Priya Jayachandran, CEO
National Housing Trust

- Nearly 40 years experience as policy leader, developer, lender, and provider of resident services and energy solution
- Based in DC, properties in mid-Atlantic, but with nationwide reach

NHT’s Approach

1. Catalyst
   - Residents request NHT help improving housing

2. Process: All under one roof
   - Encourage supportive and responsive regulatory environment
   - Incorporate common spaces, solar panels, climate resilience

3. Home
   - Collaborate to support residents and help them thrive

NHT equips communities for a sustainable, equitable future by preserving and modernizing existing homes—and building new ones that stand the test of time. We want everyone—everywhere—to be proud of where they live.
AGENDA

• Welcome
  • Wells Fargo Foundation, NCSHA, White House

• Bootcamp Expectations and Goals
  • Danielle Arigoni, NHT

• Portfolio Analysis Approach
  • Michael Miranda, NHT

• Upcoming IRA Program Milestones
  • Todd Nedwick, NHT

• Deep Dive on Green and Resilient Retrofit Program
  • Sarah Molseed, HUD

• Preview of Upcoming Sessions
WELCOME

John Moon
Sustainability & Climate Resiliency Philanthropy Leader
Wells Fargo Foundation

Stockton Williams
Executive Director
National Council of State Housing Agencies (NCSHA)

Heather Clark
Director of Building Emissions
White House Climate Policy Office
Rooftop Solar: Stabilize Operating Costs

“Rooftop solar panels helping to stabilize operating costs and support renewable energy development in low-income communities.”

- HUD EDGE PD& R Online Magazine

North Canal Apartments, Lowell, MA
Urgency: Affordable Housing at Risk - Extreme Weather Events

Hurricanes, flooding, wildfires, tornadoes, and other extreme weather events that are intensifying due to climate change caused $165B in damages (2022).

National Housing Trust/Climate Central – Affordable Housing Risk

Trent Park, North Carolina, Hurricane Florence
<table>
<thead>
<tr>
<th>Program</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUD Green and Resilient Retrofit Program</td>
<td>$837.5M for grants and direct loans, including up to $4B in direct loans</td>
</tr>
<tr>
<td>45L Energy Efficient Home Credit (new or existing buildings)</td>
<td>Up to $5,000 per unit</td>
</tr>
<tr>
<td>Electrification Rebate</td>
<td>Up to $14,000 per unit</td>
</tr>
<tr>
<td>Energy Efficiency Rebate</td>
<td>Up to $8,000 per unit</td>
</tr>
<tr>
<td>Solar and Wind Tax Credit</td>
<td>20% adder (on top of 30% tax credit)</td>
</tr>
<tr>
<td>EPA Greenhouse Gas Reduction Fund</td>
<td>$27B</td>
</tr>
</tbody>
</table>
New Construction - Maine Housing – Passive House

Village Centre, Brewer, ME

48 units, LIHTC
Passive House Certified - 60% less energy
3% Added Costs
Dunn Family Coop, Centerline, Michigan

Riseboro, Brooklyn, Passive House, 80% energy reduction
Lincoln, Nebraska + Habitat for Humanity

District of Columbia’s Solar for All program – Savannah Apartments

Solar Investment Tax Credit (Low Income Adder)
### SETTING THE CONTEXT

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12%</td>
<td>Share of income spent on and utilities by low-income HH, on top of increasing rents</td>
</tr>
<tr>
<td>40%</td>
<td>Of occupied rental housing in US located in areas at risk from climate disasters</td>
</tr>
<tr>
<td>33</td>
<td>State and local governments (representing 22% of the US population) have committed to mandating minimum building energy performance standards</td>
</tr>
<tr>
<td>30%</td>
<td>Jump in the cost of producing affordable housing in recent years</td>
</tr>
</tbody>
</table>
POLL QUESTIONS

What is your organization’s portfolio size?
• 0-15
• 16-29
• 30-50

Which best describes your role at your organization?
• Asset Management
• Real Estate Development
• Construction Management
• Sustainability
• Executive or Senior Level
• Other
PARTICIPANTS’ TOPICS OF INTEREST

• How do nonprofits benefit from energy tax credits?

