How to Make Clean Energy Upgrades More Accessible to Renters
OUR MISSION
To optimize the use and impact of energy to enhance the quality of life in the Southeast.

OUR VISION
All people in the Southeast live and work in healthy and resilient buildings, utilize clean and affordable transportation, and thrive in a robust and equitable economy.

OUR VALUES

- **Take Initiative**
  We take responsibility for realizing a better quality of life in the Southeast.

- **Value Others**
  We seek, respect, and promote diverse perspectives.

- **Earn Trust**
  We pursue our work with benevolence, competence, and reliability.

- **Pursue Equitable Solutions**
  We recognize, acknowledge, and account for a history of prejudice and inequality in Southeastern communities.
OUR CORE SERVICES

- Research
- Facilitation
- Consultation & Education
- Program Management & Financial Services
01 Improve housing codes and renter programs to lower energy costs without harmfully raising the costs of affordable housing.

02 Increase access to weatherization and clean technologies through in rental properties through existing home energy programs.

03 Utilize existing and encourage new electric utility appliance programs to overcome barriers to affording energy efficient appliances.
Today's Speakers

Duanne Andrade
Executive Director
*Solar and Energy Loan Fund*
Solar and Energy Loan Fund, Inc.

Resilient, Healthy Communities for a Sustainable Future

Florida, Alabama, Georgia, South Carolina
Our Mission is to rebuild and empower underserved communities by providing accessible and affordable financing for climate resilient, energy efficient and clean energy projects that will help create healthy, resilient and sustainable communities for all.
Background

• SELF was the First “Green” CDFI created in the Southeast

• SELF was created in Florida by St. Lucie County with a $3 million seed grant from the U.S. Department of Energy (DOE).

• SELF was founded with a vision to jump start the clean energy economy by providing low-cost capital to stimulate green jobs while helping homes reduce energy costs, build resilience and reduce carbon footprint.

• To date SELF has deployed over $30 million in over 2,800 home improvement projects; and has leveraged $100 million in total project value to create over 500 new affordable housing units.
Until recently, SELF was the only Green Bank in the Southeast, and is still the only green CDFI in the nation.
VISION

Our vision is to play an integral role in advancing climate equity in the SE United States by working with private and public and non-profit partners and creating viable programs that will help LMI communities transition to a thriving clean energy economy that will ensure a sustainable future for generations to come.

SELF’s Triple Bottom Line Impact Model

SELF’s is a Triple Bottom Line Impact Model seeking to advance Social, Economic and Environmental Justice for LMI Communities, through access to flexible and innovative capital to advance affordable, low-carbon, resilient housing
The need to scale investments in resiliency, energy efficiency and low-carbon housing in the Southeast

- The Southeast is the most vulnerable region to severe weather events including hurricanes, extreme heat, and sea level rise.

- More people are cost-burdened in the South than in any other part of the country. More than a1/3 of households have trouble paying their energy bills.

- The Southeast has the lowest average FICO scores, and the highest rates of underbanked populations.

- High energy and home insurance bills disproportionately impact low-income households and communities of color.
SELF FILLS CAPITAL GAPS BY OFFERING LOAN PROGRAMS FOR:

**Homeowners:** Unsecured loans for upgrades to single-family and small multifamily properties.

**Landlords:** Unsecured Energy Efficiency and Resiliency Rehab Loans for Affordable Rental & workforce housing

**Developers:** Predevelopment and Construction Gap Funding for Green Affordable Housing

**Contractors:** Working Capital loans through Partner CDFI (NDC).
How are SELF Loans Different From Traditional Lenders?

• Mission-driven loans with a focus on climate equity
  • SELF loans help LMI residents reduce energy burdens, increase access to insurance and improve health and quality of life

• Loans that foster Green Jobs
  • Pre-vetted contractor network to help support green and minority contractors and businesses

□ Loans focused on Consumer Protection
  • Project Management to ensure quality work and compliance with codes.

□ Loans that advance Financial Inclusion
  • Unsecured home improvement loans based on ability to repay can help repair or build credit

□ Loans for inclusion of BIPOC and Novice Housing developers.
  • Construction, Predevelopment, mezzanine loans for BIPOC and novice affordable and workforce housing developers with Green building Technical assistance and training.
Results and Impacts

$30 Million deployed in unsecured loans for >2,800 projects benefitting >7,000 residents

7,000 residents achieved healthier, affordable, resilient homes

77% clients benefit from credit rebuilding
Average credit scores:
50% < 640
27% < 600

$4.6 Million in new affordable housing leveraging $100 Million in total investment and over 300 new affordable housing units

Financial inclusion 74% LMI clients

Carbon reduction and energy savings
• 25% average savings on energy bills.
• 1,700 metric tons of CO₂ avoided; 193,408 gallons of gasoline saved.

