

FY2023 Green and Resilient Retrofit Program (GRRP) Frequently Asked Questions

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General

1. What is the goal of GRRP? (5/11/2023)

GRRP was created and designed to improve the quality, health, safety, and comfort of HUD-assisted multifamily housing for its residents, while reducing the greenhouse gas emissions produced by HUD's assisted portfolio. GRRP provides funds to invest in utility efficiency, renewable energy generation, green and healthy housing, and efforts to make homes that serve the lowest-income Americans and a disproportionate number of older adults and persons with disabilities – who often live in communities particularly vulnerable to the impacts of climate change – more resilient against extreme weather events.

HUD expects properties participating in GRRP, to the greatest extent feasible, to:

- Substantially improve utility efficiency and reduce emissions, including moving properties toward net zero, zero ready, or zero over time energy and emissions performance standards;
- Address climate resilience, including synergies that can be achieved between efficiency, emissions reduction, and resilience investments;
- Enhance indoor air quality and resident health;
- Implement the use of zero-emission electricity generation and energy storage;
- Minimize embodied carbon and incorporate low-emission building materials or processes; and
- Support whole-building electrification.

2. What are some ways I can engage tenants in rehab planning? (5/11/2023)

Owners are encouraged to engage tenants throughout the planning and retrofit processes. At a minimum, owners must provide written notifications to residents about property selection and retrofit activities. All owners must also hold resident meetings, though requirements differ by cohort. As you plan your scope of work, we recommend consulting closely with the property management agent to understand and address frequent sources of tenant complaints or areas of high utility use. Please refer to Housing Notice H 2023-05 section 8 for more information about resident engagement.

3. What changed in the May 16th update to the Leading Edge NOFO? (6/15/2023)

This update corrected a contradiction in the Leading Edge tiebreaking procedures. Applications will be ranked from the lowest to highest MBEST score using the applicant property's lowest submitted MBEST score. Further ties will be decided by ranking applicants from highest to lowest poverty rates for the census tracts in which the properties are located. If an applicant property is located in more than one census tract, the ranking will consider the highest of the applicable poverty rates. In any case where a tie continues to exist, HUD will select the property with the highest number of assisted units.

4. How does GRRP interact with the Mark-to-Market program? (6/15/2023)

Properties that participated in HUD's Mark-to-Market program are eligible to apply for GRRP. Any GRRP surplus cash loan award would subordinate in lien priority to the Mark-to-Market note(s) and the GRRP surplus cash payout would be calculated after the M2M surplus cash note(s) payment. M2M rents will not be reconsidered as part of a GRRP application, but the owner commitment to extend affordability will not extend the M2M rent restrictions.

5. If my property is partially assisted, will GRRP pay for rehab on just assisted units, or all units? (6/15/2023)

Funding can be used to pay for all eligible costs as defined in the Notice. Generally this will include work on the entire property and not just the assisted units.

6. Can GRRP reimburse for work that's already been completed? (6/15/2023)

No, GRRP funding cannot reimburse for work already completed.

7. How can an organization become a Multifamily Assessment Contractor (MAC)? (1/2/2024)

The procurement process for MACs has closed.

8. How can a subcontractor connect with a Multifamily Assessment Contractor (MAC) to perform GRRP work? (1/2/2024)

Through a procurement process, HUD selected the following entities to serve as Multifamily Assessment Contractors (MACs) for the Green and Resilient Retrofit Program. MACs will undertake a suite of assessments for GRRP awardees in the Comprehensive cohort. MACs may employ subcontractors for a portion of work under the GRRP program, however HUD does not have any involvement with the selection or recommendation of subrecipients for MACs. If you are interested in working with any of our MACs, please reach out to them directly. If you have any questions, you can contact Natalicia Garcia (Natalicia.Garcia@hud.gov), Contracting Officer Representative, on this contract.

- Guidehouse, Inc. – Kristin Uckert, kuckert@guidedhouse.com
- Deloitte Consulting, LLP – Ken Marsh, kemarsh@deloitte.com
- Jones Lange Lasalle America, Inc. – Tim McGarrity, tim.mcgarrity@jll.com
- CreditVest, Inc. – Andrea Humphrey, ahumphrey@creditvest.com
- Ernst & Young LLP - Neyousha Jelinski, Neyousha.Jelinski@ey.com

9. What changed in the August 2023 update to the Elements NOFO? (8/30/23)

1. Expansion of eligibility for recent Section 202/811 Capital Advance awardees
 - a. Edit: "An entity is an Eligible Applicant and may apply under this NOFO if it ... Is the Sponsor or owner of a property under development through the Section 202 or Section 811 Capital Advance programs and has not yet reached ~~firm commitment~~ **initial closing.**"
 - b. Justification: Multifamily Production has been issuing Section 202 firm commitments contingent upon finding additional funding. The GRRP funding may be a portion of the strategy to close this gap. This language change provides projects more flexibility with respect to when they can apply for and close a GRRP award and gives HUD a greater opportunity to green recent Capital Advance awardees.
2. Clarification on cost sharing
 - a. Edit: "This Program does not require cost sharing or matching. **The Program does require that the Owner be pursuing a recapitalization transaction as described in Section III.D.** Owners receiving a GRRP award will be required to cover costs of property rehabilitation that are not covered by the GRRP funding. These

requirements are detailed in Housing Notice H 2023-05. Cost sharing or leverage is not a rating factor in selecting applications for participation in the program.”

- b. Justification: Provides additional clarity that the recapitalization transaction required in Section III.D. applies.
3. Addition to instructions for submitting the application materials, specifically asking for application attachments to include the iREMS reference number in the file name.
 - a. Edit: Add “**Include the property iREMS number in all file names.**”
 - b. Justification: This change ensures that each file included in an applicant’s submission is identified by property.
4. Clarification of the documentation required to support Better Buildings Challenge ranking status
 - a. Edit: “Applicants that submit their BBC Sponsor’s Better Buildings Challenge partnership agreement for **their portfolio** ~~the subject property.~~”
 - b. Justification: The NOFO ranks applicants by their commitment to different climate initiatives. One of the categories is participation in the Better Buildings Challenge. The Better Buildings Challenge is a portfolio-wide commitment rather than a commitment at a single property. The current language is inaccurate and confuses applicants.
5. Shortened the grace period for uploading environmental review documents into HEROS
 - a. Edit: “HUD will provide the applicant **14** ~~30~~ days from the NOFO due date for the applicant to submit the environmental documentation through HEROS. Failure to submit environmental documentation through HEROS by the NOFO application due date or within **14** ~~30~~ days of the NOFO application due date will cause the NOFO application to be considered incomplete.”
 - b. Justification: The NOFO expects applicants to submit their environmental review documents into the HEROS on-line portal. However, for applicants who have trouble doing so before the application due date, the NOFO permits them to submit PDFs of their environmental review documents provided they upload the documents to HEROS within a grace period after the application deadline. Currently, the grace period is 30 days, which has the potential to cause unnecessary delays in the application review process. Two weeks is a more reasonable grace period, balancing leniency for applicants that have trouble getting access to HEROS or uploading the documents into HEROS with the need for rapid application reviews.
6. Addition of IEER specification for heat pumps in the menu of acceptable Elements investments
 - a. Edit: “Electric air source or ground source heat pumps rated at least 18 SEER, ~~or 18 HSPF,~~ **or 22.5 IEER.**”
 - b. Justification: The Elements NOFO specifies investments that GRRP will fund, and the amount of funding provided. Heat pumps are currently in the list and will remain so. Currently, only two measures of efficiency are listed – SEER or HSPF. Heat pumps above 65,000 BTU/hour have their efficiency measured in IEER rather than SEER or HSPF. The 22.5 IEER benchmark is roughly equivalent to 18 SEER and 18 HSPF.
7. Clarification of ASTM standards
 - a. Edits:
 - i. “Phase I Environmental Site Assessment (ESA) Report: The Findings, Opinions, and Conclusions sections of the Phase I ESA must be completed by

an Environmental Professional in accordance with ASTM E 1527-13 for applications submitted by or before February 13th, 2024 or ASTM E 1527-21 for applications submitted after February 13th, 2023”

- ii. “(1) Recognized Environmental Conditions (REC), suspect REC, historical REC, and/or de minimis conditions (with all such terms as described in ASTM E 1527-13 or ASTM E1527-21 as applicable),”
 - b. Justification: New ASTM standards roll out early 2024 and applications should adhere to the standards in place at the time of submission.
 8. Additional specifications for Administrative, National and Departmental Policy Requirements and Terms for HUD Applicants and Recipients of Financial Assistance Awards
 - a. Edit: ~~“31. Compliance with waste, fraud, and abuse requirements, including whistleblower protections (see HUD’s webpage)~~ 31. Compliance with 41 U.S.C. § 4712, which includes informing your employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, employees of a contractor, subcontractor, grantee, subgrantee, and personal services contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. (See Federal Contractor or Grantee Protections | Office of Inspector General, Department of Housing and Urban Development (hudoig.gov)”
 - b. Justification: Updated language to match current HUD requirements.
10. What changed in the September 2023 update to the Leading Edge NOFO? (9/27/23)
 1. Clarification on cost sharing
 - a. Edit: “This Program does not require cost sharing or matching. [stock NOFO language] This program does require that the owner achieve financing necessary to complete the scope of work.”
 - b. Justification: Provides additional clarity about owner contribution requirements.
 2. Addition to instructions for submitting the application materials, specifically asking for application attachments to include the iREMS reference number in the file name.
 - a. Edit: Add “A complete application must include all the information, materials, forms and documents listed above, as applicable. Each tab must be submitted as a separate document and must be clearly labeled with the property iREMS number and item name”
 - b. Justification: This change ensures that each file included in an applicant’s submission is identified by property.
 3. Clarification that not all qualifying green certifications reach net zero
 - a. Edits:
 - i. “These awards, provided in the form of GRRP Grants or Surplus Cash Loans, will enable owners to make investments expected to achieve a high level, and often net zero energy or net zero carbon, certification.”
 - ii. “The owner must be pursuing one of the following high level, and often net zero, green certifications with respect to the property:”

- b. Justification: All certification are high level and approach or achieve net zero. This language ensures better accuracy with the provided list.
- 4. Clarification of EnerPHit standard
 - a. Edit: "Passive House Institute EnerPHit Premium, with renewable energy capacity sufficient to offset expected annual energy consumption,
 - b. Justification: This specifies a higher EnerPHit level for better alignment with other certification options.
- 5. Reduction of team capacity requirements related to green certifications
 - a. Edit:
 - i. "The architect or a member of the architectural team has been a part of the Design Team that achieved a high level retrofit certification in the last 10 years. The high-level certification can be any of the green certifications listed in Section III.D.6 but does not have to include any badges or add-ons. For example, for the National Green Building Standard Green: Gold or Emerald, with Green+ Net Zero Energy or Resilience designation option, the architect or member of the architectural team could demonstrate capacity by having achieved National Green Building Standard Green Gold or National Green Building Standard Green Emerald.
 - ii. The owner (or Affiliate of the owner, as applicable), Developer, consultant, or General Contractor, has been a part of the Development Team that successfully achieved certification from any of the green certifying organizations, with the exception of Energy Star, listed in Section III.D.6 in the last 10 years. To use the Energy Star certification as a qualification, the owner, Developer, consultant, or General Contractor must have been on the Design Team of a property that achieved the Energy Star NextGen certification.
 - iii. The owner or developer has reached completion on at least three multifamily recapitalization transactions within the last five years using financing similar to that proposed for the Leading Edge transaction and which involved more than \$60,000 per unit of hard construction costs, inclusive of retainage, and contractor profit, overhead and general conditions. To be "completed" the project must have reached financial closing, construction completion, placed in service, final endorsement, or permanent financing conversion milestones, as applicable."
 - b. Justification: Many of the allowable high level green certifications are new to the market, potentially making it difficult for otherwise well-qualified applicants to demonstrate that they have already achieved these certifications in prior experience. This adjustment ensures that both the architect and development team have the required experience to design, build, and certify to the selected green certification.
- 6. Inclusion of requirement to submit a HUD assistance contract with application
 - a. Edit: "A copy of the applicant property's HUD assistance contract."
 - b. Justification: Seeing the assistance contract which makes the property eligible for GRRP will streamline review and reduce instances of curable deficiencies, saving applicants time.
- 7. Extension of due date in case of presidentially-declared disaster

