Build for the Future

Retrofit Guide

2024

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

TABLE OF

Contents

Introduction

The United States is making historic investments in decarbonization and climate resilience. In addition to critical infrastructure upgrades and other actions to strengthen communities and respond to climate change, the Bipartisan Infrastructure Law (BIL) and Inflation Reduction Act (IRA) present a multitude of opportunities to support the preservation of existing affordable housing, protect residents from climate hazards, and bring down housing and energy costs for American families. The Build for the Future Retrofit Guide is an introductory guide to leveraging the array of funding opportunities from BIL and IRA to reduce greenhouse gas (GHG) emissions and improve the climate resilience of our nation's existing affordable housing.

Key objectives of this guide:

1. Increase awareness of new federal resources that can be used to improve energy and water efficiency, reduce GHG emissions and embodied carbon associated with materials, and enhance the climate resilience of existing affordable housing through retrofit projects.
2. Demonstrate how to assess portfolio and property needs, identify retrofit projects for investment, and begin to evaluate funding opportunities.
3. Outline opportunities to integrate both brand new and existing federal funding into retrofit projects to increase project viability.

Background

The Department of Housing and Urban Development (HUD) has worked with its federal agency partners—including the Department of Agriculture (USDA), Department of Energy (DOE), Department of Transportation (DOT), Treasury Department (Treasury), and Environmental Protection Agency (EPA)—to identify resources under the BIL, IRA, and other recently enacted laws that can be used to retrofit existing affordable housing. In addition, this work contributes to ongoing efforts across the Biden-Harris Administration to lower housing costs and increase the supply of energy efficient and resilient housing through the White House **Housing Supply Action Plan**.

These new funding opportunities and tools can help address our nation's housing and climate needs simultaneously. They help ensure rehabilitated, retrofitted buildings meet the highest levels of energy efficiency, are powered by clean energy, and include features to promote resilience against natural disasters and other health and safety risks. The new funding opportunities can help close financing gaps to build or preserve affordable housing in transit-oriented developments, for infill development projects, and in rural or Tribal areas where housing scarcity continues to be a critical barrier to economic growth. They can help underserved communities transition to a clean energy economy and scale more efficient forms of energy, water and materials production and consumption. Finally, they help residents save money on utility bills, promote healthier homes, and create local jobs.

Opportunity Categories

This guide identifies funding opportunities for key activities owners can take to preserve and create affordable housing, reduce GHG emissions, and improve the climate resilience of existing properties.

- **Energy Efficiency:** Upgrading a building's insulation, windows, heating, ventilation and cooling systems (HVAC), appliances, and other features to increase the efficiency of existing energy use and reduce the amount of energy needed to power a building.
- **Renewable Energy:** Lowering a building's carbon footprint by generating clean electricity through the installation and use of renewable energy sources, such as rooftop solar, wind, and geothermal energy.
- **Water Efficiency:** Installing measures like low-flow fixtures, efficient water heating systems and monitoring technology to lower a building's water use and associated greenhouse gas emissions.
- **Materials Decarbonization:** Choosing materials that are durable, recycled, or designed for deconstruction and reuse, environmentally preferable, or are locally produced for building retrofit projects.
- **Transit-Oriented Development:** Reducing GHG emissions by integrating land use and transportation planning to develop higher density housing adjacent to clean, high-quality, and inclusive forms of transit.
- **Climate Resilience:** Installing features that help protect homes against natural disasters and other risks that threaten the health and safety of residents and communities.

The BIL and IRA unlock many transformative funding sources—tax credits and deductions, grants and loans, and rebates—from different agencies, such as those outlined below. These opportunities allow property owners to expand the scope of retrofit projects to achieve deeper levels of efficiency, add onsite renewable energy, and invest in climate resilience measures that may not have been possible previously. This guide will help identify different ways to leverage these new funding sources with existing affordable housing resources to scale impact.

- **EPA Greenhouse Gas Reduction Fund (GGRF):** The IRA provided $27 billion to mobilize financing and private capital to reduce GHG emissions and deliver benefits to communities—especially low-income and disadvantaged communities. This umbrella includes the $14 billion **National Clean Investment Fund** and the $6 billion **Clean Communities Investment Accelerator** to deploy grants and loans and provide technical assistance directly to low-income and disadvantaged communities for new development or retrofit projects that reduce or avoid GHG emissions, including net-zero buildings, low embodied carbon building materials, renewable energy and battery storage. GGRF also includes the $7 billion **Solar for All program**, which selected 60 applicants to deliver residential rooftop solar, shared solar, and storage solutions.

HUD's Green and Resilient Retrofit Program (GRRP)

Funded through the IRA, GRRP has awarded more than $773.4 million in grants and surplus cash loans to reduce carbon emissions, improve energy and water efficiency, incorporate renewable energy, and invest in climate resilience in the American housing stock. GRRP was awarded to more than 180 HUD-assisted properties, covering more than 23,000 rental homes, with projects spanning from targeted upgrades to major net-zero renovations for properties in more than 40 states, Washington, D.C., and Puerto Rico. GRRP is a prime example of how investments in energy efficiency, renewable energy generation, and climate resilience can improve the physical and financial performance of properties and preserve affordable housing long-term.

- **DOE Home Energy Rebates:** The IRA provided $8.8 billion for State Energy Offices to fund DOE's Home Energy Rebates for existing single-family and multifamily homes. Home Electrification and Appliance Rebates of up to $14,000 (total across all appliances) or 100% of project costs per unit are available for heat pump water heaters, heat pumps for space heating and cooling, electric stoves, heat pump clothes dryers, electric load service centers, insulation, air sealing, ventilation, and electric wiring. Home Efficiency Rebates of $4,000-$8,000 per unit are available to achieve modeled energy savings of 20% or more.

- **EPA Environmental Justice Grants:** The IRA provided $2 billion in funds for Environmental and Climate Justice Community Change Grants; place-based grants supporting environmental and climate justice activities to benefit disadvantaged communities. Flexible funding is available for projects that mitigate or prevent health risks from urban heat islands, extreme cold, and wildfire events, investments in low-and zero-emission and resilient technologies and related infrastructure, and workforce development to support the reduction of GHG emissions and other air pollutants. Additional **EPA Environmental Justice Funding and Technical Assistance programs** can also support retrofits.

- **DOT Reconnecting Communities Pilot Grant Program:** The BIL authorized up to $607 million in grants for planning, capital construction, and technical assistance to enhance community connectivity by removing, retrofitting, or mitigating dividing transportation facilities, and address localized transportation and environmental challenges.

- **USDA Rural Energy Savings Program (RESP):** RESP provides funding to rural utilities and other eligible organizations including Tribes and their subsidiaries, for-profit, non-profit, and state and local governments that provide energy efficiency services. These organizations can relend funds for energy efficiency projects including retrofits to qualified consumers. Additional **USDA programs** can also support energy efficiency and decarbonization retrofits.

- **Treasury Tax Provisions for Renewable Energy and Energy Efficiency:** The IRA expanded and modified provisions of a suite of incentives (such as the 45L New Energy Efficient Home Credit, 179D Energy Efficient Commercial Buildings Deduction, 48 Investment Tax Credit for Energy Property, 48E(h) Low-Income Communities Bonus Credit Program, 30C Alternative Fuel Vehicle Refueling Property Credit) to make them more accessible and advantageous. Builders, developers, and contractors can unlock the full potential of these tax credits to maximize energy efficiency, renewable energy generation and storage, and climate resilience in properties without jeopardizing or minimizing traditional sources of affordable housing funding.

The IRA's Direct Pay and Transferability Provisions

The Inflation Reduction Act included new provisions to access clean energy tax credits including Direct Pay and Transferability.

Under the **Direct Pay** provision of the IRA, twelve credits, including the Clean Electricity Investment Tax Credit (48E), can be used by municipalities, Tribes, Public Housing Authorities (PHAs), and tax-exempt organizations for clean energy investments. These entities can register with the Internal Revenue Service (IRS) and file a tax return to claim the credit and receive a payment after completing the energy project.

Under the Transferability provision of the IRA, a property owner that qualifies for an eligible tax credit may choose to transfer, or sell, the tax credits to another entity. For example, a property owner installing solar that is eligible for the ITC can transfer the credit to a third-party buyer with the proceeds of the sale effectively lowering the cost of the solar panels.
The IRA also included language that 48, 48E and the 45L no longer reduce eligible basis for Low Income Housing Tax Credit projects, unlocking more resources for energy efficiency, decarbonization and renewable energy in affordable properties.

Getting Started

There are several steps owners should take when planning a retrofit project. Data collection, evaluating a property's needs, and assessing natural hazard risks are critical steps to determine project scope and budget, and identify new and existing resources to complete the project.

