

# ELEMENTS

## FACT SHEET



The Green and Resilient Retrofit Program (GRRP) provides owners of HUD-assisted Multifamily housing with funding to reduce carbon emissions, improve utility efficiency, incorporate renewable energy sources, and make properties more resilient to climate hazards.

The GRRP Elements cohort provides gap funding to properties in the midst of a recapitalization transaction that includes utility efficiency, renewable energy, carbon emission reduction, and/or climate resilience measures. Elements funds can be used to add or preserve specific green or resilient items in the property's scope of work.

## \$140 Million | Cohort Funding

### What does GRRP pay for?

GRRP will provide up to \$750k per property or \$40k per unit for construction and transaction costs to incorporate the selected Elements investments into the recapitalization. Owners are responsible for the balance of costs.

### Top 3 Elements facts:

1. Provides gap financing for green or climate-resilient items in existing recapitalization transactions
2. Recapitalization effort should be materially advanced and ready to close within 12 months
3. Funding pays for specific eligible investments listed in the Notice of Funding Opportunity (NOFO), such as heat pumps, sustainable building materials, and solar panels

### Four Application waves:

June 2023

September 2023

January 2024

March 2024

[hud.gov/grrp](https://hud.gov/grrp) and [grrp@hud.gov](mailto:grrp@hud.gov)



## Application Process

**Eligibility:** HUD-assisted Multifamily properties (see Section 3 of the Elements NOFO for the complete list) with a materially advanced recapitalization effort underway

**Selection:** Eligible properties will be ranked based on priority categories in Section V of the Elements NOFO. Examples include achieving a green certification, committing to electrification, or participating in the Better Buildings/Climate Challenge.

**Additional set-asides:** *Each HUD region and non-metro areas*

**Submission:** Property applications should include the following:

- Elements application form, including property information, proposed sources and uses and operating proforma, and selected Elements investments
- Narrative description of the proposed work
- Documentation of the recapitalization transaction status, including commitment letters for other funding sources
- Verification of third-party reports and assessments
- Bids substantiating the requested Elements funding



## Key Program Requirements

- Complete installation of the proposed Elements investments
- Engage with residents to ensure their needs are met
- Extend the property's affordability commitment by at least 5 years beyond existing use restrictions, and potentially up to 25 years
- During rehab comply with the following:
  - Build America, Buy America requirements
  - Section 3 employment requirements
- Complete post-rehab utility benchmarking
- All owner requirements are detailed in Housing Notice H 2023-05

## Example Applicants

### **Example 1:**

Southside Apartments was awarded 4% tax credits and the owner intends to substantially rehabilitate the building. Due to rising construction costs, the architect had to remove the planned high-efficiency windows and rooftop solar panels from the design. With the Elements award, the high-efficiency windows and rooftop solar can be added back into the project.

### **Example 2:**

A nonprofit developer just received a Section 202 Capital Advance award to convert a historic school into affordable senior housing. The property is in an area prone to heat waves and drought, so the developer will use an Elements award funding to install a reflective coating on the roof to keep residents cool, as well as a rainwater harvest system to care for landscaping.