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DC GREEN BANK

Supercharging DC's Clean Economy

Meeting of the Board

June 25, 2020

Overview

1. Financial Summary
2. Mission and Key Metrics
3. Deal spotlight – Flywheel Solar For All portfolio
4. Pipeline
5. Community Engagement summary and plan



1.

Financial Summary

DC Green Bank budget vs actuals

(000's)	FY20 Board Approved Budget	FY20 forecast - estimated	FY 21 Mayor's proposed budget
Local Funding	\$29,000	\$29,000	\$22,000
Revenue	\$276	\$110	\$529
Operating Expenses (includes Personnel)	\$1,968	\$1,000	\$2,914
Personnel	\$456	\$361	\$1,597
Capital Committed	Not specified	To date – \$1M Target \$7-10M	Not specified – cumulative target \$40-45M



2.

**Mission, Vision, Values, and
Key Metrics Process**

Statutory Mission

“The Authority shall increase the use of private funds for sustainable projects and programs by offering and promoting the use of loans, loan guarantees, credit enhancements, bonds, or other financing mechanisms for sustainable projects and programs.”

D.C. Code § 8–173.21 (b)



“By creating a Green Bank, we will create more jobs for DC residents, which will allow us to continue our push for inclusive prosperity, and we will take an important step toward reaching the sustainability goals set forth in Climate Ready DC.”

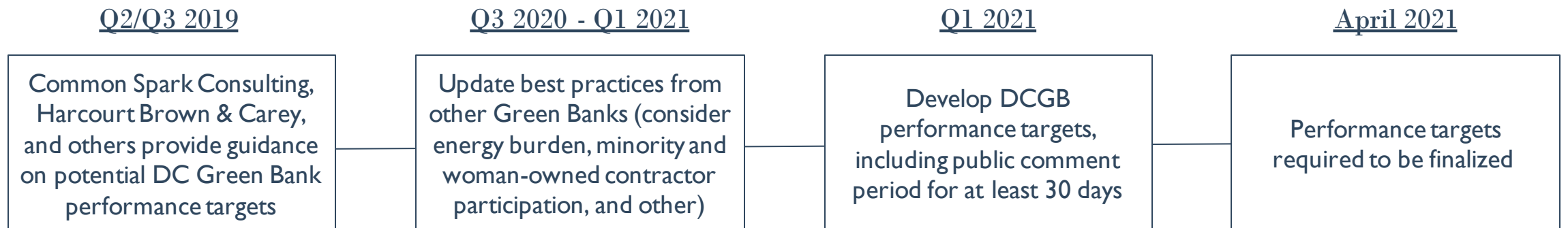
— *Mayor Bowser*

Mission, Vision, and Values

- Explicit mission, vision, and values of DC Green Bank to be developed with senior management in place, through discussions with the Board, and with informed input from the public
 - Fall 2020 development and rollout
- Guidelines developed to shepherd product development during the startup phase, based in part on outreach conducted by Harcourt, Brown and Carey
- Adopted by Executive Committee for smaller projects and products, application for larger projects to be discussed by the Board today

Performance Targets

- Required by the statute, part of a suite of public accountability measures
- Multiple model metrics from New York Green Bank and others to build from
- Climate performance, environmental benefits, equity and inclusive prosperity, capital efficiency, additionality and market development are all potential categories to be addressed





3.

Deal Spotlight

Flywheel Solar For All projects Tranche 1

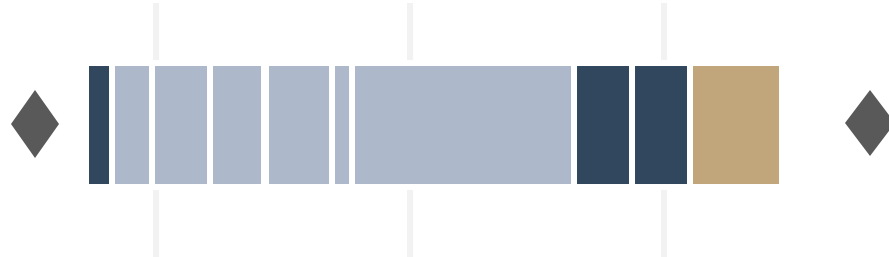
- Number of projects – 7
- Total loan size – ~\$1M (of \$2.6M total capital)
- Total solar size – 936 kw
- Total GHG savings – 1,100 tons of CO₂/year
- Total electricity savings – \$3.5M
- Total residents having their roofs repaired or replaced – ~150
- Percentage of projects that benefit low income residents or are naturally affordable housing – 100%
- Percentage of projects in Wards 7 and 8 – 100%



Solar installation at Fairfax Village II

Flywheel Solar For All projects Tranche 1

June July Aug Sept



All construction planned to be completed by September 14



4.