- a. Edit: “If the proposed property or office address fall within a presidentially declared disaster area, the application deadline will be extended an additional 7 days from the original deadline. Applicants covered by this extension must be in a “covered disaster area” listed in FEMA’s Disaster Recovery (DR) Notices found at <https://www.fema.gov/disaster/declarations> where the Incident Period occurred within 7 days of an Application Period deadline referenced above. Any eligible applicant who is located in a covered disaster area and intends to take advantage of this deadline extension must apply by submitting an application through [grants.gov](https://www.grants.gov) no later than 11:59:59 p.m., ET, 7 days after the original deadline and include documentation confirming the location of the property or office address in the federally declared disaster area.”
 - b. Justification: Applicants in presidentially-declared disaster zones may not have the internet availability required to submit their application. This extension was previously available by request, but the adjustment ensures that impacted applicants automatically have the opportunity to submit even if impacted by disaster.
- 8. Additional specifications for Administrative, National and Departmental Policy Requirements and Terms for HUD Applicants and Recipients of Financial Assistance Awards
 - a. Edit: “31. Compliance with 41 U.S.C. § 4712, which includes informing your employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, employees of a contractor, subcontractor, grantee, subgrantee, and personal services contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. (See Federal Contractor or Grantee Protections | Office of Inspector General, Department of Housing and Urban Development ([hudoig.gov](https://www.hudoig.gov)))”
 - b. Justification: Updated language to match current HUD requirements.
- 9. Shortened the grace period for uploading environmental review documents into HEROS
 - a. Edit: “HUD will provide the applicant 14 days from the NOFO due date for the applicant to submit the environmental documentation through HEROS. Failure to submit environmental documentation through HEROS by the NOFO application due date or within 14 days of the NOFO application due date will cause the NOFO application to be considered incomplete.”
 - b. Justification: The NOFO expects applicants to submit their environmental review documents into the HEROS on-line portal. However, for applicants who have trouble doing so before the application due date, the NOFO permits them to submit PDFs of their environmental review documents provided they upload the documents to HEROS within a grace period after the application deadline. Currently, the grace period is 30 days, which has the potential to cause unnecessary delays in the application review process. Two weeks is a more reasonable grace period, balancing leniency for applicants that have trouble getting access to HEROS or uploading the documents into HEROS with the need for rapid application reviews.
- 10. Clarification of ASTM standards

- a. Edits:
 - i. "Phase I Environmental Site Assessment (ESA) Report: The Findings, Opinions, and Conclusions sections of the Phase I ESA must be completed by an Environmental Professional in accordance with ASTM E 1527-13 for applications submitted by or before February 13th, 2024 or ASTM E 1527-21 for applications submitted after February 13th, 2024"
 - ii. "(1) Recognized Environmental Conditions (REC), suspect REC, historical REC, and/or de minimis conditions (with all such terms as described in ASTM E 1527-13 or ASTM E1527-21 as applicable),"
- b. Justification: New ASTM standards roll out early 2024 and applications should adhere to the standards in place at the time of submission.

11. What changed in the Comprehensive NOFO modification posted on 11/17/23?

1. Clarification of the verification requirement for the Statement of Energy Performance
 - o Edits:
 - "Energy Star® Portfolio Manager Statement of Energy Performance (SEP) and EPA Water Scorecard from Portfolio Manager signed and/or stamped by an energy professional (defined in Appendix II) (PDF)"
 - "After entering data and receiving an Energy Star® score (if property has at least 20 units), owners must get their data verified and Statement of Energy Performance (SEP) signed and/or stamped by an energy professional."
 - o Justification: Edits are necessary to ensure consistency throughout the NOFO.
2. Inclusion of a requirement to submit a HUD assistance contract with the application
 - o Edit: Insert in the listing of required submission materials "A copy of the applicant property's HUD assistance contract."
 - o Justification: Seeing the assistance contract which makes the property eligible for GRRP will streamline HUD's review and will reduce the instances of curable deficiencies, saving applicants time.
3. Modification of the instructions for submitting the application materials, specifically clarifying the curable deficiency process and asking for application attachments to include the iREMS reference number in the file name.
 - o Edit: "As noted above, certain program-specific requirements call for the submission of documents to demonstrate compliance. In evaluating each application, HUD will determine if there are program-specific curable deficiencies that can be remedied through grrp@hud.gov email correspondence with the applicant. The applicant may receive more than one curable deficiency notification. If the applicant does receive more than one deficiency notification, the applicant's responses must be in accordance with the instructions contained in each deficiency notification (e.g., the applicant may not consolidate its responses). Examples of curable (correctable) deficiencies include inconsistencies in the funding request and failure to submit required certifications or other minor omissions. These examples are non-exhaustive.

All applications must be submitted in Grants.gov. This means that all applicants must have a Grants.gov account and Unique Entity Identifier (UEI) number. A complete application must include all the information, materials, forms and documents listed

above, as applicable. Each tab must be submitted as a separate document and must be clearly labeled with the property iREMS number and item name.”

- Justification: This text brings together existing guidance on curable deficiencies previously in two separate locations and adds language requiring each file included in an applicant’s submission to be identified by property.
4. Extension of due date in case of presidentially-declared disaster
- Edit: “If the proposed property or office address fall within a presidentially declared disaster area, the application deadline will be extended an additional 7 days from the original deadline. Applicants covered by this extension must be in a “covered disaster area” listed in FEMA’s Disaster Recovery (DR) Notices found at <https://www.fema.gov/disaster/declarations> where the Incident Period occurred within 7 days of an Application Period deadline referenced above. Any eligible applicant who is located in a covered disaster area and intends to take advantage of this deadline extension must apply by submitting an application through grants.gov no later than 11:59:59 p.m., ET, 7 days after the original deadline and include documentation confirming the location of the property or office address in the federally declared disaster area.”
 - Justification: Applicants in presidentially-declared disaster zones may not have the internet availability required to submit their application. This extension was previously available by request, but the adjustment ensures that impacted applicants automatically have the opportunity to submit even if impacted by disaster.
5. Change to language around Portfolio Manager vs. MBEST selection
- Edit (Program Description): Program Description: Applications for eligible properties which are submitted in a timely manner will be ranked based on: (1) the property’s risk as evaluated through the Federal Emergency Management Agency’s (FEMA) National Risk Index; and (2) the property’s utility efficiency profile using either utility consumption benchmarking data entered into the Environmental Protection Agency’s (EPA) Portfolio Manager or the Multifamily Building Efficiency Screening Tool (MBEST).
 - Edit (Review Criteria): “The property’s **Efficiency Score** will be calculated using either EPA’s Portfolio Manager system or the Multifamily Building Efficiency Screening Tool (MBEST). The two methodologies are available to account for the fact that some owners may encounter barriers in compiling the data to receive a score through EPA’s Portfolio Manager. Applicants who use EPA’s Portfolio Manager must submit data meeting the minimum standards in Appendix II. Properties **for which the Owner determines that they** are unable to receive an Energy Star® score **in time to apply** (e.g., properties with fewer than 20 units for which Portfolio Manager does not produce an Energy Star® score or properties where the owner is unable to access required consumption data) will have the Efficiency Score calculated using MBEST and be ranked within a set-aside pool as described below. While both the Efficiency Score and Climate Risk Hazard Score use a 1-100 scale, they anchor the scale on opposite numbers when identifying properties at high need for investment. To permit the Efficiency Score to be combined with the Climate Risk Hazard Score, the Efficiency Score must be inverted. Specifically, the property’s Efficiency Score is calculated by subtracting from 100 the Energy Star® score produced by EPA’s Portfolio Manager benchmarking system or the property’s lowest submitted MBEST score. **Please note that, per H-2023-05, any projects**

selected under this NOFO using MBEST will be required to use EPA's Portfolio Manager to benchmark and monitor energy and water consumption prior to closing and after completion of construction.

- Justification: The revision clarifies that an Owner chooses whether to utilize EPA's Portfolio Manager or MBEST in the application and, to assist in their decision, reminds applicants of the requirement for all projects selected for award to use EPA's Portfolio Manager.
6. Reduction of the total score eligibility threshold
- Edit: "Properties must have a minimum Total Score of 100 or have at least one of a Climate Hazard Risk Score or an Efficiency Score of at least 75 to be selected for a Comprehensive Award."
 - Justification: We have heard concerns from stakeholders regarding the eligibility threshold excluding too many properties, and the fact that properties scoring very high on only one measure don't have a path to compete for funding. For eligibility purposes, we have reduced the total score from 120 to 100 and added the alternative of a high sub-score of 75 on either measure. The original 120-point threshold may exclude properties with high scores on one but not the other sub-score. This change allows more properties to be eligible for application review and ranking. We have not, however, changed the prioritization for selection and have maintained the structure that properties with the highest total score are awarded funds first. As a result, this edit will not change who is awarded funds, but if sufficient funds are available, this edit will expand the pool of applicants that could be funded.
7. Additional specifications for Administrative, National and Departmental Policy Requirements and Terms for HUD Applicants and Recipients of Financial Assistance Awards
- Edit: "31. Compliance with 41 U.S.C. § 4712, which includes informing your employees in writing of their rights and remedies, in the predominant native language of the workforce. Under 41 U.S.C. § 4712, employees of a contractor, subcontractor, grantee, subgrantee, and personal services contractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract (including the competition for or negotiation of a contract) or grant. ([See Federal Contractor or Grantee Protections | Office of Inspector General, Department of Housing and Urban Development \(hudoig.gov\)](#))"
 - Justification: The NOFO language has been updated to match current HUD requirements.
8. Additional description on how HUD will administer the set-asides established in the NOFO
- "Within each Application Period, HUD will select properties for participation as described above. Notwithstanding the forgoing, HUD will skip over applications and select the next qualified application as necessary to meet the following set-aside criteria to ensure that, across all properties selected within the Application Period, there is diversity among HUD regions, between metropolitan and non-metropolitan areas, and among affiliated applicants. For purposes of this diversity requirement, the properties' Total Scores will be considered without regard to other selection

processes, such as which tool is used to generate the Efficiency Score. The diversity set-aside criteria are:

- At least 5% of properties awarded shall be in each of the 10 HUD regions.
- At least 15% of properties awarded shall be in non-metropolitan areas based on county categorization using HUD's Metropolitan Area Look-Up Tool found at https://www.huduser.gov/portal/datasets/geotool/select_Geography.odn.
- An applicant or any Affiliates of an applicant shall not receive more than five awards in any Application Period nor more than 20 awards in total, unless there is funding remaining after funding all other qualified applications.

These minimums do not apply if there are insufficient eligible applications in any category. Further, to the extent that all minimums cannot be met with the funds allotted per Application Period, HUD will first select properties for participation that satisfy the regional, then non-metropolitan set-asides."

- Justification: The additional clarity establishes how HUD would handle Application Periods in the event that all set-asides cannot be met.

12. What changed in the Elements NOFO modification posted on 12/22/2023?

1. Inclusion of a requirement to submit a HUD assistance contract with application.
 - Edit: Insert in the listing of required submission materials "A copy of the applicant property's HUD assistance contract."
 - Justification: The HUD assistance contract makes the property eligible for GRRP. Submission of this document will streamline HUD's review and reduce the instances of curable deficiencies, which will save applicants time.
2. Extension of due date in case of presidentially declared disaster.
 - Edit: "If the proposed property or office address fall within a presidentially declared disaster area, the application deadline will be extended an additional 7 days from the original deadline. Applicants covered by this extension must be in a "covered disaster area" listed in FEMA's Disaster Recovery (DR) Notices found at <https://www.fema.gov/disaster/declarations> where the Incident Period occurred within 7 days of an Application Period deadline referenced above. Any eligible applicant who is located in a covered disaster area and intends to take advantage of this deadline extension must apply by submitting an application through grants.gov no later than 11:59:59 p.m., ET, 7 days after the original deadline and include documentation confirming the location of the property or office address in the federally declared disaster area."
 - Justification: Applicants in presidentially declared disaster zones may not have the internet availability required to submit their application. This extension was previously available by request, but the adjustment ensures that applicants automatically have the opportunity to submit if impacted by disaster.
3. Clarification of the type of eligible contract types.
 - Edit: "Properties assisted by the following types of Section 8 Project-Based Rental Assistance (PBRA) Housing Assistance Payments (HAP) Contracts:"
 - Justification: Many questions have been received about eligibility related to vouchers. This edit will clarify the specific eligibility requirement.

4. Modification of instructions for submitting application materials, specifically clarifying the curable deficiency process and asking for application attachments to include the iREMS reference number in the file name.

- **Edit:** “As noted above, certain program-specific requirements call for the submission of documents to demonstrate compliance. In evaluating each application, HUD will determine if there are program-specific curable deficiencies that can be remedied through grrp@hud.gov email correspondence with the applicant. The applicant may receive more than one curable deficiency notification. If the applicant does receive more than one deficiency notification, the applicant's responses must be in accordance with the instructions contained in each deficiency notification (e.g., the applicant may not consolidate its responses). Examples of curable (correctable) deficiencies include inconsistencies in the funding request and failure to submit required certifications or other minor omissions. These examples are non-exhaustive.

