Building for the Future: Competitive Applications for HUD's Green and Resilient Retrofit Program

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Areas of Focus

Research | Policy | Community Development





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Who We Are



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MN Department of Commerce Technical Assistance Grant Award

HSA will provide technical assistance to Minnesota housing organizations and non-profit housing developers to infuse energy funds into affordable housing.

HSA will provide:

- Pipeline and project evaluation for federal funding opportunities
- Training
- Technical support
- Solar Screening
- Program Development
- Capacity building, and
- Grant development/submission

Next Steps:

Please reach out to HAS if you are interested. TA relationships are currently being established.

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Eligibility & Application: HUD Green and Resilient Retrofit Program

Webinar for Minnesota Housing Partnership

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Program Overview

- $837.5 million provided through the IRA for grants and $4b in loan authority
- Funding awards directly to HUD's Multifamily Assisted Portfolio, Primarily Section 8, Section 202, and Section 811

Measures

- Carbon emission reduction
- Improved Energy/Water efficiency
- Energy/Water benchmarking
- Improved indoor air quality
- Low-emission building materials/processes
- Climate resilience upgrades
- Building electrification
- Zero-emission electricity
- Energy storage

Source: HUD_GRRP_Overview_Presentation

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Overview: The 3 GRRP Paths

$40k/DU, max $750k/ Property	**ELEMENTS** 200 awards, $140m funding	• *In-progress recapitalizations* • Funds for proven resilience and utility efficiency measures, including heat pumps, Energy Star windows, fire resistant roofs, clean energy, etc. • No minimum % HUD assisted units; just need contract
$60k/DU, max $10m/ Property	**LEADING EDGE** 100 awards, $400m funding	• *Planning recapitalization* • Ambitious retrofits to earn advanced green certification (LEED/PHIUS) • Minimum 50% HUD Assisted Units
$80k/DU, max $20m/ Property	**COMPREHENSIVE** 300 awards, $1.47b funding	• *Operating properties* • Most difficult operating and performing properties • Must have deep utility and climate mitigation needs • Must work directly with HUD selected contractor on scoping, installation, and commissioning • Minimum 50% HUD Assisted Units

General Eligibility Requirements

Section 202: Project Rental Assistance Contracts (PRAC) Direct Loans, pre-1974 Section 202 DirectLoan

Section 811

Project-Based Rental Assistance (PBRA) HAP Contracts

RAD PBRA HAP contracts executed on or before September 30, 2021

Other Smaller Programs: Other small programs are listed in Section 3 (Eligibility Information) of the NOFOs available on hud.gov/GRRP

Project-based Voucher (PBV) Properties granted by your local PHA are NOT eligible

Ownership: Must own property or have a signed Purchase Agreement OR Purchase Option for a property, provided that:

- Applicant submits consent to application submitted by the owner;
- If HUD requests confirmation of ownership/consent, the purchase has been consummated or purchase option remains valid; and,
- Applicant or assignee is the legal owner of the property at the time of closing

Application Ranking: Before digging too deeply into the application process, owners should plug their address into the FEMA NRI map to determine their resiliency score, which will ultimately effect their competitiveness.

For FAQs about eligibility, go to GRRP FAQ

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In-Depth Eligible Applicants

1. Properties assisted by the following PBRA + HAP Contracts:
   - New Construction
   - State Housing Agencies Program
   - Substantial Rehab
   - Section 202/8
   - Rural Housing Services Section 515/518 (including Section 8 FmHA)
   - Loan Management Set-Aside
   - Property Disposition Set-Aside
   - RAD PBRA Contracts *executed on or before 9/30/2021*
   - Pension Fund PBRA Contracts *executed on or before 9/30/2021*
2. The following Section 202 Properties:
   - Section 202/162 Project Assistance Contract (PAC)
   - Section 202 Capital Advance (commonly known as "Section 202 Project Rental Assistance Contract" (PRAC) properties)
   - Section 202 Direct Loans (commonly known as "Pre-1974 Section 202 Direct Loan" properties)
3. Section 811 Properties with the following contracts:
   - Section 811 Capital Advance (S 811 PRAC)
   - Section 811 Project Rental Assistance (PRA)
4. Properties assisted under Section 236 Interest Reduction Payments (IRP)

