

Developer IRA Bootcamp Session #9: Latest on the IRA

AGENDA

- Welcome & NHT Updates
- Updates on IRA programs and new resources
 - Madeleine McCullough & Todd Nedwick, NHT
- How to prepare your properties to access IRA funds
 - Joshua Galloway, New Ecology
- How to leverage the ITC
 - Isaac Baker, Resonant Energy



NHT UPDATES

- For the latest on the IRA, sign up for our newsletter [here!](#)
- Join us for our first *Insights on Housing* webinar later this month focused on addressing the challenges of maintaining the balance between rental housing stability & increasing revenue to preserve affordable housing.



Join Us!

NHT's Insights on Housing Webinar

Protecting Renters While Increasing Revenue to Preserve Affordable Housing.

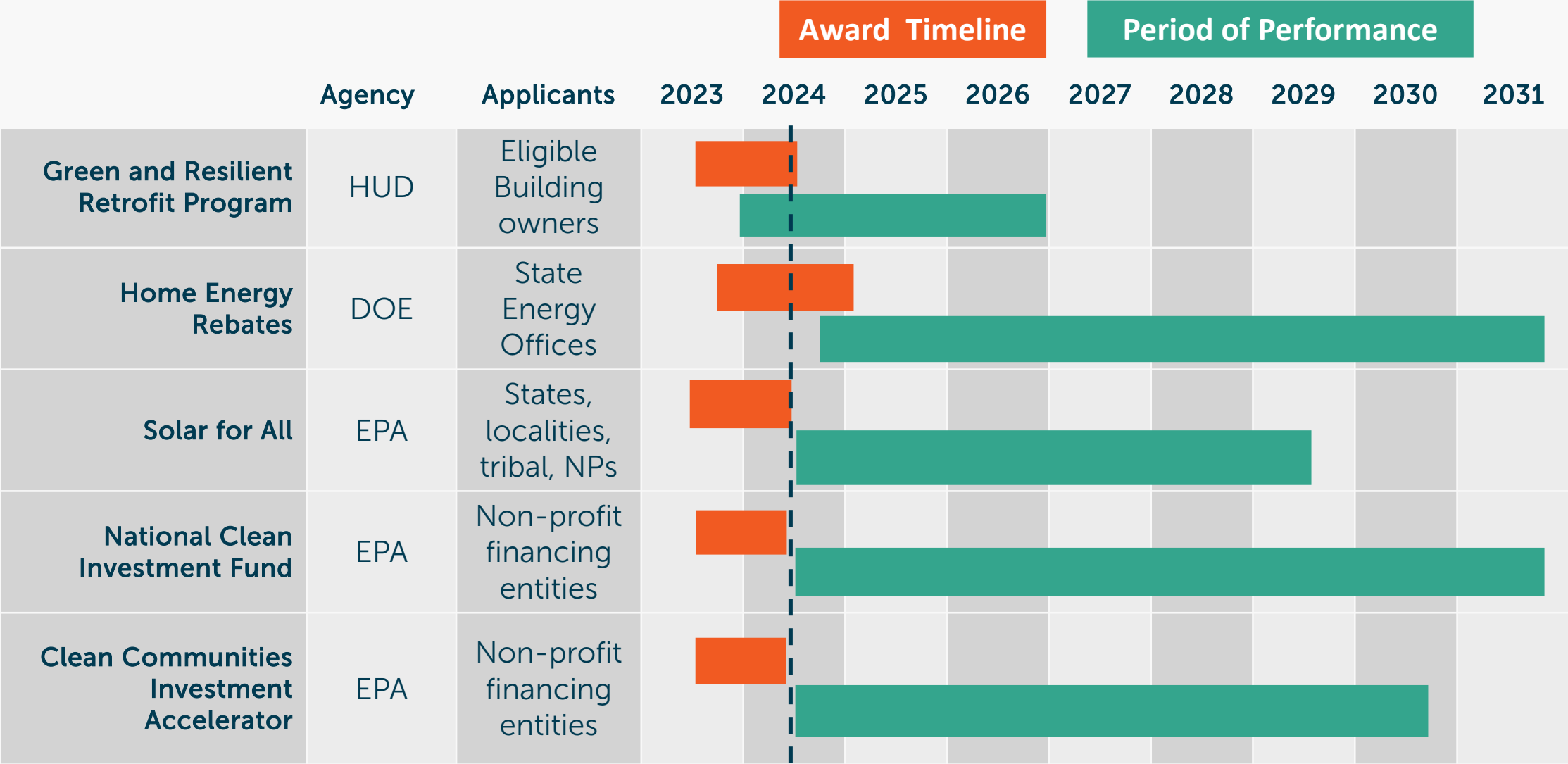
Thursday, May 16 12-1 PM EST

Learn More and Register!


NATIONAL HOUSING TRUST

The graphic features a teal background with a yellow sun-like shape on the right. A dark blue rounded rectangle at the bottom contains the call-to-action text. The NHT logo is positioned in the bottom right corner.

IRA PROGRAMS AND FUNDING TIMELINE



GRRP COHORT OVERVIEW

Cohort	Focus	Unit/Property Funding Limit	Total Funding	Remaining Funding*	Upcoming Application Deadlines
Elements	Substitute better building components in planned recap	\$40,000/unit \$750K/project	~\$140M	~\$115M	July 31, 2024
Leading Edge	Innovative, whole-building retrofits to meet advanced certifications	\$60,000/unit \$10M/project	~\$400M	~\$222M	May 15, 2024
Comprehensive	Whole-building retrofits following comprehensive site assessments	\$80,000/unit \$20M/project	~\$1,470M	~\$1,129M	June 12, 2024

Source: National Housing Trust

*The Remaining funding amounts are based on 2 award rounds. HUD has not yet announced the third-round awards for each cohort. The upcoming deadlines are for the 4th and final award round.

