



JUNE 2024

Cut Carbon Note

# Impact Report

Issued by Calvert  
Impact Climate, Inc.



Calvert  
Impact™

# Buildings are a challenge and opportunity

Most people might be surprised to learn that buildings where we live, work, and play are some of the biggest sources of carbon emissions. According to the National Renewable Energy Laboratory, commercial and residential buildings account for 40% of total energy use in the United States, including 75% of all electricity use and 35% of the nation's carbon emissions.<sup>1</sup> The Cut Carbon Note® issued by Calvert Impact Climate, in collaboration with PACE Equity, aims to change that by financing sustainability upgrades that reduce emissions from commercial properties and in the process, transforming the way we build.

The Cut Carbon Note® is an asset-backed, investment-grade-rated, fixed income product that finances energy efficiency and renewable improvements – like HVAC, lighting, insulation, and on-site solar – for commercial, industrial, and multi-family buildings across the country. Proceeds from the Cut Carbon Note® are funding projects that use Commercial Property Assessed Clean Energy (C-PACE) program financing, which provides attractive, long-term funding for green building upgrades that meet environmental standards. C-PACE programs are currently enabled in 38 states and DC, with additional states expected to launch programs in coming years.

The majority of assets in the Cut Carbon Note® portfolio go beyond C-PACE requirements and conform to the rigorous CIRRUStm Low Carbon Standard – a building standard developed by PACE Equity and the New Buildings Institute to raise the bar on commercial energy efficiency.

Ultimately, the Cut Carbon Note® program not only aims to decarbonize buildings now, but to change the way we build so that sustainability is a “no brainer” in every construction decision. The Cut Carbon Note® is a step towards transforming an industry that can help speed the transition to a clean energy future.

<sup>1</sup> “NREL Researchers Reveal How Buildings Across United States Do—and Could—Use Energy,” National Renewable Energy Laboratory. Available at: <https://www.nrel.gov/news/features/2023/>

<sup>2</sup> Statistic from [https://imagine.gsfc.nasa.gov/features/cosmic/earth\\_info.html](https://imagine.gsfc.nasa.gov/features/cosmic/earth_info.html) and calculation conducted using <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

The Cut Carbon portfolio results in almost

## 20% CARBON SAVINGS

from the baseline building code.



Cut Carbon Note® investors are contributing to the reduction of greenhouse gas emissions by an expected

## 84,467 TONS OF CARBON EMISSIONS

equivalent to **driving around the Earth over nearly 8,700 times.**<sup>2</sup>



Our investors are supporting community economic development through an estimated

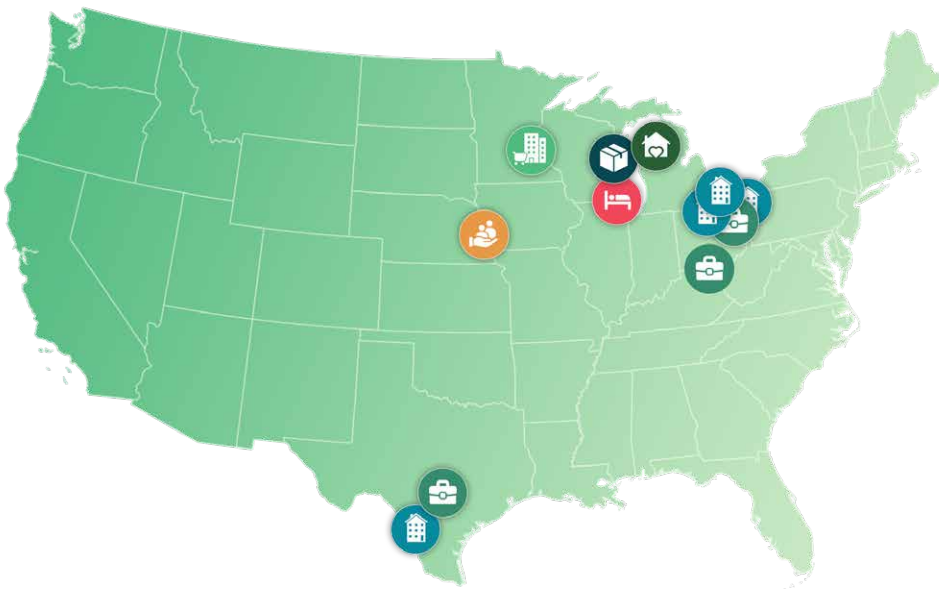
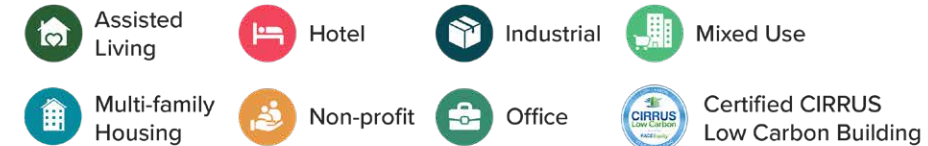
## \$21.6 MILLION IN TOTAL ENERGY SAVINGS.





