What Makes a Standout Application for the Green and Resilient Retrofit Program

Affordable multifamily rental housing property developers and managers can apply now for roughly $2 billion in grants and direct-, below-market loans via the Green and Resilient Retrofit Program (GRRP). Introduced via the Inflation Reduction Act of 2022, GRRP is a federal program that provides green and clean-energy support to rental properties that receive support from the U.S. Department of Housing and Urban Development (HUD). In this week's episode of Tax Credit Tuesday, host Michael Novogradac, CPA, and guests Dirk Wallace, CPA, and Karie McMillen, CPA, discuss the multi-wave application process, which splits the funding into three cohorts–Elements, Leading Edge and Comprehensive. The podcast discusses the basics of the program, provides information for listeners about the application process and supplies information to consider after winning an award.

Summaries of each topic:

Transcript

Introduction

[00:00:11] **Michael Novogradac, CPA:** Hello, I'm Michael Novogradac, and this is Tax Credit Tuesday.

This is the Feb. 13, 2024, podcast. I'm pleased to have my Novogradac colleagues Dirk Wallace and Karie McMillen as my guests this week.

They're joining me to discuss the Green and Resilient Retrofit Program. This is a federal program that provides energy-related grants and below-market loans to retrofit rental properties that are currently receiving financial assistance from the U.S. Department of Housing and Urban Development, or HUD.

There is currently roughly $2 billion in financial assistance being awarded by HUD. The goals of the program include making HUD-assisted properties more energy and water efficient, as well as to implement the use of zero-emission electricity generation and energy storage, and to support electrification of buildings at HUD-assisted properties. If you're an investor in or owner of any HUD-assisted properties, you'll want to hear more about this incentive.

Now, this incentive is being distributed in a multi-wave process. Each wave represents one of three different cohorts in which properties can qualify. The three cohorts are the Elements, the Leading Edge and the Comprehensive. Elements, Leading Edge and Comprehensive.

Now, the Elements cohort is eligible for modest awards designed to add proven and highly impactful climate resilience and carbon reduction measures to the construction of scopes of in-progress recapitalization transactions.

The second cohort, the Leading Edge cohort, is for owners aiming to quickly meet ambitious carbon reduction, renewable energy generation and the use of building materials with low embodied carbon without requiring extensive technical assistance from HUD.

Now the third cohort, the Comprehensive cohort, is designed to provide funding to initiate recapitalization investments designed from inception around deep retrofits, retrofits that are focused on innovative energy efficiency and greenhouse gas emissions reduction, focused on green and healthy housing measures focused on renewable energy generation that are focused on the use of building materials with lower embodied carbon, as well as focused on climate resilience investments.

Property owners can only apply for one cohort per property, and as noted earlier, they can receive funding by means of a grant or a surplus cash loan.

Now, the Green and Resilient Retrofit Program has proven to be quite popular. That's no surprise. In fact, in December, HUD announced it was extending the deadline for the third and fourth waves of applications for the Elements cohort of the program.

HUD issued the extension because of the high volume of applications for the first two waves, as well as to accelerate the timeline between when applications are submitted and when awards are announced.

In the course of this podcast, we will discuss the timing of applications for all three cohorts. As you can imagine, my guests today and my Novogradac colleagues are getting many, many questions about what the program is, how to apply, and how they can improve their applications, how they can improve their chances of winning an award.

In today's episode, we're going to give a more detailed overview of the Green and Resilient Retrofit Program, and then we're going to discuss tips to make a property application stand out in a crowded field of applicants.

That is a lot to cover, so if you're ready, let's get started.

Dirk, welcome back to Tax Credit Tuesday, and Karie, welcome to your first Tax Credit Tuesday.

[00:04:00] **Dirk Wallace, CPA:** Great, thanks Mike.

[00:04:01] **Karie McMillen, CPA:** Thanks.

Guest Introductions

[00:04:02] **Michael Novogradac, CPA:** So it's a pleasure to have you both on the podcast. And as I do every week, before I start discussing the weekly topic, I'd like each of you to share with our listeners some information about the services you provide to Novogradac clients.

