



ASSET MANAGEMENT CONFERENCE

ATLANTA, GA JUNE 24-26, 2024

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Asset Management in the Era of Climate Change

Atlanta, Georgia

Date: June 26, 2024

Time: 9-10:30

Panelists

- *Adam Meier* *Housing Partnership Network*
- *Madeline Fraser Cook* *LISC*
- *Elizabeth Richards* *Enterprise Community Partners*
- *Shaun Rai* *Community Housing Partners*

Agenda

- Setting the Context
- Inflation Reduction Act Overview and Existing Resources
- EPA's Greenhouse Gas Reduction Fund
 - Power Forward Communities' housing-focused program strategy
- Actions for Readyng a Portfolio
- Discussion, Q&A
- Wrap Up



SETTING THE CONTEXT

*Why decarbonization?
Why now?*



Solar Installation, Portsmouth, VA

AFFORDABLE HOUSING PORTFOLIO CHALLENGES



22%

increase in **repair and maintenance costs** in LIHTC properties in 2022 (Source: Novogradac's 2023 LIHTC Operating and Expenses Report)



34%

increase in **property insurance costs** since 2021 (Novogradac)



40%

of occupied rental housing in US located in **areas at risk from climate disasters**



25%

of the nation's commercial and multifamily properties are in states/cities that are implementing or planning to implement Building Energy Performance Standards

WHAT IS BUILDING DECARBONIZATION?



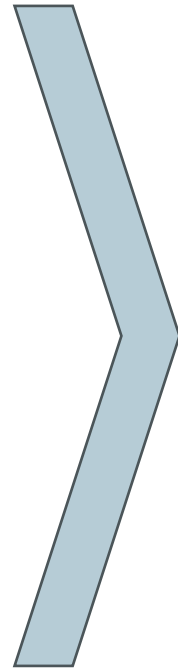
WHAT ARE THE BENEFITS OF BUILDING DECARBONIZATION?

STRATEGIES

Reduce Energy Load through lighting upgrades, smart thermostats, more efficient space and water heating, and improved insulation/air sealing and windows.

Eliminate On-Site Greenhouse Gas Emissions by replacing gas furnaces, water heaters, and other gas appliances with highly efficient electric equipment

Achieve Zero Energy by installing renewable energy



BENEFITS

Lower Operating Expenses

- Improved energy efficiency
- Reduced electricity costs through renewable energy
- Avoid volatility of gas costs
- Discounted insurance?

Improved Resident Well-Being

- Better indoor air quality
- More resilient housing, e.g., add/improve cooling with heat pumps
- Improved thermal comfort

Future-proof for Compliance

- Get ahead of future regulatory requirements and market shifts

Address Deferred Maintenance

- Access IRA funding to upgrade building systems

RETROFIT PATHWAYS

Zero Over Time (ZOT)

- Strategic implementation of emissions reduction measures
- Relies on more intervention points over time
- Minimizes capital budget impact
- Longer timeline to realize emissions reduction
- Typically followed when system equipment has useful life remaining and refi is distant

Deep Energy Retrofit (DER)

- Leverages retrofit process and measures to the fullest extent
- Minimizes the number of disturbances to residents
- Expensive capital cost
- Immediate emissions reduction achievement
- Potential for competitive resources
- Typically timed with refi/rehab

KEEP IN MIND...

- **Budget and cost-effectiveness varies**
 - Switching from gas to heat pumps could result in the same, lower, or higher energy costs, depending on the cost of electricity. It is important to consider:
 - Current energy usage compared to energy usage of new equipment
 - Electricity rates compared to gas
 - Service/flat fees
 - Reduce energy load through energy efficiency **FIRST**
 - Pair electrification with renewable energy
 - **Proper sizing, design, and installation of heat pumps** are critical to achieve desired comfort, performance, and efficiency
 - Proper maintenance is also key
 - **Electrical service upgrades may be necessary** and are often the highest expense
-

Plenary: Asset Management in the Era of Climate Change

June 26, 2024



LSC

Inflation Reduction Act Overview

What the Inflation Reduction Act Is

\$369+ billion in economy-wide clean energy and climate investments delivered through a combination of tax incentives, grant programs, and loan guarantees.



*Clean Energy
Deployment*



*Conservation
and Resilience*



*Manufacturing
and Industrial
Decarb*



*Climate-Smart
Agriculture*



*Pollution Reduction
and Environmental
Justice*



*Clean, Energy
Efficient Buildings*



*Electric Vehicles
and Clean Fuels*



*And much,
much more*

Greenhouse Gas Reduction Fund (GGRF)

- **Largest Non-Tax Credit Program in the Inflation Reduction Act (IRA).** GGRF is a \$27 billion program at EPA designed to mobilize financing and leverage private capital for clean energy and climate projects that reduce pollution across the country with a focus on ensuring these benefits reach low-income and disadvantaged communities (LIDAC).
- **GGRF consists of three separate but complementary programs.** National Clean Investment Fund, Clean Communities Investment Accelerator, and Solar for All.

GGRF Objectives:

Program Objective 1: Reduce emissions of greenhouse gases and other pollutants

Program Objective 2: Deliver benefits of greenhouse gas- and air pollution- reducing projects to American communities, particularly low-income and disadvantaged communities

Program Objective 3: Mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects

National Clean Investment Fund (NCIF)



\$14B of the \$27B GGRF devoted to creating centralized, long-term clean technology financing institutions capable of transforming financial markets



40% minimum expenditure of funds for financial assistance in low-income and disadvantaged (LI/DAC) communities (includes affordable housing)



Allowed uses (1) **financial assistance**, defined as debt, equity, hybrid products and credit enhancement for *qualified and priority projects*, (2) **market-building** activities, (3) **predevelopment** costs and (4) **program administration**.

3 awards made in early April to eligible nonprofit lenders; 7-year performance period



- **Climate United Fund** (\$6.97B): Calvert Impact, two Community Development Financial Institutions (CDFIs), Self-Help Ventures Fund, and the Community Preservation Corporation formed this nonprofit.
- **Coalition for Green Capital** (\$5B): This nonprofit has almost 15 years of experience helping establish and work with dozens of state, local, and nonprofit green banks.
- **Power Forward Communities** (\$2B): A coalition of five national nonprofits, Enterprise Community Partners, LISC, Rewiring America, Habitat for Humanity, and United Way.

Clean Communities Investment Accelerator (CCIA)



\$6B of the \$27B GGRF devoted to moving existing community lenders into clean and climate lending – this includes CDFIs, credit unions, housing finance agencies, existing green banks, and other small-scale lenders – enabling these community lenders to use their existing infrastructure and expertise to provide capital for clean technology projects.



All projects must be for low-income and disadvantaged communities (includes affordable housing);
Projects must meet the *GGRF Priority Project* definition



Grant funding must be used for (1) **capitalization funding (80%)**, (2) **technical assistance subawards (10%)** and (3) **technical assistance services (up to 10%)**



5 hub nonprofit awards announced in early April; 6-year performance period

- Opportunity Finance Network (\$2.29B)
- Inclusiv (\$1.87B)
- Justice Climate Fund (\$940M)
- Appalachian Community Capital (\$500M)
- Native CDFI Network (\$400M)

Solar for All (SFA)



\$7B of the \$27B GGRF devoted to funding states, territories, Tribal governments, municipalities & non-profits to develop long-lasting programs that enable low-income & disadvantaged communities to deploy and benefit from distributed residential solar.



All projects must be for low-income and disadvantaged communities



Financial and technical assistance for residential rooftop solar and residential-serving community solar (and associated storage and enabling upgrades). A minimum of 20% household savings is required. Subsidies and grants included under definition of financial assistance.