# The Cut Carbon Note® Portfolio

The wide variety of properties in the portfolio generate significant energy savings and carbon emissions reductions across 6 states. Together, these buildings will generate tangible social and environmental impacts in their local communities.



**Euclid Office Building**



Euclid, OH

**Coliseum Building**



Minneapolis, MN

**Kenwood Place**



Cincinnati, OH

**Meadow Valley**



Traverse City, MI

**Nebraska MultiSport Complex**



Omaha, NE

**One South Main Tower**



Laredo, TX

**Painesville Tower Student Housing**



Painesville, OH

**Residences at Agora**



Cleveland, OH

**The 70th Apartments**



Cleveland, OH

**The Allen**



San Antonio, TX

**The Marlow**



Milwaukee, WI

**Town 9 Industrial Building**



Germantown, WI



**58%**

of the portfolio is certified CIRRUS™ Low Carbon



**33%**

of the portfolio is multi-family housing

# Portfolio Impact Summary



**92%**

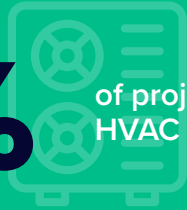
of projects  
involve electrical  
upgrades

**4.5 MIL**  
kWh

in annual electricity savings,  
equivalent to 430 households with  
a \$0 electricity bill for one year

**83%**

of projects involve  
HVAC upgrades



**3,002**  
METRIC TONS CO<sub>2e</sub>

in annual Carbon savings,  
equivalent to driving a passenger  
car for nearly 653 years



**58%**

of projects  
involve plumbing  
upgrades



**38.7 MIL**  
GALLONS

in lifetime water savings, enough  
to provide all households in a  
city like Raleigh, NC with a \$0  
water bill



## DEVELOPER SPOTLIGHT

“We did want it to be renovated to very high green standards. We wanted to prevent a lot of waste in materials and products. We wanted to be energy efficient, and to make the rentable spaces affordable since our goal is to be accessible to the local community and small businesses.”

– Taylor Smrikarova, Real Estate Development Director for Redesign Inc, a property developer for the Coliseum Building using CIRRUS™ Low Carbon for projects



