

Climate Finance Needs Assessment Cleveland Region

June 2025



Introduction and Purpose

Summary:

This report is based on a place-based needs assessment of Cleveland, Ohio and parts of Cuyahoga County by VEIC and Ohio Partners for Affordable Energy (OPAЕ), conducted from December 2024-June 2025. Assessment activities included a market and policy review, industry and community surveys, stakeholder interviews, and a review of existing training resources and delivery. This assessment is part of a larger effort covering four additional locations and intended to advance nationwide efforts to build support and capacity to implement energy efficiency and decarbonization building projects, including those meeting requirements of the EPA's Greenhouse Gas Reduction Fund (GGRF).

Key Goals:

- Identify areas of current strengths and policy alignment
- Recommend particular areas of training needs and specific policy opportunities
- Build relationships to advance energy efficiency and decarbonization projects
- Identify a potential pipeline for short- and medium-term projects

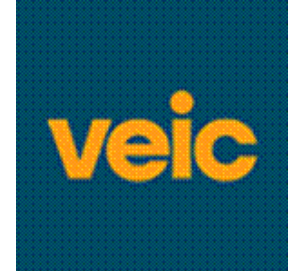
Key Conclusions and Recommendations

A number of actionable recommendations are described throughout these slides, but our key conclusions and recommendations include:

- There is a significant opportunity to improve the performance of existing **single-family and small residential projects**, for both low- and moderate-income households.
- Need to consider the special needs and **outreach opportunities for older homeowners**, who may have additional anxieties. Recommended to partner with the Cleveland Department of Aging.
- Need to create broader **101 training for contractors**, and to make existing more technical trainings accessible locally.
- Need to create targeted, **locally relevant education for owners and managers**, particularly on project financing and available incentives.
- **Need to rebuild trust** among contractors and community members who have experienced cancelled or inconsistent funding for energy efficiency programs.

Local Partners

Vermont Energy Investment Corporation (VEIC) is a nonprofit organization founded in 1986 with a mission to reduce the economic and environmental costs of energy use. Today, VEIC works with local governments, utilities, state energy offices, transit agencies, non-profits, businesses, and more to advance electrification and decarbonization efforts across the country.



Ohio Partners for Affordable Energy (OPAЕ) is a not-for-profit membership organization created to advocate for affordable energy policies that support low and moderate-income Ohioans. OPAЕ also supports member agencies delivering home energy programs across all 88 Ohio counties.



National Partners

This project was conducted in partnership with the **Relay Network**, a national network of energy efficiency implementers who promote knowledge sharing, facilitate collaborative partnerships, and encourage joint innovation. As an alliance of mission-based non-profit organizations, we leverage each other's expertise to extend our collective reach to the buildings, residents and communities that we serve.

National partners who contributed to the Cleveland needs assessment include **Institute for Market Transformation (IMT)** and **Building Energy Exchange (BE-Ex)**.

Funding for this project was generously provided by **Invest in Our Future**.



Needs Assessment Findings: Regional Priorities



Needs Assessment Components

This needs assessment included:

- Market research on demographics and housing
- Analysis of state and local policy context
- Surveys of key stakeholders
- In-depth interviews with key stakeholders
- Analysis of training resources
- Research into existing projects that already include building decarbonization

Market Research

Cleveland has a significant number of older buildings in need of renovation

- Much of Cleveland's residential architecture is composed of duplex or triplexes, often built before WWII. This older housing stock contributes to numerous housing code violations that must be addressed alongside energy efficiency and decarbonization.

Concerns about the cost and reliability of electricity is a barrier to converting from natural gas

- The Ohio legislature has officially designated natural gas as a source of "green energy", and the cost and perceived reliability of natural gas especially during the winter is a barrier to decarbonization efforts.

Population is stable but shrinking, and experiences high poverty rates

- Cleveland's population declined significantly following a peak in 1950 and has remained at approximately 2 million residents, declining slightly (1.3%) since 2010. The median 2023 income of \$39,041 is among the lowest of the cities studied. Cleveland also has significant income disparity between the city and region.

