



CDFA
COMMUNITY DEVELOPMENT FINANCE AUTHORITY

CLEAN ENERGY FUND

APPLICATION AND PROGRAM GUIDE

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TABLE OF CONTENTS

COMMUNITY DEVELOPMENT FINANCE AUTHORITY	3
PROGRAM OVERVIEW & OBJECTIVES.....	3
ELIGIBILITY	5
GUIDELINES.....	5
LOAN TERMS	6
HOW TO APPLY	7
TIMELINES AND FUNDING AVAILABILITY	7
LOAN DOCUMENTATION	8
LOAN ADMINISTRATION	9
APPENDIX A: APPLICATION OUTLINE.....	10

COMMUNITY DEVELOPMENT FINANCE AUTHORITY

The Community Development Finance Authority (CDFA) is a statewide, nonprofit authority focused on maximizing the value and impact of community development, economic development, and clean energy initiatives throughout New Hampshire. The organization leverages a variety of financial and technical resources, including the competitive deployment of grant, loan, and equity programs.

We envision a future New Hampshire composed of communities that are economically and socially resilient, reflect and respect their natural surroundings, and represent places where people want to live, work, and play.

To achieve this vision, CDFA invests in the people of New Hampshire by:

- Enabling its partners to make transformational and sustainable changes;
- Meeting the evolving needs of New Hampshire communities;
- Deploying a well-tuned, effective investment system which directly impacts local communities; and
- Taking an innovative and collaborative approach to development finance.

OUR APPROACH

We believe that all people in New Hampshire should have their basic human needs met, access to opportunity, and be a part of sustainable, vibrant communities. Our role at the Community Development Finance Authority is to provide communities with capital and technical assistance to achieve this vision. Success for us means showing up in ways that are relevant, impactful, and center the existing assets in a community.

HOW DATA SHAPES OUR STRATEGY

Data plays a pivotal role in our work. CDFA's Community Progress Indicators, a set of 13 metrics that assist in measuring socioeconomic well-being and community need at the municipal level in New Hampshire, assist the organization in meeting the evolving needs of New Hampshire communities by informing our strategic priorities and guiding the allocation of resources to the places that need those resources the most.

Identifying quality metrics in alignment with our vision and using them to identify and better understand statewide, regional and local trends helps CDFA support our partners in creating lasting impact within New Hampshire communities. Additional information on CDFA's Community Progress Indicators can be found on the [Resource Hub](#).

PROGRAM OVERVIEW & OBJECTIVES

PROGRAM OVERVIEW

CDFA's Clean Energy Fund invests in energy efficiency and renewable energy projects that reduce costs for New Hampshire businesses, non-profits, and municipalities and helps to: address New Hampshire's energy challenges in a fiscally and environmentally responsible manner; reduce New Hampshire's contribution to global climate impacts; and reduce barriers for equitable access to the many benefits of clean energy.

Capitalized at over \$10 Million, CDFA's Clean Energy Fund merges three individual revolving loan funds dedicated to financing energy-efficiency improvements and clean / renewable energy initiatives into a single program and application process, providing low-interest loans along with energy technical assistance and project funding guidance.

Funding for the program comes from a combination of Federal and State sources as well CDFA's own funds.

PROGRAM OBJECTIVES

1. Offer financing options for New Hampshire businesses, non-profits, and municipalities to implement clean energy projects that:
 - a. Reduce operating costs
 - b. Reduce energy use and its related environmental and climate impacts
 - c. Improve non-energy benefits including: Building durability, occupant comfort and safety, and workplace productivity;
 - d. Increase access to clean energy and its associated benefits for all NH residents.
2. Provide technical assistance to prospective borrowers as well as to contractors and partners in all stages of project development;
3. Complement CDFA's grant programs with financing tools and technical support for projects with expected annual energy savings;
4. Coordinate with non-CDFA funding sources to enable a creative approach to financing;
5. Develop public-private partnerships, de-risking private investment;
6. Structure loans to ensure project savings are equal to or greater than annual debt service payments.
7. Provide programmatic and underwriting flexibility to support projects benefitting priority populations, utilizing newer clean energy technology, substantially exceeding the current state energy code, and/or improving community, organizational, or facility resiliency.

