

# POWER FORWARD COMMUNITIES

Inflation Reduction Act (IRA) & Greenhouse Gas  
Reduction Fund (GGRF)

# GREENHOUSE GAS REDUCTION FUND

	National Clean Investment Fund (NCIF)	Clean Communities Investment Accelerator (CCIA)	Solar for All (SFA)
Competition Awards	<p><b>\$14 billion</b></p> <ul style="list-style-type: none"> <li>Power Forward Communities (\$2B)</li> <li>Climate United (\$7B) <i>Calvert Impact, CPC, Self-Help</i></li> <li>Coalition for Green Capital (\$5B) <i>18 lending and t/a subrecipients</i></li> </ul>	<p><b>\$6 billion</b></p> <ul style="list-style-type: none"> <li>OFN (\$2.3B)</li> <li>Inclusiv (\$1.9B)</li> <li>Justice Climate Fund (\$940M)</li> <li>Appalachian Community Capital (\$500M)</li> <li>Native CDFI Network (\$400M)</li> </ul>	<p><b>\$7 billion</b></p> <ul style="list-style-type: none"> <li>49 state-level awards (\$5.5B)</li> <li>6 awards to serve Tribes (\$500M)</li> <li>5 multistate awards (\$1B)</li> </ul> <p>Click below for awardees: <a href="#">Solar for All   US EPA</a></p>
Purpose	Spur clean technology deployment nationally through financing of Qualified Projects that meet 6 criteria	Spur technology deployment in Qualified Projects in LIDAC while building capacity of community lenders serving those communities	Foster residential rooftop and residential-serving community solar projects benefiting LIDAC
Eligible Uses	<ul style="list-style-type: none"> <li>Financial assistance (<b>excluding grants</b>), market-building and predevelopment</li> <li>Minimum of 40% must be used to support investment in low-income &amp; disadvantaged communities (LIDAC)</li> </ul>	<ul style="list-style-type: none"> <li>Capitalization funding of up to \$10 million and technical assistance grants of up to \$1 million for community lenders and organizations</li> <li>Qualified Projects must be in a Priority Project Category</li> <li>100% of funds must be used to support investment in LIDAC</li> </ul>	<ul style="list-style-type: none"> <li>Subsidies (<b>grants</b>), other financial assistance, and technical assistance</li> <li>100% of funds must be used to support investment in LIDAC</li> </ul>

## We are a coalition of trusted national organizations. Collectively, we bring:

**Broad local reach:** 10,000+ local employees, thousands of local chapters and affiliates, and tens of thousands of partner organizations and local employers, operating across the entire country.

**Deep financial expertise in affordable housing:** \$13B+ capital deployed through tax credits, debt and equity, including through AA-investment grade CDFI Lenders.

**Unparalleled grant experience:** \$7B in federal grants deployed collectively across 4,000+ programs over the last 10 years.



## Our Strategy

With 42% of energy emissions stemming from household decisions, there is no way to meet our national climate or equity goals without decarbonizing the nation's 124 million homes and apartments.

Focusing on housing in low-income and disadvantaged communities is a way to meet our goals and expand our impact, adding hundreds of thousands of good-paying local jobs, generating energy savings for households and improving health outcomes.

**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

# National Clean Investment Fund

## LOW-INCOME & DISADVANTAGED COMMUNITIES (LIDAC)

In accordance with the Justice40 Initiative, at least 40% of NCIF funds, and 100% of CCIA and SFA funds, must be expended in low-income and disadvantaged communities as defined below. PFC intends to invest the vast majority, minimally 75%, of its award in LIDAC.

Category	Requirement
<b>CEJST-Identified Disadvantaged Communities</b>	All communities identified by the Climate and Economic Justice Screening Tool (CEJST) as "disadvantaged communities"
<b>EJScreen-Identified Disadvantaged Communities</b>	Communities from EJScreen's mapping tool that are: (1) at or above the 90th Percentile for any of EJScreen's Supplemental Indexes when compared to the nation or state, or (2) Tribal lands
<b>Geographically Dispersed Low-Income Households</b>	Individuals & households with income at or below: Metro: 80% AMI & 200% federal poverty level Non-Metro 80% AMI & 80% statewide nonmetro area AMI & 200% of federal poverty level
<b>Properties Providing Affordable Housing</b>	In properties providing affordable housing to at least 50% of units: <ul style="list-style-type: none"><li>• Through covenants with federal or state housing assistance programs</li><li>• Naturally occurring affordable housing</li></ul>
<b>Federally Recognized Tribal Entities</b>	All Federally Recognized Tribal entities, which are considered disadvantaged regardless of whether a Federally Recognized Tribe has land, consistent with M-23-09 and CEJST.

