

NEW STRATEGIES FOR SOLAR INVESTMENT ON AFFORDABLE HOUSING

PRESENTATION PREPARED FOR NH&RA ANNUAL MEETING



WHO WE ARE

- Housing and Energy Finance People
- Co-developers of energy projects on top of affordable housing
- Experts at applying for and securing energy incentives for housing deals



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SOLAR INVESTMENT STRATEGIES

- DOUBLE-DIPPING WITH LIHTC AND SOLAR INVESTMENT TAX CREDITS
- SWITCHING FROM RESIDENT TO OWNER-PAID UTILITIES AND POWERING THE ENTIRE PROPERTY W SOLAR
- FINANCING SOLAR ACROSS MULTIPLE OPERATING ASSETS AT ONE TIME, FOCUSING ONLY ON THOSE ASSETS THAT GET THE LMI TAX CREDIT BONUS

DOUBLE-DIPPING WITH LIHTC AND SOLAR ITC

- DURING A LIHTC FINANCING OR RE-SYNDICATION
- BEFORE THE IRA YOU HAD TO TAKE SOLAR ITC CREDITS OUT OF LIHTC BASIS
- YOU CAN NOW FINANCE 100% OF THE COST OF SOLAR WITH TAX CREDITS
- MOVING INTO SOME STATES THAT WERE PREVIOUSLY UNABLE TO WORK IN

ATHENS FLATS (ATHENS, GEORGIA)



BIRGE & HELD

Solar Cost	(250,000)
Federal Solar Tax Credit w (50% Bonus)	120,000
LIHTC Credits (inside DDA)	160,000
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	30,000

Annual Savings	11,000
Net Cash Flow	580,000



SWITCHING FROM RESIDENT TO OWNER-PAID UTILITIES

- DURING A LIHTC FINANCING OR DURING NORMAL OPERATIONS
- THE 50% BONUS TAX CREDIT IS SO STRONG THAT IT IS BEGINNING TO MAKE SENSE TO SWITCH FROM RESIDENT-PAID UTILITIES TO ALL OWNER-PAID
- FINANCING SOLAR AND REPAYING THE INVESTMENT FROM THE BOOST IN RENTS THAT COMES WITH REMOVING THE UTILITY ALLOWANCES
- WORKS ON BOTH SECTION 8 AND LIHTC

DILLON SCHOOL (DILLON, SOUTH CAROLINA)



Solar Cost	(\$824,000)
Federal Solar Tax Credit (50%)	\$412,000
Federal LIHTC Credits (\$0.90)	\$300,000
State LIHTC Credits (\$0.40)	\$130,000
Net Upfront Income/(Expense)	\$18,000
Annual Energy Savings	\$33,300
Boosted Rents	\$30,000
Total NOI Boost	\$63,300



FINANCING SOLAR ACROSS MULTIPLE OPERATING ASSETS

- SETTING UP A NEW LLC TO DESIGN, FINANCE, AND INSTALL ACROSS MULTIPLE ASSETS
- COMBINING A POOL OF ASSETS THAT ARE ELIGIBLE FOR THE 50% BONUS TAX CREDIT
- DEVELOPMENT FEES AND MAJOR TAX SAVING OPPORTUNITIES
- FOR THOSE THAT DO NOT HAVE THE TAX APPETITE, WE CAN NOW SELL OFF THE TAX WITHOUT HAVING TO BEING IN A LIMITED PARTNER

L+M RENEWABLES PHASE I (NEW YORK, NY)

- 15 properties across Brooklyn and Queens
- 12 – 18 month development timeline



Total Development Cost	(\$13,000,000)
Perm Loan	\$2,000,000
Tax Credit Equity	\$6,000,000
NY Sun Grant	\$3,600,000
Sponsor Equity	\$1,400,000
Return on Investment	18%
Development Fee (15%)	\$1,950,000
Annual Energy Savings	\$100,000



CONTACT INFORMATION

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