



Sustainable Solutions: Funding Energy Efficiency in Affordable Housing

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CPC Climate Capital, a subsidiary of the
Community Preservation Corporation
(CPC)

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Housing as a Human Right: From Innovation to Impact

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Home Is Where Life Happens and Futures Begin

Sustainable Solutions:

Funding Energy Efficiency in Affordable
Housing

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OUR APPROACH

A coordinated approach with unmatched impact

We support community development organizations
on the ground.

- 700+ housing and community development partners
- Innovate and scale best practices
- Advisory services and technical assistance
- In all 50 states + Puerto Rico and the Virgin Islands

We aggregate & invest capital for impact
in homes and communities.

- \$54 billion invested since 1982; 873,000 homes and counting
- Invest across full capital stack – tax credits, debt and equity
- Led creation of the Housing Tax Credit
- Leading, A+ rated CDFI

We advance nonpartisan housing policy
at every level of government.

- Largest housing policy team in U.S.
- Federal, state and local levels, including Puerto Rico and the Virgin Islands

We build & manage communities ourselves
and everything we do is informed by the residents we serve.

- Fully-integrated developer, owner and operator
- 18,000 affordable homes in Mid-Atlantic
- 23,000+ residents

OUR IMPACT

Leading national nonprofit with a proven record of success

Enterprise has exceptional breadth, scale and expertise across the country, with 40 years of experience and thousands of local partners.

TO DATE

873K

HOMES CREATED ACROSS THE U.S.

