



Inflation Reduction Act:

How affordable housing providers and community-based organizations can prepare



4.27.2023

LSC
GREATER KANSAS CITY



Introduce yourself in the chat!
Name, org, location

Speakers



Mark Kudlowitz - *Mark is a Senior Policy Director and advocates for federal policies that support LISC's national priorities, including affordable housing, rural development, community development financial institutions, and sustainable development.*



Quinn Biever - *As a Policy Analyst, Quinn conducts research on industry conditions and assists with the development of policy positions and advocacy materials while also tracking state and federal legislation, and regulatory proceedings. He leads the Affordable Housing/QAP working group for the Midwest Building Decarbonization Coalition and supports the Missouri Energy Efficiency for All Coalition.*



Leslie Zarker - *As National Housing Trust's Director of Sustainability Policy, Leslie works to advance clean energy policies and supports Energy Efficiency for All's (EEFA's) midwestern state coalitions. Leslie has worked to scale energy efficiency and healthy home upgrades in homes for 15 years.*

Agenda

-
- Welcome
 - Overall context and background of IRA
 - Rebate programs (Department of Energy, DOE)
 - Tax credit programs (Internal Revenue Service, IRS)
 - Green and Resilient Retrofit Program (U.S. Housing and Urban Development, HUD)
 - Environmental and Climate Justice Block Grants (U.S. Environmental Protection Agency, EPA)
 - Greenhouse Gas Reduction Fund (U.S. Environmental Protection Agency, EPA)
 - Q&A

Introduce
yourself
in the chat!
Name, org,
location

Welcome!

- Introduce yourself in the chat – name, organization, location
- Target audience:
 - Affordable housing developers/providers
 - Community-based organizations (CBOs)
 - Community development corporations (CDCs)
 - Community Development Financial Institutions (CDFI)
- Type questions in the Q&A
- After: follow-up with updates, share recording and slide deck

Together with residents and partners, LISC forges resilient and inclusive communities of opportunity across America—great places to live, work, visit, do business and raise families.

Our Model

LISC is an investor, partner, capacity builder, and convener.
We are an intermediary.



Pool Public and Private Dollars

We raise funds from philanthropies, corporations and financial firms, federal, state and local governments and through the capital markets.
We also generate income from consulting, and lending services.

Work With Local Partners

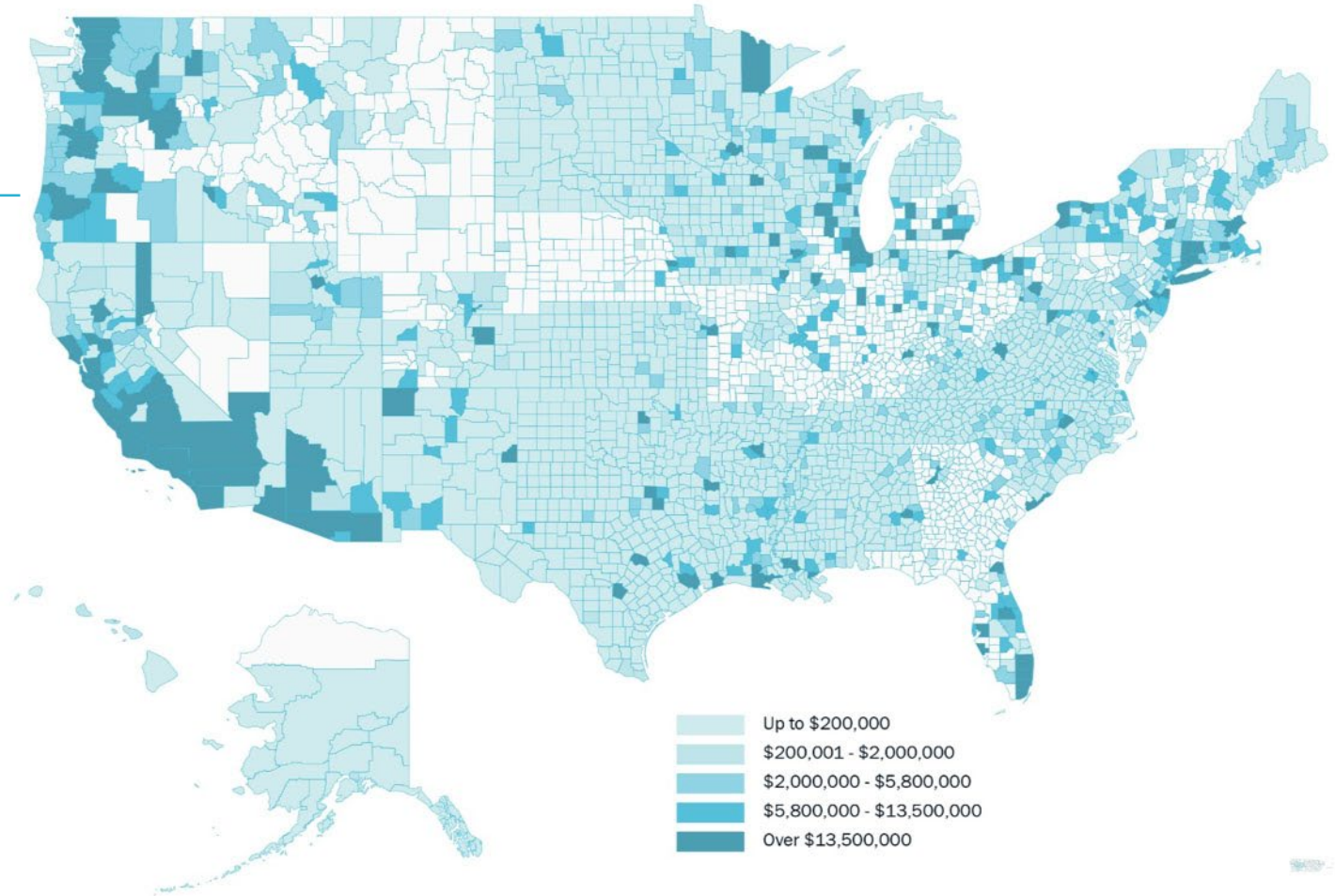
Through a network of local offices and community-based partners across the country, we provide grants, loans, equity and technical assistance.
We also lead advocacy efforts on local, regional and national policy.