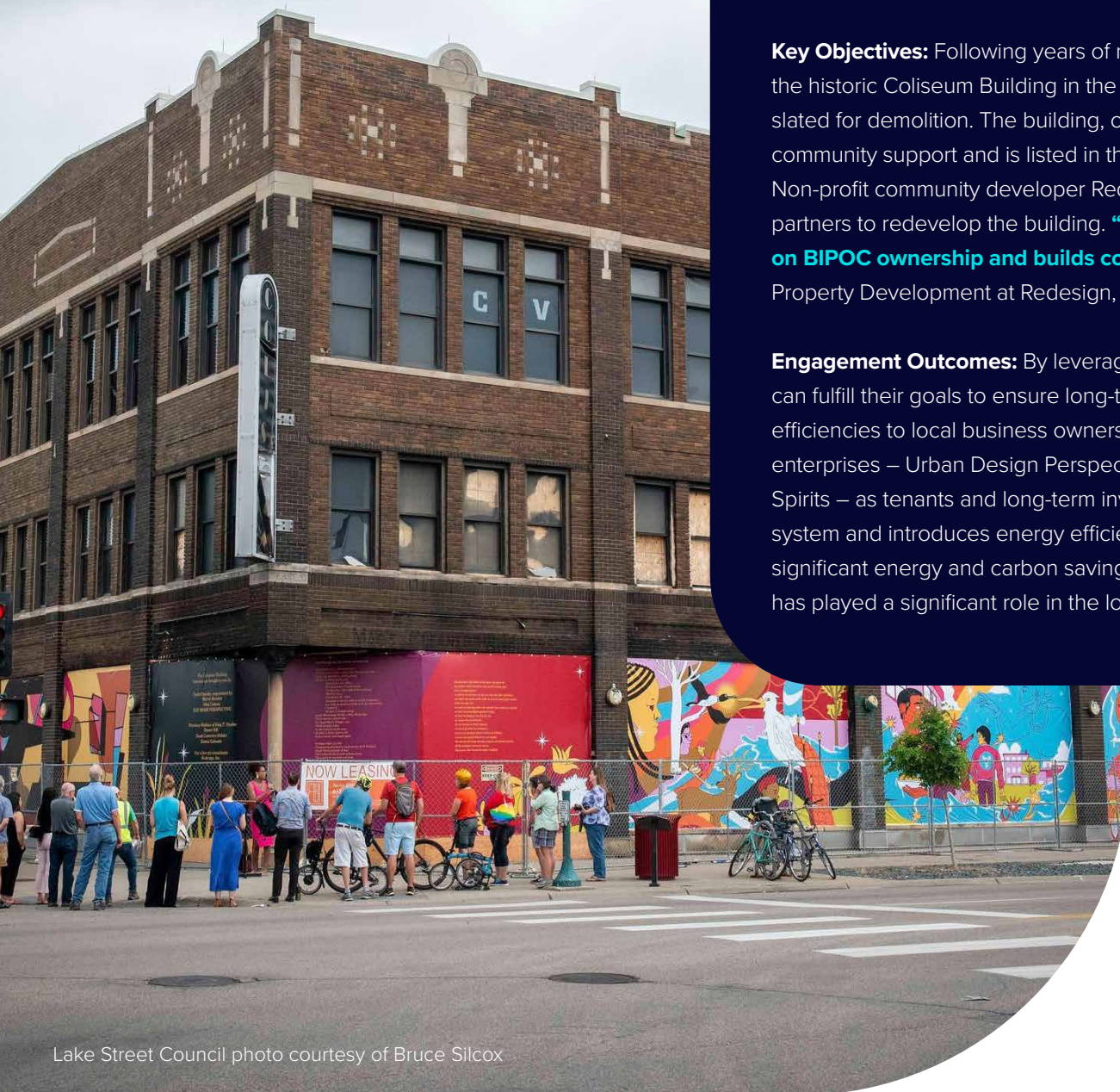


MINNEAPOLIS, MINNESOTA

# Coliseum Building

**Key Objectives:** Following years of neglect and then damage during civil unrest in 2020, the historic Coliseum Building in the South Minneapolis Longfellow neighborhood was slated for demolition. The building, originally constructed in 1917, has a vibrant history of community support and is listed in the National Register of Historic Places as of 2022. Non-profit community developer Redesign, Inc. collaborated with a coalition of community partners to redevelop the building. **“Our vision is to create a dynamic space that centers on BIPOC ownership and builds community wealth,”** said Taylor Smrikárova, Director of Property Development at Redesign, in an [interview](#) with PACE Equity.

**Engagement Outcomes:** By leveraging the CIRRUS™ Low Carbon program, Redesign can fulfill their goals to ensure long-term environmental sustainability and low-cost energy efficiencies to local business owners. Redesign is partnering with three Black-owned enterprises – Urban Design Perspectives, CommonSense Consulting, and Du Nord Social Spirits – as tenants and long-term investors. The building connects to a geothermal HVAC system and introduces energy efficient lighting and electrical upgrades, amounting to significant energy and carbon savings. Redesign is proud to contribute to a property that has played a significant role in the local Black economy for generations.



