City of Cincinnati: Catalyzing Local Clean Energy & Energy Efficient Infrastructure

Building a Clean Energy Investment Pipeline in Cincinnati, Ohio

AT A GLANCE

Investment Priorities

Net-Zero Multi-Family Housing, Net-Zero Single-Family Housing, and Community Clean Energy

Pipeline Value

$428,908,744

Key Partners

City of Cincinnati (Office of Environment & Sustainability), Cincinnati Green Bank (CGB), Cincinnati Development Fund, The Port of Greater Cincinnati Development Authority, and Hamilton County.

Community Impacts

At least 50% of pipeline projects are located in or primarily serve low-income communities and communities impacted by extreme weather; Expanding the workforce by training 4,000 residents; Reducing household energy poverty by 10% beyond 2022 levels by 2028.

Strategic Role

Market Builder / Financing Coordinator

The Path Forward

Seeking $1,5 million in predevelopment support for energy audits and modeling, a window heat pump pilot for affordable multifamily housing, and a loan loss reserve to support Cincinnati Green Bank's energy efficiency lending.

THE BIG PICTURE

The City of Cincinnati acts as a catalyst for local clean energy and energy-efficient infrastructure to achieve the ambitious targets of its 2023 Green Cincinnati Plan through support of and collaboration with the Cincinnati Green Bank (CGB)—a powerful coalition of public and private stakeholders. While the CGB aims to address critical financing gaps for net-zero housing and community energy, the Municipal Investment Fund (MIF) has supported the City's efforts to connect residents, developers, community organizations, and contractors to practical guidance on low-cost financing, incentives, policy updates, key technologies, training, and local resources for clean energy, energy efficient buildings, and electrified transportation. This work on awareness and connection to opportunities and resources drives market expansion in the Greater Cincinnati region.

The Challenge: Disadvantaged neighborhoods face high energy burdens, and developers, institutions, community organizations, and residents often lack understanding of the technologies, the return on investment, or access to the flexible financing needed to cover the "premium" of advanced, energy-efficient construction and renovation that lowers this burden.

The Solution: The Cincinnati Green Bank is developing specialized financial products, such as Pre-development and Subordinated Construction Loans, specifically designed to de-risk sustainable infrastructure for affordable housing developers and others. The City is seeking ways to take advantage of new and existing incentives, like identifying suitable brownfield sites for clean energy development and potential geo-exchange districts and technologies, while educating and connecting the community and its growing green workforce to resources and opportunities.

CREATING THE FOUNDATION

The Cincinnati Green Bank is standardizing pathways for clean energy finance. The coalition is designing specific financial products to overcome market barriers, including a "Pre-Development Loan" that provides short-term financing for energy audits, engineering, and site preparation, and a "Subordinated Construction Loan" that covers hard costs for energy efficiency improvements, solar, and more. By establishing these revolving tools and pairing with regional energy-efficiency tax incentives, the CGB reduces the upfront risk for developers, ensuring that high-performance energy infrastructure is integrated into affordable housing projects from the earliest planning stages. The City leveraged the Municipal Investment Fund (MIF) to expand community awareness and understanding of the cost-saving benefits of these technologies and available incentives, thereby driving demand, while also training building operators and local contractors on energy efficiency. The diverse array of approaches Cincinnati is taking strengthens the local pipeline of customers, installers, and financing solutions.

FEEDING THE PIPELINE

Supported by the Municipal Investment Fund (MIF), the City of Cincinnati and the Cincinnati Development Fund are actively sourcing projects that sit at the intersection of energy resilience and affordable housing. Through extensive market studies and direct coordination with a variety of community stakeholders, the coalition has aggregated a visible, diverse pipeline of transaction-ready opportunities. This origination strategy targets projects across various sectors—from net-zero missing middle housing to brownfield solar development—ensuring that local energy needs are met with a consistent, bankable flow of infrastructure investments.

TANGIBLE INFRASTRUCTURE

Paramount Works: A mixed-use, mixed-income 65-unit new construction development featuring a microgrid and a 463 kW solar array to provide resilient, low-cost power.

