



Green Initiative

Highlights of the Draft Green Guide, Version 8

A decorative horizontal bar consisting of three segments: a dark blue segment on the left, a yellow-green segment in the middle, and a light purple segment on the right.

**Office of Affordable Housing Preservation
Mark-to-Market Program**



Green Restructure: Requirements

- ❑ Significant commitment to Green rehab
 - Baseline + Fixed + Variable
- ❑ Significant commitment to Green R4R
- ❑ Commitment to Green O&M Plan
 - Green cleaning/ maintenance products
 - Green certification for property management staff
 - Resident Involvement, Outreach & Incentive Plan
 - Integrated Pest Management Plan
 - Energy & water usage monitoring
 - Indoor Environmental Quality monitoring
 - Cooperation with future research activities





Green Restructure: Commitment Level

□ Level One

- Owner meets 75% or more of PAE recommendations for rehab and R4R
- Green O&M Plan
- Maximum incentives

□ Level Two

- Owner meets 50% or more of PAE recommendations for rehab and R4R
- Green O&M Plan
- Lesser incentives





Green Restructure: Incentives

- ❑ Reduced Owner Contribution
 - 3% for Level One
 - 10% for Level Two

- ❑ Increased Incentive Performance Fee
 - 50% more than existing IPF for Level One
 - 25% more than existing IPF for Level Two





Eligibility

- ❑ All properties are eligible
 - All new referrals processed as Green (Fulls and Lites)
 - Existing pipeline properties
 - ❑ Not subject to RC
 - ❑ Subject to RC, eligible only by waiver
- ❑ Requirements:
 - Green Rehab (Baseline, Fixed, and Variable)
 - Green R4R
 - Green O&M Plan (several requirements within)





Eligibility (continued)

□ Green Rehab

■ Traditional vs Green Baseline

- All the Traditional rehab escrow items

■ Fixed Green Significant Additions

- Additional Year One rehab; all Green; recommended by PAE unless impractical at subject property or infeasible

■ Variable Green Significant Additions

- Also additional Year One rehab; all Green; may be recommended by PAE subject to the guidance for each line item (owner concurrence? Cost benefit?)

□ Green R4R Schedule





Eligibility (continued)

Green Operating & Maintenance Plan (6 components)

1. Green operations

- ❑ Use Green products, practices, and materials

2. Green certification for property management staff

- ❑ Have Green Building certification for onsite property management or with direct supervisor of onsite staff

3. Resident Involvement, Outreach & Incentive Plan

- ❑ Include residents in Green plans, Green training, and identify potential resident benefits





Eligibility (continued)

Green Operating & Maintenance Plan (continued)

4. Integrated Pest Management Plan

- ❑ Start from the inspection done as part of the Green PCA and establish the plan going forward

5. Indoor environmental quality monitoring

- ❑ Track savings in energy and water usage; and changes in temperature and humidity levels

6. Cooperation with future research activities

- ❑ Have scope approved by HUD





Greening the Existing Pipeline

- ❑ The PAE proceeds directly with a Green PCA for:
 - Assets for which the PCA has not been ordered
 - Assets for which the PCA has been ordered, but not received (discuss change with PCA Contractor)
 - Assets for which the PCA has been received, but not modeled (discuss reorder with PCA Contractor)





Greening the Existing Pipeline (continued)

- The PAE determines Green feasibility for:
 - Assets not yet subject to an executed RC
 - Assets subject to an executed RC with an approved waiver





Greening the Existing Pipeline

(continued)

- ❑ To determine Green feasibility:
 - HAP contract extension
 - Initial Screen (see Draft Green Guide, Attachment 1)
 - ❑ increase rehab
 - ❑ increase R4R
 - ❑ add to rehab (for fixed and variable Green items)
 - ❑ increase IPF





Greening the Existing Pipeline

(continued)

□ To proceed with a Green Restructure:

- HAP can be extended or owner agrees to market rents
- Initial Screen results show a Green Restructure is feasible
- Initial Screen results show a Green Restructure is not feasible, then OAHP previews before sharing with owner, and provides direction to the PAE
- Owner reviews and acknowledges the Green Initiative Overview Letter





Greening the Existing Pipeline

(continued)

- Green approval process:
 1. PAE develops its Green recommendations in consultation with owner, residents, and property management staff.
 2. (temporary step) PAE presents its Green plan to the Green Team
 3. Green Team provides direction
 4. PAE engages owner, gets Green commitment, models the Green Restructure
 5. PAE submits the Green plan to OAHP
 6. OAHP prepares the Green Reality Check for review with the Green Team
 7. PAE proceeds with Green Restructure





Green PCA

(Physical Condition Assessment Report)

The Green PCA has three parts:

1. Traditional PCA with Green alternatives
2. Energy Audit
3. Integrated Pest Management Inspection





Green PCA (continued)

Part 1 PCA Report

Comparing Traditional and Green Requirements

- Same scope of work as Traditional PCA
- Show Green alternatives, line by line, with cost benefit analysis, for rehab and 20 year schedule

Contractor Qualifications:

- Has same quals as for the Traditional PCA, and
- Is LEED Accredited Professional (by 1/1/08), and
- Will complete 10-hours of Green Building education annually





Green PCA (continued)

Part 2 Energy Audit

- Identify how energy is used in the building
- Analyze utility costs of the building
- Provide a prioritized list of recommended cost-effective energy efficiency improvements to reduce energy costs

Contractor Qualifications:

- Be RESNET or BPI trained/certified, or
- Be a Certified Energy Manager (CEM), or
- Be a State-equivalent certified energy auditor, or
- Be a professional architect or engineer, and
- Agree to pursue ASHRAE sustainability certification, and
- Meet standard contractor qualifications





Green PCA (continued)

Part 3 Integrated Pest Management Inspection

- Provide, collect, and review glue traps to assess cockroach infestation; propose corrective measures
- Inspect the building exterior for areas where the envelope has been penetrated; propose corrective measures
- Inspect trash disposal areas and laundry for evidence of infestations; propose corrective measures

Contractor Qualifications:

- Be a NPMA member, and
- Be certified by QualityPro, GreenShield, or EcoWise, and
- Meet standard contractor qualifications





Outside Funding

Objective:

Secure grants, credits, rebates, and other funding that may be available to help offset the costs of the Green Restructure.





Outside Funding (continued)

Potential Funding Sources

- Federal Government
- State Government
 - Database of State Incentives for Renewables & Efficiency
(www.dsireusa.org)
- Local Government
- Foundations/ Non-Profits
- Utility Companies
- Appliance Makers

CRP Treatment

- Same as Traditional Restructure





Outside Funding (continued)

Rebates, Discounts, Refunds, etc

Owner required to pursue all such collections that are available to the property and to deposit those collections to the Operating Account.

Energy-Related Income Tax Credit

OAHF will not attempt to identify, monitor, or collect any portion of such individual income tax credits.





Outside Funding (continued)

Green Funding Incentive Fee

- Shared equally between owner and PAE
- 10% of funding received NTE \$5,000
- Funds from tax credits or HUD-funded programs (including HOME, CDBG) do not count
- Green Restructure must close to earn the fee
- Payment of the fee:
 - Owner receives payment through less owner contribution
 - PAE receives payment through a Form 2.15 waiver submitted after closing





PRA Implications (Portfolio Restructuring Agreement)

Waivers

- PRA Time Waivers
 - Traditional Restructures converted to Green
 - New properties processed at Green (initially)

- PRA Fee Waivers for Third Party Reports
 - PAEs must obtain OAHP approval before incurring the cost
 - PAEs must record the costs of the three parts of the PCA separately:
 - PCA Comparing Traditional and Green
 - Energy Audit
 - IPM Inspection





PRA Implications (continued)

□ Limits on Third Party Reports

(costs are “per asset” not “per occurrence”)

■ PCA Comparing Traditional and Green

Limit is \$4,000 (OAHP expects \$5,000-\$5,500 cost)

■ Energy Audit (“other subcontractors”)

Limit is \$2,500 (OAHP expects \$2,000-\$2,500 cost)

■ IPM Inspection (“environmental assessment”)

Limit is \$1,000 (OAHP expects \$750-\$1,000 cost)



E-mail
→ Me ←

Keep Carolyn Porritt, Green Team Administrator, apprised of costs if outside the expected range.





PRA Implications (continued)

- ❑ PAE Green Processing Incentive Fee
 - \$5,000 for each PAE's first five Green Restructures
 - \$2,500 for each other thereafter
 - Partial fees are addressed through the waiver process
 - \$250 for completing the Initial Screen but not proceeding with the Green Restructure
 - Requires:
 - ❑ PAE staff member has a Green building industry certification
 - ❑ PAEs need to update PRA, Exhibit 3 Key Personnel, by March 15, 2008
 - Involve site property management and tenants in Green building practices applicable to the rehab and R4R

- ❑ Existing Incentive Fees
 - Can be earned in addition to the Green Processing Incentive Fee
 - Waivers may be appropriate for first few transactions





More Information

Catalog of Green Resources

- Select 'Green Initiative' from the Resource Desk home page (www.oahp.net)

Questions

- Check the Resource Desk for questions and answers
- Submit your questions to be answered to OAHP
 - Select 'Submit Question to RD' from the Resource Desk home page (www.oahp.net)

