

Local Green Funding and Residential Tax Credits

Green Home Fair
December 5, 2009



- Residential green technologies have been available for years, but many people chose not to utilize them.
- Decreased energy consumption leads to a decrease in costs, and although this is attractive to consumers, a lack of knowledge and awareness kept people using conventional systems.

Background

- The rising cost of fuel and the general downturn in the economy has helped increase interest in green amongst average Americans.
- There are a variety of incentives that are available to help serve as catalyst for adding green elements to a home.

Background

Solar Photovoltaic Energy Incentive

- Ohio Department of Development's Ohio Energy Office offers grants on a first-come, first-served basis for the installation of new residential solar photovoltaic systems.
- The incentive offered is \$3.00/Watt DC of installed capacity, with a maximum incentive of \$25,000. All systems must be installed at an Ohio site that is the applicant's primary residence.

State Grants

Residential Wind Energy Incentive

- Ohio Department of Development's Ohio Energy Office offers grants on a first-come, first-served basis for the installation of new residential wind energy systems .
- The incentive is calculated as the lesser of \$2/AC kilowatt-hour (kWh) of estimated annual system output or 50% of eligible system costs, up to a maximum incentive of \$25,000.

State Grants

Energy Conservation for Ohioans (ECO-Link) Program

- The Ohio Treasury purchases an investment with a qualifying bank at a discounted rate on behalf of customers who are implementing energy efficient improvements in their homes.
- The lender then agrees to pass along the discounted savings to the customer in the form of an interest rate reduction of 3% for 5 years on eligible bank loans.
- Through the life of the loan, the customer pays the bank and the bank then returns the money back to the Treasury.

State Loans

ECO-Link Benefits

- The average Ohio homeowner spends between \$200-\$300 on standard utility bills.
- The Department of Energy statistics show that people weatherizing their homes with energy efficient products save between 10-30% on these types of bills.

State Loans

- Originally part of the Energy Policy Act of 2005, the credit was extended and expanded by the Energy Improvement and Extension Act of 2008 and the American Recovery and Reinvestment Act of 2009.
- There are several types of credits available for existing homes that serve as your primary residence.

Federal Tax Credit

Tax Credit: 30% of cost up to \$1,500

Expires: December 31, 2010

- Biomass stoves
- Heating, Ventilation and Air Conditioning
- Insulation
- Roofs
- Water Heaters (non solar)
- Windows and Doors

Federal Tax Credit - A

Tax Credit: 30% of cost, no upper limit

Expires: December 31, 2010

- Geothermal Heat Pumps
- Small Wind Turbines
- Solar Energy Systems

Federal Tax Credit - B

Tax Credit: 30% of cost up to \$1,500

Expires: December 31, 2010

- Fuel Cells

Federal Tax Credit - C

- Homeowners can take advantage of energy efficient mortgages to finance a variety of energy efficiency measures, including renewable energy technologies, in a new or existing home.
- The U.S. federal government supports these loans by insuring them through Federal Housing Authority (FHA) or Veterans Affairs (VA) programs. This allows borrowers who might otherwise be denied loans to pursue energy efficiency improvements, and it secures lenders against loan default.

Energy Efficient Mortgages (EEM)

- Green Mortgages Lower Your Bills.
- How?

	Non- Energy Efficient Home	Energy Efficient Home
Purchase Price	\$200,000.00	\$200,000.00
Loan amount	\$200,000.00	\$209,000.00
Interest	5.85%	5.85%
Monthly Payment	\$1,179.88	\$1,232.98
Total Avg Utility Bills	\$265.00	\$111.00
Total Monthly Expenses	\$1,444.88	\$1,343.98
Monthly Savings:		\$ 100.90
Yearly Savings:		\$ 1,210.80

EEM Savings

Green Energy Ohio - GEO Solar Thermal Rebate Program

- With funding from The Sierra Club, Green Energy Ohio is offering rebates to Ohio homeowners for solar water heating systems purchased after April 1, 2009. The rebates are based on the projected energy output from the solar collectors and are calculated at \$30 per kBtu/day (based on SRCC rating for "Clear Day/C Interval"). The maximum amount is \$2,400 per applicant

Private Rebate

- AEP has received \$150 million from the American Recovery and Reinvestment Act of 2009 for a "smart-grid" project.
- From December 2009 to April 2010, 110,000 customers in Central Ohio will receive advanced-technology meters, giving them the ability to track when they use the most power and thus reduce their electricity bills.