DEFINITIONS

The following are definitions of key program terms and should be used to further clarify the program priorities.

Authorized Official	<p>The Authorized Official (AO) is the person who has authority to approve the submission of a grant application and legally enter into a contractual agreement on behalf of the organization or municipality.</p> <p>The AO for a non-profit may be the Executive Director, Chief Executive Officer, a department head, Board officer, or another high-level team member. The AO for a municipality may be a town/city representative such as a town manager, town finance representative, Select Board, or someone who has been given such authority.</p>
Community Progress Indicators (CPI)	<p>Data plays a pivotal role in our work. The Community Progress Indicators (CPIs) are a set of 13 metrics that assist in measuring socioeconomic well-being and community need at the municipal level in New Hampshire. These indicators were chosen through collaboration with the New Hampshire Fiscal Policy Institute and a fellow from the UNH Carsey School of Public Policy. The CPIs are grouped into three categories: Basic Human Needs, Access to Opportunity, and Community Sustainability and Vibrancy.</p> <p>These metrics were chosen due to their level of statistical reliability, public accessibility, probability of continued collection, relevance to the three categories, as well as other factors. CPIs are publicly available on CDFA's Resource Hub and provide towns, cities, and counties across the Granite State access to up-to-date data and information about their community's needs, issues, strengths, and challenges. The data is updated annually and released in December each year.</p>
Evaluation	<p>Program applicants are subjected to a substantial programmatic and financial review. Among other requirements, projects must provide a public benefit, be for a public purpose, and demonstrate that adequate funding was not otherwise available. Recommendations for funding will be based upon applicant's goals, measurable objectives, activities, and needs. A project is considered on its own merits and as it compares to the other applicants in the funding round.</p>
Faith-based nonprofit	<p>CDFA will apply the following principles when considering an application from eligible, faith-based nonprofit organizations:</p>

	<ul style="list-style-type: none"> • Recipients may not discriminate against a project beneficiary on the basis of religion or religious belief. • Funds may not be used for explicitly religious activities (including activities that involve overt religious content such as worship, religious instruction, or proselytization). Such activities may be offered outside of activities that are supported with CDFA resources. • Participation in any explicitly religious activities must be voluntary.
Municipality	Any city, incorporated town or village, or county in New Hampshire.
Nonprofit	A tax-exempt public charity that operates exclusively for public benefit under section 501(c)(3) of the Internal Revenue Code. Nonprofits must have up-to-date annual reports with the NH Secretary of State and Form 990 tax returns with the Internal Revenue Service. Qualifying nonprofits are those regulated by the Charitable Trusts Division of the NH Department of Justice, governed by volunteer boards with significant fiduciary obligations, and staffed by experienced professionals.
Priority Areas	Places with a high need as outlined in the Community Progress Indicators which measure socioeconomic well-being and community need at the municipal level in New Hampshire, including Basic Human Needs, Access to Opportunity, and Community Sustainability and Vibrancy.
Priority Populations	Black, Indigenous, and People of Color (BIPOC); immigrants and refugees; women; people with disabilities; LGBTQ and gender non-conforming; rural; youth; unhoused residents; low- and moderate-income. Identified priority populations are based on the findings of the Analysis of Impediments to Fair Housing Choice in New Hampshire. Applicants may define additional priority populations with supporting data in their application.

ELIGIBILITY

Eligible Applicants

New Hampshire businesses, non-profits, and municipalities.

Eligibility Requirements

While each loan fund includes its own set of specific eligibility requirements, all Clean Energy Fund loans are generally expected to meet the guidelines outlined in the Program Guidelines section below.

Permitted Uses of Funds

Clean Energy Funds may be used for most energy savings measures and renewable energy technologies (some specific limitations may apply). Non-energy saving measures connected to an energy upgrade (such as roof replacements for solar and asbestos removal for boiler replacements) may be allowable in the loan request as long the minimum energy requirements are met. The cost of an energy audit may also be allowable in the loan request.

