

## Green Finance Authority

### 2025 Budget Oversight Hearing Testimony

Good afternoon and thank you for the opportunity to appear before the committee. My name is Trisha Miller, and I serve as the Chief Executive Officer of the Green Finance Authority, more commonly known as DC Green Bank. I want to thank Chair Allen, members of the Committee, and my fellow District residents for the opportunity to represent our DC Green Bank team today, highlight the impact of our work on the District's economy and communities, and discuss how we can best support the Mayor and Council's goals of driving economic development, accelerating small business growth, and making the city more affordable and sustainable for residents. I am also honored to appear alongside dedicated DC colleagues committing their careers to public service.

My remarks will focus on three main points. First, I will outline the impact DC Green Bank has already had across the District and in each of the wards represented on this committee. Second, I will discuss how DC Green Bank's work aligns with District priorities. Third, I will share our perspective on how the FY25 revised budget and FY26 proposed budget can best support DC Green Bank's mission and investments in small businesses, job creation, sustainability, and household savings for District residents.

#### CEO Transition

Before I start, I want to share a brief update. As you know, this will be my last time testifying on behalf of DC Green Bank as CEO. It has been a pleasure to lead this organization for the past two years, and I'm proud of what our team has accomplished in that time. I know that the organization will be in excellent hands with our leadership team and under the guidance of our long-time Board Chair Brandi Colander, who will serve as interim CEO. I also want to thank you, Chair Allen, for your continued support and guidance during my time at DC Green Bank and for your strong stewardship of this committee, which has delivered a significant downpayment on a thriving and inclusive DC.

#### DCGB Impact

With the support of Mayor Bowser and the Council, DC Green Bank was created to catalyze investments in community and economic development that support a clean energy economy and job growth in the District.

To date, DC Green Bank has invested \$75 million in green building and clean energy projects across the District, unlocking a further \$760 million in total investment in the District. **Put more directly, for every dollar DC Green Bank has invested since 2020, more than 10 additional dollars from private and public sources have flowed into the District. These investments have grown small businesses, created more than 4,000 jobs, saved residents and community organizations millions of dollars on their utility bills, and delivered nearly 1,000 affordable homes in communities where they are most needed.**

Over the last year, we worked with public and private stakeholders to unlock capital for a diverse array of community projects across the District. Today, I'd like to focus on our impact in three areas: affordable housing development, small business growth, and energy savings.

Since our last budget oversight hearing, we have invested in affordable housing developments in Wards 4, 5, and 6 that will deliver a total of more than 200 affordable homes in the coming years. These projects, at 1100 Congress St NE, on 8<sup>th</sup> and Delafield NW, and 2911 Rhode Island Ave NE, will also achieve some of the highest standards for energy efficiency, cutting utility costs and providing healthy homes for DC families. In addition, just a few weeks ago, we were joined by multiple members of the Council to celebrate the opening of The Faircliff, one of the greenest affordable housing developments in the District, serving 125 Columbia Heights families and individuals. DC Green Bank supported this project with a predevelopment loan nearly four years ago that provided incentives for the developers to reach for higher levels of energy efficiency. The lasting impact of this building is not just in the many new homes it creates, but the model it creates for combining high standards of sustainability with deep affordability.

Our recent investments demonstrate our unique value for boosting small businesses and supporting emerging developers. First, we financed three all-electric modular kitchens and rooftop solar at Sycamore and Oak, a community center and retail venue in Ward 8. This building is an example of holistic community development, an incubator for entrepreneurs, and a launching pad for restaurants East of the River. Second, in Ward 4, we worked with a new, DC-based woman-owned developer through our Community Impact Initiative. Through this loan readiness program, we help small businesses and community organizations through the loan process so they can finance clean energy projects. This program made it possible to invest in a local developer who is adding 8 affordable homes to the Kennedy Street corridor. Lastly, DC Green Bank helped the historic Howard Theatre replace and upgrade its failing HVAC system last year. The theater was paying thousands of dollars a month for an auxiliary system because it couldn't secure the necessary funding from traditional financial institutions. With the support of rebates from our partners at the DCSEU, our financing paid for a more efficient system as well as rooftop solar. These two investments will save a combined total of over \$1.5 million in operating costs for this community institution. Collaborations with our partners like DOEE and the DCSEU show how our combined efforts lead to substantial economic and energy savings for DC businesses and communities.

