



Green, Resilient, and Efficient Affordable Homes for Tenants (GREAHT)

**A CALL TO ACTION TO TRANSFORM
AFFORDABLE HOUSING**

Affordable housing is an essential component of infrastructure and an equitable recovery from COVID-19.

- Like roads and bridges, affordable housing is a long-term asset that connects communities and families to resources and opportunities.
- Our existing stock of affordable housing is aging and in need of repair.
- Updating our outdated housing stock can create high paying jobs, while reducing energy costs, and addressing a backlog of physical repairs needed to improve safety and quality of life for residents.
- In assisted housing, less energy consumption reduces government subsidy costs and helps preserve long-term investments by reducing operating costs and improving the financial stability of the property.
- Investments in renewable energy and resilient building systems make housing less reliant on the traditional electric grid, enabling energy providers to continue providing services to vulnerable populations during natural disasters.
- Updating energy and water systems creates healthier homes for residents, helping them succeed.

GREAH T is a federal investment that would retrofit, decarbonize, and preserve the affordable housing stock.

GREAH T would invest \$75 billion over ten years to:



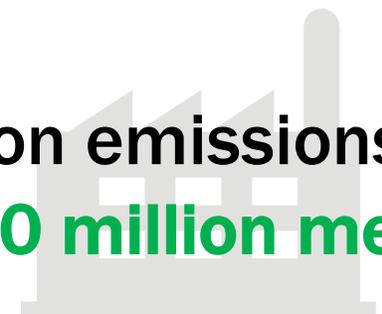
Retrofit and preserve **eight million** affordable homes



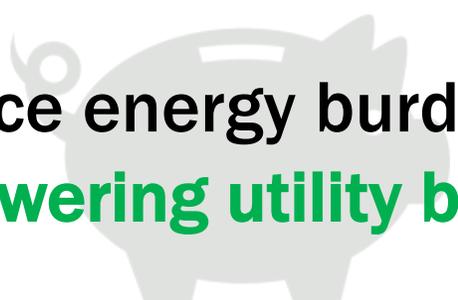
Create more than **500,000 net new jobs** (job-years)



Create **healthier homes**



Cut carbon emissions by **more than 100 million metric tons**



Reduce energy burdens by **lowering utility bills**



Protect renters from hazardous climate impacts

GREAH T would **holistically improve housing, providing significant benefits to under-resourced renters and communities.**

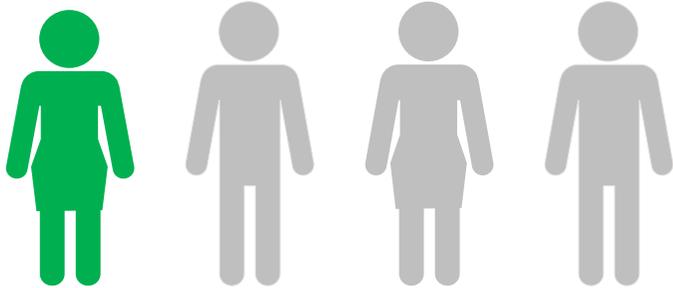
Holistic building retrofits maximize all opportunities to reduce carbon emissions, improve housing affordability, and make homes healthier.

Types of Building Upgrades	Examples of Eligible Measures
Deep Energy Efficiency Retrofit	Measures that cumulatively reduce energy usage by at least 20%, including building insulation, window, lighting and controls, appliance upgrades, etc.
Electrification	Electrification of water heating and building heating systems using electric heat pumps; electric appliances to replace appliances reliant on fossil fuels, such as gas stoves; upgrading electric panels to accommodate increased electric loads
Health and Safety Improvements	Mold mitigation, moisture control, etc.
Resiliency	Measures that protect residents from harmful impacts of climate-related events, including reflective roofing, floodproofing, etc.
Renewable Energy	Photovoltaic and thermal solar energy, community solar, energy storage, etc.