\$54B

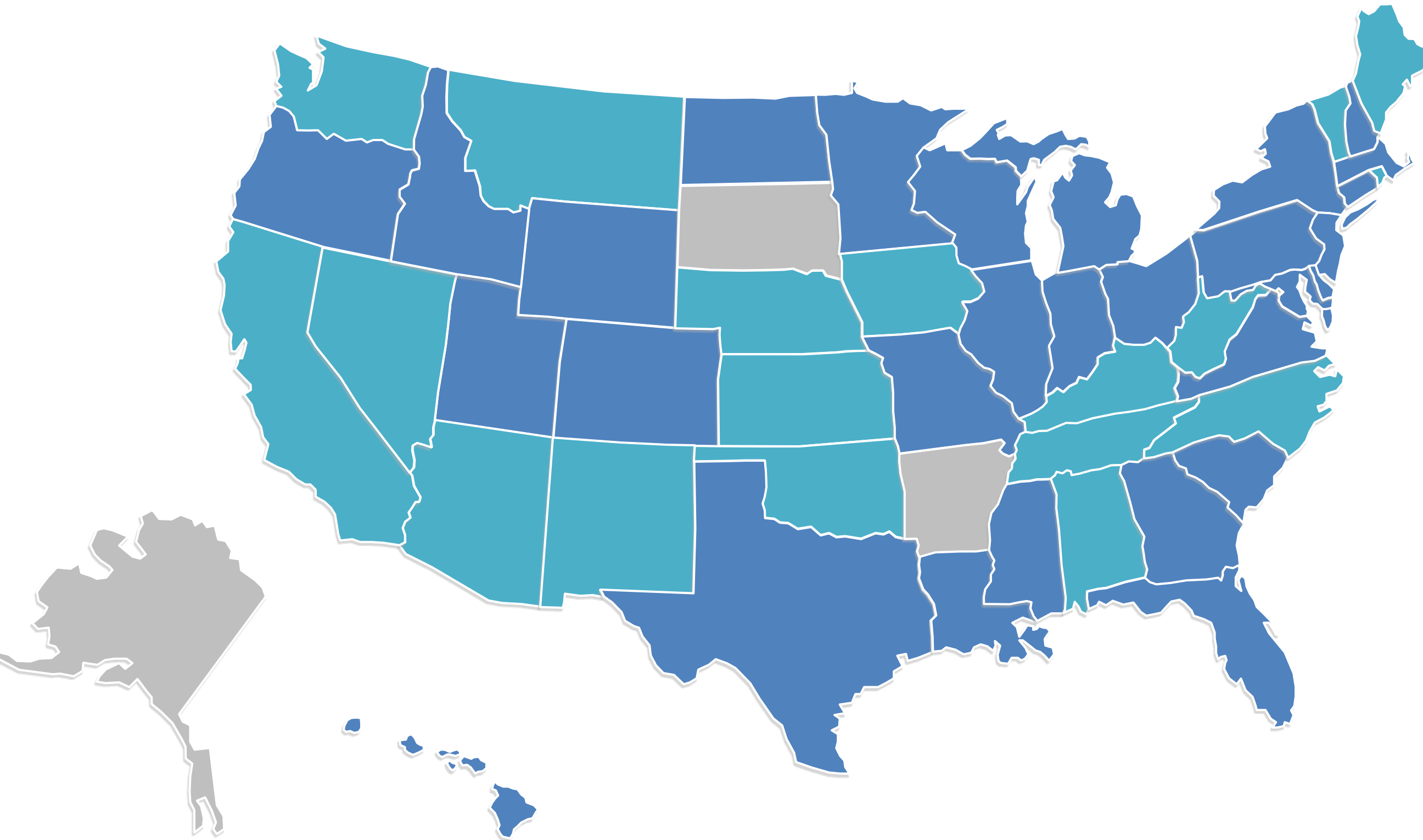
INVESTED IN COMMUNITIES

50

STATES + DC, PR, VI



Impact



Since 2004, we've impacted more than 127,000 homes and invested \$3.9 billion in the development and preservation of green and affordable homes.

Enterprise Green Communities certified projects are underway in 46 states, Puerto Rico + the District of Columbia. We have policy relationships in 27 states.

2004 | Landlords: Energy efficiency



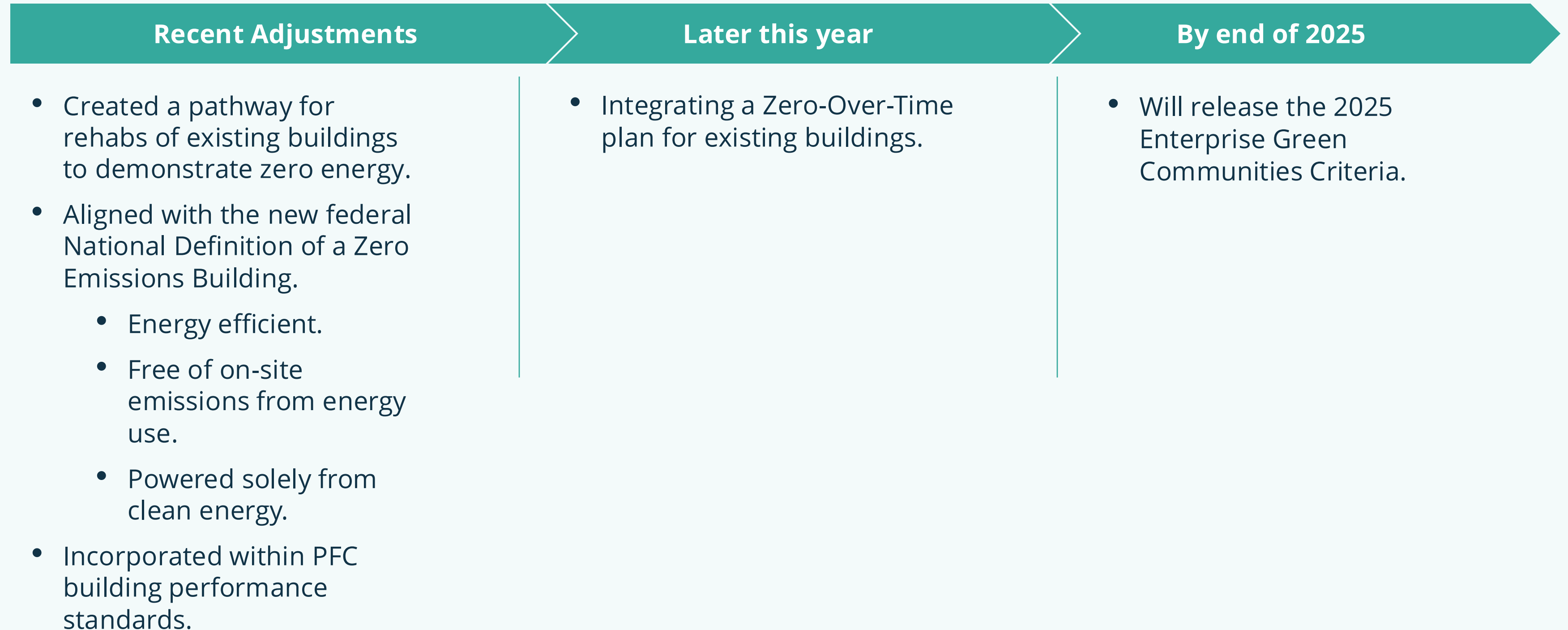
2015 | Residents: Health and resilience



2020 | Social justice: Decarbonization

LEVERAGING ENTERPRISE GREEN COMMUNITIES

Well known throughout the affordable housing sector, the [Enterprise Green Communities Criteria](#) has set a bar for healthy, efficient, environmentally responsible housing. As a mechanism well understood by affordable housing lenders, owners, and stakeholders, we are leveraging it as a tool within GGRF:



