



IRA BOOTCAMP KICKOFF

Owners / Developers

NATIONAL HOUSING TRUST | JUNE 8, 2023

WELCOME

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

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



North Canal Apartments, Lowell, MA

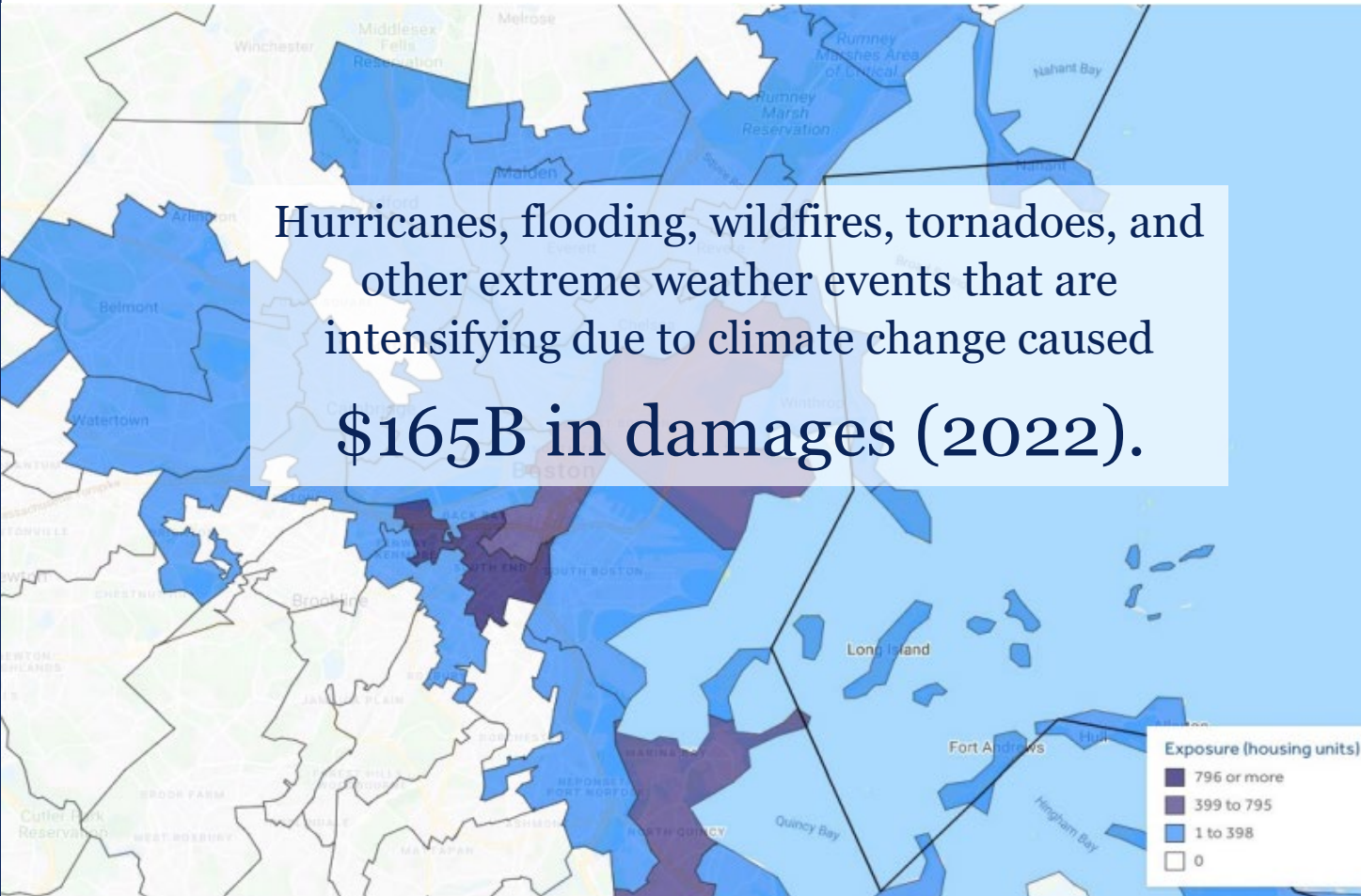
“Rooftop solar panels helping to stabilize operating costs and support renewable energy development in low-income communities.”