All applications must be submitted in Grants.gov. This means that all applicants must have a Grants.gov account and Unique Entity Identifier (UEI) number. A complete application must include all the information, materials, forms and documents listed above, as applicable. Each tab must be submitted as a separate document and must be clearly labeled with the property iREMS number and item name.”

- **Justification:** This text brings together existing guidance on curable deficiencies previously in two separate locations and adds language requiring each file included in an applicant’s submission to be identified by property.

5. Modification of application deadline for the Third and final Application Period.

- **Edit:**

Deadlines. The application deadlines are:

- 06/29/2023 to be considered in the First Application Period
- 09/28/2023 to be considered in the Second Application Period
- ~~03/28/2024~~ ~~01/04/2024~~ to be considered in the Third Application Period
- ~~07/31/2024~~ ~~03/28/2024~~ for all other applications

- **Justification:** The revision provides more time for applicants under this NOFO to submit their applications and avoids an application deadline at a point in the year when there are unlikely to be many qualified applicants due to pre-development cycles.

13. What changed in the GRRP Supplemental Notice posted on 1/8/2024?

The [GRRP Notice](#) was supplemented and amended by Housing Notice 2024-01 in the following respects:

- **Disbursement of GRRP Funds.** Amends the disbursement requirements for the Elements, Leading Edge, and Comprehensive awards by revising the process for submitting draw requests, increasing the maximum amount of award funds that may be disbursed during the construction period, clarifying a condition for when remaining funds may be disbursed, and removing the requirement for an Escrow Deposit Agreement for the disbursement of Comprehensive Award funds.

- Surplus Cash Loan Terms. Provides updates to the terms for Surplus Cash Loans by clarifying when payments begin, allowing for the payment of deferred developer fees prior to calculating the Surplus Cash for the first ten years of payments, and extending the term of any Surplus Cash Loan from 15 years to up to 30 years.
- Renewable Energy Credits. Adds guidance about the purchase of renewable energy credits by the Owner to achieve a Leading Edge Qualifying Certification. Owners must continue to purchase credits for the greater of the duration required by the Certification or three (3) years.
- Davis-Bacon Wages and Project Labor Agreements. Clarifies when the Davis-Bacon wage rates should be locked in at the issuance of the Leading Edge Commitment (LEC) or Comprehensive Construction Commitment (CCC) and adds guidance for Owners that elect to submit a project labor agreement (PLA).
- Developer Fee Terms. Clarifies limits on the total developer fee.
- Other Technical and Clarifying Changes on the following items:
 - Resident Notification after Award
 - GRRP Shared Savings Retainer
 - Combining GRRP Award with Other Government Funds
 - Energy Reduction Goal Methodology
 - Elements Closing Package Requirements

See [here](#) for a redline version of the full changes made to the GRRP Notice by Housing Notice 2024-01.

13. What changed in the April 2024 update to the Elements NOFO?

1. Conforming edits to reflect the changes to due dates for applications.
 - **Edit:** “Due Date for Applications: ~~03/28/2024~~ **07/31/2024**”
 - **Edit:** “The application deadline is 11:59:59 PM Eastern time on ~~03/28/2024~~ **07/31/2024**”
 - **Edit:** “All applications received before 11:59:59 PM Eastern time on ~~01/04/2014~~ **03/28/2024**, including applications from the First Application Period and the Second Application Period that were not previously selected for funding, shall be considered during the Third Application Period.
 - **Edit:** “All applications received before 11:59:59 PM Eastern time on ~~03/28/2024~~ **07/31/2024**, including applications from the First Application Period, the Second Application Period, and the Third Application Period that were not previously selected for funding, shall be considered during the Fourth Application Period. Each such grouping is referred to below as an Application Period.
 - **Justification:** A prior revision to this NOFO modified the third and fourth application period due dates. These edits make conforming edits in other sections of the NOFO.
2. Expansion of threshold eligibility requirements related to the recapitalization.
 - **Edit:** “The Elements NOFO provides modest awards designed to add proven and highly impactful climate resilience and carbon reduction measures to the construction scopes of in-progress **or recently closed** recapitalization transactions.”
 - **Edit:** “This NOFO is designed to target eligible properties that are pursuing a recapitalization. **They must have recently closed on their transaction or be materially advanced but not yet closed on financing and in both cases** have an opportunity to make these transactions greener and more climate resilient through targeted upgrades of specific building components.”

- **Edit:** “6. Recapitalization. The owner must **either (1) be materially advanced, but not yet closed, in a recapitalization effort for the property or (2) have closed a recapitalization transaction since May 11, 2023,** as evidenced by both:
 - A. 1. For applications for transactions that have not yet closed,** achievement of one of the following prior to submitting a GRRP application, as evidenced by PDF documentation **and description in the narrative:**
 - Receipt of a reservation letter for either 4% or 9% tax credits,
 - Receipt of a commitment for construction or permanent debt from a commercial lender,
 - Submission of a complete FHA Firm Application,
 - For properties with a PBRA Housing Assistance Payment Contract, submission of a request to the property’s Account Executive for a Transfer of Physical Assets or a HAP assignment to pursue a recapitalization action,
 - Submission of a post-conversion RAD Transfer of Assistance request to the Office of Recapitalization,
 - Issuance of a Section 811 or Section 202 Capital Advance FY2018 - FY2023 award letter **that has not reached firm commitment,** or
 - Submission of a substantially complete “Waiver of the Due on Sale or Refinance Clause” request to HUD with respect to Post-Mark-to-Market (“PM2M”) transactions; and
 - 2. For transactions that have reached closing since May 11, 2023, evidence of closing on one of the below recapitalization transactions with PDF documentation and description in the narrative:**
 - 4% or 9% low-income housing tax credit transaction,
 - Initial Closing on an FHA Loan,
 - Secured construction or permanent debt from a commercial lender, or
 - Section 811 or Section 202 Capital Advance FY2018 - FY2023 Award.”
- **Edit:** ‘B. Unless the project consists of solely new construction, the applicant has commissioned and received a Capital Needs Assessment (CNA) of the property within the past 24 months, **or in the case of a transaction that has recently closed, within 24 months of the date of closing,** that was conducted by an independent, third-party capital needs assessor and that was conducted to comply with one of the below sets of requirements:”
- **Edit:** “Applicants **that have not yet closed on their recapitalization transaction** may also request up to 10% of the requested funding amount for Eligible Soft Costs. (see Appendix III)”
- **Edit:** “Evidence that the recapitalization effort for the property is materially advanced (PDF) (see Eligibility, Section III.D.6, above) **or closed since May 11, 2023.**”
- **Edit:** Insert in the listing of required submission materials **“For transactions that closed since May 11, 2023, a certification by the Owner that the Elements Investments have been added on to the scope of the recapitalization since closing or needed to be removed from the scope of work with the sources and uses in place at the closing as a result of construction price changes. The Owner must submit evidence of the sources and uses and scope of work in place and approved by the lender(s) and/or investor at closing.”**

- **Edit:** “Applicants that submit a certification from the project’s architect that the property currently uses (or used prior to a rehab event that closed after May 11, 2023) gas or oil for heat, hot water, or appliances in the residential units, but if rehabilitated according to plans and specifications, will be fully electrified at completion of the rehabilitation or construction.”
 - **Justification:** To make properties that have closed in a recapitalization transaction since 5/11/23 eligible to apply under this NOFO.
3. Modification of references to the GRRP Notice.
 - **Edit:** “Housing Notice H 2023-05 as amended”
 - **Justification:** To clarify that the GRRP Notice has been and could continue to be amended.
 4. Inclusion of a requirement to submit evidence from SAM.gov showing the property-level UEI with active registration.
 - **Edit:** Insert in the listing of required submission materials “A printout or screenshot from SAM.gov showing the property-level UEI with active registration.”
 - **Justification:** To alleviate review of applications that may have inconsistent or incorrect UEI information.
 5. Modification of instructions for submitting application materials.
 - **Edit:** “Each ~~tab must be submitted as a separate~~ document ~~and~~ must be clearly labeled with the property iREMS number and item name.”
 - **Justification:** To simplify the requirements for submitting documentation.
 6. Establish a consistent and clear policy on how awards will be selected following the Fourth Application Review Period.
 - **Edit:** “Any remaining funding, including any funding that becomes available from awards that are withdrawn, revoked or modified prior to the Fourth Application Period, shall be available for applications from the Fourth Application Period. Any funding remaining or the that becomes available after the Fourth Application Period shall, at HUD’s sole discretion, be available to make awards to waitlist properties in the Leading Edge NOFO.”
 - **Justification:** To make replacement awards as program subsidy funds accumulate after the Fourth Application Period closes in a fair and transparent manner, with minimal administrative burden and time delays.
 7. Implement new sponsor caps for applications selected in the Fourth Application Period and for total applications.
 - **Edit:** “An applicant or any Affiliates of an applicant shall not receive more than four awards in any of the First, Second, or Third Application Periods and not more than two awards in the Fourth Application Period nor more than 14 awards in total, unless there is funding remaining after funding all other eligible applications.”
 - **Edit:** “Further, to the extent that all minimums cannot be met with the funds allotted per Application Period, HUD will first select properties for participation that satisfy the regional, then non-metropolitan set-asides.”
 - **Justification:** To limit the amount of awards a sponsor can receive in an Application Review Period and align sponsor cap across all cohorts.
 8. Clarification on previously completed Environmental Reviews.
 - **Edit:** “Demonstration of environmental due diligence as evidenced by demonstration that an environmental review has already been completed for another funding source,

the Submission of its environmental review into [HUD’s Environmental Review Online System \(HEROS\)](#) as required by Section VI.B below or, in the event of technical difficulties with HEROS, a PDF as permitted by Section VI.B below.

- **Edit:** “To complete this preliminary environmental screen, HUD will rely on an Environmental Review that has already been completed for another funding source. Where one has not been completed HUD requires all applicants to submit the environmental documentation listed below.”
 - **Justification:** To clarify how the preliminary environmental screen may be unnecessary if a full Environmental Review has already been completed.
9. Amend the contact information for assigning completed HEROS submissions.
- **Edit:** After the HEROS submission is complete, assign it in the system to **Ladrenna Figueroa**, ladrenna.a.figueroa@hud.gov.”
 - **Justification:** To clarify the new contact person for HEROS submissions.
10. Amend the APPENDIX III: Eligible Elements Investments section to account for expanded eligibility threshold.
- **Edits:**

“The below items are the eligible investments for Elements awards. Unless otherwise noted below under Funding Limitations, all investments will be funded at the lesser of the actual costs or the award maximum. Actual costs may include cost of installation, but any General Contractor profit, overhead, or general conditions must be separately listed and meet all requirements of the Financial Thresholds included in Exhibit B of Housing Notice H 2023-05 as amended. **Applicants that have closed on a recapitalization transaction since May 11, 2023, will need to meet the Financial Thresholds based on the full sources and uses from the original recapitalization plus any additional costs from the Elements Investments.** Applicants shall identify the selected investments and associated costs in the Application Form.

