



**U.S. Department of Housing and Urban
Development**

Office of Recapitalization



Green and Resilient Retrofit Program (GRRP) Owner Guide for Comprehensive Cohort Awards

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Introduction

Welcome to the Comprehensive Cohort of the Green and Resilient Retrofit Program (GRRP)! You applied to participate in the GRRP Comprehensive cohort and received a GRRP award. This guide is designed to walk you through each of the steps within the Comprehensive Cohort process, including descriptions, details, items of note, and tips to move through the process efficiently. A few applicants are purchasing the property associated with the award, but most currently own the property. As such, this guide will refer to the awardee of the GRRP Comprehensive award as the “Owner.”

The Comprehensive Cohort is designed for an Owner who wants to implement greening technology and make a property more resilient to climate hazards. HUD will be represented through the process by a Multifamily Assessment Contractor (MAC). A MAC is HUD-provided contractor that will work alongside the Owner to understand the current condition of the property and evaluate potential improvements based on a suite of assessments that they will commission. The MACs will provide expert guidance and ensure that program requirements are met, while working closely with you, the Owner, to achieve the best possible outcome for your property through the GRRP effort.

HUD hopes GRRP properties will move through the process in a thoughtful, while also expeditious, manner. Each property has a dedicated Grant & Loan Specialist (GLS) and MAC to assist every step of the way. Below are the key players and their roles and responsibilities for the GRRP Comprehensive Award:

- **HUD/Office of Recapitalization Leadership:** HUD leadership will have the final decision on funding type changes, policy interpretation, and final program implementation decisions.
- **Grant & Loan Specialists (GLS):** The MACs and the owner/management agent’s main point of contact for HUD required decisions.
- **Multifamily Assessment Contractors (MACs):** A MAC is a HUD-provided contractor that will work alongside the property Owner.
- **Multi-Family Account Executive (MF AE):** The MF AE is your property’s ongoing asset management point of contact and will be involved to ensure continuity in the HUD relationship before and after the GRRP effort.

Integrated Design Approach

It is critical that the Owner, MAC, and HUD work together through all aspects of the GRRP to ensure the best outcomes for the property. The integrated design approach allows the transaction to benefit from the collective expertise of the team that is assessing the property, designing the enhancements, and financing the scope of work created through this design.

Throughout the guide below, every stage of the Comprehensive Award process is to be viewed through an integrated design lens; with the knowledge that the MAC is being utilized by Recap for project management of the GRRP process. It should be noted that while the MAC is knowledgeable in sustainability and climate resiliency and serves as a guide and support for the Owner, they do not function in a silo and decisions must be made in conjunction with HUD staff (MF AE, GLS, etc.) and with Owner approval.

Program Tracking via Greenlight

Owners, the MACs, and Recap will utilize the [Greenlight](#) tracking platform to manage interactions, communicate, and log progress through the Comprehensive Cohort process. Greenlight will allow the Owner to input additional information for your property, track Resident Meetings, upload required data and documents, and more. After being awarded, the property and Owner details will be input into the Greenlight system by HUD staff via the information provided in your application under 'System Access'. Owners will receive an email from Greenlight when they are able to log in and access the platform. If you have trouble logging into Greenlight, please contact the assigned GLS for assistance.

Standard Workflow

This guide details the program workflow of the Comprehensive Cohort and how the Owner will interact with each phase of the process. The GLS is your primary contact on all issues related to the administration of your award. Throughout the GRRP process there are review opportunities where the Owner, MAC, and GLS can discuss what's best for the property's future. If applicable, these are opportunities for any party to share any concerns they may have about the feasibility of the project. At all times, the Owner has the final say on whether to take a particular action with respect to the property and ultimately on whether to participate in the GRRP.

Recap strives to continuously improve the overall program and is open to feedback on the process at any time. Such feedback should be shared through comments/discussions with the GLS assigned to the property, by email to grrp@hud.gov, or to Recap leadership.

1. Award

You should have received your Award letter via email. It reflects application information regarding the property and the requested form of award (Grant or Surplus Cash Loan). Within 30 business days of issuance of the award, Owners will need to upload to Greenlight a counter-signed award letter indicating acceptance of the award and any required attachments, as well as alert Residents to the acceptance of the Award (*see [Appendix A](#) for details on this requirement*).

Owners are to submit the following with your accepted award letter within 30 business days of issuance of the award:

- Any existing assessments the Owner proposes be used for GRRP purposes if applicable. *Note that most properties will come into the Comprehensive Cohort without assessments already procured. There are some assessments Owners cannot request. The MAC will order these later in the process.*
- Property financial statements for the last three years and as of the end of the most recent month for the current year. For the three completed fiscal years, the statements should be audited financial statements, unless the audit for the most recent fiscal year is not yet complete, in which case the most recent fiscal year's statement may be unaudited with a projection for when the audit will be submitted. For the current year, year-to-date information may be unaudited. The financial statements must include:
 - Schedule of existing debt, showing current principal and interest, payment amount, interest rate, and maturity date
 - Balance Sheet
 - Income Statement

- Operating Pro-Forma (10 years)

During this stage, Owners are doing the following:

- Alerting Residents to the Award
- Signing and uploading the Award letter to Greenlight
- Uploading the required attachments into Greenlight

2. Kick-Off Call, Resident Meetings, Site Visits and Monthly Meetings

Welcome to GRRP Call

For earlier Comprehensive cohort awardees, the MACs had not been awarded yet and a 'Welcome' call was hosted with the Owner and their team by the GLS. This call was to set the stage for the cohort process and get all the required players together to answer and preliminary questions. The required Kick-Off Call to get the process started will be hosted once MACs are assigned.

Kick-Off Call

After receiving the counter-signed award letter, Recap will assign a MAC to the property. The Owner should be aware that the HUD process for matching properties to MACs can take some time. Within 10 business days of the MAC assignment, the Owner will be invited to a Kick-Off Call. The Kick-Off Call will be held by the assigned MAC (if applicable) or the assigned GLS. The Kick-Off Call should be an open and honest dialogue between the MAC, the Owner, GLS, Account Executive, and any other stakeholders the Owner identifies as important to the process, about the goals of the property and the pathway to achieve those goals. This is a time for the Owner to share your hopes for the program, including the desire to obtain a green certification (if applicable), provide input, and voice any concerns/questions you may have. The MAC will also raise any issues they have identified during their initial review.

Resident Meeting

During the Kick-Off Call, the Owner will be reminded of the Resident Meeting requirements for GRRP. For these requirements, please see [Appendix A](#) or [Section 8.2 of the GRRP Notice](#). The first resident meeting to be required is the Planning Meeting, which must be held within thirty (30) days of the Kick-Off Call and prior to any site visit by entities commissioned by HUD to conduct parts of the Assessment Suite.

