

MacArthur Foundation

Philanthropic Investments in Energy Efficiency and Multifamily Housing



MacArthur Foundation

Energy Efficiency Investments

- First investment in energy efficiency was in 2007
- Energy Savers Loan Fund was part of program to support the preservation of existing affordable rental housing in Cook County
- \$1 million loan to local Community Investment Corporation, a Chicago-based CDFI
- Loan was pooled with \$1 million grant from Grand Victoria Foundation and \$1 million of CIC's own capital.

What is Energy Savers?

Energy Savers is a One-Stop Shop for owners of multifamily buildings (5 + residential units).

Energy Savers is a collaboration between Community Investment Corporation (CIC) and Elevate Energy – both not-for-profit organizations, each with more than 35 years of experience in energy retrofits and financing for multifamily properties

energy savers

A one-stop energy efficiency shop for multifamily building owners



What does Energy Savers offer?

- No-cost, no-obligation Energy Audit of the building
- Energy-saving recommendations in Audit report
- Assistance in applying for utility company incentives and rebates
- Fixed-rate (3%) fully amortizing loans (7-year term) from CIC
- Bid assistance, construction monitoring, ongoing tracking of building's utility performance, with annual post-retrofit report.



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Who is Elevate Energy?

Elevate Energy (formerly CNT Energy) is a non-profit affiliate of the Center for Neighborhood Technology. They design and implement programs that lower energy costs, protect the environment, and ensure that the benefits of energy efficiency reach those who need them most.

Elevate Energy provides the no-cost, no-obligation Energy Audits for Energy Savers, assists in bid solicitation, monitors retrofit installations, tracks building performance for two years post-retrofit, and provides annual report to building owner regarding energy use during tracking period.



ELEVATE ENERGY

Smarter energy use for all

Who is the ENERGY SAVERS customer?

- Energy Savers customers are private owners of affordable rental units. Privately-owned rental units (without layered financing or direct governmental subsidy) total more than 316,000 affordable units in the Energy Savers program area.
- All Energy Savers units are affordable to households at 80% AMI, and 59% of the units are affordable at 60% AMI (e.g. 3 BR @ \$1,129/month, heat included).
- Many Energy Savers owners own more than one rental property, and the majority of Energy Savers customers self-manage their properties.
- Approximately 70% of Energy Savers properties are centrally-heated, master metered.
- Owners typically retrofit one building initially, and then do other properties once they've seen the savings.

Energy Savers Program Results*

- More than 18,000 residential units retrofitted
- Average 30% savings on utility bills
- Saved: 4.3 million gas therms and more than 11.7 million Kwh in electricity; and reduced CO₂e by 33,600 metric tons
- \$16.75 Million in Energy Savers on the street after 5 years of program activity – one default for \$110,000.

Energy Savers loans can finance all of the recommendations in the Energy Audit (e.g., heating systems & controls, air-sealing, insulation) as well as other energy-related work, such as new windows, solar panels or other renewable energy improvements.

** Program Results as of April 15, 2014*

Subsequent Investments

- In 2014, the Foundation launched a \$25 million initiative to support innovations in the financing of energy efficiency improvements in affordable multifamily housing in the U.S.
- Program included \$5 million in grants and \$25 million in Program Related Investments (PRIs)
- Building off of lessons learned from the Energy Savers Loan Fund, program sought to increase innovation in financing structures to support energy efficiency in the multifamily housing stock

PRIs to support innovations in energy efficiency

- \$5MM to Housing Development Fund - to support the creation of three innovative loan funds through a statewide partnership with the Connecticut Green Bank
- \$2.5MM to National Housing Trust/Enterprise - to support the creation of NHT Renewable, a new affiliate that will fund the installation of solar power systems in affordable multifamily properties.
- \$2.5MM to the Network for Oregon Affordable Housing (NOAH) to support the expansion of an On-Bill Repayment Program to finance energy-efficiency improvements
- \$5MM to New York City Energy Efficiency Corporation (NYCEEC) - to finance energy efficiency project upgrades in affordable residential buildings located in low and moderate income communities.
- \$5MM to Commons Energy (Vermont Energy Investment Corporation) – to support the launch of a public purpose energy services company targeting upgrades to affordable multifamily housing in multiple markets.