29,000 job hours created

Default rate < 2%
Leveraging Capital and Resources: Customized Programs & Public-Private Partnerships

• SELF **partners** with local governments, housing authorities and non-profits to help create and preserve resilient, energy efficient, affordable housing.

• SELF is **an implementation tool** for climate equity and resiliency goals.

• SELF **customizes programs** with local government and community partners to fit needs.

• SELF **leverages** local government resources and and **raises blended impact capital** to deploy in local communities.
“Cracking the Nut” on How to Expand Benefits of Energy Efficiency and Climate Resiliency upgrades for Renters.

The “Green Homes” Atlanta Housing Program with SELF SEER Loan Program
The Atlanta Housing –SELF Partnership created an innovative pilot to provide landlords with a rent-boost incentive to invest in energy upgrades and reduce the energy burden for low-income renters with Housing Choice Vouchers (HCV).

INCENTIVES for landlords + Solutions to capital for energy upgrades

SELF designed a flexible “SEER” unsecured loan with monthly repayments below the “Rent Boost.

- Landlord Rent Boost = $175
- SELF Loan Repayment = $173
- Net Cash flow (+) = $2

Key areas of focus:
- Making access to “rent boost” easy with easy access to capital.
- Keeping investment cash flow positive with rent boost
- Measuring: Auditing method by AH to gauge energy savings investments (Methodology developed with South Face)
## Tiered Rent Boost

### Bronze: Approx. 10% energy savings (LED; low flow water appliances and others)
- Rent Boost: $50

### Silver: Approx. 15% energy savings
- Rent Boost: $75

### Platinum: Min 25% savings (including high efficiency AC/Heat Pump)
- Rent Boost: $175

---

**Incentivizing maximum energy efficiency investments**

1. **Atlanta Housing** designed tiered rent boost to motivate investments that would achieve 25% reduction in energy costs.

2. **SELF** designed Loan to be paid by rent boost.
Energy Efficiency and Resiliency Loans for Landlords to Upgrade Rental Homes to Reduce Energy Burdens for Low Income Tenants

SEER Loan for Landlords

Unsecured loans to help landlords make energy efficiency upgrades on affordable housing rental units.

SEER (Sustainable, Energy Efficient Rental) loans help reduce the utilities costs for low-to-moderate income residents, make homes healthier with better air quality, and stabilize communities with lower tenant turnover.

Teaming up with Atlanta Housing to expand access to energy efficiency improvements
Impacts of SEER MF Rehab Program

• For Residents-
  • Reduced Energy burden.
  • Goal: Reduction of 25% in energy bills.
  • Residents will benefit from increased health and quality of life in home

• For Landlords:
  • Increased equity in the property and a guaranteed repayment source from the loan with the rent boost.
  • Unsecured nature of the loan does not tie up financial ability to grow their business

• For Contractors/ businesses:
  • SELF focuses on recruiting minority and BIPOC contractors to do the projects.
  • Contractors gain access to low-cost capital with NO dealer fees to expand their businesses into other communities.
Questions?
| Working Group: Awareness and Community Engagement | January 25<sup>th</sup> |
| Working Group: Housing | March 15<sup>th</sup> |
| Working Group: Utility Solutions | April 12<sup>th</sup>, 1-2 pm |
| Working Group: Data Access and Improvement | Early May |
| Working Group: Systemic Change | End of May |
| Working Group: Programs and Access to Financing | End of June |
Upcoming Events

Learn more at seealliance.org/events

October 25–27
Atlanta, GA

SOUTHEAST ENERGY SUMMIT
Loews Hotel - Midtown
Atlanta, GA
October 25-27, 2023

June 22-23
Huntsville, AL

FREE MEMBER EVENT
Join us for our first ever Member Meeting!

HOSTED BY

SOUTHEAST ENERGY EFFICIENCY ALLIANCE

SEE A
Thank You

SMART ENERGY. STRONG ECONOMY. FOR ALL.

WWW.SEEALLIANCE.ORG
Results and Lessons Learned

- The Atlanta Housing has retrofitted over 340 units with the Rent-boost Program.
- SELF has only financed 3 of these (!!)