For transactions that have already closed on a recapitalization event, or that close on the recapitalization event after submitting a GRRP Application but prior to award, the following conditions apply:

- The table below has been annotated to identify certain investments that are ineligible.
- Unless the transaction had previously received Environmental Clearance under Part 50 or Part 58, the application may not propose Elements Investments that require ground disturbance.
- The requirements regarding Environmental Review as stated in Section VI.B.31 of this NOFO apply and any awardee must receive Environmental Clearance before beginning any GRRP-funded work. Where a project has already received environmental clearance under Part 50, the GRRP-funded work may require a re-evaluation. Where an Environmental Review under Part 50 has not yet occurred, HUD will conduct a new Environmental Review (but may rely on documentation produced for a Part 58 review or other local review process)

All properties	
Item	Funding Limit (no award will exceed the overall cap of \$750,000 or \$40,000 per unit, and no individual item may exceed actual costs)
Clean energy generation	

Rooftop or ground mounted solar, including any battery back-up	Actual cost
On-site wind energy generation	Actual cost
Geothermal energy generation system	Actual cost
Community solar installation or participation	Actual cost
Level 2 electric vehicle charging stations on-site for resident use, building operations use, or vehicles used for resident support and service provision; cost to residents to use stations must be capped at actual cost of the electricity plus maintenance	Funding for no more than 1 station per 20 residential units in the property, rounded up
Electric air source or ground source heat pumps rated at least 18 SEER, 18 HSPF, or 22.5 IEER.	<p>Lesser of \$1,500 per unit served by the heat pump or actual costs</p> <p>Actual costs if converting from gas HVAC</p> <p>Transactions that have closed on their recapitalization transaction prior to GRRP Award are not eligible for actual costs of the conversion from gas.</p>
Electric Domestic Hot Water heat pumps rated 3.3 UEF or greater	<p>Lesser of \$700 per unit served by the heat pump or actual costs</p> <p>Actual costs if converting from gas water heating</p> <p>Transactions that have closed on their recapitalization transaction prior to GRRP Award are not eligible for actual costs of the conversion from gas.</p>
Energy Star® 7.0 windows following U-Factor and SHGC recommendations by climate zone	<p>30% of the installed cost</p> <p>Not available for transactions that have closed on their recapitalization event prior to GRRP Award.</p>
Electrical transformer, panel, or wiring work for projects pursuing electrification of any system or component, or to accommodate other technologies funded by the Elements award. Owners must indicate in the application which systems are being electrified or which Elements investments require the work being funded. Pre-wiring work may be performed for a greater number of electric vehicle charging stations than will be funded by the Elements Award.	Actual cost

<p>Responsibly sourced building materials, based on the definitions in LEED v4.1 BD+C Core and Shell definitions under Responsible Sourcing of Raw Materials, as such definition is updated from time to time:[1]</p> <ul style="list-style-type: none"> • <i>Extended producer responsibility.</i> Products purchased from a manufacturer (producer) that participates in an extended producer responsibility program or is directly responsible for extended producer responsibility. • <i>Bio-based materials.</i> Bio-based products and materials other than wood must be tested using ASTM Test Method D6866 or equivalent method ISO 16620-2, or be certified to the USDA BioPreferred Voluntary Labeling Initiative that includes verification via ASTM 6866 testing. Excludes hide products, such as leather and other animal skin material. • <i>Wood products.</i> Wood products must be certified by the Forest Stewardship Council. • <i>Materials reuse.</i> Reuse includes salvaged, refurbished, or reused products. • <i>Recycled content.</i> Products made of at least 50% recycled content. Recycled content is the sum of postconsumer recycled content plus one-half the preconsumer recycled content, based on weight. • <i>Products sourced (extracted, manufactured, and purchased) within 100 miles (160 km) of the project site.</i> 	<p>25% of the materials' cost</p> <p>Not available for transactions that have closed on their recapitalization event prior to GRRP Award.</p>
<p>Insulation R-value that meets or exceeds 2021 IECC requirements, using no HFC materials or blowing agents</p>	<p>50% of the installed cost of the insulation</p> <p>Not available for transactions that have closed on their recapitalization event prior to GRRP Award.</p>
<p>Verification and commissioning costs for any of the identified and funded Elements investments including the cost to obtain a green building certification</p>	<p>Lesser of actual costs or 3% of the Elements funding requested</p>
<p>Initial integrated Pest Management inspection, planning, and treatment</p>	<p>\$20 per unit</p> <p>Not available for transactions that have closed on their recapitalization event prior to GRRP Award.</p>
<p>Electric ovens, cooktops, ranges, and clothes dryers, if converting from gas or oil</p>	<p>20% of the cost of the installed electric appliance</p>

	Not available for transactions that have closed on their recapitalization event prior to GRRP Award.
Elements Eligible Soft Costs required for the incorporation of the Elements investments into the recapitalization	10% of the total Elements funding requested Not available for transactions that have closed on their recapitalization event prior to GRRP Award.
Any technologies or improvements not otherwise listed above that reduce modeled emissions, energy usage, or water usage at the property by at least 25% from current emissions or usage. Applicants must submit a description of the technologies and/or improvements proposed for funding along with modeling demonstrating that the technologies and/or improvements are directly related to emissions, energy use, or water use reduction at the property and an architect or engineer’s certification that the reductions in emissions, energy use, or water use are reasonable estimates based on the design, plans, and specifications for the property.	Actual cost Not available for transactions that have closed on their recapitalization event prior to GRRP Award.
Clean backup power, such as battery storage or clean generators, sufficient to power critical building needs for at least three days	Actual cost
Outfitting space into a community emergency shelter with resources such as emergency potable water access, clean backup power (as described above) sufficient for heating and cooling the emergency space, refrigeration, and emergency supplies	Actual cost
Emergency potable water access, such as a rooftop tank, emergency faucet, or rainwater harvest sufficient to provide one gallon per person for three days	Actual cost
Tightening of building envelope through air-seal testing and sealing of identified deficiencies	Actual cost Not available for transactions that have closed on their recapitalization event prior to GRRP Award.
Properties located in the FEMA 500-year floodplain (or 100-year floodplain where FEMA has not mapped the 500-year floodplain) OR properties located in a census tract with Very High or Relatively High NRI score on coastal flooding, hurricane, tsunami, or riverine flooding OR properties submitting evidence of a recent flood event and an elevation certificate	
Item	Funding Limit
Floodproofing of building mechanicals, common areas, and residential units to at least the greater of the 500-year floodplain or two feet above the 100-year floodplain based on FEMA Flood Insurance Rate Maps (FIRM)	

Elevation of the building or building mechanicals	Actual cost
Flood vents	Actual cost
Roof and foundation sealing	Actual cost
Sewage backflow preventers	Actual cost
Flood doors	Actual cost
Site perimeter floodproofing through floodwalls, berms, bioswales, or vegetated swales	Actual cost
Stormwater management	
Permeable pavement (pervious concrete, porous asphalt, or permeable interlocking pavers)	\$3 per square foot
Green or blue roof	Actual cost
Subsurface stormwater storage system	Actual cost
Properties located in a census tract with Very High or Relatively High NRI score on hurricane, strong wind, hail, or tornado	
Item	Funding Limit
Wind- and impact-resistant windows and sliding glass doors, certified to meet FEMA P-361 or ICC 500 standard	\$1,000 per sliding glass door \$100 per window Not available for transactions that have closed on their recapitalization event prior to GRRP Award.
Storm shutters	Actual cost
FORTIFIED certification	
FORTIFIED Roof	\$2 per square foot of roof
FORTIFIED Silver	\$2.50 per square foot of roof
FORTIFIED Gold	\$3.50 per square foot of roof
Properties located in a census tract with Very High or Relatively High NRI score on heat wave or drought	
Item	Funding Limit
Cool or high albedo roofing, including coatings, radiant barriers, or reflective materials	Actual cost
Installation of high-efficiency Heat Recovery Ventilator (HRV) or Energy Recovery Ventilator (ERV)	Actual cost
Rainwater harvest or greywater collection for reuse such as landscape irrigation	Actual cost
Properties located in a census tract with Very High or Relatively High NRI score on cold wave, ice storm, or winter weather	

Item	Funding Limit
Installation of high-efficiency Heat Recovery Ventilator (HRV) or Energy Recovery Ventilator (ERV)	Actual cost
Properties located in a census tract with Very High or Relatively High NRI score on wildfire	
Item	Funding Limit
Fire resistant roof (Class A rating), if not required by local code	\$2.50 per square foot
Fire resistant or non-combustible materials, if not required by local code, for:	
First floor windows (either multipaned glass with a tempered outer pane or glass blocks)	\$100 per window
Fencing within 5 feet of the building, including where attached to the building (noncombustible material such as metal)	\$10 per foot

- **Justification:** To clarify which Elements investments an applicant may request if their property has recently closed on a recapitalization transaction.

14. What changed in the April 2024 update to the Leading Edge NOFO?

11. Modification of application deadline for the Fourth Application Review Period.

- **Edit:** “Due Date for Applications: ~~04/30/2024~~ **05/15/2024**”
- **Edit:** “The application deadline is 11:59:59 PM Eastern time on ~~04/30/2024~~ **05/15/2024**”
- **Edit:** “Deadlines. The application deadlines are:
 - 07/31/2023 to be considered in the First Application Period
 - 10/31/2023 to be considered in the Second Application Period
 - 01/31/2024 to be considered in the Third Application Period
 - ~~04/30/2024~~ **05/15/2024** for all other applications”**Edit:** “The application deadline is 11:59:59 PM Eastern time on ~~04/30/2024~~ **05/15/24**”
- **Edit:** “All applications received before 11:59:59 PM Eastern time on ~~04/30/2024~~ **05/15/2024**, including applications from the First Application Period, the Second Application Period, and the Third Application Period that were not previously selected for funding, shall be considered during the Fourth Application Period.”
- **Justification:** The revision provides more time for applicants under this NOFO to submit their applications under the last Application Period.

12. Modification of description of Elements NOFO.

- **Edit:** “The Elements NOFO provides modest awards designed to add proven and highly impactful climate resilience and carbon reduction measures to the construction scopes of in-progress **or recently closed** recapitalization transactions.”
- **Justification:** Updates the summary description of the Elements NOFO

13. Modification of references to the GRRP Notice.

- **Edit:** “Housing Notice H 2023-05 **as amended**”
- **Justification:** To clarify that the GRRP Notice has been and could continue to be amended.

14. Clarification of the type of eligible contract types.
 - **Edit:** “Properties assisted by the following types of **Section 8** Project-Based Rental Assistance (PBRA) Housing Assistance Payments (HAP) Contracts:”
 - **Justification:** Many questions have been received about eligibility related to vouchers. This edit will clarify the specific eligibility requirement.
15. Inclusion of a requirement to submit evidence from SAM.gov showing the property-level UEI with active registration.
 - **Edit:** Insert in the listing of required submission materials “**A printout or screenshot from SAM.gov showing the property-level UEI with active registration**”
 - **Justification:** To alleviate review of applications that may have inconsistent or incorrect UEI information.
16. Modification of the instructions for submitting the application materials, specifically clarifying the curable deficiency process.
 - **Edit:** “In evaluating each application, HUD will determine if there are program-specific curable deficiencies that can be remedied through grrp@hud.gov email correspondence with the applicant.”
 - **Edit:** “**A complete application must include all the information, materials, forms and documents listed above, as applicable. Each document must be clearly labeled with the property iREMS number and item name.**”
 - **Justification:** This text brings together existing guidance on curable deficiencies.
17. Implement new sponsor caps for applications selected in the Fourth Application Period and for total applications.
 - **Edit:** “An applicant or any Affiliates of an applicant shall not receive more than three awards **in any of the First, Second, or Third Application Periods and not more than two awards in the Fourth** Application Period nor more than **11** awards in total **(including from the waiting list)**, unless there is funding remaining after funding all other eligible applications.”
 - **Justification:** To limit the amount of awards a sponsor can receive in an Application Review Period and align sponsor cap across all cohorts.
18. Clarification of ranking and selection of applications and establishment of a consistent and clear policy on how awards will be selected following the Fourth Application Period.
 - **Edit:** “**Further, to the extent that all minimums cannot be met with the funds allotted per Application Period, HUD will first select properties for participation that satisfy the regional, then non-metropolitan set-asides.**”
 - **Edit:** “**HUD will place the remaining eligible properties on a waitlist according to the scoring and ranking received during the application review. An applicant will be notified of placement on the waitlist. Selections from the waitlist will be made without regard to the use of Portfolio Manager or MBEST and without regard to regional or metro/non-metro set asides. In the event HUD accumulates (i.e., de-obligates) program subsidy funds from prior awards that are withdrawn, revoked, or amended, HUD will select for award the highest ranked eligible properties on the waiting list for which adequate funds have been accumulated on the earlier to occur of 1) HUD’s accumulation of program subsidy funds sufficient to make the award to the highest ranked eligible property on the waiting list, or 2) HUD’s accumulation of \$8,000,000 in program subsidy funds. (Grants require program subsidy equivalent to the full grant amount while loans require program subsidy funds sufficient to cover a portion of the total loan amount,**

e.g., for awards made in FY 24 the portion is 38.66%.) In the event that neither of the above two conditions has been met in a 60-day period, but HUD has accumulated sufficient funds to select at least one property from the waiting list, HUD will select for award the highest ranked eligible properties on the waiting list for which adequate funds have accumulated and then the 60-day period will be reset after selection. In addition, HUD reserves the right, at its discretion, to select for award the highest ranked eligible properties on the waiting list for which adequate funds have accumulated thirty (30) days prior to the end of any HUD fiscal year. HUD will skip over applications and select the next qualified application as necessary to award the available funds pursuant to this paragraph. HUD shall repeat the above process as additional program subsidy funds accumulate. When there are no remaining properties on the Leading Edge waitlist eligible to receive funding under the foregoing waitlist procedures, any remaining funds shall be made available for GRRP awards to waiting list properties in the Comprehensive cohort, if applicable. Further, in order to meet federal obligation and disbursement deadlines, HUD will communicate on www.hud.gov/grrp how it will use any funding that accumulates after September 30, 2027, which may include making awards to waiting list properties, making awards to waiting list properties in the Comprehensive cohort, or increasing funding amounts for existing Leading Edge Awards above the maximum amounts described in this NOFO.”

- **Justification:** To detail how and when properties will be added to and selected from the waitlist to receive awards as program subsidy funds accumulate after the Fourth Application Period closes.

19. Modification of the contact information for assigning completed HEROS submissions.

- **Edit:** After the HEROS submission is complete, assign it in the system to **Ladrenna Figueroa, ladrenna.a.figueroa@hud.gov**.”
- **Justification:** To clarify the new contact person for HEROS submissions.