• What are the funding opportunities, tax incentives, and energy rebates for green rehab and new construction?

• How can funds and programs coming out of the IRA be paired with other federal, state, and local funds dedicated to building sustainable and affordable housing?

• How to balance energy efficiency improvements while limiting tenant displacement/inconvenience?

• How can portfolios with small or scattered sites access funding?
IRA BOOTCAMP EXPECTATIONS

Program Components

• 10-12 virtual sessions from June-December
• Portfolio screening
• Peer learning opportunities
• IRA program deep dives
• Hear from federal agency representatives

Participant Expectations

• Consistent participation
• Willingness to share with/learn from peers and other stakeholders
• There may be some homework!
PORTFOLIO ANALYSIS APPROACH

Technical assistance will include:

- Participants will complete a questionnaire to provide property-level information necessary to evaluate building characteristics
- A technical assistance provider will work with participants to evaluate the following to the extent that available data allows:
  - Energy and water efficiency improvements;
  - Opportunities to electrify fossil-fuel end uses;
  - Solar and battery storage potential; and
  - Resiliency upgrades
- Identify potential funding resources from IRA programs

We will discuss the portfolio analysis, timeline, and expectations in more detail in an upcoming Bootcamp session.
## IMPLEMENTATION MILESTONES

<table>
<thead>
<tr>
<th>Program</th>
<th>Latest Milestone</th>
<th>Upcoming Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HUD Green and Resilient Retrofit Program</strong></td>
<td>Funding NOFOs released May 11</td>
<td>Rolling application deadlines; First deadline is June 29, 2023. <a href="https://www.hud.gov/grrp">https://www.hud.gov/grrp</a></td>
</tr>
<tr>
<td><strong>DOE Home Energy Rebates</strong></td>
<td>States can receive up to 2.5% of their allocation for planning</td>
<td>Detailed program guidance in July <a href="https://www.energy.gov/scep/home-energy-rebate-programs">https://www.energy.gov/scep/home-energy-rebate-programs</a></td>
</tr>
<tr>
<td><strong>EPA Greenhouse Gas Reduction Fund</strong></td>
<td>Program framework released in April</td>
<td>NOFO to be released as early as June 2023 <a href="https://www.epa.gov/greenhouse-gas-reduction-fund">https://www.epa.gov/greenhouse-gas-reduction-fund</a></td>
</tr>
<tr>
<td><strong>Low Income Communities Bonus Solar Tax Credit</strong></td>
<td>Proposed rules were released June 1st</td>
<td>Comments on proposed rules due June 30th <a href="https://www.irs.gov/newsroom/treasury-and-irs-provide-proposed-rules-on-energy-projects-for-low-income-communities">https://www.irs.gov/newsroom/treasury-and-irs-provide-proposed-rules-on-energy-projects-for-low-income-communities</a></td>
</tr>
</tbody>
</table>
Green and Resilient Retrofit Program (GRRP)

Sarah Molseed
Acting Deputy Director of the Office of Recapitalization
Department of Housing and Urban Development (HUD)
Green and Resilient Retrofit Program (GRRP) Cohorts Overview
GRRP Overview

• $837.5 million provided through the Inflation Reduction Act (IRA) for grants
  • Up to $4 billion in loan authority

• GRRP is designed to fund retrofits to make properties more efficient, safe, and healthy for residents through:
  • Carbon emission reduction
  • Improved Energy and/or water efficiency
  • Energy and water benchmarking
  • Improved indoor air quality
  • Low-emission building materials or processes

• Climate resilience upgrades
  • Building electrification
  • Zero-emission electricity generation
  • Energy storage

• Awards funding directly to properties in HUD’s Multifamily assisted portfolio, primarily §8 PBRA, §202, and §811
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.
Who can apply for GRRP

Owners of a property in programs including:

- Section 8,
- Section 202,
- Section 811,
- RAD project prior to September 30, 2021, and
- Other small programs listed in in Section 3 of the Elements NOFO
Financing Options