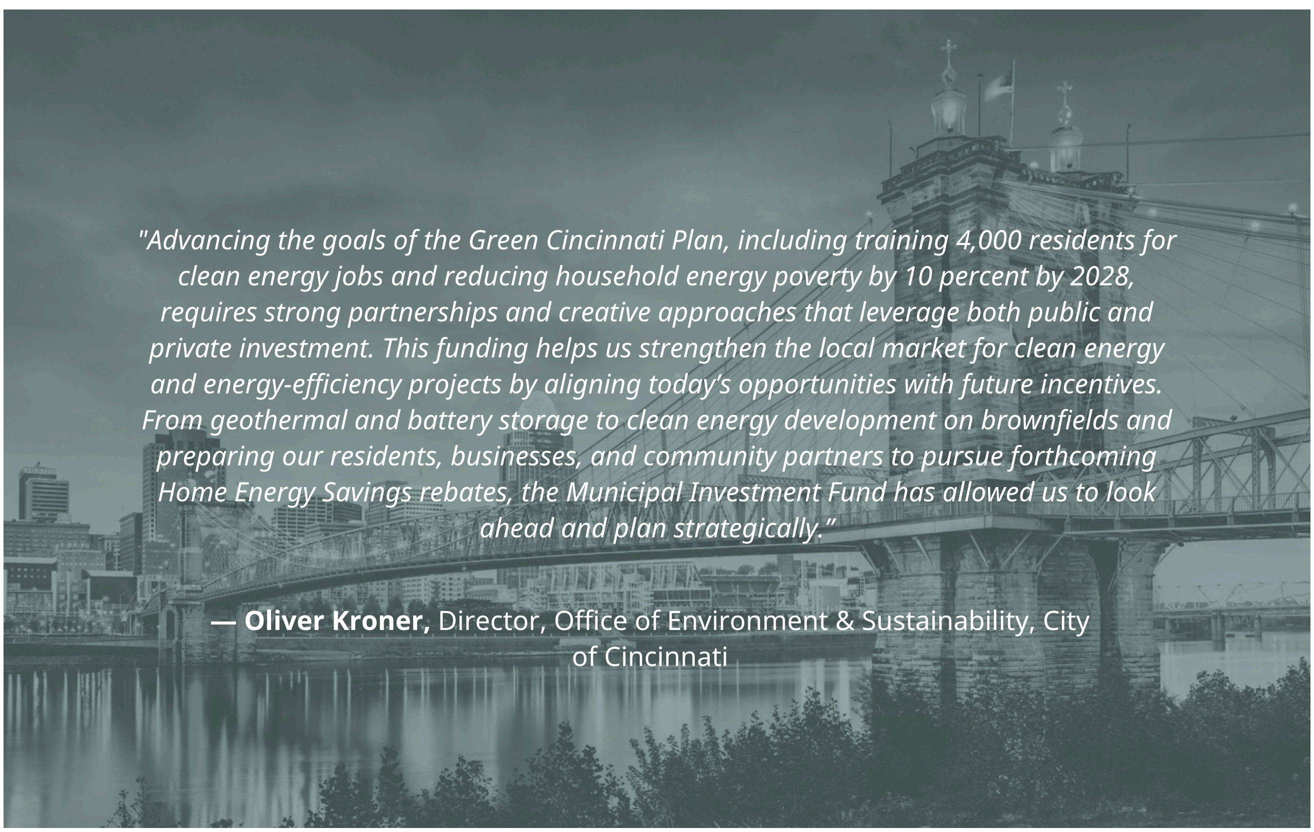
- **Capital Stack:** Senior construction loan, developer equity, and public subsidy.
- **Revenue Streams:** Reduced energy costs for residents; solar production expected to meet approximately 65% of building energy needs.
- **Investment Readiness:** Advanced Predevelopment.
- **Timeline:** Project construction targeted for late 2026.

Terri Manor Building Retrofits: Comprehensive energy-efficiency retrofits for 81 units of affordable housing, targeting a 40% emissions reduction and a 25% drop in energy consumption.

- **Capital Stack:** LIHTC equity, HUD GRRP financing, senior debt, and more.
- **Revenue Streams:** Significant reduction in long-term operational and maintenance costs.
- **Investment Readiness:** Advanced Predevelopment.
- **Timeline:** Project construction targeted for late 2026.

Northside EcoVillage Project: Market-rate missing middle housing of 1-4 units with ADUs built to Passive House design standards, including solar and EV charging.

- **Capital Stack:** Senior construction loan, developer equity, and state tax incentives.
- **Revenue Streams:** Direct reduction in household energy burdens for participating residents.
- **Investment Readiness:** Finalizing energy modeling and engineering design.
- **Timeline:** Project construction targeted for late 2026.



"Advancing the goals of the Green Cincinnati Plan, including training 4,000 residents for clean energy jobs and reducing household energy poverty by 10 percent by 2028, requires strong partnerships and creative approaches that leverage both public and private investment. This funding helps us strengthen the local market for clean energy and energy-efficiency projects by aligning today's opportunities with future incentives. From geothermal and battery storage to clean energy development on brownfields and preparing our residents, businesses, and community partners to pursue forthcoming Home Energy Savings rebates, the Municipal Investment Fund has allowed us to look ahead and plan strategically."

— **Oliver Kroner,** Director, Office of Environment & Sustainability, City of Cincinnati

IMPACT & NEXT STEPS

The City of Cincinnati's investment strategy is fundamentally focused on local economic resilience and strong community stakeholder knowledge, prioritizing critically impacted communities to ensure modern energy infrastructure benefits all of Cincinnati’s residents. By integrating these projects with aggressive workforce development goals, the city is ensuring that the transition to a modern energy grid directly supports local labor and creates pathways to high-quality jobs.

To advance this robust pipeline, the City is seeking a strategic investment of:

- $750,000 for energy audits and modeling for affordable housing projects. Energy audits and modeling are comparatively small investments at $20,000 to $30,000 each, but they are the key to helping developers understand the value of energy efficiency investments. Energy audits could unlock an additional $500,000 to $1 million in green financing for a typical 50-unit building renovation.
- $300,000 for a window heat pump pilot for affordable multifamily housing following a planned City feasibility study. Predevelopment funding could be used to engage building managers and residents, conduct energy audits, and provide engineering and design support. Such a pilot would demonstrate the viability of an important, affordable energy efficiency measure and drive demand in the local market.
- $450,000 for a Cincinnati Green Bank Loan Loss Reserve to enhance the primary lender to lend on energy efficiency components, thereby unlocking 3x more than what lenders typically can support.

This case study was funded through the Municipal Investment Fund (MIF) to support local governments and their partner not-for-profit organizations in developing public-private partnership plans that accelerate the deployment of capital to energy and infrastructure projects.