[00:04:17] **Dirk Wallace, CPA:** Yeah, so I work with LIHTC developers, syndicators, investors, lenders, pretty much most industry participants, work in various consulting roles, do a lot of audit and tax work, and I also head up our LIHTC Working Group, which deals with regulatory issues and we submit comment letters on things like the GRRP funding.

[00:04:40] **Michael Novogradac, CPA:** Karie?

[00:04:42] **Karie McMillen, CPA:** I mainly work with the low-income housing tax credit. I do a lot of HUD work as well, and I do renewable energy tax credit work, and all of that. I do the financial statement audits, tax returns, forecasting and a lot of consulting.

[00:04:58] **Michael Novogradac, CPA:** Great. Thank you both. And I would like to encourage our listeners, if they're not already members of the Low-Income Housing Tax Credit Working Group, to reach out to Dirk and become a member.

Program Basics

So, Dirk, please start our discussion by describing in more detail what the Green and Resilient Retrofit Program is, and after you give a brief description or a slightly more detailed description, Karie, I'd like for you to follow up with what types of properties are eligible. Dirk?

[00:05:27] **Dirk Wallace, CPA:** Yeah, so the Green and Resilient Retrofit Program, or GRRP which I think we'll be referring to multiple times throughout this podcast. We won't be saying "gurp" much. I don't think that's ever caught on, but–

[00:05:41] **Michael Novogradac, CPA:** We won't say "gurp" or "grip."

[00:05:43] **Dirk Wallace, CPA:** Exactly. So really, yeah, I mean, HUD has a lot of authority here to issue grants or to make loans. And, really the way I look at it is HUD is looking at how can we make the housing stock that HUD currently has either greener or more energy efficient.

And they really said, OK, we have properties that are getting ready to close. We have properties that are in the planning stages. We have properties that maybe need a lot of work, maybe some that don't need much work at all. And as they were kind of going through this process, they ended up developing the three cohorts you mentioned, Mike.

And they really kind of focused on where the properties were in their life and the expertise that a developer might have. And they gave a really, a wide range of options. So anyone can really apply that meets the criteria without either having much experience or having a lot of experience.

So, with the three cohorts being the Elements, the Leading Edge and the Comprehensive, which we'll get into in a little bit, those three cohorts were really designed to have various levels of funding based on project closing expectations and experience of the developers. So, yeah, I think HUD did a really good job of creating these three cohorts.

[00:07:14] **Michael Novogradac, CPA:** Thanks for sharing some of the reason behind the different cohorts, how they were selecting different rough groupings of properties that HUD would be providing assistance to. So, Karie, I said "HUD-assisted," and it's easy for me to say, maybe you can describe what "HUD-assisted" means.

[00:07:31] **Karie McMillen, CPA:** Yeah, sure, so these properties that are eligible to apply for the funding have to have some type of relationship with HUD.

So, it can be through Section 202, Section 811, Section 236, or we've more commonly seen with our clients that there's Section 8 project-based rental assistance. The last way that you can have this relationship with HUD is through conversion to RAD. But the thing to note with that is that it must be converted prior to Sept. 30, 2021.

We've had clients reach out and say, you know, we're converting now. Well, that's not that doesn't qualify them for this incentive.

[00:08:13] **Michael Novogradac, CPA:** Great, thank you for that. And I assume a project that has a lot of tenant-based Section 8 is not considered "HUD-assisted?"

[00:08:23] **Karie McMillen, CPA:** Yeah, it has to be project-based rental assistance.

Allocation Amounts and Per-Property Limits for Each Cohort

[00:08:26] **Michael Novogradac, CPA:** Great, thank you for that. So, Dirk, you mentioned the three cohorts. I gave a broad description of the three cohorts in my sort of introduction. I was wondering if you could share–now that I was wondering, I know you can share, so please do–the original allocation amount to each of the three cohorts as well as what the per-property limits are per cohort.