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COHORT 1: ELEMENTS

Application Period Due Dates

- ~~First Round: 6/29/2023~~
- ~~Second Round: 9/28/2023~~
- Third Round: 3/28/2024
- Fourth Round: 7/31/2024

For Elements Applicants, consider watching this *Elements* Application Walk-Through for guidance. (18 min video)

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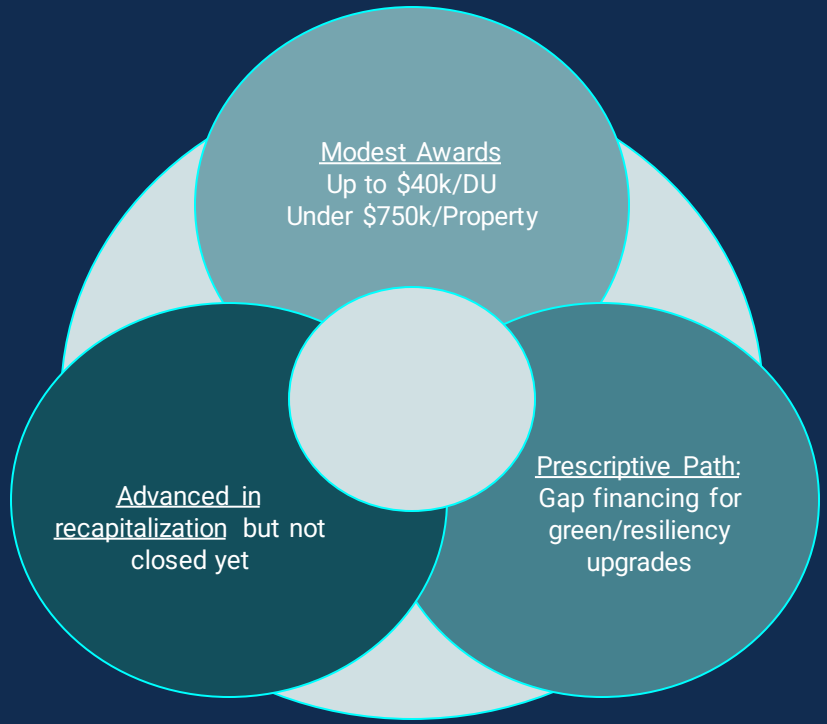
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Overview: Elements

Designed to make projects more efficient and resilient than they were at the start of the transaction

Eligibility:

No minimum threshold for percent of assisted units but properties will be ranked by the lowest amount of requested award per HUD-assisted unit.



Application Details: Elements

- Progress in transaction must be demonstrated through two (2) documents:
  - Tax credit reservation letter, FHA application, PBRA HAP assignment, recent S811 or S202 capital advance award, etc. (See pg 16 of NOFO for full list)
  - Copy of a Capital Needs Assessment

- Improvements are selected from a prescriptive list of *building elements*, including
  - Heat pumps
  - Solar panels
  - Electric appliances
  - Building envelope improvements, etc.

