



Touchpoints

2023 IMPACT REPORT





Working toward a more sustainable, equitable future

Welcome to Our 2023 Impact Report



George L. Strobel II
and Robin Delmer,
Partners, Co-Founders
& Co-CEOs

Since our inception in 2005, Monarch Private Capital's tax equity impact investments have made significant contributions to societal and environmental progress. Our firm has consistently focused on three core areas: affordable housing, renewable energy, and historic rehabilitation projects. Through our dedicated efforts, we have enabled the development of \$6 billion in low-income housing, providing safe and affordable homes to thousands of families in need. Additionally, our commitment to renewable energy has resulted in the creation of 3 GW of clean energy capacity, helping to reduce carbon emissions and promote a sustainable future. Furthermore, we have played a pivotal role in preserving nearly 170 historic buildings, ensuring that these culturally and historically significant structures are revitalized and maintained for future generations. These projects collectively contribute to the enhancement of communities across the nation, fostering economic growth, environmental sustainability, and social well-being.

In 2023, Monarch achieved significant milestones in impactful investments and sustainable development. We successfully closed on 77 projects, enabling over \$2 billion in project capital and the construction of more than 3,500 affordable housing units. We facilitated over \$700 million in renewable energy tax equity, which was either deployed or committed among various projects across the country resulting in nearly \$2.5 billion in new installations that have abated over 70 million metric tons of carbon dioxide (CO₂) emissions. Our efforts in historic rehabilitation led to \$400 million in development, preserving 15 historic buildings and stimulating local economies.

By driving these initiatives, Monarch continues to create sustainable, resilient, and inclusive communities. Our work in 2023 reflects our mission to generate measurable and lasting positive impacts on society and the environment.

"These successes of Monarch in 2023 demonstrate our commitment to making a positive impact and driving innovation in the industries we serve. We will continue our mission to foster growth and make a difference in communities across the nation in 2024 and beyond."

— George Strobel, Partner, Co-Founder, and Co-CEO, Monarch Private Capital

Creating a Sustainable Future

2023 was a challenging but important year for sustainability advancements. In many ways, it felt like two steps back for every one step forward. While big wins were recognized with the IRA guidance, the introduction of federal transfer credits and standardization of accounting treatment for tax equity investments, rising costs, inflation, the cost of capital, supply chain delays and rising insurance costs threatened to stymie progress.

One thing is clear: environmental, social and governance (ESG) priorities are here to stay. In 2023, we saw a definitive shift in expectations for corporate America and further scrutiny around carbon footprint reporting. Corporations, investors, employees and communities all expect and demand support for such issues from organizations on a local and global scale. At Monarch Private Capital, our unwavering commitment is to deliver positive outcomes for our clients while recognizing the broader influence our decisions have on society and the environment. We dedicate ourselves to channeling capital into sustainable projects, maximizing returns and driving global positive change.

Monarch continues to look at what's ahead, assessing what's best for our clients as they navigate managing their tax liabilities and sustainability goals.



"At Monarch Private Capital, we're not just investing in projects; we're building a legacy of sustainability for generations to come. Together, we can shape a better future—one project at a time."

— Melanie Frontczak Director, ESG & Tax Credit Investments, Monarch Private Capital



A framework for sustainability

The IRA: Advancing Sustainability Goals

2023 marked a pivotal milestone in the renewable energy landscape with the enactment of the initial parts of the Inflation Reduction Act (IRA). This landmark legislation extended the production tax credit (PTC) and investment tax credit (ITC) for a decade, broadened their scope to encompass emerging technologies, and introduced supplementary incentives. Notably, the restructuring of the energy credits prioritized the utilization of prevailing wage and labor in manufacturing and development, while also incorporating additional policy incentives for citing clean energy production in economically disadvantaged communities and using domestically manufactured components. Fair labor initiatives aimed to both remake and cultivate a skilled workforce and encourage apprenticeship and prevailing wage programs, contributing to an intentional, but economically advantaged transition away from fossil fuels. Moreover, solar projects qualified for the PTC, offering developers flexibility in credit utilization based on project economics. Beyond the “traditional” energy investment and production incentives, we’re already seeing opportunities specific to manufacturing, reducing the carbon footprint of existing generation, and developing clean transportation and other fuels.





The introduction of these adders has immediately enhanced the appeal of renewable energy investments. We're seeing over 50% of current energy projects utilize one or more of the domestic content or energy community adders, meaning investment dollars are going further—creating more (and more resilient) infrastructure while accelerating job creation and economic vitality. Interestingly, we're reducing reliance on foreign supply chains as we remake and revitalize local economies and promote sustainability. Additionally, we've been privileged to help clients participate in transactions that use low-income community incentives under the IRA to democratize renewable energy access, empower marginalized communities and alleviate energy poverty. These measures collectively drove investments in inclusive, sustainable developments that foster economic growth and environmental stewardship.