Support People and Places

By investing in housing, businesses, jobs, schools, public spaces, safety, youth, health centers, grocery stores and more, we catalyze opportunities in communities nationwide.

We have made investments in every state.

Investments by US county



Our Reach

2,200+ Partners

Our national network includes nonprofits, businesses and government agencies in both rural and metropolitan areas

4 National Affiliates

National Equity Fund

www.nefinc.org

New Markets Support Company

www.newmarkets.org

LISC Strategic Investments

www.liscstrategicinvestments.org

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Atlanta, GA

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Memphis, TN

Milwaukee, WI

Minneapolis/
St. Paul, MN

New York, NY

Newark, NJ

Norfolk, VA

Oakland, CA

Peoria, IL

Philadelphia, PA

Phoenix, AZ

Providence, RI

Richmond, VA

San Antonio, TX

San Diego, CA

Seattle, WA

Toledo, OH

Washington, DC



LLSC POLICY

Overall context and background of Inflation Reduction Act (IRA)



Mark Kudlowitz,
Senior Policy
Director

Inflation Reduction Act

- In August 2022, the \$369 billion Inflation Reduction Act was signed into law.
- These resources are necessary to meet the Biden Administration's goal of cutting U.S. greenhouse gas emissions in half by 2030.
- The IRA programs are structured as rebates, grants, and tax credits.
- The new law provides an opportunity for community-based organizations to further environmental equity and climate justice in underserved communities.

Key IRA Programs

- IRS – Investment Tax Credit
- IRS – Energy Efficient Home Credit - 45L
- IRS – Energy Efficient Home Improvement Credit – 25C
- IRS – Residential Clean Energy Credit – 25D
- IRS – Energy Efficient Commercial Buildings Deduction – 179D
- DOE – HOMES Rebate Program
- DOE – High Efficiency Electric Home Rebate Program
- HUD – Green and Resilient Retrofit Program
- EPA – Environmental and Climate Justice Block Grants
- EPA - Greenhouse Gas Reduction Fund

Inflation Reduction Act and Community-Based Organizations

- Many of the IRA programs include set-asides or bonuses for underserved communities or for affordable housing
- Those that do not, may still be subject to the **Biden Administration's Environmental Justice40 Initiative**, which seeks to direct 40 percent of federal resources to environmental justice communities.
- Community-based organizations are able to access IRA funding:
 - 1) **Directly** - by applying to a federal agency to be a recipient
 - 2) **Indirectly** – by working with and applying to a direct recipient OR by utilizing IRA subsidies in a project you're developing. The majority of IRA opportunities for CBOs are indirect.

Inflation Reduction Act and Community-Based Organizations

- **Direct IRA Funding Opportunities**
 - HUD –Green and Resilient Retrofit Program
 - EPA - Environmental and Climate Justice Block Grants
- **Indirect IRA Funding Opportunities**
 - EPA - Environmental and Climate Justice Block Grants
 - EPA - Greenhouse Gas Reduction Fund
 - IRS - Investment Tax Credit
 - IRS - Energy Efficient Home Credit
 - DOE - HOMES and High Efficiency Electric Home Rebate (HEERHA) Programs



ELEVATE

Equity through
climate action

Rebate programs
(Department of Energy, DOE)

Tax credit programs
(Internal Revenue Service, IRS)



Quinn Biever,
Policy Analyst



ELEVATE

Inflation Reduction Act (IRA) for CBOs

Quinn Bieber

IRA Content

- DoE Rebates: HOMES & HEEHRA
- Contractor Training Grants
- Low Emissions Electricity Program
- Tax Credits (25C&D, 179D and 45L, and ITC)
- Resources

Home Energy Performance-Based, Whole House Retrofits (HOMES rebates)

US DOE, State Energy Offices

- \$4.3 billion, available till expended or 2031.
- Formula funding, must start in 2 years
- Rebates for efficiency retrofits of at least 15%
 - Can include heat pumps and electrification
 - Amount determined by modelled or actual savings.
 - Single family retrofits get up to \$2k or \$4k (Multifamily retrofits up to \$2k or \$4k per unit) depending on level of energy savings
 - 15-20%=per kwh, 20-35%=\$2k, >35%=\$4k
- Contractors serving disadvantaged communities receive \$200 incentive
- Additional \$200M for workforce development



High Efficiency Electric Home Rebate Act (HEEHRA)

US DOE, State
Energy Offices

- \$4.275 B to states + \$225 M to Tribes, till 2031.
- Formula funding: Must start in 2 years
- Rebates:
 - \$8k for heat pumps, \$1.75k for heat pump water heaters
 - \$4k for electrical panel upgrades and \$2.5k for rewiring
 - \$1.6k for insulation, air sealing, and ventilation
 - \$840 for heat pump clothes dryers
 - \$840 for electric and induction stoves
- 100% rebate for <80% AMI, 50% for 80-150% AMI
 - Refunds are point of sale! (no money up front for 100% rebates)
- \$500 for NGO and governments doing retrofits
- \$500 incentive for contractors

Update: HOMES & HEEHRA Rebates

Timeline for Program Implementation

HUD's Green and Resilient Retrofit Program



DOE's Rebates Programs



EPA's Greenhouse Gas Reduction Fund



Treasury's Bonus Affordable Housing Solar (ITC)




- [Application for early administration funds](#) opened **March 23rd** and remains open until programmatic funding application opens (likely this summer)



State-based Home Energy Efficiency Contractor Training Grants

- \$200 Million, till expended or 2031.
- US DOE, State Energy Offices
- Financial assistance to states to develop and implement specific workforce programs
- Funds contractor education related to the HOMES and HEEHRA rebates or State Energy Program implementation



Low Emissions Electricity Program

US EPA

- \$87 Million (total), till expended or 2031.
- Includes \$17 million for “education, technical assistance, and partnerships within low-income and disadvantaged communities with respect to reductions in greenhouse gas emissions that result from domestic electricity generation and use.”
- “Includes \$5 million to enhance standardization and transparency of corporate climate action commitments and plans to reduce greenhouse gas emissions...meeting such commitments and implementing such plans”

Update: Low Emissions Electricity Program

US EPA

- Request for Information docket was opened in November 2022 and closed in January of 2023
 - <https://www.regulations.gov/docket/EPA-HQ-OAR-2022-0878>
- Further guidance expected