- HUD EDGE PD& R
Online Magazine



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



HUD Green and Resilient Retrofit Program	\$837.5M for grants and direct loans, including up to \$4B in direct loans
45L Energy Efficient Home Credit (new or existing buildings)	Up to \$5,000 per unit
Electrification Rebate	Up to \$14,000 per unit
Energy Efficiency Rebate	Up to \$8,000 per unit
Solar and Wind Tax Credit	20% adder (on top of 30% tax credit)
EPA Greenhouse Gas Reduction Fund	\$27B



New Construction - Maine Housing – Passive House

45L Tax
Credit,
Solar ITC



Village Centre, Brewer, ME

48 units, LIHTC

Passive House Certified - 60% less energy

3% Added Costs



**Electrification and
Energy Efficiency
Rebates**



Dunn Family Coop, Centerline, Michigan

**HUD GRRP, 45L
Tax Credit,
Rebates**



Riseboro, Brooklyn, Passive House, 80% energy reduction



**Solar Investment
Tax Credit (Low
Income Adder)**



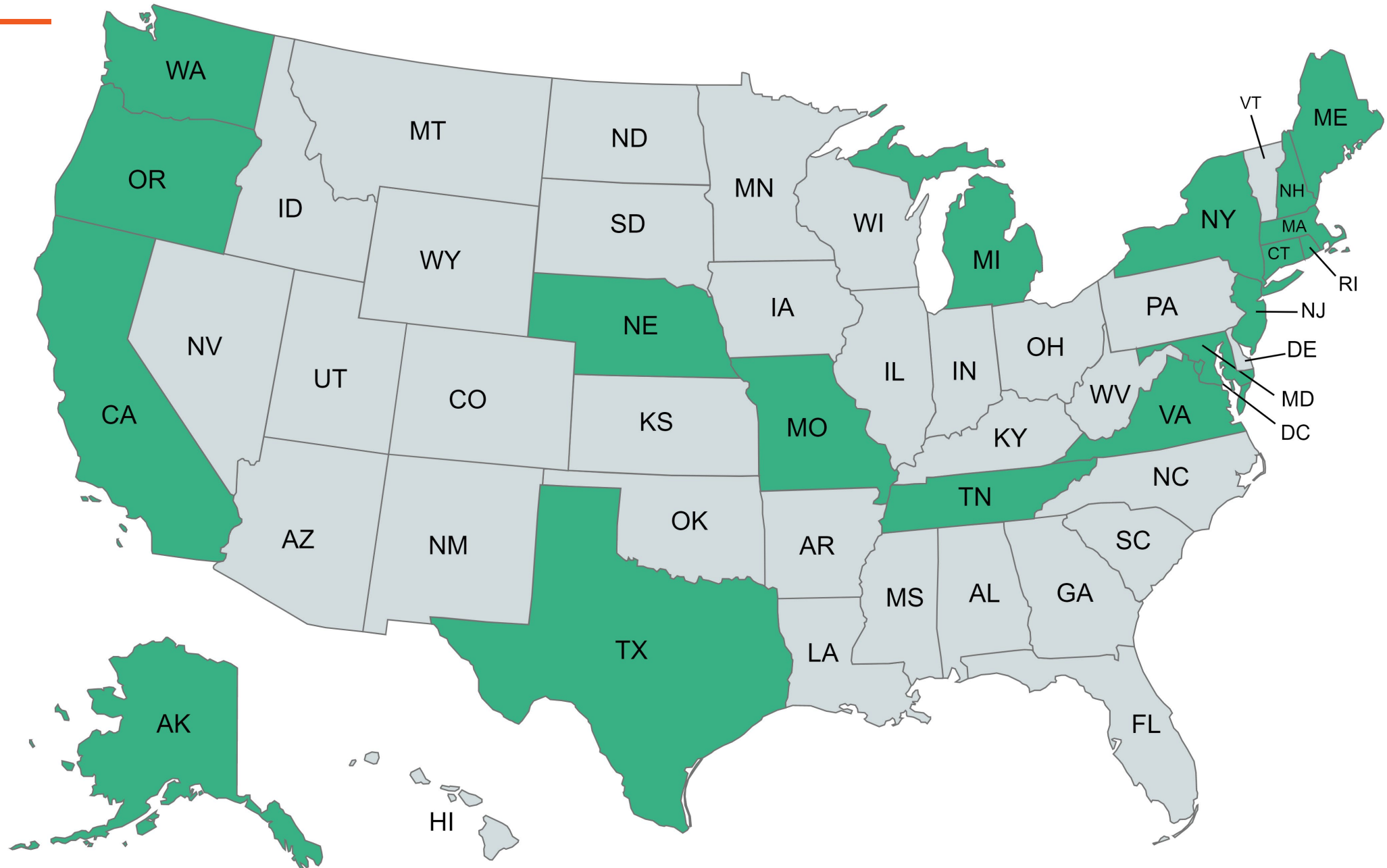
Lincoln, Nebraska + Habitat for Humanity