Lake Street Council photo courtesy of Bruce Silcox



## \$73,308

in annual electricity savings



Annual carbon savings equivalent to driving a passenger car for

## 44 YEARS

EUCLID, OHIO

# Euclid Office Building

**Key Objectives:** The Cleveland suburb of Euclid, Ohio aims to reduce carbon emissions by 30% by 2030 in response to environmental challenges endemic to the Rust Belt.<sup>3</sup> MAN Holdings, LLC's Euclid Office Building solar redevelopment project represents a step toward achieving this climate goal. In addition to contributing to emissions reductions, the Euclid Office Building is located in a community with a 64% Black or African American population, and 20.3% of the community lives in poverty.<sup>4</sup>

**Engagement Outcomes:** MAN Holdings capitalizes on both substantial carbon emissions reductions and cost savings through the CIRRUS™ Low Carbon program. Its solar panels generate between 25% and 50% of the energy required by the nine-story office building, decreasing its reliance on the region's fossil fuel-intensive grid.<sup>5</sup> Power generated by the 1,740 roof-mounted and ground-mounted solar arrays will result in a substantial 1.3 million kWh of electricity savings annually.

**\$56,429**

in annual electricity savings

Annual carbon savings equivalent  
to driving a passenger car for**64 YEARS**

<sup>3</sup> "The Reindustrialization of Euclid, OH: A Concern for Clean Energy": The Euclid Observer. Euclid, OH. Available at [www.theeuclidobserver.com](http://www.theeuclidobserver.com)

<sup>4</sup> US Census Bureau available at [www.census.gov](http://www.census.gov)

<sup>5</sup> The Euclid Observer, "PACE Program Brings Solar Power to Lakeview Enterprise Campus". Available at [www.theeuclidobserver.com](http://www.theeuclidobserver.com)



# Methodology

The Cut Carbon Note® impact assessment methodology aligns with the International Capital Market Association’s (ICMA) Green Bond Principles. Specifically, we follow the principles of transparency, accuracy, completeness, and consistency in our impact calculations and reporting. [See S&P Global Ratings’ Green Transaction Evaluation for Series 1](#). The Cut Carbon Note® impact framework also aligns with the Operating Principles for Impact Management, with our latest Impact Disclosure at [calvertimpact.org/impactdisclosure](#).

All figures provided in this report are expressed as cumulative over the weighted average life of all properties in the portfolio, unless otherwise specified. Energy, water, and emissions savings figures are calculated based on rigorous project-level engineering analyses conducted by independent third-party firms. These analyses model expected resource savings based on the specific efficiency measures being implemented and the existing energy baseline for each building. Baselines are determined using building codes and energy source mixes in the state where the project is located. The engineering methodology and firm conducting the analysis for each project are disclosed in [Annex A of the prospectus supplement](#) for transparency. All properties are or will be enrolled in ongoing utility monitoring to track actual performance over time versus engineering projections. Once properties are fully

enrolled in this service, metering data updates will be made available semi-annually to validate projected savings.

By leveraging qualified independent engineers and semi-annual metering, our impact assessment methodology aims to provide accurate, complete, and consistent data on the sustainability benefits delivered by efficiency upgrades through Cut Carbon Note® funding.

External data sources were also used for this report. For the portfolio impact summary, the annual electricity equivalency stat was sourced and calculated from the [US Energy Information Administration](#). The annual Carbon savings equivalency stat was sourced from the [US EPA greenhouse gas equivalencies calculator](#). The lifetime water savings equivalency stat was sourced from the [NCES Locale Classifications and Criteria](#), [EPA Water Sense Statistics and Facts](#), and [Data Commons](#). For the Case Studies the annual carbon savings equivalency stats were sourced and calculated from the [US EPA, “Greenhouse Gas Emissions from a Typical Passenger Vehicle” article](#).

This report replaces and corrects an earlier published version, which misstated the percentage of the portfolio that is certified CIRRUS™ Low Carbon.

For questions on this methodology or impact data, you can contact us at [impact@calvertimpact.org](mailto:impact@calvertimpact.org).