**Lessons Learned**

- Program was launched in late 2021 as rents and housing costs soared.
  - No need for any additional effort to obtain rent boost as market rates rose and rents were adjusted regardless of upgrades.
  - SELF was unable to directly access landlords in the AH, HCV program due to government entity limitations to ‘share’ their landlord information.
  - Heavy reliance on AH to promote SELF’s financing piece and too much caution/ limitations to do so (red tape).
- The program has no way of locking in the units in affordability. Upgrades will benefit renter for one year while lease is in place with HCV, but after, the landlord may seek to take advantage of market and place unit out of affordability having benefitted from program.
- The program is replicable, scalable and can lead to more positive results with greater access to landlord database and shared marketing.
IRA Green House Gas Reduction Fund (GHGRF)
THE HISTORIC OPPORTUNITY TO ADVANCE CLIMATE GOALS WITH EQUITY AND INCLUSION
IRA – Inflation Reduction Act $393.7 billion

Breakdown of Funds:

• **Investments** through tax credits that will catalyze private investment in clean energy, transport, and manufacturing to support resilient, low carbon communities.

• **Grants** Deployed through local community organizations to ensure Low Income and Disadvantaged populations access critical capital to advance climate equity, financial inclusion and social justice.

• **Direct Pay**, is available for Non-Profits to help Low to Moderate Income communities and residents access the benefits of the 30% Investment Tax Credit (ITC), allowing for broader access to solar energy.
How IRA works as Catalytic Capital

IRA deploys capital and Grants through Local Gov’t; Private; Non-Profit sectors; Designed to Leverage Private Capital
Focus on Environmental Justice (EJ40)

CDFIs; Green Banks; Credit Union Networks; Community Based Organizations; Developers; Academic organizations and others directly serving communities including LMI/Disadvantaged communities

IRA funds leverage private capital to encourage more intermediaries and implementors

Investments are focused on creating sustainable and market-based solutions with a focus on LMDI Communities

Solutions are designed to advance equitable and inclusive models to address historic racial and economic disparities.
Green House Gas Reduction Fund (GHGRF)

- **$27 billion** to mobilize and leverage private capital for GHG emission reduction.
- **Focus** on Low-income and disadvantaged community
- **Goals:**
  - Strengthen Capacity of ecosystem
  - Accelerate transition to an equitable Net zero economy
  - Catalyze jobs of the future.
- **$7 billion** for States, Tribes and Municipalities and eligible No-profits. Focus on Solar.
- **$20 billion** to eligible non-profit entities who will deploy capital and facilitate technical assistance and capacity building to strengthen the ecosystem of community-based intermediaries.

Green House Gas Reduction Fund (GHGRF)
An Opportunity to scale equitable investment in carbon reducing projects across the nation

GHGR funds will **catalyze** and **leverage** billions to help transition ALL communities to an equitable, clean energy economy.

Through an ecosystem of community focused intermediaries, funds will leverage public, private and philanthropic capital that will flow to communities both rural and urban.

40% of funds will be invested in Low and moderate disadvantaged communities.

Deployment

- Green Banks
- CDFIs
- Credit Unions
- Developer, Contractor, and Regional Networks
- Community Based Organizations and more.
IRA Opportunities to address energy burdens for renters

- IRA funds will create more incentives for landlords to make Energy upgrades.

- For multifamily property owners, the IRA bill offers a large chunk of funding and incentives for building upgrades—with:
  
  * $9 billion for consumer home energy rebate programs & 10 years of tax credits for clean and energy-efficient home improvements.
  
  * Property owners will also benefit from workforce training programs for the jobs required to implement retrofits and a widened domestic supply chain.

- Multifamily property owners who want to retrofit their existing properties can access **$4.3 billion via rebates for energy-efficiency purchases**.

- Owners can also receive an additional 30 percent credit for implementing solar power and geothermal heating over the next 10 years.

- Funding is available for upgrades in affordable housing units, including energy storage, electrification, improved air quality, energy efficiency and water conservation.

IRA Incentives for Energy Efficiency Investments in Homes

The New Energy Efficient Home credit, or 45L, has received a substantial boost, providing up to $5,000 to developers to build homes that qualify for the Department of Energy’s Zero Energy Ready Homes standard. This applies to new single family, multifamily and manufactured homes, as well as existing homes that undergo a deep retrofit.

25C Residential Energy Efficiency Tax Credit and 25D Residential Clean Energy Tax Credit

The 25C and 25D tax credits incentivize household electrification by lowering the total cost of qualified electrification upgrades. 25C provides a capped 30 percent tax credit for air-source heat pumps, heat pump water heaters (HPWHs), qualifying electrical panel upgrades, select weatherization measures, and energy audits. 25D provides an uncapped 30 percent tax credit for rooftop solar, battery storage, and geothermal heat pumps.