Data Collection

Benchmarking is a fundamental asset management process to help owners understand how properties are performing. It is the practice of tracking the actual energy and water use of a property—or portfolio of properties—on an ongoing basis. EPA has a free, interactive tool, EPA's ENERGY STAR Portfolio Manager, to benchmark energy and water use across a portfolio or individual properties. Through the tool, each building's energy and water use can be compared to similar buildings, which can help owners identify underperforming properties that are good candidates for an audit or assessment to identify upgrade and retrofit needs and prioritize investments.

Many states and localities are adopting standards that require existing buildings to achieve minimum levels of energy performance, or achieve GHG emissions reduction targets, within specific timeframes. In addition, some federal sources require benchmarking as a condition of funding to document energy savings or emissions reductions from those investments. Establishing benchmarking as a fundamental asset management process positions owners to meet required standards and access funding to improve properties.

Key Resources for Getting Started

Data Collection

- EPA ENERGY STAR Portfolio Manager
- HUD Build for the Future Benchmarking Guide
- HUD Multifamily Utility Benchmarking Toolkit

Evaluating a Property's Needs

- DOE Better Buildings Initiative GHG Emissions Reduction Audit: A Checklist of Owners
- DOE Building Data Tools
- HUD Multifamily Building Efficiency Screening Tool
- HUD Renewable Energy Toolkit
- DOE Better Climate Challenge Onsite Renewable Energy Screening Tool
- EPA Pollution Prevention Tools and Calculators

Assessing Exposure and Risk

- FEMA Natural Hazard Map
- NOAA US Climate Resilience Toolkit
- EPA Creating Disaster-Resilient Buildings
- Enterprise Community Partners Portfolio Protect Tool

Evaluating a Property's Needs

Conducting a comprehensive evaluation of the property's current conditions to identify both short-term repair needs and long-term investments that can improve the physical and financial performance of the property is a foundational step in a successful building retrofit. Capital Needs Assessments (CNAs), onsite energy or GHG emissions audits, and climate risk assessments provide a holistic picture of a property's needs and make it easier for owners to prioritize upgrades and design comprehensive retrofit projects to maximize impact and cost savings.

Solar Energy

Installing solar energy systems can help reduce greenhouse gas emissions, lower utility bills, and improve the resilience of a property. There are three main pathways to incorporating solar: direct ownership, on-site leasing, and community solar. Each has different costs and benefits. **HUD's Build for the Future Solar Energy Guide** outlines key topics to consider when planning to invest in solar energy and additional information on funding resources that can be used to access and install solar energy systems.

Capital Needs Assessments (CNAs)

A CNA is a detailed property inspection to understand the current conditions, including structural components (e.g., roofs, windows, foundations) and building systems (e.g., heating, ventilation, air conditioning, electrical systems, and plumbing). CNAs inform the creation of a financial plan for maintenance and capital investments to upgrade and retrofit the property. Evaluating energy efficiency, electrification, and climate resilience opportunities during a CNA can help owners plan for future upgrades and expenditures—prioritizing retrofit projects that pay back quickly in the short-term and aligning larger projects with major building financing events (e.g., a recapitalization).

Energy and Emissions Reduction Audits

Audits evaluate a building's energy performance and identify opportunities to save energy or reduce GHG emissions through improved operations and maintenance or upgrades to the building. Typically, audits include a review of the building or property's historic and current energy and water use, an evaluation of its performance against similar buildings, as well as an on-site inspection of the building. All audits provide recommendations for upgrades that will improve energy and water efficiency or achieve emissions reductions and provide a cost and savings analysis to help owners develop a project scope. **Fannie Mae's High Performance Building Report** protocol provides guidance on creating an audit scope of work and includes a **sample audit report.**

Increasingly, multifamily owners are conducting GHG emissions reductions audits of their buildings to determine achievable levels of emissions reductions through energy efficiency, electrification, and the addition of onsite renewable energy. Audits range from low-cost, high-level analyses to more detailed and higher cost audits known as investment grade audits. Clearly defining the audit scope of work, requesting bids, and assessing auditor qualifications can help streamline the process and ensure the results are helpful and actionable.

Assessing Exposure and Risk

Every property is exposed to natural hazards and related climate risks, with some properties far more vulnerable than others. Assessing current and future climate risks can help an owner understand which properties in a portfolio are at the highest risk from natural hazards like flooding, fire, or extreme heat and cold, to make investment decisions that mitigate risk to properties and residents. The results of a climate risk assessment can help an owners identify the feasibility of incorporating measures like elevating utility systems, enhanced on-site stormwater management, and renewable energy systems with storage that protect properties and residents.

In order to maximize a project's impact, the audit and assessment results should be evaluated by a multi-disciplinary team within an organization including executive leadership, asset management, property management, sustainability, and real estate development. Many times, the goals for a project extend beyond just GHG emissions reductions and climate resilience. Affordable housing owners often have complementary goals, including improved indoor air quality, providing cooling, or reducing resident energy burden. Pulling the right team together early in the process is important to determine an organization's goals for the project to fully evaluate opportunities and begin to prioritize investments.

How to find an energy auditor

Many utility companies provide no- or low-cost energy audits buildings. These audits are often a feature of utility energy efficiency programs that also provide no-or low-cost installation of measures like LED light bulbs, faucet aerators, and power strips.

Audits and assessments should be completed by a professional certified through specific organizations like ASHRAE, Building Performance Institute (BPI), Association of Energy Engineers (AEE), and Residential Energy Services Network (RESNET), among others.

There are differences between traditional energy audits and GHG emissions reduction audits. To help get the most out of GHG emissions reduction audits, the **Better Buildings Initiative** created a **GHG Emissions Reduction Audit checklist** that details recommended services and deliverables, and a GHG Emissions Reduction Audit Scope of Work Template organizations can use to develop a scope of work to share with their auditor or include in a Request for Proposals (RFP).

Project Prioritization and Scoping

Prioritizing recommended projects creates a roadmap for completing upgrades and retrofits to achieve an owner's decarbonization and climate resilience goals. Identifying short-, medium-, and long-term upgrades and breaking bigger projects into actionable stages can help minimize negative capital and operating cost implications in the short-term and maximize project impact during important financing events, such as a recapitalization.

Although the upfront costs of energy and water efficiency upgrades, renewable energy systems, and resiliency measures may seem prohibitive, thoughtful project scoping, evaluating investments over the life cycle of a building and taking advantage of BIL and IRA resources can put these projects within financial reach.

Combining technologies and pursuing comprehensive projects can lead to significant long-term operational cost savings. For example, energy efficiency investments that reduce a property's energy use combined with on-site solar energy that offsets all, or a portion of a property's energy use, can reduce utility costs. These savings can help offset the costs associated with additional electric load from electric appliances or electric vehicle charging stations. Furthermore, integrating solar with battery storage ensures a continuous power supply, avoiding the costs associated with outages due to grid disturbances or extreme weather events.

Both IRA and BIL offer funding opportunities to meet the range of project scopes and sizes, from a short-term project to complete an equipment upgrade to the large-scale or long-term planning of a substantial rehabilitation. Planning and prioritization are the first steps to developing a project scope, determining timing, identifying sources of funding, and implementing projects that can enhance the physical and long-term financial performance of a property.

Strategies for Prioritization

Zero-Over-Time (ZOT) Planning: Zero-over-time planning creates a roadmap for a property to integrate energy efficiency and electrification upgrades and renewable energy investments into capital needs planning to reach decarbonization, or net-zero energy goals on a schedule that aligns with existing capital planning and budgeting. Owners can plan for near-term projects, like a solar-ready roof replacement, in anticipation of longer-term projects, like the installation of roof-top solar.

Building Performance Standards: Many states and localities are adopting building performance standards that require existing buildings to achieve minimum levels of energy performance or GHG emissions reduction targets on a specific schedule. Some jurisdictions are even introducing fines for noncompliance. Portfolio-wide energy and water benchmarking can help owners identify which of their properties are at risk of not meeting their jurisdiction's targets and prioritize investments at those properties to ensure compliance.

Examples of Project Financing

Below are examples of how IRA and BIL funding sources could be used—including tax credits and deductions, rebates, and grants and loans—together with existing sources of funding and financing to improve project viability, reduce GHG emissions, and enhance climate resilience. This guide highlights examples of how to braid, or leverage, funding sources to complete upgrades and retrofits at different levels of investment: simple upgrades, whole-building retrofits, and whole-building retrofits that achieve high-performance building certifications.

