

Funding Greener Multifamily Affordable Housing

NH&RA

Key Incentives for MFAH

Treasury

45 L Tax Credit
Up to \$5,000/unit

179D Tax Deduction
up to \$5/sq. ft.

30% ITC
EV Charging Stations

30% ITC + BONUS
Solar and Storage

DOE through SEOs Home Rebates

Electrification Rebate
(HEEHR): \$4.5B
— Up to \$14K/unit for
MFAH

**Performance- Based,
Whole Home Rebates**
(HOMES): \$4.3B
~ Up to \$8K/unit for
MFAH

EPA

GGRF (\$14B)
2-3 NPO (Intermediary)

GGRF (\$6B)
2-7 NPO (Intermediary)

DOE (BIL)

WAP
3.2B + \$1.6B

EPA

Solar for All (\$7B)
NPO/CBO, Govt.

**Climate Pollution
Reduction Grants (\$5B)**
State & local govts

**EJ Community Block
Grants (\$3B)**
CBOs

ITC - Solar and Energy Storage

MFAH qualifies

- Braid with LIHTC
- Transferrable Credits

Projects Under 1MWac*	2023 -2033
Base Tax Credit (guaranteed)	30%
Domestic Content Bonus	10%
Energy Community Bonus	10%
Low Income Residential Building + Low Income Economic Benefit Project **	20%

* *Projects over 1 MWac – Prevailing Wage and Apprenticeship req'ts.*

** Have a Cap/Year



Case for \$1M Solar / BESS



	9% LIHTC	4% LIHTC	No LIHTC
Tax Credit Equity	\$810,000	\$360,000	\$0
30% ITC	\$270,000	\$270,000	\$270,000
MACRS Depreciation	\$52,500	\$52,500	\$52,500
Supportable Debt	\$856,187	\$856,187	\$856,187
	\$1,988,687	\$1,538,687	\$1,178,687

	9% LIHTC	4% LIHTC	No LIHTC
Tax Credit Equity	\$810,000	\$360,000	\$0
30% ITC + 20% LI Bonus	\$450,000	\$450,000	\$450,000
MACRS Depreciation	\$52,500	\$52,500	\$52,500
Supportable Debt	\$428,094	\$428,094	\$428,094
	\$1,740,594	\$1,290,594	\$930,594

* Tax Exempt Bonds may trigger a reduction in Tax Basis

Case for \$1M Solar / BESS

\$2,500	Installed Cost of Solar/kW
3	kW/Apartment
\$7,500	Cost of Solar/Apt.
133	# of Apartments

\$0.12	Utility Cost (\$/kWh)
4,000	Solar Production (kWh/year)
\$480	Utility Savings/Unit/Year

Annual Savings	\$64,000
DSCR	1.15
Available for DS	\$55,652
Debt Constant	6.50%
Supportable debt	\$856,187

100 Units - HPB New Construction

	9% LIHTC	4% LIHTC	No LIHTC
Tax Credit Equity	\$810,000	\$360,000	\$0
45L @\$5K/unit	\$450,000	\$450,000	\$450,000
IRA Grants + Utility Rebates	\$1,000,000	\$1,000,000	\$1,000,000
Supportable Debt	\$802,676	\$802,676	\$802,676
	\$3,062,676	\$2,612,676	\$2,252,676

Total Units	100
Savings/Unit/Year	\$600
Annual Savings	\$60,000
DSCR	1.15
Available for DS	\$52,174
Debt Constant	6.50%
Supportable debt	\$802,676

\$50/month

* Tax Exempt Bonds may trigger a reduction in Tax Basis



100 Units - EE Retrofit Upgrades



	9% LIHTC	4% LIHTC	No LIHTC
Tax Credit Equity	\$810,000	\$360,000	\$0
179D @\$2.50/sq ft.	\$225,000	\$225,000	\$225,000
WAP and Utility Rebates	\$1,000,000	\$1,000,000	\$1,000,000
<i>IRA Grant Program</i>	\$1,000,000	\$1,000,000	\$1,000,000
Supportable Debt	\$802,676	\$802,676	\$802,676
	\$3,837,676	\$3,387,676	\$3,027,676

Total Units	100
Savings/Unit/Year	\$600
Annual Savings	\$60,000
DSCR	1.15
Available for DS	\$52,174
Debt Constant	6.50%
Supportable debt	\$802,676

\$50/month

* Tax Exempt Bonds may trigger a reduction in Tax Basis

Case Study - Ellison Apartments

- Mid-Rise (7 story) Apartments in Kansas City
- 68 Total w/ 60 Affordable Units (Rent Restricted)
- Year Built -1926 / Avg Unit Size 913 SF
- Individually Metered
- 4% LIHTC rehab with **\$400,000 gap**
- **EERE upgrades → reduce UA → increase rent**
- **Small roof footprint for solar PV**
 - ✓ **50kW solar that supports ~\$100K additional debt**
- **EE upgrades – focused on heat pump HVAC and DHW installs**
 - ✓ **\$36,000 in energy cost savings that supports ~\$480K additional debt**



Summary



- Justice40 has arrived!
 - ✓ Serving LMI population → **MFAH is a target for funding**
 - ✓ BIL and IRA offer opportunities to **braid various funding sources** from tax credits to rebates to subsidy programs
- ➔ Existing Subsidy programs can do more with their budget!
- ➔ Fill the Funding GAP!
- ➔ Ability to meet decarbonization requirements with little owner financing
- ➔ Preserve affordable housing w/o depending on LIHTC or other existing subsidies



ICAST



- 21-year-old 501C3 national nonprofit
 - **Greening of MFAH**
 - ✓ Retrofits - One-Stop-Shop
 - ✓ New Construction – Consulting* (All-electric, HPB)
 - **Services**
 - ✓ EE, Solar, EV, BESS, EMS, Water Conservation & Healthy Bldgs.
 - ✓ Financing (CDFI – TBL Fund)
 - **MF customers served nationally**
 - ✓ National/Regional Portfolio Accounts
 - ✓ WAP & DSM Implementer
- ➔ **MFAH Customers for Turn-key Retrofit Execution**



Thank You!

Questions?

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