60 government and non-profit grantees with awards that range from \$25M-\$400M announced in late April; 5-year performance period.

- The 60 selected applications include 49 state-level awards, six awards to Tribes, and five innovative multistate awards, spanning the entire country.

Exciting Resources to Fuel
Ideas and Sharpen Skills

What's Possible Playbook

In mid-May, LISC, Enterprise Community Partners and the Federal Reserve Bank of New York published *What's Possible: InvestingNOW for Prosperous, Sustainable Neighborhoods* and held a launch event at the Federal Reserve Bank of New York.

What's Possible gathers insights from leading community development, finance, and sustainability experts. The book offers proven solutions that focus on decarbonization, resilience, and equity while prioritizing low-income and of-color communities that have disproportionately borne the adverse impacts of climate change. Grounded in real-world examples, What's Possible aims to spark conversation and cross-sector partnerships nationwide and propel communities toward economic prosperity and sustainability on the frontlines of climate change.

JUST LAUNCHED!

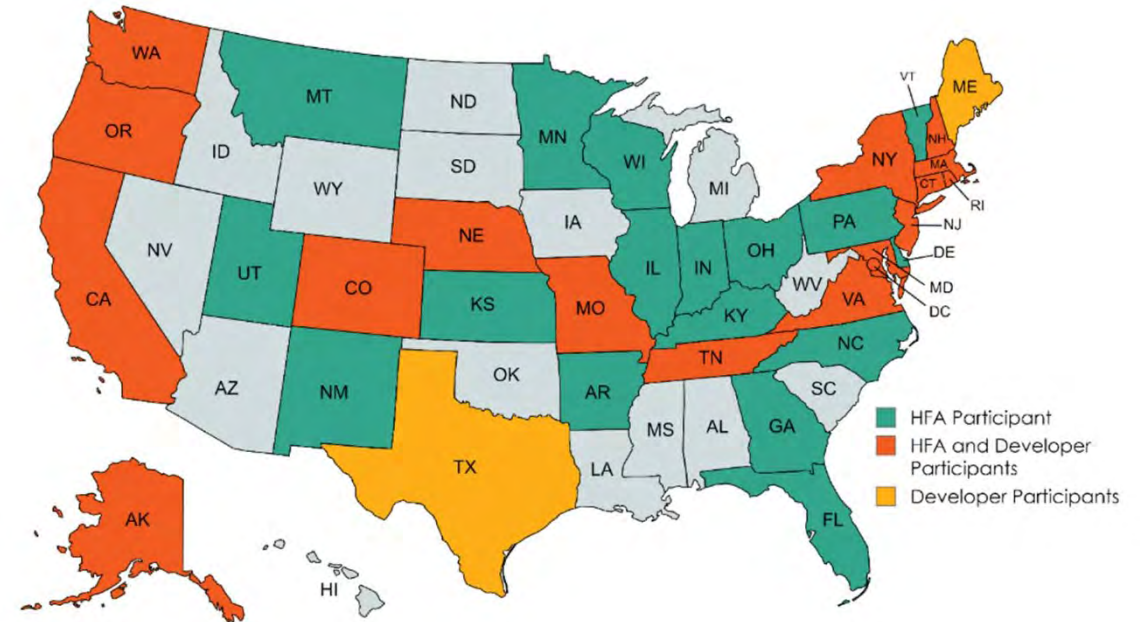
EXPLORE SOLUTIONS FROM FINANCE,
COMMUNITY AND CLIMATE LEADERS



National Housing Trust, IRA BOOTCAMPS

Since May 2023, with the generous backing of the Wells Fargo Foundation, NHT has spearheaded a capacity-building initiative to equip affordable housing owners and state housing finance agencies to effectively utilize resources from the Inflation Reduction Act (IRA). These resources present a vital chance to create more energy-efficient and resilient housing while reducing carbon emissions by building the capacity of the affordable housing industry to ensure that the benefits of IRA don't bypass multifamily affordable housing.

NHT's two-track IRA Bootcamp has supported 50 small and medium-sized affordable housing developers and owners, along with 36 state Housing Finance Agencies (HFAs), by offering information, direct assistance, and collaborative learning opportunities to address the barriers both housing providers and agencies face.



HUD Resources for Resilient Housing



[Build for the Future](#): A curated library of resources and tools on efficient building, renewable energy integration, climate resiliency and environmental justice.



[Funding Navigator](#): A search tool for federal funding opportunities that support HUD program participants in maximizing IRA and BIL resources for carbon reduction and climate resilience efforts, including the Greenhouse Gas Reduction Fund.



[Climate Resources for Housing Supply Framework](#): A resource discussing how climate-related investments can support the development of affordable housing.



[Build for the Future Guides](#): A series of guides on federal resources and resilience strategies, including green financing for multifamily housing.



[The Green and Resilient Retrofit Program](#): A program that provides owners of HUD-assisted multifamily housing with capital to reduce carbon emissions, increase utility efficiency, incorporate renewable energy sources, and make properties resilient against climate hazards.



[HUD Community Resilience Toolkit](#): A guide to building resilient housing for recipients of Community Planning and Development funding.

Looking Forward

Meeting the Moment for Decarbonization and Innovation

This is Our Moment. Thanks to historic federal support, we can and must seize the unprecedented opportunity to address climate challenges and strengthen the resiliency of communities nationwide.

To do this, we are focused on:

Decarbonizing Our Future: By leveraging new funding and programs such as the Greenhouse Gas Reduction Fund, we can work together to transform housing for a sustainable tomorrow.

Collective Opportunity: By harnessing the power of various sectors and public-private partnerships, we can drive and scale our impact by bridging silos and working together to meet this critical moment.

Leadership and Innovation: Fostering and leading with innovative solutions, empowering communities, and reducing carbon footprints through collaborative efforts.

Creating Lasting Impact: Making a significant and enduring impact on the environment and community health through strategic action that leverages and aligns existing and new green resources.

Thank you.

