



# CHAPA Climate Funding Forum

Decarbonization Opportunities and Resources for  
Massachusetts Developers

*November 7, 2024*



01

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**Massachusetts  
Community  
Climate Bank  
Overview**



## **MISSION**

The Massachusetts Community Climate Bank's mission is to support the decarbonization of housing in Massachusetts for low- and moderate-income households.

## PURPOSE

MCCB invests public and private resources in financing products and services that advance the Commonwealth's 2050 climate goals.





02

**What is  
decarbonization in  
residential  
buildings?**

# BUILDING DECARBONIZATION INCLUDES:



<https://kapellaroofing.com/>

Weatherization



Electrification



Clean Energy



03

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**Funding  
Opportunities  
Overview**

# **Federal Funding: Inflation Reduction Act**

## **EPA: Greenhouse Gas Reduction Fund (\$27B)**

- National Clean Investment Fund (\$14B)
- Clean Communities Investment Accelerator (\$6B)
- Solar For All (\$7B)

## **DOE: Home Energy Rebates (HER) and Home Electrification Appliance Rebates (\$146M)**

### **Treasury, IRS: Tax Credits**

- 48/48E Renewable Energy Tax Credit (Eligible for Direct Pay)
- 179D Energy Efficient Commercial Building Tax Deduction
- 45L New Energy Efficient Home Tax Credit



# National Clean Investment Fund

Financing to community lenders and directly to projects through national coalition partners

**Anticipated financing products include:**

<b>Below-market Debt</b>	<b>Credit Enhancement</b>	<b>Loan Purchases</b>
<ul style="list-style-type: none"><li>- Pre-development loans</li><li>- Construction loans</li><li>- Permanent loans</li></ul>	<ul style="list-style-type: none"><li>- Guarantees</li><li>- Loan loss reserves</li></ul>	<ul style="list-style-type: none"><li>- Post-construction</li></ul>

# Clean Communities Investment Accelerator

Community Lenders can apply to national awardees for:

- **Capitalization Funding:** Up to \$10M for community lenders that can be used for financial assistance to eligible projects.
- **Technical Assistance Funding:** up to \$1M to support the community lender to build capacity via activities such as market analysis, hiring, product development, site assessments, etc.

**Allowable financing products Community Lenders could offer include:**

Below-market Debt	Credit Enhancement	Hybrid
Predevelopment, construction, and permanent loans: <ul style="list-style-type: none"><li>- Partially to fully forgivable</li><li>- Subordinate</li></ul>	<ul style="list-style-type: none"><li>- Guarantees</li><li>- Guarantee Funds</li><li>- Loan loss reserves</li></ul>	<ul style="list-style-type: none"><li>- Mezzanine Debt</li><li>- Preferred Equity</li></ul>

# Solar For All

**Financing for installation of solar PV systems on privately owned affordable multifamily developments**, delivered through MassHousing/MCCB (sub-awardee under DOER with support from MassCEC).

**Projects must deliver minimum 20% savings to tenants**, based on average territory utility costs – savings can be provided as an indirect benefit.

**Funding will support direct ownership and third-party ownership options**

- **Direct ownership:** Zero interest subordinate loan to pay for construction and bridge investment tax credits.
- **Third party owned:** grant to solar provider to install PV on qualified properties and provide tenant benefits.

Technical assistance will help private affordable housing owners to determine which ownership option best meets their needs, if the funding is a good fit for their property, and through the application process.

# State Funding: Multiple Sources

**Mass Save 2025-2027 Plan (~\$290M for multifamily affordable housing)**

- Passive House incentives
- Low Rise Rebate
- High Rise Rebate

**DOER LMI Decarbonization Program, Round 3 (\$40M)**

**Climate Ready Housing (\$15-20M estimated)**

**MHP Green and Healthy Housing (up to \$20k/project)**

**MassCEC BETA Project Planning (\$50-80k/project) and BETA Roadmaps (~\$2,500/building)**



04

**Pre-Development**

# **Pre-Dev: What You Need To Know**

**Federal funding for pre-development will be delivered in two different ways, depending on the awarding entity:**

- Through CDFIs, state agencies and other intermediaries
- Directly to developers/building owners

**Pre-development funds will be made available in a variety of forms including grants, loans, and direct TA to developers/building owners.**

**Low-Income and Disadvantaged Communities (LIDACs) will be a priority for GGFR funding.**

## **Pre-Dev: What You Can Do Now**

**Assess your current level of readiness for decarbonization planning, including energy benchmarking for existing buildings using EPA Portfolio Manager or WEGOWise.**

**Review the [LISC MA Decarbonization Hub](#) to find consultants who can provide support for energy audits and decarbonization planning.**

**Identify pre-development funding sources that are best suited to your project or portfolio needs and timing.**

**Consider applying for BETA Roadmaps or BETA Project Planning Technical Assistance (applications open on a rolling basis).**



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**Construction/Perm  
Financing**



# Construction/Perm: What You Need To Know

## Greenhouse Gas Reduction Fund

- ❑ Davis-Bacon and Related Acts will apply to all construction loans
- ❑ Build America, Buy America may apply in some instances
- ❑ Projects that meet LIDAC definition will be a priority
- ❑ Retrofit loans will require at least 20% building energy reduction
- ❑ New construction loans will prioritize projects that meet the National Zero Emissions Building standard

## Investment Tax Credits

- ❑ Investment Tax Credits (48/48E) are available to non-profits through a Direct Pay provision that provides reimbursement for eligible uses.

# Construction/Perm: What You Can Do Now

## Review available term sheets

- [CPC Climate Capital – Community Preservation Corporation](#)
- [LISC – Power Forward](#) (also available at [LISC MA Decarbonization Hub](#))

## Discuss potential decarbonization projects and funding sources with your senior lender

## Review the [Climate United Direct Pay guide](#)