See *Elements* Excel Application, Tab 3 for full list of eligible improvements

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Application Ranking Criteria: Elements

1. Pursuing a green certification
2. Conversion from natural gas or oil to all electric
3. Participating in or signing up for the Better Climate Challenge
4. Properties that are located in a Priority Energy Community.
5. Participating in the Better Buildings Challenge
6. All other applicants

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Application Requirements: Elements

1. GRRP Application Form (downloadable Excel file)
2. Narrative (4 pgs maximum) with project details
3. Commitment Letters for all financing sources
4. Evidence recapitalization is materially advanced (Operating Sources) (see slide notes)
5. (If applicable) Evidence property qualifies for a ranking category (i.e., green building certification/Better Climate Challenge agreement)
6. CNA eTool or Executive Summary of a CNA for the property
7. Inclusion of a replacement reserve analysis
8. Demonstration of environmental due diligence by a submission of environmental review into HEROS
9. *1 cost estimate/bid covering each selected elements investment*
10. If planning to purchase the eligible property, signed purchase agreement/option

Total Time Commitment (Gathering Material and Filling out Application) = 20-30 hours

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COHORT 2: LEADING EDGE

Application Period Due Dates

- ~~First Round: 7/31/2023~~
- ~~Second Round: 10/31/2023~~
- ~~Third Round: 1/31/2024~~
- Fourth Round: 4/30/2024

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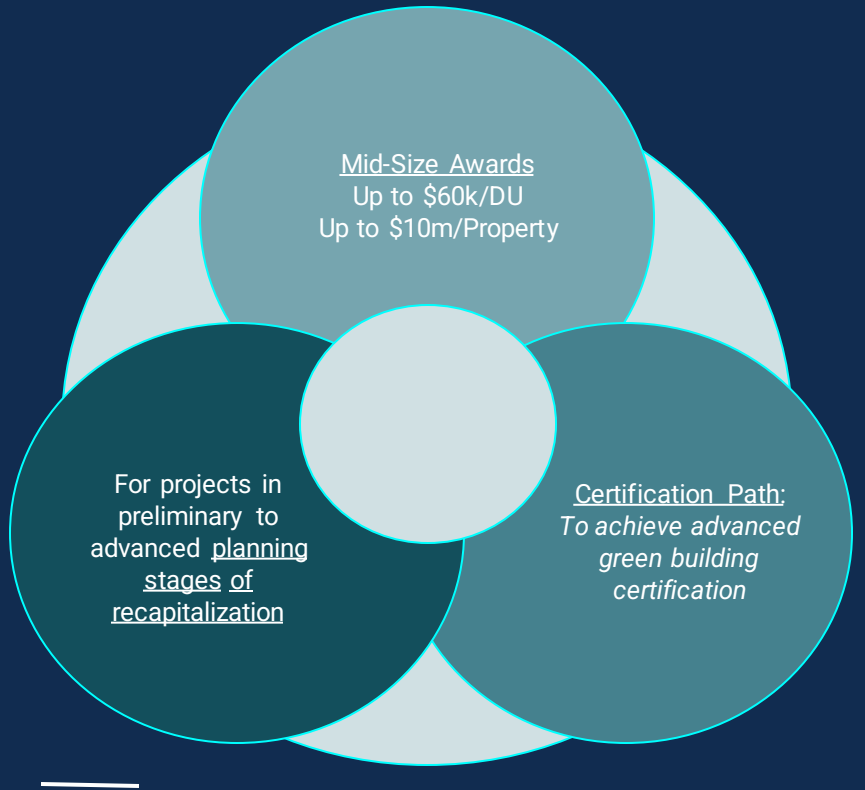
Overview: Leading Edge

Designed to help ambitious projects achieve

advanced green building certifications

Eligibility:

More than 50% of total dwelling units in the property must be HUD assisted



Green Certifications: Leading Edge

Applicants must achieve a high-tier certification from one of the following standards:

- EarthCraft
- Enterprise Green Communities
- Greenpoint
- International Living Future Institute
- LEED
- National Green Building Standard
- Passive House
- PHIUS
- US DOE
- US EPA

Full details of eligible certifications available in the GRRP Leading Edge NOFO (pg 16)

Full list of eligible certifications on next slide!