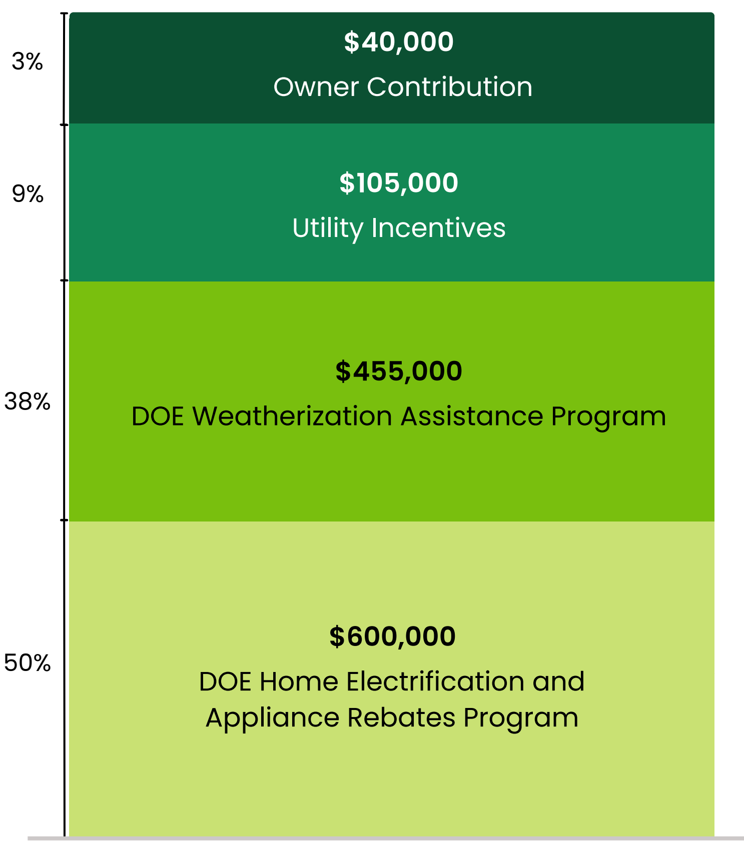
While the purpose of this document is to outline opportunities to leverage funding sources across existing and upcoming federal programs, there are many state incentives that can also be used in tandem and should not be overlooked. **The Database of State Incentives for Renewables and Efficiency (DSIRE)** offers a tool to navigate different policies and incentives that might be available based on a project's location. In addition, there are many different forms of private financing that can be woven into these projects—these range from Green Banks, Commercial Banks, Real Estate Investment Trusts, to Private Equity Firms and Private Foundations. All of these options should be researched before determining the right capital stack for an intended project.

Funding Stack Examples

Example 1: Energy efficiency and electrification upgrades "mid-cycle"

In this example, a 70-unit HUD Section 202 senior property needs energy efficiency and equipment upgrades. The property was originally financed through the Low Income Housing Tax Credit (LIHTC) program and receives Section 202 Project Rental Assistance, but the property does not have a refinancing event coming up soon. The project decides to utilize DOE's Weatherization Assistance Program (WAP) and access rebates through DOE's Home Electrification and Appliance Rebates program and its local electric utility. DOE rules make properties in recognized housing programs eligible, including LIHTC and privately owned multifamily buildings receiving project-based assistance (Section 8, Section 202, and Section 811), so that they do not have to separately verify that properties meet income qualification thresholds.

The project uses DOE's Home Electrification and Appliance Rebates to install heat pump water heaters, heat pumps for heating and cooling, heat pump dryers, induction stoves, and perform electric wiring and panel upgrades. The project also uses DOE WAP funds to complete lighting upgrades, low-flow fixtures, insulation, air sealing and additional weatherization measures, and uses utility incentives to cover eligible remaining costs. The total project cost is $1,200,000. Accessing DOE funding makes the upgrades possible with a small owner contribution to fill the remaining gap.



Total: $1,200,000

Savings Potential

Households served through WAP save on average $372 or more on energy bills annually.

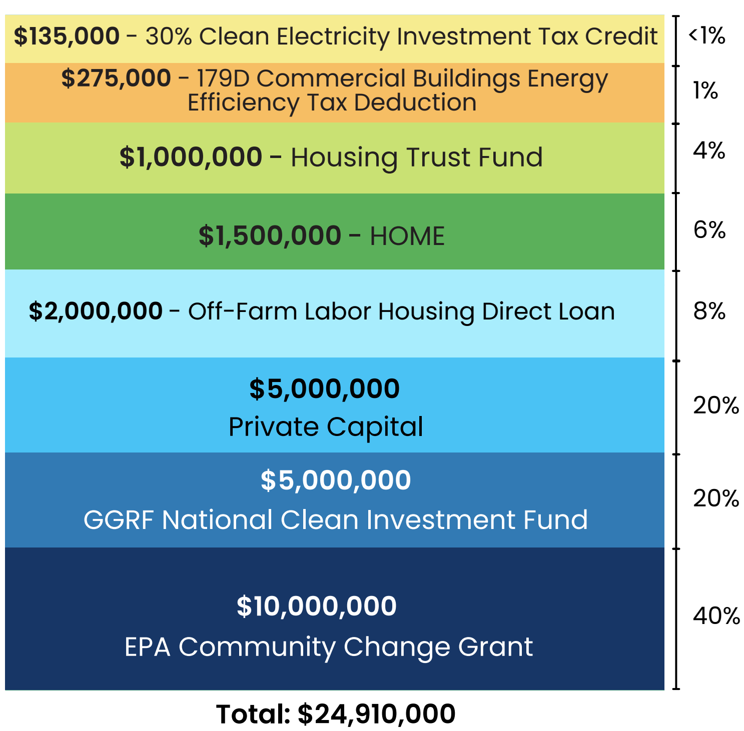
A 70-unit property using WAP, DOE Home Electrification and Appliance Rebates, and utility incentives could achieve an estimated 30% post-retrofit energy savings, which could result in utility cost savings over $25,000/year or hundreds of thousands of dollars over the life of the property. The owner's contribution of $40,000 has a payback period of 18 months.

Example 2: Combining existing affordable housing funds and IRA and BIL funds to provide housing and improve climate resilience in rural areas

In this example, a non-profit affordable housing developer partners with a local community-based organization to acquire and renovate an existing four-story 50-unit multifamily building to create housing for year-round and migrant or seasonal domestic farm laborers and extremely low income (ELI) households. The area is prone to extreme heat and natural disasters, and the redevelopment plans include an upgrade of a nearby community center into a community resilience hub. The total cost of the project is more than $24 million, which is often too high to attract private capital. By combining existing federal housing programs with new sources of grants, loans, and tax credits, the developer can cover a significant portion of the project costs and make the project possible.

The project receives funding as part of a $10 million EPA Community Change Grant to support the community's transformation toward resilience. The grant supports infrastructure upgrades to connect to a microgrid, renovation costs related to the community center and the multifamily building, and expansion of tree canopy to mitigate extreme heat. The project uses existing sources of affordable housing funds for the acquisition and rehabilitation of the multifamily property, including a USDA Off-Farm Labor Housing Direct Loan and grants from HUD's HOME Investment Partnership Program (provided through the state government) and Housing Trust Fund to provide housing for ELI residents.

The project receives a subordinate soft loan paid for through cash flow from one of the intermediaries of the EPA Greenhouse Gas Reduction Fund National Clean Investment Fund to complete energy upgrades and renewable energy installation. The upgrades include building envelope improvements and weatherization, heat pumps for heating and cooling, heat pump water heaters, induction stoves, and electric dryers. These upgrades meet the requirements to qualify for the 179D tax deduction, including the requirement that the project will result in a whole-building energy improvement of 25% over ASHRAE 2019. The developer also includes on-site renewable energy eligible for the Clean Electricity Investment Tax Credit (48E) and meets prevailing wage and apprenticeship requirements to be eligible for a 30% credit. The developer applies for direct payment (or elective pay) and receives direct payment for 30% ($135,000) of the total cost of the solar energy system.



Savings Potential

A 50-unit property that achieves 35% post-retrofit energy savings and installs solar energy that offsets 40% of the building's energy load could result in utility cost savings of nearly 40%.

Example 3: Leveraging Transit-Oriented Development and Adaptive Reuse to create sustainable, efficient, and resilient affordable housing

In this example, a transit agency adopts a redevelopment plan for a train station that includes track and station upgrades and redeveloping the surrounding vacant land previously acquired with Federal Transportation Administration (FTA) Grant Funding. The train station is in a historically disadvantaged community. The transit agency partners with a local non-profit developer to redevelop a historic structure to include 40 affordable housing units and build a new four-story building with 60 housing units on the adjacent parcel. The developer enters into a long-term ground lease for the property with the transit agency and estimates the total project cost at $42.7 million.

The transit agency leverages an FTA capital grant program to remediate and prepare the site, and adjacent parcels, for construction. The transit agency also uses funds from its Rebuilding America Infrastructure with Sustainability and Equity (RAISE) grant to design and install connectivity and mobility improvements around the site. The developer is able to secure a 4% Low Income Housing Tax Credit (LIHTC) award and accompanying tax-exempt bonds. The developer also secures Historic Tax Credits and receives a Community Development Block Grant (CDBG) Section 108 loan for the adaptive reuse and renovation of the historic building on site.

The developer elects to certify the new construction property through DOE's Zero Energy Ready Homes program and qualifies for the 45L Tax Credit. The developer also installs a 93-kw solar array that is eligible for the 30% 48E Tax Credit because it meets prevailing wage and apprenticeship requirements for facilities under one megawatt. The solar array will offset 30% of the property's electric load. The nonprofit developer applies for direct payment (or elective pay) and receives direct payment for 30% of the total costs of the solar energy system. The addition of the DOT funding and the enhanced 45L Tax Credit and the 48E Clean Electricity Investment Credit allowed the developer to add 100 additional affordable housing units near the city core with access to services and amenities.