Local Policy Context

The **Cleveland Climate Action Plan (2025)** lists several key priorities for the built environment, including:

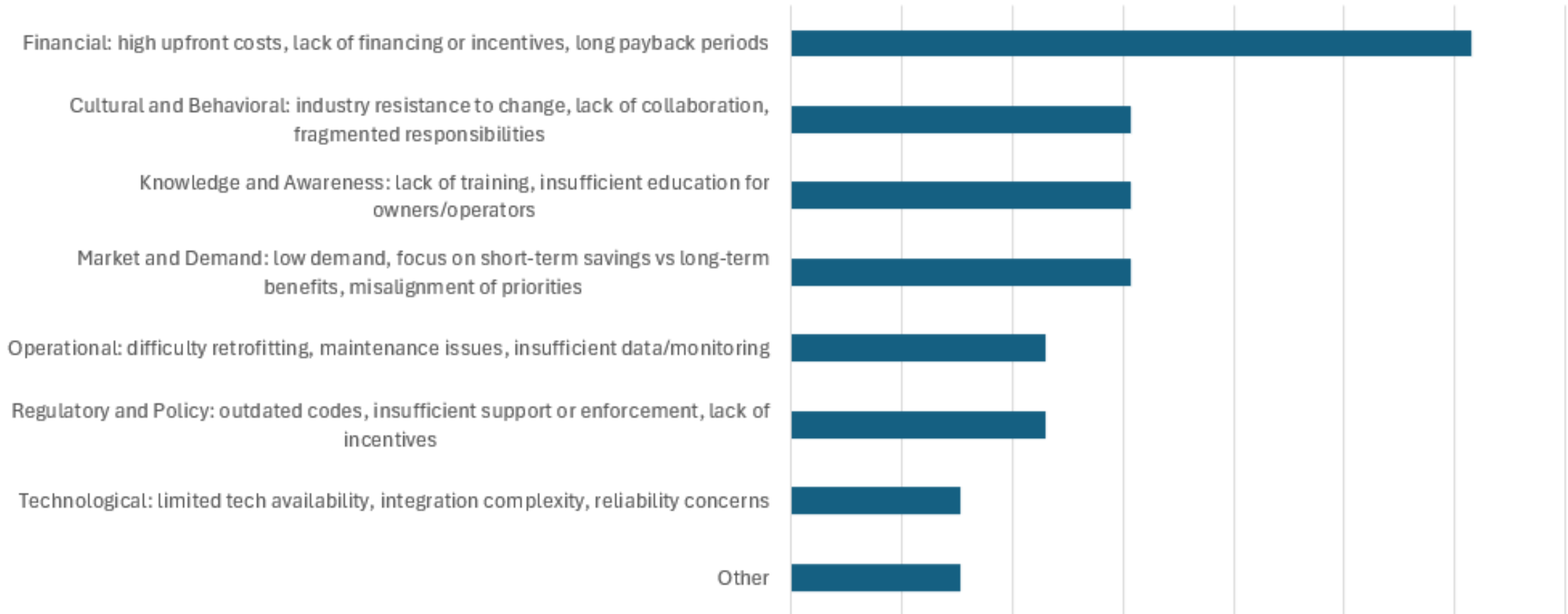
- Net Zero Emissions for all new buildings by 2050
- A 63% reduction in GHG emissions by 2030
- End sales of new fossil fuel heating systems by 2035
- Convert all existing heating systems to electric by 2050

The **Cleveland Green Building Standard** provides a tax abatement for all residential projects that achieve one of five holistic green building certifications: Enterprise Green Communities, LEED, NGBS, PHIUS, or the Living Building Challenge.

As of March 1, 2024, Ohio has adopted **the 2021 International Energy Conservation Code (IECC)**, enhancing energy efficiency standards for new construction and renovations. The 2021 code applies statewide and applies to residential and commercial buildings.

