October 27, 2022

Submitted via regulations.gov

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451 7th Street SW, Room 6106
Washington, DC 20410-0500

Re: FR–6350–N–01 Green and Resilient Retrofit Program: Request for Information

Dear Ms. Ross,

Thank you for the opportunity to provide feedback on HUD's new Green and Resilient Retrofit Program (GRRP). Because older adults are especially impacted and people of color are disproportionately impacted by climate change, we applaud HUD's efforts to promote energy and water efficiency retrofits and climate resilience of HUD-assisted multifamily properties; we especially support HUD's stated goals of reducing energy consumption and carbon emissions, improving indoor air quality for residents, reducing residents' and properties' exposure to climate hazards, and protecting life, livability, and during natural disasters.

As the leading voice for aging, we value our ongoing partnership with HUD to preserve and improve affordable, resilient housing options for older adults with low incomes. We look forward to working together to advance the GRRP's goals of addressing climate resilience and achieving long-term affordability of the HUD-assisted housing stock.

About LeadingAge

LeadingAge represents more than 5,000 aging services providers, including non-profit owners and managers of federally-subsidized senior housing properties. Alongside our members and 38 state partners, we use applied research, advocacy, education, and community-building to make America a better place to grow old. Our membership encompasses the continuum of services for people as they age, including those with disabilities. We bring together the most inventive minds in the field to lead and innovate solutions that support older adults wherever they call home.

General Comments – Balancing Feasibility, Scalability, Equity, and Long-Term Resilience

Preservation at Scale HUD's new Green and Resilient Retrofit Program provides an excellent, and necessary, opportunity to achieve green and climate solutions nationwide. Leveraging the HUD Multifamily portfolio for energy and climate solutions brings several benefits, including fiscal and administrative optimization. HUD's Multifamily Housing Programs serve more than 1.2 million households but partner with a relatively small universe of private property owners to do so – by utilizing roughly 17,000 contracts in HUD's project-based Section 8 program, for example. In fact, according to a 2010 report on energy efficiency opportunities in federally-subsidized housing, the federal government,

including various HUD programs, LIHTC, USDA, and other housing subsidies, touches 20% of the country's multifamily housing stock, underscoring the opportunity for scalability. The same report describes residential housing, and HUD by proxy, as making up a significant share of the country's energy consumption and spending, setting the country up for both administrative and financial benefits by implementing a scaled energy retrofit program. [1]

Scaling climate solutions throughout HUD's portfolio is not only a prime opportunity, but also a serious responsibility. More than 80% of HUD's MFH stock was built prior to 1990, with most properties built prior to 1980; U.S. Census data shows that older multifamily housing buildings consume double the amount of energy per square foot and have 50% greater energy costs compared to buildings built after 2000.[2] Because many of HUD's inefficient or climate-vulnerable buildings are expected to exist for another 50 or 100 years – at the same time as climate-driven disasters worsen and increase - energy and climate solutions a crucial part of affordable housing portfolio preservation.

Achieving Environmental Justice Using A Two-Step Approach The costs of inefficient energy and climate vulnerability are disproportionately shouldered by our nation's poorest households, including those assisted by HUD-subsidized housing. According to a 2020 report by the American Council for an Energy-Efficient Economy, older adults and low-income households face disproportionally high energy burdens; on average, low-income households spend three times more of their income on energy costs than non-low-income households, driven in large part by energy- and water-inefficient housing.[3] While the tenant utility cost burden for HUD-assisted households is managed by an income-adjusted cap on housing plus utility costs in HUD's MF housing, HUD's large utility bill (approximately one fifth of public and assisted housing operating budgets annually, with rising energy costs projected to grow the share) leads to billions of dollars diverted annually from capital funding and rental assistance to house people with low incomes.[4]

Poor people, older adults, and people of color are also disproportionately impacted by climate events.[5] Older adults in general, and higher concentrations of older adults with low incomes, live in high-risk locations that may be more affected by global temperature changes (including coastal zones and large metropolitan areas). According to a 2022 report by LeadingAge's LTSS Center at UMass Boston, increasing age is a risk factor for limited mobility and physical functioning, multiple chronic conditions, among other physical conditions that may reduce the ability of older adults to respond to climate stressors and participate in disaster response. Individuals with limited mobility also may rely on medical equipment that could be disrupted during climate-change related events.[6]