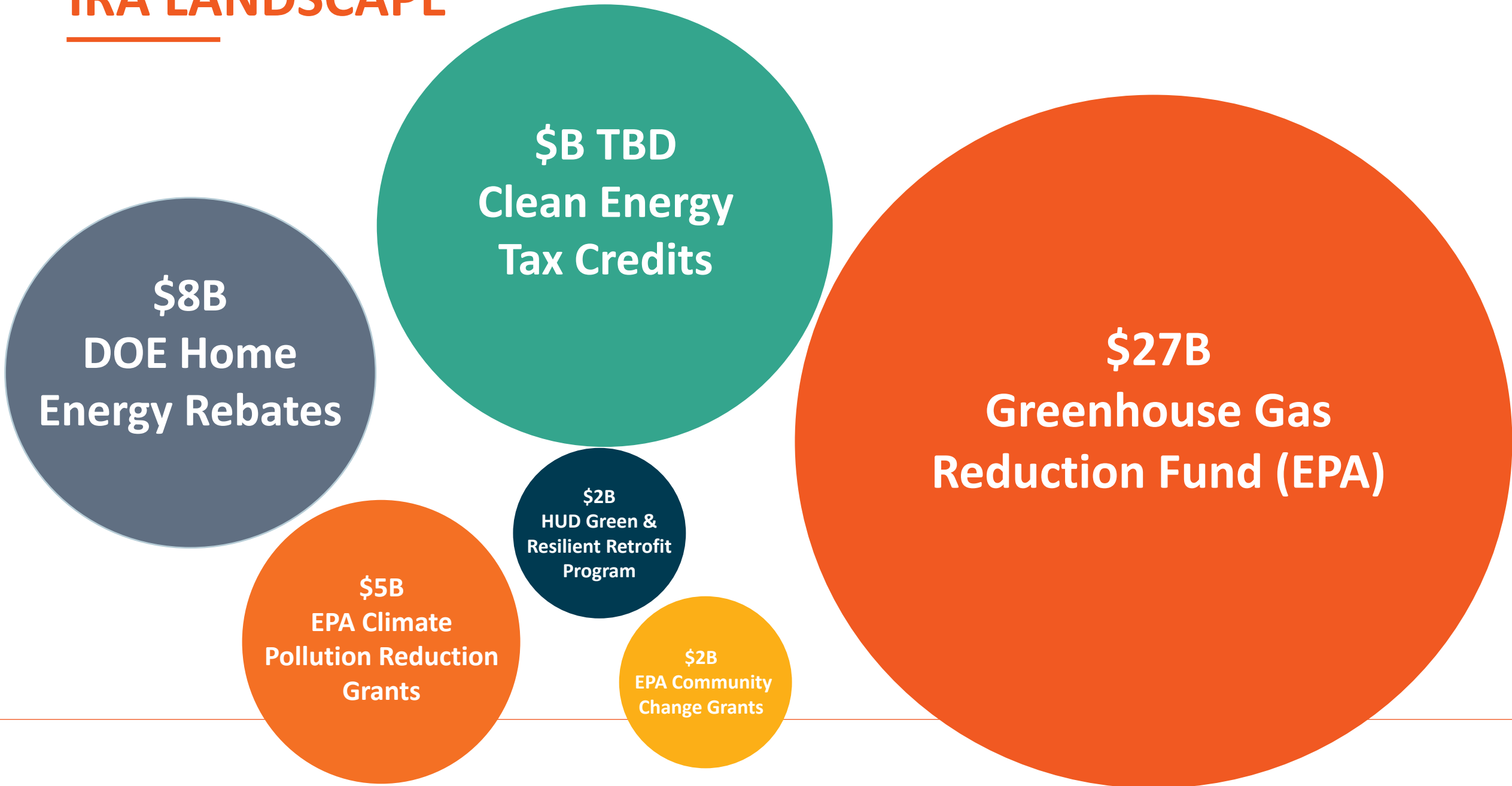


INFLATION REDUCTION ACT (IRA)

OVERVIEW

Grand Opening Ceremony at 540 New Park, West Hartford, CT

IRA LANDSCAPE



TREASURY/IRS

CLEAN ENERGY TAX CREDITS

- *Sect. 48- Renewable Energy Investment Tax Credit (ITC) and bonus adders*
- *Sect. 45L- New Energy Efficient Home Credit*
- *Sect. 179D - Energy Efficient Commercial Buildings Deduction*



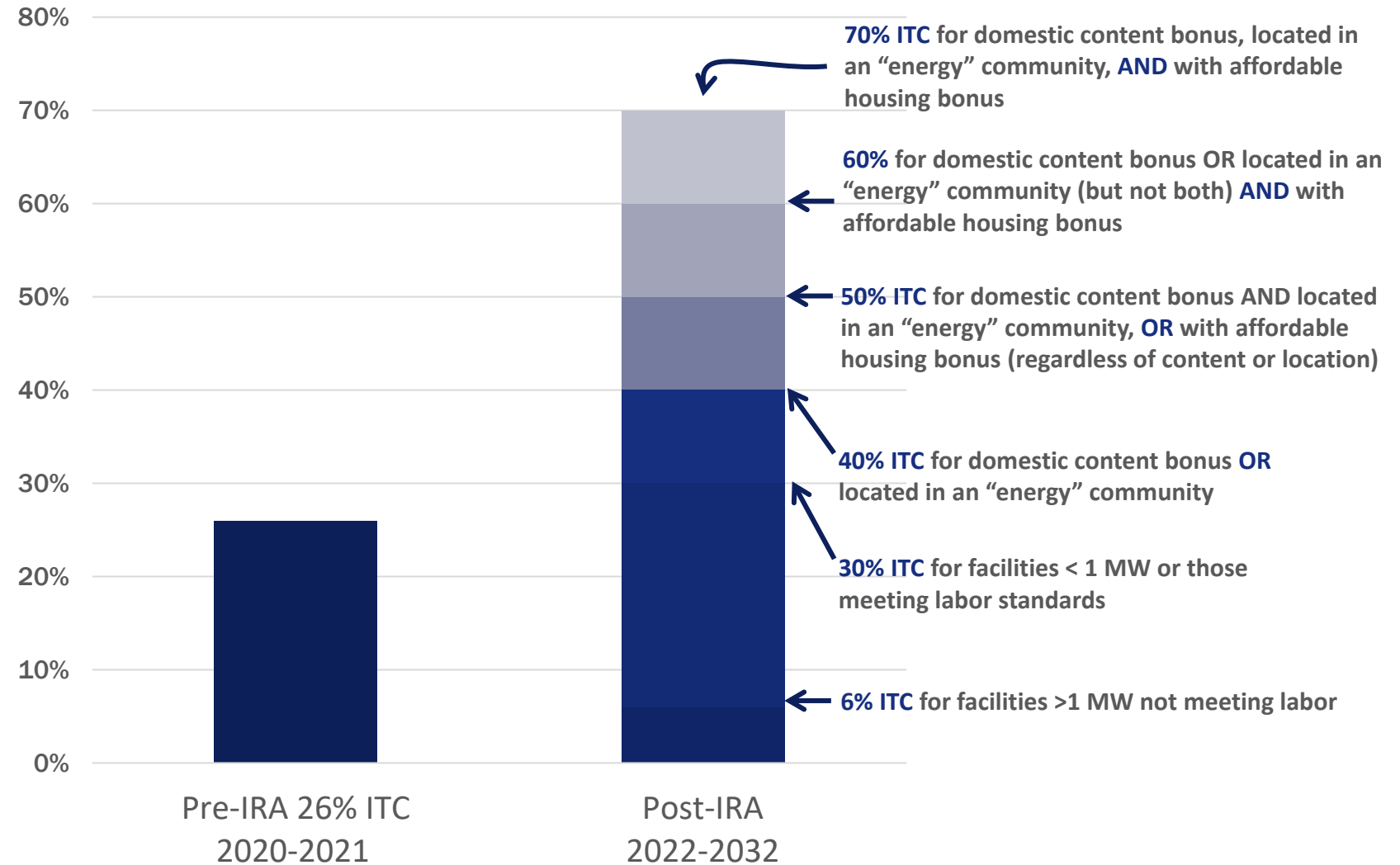
SECT. 48- INVESTMENT TAX CREDIT (ITC) FOR ENERGY PROPERTY



- IRA extends and modifies the ITC retroactively to 30% starting 1/1/2022 and through 12/31/2032 (with a transition to tech-neutral ITC on 1/1/2025)
- 30% Base Credit: Facility financed must be less than 1 MW or meet labor standards providing prevailing wages and apprenticeship programs for facilities. Credit in the year property placed in service
- New – Credits can be sold to unrelated parties or direct pay to tax-exempt owners
- LIHTC eligible basis is NOT reduced