15. What changed in the April 2024 update to the Comprehensive NOFO?

20. Modification of application deadline for the Fourth Application Period.

- **Edit:** “Due Date for Applications: ~~05/30/2024~~ **06/12/2024**”
- **Edit:**” The application deadline is 11:59:59 PM Eastern time ~~05/30/2024~~ **06/12/2024**”
- **Edit:** “Due Date for Applications: ~~05/30/2024~~ **06/12/2024**”
- **Edit:** “Deadlines. The application deadlines are:
 - 08/31/2023 to be considered in the First Application Period
 - 11/30/2023 to be considered in the Second Application Period
 - 02/28/2024 to be considered in the Third Application Period
 - ~~05/30/2024~~ **06/12/2024** for all other applications”
- **Edit:** “All applications received before 11:59:59 PM Eastern time on ~~05/30/2024~~ **06/12/2024** including applications from the First Application Period, the Second Application Period, and the Third Application Period that were not previously selected for funding, shall be considered during the Fourth Application Period. Each such grouping is referred to below as an Application Period.”
- **Justification:** The revision provides more time for applicants under this NOFO to submit their applications for the last Application Period.

21. Modification of description of Elements NOFO.

- **Edit:** “The Elements NOFO provides modest awards designed to add proven and highly impactful climate resilience and carbon reduction measures to the construction scopes of in-progress **or recently closed** recapitalization transactions.”
 - **Justification:** Updates the summary description of the Elements NOFO
22. Modification of references to the GRRP Notice.
- **Edit:** “Housing Notice H 2023-05 **as amended**”
 - **Justification:** To clarify that the GRRP Notice has been and could continue to be amended.
23. Clarification of the type of eligible contract types.
- **Edit:** “Properties assisted by the following types of **Section 8** Project-Based Rental Assistance (PBRA) Housing Assistance Payments (HAP) Contracts.”
 - **Justification:** Many questions have been received about eligibility related to vouchers. This edit will clarify the specific eligibility requirement.
24. Inclusion of requirement to submit evidence from SAM.gov showing the property-level UEI with active registration.
- **Edit:** Insert in the listing of required submission materials “**A printout or screenshot from SAM.gov showing the property-level UEI with active registration.**”
 - **Justification:** To alleviate review of applications that may have inconsistent or incorrect UEI information.
25. Modification of instructions for submitting application materials.
- **Edit:** “Each **must be submitted as a separate** document **and** must be clearly labeled with the property iREMS number and item name.”
 - **Justification:** To simplify the requirements for submitting documentation.
26. Clarification of how Portfolio Manager/MBEST set-aside operates.
- **Edit:** “~~Properties that use the MBEST will be ranked separately from properties using Portfolio Manager.~~”
 - **Edit:** “Within each Application Period **and within each of the Portfolio Manager and MBEST set asides, considered separately**, HUD will first rank applicants that have a Climate Hazard Risk Score including or between 75 and 100 and an Efficiency Score including or between 75 and 100 in order of their Total Scores, beginning with the highest Total Scores.”
 - **Edit:** “Subject to the regional, metropolitan/non-metropolitan, and owner diversity set asides set forth below, the highest ranked properties **of applicants using Portfolio Manager and MBEST separately** will be selected for participation until either all applicants with Total Scores over the required minimum have been funded or the remaining funding is inadequate to fund the next highest ranked application.”
 - **Justification:** To reduce confusion about the application of the Portfolio Manager/MBEST set-aside relative to other selection needs.
27. Inclusion of new sponsor caps for applications selected in the Fourth Application Period and for total applications.
- **Edit:** “An applicant or any Affiliates of an applicant shall not receive more than five awards in any **of the First, Second, or Third** Application Periods **and not more than two awards in the Fourth Application Period** nor more than **17** awards in total **(including from the waitlist)**, unless there is funding remaining after funding all other qualified applications.”

- **Justification:** To limit the amount of awards a sponsor can receive in an Application Review Period and align sponsor cap across all cohorts.
28. Establishment of a consistent and clear policy on how awards will be selected following the Fourth Application Period.
- **Edit:** “HUD will place the remaining eligible properties on a waitlist according to the scoring and ranking received during the application review. An applicant will be notified of placement on the waitlist. Selections from the waitlist will be made without regard to the use of Portfolio Manager or MBEST and without regard to regional or metro/non-metro set asides. In the event HUD accumulates (i.e., de-obligates) program subsidy funds from prior awards that are withdrawn, revoked, or amended, HUD will select for award the highest ranked eligible properties on the waiting list for which adequate funds have been accumulated on the earlier to occur of 1) HUD’s accumulation of program subsidy funds sufficient to make the award to the highest ranked eligible property on the waiting list, or 2) HUD’s accumulation of \$8,000,000 in program subsidy funds. (Grants require program subsidy equivalent to the full grant amount while loans require program subsidy funds sufficient to cover a portion of the total loan amount, e.g., for awards made in FY 24 the portion is 38.66%.) In the event that neither of the above two conditions has been met in a 60-day period, but HUD has accumulated sufficient funds to select at least one property from the waiting list, HUD will select for award the highest ranked eligible properties on the waiting list for which adequate funds have accumulated and then the 60-day period will be reset after selection. In addition, HUD reserves the right, at its discretion, to select for award the highest ranked eligible properties on the waiting list for which adequate funds have accumulated thirty (30) days prior to the end of any HUD fiscal year. HUD will skip over applications and select the next qualified application as necessary to award the available funds pursuant to this paragraph. HUD shall repeat the above process as additional program subsidy funds accumulate. When there are no remaining properties on the Comprehensive waitlist eligible to receive funding under the foregoing waitlist procedures, any remaining funds shall be made available for GRRP awards to waiting list properties in the Leading Edge cohort, if applicable. Further, in order to meet federal obligation and disbursement deadlines, HUD will communicate on www.hud.gov/grrp how it will use any funding that accumulates after September 30, 2027, which may include making awards to waiting list properties, making awards to waiting list properties in the Leading Edge cohort, or increasing funding amounts for existing Comprehensive Awards above the maximum amounts described in this NOFO.”
 - **Justification:** To make replacement awards as program subsidy funds accumulate after the Fourth Application Period closes in a fair and transparent manner, with minimal administrative burden and time delays.
29. Inclusion of a requirement for receiving benchmarking reimbursement.
- **Edit:** “c. The owner has shared their benchmarking data with HUD following the steps outlined in https://www.hud.gov/sites/dfiles/Housing/documents/FINAL_9.2023.Benchmarking-Instructions_with_Cover.pdf”
 - **Justification:** To clarify the documentation required for applicants to receive reimbursement for benchmarking.

Eligibility

16. Who is eligible for GRRP funding? (5/11/2023)

In general, eligibility is focused on properties assisted under the Section 8 Project-Based Rental Assistance (PBRA) program, including properties that converted under the RAD Program prior to September 30, 2021; the Section 202 Housing for the Elderly program; the Section 811 Housing for Persons with Disabilities program; or the Section 236 program. For complete information on eligibility, please see the Notices of Funding Opportunity on [hud.gov/grrp](https://www.hud.gov/grrp).

17. Are properties that have converted under RAD or plan to convert under RAD eligible for GRRP? (5/11/2023)

See Section IIIA.1 of the GRRP NOFOs. Only Rental Assistance Demonstration (RAD) PBRA Contracts executed on or before September 30, 2021 are eligible for GRRP. RAD PBV contracts and public housing projects in the process of converting under are not eligible for GRRP. Projects that are assisted by a 202 PRAC are eligible for GRRP, but cannot convert under RAD until after the GRRP Award has closed.

18. Are properties that accept Section 8 HCV eligible? (6/15/2023)

No, only properties with a project-based HUD rental assistance contract under Section 8, Section 202, 811, or another small program are eligible. Please see Section III of the Notices of Funding Opportunity for complete eligibility information.

19. Do properties have to be in a recapitalization transaction to be awarded GRRP funds? (6/15/2023)

Only the Elements cohort requires a recapitalization transaction. However, GRRP was designed to leverage other affordable housing funding sources and to ensure that properties receiving funding are preserved for many years to come. As such, participating properties must address all capital needs at the property, not just make a few green or resilient improvements.

20. How do I figure out if my HAP contract is eligible? (6/15/2023)

Please review your HAP contract and the appropriate NOFO to determine eligibility. If you cannot find your program type, please contact your HUD Account Executive.

21. How many units need to be HUD-assisted to qualify for GRRP? (6/15/2023)

More than 50% of the units at the property must be HUD-assisted under one of the programs listed in the Leading Edge and Comprehensive NOFOs to qualify for the Leading Edge or Comprehensive cohorts. Elements awards require a HUD-assistance contract as listed in Elements NOFO, but there is no assisted unit minimum.

22. Are new construction projects eligible? (6/15/2023)

Yes, if the applicant has an eligible HUD Multifamily assistance contract. Applicants should use the existing HUD-assisted project for data and scoring needed for the applications (e.g. MBEST). Other HUD approvals for the new construction elements may be required.

23. Is a Mod Rehab or Mod Rehab SRO property eligible to apply? (6/15/2023)

No, properties with a Section 8 Mod Rehab HAP contract or a Section 8 McKinney Mod Rehab SRO HAP contract are not eligible to apply to GRRP. For complete information on eligibility, please see the Notices of Funding Opportunity on [hud.gov/grrp](https://www.hud.gov/grrp).

24. Are Public Housing properties eligible to apply? What about those undergoing a RAD conversion? (6/15/2023)

No, Public Housing properties are not eligible to apply to GRRP, even if they're currently undergoing a RAD conversion. For complete information on eligibility, please see the Notices of Funding Opportunity (NOFOs) on [hud.gov/grrp](https://www.hud.gov/grrp).

25. Are scattered sites properties eligible to apply? (6/15/2023)

Yes. If the scattered site property has an eligible HUD assistance contract, it is eligible to apply to GRRP. Note that the GRRP applications (one for each cohort) are structured to be submitted by iREMS ID number so each application should reference only one HUD-recognized property in iREMS. Multiple buildings that operate under a single iREMS number (a "scattered site" property) should be submitted as a single application.

26. Does an owner contribution (owner equity) count as a "recapitalization event"? (6/21/2023)

For the purposes of the Elements award cohort, an owner contribution alone is not sufficient to qualify as a recapitalization event. However, awardees are welcome to use owner equity as a funding source. See the Elements NOFO for details on eligible recapitalization events.

27. My project is close to closing on an existing recapitalization event. Can I close and then apply for a GRRP award to fund additional scope of work items? (4/9/24)

Depending on the timing of your closing, you may be eligible to apply to the Elements cohort. The qualifying recapitalization transaction for the property must have closed since May 11, 2023 or be materially advanced and ready to close within ~12 months. If your property is pursuing an advanced green certification, it may also be possible to apply to the Leading Edge cohort after closing has occurred. Note that GRRP awards cannot be used to reimburse costs already incurred but depending on progress of the rehab, the GRRP award could be used to add to or enhance the existing scope of work so that the project can achieve one of the eligible green certifications listed in the Leading Edge NOFO.

28. For the Elements cohort, is commitment for construction debt from a government lender an eligible recapitalization event? (6/22/2023)

The Elements NOFO states that receipt of a commitment for construction or permanent debt from a commercial lender is a qualifying event. Government construction or permanent debt would be eligible if underwritten by a commercial underwriter (e.g. allocations of bonds).

29. The Leading Edge NOFO (IV.B.1 – Demonstration of Development Team Capacity) states that to be eligible "The owner or developer has reached completion on at least three multifamily recapitalization transactions within the last five years using financing similar to that proposed for the Leading Edge transaction and which involved more than \$60,000 per unit of hard construction costs." How does HUD define hard construction costs? (7/19/2023)

For the purposes of eligibility under the Leading Edge NOFO, hard construction costs include construction/rehabilitation costs, general requirements, overhead and profit, and payment and performance bonds.

30. The Leading Edge cohort requires that both 1) the architect or a member of the architectural team and 2) at least one of the owners (or Affiliate of the owner, as applicable), Developer, consultant, or General Contractor, have worked on a project that successfully achieved a green certification in the last 10 years. Does this experience need to be with the same certification the project is pursuing? (11/21/2023)

No. The architect may demonstrate capacity by having achieved **any of the certifications listed in Section III.D.6** of the NOFO, not including badges or add-ons - this does not have to be on the same certification the applicant project is pursuing. Unless a specific year or version is listed in Section III.D.6 (e.g., LEED v4, Enterprise Green Communities Plus 2020), experience with previous versions counts towards this requirement. Experience with lower tiers than what are listed in Section III.D.6 (e.g., NGBS Silver, Greenpoint Silver) does not count. The owner, Developer, consultant, or General Contractor may demonstrate capacity by having achieved **any certification from the certifying organizations** (with the exception of Energy Star).