HUD'S ENERGY AND WATER BENCHMARKING INITIATIVE



Assistance securing energy and water usage data from utility companies



Specific information about a property's energy and water performance, comparisons of this usage with similar properties, and recommendations for savings



Benchmarking analytics from the ENERGY STAR® Portfolio Manager®



Technical assistance, training, and other resources

Interested owners can contact mfbenchmarking@hud.gov to participate

OVERVIEW OF GGRF

	National Clean Investment Fund (NCIF)	Clean Communities Investment Accelerator (CCIA)	Solar for All
Competition description	Fund national nonprofit financing entities to create national clean financing institutions capable of partnering with the private sector to provide accessible, affordable financing	Fund hub nonprofits to provide funding and technical assistance to specific networks of community lenders, financing clean technology projects in low-income and disadvantaged communities while building the capacity of community lenders	Fund states, territories, Tribal governments, municipalities, and nonprofits to develop programs that enable low-income and disadvantaged communities to benefit from distributed solar
Grantees	3 national nonprofit financing entities	5 hub nonprofits	60 government, Tribal, and nonprofit grantees
Funding	\$14 billion	\$6 billion	\$7 billion

NCIF AWARDS



\$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 existing and growing 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

CCIA AWARDS



\$2.29B

Provide **capital and technical assistance** to CDFIs so that they can invest and reinvest in eligible projects that reduce emissions of greenhouse gases and other air pollutants in low-income and disadvantaged communities



\$1.87B

Deliver **capitalization funding, coupled with technical assistance, to credit unions** that can direct affordable green loan capital and deep community development expertise to a broad range of eligible projects



\$940M

Stand up a **Community-Based Green Lender Certification Program** to ensure that community lenders are appropriately assessed, trained, and certified for capitalization funding



\$500M

Launch the **Green Bank for Rural America**, a purpose-built program to deliver critical investments in coal, energy, and underserved rural and Tribal communities across the United States.



\$400M

Provide **capital and technical support** to 63 community lenders to **enable financing** for distributed energy generation, net-zero buildings, and zero-emissions transportation projects in Native communities nationwide

GRID ALTERNATIVES MULTI-STATE AWARD

A 10-organization team of mission-driven nonprofit solar and affordable housing providers and allies will implement the **Solar Access for Nationwide Affordable Housing Program (SANAH)**.

- **\$249M** for financial assistance and technical assistance to support **solar, storage, and enabling upgrades** in affordable single- and multifamily housing
- Priority states include AZ, CA, CO, CT, DE, FL, GA, ID, IL, IA, MA, MD, MI, MN, MT, ND, NV, NJ, NM, NY, NC, OH, OR, PA, PR, SD, TX, WA, and WI*
- Estimated **37K homes** to be served*:
 - 6K Single-family
 - 25K Multifamily
 - 6K Community solar



**Subject to change based on the final workplan negotiated with EPA*

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.

GGRF PROJECT IMPACTS



National Reach

All **50** states and D.C. are covered by at least one SFA awardee program

100% of SFA funding will support low-income and disadvantaged communities

Over **70%** of NCIF and CCIA funding will go to low-income and disadvantaged communities



Environmental Impact

NCIF and CCIA projects will reduce or avoid greenhouse gas emissions by up to the emission equivalent of **9 million passenger vehicles** per year

SFA projects will reduce or avoid greenhouse gas emissions by **over 30 million metric tons CO2 equivalent**



Community Impact

900,000 households will benefit from distributed solar through SFA

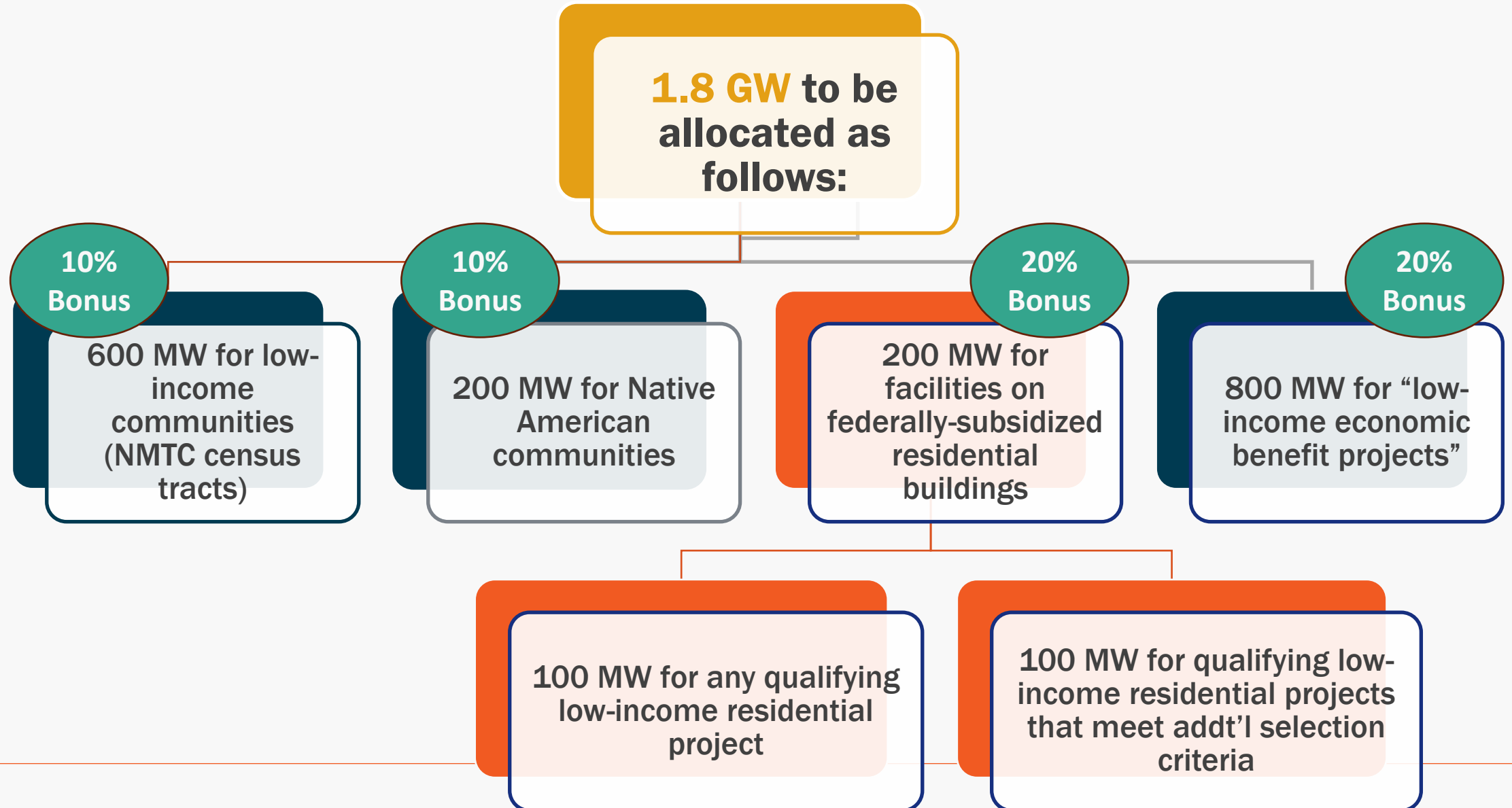
SFA program households can expect **~\$400 in annual electricity bill savings**

