Bay Area Multifamily Capital Advance Pilot

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This is a multifamily upgrade project

- Roof insulation
- Water heaters
- Low-flow fixtures
- Refrigerators
- Indoor lighting

52 unit low-rise

Estimated cost

$100,000
This is a multifamily upgrade project

- Central boiler replacement
- Boiler controls
- Garage lighting
- Common area lighting

320 unit mid-rise

Estimated cost
$ 500,000
Multifamily Lending

- Commercial enterprises:
  - Net operating income
  - Debt service coverage ratio
  - Return on investment
- First mortgage holders
- Restrictions on supplemental loans

Data source: federalreserve.gov
Programmatic Considerations

- Integrate offering with 2013-2014 EE programs
- Bay Area Multifamily Building Enhancements (BAMBE)
  - Technical assistance
  - Rebates
- Leverage EE program TA and QA
- Timing and ease of implementation
Multifamily EE Financing Must

1. Serve a diverse range of scopes/budgets
2. Align with first mortgage holders, open lender model
1. Set up quickly: Leverage existing infrastructure/processes of lenders, programs
Existing, Emerging MF EE Financing Tools

- Commercial PACE for 5+ units
- Statewide IOU On-bill Repayment pending
  - Master metered affordable housing
  - Legislation for tenant meters
- Pay As You Save®
- Bay Area Multifamily Capital Advance Pilot
Green Jobs Green NY Financing

- **Total Budget of $11.5M through 2015**
  - Revolving Loan Fund
  - Additional funds may be allocated
- **Launched ~ 2.5 years ago**
  - 14 loans to date totaling ~$9.24 million.
  - NYSERDA portion funded ~$2.8 million.
  - Largest Loan: $4.4 million
  - Smallest Loan: $75,000

Status as of June 2014
Bay Area Multifamily Capital Advance Pilot

- **Total Budget of $2M through 2015**
  - $1.5M in capital pool
- **Launched Q1 2014**
  - Currently in recruitment phase
  - Anticipating 3 – 10 projects
  - BAMCAP portion of loan = up to $500,000 per project
BAMCAP Pilot Goals

- Facilitate upgrade projects
- Test whether it expands scopes, or enables projects that would otherwise not move forward
- Expose lenders to MF EE projects
BAMCAP (0%)

Lender (e.g. 7%)

Borrower Requests Loan

negotiate loan terms

Lender Issues & Collects Repayments

50% of principal collected

BAMCAP Pool

BAMCAP Servicer

Blended Loan (e.g. 3.5%)

Borrower
Lending Mechanism & Process

- Technical assistance
- Approved scope
- Access rebates
- Cost net rebates:
  - Up to 50% available through BAMCAP
  - Up to $5,000/unit or $500,000/project
- Negotiate rates with lender
- Lender signs up to participate in program
Recruitment Phase

- Lenders
  - Prequalified participating lender list
  - Borrowers can pick from list
- Borrowers
  - TA/rebate program pipeline
  - New participants
  - Must get lender onboard
Thank you

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