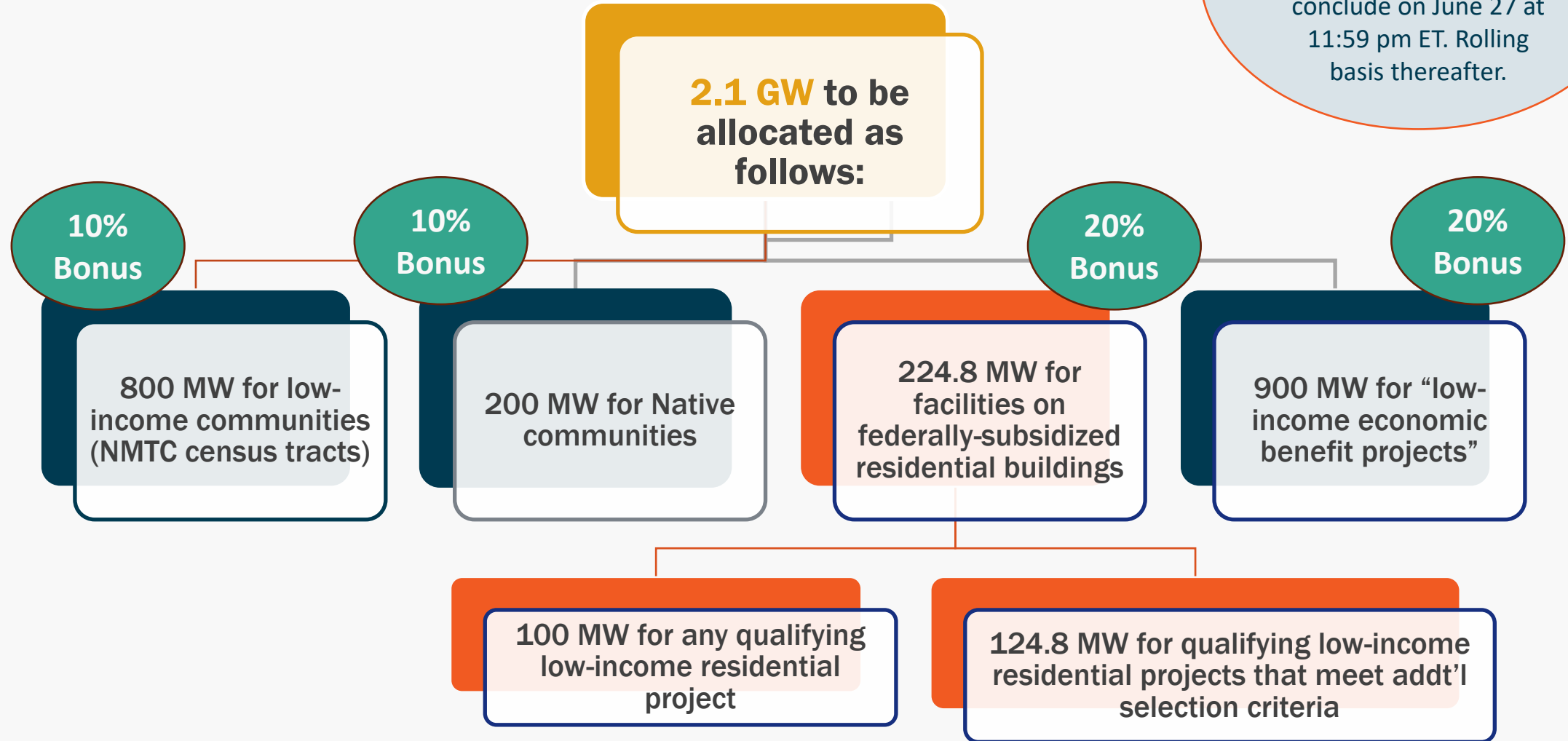
IMPACT OF ADDERS ON ITC TAX CREDIT RATE

- **Domestic content (as of right)– 10%**; requires US-produced iron, steel, and other products
- **Energy communities (as of right)- 10%**; Brownfields, fossil fuel employment, and closed coal mines
- **Low-income adder (competitive)- 10 or 20%**



LOW-INCOME COMMUNITIES BONUS TAX CREDIT PROGRAM – 2024 ALLOCATIONS

The 2024 Program Year opened on May 28, 2024. The initial 30-day application window will conclude on June 27 at 11:59 pm ET. Rolling basis thereafter.



LOW-INCOME COMMUNITIES BONUS TAX CREDIT PROGRAM– ADDITIONAL SELECTION CRITERIA

Facilities may qualify for Additional Selection Criteria (ASC) based on **Ownership** or **Geography**

The **ownership criteria** are based on the characteristics of the applicant who owns the qualified solar or wind facility.



- Tribal Enterprise
- Alaska Native Corporation
- Renewable Energy Cooperative
- Qualified Renewable Energy Company (QREC)
- Qualified Tax-exempt Entity

The **geographic criteria** are based on the county or census tract where the facility is located.



- Persistent Poverty County
- Climate and Economic Justice Screening Tool (CEJST) - *Energy Category*

SECT. 45L- NEW ENERGY EFFICIENT HOME CREDIT

- No longer reduces LIHTC eligible basis
- DOE released Final Requirements for Multifamily Version 2 Zero Energy Ready Home (ZERH) certification
- ZERH now applies to multifamily buildings of any size- previous versions only applied to buildings up to five stories in height
- Key ZERH updates include increased energy efficiency and performance levels and added electric readiness

		MEETS PREVAILING WAGE?	
		Yes	No
ENERGY STANDARD	ENERGY STAR New Construction	\$2,500 per unit	\$500 per unit
	DOE's Zero Energy Ready Homes	\$5,000 per unit	\$1,000 per unit

SECT. 179D- ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION

- DOES reduce LIHTC eligible basis
- Eligible building types are any commercial and multifamily buildings 4+ stories above grade covered by ASHRAE 90.1 (American Society of Heating, Refrigerating and Air Conditioning Engineers)
- New construction must model with at least a 25% improvement over reference standard
- Baseline for Retrofits:
 - Building must be 5 years or older
 - “Qualified Retrofit plan” must be certified by professional engineer or architect
 - Post retrofit site EU reductions are measured against the pre-retrofit baseline to determine the sliding scale incentive amount
 - Retrofit deduction claimed by taxpayer after the equipment is in service for one year and the project results are demonstrated in the site EUI reductions

Efficiency Gain Over Baseline	No Labor Requirements Deduction Amount (Base Rate)	Meets Prevailing Wage and Apprenticeship Requirements Deduction Amount (Bonus Rate)
25%	\$0.50 / sqft	\$2.50 / sqft
30%	\$0.60 / sqft	\$3.00 / sqft
35%	\$0.70 / sqft	\$3.50 / sqft
40%	\$0.80 / sqft	\$4.00 / sqft
50%	\$1.00 / sqft	\$5.00 / sqft

DOE HOME ENERGY REBATES

The Home Energy Rebates will provide Americans with deep discounts on household upgrade purchases that can lower monthly utility bills



WHAT INCENTIVES ARE AVAILABLE THROUGH DOE'S HOME ENERGY REBATE PROGRAM?

The following rebates are available for **single-family homes** with household income **below 80% AMI** and in **multifamily buildings** where **at least 50% of households** have incomes **below 80% AMI**

Rebate Type	Rebate Amount
Home Efficiency Rebates (HER)	<ul style="list-style-type: none">• Retrofits of existing buildings• Rebate level varies depending on the level of efficiency improvements, not to exceed:<ul style="list-style-type: none">• <u>\$4,000</u> per housing unit for energy savings of 20%-34%• <u>\$8,000</u> per housing unit for energy savings of 35% or more• Up to <u>80% of project costs</u>
Home Electrification and Appliance Rebates (HEAR)	<ul style="list-style-type: none">• New construction and retrofits• Appliance-based rebates with caps• <u>100% of project costs</u> not to exceed the max rebate level of <u>\$14,000 per housing unit</u>

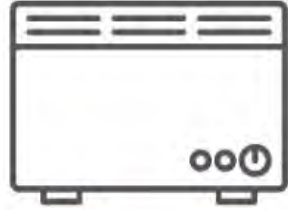
HEAR MAXIMUM REBATE AMOUNTS PER DWELLING UNIT



\$840

Rebate

Electric heat pump
for clothes dryer



\$8,000

Rebate

Electric heat pump for
space heating & cooling



\$1,750

Rebate

Electric heat pump
for water heaters



\$2,500

Rebate

Electric panel &
wiring upgrades



\$840

Rebate

Electric stove, cooktop,
range, or oven



\$1,600

Rebate

Weatherization
Air sealing, duct sealing, insulation

HOW CAN STATES OPTIMIZE HOME ENERGY REBATES FOR AFFORDABLE HOUSING?