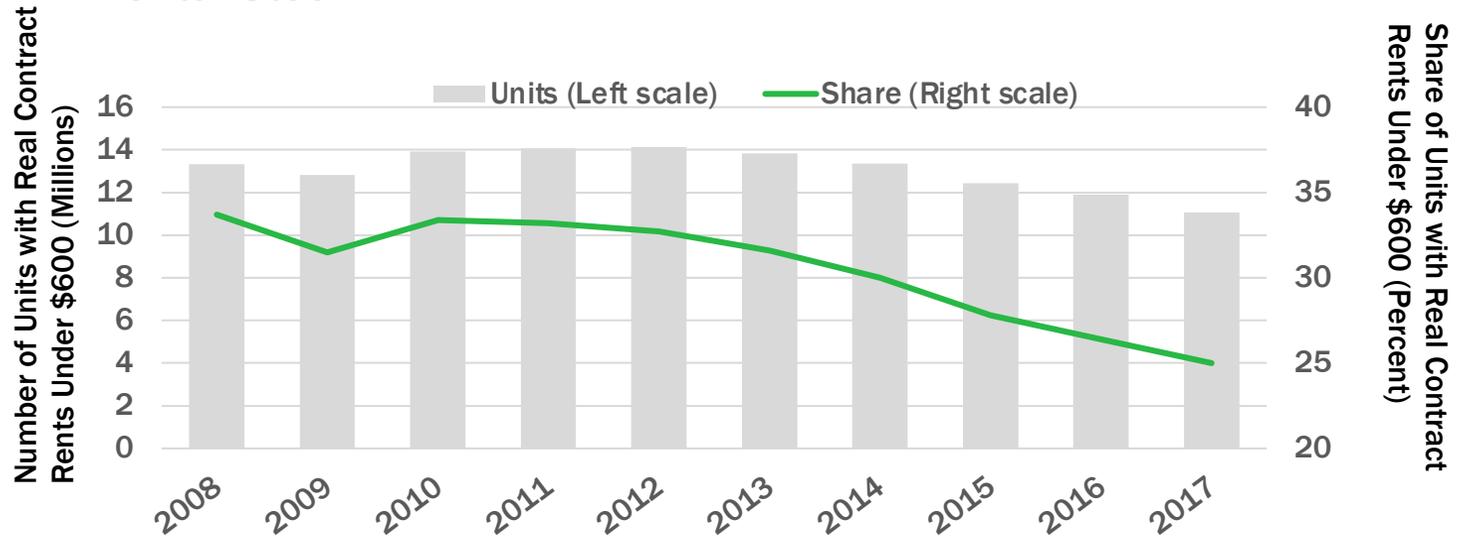
Public investment is critical to retrofitting and preserving existing affordable housing.

Current federal housing assistance levels is grossly inadequate to meet the demand for affordable housing, let alone provide enough funding to scale retrofits.

Only 1 out of every 4 households eligible for federal housing assistance receive it



Low-Cost Units Account for a Shrinking Share of the Nation's Rental Stock



Reducing energy use in affordable housing will address inequitable energy burden disparities.

Under-resourced renters and Black, Indigenous, and other People of Color (BIPOC) spend disproportionately more of their income on home energy costs.



Source: ACEEE, *How High Are Household Energy Burdens? An Assessment of National and Metropolitan Energy Burden across the United States* (September 2020)

Low-income and BIPOC communities are more vulnerable to climate-related impacts.

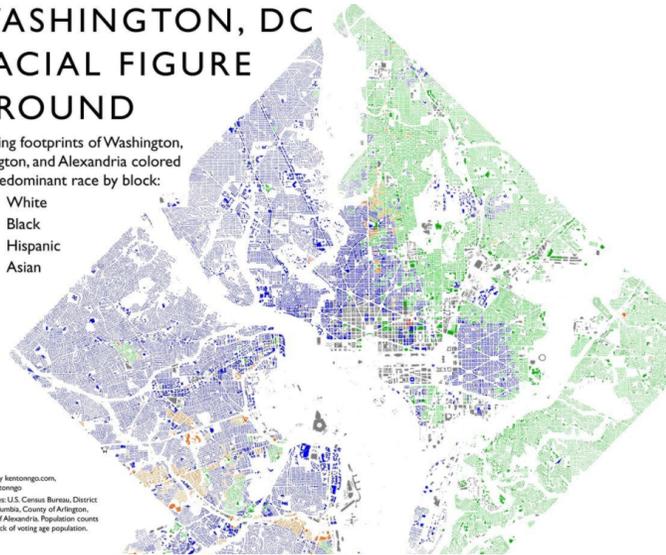
More frequent climate events, like heatwaves and flooding due to sea-level rise, threaten the health and well-being of vulnerable communities.

BIPOC communities in Washington, D.C. are more vulnerable to rising temperatures.

WASHINGTON, DC RACIAL FIGURE GROUND

Building footprints of Washington, Arlington, and Alexandria colored by predominant race by block:

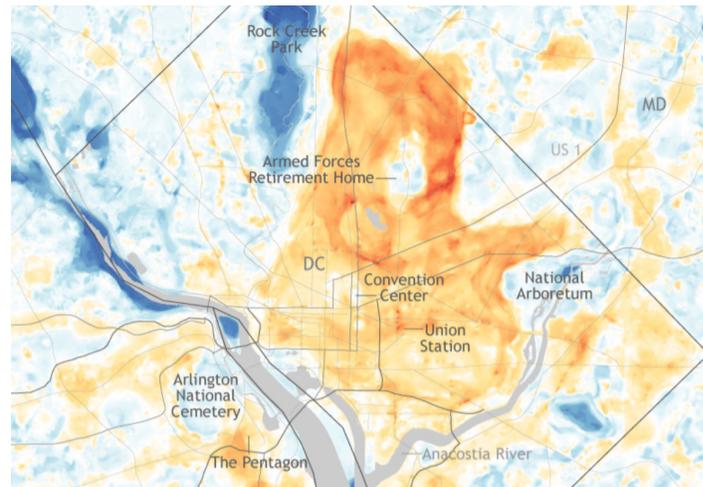
- White
- Black
- Hispanic
- Asian



Map by kentonngo.com,
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sources: U.S. Census Bureau, District
of Columbia, County of Arlington,
City of Alexandria. Population counts
by block of voting age population.