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



OWNER/ DEVELOPER PARTICIPANTS



SETTING THE CONTEXT



12%

share of income spent on and utilities by low-income HH, on top of increasing rents



40%

of occupied rental housing in US located in areas at risk from climate disasters



33

state and local governments (representing 22% of the US population) have committed to mandating minimum building energy performance standards



30%

jump in the cost of producing affordable housing in recent years

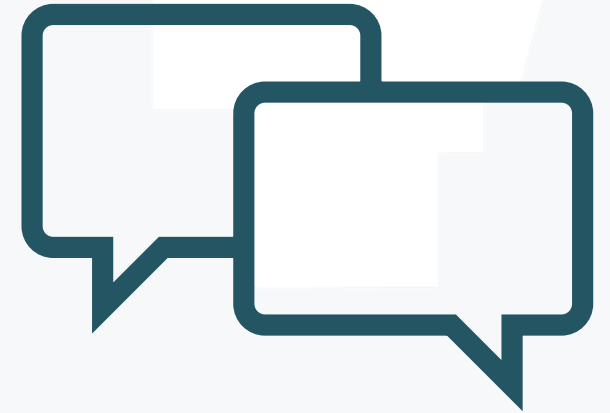
POLL QUESTIONS

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

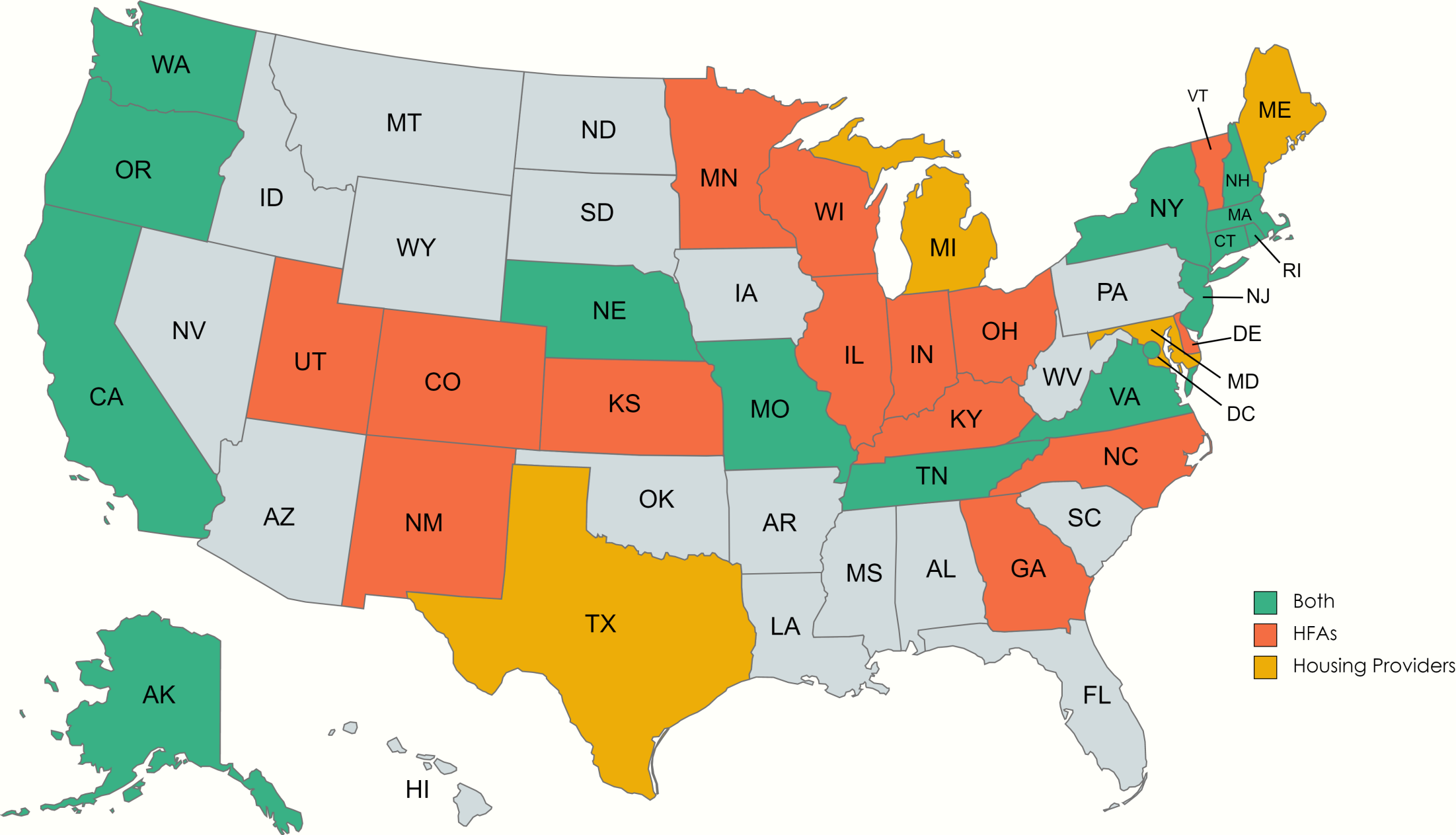
Program Components

- 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!

BOOTCAMP PARTICIPANTS



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

	Latest Milestone	Upcoming Milestones
HUD Green and Resilient Retrofit Program	Funding NOFOs released May 11	Rolling application deadlines; First deadline is June 29, 2023. https://www.hud.gov/grrp
DOE Home Energy Rebates	States can receive up to 2.5% of their allocation for planning	Detailed program guidance in July https://www.energy.gov/scep/home-energy-rebate-programs
EPA Greenhouse Gas Reduction Fund	Program framework released in April	NOFO to be released as early as June 2023 https://www.epa.gov/greenhouse-gas-reduction-fund
45L New Energy Efficient Home Credit		Guidance TBD https://www.irs.gov/inflation-reduction-act-of-2022
Low Income Communities Bonus Solar Tax Credit	Proposed rules were released June 1st	Comments on proposed rules due June 30th https://www.irs.gov/newsroom/treasury-and-irs-provide-proposed-rules-on-energy-projects-for-low-income-communities

Green and Resilient Retrofit Program (GRRP)



Sarah Molseed

*Acting Deputy Director of the
Office of Recapitalization*
Department of Housing and
Urban Development (HUD)



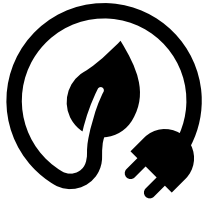
Green and Resilient Retrofit Program (GRRP) Cohorts Overview



