Impact Investment Opportunity - Closed

GC-HELP Loan Fund
Greater Cincinnati Energy Alliance
AFC First Financial Corporation

The Issue
Energy costs money, for individuals and for communities. Human actions – particularly burning fossil fuels (coal, oil and natural gas) and clearing land – are increasing the concentrations of greenhouse gases and creating the prospect of global climate change, e.g., warming temperatures, changes in rainfall, shifts in distributions of plants and animals. Efficient appliances can reduce the demand for electricity, and so reduce the production of greenhouse gases as well as reduce household utility bills.

Social Return
By 2016, complete 6,000 residential energy retrofits per year against a local residential market size of 140,000 homes in Ohio and Kentucky (23.3 years of inventory according to a 2011 market study conducted by the American Council for an Energy Efficient Economy). It’s good for our homeowners: residents will save money on utility bills and create healthier, safer home environments. It’s good for our planet: reduced energy use will in turn reduce air pollution and greenhouse gas emissions. It’s good for our local economy: trained contractors certified by the Building Performance Institute will create and expand “green jobs.”

Strategy: Low-cost Consumer Loans for Homeowner Energy Retrofits
Create a $9.8 million pooled loan fund seeded by $2.4 million of a $17 million U.S. Department of Energy block grant. Raise $7.4 million of private capital. The Greater Cincinnati Home Energy Loan Program (GC-HELP) Residential Revolving Loan Fund is an unsecured loan product up to $20,000 (or rebates up to $2,000). Flat rate of 6.99% for 7-10 years based on the expected life of installed equipment.

Nonprofit Organization/Borrower
Founded in 2009 with a start-up grant from GCF, Greater Cincinnati Energy Alliance (GCEA) provides reduced-cost energy assessments, project management, and energy improvement incentives to residents of 1-2 family owner-occupied homes and building owners of Hamilton County in Ohio and Boone, Kenton, and Campbell counties in Kentucky. GCEA has partnered with AFC First Financial Corporation, one of three certified Fannie Mae energy efficiency loan underwriters. Thus far GCEA has certified 40 contractors and converted more than 1,200 audits into over 50 retrofits.

Investment Opportunity and Financial Return
The Greater Cincinnati Foundation will invest up to $500,000 in the GGEA GC-HELP Project. The charitable interest rate is 2%; interest-only payments through the call period (May 2013) and straight amortization for 10 years with a balloon payment after 5 years. 75% cash collateral first loss protection and grant-funded credit enhancements through 2013. Donor advised funds are invited to participate with a minimum investment of $25,000.