South 11th Street, Newark

- New construction on the west side of Newark
- 40 units at 60% and 30% AMI, incl 8 units for homeless households with PBV
- High-efficiency Energy Star compliance Windows A(U-Value 0.28/Solar Heat Gain Coefficient 0.30)
- R21 Batt insulation in 2x6 walls
- K13 Spray insulation on the underside of the podium
- Balanced Ventilation using an ERV
- Programmable thermostats
- 100% LED lighting
- High-efficiency inverter driven heat pumps
- Energy Star Multi-Family New Construction (V1.1)
- Enterprise Green Communities +40 points
- NJ HMFA Perm Loan
- NJ HMFA MRHPF
- NJ HMFA Special Needs
- Newark & Essex HOME
- Deferred Dev Fee
- LIHTC (+ 45L energy credits)



Terrell Homes Phase I, Newark

- New construction of 69 senior housing units
- First phase of a redevelopment of a former public housing complex
- 20-year HAP contract for all units, 30%-60% AMI
- Generator and electrical rooms are elevated 2+ ft. above flood hazard level
- All HVAC is located on the roof to avoid flooding
- Residents' outdoor space elevated to avoid flooding
- Energy Star and Enterprise Green Communities certified
- HMFA Note
- NJHMFA Post-Hurricane Sandy HUD CDBG-DR loan
- Deferred Dev Fee
- 4% LIHTC, NJ Aspire, and 45L equity





Reducing friction simplifying the process and experience of decarbonizing our homes and buildings

Aggregating demand creating market efficiencies, leverage and momentum

Creating financial solutions for every housing type and circumstance, so that the economic and health benefits are unlocked for everyone

Investing in equity to create workforce and wealth-building opportunities



OUR ALLOCATION PRINCIPLES

- 1 Allocate 80% of award to financial assistance (financial products, which excludes grant funding) and 20% to market building, predevelopment and administration.
- 2 Target a minimum of 75% of award to low-income and disadvantaged communities.
- 3 Achieve \$53 dollar per metric ton of CO₂e emissions reduction, inclusive of direct benefits from financial assistance and market transformation benefits.
- 4 Calculate reductions on a portfolio basis to ensure support for projects in historically underinvested communities and communities with fewer local subsidies.
- 5 Our allocation strategy will be driven by the following principles:
 - ✓ Maximize the number of LIDAC households reached
 - ✓ Maximize the total carbon emissions reduced and avoided
 - ✓ Maximize the number of electrification, decarbonization and resilience measures installed in each project
 - ✓ Maintain a long-term focus on investments that will transform the market
 - ✓ Cover the full spectrum of housing regardless of geography

Qualified Project:

Must meet all 6 requirements

1

Reduces or avoids greenhouse gas emissions or assists communities to reduce or avoid such emissions

2

Reduces or avoids emissions of other air pollutants or assists communities to reduce or avoid such emissions

3

Delivers additional benefits within one of the following: (1) climate change, (2) clean energy & energy efficiency, (3) clean transportation, (4) affordable & sustainable housing, (5) training & workforce development, (6) remediation & reduction of legacy pollution, or (7) development of critical clean water infrastructure

4

May not otherwise have been financed

5

Mobilizes private capital

6

Supports commercial technologies (deployed 3 x for 5 years)

BUILDING TECHNICAL REQUIREMENTS

Building Renovations

New Construction

Category 1

Energy Efficiency Rehab Loan (qualified project)

- 20% improvement in energy performance compared to pre-rehabilitation
- No new or replacement systems may be powered by fossil fuels

Green New Construction Loan (qualified project)

Certification to Enterprise Green Communities, including:

- Certification to ENERGY STAR Residential New Construction Program
- All electric (exceptions for backup power sources and DHW systems for buildings over 7 stories)

Category 2

Net-Zero Over Time Loan (priority project)

