



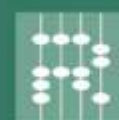
## **Are You A HUD Property Owner? Act Now To Get Your Share of the Green Retrofit Program**

WHITE PAPER

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| AFFORDABLE HOUSING |



**Reznick  
Group**

ACCOUNTING · TAX · BUSINESS ADVISORY

Created by the American Recovery and Reinvestment Act of 2009, the Green Retrofit Program provides \$250 million in loans and grants to encourage energy-saving and other “green” improvements to multifamily housing. Owners of qualifying property can receive up to \$15,000 per residential unit to reduce energy costs and water consumption, improve indoor environmental quality, and produce other environmental benefits.

HUD is administering the program and began accepting applications on a first-come, first-served basis on June 15, 2009. Funds will be awarded beginning in the fall of 2009 and continue until all \$250 million has been committed. So if you qualify, be sure to apply as quickly as possible — before funding runs out!

### **Benefits**

Under the Green Retrofit Program, both residents and property owners will benefit. Residents will enjoy homes that are warmer in winter and cooler in summer, more energy-efficient appliances, a better living environment, and improved indoor air quality.

Owners will be able to improve their properties at minimal cost and thereby increase marketability and value. They also will save on shared utility costs and benefit the environment.

Funds will be awarded in the form of grants or loans. For-profit owners will receive deferred loans; most nonprofit owners will be awarded grants. In addition, qualifying owners will receive performance-based financial incentives that include:

- Pre-development Incentive of 1% of the grant/loan (up to \$10,000),
- Energy Efficiency Incentive of 3% of the grant/loan (up to \$30,000),
- Targeted Job Creation Incentive (optional) of up to \$25,000; and
- Incentive Performance Fee of 3% of annual revenue collected.

The Green Retrofit Program also provides incentives for producing “Green Collar Jobs.” Qualifying HUD property owners who create jobs that support the program will receive financial assistance.

### **Eligibility and application requirements**

To qualify for the funding through the Green Retrofit Program, a property must receive HUD-based project assistance through Section 8 Housing Assistance Payment Contracts, Section 202-811 Elderly/Disabled Housing Programs or the Section 515 Rural Rental Housing Program. Owners must complete retrofits within two years of the funding commitment and meet a number of other requirements, too.

To obtain a HUD grant or loan under the Green Retrofit Program, the owner must complete an application. Forms can be obtained from HUD at <http://www.hud.gov/recovery/aheretrofit.com>. HUD will approve and administer all awards.

The application process requires submission of numerous items, including owner certifications and commitments, utility releases and electronic files of financial information and reports. In addition, HUD conducts a physical and financial analysis of the property.

### **Don't wait!**

Benefits from the Green Retrofit Program range from cost savings and increased property value to a more eco-friendly living environment, which any owner will feel good about. But don't wait too long to apply, or assume you will automatically receive a grant. HUD's web site shows there have already been a significant number of applications rejected, and the program expires when the \$250 million authorized by the program is completely disbursed.

If you're interested in the Green Retrofit Program, we recommend that you submit a complete and accurate application as soon as possible. If you need help in doing so, or have other questions about this boon for HUD property owners, contact Reznick Group. We would be glad to help you get your share of this money before it's gone.

### **What you must give to receive**

In addition to meeting eligibility requirements, property owners must do the following to obtain a Green Retrofit Program grant or loan:

- Extend the property's Use Agreement for 15 years beyond the existing restricted use period,
- Meet "green" rehabilitation, replacement, maintenance and recycling requirements for the life of the Use Agreement,
- Provide management training in "green" best practices, and
- Cooperate with HUD when data for research on the program is requested.

UPDATE: The Fall 2009 issue of Reznick Group's Profit Statement featured an article "Are You a HUD Property Owner? - Act Now to Get Your Share of the Green Retrofit Program."

Unfortunately, shortly before the release of the article, HUD had already allocated the entire \$250,000,000 for this Program. HUD is hopeful that additional funds will be available to fund this very popular program in the future.