Hundreds of thousands of good-paying jobs will be created through GGRF programs

<https://www.epa.gov/greenhouse-gas-reduction-fund/solar-all-fast-facts>

<https://www.epa.gov/greenhouse-gas-reduction-fund/ncif-and-ccia-fast-facts>

2024 ITC ALLOCATIONS



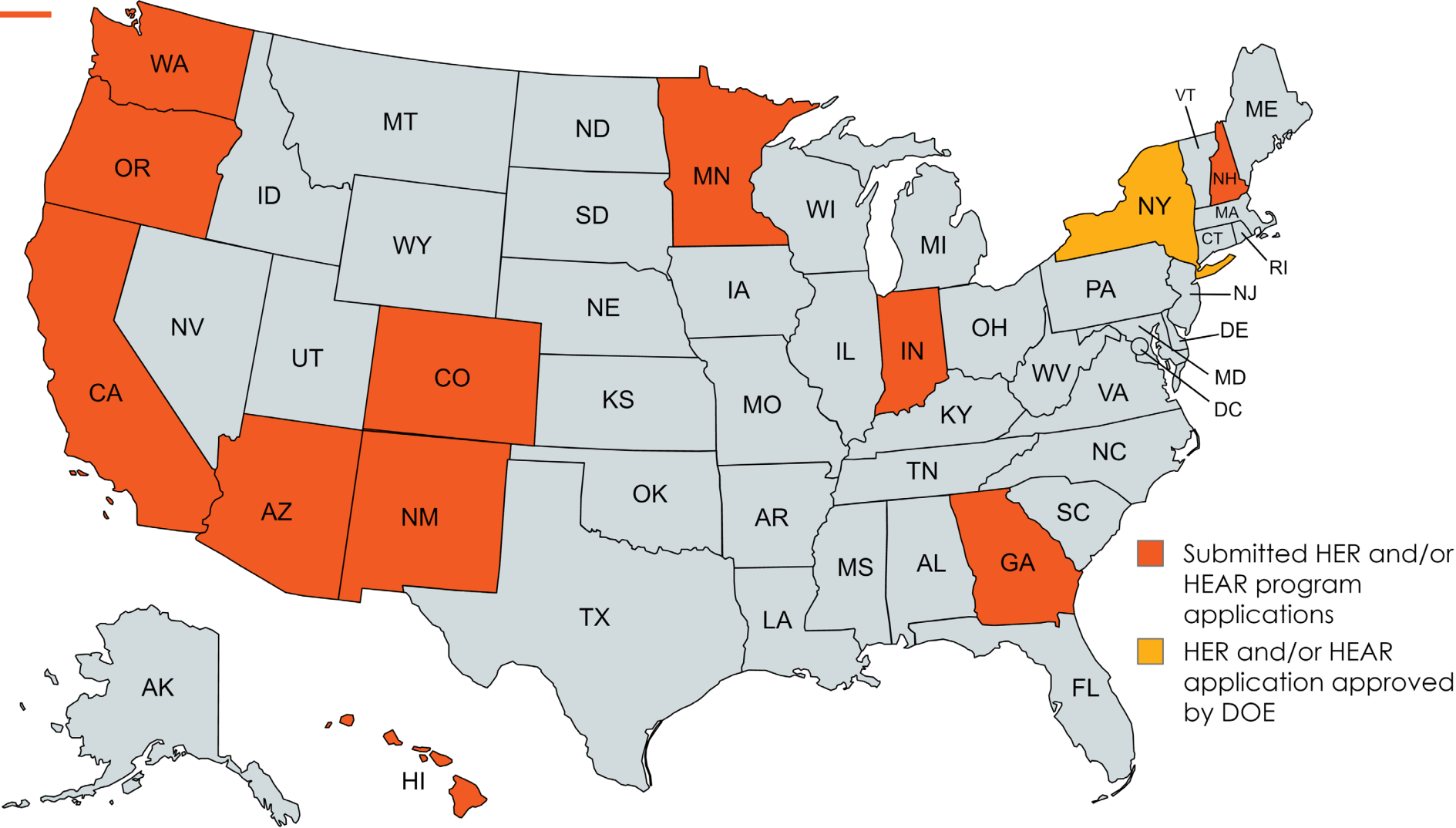
DOE HOME ENERGY REBATES

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">• Retrofit 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>


Both rebate programs are administered by State Energy Offices.