Owners will be required to provide meeting minutes, presentations materials, etc., for each of the required Resident Meetings. These materials will be uploaded by the Owner into Greenlight. When organizing the Resident Meetings, please be sure to invite the MAC. If you need assistance in any way from the MAC regarding the required Resident Meetings, please contact your MAC.

Green Certification **if applicable*

If the Owner wants to pursue a green certification for the property in tandem with the GRRP work, that is welcome but not required. The Owner should keep the MAC informed about the certification process, and the MAC will ask questions about progress towards the certification to ensure the two efforts are as coordinated as possible. However, the Owner will be responsible for the execution of any requirements

of the certification. Green certifications come with their own unique approval process that would occur outside of the GRRP approval processes.

Site Visits

Within 45 calendar days of the Kick-Off Call, the MAC will visit the property. The Owner's representative should anticipate being available for the MAC's visit and showing them the property along with any site or property management staff who will be able to assist the MAC.

Monthly Meetings

The MAC is encouraged to host monthly meetings with the Owner and the assigned GLS. On these calls, the parties will provide updates for the property, including any issues that have arisen since the last status call. The MAC may request progress updates in a written form from the Owner if needed for HUD, so please be aware that may be requested.

3. Assessment Suite

All properties participating in the Comprehensive Cohort will undergo a suite of assessments. The assessment recommendations will be the basis for the Scope of Work (SOW) developed for the project. Unless Recap determines the property has a sufficient version of one or more of the required assessments prior to application, the MAC will be ordering and paying for the full suite of assessments.

The Assessment Suite includes:

- A Capital Needs Assessment (CNA)
- An Environmental Assessment
- An Energy Audit
- A Climate Resilience Assessment
- A Renewal Energy Assessment

Disaster Preparedness Plan

All Owners must create a property-wide disaster preparedness plan, including an evacuation plan, that includes safe egress route(s), plans for evacuating residents with disabilities, medical needs, or other special needs, and clear communication of the evacuation plan and safety resources for residents. The plan must include effective communication for individuals with disabilities and meaningful access for individuals with Limited English Proficiency. For residents with special needs, the plan must include a strategy for emergency evacuation and relocation, including discussion of facilities of like capacity that are equipped to provide critical needs-related care and services at a level similar to the originating facility. Owners must submit a certification that the Disaster Preparedness Plan has been developed and adopted in the Closing package. The Owner must make the Disaster Preparedness Plan available to residents upon request.

During this step the Owner will:

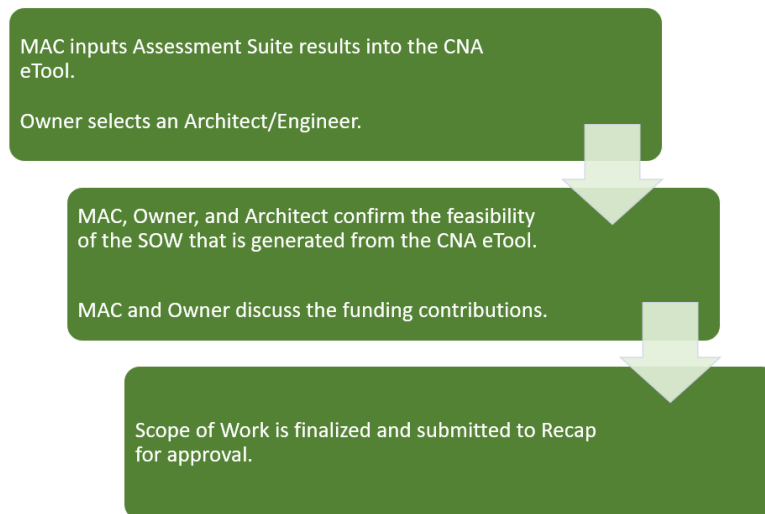
- Complete the Disaster Preparedness Plan ([template provided by HUD](#)). *The MAC will assist with this plan if requested by the Owner.*

4. Scope of Work

Once the MAC completes and/or receives and reviews all the required assessments ordered for the Assessment Suite, they will use the results to produce a recommended GRRP SOW. This process begins with the MAC translating into the CNA eTool the recommendations provided in the Assessment Suite reports, outlining the most comprehensive alternatives for improving the property’s sustainability and resiliency for discussion with the Owner. In doing so, the MAC should consider the Owner’s goals for the property as discussed during the Kick-Off Call and in other meetings between the Owner and the MAC. Some Owners may not have very specific retrofit objectives, in which case the MAC can take the lead role. Other Owners may have a strong vision in mind, in which case the Owner and the MAC should work closely to discuss the options to be included in the SOW. In developing the SOW, the MAC and the Owner should focus on integrated design principles, creative renovation strategies, and other opportunities to cost-effectively serve the multiple GRRP goals of resiliency, energy efficiency and de-carbonization, and how to obtain the green certification desired by the Owner (if applicable).

The SOW shall provide justifications for the renovation and construction recommendations. The SOW shall also include cost estimates for the proposed work and the determination of which costs should be paid by the Owner, should be subject to a cost-share between the Owner and GRRP, or should be wholly GRRP-paid items. Guidance on determining the breakdown of these items can be found in [Appendix D](#).

When the Owner and the MAC have agreed on the draft SOW, the MAC will submit it to the GLS for review. The Owner should be aware that the MAC, in submitting the recommended SOW, is also expected to provide to HUD any concerns it may have with the SOW. If the Owner and the MAC have a significant disagreement regarding the SOW, the MAC will describe the disagreement to HUD, which will lead to discussions among the Owner, the MAC, and HUD. The SOW should be developed promptly when the foundational information is compiled and should be submitted to the GLS within two (2) months of the MAC’s receipt of all the required Assessment Suite reports.



Summary of Scope of Work Process

1. MAC reviews assessments and compiles the assessment results into the CNA eTool which produces a draft SOW.
2. The Owner will solicit bids for an architect/engineer and select a provider.

3. MAC and Owner will review the draft SOW and create a draft SOW that addresses both the GRRP requirements and Owner's needs and expectations. Elements in the draft SOW may be modified or deleted, and other elements added, to align with cost and financing considerations, the Owner's preferences, anticipated performance results (e.g., energy savings), and/or the GRRP requirements.
4. MAC, Owner, and selected architect/engineer will confirm feasibility of the draft SOW taking into consideration the estimated costs, anticipated performance results (e.g., energy savings, climate risk reduction, etc.), Owner contribution and other property specific considerations.
5. MAC will finalize the CNA eTool, including the draft SOW, and submit the draft SOW to the GLS via the CNA eTool.
6. The GLS shall review the draft SOW and will alert the MAC if there are any needed changes.
 - . In some instances, the GLS may have questions or identify follow up items prior to being able to issue an approval. Once the MAC has addressed all open items and the GLS has approved the SOW, the MAC will move into the Transaction Plan stage of the process.

