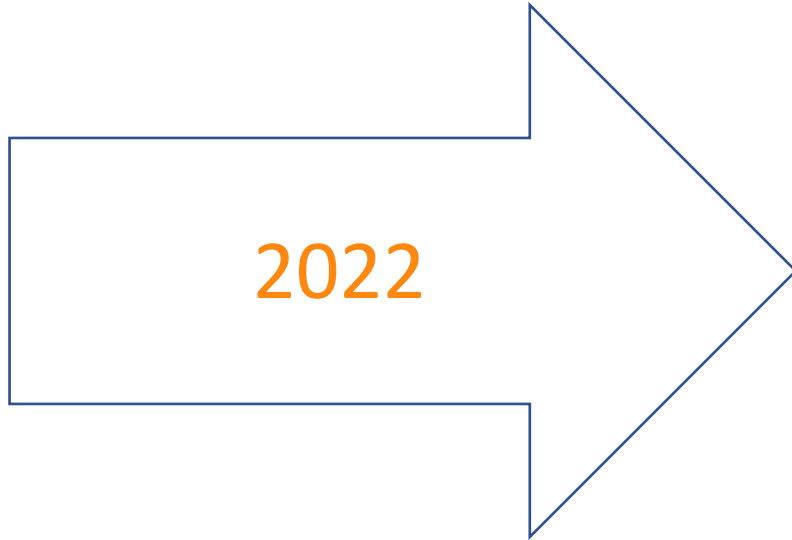




Community Development
REIMAGINED
sustainable human-centered communities

The ROI of
sustainable energy efficient
developments

Diana Giraldo



Community Development
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OUT of the BOX Consulting Vision Inspired!

We work on addressing vision, site development challenges, context, placemaking choices, as well the energy and water efficiency of projects through energy/water analysis and green building certifications (there is more, I promise!).

Community Development Reimagined is dedicated to projects that improve the physical and socio-economic environments of each community.

We LOVE what we do!



Community Development
REIMAGINED
sustainable human-centered communities



- ✓ Owner operated, Minority/Women Owned Enterprise (MBE/WBE)
- ✓ Over 20 years of education and experience in the development and construction industry
 - ✓ Diverse projects from commercial to residential
 - ✓ Serving developers, owners, design consultants, contractors
 - ✓ Area coverage SE United States and other selected markets
- ✓ Over 400 hundred Green certified projects as LEED, NGBS, FGBC, EC, Energy Star, Energy Star Portfolio Manager
 - ✓ Over 7,000 HERS verifications (Home Energy Rating Systems)
- ✓ Over 20 years saving our clients money from design to performance
 - ✓ ...and we are refreshing, smart, and just fun to work with!

SERVICES

GREEN BUILDING
CERTIFICATIONS,
OPERATIONS

ENERGY ANALYSIS

ENERGY TAX
DEDUCTIONS/
ENERGY TAX CREDITS

SUSTAINABLE SITE
DEVELOPMENT
SOLUTIONS

COMMUNITY
ENGAGEMENT

VISION PLANS

PLACEMAKING

BUILT
ENVIRONMENT
ANALYSIS



SUPPLEMENTAL
SERVICES,
SIDE EFFECTS,
& ROI

Energy Modeling/commissioning

Blower Door Testing

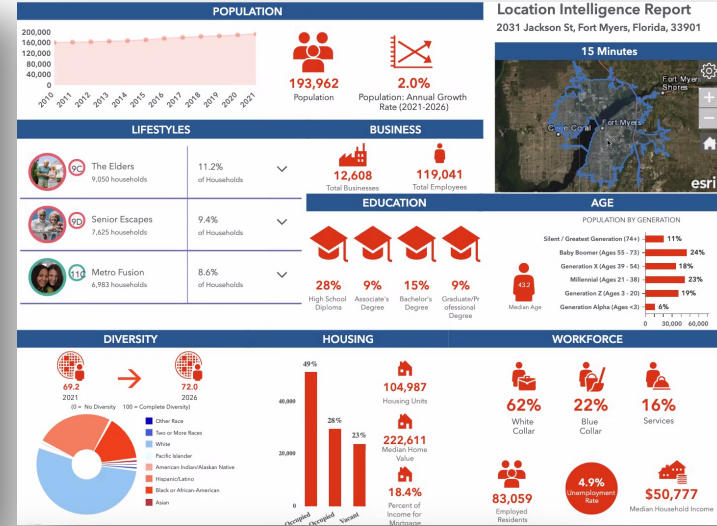
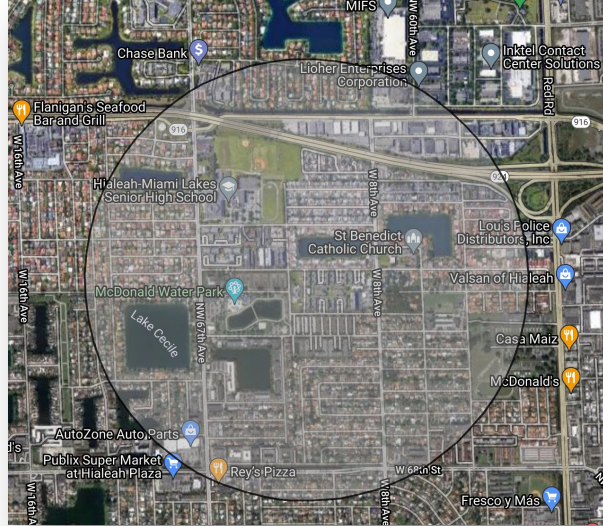
HERS (Home Energy Ratings System)