[00:08:52] **Dirk Wallace, CPA:** Sure. So kind of starting with the Elements cohort, given that's the one with the least amount of funding that that was set aside. And thinking about why that is, the Elements cohort is really for gap financing, and the projects are expected to close within a 12-month period. So, that pool of projects is probably one of the smaller pools and therefore received some of the smaller funding.

So, with the projects pretty much having most of their funding lined up, the limits on the Elements cohort is $40,000 a unit or $750,000 per property. And they only set aside $140 million. I say only, but it's still $140 million for this cohort.

Moving on to Leading Edge, Leading Edge really can be in any stage of development. There's not that expectation to close, in under a year. The key with Leading Edge, though, is that the owner is still going to drive the scope of the work. They're going to drive the design. They're going to drive the scope and they're still going to be pretty much in control of the project.

The amounts set aside for this are a little bit higher. It's $60,000 a unit, but then when you get to the per-property level, it's $10 million per property. So this could be pretty much almost a complete retrofit of the property. You have to meet certain green certifications. And for this cohort, we're really seeing a lot of activity from our clients. Karie, I know we just went through an application submission here, and one of the key things is, since the owner's driving the design and the scope, you have to have a team that is familiar with green standards.

The team has to have the experience that HUD is looking for. So I know we were getting affidavits and we were getting resumes and just getting all the experience of all of the development team to make sure that the owner could drive this process as part of the Leading Edge.

And then last, Comprehensive, what it is, it's pretty comprehensive. With the Comprehensive, it's almost a complete retrofit again. The owner really doesn't have to have any experience here. HUD is going to almost be your co-developer in Comprehensive. You're going to have to get you HUD-approved contractors. You're going to have HUD pretty much being with you throughout this process.

And again, because of this, you're probably going to get the most funding. It's at $80,000 a unit, $2 million a property. I'm sorry, $20 million a property.

[00:11:40] **Michael Novogradac, CPA:** Yeah, $20 million.

[00:11:41] **Dirk Wallace, CPA:** $20 million, yeah, $20 million, which is double what the Leading Edge was. And HUD set aside $1.47 billion for the Comprehensive round, or for the Comprehensive cohort. And again, you're going to have to get various energy certifications with this. It's not going to be something where you can just go out and buy a couple of heat pumps and consider that in the comprehensive round. It's going to be pretty much a complete retrofit here in which you will have a HUD multifamily assistance contractor having oversight of this process with you.

Applying for Each Cohort

[00:12:18] **Michael Novogradac, CPA:** Great, thank you for that, Dirk. So it definitely seems it's very intriguing, the three different cohorts. And maybe, Karie, you could just discuss a bit about how property owners would apply for each of the cohorts.

[00:12:34] **Karie McMillen, CPA:** So, step one, I think, would be for the property owners to lay out their portfolio and say which properties could we do the work on and see where they would fall under which cohort, like Dirk mentioned, Elements to Comprehensive. Elements, you have a better idea of what you're getting done and you're already starting those plans to move forward.

So where are you at with the project? How old is the project? What needs done there? So, once that analysis is done by the property owner you and they determine which cohort, then they'll have to register on grants.gov to have an account because grants.gov is where you apply.

So, the property owner will go in there and there are Excel schedules, which is the application. So, the application is done in an Excel file, which will then be uploaded when it's complete by the deadline. So each tab will have inputs or information such as the pro forma, just basic project information. I do know that the Comprehensive application only has three tabs, whereas the Elements and Leading Edge has eight or nine tabs. So again, much more information with the Elements and Leading Edge.

It's also important to note that you need a unique entity identifier, which I will call a UEI, because it's a mouthful to say unique entity identifier.

So this is obtained from going to SAM.gov, and the property owner must go there and obtain a UEI for each property. And we suggest that if you're considering applying, that you go do this now, because there is a lag time for that UEI, so we wouldn't want that to be the reason you don't meet the cohort deadline.