GUIDELINES

Programmatic Underwriting

The Clean Energy Fund program supports projects that meet the following criteria:

1. Projects result in 15% Minimum Energy Savings;
2. Energy Efficiency projects require a Level II Energy Audit (Single measure lighting projects may be excepted);
3. <10 yr. payback for energy efficiency and <20 yr. payback for renewable energy projects;

4. Estimated lifetime project savings must be greater than cost of project;
5. Term of loan may not exceed estimated useful life of project;
6. Consultation with appropriate utilities regarding incentives for energy efficiency projects.

Requirements may vary depending on the project scope, entity type of the applicant, and the source of funds for the loan. Exceptions to the above criteria may be made for projects as noted in the Program Objectives section.

Program Recommendations

CDFA recommends that, where applicable, Clean Energy Fund applicants:

1. Incorporate reasonable Energy Audit recommendations that exceed current NH State Energy Code and especially efforts to reach any of the following standards: LEED, Energy Star, Passive House, or Net Zero.
2. Contract for 3rd party commissioning of any new energy system
3. Electrify space and hot water heating systems.
4. Install Solar Photovoltaics.

Financial Underwriting

Each borrower will be evaluated to assure that they have the financial capacity to repay the loan within the terms of their agreement. The final decision will consider the overall financial condition of the borrower and the reasonableness of the financial projections provided with the application. Required financial documents are listed in Appendix A.

LOAN TERMS

All Clean Energy Fund loan applicants are subject to a substantial programmatic and financial review.

Loan Amount

Clean Energy Fund loans range from \$30,000 to \$500,000. CDFA will consider Clean Energy Fund loans down to \$15,000 for certain Municipal projects.

Loan Term

Up to 10 years with potentially longer amortization periods for renewable energy projects. Interest-only payments are allowed during the construction period, up to 6 months, followed by principal and interest payments. There is no penalty for Pre-payment.

Interest Rate

On a quarterly basis, CDFA will set its base lending rate ("CDFA Base Rate") by considering the prime rate (also known as the Wall Street Journal Prime Rate), cost of capital, and potential impact on borrowers. Applicants may qualify for one or more discounts with a minimum lending rate of 2.0%. CDFA reserves the right to adjust the offered rate based on project risk, term, community or economic development impact, or other factors. An interest rate calculator is available on the CDFA website. Available discounts are subject to change. See [CDFA Interest Rate Calculator](#).

Loan to Value Ratio

CDFA allows for loans up to 80% of the value of the Clean Energy project (20% borrower equity required). See Collateral section below for information on collateral value.

Origination Fee – (If Federal loan funds are awarded, fees will be credited to borrower)

A sliding fee equal to 1% of the CDFA loan amount (see the fee table below) is charged to cover loan underwriting and full application review. This fee is due at the time of loan closing. If your application is denied due to underwriting or eligibility, this fee is refundable.

	Origination Fee	Minimum Fee	Cap
Municipality	1.0%	\$325	\$650
Non-profit	1.0%	\$325	\$1000
Business	1.0%	\$500	\$2,000

Closing Costs

CDFA charges pass-through fees for security recording/filing and for any attorney fees. In a typical loan, these fees total less than \$250.

Collateral/Guaranty

CDFA requires repayment guarantee and security on all loans, except as noted in certain Application and Program Guides. CDFA will accept a mortgage on real property, a UCC filing on the other assets of the borrower or a combination where warranted. For a business loan, a personal guarantee will be required from any owner of 20% or more of the company or where the credit history of the borrower is deemed to be at risk.

Note: The terms listed above are subject to differences within various funding sources and are subject to change.

HOW TO APPLY

Pre-application consultation with CDFA staff is required before submitting a formal application. To discuss your project and loan application, please contact CDFA at 603-226-2170, or email Director of Clean Energy Financing Scott Maslansky at smaslansky@nhcdfa.org.

All applications must be completed and submitted on CDFA'S Grants Management System (www.nhcdafagrants.org). The application requires borrower information, details on the facility or property hosting the project, project description, the project's sources and uses of funds, the extent to which the project aligns with the objectives outlined New Hampshire RSA 162-L, and information that will help determine the applicant's capacity to complete a successful project and repay the loan.