GRRP award provided via grants or surplus cash loan

<table>
<thead>
<tr>
<th>Grant</th>
<th>Surplus Cash Loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Affordability restriction – 25 years</td>
<td>• Affordability restriction – 15 years</td>
</tr>
<tr>
<td></td>
<td>• Payment –% of annual surplus cash paid to HUD</td>
</tr>
<tr>
<td></td>
<td>• Term – longer of first mortgage loan term or 15 years</td>
</tr>
<tr>
<td></td>
<td>• Interest – 1%</td>
</tr>
</tbody>
</table>
Overview of 3 Cohorts

- Three cohorts take diverse approaches to scoping the work
- Simple application processes reduce capacity barriers to entry

**Elements Awards**
Owner driven
Specified investments

**Leading Edge Awards**
Owner driven
Ambitious initiatives

**Comprehensive Awards**
Comprehensive property assessments
Blending Elements and Leading Edge scopes

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, and funds both proven measures and ambitious transformations
Elements Cohort Overview By The Numbers

$140 million available in Elements funding

$750,000 per-project maximum

$40,000 per-unit maximum
Elements is:

- Designed to provide gap financing to make in-progress transactions greener and/or more climate resilient
- Applicable to HUD-assisted multifamily property owners who are materially advanced but not yet closed in a recapitalization effort, such as receipt of a tax credit reservation, submission of a complete FHA Firm Application, or a recent Section 811 or 202 Capital Advance awardee
- Provide owner choice from among a pre-approved list of eligible items, such as heat pumps, sustainable building materials, and clean backup power
Timeline – Elements Application Waves

Elements NOFO Published

Wave 1 Applications Due
End of June

Wave 2 Applications Due
End of September

Wave 3 Applications Due
Beginning of January ‘24

Wave 4 Applications Due
End of March ‘24
Application

• Included in Application Submission:
  ✓ Application form in Excel including pro forma and Sources & Uses demonstrating need for GRRP funds
  ✓ Narrative description of proposed work
  ✓ Third party reports: Capital Needs Assessment, environmental due diligence, bids for each Elements investment, and information about other financing sources
  ✓ Environmental Review documentation
Selection

Based on the priority categories below, subject to regional and non-metro set-asides:

1. Green Certification
2. Whole-building Electrification
3. Better Climate Challenge
4. Priority Energy Community
5. Better Buildings Challenge
Leading Edge Cohort Overview By The Numbers

$400 million available in Leading Edge funding

$10 million per-project maximum

$60,000 per-unit maximum
Leading Edge Cohort Overview

- Leading Edge Awards:
  - Designed for HUD-assisted multifamily property owners with the capacity to achieve a high-level green certification
  - The owner may be at the preliminary or more advanced stages of planning a recapitalization of the property
  - Receipt of full GRRP award requires achieving one of the Leading Edge green certifications
Timeline – Leading Edge Application Waves

- **Leading Edge NOFO Published**
- **Wave 1 Applications Due**
  - End of July
- **Wave 2 Applications Due**
  - End of October
- **Wave 3 Applications Due**
  - End of January ‘24
- **Wave 4 Applications Due**
  - End of April ‘24
Leading Edge Qualifying Green Certifications

• Detailed in the GRRP NOFO

• Eligible certifications include high-impact offerings from organizations such as:
  • EarthCraft
  • Enterprise Green Communities
  • Greenpoint
  • International Living Future Institute
  • LEED
  • National Green Building Standard
  • Passive House
  • PHIUS
  • U.S. Department of Energy
  • U.S. Environmental Protection Agency
Eligibility & Selection

**Eligibility:** Owners that will commit to achieving a Leading Edge certification and that have *more than 50% assisted* units at their property.

**Selection:** Selection based on the property’s current energy efficiency as measured by MBEST, subject to regional and metro/non-metro set-asides.