Other Provisions of Interest

- Tribal Energy Loans Guarantees
 - \$75 M, available until 2028, US DOE
- Defense Production Act Implementation
 - \$500 M, available until 2024, US DOE
 - For US production of heat pumps + solar parts
- Rural Renewable Energy Loans
 - \$1 B, available until 2031, USDA
 - Expands existing loans to coops to include storage
- Rural Electric Cooperative Loans
 - \$9.7B, available until 2031, USDA
 - Loans to coops for renewables, CCS, grid efficiency

Tax Credits

(TCs = 75% of IRA's
\$400 billion)

- Energy Efficient Home Improvement Tax Credit (25C)
- Residential Clean Energy Tax Credit (25D)
- Energy Efficient Commercial Buildings (179D)
- New Energy Efficient Home Tax Credit (45L)
- Bonus Affordable Housing Solar (ITC/PTC)
- And many more

Residential Energy Efficiency Tax Credit (25C)

- Extended from this year through 2031
- For existing homes covering equipment purchase and installation costs
- Residential efficiency and electrification upgrades can receive 30% tax credit
- Annual \$500 limit increased to \$3,200
 - Energy Assessment- \$150
 - Electric Panels- \$600
 - Weatherization- \$1200
 - Heat Pump/Heat Pump Water Heater \$2000
 - Labor costs are sometimes eligible

Residential Clean Energy Tax Credit (25D)

- For existing homes and new construction
- Investment Tax Credit for small residential renewable energy projects
- Credit amount depends on project commencement:
 - Until 2032 (30%)
 - 2033 (26%)
 - 2034 (22%)
- Solar hot water heaters, wind turbines, solar, ground source heat pumps, battery storage, and sometimes labor

Resource: Energy Solutions' Chart

25C&D



Section	Type	Item	Threshold	Coverage	Homeowner	Renter	Primary Residence	Secondary Residence	Existing Building	New Build	Carry Forward	
25C	Efficiency Improvements	Exterior door	ENERGY STAR®, expected life of ≥ 5yr	30% ≤ \$500 for all, ≤ \$250ea	≤ \$1,200 total	•		•	•			
		Exterior window / skylight	ENERGY STAR®, expected life of ≥ 5yr	30% ≤ \$600 for all		•		•	•			
		Insulation / Air Sealing	Latest IECC in effect 2yr before date of service, expected life of ≥ 5yr	30%		•		•	•			
	Audits	Energy Audit	Qualified auditor, report requirements	30% ≤ \$150		•	•	•	•			
	Energy Property	Heat Pump	CEE highest tier (not including advanced)	30%	≤ \$2,000 total	•	•	•	•	•		
		HPWH	CEE highest tier (not including advanced)	30%		•	•	•	•	•		
		Load center	≥ 200 amps, installed according to National Electric Code and is needed for a qualifying upgrade	30% ≤ \$600		•	•	•	•	•		
		Labor Costs	Onsite preparation, assembly, or original installation	30%		•	•	•	•	•		
25D	Solar HW	Certified by Solar Rating Certification Corp or comparable entity. Powered ≥ 50% by sun		30% initially, then 26%, then 22%	•	•	•	•	•	•	•	
	Solar Electric				•	•	•	•	•	•	•	
	Wind				•	•	•	•	•	•	•	
	Geo HP	ENERGY STAR®			•	•	•	•	•	•	•	
	Battery Storage	≥ 3kWh			•	•	•	•	•	•	•	
	Fuel Cell		≤ \$500 per .5kW		•	•	•	•	•	•	•	
	Labor Costs	Onsite preparation, assembly, or original installation of the qualified property and for piping or wiring to interconnect the qualifying property			•	•	•	•	•	•	•	

Not exhaustive and is subject to revision based on Treasury guidance or other correction. Please consult a tax professional.

Erin Kempster, Energy Solutions



Energy Efficient Commercial Buildings (179D)

- Based on CA Title 24 (2005), made permanent in 2020, enhanced by IRA
- Modifies formula used to calculate EE deduction for buildings 4+ stories
- Previously only NC, now allows existing buildings
- Credit towards energy efficiency investments in lighting, building envelope, and building systems (HVAC)
- LIHTC eligible basis reduced by 179D deduction (unlike 45L and ITC)
- Increases deduction from \$1.88/SF to \$2.50/SF, and potentially up to \$5 depending on labor
- More info on IRS and DOE websites


New Energy Efficient Home Credit (45L)

- IRA extends and enhances this credit for 10 years (and retroactively extends through 2022)
- Does not reduce LIHTC basis and includes single family and multifamily (with 3 or fewer stories)
- Improves energy standards, increases eligibility, and credit amounts based on prevailing wages
- For new construction and major renovation
- More info on DoE and EPA websites

Amount of Tax Credits Based on Energy Performance, Prevailing Wage

	MEETS PREVAILING WAGE?	
	Yes	No
ENERGY STAR New Construction	\$2,500 per unit	\$500 per unit
DOE's Zero Energy Ready Homes	\$5,000 per unit	\$1,000 per unit

Source: Novogradac



Treasury's Bonus Affordable Housing Solar ITC

- Two tax credits available for businesses, nonprofits, local governments:
 - Investment Tax Credit (ITC)- reduces federal income tax liability for a percentage of the cost of the solar system installed
 - Production Tax Credit (PTC)- a per kilowatt-hour tax credit for electricity generated by solar and other qualifying tech during first 10 years of operation
- Generally, can't claim both, but may claim each for co-located systems (e.g., solar + storage)
- New and some previously used equipment is eligible
 - Installation and indirect costs also included
- Tax exempt entities can claim credit as a direct payment
- Credit amounts phase out after 2033

Resource: DOE's ITC/PTC Chart

Summary of Investment Tax Credit (ITC) and Production Tax Credit (PTC) Values Over Time