Additionally, a 2020 report by the National Housing Trust, in partnership with Climate Central, showed that virtually every coastal state is expected to have at least some affordable rentals exposed to more

[1] "Scaling the Nationwide Energy Retrofit of Affordable Multifamily Housing: Innovations and Policy Recommendations;" Lori Bamberger, December 2010
[2] U.S. Census data as reported by HUD; Bamberger 2010
[3] "Report: Low-Income Households, Communities of Color Face High "Energy Burden" Entering Recession," ACEE, 2020
[4] "Utilities in Federally Subsidized Housing: A Report on Efficiency, Utility Savings, and Consistency," Evan White, 2012: https://www.aceee.org/files/pdf/resource/white_utilities_in_federally_subsidized_housing_2012.pdf;
"Achieving Utility Savings in HUD-Assisted Housing: Progress Report to Congress," HUD, September 2019
[5] "The Impact of Climate Change: Why Older Adults are Vulnerable," LeadingAge LTSS Center at UMass Boston, February 2022
[6] LeadingAge LTSS Center, 2022

than one "coastal flood risk event" per year, on average – up from about half of coastal states in the year 2000. In fact, projections for New York City, Atlantic City, and Boston show that each city could have thousands of units exposed to chronic coastal flooding in the next thirty years.[7]

As a result of the condition of the current HUD-assisted housing stock, people with low incomes bear the burden of both disproportionate energy inefficiency and climate vulnerability. We therefore recommend that HUD implement a two-pronged approach to distributing the GRRP funding:

- First, by scaling standard energy- and water-efficiency for as much of the MF housing stock as possible; and
- Secondly, by targeting larger-scale building retrofits to climate-vulnerable populations or impacted geographic locations.

1. **Step One: Scaling Standard Energy Retrofits**
   The most important way that HUD can preserve affordable housing and improve environmental justice nationwide is to scale standard energy- and water-efficiencies throughout its portfolio using easy-to-access small- and mid-sized grants. We urge HUD to implement the following program elements aimed at scalability of standard retrofits, each with the inherent goal of benefitting the people housed at HUD-assisted properties, including the overrepresentation of older adults and people of color in HUD housing:

   - **Streamlined "Standard Retrofit" Applications:** In order to leverage new funding for energy efficiency, owners need access to either pre-application technical assistance or a streamlined application. This process could consist of a standard allocation of funding per HUD MF property to achieve basic and proven retrofits, or could consist of a prescribed list of retrofits for which properties can be awarded funding (a recommended list of pre-approved activities is attached as an appendix). This kind of streamlined application approach would be most effective at achieving scaled energy efficiency across the portfolio by eliminating the need for costly and time-intensive environmental reviews, energy audits, and architectural assessments; this approach would also benefit residents by allowing properties to more quickly and easily implement basic retrofits that are proven to achieve certain levels of efficiency.
   - **Resident Benefits:** HUD should clearly incorporate prioritization of resident benefits in project retrofits that create energy efficiencies. For example, similar to HUD MF's guidance this year allowing a "discount" on utility bills for tenants utilizing community solar credits rather than a recalculation of the utility allowance, HUD could establish a pass-through benefit for the residents of a property undergoing energy efficiencies.
   - **Standardized Eligibility:** Another feature of the "standard retrofits" approach would be to standardize eligibility; while properties seeking more comprehensive retrofits for climate resilience could be asked to demonstrate that the retrofit benefits a certain climate-vulnerable population or area, the basic retrofits should be available to as many properties in HUD's MF housing stock as possible.
   - **Enterprise-Level Retrofits:** The quickest way to scale retrofits within HUD's MFH portfolio is to allow applications to be submitted on an enterprise level, in addition to individual property

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[7] "Sea Level Rise and Coastal Flooding Threaten Affordable Housing," National Housing Trust, December 2020: https://www.nationalhousingtrust.org/news-article/sea-level-rise-and-coastal-flooding-threaten-affordable-housing

level. This would allow organizations with multiple properties or multiple HUD subsidy contracts to approach retrofits on a scaled, portfolio-wide basis.

