



CDBG-DR Green Building Policy

**DEPARTMENT OF HOMELAND SECURITY AND
EMERGENCY MANAGEMENT**

This policy is effective as of 3/20/2026 and may be updated periodically to reflect program implementation and evolving guidance from the U.S. Department of Housing and Urban Development (HUD).

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I. PURPOSE AND SCOPE

All Program-funded properties must comply with green building standards as encouraged by New Mexico's green building standards involve the adoption of the 2018 International Energy Conservation Code (IECC) and the Build Green New Mexico Program. Additionally, as stated in the Action Plan §6.2.7.2, all rehabilitation, reconstruction, or new construction projects will work to meet an industry-recognized standard by pursuing certification under at least one of the following programs:

- ENERGY STAR® (Certified Homes or Multifamily High Risk)
- Enterprise Green Communities
- LEED (New Construction, Homes, Midrise, Existing Building Operations and Maintenance, or Neighborhood Development)
- ICC 700 National Green Building Standard®
- U.S. Environmental Protection Agency (EPA) Indoor airPLUS
- Equivalent or higher New Mexico energy efficiency standards
- Any other equivalent comprehensive green building standard program acceptable to HUD.

II. BACKGROUND

The HUD CPD Green Building Retrofit Checklist promotes energy efficiency and green building practices for residential retrofit projects. Subrecipients must follow the checklist in its entirety and apply all measures within the Checklist to the extent applicable to the particular building type being retrofitted. The phrase “when replacing” in the Checklist refers to the mandatory replacement with specified green improvements, products, and fixtures only when replacing those systems during the normal course of the retrofit.

III. POLICY STATEMENT

All Program-funded properties must comply with green building standards as encouraged by New Mexico's green building standards involve the adoption of the 2018 International Energy Conservation Code (IECC) and the Build Green New Mexico Program.



IV. DEFINITIONS

| Term | Definition |
|--|---|
| Easement Evaluation | Analysis of legal rights to use portions of land for specific purposes (such as utilities or access), which may affect construction eligibility. |
| ECR (Estimated Cost Report) | A report detailing the projected costs for materials, labor, and products required for a construction or rehabilitation project. |
| Encroachment Evaluation | Determining whether any part of a building or structure extends onto neighboring property or public land, which could impact project approval. |
| Lot Size Evaluation | Assessment of the physical size of a property to determine if proposed construction or rehabilitation is feasible. |
| New Mexico Energy, Minerals, and Natural Resources Department (EMNRD) | Strives to make New Mexico a leader in developing reliable supplies of energy, and energy-efficient technologies and practices, with a balanced approach toward conserving our renewable and non-renewable resources; to protect the environment and ensure responsible reclamation of land and resources affected by mineral extraction; to be effective in leading our state in growing healthy, sustainable forests and managing them for a variety of users and ecologically sound uses; and to improve the state park system into a nationwide leader that contributes to a sustainable economy statewide while protecting New Mexico’s natural, cultural, and recreational resources for posterity. |
| Retrofit | The process of updating or modifying an existing building to improve its energy efficiency, safety, or environmental performance. |
| Septic Tank Capacity Evaluation | Review of the size and capability of a property’s septic system to ensure it can support any changes in building size or occupancy. |
| Xactimate | A software tool used for estimating construction and repair costs, often referenced in project scoping for rehabilitation and repair work. |
| Zoning Evaluation | Review of local government regulations that dictate how land can be used (residential, commercial, etc.), which may affect construction plans. |



V. PROCEDURES

Below is a detailed, step-by-step process for the Green Building Policy:

| Step | Process |
|------|---|
| 1.0 | Conduct Pre-Construction Review: Evaluate each application by confirming construction assumptions, assessing eligibility, and reviewing lot size, septic tank capacity, easements, encroachments, and zoning. Use county or municipal data to ensure feasibility. |
| 2.0 | Select and Verify House Plans: Review all available house plans for compliance with ENERGY STAR or HUD CPD Green Building standards. Verify plans meet Program standards before any construction begins. |
| 3.0 | Scope Materials, Products, and Labor: Identify and document all required materials, products, and labor to meet green building standards for each project. |
| 4.0 | Begin Construction or Rehabilitation: Contractors follow certified plans and green building checklists, replacing systems with approved products as scoped in Xactimate. |
| 5.0 | Document Compliance During Construction: Program inspectors ensure that reconstructed homes meet checklist or other standard requirements by evaluating compliance with Green Building Standards at each construction draw request. Contractors fill out forms, collect documentation for all materials used and indicate items not replaced or not relevant as “not applicable” on the checklist. |
| 6.0 | Upload Documentation to Applicant File: Add certified plans, completed checklists, and supporting documents to each applicant’s file before project closeout. |
| 7.0 | Verify Installed Materials and Products: Contractors verify that all installed materials and products meet ENERGY STAR and HUD CPD Green Building standards, as itemized in their Estimated Cost Report (ECR). |
| 8.0 | Submit Specification Sheets: Contractors collect and submit specification sheets for all materials and products during the construction closeout process. |
| 9.0 | Provide Completed Checklist for Final Inspection: Contractors submit the completed checklist and documentation to the Construction team prior to final inspection. Contractors not adhering to these standards will be sanctioned by the program. |