SOW Funding Discussions with Owner

During the development of the SOW, the integrated design approach becomes crucial to the GRRP Comprehensive Award. This step requires an open dialogue between the Owner and the MAC regarding the recommendations presented in the assessments. There may be some recommendations that the MAC feels are more impactful, beneficial, or in keeping with the GRRP mission, which may not match the Owner's plans. The MAC's role is to provide the Owner with professional guidance regarding the recommendations from the assessments, and Recap empowers their advocacy. If the MAC and the Owner cannot come to consensus on the appropriate SOW, the MAC may request that relevant stakeholders gather for group discussion(s) of the issues. If there are any disputes on the funding breakdown for cost sharing, the MAC will contact the GLS and discuss next steps for coming to a consensus between the Owner and Recap.

Note: The development of the Scope of Work, and its approval, are a logical point for everyone to confirm they are on the same page. If the Owner has any concerns about proceeding with the GRRP award or if HUD has concerns about the progress of the effort, this is a natural point for discussion of these concerns before the Owner and the MAC begin additional work on the Transaction Plan.

Note Regarding Steps 4 and 5: Bidding Guidance

Bids for the Architect/Engineer & Contractors

The Owner is responsible for procuring the architect/engineer necessary to confirm the feasibility of the SOW and to finalize construction-quality designs for the property. The MAC can support the Owner in this work by providing recommended RFP language for procuring an architect/engineer if requested by the Owner. Detailed architectural or engineering designs covering the items in the draft SOW are generally necessary for the Owner to solicit bids from contractors who can complete the planned work. The selection of the architect/engineer and all contractors is at the sole discretion of the Owner. The MAC will not recommend specific architects, engineers, or consultants. The bidding standards below apply to all procurements.

GRRP Bidding Standards

GRRP requires two or more bids from qualified vendors who have completed similar work on multifamily properties in the past five (5) years. If an Identify of Interest (IOI) exists between the Owner

and one of the bidders, then at least two bids must be from non-IOI bidders and, if applicable, the Owner must provide justification as to why the IOI bidder was selected.

5. Transaction Plan

After the Scope of Work is accepted by Recap, the Owner and the MAC will work together to develop a Transaction Plan to accomplish the SOW.

During this stage of the process, the Owner must procure bids from contractors and vendors to make sure the SOW aligns with the available funding. The Owner must also arrange any financing other than the GRRP funds which will be necessary to implement the SOW and must secure letters of intent for any applicable financing sources. The MAC can assist with any financing questions that the Owner has as they develop a funding plan. The MAC will not make any financing decisions on behalf of the Owner; however, the MAC will likely have contacts and resources to assist the Owner in the procurement of necessary funding.

The Transaction Plan sets forth the final SOW and the financing plan to pay for it. If the Owner and the MAC are recommending material changes to the SOW based on the construction bids, those should be highlighted for the GLS for re-approval. The Transaction Plan will be drafted by the MAC and shared with the Owner for input. The plan will describe how the Owner will pay for their portion of the SOW, including all debt and equity sources being used, and how the Owner will obtain a green certification if the Owner has decided to pursue one. The Transaction Plan requirements that the MAC submit to Recap are provided in [Appendix C](#). No later than twelve (12) months following the approval of the Scope of Work, the MAC and Owner must submit a Transaction Plan for review. Development of the Transaction Plan should take between six (6) and nine (9) months.

The Transaction Plan process will be:

1. The MAC will draft the plan including all the required backup documentation.
2. The Transaction Plan will be developed in collaboration with the Owner. The Transaction Plan must also address resident concerns and input, drawn at a minimum from the discussions with residents during the required resident meetings. Backup regarding the resident meetings (i.e., meeting minutes) is a required part of the plan, which is uploaded into Greenlight.
3. The Owner solicits bids for contractors to complete the SOW.
4. The plan is submitted to the GLS for review via Greenlight.
5. The GLS reviews and determines if any changes are needed to comply with program requirements.
 - . If edits are needed, the MAC and Owner will adjust the plan.
 - . Adjustments are made until the plan is accepted by the GLS, or until the GLS determines that the Owner cannot execute the plan. In cases where the plan cannot be executed, the GLS will provide the Investments Division Director a recommendation that the Award be withdrawn from the Owner.
 - . An extension to the Transaction Plan due date can be filed by the MAC for approval by the GLS via Greenlight **if applicable*
6. The GLS accepts the plan and proceeds to approval.
7. After the GLS approval, the Comprehensive Construction Commitment (CCC) is issued by Recap and uploaded to Greenlight, and the transaction can begin the closing process.

Note: During the development of the Transaction Plan, the MAC and/or the Owner may identify financial or physical barriers to implementing the transaction. If any such barriers arise, the Owner and the MAC

should flag these concerns for the GLS as soon as possible, and all parties should work together to resolve the issue and ensure the transaction can be implemented. If not, this is a natural point for an Owner withdrawal and HUD termination of the GRRP award.

Resident Meeting

As you work to finalize the Transaction Plan and secure funding sources, the Owner will need to conduct the required Post-Assessment Residents Meeting. HUD strongly encourages Owners to engage with the residents more than the minimally required amounts. The residents are often quite familiar with the needs of the property and may have ideas about valuable improvements. Further, construction can be disruptive to the residents and the residents can help the Owner organize the effort in a way to mitigate these concerns.

Pre-Rehab Metrics

One of the requirements of GRRP participation is data collection and the MAC needs the Owner's assistance to compile these documents for the Transaction Plan submission. If the tenant utility benchmarking data was not collected via Portfolio Manager at the time of application to GRRP, the Owner must benchmark the property at this stage of the process. HUD has arranged a GRRP benchmarking contractor, Leidos, that is available to help the Owner and can do much of the work to collect the benchmarking data prior to submission of the Transaction Plan. The assigned GLS can provide the contact for Leidos.

In addition, the Owner must complete the resilience survey, which is available in Greenlight. The MAC shall assist the Owner in this task based on the information gathered through the Assessment Suite, but such assistance does not include an additional site visit. The MAC shall submit the resilience survey to HUD via Greenlight and will ensure that benchmarking is complete in Portfolio Manager before submitting the Transaction Plan. More details on the utility benchmarking and resilience survey are provided below.

Tenant Utility Benchmarking Data

For instructions on utility benchmarking, Owners should refer to the [Multifamily Utility Benchmarking Toolkit Utility Benchmarking Step-by-Step guide](#) available on HUD Exchange. Owners should review the guide thoroughly. Resources linked in the guide and those on the GRRP website at <https://www.hud.gov/grrp> are available for use but are not required. HUD has made a contractor, Leidos, available to Owners to assist in the benchmarking process. Note that all benchmarking for purposes of the GRRP should occur at the property-level, not the building- or portfolio-level. See APPENDIX II: Minimum Standards for Benchmarking Data Entered Into EPA's Portfolio Manager in the Notice for the detailed requirements regarding benchmarking.

