

ACEEE Finance Forum

# Enterprise Community Partners

May 22, 2017

# Clean Energy Financing

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## EE & Clean Energy Lending

- Debt
- Equity
- Program / Policy

2

## Case Studies

- PACE
- Solar
- Retrofits
- Program / Policy

3

## Current Projects

- Responding to Demand
- Capacity / Technical Assistance
- Capital

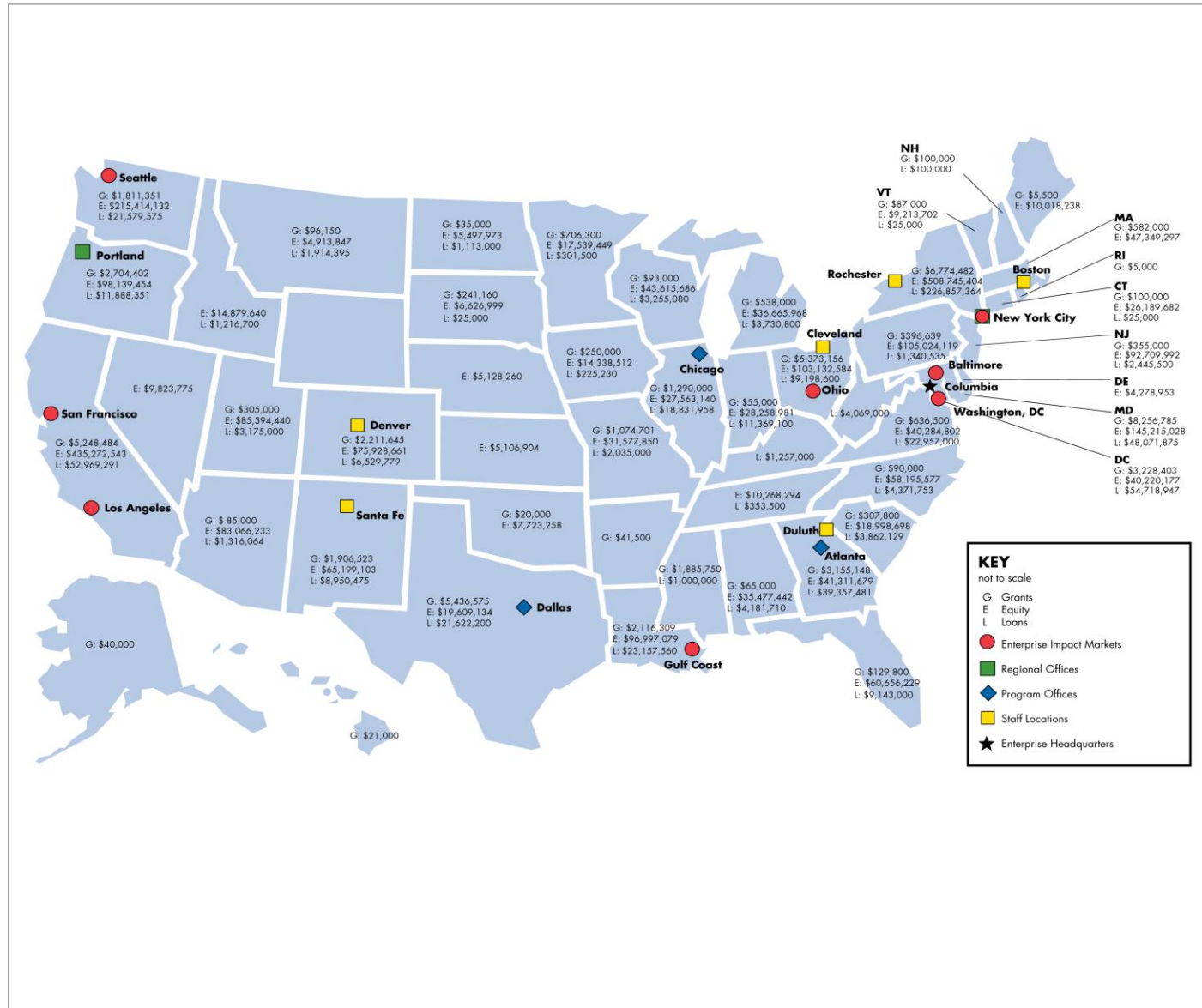
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## Challenges & Opportunities

- Capital
- Structure

# Our Reach

- Create opportunity for low-and moderate income people through affordable housing, in diverse, thriving communities.
- Over 30 years, created nearly **380,000 homes**, invested around **\$30 billion**