"While we don't know precisely what energy independence and the US-led global economy of the future will look like, we're excited to work with our clients to develop that picture in an intentional, impactful and innovative manner."

– Bryan Didier, Partner, Managing Director of Renewable Energy, Monarch Private Capital

Enhancements to Energy Transition Investments

In the past, structure requirements and accounting for traditional tax equity structures hindered market entry by potential participants. One of these barriers was the requirement that renewable energy tax credits via code sections 45 and 48 could only be used by direct and indirect members of a project. New code section 6418 from the IRA removes this ownership requirement by allowing direct transfer of not only the traditional section 45 and 48 energy credits, but also other new credits for domestic manufacturing and investment as well as other opportunities like fuel production and carbon capture credits.

Transferability presents a new opportunity to bring “capital” to facilitate renewable energy. Both investors/purchasers and owners/sponsors have more flexibility to choose the alternative that works best for their unique situation—the traditional ownership model or an arms-length purchase contract. Additionally, because the transfer can be made after projects have been placed in service, participants have greater certainty as to the availability of the credits, and taxpayers can more discretely offset tax liability late in, or even after, the tax year.

From the developer standpoint, transferability allows more access to tax credit monetization for smaller projects, especially via bundling a series of projects that might otherwise not group succinctly or cogently for traditional tax equity investors. We’re also seeing investors more willing to engage in a familiar purchase/sale arrangement than immediately having to work through the nuances of an additional partnership under the corporate veil. Interestingly, as investors get familiar with the overlapping credit underwriting, we’re seeing many migrate quickly to the potentially more lucrative and compelling traditional investment structures that have a stronger impact narrative.



Transferability facilitates the transition to clean energy

Overcoming Adversity to Build a Better Tomorrow

Beginning in 2005, Monarch Private Capital built their business on the emergence of the low-income housing tax credit program (LIHTC), as the country started to experience a lack of affordable housing.

Today, the affordable housing challenge persists. Nationally, there is a shortage of more than 7 million affordable homes for our nation's 10.8 million plus extremely low-income families, according to the National Low Income Housing Coalition. As inflation adjusted median household incomes have stagnated, housing costs have soared and the availability of affordable units has continued to decrease. These diverging trends have relegated increasing numbers of American families to substandard living conditions or unmanageable financial burdens. There is a dire need for affordable housing in big cities, rural communities and even vacation destinations like Maui.

In 2023, the world witnessed widespread devastation on the Hawaiian island of Maui. Fires consumed more than 2,000 structures and generated over \$5 billion in losses from property damage and business interruption. The Kaiaulu o Kupuohi affordable housing development in Lahaina was one such structure. Completed in December 2022, this project provided 89 affordable housing units in the area, for families that earn less than 60% of the area median income, which equates to around \$46,500 for a single person and \$69,500 for a family of four. The wildfire destroyed the 9-month-old building, one of the few places on Maui a local family could reasonably afford to rent.

Alongside project partners, Monarch's team dedicated themselves to rebuilding. With the assistance of the Hawaii Department of Business, Economic Development & Tourism and the low-income housing tax credit program, this project is underway in Lahaina.



"The building had been constructed with the aid of low-income housing tax credits, which are crucial for communities like Maui. The cost of construction makes housing unobtainable for many."

– Douglas Bigley, Director and President, Ikaika Ohana



"Monarch was committed to rebuilding on an expedited timeline to serve a community that has experienced tremendous loss."

– Brent Barringer, Partner, Managing Director LIHTC, Monarch Private Capital





PROJECTS

Managed tax equity
impact investments in



833 Projects
generating

\$5.3 Billion

of tax credits

41

States + DC



\$13 Billion

in project
capital

SINCE 2005

IMPACTS



Generated
300,000
Jobs

Generated
economic impact of
\$33 Billion



Created
50,000+
housing units



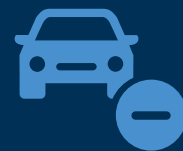
Offset greenhouse
gas emissions
equivalent to

20M

gas-powered
passenger vehicles



3 GW
renewable
energy capacity



TEXAS

Pitts Dudik + Dileo



In partnership with Elawan Energy, a global operator in the renewable energy industry, Monarch Private Capital completed two utility-scale solar projects in Q4 2023. The projects, located in Hill County and Bosque County, Texas, mark a significant milestone in the companies' commitment to clean energy and sustainability.