- **Increase the proportion of funding reserved for low-income/ low-income MF HHs**
 - 40% of each state's funds must be allocated to low-income households. An additional 10% must be allocated to low-income multifamily households
 - **Implement higher Home Efficiency Rebate levels for low-income households? E.g.:**
 - \$8K instead of \$4K per unit for energy savings of 20%-34%; Cover up to 100% of costs
 - **Allow for longer rebate reservation periods and include rebates in underwriting**
 - Provide certainty that rebates will be available upon construction completion
 - **Allow rebates for central system/common area upgrades**
 - **State Energy Offices should coordinate closely with state housing agencies to align the Home Efficiency Rebates so that they can work effectively for multifamily project finance.**
-

HOW ARE STATES PLANNING TO IMPLEMENT MULTIFAMILY REBATE STRATEGIES?

- **Maine** plans to prioritize **50% of HER funds** for larger multifamily buildings that are electrifying their heating systems, benefiting approximately 2,250 units. Maine also plans to allocate **30% of HEAR funds** to new construction multifamily and manufactured housing, with approximately 1,700 households benefiting from this program.
 - **Massachusetts** plans to **expand existing affordable housing decarbonization programs** by funding additional measures, targeting decarbonization in existing income-restricted multi-family units, leveraging multiple funding sources outside of HER, and exceeding max rebate limits to achieve greater energy savings for low-income units.
 - **Oregon** plans to allocate **60% of HEAR program funding to low-income households and 20% of HEAR funding to low-income multifamily households**. The state's HER application also **increases maximum eligible project costs for 80% AMI households** to \$8,000 if achieving at least 20% energy savings and \$10,000 if achieving at least 35% energy savings
-

APPLYING HEAR REBATES TO CENTRAL SYSTEM MEASURES

Are central system/common area upgrades eligible?

- YES
- If states allow such upgrades, DOE requires that such work benefit individual dwelling units in addition to a common area; the benefit to individual units may be any of the following:
 - energy savings,
 - cost savings,
 - pollution reduction, or
 - other health and safety benefits

Multifamily building owners can combine rebates on behalf of multiple households.

E.g., in a 20-unit low-income building:



\$8,000

Rebate

Electric heat pump for space heating & cooling

× 20 = **\$160,000**

To pay for a central heat pump system that provides space conditioning for individual dwelling units and common areas.

STACKING REBATES WITH OTHER FUNDING



\$8,000
Rebate

Electric heat pump for
space heating & cooling

The total cost of a heat pump is \$10,000. What funding sources can be used to pay the remaining \$2,000 cost?

- Federal grants? **NO**
- Federal Loans, such as loans from HUD and EPA's Greenhouse Gas Reduction Fund? **YES**
- IRA Tax Credits? **YES, after reducing the tax credit basis by the rebate amount**
- State and Local government funding? **YES**



\$2,500
Rebate

Electric panel &
wiring upgrades



Electric heat pump
for water heaters

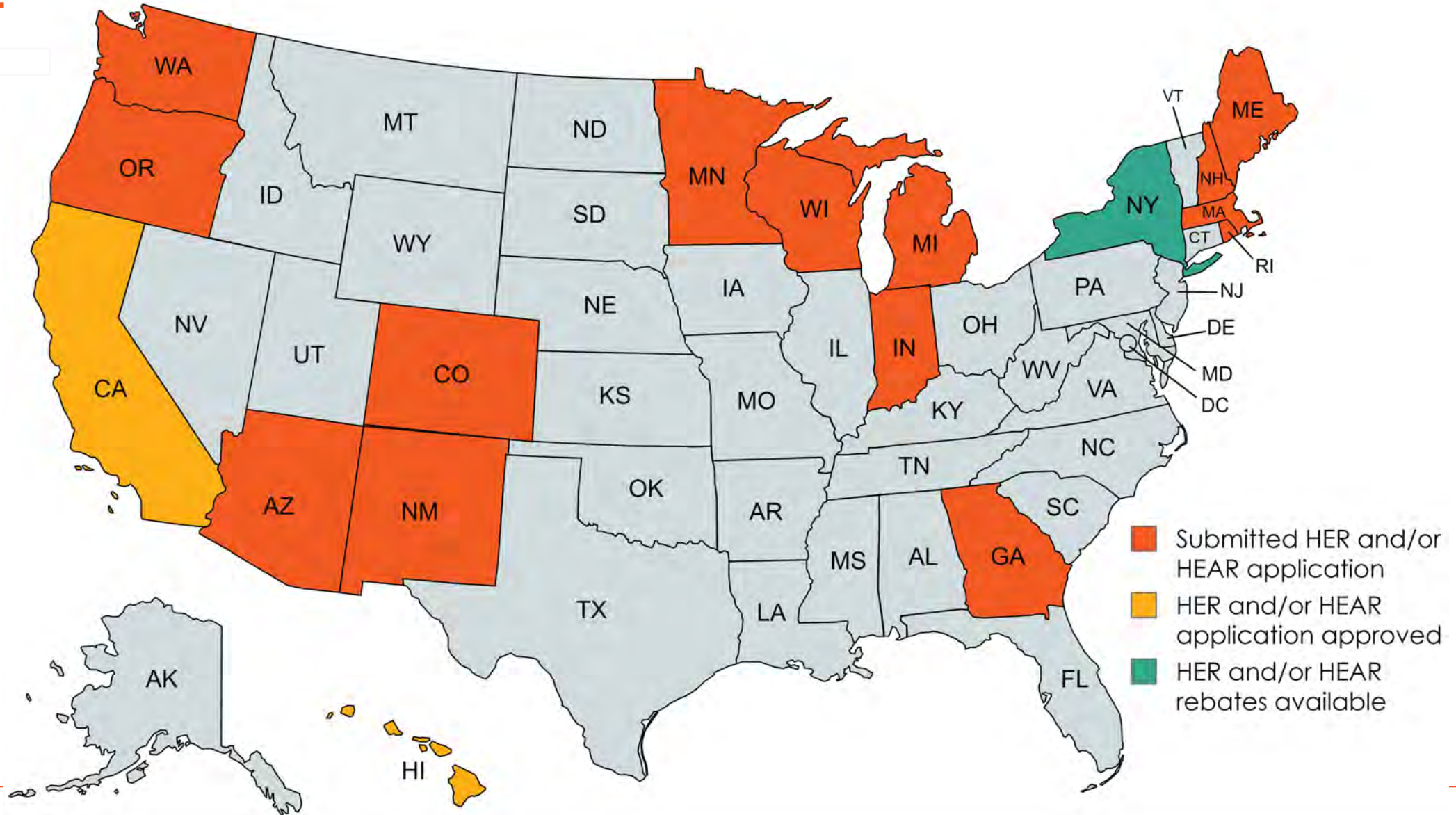
HEAR rebate is used to pay for electric panel upgrades but not an electric heat pump water heater. What funding sources can be used to pay for the heat pump?

- Federal grants? **YES**
- Federal Loans? **YES**
- IRA Tax Credits? **YES**
- State and Local government funding? **YES**

WHAT IS THE HOME ENERGY REBATE IMPLEMENTATION TIMELINE?