Savings: Management & Operations

Energy Star Portfolio Manager-Energy/Water Efficiency
Benchmarking/Energy management solutions

*Lower Interest Rates/Green Bonds, Lower Mortgage Insurance Premiums,
Increased points/competitive funding*

Vision Plans, Placemaking, Built Environment Analysis



The ROI Of Community



1. How do you pick the best sites?
2. What's the quality of life for the users of your project?
3. How does your project enhance the overall community?

Green Bld
Certification/
Energy-Water
Analysis



From residential
to commercial



What is a green building?
Are green buildings more expensive?
Why would you build a green building?



Side effects of green buildings



- ✓ Energy Modeling + performance= Quality Control
- ✓ Management & Operations Savings
- ✓ Energy/Water Efficiency Benchmarking
- ✓ Energy management solutions
- ✓ *Lower Interest Rates/Green Bonds*
- ✓ *Lower Mortgage Insurance Premiums*
- ✓ *Increased points in competitive funding*

Energy Star Portfolio Manager/ Energy Taxes



1. How do you track performance & savings on a project?
2. Is your ROI tangible?



Side effects
of tracking
building
performance



- ✓ Energy Modeling design + performance= Quality Control
- ✓ Management & Operations Savings
- ✓ Energy/Water Efficiency Benchmarking
- ✓ *...this is when solar systems start making sense*
- ✓ Energy management solutions
- ✓ *Lower Interest Rates/Green Bonds*
- ✓ *Lower Mortgage Insurance Premiums*
- ✓ *Increased points in competitive funding*

Where is ROI
of my
project?



Financing Mechanisms,
lower interest and MIP
from building performance

Energy Tax Credits &
Energy Tax Deductions



Management &
Operations

Energy Star
Portfolio Manager



Green Building
Certification

Quality of life

Sample Developer ROI Opportunities

Green Building Financing and Other Incentives



- Financial institutions (i.e., CHASE) offer low interest rates and incentives for Green certified projects (inquire with your loan office)
- HUD Green Mortgage Insurance Premium (MIP) reduction program:
 - **0.25% per/year of life of the loan** (inquire with your loan office)
 - Typical loan at 0.6%, or for affordable housing at 0.45%
 - Requires green certification & Energy Star Portfolio Manager (SEDI or SEP)*.
- Other *Private or HUD* incentive programs. Require Energy Star Portfolio Manager (SEDI or SEP) *.
- Fannie-Mae, Freddie Mac Multifamily Green financing:
 - **Lower Interest Rate (acquisition/refinance).**

Sample Developer ROI Opportunities

Green Building Financing and Other Incentives



Sample HUD Green Mortgage Insurance Premium Based on a project's loan of 52mm=

\$52mm loan * 0.6 % (typical loan MIP)=
\$312,000 MIP *per/year over the life of the loan*

\$52mm loan * 0.25% (HUD Green Mortgage MIP)=
\$130,000 MIP *per/year over the life of the loan*

Savings before soft cost consulting fees=
\$182,000 *per/year over the life of the loan (3-year loan= \$546, 000)*

Sample Developer ROI Opportunities

Other Incentives

- 179D Energy-Efficiency Tax Deduction or
- 45L Energy Tax Credits.
- Other potential Return on Investment:
 - Savings in operational expenses and maintenance.
 - Portfolio asset value.
 - Marketing.
- Others: Fort Myers CRA pursuing TIFs



Sample Project Developer ROI Opportunities

179D Energy-Efficient Tax Deductions (residential over 3 stories and commercial)

Up to \$1.80/f2 for the reduction in the energy and power costs for envelope, HVAC, HW systems, interior lighting (compared to a baseline building)

1. System* 1: Envelope 10%
2. System* 2: HVAC+WH 15%
3. System* 3: Lighting 25% reduction

Fully qualifying property 50% saving requirements for all systems

*Individual systems can qualify @ 0.60/f2

SUMMARY OF 179D TAX DEDUCTIONS FOR PROPERTIES PLACED INTO SERVICE ON OR BEFORE DECEMBER 31, 2020						
	Fully Qualifying Property	Partially Qualifying Property				Interim Lighting Rule
		IRS Notice (Effective Dates)	Envelope	HVAC and HW	Lighting	
Savings Requirements*	50%	2012-26 (3/12/12 - 12/31/20)	10%	15%	25%	25%-40% lower lighting power density (50% for warehouses)
Tax Deduction (not to exceed cost of qualifying property)	\$1.80/ft ²		\$0.60/ft ²	\$0.60/ft ²	\$0.60/ft ²	\$0.60/ft ² times applicable percentage**