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

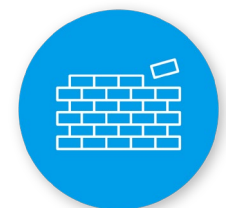
- Clean backup power
- Emergency shelter
- Emergency water access
- Storm shutters
- FORTIFIED certification
- Green or blue roof
- Floodproofing
- Permeable pavement
- Subsurface stormwater storage
- Wind- and impact-resistant windows
- Rainwater/greywater collection systems
- Fire resistant roof, windows,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

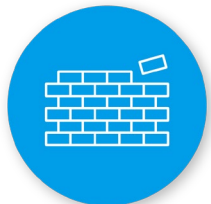
GRRP award provided via grants or surplus cash loan

Grant

- Affordability restriction – 25 years

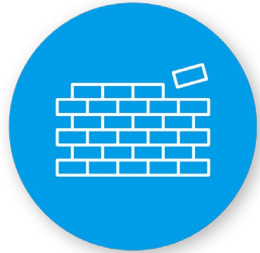
Surplus Cash Loan

- Affordability restriction – 15 years
- Payment – % of annual surplus cash paid to HUD
- Term – longer of first mortgage loan term or 15 years
- Interest – 1%



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

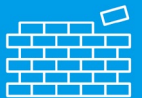
available in
Elements funding

\$750,000

per-project
maximum

\$40,000

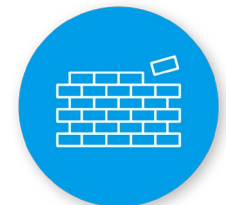
per-unit
maximum



Elements Cohort Overview

Elements is:

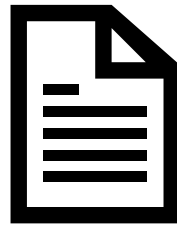
- Designed to provide gap financing to make in-progress transactions greener and/or more climate resilient
- Applicable to HUD-assisted multifamily property owners who are materially advanced but not yet closed in a recapitalization effort, such as receipt of a tax credit reservation, submission of a 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

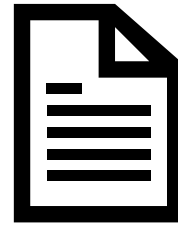


Elements
NOFO
Published



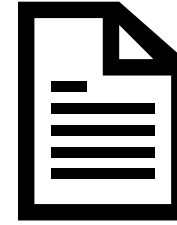
Wave 1
Applications
Due

End of June



Wave 2
Applications
Due

End of
September



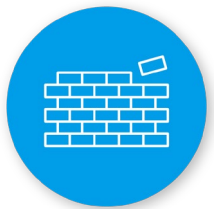
Wave 3
Applications
Due

Beginning of
January '24



Wave 4
Applications
Due

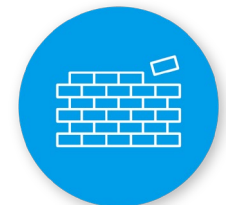
End of
March '24



Application

- **Included in Application Submission:**

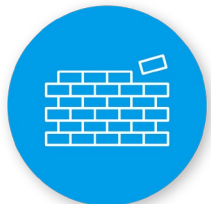
- ✓ Application form in Excel including pro forma and Sources & Uses demonstrating need for GRRP funds
- ✓ Narrative description of proposed work
- ✓ Third party reports: Capital Needs Assessment, environmental due diligence, bids for each Elements investment, and information about other financing sources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

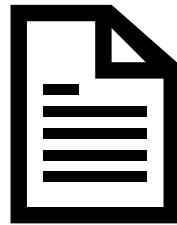
- Leading Edge Awards:
 - Designed for HUD-assisted multifamily property owners with the capacity to achieve a high-level green certification
 - The owner may be at the preliminary or more advanced stages of planning a recapitalization of the property
 - Receipt of full GRRP award requires achieving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