Certification to Enterprise Green Communities Zero Carbon Over Time, including:

- 30% improvement in energy performance compared to pre-rehab
- All electric (exceptions for backup power sources and DHW systems for buildings over 7 stories)
- Pathway to zero Scope 2 emissions over time

Green Plus New Construction Loan (qualified project)

Certification to Enterprise Green Communities Certification Plus, including:

- Certification to DOE ZERH, PHI Classic, or PHIUS
- All electric (exceptions for backup power sources and DHW systems for buildings over 7 stories)

Category 3

Net-Zero Rehab Loan (priority project)

Certification to Enterprise Green Communities Plus as well as compliant with National Zero Emissions Building Definition, including:

- Energy performance verified as within the top 25% most efficient buildings in the market with similar use, based on measured whole-building energy use
- All electric (exceptions for backup power sources and DHW systems for buildings over 7 stories)
- Install and/or procure carbon-free energy sources which in sum will produce as much or more energy in a given year than the project is modeled to consume

Net-Zero New Construction Loan (priority project)

Certification to Enterprise Green Communities Certification Plus as well as compliant with National Zero Emissions Building Definition, including:

- Certification to DOE ZERH, PHI, or PHIUS
- All electric (exceptions for backup power sources and DHW systems for buildings over 7 stories)
- Install and/or procure carbon-free energy sources which in sum will produce as much or more energy in a given year than the project is modeled to consume

Tools and Services

National Tools & Services

- An online hub that will provide users 24/7 access to off the shelf resources including webinars and FAQs. The content will be designed to cover decarbonization strategies necessary to receive PFC capital.
- National roster of TA providers qualified to provide on-site TA throughout the country.

Target Market Tools & Services

- Training programs (webinars, training series, 2-3 hours of one-on-one assistance) focused on a targeted group of prospective property owners interested in achieving zero emissions buildings and accessing PFC capital.
- Customized one-on-one assistance for owners to help them identify opportunities to achieve zero-emissions and access PFC capital. I.e., Energy audits, solar feasibility assessments, portfolio analysis, decarbonization plans, etc.

Publicly Available Software (2026)

- MF Electrification Planner: A software tool that will be accessible nationwide and help key stakeholders plan, manage and report on their decarbonization projects. *This product is planned for 2026.*
- Multi-Family Incentive API: With strategic support from Enterprise and LISC. Rewiring America is planning to develop an API that will enable owners and developers to easily understand the local and federal incentives their projects are eligible for. *This product is planned for 2026.*



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THE COMMUNITY PRESERVATION CORPORATION (CPC) MISSION DRIVEN SINCE 1974

CPC is a nonprofit affordable housing and community revitalization finance company providing flexible capital solutions, fresh thinking and a collaborative approach to the complex issues facing communities.

Our goal is to be more than just a lender. At CPC, we work as a partner to provide technical expertise and hands-on support to help meet the capital needs and broader community revitalization goals of our customers, local stakeholders and the communities we serve.



THE COMMUNITY PRESERVATION CORPORATION (CPC)

MISSION DRIVEN SINCE 1974

Today, CPC uses its unique expertise in housing finance and public policy to:



Expand housing access and seek new ways to lower the cost of producing affordable housing



Invest in closing the racial wealth gap, and increase diversity and equity in the development industry



Commit to and expand investment in the green economy, and lessen the impact of climate change

THE INFLATION REDUCTION ACT (IRA) - \$369B

In 2022, President Biden signed the **Inflation Reduction Act (IRA)** into law, an historic commitment of **\$369 Billion** to reduce the deficit and make investments in domestic clean energy production and manufacturing with a goal of reducing carbon emissions 40% by 2030.

While the legislation does not directly focus on housing, several housing-related provisions offer avenues to help make homes and communities more sustainable, more affordable, and more resilient.

- **Home Efficiency Rebates (HER) – “efficiency rebates”**
 - Single Family, Multi-Family, Low-Income Boost
- **Home Electrification and Appliance Rebates (HEAR) – “electrification rebates”**
 - Only available to LMI households.
- **Tax Credits (25C - Energy Efficient tax credit, 25D - rooftop solar tax credit, and ITC + 48(e))**
 - Recent purchases of new and used electric vehicles, heat pumps, heat pump water heaters, and other electric upgrades may be eligible for tax credits.