Resilience Survey

The purpose of this assessment is to give HUD a high-level understanding of the baseline resilience of properties in GRRP and the resilience opportunities that could be addressed by GRRP investments. This information will allow HUD to report on GRRP resilience progress and impact but is not meant to serve as a full program assessment. Based on the information provided in the GRRP Application, which was obtained using [FEMA's National Risk Index \(NRI\) tool](#), the Owner will answer the survey questions in the Impact Protection and Wildfire Protection categories only if the property received an NRI score of

"relatively high" or "very high" for Wildfire, Strong Wind, Tornado, Hail, or Lightening. While this resilience survey is the responsibility of the Owner, the MAC may need to provide technical assistance. The MAC must provide a quality-control review of the survey for completeness, internal consistency, and, to the extent of the MAC's knowledge, accurate prior to submission of the resilience survey on Greenlight.

Financing & Underwriting

The Owner will develop a financing strategy, with the assistance of the MAC if desired. Within three (3) months of HUD's initial approval of the SOW, unless an extension is approved by HUD, the Owner must identify the Owner Contribution Sources and obtain letters of intent or relevant documentation from each Owner Contribution Source to demonstrate the availability of funds.

The Owner must apply for and secure any necessary non-GRRP financing through normal channels, i.e., banks, state and local agencies, tax credits, etc. The Owner will provide periodic updates on its progress to securing financing in the notes fields within Greenlight. The MAC will be checking in on the progress of obtaining additional funding and, if requested by the Owner, the MAC can assist in researching available funding options. The Owner will upload into Greenlight the letters of intent or relevant documentation from each Owner Contribution Source to demonstrate the availability of funds.

Please note that the MAC shall not prepare the financing applications but may provide technical assistance to the Owner in the Owner's preparation of such applications. As the finances for the project begin to take shape, should there need to be any updates to the funding Sources and Uses pages within Greenlight the Owner should make them there.

Finalize Transaction Plan

At this step, the funding sources have been finalized and the Owner is ready to move forward. The Transaction Plan will be submitted via Greenlight by the MAC for the GLS to review. If there are edits to be made, the MAC and Owner will work together to get an approved Plan. The Owner must recall that additional resident engagement is required prior to HUD's approval of the Transaction Plan.

Comprehensive Construction Commitment (CCC)

The CCC is issued by HUD and memorializes HUD's approval of the Transaction Plan. The CCC will include the GRRP SOW, including the final costs based on the bids provided, as well as information on all funding required. After HUD's issuance of the CCC, the MAC will collaborate with the Owner to obtain the necessary signatures and upload the executed CCC to Greenlight. In the CCC, HUD will outline the key components of the transaction and any conditions that need to be satisfied to close on the Comprehensive Award.

The Owner will have 14 days from the date of issuance of the CCC to execute and return it to HUD. Upon issuance of the CCC, the Owner will also need to engage with the residents for the Post-Commitment Meeting, (see [Appendix A](#)), and the MAC will assist the Owner if requested.

6. Closing

Closing is a multi-step process involving the MAC, the Owner, the GLS, attorney(s), and, as applicable, lender(s) and investor(s). Some Owners may need, or want, assistance from the MAC through this

process, while others may not. For most of the Closing process, the GLS will be the Owner's main point of contact and the MAC will be able to assist as needed/requested by the Owner.

This process will involve back-and-forth reviews of the required closing documents. Closing must occur within six (6) months of issuance of the CCC unless extended by HUD. If the Owner needs an extension, they will submit the request to the GLS via Greenlight with justification for a specific additional amount of time, which HUD shall grant at its discretion.

The MAC will be available for questions via email during the closing process, but the GLS and Owner will be the leads in the Closing process. To be involved in the closing process, MACs must be explicitly requested to assist by the Owner or assigned specific tasks by HUD due to omissions or inadequacies in the Closing Package submission.

Closing Kick-Off Call

Within 30 days of the issuance of the Comprehensive Construction Commitment (CCC), the GLS will organize and host the Closing Kick Off Call; this call will include the Owner, the MAC, the MF AE, any required legal counsel for both Recap and the Owner, and any other necessary parties. If the Owner has any questions about the Closing process, they are encouraged to ask them on this call. The goal of this call is to review the closing requirements, discuss any external closing deadlines or preferred closing date, and establish a closing timeline for when the draft closing package will be submitted. Depending on the established timeline, the GLS and Owner may wish to set up recurring check-in calls or schedule future calls on an as-needed basis.

Escrow Agent

The Owner is tasked with identifying an Escrow Agent to assist in the closing process. Once determined please send the contact details to the assigned GLS. The GLS will send signed documents and instructions to the Escrow Agent.

Draft Closing Package Submission

The Owner and their legal counsel are responsible for compiling the closing documents for review. The MAC will be available to provide technical assistance to the Owner, if requested or assigned, and can answer questions, however the MAC is not assembling this submission. Once the Owner and their counsel feel that the draft closing documents are ready for review, the Owner will upload the documents to Greenlight for the GLS and assigned HUD Counsel to review. All required documents will be listed on the upload page in Greenlight.

Upon receipt of the draft closing package, the GLS and HUD Counsel will review the documents and provide comments to the Owner and the Owner's team (counsel, financing sources, etc.) until all closing documents are finalized and requirements are met. Owners will work to address all legal and program comments and will resubmit a revised closing package as needed until all legal and program comments are satisfied.

Finalizing the Closing Documents, Document Signing and Escrow Process

Once closing documents are finalized and approved by the GLS, the GLS will route the legal documents within HUD for signature, including any documents that need to be notarized. The GLS will send signed documents and escrow instructions to the Escrow Agent. Consistent with the escrow instructions, the

Owner may proceed to closing at this point. The Owner may not close on the proposed financing prior to HUD approval.

“3 Day Docs”

Following closing of the GRRP award and all the approved financing, consistent with the escrow instructions, the Owner must upload the “3 Day Documents” to Greenlight. The MAC will assist the Owner to ensure these documents are uploaded within three business days of recording. All required documents will be listed on the upload page in Greenlight.

Final Closing Docket

The Owner must upload the final closing docket with scanned copies of the executed and final transaction documents (including all documents provided in draft form in the Closing Package Submission described above) to Greenlight within 20 business days of Closing. Upon receipt of the fully executed GRRP documents package by the Owner, the GLS will transfer the information into the designated HUD system for tracking either loans or grants.