$100,000 - 30% Clean Electricity Investment Tax Credit	<1%
$300,000 - 45L Tax Credit for Zero Energy Ready Homes	1%
$1,300,000- Historic Tax Credits	3%
$2,000,000 - Deferred Developer Fee	5%
$2,000,000 - CDBG Section 108 Loan	5%
$5,000,000 RAISE Grant	12%
$10,000,000 FTA capital grant	23%
$10,000,000 Tax-Exempt Bonds	23%
$12,000,000 4% LIHTC	28%

Total: $42,700,000

Savings Potential

DOE Zero Energy Ready Home-certified buildings are 40-50% more energy efficient than buildings built to less stringent building energy code requirements.

A 100-unit certified property with solar energy that offsets 30% of the building's electric load could result in utility costs that are 60-65% lower than an at-code building. The operational savings cover any increased upfront costs to build in a short period of time.

Technical Assistance

The multitude of available IRA and BIL opportunities may seem overwhelming, but robust technical assistance is available to make it easier to navigate and access climate resilience and clean energy funding. **The White House Technical Assistance Guide** provides information about more than 100 federal technical assistance programs that can support communities and building owners with planning, project development, project financing, grant writing, project management, and compliance.

HUD's **Build for the Future** page provides information on open funding and technical assistance opportunities through the **Build for the Future Funding Navigator**, and provides videos, toolkits, case studies, upcoming trainings and events, and guides on key topics like energy efficiency, renewables, resiliency, and environmental justice.

Through the **Better Buildings Multifamily Initiative**, HUD and DOE work together to support multifamily owners working to reduce portfolio-wide GHG emissions by 50% within 10 years through one-on-one technical assistance, peer-to-peer learning, and sharing replicable pathways for decarbonization.

HUD also provides technical assistance designed specifically for recipients of HUD funding and owners of HUD-assisted housing.

- **HUD's Multifamily Benchmarking Initiative** provides no-cost benchmarking services to eligible HUD-assisted properties.
- **HUD Thriving Communities Technical Assistance** provides technical assistance to jurisdictions receiving federal transportation funding to support the coordination and integration of transportation and housing infrastructure planning and implementation.
- Recipients of HUD funding can request in-depth program assistance in coordination with HUD Headquarters, Field Office Staff and technical assistance consultants. **Request Program Assistance**
- **HUD's Office of Native American Programs** provides technical assistance to support sustainable, net zero or next generation building that is reflective of tribal cultures and supports job creation.

EPA and DOE have funded **Environmental Justice Thriving Communities Technical Assistance Centers** (EJ TCTACs) to help underserved and overburdened communities across the country. These centers provide training and other assistance to build capacity for navigating federal grant application systems, developing strong grant proposals, and effectively managing grant funding. In addition, these centers will provide guidance on community engagement, meeting facilitation, and translation and interpretation services for limited English-speaking participants, thus removing barriers and improving accessibility for communities with environmental justice concerns. Requests for assistance can be **submitted online.**

The Opportunity Ahead

Addressing both climate change and preserving housing affordability simultaneously is an ambitious goal. However, these two issues are relate, and equally urgent. This guide offers solutions to make meaningful progress on both. By using new funding sources for climate with existing resources for housing, communities have an unprecedented opportunity to mobilize large amounts of capital and create truly transformative projects.

This guide and its companion piece, **Climate Resources for Housing Supply Framework**, are essential tools in ongoing work by the Biden-Harris Administration, including through the **White House Housing Supply Action Plan,** to boost climate resilience in buildings and deliver lower home energy costs for families across the country, while increasing investment in fair, safer, and healthier housing.

Appendix

This appendix provides a comprehensive list of programs for the following considerations:

1. Embedding affordable housing development and upgrades within climate resilience or infrastructure projects.
2. Preserving and upgrading existing affordable housing stock.

Affordable housing development can be layered into the following programs, which are organized by US Governmental Departments:

- Treasury Department
- Department of Transportation
- Environmental Protection Agency
- Department of Energy
- Department of Agriculture
- Department of Housing and Urban Development

This appendix also includes a discussion of funding requirements that might be attached to federal funding procured (e.g., National Environmental Policy Act (NEPA), Build America, Buy America (BABA), Davis-Bacon Act).

Treasury Department Programs	Program Description
Section 45L: Tax Credits for Zero Energy Ready Homes (ZERH)	• **Eligible Recipients:** Developers, builders, or homeowners. • **Eligible Uses:** New or substantially reconstructed homes that are eligible to participate in the EPA's Energy Star Residential New Construction program or the Energy Star Manufactured New Homes Program, respectively, and which are certified to application ZERH requirements. • **Funding Amount:** $5,000 tax credit per unit.
Capital Magnet Fund	• **Eligible Recipients:** Community Development Financial Institutions (CDFIs) and a non-profit organization operating with a principal purpose of developing or managing affordable housing solutions. • **Eligible Uses:** These awards can be used to finance affordable housing activities, as well as related economic development activities and community service facilities. Awardees can utilize funds to create financing tools such as loan loss reserves, revolving loan funds, risk-sharing loans, and loan guarantees. • **Funding Amount:** Maximum awards are 15% of total funding pool (e.g., maximum award in 2020 was $26 million).

Treasury Department Programs	Program Description
New Markets Tax Credit	• **Eligible Recipients:** Individual and corporate investors receive a tax credit in exchange for making equity investments in community development entities. • **Eligible Uses:** Projects supporting various businesses including manufacturing, food, retail, housing, health, technology, energy, education, and childcare. • **Funding Amount:** Investors receive a credit equal to 39% of the investment.
Section 42 Low Income Housing Tax Credit	• **Eligible Recipients:** Investors, typically financial institutions or corporations, which invest equity in rental housing targeted to low-income households in exchange for the tax credits. • **Eligible Uses:** Eligible construction costs, "substantial" rehabilitation costs, acquisition cost of existing buildings to be rehabilitated. • **Funding Amount:** 9% credit for new construction and substantial rehabilitation, 4% credit for the acquisition of existing buildings for rehabilitation and new construction financed in coordination with tax-exempt bonds. • **Funding Availability:** States and local LIHTC-allocating agencies receive annual budget authority by the IRS to issue 9% tax credits to eligible projects through a competitive process governed through a state's qualified allocation plan. Projects that receive at least 50% of their funding through tax-exempt bond financing are eligible for 4% credits. • **Where to Apply:** Projects must apply to state allocating agencies.
Section 30C Alternative Fuel Vehicle Refueling Property Credit	• **Eligible Recipients:** Individuals and businesses. • **Eligible Uses:** Qualified vehicle refueling and/or recharging property installed and used in a home or business located in a low-income community or a non-urban census tract. This includes property that stores or dispenses clean-burning fuel, provides charging for 2- and 3-wheeled vehicles, or provides bidirectional charging. • **Funding Amount:** For businesses, a tax credit of 6% of eligible costs (30% if prevailing wage and apprenticeship requirements are met) limited to $100,000 per item of property subject to depreciation. For individuals, a tax credit of 30% of eligible costs limited to $1,000 per item of property.

Treasury Department Programs	Program Description
Section 179D Energy Efficient Commercial Builds Deduction	• **Eligible Recipients:** Commercial building owners or a designer in the case where tax exempt entity allocates its deduction to the energy efficient project's designer. • **Eligible Uses:** Building upgrades that improve the whole-building energy efficiency by 25% or more compared to a building meeting minimum requirements set by ASHRAE Standard 90.1 set by the Department of Treasury. For retrofits on buildings 5+ years old, the % improvements may alternatively be compared to the building performance pre-retrofit. Eligible upgrades must be part of following building systems: (1) interior lighting; (2) a building envelope; or (3) heating, cooling, ventilation, or hot water systems. • **Funding Amount:** Tax deduction is capped at the lower amount of these two options: (1) $5/sq ft of building space, for fully eligible projects, or (2) the total cost of the installations.
Section 48 and 48E Clean Electricity Investment Tax Credit	• **Eligible Recipients:** For-profit companies, tax-exempt entities, state and local governments, and Tribal governments (eligibility expanded through the IRA). • **Eligible Uses:** Investment in renewable energy projects including fuel cell, solar, geothermal, small wind, energy storage, biogas, microgrid controllers, and combined heat and power properties. • **Funding Amount:** Tax credit up to 6% of qualified investment cost, up to 30% if prevailing wage and apprenticeship requirements are met.
Section 25C Energy Efficiency Home Improvement Credit	• **Eligible Recipients:** Homeowners and renters for certain improvements • **Eligible Uses:** Efficient heating and cooling equipment, windows, doors, heat pumps, and qualified energy efficiency improvements to the building envelope including insulation and air sealing. • **Funding Amount:** 30% of cost with credit capped at $600 for "energy property," e.g. efficient heating and cooling equipment; $600 for windows; $250 per door, $500 total for doors; an $150 credit for home energy audits.; $2,000 for heat pumps; and $1,200 for qualified energy efficiency improvements to the building envelope, including insulation and air sealing. Total annual credit capped at $1,200, with a separate annual $2,000 limit for heat pumps.