Our investments in solar energy are also making a difference for residents across all eight wards. We recently financed a project that will add solar energy to 335 homes in the District, saving these households an average of 90% on their energy bills. At least 75% of the benefits will flow to low- and moderate-income households. Projects like this save families money, create jobs, and grow small businesses in the clean energy sector.

In addition to our direct investment, DC Green Bank also administers the DC PACE Program. We recently announced a \$22 million deal that is financing an office-to-hotel conversion in Dupont Circle. This previously empty office space will now host 73 hotel rooms, a restaurant, and a bar, creating jobs and economic opportunity in the heart of DC. The PACE program makes it easier for capital providers to invest in energy-efficient buildings, including hotels, apartment buildings, and sports stadiums – such as Audi Field – and gives developers another pathway to finance energy efficiency upgrades and lower utility bills. To date, the DC PACE Program has unlocked over \$130 million in investment for projects across the District.

Lastly, in addition to our investments, DC Green Bank has been working to streamline our operations to make our funding go further. By rightsizing contracts for business services and negotiating a new lease, we have cut our overhead costs significantly. In FY24, DCGB achieved a 15% reduction in business management costs, representing the second consecutive year of double-digit operational cost savings.

### **FY25 and FY26 Budget Impacts**

Just last week, Mayor Bowser unveiled her growth agenda, focused on investment in the economy, building small businesses, creating jobs, and saving money for families.

**This is exactly what DC Green Bank does: we invest in projects that build small businesses, create jobs, and make DC more affordable for families.** The projects I've highlighted are just the latest in a long track record of bolstering small businesses, delivering affordable housing, creating jobs, and cutting families' utility bills. To date, DC Green Bank investments have created or preserved nearly 1,000 units of affordable housing, created more than 4,000 jobs, and installed enough solar energy to power an estimated 1,600 homes each year.

Through both direct investment and the DC PACE program, DC Green Bank provides flexible capital that can support office conversions, preserve and develop new affordable housing – including downtown and other underutilized District properties – and grow small businesses. Because of our unique ties to the DC community, deep expertise in the clean economy, and ability to support small businesses pursuing affordable financing, we can make loans that traditional lenders are unable or unwilling to provide.

We understand that the District is in a difficult budget environment. In light of that, the proposed budget for the remainder of fiscal year 2025 and for fiscal years 26 to 28 would cut DC Green Bank's funding in half, to \$3.5 million from the minimum \$7 million in the SETF statute. These cuts are in addition to the further \$20 million that DC Green Bank was intended to receive under prior statutory authority. These changes would have a significant impact on our ability to invest in affordable housing, make it more difficult for small businesses to grow and access financing, and make it harder for families to realize direct savings from solar energy deployment and building upgrades.

A substantial reduction in DC Green Bank's budget would not only lower the financing available for projects, but it would also result in fewer opportunities to catalyze private investment. Last year, our leverage ratio was 14 to 1, meaning for each dollar invested by DC Green Bank, 14 additional dollars from other sources helped build more homes, create jobs, and lower consumer energy costs. Furthermore, without sustained and predictable funding from the District, it will be more challenging to leverage additional funding to scale our investments and impact.

As we navigate these critical budget discussions, DC Green Bank will continue to collaborate with the Council, Mayor Bowser, our agency colleagues, business leaders, and a great network of local partners to find solutions to invest in a more prosperous future for all Washingtonians. We welcome the opportunity to explore avenues to diversify funding streams and continue to support communities across the District. This will ensure the continuity of our vital work and support the Mayor and Council's shared goals of economic growth, affordability, and building the economy and workforce of the future.

In closing, I want to thank the Committee for its commitment to collaborating with DC Green Bank and our team to build a more prosperous future for all Washingtonians. I appreciate the opportunity to speak on behalf of our outstanding staff and committed Board of Directors, and I look forward to your questions.