7. Construction

Now that the Owner has selected the desired contractors and financial Closing has been completed, construction can begin! During construction, the MAC will request updates on the rehab via email and/or visit the site as determined possible. During the construction period, the MAC will conduct periodic site visits, will conduct measures to ensure that the work is being accomplished to meet GRRP standards, will review draw requests and any change order requests. The MAC will be responsible for entering any proposed change orders into Greenlight and will make a recommendation regarding disposition of change orders to HUD. If a change order is approved by HUD, that approval will indicate that the SOW is modified as specified in the change order and, to the extent documented in the change order, GRRP funds may be used as reflected in the change order. Disapproval shall indicate that the change order is contrary to or outside the scope of the GRRP requirements or contrary to the Owner’s commitments to HUD pursuant to the GRRP, and the Owner must proceed with the Scope of Work as originally presented. The Owner may elect to fund change orders not accepted by the GLS if the change order does not adversely impact the GRRP SOW.

Signage

All properties assisted with GRRP funding shall include signage at the Property during any period of construction that identifies that the Property received assistance from the U.S. Department of Housing and Urban Development under the Inflation Reduction Act of 2022. Such signage shall be prominently displayed and visible to the public while any GRRP funded work is being conducted.

Funding Draw Requests During Construction/Rehabilitation

Up to 90% of the Comprehensive Award may be disbursed during the construction period on the submission of draw requests. Draw requests must match the pre-determined draw schedule from the Transaction Plan. HUD will process only one draw request per month. Draw requests shall be signed by the Owner and accompanied by backup documentation acceptable to HUD evidencing the incurred costs. The MAC will review the draw request and shall either approve the request or recommend adjustments and attempt to resolve issues with the draw request prior to sending them to HUD through Greenlight. Upon receipt of the MAC-approved draw request (or a draw request with open issues the MAC was unable to resolve, and which must be adjudicated by HUD), the GLS will review the draw

request materials and, as appropriate, disburse funds. These draw requests will be approved based on acceptability of the funding request as it relates to the 90% of award funds that are allowed to be drawn upon in construction based on the Transaction Plan/SOW timeline. All draw requests should include the following:

1. Signed draw request from the Owner
2. Backup documentation supporting the costs incurred (invoice detailing the cost and specifications of the installed investment; pictures as applicable);
3. A certification from the Architect of the percentage of construction completed and that the project is on track to be able to submit a Completion Certification;
4. The MAC's certification that the construction is proceeding in accordance with the plans and specifications sufficient to meet the GRRP program objectives, and
5. Other items as may be required by HUD.

Construction Site Visit

MACs must do at least two (2) site visits during the full construction period and are encouraged to visit the site every three (3) months to monitor progress. The Owner should be available for these visits. In addition, the MACs may arrange for additional video or in-person inspections as they may reasonably determine necessary to make their certifications with respect to each draw request. This is to ensure that the requested draws by the Owner are being used in accordance with the GRRP requirements and that work is keeping on track with the predetermined work timeline.

Construction Completion Certification

Once the SOW is complete, and the Owner has submitted their Completion Certification (in a form prescribed by HUD), the MACs will conduct their final inspection of the property, confirming that all the SOW items were completed, to the MAC's reasonable belief, in accordance with applicable code and GRRP program requirements. The Owner is responsible for meeting any processes, requirements, and validation criteria associated with any green certification the Owner has elected to pursue.

The Completion Certification shall be submitted in Greenlight and shall contain the following items, in the form prescribed by HUD:

1. A certification by a third-party accountant commissioned by the Owner of the final Comprehensive Eligible Costs,
2. A certification from the Owner that the Property, the Award, and the Owner comply with the GRRP Requirements,
3. Confirmation from the Owner that pre-construction benchmarking has been completed and entered into the U.S. Environmental Protection Agency's (EPA) Portfolio Manager and shared with HUD,
4. Documentation from the Owner regarding all residents that did not return to the Property indicating why they did not return and, if applicable, whether they are living in rent-assisted housing.
5. The Owner's Section 3 reporting.
6. A certification from the Owner that the Property has adopted a Disaster Preparedness Plan,
7. The Owner's completed post-construction resiliency survey, and
8. Other items as may be required by HUD.

Commissioning

Once the Construction Completion Certification has been produced, the MACs will facilitate the commissioning of the property. The commissioning process is the critical final step in the GRRP process, as this will assure everyone that the property's utility-saving components have the best chance to perform as designed and that the underwritten improvements are achievable. Depending on the systems installed pursuant to the GRRP SOW, a site inspection by a commissioning agent is required to ensure high efficiency mechanical equipment is operating as designed and the commissioning agent must provide a written report of the commissioning inspection. The MAC will bid and hire the commissioning agent as this function is paid for by GRRP. The Owner and the management agent representative should attend the commissioning inspection to assist during the inspection and to benefit from the commissioning agent's observations and guidance.

To the extent the property is receiving a green certification, the Owner should confirm that certification was achieved and upload any documentation confirming that into Greenlight. Green certification is not a requirement, and therefore, any final payment due to the Owner will not be delayed or restricted based on receiving this information.

Upon approval by HUD of the commissioning report, the remaining Comprehensive Award funds shall be disbursed, provided that in no event shall HUD disburse an amount that would be greater than the total of Comprehensive Eligible Costs.

Resident Training Materials

Upon full completion of the work, the Owner is required to develop training materials or programs to educate residents regarding the proper use of any in-unit technologies installed as part of the SOW. Such materials and program may be written and included with the lease or other move-in materials or may be conducted in person.

8. Post Completion & Funding

After completion of construction, the Owner is still obligated to submit post-rehab metrics. Post-rehab metrics are collected as instructed by the GLS. Remaining funds will be dispersed as approved by HUD.

Appendix A: Resident Meetings

Owners receiving a Comprehensive Awards shall conduct, at a minimum, three meetings with the residents. The Planning Meeting is designed to provide information on the GRRP and solicit feedback, outline upcoming assessment activities, and explore opportunities regarding any potential construction at the Property. The Post-Assessment Meeting is designed to share information about and solicit feedback on the emerging plans for the Property. The Post-Commitment Meeting is designed to discuss the implementation and construction plans. These meetings should have minutes documented and uploaded into Greenlight for the MAC and GLS to review.

Resident Notification of Award

Within thirty (30) Days of the Award Date, the Owner must provide written notification to all residents of the Property that the Property has been selected for funding under GRRP. The notification must be provided pursuant to 24 CFR § 245.15. This notification is separate and apart from any notices required by the URA. The notification must include:

- A) A statement that the Property will be receiving assistance from the Inflation Reduction Act of 2022;
- B) A general description of the Owner's objectives in seeking the GRRP funding;
- C) The timeline of planning and construction activities, including any planned relocation;
- D) For Leading Edge or Comprehensive Awards, a reiteration of the resident's expectation to continued tenancy as set forth in Section 8.4;
- E) Contact information for a representative of the Owner available to answer residents' questions; and
- F) The name and contact information of the HUD Account Executive and any assigned HUD GRRP staff and the GRRP mailbox.

