

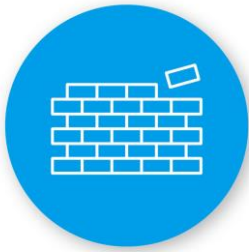


Green and Resilient Retrofit Program (GRRP)



GRRP Overview

Over \$4.8 billion in grants and loans across **three** award paths, or “cohorts.” Three different approaches supporting properties based on stage of recapitalization, owner greening expertise, and property needs.



Elements Awards

Investments selected from
Elements menu

Max: \$750K per property / \$40k PU



Leading Edge Awards

Pursue ambitious
green certification

Max: \$10M per property / \$60k PU



Comprehensive Awards

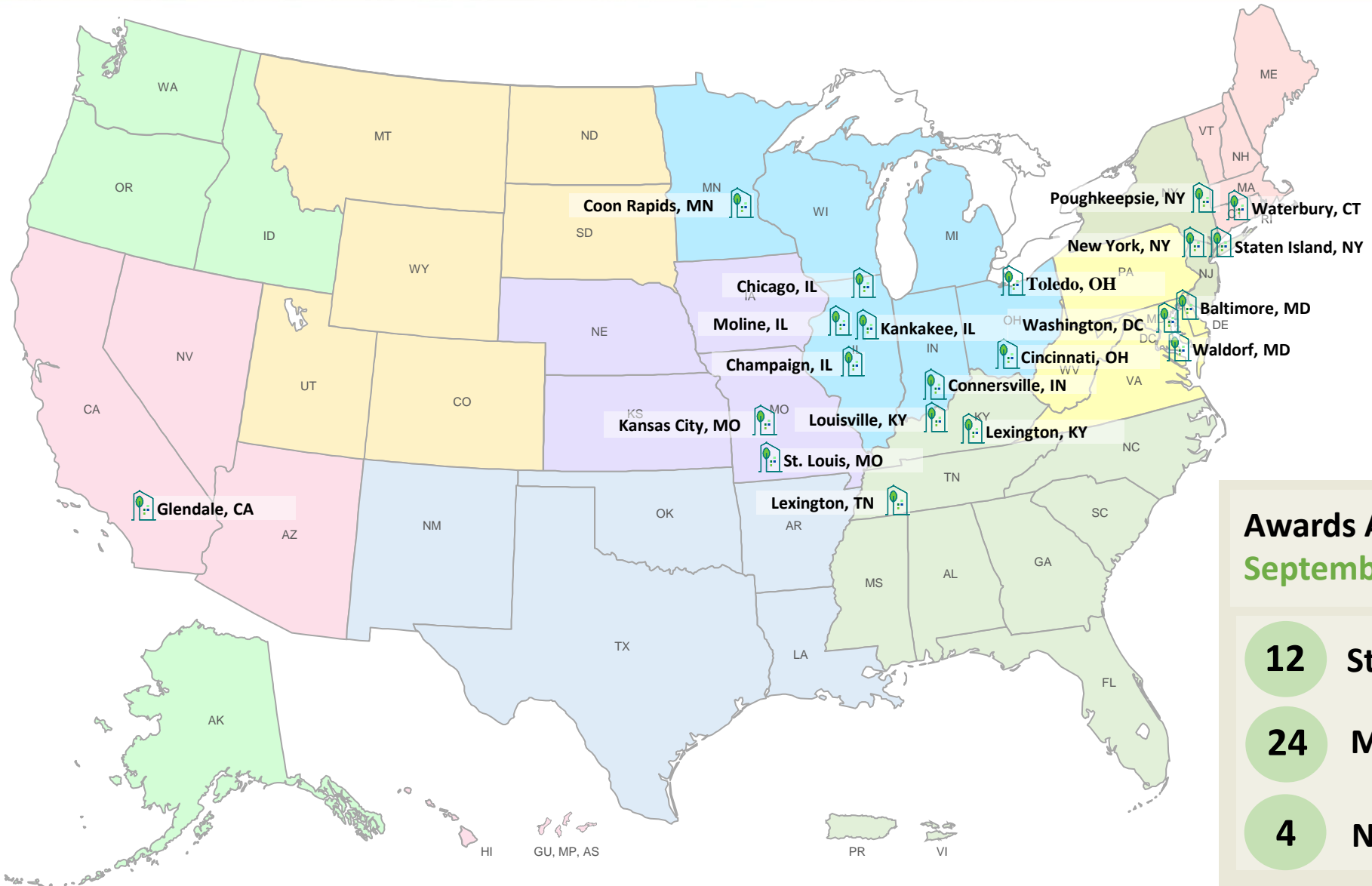
Deep retrofits for properties
with highest need

