



CLIMBER DLC Loan Memo

Borrower:	Colorado Clean Energy Fund	Request Date:	January 4 th , 2022
Address:	1607 Cole Boulevard Building 16, Office 182 Lakewood, CO 80401	Officer:	J. Vause
Entity Type:	Nonprofit Lender	Funding Source:	State Funds (20%) Private Funds (80%)
Staff Size:	7 FTE	Loan Amount:	\$5,000,000
Service Area:	Statewide	Loan Term:	Five Years
		Interest Rate:	2%
Written Procedures:	Yes	Borrower Fee:	\$0

I. Description of Transaction:

Purpose:

Colorado Clean Energy Fund is requesting a \$5,000,000 loan from CLIMBER DLC. Loan funds will be used to make loans and lines of credit to eligible borrowers that meet CLIMBER DLC requirements.

Collateral:

CLIMBER DLC loan will be unsecured.

Exception to Standards:

None.

II. Business Background

Lender Overview:

Colorado Clean Energy Fund (CCEF) was created in 2018 after a three-year collaboration among the Colorado Energy Office, Department of Energy, and the Coalition for Green Capital. CCEF received initial funding from the State of Colorado in 2021 after the passage of Senate Bill 21-230. The organization connects individuals and organizations to the capital they need to make sustainable changes in their homes and businesses. CCEF is a statewide organization that prioritizes underserved and vulnerable communities. Their products and programs address gaps between Coloradans and loan availability or approval and can be used by homeowners, commercial property owners, contractors, and developers. CCEF would only use CLIMBER funds to support loans to eligible borrowers for improvements on the space they occupy.

Management:

CCEF is led by a competent team of professionals and overseen by a four-member Board of Directors. CCEF is led by Paul Scharfenberger who is responsible for developing and overseeing the organizations strategic plan and day-to-day tactical operations. Paul combines a unique and extensive background in traditional finance, operations management, and energy management that spans more than 20 years. Other leadership includes Dave Harris, Heather Braithwaite, who together bring a wide range of expertise to the organization, including financial analysis, investment management and underwriting. Board Members include Eric Drummond, Jennifer Gremmert, Will Toor, and Keirstin Beck.

CCEF has contracted with Impact Development Fund (IDF) to perform the loan underwriting and loan servicing duties for their loans. CCEF’s own loan committee reviews each credit presentation prepared by IDF and makes the decision whether to approve or deny the request. Eventually CCEF does hope to take those responsibilities in house.

Financial Analysis

While CCEF was created in 2018 and substantial work has been done since that time, the organization did not receive grant funding from the state until November 2021. Prior to this date there was very limited financial activity and the organization was not required to file annual returns with the IRS for through 2021. The organization did provide interim financial statements for 2022.

Revenues & Expenses/Profitability:

	2021	2022 (Q3)
Grant Revenue	26,000,000	3,333,000
Earned Revenue		41,449
Investment Income		1,173
Total Income	26,000,000	3,375,622
Program Services	25,622	638,551
General & Admin	22,489	249,654
Fundraising		
Total Expenses	48,111	888,205
Change in Net Assets	25,951,889	2,487,417
CLIMBER IO Debt Service	100,000	100,000
DSCR	259.52	24.87

Balance Sheet:

CCEF reports \$28 million in total assets, of which \$25.7M are restricted and \$2.7M are un-restriction. The business has no current liabilities.

Portfolio Review:

CCEF made its first one in December 2021 and to date has made 13 loans totaling \$3.9 million. Borrowers include small businesses, nonprofits, and a tribal government. CCEF also has \$2,135,161 in binding loan commitments that have yet to be drawn or disbursed which will bring their total portfolio to approximately \$4.7M.

year	end of year portfolio size	number of new loans	dollar amount of new loans	number of charge-offs	dollar amount of charge-offs
2021	\$100,000	1	\$100,000	0	\$0
2022	\$2,635,161	12	\$3,808,840	0	\$0

Primary and Secondary Source of Repayment:

The primary source of repayment will be from repayments FSWCF receives from its borrowers. The secondary source of repayment would be from FSWCF other revenue sources should the organization fail to recover 80% of its portfolio from its lenders. There is no collateral securing the note to provide an additional source of repayment.

Loan Officer Recommendation

This loan request complies with CLIMBER DLC eligibility requirements and program guideline requirements. The lender has successfully demonstrated it is an experienced lending institution and that there is a reasonable expectation that they will repay at least 80% of the loan amount.

Staff recommends approval.

III. Signatures

<p>DocuSigned by:</p>  <p>7524A25D30CC4C3...</p>	<p>1/4/2023</p>
<p>Justin Vause, Commercial Loan Officer</p>	<p>Date</p>

Oversight Board Approval

The CLIMBER Oversight Board will review SCCL’s CLIMBER DLC request during an Oversight Board meeting. Minutes from that meeting will be stored on file to document the Oversight Board’s approval of this request.