**`U.S. Department of Housing and Urban Development**

**Office of Housing**

**PROJECT-BASED SECTION 8 HOUSING ASSISTANCE PAYMENTS**

***Addendum to Project Based Section 8 Housing Assistance Payments Contract for Green and Resilient Retrofit Program (GRRP)—GRRP Shared Savings Retainer (GRRP Shared Savings Retainer Addendum)***

**RECITALS**

1. The Owner is party to a Section 8 Housing Assistance Payments Contract (the “HAP contract”), authorized under section 8 of the United States Housing Act of 1937 (“Act”), 42 U.S.C. § 1437f, with the contract administrator (HUD, or a public housing agency (‘PHA”) acting under an annual contributions contract (“ACC”) with HUD). The HAP contract may have been renewed under a contract (“the Renewal Contract”) or under successive Renewal Contracts authorized under the Multifamily Assisted Housing Reform and Affordability Act of 1997, 42 U.S.C. § 1437f note. The term “HAP Contract,” as used in this addendum, means either the Original HAP Contract or the Renewal Contract in effect on the effective date of this addendum, including any exhibits thereto.
2. The Owner has been selected for an Elements Award, Comprehensive Award or a Leading Edge Award under the Green and Resilient Retrofit Program (GRRP), authorized under Section 30002 of the Inflation Reduction Act of 2022, (Public Law 117-169), pursuant to the terms of a Notice of Funding Opportunity.
3. The Owner has submitted an Elements Closing Package, a Leading Edge Transaction Plan or a Comprehensive Transaction Plan to HUD, in accordance with the Green and Resilient Retrofit Program for Multifamily Housing Notice, H-2023-05, or any successor notice (the GRRP Notice), which set forth a Scope of Work (SOW) projected to result in a reduction of one or more utility component paid by residents and used to establish the utility allowance and/or in the case of projects that will be renewed with budget-based rent paid from property accounts.
4. HUD has reviewed and accepted the Elements Closing Package, Leading Edge Transaction Plan or Comprehensive Transaction Plan. Based on the SOW in the accepted Elements Closing Package, Leading Edge Transaction Plan or Comprehensive Transaction Plan and the utility projections performed by a third-party professional engineer, HUD calculated a GRRP Shared Savings Retainer of 75% of the projected reduction of one or more utility components (e.g., gas, water, sewer, electric) paid by residents and used to establish the utility allowance and/or, in the case of a project that will be renewed with budget-based rents in connection with the closing of the GRRP award, paid from by the Owner from property accounts (Owner-paid utilities).
5. The Owner has executed the Legal Documents required by HUD for participation in the GRRP in accordance with the GRRP Notice.

**AMENDMENT**

As a result of the foregoing recitals, the HAP Contract is amended to include the following provisions:

1. **GRRP Shared Savings Retainer.** Beginning on the first day of the month following the completion of the SOW as evidenced by the receipt of the Completion Certification by HUD the project will receive a GRRP Shared Savings Retainer (SSR) in the amount of \_\_\_\_\_\_\_ as an additional part of its monthly HAP subsidy for a period of 15 years (a total of 180 payments). Of the amount herein, [\_\_\_\_\_\_\_\_\_] is attributable to savings to tenant-paid utilities and [\_\_\_\_\_\_\_] is attributable to savings to owner-paid utilities.
2. On the date that the SSR becomes effective, the following adjusted utility allowances are pre-approved to be included in a revised Rent Schedule until the next utility allowance adjustment at the next contract anniversary. Tenants will be notified of the change to the utility allowance and tenant rents in accordance with HUD regulations.

|  |  |  |
| --- | --- | --- |
| Number of Bedrooms | Number of Contract Units | Utility Allowance |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. **Review of GRRP Completion Certification.** If HUD determines during the Completion Certification review, or any time thereafter, that the Owner failed to complete the Scope of Work items necessary, as determined by HUD, to achieve the GRRP SSR, HUD may modify the amount of the GRRP SSR to reflect the revised projected savings commensurate with the work performed, as determined by HUD, or terminate this addendum to the HAP Contract. Any excess GRRP SSR already provided upon termination or modification may be offset from future HAP payments.
2. **Revision of GRRP Shared Savings Retainer.** If the GRRP Retainer was calculated in whole or in part based on projected reduction to utility expenses paid by the Owner due to an expectation that the HAP contract would be renewed with budget based rent setting in connection with the closing of the GRRP Award, and the HAP contract was not, in fact, renewed with budget based rents, the GRRP Shared Savings Retainer will be revised to remove the portion of the retainer attributable to projected savings to Owner-paid utilities. Any GRRP Shared Savings Retainer attributable to Owner-paid utility savings that was already provided may be offset from future HAP payments.
3. **Default under GRRP Legal Documents.** If HUD declares a Default under the GRRP Grant Agreement or an Event of Default under the Surplus Cash Loan Agreement, HUD may terminate this GRRP SSR Addendum.

SIGNATURES

**Contract Administrator**

Name of Contract Administrator (Print)

By:

Signature of authorized representative

Name and official title (Print)

Date

**U.S. Department of Housing and Urban Development**

By:

Signature of authorized representative

Name and official title (Print)

Date

**Owner**

Name of Owner (Print)

By

Signature of authorized representative

Name and title (Print)

Date