Transaction Profile
Financing in action

LOW INCOME INVESTMENT FUND

Revolving term loan under the Community Decarbonization Fund. The Facility will support building decarbonization projects across New York.

Transaction amount: ***$25.0 million***

Counterparties:
(Project Sponsor and Borrower)
Low Income Investment Fund

Product: ***Term loan***

Date closed: ***March 2024***

Estimated lifetime metric tons CO_2e reduced: ***26,186***

Technologies: ***Building decarbonization***

Location: ***Statewide***

End-use segment: ***Housing, multiple***

A $25 million revolving senior unsecured term loan under the Community Decarbonization Fund (CDF). The Low Income Investment Fund (LIIF) expects to use this facility to fund building decarbonization projects across New York State.

Founded in 1984, LIIF is one of the nation's most established nonprofit Community Development Financial Institutions (CDFI) and is known for providing innovative financing solutions in markets where conventional lenders have been hesitant or unable to offer support. LIIF's primary focus is to provide capital and technical assistance to help low-income individuals and families access affordable housing, quality education, healthcare facilities, and essential community services. The organization operates across the country, focusing on communities that have limited access to capital and face significant social, economic, and environmental challenges.

Market Barriers and Solutions

Financiers focused on community development face obstacles in acquiring affordable capital to finance smaller transactions in the communities they serve, particularly for clean energy and building electrification projects in historically marginalized communities. This CDF loan will provide flexible, low-cost, and long-term financing for greenhouse gas emission reducing investments in New York State, utilizing new sources of capital currently absent in funding designated for efficiency-first investments.

"LIIF is honored to partner with mission-aligned NY Green Bank in our decarbonization efforts across New York State, where LIIF has been investing in historically underserved communities for decades. This low-cost, long-term capital will jump-start our vision for the further greening of affordable housing and community facilities so all New Yorkers enjoy quality, energy-efficient spaces."

Kirsten Shaw – Vice President, Northeast and Mid-Atlantic Regions

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NEW YORK STATE | NY Green Bank
A Division of NYSERDA

TRANSACTION PROFILE

May 2024

$25 million revolving term loan under the Community Decarbonization Fund

LOW INCOME INVESTMENT FUND

*On March 7, 2024, NY Green Bank ("**NYGB**") closed a $25.0 million revolving credit facility under the Community Decarbonization Fund ("**CDF**") to Low Income Investment Fund ("**LIIF**"). LIIF expects to use this facility to fund building decarbonization projects across New York State.*

Transaction Description

Founded in 1984, LIIF is one of the nation's most established nonprofit Community Development Financial Institutions ("**CDFI**") and is known for providing innovative financing solutions in markets where conventional lenders have been hesitant or unable to offer support. LIIF's primary focus is to provide capital and technical assistance to help low-income individuals and families access affordable housing, quality education, healthcare facilities, and essential community services. The organization operates across the country, focusing on communities that have limited access to capital and face significant social, economic, and environmental challenges.

This Transaction Profile is provided pursuant to the updated NY Green Bank – Metrics, Reporting & Evaluation Plan, Version 3.1 (the "**Metrics Plan**") developed in collaboration with the NYS Department of Public Service and filed with the NYS Public Service Commission (the "**Commission**") on May 2, 2022.[1] This Transaction Profile contains specific information in connection with the LIIF transaction entered into in March 2024, as required by the Metrics Plan.[2]

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Term Loan	$25.0 million

Location(s) of Underlying Project(s)

Statewide. Projects will be located across New York State.

Types of Organizations that are Transaction Participants

	Name	Participant Type
Counterparty	Low Income Investment Fund (LIIF)	Project Sponsor
	Low Income Investment Fund (LIIF)	Project Borrower

[1] Case 13-M-0412.
[2] See Section 4.0 at page 8 - 9 and Schedule 3.

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Financiers focused on community development	**Financiers focused on community development** face obstacles in acquiring affordable capital to finance smaller transactions in the communities they serve, particularly for clean energy and building electrification projects in historically marginalized communities.	This CDF loan will provide flexible, low-cost, and long-term financing for greenhouse gas emission reducing investments in New York State, utilizing new sources of capital currently absent in funding designated for efficiency-first investments.