DCGB Products and Pipeline

Pilot Project Pipeline • Product Development • PACE Project Pipeline

Pipeline of Selected Pilot Projects

Project	Total capital / Green Bank portion	Project type	Sector	Technology	Lender Partner	Inclusive Prosperity Component
Existing Green Bank Participation Loan #1	\$500k / \$250k	Community and nonprofit solar	Faith-based nonprofits	Solar	Existing Green Bank	Community solar with LMI component
Existing Green Bank Participation Loan #2	\$500k / \$250k	Nonprofit solar	Faith-based nonprofits	Solar	Existing Green Bank	Nonprofit entity, community service
PACE Project Loan Guarantee	\$10M / \$500k	Energy efficiency upgrades	Multi-family residential	High efficiency boilers, hot water heaters, building automation	CDFI	Naturally affordable housing, percentage yet to be determined
PACE Project Development Loan	\$2M total for equipment / DCGB TBD – same project as above	Energy efficiency upgrades	Multi-family residential	High efficiency boilers, hot water heaters, building automation	CDFI	Naturally affordable housing, percentage yet to be determined
PACE Project Loan Loss Reserve	\$500k / \$100k	Energy efficiency upgrades / solar	Faith-based nonprofit	HVAC, solar, envelope, lighting	TBD	Nonprofit entity, community service
Public solar	>\$3M / TBD	Solar	Government	Solar	TBD	Community solar / governmental services

Selected Pipeline of Products Being Considered for Development

Type	Target Sector	Financing category	Lender Partner	DCGB potential commitment / project size	Target launch
Open RFP	Multi-sector	Open – focused on bringing in additional capital and innovation	Encouraged but not required	Flexible	Summer 2020
Existing Green Bank Product	Commercial energy efficiency and solar	Guarantee or Loan Loss Reserve	Yes, CDFI and commercial	TBD / \$10-250k	Summer 2020
Partner Green Bank - under development	Small commercial	Guarantee and participation	Yes, CDFI	TBD / <\$50k	Summer 2020
Existing Green Bank Product	Commercial, multifamily, affordable housing	Predevelopment Loan	TBD	TBD	Fall 2020
Existing Green Bank Product	Residential nonrecourse loan, LMI homeowners	Energy efficiency, solar, necessary repairs	TBD	TBD	Winter 2020

PACE Pipeline summary

Stage	Amount	Deals
1. Qualified Lead	\$7,820,000.00	11
2. Marketing	\$8,850,000.00	9
3. Preliminary Evaluation	\$8,419,950.00	8
4. Project Development	\$3,000,000.00	4
5. Underwriting	\$13,500,000.00	7
6. Closing	\$1,217,771.30	3
7. Closed	\$ -	
Total	\$42,807,721.30	42



The Right Proper Brewing Company Brookland Production Facility and Tasting Room is the site of a prior PACE project.



5.

Stakeholder Engagement

Stakeholder Engagement

Goals

- To understand who is in the Green Development/Green Building space in DC
- To introduce DC Green Bank at a high level and build relationships with stakeholders and future customers/partners
- To understand the opportunities and challenges currently faced by those working in DC's green building space
- To understand the opportunities and challenges that clean technology presents to residents and businesses in DC
- To design the optimal framework to gather public input in the DC Green Bank's operations and offerings

Stakeholder Engagement

Current Activities

- Initial introductions and listening sessions, connecting with
 - Industry-specific Membership Association/Advocacy groups
 - Lenders
 - Real estate/land developers
 - Green technology developers/consultants
 - Sister Green Banks
 - Government Agencies
 - Foundations
 - Residents and Local-level leadership

Stakeholder Engagement

Future Activities

- Summer-Fall 2020 – Working with LaToya Thomas at Brick And Story to host stakeholder roundtable conversations
 - Lenders
 - Architects
 - Residential Community
 - Green energy developers/consultants
- Fall – Rollout formal stakeholder engagement plan for ongoing input from the public
- Fall/Winter 2020 - rollout of DC Green Bank products and introduction of those products to stakeholders
- Spring 2021 – performance metric development and public comment process



Let's get to work!

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