31. (Leading Edge) How does GRRP define a “completed recapitalization transaction” when considering a team’s previous experience? (1/2/2024)

Completed is defined as achieving any of the milestones listed in the NOFO (“reached financial closing, construction completion, placed in service, final endorsement, or permanent financing conversion milestones, as applicable”) on at least three multifamily recapitalization transactions within the five years prior to the application due date. To count towards this experience, the recapitalizations should include more than \$60,000 per unit in hard costs and have involved financing similar to that proposed for the Leading Edge Award. The recapitalization transactions can be for retrofit or new construction and for affordable or market rate housing.

32. What State Housing Finance Programs are under the “State Housing Finance Program” listed in the eligibility section of the NOFO? (1/9/2024)

The State Housing Agencies Program was a HUD Section 8 program consisting of contracts originally entered into pursuant to 24 CFR 883 it does not refer to state housing agency programs generally. To be eligible for GRRP funding the property must receive HUD Project Based Rental Assistance, which is funding directly from HUD to the property owner or a Performance Based Contract Administration (PBCA). Properties that receive this type of assistance would have a Housing Assistance Payment Contract or a Project Rental Assistance Contract.

33. If I closed after I submitted my application but before I was selected, am I still eligible for an Elements award? (Updated for clarification 6/17/24)

For all Elements applications: If an applicant closed on their eligible recapitalization transaction before May 11, 2023, they are not eligible for GRRP.

For Elements review period 3 and earlier (all applications received on or before March 28, 2024): If an applicant closes on their eligible recapitalization transaction before the application due date for the review period they are applying for then they are no longer eligible. However, if an applicant closes on their eligible recapitalization transaction after the application due date but before receiving an Elements Award Letter, they are still eligible. In these situations, however,

making some of the chosen investments prior to completion of the HUD environmental review process may be a “choice limiting action” under HUD’s Environmental Review requirements. A choice limiting action is any activity that reduces or eliminates a grantee’s opportunity to choose project alternatives that would avoid or minimize environmental impacts or enhance the quality of the human environment. A choice limiting action will affect HUD’s ability to fund the project, so applicants should consult with their environmental professional and ensure compliance with all Environmental Review requirements.

For Elements review period 4 only (applications submitted between March 29th and July 31, 2024), following the April 2024 update of the Elements NOFO: If an applicant closed, or will close, on their eligible recapitalization transaction after May 11, 2023 but before receiving a GRRP award, they are eligible but only for a subset of investments (see annotations on the Eligible Elements Investments table in the Elements NOFO, Appendix III). Please note this change allowing previously closed transactions between May 11, 2023 and July 31, 2024 is reflective of the April 2024 Elements NOFO change and only impacts the fourth application wave. In these situations, however, making some of the chosen investments prior to completion of the HUD environmental review process may be a “choice limiting action” under HUD’s Environmental Review requirements. A choice limiting action is any activity that reduces or eliminates a grantee’s opportunity to choose project alternatives that would avoid or minimize environmental impacts or enhance the quality of the human environment. A choice limiting action will affect HUD’s ability to fund the project; applicants should consult with their environmental professional and ensure compliance with all Environmental Review requirements.

Application

34. Why are there three GRRP “cohorts”? How do I determine which one I should apply for?
(5/11/2023)

HUD has developed three paths or “cohorts” for owners to participate in GRRP so that the funds could be broadly accessible to as many eligible owners as possible:

- The “Elements” NOFO provides funding to owners to add proven and meaningful climate resilience and energy efficiency measures to the construction scopes of in-progress or recently closed (since May 11, 2023) recapitalization transactions. Since these recapitalizations will lock in technologies for many years to come, GRRP funding will make it possible for Owners to substitute greener or more resilient building components or fixtures in their existing plans. Elements awards are designed for properties already planning renovations so they can add or preserve green or resilient elements in the existing scopes of work. Maximum awards of up to \$750,000 per property, with a per unit cap of \$40,000.
- The “Leading Edge” NOFO provides funding for retrofit activities to achieve ambitious green certifications which also include climate resilience components. Provided during any stage of a recapitalization effort, the Leading Edge Awards provide resources to complement an Owner’s existing financing strategy, allowing them to design the recapitalization to the highest standards of energy efficiency and climate resilience. Leading Edge awards are designed for Owners aiming to quickly meet ambitious carbon reduction and resilience goals without requiring extensive

collaboration with HUD. Maximum awards of up to \$10,000,000 per property, with a per unit cap of \$60,000.

- The “Comprehensive” NOFO will provide funding to initiate recapitalization investments designed from inception around both proven and innovative measures, including ambitious green building standards or measures, renewable energy generation, use of structural building materials with lower Embodied Carbon, and climate resilience investments. Comprehensive awards prioritize properties with high need for investments in energy efficiency and climate resilience. The construction funded by a Comprehensive Award will be informed by a series of assessments that will identify the property’s specific capital needs as well as property-specific opportunities to meet GRRP objectives. Comprehensive Awards are designed for the widest range of properties, including those that have not yet developed a recapitalization plan. Maximum awards of up to \$20,000,000 per property, with a per unit cap of \$80,000.

35. Can I submit an application for multiple properties that I plan to manage and finance together? (5/11/2023)

Each application should reference only one HUD-recognized property in iREMS. Multiple buildings that operate under a single iREMS number should be submitted as a single application. An owner proposing to combine two iREMS properties that will be financed and managed as a single project in the future must submit separate GRRP applications for each iREMS property. If both projects are selected, the owner can proceed with their plans to pursue both properties under a single financing plan. If only one property is selected, the owner can proceed with its plans to pursue both properties under a single financing plan, but with a GRRP award sized only for the awarded property. Alternatively, the owner could modify their plans and finance the one awarded property on its own.

36. What if I’m not able to benchmark in Portfolio Manager because my utility company won’t provide utility consumption data? (5/11/2023)

Many utility providers either provide whole building, aggregated consumption data upon request or will release unit-by-unit consumption data upon receipt of signed tenant release forms. Owners are encouraged to contact their utility provider to inquire about these options. However, some owners may be unable to acquire sufficient data to benchmark in Portfolio Manager. To apply to the Comprehensive cohort, owners may choose to submit a completed Multifamily Building Efficiency Screen Tool (MBEST) instead. You can find the both the MBEST tool and an instructional video on how to complete it on hud.gov/grrp.

37. Which cohort would I apply to if my proposed work is substantial enough for a Comprehensive-sized award, but I do not need HUD-contractor assistance? (5/11/2023)

Owners interested in large-scale retrofits with a development team already in place who do not otherwise need contractor support may be interested in the Leading Edge cohort. While the Leading Edge NOFO is designed for owners with a capable development team and a vision for achieving an advanced green certification, such an owner could still utilize the Comprehensive NOFO. Comprehensive participants may submit their own reports (e.g. Capital Needs Assessment) and, if deemed to meet HUD’s standards, these existing reports can be used for the property’s assessment suite in lieu of HUD-commissioned reports. HUD’s Multifamily Assistance Contractor (MAC) will work with the owner to review existing reports and conduct any additional assessments needed to satisfy the requirements of the GRRP Notice. Following the assessment suite, the HUD-provided contractor will work with the

owner to develop the scope of work for the property and ensure it addresses all items found in the Assessment Suite, and that scope of work and the transaction plan are complete and acceptable to HUD.

38. How can I see my MBEST score? (6/15/2023)

The MBEST score will not be visible. Please ensure all markers on the introduction tab read “complete” and submit with your application.

39. After I submit an application for one of the cohorts, when will I find out if my application is selected for an award? (6/15/2023)

HUD expects to make awards within 2-3 months after each application review period. Any application that is not awarded and has not been rejected would automatically roll over into the next application review period unless withdrawn by the owner.

40. Do I need to have bids for the proposed scope of work at the property at the time of application or does that occur after award? (6/15/2023)

The Elements award cohort requires the applicant to attach final, certified bids for each Elements investment selected in the application form. No bids are required in order to apply for Leading Edge or Comprehensive.

41. Do I need to have a Capital Needs Assessment (CNA) completed for the property at application or does that occur after award? (4/9/2023)

The Elements award cohort requires the applicant to have already completed a HUD-compliant CNA no more than 24 months prior to the date that the application is submitted or within 24 months of the date of closing (for eligible transactions that have recently closed) unless the project is fully new construction. The applications for Leading Edge and Comprehensive do not require evidence of a completed CNA.

42. Can I apply to multiple cohorts, or change my mind about which one I want? (6/15/2023)

Owners with multiple eligible properties may submit multiple property applications, but each property must apply to only one cohort. If the application is not selected during a review period, the application will be considered again during the next review period unless the owner decides to withdraw and resubmit. Owners may withdraw the property application and submit to a different cohort, but only one application for a property may be active at a time.

While there is no limit to the number of property applications an Owner or its Affiliates can submit across all NOFOs, the number of awards an Owner or its Affiliates may receive is capped per cohort as specified in each of the NOFOs.

43. How does a GRRP award work with an application for an FHA-insured mortgage, such as a 221(d)4? (6/15/2023)

GRRP eligible HUD-assisted property owners are welcome to apply for an FHA-insured first mortgage as part of their financing strategy to recapitalize their property. Under the Elements award cohort, if an FHA-insured mortgage is part of the financing plan, the property owner must attach evidence with their GRRP Elements Application that they have already submitted a complete FHA Firm Application to HUD. Under the Leading Edge and Comprehensive cohorts, the owner is not required to have submitted an FHA Firm Application at the time of GRRP application and could apply for an FHA Firm Commitment after award.

44. What type of architect certification must be included with the Leading Edge application?
(6/15/2023)

There is no required format for the architect certification, a letter is acceptable. HUD needs assurance that an architect has looked at the project and has determined that achieving selected certification is feasible.

45. Is there any preference given for historic buildings? (6/15/2023)

While there is no specific award set aside for buildings with an historic designation, HUD anticipates that GRRP awards could greatly enhance the utility efficiency and preservation of historic buildings and encourages owners to apply.

46. If a property is contemplating a tax credit transaction and/or has a planned ownership transfer should the existing owner or the prospective owner be the applicant? (6/21/2023)

Either the existing owner or the prospective owner may apply for the GRRP award. If the prospective owner applies, it must include an executed purchase agreement, purchase option, or an agreement or option to enter into a long-term ground leasehold interest (more than 50 years) with the GRRP application. If the prospective owner applies it must receive an approved HAP Assignment prior to GRRP award closing. If the owner determines after the GRRP Award is made that an ownership transfer is necessary to accomplish the GRRP scope of work (e.g. through a tax credit transaction) the GRRP Award may be transferred to the new owner with HUD approval and a HAP Assignment must also be approved.

47. For the Comprehensive cohort, do applicants need to have identified and/or secured the source of the owner contribution funding before applying? (6/21/2023)

No, there is no requirement for an applicant under the Comprehensive cohort to have secured any funding prior to applying. If an award is made, the awardee will work with a HUD-provided technical assistance provider known as a Multifamily Assessment Contractor (MAC) that will work with the Owner to order third party due diligence reports and develop a plan to address the capital needs at the project, including sizing the owner contribution amount.

48. If I'm applying for the Elements NOFO and want to achieve the Better Buildings Challenge or Better Climate Challenge priority category, what do I submit? (6/22/2023)

Both Better Buildings Challenge and Better Climate Challenge are portfolio-wide commitments. Submit the partnership agreement for the portfolio which includes the subject property.

49. What changed in the 6/22/2023 version of the Elements and Leading Edge application forms? (6/23/2023)

On the Pro Forma Tab of the GRRP Elements and Leading Edge application forms, we identified an error in the calculations of bad debt percentage in the pro forma. If an applicant chooses to input their own assumptions for vacancy and bad debt, the bad debt amount is incorrectly calculated as a positive number and added to the gross operating income instead of subtracted from it, resulting in an erroneous/inflated DCR. The new versions of the forms correct this error. We also unlocked some cells that should have been editable, and we updated formulas to work with pre-2019 versions of Excel. We also updated language in the Elements application form to clarify that the Better Buildings Challenge commitment is portfolio-wide.

Applicants can either use the previous versions of the forms, and HUD will correct the positive bad debt percentage after receiving the application, or applicants can use the new versions. If using the previous versions, please do not manipulate the data in other fields (for example, by increasing the vacancy percentage in the NOI Detail tab) to achieve the correct DCR on Financial Threshold Review tab.

50. What level of verification is required on the Statement of Energy Performance and the Water Scorecard? (6/29/2023)

For applicants submitting benchmarking information, the Energy Star Portfolio Manager Statement of Energy Performance and Water Scorecard must be signed and/or stamped by an energy professional as defined in Appendix II of the Comprehensive NOFO. They do not have to be both signed and stamped (as indicated incorrectly on page 20 of the Comprehensive NOFO).