[00:14:31] **Michael Novogradac, CPA:** Great, thank you for that. Now, I mentioned in the intro that the application deadlines for the third and fourth elements cohort have been extended, which is kind of a backdrop way of saying, the deadline's already passed for the first and second round. So if you could share with our listeners more about the deadlines for each of the three cohorts to apply for the funding.

[00:14:55] **Karie McMillen, CPA:** Yeah, so let's start with Elements. So as you said, they were extended. Originally, it was January and March. That has been extended to March and July. So there is some time there to apply for the Elements yet. For Leading Edge, those two, there's been three rounds closed for Leading Edge. Like Dirk mentioned, we just came out of one with the January 31st deadline.

So, the next one is in April for Comprehensive. Two rounds have been closed for Comprehensive, and then there is a February round and a May round. So, if you notice, they kind of planned it so that it's almost every other month there's a different cohort closing. From now until July, the only month that doesn't have a closing or a deadline for a cohort is June.

[00:15:44] **Dirk Wallace, CPA:** Which makes me think, is another one going to be extended until June? I don't know, did they do that on purpose?

[00:15:50] **Karie McMillen, CPA:** I will say the October awards, the Leading Edge had a deadline in October, and those awards have not been announced yet, so that might indicate they're a little bit behind.

[00:16:00] **Michael Novogradac, CPA:** So, just maybe to summarize, Elements has a deadline, two remaining rounds, a deadline toward the end of March and at the end of July.

[00:16:11] **Karie McMillen, CPA:** Yes.

[00:16:11] **Michael Novogradac, CPA:** And Leading Edge has one round remaining, which is scheduled to be the end of April. And then the Comprehensive has two remaining: One, the end of this month, February, or–

[00:16:24] **Karie McMillen, CPA:** Yeah.

[00:16:25] **Michael Novogradac, CPA:** I'm not sure if it's the end of the month or near–

[00:16:27] **Karie McMillen, CPA:** It is the end of the month, yeah.

[00:16:29] **Michael Novogradac, CPA:** Yeah, I think it's 28th and there's 29 days in February. Not to be a stickler and toward the end of the month in May. So those are some of the key deadlines.

And as you mentioned, it's not something you want to be trying to do at the last minute because of the time lags to get to UEI and all the rest. So, anyone who's thinking of applying should be, if they're not already thinking about it, they should be thinking about it now with respect to their HUD-assisted properties.

I think it would be useful for our listeners to discuss the application process in slightly greater depth. So, Dirk, maybe, you can help guide listeners as to whether or not, or what they should consider when they're applying in terms of, should I get a grant or should I get a surplus cash loan since, I believe, when you apply, you get to check one or the other. And there's obviously differing tax consequences, depending upon which of the two options you choose. So, please share some of what applicants should be considering.

[00:17:42] **Dirk Wallace, CPA:** Yeah, so this is really where I put my accounting hat on. So, because a lot of these issues are going to be accounting related. When you first look at grant funding, grant typically means income. So, when you receive a grant, the property most likely would have to recognize income on that. If it's a low-income housing tax credit property, the grant is a federal grant, and therefore federal grants do reduce low-income housing tax credit basis.

So if you are a 4% tax credit and bond transaction, you probably want to preserve that basis. With a 9% transaction, maybe you look to see if you have excess basis and kind of doing that analysis. But you know, in the low-income housing tax credit industry, it is typical for a grant to maybe go to a nonprofit sponsor and that nonprofit sponsor makes a loan to the partnership.

That can't happen with the GRRP. GRRP has to go to the property, so it will have to go to the LIHTC partnership if it's a LIHTC entity and therefore it would reduce basis as a grant. You know, looking at the funding rounds, we are seeing a lot of nonprofit entities or nonprofit owners kind of go the grant route.

We're seeing a lot of either for-profit or low-income housing tax credit properties go the loan route, but really it's just looking at your situation and determining what's best for your property.