An outline of CDFA's Clean Energy Fund application can be found in Appendix A of this document. Information on using CDFA's Grants Management System can be found on CDFA's Resource Hub: <https://resources.nhcdfa.org/working-with-cdfa/grants-system/>.

Technical Assistance

The Clean Energy Fund Program Director is qualified to provide technical assistance from the earliest stages of project development through project completion and monitoring. Energy technical assistance as well as guidance regarding rebates, grants, and other sources of project support are available.

TIMELINES AND FUNDING AVAILABILITY

Online Application and Funding Availability

Applications are available on CDFA's Grants Management System (GMS) throughout the year and Clean Energy Loan funds are available to eligible applicants and applications on a first-come, first-served basis.

Loan Application Review Timeline

Once a complete loan application is submitted, we will make every effort to complete project review and underwriting within 3 weeks.

Once approved, borrowers will receive a Commitment Letter and will complete the loan documents process. This timeline approximates 3 weeks.

Loan applicants should expect the entire process (completed loan application to loan closing) to take approximately 45 days. Incomplete information may extend this time period.

LOAN DOCUMENTATION

The following documents will be required for closing of an approved loan:

Loan Commitment Letter

This letter states the amount of the approved loan, loan terms, and any special conditions pertaining to the loan commitment.

Loan Agreement and Promissory Note

Borrowers must enter into a Loan Agreement and Promissory Note with CDFA using CDFA's standard form. The Loan Agreement and Promissory Note includes the 'maximum loan amount' that CDFA might provide to the project along with the terms governing the loan.

Collateral Documentation

CDFA will determine the appropriate security for the loan (in communication with the Borrower). Energy Efficiency projects typically require a Mortgage and Security Agreement be signed and filed with the County to place a lien on the land and/or building subject to the loan. For solar projects, a UCC Financing Statement will be filed with the County to place a lien on the equipment being installed. If the collateral value is not sufficient in relation to the amount of the loan, CDFA reserves the right to additionally require a Mortgage. For all projects, a mortgage may be placed in a subordinated position to other mortgages. Additional forms of security may also be considered.

Personal Guaranty (Businesses only)

CDFA requires a personal guaranty to be signed by the business owner. This personal guaranty is to provide for any shortfall in value should the business default on repayment of the loan and liquidation of the collateral does not satisfy the debt obligation outstanding.

Disclosure of Finance Charges (399-B)

Outlines the basic terms of the loan and any fees to be charged at loan closing.

Corporate Resolution or Municipal meeting minutes

The borrower will be asked to provide documentation expressing the authority for the borrowing organization to borrow up to the 'maximum loan amount', to grant guarantees or assignments (if required), and to designate an individual to sign the documents with CDFA on the borrowing organization's behalf. A written resolution or meeting minutes documenting the corporation or municipality's approval is required.

Attorney Opinion Letter (Municipalities only)

Verifies the review of the loan documents.

Additional Conditions to Closing

Borrower must agree to disclose all energy usage data for a period of 12 months following the project completion, and provide evidence of town approvals and permits, if applicable. Borrower must agree that if grant or rebate funds (i.e. USDA REAP grant or utility incentives) are received supporting costs covered by this loan, applicant will immediately pay down CDFA loan by that amount. If Federal funds are used to finance the project (discussed during application process), certain federal requirements will apply including the Davis Bacon Act.

LOAN ADMINISTRATION

Loan Disbursements

After a loan is executed, the borrower submits claims for reimbursement through CDFA's Grants Management System (GMS) and attaches invoices approved for payment and other documentation. Claims are approved only for work completed or equipment/material stored on site. Funds are typically disbursed within 2 weeks. Detailed instructions for submitting claims in GMS are provided with signed loan documents.

Loan Payments

CDFA requires that borrowers pay their monthly payments via the ACH system (excepting payments during the interest-only period). Borrowers are asked to provide CDFA with banking information so that CDFA will set up the automated payments with their bank to be drawn on the borrower's bank account on the same day each month.