- **Deadline for states to affirm they will apply for Home Energy Rebate funding**
 - August 16, 2024
 - **Deadline for states to apply for funding**
 - January 31, 2025
 - **Funding available to the public**
 - Rolling basis as DOE approves state plans
 - **Deadline for states to expend funds**
 - September 2031
-

STATE APPLICATION STATUS



As of 6/18/2024


HOME ENERGY REBATES STATE TRACKER



State IRA Funding Tracker
DOE Home Energy Rebates
Multifamily Programs

A guide to your state's DOE Home Energy Rebates program and opportunities for multifamily affordable housing.

Developed by the National Housing Trust



New York

Administering Agency: [NYSERDA](#)

Application Status: HEAR rebates now available

State Allocation: \$318M

Program Description: The HEAR program has been designed to expand the reach of the state's [EmPower+ program](#). Eligible owners of 1-4-unit households below 80% AMI or who participate in a utility payment assistance program will automatically be enrolled to benefit from the state's HEAR program when they apply to the EmPower+ program.

NYSERDA is currently developing and submitting the full HEAR application to enable rebate offers to moderate-income residents, up to 150% AMI, and to owners of larger LMI multifamily buildings, including high-efficiency electric appliance rebates.

North Carolina

Administering Agency: [North Carolina Department of Environmental Quality](#)

Application Status: received early administrative funding; preparing rebate applications

State Allocation: \$209M

Program Description: North Carolina expects rebates to be available late 2024 or early 2025.

<https://nationalhousingtrust.org/ira-toolkit>

SOLAR FOR ALL STATE TRACKER



NATIONAL HOUSING TRUST

State IRA Funding Tracker

EPA Solar for All Multifamily Programs

A guide to your state's EPA Solar for All program and opportunities for multifamily affordable housing.

Developed by the National Housing Trust

North Dakota

Administering Agency: [Coalition for Green Capital](#)

Application Status: Approved

Total Funding Awarded: \$62,450,000

Program Description: North Dakota's SFA program will leverage grant, tax, and low interest lending to deploy solar for multifamily housing. The Coalition for Green Capital will also support community financial institutions administer a revolving loan fund.

North Dakota will also be supported by GRID Alternatives' and Inclusive Prosperity Capital's multistate nonprofit programs.

Ohio

Administering Agency: [Ohio Air Quality Development Authority](#)

Application Status: Approved

Total Funding Awarded: \$156,120,000

Program Description: Ohio will pair Solar for All funding with tax incentives and IRA rebates to increase program benefits and shorten payback periods. The state also plans to work with Community Based Organizations to lead energy program campaigns to ensure residents are aware of available opportunities.

Ohio will also be supported by several multistate nonprofit programs including Growth Opportunity Partners, GRID Alternatives, and Inclusive Prosperity Capital.

Oklahoma

Oklahoma will be supported by the Clean Energy Fund of Texas and Inclusive Prosperity Capital's multistate nonprofit programs.

<https://nationalhousingtrust.org/ira-toolkit>

EPA GREENHOUSE GAS REDUCTION FUND

A historic \$27 billion investment to combat the climate crisis by mobilizing financing and private capital for greenhouse gas- and air pollution-reducing projects in communities across the country



WHAT IS THE GREENHOUSE GAS REDUCTION FUND (GGRF)?

National Clean Investment Fund (NCIF)

\$14 BILLION
3 AWARDEES will...

deliver accessible, affordable financing for clean technology projects nationwide

partner with private-sector investors, developers, and community organizations to deploy projects, mobilize private capital at scale

Clean Communities Investment Accelerator (CCIA)

\$6 BILLION
5 AWARDEES will...

provide funding and technical assistance to community lenders working in LIDAC communities to deploy clean energy projects

build the capacity of hundreds of community lenders to finance projects for years

Solar for All (SFA)

\$7 BILLION
60 AWARDEES will...

create new or expand existing low-income solar programs, which will enable over 900,000 households in low-income and disadvantaged communities to benefit from distributed solar energy

WHAT TYPES OF PROJECTS ARE ELIGIBLE FOR GGRF FUNDING?

NCIF and CCIA		SOLAR FOR ALL
QUALIFIED PROJECTS Must meet all criteria	PRIORITY CATEGORIES	ELIGIBLE PROJECTS
<ul style="list-style-type: none">• Reduces GHG emissions• Reduces or avoids emissions of other air pollutants• Delivers additional benefits to American communities• Finances a project that may not otherwise have been financed• Mobilizes private capital• Supports only commercial technologies	<ul style="list-style-type: none">• Distributed energy generation and storage projects up to 10 MW• Zero-emissions buildings• Zero-emissions transportation	<ul style="list-style-type: none">• Residential rooftop solar• Residential-serving community solar (up to 5 MW)• Deliver 20% household savings• Associated storage• Enabling upgrades

HOW DOES GGRF FUNDING FLOW TO QUALIFIED PROJECTS?

NCIF AWARDEES

CCIA AWARDEES

SFA AWARDEES



COMMUNITY LENDERS

e.g. Green Banks, Credit Unions, CDFIs, HFAs, etc.



Borrowers seeking to Decarbonize Buildings, deploy Distributed Power Generation and reduce Transportation Pollution

Residential Rooftop and Community Solar Owners/Developers

WHO ARE THE NCIF AWARDEES?



\$6.97B

**Calvert Impact, Self-Help,
Community Preservation
Corporation**

Work with first mortgage lenders to offer a lower cost, higher leverage debt product that would require an owner to decarbonize their building

At least 60% of investments in low-income communities



\$5.0B

Coalition for Green Capital

Leverage the national network of green banks as a key distribution channel for investment

At least 50% of investments in low-income communities



\$2.0B

**Enterprise Community Partners,
Rewiring America, Habitat for
Humanity, LISC, United Way**

Provide customized and affordable capital solutions for single-family and multi-family owners/developers

At least 75% of investments in low-income communities

WHO ARE THE CCIA AWARDEES?



\$2.29B

Provide **capital and technical assistance to CDFIs** so that they can invest and reinvest in eligible projects



\$1.87B

Deliver **capitalization funding, coupled with technical assistance, to credit unions**



\$940M

Stand up a **Community-Based Green Lender Certification Program** to assess, train, and certify community lenders



\$500M

Launch the **Green Bank for Rural America** to deliver investments in coal, energy, and underserved rural and Tribal communities