Max: \$20M per property / \$80k PU

Enhance efficiency and climate
resilience in owner-driven
recapitalization transactions

Focus on properties with significant
need, considering both energy
consumption and climate risk

Elements, Round 1- Awardee Map



Awards Announced:
September 13, 2023

12 States

24 Metro

4 Non-Metro

Elements, Round 1 - Deal Characteristics



- Transaction total development costs range from \$4.6 Million to over \$120 Million
- 22 deals contain LIHTC for a total of \$316.9 Million in equity funding
- Total non-GRRP funding of \$1.01 Billion
- 4,026 total units, 3,405 of which are HUD assisted
- Sample of GRRP Improvements Proposed for Funding
 - Solar - \$4.0 Million
 - Heat pumps for HVAC or Hot Water - \$3.8 Million
 - Windows - \$2.2 Million (GRRP paying 30% of cost)
 - Insulation/building envelope - \$1.5 million
 - Cool roof/heat wave resilience measures - \$1.1 Million
 - Appliances - \$858,200 (GRRP paying 20% of cost)

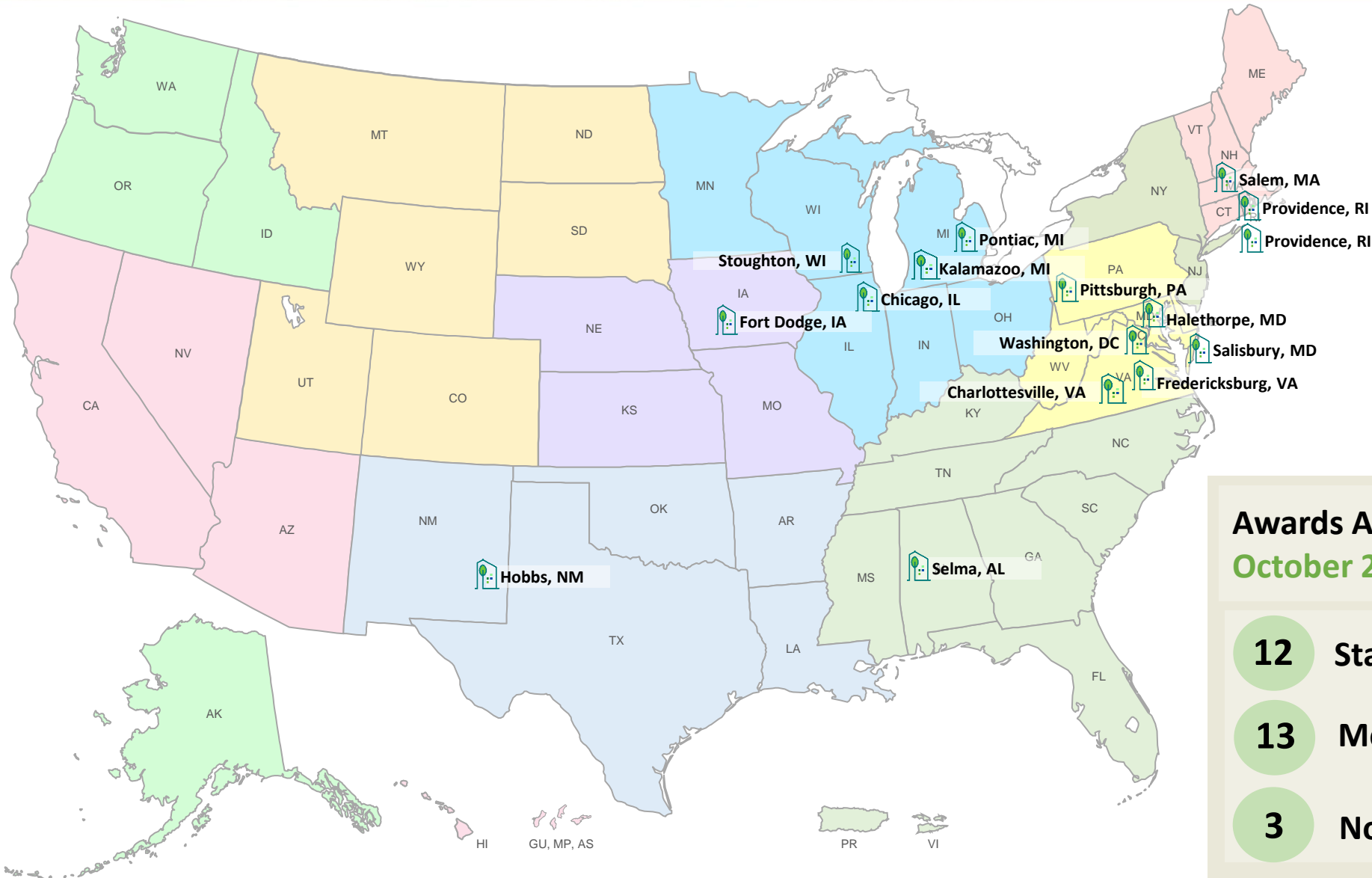
Changes to Elements NOFO (Aug, 2023)