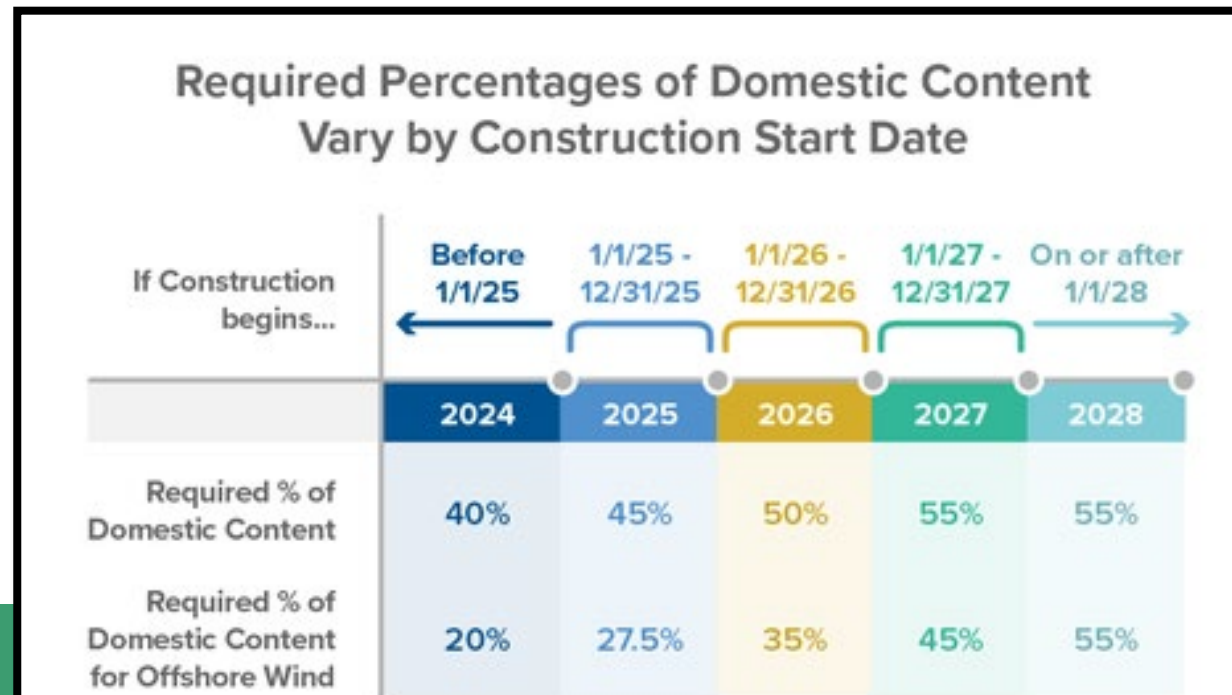
			Start of Construction						
			2006 to 2019	2020 to 2021	2022	2023 to 2033	The later of 2034 (or two years after applicable year ^a)	The later of 2035 (or three years after applicable year ^a)	The later of 2036 (or four years after applicable year ^a)
ITC	Full rate (if project meets labor requirements ^b)	Base Credit	30%	26%	30%	30%	22.5%	15%	0%
		Domestic Content Bonus				10%	7.5%	5%	0%
		Energy Community Bonus				10%	7.5%	5%	0%
	Base rate (if project does not meet labor requirements ^b)	Base Credit	30%	26%	6%	6%	4.5%	3%	0%
		Domestic Content Bonus				2%	1.5%	1%	0%
		Energy Community Bonus				2%	1.5%	1%	0%
	Low-income bonus (1.8 GW/yr cap)	<5 MW projects in LMI communities or Indian land				10%	10%	10%	10%
		Qualified low-income residential building project / Qualified low-income economic benefit project				20%	20%	20%	20%
	PTC for 10 years (\$2022)	Full rate (if project meets labor requirements ^b)	Base Credit			2.75 ¢	2.75 ¢	2.0 ¢	1.3 ¢
Domestic Content Bonus						0.3 ¢	0.2 ¢	0.1 ¢	0.0 ¢
Energy Community Bonus						0.3 ¢	0.2 ¢	0.1 ¢	0.0 ¢
Base rate (if project does not meet labor requirements ^b)		Base Credit			0.55 ¢	0.55 ¢	0.4 ¢	0.3 ¢	0.0 ¢
		Domestic Content Bonus				0.1 ¢	0.0 ¢	0.0 ¢	0.0 ¢
		Energy Community Bonus				0.1 ¢	0.0 ¢	0.1 ¢	0.0 ¢

^a "Applicable year" is defined as the later of (i) 2032 or (ii) the year the Treasury Secretary determines that there has been a 25% or more reduction in annual greenhouse gas emissions from the production of electricity in the United States as compared to the calendar year 2022.

^b "Labor requirements" entail certain prevailing wage and apprenticeship conditions being met.

Treasury's Bonus Affordable Housing Solar ITC

- Modifies Sect. 48 of the IRC to extend and expand the ITC
- Retroactively re-establishes ITC to 30% for facilities that began in 2022 until 2032
- No longer reduces LIHTC eligible basis



Source: Novogradac

ITC Timeline

Timeline for Program Implementation

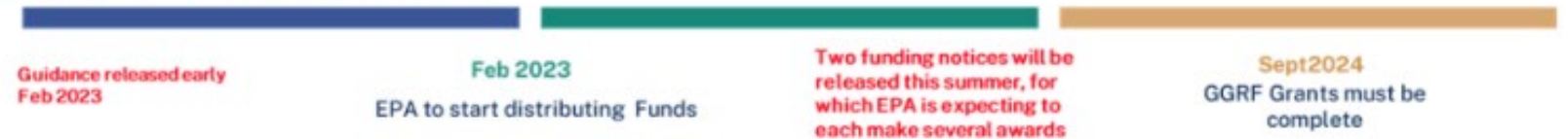
HUD's Green and Resilient Retrofit Program



