## Definitions

### *Net-Zero Emissions Buildings*

Eligible projects must either:

1. Retrofit an existing building to significantly reduce emissions as part of a plan to achieve net-zero over time.
2. Construct a new net-zero emissions building in a Low-Income and Disadvantaged Community (LIDAC).

A **net-zero emissions building** meets Version 1 of the National Definition for a Zero Emissions Building (June 2024) and achieves:

- **At least 20% energy reduction** or **1 ton of carbon reduction per housing unit per year**
- **Comprehensive energy efficiency upgrades**, including electrification readiness (e.g., wiring for all-electric systems)

**Examples of eligible improvements:**

- Heat pumps and ENERGY STAR all-electric appliances
- Renovations meeting Save-A-Ton, Clean Air, or other green building standards
- New construction that aligns with national zero-emissions building criteria

### *Distributed Generation & Solar Projects*

Eligible projects must generate **carbon-free electricity** (1kW–10MW) and/or include **energy storage** for LIDAC communities. Projects must either:

1. Be **located in a disadvantaged census tract**, or
2. Deliver at least **50% of power** to:
   - Residents in LIDAC census tracts
   - Income-qualified households
   - Federally Recognized Tribal Entities

**Examples of eligible projects:**

- Solar PV (rooftop, ground-mounted, canopy)
- Community solar or wind
- Solar + storage or stand-alone storage (e.g., replacing diesel backup generators)
- Geothermal heating and cooling
- Fuel cells and microgrids

### *Financing Eligible Activities:*

Organizations must meet at least one of the following:

- Located in a disadvantaged census tract
- Produces products/services for LIDAC customers
- Owns/operates affordable housing properties
- At least **51% Tribal-owned** (Federally Recognized Tribes)

Scan to learn about HPN's first green loan closing with East LA Community Corporation!

HOUSING PARTNERSHIP FUND

# Building Green

# Financing Smart

# Green Loan Products

**Questions? Connect with us to start the conversation.**
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| | Green Enterprise Working Capital Loan | Predev Revolving LOC Bridge to Construction | Predevelopment Bridge to Full Subsidy |
|---|---|---|---|
| **Description** | Early-stage predevelopment | Early-stage financing for specific projects that are funded through sub-loans | Greening REO rental portfolios |
| **Purpose** | Early development stage capital, planning, soft costs, downpayments and consultants | Project predevelopment support after initial "go decision" | Bridge timing difference for reimbursable costs from committed subsidy providers |
| **How this product works** | Large infusion of cash to the enterprise as working capital | Facility Commitment that supports identified affordable rental projects with sub loans | Facility Commitment that supports identified affordable rental projects with sub loans |
| **Loan Size** | Up to $2 million | Up to $3 million | Up to $5 million |
| **Collateral** | Typically unsecured | Typically unsecured | When feasible, secured by the underlying green subsidy |
| **Revolving** | No, full draw | Yes | Yes |
| **Rate*** | Below Market Today's rate is 200 bps* off HPF's typical Enterprise Product | Below Market for each sub-loan, based on 5-year treasury plus 100 bps | Below Market for each sub-loan, 5-year treasury plus 100 bps |
| **Term/Fees** | 4 years, 3rd year amortizing/ 1% | Draw period is 3 years with each subsequent draw having a sub-loan term of earlier close of construction of 3 years/ 2% | Draw period 3 years; subsequent draws with sub loan terms either at reimbursement or 18 months/ 2% |
| **Reporting Requirements** | Project reporting; TBD reporting green, financial | TBD: green, financial, project | TBD: green, financial, project |
| **Underwriting Focus** | Management, Board, Risk/dev. policies procedures, financial strength/asset quality | Management, Board, Risk/dev. policies procedures, financial strength/asset quality, and project feasability | Each draw/sub-loan based on ind. affordable projects access to subsidy |

**this rate is available provided HPF has access to CCIA capital*