Survey Results

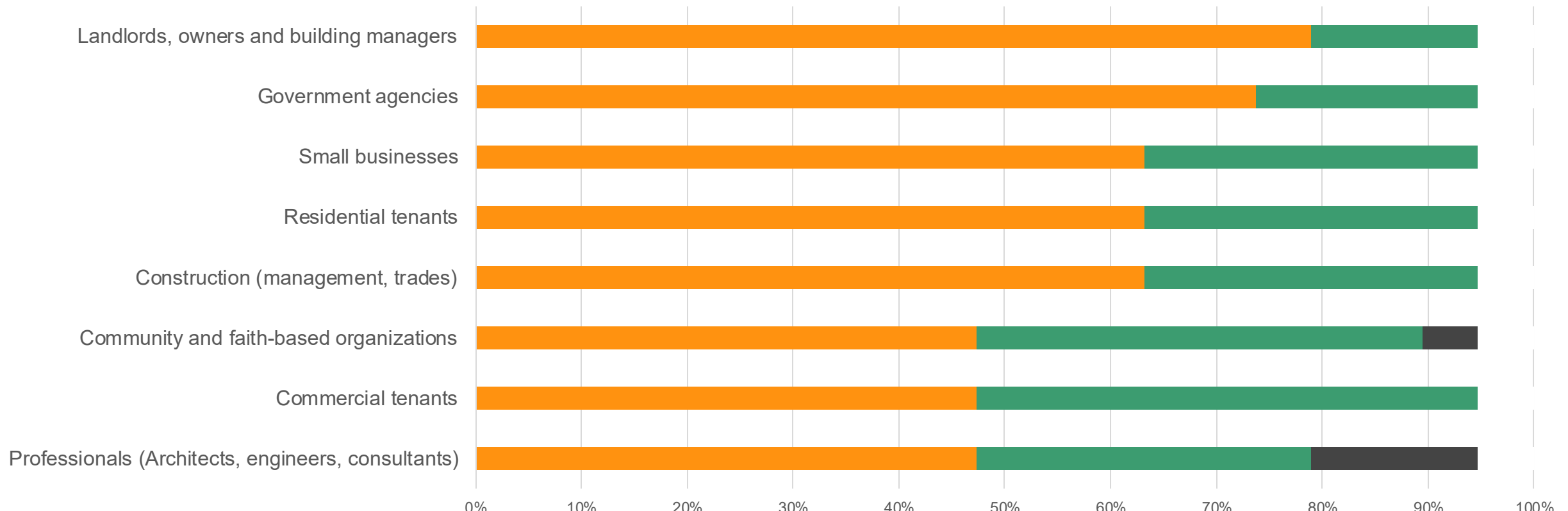
The top barrier to decarbonization was financial--high costs, limited funding, and long payback periods--followed by behavior, knowledge and demand.



Survey Results, *continued*

The most important audiences for training were landlords, property owners, and building managers, followed by government agencies.

How important is it to provide training to these audiences?



Stakeholder Engagement

Need to Bundle Services and Upgrades

- Cleveland's aging housing means many homes need major system upgrades *before* they can support solar or other energy-efficient upgrades--roof repairs, knob-and-tube wiring removal, and insulation work first.

Support for Moderate-Income Households

- Despite Cleveland's relatively low-income population, a significant number of working-class residents don't meet the thresholds for low-income housing assistance and yet struggle to afford housing and energy improvements that would save money.

Workforce Development

- Many local training opportunities are centered around supporting entrance to the workforce, often focusing on building "soft skills" and providing wrap-around supports rather than training for any one industry exclusively.
- Other workforce training opportunities have been located outside of Cleveland, requiring trainees to take more time off work and travel farther, for training that often hasn't led to jobs.

Stakeholder Engagement, *continued*

Client-Centered Communication and Trust

- Cleveland's history of racial and economic segregation means communication gaps and historical mistrust in institutions are particularly deep.
- Inconsistent city and state and even utility support for energy efficiency programs has led community members to dismiss even financially attractive incentives.
- The 2009 American Resource and Reinvestment Act (ARRA) funding surge enabled rapid workforce expansion and training infrastructure growth, including a Cleveland satellite facility, but its abrupt 2012 expiration triggered widespread layoffs and facility closures.
- Ohio House Bill 6 (2019) eliminated utility-funded energy efficiency programs that previously supplemented training and services. This funding volatility produced a legacy distrust, undermining confidence in the sustainability of green job opportunities despite ongoing demand.

“Keep promises, make it affordable and give incentives...that will build trust”
- Cleveland contractor and business owner

Existing Training Resources

Strengths	Weaknesses
• Broad support of entry into the workforce and provision of wraparound support	• Not specific to providing training and credentials that directly support building decarbonization and electrification
• Built Environment Collaborative utilizing ARPA funds to recruit 3,000 residents into job training programs for the built environment by 2026	• No local presence of ideal training providers - distant travel times
	• Cost barriers and lack of training credentials offered

Key Takeaways

- The majority of building decarbonization opportunities, such as weatherization, do not cover holistic building decarbonization solutions
- Several local programs promote entry into the workforce, but none specific to training and credentials that directly support building decarbonization and electrification

Project Example: The Offices and Residences at the Agora

The Agora is a renovation of an historic theater into 48 market rate apartments and 21,000sf of office and restaurant space.

The project is scheduled to open in Spring 2025.

Developer: Renew Partners, LLC

Contractor: JCI Contractors

The project pursued CIRRUS Low Carbon certification, including envelope and HVAC improvements, which was a required component of the PACE Equity financing.