DOE's Rebates Programs



EPA's Greenhouse Gas Reduction Fund

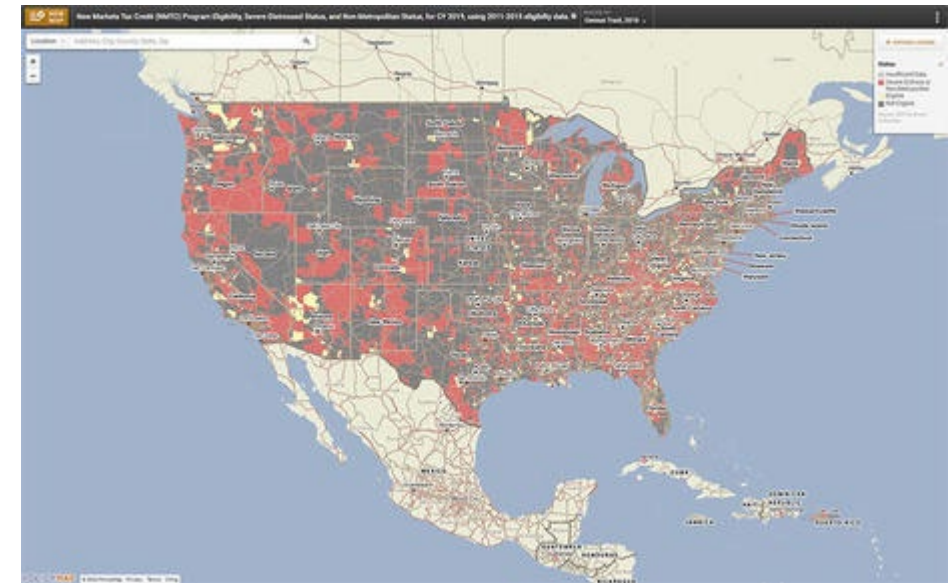


Treasury's Bonus Affordable Housing Solar (ITC)



Treasury's Bonus Affordable Housing Solar (ITC)

- Bonus is available for low-income and affordable housing if qualifications are met
 - 20% requirements: MF financed by LIHTC or other federal funding
 - 10% requirements: eligible census tracts for the new markets tax credit or Indian areas (def. by IRC)
- Resource: Novogradac Mapping Tool, for new markets and stacking



Tax Credit Guidance for Tax- Exempt Orgs

- Federal Labor Standards (>1 MW)
 - Projects generating 1 megawatt or more (AC net output) must pay prevailing wages and meet apprenticeship requirements to earn full base credit amount of 30% of the costs of the energy property, otherwise credit is reduced to 6%
- Direct Payment Election for Refund
 - Tax-exempt entities can elect to claim a refund from the IRS for 100% of the amount of the credit.
- Bonus Credit Percentage
 - Bonus credits of 10% are available for projects in an energy community or meet domestic content requirements, and 10-20% for solar/wind projects on affordable housing or in low-income areas
- Recapture Liability
 - Energy credits claimed are still subject to rules for recapture if out of compliance with regulations during the compliance period (usually 5 yrs.)
- Tax-Exempt Financing Reduction
 - Set. 48 energy credit is reduced to the extent the project is financed with tax-exempt bonds , up to a maximum of 15%

Financial tool: Rewiring America's IRA Savings Calculator



English Español

YOUR SAVINGS CALCULATOR

How much money can you get with the Inflation Reduction Act?

Enter your household information to find out.

[Reset calculator](#)

Zip Code ⓘ

90210

Homeowners Status ⓘ

Homeowner

Household Income ⓘ

\$65,000

Tax Filing ⓘ

Single

Household Size ⓘ

1 person

Calculate! ⌵

Frequently Asked Questions



Resource: Homeowners Guide to the Federal Tax Credit for Solar PV (DoE)

The screenshot shows the Energy.gov website header with the logo and navigation menu. The main content area features a green background with the title "Homeowner's Guide to the Federal Tax Credit for Solar Photovoltaics" and the "Solar Energy Technologies Office" logo. Below the title, there is a breadcrumb trail, a date update notice, a link to a Spanish version, and a disclaimer.

ENERGY.GOV Newsroom Leadership Energy.gov Offices National Labs Search Energy.gov

Office of ENERGY EFFICIENCY & RENEWABLE ENERGY ABOUT EERE RESOURCES ENERGY EFFICIENCY RENEWABLE ENERGY SUSTAINABLE TRANSPORTATION

SOLAR ENERGY TECHNOLOGIES OFFICE

Homeowner's Guide to the Federal Tax Credit for Solar Photovoltaics

Solar Energy Technologies Office

Solar Energy Technologies Office » Solar Energy Resources » Solar Energy for Consumers »
Homeowner's Guide to the Federal Tax Credit for Solar Photovoltaics

This webpage was updated March 2023.

[View this webpage in Spanish. Vea esta página web en Español.](#)

Disclaimer: This guide provides an overview of the federal investment tax credit for residential solar photovoltaics (PV). (See the [Federal Solar Tax Credits for Businesses](#) for information for businesses). It does not constitute professional tax advice or other professional financial guidance and may change based on additional guidance from the [Treasury Department](#). Please see their [published Fact Sheet](#) for additional information. The below guide should not be used as the only source of information when making purchasing decisions, investment decisions, tax decisions, or when executing other binding agreements.

Resource: NHT IRA Bootcamps (HFA or MF/AH track)



IRA Bootcamp for Multifamily Affordable Housing Providers

Solar array on Channel Square apartments, Washington DC

HFAs

[REGISTER](#)

- Approximately 10-12 virtual sessions will be offered during the 8-month program (May-December 2023). All sessions will be recorded and available for on-demand viewing for program participants. Sessions will include an array of external presenters including subject-matter experts and federal agency representatives.
- Optional in-person gathering in tandem with the NCSHA conferences.
- Opportunities to learn from HFA peers and affordable housing providers.

Multifamily Affordable Housing Providers

[APPLY NOW](#)

- Approximately 10-12 virtual sessions will be offered during the course of the 8-month program (May-December 2023). All sessions will be recorded and available for on-demand viewing for program participants.
- Customized assessment of each participant's housing portfolio for opportunities for investments that are best suited to access IRA funds.
- Optional in-person gathering in tandem with already-planned national or regional events (TBD)

Resource: IRS' Tax Credit Fact Sheet and FAQ



Fact Sheet

Internal Revenue Service
Media Relations Office
Washington, D.C.

Media Contact: 202.317.4000
Public Contact: 800.829.1040
www.irs.gov/newsroom

Frequently asked questions about energy efficient home improvements and residential clean energy property credits

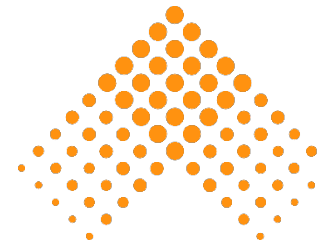
FS-2022-40, December 2022

This Fact Sheet issues frequently asked questions about energy efficient home improvements and residential clean energy property credits.