## Our Approach

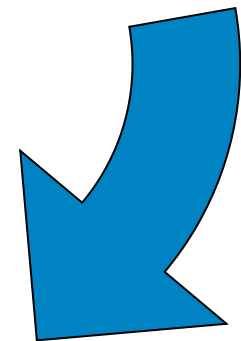
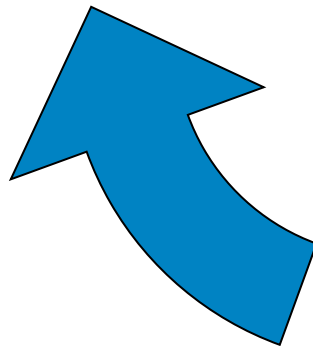
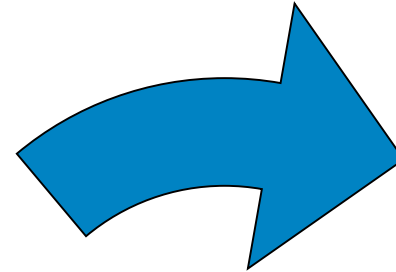
- Connecting **Capital to Communities**
- **Innovating Solutions** for the Field
- **Transforming Policy** for long-term change

**Capital**

**Solutions**

**Environmental  
Sustainability**

**Policy**



- Financed **\$35 million in clean energy lending** and **\$14 million in grants** over the past 10 years

# 1 Energy Efficiency & Clean Energy Lending

## Highlights

### Debt

- **BoA Energy Efficiency Financing** (entity level line-of-credit)
- **BAMFund Retrofit Lending** (sized to energy savings)
- **Fannie Green Refinance Plus Mortgage Provider** (first lender under program)

### Equity

- **Pilot and Learnings Shared on Equitable ITC Fund for MF/AH**
- **Advisory / structuring / TA assistance -- community solar, direct solar ownership models, resiliency**

### Program / Policy

- **Capital:** Capacity and technical grants (Section 4), Business Model Seed Funding through HUD Energy Innovation Fund
- **Tools:** Enterprise Green Communities, Retrofit Toolkit, Resilience Toolkit, DOE Financing Navigator
- **Policy:** Regulatory Recommendations for Fed, State, Local energy, water, health; Better Buildings Challenge; 16 MW Solar Target

## 2 Select Case Studies

Need for

- patient, flexible and unsecured capital
- grants and technical assistance for pipeline development

### Highlights

#### PACE

- Project: DC Community Center
- Structure: PACE retrofit + solar + capital upgrades
- Investment: \$1.4 million
- Issues: uncertainty around repayment risk & unfamiliar structure; lack of long-term 20-30 year capital

#### Solar Debt / Equity

- Project: DC Multifamily
- Structure: Direct Ownership/Portfolio PPA Model
- Investment: \$1 million (debt + equity)
- Issues: lack of equity investor interest; high transaction costs (\$\$\$ and time); soft money required to minimize savings repayment risk

#### Line of Credit

- Projects: National Multifamily Portfolio (BofA)
- Structure: Line of Credit
- Investment: \$6.7 M
- Issues: need for unsecured and patient capital to bring in more pipeline

### 3 Current Work

Responding to:

- **demand and partner needs as they emerge**
- **focusing on leveraging public-private capital as additives for preservation**

#### Clean Energy Solutions to Preserve Affordable Housing

##### Financial TA

- **Financial TA to strengthen Partners Capacity**
  - Blend existing incentives, debt and/or equity
  - Project development capacity through national public programs (Resilience Residential Technical Assistance Program, Better Building Challenge , Section 4)

##### Policy/Program

- **Program-Policy Advisory to Agencies, utilities, and other partners**
  - Public/private capital to work for MF/AH
  - MF/AH direct ownership models with new technologies
  - Holistic energy and solar incentive programs
- **Capital Advisory to Agencies and investors**
  - CDFI engagement
  - Resiliency advisory

##### Funding Opportunities

- **Leverage and pool public and private capital sources**
  - State/local Incentives (MASH, LIHWEAP, Cap &Trade, Green Banks)
  - Federal regulatory (CRA, Resilience funds, etc.)
  - Philanthropic Interest

## Challenges & Opportunities

Opportunities to further MF/AH clean energy project development

- **Leverage existing resources, including CDFIs and public agencies**
- **Coordinate with private capital, including foundations**
- **More FLEXIBILITY**

### Primary Challenges & Opportunities to move the market

#### Capital

- **Grant Funds to Intermediaries**
  - Support TA, training and capacity building for Partners
- **Grant Funds to Mission Driven Owners**
  - Grow capacity and cover overhead costs for project development
- **Forgivable Loans**
  - Blend with other financing (i.e. Public/philanthropic/PRI)
  - Patient and unsecured

#### Structure

- **STREAMLINED PROGRAM: Structure Energy/Clean Energy Programs to run out of Housing Infrastructure/HFA's/Intermediaries to stretch the dollars further**
  - **BLEND \$:** leverage with other state and local programs and grants and/or below market loans
  - **INCLUDE TA:** Grant Program for technical support and capacity building for mission-minded owners to be committed to do more clean energy work



**Thank You!**

**Esther Toporovsky, Senior Program Director  
Enterprise Community Partners, Inc.**

**[etoporovsky@enterprisecommunity.org](mailto:etoporovsky@enterprisecommunity.org)**