When you're looking at a loan product it is going to be paid pursuant to available cash. They did release new guidelines that for the first 10 years, you can pay deferred developer fee prior to looking at surplus cash for loan repayment of the GRRP. So really it's looking at your waterfall and your limited partnership agreement. And looking at can you repay this loan? Are you projecting to repay this loan? It used to be, when I say used to be, the original guidelines, which wasn't that long ago, had a 15-year maturity date. That's been extended. Now you can have a 30-year maturity date to show that loan repayment, which you have to make sure you can repay that in order for it to be considered a loan for tax purposes.

[00:19:54] **Michael Novogradac, CPA:** And I would add that I've been at some events, and maybe both of you have as well, where HUD was at these events saying, encouraging applicants to apply for the cash loan as opposed to the grant.

And that way, they could take the grant money, and instead of using it as grants, they could use it to increase the amount of cash loans available. And the loans would increase at a greater rate than $1 of grant funding turned into $1 of loan, so you could end up making more cash loans available if there was less use of grant funding.

But they did want to give applicants the option of the two. I do know of some applicants that went grant funding are now trying to switch to loans. And it wasn't necessarily, as I understand it, a direct ability to do that. And it's something they're trying to work through with HUD. So I would just encourage listeners to think about the benefits of going the loan route as a means of getting more aggregate resources being made available.

So Karie, now that I've confused listeners, in terms of the application process if you can share with our listeners who actually applies as well as the timeline for awards. You've mentioned how there was applications last year that aren't out yet, but give a sense of what HUD's goals are to the timeline for the awards and other items that you think are particularly important for potential clients and applicants to know in advance of applying.

[00:21:31] **Karie McMillen, CPA:** Yeah, so Dirk mentioned earlier that the property owner, so the application has to be in the name of the property. So the property owner is the one that is applying.

There can be, one property can only apply under one cohort. So if there's Project A in round in the February round for Comprehensive, it has to be only in Comprehensive. It cannot be in another round without being awarded yet, if that makes sense. I may have just confused listeners more. So one active, one active application at a time. A property cannot apply under multiple cohorts.

So then going down that route, each cohort has a limit per property owner. So, a property owner can have for Elements, they can submit four applications a round. Different properties, though, but they can be maxed at four. For Leading Edge, a property owner can submit three applications for separate properties in the same round, and then for Comprehensive, you can, the property owner can submit five applications for different properties.

HUD does expect to announce the awards two to three months after the deadline. Like I said earlier, Leading Edge was due in October and that has not, those awardees have not been announced yet. So they are a little bit behind on that.

And then, let's see here, we have the property owner can withdraw their application from a specific cohort before it is due if they decide that it would fit better under a different cohort. But it has to withdraw completely before it would resubmit under a new cohort. So that goes back to the only one active application at a time.

Tips for Applicants

[00:23:30] **Michael Novogradac, CPA:** Great. Thank you for those details. And maybe, Dirk, you could share maybe a handful of tips for applicants who are applying for one of the cohorts to increase their chances of winning an award?

[00:23:44] **Dirk Wallace, CPA:** Yeah, I think number one is, keep a good standing with HUD.

Any time that you're going after HUD resources, reporting on time, you know, getting good REAC scores, HUD's going to look at their history with you as a project sponsor-developer, when making these substantial awards to your properties.

But, focusing on the application, specifics in the application, I mean, there are some, some narratives about promoting racial equity, about furthering fair housing, really looking at your portfolio and seeing how you can advance those initiatives. That's going to help your project.

Location of the project does matter. That's obviously something you can't control. You know, your project is where it is. But, in certain places HUD has shown preference for projects that are in certain climate areas that are looking to put solar on properties and things like that.

So yeah, really it's just looking at the green certifications that you're going to be achieving, looking at your standing with HUD and making sure that what's in the application you are kind of putting that, that best foot forward for that property.

[00:25:01] **Michael Novogradac, CPA:** Thank you there. And then let's fast forward and Karie, assume I'm a project, a property owner, and I've gotten an award. What are some things I should be thinking about as to what it means for me to win an award and what rules I may have to comply with going forward?

[00:25:21] **Karie McMillen, CPA:** So, the awardees will be given a letter, a post-award letter, and in that letter, it just states, the project information and some specifications about the project that were in the application.