Treasury Department Programs	Program Description
Section 47 Rehabilitation Credit	• **Eligible Recipients:** Homeowners and renters for certain improvements • **Eligible Uses:** Renovation, restoration, or reconstruction of a historic building. • **Funding Amount:** Tax credit up to 20% of the cost of qualifying rehabilitation expenditures.
Section 25D: Residential Clean Energy Credit	• **Eligible Recipients:** Taxpayers who are looking to upgrade their existing primary residence or newly constructed primary residence. If business is conducted within the residence, up to 20% tax credit is available. Investment properties do not qualify. • **Eligible Uses:** Tax credits are available for up to 30% of the costs of new, qualified clean energy property upgrades Solar electric panels, Solar water heaters, Wind turbines, Geothermal heat pumps, Fuel cells, Battery storage technology.
Department of Transportation Programs	**Program Description**
Neighborhood Access and Equity Grant Program	• **Eligible Recipients:** States and territories, units of local government, political subdivisions, federally recognized Tribal governments, special purpose districts or public authorities with a transportation function, metropolitan planned organizations, nonprofit organizations, or institutions of higher education (must have entered into a partnership with an eligible entity above and be applying for planning and capacity building activities in disadvantaged or underserved communities). • **Eligible Uses:** Three types of grants: Community Planning, Capital Construction, and Regional Partnership Challenge. Under the Capital Construction grant, eligible activities include, but are not limited to the removal, retrofit, or mitigation of an existing eligible facility; replacement of an eligible facility with a new facility that restores community connectivity and is sensitive to the context of the surrounding community; and projects to mitigate or remediate negative impacts on the human or natural environment resulting from a burdening facility. • **Funding Amount:** Individual grants up to $100 million.

Department of Transportation Programs	Program Description
Transportation Infrastructure Finance and Innovation Act (TIFIA)	• **Eligible Recipients:** State departments of transportation, transit operators, special authorities, local governments, and private entities. • **Eligible Uses:** Provides credit assistance for qualified transit projects eligible for assistance under Chapter 53 of Title 49, U.S. Code. This includes capital projects; associated improvement infrastructure; or vehicles for public transportation systems, including but not limited to bus, subway, light rail, commuter rail, trolley, or ferry. Funds can also be used to finance transit-oriented development projects eligible for assistance under 23 U.S.C. § 601(a)(12)(E). • **Funding Amount:** Direct loans covering up to 49% of project costs.
Railroad Rehabilitation and Improvement Financing (RRIF)	• **Eligible Recipients:** Railroads, state and local government, government-sponsored authorities and corporations, limited option freight shippers that intend to construct a new rail connection, and joint ventures that include at least one of the preceding applicants. • **Eligible Uses:** Acquire, improve, or rehabilitate intermodal or rail equipment or facilities, including track, components of track, bridges, yards, buildings, shops, and the installation of positive train control systems; develop or establish new intermodal or railroad facilities; reimburse planning and design expenses relating to activities listed above; refinance outstanding debt incurred for the purposes listed above; and finance transit oriented development projects eligible for assistance under 23 U.S.C. § 601(a)(12)(E). • **Funding Amount:** Direct loans covering up to 100% of project costs.
Reconnecting Communities and Neighborhood Grants Program	• **Eligible Recipients:** For Community Planning Grants states, units of local government, Tribal governments, metropolitan planning organizations, and nonprofits are eligible. For Capital Construction Grants, owners of the eligible facility proposed in the project for which all necessary feasibility studies and other planning activities have been completed, or a partnership between a facility owner and any eligible Community Planning Grant Applicant are eligible. • **Eligible Uses:** The removal, retrofit, or mitigation of an eligible dividing facility; the replacement of an eligible dividing facility with a new facility that restores community connectivity; delivering community benefits and environmental improvements or mitigation of impacts identified through the NEPA process; or other planning and project development for the construction project. • **Funding Amount:** Up to $2 million in Community Planning Grants and minimum of $5 million in Capital Construction Grants.

Department of Transportation Programs	Program Description
Pilot Program for Transit-Oriented Development	• **Eligible Recipients:** State Governments; Local Governments; Federally Recognized Tribes and Affiliated Groups; Transportation Providers and Operators; U.S. Territories; must be Existing FTA grantees as of the NOFO publication date, either project sponsor of an eligible transit capital project or an entity with land use authority in an eligible transit capital project corridor. Evidence of a partnership between these two types of entity will be required unless the applicant has both responsibilities. • **Eligible Uses:** Any comprehensive or site-specific planning work associated with an eligible transit capital project as defined in section (C)(3)(i) of the notice of funding opportunity. Funded planning must examine ways to improve economic development and ridership, foster multimodal connectivity and accessibility, improve transit access for pedestrian and bicycle traffic, Engage the private sector, identify infrastructure needs, and enable mixed-use development near transit stations. • **Funding Amount:** between $13-14 million in grant funding.

Capital Investment Grant Program	• **Eligible Recipients:** State or local governmental authorities.
	• **Eligible Uses:**
	  ◦ **New Starts and Small Starts:** Design and construction of new fixed-guideways or extensions to fixed guideways (projects that operate on a separate right-of-way exclusively for public transportation, or that include a rail or a catenary system).
	  ◦ **Small Starts:** Design and construction of corridor-based bus rapid transit projects operating in mixed traffic that represent a substantial investment in the corridor and emulate the features of rail.
	  ◦ **Core Capacity:** Design and construction of a corridor-based investment in an existing fixed guideway system that improves capacity at least 10% in a corridor that is at capacity today or will be in 10 years. The project may not include elements designed to maintain a state of good repair.
	  ◦ **Joint Intercity Rail/Public Transportation project:** Design and construction elements attributable to the public transportation portion of the total project cost based on projected use of the new segment or expanded capacity of the project corridor, not including elements designed to achieve a state of good repair.
	• **Funding Amount:** Varies across sub-programs. New Starts and Small Starts provide no more than $150 million.

Department of Transportation Programs	Program Description
Thriving Communities Program	• **Eligible Recipients:** National Capacity Builders (TCP-N) and Regional Capacity builders (TCP-R) • **Eligible Uses:** deep-dive technical assistance, planning, and capacity building support to under-resourced communities across the U.S. to help ensure these communities have the technical tools and organizational capacity to and deliver quality infrastructure projects to increase mobility, reduce pollution, and expand affordable transportation options. • **Funding Amount:** $10.2 million to regional capacity builders and $13.5 million to national capacity builders.
Rebuilding American Infrastructure with Sustainability and Equity (RAISE)	• **Eligible Recipients:** States and the District of Columbia; any territory or possession of the United States; a unit of local government; a public agency or publicly chartered authority established by one or more States; a special purpose district or public authority with a transportation function, including a port authority; a federally recognized Indian Tribe or a consortium of such Indian Tribes; a transit agency; and a multi-State or multijurisdictional group of entities that are separately eligible. • **Eligible Uses:** Surface transportation capital projects within the United States or any territory or possession of the United States that are: (1) highway, bridge, or other road projects eligible under title 23, United States Code; (2) public transportation projects eligible under chapter 53 of title 49, United States Code; (3) passenger and freight rail transportation projects; (4) port infrastructure investments (including inland port infrastructure and land ports of entry); (5) the surface transportation components of an airport project eligible for assistance under part B of subtitle VII of title 49, United States Code; (6) intermodal projects; (7) projects to replace or rehabilitate a culvert or prevent stormwater runoff for the purpose of improving habitat for aquatic species while advancing the goals of the RAISE program; (8) projects investing in surface transportation facilities that are located on Tribal land and for which title or maintenance responsibility is vested in the Federal Government; and (9) any other surface transportation infrastructure project that the Secretary considers to be necessary to advance the goals of the program. ◦ The Secretary considers the following projects necessary to advance the goals of the program, and therefore eligible: public road and non-motorized projects that are not otherwise eligible under title 23, United States Code; transit-oriented development projects; mobility on-demand projects that expand access and reduce transportation cost burden; and intermodal projects. • **Funding Amount:** Grants with a minimum of $1 million and maximum of $45 million.