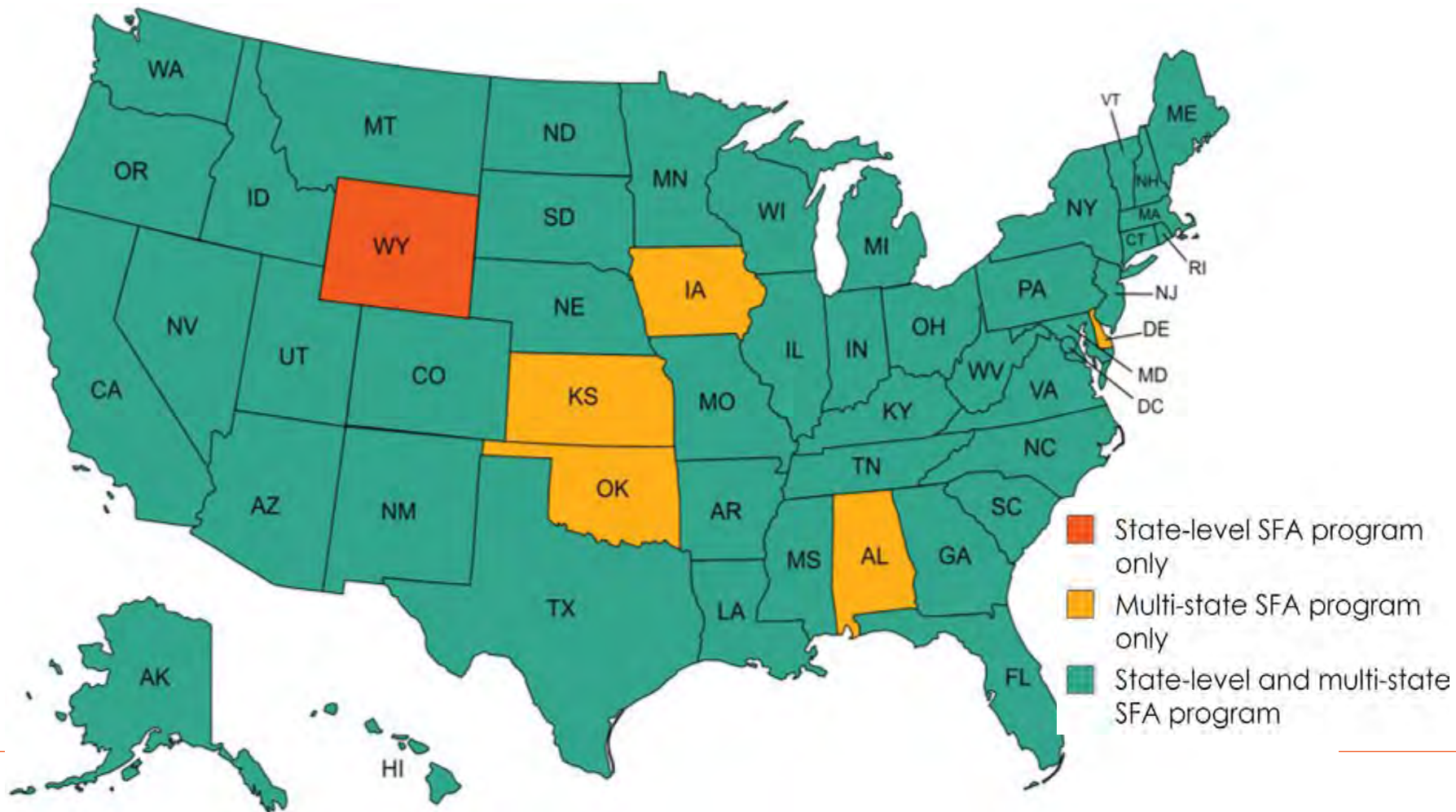
\$400M

Provide **capital and technical support to 63 community lenders to enable financing** for projects in Native communities nationwide

WHO ARE THE SOLAR FOR ALL AWARDEES?

EPA made 60 conditional awards to state-level, Tribal, and multi-state nonprofit applicants covering all 50 states, D.C., Puerto Rico, and territories.

- **49 state-level awards** (incl. DC and territories) to state government agencies and/or state-level nonprofits **totaling \$5.5 billion**
- **6 awards to Tribes** totaling **\$500 million**
- **5 awards to nonprofits** that will implement multi-state programs **totaling \$1 billion**



HOW MUCH GGRF FUNDING IS LIKELY TO GO TO EACH TYPE OF PRIORITY PROJECT?



Net Zero Energy Buildings

~37% or \$10B



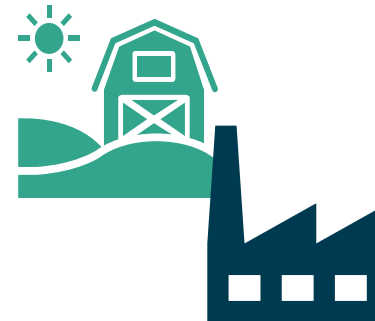
Zero-emissions transportation

~11% or \$3B



Distributed energy generation and storage

~41% or \$11B



Other, e.g., Agriculture, Industry, etc.

~11% or \$3B

Based on commitments made in awardee applications and adjusted for the amount of partial funding received relative to the initial funding requested.

HOW ARE SOLAR FOR ALL AWARDEES PLANNING TO DEPLOY FUNDING?

Key Stats:

- 90% plan to fund residential rooftop solar
- 88% plan to fund the deployment of residential-serving community and shared solar
- 78% plan to fund storage solutions to increase the resiliency of vulnerable communities

Sample State Multifamily Strategies:

- **Connecticut** will focus primarily on multifamily affordable housing, offering revolving loan funds, solar-plus-storage lease or power purchase agreements, and green bonds with credit enhancements.
 - **Maryland** will offer multifamily projects low-cost bridge loan funding to help with cash flow during project construction. Funding will also be used to offset 20% of project costs for roof, electrical, and energy efficiency upgrades.
 - **Minnesota's** plan includes forgivable loans for multifamily projects. Funding will also be integrated into the state's HFA programs that support property improvements such as weatherization and efficiency work.
-

WHAT IS THE GGRF IMPLEMENTATION TIMELINE?

- Awardees Announced
 - Spring 2024
 - EPA/Awardee Agreements Finalized
 - Summer 2024
 - Initial Programs Launched
 - Fall-Winter 2024/2025
 - Funding Must be Disbursed
 - Solar for All: Summer 2029
 - CCIA: Summer 2030
 - NCIF: Summer 2031
-



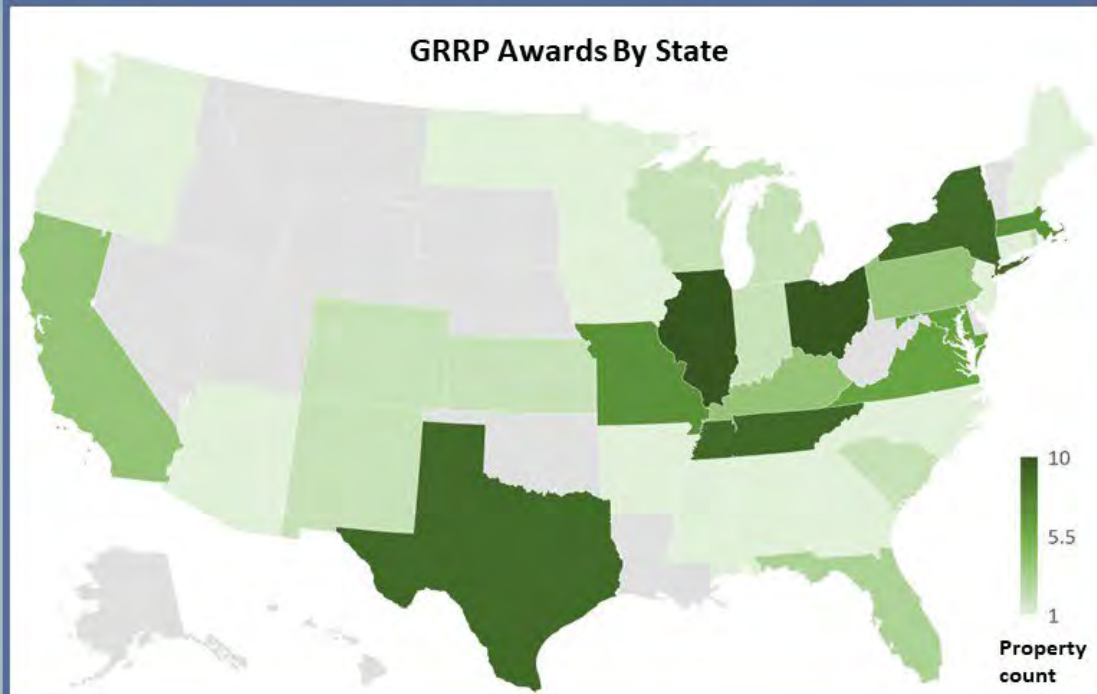
Hazel Hill Apartments, Fredericksburg, VA