STATE APPLICATION STATUS



As of 5/1/2024


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 Jersey

Administering Agency: [New Jersey Division of Energy](#)

Application Status: preparing rebate applications

State Allocation: \$183M

Program Description: no information is available at this time

New Mexico

Administering Agency: [New Mexico Energy, Minerals and Natural Resources Department](#)

Application Status: submitted HEAR application on 12/21/23 and HER application on 3/18/24.

State Allocation: \$88M

Program Description: no information is available at this time

New York

Administering Agency: [NYSERDA](#)

Application Status: HEAR application approved on 4/15/24

State Allocation: \$318M

Program Description: New York expects to launch the state's program in late spring or early summer initially to low-income homeowners and then to all eligible customers.

PREPARING YOUR PROPERTIES TO ACCESS IRA FUNDS

Joshua Galloway

*Director of Green Building
Services*

New Ecology



ACCESSING THE ITC



Isaac Baker
Co-CEO
Resonant Energy



Resonant Energy: Bonus Tax Credit 2023 Solar Summary



Prepared for NHT Owner IRA Bootcamp - May 2024



RESONANT ENERGY

- **Mission:** Founded in 2016 to expand access to clean energy in underinvested communities
- **Service Area:** Boston-based development company building projects in MA, NY
- **Focus:** Affordable Housing, Nonprofit, Small Commercial
- **Specialty Services:** Lender & investor consent support, ITC adder and Elective Pay support



Certified



Corporation



Build Local Power

STAR Program

Our collective goal:

Support the installation of solar for affordable housing in Massachusetts.

Focus on **mitigating legal & technical barriers**, as well as streamlining lender/investor consent.

STAR participants receive:

- *Grants for staff time support*
- *Free technical assistance*
- [Link for more info](#)
- ***We are hoping Trinity Financial might participate in the 2025 round!***

Who's Taking Action?



THE **C**OMMUNITY
BUILDERS

44+



Developers

197+

sites under
development



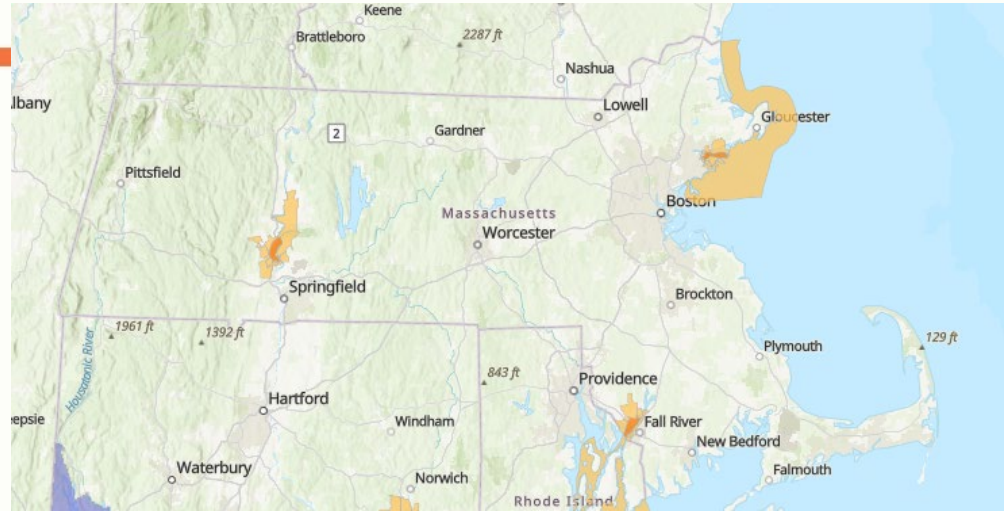
LI Communities Bonus Credits

	Category 1: Low Income Location 	Category 3: Aff. Multifamily Tenants 
Tax Credit Increase	+10%	+20%
Criteria	<p>Must be sited in a “low-income community” as defined in IRC 45D(e) i.e. New Market Tax Credit. Map available here.</p>	<p>Must have federal subsidy (LIHTC, PBS8, etc). State PH not eligible. Comes with requirement to distribute some savings to tenants. <i>Many pathways allowed.</i></p>
Additional Notes	<ul style="list-style-type: none"> • Only <u>one EJ adder per site</u> & only 1.8GW allocated capacity per year. Dashboard of allocations made to date available here. • Lottery if capacity is exceeded. Can <u>install up to 4 years after reserving</u>. • Solar projects with Tax Exempt owners (e.g. public housing) meet additional select criteria (ASC) and are much more likely to get an adder awarded. Ideal for this reason to focus on ownership over third party set ups (e.g. PPA). 	

Energy Communities - the “Manchin” Adder (10%)

Energy Community:

- Brownfield Site (not just petroleum)
- Census tracts near current/former coal fired power plants
- Census tracts with a high rate of employment in the energy sector and high rates of unemployment (e.g. all of West VA)
- The treasury published the [Map](#) for the Energy Communities tax credit adder here.
- Adds 10% to solar tax credit with **no application**. Stackable with other benefits.



In MA, this map provides benefits in Beverly/Salem, Fall River area, and Holyoke area.