The projects include Pitts Dudik, a solar photovoltaic (PV) park, which boasts a capacity of 60.26 MWdc (mega watts defined condition), and Dileo, a solar PV farm, which contributes an additional 86.67 MWdc. Together, these projects represent a total capacity of approximately 147 MWdc, providing clean and renewable energy to the region.

These projects establish a foundation for delivering clean energy for years to come. Over the next 40 years, these facilities are expected to abate 4,690,465 MT_{CO2e}, equivalent to the greenhouse gas emissions from over a million gas-powered passenger vehicles driven for one year. They will create nearly 600 jobs.



588
Jobs created

4,690,465

MTCO₂e emissions to:



925,692

Homes' annual electricity usage eliminated



414,390

Passenger cars removed from the road annually



309,648,946,494

Smartphones charged



"Pitts Dudik and Dileo are great examples of tax credit equity investments. Not only are they accelerating the energy transition to sustainable resources, but they are also fostering economic growth, job creation and innovation in their communities."

– Bryan Didier, Partner, Managing Director of Renewable Energy, Monarch Private Capital



"We are very happy that the projects will have a positive impact on the local communities, helping not only from an economic perspective but also in the reduction of greenhouse gas emissions."

– Gonzalo Rodriguez Tortosa, Business Development Officer and Chief Operating Officer, Elawan Energy North America



STEVENS POINT, WI

The Grove



837

Jobs created



\$51,714,000

Local income generated



\$9,939,900

Local tax revenue generated

The Grove is a remarkable historic convent renovation located in Portage County, Stevens Point, Wisconsin. This project revitalizes the former convent into dynamic multi-family, intergenerational living spaces and would not have been possible without financing from both Low-Income Housing Tax Credits (LIHTC) and Historic Tax Credits (HTC).

Situated on 40 acres of pristine land, The Grove features untouched forest wetland trails, prairielands and a beautiful grove of trees. This scenic environment complements the authentically restored housing units, which reflect the historic character of the convent. Each unit includes natural wood cabinets, refinished historic floors, and numerous built-in details from the time when the Berkshire housed the Sisters.

The development offers quality affordable housing to both families and seniors, providing senior housing for those 55+ and family townhomes with no age restrictions. It will support 102 seniors and families, addressing the pressing need for affordable housing in the area.

After sitting vacant for several years, The Grove is not only preserving the architectural and cultural heritage of the community, but also reinstating underutilized areas, leading to increased economic activity and community vibrancy. This thoughtful renovation ensures that the historic convent continues to serve the community, fostering an inclusive and vibrant neighborhood.



"It's always fulfilling working on historic revitalization projects. At the Grove, the past is preserved in a way that serves as a tribute to the historic landmark while serving the current need for attainable, contemporary housing."

– Steve LeClere, Partner, LIHTC, Monarch Private Capital



"The Grove project stands as a testament to the power of combining historic preservation with modern needs. By leveraging Low-Income Housing Tax Credits and Historic Tax Credits, we've been able to breathe new life into a historic structure while addressing a critical demand for affordable housing. This development not only honors the past but also creates a vibrant, inclusive community for both seniors and families."

– David Weiss, General Capital Group



PHOENIX, ARIZONA

Luhrs Building



The Luhrs Building is a prominent 20th century building, converted into an upscale Marriott Moxy brand hotel to address the increasing demand for lodging options in the redevelopment area of downtown Phoenix, Arizona.

Constructed in 1924 by George H.N. Luhrs, a leading commercial real estate developer in Phoenix, the Luhrs Building is a 20th Century real estate landmark. The 10-story, 108,000-square-foot structure was the tallest building in Phoenix at the time and the largest commercial building between El Paso and Los Angeles.

Alongside local partners, Monarch Private Capital invested to convert this prominent building into a hotel that offers travelers a stylish, affordable option when visiting downtown Phoenix. This bustling, vibrant area of downtown has recently undergone revitalization with more than \$6.5 billion invested in transportation, commercial office space, educational facilities, cultural and hospitality venues since 2005. The Luhrs Building stands as a reminder of Phoenix's rich history while simultaneously supporting local economic vitality.



957

Jobs created



\$40,557,539

Income generated



\$55,096,353

GDP added

"We plan to bring new life to this iconic Phoenix landmark by creating a fresh, energetic space where people of all ages and walks of life will want to be. At the same time, we're making it a priority to maintain the historical integrity of the building."

—Cameron Gunter, Owner/Chief Executive Officer, PEG Companies




Project
Touchpoint



"As the area continues to develop, the need for new lodging options increases significantly. The 164 rooms provided by the reimagined Luhrs Building will directly support downtown Phoenix's redevelopment plans while exemplifying the meaningful impact of historic preservation."