HUD GREEN AND RESILIENT RETROFIT PROGRAM

HUD GREEN & RESILIENT RETROFIT PROGRAM



GRRP Funding Overview



GRRP Statistics

Updated May 2024

\$611.3 Million awarded
in 7 of 12 funding rounds

470 Applications

122 Awarded properties

14,257 Homes impacted

35% In non-metro areas

HUD GREEN & RESILIENT RETROFIT PROGRAM

The Elements	The Leading Edge	The Comprehensive
<p>Maximum award: \$750k per property. \$40k per unit.</p> <p>Modest investment for early-stage planned recapitalization projects.</p>	<p>Maximum award: \$10M per property. \$60k per unit.</p> <p>More significant investment for early-stage planned recapitalization projects. Does not require extensive collaboration with HUD.</p>	<p>Maximum award: \$20M per property. \$80k per unit cap.</p> <p>Investment to initiate a recapitalization project. Projects can be standalone or part of a larger recapitalization and will require signification collaboration with HUD and contractor, who will drive the scope of work.</p>
<p>Allow for upgrades or additions of greener or more resilient building components and systems to existing SOW.</p>	<p>Allow for ambitious upgrades that move towards net zero, resilience. Properties must demonstrate at least 25% energy reduction. Requires green building certification.</p>	<p>Allow for ambitious upgrades that move towards net zero, resilience. Properties must demonstrate at least 25% energy reduction. Expect to achieve 40%+ in emissions reductions</p>
<p>Example applicant: The recapitalization project will replace the in-unit HVAC systems with higher-efficiency electric HVAC systems.</p>	<p>Example applicant: An experienced property owner is ready to move forward with Passive House certification financed by another funding source (e.g. LIHTC).</p>	<p>Example applicant: The property has high REAC scores and low capital needs, but is using older equipment dependent on fossil fuel sources. It is in an area of wildfire risk.</p>

HUD GRRP & RESIDENTS

- Requirements for resident engagement:
 - Meetings
 - Informational resources post-retrofit
- Applicable to other Inflation Reduction Act programs, and likely needed
- Resource: *Community Housing Partners: Centering Residents in Building Decisions Case Study*

THE COMPONENTS OF A RESIDENT-CENTERED PROCESS

Deep resident engagement is a shift from housing providers telling residents what will be implemented in a building upgrade to providers creating intentional ways to involve and collaborate with residents. This enables residents to be valued partners in the decisions that impact their homes and to deepen their understanding of new systems and the benefits available to them. It can also be an opportunity to create homes that better meet residents' needs and to refine existing decision-making processes for future projects. CHP's process is documented below:

- **Dedicated Staff** - From the start, CHP made the decision to allocate significant staff time for deep resident engagement prior to having funding on hand. The project was designed as an integrated effort involving its asset management, property management, and corporate development teams.
- **Early Expectation Setting** - The secured financing set boundaries on what CHP could realistically do as the housing provider, but CHP also included some flexibility in its survey and communications to allow for new considerations.
- **Resident-centered Survey** - Once the financing was secured, survey questions were designed to solicit meaningful feedback on existing systems and features in all residential units from the population served (working families). CHP also determined how best to compensate residents who took time out of their busy lives to provide valuable feedback.
- **Multiple Methods to Give Feedback** - In addition to the online survey, CHP provided residents with multiple ways to participate in the process through phone survey, printed survey, and in-person appointments.
- **Increased Transparency** - CHP created a website for residents to learn more about more about the renovations, view renderings and a model unit, and submit additional questions. Staff also used door tags, virtual and in-person unit tours, and in-person visits to keep residents up-to-date, follow up on responses, and address any new issues.

RESIDENT EXPERIENCE

"I feel like the renovation process was fast, and they did a good job. I do like everything, especially the kitchen because I am a cook. I have more space with the cabinets, and I enjoy the countertops and the new floor. The renovations came out really nice. Everything worked out in a timely fashion. The staff let me know they would be coming, and I was able to get ready in time. It looks nice, and I like it!"

-Bernell R., Cedar Crest resident for two years

For more photos from the Cedar Crest renovation, please visit [Community Housing Partners' website](#).

KEY TAKEAWAYS FROM COVID-19

The pandemic presented an opportunity to learn how to implement scalable community engagement and rehabilitation practices. CHP will carry these implementation lessons forward to future projects:

- **Start the Process Early**
CHP's resident engagement started after they secured financing for the renovation. Being further along in the planning process limited the scope of work. For future projects, CHP will engage residents at the start of the process, so they may secure funds to act on other resident considerations (e.g., community space).
- **Create More Spaces for Community Dialogue**
Due to the pandemic, CHP relied heavily on surveys and other socially-distanced communication methods. This multi-channel approach resulted in responses from nearly **50% of Cedar Crest households**. Although CHP compensated residents for their involvement, there was still the other 50% they did not hear from. CHP plans to dedicate more staff time to focus groups (virtual and in-person) and door-to-door outreach as well as asking more open-ended questions to gain greater insight into what residents would like to see in their community.
- **Meet Residents Where They Are**
To be responsive to residents' needs, CHP limited rehab work to a maximum of two units at a time. Although the team prepared buildings and hospitably rooms with amenities and other amenities, most residents preferred to stay in their homes during construction. Being sensitive to resident needs meant managing expectations as a staff member. Ongoing communication and flexibility from a trusted staff member like a property manager contributed to positive feedback from most residents. Negative feedback may have been avoided and other alternatives developed through early communication.

STEWARDS OF AFFORDABLE HOUSING FOR THE FUTURE
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1120 G Street NW, Suite 800, Washington, DC 20005

Actions for Readyng a Portfolio



Housing Services

Shaun Rai

Senior Vice President of Multifamily
Housing



COMMUNITY
HOUSING PARTNERS

Readying a Portfolio

- Data Gathering, Organizing, and Benchmarking
- Centering residents while making smart asset management decisions
- Learn by doing
- Leverage tools, whole-team, and external resources
- Incorporating sustainability processes into portfolio planning and capital improvement activities



NEXT STEPS

Moving forward and
taking action

Residents from Hazel Hill Apartments Fredericksburg, VA

RESOURCE GUIDE

- [NHT's IRA Bootcamp Session Resources](#)
- [NHT's IRA Bootcamp Toolkit](#)
- [Affordable Housing Decarbonization Hub](#)
- [SAHF's Carbon Emissions Roadmap Tool](#)
- [DOE Building Portfolio Decarbonization Framework](#)
- [DOE Building Emissions Audit Framework](#)
- [Climate United's Direct Pay Guide](#)



Sign up for NHT's IRA
newsletter!

HUD Resources for Resilient Housing



[Build for the Future](#): A curated library of resources and tools on efficient building, renewable energy integration, climate resiliency and environmental justice.



[Funding Navigator](#): A search tool for federal funding opportunities that support HUD program participants in maximizing IRA and BIL resources for carbon reduction and climate resilience efforts, including the Greenhouse Gas Reduction Fund.



[Climate Resources for Housing Supply Framework](#): A resource discussing how climate-related investments can support the development of affordable housing.



[Build for the Future Guides](#): A series of guides on federal resources and resilience strategies, including green financing for multifamily housing.



[The Green and Resilient Retrofit Program](#): A program that provides owners of HUD-assisted multifamily housing with capital to reduce carbon emissions, increase utility efficiency, incorporate renewable energy sources, and make properties resilient against climate hazards.



[HUD Community Resilience Toolkit](#): A guide to building resilient housing for recipients of Community Planning and Development funding.

Affordable Housing Decarbonization Hub

Knowledge library

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in-depth reports

Real-time updates

The latest information on
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