THE GREENHOUSE GAS REDUCTION FUND (GGRF) - \$27B

National Clean Investment Fund

\$14 BILLION

3 AWARDEES

- Focused on providing financial assistance to aid in the development and deployment of Qualified Projects
- Prioritizing scaled deployment, continued operability, and market transformation

Clean Communities Investment Accelerator

\$6 BILLION

5 AWARDEES

- Focused on providing grant capital to support local project development
- Prioritizing seeding the market across geographies to enable and develop qualified projects

Solar for All

\$7 BILLION

60 AWARDEES

- Focused on funding rooftop solar in disadvantaged communities (“Solar for All” programs) with/through state and local governments

THE NATIONAL CLEAN INVESTMENT FUND (NCIF) - \$14B

PROGRAM REQUIREMENTS

- At least **40%** of investments must be made in **Low Income and Disadvantaged Communities (“LIDAC”)**
- All dollars must be used to support or finance **Qualified Projects**
- Majority of funds must go into projects as **Financial Assistance**
- Financing can be direct to project or through or alongside a Community Lender

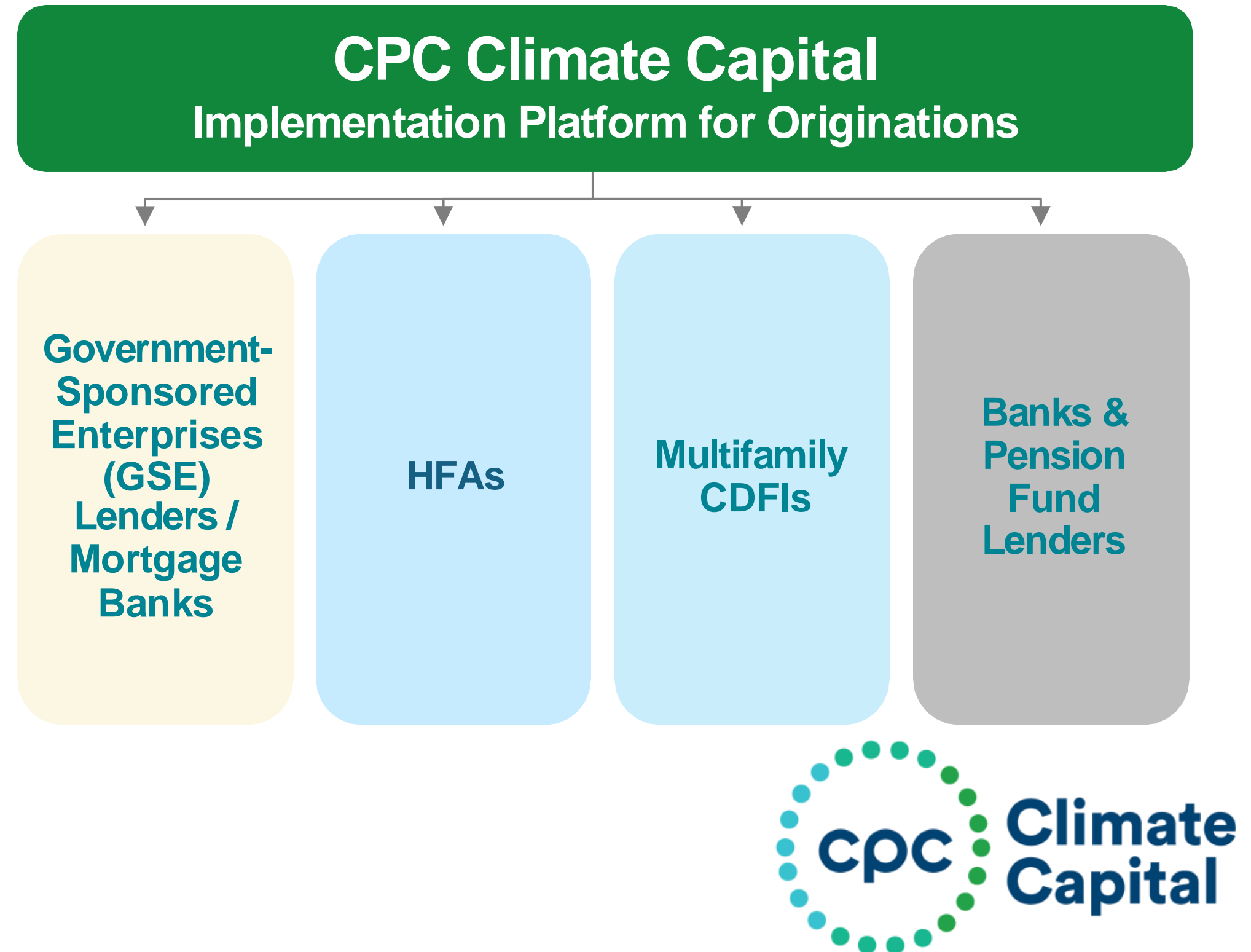
RECIPIENTS

- **Climate United** (Calvert Impact, CPC, Self-Help) - **\$6.97B**
- **Coalition for Green Capital** - **\$5B**
- **Power Forward Communities** (Enterprise, LISC, Rewiring America, Habitat for Humanity, United Way) - **\$2B**

DELIVERING DECARBONIZATION THROUGH THE MORTGAGE MARKETS

As the multifamily deployment partner of Climate United, CPC Climate Capital will leverage the **existing network of mortgage lenders** and assist them in advancing sustainability and decarbonization **in the work that they already do.**

CPC Climate Capital will co-lend alongside first mortgage lenders, procure 3rd party lenders for loan purchases, and incentivize private capital entities to lend to qualified projects.



DELIVERING DECARBONIZATION THROUGH THE MORTGAGE MARKETS

CPC Climate Capital will provide **low-cost subordinate debt financing** to **decrease the overall cost of mortgage capital** while **increasing proceeds** to cover the costs of meeting the required Performance Standards.

For CPC Climate Capital's products, capital will be **subordinate to the first mortgage** - similar to other public support programs - provided at **significantly below market interest rates**, coterminous with the first mortgage, and pre-payable at any time without penalty.



SAMPLE PROJECT (FOR DEMONSTRATIVE PURPOSES ONLY)

NUMBER OF UNITS	250
