



# ILLINOIS FINANCE AUTHORITY/CLIMATE BANK

SSBCI Loan Participation Program  
Energy Efficiency Revolving Loan Fund

07/25/2024





## THE IFA WAS DESIGNATED AS THE CLIMATE BANK BY CEJA



## CLIMATE BANK PURPOSE

- (1) the distribution of the benefits of clean energy in an equitable manner;
  - (2) making clean energy accessible to all; and
  - (3) *accelerating the investment of private capital into clean energy projects in a manner reflective of the geographic, racial, ethnic, gender, and income-level diversity of the State.*
- Climate & Equitable Jobs Act, 2021 (20 ILCS 3501/850-15)

# State Small Business Credit Initiative ("SSBCI")

## SSBCI:

- is a federal program that empowers small businesses to access capital.
- provides increased support for markets that have been underserved or discriminated against.
- focuses on support for Socially and Economically Disadvantaged Communities and Individuals (SEDI) as well as Very Small Businesses, with less than 10 employees (VSB).
- The Climate Bank has received \$20 million for SSBCI-funded programs from DCEO, the implementing agency.





# Examples of Eligible Projects



## ELIGIBLE PROJECTS

- Clean air/clean water projects and wastewater treatment
- Production/installation/servicing of wind/hydro/solar power equipment
- Production/installation/servicing of electric vehicles and EV charging stations
- Clean energy generation, alternative fuels, and new battery technologies
- Energy conservation
- Broadband expansion for rural and other underserved communities
- Other efforts providing environmental benefit/counter the impacts of climate change



# Applicable Borrower Criteria



1. No more than 750 employees



2. Must operate in the State of Illinois



3. Be in good standing with the Illinois Secretary of State



4. Clear of any back taxes



5. No bankruptcies, judgements, or liens in the past 5 years

# Participation Loan Program Type – Standard

**IFA can participate at the lesser of:**

- 25% of the Total Project
- 50% of the Loan
- \$2 Million

**Loan Terms:**



Maximum term of 7 years



2% Per annum



For each \$50k participated, there should be one full time job estimated to be created or at-risk jobs to be retained in the next two years

## IFA can participate at the lesser of:

- 50% of the Total Project
- 50% of the Loan
- \$2 Million

## Loan Terms:



Maximum term of 7 years



1% Per annum



For each \$65k participated, there should be one full time job estimated to be created or at-risk jobs to be retained in the next two years

A business is considered “SEDI-owned” if it meets any of the criteria below:



## Individual Status:

*Owners of the business have had credit access diminished due to:*

- Member of a group subjected to racial/ethnic prejudice or cultural bias Gender,
- Veteran status,
- Limited English proficiency,
- Disability,
- Membership of an Indian Tribe, or
- Membership of an underserved community



## Residence:

*Individuals have had credit access diminished due to residence in:*

- A U.S. territory,
- A rural community,
- A community undergoing economic transitions, or
- An environment isolated from the mainstream of American society



## Business Status:

*A business enterprise that:*

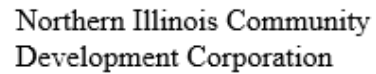
- Is owned by individuals who reside in CDFI Investment Areas,
- Will build, open, or operate in a CDFI Investment Area, or
- Is located in a CDFI Area



# Examples of Working Capital Participations

1. \$375,000 working capital term loan (Peoria developer) SSBCI 50% participation at 1%.
2. \$400,000 working capital term loan (Chicagoland developer), SSBCI 50% participation at 1%.
3. \$150,000 working capital term loan (Rockford developer/installer) SSBCI 50% participation at 1%.

# SSBCI Approved Lenders





In May 2024, U.S. Department of Energy (US DOE) allocated \$15,963,220 to the Illinois Climate Bank through an agreement with Illinois Environmental Protection Agency (IEPA) for purposes of establishing an Energy Efficiency Revolving Loan Fund.



90% of the funds allocated (\$14,366,898) have been received by the Illinois Climate Bank and are available for project use.



The loan is intended to help finance energy efficiency projects throughout Illinois.



## Buildings Eligible for the EE RLF Bridge Loan include:

- Nonprofit- and publicly-owned commercial buildings,
- Privately- owned commercial buildings, and
- Multifamily buildings with **five or more units** located in Illinois.
- *Single-family residential projects are not eligible for financing for this program.*

### Units of local government\*



### Other Public & Non-Profit



### Commercial Buildings and Clean Energy Project Developers



\*Pursuant to Public Acts [103-0187](#) and [103-1023](#), units of local government may borrow directly from the Illinois Finance Authority/Climate Bank.

## To qualify, the project *must* address at least one of the following:

1. Energy efficiency of the building or facility
2. Physical comfort of the building or facility occupants
3. Quality of the air in the building or facility

**Solar + energy storage** or **solar + energy efficiency** (but not solar on its own) projects meet these requirements.

## Audits

- Each project **must be recommended by a qualifying Energy Audit** and demonstrate that anticipated lifetime energy savings will equal or exceed the total cost of such improvements.
- Department of Energy requires the use of software that uses **BuildingSync** for all commercial energy audits.
- Check with your utility – energy audits may be available for free or low cost.

## Key Features

- **Loan Amounts:** Ranging from \$50,000 to \$1,000,000.
- **Term:** Up to 24 months for Bridge Loans, 7 years for participation loans
- **Interest Rate:** Below market, low interest rate (6% per annum or less), 3% for participation loans
- **Fees:** Upfront origination fee capped at 2% for Bridge Loans
- **Payments:**
  - For Bridge Loans: Interest shall be due at time of the final payment of principal on the Bridge Loan or at maturity, whichever occurs first. The Borrower shall be required to make payment on principal within 30 days of receipt of any refundable tax credit payment or Illinois Solar for All project incentive for the amount received or at maturity, whichever occurs first.
  - For participation loans: will depend on the lender.

**\*All Eligible Projects must comply with laborer wage and benefit requirements and reporting under the Davis-Bacon Act.**



Pre-applications are now open, please submit your applications at [illinoisclimatebank.com](https://illinoisclimatebank.com).

The Building Energy Resource Hub is screening and answering questions. If you need help filling out your pre-application or have any questions, please contact the Hub help desk [here](#).



## Explore our programs to learn more, see if you qualify for funding incentives, and learn how to apply.

### **Residents**

Offer financial resources and programs to help Illinois residents access affordable clean energy solutions, reduce energy costs, and improve energy efficiency in their homes.

[Learn More](#)

### **Commercial & Industrial Businesses:**

Provide tailored financing options to help businesses adopt clean energy and zero-emission technologies, reduce operational costs, and meet sustainability goals.

[Learn More](#)

### **Local Governments & Nonprofits:**

Assist local governments and nonprofits in implementing clean energy and zero-emission projects that enhance sustainability, resilience, and economic development within their communities.

[Learn More](#)

### **Municipal & Cooperative Utilities:**

Support utilities in advancing clean energy infrastructure, helping them streamline permitting processes, improve energy efficiency, and meet state clean energy policies.

[Learn More](#)

### **Developers & Contractors:**

Provide financial tools and support for developers and contractors that are disadvantaged businesses or equity eligible contractors, ensuring they have the resources to lead clean energy projects that benefit their communities.

[Learn More](#)



**We want to hear from you!**

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