March 2024: Treasury issued an update that the following counties are now all eligible for 2023 tax year (and therefore likely going forward as well):

Massachusetts	Barnstable County	12700	Barnstable Town, MA
Massachusetts	Berkshire County	38340	Pittsfield, MA
Massachusetts	Dukes County	2500006	Massachusetts nonmetropolitan area
Massachusetts	Franklin County	2500006	Massachusetts nonmetropolitan area
Massachusetts	Nantucket County	2500006	Massachusetts nonmetropolitan area
Massachusetts	Worcester County	49340	Worcester, MA-CT



EPA: Solar For All (via GGRF)

Timeline & Implications for Affordable Housing



1. Application. DOER, MassCEC, MassHousing applied to EPA Oct. 2023.

[Application Summary](#)



2. Award Issued! MA got \$156M; NY got \$250M.



3. Program Launch. MA creates final program design and opens funding opportunity by ~Fall 2024.



Timeline: EPA funds must be deployed 2024-2029.

Program Details

\$25M for Public Housing.
\$40M for Private Aff Housing.

Program design is yet to be finalized; initial design **may cover up to 100% of upfront costs** for eligible sites (after tax credits).

Eligible sites will have a strong ratio of onsite solar potential to unit count. (townhouses + low to midrise developments)

How Projects Are Financed

	Description	Pros	Cons
Direct Ownership <i>(most common for New Construction)</i>	Client purchases system for simple contracting and highest long term savings.	<ul style="list-style-type: none"> • Least complex financing and cash flow • Complete ownership of solar system • Receive full value of federal tax credit 	<ul style="list-style-type: none"> • High upfront cost • Not viable for midcycle LIHTC and other buildings with budgetary / new loan constraints
Power Purchase Agreement (PPA)	Client signs a PPA, assigning roof rights and agreeing to buy power at a fixed rate from a third party investor for a 20-25 year term.	<ul style="list-style-type: none"> • \$0 upfront cost can lighten construction budgets or integrate easily into midcycle developments. • Third party takes care of maintenance and insurance 	<ul style="list-style-type: none"> • More work to get investor/ lender consent • Lower lifetime financial value to property
Internal Power Purchase Agreement (Internal PPA)	Client sets up its own legal entity for financing PPAs on its developments. <i>This strategy has been used by Winn, Jonathan Rose, and more recently Homeowners Rehab with Resonant's support.</i>	<ul style="list-style-type: none"> • Allows clients to keep all solar project value in house while getting a financing vehicle that works for midcycle buildings 	<ul style="list-style-type: none"> • Upfront cost must be addressed • Substantial additional complexity - typically requires organization to commit as standard for most projects.



2023 Bonus ITC Experience to Date



EJ Adder Monetary Benefit

From our adder applications we've saved our clients over **\$1.5 million** on their solar projects.

This is **3.558 MW of solar** that received competitive EJ Adders thanks to our thorough application process management.