These FAQs are being issued to provide general information to taxpayers and tax professionals as expeditiously as possible. Accordingly, these FAQs may not address any particular taxpayer's specific facts and circumstances, and they may be updated or modified upon further review. Because these FAQs have not been published in the Internal Revenue Bulletin, they will not be relied on or used by the IRS to resolve a case. Similarly, if an FAQ turns out to be an inaccurate statement of the law as applied to a particular taxpayer's case, the law will control the taxpayer's tax liability. Nonetheless, a taxpayer who reasonably and in good faith relies on these FAQs will not be subject to a penalty that provides a reasonable cause standard for relief, including a negligence penalty or other accuracy-related penalty, to the extent that reliance results in an underpayment of tax. Any later updates or modifications to these FAQs will be dated to enable taxpayers to confirm the date on which any changes to the FAQs were made. Additionally, prior versions of these FAQs will be maintained on IRS.gov to ensure that taxpayers, who may have relied on a prior version, can locate that

Contact information

- Quinn Biever
- Policy Analyst
- QuinnBiever@ElevateNP.org
- (312)883-6062



ELEVATE

-  ElevateNP.org
-  info@ElevateNP.org
-  @ElevateNPOrg
-  @ElevateNPO
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**NATIONAL
HOUSING
TRUST**

Green and Resilient Retrofit Program
(U.S. Housing and Urban Dev., HUD)

Environmental & Climate Justice Block Grants
(U.S. Environmental Protection Agency, EPA)

Leslie Zarker,
Director of
Sustainability
Policy





NHT'S APPROACH

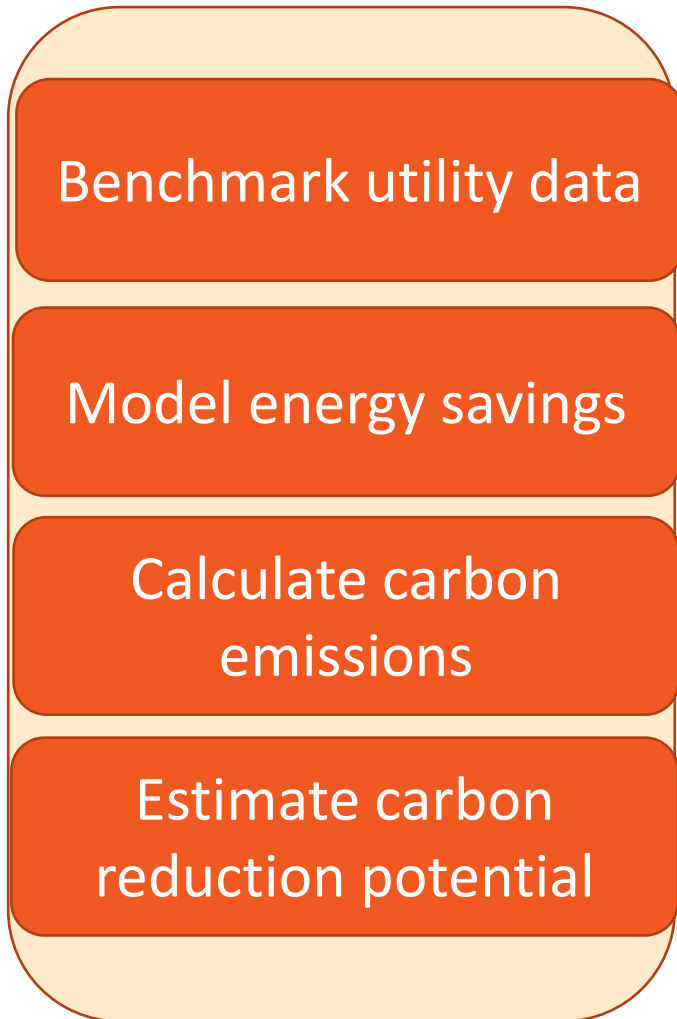
NHT equips communities for a sustainable, equitable future by preserving and modernizing existing homes—and building new ones that stand the test of time. We want everyone—everywhere—to be proud of where they live.

HUD Green and Resilient Retrofit Program (GRRP)

- **Eligible Recipients:** HUD-subsidized Section 202, 811, Project-based Section 8, and Section 236 properties (agree to extended affordability)
- **Eligible Uses:**
 - Energy or water efficiency, indoor air quality or sustainability
 - Low-carbon emission technologies or processes, including zero-emission electricity generation, energy storage or building electrification
 - Climate resilience
 - Energy and water benchmarking
- **Funding Amounts and Purposes:** **\$1B appropriations through September 30, 2028**, including:
 - \$837.5M for the cost of providing grants and direct loans, including to subsidize up to \$4B in direct loans
 - \$60M to support HUD administrative activities
 - \$60M for contracts and cooperative agreements
 - \$42.5M to benchmark energy and water use for eligible properties



Prep for the IRA: Know your energy and carbon performance



Resources:

- HUD's [Multifamily Utility Benchmarking Toolkit](#)
- Hire [BPI/RESNET](#) assessor to model energy saving potential
- SAHF's [Multifamily Portfolio Carbon Emissions Calculator](#)
- SAHF's GHG Reduction Roadmap (pilot stage)

Prep for the IRA: Advocate!

- **Join state/local community advocacy groups**
 - MO Energy Efficiency Advisory Collaborative Low-Income Working Group
Contact: Dana Grey, Tower Grove CDC, info@danagray.com
- **Contact and build relationships with staff at State Energy Offices (SEOs)**
 - MO Division of Energy
- **Ask your SEO to take advantage of DOE's early administrative support funds:**
 - community outreach, coordination across programs, internal capacity building

Advocacy to State Energy Offices for DOE Rebates

Create 20% set aside for low-income multifamily buildings

Provide one-stop shop TA to affordable MF housing providers

Streamline income eligibility requirements

Provide up-front pre-development funds

Require affordability



EPA's Environmental and Climate Justice Block Grants

Purpose: Carry out environmental justice activities that benefit disadvantaged communities

Funding amount: **\$3B** including **\$2.8B** for financial assistance and **\$200M** for technical assistance, awarded by September 30, 2026

- **Eligible Entities:** Community-Based Organization (CBO nonprofit); OR a partnership between a CBO and local government, Indian tribe or higher education institution; OR a partnership of CBOs.
- **Eligible Uses of \$2.8B:**
 - Community-led air pollution monitoring, prevention, and remediation
 - Low carbon emission technologies, related infrastructure and workforce development
 - Mitigating climate and health risks from urban heat islands, extreme heat and wildfires
 - Climate resiliency and adaptation
 - Reducing indoor air pollution
 - Facilitating engagement of disadvantaged communities in State/ Federal advisory groups, other public processes

What is a CBO?