- **Financial Feasibility:** Many HUD MFH properties are non-profit entities with tight budgets. HUD should allow GRRP funding to offset any additional requirements on properties, including the cost of administering retrofits, maintaining new building systems, or conducting more involved utility analyses. In addition, HUD should allow (but not require) properties to combine GRRP funding with other sources of funding, like Reserve for Replacement accounts and equity financing used in other property transactions.
- **Distribution:** HUD could set minimum thresholds by MF Housing Region to ensure a nationwide effect of efficiency retrofits, including a mix of urban and rural-designated properties. If funding is limited, HUD could further establish prioritization categories targeting groups disproportionately impacted by climate stressors, including older adults and people of color.
- **Older Adults:** In many climate events, the best thing for older adults to do is shelter in place, and as described above, older adults are particularly vulnerable to climate change events when medical equipment or support is disrupted. We urge HUD to use GRRP funds to launch a targeted effort to equip each Section 202 property with back-up power for elevators, common area refrigerators (for medicine and food storage), and other common spaces.

2. **Step Two: Building Targeted Climate Resilience**
The second thing that HUD should do is target loans and grants to larger, and/or more innovative retrofits for properties in need of more comprehensive climate resilience or who seek retrofits outside of the "standard" menu, which might be innovate but not tackle comprehensive needs.

- **Targeted Resilience:** Because older adults and poor people of color are disproportionately impacted by climate change and natural disasters, HUD should create a second category of funding that designated for larger resilience retrofits targeted to environmental justice communities or populations. Certain screening tools and data sets have been established, for example through the White House Justice40 initiative, which leverages the Climate and Economic Justice Screening Tool (CEJST) to identify communities that are economically disadvantaged and overburdened by pollution and underinvestment in housing, transportation, water and wastewater infrastructure, and health care. HUD could, in its competitive application process for loans and grants under the GRRP, award higher points to projects located in CEJST-identified areas.
- **Long-Term Resilience:** For larger retrofit projects aimed at climate resilience, HUD should require energy auditing, efficiency thresholds of 20%, and long-term energy reporting.
- **Climate Resilient Goals:** HUD should allow innovative exceptions to energy thresholds for properties whose main goal is not energy efficiency, but climate resilience. For example, installing certain new building components, like cooling systems where none were needed prior to climate change-driven temperature fluctuations, has the important goal of making a property more climate resilience, but does not necessarily achieve a reduction in energy use.
- **Feasibility and Streamlining:** Similar to the standard retrofits recommended above, HUD should publish a list of proven climate-resilience retrofits that properties can plan to undertake. HUD should streamline application approval for proposed projects that incorporate elements from the "pre-approved" set of retrofits.

- **Data and Reporting:** HUD should be clear from the beginning about goals of the funding and build data reporting into the process early – both recommendations from HUD's assessment of the 2009 Green Retrofit Program.[8]
- **Timeframe for Applications and Completion:** Another lesson learned from the 2009 Green Retrofit Program was that the timeframe for project completion was sometimes insufficient. This will only be worsened by current supply chain and workforce disruptions. HUD should implement a completion timeline of at least three years for larger scale retrofits.
- **Financial Feasibility:** As with standard retrofits, HUD should allow, but not require, GRRP funds to be combined with other funding sources. Projects that are not leveraging other funding sources should have access to technical assistance to help identify other funding sources or climate resilient efforts to maximize the funding award. Lastly, HUD should allow environmental site review and legal fees to be included in the cost of the loan or grant.
- **Equity and Tenant Benefits:** In addition to the equity targeting described above, HUD could set threshold requirements, with exceptions available, for properties to leverage Minority- and/or Women-owned Business Enterprises (MWBE) contracts for larger capital projects. HUD should also be clear about requirements for tenant benefits sought from the retrofits and establish processes for tenant involvement. In addition, similar to the tenant benefits described under the "standard retrofits" category above, HUD should establish a mechanism to pass-through energy savings to residents.
- **Preservation:** Energy and climate resilient retrofits are crucial to affordable housing portfolio preservation. The majority of energy efficiency retrofit projects have a useful life of approximately 15 years; therefore, properties receiving GRRP funds should be subject to extended periods of affordability of at least 15 years.