Published amendments to Elements NOFO to make the following changes:

1. **Expanded eligibility for recent Section 202/811 Capital Advance awardees:** Awardees are eligible as long as they have not yet reached initial closing
2. **Added instructions for submitting application materials:** Please include iREMS number in all file names
3. **Clarified documentation required for BBC ranking status:** BBC partnership is for the applicant's whole portfolio of properties
4. **Shortened HEROS grace period:** Grace period is now 14 days after NOFO due date
5. **Added IEER specification for heat pumps:** If applicable, heat pumps must be rated at least 22.5 IEER
6. **Clarified ASTM standards:** Applications submitted after February 13, 2024 should be completed in accordance with ASTM E 1527-21

Leading Edge, Round 1- Awardee Map



Awards Announced:
October 20, 2023

- 12** States
- 13** Metro
- 3** Non-Metro

Leading Edge, Round 1- Deal Characteristics



- \$103.4 Million in funding
- Funding in the form of 2 Grants and 14 Surplus Cash Loans
- Average of \$6.5 Million per property, \$56,390 per unit
- 1,834 total units, 1,587 of which are HUD assisted
- All properties have chosen ambitious green certifications
 - 9 National Green Building Standard Green: Gold, with Green+ Net Zero Energy or Resilience designation
 - 3 LEED v4 Gold, with LEED Zero Carbon or LEED Zero Energy designation
 - 2 Enterprise Green Communities Plus 2020, complying with Criterion 5.4 Achieving Zero Energy
 - 1 PHIUS+ ZERO Revive
 - 1 International Living Future Institute Zero Energy Certification

Changes to Leading Edge NOFO (Sept, 2023)



Published amendments to Leading Edge NOFO to make the following changes:

1. **Changed EnerPHit green certification eligibility:** EnerPHit Premium with renewable energy capacity sufficient to offset expected annual energy consumption
2. **Reduced green certification experience requirement:** Architect (or team member) must have achieved any of the listed green certifications, not requiring badges/add-ons, and owner, developer, consultant, or GC must have achieved a certification from any of the green certifying organizations
3. **Added instructions for submitting application materials:** Please include iREMS number in all file names and submit HAP assistance contract
4. **Extended due date in case of presidentially declared disasters:** Extension to 7 days after initial due date if property or office address are in covered disaster area
5. **Shortened HEROS grace period:** Grace period is now 14 days after NOFO due date
6. **Clarified ASTM standards:** Applications submitted after February 13, 2024 should be completed in accordance with ASTM E 1527-21

Comprehensive and MACs



The first wave of Comprehensive Cohort submissions closed on August 31, 2023, with the next (second wave) deadline on **November 30, 2023**.

Multifamily Assistance Contractors (MACs): HUD-procured contractor that will work with Comprehensive participants throughout GRRP.

- MAC role: commission property assessments, assist in the development of the scope of work and transaction plan, and provide closing and construction support.

FIVE MACs selected under the Blanket Purchase Agreement (BPA) on **October 17, 2023**.

- Ernest & Young, LLP,
- Guidehouse, Inc.
- Deloitte Consulting, LLP
- Jones Lang Lasalle America, Inc.
- CreditVest, Inc.

All firms selected have a national scope of operation.

Shared Savings Retainer



- Provides Owners an **income augmentation incentive** to improve water and utility efficiency for tenant paid utilities.
- **Section 8 Contract (Comparable Market Rents)**
 - Applied to the rental assistance contract
 - Owners receive **75%** of the projected reduction to tenant-paid utility costs.
- **Section 8 Contract (Budget Based Rent)**
 - Included in the determination of the budget-based rent
 - Owners receive **75%** of the projected reduction to tenant-paid and Property-paid utility costs.

Shared Savings Retainer



Requirements

- Documented at Closing (addendum to the contract)
- Take effect on the first day of the month following completion of the Scope of Work
- In effect for 15 years
 - Will not impact any future adjustments to the Assistance Contract utility allowances

Additional Resources

- Read the NOFO and Notice
- Find FAQs, fact sheets, benchmarking resources, and much more on www.hud.gov/GRRP
- Attend office hours (see website for timing)

