



Kane County Revolving Loan Fund for Energy Efficiency Information

In March of 2009 Kane County was awarded a \$2,469,100 Energy Efficiency and Conservation Block Grant (EECBG) from the Department of Energy as part of the American Recovery and Reinvestment Act (ARRA). The purpose of the EECBG is to assist eligible entities in creating and implementing strategies to:

- Reduce fossil fuel emissions in a manner that is environmentally sustainable and, to the maximum extent practicable, maximize benefits for local and regional communities;
- Reduce the total energy use of the eligible entities; and
- Improve energy efficiency in the building sector, the transportation sector, and other appropriate sectors.

As a requirement of the EECBG, Kane County created a Conservation Strategy which includes measurable goals and objectives aligned with chosen activities. Kane County chose seven activities, one of which is a revolving loan fund to encourage public sector and nonprofit energy efficiency facility improvements. Another activity is an update to the Kane County Energy Plan. The Energy Plan includes energy efficiency, energy conservation, and energy usage statistics, goals and strategies. The Kane County Revolving Loan Fund for Energy Efficiency (RLF) is an implementation tool for the Kane County Energy Plan.

Kane County contracted with the Chicago Community Loan Fund (CCLF) to manage the RLF. CCLF was founded in 1991 as a social investment intermediary, providing low-cost, flexible financing to community development organizations engaged in affordable housing, social service and economic development initiatives benefiting low-and moderate-income families and neighborhoods throughout metropolitan Chicago. CCLF is responsible for developing application and loan documents, underwriting, loan servicing and borrower monitoring for the RLF.

Initial Review Factors

Potential applicants are encouraged to review the following Initial Review Factors before deciding whether or not to apply to the RLF:

- The project must be located in Kane County
- The applicant is a non-profit or public entity
- The applicant has the authority to make the energy efficiency improvements
- The project must:
 - Reduce fossil fuel emissions
 - Reduce total energy use
 - Improve energy efficiency
- The project must generate energy savings to be used to repay the loan
- The project cannot include:
 - A casino or other gambling establishment
 - An aquarium
 - A zoo
 - A golf course
 - A swimming pool

EECBG Requirements

The EECBG has additional requirements regarding compliance with:

- The Davis-Bacon Act
- The National Environmental Protection Act (NEPA)
- The National Historic Preservation Act (NHPA)
- The Buy American Provision

The Davis-Bacon Act

The Davis-Bacon Act (DBA) is applicable to contracts of the United States in excess of \$2,000 for the construction, alteration, and/or repair (including painting and decorating) of public buildings or public works. The DBA requires all contractors and subcontractors to pay laborers and mechanics employed on a covered contract wages and fringe benefits determined by the Secretary of Labor to be prevailing for corresponding classes of employees engaged on similar projects in the locality. For more information please see Davis-Bacon Act 4-12-10 at www.countyofkane.org/Pages/energyEfficiency.aspx.

The National Environmental Protection Act (NEPA)

The National Environmental Policy Act (NEPA) requires federal agencies, such as the Department of Energy, to integrate environmental values into their decision making processes by considering the environmental impacts of their proposed actions and reasonable alternatives to those actions.

For more information please see NEPA, NHPA and Acceptable Projects Information at www.countyofkane.org/Pages/energyEfficiency.aspx.

The National Historic Preservation Act (NHPA)

The National Historic Preservation Act includes requirements that ensure the protection of our nation's historic properties.

For more information please see NEPA, NHPA and Acceptable Projects Information at www.countyofkane.org/Pages/energyEfficiency.aspx.

The Buy American Provisions

The Buy American Provisions require that recipients of the EECBG must comply with the requirement that all of the iron, steel, and manufactured goods used for a project for the construction, alteration, maintenance, or repair of a public building or public work be produced in the United States unless one of three exceptions applies and a waiver is issued. For more information please see Buy American Provision Compliance 5-24-10, Buy American Provision Manufactured Goods 5-24-10 and Buy American Provisions Waivers at www.countyofkane.org/Pages/energyEfficiency.aspx.

Application Process

A \$50 application fee is required at the time of application. The current interest rate for the RLF is 0% as an incentive for public and non-profit entities to create and implement energy efficiency projects. A 3% loan fee will be due at closing (may be rolled into loan depending on the circumstances). Each loan will be three to seven years based upon energy savings and repayment projections. The RLF loans are fully amortizing. Where applicable, corporate guarantees may be required. Leveraging of funds from the RLF is strongly encouraged.

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Baseline energy data is required for all projects. If an energy audit or assessment has not been completed within the past year the applicant may choose to apply for a low or no cost audit from a list of sources available upon request. Kane County will be creating a monitoring system for collection of energy data from each of the funded projects. The expectation is that energy savings from the projects will be used to repay the loan.

Unlike the other Community Investment programs there is no deadline for application. Applications will be processed as they are received. Timeframe for review will be discussed with the applicant. CCLF will make a recommendation to the Energy and Environmental Technology Committee of the Kane County Board for approval or denial.

For the Application and Application Checklist and other RLF info go to:

www.countyofkane.org/Pages/energyEfficiency.aspx

or contact:

Karen Ann Miller, Executive Planner
Kane County Development Dept.
(630) 232-3418
millerkaren@co.kane.il.us

Please mail completed application packets to:

Mark Fick, Senior Loan/Program Officer
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