Financing for the \$15.5 million renovation included:

- \$9.2 million - private lender
- \$2.8 million - state and federal Historic Tax Credits
- \$2.3 million - PACE Equity
- \$1.2 million – owner equity



Needs Assessment Findings: Recommendations



Recommendations Outline

Recommendations are designed to support the overall climate finance ecosystem in the Cleveland region:

- Project pipeline
- Policy solutions
- Training and resource delivery
- Market coordination

Project Pipeline

Developers with projects already in the GGRF pipeline:

- The research team did not identify any specific projects already seeking or anticipating GGRF funding.

Developers with experience on potential GGRF-eligible projects:

- CHN Housing Partners – single-family lease-purchase project meeting DOE's Net Zero guidelines
- Cuyahoga Land Bank – In-Home Modernization Program renovates houses with efficiency improvements
- Sustainable Community Associates – developer focused on retrofits of historic buildings to LEED standards
- Projects that receive LIHTC awards, which require Enterprise, LEED or NGBS Silver certification

Additional outreach should prioritize the following organizations:

- Go Green Energy Fund - green bank supported by local philanthropy and the Coalition for Green Capital
- Cleveland Housing Investment Fund - LISC-managed fund for affordable rental and for-sale housing
- Cleveland Neighborhood Progress (CNP) - coalition of CDCs that operates a lending subsidiary
- Sol Design and Consulting - consulting firm focused on affordable housing and high-performance retrofits

Policy Solutions

- **Reinstate and strengthen statewide Energy Efficiency Resource Standards (EERS)** and utility energy efficiency obligations repealed under HB 6, establishing binding targets that align with GGRF objectives and require utility investment in residential retrofits, workforce development, and community-based implementation.
- Establish formal mechanisms to **coordinate and combine WAP funds** with utility incentives, LIHEAP assistance, GGRF grants, and private financing, enabling bundled energy efficiency, solar, and electrification upgrades in projects for low-income households.
- Advocate for legislative reform to **remove Ohio's statewide preemption** that prohibits municipalities from requiring all-electric new construction or restricting natural gas connections, enabling local adoption of stronger building electrification and energy codes.
- Utilize GGRF resources to **expand and integrate Property Assessed Clean Energy (PACE) financing** through the Northeast Ohio Advanced Energy District, supporting commercial, industrial, and multifamily building retrofits with low-cost, long-term capital to accelerate energy efficiency and decarbonization investments.

Training and Resource Needs

Content	Target Audiences	Delivery Org	Reason
Electrification measures, costs and benefits	Landlords/owners/managers Small businesses Government	City of Cleveland Office of Sustainability	Lack of knowledge around building electrification and importance of reducing greenhouse gas emissions
Energy efficiency 101 trainings for CBOs	Community-based organizations	CHN Housing Partners	Need educational support on building decarbonization to help accelerate market demand through their strong community relationships
Weatherization Installer and Energy Specialist Auditor	Construction firms Energy consultants Other contractors / vendors	Corporation for Ohio Appalachian Development (COAD) - offered in Cleveland	More local opportunities needed to grow the workforce and offer credentials that support building decarbonization and electrification

Training and Resource Needs, *continued*

Core trainings needed

- 101-level trainings are needed on building electrification, renewable energy and the importance of GHG reduction generally. Community members reported a common assumption that building electrification only meant solar installations.

Local access to a building electrification training center

- Several programs promote entry into the workforce generally but are not specific to providing training and credentials that directly support building decarbonization and electrification. Existing training centers include Cuyahoga Community College, Cleveland State University, the Built Environment Collaborative, and the Ohio Weatherization Training Center (OWTC) which offers basic courses online.

Engage community-based organizations to build trust and awareness

- There is a robust network of community-based organizations in the area performing similar work, such as CHN Housing Partners and Step Forward.

Market Coordination

Building Performance Hub

To facilitate training and resource development on energy efficiency across the building industry, we recommend that localities develop a Building Performance Hub. Hubs can be separate nonprofit entities, programs of existing nonprofits or universities, or offices within local government.

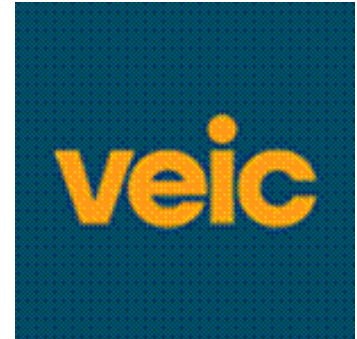
A Cleveland Building Performance Hub would work to create a community-of-practice across siloed parts of the development, design, construction, management, and financing of buildings. The Hub would do this by:

- Convening industry stakeholders
- Offering locally-relevant training and resources that fill identified gaps
- Connecting projects with experienced contractors and vendors
- Compiling and advising on available federal, state, and local financial incentives

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