So once the property owner receives this letter, they have 30 days to actually sign and return it, just accepting it. And then they have 90 days to put together a closing packet to be submitted. The award letter will have a checklist that lays out all of the documents and information that needs to be in the closing documents.

There is a GRRP use agreement that will need to be executed and included in the package as well as, if it's a surplus cash loan that they were awarded, they would need the agreement for that or same thing with a grant.

Other typical closing documents, you may need title insurance. The numbers that you submitted with your application, this is when HUD is really going to dig down into those numbers, so it's important to make sure the numbers you represent in your application are a good projection because if there's going to be differences between your initial submission and what you're submitting at closing, HUD will question that.

So, yeah, as long as you can get a team together and meet those 90 days for the closing package and submit it, you should be in good hands.

[00:26:49] **Michael Novogradac, CPA:** So maybe you should be careful not to have the contact person on the application go on vacation for, like, four weeks.

[00:27:00] **Karie McMillen, CPA:** Or a good backup for him, at least.

[00:27:04] **Michael Novogradac, CPA:** Make sure whatever wherever the contact information, wherever the contacts, contact or contacts are checking their mail and or email regularly and with the online application.

[00:27:18] **Karie McMillen, CPA:** Yeah, and there is, with the application, there is I think there's three spots for contacts. So, one of the three, hopefully, will be around.

Exit

[00:27:29] **Michael Novogradac, CPA:** Great, thank you for that. And before we close, Dirk, maybe you could share some additional resources for our listeners. Because I'm sure, any listener with HUD-assisted property is going to want to know more.

[00:27:45] **Dirk Wallace, CPA:** Sure. And I know Karie probably isn't going to say, hey, I wrote this great article, but she did. She wrote a great article in our November Journal. So be sure to check that out as one of the resources.

Obviously, I know there's a lot of blog posts and resources on our website as well as HUD's website, there are some one pagers, on each cohort. The applications are also out there available to be downloaded.

There's a brief webinar I know that HUD put out. Between the Novogradac website and the HUD website, it should have all the resources that you need to apply for GRP funds.

[00:28:28] **Michael Novogradac, CPA:** And I know you're not going to say it, so I'll say it. Both you and Karie are available for consulting help. Clients or prospective clients need consulting help. Both of you can help with the application.

I'd also note that we have an upcoming affordable housing conference in San Francisco, May 2nd and 3rd, as well as a renewable energy conference in San Diego, May 16th and 17th. And then I'd also encourage, as I mentioned earlier, for listeners to join the Low-Income Housing Tax Credit Working Group. And they also should consider joining our Renewable Energy Tax Credit Working Group as well.

And with that, let me just thank both of you for joining me for this week's episode, but don't leave just yet. To our listeners, I will include a link to Dirk and Karie's contact information in the show notes, as well as a list to the other resources that we've mentioned in the course of this podcast.

And if there is something we mentioned that for some reason doesn't get linked, please email cpas@novoco.com. As I say every week, please take a moment to subscribe to Tax Credit Tuesday on your favorite podcast platform to make sure you don't miss an episode.

Off-Mike Section

So, OK, Dirk and Karie, we've now reached our Off-Mike Section, and this is always a fun part of my weekly podcast, where I get to ask off topic questions and seek your advice for me as well as listeners.

And one of my favorites is to talk about ways to increase productivity. So if each of you could share a habit or a tip that you'd suggest our audience members consider adding to their daily routines.

[00:30:11] **Dirk Wallace, CPA:** Karie, you want to go first?

[00:30:12] **Karie McMillen, CPA:** I can, yes. You probably won't agree with my tip, Dirk, but–

[00:30:17] **Michael Novogradac, CPA:** I can't wait. What a setup.

[00:30:21] **Karie McMillen, CPA:** I am a morning motivator, so I would say I get the most work done in the morning and I feel like I'm the most focused in the morning. So I would say get up, do your routine. Even if, on days that I don't come into the office, I still get up and do the same routine as if I were, and I think that helps me get motivated for the day and just get in the mindset to get the work done. Dirk?