Technologies Involved

Technology	Measures
Building Decarbonization	Appliances & Hot Water; HVAC; Building Electrification

Metrics & Evaluation Plan

Planned Energy & Environmental Metrics

NYGB's minimum investment criteria require that "transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas ("**GHG**") emission reductions in support of New York's energy policies".[3] In addition, the Metrics Plan requires that the following energy and environmental measures applicable to this transaction be reported:[4]

- Estimated lifetime and annual total energy savings (MMBtu equivalent)
- Estimated lifetime and annual natural gas fuel savings (MMBtu equivalent)

The estimated gross lifetime and annual energy and environmental impacts of the investment are as follows:

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annualized Low Estimate	Annualized High Estimate
Estimated total energy savings (MMBtu equivalent)	246,712	493,424	12,336	24,671
Estimated natural gas fuel savings (MMBtu)	Same as above			
Estimated GHG emission reductions (metric tons)	13,093	26,186	655	1,309

Planned Market Characterization Baseline & Market Transformation Potential

The Metrics Plan requires that market evaluation occurs when a critical mass of NYGB financing and investment arrangements are in place. Market evaluation activities commenced in 2018 on sectors that NYGB has supported since inception, consistent with the requirement for such assessments approximately three to five years following initial NYGB capital deployments.[5] NYSERDA collected baseline data for the NYGB portfolio in 2019 and will update the data to include indicators specific to this transaction. NYSERDA will use baseline data collected for indicators as a comparison point against which to assess market progress in later studies. Progress indicators are defined below for the short, medium and long terms.

[3] Case 13-M-0412, "Order Establishing New York Green Bank and Providing Initial Capitalization" issued and effective December 19, 2013 of the Commission, Ordering Clause 6 at pages 24 – 25.
[4] See Metrics Plan, Section 2.0 at pages 2 - 6.
[5] See Metrics Plan, Section 3.3 at page 7 - 8.

NYGB expects that program and/or future market evaluation will demonstrate progress across short-term indicators, including:

- Size and location of projects financed by the investment;
- Aggregate expected energy savings for projects financed by the investment.

NYGB expects that program tracking and/or future market evaluation will demonstrate progress across medium- and long-term indicators, including:

- Increase in market volume of energy efficient properties;
- Increase in general understanding of energy efficient properties by the financial community;
- Increased awareness and use of energy efficiency investment performance data by financing entities;
- Demonstration of competitive risk-return profiles for energy efficient properties;
- Decreased operating costs of energy efficient properties; and
- Increased number of new lending participants.

Proposed Method of Outcome/Impact Evaluation (by NYSERDA) & Timeframe

NYSERDA will evaluate the impact this transaction has had on the clean energy finance markets and the energy/environmental benefits it delivers.

Market evaluation will assess the short, medium, and long-term indicators identified above. Methods will include analysis of program data along with interviews and surveys of market participants (e.g., financial community) to track information including but not limited to: project scale information and influence of NYGB's participation on financial markets. As noted, NYSERDA collected baseline data on key indicators in its first phase evaluation during 2018 – 19. Later follow-up studies will assess progress against baseline levels for other market segments as those evolve. The specific timing of these efforts may be revised based on experience or other factors as NYGB's investment portfolio further develops and evolves.

Impact evaluation will assess which of the projects funded under the investment raised construction financing and were completed, commissioned, and placed in service.

In accordance with the Metrics Plan, NYGB will track LIIF projects that receive incentives or funding from other entities (e.g., utility, other NYSERDA programs) to minimize any double-counting activity on a consolidated basis. As set out in the Metrics Plan, evaluation sampling approaches will also be used as a mechanism to estimate overlap and minimize double counting. NYSERDA and NYGB will attempt to coordinate market and impact evaluation activities for projects that receive support from multiple sources in order to maximize the efficiency of data collection and avoid participant survey fatigue.