



# Green Retrofit Program for Multifamily Housing



HUD's Office of Affordable Housing  
Preservation (OAHP)

LISC

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# Green Retrofit Program for Multifamily Housing

Program guidance is provided in Housing **Notice H-09-02**. All forms, and application are available at **[www.hud.gov/recovery](http://www.hud.gov/recovery)**

“... \$250,000,000 shall be for grants or loans for energy retrofit and green investments ...”

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# GRP Introduction

- Administered by HUD's OAHP
  - OAHP administers M2M and the Green Initiative
  - 22 LEED APs
  - Uses contractor/PAE structure
- Funding is available for Section 8, 202 and 811 properties with project-based assistance
  - Section 515 USDA RD properties with project-based Section 8 are eligible
- Minimum project size, and limits by property type, geography, and owner entity



# GRP Introduction

- Maximum improvements of \$15,000/unit, all subject to Davis-Bacon
- Cash-flow loans, and grants in some cases
- Green and energy retrofits only
- No cost to most property owners (except in limited cases)
- All obligations must be made by Sept 30, 2010
- Senior lender consent required
- Owner/recipients required to report to Recovery Act funding



# GRP Applications:

- 750 applications received (530 unique apps)
- 20,000 properties / 1.2 million units eligible
- Over 200 properties / 20,000 units accepted for processing (as of Dec 31)
- 190 GRPCAs ordered and under way
- Applications closed as of November, 2009
- One transaction closed (loan), three more approved (average \$13,500/unit in retrofits), and 50 under review (January)



# GRP Owner Incentives

- Pre-Development Incentive – 1% of Green Retrofits up to \$10,000, paid at closing
- Efficiency Incentive – 3% of Green Retrofits up to \$30,000, paid upon satisfactory and timely rehab
- Incentive Performance Fee – 3% of EGI, paid annually from Surplus Cash upon meeting pre-conditions
- Targeted Job Creation Incentive (optional) – 10% of expenditures up to \$25,000, for contracting with Eligible Residents or Concerns pursuant to Section 3



# M2M Green Initiative and GRP Lessons to date:

- “Green” is a viable approach to housing preservation, energy conservation, and healthier living environments
- Utility and other benchmarking, measurement, and data analysis are critical
  - Savings opportunity (20-30% savings in limited sample of M2M Green initiative)
  - Data sharing within green affordable community
- Owner incentives are key, must be appropriately sized relative to program reqts, and must be performance-based



# M2M Green Initiative and GRP Lessons to date:

- Energy and water savers are low-hanging fruit
- IAQ and other enviro-benefit features must be requirements or they often will not happen
- Green O&M plan is critical to ongoing success
  - Staff training reqts, tenant outreach and education, products and materials, replacements, etc
  - Requirement of both GI and GRP
  - NAHMA and NAA Green PM Credential
- Industry is growing and evolving very quickly



# GRP Benefits

## Benefits to Residents:

- Tenant meeting to gather resident input to property needs and opportunities
- May replace old, inefficient appliances and equipment with more energy-efficient models
- Increase thermal comfort
- May reduce dust, mold, and pests
- May provide healthier homes
- Preserves affordable housing for long term



# GRP Benefits

## Benefits to HUD and Taxpayers:

- Extended affordability for at least 15 years
- Reduced utility costs (from HUD's \$5b costs)
- Improved indoor air quality for residents
- Trained green property management staff
- More sustainable operations and maintenance
- Use of Integrated Pest Management
- Unprecedented collaboration between federal agencies (HUD, DOE, DOT, EPA, CDC, etc) around housing and environmental issues



# GRP Benefits

## Benefits to Property Owners:

- Improved property using low-cost capital
- Performance-based financial incentives
- Access to green building materials, products and technologies
- May replace old, inefficient appliances and equipment with more energy-efficient models
- Contributes to energy and water savings, and broader environmental benefits
- Share in future utility savings



## For More Information :

- **HUD Recovery Website:**  
[www.hud.gov/recovery](http://www.hud.gov/recovery)
- **OAHP Resource Desk Q&A:**  
[www.oahp.net/](http://www.oahp.net/) (Free Registration)
- **Contact for Green Initiative Information:**  
Theodore.K.Toon@HUD.GOV  
Jerry.R.Anderson@HUD.GOV