Source: Clean Energy DC plan

Urban Heat Island Effect



Source: NOAA Climate.gov

“The number of affordable housing units at risk from coastal flooding and sea level rise is expected to more than triple over the next three decades.”

STRUGGLING AGAINST A RISING TIDE

SEA LEVEL RISE AND COASTAL FLOODING THREATEN
AFFORDABLE HOUSING



CLIMATE  CENTRAL

Energy efficiency and electrification can improve resident health.

Improvements to insulation, air sealing, heating equipment, and ventilation can improve indoor air quality and alleviate chronic illnesses that disproportionately impact BIPOC households.

Compared to white Americans...



Black Americans are nearly **1.5 times** more likely to have asthma



Black Americans are **3 times** more likely to die from asthma

Source: Asthma and Allergy Foundation of America

“Layering electrification with deep energy efficiency improvements... has a tremendous potential to improve residents’ health [and] safety. Burning gas releases nitrogen oxides and harmful particulate matter. Prolonged exposure to these combustion byproducts can have serious long-term health impacts... such as triggering asthma attacks, decreasing overall lung function, and increasing chances of serious respiratory illness.”

Source: The Greenling Institute and EEFA, *Equitable Building Electrification A Framework for Powering Resilient Communities*

Eligible building owners would receive grants or loans to improve housing quality while protecting tenants.

Eligible building owners include private owners of federally-subsidized or “naturally occurring affordable housing” that commit to keeping rents affordable. Up to \$25,000 per affordable unit would be available for significant sustainability improvements

Eligible Affordable Housing	Affordability Requirements	Expected Number of Units to Receive Funding
Federally subsidized properties, including recipients of federal project-based rental assistance and Low-Income Housing Tax Credits	At least 15 additional years of affordability for current and future tenants	2.6 million
“Naturally occurring affordable housing” (NOAH) in which rent levels for two-thirds of all dwelling units rent at no more than 80% of the HUD fair market rent	Between eight and 15 years depending on the level of federal investment in the property	5.4 million

GREAHT would be administered through a federal-state partnership.

A new Office of Climate Resilience at HUD would oversee funding and distribute funds to state Housing Finance Agencies (HFAs) that would allocate funds to building owners.*

State HFAs are well-suited to administer GREAHT funds.

- HFAs can leverage GREAHT funds with housing resources they administer like the Low-Income Housing Tax Credit and state housing trust funds.
- HFAs have existing relationships with affordable housing owners and developers.
- Most HFAs are already committed to green building practices. 75% require or incentivize building owners to meet third-party green building standards to receive agency funding.

Some HFAs already directly administer funding for sustainability improvements in affordable housing.

- **Oregon Housing and Community Services** administers the **Multifamily Energy Program**
- **Maryland Dept of Housing and Community Development** administers the **EmPOWER Multifamily Energy Efficiency and Housing and Affordability Program**.
- Both programs provide technical assistance and funding for building retrofits.

**HUD would administer the program directly in states where HFAs choose not to participate.*

State HFAs or HUD would oversee how funds are distributed equitably to building owners.

Participating state HFAs must demonstrate how they will award grants and loans in a manner that promotes geographic, social, racial, and economic equity.

The Biden Administration's Justice40 Initiative

Executive Order 14008, "Tackling the Climate Crisis at Home and Abroad," set the goal that 40 percent of the overall benefits of federal investments in the areas of clean energy and energy efficiency; clean transit; affordable and sustainable housing; training and workforce development; the remediation and reduction of legacy pollution; and the development of critical clean water infrastructure flow to disadvantaged communities.

"It is therefore the policy of my Administration to secure environmental justice and spur economic opportunity for disadvantaged communities that have been historically marginalized and overburdened by pollution and underinvestment in housing, transportation, water and wastewater infrastructure, and health care."

- Executive Order 14008 of January 27, 2021

Requirements of Building Owners

In addition to committing to extended affordability, building owners will be required to do the following:

- **Pursue an energy efficiency upgrade plan expected to achieve a 20%+ reduction in energy usage**
 - **Energy efficiency upgrades are a pre-requisite for qualifying for funding for electrification, solar, and resiliency measures**
- **Pass a physical inspection and financial feasibility assessment**
- **Benchmark energy usage**
 - **Either using aggregate building energy usage data if available from the utility provider, or for a representative sample of building units if aggregate data are not available**

Financial incentives would be available to encourage building owners to participate and to offset out-of-pocket costs.

HUD or the HFA will determine the level of incentives available to the owner.

Types of incentives to be provided to the owner:

- **Pre-Development Incentive**
 - A grant to offset the owner's due diligence and out-of-pocket closing costs.
 - Payable to the owner at the closing of the grant or loan.
- **Early Completion Incentive**
 - A grant provided to the owner for completing the scope of work on budget and in a timely manner.

**For more information, contact
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