— Rick Chukas, Partner, Managing Director of HTC, Monarch Private Capital



Westside Future Fund Employee Volunteer Project



Monarch employees enthusiastically volunteered with the Westside Future Fund, dividing into three teams to make a significant impact. One group dedicated their efforts to crafting warm blankets for the homeless, providing comfort and support to those in need. Another team embarked on a community clean-up initiative, fostering a sense of pride within the neighborhood. Meanwhile, a third group focused on enhancing the beauty of local parks through diligent clean-up efforts.

The team also had the opportunity to go on a guided tour to gain firsthand insight into the significant role the Westside Future Fund plays in the community's development. This experience provided valuable knowledge about the investment and development processes shaping the future of these neighborhoods.

Robin Delmer serves on the real estate board for the Westside Future Fund, a nonprofit committed to revitalizing historic Westside neighborhoods into a community Dr. King would admire. Based in Atlanta, GA, the Fund focuses on equitable development, addressing poverty, blight and disinvestment. By implementing initiatives in affordable housing, economic development, and education, the Fund partners with stakeholders to uplift Westside neighborhoods, preserving their heritage while creating opportunities for residents.



Gardening



"Monarch's accomplishments in such a short span of time were truly remarkable. You moved 10 yards of mulch into the park, filled two 30-yard dumpsters, and crafted 11 blankets for the homeless community. Your dedication to the Westside Future Fund is deeply appreciated."

— Raquel Hudson, Director of Programs, Westside Future Fund



Community Cleanup



Blanket Making

Positively Impacting Communities



This year, we proudly extended our support to Building Homes for Heroes, an organization dedicated to providing mortgage-free homes for injured veterans, a cause close to our hearts.



Unites finance, policy, and technology to accelerate the transition to a renewable energy economy.

Monarch is an active member in ACORE's Partnership for Renewable Energy Finance (PREF) executive program, ESG Working Group and Leadership Council. Monarch is a sponsor of ACORE's "Accelerate" membership program, which enables smaller renewable energy companies owned and operated by women and people of color to be eligible for a complimentary ACORE membership.



Working since 2010 to create a community that cares about a healthy and sustainable environment.

Monarch's Partner, Co-Founder & CO-CEO, Robin Delmer is an Advisory Board Member of Live Thrive Atlanta. Monarch participates in Live Thrive Atlanta's Center for Hard to Recycle Materials (CHaRM) Corporate Challenge, an initiative in partnership with Atlanta-based corporations giving the company's employees the chance to drop off recyclables during April leading up to Earth Day. In 2022, 120,000 pounds of materials were diverted from Atlanta's landfills and water system.



A global membership program for sustainability standards, integrated reporting, and integrated thinking.

Monarch is a member of the IFRS Sustainability Alliance.



A nonprofit organization based in Southern California transforming the lives of underserved Asian and Pacific Islanders (API).

Monarch's Director of Film & Tax Credit Investments, Marco Cordova, serves as Vice Chair of APCF. Since its founding, APCF has raised and distributed over \$10 million in grants to its partner agencies and community organizations and serves over 4.9 million people annually, with programs and services.



The Solar Energy Industries Association® (SEIA) is leading the transformation to a clean energy economy, creating the framework for solar to achieve 30% of US electricity generation by 2030. SEIA works with its 1,000 member companies and other strategic partners to fight for policies that create jobs in every community and shape fair market rules that promote competition and the growth of reliable, low-cost solar power.

"With a legacy spanning decades, SEIA is dedicated to advocating for and advancing the growth of solar energy across the United States. Sitting on the board of SEIA provides us with a platform to demonstrate industry leadership, advocate for favorable policies, expand its network, access valuable resources, and shape the future direction of the renewable energy sector."

— Robin Delmer, Partner, Co-Founder & Co-CEO, Monarch Private Capital

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Great Promise on the Horizon

Looking to the future, Monarch Private Capital sees great promise on the horizon. Multiple touchpoints with projects and stakeholders have converged to deliver notable impact in 2023, and we continue to invest in more meaningful projects in 2024.

Since 2005, we've been committed to advancing sustainability, social and economic progress. We're excited to see our projects gain momentum within the framework of greater national and global progress toward ESG achievements.

We are honored to witness significant strides in 2023 with regard to heightened awareness, legislation and collaboration that lay the foundation for a more sustainable, equitable world. We are proud to collaborate with a broad range of stakeholders – investors, lenders, businesses, communities – to have a positive impact. We will continue on that journey in 2024 as we build on the promise of a better tomorrow.

Connect with us to discover how you can be part of our journey toward a more positive impact.



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