51. How should an acquisition from an affiliated entity be logged in the Sources and Uses tab of the Leading Edge or Elements application form if the seller will not realize any cash proceeds, for instance through a seller note? Logging the costs in the Acquisition Price to Affiliates line reduces the maximum allowable developer fee. (6/29/2023)

If using a version of the application form prior to 7/28/2023: If acquisition costs payable to an affiliated entity will not result in any cash Proceeds, for example as a seller note, enter these acquisition costs in the line for Acquisition Price to Non-Affiliates. This will not trigger a decreased developer fee. Please see the definition of Proceeds in the Notice.

If using a version of the application form from 7/28/2023 or later: Acquisition costs are now separated into "Total Acquisition Price" and a sub-line for the portion of those proceeds that were paid to affiliates. If the affiliated seller will not result in any cash proceeds, for example as a seller note, the Proceeds do not need to be entered in the "Acquisition Proceeds paid to Affiliates" line.

52. Can an affiliate submit an application on behalf of the owner? (7/19/2023)

No, the owner needs to submit the application using their own UEI number and grants.gov account. Owners can register for a UEI number on Sam.gov if they do not already have one.

53. Is there a maximum number of review periods that an application can be considered for? (7/19/2023)

An application stays "live" until it is withdrawn or rejected, or after all four application review cycles have been completed for the cohort.

54. In an Elements Application, what do I need to submit to demonstrate that my financing is committed? (8/30/23)

Applicants should submit commitment letters for each source identified in the sources and uses. These letters can be conditional and subject to additional underwriting or other approvals. For funding that is competitively awarded the letter must state that the funds have been awarded, not merely that the applicant is eligible to apply for such funds. For tax credit equity, a commitment letter from an investor is sufficient. Please note that the evidence that funds are committed is separate from the evidence needed to demonstrate that the transaction is materially advanced in a recapitalization – for that requirement the applicant must submit or demonstrate that it has one of the items identified in section III.D.6.A of the Elements NOFO.

55. How do I submit the forms listed in the Forms/Assurances/Certifications table? (11/21/23)
SF-424 and SF-LLL are generated by grants.gov, and you should fill them out as a grants.gov webform. If you do not engage in lobbying activities, enter N/A in all fillable and required boxes. SF-424A is not required. HUD-2880 can be found at <https://www.hud.gov/sites/dfiles/OCHCO/documents/2880.pdf> and submitted as a PDF with your application.

56. What UEI do I use on my application? (9/27/23)

The UEI submitted on both the GRRP application form and the SF-424 should be unique to the applicant property (not the parent company) and be registered with Financial Assistance registration status in SAM.gov since this will be the entity that receives the GRRP award funds. Please ensure that the UEIs are the same across both the application form and the SF-424. If you do not yet have an active property-level UEI, make sure to create and register a property-level UEI with enough time before the application due date so you can use it on the SF-424. Typically, this process takes 10 -15 business days.

57. What does “large-scale window replacement” mean for purposes of triggering the need for new energy benchmarking data? (9/27/23)

Large-scale window replacement means at least 50% (by count) of external windows in the property. If 50% or more of the windows in the property have been replaced with improved windows since the beginning of the 12 consecutive months of energy data, owners should acquire new energy data from their utility provider for Portfolio Manager benchmarking.

58. If an applicant has submitted HUD submitted environmental documentation into the HUD Environmental Review Online System (HEROS) for another funding source included as a development source (e.g., Section 202 or Section 811 Capital Advance or FHA-insured financing) will that satisfy the NOFO requirement for HEROS submission? (9/27/23)

Yes, a complete HEROS submission provided for another source in the development budget will satisfy the NOFO requirement under Section VI.B for submission of its environmental review into HEROS. The application should identify the property name used in the HEROS submission so that HUD can confirm.

59. How do I troubleshoot a problem with grants.gov? (11/21/2023)

Grants.gov is a federal site not managed by HUD and therefore we are not able to address many grants.gov issues. According to grants.gov, many errors are a result of Adobe Software Compatibility issues. At any time, applicants may call or email the Grants.gov Support Center at 1-800-518-4726 or support@grants.gov for assistance with resolving these, or any other grants.gov-related issues.

60. What environmental review components are required at the time of application? (Elements & Leading Edge) (11/21/2023)

After receiving Elements and Leading Edge application submissions, HUD will perform a preliminary environmental screen to assess major adverse environmental conditions. At the time of application, owners are therefore only required to submit documentation in the HUD Environmental Review Online System (HEROS) that is necessary for HUD to perform this screen. Refer to Section VI. B “Preliminary HEROS submission” list in the Elements and Leading Edge NOFOs for the information that is required to be submitted at the time of application. Certain reports, such as lead-based paint, asbestos, and radon, are not required as part of this preliminary submission. A full Phase I Environmental Site Assessment (ESA) is not required at the time of application, though, especially for applicants in the Elements cohort, owners should continue to work towards completion of their Phase I (and Phase II and III if necessary)

since they cannot close on the GRRP award before receiving full Part 50 environmental clearance from HUD.

For properties applying for the Elements that have closed on their qualifying recapitalization event since May 11, 2023 and previously received Environmental Clearance under Part 50 or Part 58, you must provide evidence that an environmental review has already been completed.

61. Applicants are asked to submit a rental assistance contract but my property is a 202 Capital Advance. What do I need to submit instead? (1/2/2024)

For 202 Capital Advance properties, please submit your "Capital Advance award letter" in place of the rental assistance contract.

62. (Elements) Could multiple efficiency measures be combined to achieve the 25% reduction in emissions, energy, or water usage requirement, or is it only one measure achieving 25% in totality? (1/9/24)

Measures from the same utility can be combined to achieve a 25% reduction in that utility. As an example, multiple measures that reduce water consumption (i.e., low flow toilets and rainwater harvesting) can be utilized to achieve a 25% reduction on the total water consumption for the property.

63. (Elements) Can efficiency measures for different utilities be combined to achieve a 25% reduction requirement for the property? (1/9/24)

Efficiency measures for achieving a 25% reduction must be from the same utility and cannot be combined otherwise. For example, 10% energy reduction cannot be added to 15% water reduction to achieve a 25% reduction for the property.

64. My property has no heating and/or cooling, how do I complete the MBEST properly?

MBEST has the ability for users to indicate there is no cooling, select that option if it is applicable for your property. If there is also no heating at your building, you will set it up in MBEST as a very efficient heating system. On the IV. HVAC, Heating tab, select "yes" for section 1.a. For section 2 select the following a. "Other heating equipment", b. "good", c. "2022 or newer", d. Fuel type at your property, e. "good", f. "Advanced Central BMS/BAS.

65. What changed in the 4/3/24 version of the Elements, Leading Edge, and Comprehensive application forms?

The Elements application form was updated to account for the April 2024 updated Elements NOFO, including specifying property eligibility based on if the qualifying recapitalization event has closed, amending the line items for the required document certifications, and providing additional instructions for selecting investments and submitting sources and uses information.

The Elements, Leading Edge, and Comprehensive application forms were all updated to clarify the request for Affiliate information and add new items to list of required document certifications, per the respective April 2024 updated NOFOs.

66. **Award/Post-Award**What is the difference between a surplus cash loan and a grant and can applicants switch between forms later on? (5/11/2023)

Owners applying for GRRP can choose between requesting their award either as a surplus cash loan or as a grant. The owner's decision does not impact the selection and award determination, and owners may have the option to switch from the selection made in the GRRP application with the approval of HUD. GRRP Grants will require a minimum 25 year affordability period and will not be required to be repaid. Some owners, particularly those assisted under Section 202 or Section 811 PRACs may be required to take grants to comply with other rules governing their HUD assistance (e.g. that PRAC funds cannot be used to pay debt service). GRRP Surplus Cash Loans will require a minimum 15 year affordability period and will be repaid from 25% of Surplus Cash (Elements Awards) or 50% of Surplus Cash (Leading Edge and Comprehensive Awards). Some owners may prefer the Surplus Cash Loans for the shorter affordability period and to avoid tax and compliance implications of grants. Owners should consult with tax and other professionals to determine which form of award should be selected in the application.

67. I see that the GRRP award amount is capped. What if the project needs more funding? (5/11/2023)

GRRP was designed to maximize the impacts of the funds provided in the Inflation Reduction Act and reach the greatest number of properties and resident homes. To this end, GRRP grant and loan amounts have been sized to cover the anticipated costs of making the green and resilient improvements, while recognizing that retrofits of a property often involve the replacement of other standard lifecycle building systems and components that owners would finance. HUD expects that some projects have greater property needs than GRRP can cover. Owners are encouraged to use other funds including mortgage proceeds, Low Income Housing Tax Credits, state and local funds, and reserves other available funds to finance the overall project scope.

68. Is there a cost certification requirement for GRRP awards? (6/15/2023)

There is a completion certification requirement for all GRRP awards. This would be separate from and in addition to any cost certification required for tax credit purposes. However, HUD anticipates that LIHTC cost certifications may be used to demonstrate final costs. See the GRRP Notice H 2023-05 for more information on the completion certification.

69. Can a GRRP award be structured to be part grant, part loan? (6/15/2023)

In the application, the Owner must select to receive the GRRP award as either a grant or surplus cash loan. There is no option to select both.

70. Can you explain what the Multifamily Assessment Contractor (MAC) will do? (6/15/2023)

Multifamily Assessment Contractors (MACs) will be used to assist HUD with carrying out the Comprehensive Awards. HUD may assign a MAC to work with the Owner and HUD throughout property assessment, Scope of Work development through integrative design, due diligence, Closing, construction, and commissioning and to carry out any or all of HUD's roles as described in the GRRP Notice H 2023-05 on behalf of HUD. HUD will assign MACs to awardees. There is no fee or cost to the Owner to utilize the MAC. Note that the MAC is separate from a general contractor or other type of contractor that an Owner will use to complete the scope of work at the property.

71. Does Build America Buy America (BABA) apply to GRRP awards? (6/21/2023)

Yes. In general, Owners that are “Non-Federal Entities” must comply with the requirements of BABA and the Buy American Preference (the “BAP.”). A “Non-Federal Entity” for purposes of BABA is a State, local government, Indian tribe, Institution of Higher Education, or nonprofit organization. Owners that are for-profit corporations, even if an Affiliate of a nonprofit organization, are not considered Non-Federal Entities and are not subject to the BAP. Refer to Section 10.3, Building America Buy America (BABA), of the GRRP Notice H 2023-05.

72. If I receive the GRRP award in the form of a surplus cash award, would the loan ever be forgiven by HUD? (6/21/2023)

GRRP Notice H 2023-05 describes HUD’s rights to partially or wholly forgive repayment of the outstanding principal balance on a Surplus Cash Note and declare the Surplus Cash Note paid in full, or to otherwise modify the terms of the Surplus Cash Loan.

73. What is the GRRP Shared Savings Retainer and how does it work? (6/21/2023)

Under current rental assistance program requirements, assisted property owners with tenant-paid utilities realize no financial payback for capital investments that improve the energy and water efficiency of the Property. The GRRP Shared Savings Retainer seeks to provide Owners with an additional incentive through an income augmentation to make water and utility efficiency improvements to tenant-paid utilities. See Section 9.5 of the GRRP Notice H 2023-05 for more information on how the GRRP Shared Savings Retainer works based on your contract type.

74. In the Comprehensive cohort, what is the intent of the cost-share concept, and what do owners need to pay for? (6/21/2023)

The cost-sharing concept in the Comprehensive cohort is intended to leverage other affordable housing funding sources to complete work that is standard asset management good practice, maximizing GRRP awards to pay for green and resilient upgrades. HUD’s contractor will organize the scope of work into four categories: Owner-Paid Items, Cost-Share Items, High Impact GRRP-Paid Items, and Transaction Costs. The Owner-Paid Items are those building improvements which do not have green or resilient alternatives and would need to be completed to preserve the building in the long term or are green items that have a quick payback. Cost-Share Items are similarly necessary but involve a recommended green or more resilient alternative. HUD is requiring that Owners cover the cost of the standard (not green) version of cost-share items. See the GRRP Notice H 2023-05, Section 5.5, Determination of GRRP Funding and Owner Contribution for additional information on how the cost-share will be calculated.

75. We have a few recently recapitalized properties. Under the Comprehensive cohort, can we contribute owner equity (proceeds from the prior refinance) to pair with the GRRP funds? (6/21/2023)

Awardees are welcome to use owner equity as a funding source for any owner contribution or cost-share improvements under the Comprehensive cohort.

