

The Green and Resilient Retrofit Program (GRRP)



OCTOBER 2023

On August 16, 2022, the Inflation Reduction Act (IRA) was signed into law and included a section titled “Improving Energy Efficiency or Water Efficiency or Climate Resilience of Affordable Housing,” which provides funding for direct loans and grants to fund projects that improve energy or water efficiency, enhance indoor air quality or sustainability, implement the use of zero-emission electricity generation, low-emission building materials or processes, energy storage, or building electrification strategies, or address climate resilience, of eligible HUD-assisted multifamily properties.

GRP + NGBS Green – Building owners that plan to renovate eligible multifamily properties and earn NGBS Green at the HUD-required certification level are eligible to apply for substantial funding assistance via the **LEADING EDGE** awards to pay for the building improvements. While green certification is not required for the other two funding cohorts, there are several advantages of seeking **LEADING EDGE** compliance using NGBS Green certification. NGBS Green certified buildings are also eligible for the HUD Green Mortgage Insurance Premium (MIP) reduction if they refinance the property. In addition, there may be other financial incentives available, such as the 179D tax credit for renovated existing buildings, and marketing benefits that accrue because of earning NGBS Green certification.

NGBS Green Certification Compliance – Buildings that seek [NGBS Green Certification](#) must comply with the **ICC-700 National Green Building Standard**. Building owners will hire an [Accredited NGBS Green Verifier](#) who will calculate the building’s baseline energy and water use and assist the project team to ensure the building can be compliant at the Gold or Emerald certification levels. The Verifier must inspect the building at least twice, before the drywall is installed (for projects where the scope of the renovation requires behind-the-wall improvements), and once when the building renovation is complete. Owners interested in learning more about NGBS Green can refer to the [Builders Resource Guide](#).

NGBS Green+ NET ZERO ENERGY – Homes demonstrating net zero energy construction can earn the [NGBS Green+ NET ZERO ENERGY certification](#). If you are considering alternative zero energy programs, there is [a comparison here](#).

NGBS Green+ RESILIENCE – To earn the NGBS Green+ RESILIENCE certification, a builder must provide documentation confirming their home/building has been designed and constructed to provide at least 30% enhanced resilience and durability beyond the structural requirements of the IBC or IRC, as applicable, and must show that they have on-site renewable energy and a battery energy storage system.

Want to Learn More?

Schedule a 30 min consultation with one of our [NGBS Green experts](#).

GRRP COHORTS	ELEMENTS (Fact Sheet)	LEADING EDGE (Fact Sheet)	COMPREHENSIVE (Fact Sheet)
OBJECTIVE	Designed for properties planning renovations and can add green or resilient elements to existing scopes of work.	Designed for Owners aiming to quickly meet ambitious carbon reduction and resilience goals without requiring extensive collaboration with HUD.	Designed for the widest range of properties, including those that have not yet developed a recapitalization plan.
MAX PROJECT FUNDING	\$40K PER UNIT OR \$750K PER PROPERTY	\$60K PER UNIT OR \$10M PER PROPERTY	\$80K PER UNIT OR \$20M PER PROPERTY
AVAILABLE FUNDING	200 awards with \$140M in funding.	100 awards with \$400M in funding.	300 awards with \$1.47B in funding.
FUNDING CAN BE USED FOR	Proven and meaningful climate resilience and utility efficiency measures in projects that are already in the process of a recapitalization transaction.	Ambitious retrofit activities to achieve an advanced green certification .	Properties with a high need for investment in utility efficiency and climate resilience.
EXAMPLES OF ELIGIBLE INVESTMENTS	Installation of electric HVAC heat pumps, ENERGY STAR windows, fire resistant roofs and clean energy generation systems.	Best for properties in planning stages of recapitalization effort, Leading Edge awards complement existing financing strategy, allowing projects to reach highest standards of utility efficiency and climate resilience and be recognized under programs like NGBS Green .	Added cost of a greener or more resilient alternative to a rehab component (i.e., heat exchangers instead of a standard boiler); 50% of the GRRP Award is reserved for the cost of high impact utility efficiency, carbon reduction, renewable energy generation, and climate resilient investments (for example, solar or wind power); transaction costs necessary to complete retrofit (up to 30% of the GRRP award).
3 GOOD TO KNOW FACTS	<ol style="list-style-type: none"> 1. Provides gap financing for green or climate resilient items in existing recapitalization transactions. 2. Recapitalization effort should be materially advanced and ready to close within 12 months. 3. Funding pays for specific eligible investments listed in the Notice of Funding Opportunity (NOFO), such as heat pumps, sustainable building materials, and solar panels. 	<ol style="list-style-type: none"> 1. Owners must commit to achieving one of the eligible green certifications found in the Leading Edge Notice of Funding Opportunity (NOFO), such as NGBS Green. 2. Property may be at any stage of planning for recapitalization. 3. Owners will drive design and scope of work at property to address utility efficiency, carbon emissions reduction, and climate resilience needs. 	<ol style="list-style-type: none"> 1. Provides funding for deep utility efficiency, renewable energy generation, carbon emissions reductions, and climate resilience retrofits. 2. Accessible to owners of eligible projects regardless of construction experience or greening expertise. 3. Scope of work to be developed in partnership with HUD-provided contractor, who will support the owner in commissioning necessary.
ELIGIBILITY	Owner must have secured a major source of financing for recapitalization project, completed substantial 3rd party due diligence reports, such as Capital Needs Assessment, and can include eligible Elements investments into the existing rehabilitation project.	<p>HUD-assisted Multifamily properties that can commit to achieving an advanced green certification.</p> <p>National Green Building Standard Green: Gold or Emerald, with Green +NET ZERO ENERGY or +RESILIENCE designation.</p>	<p>Eligible properties ranked on their current utility efficiency need (measured by EPA’s ENERGY STAR score or the Multifamily Building Efficiency Screening Tool, MBEST) and climate vulnerability (measured by FEMA’s National Risk Index).</p> <p>60% of awards reserved for properties that benchmark through ENERGY STAR Portfolio Manager; remainder of awards given to those who use MBEST.</p>