Federal Requirements and Compliance Consultant

Applicants opting to utilize Federal Funding sources will be subject to environmental review, procurement (where applicable), prevailing wage, and other Federal requirements, and are required to contract with a compliance consultant to manage all federal requirements for the project.

Reporting Requirements

Once a loan is closed, CDFA reserves the right to request and receive annual financial statements from the Borrower. Failure to provide financial information in a timely basis will result in Borrower being in default of the terms of this Loan and result in Lender charging Borrower a late fee as outlined in Loan Agreement and Promissory Note.

APPENDIX A: APPLICATION OUTLINE

Below you will find an outline of the application for the 2024 Clean Energy Fund. Applications are accepted on a rolling basis through our online Grants Management System ('GMS') (www.nhcdfragrants.org). Hard copy or emailed applications will not be accepted.

I. General Information

- **Primary Contact**
- **Authorized Official/Authorized Official email**
- **Organization Information**
- **EUI #**

II. Eligibility Threshold Attachments

- IRS Determination Letter (if applicable)
- Proof of Good Standing – New Hampshire Secretary of State

III. Ownership and Corporate Information

- **Business/ Organization Description**
Please describe your organization including the ownership structure, the type of organization (e.g. 501 (c)(3), LLC, Partnership, etc.); years in business, additional locations, and a detailed explanation of what you do. The Organization and the Borrower should be the same.
- **Number of Full Time Employees**
- **Number of Part Time Employees**
- **Annual Revenue**
- **Ownership Information**
Owner Name(s) and % Ownership
- **Related entities (Businesses and Non-Profit applicants only)**
List and describe all entities related to the applicant that might require underwriting and how they are structured/connected (e.g., fiscal sponsor, subsidiary, parent company, other businesses owned by same entity/individual, etc).

IV. Project Information

- **Project Description**
Please describe your project, and provide a breakdown of how the funds are going to be used i.e. what will the loan funds be used for?
- **Project Timeframe**
What are the expected start and completion dates for project construction?
- **Approvals and Permits**
Summarize the approval/permitting requirements, timeline, and status for the project.
- **Utility Consultation (Energy efficiency projects only)**
Describe any communication with your utility about potential incentives for your project.
- **Project Benefits**

What will be the economic benefits to the organization or business from funding this project? Where will the savings be redirected once the loan has been repaid?

- **Low-Moderate-Income Benefit**

Will the project provide a benefit to LMI households or individuals, or other community benefits? Please explain.

- **Management Experience**

Has this organization ever undertaken a similar project?

Who will oversee the project? Please provide the experience of the individuals overseeing the project.

- **History with CDFA**

Has the borrower ever received a grant or loan from CDFA? If so, please explain.

V. Property Information

- **Add the following property information for each building related to the project**

- Street
- Town, City
- Legal Owner
- Year Built
- Subsidized Multi Family Property?
- Architectural/ Historical Significance?
- Square Footage of Conditioned (heated and cooled) space
- Type of Roof
- Age and Condition of Roof

- **Property Site Control (select one)**

- Currently Owned by Applicant
- Currently Leased by Applicant
- Under Purchase Agreement
- Other (Explain)

- **Have you already completed an energy audit on your building in the past 3 years?** (Select Yes or No)

If you answer “yes”, attach a copy of the energy audit under other attachments.

If you answer “no,” please be aware that, a level II energy audit may be required for energy efficiency upgrades.

- Briefly describe any significant energy upgrades you have completed in the past 10 years on the property.

- **Energy Use and Procurement**

Please describe your current sources of heat and electricity for your building. Note all fuel types used and name of vendor/utility/ competitive supplier)

