

TERMS AND CONDITIONS

MHP Decarbonization Predevelopment Loan Program¹

Borrowers	Non-profit developers, Community Development Corporations, Joint Ventures controlled by a non-profit partner.
Eligible Program Activities	<p>Loan proceeds may be used to fund predevelopment costs relating to decarbonization and climate resiliency. While this program is primarily intended to support green retrofit of existing affordable housing and other existing buildings being converted to affordable housing, some funding may also be available to support high performance newly constructed affordable housing.</p> <p>Examples of decarbonization activities include:</p> <ul style="list-style-type: none"> • electrification of building systems and appliances • installation of solar, wind or geothermal energy generating facilities • insulation, and • replacing components of the building envelope to improve energy efficiency. <p>Eligible costs can include:</p> <p>(i) decarbonization assessments (see Attachment A)</p> <p>(ii) feasibility assessments and related permitting support for renewable energy and/or energy storage; and</p> <p>(iii) related design and engineering costs associated with decarbonization and resiliency.</p> <p>Other predevelopment costs relating to decarbonization and climate resiliency may also be considered on a case-by-case basis.</p>
Priorities	Priority will be given to projects in environmental justice communities (see Appendix A) as well as projects with strong participation by women and BIPOC-owned businesses.
Amount of Loans	Up to \$100,000, based on funding availability \$15,000 minimum (for decarbonization assessment only)
Security	CEDAC may make unsecured predevelopment loans, but requires a mortgage, at CEDAC’s discretion, if the borrower acquires the property proposed for development at any time during the predevelopment loan period.

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Term of Loan	The loan must be repaid at the closing of construction/permanent financing or other funding for decarbonization project(s).
Interest Rate	Interest will be 3% and will be due at repayment. A delinquency rate may apply if funds are not repaid in full when due.
General Terms and Conditions	CEDAC's general terms and conditions for predevelopment assistance loans will apply. See General Terms and Conditions :
Reporting	CEDAC may request additional information on planned decarbonization activities for fundraising and policy purposes.

Appendix A – Definitions

Decarbonization Assessment: To be eligible for funding, a decarbonization assessment should follow the basic parameters of an energy audit, but also should include an assessment of the property’s current carbon emissions profile pre- and post-measure implementation.

Decarbonization assessments may include measures to be implemented immediately, and/or measures to be implemented over time that provide a cost-effective pathway to zero operating emissions by 2050.

Environmental Justice Communities: Areas in the Commonwealth that are identified as Environmental Justice (EJ) Populations based on certain demographic criteria set forth in [An Act Creating a Next Generation Roadmap for MA Climate Policy](#). The Executive Office of Energy and Environmental Affairs (EEA) publishes an [EJ Maps Viewer](#) identifying EJ Communities in Massachusetts. For EEA responses to frequently asked questions, see [Environmental Justice Maps Update 022 Frequently Asked Questions](#).

Related Design and Engineering Support: This may include including architectural, engineering, sustainability, and related professional services. If an architect, engineer or other professional is providing services that only partially relate to decarbonization and sustainability, funding under this program can cover the decarbonization/sustainability related costs so long as they are clearly broken out and itemized in the budget and in invoices.

Renewable Energy Facilities: Include solar/photovoltaic, wind and geothermal energy facilities.