## 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

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May not otherwise have been financed

5

Mobilizes private capital

6

**Supports commercial technologies (deployed 3 x for 5 years)**

## PRIORITY PROJECT CATEGORIES

### Distributed Energy Generation & Storage

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Small-scale power generation and/or storage technologies (typically from 1 kW to 10,000 kW), plus enabling infrastructure that support carbon pollution-free electricity.

Projects include residential rooftop solar, residential rooftop solar-plus-storage, community wind and solar, fuel cells, stand-alone energy storage, distributed generation and storage assets that support microgrids, and distribution system upgrades.

### Net-Zero Emissions Buildings

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Retrofits of existing buildings, making a substantial contribution to the building being a net-zero emissions building and as part of a plan for that building achieving zero-over-time or construction of a new net-zero emissions building in a low-income and disadvantaged community.

Buildings include residential, commercial industrial, community facilities. Projects include energy and water efficiency, geothermal heating and cooling, grid-interactive appliance electrification, whole-home retrofits, and retrofits of adaptive reuse projects.

### Zero-Emissions Transportation

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Zero-emissions transportation modes, plus enabling infrastructure for zero-emissions transportation. Projects include deployment of chargers, prewiring for future charger installation and other infrastructure to support zero-emission, including:

- (1) micromobility options (electric bikes and scooters) as well as light-duty vehicles for individuals and families,
- (2) medium- and heavy-duty vehicles for small businesses and farms, and
- (3) charging and refueling depots for school buses, trucks and public transportation.



## Highly Efficient

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- an **existing building** that either achieves an ENERGY STAR Portfolio Manager score of 75 or higher, performs 35% better than median EUI for buildings ineligible for the score, or with a whole building EUI less than that building type's EUI specified by ANSI/ASHRAE/IES Standard 100
- a **new building** that either has energy use at least 10% lower than the energy use according to the latest model energy code, is designed to achieve energy performance in the top 10% of similar buildings (ENERGY STAR Portfolio Manager score of 90 or higher), or certified to a ENERGY STAR Residential New Construction program

## Electric Only

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- Free of on-site emissions means that the building's direct greenhouse gas emissions equal zero.
- No fossil fuels may be combusted onsite, apart from exceptions for use of emergency backup generators when grid power is unavailable.

## 100% Clean Power

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- Powered solely from clean energy means that, in any combination, 100% of the building's energy comes from on- and/or off-site clean energy sources.
- Offsite power may be verified either by ANSI/ASHRAE Standard 228, EPA's Green Power Partnership, the Green-e Renewable Energy Standard, or Implementing Instructions for Executive Order 14057.

# Multifamily Financial Products

## MULTIFAMILY FINANCIAL PRODUCTS

We have developed a suite of products that can be employed for Qualified and Priority Projects. Products will typically serve as additional subsidy in the capital stack, supporting the adoption of clean energy measures and addressing gaps in deep energy projects.

- Our program is governed by our performance agreement with the EPA, with guidance pending on certain threshold deployment issues.
- Enterprise and LISC have created new green lending entities, Enterprise Green Accelerator and LISC Green, that will originate these multifamily products.
- We plan to tailor investment for individual borrowers and projects based on impact, e.g. larger per unit support and more favorable terms, including lower interest rates and potentially a forgivable component on certain products, for:
  - ✓ **Depth of Affordability:** More than 50% of units affordable to 60% AMI, with prioritization for deeper affordability levels
  - ✓ **Extent of Decarbonization:** Higher percentage reduction in GHG emissions per Buildings Requirements matrix
  - ✓ **Smaller Unit Size:** SMMF unsubsidized affordable properties of fewer than 50 units
  - ✓ **Location:** In low-income and disadvantaged communities and Rural and Tribal areas

# 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

## FEDERAL REQUIREMENTS OF NOTE

- ✓ **Davis-Bacon and Related Acts** applies to all NCIF-financed construction projects, both multifamily and single family, which requires payment of prevailing wage rates and ongoing monitoring and reporting for compliance.
- ✓ **Build America Buy America** applies to all NCIF-financed public infrastructure projects, which requires that all iron and steel is produced in the US, 55% of the costs of components of manufactured products are produced in the US, and all construction materials are manufactured in the US. Per EPA guidance, public Infrastructure excludes single family private homes, but may include “subsidized” multifamily rental housing, with additional guidance pending.
- ✓ **National Historic Preservation Act** applies to NCIF financing for historic properties including 1) those listed on the National Register of Historic Places, 2) archaeologically sensitive areas, and 3) properties associated with significant historic events.
- ✓ **Uniform Relocation Assistance and Real Property Acquisition Policies Act** applies to acquisitions of property and displacements of individuals and businesses that result from NCIF financing.

# QUESTIONS