Timeline – Leading Edge Application Waves

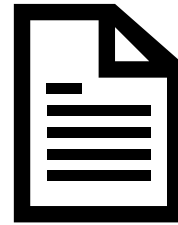


Leading
Edge NOFO
Published



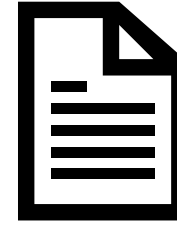
Wave 1
Applications
Due

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

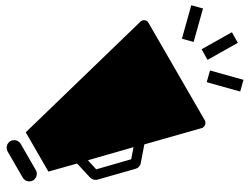


Comprehensive Cohort Overview

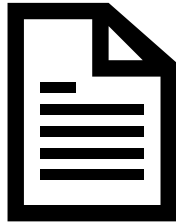
- Comprehensive awards:
 - Fund deep retrofits touching utility efficiency, renewable energy generation, carbon emissions reductions, and climate resilience
 - Are applicable to all eligible HUD-assisted multifamily property owners regardless of construction experience or greening expertise
 - Provide 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



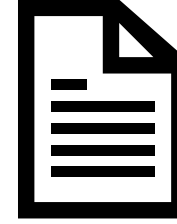
Wave 1
Applications
Due

End of
August



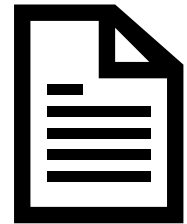
Wave 2
Applications
Due

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:

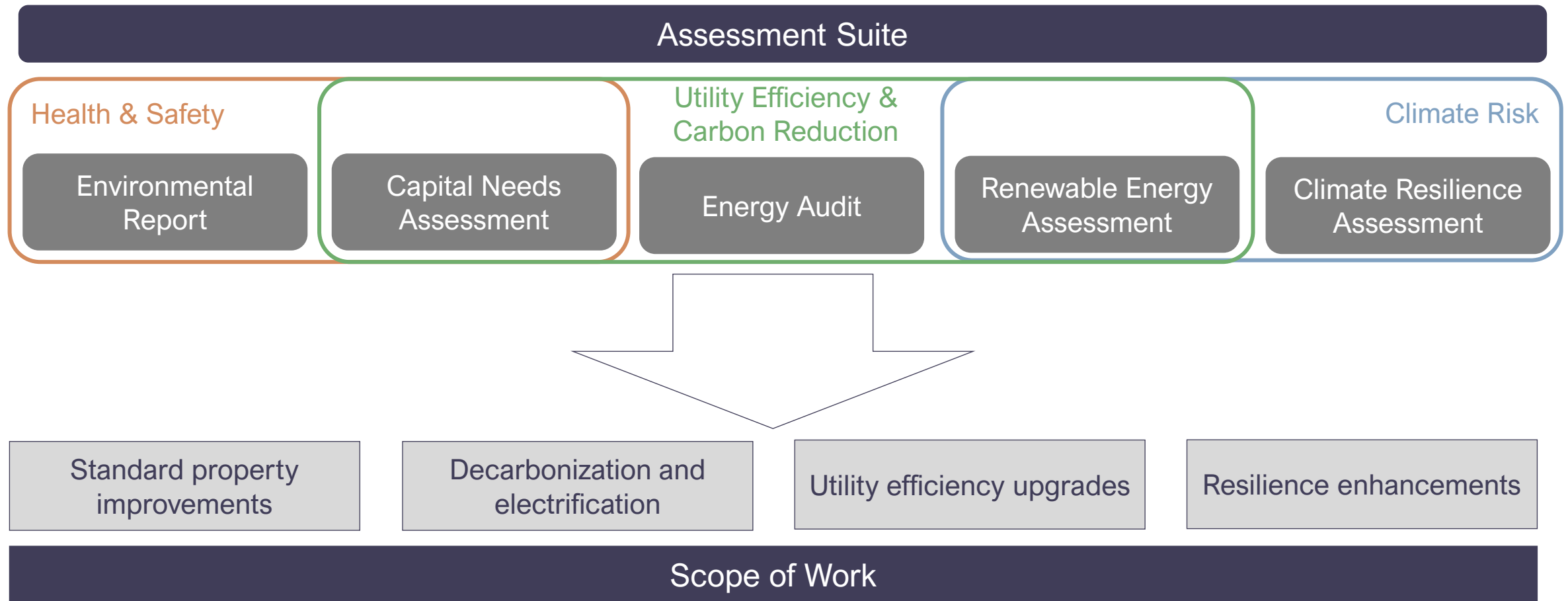
- Based on need as measured by
 - Energy efficiency: ENERGY STAR or MBEST
 - Climate Risk: FEMA's National Risk Index (NRI)
- Subject to regional and metro/non-metro set-asides
- Not to exceed 15 awards per owner or its affiliates