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Green Certifications: Leading Edge

- National Green Building Standard Green: Gold or Emerald, with Green+ Net Zero Energy or Resilience designation, EarthCraft Multifamily Renovation Platinum, with renewable energy capacity sufficient to offset expected annual energy consumption
- Passive House (PHIUS+) ZERO or ZERO REVIVE
- Passive House Institute EnerPHit
- Energy Star® Next Gen with renewable energy capacity sufficient to offset expected annual energy consumption or emissions, plus GHG intensity (kgCO2e/ft2/HDD) of 0, as measured through 12 months of actual post-retrofit Portfolio Manager benchmarking data
- LEED v4 Gold or Platinum, with LEED Zero Carbon or LEED Zero Energy designation
- LEED v4.1 Multifamily or Multifamily Core+Shell Silver or higher, with Zero Energy or Zero Carbon designation,
- Department of Energy Zero Energy Ready Multifamily, with renewable energy capacity sufficient to offset expected annual energy consumption
- Enterprise Green Communities Plus 2020, complying with Criterion 5.4 Achieving Zero Energy
- Greenpoint Gold or Platinum with Net Zero 100% offset designation
- International Living Future Institute Zero Energy Certification
- International Living Future Institute Zero Carbon Certification

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Application Ranking: Leading Edge

1. Existing buildings with greatest need for energy efficiency improvement, ranked by MBEST score
    - Applications will be ranked from the lowest to highest MBEST score using the applicant property's lowest submitted MBEST score.
2. Located in census tract with highest poverty rate
3. Highest number of HUD-assisted units

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Application Requirements: Leading Edge

1. GRRP Application Form (downloadable Excel file)
2. Narrative (4 pgs maximum) with project details RE: green building certification scope of work
3. Demonstration of development team capacity, including resumes of architect and builder at minimum
4. Multifamily Building Efficiency Screening Tool (MBEST) for each building in the property
5. Initial determination of feasibility from the project architect and/or engineer to ensure adherence to green building standard
6. Demonstration of environmental due diligence by a submission of environmental review into HEROS
7. If planning to purchase the eligible property, signed purchase agreement/option

Total Time Commitment (Gathering Material and Filling out Application) = 30 hours

For Leading Edge applicants, consider watching this *Leading Edge* Application Walk-Through for guidance. (15 min video)

COHORT 3: COMPREHENSIVE

Application Period Due Dates

- ~~First Round: 8/31/2023~~
- ~~Second Round: 11/30/2023~~
- Third Round: 2/28/2024
- Fourth Round: 5/30/2024

For *Comprehensive* applicants, consider watching this *Comprehensive* Application Walk-Through for guidance. (10 min video)

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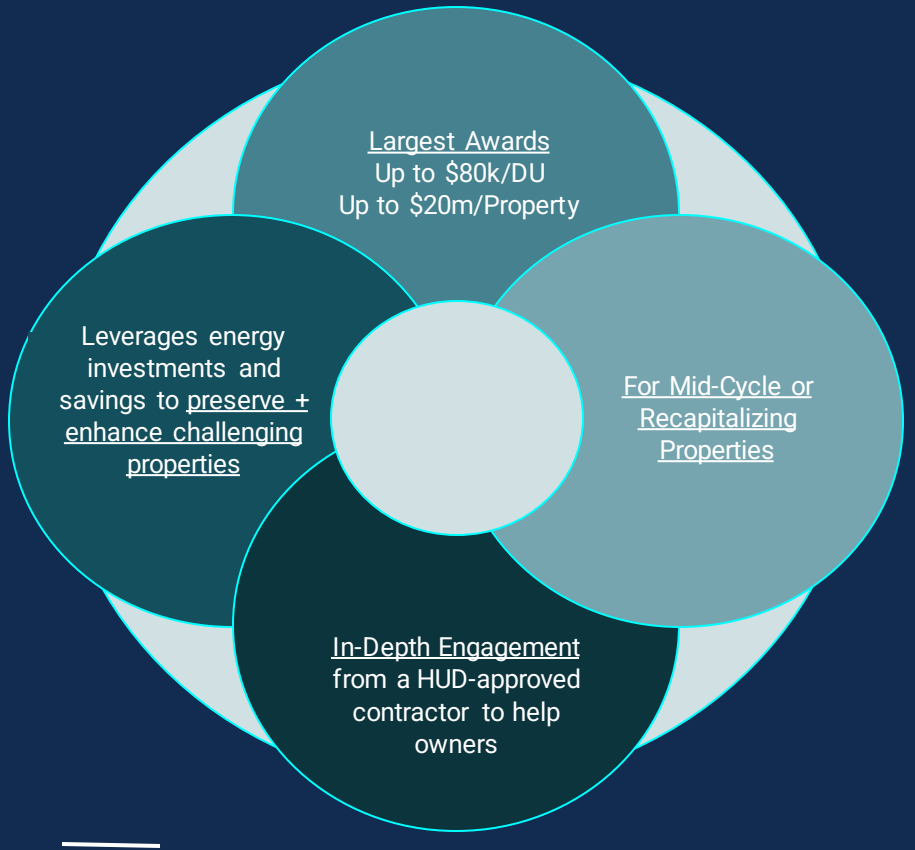
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Overview: Comprehensive