Environmental Protection Agency Programs	Program Description
Greenhouse Gas Reduction Fund: Solar for All	• **Eligible Recipients:** 60 applicants including states, territories, Tribal governments, municipalities, and eligible nonprofits received awards to develop and expand solar programs for low-income and disadvantaged communities. • **Eligible Uses:** All programs will provide grants and low-cost financing, and provide siting, permitting, and interconnection support to deploy residential solar to over 900,000 households in low-income and disadvantaged communities. • **Funding Amount:** EPA grants to applicants were divided into small-sized ($25 million- $100 million), medium-sized ($100 million- $250 million), and large-sized ($250 million- $400 million) programs.
Environmental and Climate Justice Community Change Grants	• **Eligible Recipients:** Partnerships of community-based nonprofit organizations (CBOs), or partnership between a CBO and a Tribe, local government, or institution of higher education. • **Eligible Uses:** Community-led air and other pollution monitoring, prevention, and remediation, and investments in low- and zero-emission and resilient technologies and related infrastructure and workforce development that help reduce greenhouse gas emissions and other air pollutants; mitigating climate and health risks from urban heat islands, extreme heat, wood heater emissions, and wildfire events; climate resiliency and adaptation; reducing indoor toxics and indoor air pollution; facilitating engagement of disadvantaged communities in State and Federal advisory groups, workshops, rulemakings, and other public processes. • **Funding Amount:** Projects between $10 and $20 million.
Greenhouse Gas Reduction Fund: National Clean Investment Fund	• **Eligible Recipients:** EPA Selected the Climate United Fund, Coalition for Green Capital, and Power Forward Communities to provide accessible, affordable financing for projects that reduce climate and air pollution and deliver benefits to low-income and disadvantaged communities. • **Eligible Uses:** Qualified projects, activities, or technologies that reduce greenhouse gas emissions or other forms of air pollution in the building, transportation, agriculture, or industry sector. These include distributed energy generation and storage, net- zero emissions buildings and zero-emissions transportation. • **Funding Amount:** Will depend on Climate United Fund, Coalition for Green Capital, and Power Forward Communities financing products and programs.

Environmental Protection Agency Programs	Program Description
Greenhouse Gas Reduction Fund: Clean Communities Investment Accelerator	• **Eligible Recipients:** The EPA selected 5 recipients, Opportunity Finance Network, Inclusiv, Justice Climate Fund, Appalachian Community Capital, and Native CDFI Network, to establish hubs that provide funding and technical assistance to deploy funding for projects that reduce greenhouse gas emissions and build the capacity of community lenders. • **Eligible Uses:** Distributed energy generation and storage, net- zero emissions buildings, and zero-emissions transportation projects. 100% of capital under CCIA is dedicated to low-income and disadvantaged communities. • **Funding Amount:** Will depend on Opportunity Finance Network, Inclusiv, Justice Climate Fund, Appalachian Community Capital, or Native CDFI Network's program design.
EPA Brownfield Grants	• **Eligible Recipients:** Local governments, states, or government entity created by a state legislature, Tribes, and nonprofits, Land Clearance Authority, Regional Councils, Redevelopment Agency • **Eligible Uses:** Assessment grants provide funding for brownfield inventories, planning, environmental assessments, and community outreach. Cleanup and Revolving Loan Fund grant programs provide funding to carry out cleanup activities at sites contaminated with hazardous substances and/or petroleum. Multipurpose grants provide funding to conduct a range of assessment and cleanup activities at one or more brownfield sites in a target area. • **Funding Amount:** Assessment grants are up to $500,000; Cleanup grants are up to $2 million; Revolving Loan Fund grants are up to $1 million; Multipurpose grants are up to $1 million.

<table>
<tr><th>Department of Energy Programs</th><th>Program Description</th></tr>
<tr><td><u>Title 17 Clean Energy Financing Loans</u></td><td>Eligible Recipients: Project developers, clean tech manufacturers and service providers, regulated utilities, public power entities, and independent power producers.
Eligible Uses: Innovative energy projects deploying qualifying new or significantly improved technology that is technically proven but not widely commercialized in the U.S.; innovative supply chain projects employing a new or significantly improved technology in the manufacturing process for a qualifying clean energy technology, or manufacturing a qualifying new or significantly improved technology; projects supporting the deployment of a qualifying clean energy technology and receiving meaningful financial support or credit enhancements from an entity within a State agency or financing authority; projects that retool, repower, repurpose, or replace Energy Infrastructure (facilities used for electric generation or transmission, or facilities used for fossil fuel-related production, processing, and delivery) that has ceased operations; or projects that enable operating Energy Infrastructure to avoid, reduce, utilize, or sequester air pollutants or emissions of greenhouse gases.
Funding Amount: Loan typically covers 80% of project costs. The typical minimum loan amount is $100 million.
Funding Availability: Applications are accepted on a rolling basis.</td></tr>
<tr><td><u>Home Efficiency Rebate Program</u></td><td>Eligible Recipients: State energy offices will issue rebates (through new or existing programs) to single-family and multifamily households.
Eligible Uses: Whole-home energy efficiency upgrades that are predicted to save at least 20% of the home's energy use.
Funding Amount:
Households with incomes below 80% Area Median Income (AMI):
Projects with lower energy savings: 80% of project costs up to $4,000 per home or housing unit; caps still TBD.
Projects with higher energy savings: 80% of project costs up to $8,000 per home or housing unit; caps still TBD.
Households with incomes above 80% AMI:
Projects with lower energy savings: 50% of project costs up to $2,000 per home or unit with $200,000 cap for multifamily building.
Projects with higher energy savings: 50% of project costs up to $4,000 per home or unit with $400,000 cap for multifamily building
Funding Availability: Visit <u>DOE's map</u> to see which states and territories have applied for and received funding.</td></tr>
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<table>
<tr><th>Department of Energy Programs</th><th>Program Description</th></tr>
<tr><td>Home Electrification and Appliance Rebate Program</td><td>Eligible Recipients: State energy offices will issue rebates (through new or existing programs) to single-family and multifamily households.
Eligible Uses: Purchase of high efficiency home appliances and equipment.
Funding Amount:
Households with incomes below 80% AMI: 100% of project costs up to max rebate allowed in statute and $14,000 per home or housing unit. Includes multifamily buildings where more than half of the units have households with incomes less than 80% AMI.
Households with incomes between 80%-150% AMI: 50% of project costs up to $14,000 per household or unit. Includes multifamily buildings where more than half of the units have households with incomes less than 150% AMI.
Funding Availability: Visit DOE's map to see which states and territories have applied for and received funding.</td></tr>
<tr><td>Energy Improvements in Rural or Remote Areas</td><td>Eligible Recipients: Industry partners and other for-profit entities; utilities; institutions of higher education; state and local governments; community-based organizations and other nonprofit entities; Tribes; environmental groups; and cities, towns, or unincorporated areas with populations of fewer than 10,000 inhabitants.
Eligible Uses: Increasing energy efficiency; overall cost-effectiveness of energy generation, transmission, or distribution systems; siting or upgrading transmission and distribution lines; reducing greenhouse gas emissions from energy generation by rural or remote areas; providing or modernizing electric generation facilities; developing microgrids.
Funding Amount: Between $500,000 and $5 million per award.</td></tr>
<tr><td>Energy Efficiency and Conservation Block Grant Program</td><td>Eligible Recipients: State, local, and Tribal governments.
Eligible Uses: There are 14 different eligible project types, which include energy audits and building upgrades, building efficiency and electrification campaigns, building performance standards, community solar, and others. For a detailed list of project types, and related permissible uses, click here.
Funding Amount: Formula funding is currently available and will be distributed to eligible recipients to design programs within the eligible project types.</td></tr>
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Department of Energy Programs	Program Description
Energy Efficiency Revolving Loan Fund Capitalization Grant Program	• **Eligible Recipients:** U.S. States • **Eligible Uses:** Establishing a revolving loan fund (RLF) under which the state shall provide loans and grants for energy efficiency audits, upgrades, and retrofits to increase energy efficiency and improve the comfort of buildings. • **Funding Amount:** $250,000,000 is being granted for the purpose of being distributed as loans. Funding is available until expended.
Weatherization Assistance Program	• **Eligible Recipients:** all 50 states, the District of Columbia, Native American Tribes, and U.S. territories. • **Eligible Uses:** DOE contracts with local organizations such as Community Action Agencies (CAAs), other nonprofits, and local governments. These organizations use in-house crews and private contractors to perform free of cost weatherization services for low-income families. • **Funding Availability:** Households at or below 200% of the poverty income guidelines are considered eligible for weatherization services. To determine eligibility, contact your state weatherization administrator.

Department of Agriculture Programs	Program Description
Multifamily Housing Direct Loans	• **Eligible Recipients:** Individuals, trusts, associations, partnerships, limited partnerships, nonprofit organizations, for-profit corporations, and consumer cooperatives, most state and local governmental entities, federally recognized Tribes. • **Eligible Uses:** Construction, improvement, and purchase of multi-family rental housing for low-income families, the elderly, and disabled individuals is the primary objective for this program. Funding may also be available for related activities including buying and improving land and providing necessary infrastructure. For a complete list see Code of Federal Regulations, 7 CFR Part 3560.53. • **Funding Amount:** To be determined by USDA.