The Commercial Buildings Energy Efficient credit, or 179D, has been significantly expanded, offering $2.50 to $5.00 per square foot for businesses achieving 25 to 50 percent reductions in energy use over existing building performance standards.

In addition, $30 billion is available as a production tax credit to accelerate U.S. manufacturing of solar panels, wind turbines, batteries and critical minerals processing in the U.S., and another $10 billion is allocated as an investment tax credit for building new facilities that manufacture these technologies.

https://www.rewiringamerica.org/ira-fact-sheets
SELF Loan Programs

An example of how Community Lenders work in Private-Public Partnerships to Leverage and Maximize Benefits of the IRA
How IRA + Private non-profit work together in Real Life for Hurricane Disaster Recovery

- SELF Client suffered severe storm damage. Home was deemed uninhabitable
- Roof repair price: $18,000
- FEMA funds available: $5,000
- **Gap: $13,000**

- Client Income: Low-moderate
- Credit score: ZERO “0”
- Insufficient savings
- Unable to access credit.

- SELF’s mission driven loan program provided him with unsecured, low-cost loan with repayments based on ability to repay.
- Homeowner saved his home; was able to access insurance again; increased equity and financial inclusion
S2S - Water Quality and Environmental Preservation Loan Programs (On Bill Financing)

Martin County Septic to Sewer Loan

Sign up for Martin County Utilities (MCU) Septic-to-Sewer (S2S) Conversion Program today and receive an automatic $1000 discount and the option to apply for a fixed 10 year, $85/month payment plan through SELF!
SELF Green Home Loan Program
Innovative Loan Programs for LMI and low-credit score homeowners that will Leverage IRA tax benefits and rebates.

SELF has leveraged Public Funds 16:1 through the home improvement program
SAGE HOMES LOAN PROGRAM

Flexible, Low-Cost Predevelopment and Construction financing + Technical Assistance  Green Affordable Housing Developments led by Black and other minority Developers

$3 million Housing Innovation Grant grant by JP Morgan Chase & Co

Leveraging $50+ million in new housing development.
Solar + Battery Emergency Response Resiliency Project
Local Government- Philanthropic-Community Partnership

- Leon Lowenstein Foundation Grant Funds $200K
- Leveraged by Miami Dade County
- $500k
- Solar Ready Roof
- Rooftop Solar PV + Battery Storage
RESILIENCY HOME IMPROVEMENT LOANS
Based on Ability to Repay - Not on Credit Scores

Climate Resilience – Roof Loans
Pamela Turner: U.S. Veteran; Single Mother; <500 Credit Score
Roof Loan
Impacts: Health, Safety, Quality of Life, Climate Resilience, Financial Inclusion
### Other Key IRA Provisions for LMI and Disadvantaged Communities

<table>
<thead>
<tr>
<th>Office</th>
<th>Total</th>
<th>Description</th>
</tr>
</thead>
</table>
| DOE    | $8.9B | - Up to $14,000 in upfront discounts for electrification and efficiency projects  
- Rebates for energy efficiency and electrification upgrades in LMI single-family and multi-family buildings with more than 50% LMI occupants |
| EPA    | $39B  | - $27B for non-profit financing institutions. Roughly 1/3rd for LMI and disadvantaged communities  
- Grants and TA funding for community-based nonprofits to pursue climate justice  
- Funding to reduce air pollution at schools, ports, and from diesel emissions |
| HUD    | $1B   | - Direct loans for affordable housing projects implementing: resource efficiency, low-emission technologies, climate resilience |
| BIA    | $422M | - Tribal electrification, home retrofits, and climate resilience |
| FHA    | $3B   | - Roughly 1/3rd of funding for LMI and disadvantaged communities to remediate pollution and improve walkability, safety, and affordable transportation access |
| USDA   | $11.7B| - Financial assistance for rural electric cooperatives and small businesses to afford renewable energy and energy efficiency improvements |
| IRS    | Tax Credits | - Tax credits for single-family, manufactured, and multi-family homes meeting efficiency standards ($2,500 for EPA's Energy Star; $5,000 for DOE’s Zero Energy Ready Homes)  
- Tax credits for clean energy generation and storage in low-income communities |
THANK YOU

Maria Duanne Andrade : Executive Director
Solar and Energy Loan Fund (SELF)
duannea@solarenergyloanfund.org