Designed to focus on properties with significant need to address energy consumption and climate risk.

Eligibility:

More than 50% of total dwelling units in the property must be assisted



Details: Comprehensive

- Nearly all Section 8, S 202, and S 811 properties qualify regardless of construction experience or green building expertise
  - See NOFO, pg 12 for full list of eligible applicants
- HUD assigns a design team to develop scope with owner (see next slide)
  - Reduces owner costs
  - Ensures impactful project
- Selection is based on need, measured by:
  - Energy efficiency (Portfolio Manager Score or MBEST)
  - Climate Risk (FEMA National Risk Index)

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Application Ranking: Comprehensive

1. Existing buildings with greatest need for energy efficiency improvement, ranked by Portfolio Manager Score* or MBEST score
    - Applications will be ranked from the lowest to highest MBEST score using the applicant property's lowest submitted MBEST score.
    - 60% of awards will be reserved for properties using Portfolio Manager, so competitive advantage there
2. Located in census tract with highest poverty rate
3. Highest number of HUD-assisted units

*HUD will reimburse owners up to $2,500 for pre-application costs to benchmark in portfolio manager.

Application Requirements: Comprehensive

1. GRRP Comprehensive Application Form (downloadable Excel file)
2. Utility Efficiency documentation (to illustrate need), using either of the following
   a. Multifamily Building Efficiency Screening Tool (MBEST) for each building in the property
   b. ENERGY STAR Portfolio Manager Statement of Energy Performance (SEP), signed and stamped by an energy professional
3. If seeking reimbursement for eligible initial benchmarking costs, documentation/receipts for benchmarking contractor expenses or owner time spent for reimbursement
4. If planning to purchase the eligible property, signed purchase agreement/option

Total Time Commitment = 8-12 hours

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GRRP Application Process
&
Next Steps

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Next steps for attendees

1. Determine your eligibility & competitiveness
2. Determine which application period to apply for
3. Ensure you have a UEI Number from sam.gov
4. ID capacity to complete the application (20-30 hours)
5. Review applications and gather the necessary information to complete
6. Complete and submit the application

Consider attending HUD's GRRP Office Hours to ask questions:

Join HUD on Wednesdays from 3:00-4:00 PM EST (no registration necessary):

https://zoom.us/j/99199273258

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Resources & Contact Information

- GRRP FAQs
- Cohort Landing Pages
  - Elements
  - Leading edge
  - Comprehensive
- Office Hours Recordings (Youtube Playlist)
- How to use MBEST: Pre-Recorded Webinar (6 minute video)
- Housing Notice 2023-05 for GRRP
  - Overview, competition definitions, guidance, etc.

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Question and Answer





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