Meetings with Residents

(1) Planning Meeting

Following the Award Date, Owners must conduct a meeting with residents of the Property to discuss preliminary planning and to provide opportunities for comment. For Comprehensive Awards, this meeting must occur within thirty (30) Days after the Kick-Off Call and prior to any site visit by entities commissioned by HUD to conduct parts of the Assessment Suite. During the meeting, the Owner must present the Owner's objectives in seeking the GRRP funding (e.g., anticipated capital renovations, energy efficiency goals, what the Owner hopes to fund with GRRP assistance), the process for developing the Scope of Work, the timeline of planning and construction activities, and any potential relocation. The Owner must also provide an opportunity for residents to identify maintenance concerns and opportunities to improve the resident experience, acknowledging that this is a brainstorming opportunity and that resources may not be available to implement the offered ideas. For Comprehensive Awards, the Owner must describe the Assessment Suite including what assessments will take place, what is involved in each assessment, and how long the assessment process is likely to take.

(2) Post-Assessment Meeting

Prior to submitting a Comprehensive Transaction Plan, Owners must conduct a meeting with residents of the Property to discuss observations from the Assessment Suite. The Owner must also discuss:

- a) whether the transaction will include a transfer of budget authority or transfer of assistance and the potential locations to which the assistance would be transferred;
- b) any change in the number of assisted units or any other change that may impact a household's ability to re-occupy the Property following construction;
- c) potential relocation scenarios;
- d) a projected timeline of the construction; and
- e) expected effects on utility costs for the Property and individual households. The Owner must provide residents the opportunity to comment on the Owner's plans. Owners must submit, as part of the Comprehensive Transaction Plan a summary of all resident comments received and how those comments are addressed in the Scope of Work.

(3) Post-Commitment Meeting

After issuance by HUD of the CCC, as applicable, and before Closing, Owners must conduct a meeting with residents of the Property to discuss the final Scope of Work, the timeline once construction begins, plans to mitigate the impact of construction on the residents, and any anticipated resident relocation. In certain circumstances where the Closing is anticipated to occur soon after the issuance of the CCC, the Owner may request, and HUD may permit the Owner to implement the actions required under this Section prior to issuance of the CCC.

Additional Engagement with Residents

A) HUD encourages Owners to partner with leaders of legitimate tenant organizations recognized under 24 CFR § 245.100 to help communicate information about the Award to the broader resident population through peer-to-peer engagement.

B) Owners should also communicate regularly with residents to create awareness and understanding of the Scope of Work. Updates posted in common spaces, a Property's website, periodic email or newsletter distributions, or meetings in addition to those required by this Notice may be helpful in providing updates to residents on the progress of the construction planning, offering opportunities for residents to provide input, and creating venues for residents to raise questions and concerns. Owners should be particularly alert to good communication with respect to any transfer of budget authority or transfer of assistance; a change in the general partner, managing member, or equivalent ownership interest in the Owner; a change in the number of assisted units or any other change that may impact a household's ability to re-occupy the property following construction; a substantial change in the relocation plans; and a material change in utility allowances.

C) Owners must develop training materials or programs in order to educate residents regarding the proper use of any in-unit technologies installed as part of the Scope of Work. Such materials and program may be written and included with the lease or other move-in materials or may be conducted in person.

Appendix B: Davis-Bacon Requirements

Comprehensive Awards assisting Properties with twelve or more assisted units where the Owner is not utilizing another source of funding that would require compliance with the Davis-Bacon prevailing wage requirements, HUD has elected to apply a requirement pursuant to which the Owner may select compliance with either of the following requirements:

A) The Owner may select that the Davis-Bacon prevailing wage requirements apply to the Scope of Work, including any new construction, that is identified in the Transaction Plan and Comprehensive Construction Commitment (CCC), as applicable, to the extent that such Scope of Work qualifies as development. "Development," as applied to work subject to Davis-Bacon requirements on the Properties, encompasses remodeling that alters the nature or type of housing units at the Property, reconstruction, or a substantial improvement in the quality or kind of original equipment and materials, and is initiated within the construction period set forth in the LEC or CCC, as applicable. Development activity does not include replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind. Any contract or subcontract executed for a project subject to Davis-Bacon wage rates under this Section shall comply with all labor standards and provisions of the U.S. Department of Labor regulations in 29 CFR Parts 1, 3, and 5, (other than the provisions regarding overtime under the Contract Work Hours and Safety Standards Act) provided that regulatory provisions relating to investigations, approvals and enforcement by the U.S. Department of Labor shall not be applicable, and enforcement of Davis-Bacon labor standards shall be the responsibility of HUD.

B) Alternatively, the Owner may select to submit to HUD a project labor agreement applicable to the Scope of Work executed by the local building trade unions and the General Contractor.

Appendix C: Transaction Plan Requirements

Below are all the required components of a complete Comprehensive Transaction Plan and the requirements of each component. The MAC may request additional documentation not listed below if HUD determines in its sole discretion such information is necessary to determine compliance with GRRP Requirements

A. Complete Assessment Suite. The MAC will order the Assessment Suite for the submitted property unless these assessments have been provided by the Owner and deemed acceptable by HUD as set forth in Section 5.3 of the Notice.

B. Scope of Work. The Scope of Work developed by the MAC, in consultation with the Owner, based on the Assessment Suite and resident engagement activities in accordance with Sections 5.3, 5.4 and 8 of the Notice.

C. Energy and Emissions Reduction Modeling. The Owner must include modeling of post-retrofit energy consumption and emissions to determine expected consumption savings from the Scope of Work. The energy consumption model utilized must, at a minimum, consider factors including, but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location. These utility estimates must be calculated by either (1) a properly licensed engineer or (2) a qualified professional approved by HUD. The form of this submission should be electronic, utilizing recognized industry standard methods, and include easily verified source data, tables, and references as a basis for the model estimates.

D. Itemization of Eligible Costs. Under Comprehensive, the MAC will cover the Comprehensive Eligible Costs. Consequently, when putting together the Scope of Work, the Owner should provide an itemized list of these costs for the MAC to confirm that the work has been properly included and can be easily confirmed by a qualified third-party during construction and Completion Certification.

E. Replacement Reserve Analysis Showing that the Replacement Reserve Addresses 20- Year Needs. The annual deposit to the replacement reserve should be equal to that amount which, if deposited annually, will be sufficient to fund all capital needs, as identified in the CNA, arising during the first 20 years and otherwise not addressed upfront in either the rehabilitation or an initial deposit to the replacement reserve account. Reasonable estimates in the inflation should be used, but the rate for escalating the increase in repair costs should not exceed the rate of interest on reserve deposits by more than 1%. The MAC may consider alternative arrangements with respect to the initial deposit to the replacement reserve if risks to the Property can be adequately mitigated.