ITC Adder Application Status

Suspended

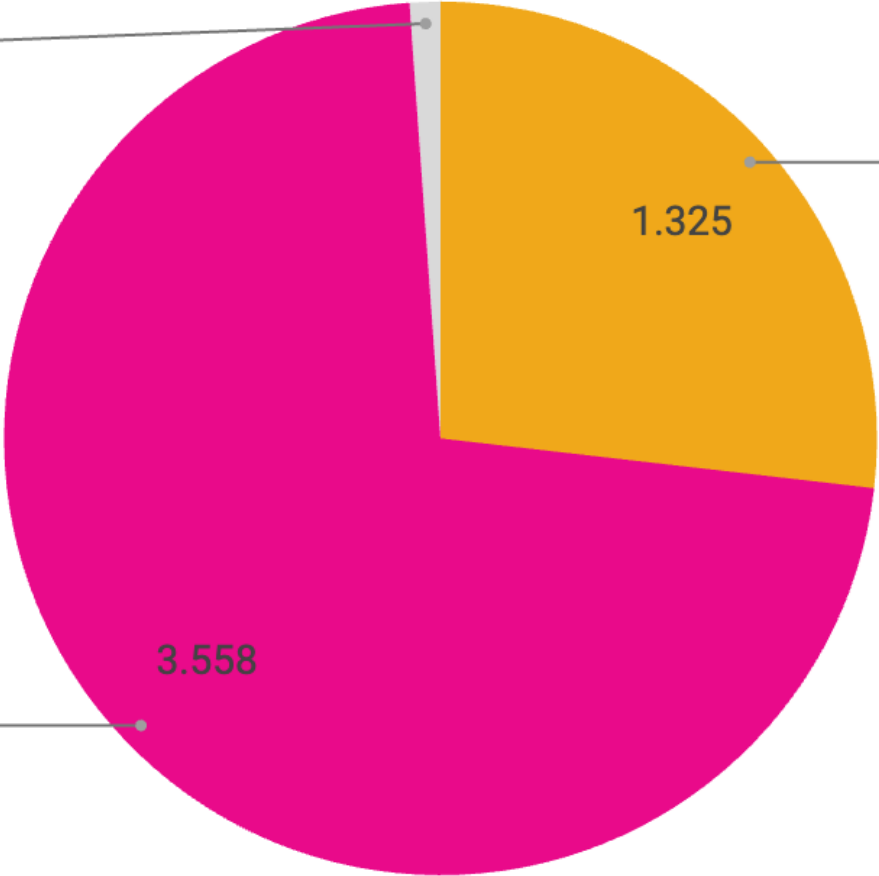
1.1%

Pending

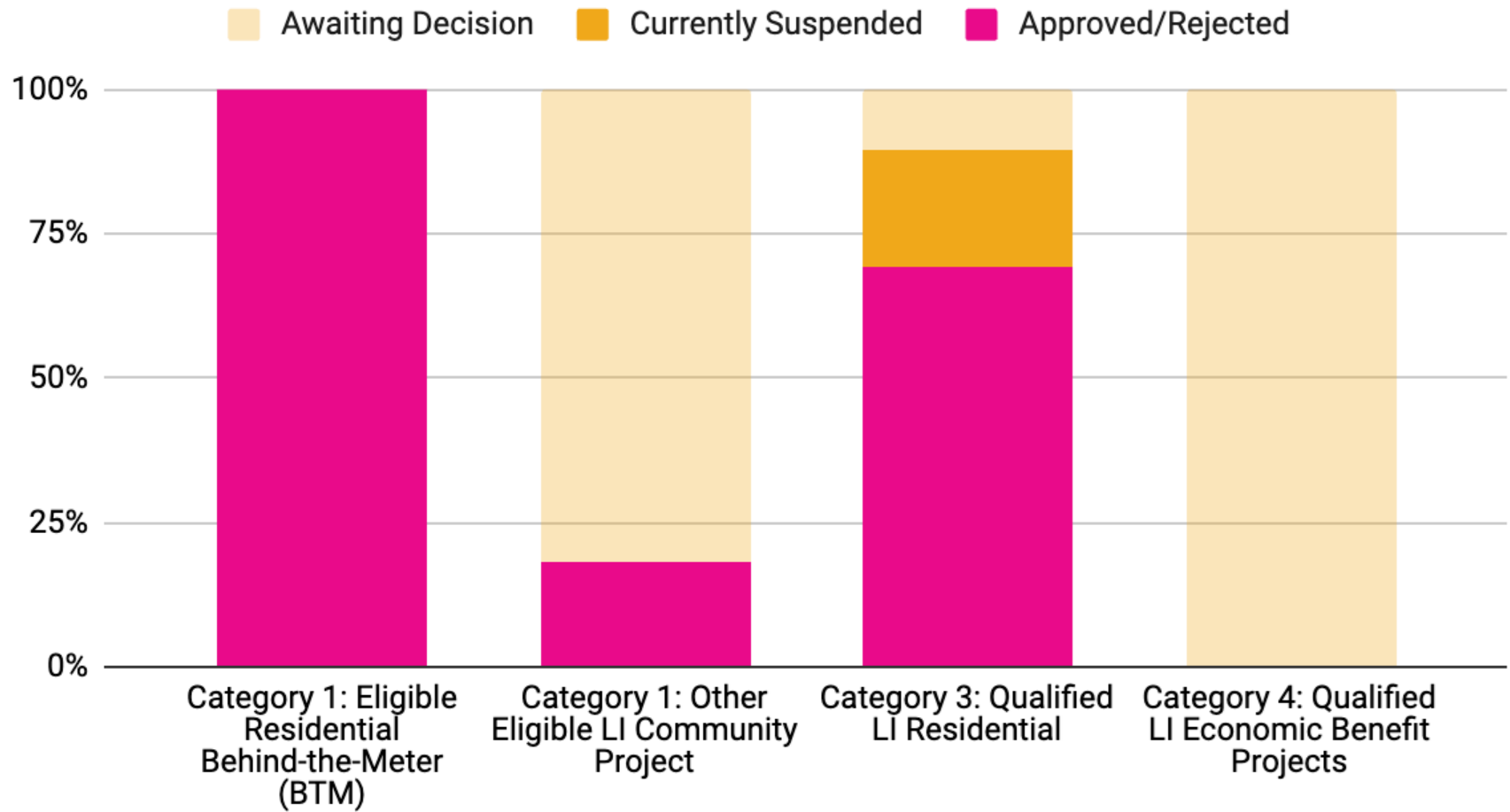
26.8%

Approved

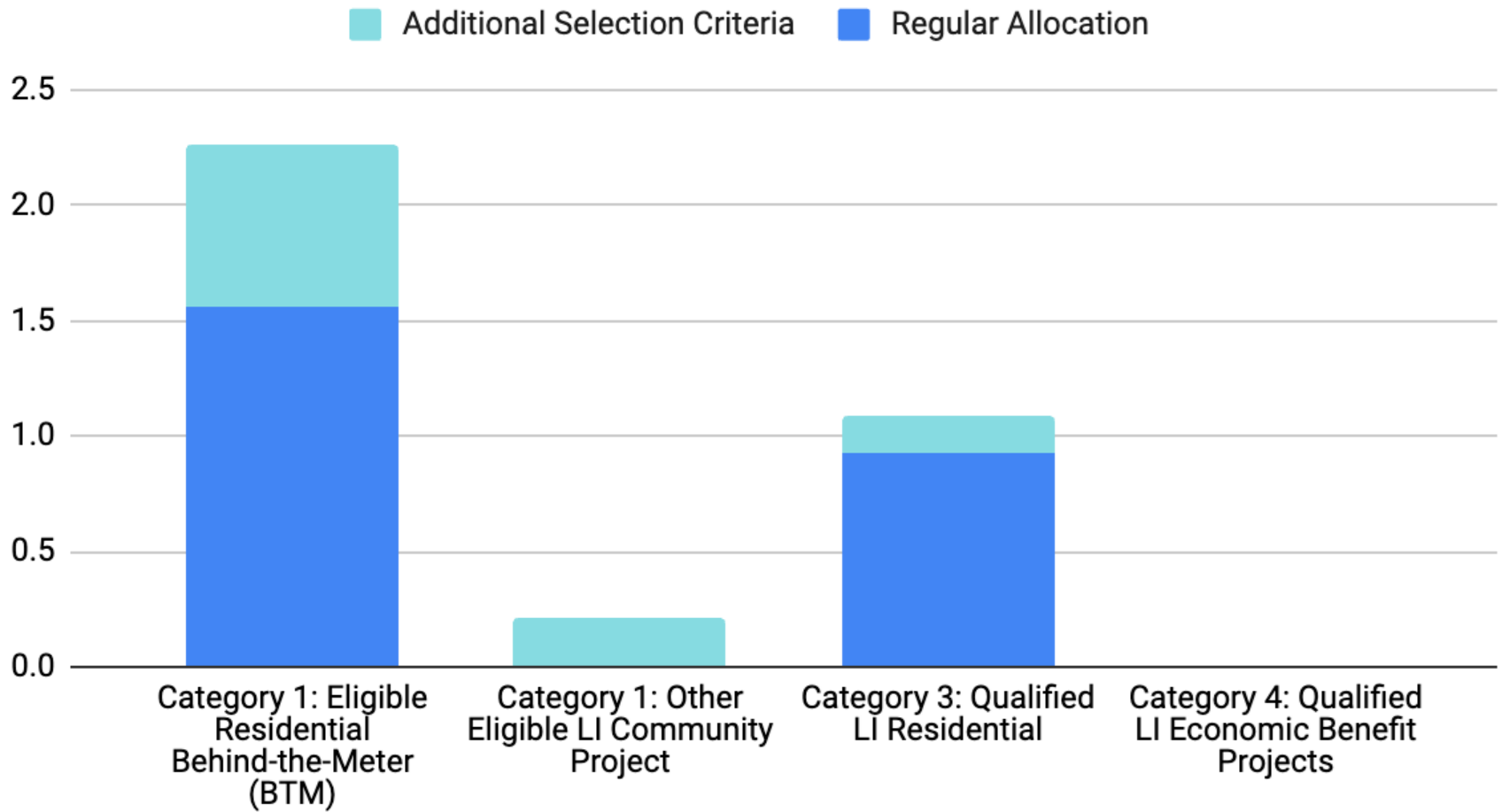
72.0%



Application Progress (Regular and ASC)



Allocated MW of RE Submitted Applications



Resonant Stats

Approvals: 83

Rejected Applications: 0

Still Pending*: 12

* Still pending may mean that the funding ran out for that block. We will re-apply this year if waiting makes sense for the project.