Not to exceed 12 awards per owner or its affiliates.
Application

✔ Application form in Excel including pro forma and Sources & Uses demonstrating need for GRRP funds
✔ Narrative of intended green & resilient work
✔ Team member identification and demonstration of team capacity and experience with selected green certification
✔ Multifamily Building Efficiency Screening Tool (MBEST)
✔ Architect and/or engineer’s initial determination that the proposed project can be designed to meet the qualifying green building standard selected by the owner.
✔ Demonstration of environmental due diligence
Comprehensive Cohort Overview By The Numbers

$1.47 billion available in Comprehensive funding

$20 million per-project maximum

$80,000 per-unit maximum
Comprehensive Cohort Overview

• Comprehensive awards:
  • Fund deep retrofits touching utility efficiency, renewable energy generation, carbon emissions reductions, and climate resilience
  • Are applicable to all eligible HUD-assisted multifamily property owners regardless of construction experience or greening expertise
  • Provide a property-tailored, integrated design team approach to scope of work development. This reduces costs to the owner and brings in expertise to help design an impactful project.
Timeline – Comprehensive Application Waves

Comprehensive NOFO Published

Wave 1 Applications Due
End of August

Wave 2 Applications Due
End of November

Wave 3 Applications Due
End of February ‘24

Wave 4 Applications Due
End of May ‘24
Application

• Included in Application Submission:
  ✓ Simple Excel-based application form
  ✓ Screen for energy efficiency
    • EPA’s Portfolio Manager ENERGY STAR score and Water Scorecard (cost reimbursement available) or
    • Multifamily Building Efficiency Screening Tool (MBEST)
Eligibility & Selection

Eligibility: Must have more than 50% assisted units at the property and must agree to work with a HUD-procured contractor throughout the GRRP rehab process.

Selection:
• Based on need as measured by
  • Energy efficiency: ENERGY STAR or MBEST
  • Climate Risk: FEMA’s National Risk Index (NRI)
• Subject to regional and metro/non-metro set-asides
• Not to exceed 15 awards per owner or its affiliates
Properties will undergo a series of GRRP-funded assessments with support from a HUD-provided contractor to develop the scope of work including standard improvements and green features.
Funding Structure

• Owner contribution ensures GRRP funds are reserved for impactful investments beyond general asset management good practice
• 25% of available GRRP funding for the property is reserved only for high impact investments
• Funding is available for Owner’s transaction costs in certain circumstances
• The initial award will be for the maximum amount (lesser of $20 million or $80k per unit) and will be amended based on actual eligible costs

Owner Paid Items

Energy Star appliances, WaterSense fixtures, LED lighting, and CNA-identified needs not considered Cost Share Items or High Impact GRRP-Paid Items

Cost Share Items

Greening of replacements/upgrades identified by CNA

High Impact GRRP-Paid Items

Enhancements beyond CNA-identified needs, including electrification and climate resilience

Transaction Costs

Tenant relocation, environmental mitigation, design services, project management, etc.

Owner contribution for standard upgrades that offer quick payback

Owners without sufficient capital may access HUD amortizing debt

GRRP funds for above-standard, innovative, and highly-impactful investments

Funded through GRRP surplus cash loans and grants.
Owner Contribution

Owner contribution covered by any combination of

- Reserve for replacement or residual receipts
- Owner equity
- Commercial debt
- Other federal, state, or local funds*

- Any other external financing source
- If eligible: HUD Amortizing Repayment Loan
- 202/811 Properties: GRRP award (up to $20,000/unit)
How to Apply

1. Download application materials and Excel form from hud.gov/grrp
2. Register for a UEI number on Sam.gov (if needed)
3. Complete benchmarking in Portfolio Manager or MBEST
4. Complete the Excel application form
5. Log into grants.gov and complete the “Workspace Application”
6. Upload Excel application form and other attachments
7. Submit before the deadline
Additional Resources

• Read the NOFO and Notice

• Find FAQs, fact sheets, benchmarking resources, and how to apply on hud.gov/grrp

• Attend live webinars (see website for timing)

• Attend office hours (see website for timing)
Upcoming Session Topics Include

- Opportunities for Energy Efficiency and Electrification
- Overview of Technical Assistance and Portfolio Screening Questions
- Opportunities for Climate Resiliency and Renewables in Affordable Housing
- Accessing IRA Home Energy Rebates and Greenhouse Gas Reduction Fund
- Engaging Residents and Promoting Resident Agency
- Deep Dive into IRA Tax Credits
- Benchmarking Data Management

Next sessions:
June 22, 1-2:30pm ET
July 20, 1-2:30pm ET

Please complete the post-session survey by June 13th
Thank you!

Questions?