F. Sources and Uses of Funds. The Sources and Uses must:

1. Include a reasonable, balanced, and comprehensive presentation of sources and uses of funds in accordance with all applicable HUD requirements. Include a construction contingency of 10% for rehabilitation or as otherwise allowed by a LIHTC allocating agency for new construction. Note that HUD may require a higher contingency on a case-by-case basis.
2. Demonstrate that existing loans or debt will be paid off at the closing or are supported through the Property's net operating income. Demonstrate that any loans or advances provided

by entities under common Control will be converted to unsecured obligations repayable from the Property's Surplus Cash unless otherwise approved by HUD. Such loans may not be paid off from the proceeds of new financing unless approved by HUD.

3. Demonstrate that any new debt, including any Amortizing Repayment Loan, will meet the underwriting criteria as prescribed by HUD.

4. Include narrative that discusses any aspects of the planned rehabilitation that may result in an initial operating deficit during the rehabilitation period and how that deficit will be funded, including any operating deficit escrow or similar fund.

G. Operating Pro-Forma. The Operating Pro-Forma must:

1. Include an attached discussion of the extent of energy and water savings that are anticipated as a result of the rehabilitation or construction and the basis for those estimates. The discussion must explain to what extent anticipated savings in utility costs have been included in the Pro-Forma operating expenses.

2. Be consistent with local standards for Federally assisted housing and otherwise comply with at least the following feasibility benchmarks:

a. Rents shall not exceed the amounts permitted under the Assistance Contract or pursuant to any other HUD restriction.

b. All other sources of income must be supported with a narrative or must not exceed the average for the last 3 years (other income should not include interest income on the replacement reserve account, which must remain in the reserve and is not available for other purposes).

c. Vacancy loss shall be no less than the greater of the average over the past three years or 3 percent.

d. Allowance for bad debt should be not less than the greater of the average over the past three years or 2 percent.

e. Insurance costs must be documented, such as quotes from an insurance agent based on actual recent premiums for similar properties.

f. All other operating expenses shall be no less than 85 percent of the average for the last three years, unless justified.

g. The annual replacement reserve deposit should be equal to that amount developed.

h. For non-leveraged transactions (i.e., transactions that will not be taking on any debt financing with monthly payment amounts not conditioned on the availability of cash flow), the stabilized cash flow should not be less than \$12 per unit monthly. For leveraged transactions (i.e., transactions that will be taking on debt financing with monthly payment amounts not conditioned on the availability of cash flow), the debt-coverage ratio should not be less than 1.11 over a ten-year period using 2% growth in revenue and 3% growth in expenses. Additionally, to the extent an Amortizing Repayment Loan is used, the underwriting criteria prescribed by HUD must be adhered to.

H. Draw Schedule: The draw schedule must include all sources and uses and show the projected draws of the Comprehensive Award in accordance with the Notice. The Comprehensive Award may be funded in accordance with this Notice without regard to the timing of contribution of other sources, provided that the Comprehensive Award shall only be disbursed after a properly submitted draw request for Comprehensive Eligible Costs. The Comprehensive Award may not be disbursed in excess of the Comprehensive Eligible Costs incurred.

I. Letters of Commitment for Other Financing. For each proposed loan, equity contribution, or grant, the Owner must include:

1. A recent lender, investor, or grant engagement letter dated no later than 60 days prior to Comprehensive Transaction Plan submission, with key terms identified (including for each amount, repayment terms, interest rate, amortization, maturity, prepayment restrictions, and pay-in schedule) from all financing provider(s). Permanent debt financing with monthly payment amounts not conditioned on the availability of cash flow on the Property must:
 - a. Be at a fixed rate of interest, for a fixed term, fully amortized over no more than 40 years;
 - b. Not have a balloon payment until after the earlier to occur of a) expiration of the term of the Assistance Contract, or b) 17 years from the date of the permanent debt financing; and c. Not have a debt service coverage less than the higher of 1.11 or lender requirements.
2. All bridge loan or construction financing must be disclosed and approved by HUD. All debt repayable from available Surplus Cash and subordinate (or secondary) financing must be disclosed and then approved by the first-mortgage lender as well as HUD in accordance with [Section 8.9](#) of the Mortgage Credit and Underwriting and Processing Requirements of the MAP Guide and any subsequent revisions or updates to the MAP Guide.
3. Documentation that the first mortgage lender has consented to the GRRP Use Agreement and that the lien of the new first mortgage loan will be subordinate to the GRRP Use Agreement.
4. Estimation of projected closing date for all proposed financing. Discuss any known impediments to closing within the timeframe required under the Notice. Include a discussion of key milestones with estimated milestone completion dates. The terms for all seller take-back financing must also be disclosed.

J. Plans and Specifications if Required by HUD. In very rare cases, HUD may request that the Owner submit a copy of the project plans and specifications completed and signed by a qualified architect or licensed professional engineer. The MAC, in working with the GLS, will determine when and if this submission is necessary.

K. Evidence of Resident Engagement. The Owner must submit the dates of the resident meetings and a record of the questions, comments, and Owner responses (written or oral, or in subsequent actions) to resident comments on the proposed plans and Scope of Work that were discussed in connection with such meetings.

L. Description of Planned Relocation Activities, if applicable. The following provides suggested content for the description of planned relocation activities:

1. A general description of the project and project elements that may create relocation needs;

2. Information on residents of the Property and eligibility for relocation assistance and payments;
3. Information regarding how the project will address the expectation for continued tenancies, the residents' return to the property, and the Property's re-occupancy policies;
4. A detailed discussion of plans for temporary relocation assistance, if any;
5. Detailed discussion of plans for permanent displacement, if any, and relocation assistance to be provided;
6. A detailed discussion of compliance with fair housing and civil rights requirements, including accessibility requirements;
7. The relocation budget; and
8. The appeals process. The relocation plan as a whole should discuss the specific steps to be taken to minimize displacement and the adverse impacts of relocation on residents.

M. Evidence of Application for Other Required HUD Approvals (2530, TPA) (if applicable). To the extent the proposed transaction will change ownership or management agent, the Owner must identify obtain all necessary HUD Approvals for such change including any necessary APPS clearance and TPA Approval from the HUD Multifamily Field Office.

N. GRRP Shared Savings Retainer. When the Owner requests a GRRP Shared Savings Retainer, the Owner must submit utility projections performed by a third-party professional engineer, based on the Property's plans and specifications that, at a minimum, take into account specific factors including, but not limited to, unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location. The projections must show the differential between the current utility allowances and the projected utility allowances and, for Properties subject to a budget-based rent, the differential between current utility costs and projected utility costs.

O. Multifamily Building Efficiency Screening Tool (MBEST). If required, the Owner must submit a completed MBEST as part of the Transaction Plan. The MBEST is an excel-based tool created in partnership with the U.S. Department of Energy and the Lawrence Berkeley National Laboratory to screen multifamily buildings based on significant building features impacting energy efficiency and to understand current levels of energy efficiency and opportunities for improvement.