VI. SCOPE OF WORK AND EVALUATION CRITERIA

A. *Pre-Construction Review*

The pre-construction review will evaluate applications for construction by confirming assumptions related to the anticipated construction activities. This review will help the program determine which type of floor plan and award type can be offered to the applicant. A preconstruction review, described in the program guidelines, may result in a change in award type, floor plan size, and/or program eligibility. All proposed repair, rehabilitation, or new construction awards will receive a lot size and/or septic tank capacity evaluation if the proposed replacement is a larger size or includes additional bedrooms compared to the original unit. If issues are found during the lot size evaluation, then a more comprehensive pre-construction review may be needed. Preconstruction reviews may include the following:

- Lot size measurement;
- Septic tank capacity evaluation;
- Easement Evaluation (Only when prompted or this information is available);
- Encroachment Evaluation (Only when prompted or this information is available);
- Zoning Evaluation (Only when prompted or this information is available); and
- Any other obstacles to receiving a permit.

The program will use information provided by the county or municipality in which the damaged property is located to complete the pre-construction review, as described in the program guidelines. An applicant's application can be withdrawn from the program if the pre-construction review results determine that construction activities cannot be completed on the damage property.

B. *Reconstructed Homes*

Homes constructed by the New Mexico Home Recovery Program will be designed to meet the *Energy Star Certified Home Standard* utilizing the EPA's National Program Requirements ENERGY STAR Certified Homes, Version 3 (Rev 10) Checklist (see Appendix) as well as guidance provided by the New Mexico State ENERGY STAR office. As part of this process, all house plans available for selection will be reviewed and certified as compliant by DHSEM prior to use by the Program and all required materials, products, and labor needed to meet Green Building Standards will be properly scoped. Program inspectors will ensure that reconstructed homes meet checklist or other standard requirements by evaluating compliance with Green Building Standards at each construction draw request. A copy of the certified house plan and checklist will be uploaded to each applicant file prior to construction closeout. In addition, Contractors are required to collect any material and or product specification sheets to support meeting the Energy Star and Green Building Standards and must submit them during the Construction Closeout Process. Contractors not adhering to these standards will be sanctioned by the program according to their Construction Agreement.



C. Repair and Rehabilitated Homes

All homes rehabilitated by the New Mexico Home Recovery Program will be scoped to meet the requirements of the *HUD CPD Green Building Retrofit Checklist* which requires Contractors to meet Green Building Standards when replacing items on the checklist as scoped in Xactimate. During the course of construction, contractors will be responsible for filling in information on the form and collecting all necessary documentation regarding materials used to rehabilitate the home in order to ensure that the Program meets the requirements of the *HUD Green Building Retrofit Checklist*.

All items listed on the form that do not apply or are not being replaced should be marked as *not applicable* on this form. A copy of the completed checklist and documentation must be provided to the Construction team prior to the final inspection. As part of this process, the Contractor will be required to verify that the materials and or products installed, as itemized in their Environmental Compliance Review (ECR) meet the *HUD Green Building Retrofit Checklist*. In addition, Contractors are required to collect any material and or product specification sheets to support meeting the Energy Star and Green Building Standards and must submit them during the Construction Closeout Process. Contractors not adhering to these standards will be sanctioned by the program according to their Construction Agreement.

VII. ROLES AND RESPONSIBILITIES

| Stakeholder | Roles & Responsibilities |
|---------------------------------|--|
| Applicant / Subrecipient | A person or entity that applies for and then receives funding from the primary recipient (DHSEM) to carry out part of a federal program, and is responsible for following program guidelines. |
| Contractor | A person or company hired to perform construction, repair, or rehabilitation work, responsible for meeting program standards and documentation requirements. |
| DHSEM | Department of Homeland Security and Emergency Management. The state agency responsible for overseeing emergency management and disaster recovery programs, including compliance with green building requirements. |
| EPA | The Environmental Protection Agency (EPA). A U.S. federal agency that sets national standards for energy efficiency and environmental protection. It administers the ENERGY STAR program, verifying homes that meet strict criteria for energy savings, comfort, and sustainability, ensuring reduced energy use and improved environmental performance. |