76. Will the Comprehensive cost-share calculation be any different for a historic building? For example, can GRRP award funds cover the extra cost of window replacement if it has to be replaced following the historical status requirements? (6/21/2023)

The cost-share calculation will be done in the same way for all Comprehensive awardees. See the GRRP Notice H 2023-05, Section 5.5, Determination of GRRP Funding and Owner Contribution for a complete list of items and more information on Owner-Paid items, Cost-Share Items, High Impact GRRP-Paid Items, and Transaction Costs. It's important to remember that in the Comprehensive cohort, Owners will work with their assigned Multifamily Assessment Contractor (MAC) through the assessment of the Property and the development of the Scope of Work, which will enable the Owner to come up with a custom transaction plan designed to meet the property's specific capital needs challenges.

77. Can Owners choose their own contractor to perform the scope of work or will HUD provide a contractor? (6/21/2023)

HUD is not involved in the selection of general contractors for executing the scope of work at the property. HUD will provide a Multifamily Assessment Contractor (MAC) to assist in commissioning assessments and planning the scope of work, but owners will hire their own general contractor to manage construction.

78. Do you foresee an issue with utilizing Freddie Mac or Fannie Mae permanent financing in conjunction with GRRP funding? (6/21/2023)

HUD is still finalizing GRRP legal documents but does not foresee any issues with properties utilizing these loan products.

79. What flood risk mitigation requirements will GRRP enforce? (6/21/2023)

Leading Edge and Comprehensive are whole property retrofit cohorts which aim to ensure safe and healthy units for GRRP property residents. To promote resident safety in line with disaster preparedness best practice, the lowest floor, including basements and other permanent enclosures, in Leading Edge and Comprehensive properties within the 1-percent-annual-chance (100-year) floodplain should, after GRRP retrofit, be at least 2 feet above the property's base flood elevation (BFE) as determined by best available information. Determination of the "lowest floor" must be consistent with FEMA regulations in [44 CFR 59.1](#), FEMA's Elevation Certificate guidance, or FEMA's current guidance. Properties with floors below this level will need to work with HUD to determine physical and financial feasibility of relocating the impacted area. If higher elevations are required by Tribal, State, or locally adopted code or standards, those higher elevations apply.

80. Can a non-profit affiliate of an owner, or a general partner or managing member of an owner, apply for and receive the GRRP funds and then provide those to the owner entity through a loan or capital contribution? (6/29/2023)

No. The owner of the property in IREMS must be the direct recipient of GRRP funds. A proposed owner can apply for GRRP funds but must have an approved HAP Assignment before closing so that the owner that is reflected in IREMS is the direct recipient of the funds. Partners, members, or affiliates of owners may not accept GRRP funds as a grant and then make a capital contribution or loan funds to the owner entity.

81. What does “clean generator” mean in the list of eligible Elements investments? (6/29/2023)
Any generators purchased must be “clean,” i.e., use renewable power sources without direct emissions, such as solar, wind, or battery.

82. I need a longer surplus cash loan term than 15 years. Will HUD extend the surplus cash loan term? (6/29/2023)

[Section 12 of Housing Notice H 2023-05](#) details under which circumstances HUD will extend the terms of the surplus cash loan. Subsection (E) explains that the owner may request that the maturity date be extended to align with the maturity date of the first mortgage loan or to secure the long-term financial stability of the property.

83. Section 10.5 of the GRRP Notice (H-2023-05) states that for Leading Edge and Comprehensive Awards, for properties with 12 or more units where the Scope of Work identified in the Transaction Plan qualifies as “Development,” such work is subject to either Davis-Bacon prevailing wage requirements, or, in lieu, a project labor agreement executed by the local building trade unions and the General Contract. Does the Scope of Work include only the components specifically funded by the GRRP grant or loan or does it include all Development work proposed to be completed at the project regardless of the specific source of funds? (7/19/2023)

The Scope of Work submitted in the Transaction Plan must comprehensively cover the required work items at the project that are detailed in the GRRP Notice, which in many cases will entail work that will not be funded by a GRRP grant or loan. As long as the Scope of Work involves Development work, the Scope of Work is subject to Davis-Bacon prevailing wage requirements or a project labor agreement executed by the local building trade unions and the General Contractor.

84. Can the Leading Edge award cover costs associated with improvements related to the capital needs assessment, but that are not directly achieving the Leading Edge green certification? (7/19/2023)

Yes, the Leading Edge award can cover any costs associated with the Scope of Work approved by HUD in the Leading Edge Commitment (LEC).

85. The Comprehensive NOFO states that reimbursement for certain Portfolio Manager benchmarking costs is available if data is entered into Portfolio Manager after publication of the NOFO. What date was that? (7/19/2023)

The Comprehensive NOFO was published on May 11, 2023. In order to be eligible for pre-application benchmarking cost reimbursement, data must be entered on or after May 11, 2023. Please see the Comprehensive NOFO, Appendix II for other reimbursement requirements.

86. For Elements, I want to install a heat pump with capacity greater than 65,000 BTU/hour. The efficiency is therefore measured in IEER instead of SEER. Is this an eligible cost? (7/19/2023)

Yes. Since IEER and SEER are calculated differently, heat pumps using IEER should measure at least 22.5 IEER to be roughly equivalent to the minimum eligible SEER of 18.

87. What is the energy savings modeling requirement in Leading Edge and Comprehensive?
(7/21/2023)

Leading Edge and Comprehensive participants are required to develop scopes of work that will reduce modeled site energy consumption by at least 25%. 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. Leading Edge awardees will be responsible for commissioning the modeling based on the awardee designed scope of work and submitting the modeling to HUD as part of the LEC package. The MACs will perform the necessary modeling for Comprehensive awardees.

88. Can I extend the Surplus Cash Loan for a period of 15 years at closing? (8/30/23)

Yes. Extensions to the term of the Surplus Cash Loan can be processed and approved as part of a closing on a GRRP Award, provided that such extension not exceed thirty-five (35) years from the date of closing and may be a shorter extension to align with the maturity date of the first mortgage loan or to secure the long-term financial stability of the property, as determined by HUD. HUD may also require an extension of the GRRP Affordability Period to align with the new term of the mortgage. Any extension must also meet applicable requirements of Section 12 of the Notice. HUD is working on a clarification to the Notice to allow extensions of the term at the Closing of the Award.

89. Are there any restrictions on using GRRP funding with other funding sources, including Low Income Housing Tax Credit equity, grants or incentives for specific cost, grants or incentives based on a specific outcome (e.g., utility savings or achievement of a green certification), or ongoing utility expense rebates? (9/27/23)

Per Section 9.7 of the GRRP Notice, Owners receiving GRRP funds are permitted to receive rebates, incentives, grants, loans, or any other support through other IRA or Federal, state, or local assistance programs for activities at the Property, unless otherwise prohibited by the other assistance program. HUD will perform a subsidy layering review any time GRRP funds are combined with another capital subsidy source to ensure that the overall level of assistance is not excessive. In addition, the project Owner must avoid a “duplication of benefits,” i.e., receiving financial assistance from multiple sources for the same purpose within the same time period, and where the total assistance received for that purpose is more than the total need for assistance for that purpose. Accordingly:

- 1) Low Income Housing Tax Credit Equity, HOME funds, grants or incentives provided based on achieving a specific outcome, or other scenarios where funding is not allocated for a specific cost or scope of work item, are not considered in a duplication of benefits analysis, but would be considered in a subsidy layer review.
- 2) A grant, incentive, or rebate provided through a government program could not be allocated to a specific project cost that was also being funded by a GRRP Comprehensive or Elements Award. For example, if a government program was providing a \$3000 rebate for the purchase and installation of more efficient water heater at the Property (for which the total cost or ‘need for assistance for this purpose’ was \$5000), then the GRRP Award could only cover the remaining \$2000 in costs for this specific purpose. Any amount of GRRP used for this purpose beyond \$2000 would be considered a duplication of benefit.

Rebates or incentives that are effectuated through a direct reduction in utility costs (an operating expense) would not be considered in a duplication of analysis with a GRRP grant or loan (a capital source). However, any form of assistance that would take the form of a reduced utility cost would be relevant to the subsidy layering review which would consider the reduced expenses in the operating pro forma.

90. Is there a specific HUD requirement for how long I need to purchase renewable energy credits (RECs) for Leading Edge? (11/21/2023)

The timeframe for the purchase of Renewable Energy Credits (RECs) is determined by the owner's selected Leading Edge Certification. For the eligible Leading Edge certifications that do not have a timeframe requirement for the purchase of renewable energy credits (RECs) or for certifications that require only one year of REC purchases, HUD is considering an alternative GRRP requirement for the number of years an owner would be required to purchase RECS. The requirement to purchase RECS would be independent from the loan term or the mortgage of the property.

91. I need access to HEROs and have not received any information about my account being set up, what do I do? (1/2/2024)

It can take up to three weeks to process HEROs requests. If it has been more than three weeks since completing the HEROS Access form, please reach out to HUDHEROS@hud.gov.

92. What are the requirements for modeling a reduction of at least 25% energy consumption? (3/1/24)

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. HUD will accept energy modeling tools that are capable of calculating the annual energy consumption of all building elements that differ between the standard reference design and the proposed design and shall include the following minimum capabilities.

1. Building operation for a full calendar year (8,760 hours).
2. Climate data for a full calendar year (8,760 hours) and shall reflect approved coincident hourly data for temperature, solar radiation, humidity and wind speed for the building location.
3. Ten or more thermal zones.
4. Thermal mass effects.
5. Hourly variations in occupancy, illumination, receptacle loads, thermostat settings, mechanical ventilation, HVAC equipment availability, service hot water usage and any process loads.
6. Part-load performance curves for mechanical equipment.
7. Capacity and efficiency correction curves for mechanical heating and cooling equipment.

These utility estimates must be calculated by either (1) a properly licensed engineer or (2) a qualified energy professional that holds a professional certification specific to simulation modeling: ASHRAE Building Energy Modeling Professional (BEMP) or Association of Energy Engineers Building Energy Simulation Analyst (BESA). The form of this submission must be electronic, utilizing recognized industry standard methods, and include easily verified source data, tables, and references as a basis for the model estimates. The owner must certify that the submitted model meets HUD's requirements.

93. How is the maturity date of a Surplus Cash Loan determined when other financial term lengths are involved?

The minimum and default maturity date for a cash flow loan is 15 years but it can be up to 30 years or longer if the loan needs to be coterminous with other financing. The awardee should work with their assigned Grant and Loan Specialist to request the desired term of the Surplus Cash Loan at the time of the Closing Package submission (for Elements) or the Transaction Plan submission for Leading Edge and Comprehensive.

94. What are the Section 3 hiring requirements for GRRP, and how can I comply?

Regulation [24 CFR 75.1](#) requires that GRRP award recipients make jobs available to Targeted Section 3 workers and Section 3 workers (regulatory definitions provided below). HUD establishes benchmarks for the percentage of total labor hours that must be worked by each category of Section 3 worker in a project. Those benchmarks are 25% or greater of the total hours for Section 3 workers and 5% of the total labor hours for Targeted Section 3 workers. If the recipient does not meet these targets, they must demonstrate “best efforts” they have taken to achieve the benchmark. Best efforts can be demonstrated by many activities including, but not limited to, outreach efforts to generate job applicants who are Public Housing/Section 8 Target Worker, technical assistance to help Section 3 workers compete for jobs (e.g., resume assistance, coaching), or by providing residents with assistance in seeking employment including: preparing for interviews, finding job opportunities, connecting residents to job placement services. GRRP participants will be reporting on these activities and labor hours worked by Section 3 workers in the award management system, Greenlight. Section 3 compliance reporting is due at the end of construction, as the project is submitting documentation for a completion certificate. Please note, however, that recipients are expected to maintain this documentation as they work towards meeting the requirement and demonstrating best efforts. The recipient does not need to supply HUD the background documentation on the Section 3 Worker, but they must make this documentation available at HUD’s request. You can find the Section 3 regulation [here](#).

Section 3 Definitions:

A Targeted Section 3 worker means a Section 3 worker who is:

- (1) A worker employed by a Section 3 business concern (see below); or
- (2) A worker who currently fits or when hired fit at least one of the following categories, as documented within the past five years:
 - (i) A resident of public housing or Section 8-assisted housing;
 - (ii) A resident of other public housing projects or Section 8-assisted housing managed by the PHA that is providing the assistance; or
 - (iii) A YouthBuild participant.

Section 3 worker means:

- (1) Any worker who currently fits or when hired within the past five years fit at least one of the following categories, as documented:
 - (i) The worker's income for the previous or annualized calendar year is below the income limit established by HUD.

(ii) The worker is employed by a Section 3 business concern.

(iii) The worker is a YouthBuild participant.

Section 3 business concern means:

(1) A business concern meeting at least one of the following criteria, documented within the last six-month period:

(i) It is at least 51 percent owned and controlled by low- or very low-income persons;

(ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers; or

(iii) It is a business at least 51 percent owned and controlled by current public housing residents or residents who currently live in Section 8-assisted