



# CLIMATE TECH FINANCE

## Frequently Asked Questions

### 1) What types of organizations are eligible for CTF loans and/or loan guarantees?

Municipalities, universities, schools, hospitals, and qualifying nonprofits within the Air District's jurisdiction are eligible for CTF financing.

**Direct loans** are available to Bay Area public-sector facilities, including municipalities, universities, schools, hospitals, and eligible nonprofits.

**Loan guarantees** are available to Bay Area small businesses and eligible nonprofits with up to 750 employees.

### 2) How is the Air District disbursing CTF loans and loan guarantees?

The Air District is collaborating with [IBank \(California Infrastructure and Economic Development Bank\)](#) to disburse loans and loan guarantees. IBank provides loans to state and local governments for public infrastructure and economic expansion projects, as well as loan guarantees to help small businesses.

### 3) What is the maximum amount of financing a project can receive from CTF?

CTF offers subsidized loans ranging from \$500,000 to \$30 million, with up to 30-year terms. Loan guarantees of up to \$2.5 million are offered on loans of up to \$20 million, with up to a 7-year term (the loan term can be longer).

### 4) What are the interest rates?

In a CTF loan, the Air District funds a portion of the loan amount at 0% interest. The Air District may fund up to 25% of the loan amount; the balance is funded by IBank.

IBank interest rates are set based on a combination of an Interest Rate Benchmark and Interest Rate Adjustments, which are dependent upon the repayment source. The Interest Rate Benchmark will be based on the Thompson's [Municipal Market Data Index \(MMD\)](#) and use published letter category ratings for the pledged revenue stream to determine the base (market price) spread from the MMD AAA GO Scale applicable to the borrower. Interest Rate Adjustments will cause the interest rate on financings to generally be below the Interest Rate Benchmark.

### 5) What technologies are eligible?

CTF supports emerging technologies that reduce greenhouse gas emissions. Emerging technologies include technologies that have been successfully demonstrated at the pilot, demonstration, or early commercial scale, but have not reached full commercial scale.

Greenhouse gas emissions reductions include either direct reductions on-site (e.g., process improvements, electrification) or indirect reductions (e.g., reduced energy consumption).

Examples of eligible technologies include:

- Fuel cell or battery systems for on-site energy storage
- Waste-to-energy systems at wastewater treatment or solid waste facilities
- Carbon-sequestering cement substitutes
- In-vessel composting systems

Technology eligibility is determined on a project-by-project basis. Projects that are not eligible for Air District funding may still apply for IBank financing.

**6) How do I apply for CTF loans or loan guarantees?**

To apply for loans or loan guarantees, please contact [climatetech@baaqmd.gov](mailto:climatetech@baaqmd.gov) with a brief description of your project. We will reach out to you for additional information.

**7) When are the application deadlines for this program?**

Loan applications are accepted on a rolling basis.

**8) Would public-private partnerships be considered under this program?**

Yes, public-private partnerships are eligible for financing under this program. For example, past IBank financings have supported projects that also received public and private-sector investments and donations.

**9) Are projects that are already funded by a grant eligible for loans under this program?**

Yes, loans through this program can be combined with grants or other sources of funding.

**10) What are the eligibility criteria for small businesses?**

Generally, a business that has fewer than 750 employees in total will be eligible. This program adheres to the definition of small business in part 121 of chapter 1 of title 13 of the Code of Federal Regulations as amended.

**11) Is there a required level of readiness that projects should reach before applying for loans?**

Projects should generally be shovel-ready by the time the applicant is ready to receive the loan. However, applicants are encouraged to approach the Air District at any phase of the project, as we can assist with technology recommendations and evaluations.

**12) Are projects that have already begun construction still eligible for CTF loans or loan guarantees?**

Yes, projects that have begun construction are still eligible for financing; however, only expenditures that occurred within 90 days prior to approval to the loan are eligible for reimbursement.