[00:30:51] **Dirk Wallace, CPA:** Well, mine is very similar, so maybe, I will agree with it. But no, I wrote down “me time” in the morning.

[00:31:00] **Karie McMillen, CPA:** Yours is “me time,” mine's work time.

[00:31:03] **Dirk Wallace, CPA:** There you go. No, I think it's important to have kind of a little bit of separation there between, just getting up and just diving right into work.

And I still come in the office every day, and I, one of the reasons I think is because I only have a seven-to 10-minute commute, so it's not like I'm driving an hour and a half, but that, seven to 10 minutes is the “me time” where I'm not checking my phone, because I'm driving, and just kind of kind of clearing my head. But still paying attention to what's going on in the road, but really, really just having that “me time” in the morning and then the same at night when I leave the office, you have a few minutes just to decompress and not walk in the house, you know, still in work mode.

And yeah, it kind of keeps you keeps you fresh and kind of gives you that little separation.

[00:31:54] **Michael Novogradac, CPA:** Very nice. So, second question, which many listeners will recognize I've asked quite a few times. What do each of you know now that you wish you knew at the start of your careers? And Dirk, I will let you go first this time. I'll save the best for last. If you can remember back that far, Dirk.

[00:32:19] **Dirk Wallace, CPA:** Yeah, he one thing, it just goes back to, if I, if I literally knew everything that I know today, from a technical standpoint, if I had all my technical knowledge today, back when I started, and then I had 20 years to just keep furthering all that technical knowledge, I mean, I think that would just be awesome to just be able to hit the ground running as soon as I started knowing everything I do about, the tax credit programs and maybe I should have bought a low-income housing tax credit handbook before I started and had all that information.

And, but no, yeah, just if I had a lot more technical knowledge 20 years ago, I think I would have liked that.

[00:32:59] **Michael Novogradac, CPA:** So I'll take that as spend a lot more time earlier in your career you know, learning and becoming an expert in the area that you were practicing.

[00:33:10] **Dirk Wallace, CPA:** Exactly.

[00:33:12] **Michael Novogradac, CPA:** Karie?

[00:33:14] **Karie McMillen, CPA:** Mine kind of goes with that. I guess I was going to say that the commitment and dedication and the time you put in now will pay off later. Starting in my 15th year here, I've, looking back, like what Dirk said, I didn't know anything. And I just kept pushing myself and put in the work and it pays off. So you get your reward in the end.

[00:33:44] **Michael Novogradac, CPA:** No, thank you for those tips that kind of brings me back to early in my career at another accounting firm, because believe it or not, I didn't start at Novogradac. I started Novogradac. I didn't start at Novogradac. Newsflash.

And the head of the tax department used to talk about outside reading and getting in 10 hours of outside reading and other partners would share with me that you should, you know, do the outside reading around areas that you're working in, so whatever areas you're working in, go and read more, learn more about it just build your personal sort of expertise.

And that consists of both of what both of you are saying, and that certainly pays lots of dividends later. And obviously it doesn't, the following week, it doesn't pay a lot of dividends, but the cumulative effect of that provides lots of dividends.

And it's also interesting because early in my career, I was at first, you know, I was wondering, does that get noticed? Does it really benefit? Is it going to really make a difference? And early in your career, it's hard to know that it will, and it's but this, for some reason, this tax partner said it, and I believed him and all the rest, and it certainly ends up manifesting itself in benefits that you may not identify in a real direct way early on. Because when you start a career, your first year seems like you've been there forever. Fifteen years later, it doesn't seem like it.

So anyway, thank you, Dirk. Thank you, Karie. And to our listeners, I'm Mike Novogradac. Thanks for listening.

Additional Resources

Email

Karie McMillen

Dirk Wallace

Conference

Novogradac 2024 Affordable Housing Conference

Novogradac 2024 Spring Renewable Energy Tax Credits Conference

Working Groups

LIHTC Working Group

RETC Working Group