VI. Project Budget (Sources and Uses)

- **Total Clean Energy Fund Loan Request**
- **Uses** (Provide Brief Description and Amount for applicable rows)
 - Equipment
 - Renovations
 - Engineering/Architect/ Consultant
 - Renewable Energy Installation
 - Insulation/Weatherization
 - Lighting
 - Heating System
 - Other
- **Sources** (Provide Amount, Funding Entity, Rate, Term, Collateral for applicable rows)
 - Clean Energy Fund Loan Request
 - Other Loans
 - Utility Rebates
 - Equity Injection
 - Grants
 - Other
- **Budget Narrative (description of Sources and Uses).** Use this section for any additional budget information.
- **Interest Rate Discounts.** Please indicate which Interest Rate “Discounts” may apply to your organization. Explain why your entity meets each discount or upload documentation (see [CDFA Interest Rate Calculator](#)).
- **Proposed Security for loan** (i.e. mortgage on a property, UCC on equipment)
- **Outstanding Debt**
Enter the following information for each source of debt:
 - Name of Creditor/Bond
 - Amount
 - Origination Date
 - Purpose
 - Term
 - Rate
 - Payment
 - Balance
 - Collateral

VII. Requested Documents

Upload the Following Documents based on your entity type below (Businesses will email documents).

All Borrowers	
	Energy Audit including estimated costs and annual energy & cost savings (Energy Efficiency Projects only).
	Electric Bills: Minimum of two years of electric bills and/or data (include usage and cost). All pages of a single bill showing 12 months of use on graph acceptable.
	Fuel Bills: Minimum of two years of heating fuel bills and/or data (include usage and cost). Note: Fuel bills not required for lighting-only or solar-only projects
	Clean Energy Project Proforma – Show at least 10 yrs. of estimated project cash flows including overall project cost, net cost, annual savings, and incentives. Show the simple payback in years. (This can be part of contractor proposal).
	Contractor proposals or signed contracts
	Corporate Resolution or Municipal meeting minutes authorizing Borrower and Signer
	If building owner is different from applicant: Written permission from building owner to complete project.
Municipality	
	Three Years of audited financial statements.
	Current year budget.
Non-Profit Corporation	
	Operating Budget – Current FY
	Operating Budget-to-Actual – Previous FY
	Three years' financial statements Audited (>\$2,000,000 Operating budget) Compilation or Review (between \$500,000 & \$2,000,000) IRS Form 990 (org. does not have Audited, Reviewed or Compiled Financial Statement)
	Organization Purpose/Mission. Brief history of organization and program overview
	IRS Letter - Copy of 501c(3) determination letter
	State Licenses. Attach copy as applicable (child care license, residential facility, etc.)
	Corporate Articles of Incorporation and By-Laws

For-Profit Business	
<u>Please note:</u>	<p>Collateral will be required for all loans</p> <p>A Personal Guarantee will be required for any person that has a 20% or more ownership share in the company.</p>
<p>Download Checklist for financial documents (for each entity related to the applicant): E-mail completed checklist with financial documents to underwriting@nhcdfa.org</p>	
	<ul style="list-style-type: none"> • Three years of company tax returns. • Year to date financial statements (Balance Sheet/Income Statement/Cash flow) and current year budget • Personal Financial Statement for all owners of 20% or more of the borrowing entity. • Two years of personal tax returns for all owners of 20% or more of the borrowing entity. • Personal credit reporting authorization (if not included on personal financial statement form). • If there is a related real estate holding company pledging collateral, or any other entity that files Partnership or Trust tax return, include three years of tax returns for that entity. • Entity Formation Documents <p>If applicable to business:</p> <ul style="list-style-type: none"> • Three years of accountant prepared financial statements (compilation, review or audit) • Current Accounts Receivable / Accounts Payable Aging • Lease with Tenant or Landlord • Rent Rolls

VIII.CERTIFICATION – Electronic Signature

- **Certification: [Yes/No]**
- **Full Name of Authorized Official**
- **Title of Designated Authorized Official**

Prior to application submission, CDFA requires an Authorized Official of the applicant organization to sign a certification.

I certify that I am one of the persons named above and am authorized by the applicant organization to submit this application. I certify that all statements are true and accurate to the best of my knowledge.

I acknowledge this application is being submitted with the full knowledge and approval of the organization's Board of Directors and that the organization will comply with:

- New Hampshire conflict of interest laws as defined by RSA 7:19-a and RSA 292:6-a; and
- CDFA's Privacy Policy by which you acknowledge all information and documents created, accepted or obtained by, or on behalf of, CDFA are potentially subject to disclosure in compliance with RSA 91-A, New Hampshire's Right-to-Know law.