**Table 1: Cut Carbon Portfolio Green Bond Data**

*The following data is being provided as a recommended impact reporting practice for Green Bonds under the ICMA Green Bond Principles Impact Reporting Guidelines.*

Project Name	Location	Signed Amount (\$)	Share of Total Project Financing (%)	Allocated Amount (\$)	Gross Building Area (GBA) ft2	CIRRUS Standard Met	Annual Electricity Savings (KWh)	Annual Carbon Savings (tons CO2e)
20-41 Nebraska Multisport	Omaha, NE	\$2,883,031	100%	\$2,883,031	N/A	No	155,331	99.9
21-50 Concord - 1 S. Main	Laredo, TX	\$3,577,294	100%	\$3,577,294	157,664	No	305,424	162.9
21-57 Renew - Painesville	Painesville, OH	\$2,224,103	100%	\$2,224,103	78,980	Yes	178,573	108
21-58 Renew - Agora	Cleveland, OH	\$2,231,866	100%	\$2,231,866	73,669	Yes	73,080	40.2
21-64 Renew - 70th	Cleveland, OH	\$1,357,597	100%	\$1,357,597	79,145	No	249,755	171.7
22-11 Van Buren - The Marlow	Milwaukee, WI	\$2,423,704	100%	\$2,423,704	45,089	No	823,866	596.4
22-25 Headwall - The Allen	San Antonio, TX	\$1,559,719	100%	\$1,559,719	32,583	Yes	57,071	21.3
22-30 MAN Holdings - Euclid	Euclid, OH	\$1,563,355	100%	\$1,563,355	163,789	Yes	1,264,392	292.8
22-46 Midland Atlantic - Kenwood	Cincinnati, OH	\$1,263,141	100%	\$1,263,141	42,034	Yes	55,417	49
22-47 Wallick - Oakleaf (2nd Funding)	Traverse City, MI	\$6,170,121	25%	\$6,170,121	183,254	Yes	319,960	365.1
22-62 F Street - Germantown	Germantown, WI	\$4,535,000	100%	\$4,535,000	374,804	Yes	564,070	891.2
22-66 Seward - Coliseum	Minneapolis, MN	\$2,126,454	100%	\$2,126,454	79,643	Yes	465,659	203.5

**Table 2: Cut Carbon Portfolio Expected Impact Data**

Project	EE Baseline	Energy Engineer	Site EUI	Energy Savings/ft2	Weighted Average Life	Carbon Savings Over WAL	Energy Savings over WAL	Carbon Count	Kwh Savings Over Wal	KBTU Savings Over WAL	Lifetime Water Conservation	Intalled Solar Capacity (kWp)	Annual Solar Production (MWh)	CPACE Scope
20-41 Nebraska Multisport	EICC2018	Rivion	N/A	\$0.00	34	3,434	\$1,724,270	0.03465	5,338,726	18,215,722	N/A	N/A	N/A	Electrical/Lighting
21-50 Concord - 1 S. Main	Existing / Texas Code (IECC 2015)	Rivion	262.5	\$0.25	26	4,187	\$1,494,062	0.04554	7,849,397	26,782	17,758,700	N/A	N/A	HVAC, Electrical/Lighting, Plumbing, EIFS, Windows, and Elevator
21-57 Renew - Painesville	2017 Ohio Code (2012 IECC w/amendments)	Glen Heitkamp	77.3	\$0.28	28	3,024	\$960,494	0.04856	5,000,044	17,230,948	N/A	N/A	N/A	HVAC, Electrical/Lighting, Roof, Insulation, Windows
21-58 Renew - Agora	2017 Ohio Building Code w/Amendments	Rivion	33.3	\$0.13	29	1,166	\$449,475	0.01801	2,119,320	7,231,034	5,370,104	N/A	N/A	Building Envelope (including Roof and HVAC), Lighting/Electrical, Plumbing
21-64 Renew - 70th	2017 Ohio Code (2012 IECC w/amendments)	Rivion	34.8	\$0.38	28	4,859	\$1,365,730	0.12647	7,068,067	21,525,348	N/A	N/A	N/A	HVAC/Building Envelope, Lighting/Electric, Plumbing/Dom Hot Water
22-11 Van Buren - The Marlow	2015 IECC w/ Wis-cAmendments	Rivion	91.4	\$2.62	30	17,892	\$5,627,030	0.24607	24,715,980	223,809,360	1,485,000	N/A	N/A	Insulation, building envelope, windows, elevator, HVAC, plumbing, and electrical/ lighting.
22-25 Headwall - The Allen	2018 IECC	Rivion	30.2	\$0.27	26	550	\$333,685	0.01366	1,472,432	5,025,427	N/A	N/A	N/A	HVAC, Thermal & Moisture Protection, and Electrical/Lighting
22-30 MAN Holdings - Euclid		Helio-Scope	N/A	\$0.17	25	7,321	\$1,410,718	0.18732	31,609,800	N/A	N/A	1,160	970	Solar PV Array
22-46 Midland Atlantic - Kenwood	2012 IECC	Energy Concepts	57.4	\$0.10	28	1,372	\$319,878	0.03879	1,551,676	8,898,120	N/A	N/A	N/A	Windows, Roof, HVAC, Building Envelope, Plumbing, Electrical
22-47 Wallick - Oakleaf (2nd Funding)	ASHRAE 90.1-2010	Rivion	75.3	\$0.33	27	9,858	\$2,414,163	0.05917	8,638,920	106,918,596	14,120,838	N/A	N/A	Bricker/Stone Veneer, Thermal & Moisture Protection, Windows, Elevator - Machinery, cab, general Plumbing, HVAC, Electrical/ Lighting, GC/Overhead
22-62 F Street - Germantown	IECC 2015 (ASHRAE 90.1-2013)	Glen Heitkamp	44.2	\$0.22	30	26,736	\$3,998,714	0.19652	16,922,100	112,680,210	N/A	N/A	N/A	To be finalized with engineering. Currently includes building envelope, HVAC, plumbing, electrical and elevator
22-66 Seward - Coliseum	Existing using ASHRAE 90.1-2004 defaults		65.1	\$0.68	20	4,070	\$1,466,155	0.09570	9,313,180	28,622,580	N/A	N/A	N/A	HVAC and Electrical / Lighting