3. **Step Three: Establish Comprehensive Process for Utility Benchmarking**
   HUD's new GRRP includes significant funding sources to conduct utility benchmarking across the MFH portfolio. Utility benchmarking is critical for housing providers, Congress, and HUD to make informed investments in energy upgrades, offer targeted technical assistance, and verify effectiveness. To improve effectiveness, streamline aggregate data collection, and reduce the burden on housing providers in conducting utility benchmarking, we recommend HUD take the following actions:

- **Standardized Processes:** HUD should establish standardized processes to best leverage and streamline data management across the portfolio. For example, HUD could create a "Green Project Capital Needs Assessment" (G-PCNA) for all properties to undergo on a schedule, and could establish a single national system that aggregates data public-facing data.
- **Streamlining:** HUD should allow properties flexibility in data collection, including energy and water metrics calculated using either whole building data or a combination of whole owner-paid utility data and sampled tenant-paid utility data, when whole building data is not available.
- **Building Systems:** In some cases, efficient utility benchmarking will require new building systems, such as upgraded sub-metered or master-metered utility systems, as well as software programs to collect and organize data. HUD should make grants available to properties to implement these systems.
- **Utility Providers:** To the greatest extent possible, HUD should set up a process that works directly with utility providers to collect and aggregate utility data.

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[8] "Assessment of ARRA Green and Energy Retrofits in HUD-Subsidized Housing," HUD PD&R, June 2017

- **Management Costs:** HUD should consider adjusting financial support for utility benchmarking required or encouraged at properties, including adequate management add-on fees.
- **Phased-In Requirements:** HUD should phase in any requirements for properties to conduct and submit utility benchmarking data, including giving smaller capacity properties more time and TA to implement new systems.

Again, thank you for your review and consideration of these comments. Overall, we urge the agency to use this as an opportunity to improve the stability and resilience of affordable rental housing across the country and to improve long term economic and health outcomes for residents.

We look forward to working together to advance climate resilience affordable housing options for older adults long into the future. Please address any questions to Juliana Bilowich (jbilowich@leadingage.org).

Sincerely,

Juliana Bilowich
Director, Housing Operations and Policy

Appendix: Recommended list of standard energy and water efficiency and climate resilient retrofits

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Energy efficiency
LED Lighting Upgrades Interior/Exterior
Motion sensors for lighting (if applicable)
Smart sensors (lighting, heating/cooling, humidity, occupancy, etc.)
Smart thermostats and powerstrips
Variable Frequency Drives where applicable
Insulation and seal on building envelope/window
Building envelope energy efficiencies
Proper appliance maintenance and upgrades
Magnetocaloric refrigerator
Heat pump clothes dryer
Mold prevention systems
Air vent protection systems
Electrical subpanneling
Storm shutters
Window replacement

Water efficiency
Water saving aerators for faucets
Low-flow and dual flush toilets, showerheads, and fixtures
Variable frequency drives on domestic booster pumps
Rain sensors (irrigation systems)
Dishwasher installation
Efficient cooling tower operation
Ultra-efficient heat pumps
Rain barrel and planter installation
Smart irrigation systems
Plumbing upgrades

Climate resilience
Wet & Dry floodproofing
Fire safety
Installation of safety measures i.e. sump pumps
Build natural site barriers to resist flooding
Efficient vertical transportation system (elevators) sump pumps installed in pits and regularly inspected
Backflow preventers
Windows and Shading
Distributed Heating and Cooling Systems
Emergency or back up power systems
Electric Vehicle Charging and EV upgrades to operational fleet
Alternate power stations and storage
Solar panels
Wind turbines
Net zero energy sysems