Benchmarking
- Solar generation and clean energy deployment
- Greenhouse Gas Reduction Fund
- HUD is working with federal agency partners on increased investment in housing
HUD’s Multifamily Portfolio

- Nearly 30,000 properties across the country
- Property size from 4 units to over 2,800 units
- 1.4 Million rental assistance units
- Owned/operated by third party independent owners
- Properties can be involved with Multifamily in multiple ways
  - FHA-insured mortgages
  - Grants/loans for property development
  - Property-based rental assistance for low-income residents
  - Use Agreements
GRRP Overview

• $1 Billion provided through the Inflation Reduction Act (IRA)
  • $837.5 Million for retrofits plus up to $4 Billion total in loan authority
  • $60 Million for contracts to support scoping of retrofits
  • $60 Million for HUD’s implementation costs
  • $42.5 Million for property benchmarking

• Retrofits will reduce properties’ climate impact while making them more efficient, safe, and healthy for residents through:

  - Energy and/or water efficiency
  - Energy and water benchmarking
  - Improved indoor air quality
  - Low-emission building materials or processes
  - Climate resilience
  - Building electrification
  - Zero-emission electricity generation
  - Energy storage
What does GRRP pay for?

**Utility Efficiency**
- Energy Star 7.0 windows
- Electrical upgrades
- WaterSense fixtures
- HVAC and water heater heat pumps
- Efficient ovens and clothes dryers
- Air-seal testing
- Insulation
- Heat or Energy Recovery Ventilators

**Climate Resilience**
- Clean backup power
- Emergency shelter
- Emergency water access
- Storm shutters
- FORTIFIED certification
- Green or blue roof
- Floodproofing
- Permeable pavement
- Subsurface stormwater storage
- Wind- and impact-resistant windows
- Rainwater/greywater collection systems
- Fire resistant roof, windows, & fencing

**Carbon Reduction**
- Rooftop or carport solar
- Wind energy generation
- Geothermal energy generation
- Renewable energy storage
- Electric Vehicle charging stations
- Responsibly sourced raw building materials
- And more, including soft costs.
Common Features

• Funding for HUD’s Multifamily rental assistance programs, primarily §8 PBRA, §202, and §811

• GRRP funds can be paired with non-HUD IRA resources (rebates, tax credits, etc.)

• Properties can choose to receive funding as grants, surplus cash loans, and amortizing loans

• NOFOs have distribution requirements:
  • Each HUD Region - at least 5% of properties
  • Non-Metro Areas - at least 15% of properties
  • Caps per owner and its affiliates
Eligible Properties

- Most Project-Based Rental Assistance (PBRA) contracts
  - RAD PBRA properties prior to 9/30/2021
- Section 202 Direct Loans or Capital Advances
  - Including those anticipating a RAD conversion
- Section 811 Capital Advances or PRA contracts
- Section 236 properties still receiving Interest Reduction Payments (IRP)
- Not Eligible:
  - Public housing properties
  - LIHTC-only or market rate apartments
Three Different NOFOs

- Three paths for properties – meeting owners where they are
- Accessible to owners at all levels of development expertise
- Simple application process to reduce barriers

**Elements Awards**
- Owner driven
- Specified investments
- Small awards (<$750K)

**Leading Edge Awards**
- Owner driven
- Ambitious initiatives
- Medium size awards (<$10M)

**Comprehensive Awards**
- Comprehensive property assessments
- Blending Elements and Leading Edge scopes
- Largest awards (<$20M)

Designed to enhance efficiency and climate resilience in owner-driven recapitalization transactions

Designed to focus on properties with significant need, considering both energy consumption and climate risk, with significant HUD implementation support
NOFO Timelines

- **Q3 FY2023**
  - Publish NOFOs
  - Leading Edge App Due 7/31
  - Elements App Due 6/29

- **Q4 FY2023**
  - Comprehensive App Due 11/30
  - Leading Edge App Due 10/31
  - Elements App Due 9/28

- **Q1 FY2024**
  - Comprehensive App Due 5/30
  - Comprehensive Cohort Application Quarterly Reviews beginning August 31, 2023

- **Q2 FY2024**
  - Leading Edge App Due 4/30
  - Comprehensive App Due 2/28
  - Elements App Due 1/31

- **Q3 FY2024**
  - Elements App Due 1/4

- **Q4 FY2024**
  - Elements App Due 3/28
  - Leading Edge App Due 2/28

- **Q1 FY2025**
  - Leading Edge App Due 1/31
  - Comprehensive App Due 1/4

- **Q2 FY2025**
  - Comprehensive App Due 5/30

- **Q3 FY2025**
  - All Participants Selected

- **Q4 FY2025**
  - Leading Edge App Due 4/30

- **Q1 FY2026**
  - Comprehensive App Due 2/28

- **Q2 FY2026**
  - Elements App Due 1/31

- **Q3 FY2026**
  - Elements App Due 3/30

- **Q4 FY2026**
  - Leading Edge App Due 4/30

- **Q1 FY2027**
  - Comprehensive App Due 2/28

- **Q2 FY2027**
  - Elements App Due 1/31

- **Q3 FY2027**
  - Leading Edge App Due 4/30
More Information

• Notice and NOFO published on May 11, 2023
• Website – www.hud.gov/GRRP
• Email for questions – GRRP@hud.gov

• HUD Oregon Field Office
• Field Office Director Bryan Guiney – Bryan.G.Guiney@hud.gov