Department of Agriculture Programs	Program Description
Multifamily Housing Loan Guarantees	• **Eligible Recipients:** Eligible lenders include entities approved and active in Fannie Mae, Freddie Mac, or Ginnie Mae programs, entities engaging in HUD programs, federal home loan bank members, state or local housing finance agencies. Eligible borrowers include most state and local governmental entities, nonprofit organizations, for-profit organizations including LLCs, and federally recognized Tribes. • **Eligible Uses:** Construction, improvement, and purchase of multi-family rental housing for low- to moderate-income families and individuals is the primary objective for this program. Funding may also be available for buying and improving land and providing necessary infrastructure. For a complete list see Code of Federal Regulations, 7CFR Part 3565.205. • **Funding Amount:** Guarantees of up to 90% of the loan amount.
Off-Farm Labor Housing Direct Loans Section 514 and Grants Section 516	• **Eligible Recipients:** Farmers, associations of farmers, and family farm corporations; associations of farmworkers and nonprofit organizations; most state and local governmental entities; federally recognized Tribes. • **Eligible Uses:** Construction, improvement, repair, and purchase of housing for domestic farm laborers is the primary objective of this program. Funding may also be available for related activities including buying and improving land, purchasing household furnishings, and paying construction loan interest. For a complete list see 7 CFR 3560.53. • **Funding Amount:** To be determined by USDA.
On-Farm Labor Housing Loans	• **Eligible Recipients:** Family farm corporations, individuals, partnerships. Eligible tenants include domestic farm laborers, individuals who earn a substantial portion of their income from farm labor, retired farm laborers, or disabled farm laborers. The families of eligible tenants are also eligible. Occupants must be U.S. citizens, permanent residents, or those legally admitted to this country and authorized to perform work in agriculture. • **Eligible Uses:** Develop or rehabilitate affordable rental housing for very-low-income domestic, migrant, and seasonal farm laborers. Borrowers must not otherwise be able to get commercial credit. • **Funding Amount:** No loan minimum, loan maximum is 100% of the allowable development cost.

Department of Agriculture Programs	Program Description
Native Community Development Financial Institution Relending Demonstration Program	• **Eligible Recipients:** Entities certified as Native Community Development Financial Institutions by the U.S. Treasury Secretary. • **Eligible Uses:** Funds must be used to provide direct loans to recipients to buy, build, rehabilitate, improve, or relocate a primary residence on eligible land. The borrower must use the dwelling as their permanent residence. • **Funding Amount:** Minimum loan request for the participating Native CDFI is $800,000.
Single Family Housing Section 502 Direct Home Loans	• **Eligible Recipients:** Must be without decent, safe, and sanitary housing; be unable to obtain a loan from other resources on terms and conditions that can reasonably be expected to meet; agree to occupy the property as your primary residence; have the legal capacity to incur a loan obligation; meet citizenship or eligible noncitizen requirements; not be suspended or debarred from participation in federal programs. Applicants must meet income eligibility for a direct loan. • **Eligible Uses:** Funds may be used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities. • **Funding Amount:** Maximum loan amount is based on their repayment ability and the area loan limit for the county in which the property is located.
Single Family Housing Section 504 Repair Loans and Grants	• **Eligible Recipients:** Applicants must be the homeowner and occupy the house; be unable to obtain affordable credit elsewhere; have a household income that does not exceed the very low limit; for grants, and be age 62 or older. • **Eligible Uses:** Funds may be used to help low-income individuals or households repair homes, which can include accessibility retrofits; systems replacements; insulation; radon, lead, and asbestos abatement; structural repairs; and resilience or energy performance improvements. • **Funding Amount:** Maximum loan is $40,000 and maximum grant is $10,000.

Department of Agriculture Programs	Program Description
Single Family Housing Section 502 Guarantee Loan Program	• **Eligible Recipients:** Must meet median income-eligibility (cannot exceed 115% of median household income), agree to personally occupy the dwelling as their primary residence, and be a U.S. Citizen, U.S. non- citizen national or Qualified Alien. • **Eligible Uses:** Purchase, build, rehabilitate, improve, or relocate a dwelling in an eligible rural area. • **Funding Amount:** 100% financing to the borrower. The program provides a 90% loan note guarantee to approved lenders in order to reduce the risk of extending 100% loans to eligible rural homebuyers.
Rural Housing Site Loans Section 523 – Mutual Self-Help Program	• **Eligible Recipients:** Private or public non-profit organizations that will provide sites solely for Self-Help housing; nonprofits that have the legal authority to operate a revolving loan fund; nonprofits that have the financial, technical, and managerial capacity to comply with relevant federal and state laws and regulations; federally recognized Tribes. • **Eligible Uses:** Acquire and develop sites only for housing to be constructed by the Self-Help method. • **Funding Amount:** To be determined by USDA.
Rural Housing Site Loans Section 524	• **Eligible Recipients:** Private or public non-profit organizations. The building site may be sold to low- or moderate-income families utilizing USDA's Housing and Community Facilities Program's (HCFP) loan programs, or any other mortgage financing program which serves low- and moderate-income families; nonprofits that have the legal authority to operate a revolving loan fund; nonprofits that have the financial, technical, and managerial capacity to comply with relevant federal and state laws and regulations; federally recognized Tribes. • **Eligible Uses:** To acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction. Low-income is defined as between 50-80% of the area median income (AMI); the upper limit for moderate income is 115% of the AMI. • **Funding Amount:** To be determined by USDA.

Department of Agriculture Programs	Program Description
Rural Economic Development Loan & Grant Program	• **Eligible Recipients:** Current rural utilities service (RUS); electric or telecommunication borrower; any former RUS borrower that has repaid or prepaid an insured, direct or guaranteed loan under the Rural Electrification Act; any not-for-profit utility that is eligible to receive an insured or direct loan under such Act. • **Eligible Uses:** USDA provides zero-interest loans to local utilities which they, in turn, pass through to local businesses (final recipients) for projects that will create and retain employment in rural areas. USDA provides grants to local utility organizations which use the funding to establish Revolving Loan Funds (RLF). Loans are made from the revolving loan fund to projects that will create or retain rural jobs. • **Funding Amount:** $300,000 to establish the Revolving Loan Fund. Maximum loan amount is $2 million.
Rural Energy Savings Program (RESP)	• **Eligible Recipients:** Eligible applicants under the RESP include current and former Rural Utilities Service employee (RUS) borrowers, subsidiaries of current or former RUS borrowers, and entities that provide retail electric service needs in rural areas. • **Eligible Uses:** Energy Activities including energy-efficient building construction; rehabilitation; and the inclusion of on-site (on building) renewable energy, EV charging, or battery storage. • **Funding Amount:** $350,000,000 annual relending capacity with no maximum or minimum loan amount. 0% Relending to entity for 20 years, up to 5% relending to customer/consumer for 10 years, 4% maximum startup costs.
Housing Preservation Grants	• **Eligible Recipients:** State and local governmental entities, nonprofit organizations, Federally Recognized Tribes. • **Eligible Uses:** Repair or rehabilitation of housing owned or occupied by low- and very-low-income rural citizens. • **Funding Amount:** Rural Economic Area Part Zones: $200,000, Persistent Poverty: $1,000,000, Presidentially Declared Disaster Areas: $2,200,000 ($50,000 maximum award).

Department of Agriculture Programs	Program Description
Multifamily Preservation and Revitalization	• **Eligible Recipients:** Current multi-family housing project owners with Rural Rental Housing and Off-Farm Labor Housing loans, or applicants who have submitted an application for transfer of ownership of an eligible project may apply for the MPR program. Borrowers must continue to provide affordable rental housing for 20 years or the remaining term of any USDA loan, whichever is later. • **Eligible Uses:** Funds may be used to preserve and improve existing Rural Rental Housing and Off-Farm Labor Housing projects in order to extend their affordable use without displacing tenants through increased rents. • **Funding Amount:** Available restructuring tools include the deferral of current debt, soft second mortgages, zero-interest loans, and grants. Funding amounts will be determined by USDA.
Department of Housing and Urban Development Programs	**Program Description**
HOME Investment Partnerships Program (HOME)	• **Eligible Recipients:** States and localities, who partner with nonprofits. • **Eligible Uses:** Building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. • **Funding Amounts:** Determined by a formula based on statutory criteria and uniformly available data. Find your state or local HOME participating jurisdiction for more information
Housing Trust Fund	• **Eligible Recipients:** Formula funds administered by states. • **Eligible Uses:** HTF funds may be used for the production or preservation of affordable housing for extremely low-income households through the acquisition, new construction, reconstruction, and/or rehabilitation of non-luxury housing with suitable amenities. Eligible activities and expenses include real property acquisition, site improvements and development hard costs, related soft costs, demolition, financing costs, relocation assistance, operating cost assistance for rental housing (up to 30% of each grant), and reasonable administrative and planning costs. • **Funding Amount:** Determined by a formula based on statutory criteria and uniformly available data. Find your state or the state-designated entity managing the Housing Trust Fund.