Example: East Boston Housing Portfolio

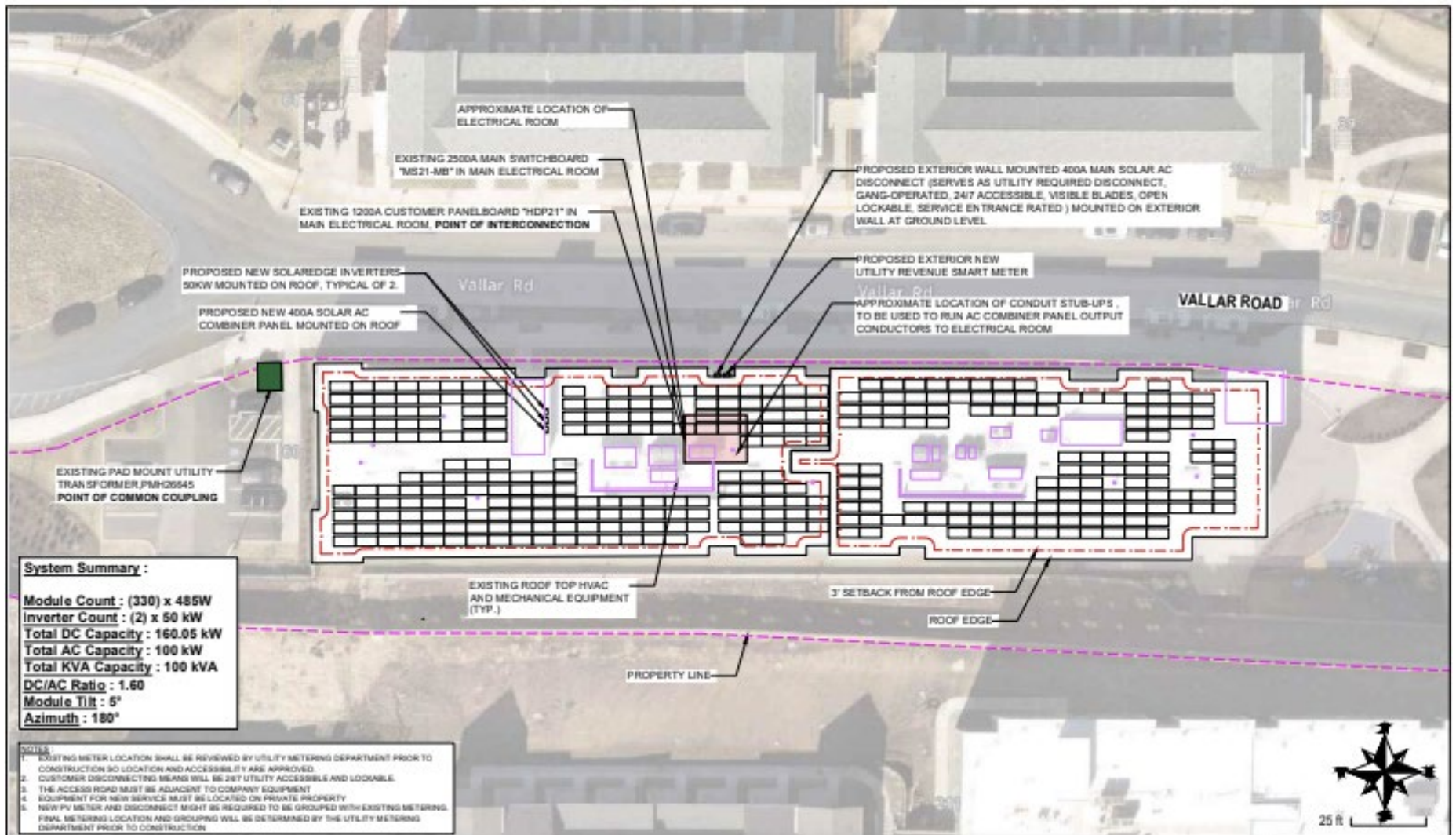


Financial Summary

- **Location:** East Boston, MA
- **Project Financing:** Resonant has been engaged by the Developer to add solar PV via a no-cost solar PPA set up.
- **Scope:** The project involves adding 738 kW-DC of solar PV across 3 midrise developments and 9 townhouses across all 3 phases of the build out.
- **Progress to Date:** Two midrise projects are complete (40 Vallar, 212 Waldemar). The last midrise and 6 of the townhouses should be done by summer '24.
- **Estimated Savings:** We estimate this will save Trinity over \$3.5M during the contract term. *Note: Due to this project set up, these savings will accrue to HLC.*
- **BERDO Compliance:** These projects will significantly improve GHG calculations for the developments and will count towards BERDO compliance.



Example Midrise Solar Design



Cash Flow with 10% Adder

Power Purchase

Cash Flow: Entire Portfolio (40% ITC)

kW DC	738.30
Solar Array Cost to You	\$0

Year	Est. Solar Output (kWh)	Savings to Residential Accounts			Est. Solar Output allocated to you (kWh)	Est. Utility Savings		Payments		Annual Benefits	Cumulative Savings	Year
		Est. Solar Output Allocated to Residential Accounts (kWh)	Estimated Utility Rate (\$/kWh)	Est. Savings to Residential Accounts (at no cost to them)		Estimated Utility Rate (\$/kWh)	Estimated Utility Savings	PPA Rate	Estimated PPA Payments			
0												0
1	877,786	57,656	\$0.257	\$14,807	820,130	\$0.233	\$190,981	\$0.124	\$108,578	\$82,403	\$82,403	1
2	873,397	57,368	\$0.264	\$15,131	816,030	\$0.239	\$195,156	\$0.125	\$109,115	\$86,041	\$168,443	2
3	869,030	57,081	\$0.271	\$15,461	811,949	\$0.246	\$199,423	\$0.126	\$109,656	\$89,768	\$258,211	3
4	864,685	56,796	\$0.278	\$15,799	807,890	\$0.252	\$203,784	\$0.127	\$110,198	\$93,585	\$351,797	4
5	860,362	56,512	\$0.286	\$16,145	803,850	\$0.259	\$208,240	\$0.129	\$110,744	\$97,496	\$449,293	5
6	856,060	56,229	\$0.293	\$16,498	799,831	\$0.266	\$212,793	\$0.130	\$111,292	\$101,501	\$550,793	6
7	851,780	55,948	\$0.301	\$16,859	795,832	\$0.273	\$217,445	\$0.131	\$111,843	\$105,603	\$656,396	7
8	847,521	55,668	\$0.309	\$17,227	791,853	\$0.281	\$222,200	\$0.133	\$112,397	\$109,803	\$766,199	8
9	843,283	55,390	\$0.318	\$17,604	787,893	\$0.288	\$227,058	\$0.134	\$112,953	\$114,105	\$880,305	9
10	839,067	55,113	\$0.326	\$17,989	783,954	\$0.296	\$232,023	\$0.135	\$113,512	\$118,511	\$998,815	10
11	834,871				828,391	\$0.306	\$253,259	\$0.146	\$122,080	\$131,179	\$1,129,995	11
12	830,697				830,697	\$0.315	\$261,259	\$0.149	\$123,915	\$137,344	\$1,267,339	12
13	826,544				826,544	\$0.323	\$266,972	\$0.151	\$124,528	\$142,443	\$1,409,782	13
14	822,411				822,411	\$0.332	\$272,809	\$0.152	\$125,145	\$147,664	\$1,557,447	14
15	818,299				818,299	\$0.341	\$278,774	\$0.154	\$125,764	\$153,010	\$1,710,456	15
16	814,207				814,207	\$0.350	\$284,869	\$0.155	\$126,387	\$158,483	\$1,868,939	16
17	810,136				810,136	\$0.359	\$291,098	\$0.157	\$127,012	\$164,086	\$2,033,025	17
18	806,086				806,086	\$0.369	\$297,463	\$0.158	\$127,641	\$169,822	\$2,202,847	18
19	802,055				802,055	\$0.379	\$303,967	\$0.160	\$128,273	\$175,694	\$2,378,541	19
20	798,045				798,045	\$0.389	\$310,613	\$0.162	\$128,908	\$181,705	\$2,560,246	20
21	794,055				794,055	\$0.400	\$317,405	\$0.163	\$129,546	\$187,859	\$2,748,105	21
22	790,084				790,084	\$0.411	\$324,345	\$0.165	\$130,187	\$194,158	\$2,942,262	22
23	786,134				786,134	\$0.422	\$331,436	\$0.166	\$130,832	\$200,605	\$3,142,867	23
24	782,203				782,203	\$0.433	\$338,683	\$0.168	\$131,479	\$207,204	\$3,350,071	24
25	778,292				778,292	\$0.445	\$346,089	\$0.170	\$132,130	\$213,959	\$3,564,030	25
Total	20,677,093	563,760		\$163,520	20,106,852		\$6,588,143		\$3,024,113	\$3,564,030	\$3,564,030	Total

Thank You!

Isaac Baker

Co-CEO

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