American Electric Power Smart Grid

- This information would encourage customers to do certain tasks, such as running the dishwasher and washing machine, at different times to reduce stress on the power grid.
- These new meters have the potential to reduce energy consumption by about 15 percent a year, saving \$5.8 million.
- That's enough to power 1,800 homes for a year.

American Electric Power Smart Grid

- Map of the smart grid project.



American Electric Power Smart Grid

- AEP will remove a second refrigerator from your home and pay you \$25.
- Removing an old refrigerator from service can save up to \$100 a year in energy costs.
- 95% of the unit is recycled and chemicals are properly disposed.

American Electric Power Appliance Recycling Program

- AEP is offering discounts of compact fluorescent light bulbs (CFLs) to encourage their use.
- A list of participating retailers can be found here <http://www.gridsmartohio.com/retailers.aspx>
- They include CVS, Home Depot, Meijer and Sam's Club.

American Electric Power Smart Lighting

- If you think changing a few light bulbs doesn't make a difference, you are wrong.
- I spent \$100 changing every light bulb in my house to CFLs in late October 2007. Here are the results...

November 06	November 07		
931	658	273	\$ 27.91
December 06	December 07		
985	803	182	\$ 19.05
January 07	January 08		
1016	763	253	\$ 26.48
February 07	February 08		
835	656	179	\$ 19.54
March 07	March 08		
877	644	233	\$ 25.47
April 07	April 08		
859	616	243	\$ 26.64

CFLs

Ohio Housing Finance Agency – *Ohio Green Communities*

- Ohio Green Communities is a collaboration of Ohio Capital Corporation for Housing (OCCH), Ohio Housing Finance Agency (OHFA) and Enterprise, with support from the National City, a PNC company. This exciting initiative finances affordable homes in Ohio that promote health, conserve energy and natural resources, and provide easy access to jobs, schools and services.
- Ohio Green Communities brings equity, grants, technical assistance and additional flexible financing to developers building affordable rental homes. Since 2006, Ohio Green Communities partners have awarded grants to twenty-four developments totaling over 1,500 affordable housing units. In 2008 alone, close to 1,000 units of LIHTC housing, with total development costs of \$146.5 million, received Green Communities certification because they incorporated Ohio's comprehensive green building criteria.

Developer Resources

Ohio Housing Finance Agency



Making Green Work in Ohio

In 2009, Ohio Green Communities provided the following resources to Low Income Housing Tax Credit (LIHTC) projects in Ohio:

- Five grants of \$15,000 to eligible developers that meet the Green Communities Criteria.
- Provide funding for pre-development activities for a limited number of select projects across the state that exemplify innovation in green building applications, with a special emphasis being placed on Green Retrofit projects.
- OHFA will provide additional funding for 2009 LIHTC Green Communities up to \$4,000 per unit with a maximum total of \$750,000 per eligible project.

Developer Resources

Ohio Housing Finance Agency



Enterprise

- Enterprise is a national leader in affordable housing.
- In 2003, they developed a series of green housing development standards and began implementation with development partners across the country.
- Three pools of money were allocated.

Developer Resources

Enterprise Community Partners

Grants

- Enterprise offers Planning and Construction, Charrette and Sustainability grants to help cover the costs of planning and implementing green components of affordable housing developments, as well as tracking their costs and benefits.

Loans

- Enterprise offers Predevelopment, and Acquisition Loans to support the development of affordable rental and homeownership housing that adheres to Green Communities Criteria.

Low-Income Housing Tax Credit Equity

- Competitively priced Low-Income Housing Tax Credit (LIHTC) equity to nonprofit and for-profit developers for new construction and/or rehabilitation of affordable rental housing that generally adheres to the Green Communities Criteria.

Developer Resources

Enterprise Community Partners



Results

- \$700 million in investment
- 16,000 green affordable homes developed

Future

- \$4 billion has been committed over the next five years.
- That could lead to over 90,000 more homes being developed.

Developer Resources

Enterprise Community Partners

Brian Higgins

Arch City Development

614-563-3533

bhiggins@archcitydevelopment.com

Contact information