- Public or private nonprofit organization
- Supports a community through engagement, education, or other related services
- A “community” is a:
 - geographic area and/or
 - is characterized by the relationships among members - part of a broader community where CBOs focus on the needs of members, e.g. affordable housing residents, displaced workers, children with asthma

NOT a CBO:

- Colleges and universities
- Hospitals
- For profit companies





Defining disadvantaged community

Tools to identify and demonstrate communities' burdens:

- [Climate and Economic Justice Screening Tool \(CEJST\)](#) identifies communities underserved and overburdened by pollution, climate change, energy, health, etc, by U.S. Census tract
- [EJ Screen](#) Environmental justice mapping and screening tool that combines environmental and socioeconomic data to characterize a community, by U.S. Census tract

IRA Bootcamp for Multifamily Affordable Housing Providers

NHT's Bootcamp Approach & Focus

- Build capacity of small and medium-sized AH owners, developers, and asset managers to successfully utilize opportunities available through the IRA
 - DOE's Home Energy Rebate programs
 - HUD's Green and Resilient Retrofit Program
 - EPA's Greenhouse Gas Reduction Fund
- 10-12 virtual sessions offered during course of 8-month program
- Overview of electrification/decarbonization interventions in affordable housing
- Overview of climate resilience and renewable energy interventions in affordable housing
- HUD's new energy benchmarking program

Free due to generous support of Wells Fargo Foundation

Individual Portfolio Screening includes:

- Assess portfolio potential for energy efficiency, electrification, solar and climate resilience.
- State/municipality policy screening.
- Financial analysis of options and business models.
- Project implementation recommendations.



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Leslie Zarker, Director of Sustainability Policy

lzarker@nhtinc.org

www.nationalhousingtrust.org



LLSC POLICY

Greenhouse Gas Reduction Fund
(U.S. Environmental Protection Agency, EPA)



Greenhouse Gas Reduction Fund (EPA)

- [Greenhouse Gas Reduction Fund is a \\$27 billion overall program](#), split into 3 sub-programs:
 - **National Clean Investment Fund (\$14 billion)** - will fund 2–3 national nonprofits that will partner with private capital providers to deliver financing at scale to businesses, communities, community lenders, and others.
 - **Clean Communities Investment Accelerator (\$6 billion)** - will fund 2–7 hub nonprofits with the plans and capabilities to rapidly build the clean financing capacity of specific networks of public, quasi-public and non-profit community lenders—such as community development financial institutions (including Native CDFIs), credit unions, green banks, housing finance agencies, minority depository institutions, and others—to ensure that households, small businesses, schools, and community institutions in low-income and disadvantaged communities have access to financing for cost-saving and pollution-reducing clean technology projects.

Greenhouse Gas Reduction Fund (EPA)

- **Greenhouse Gas Reduction Fund** is a \$27 billion overall program, split into three sub-programs:
 - **Solar for All (\$7 billion)** – will provide up to 60 grants to states, Tribal governments, municipalities, and nonprofits to expand the number of low-income and disadvantaged communities that are primed for investment in residential and community solar.

Greenhouse Gas Reduction Fund (EPA)

- **Greenhouse Gas Reduction Fund objectives:**
 - **Reduce emissions of greenhouse gases and other air pollutants.** In each competition, EPA will require grantees to invest in projects, activities, and technologies that reduce emissions of greenhouse gases and other toxic air pollutants that harm communities and contribute to climate change.
 - **Deliver benefits of greenhouse gas- and air pollution-reducing projects to American communities, particularly low-income and disadvantaged communities.** Each GGRF competition will align with the President's Justice40 Initiative, ensuring that 40% of the overall benefits from the program flow to disadvantaged communities.
 - **Mobilize financing and private capital to stimulate additional deployment of greenhouse gas- and air pollution-reducing projects.**

Greenhouse Gas Reduction Fund (EPA)

- **National Community Investment Fund (\$14 billion)**
 - **Number of Awards:** 2–3
 - **Types of Applicants:** Applicants must be “eligible recipients,” submitting applications either as individuals or as lead applicants in coalitions; applicants are permitted to participate in multiple applications within this competition as well as across GGRF competitions.
 - **Application Components:** Applicants will each submit a program plan, which articulates the applicant’s plan to use grant funds to advance GGRF program objectives, and an organizational plan, which describes the applicant’s organizational capacity to execute that plan.
 - **Grant Activities:** Grantees will provide financial products and supporting predevelopment expenditures to qualified projects
 - **Types of Projects:** Grantees will support deployment of qualified projects.
 - **Justice40:** Grantees will be expected to ensure that, in line with the Justice40 Initiative, 40% of benefits from this competition flow to disadvantaged communities.

Greenhouse Gas Reduction Fund (EPA)

- **Clean Communities Investment Accelerator (\$6 billion)**
 - **Targeting:** Must all be expended in low-income and disadvantaged communities.
 - **Number of Awards:** 2–7
 - **Types of Applicants:** Applicants must be “eligible recipients,” submitting applications either as individuals or as lead applicants in coalitions; applicants are permitted to participate in multiple applications within this competition, as well as across GGRF competitions.
 - **Application Components:** Applicants will each submit a program plan, which articulates the applicant’s plan to use grant funds to advance GGRF program objectives, and a description of programmatic capabilities, which describes the applicant’s capabilities to execute that plan.
 - **Grant Activities:** Grantees will provide capitalization funding (no more than \$5 million per community lender), technical assistance subawards (no more than \$625,000 per community lender), and technical assistance services to community lenders, with at least 95% of grant funds passing through directly to community lenders.

Greenhouse Gas Reduction Fund (EPA)

- **Clean Communities Investment Accelerator (\$6 billion)**
 - **Types of Projects:** Grantees will support community lenders, which in turn support deployment of qualified projects within three broad categories: distributed power generation and storage; decarbonization retrofits of existing buildings; and transportation pollution reduction.
 - **Justice40:** Grantees will be expected to ensure that, in line with the Justice40 Initiative, 40% of benefits from this competition flow to disadvantaged communities.