Department of Housing and Urban Development Programs	Program Description
Community Development Block Grant Program	• **Eligible Recipients:** Formula grants to states and localities, who partner with nonprofits. • **Eligible Uses:** CDBG funds may be used for rehabilitation of affordable housing, housing-enabling infrastructure, acquisition, clearing, site improvements, street improvements, and new construction under limited circumstances. • **Funding Amount:** Determined by a formula based on statutory criteria and uniformly available data. Find your state or local grantee agency.
Community Development Block Grant Section 108 Loan Guarantee Program	• **Eligible Recipients:** State and localities who receive an annual CDBG formula allocation. • **Eligible Uses:** Housing-enabling infrastructure, acquisition, clearing, site improvements, street improvements, and new construction under limited circumstances. • **Funding Amount:** Up to five times a grantee's annual CDBG allocation as a guaranteed loan.

Supportive Housing for the Elderly Section 202	• **Eligible Recipients:** Nonprofit organizations with a 501(c)3 or a 501(c)4 designation or a nonprofit consumer cooperative.
	• **Eligible Uses:** Construct, acquire, rehabilitate or operate multifamily properties that serve very-low-income individuals 62 years of age or older.
	    ◦ **Capital Advances:** Interest-free capital advances to cover the cost of developing, acquiring, or rehabilitating an eligible property. Repayment is not required if the housing remains available for occupancy by very low-income elderly persons for at least 40 years.
	    ◦ **Project Rental Assistance Contracts:** Renewable project-based funding covers the difference between residents' contributions toward rent and the cost of operating the project.
	• **Funding Amounts:** See the Section 202 NOFO for funding amounts.

Department of Housing and Urban Development Programs	Program Description

Supportive Housing for Persons with Disabilities Section 811	• **Eligible Recipients:** Nonprofit organizations with a Section 501(c)(3) tax exemption from the Internal Revenue Service can apply for a capital advance to develop a Section 811 project.
	• **Eligible Uses:** Funding to develop and operate housing with the availability of supportive services for very low- and extremely low-income adults with disabilities.
	  ◦ **Capital Advances:** interest-free capital advances to cover the cost of construction, rehabilitation, or acquisition with or without rehabilitation of supportive housing. Repayment is not required if the housing remains available for very low-income persons with disabilities for at least 40 years.
	  ◦ **Project Rental Assistance Contracts:** Renewable project-based funding covers the difference between residents' contributions toward rent and the cost of operating the project.
	• **Funding Amount:** See the Section 811 NOFO for funding amounts.

Rental Assistance Demonstration (RAD)	• **Eligible Recipients:** Public housing authorities, owners of Section 202 Housing for the Elderly and Moderate Rehabilitation properties. • **Eligible Uses:** The RAD process allows owners to access public and private resources to reinvest in properties, including installing upgrades that improve climate resilience and energy efficiency. • **Funding Amount:** Funding determined on a project-by-project basis.
Residential Care Facilities Program Section 232	• **Eligible Recipients:** HUD-approved lenders receive FHA mortgage insurance to provide loan funds to nonprofit owners, for-profit owners, or purchasers of residential care facilities. • **Eligible Uses:** Refinancing an existing facility by its owner; financing the construction, rehabilitation, improvement, or purchase of facilities. Low Income Housing Tax Credits may be used with the program for assisted living facilities, which imposes income restrictions on residents of those facilities. • **Funding Amount:** Insured loan amounts are capped at the lowest amount determined based on any one of multiple retired criteria, including, among others, 80% of value.

Funding Requirements

Projects may require compliance with Build America, Buy America (BABA), National Environmental Policy Act (NEPA), and Davis-Bacon and related acts, or the IRA's prevailing wage and apprenticeship requirements. The purpose of these requirements is to bolster America's industrial base, protect national security, support high-paying jobs, and evaluate the environmental impacts of projects. Compliance does take work, however sometimes committing to certain requirements like prevailing wage and apprenticeship programs and U.S.-sourced materials and components can unlock additional funding, a better interest rate, or different funding streams to complete a project. Below are some of the key programs that should be considered when evaluating different funding opportunities and how to use them together.

The Build America, Buy America Act (BABA) BABA requires that any "infrastructure project" funded by any "Federal Financial Assistance" apply a domestic content procurement preference. This means that all iron, steel, manufactured products, and construction materials used in the infrastructure project have been produced in the United States, unless the awarding agency has issued a waiver on specific products or categories of products. Each Federal Agency includes information on BABA requirements for its funding opportunities and how to comply.

- HUD Build America, Buy America Resources
- DOE Build America, Buy America Resources
- EPA Build America, Buy America Resources
- USDA Build America, Buy America Resources

Conforming with the 2 CFR 200.323, recipients and subrecipients of Federal Financial Assistance are encouraged to procure environmentally preferable products to the greatest extent practicable and consistent with law. Procuring sustainable products reduces environmental impacts like GHG emissions from upgrade and retrofit projects. The EPA Comprehensive Procurement Guideline Program has available a list of American suppliers, and the Environmentally Preferable Purchasing Program has available recommended ecolabels recipients and subrecipients that can consult when choosing products for infrastructure projects, while addressing BABA requirements.

The National Environmental Policy Act (NEPA) NEPA requires federal agencies to assess the environmental impacts of their proposed actions prior to making decisions about permit applications, adopting federal land management actions, and constructing highways and other publicly owned facilities. NEPA is required to ensure that a proposed project does not negatively impact the surrounding environment or that the site itself will not have adverse environmental or health impacts on end users. Not every project is subject to a full environmental review.

- HUD Environmental Review
- DOE NEPA Policy and Compliance
- EPA NEPA Policies and Guidance
- USDA NEPA Resources
- 40 Most Asked Questions Concerning the CEQ's National Environmental Policy Act

The Davis-Bacon and Davis-Bacon Related Acts (DBRA) DBRA applies to contractors and subcontractors performing on federally funded or assisted contracts in excess of $2,000. The Davis-Bacon Act prevailing wage provisions apply to the "Related Acts", under which federal agencies assist construction projects through grants, loans, loan guarantees, and insurance.

- HUD Davis-Bacon and Labor Standards
- DOE Davis-Bacon Act Requirements for Recipients of BIL Funding
- EPA Davis-Bacon and Related Acts Resources

The Appendix will be updated with additional information regarding cross-cutting requirements.

Application Chart				
	Davis Bacon Related Acts (DBRA)	Build America, Buy America Act (BABA)	National Environmental Policy Act (NEPA)	Procurement of Recovered Materials
Purpose	Ensures fair wages for laborers and mechanics on federally funded or assisted construction projects.	Promotes the use of domestically produced materials in federally funded infrastructure projects.	Promotes environmental protection by requiring federal agencies to assess their project's environmental effects.	Procure environmentally preferable products and services.
Scope	Contracts over $2,000 for construction, alteration, or repair of public buildings or public works.	Applies to all federal financial assistance for infrastructure projects, including iron, steel, manufactured products, and construction materials.	Applies to federal actions, including projects on federal lands, projects requiring federal permits, and projects receiving federal funding.	Applies to non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors.
Requirements	Contractors must pay workers no less than the locally prevailing wages and benefits; wages must be paid weekly.	Mandates that materials used in these projects will be produced in the United States	Requires Environmental Assessments (EAs) and Environmental Impact Statements (EISs) to evaluate potential environmental impacts	Procuring only items designated in guidelines of the EPA at 40 CFR part 247. Procuring solid waste management services in a manner that maximizes energy and resource recovery. Establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
Enforcement	Overseen by the Department of Labor	Overseen by various federal agencies, with guidance from the Office of Management and Budget (OMB)	Overseen by the Council on Environmental Quality (CEQ) and various federal agencies.	Overseen by the Council on Environmental Quality (CEQ)
When it Applies	• Federal government or District of Columbia construction contracts that are federally funded or projects that receive federal assistance. • Contracts that exceed $2,000. • Construction, alteration, or repair (including painting and decorating) of public buildings or public works.	• Infrastructure projects receiving federal funding, including construction, alteration, maintenance, or repair of infrastructure. • Projects by state or local governments, Indian tribes, and other non-federal entities. • Iron or steel products, manufactured products, and construction materials used.	• Projects on federal lands, requiring federal permits or approvals, or receiving federal funding must comply. • Where a federal agency is involved in the decision-making process or has oversight responsibilities for a project. • Projects that significantly affect the environment, including air or water quality regulated by federal law.	Where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000.
When it Does Not Apply	• Private projects, non-federal projects, or work that is non-construction. • Contracts that are $2,000 or less. • Administrative, executive, or clerical workers on a project.	• Does not apply to projects that do not involve infrastructure. • Does not apply to projects that are not federally funded nor have federal financial assistance. • Does not apply to design and planning phases.	• Projects that have been assessed and determined to have no significant environmental impact through an EA or FONSI. • Projects that are entirely private or state funded.	Where the purchase price of the item does not exceed $10,000 or the value of the quantity acquired during the preceding fiscal year does not exceed $10,000.

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