GRRP COHORTS	ELEMENTS (Fact Sheet)	LEADING EDGE (Fact Sheet)	COMPREHENSIVE (Fact Sheet)
APPLICATION DEADLINES	June 2023; September 2023 January 2024; March 2024	July 2023; October 2023 January 2024; April 2024	August 2023; November 2023 February 2024; May 2024
KEY PROGRAM REQUIREMENTS	<ul style="list-style-type: none"> • Complete installation of proposed Elements investments. • Engage with residents to ensure their needs are met. • Extend property’s affordability commitment by at least 5 years beyond existing use restrictions, and potentially up to 25 years. <p>During rehab comply with following:</p> <ul style="list-style-type: none"> • Build America, Buy America requirements. • Section 3 employment requirements. • Complete post-rehab utility benchmarking. • Owner requirements detailed in Housing Notice H 2023-05. 	<ul style="list-style-type: none"> • Achieve green certification to accomplish at least 25% modeled energy reduction. • Engage with residents to ensure their needs are met. • Extend property’s affordability commitment by at least 5 years beyond existing use restrictions, and potentially up to 25 years. <p>During rehab, comply with following:</p> <ul style="list-style-type: none"> • Build America, Buy America requirements. • Davis-Bacon prevailing wage rates for all construction work. • Section 3 employment requirements. • Complete post-rehab utility benchmarking. • Owner commitments detailed in Housing Notice H 2023-05. 	<ul style="list-style-type: none"> • Work with HUD-provided contractor to commission property assessments, develop scope of work, and execute the transaction. <p>Scope of work must include:</p> <ul style="list-style-type: none"> • Combination of required and owner-driven investments. • Estimated energy consumption savings ≥ 25%. • Engage with residents to ensure their needs are met. • Extend the property’s affordability commitment by at least 5 years beyond existing use restrictions, and potentially up to 25 years. <p>During rehab comply with the following:</p> <ul style="list-style-type: none"> • Build America, Buy America requirements. • Davis-Bacon prevailing wage rates for all construction work. • Section 3 employment requirements. • Complete post-rehab utility benchmarking. • Owner requirements detailed in Housing Notice H 2023-05.
APPLICATIONS MUST INCLUDE	<ul style="list-style-type: none"> • Elements application form, including property information, proposed sources and uses and operating proforma, and selected Elements investments. • Narrative description of proposed work. • Documentation of recapitalization transaction status, including commitment letters for other funding sources. • Verification of third-party reports and assessments. • Bids substantiating the requested Elements funding. 	<ul style="list-style-type: none"> • Leading Edge application form, including property information, proposed sources and uses and operating proforma, and selected green certification. • Development team credentials and architect/engineer’s determination that selected green certification is achievable. • Submission of Environmental Due Diligence. 	<ul style="list-style-type: none"> • Comprehensive application form including property information. • Portfolio Manager Statement of Energy Performance after benchmarking with utility data, or MBEST workbook for each building. • HUD will reimburse owners up to \$2,500 for pre-application costs to benchmark in Portfolio Manager.