LOCATION	Dallas, TX
LOW-INCOME / DISADVANTAGED COMMUNITY (LIDAC)	Yes
PROPERTY VALUE	\$22,500,000
NOI	\$1,300,000
COST TO ACHIEVE GHG REDUCTION	\$4,500,000
PROJECT SCOPE	<ul style="list-style-type: none"> • High-Efficiency Heat Pump • Heat Pump Water Heaters • Insulation & Air Sealing • Smart Building Controls • Solar PV Installation

**Standard Mortgage Structure +
CPC Climate Capital
“Clean Air” Multifamily Subordinate Loan**

1st Mortgage Proceeds	\$14,000,000
1st LTV / DSCR	62% / 1.53x
1st Mortgage Coupon	6.00%
2nd Mortgage Proceeds	\$4,500,000
Proceeds per Unit	\$18,000
Overall LTV / DSCR	82% / 1.38x
2nd Mortgage Coupon	2.00%

TECHNICAL REQUIREMENTS FOR BUILDINGS

To qualify for CPC Climate Capital sub-debt, buildings must adhere to the following performance standards. Loans will be sized by the modeled amount of carbon reduced or avoided.

Retrofits of Existing Buildings

New Construction

20% Energy Reduction

No new fossil fuel systems or appliances*

Must submit a "Zero Over Time" Plan.

Save a Ton

35% Energy Reduction
OR Certified Energy Star
Score of 75+

All-Electric*

Clean Air

35% Energy Reduction
OR Certified Energy Star
Score of 75+

All-Electric*

Powered solely by
renewable energy

Clean Air Boost
(Zero Emissions Building)

At least 10% lower
modeled energy use than
the latest model energy
code

All-Electric*

Powered solely by
renewable energy

Clean Air Boost
(Zero Emissions Building)

**Allowable exemptions include onsite backup power generation and Domestic Hot Water for multifamily buildings above seven stories.*

HOW TO PREPARE FOR NEW FUNDING

- **Research program eligibility and requirements.**
- **An energy audit will be required to produce an accurate baseline of energy use and project how much energy you can save.**
 - Pre-development assistance available?
 - Pre-development loans can help cover the cost of an energy audit + decarbonization assessment and can occasionally be rolled into a construction loan.
- **Evaluate pipeline for potentially eligible projects and develop medium-term decarbonization project pipelines.**
 - Weatherization / Energy Efficiency
 - Heating/DHW systems and appliances old or failing / in need of replacement
- **Work with knowledgeable (participating) contractors.**



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Questions?

Thank you for attending the panel!

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Thank you to our Speakers!

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