Calvert Impact is a global non-profit investment firm that helps investors and financial professionals invest in solutions that people and the planet need. During its 29-year history, the Calvert Impact family of organizations has mobilized approximately \$5 billion to build and grow local community and green finance organizations including through its flagship Community Investment Note® issued by Calvert Impact Capital, Inc., and other products and services. In 2023, Calvert Impact launched the Cut Carbon Note®, issued by Calvert Impact Climate, Inc., a product that aims to reduce carbon emissions and transform the way we build. Calvert Impact uses its unique position to bring the capital markets and communities closer together.

More at [calvertimpact.org](https://calvertimpact.org).



PACE Equity is the leader in C-PACE funding for development projects, helping customers achieve financial success while improving the planet. PACE Equity provides direct capital funding and end-to-end support to building owners, developers, and non-profits as they pursue C-PACE projects. Since 2014, PACE Equity has invested over \$600 million and funded more than 125 C-PACE projects across the United States. Its investments have reduced over \$1.1 million metric tons of carbon emissions and enabled over \$450 million in energy and operational savings.

**DISCLAIMER:** All information in this fact sheet is dated as of 6/14/2024. Calvert Impact, Inc., a 501(c)(3) nonprofit, sponsors the Cut Carbon Note®. The Cut Carbon Note® is subject to certain risks, is not a mutual fund, is not FDIC or SPIC insured, and should not be confused with any other Calvert Impact-sponsored investment product or any Calvert Research and Management-sponsored investment product. Calvert Impact Climate, Inc., a 501(c)(3) nonprofit organization, is the issuer of the Cut Carbon Note® and is separate and distinct from Calvert Impact, Inc. and Calvert Impact Capital, Inc., which are affiliated nonprofit corporations. Calvert Impact Climate, Inc. is solely responsible for payment of the Cut Carbon Note®. Calvert Impact, Inc. is not liable for the Cut Carbon Note®. The Cut Carbon Note® is not registered with the SEC and may either be registered or exempt from registration in the various states in which it is offered or sold. We will offer and sell the Cut Carbon Note® only in states where authorized. Investors in California, Tennessee, and Washington are subject to eligibility requirements. Past performance is no guarantee of future results. This is not an offer to sell you our securities and we are not soliciting you to buy our securities. The Cut Carbon Notes are subject to the terms, conditions, and risks described in the current prospectus and prospectus supplement(s), including risk of possible loss of the amount invested. Payment is dependent on Calvert Impact Climate's financial condition at the time payment is due. Any decision to invest in these securities should only be made after reading the current prospectus, prospectus supplement(s) and pricing supplement.