Greenhouse Gas Reduction Fund (EPA)

Qualified Projects (National Community Investment Fund)

- i. Deployment of the proposed project, activity, or technology will reduce greenhouse gas emissions and will reduce emissions of other air pollutants. Specific portfolio-wide emissions targets may be set in the NOFO, and plans that equitably achieve the deepest emissions targets may be prioritized.
- ii. Deployment of the proposed project, technology, or activity will deliver benefits to American communities by alleviating two or more of the following categories of burdens: climate change, energy, health, housing, legacy pollution, transportation, water and wastewater, and workforce development.
- iii. Investment of awarded funds in the proposed project, technology, or activity will finance deployment of a project, activity, or technology that may not have otherwise been financed. EPA expects this to involve substantially better-than-market interest rates passing through to borrowers.
- iv. Investment of awarded funds in the proposed project, technology, or activity will spur private sector investment.
- v. The proposed project, technology, or activity is already commercially available.

Greenhouse Gas Reduction Fund (EPA)

Priority Projects (National Community Investment Fund & Clean Communities Investment Accelerator)

Priority Project Categories: EPA has identified three priority project categories that are particularly impactful to achieving the GGRF program objectives and the near-term climate goals of the United States.

1. Distributed Power Generation and Storage: Projects, technologies, or activities that generate and/or store zero-emissions power near to the point of use, instead of in centralized plants.
 - Examples include distributed solar, distributed wind, geothermal, stand-alone energy storage, and community-wide microgrids.
2. Decarbonization Retrofits of Existing Buildings: Projects, technologies or activities that retrofit an existing building to reduce or eliminate greenhouse gas emissions and air pollution, with that project, technology, or activity consistent with the targets and strategies of *net-zero emissions buildings*.
 - Examples include grid-interactive appliance electrification in affordable multifamily housing alongside energy efficiency, indoor air quality improvements, and solar; school building space and water heating grid-interactive electrification and energy efficiency; replacement of backup diesel generators with battery storage, including paired with distributed power generation; and community facility retrofits with on-site solar, storage, and charging infrastructure.
3. Transportation Pollution Reduction: Projects, technologies, or activities that support *zero-emissions transportation modes*, especially in communities that are overburdened by existing diesel pollution, particulate matter concentration, and degraded air quality.
 - Examples include small business fleet electrification as well as public and multi-use charging depots (including for clean school buses and community facilities).

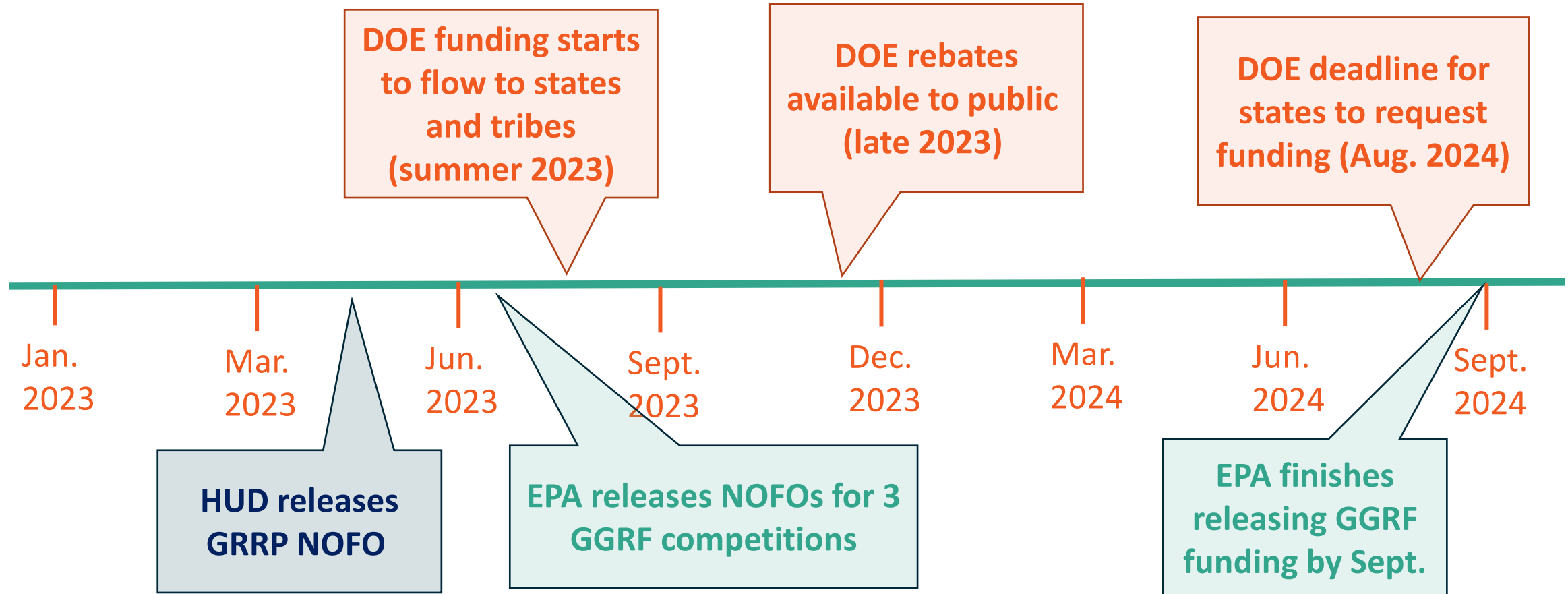
Greenhouse Gas Reduction Fund (EPA)

Community Based Organization Funding Opportunities

- The National Community Investment Fund and Clean Communities Investment Accelerator are designed to support nonprofit community lender collaborations. Local nonprofits can access resources directly by applying to be a subrecipient under an awardee of the Clean Communities Investment Accelerator program.
- Community-based lenders may also be able to apply as partner under the National Community Investment Fund.



Key Implementation Dates





Questions?



Contact

Amanda Wilson
Senior Program Officer
LISC Greater Kansas City
816-788-6989
awilson@lisc.org

Mark Kudlowitz
Senior Director for Policy
LISC
mkudlowitz@lisc.org

Quinn Biever
Policy Analyst
Elevate
QuinnBiever@ElevateNP.org
(312)883-6062

Leslie Zarker
Director of Sustainability
Policy
National Housing Trust
lzarker@nhtinc.org