



October 27, 2022

Jeffrey D. Little
General Deputy Assistant Secretary for Housing
U.S. Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410

RE: Docket No. FR-6350-N-01, Green and Resilient Retrofit Program: Request for Information

Dear Mr. Little:

The National Council of State Housing Agencies (NCSHA),¹ on behalf of the nation's state housing finance agencies (HFAs), thanks you for the opportunity to submit comments on HUD's Request for Information on its new Green and Resilient Retrofit Program (GRRP). In general, we urge the Department to provide as much flexibility as possible in eligible applicants and uses of GRRP funds.

While this program promises to be a powerful new tool in promoting energy and water efficiency and climate resilience, too many additional requirements that complicate its use alone or with existing resources could impair its effectiveness. The rest of this letter describes more specific comments.

We recommend HUD minimize any disruptions, distortions, or problems providing GRRP funds to existing and new developments could create. Additional legal and administrative costs, more complicated compliance monitoring, and interfering with tax benefits or other financing mechanisms could individually and collectively reduce the program's uptake and benefits.

We suggest HUD provide enough flexibility so GRRP funds will dovetail easily and efficiently with existing resources, including the Low Income Housing Tax Credit (Housing Credit), rental assistance, the HOME Investment Partnerships program, the Housing Trust Fund, and Risk-Sharing program loans. Therefore, HUD should make any project funded with Housing Credits and these other sources of funds presumptively eligible for GRRP funds with no additional requirements.

Recipients, including private and non-profit owners or developers, should have the option for GRRP funding to be provided as grants or loans depending on the structure that is most compatible with the financing needs of the property. For example, it should be possible for loans to be provided as zero

¹ NCSHA is a nonprofit, nonpartisan organization. None of NCSHA's activities related to federal legislation or regulation are funded by organizations that are prohibited by law from engaging in lobbying or related activities.

percent interest, deferred payment soft loans to avoid tax consequences or promote affordability. Furthermore, HUD should allocate the GRRP funds through entities that can bring other resources to bear and should expressly state they can use the funds in any form they wish and retain and reuse proceeds and program income from repayments if they provide GRRP funds as loans.

Similarly, HUD should provide flexibility on when GRRP funding can be applied to project construction or rehabilitation costs and when recipients need to make repayments. Allowing this flexibility would help recipients draw down the GRRP funds when they need the money but repay or expense it when potential future operating cost savings actually occur. Delayed repayments could also promote affordability by minimizing expenses in a project's earlier stages. Eligible investments may be difficult to finance because they may not directly and immediately generate cost savings for property owners the way some investments do, yet they are critical to reducing the risk exposure for projects as a whole and residents who can least bear the cost of climate impacts.

We also urge HUD to consider providing multi-project loans or grants to state housing finance agencies to enable them to act as intermediaries in the distribution of GRRP funds. We recommend HUD allow willing and qualified HFAs to accept and process applications, make funding decisions in light of their state's needs and circumstances, allocate and manage funds, and monitor projects—with as little added burden and as few additional requirements as possible—to ease the administration and speed up the allocation and spending of GRRP funds.

We also recommend HUD allow entities using or helping to distribute GRRP funds to receive administrative funds to offset the costs of implementing GRRP.

To promote more geographic funding equity, HUD should consider making funds available on a broad geographic basis, with potential allocations to as many states or regions as possible directly, then use subsequent funding rounds to transfer unused funds from some states and regions to others.

Thank you for your consideration. We would be happy to discuss this with you at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Garth Rieman", with a long horizontal flourish extending to the right.

Garth Rieman
Director, Housing Advocacy and Strategic Initiatives