P. Selection of Labor Standards Compliance Method in Accordance with Section 10.5, if applicable.

Appendix D: Owner Paid, GRRP Paid, and Cost Share Items

Below are some cost considerations from the GRRP Notice on Owner-Paid Items, Cost-Share Items, and High Impact GRRP-Paid Items.

A) Owner-Paid Items. The Owner-Paid Items are those building improvements which HUD considers to be standard asset management good practice for multifamily apartment buildings, either because they correspond to repairs and replacements requiring immediate attention or because they have a short-term economic payback. Accordingly, Owners are fully responsible for costs associated with Owner-Paid Items included in the Scope of Work. These items include:

- () Any building component or fixture identified by the CNA to be broken or past its useful life at the time of inspection or expected to exceed its useful life within the twelve (12) months following inspection (unless determined by HUD to be in good working condition) that are not identified as Cost-Share Items or High Impact GRRP-Paid Items (see below);
- () Energy Star[®] appliances (air purifiers, clothes dryers, clothes washers, dehumidifiers, dishwashers, freezers, refrigerators)¹, WaterSense[®] products (toilets, showerheads, faucets, urinals, irrigation controls, irrigation sprinklers), and LED lighting (interior and exterior); and
- () Any items the Owner seeks to include in the Scope of Work which are unrelated to GRRP objectives or are not recommended by HUD as the best use of GRRP funds.

B) Cost-Share Items. Cost-Share Items are those building improvements in the Scope of Work which HUD considers to be the Owner's responsibility according to standard asset management good practice, but for which there is also a recommended green or more resilient alternative product or installation method that better meets the GRRP objectives. For the purposes of the GRRP, green or more resilient alternatives may be more energy or water efficient, may contribute to improved indoor-air quality, may provide greater resilience against hazards to the Property, or may reflect lower Embodied Carbon in their installation at the Property.

HUD is requiring that Owners cover the cost of the standard (not green) version of the below building components or systems, as detailed in the CNA based on RSMeans data or another cost database proposed by the CNA provider and acceptable to HUD for the Property location (the "Standard Product Cost"). HUD will cover the incremental cost associated with upgrading these items to a greener or more

¹ Electrification of any gas appliance shall constitute a Cost-Share Item or High Impact GRRP-Paid Item as described below.

resilient alternative to achieve program objectives.² The portion of the GRRP award associated with Cost-Share Items is capped at 50% of the maximum award amount permitted under the applicable NOFO.

Cost-Share Items are generally greener or more resilient replacements of existing components or fixtures at a Property, specifically:

- () Windows;
- () Exterior doors/sliders;
- () Interior doors between conditioned (heated and cooled) and unconditioned or semi-conditioned space where appropriate to conserve energy, maintain habitability in the event of a power outage, or to control the spread of fire;
- () Skylights;
- () Exterior wall systems;
- () Roof systems;
- () Wildfire protection;
- () Domestic hot water heaters;
- () HVAC systems;
- () Ventilation systems;
- () Window shadings; and
- () Flooring.

In cases where the Owner proposes to add any such items to the Property, HUD must recommend the incremental cost of the additional item for it to be considered a Comprehensive Eligible Cost.

For items (8), (9), and (10), the investment is considered a Cost-Share Item if either the Property's current system will be past its expected useful life within the next five (5) years according to the CNA or the greener alternative has an expected financial payback of less than or equal to half of its standard useful life. If neither is true, installation of items (8), (9), or (10) is considered a High Impact GRRP-Paid Item.

- C) High Impact GRRP-Paid Items. High Impact GRRP-Paid Items are those building and property improvements which HUD anticipates Owners may be unlikely to pursue absent GRRP funding. These improvements include deep energy efficiency investments, energy efficiency measures which reduce tenant-paid utilities, those that result in significant reductions of emissions, those that achieve air quality improvements, those related to renewable energy generation, and climate resilience improvements beyond the investments that are currently standard in the multifamily housing industry.

GRRP will fully cover the reasonable cost of the High Impact GRRP-Paid Items included in the Scope

² For example, if the CNA recommends the windows need to be replaced and the CNA indicates that triple pane windows would be an appropriate green alternative for the Property, the Owner would be responsible for the cost of the standard window, and the Comprehensive Award would cover the difference between the standard window and the Energy Star® certified triple pane window.

of Work, if recommended by HUD or justified by the Owner. Twenty-five percent (25%) of the maximum amount permitted under the applicable NOFO is reserved for High Impact GRRP-Paid Items, and the maximum GRRP funding available to the Property will be reduced if the Owner does not pursue sufficient High Impact GRRP-Paid Items to warrant this funding.

When in the Scope of Work, High Impact GRRP-Paid Items include:

- () Electric appliances or systems replacing gas appliances or systems, except for those listed as Cost-Share Items;
- () Electrical panel and/or wiring upgrades necessitated by renewable energy generation, electric vehicle charging station infrastructure, or electrification measures included in the Scope of Work, which measures may include the installation of electric stoves, heat pumps (for heating/cooling, water heating, or clothes drying), or other appliances, without regard to whether the appliance requiring the upgrade is an Owner-Paid Item, a Cost-Share Item, or a High Impact GRRP-Paid Item;³
- () Air sealing and/or insulation appropriate for the property and climate zone;
- () Automatic lighting controls;
- () Enhanced mechanical efficiency (Energy Recovery Ventilation, Heat Recovery Ventilation);
- () Energy Management and Information Systems;
- () Renewable energy generation capacity including wind, geothermal, solar, or other technologies and including investment in construction of off-site facilities (such as a community solar farm installation) that will offer subscriptions to the Property and Property residents at lower rates than standard electricity rates;
- () Renewable energy battery storage;
- () Backup power and potable water storage;
- () Resilient elevator systems;
- () Emergency lighting with back-up power/battery systems;
- () Indoor air quality sensors and purifiers;
- () Storm water retention strategies;
- () Rainwater capture systems;
- () Elevation of mechanicals;
- () Upgrades or roof replacement to increase resilience of roof systems;
- () Storm protection measures;
- () Fire protection measures;
- () Floodproofing strategies;
- () Acquisition costs associated with a transfer of budget authority, the

³ If the Property already has electric appliances but the electrical panel or wiring upgrades are necessary to ensure the Property's electrical system complies with currently applicable codes, the electrical panel or wiring upgrades are included as High Impact Costs.

Assistance Contract, or a use agreement, in accordance with the authorities discussed in Section 9.6, to a new property site in response to risks identified in the Climate Resilience Assessment;

- () Electric vehicle charging stations; or
- () Domestic hot water heaters, HVAC systems, and ventilation systems if neither a) the Property's current system will be past its expected useful life within the next five (5) years according to the CNA, nor b) the greener alternative has an expected financial payback of less than or equal to half of its standard useful life.