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| HUD | U.S. Department of Housing and Urban Development. A federal agency responsible for national policies and programs that address America's housing needs, develop communities, and enforce fair housing laws. |
| Material / Product Specification Sheet | Document that provides detailed information about the properties, performance, and compliance of materials or products used in construction. |
| Program Inspector | An individual responsible for verifying that construction or rehabilitation work meets program standards, including green building requirements. |

VIII. COMPLIANCE & ENFORCEMENT

The Green Building and Energy Efficiency requirements will be included as an addendum in each signed Construction Agreement. Upon request, DHSEM will provide technical assistance in understanding the requirements and any additional documentation needed. Program inspectors verify compliance at each draw per the selected standard and the 'most stringent standard applies' rule. Contractors not adhering to these standards will be sanctioned by the program according to their Construction Agreement.

IX. CONFLICTS OF INTEREST AND MODIFICATIONS

To maintain the highest standards of integrity, all stakeholders, including DHSEM staff, subrecipients, contractors, and partners, must adhere to strict conflict of interest guidelines and the Conflict of Interest Policy.

The Green Building Policy is subject to continuous evaluation and refinement to adapt to changing legal requirements and community needs. Annual reviews, based on comprehensive feedback from stakeholders and affected communities, facilitate necessary modifications to enhance policy effectiveness. Modifications are implemented in a structured manner, ensuring alignment with both federal mandates and local objectives. All changes are documented, disseminated across all levels of involvement, and incorporated into subsequent training sessions, preserving the policy's integrity and responsiveness to emerging challenges.

DHSEM may update green building design standards from time to time in accordance with best practice and as set forth in contract agreements for construction work to be performed. DHSEM documents both specific green building standards and ENERGY STAR standards used in each file. The more stringent standard will be applied in each case of repair, rehabilitation, or new construction.



X. DOCUMENTATION & RECORDKEEPING

To meet requirements of green building standards, DHSEM documents the use of green building standards in each project file for rehabilitated homes through the use of the New Mexico Energy, Minerals, and Natural Resources Department (EMNRD) Trade Worksheet (see Appendix) or new construction, projects will document the use of green building standards in each project file using the EPA’s National Program Requirements ENERGY STAR Certified Homes, Version 3 (Rev 10) Checklist (see Appendix).

D. Closeout

At the completion of the project, as part of the required forms for close-out a final verification that green building requirements have been achieved per the program policy will be completed by DHSEM based on the documentation submitted. The closeout project file needs to contain:

- The final completed checklist for the applicable standard(s)
 - For rehab, the HUD CPD Green Building Retrofit Checklist with DHSEM signoff, or
 - For reconstruction, the ENERGY STAR Certified Homes, Version 3 Checklist with DHSEM signoff, and
- All applicable product spec sheets, and
- Any third-party certification letters (Enterprise/LEED/NGBS).

XI. REFERENCES

| Executive Order, Federal and State Laws and Regulations | Description |
|--|---|
| EPA’s National Program Requirements ENERGY STAR Certified Homes | A detailed EPA checklist specifying technical requirements for ENERGY STAR certification of new homes. It addresses insulation, air sealing, HVAC, lighting, appliances, and water management, ensuring homes achieve high energy efficiency and environmental performance. <i>(Version 3, Rev 10)</i> |
| 90 FR 4759 | An official publication outlining federal requirements for green building standards in disaster recovery programs. Notice 90 FR 4759 mandates energy efficiency, sustainability, and environmental practices for properties funded by Community Development Block Grant–Disaster Recovery (CDBG-DR) programs. |



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| HUD CPD Green Building Retrofit Checklist | <p>A HUD-provided checklist guiding residential retrofit projects to meet green building standards. It covers energy efficiency, water conservation, sustainable materials, and healthy indoor environments, ensuring federally funded projects comply with environmental and sustainability requirements during renovations.</p> |
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XII. APPENDICES

The appendix contains supplementary material which forms a part of this document but is not essential for its completeness, containing supporting information and will appear in this section.

| Form Name, Process Map Name, OR Document Name | Link to Document |
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| New Mexico Energy, Minerals, and Natural Resources Department (EMNRD) Trade Worksheet | https://www.emnrd.nm.gov/ecmd/energy-code-for-buildings/ |
| EPA National Program Requirements ENERGY STAR Certified Homes, Version 3 (Rev 10) Checklist | https://www.energystar.gov/sites/default/files/asset/document/National%20Program%20Requirements%20ENERGY%20STAR%20Certified%20Homes%20Version%203_Rev10.pdf |