

October 18, 2023

PRESS RELEASE



Council of Development Finance Agencies
100 East Broad Street, Suite 1200
Columbus, Ohio 43215
614-705-1300
www.cdfa.net

CONTACT:

Toby Rittner
President & CEO
trittner@cdfa.net

CDFA Coalition Submits \$2 Billion Clean Investment Accelerator for DFAs Proposal Under Greenhouse Gas Reduction Fund Competition

—Coalition Will Assist Communities Nationwide With Greenhouse Gas Reduction Projects—

Columbus, OH — Last week, the [Council of Development Finance Agencies](http://www.cdfa.net) (CDFA) and coalition partners submitted a proposal to create the \$2 billion **Clean Investment Accelerator for Development Finance Agencies (DFA Accelerator)** under the Greenhouse Gas Reduction Fund (GGRF). Under this program, CDFA and its coalition partners will launch a six-year accelerator program designed to serve a community lender network of development finance agencies (DFAs) to build the expertise and financial capacity of DFAs seeking to create or expand existing financing products for qualified projects that reduce or avoid emissions of greenhouse gas and other air pollutants in low-income and disadvantaged communities (LIDACs).

With their existing ability to wield public finance tools such as municipal bonds, tax increment finance, and other non-traditional debt structures, DFAs are the leading drivers of economic development in communities all across the United States and are uniquely positioned to lead on clean financing projects under the GGRF. Despite this, they were largely overlooked or underutilized in other prospective proposals. CDFA, the national leader in advancing the interests of DFAs, saw that underutilization and built its strategy and community lender network with DFAs as the backbone. CDFA's coalition garnered interest from over 160 DFAs requesting up to \$10M each in seed funding from the Clean Investment Accelerator for DFAs. Another 100 non-DFA community lenders requested capital and technical assistance funds for clean energy projects in their communities.

"CDFA and its partners are proud to be among the applicants on this first-of-its-kind, national-scale clean energy investment program," said CDFA President & CEO Toby Rittner. "We've worked tirelessly these last few months to build a broad base of support from communities and organizations all across the country and submit a competitive application. CDFA's efforts in this space are just beginning, though," Rittner stated. "There is a tremendous amount of work to be done in the coming months to begin assisting communities nationwide by building capacity to deliver capital for these important projects. We're excited to play a leading role in this historic investment to mobilize financing and private capital to help communities realize the cost-saving benefits of clean technologies, build more resilient communities, and strengthen economies."

Under the **DFA Accelerator** concept, CDFA will provide capitalization funding of up to \$10 million to **DFA Accelerator** participants who submit a budget request and plan for utilizing capitalization funds. Capitalization funding can then be used to implement various types of financing products or programs. CDFA will also provide technical assistance subawards of up to \$1 million to participating DFAs for activities that build their capacity to provide financial assistance to eligible projects. These activities may include predevelopment activities, feasibility studies, and engineering or permitting support.

The **DFA Accelerator** also places a premium on investing in LIDACs and ensuring the program's impact is congruent with President Biden's Justice40 Initiative—that at least 40% of overall funds distributed by CDFA and its partners flow to disadvantaged communities that are marginalized, underserved, and overburdened by pollution. DFAs are uniquely positioned to address these economic justice goals, as they already serve a diverse range of LIDACs in towns, cities, counties, regions, states, U.S. territories, and Tribal Governments and represent local "boots-on-the-ground" in those communities.

Further, DFAs already issue tax-exempt bonds for low-cost capital and offer other equity investments and financing tools. CDFA and its partners will leverage this expertise and local community knowledge to advance the Justice40 Initiative.

CDFA and its partners also plan to maintain accountability to LIDACs throughout the **DFA Accelerator** in several ways. For example, each DFA seeking to participate in CDFA's program must submit an accelerator strategy prior to receiving funds. These strategies must outline the DFA's LIDAC engagement and accountability program and will be evaluated on an annual basis to measure performance against these goals. Each participating DFA will receive continual technical assistance, training, and support throughout the program's life to maintain LIDAC engagement. Finally, each transaction by a participating DFA will require verification that the investment is in a LIDAC.

By the end of CDFA's six-year **DFA Accelerator** program, CDFA and its partners plan to see significant gains in market transformation, equity, and climate benefits, including the mobilization of private capital and the establishment of clean financing programs sustained beyond the period of performance. These investments will drive progress toward the net reduction of greenhouse gas emissions 50-52% below 2005 levels in 2030, achieving a carbon pollution-free electricity sector by 2035, and achieving net-zero emissions by no later than 2050.

More specific, local outcomes that CDFA and its partners anticipate include:

- Approximately 175-200 DFAs will be operating sustainable clean financing products and platforms in each of the 10 EPA regions;
- \$1.6 billion in capitalization funding that will leverage \$8 billion through additional capital contributions, equaling a capital mobilization ratio of 5:1;
- Increase in volume of clean capital deployment by capital lenders, as well as an increase in the share of community lenders with clean financing programs;
- Increase in energy-efficient buildings, zero-emissions transportation options, and distributed energy to LIDACs;
- Increase in workforce participation opportunities and community wealth building in LIDACs.

To accomplish all of these outcomes and more, CDFA will work alongside a cohort of prestigious nonprofit partners that have been collectively investing in or serving cities, counties, nonprofits, economic development councils, and those tasked with managing them for well over 100 years. Each partner brings a unique ability to further enhance each element of the **DFA Accelerator**, including investment management, technical assistance, workforce development, and project development. CDFA is proud to be partnered with these entities and looks forward to working toward a net-zero emissions future.

To learn more about the Coalition, visit [CDFA's GGRF page](#). To get engaged, contact [Toby Rittner](#).

The **Council of Development Finance Agencies** is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the development finance community representing public, private and non-profit entities alike. For more information about CDFA, visit www.cdfa.net.

CDFA: Advancing Development Finance Knowledge, Networks & Innovation