179D Energy-Efficient Tax Deductions (residential over 3 stories and commercial)

Up to \$1.80/Sqft for the reduction in the energy and power costs for envelope, HVAC, HW systems, interior lighting (compared to a baseline building)

Sample scenario :

Residential building 5 stories/300,000 Sf

Potential of approximate energy efficiency tax reductions if all reductions achieved through additional energy model, testing and compliance verification based on IRS notice guidelines.

Potential 179D Energy Tax Deductions based on 300,000 sqft @ \$1.80/f²=

\$540,000 (if all systems qualify) or

Individual Systems* achieving performance measures of the standard @ \$0.60/ft².



179D Energy-Efficient Tax Deductions

Sample scenario of deduction based on different square footage projects

Sample Size Project	Partial Energy Tax Deduction	Partial Energy Tax Deduction	Partial Energy Tax Deduction	Full Energy Tax Deduction
	Lighting	HVAC + WH	Envelope	
50,000 sf	\$30K	\$30K	\$30K	\$90K
100,000 sf	\$60K	\$60K	\$60K	\$180K
300,000 sf	\$180K	\$180K	\$180K	\$540K

Proposed potential deduction for buildings placed in operation after Dec. 31, 2021 may set a different standard for efficiency with new proposed BBB funds. The deduction is available to the developer/owner to be claimed in the tax year in which the systems and buildings are placed in service

Sample Project Developer ROI Opportunities



45L Energy-Efficient Tax Credits (residential Under 3 stories)

\$2,000 Energy Tax Credit per qualifying residential unit

Sample scenario :

Residential building under 3 stories and 100 units

Potential of approximate energy efficiency tax credits achieved through energy model, testing and compliance verification based on IRS notice guidelines.

Potential 45L Energy Tax Credits based on 100 units =

\$200,000 (based on achieving design and performance for all units)



ROI Potential Summary Sample Residential Project

Potential Incentive Summary (before consulting fees)

Type	Incentive			Approximate Potential Savings Sample	Requirements		Other added benefits
Loan	HUD Green Mortgage Insurance Premium (MIT)	Typical MIT Loan interest 0.6% Over the life of loan	Green MIT interest 0.25% Over the life of loan	\$182,000 p/y over the life of the loan (Based 52MM)	Green Building Certification	Energy Star Portfolio Manager (SEDI or SEP)	Savings in operations and maintenance, asset value ROI, Marketing.
Energy Tax Incentives	179D Energy - Efficient Energy Tax Deduction	Based on HVAC/WH, Envelope, Lighting @ \$1.80/Sqft		\$540,000 deduction based on 300,000 Sqft	Upgraded energy model	Performance Inspections	Savings in operations and maintenance, asset value ROI, Marketing.
		Based on individual systems @ \$0.60/sqft		\$180,000 deduction per system based on 300,000 Sqft	Upgraded energy model	Performance Inspections	Savings in operations and maintenance, asset value ROI, Marketing.
	45L Energy Efficient Energy Tax Credit	\$2,000 per qualifying residential unit		\$200,000 based on 100 units	Upgraded energy model	Performance Inspections	Savings in operations and maintenance, asset value ROI, Marketing.
CRA	Tax Increment Finance Credits			TBD			

IDEA



For projects in Fort Myers CRA areas

sample

Fort Myers CRA TIF Assistance Additional increment revenue

Option #2- Minority Business Enterprise

Community Development Reimagined (MBE/WBE)

Option #3-Contribution to local nonprofit-

Streets Alive of SWFL

- Connectivity/Transportation/
- Integration of land use and mobility (Midtown vision).
- Aligns with CRA objectives for TIFs.
- Streets Alive contributes back to active projects in the city for bicycle and pedestrian safety: Midtown and Southward Village

Option #4-Out of the box

Developers creativity and experience:
idea/amenity/concept

Green Building certification:

- Optimal building performance for energy and water with Energy Star Portfolio Manager
- Optimized through design
- Asset to the portfolio
- Resiliency of the project/longevity
- Energy and water savings for users and asset holder
- Community conscious/pioneer



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We are all about this community
&
Making it the best for our future!

When we work with you or
one of your clients,
you are enhancing the quality of your
projects, adding value to your work, and
supporting a cool business that gives
back to the community...

We are mint to be!
Have a Tic-Tac!

Questions?



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“Do what you do with love, & success is a natural symptom”

-James Altucher-

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