Comprehensive Cohort: Assessment Suite



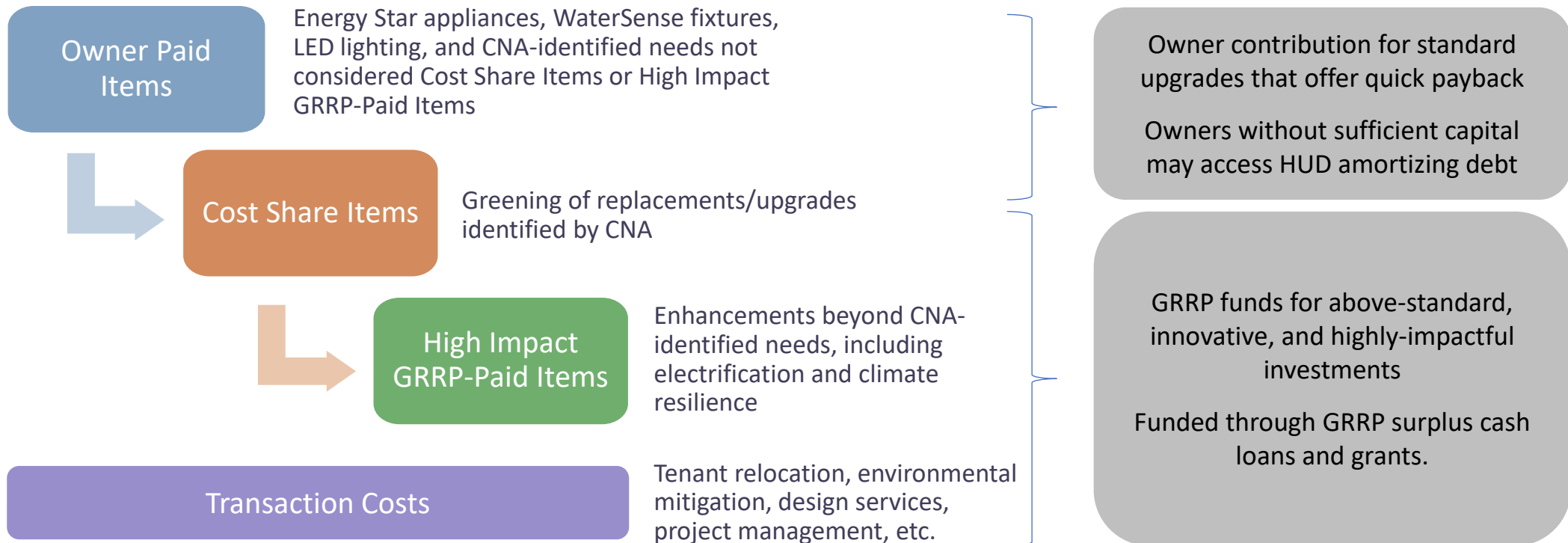
Properties will undergo a series of GRRP-funded assessments with support from a HUD-provided contractor to develop the scope of work including standard improvements and green features



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 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](https://www.hud.gov/grrp)
2. Register for a [UEI number](https://sam.gov) on Sam.gov (if needed)
3. Complete benchmarking in Portfolio Manager or MBEST
4. Complete the Excel application form
5. Log into [grants.gov](https://www.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](https://www.hud.gov/grrp)
- Attend live webinars (see website for timing)
- Attend office hours (see website for timing)





Next sessions:

June 22, 1-2:30pm ET

July 20, 1-2:30pm ET

***Please complete the
post-session survey by June 13th***

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

Thank you!
Questions?

