

MINUTES

CITY OF FORT COLLINS • BOARDS AND COMMISSIONS



ENERGY BOARD

March 14, 2024 – 5:30 pm
222 Laporte Ave – Colorado Room

ROLL CALL

Board Members Present: Bill Althouse, Marge Moore (remote), Alan Braslau, Stephen Tenbrink, Thomas Loran, Jeremy Giovando

Board Members Absent: Brian Smith, Bill Becker

OTHERS PRESENT

Staff Members Present: Christie Fredrickson, Phillip Amaya, Michael Authier, Jim Spaulding, Cyril Vidergar (remote), Phil Ladd (remote), Leland Keller (remote), Glenn Pease

Members of the Public: Wendell Stainsby

EPIC LOAN CAPITAL BLENDING STATUS

Glenn Pease, Mechanical Engineer II

The Epic Homes program started with a goal to make our community a better place to live, while helping reduce our environmental impact. Epic Loans is a part of the Epic Homes portfolio of resources and helps customers with the upfront cost to complete larger and more comprehensive projects than they may have without loans. This program centers community with an integrated approach to local partnerships and centers equity by increasing focus on rental properties. This program aligns with Our Climate Future under Big Move 6: Efficient Emissions Free Buildings.

Epic Homes On-Bill Loans offers competitive rates with no money down and to-date the program has processed 536 loans, issuing \$9 million. There is currently \$5.6 million outstanding with zero defaults.

Board member Althouse asked what the interest rate is now. Mr. Pease said it is between 5.5% (on a five-year term) and 5.95% (on a 15-year term). The average customer with good credit may save over \$600 dollars over the life of the loan. The portfolio risk is very low because it is tied to the customer's utility bill and the program hasn't had a single default in its 10-year history.

Landlords can also take out loans, staff will set up a separate utility bill for that premise specifically associated to the project and loan terms. This helps reduce maintenance costs on the property.

Mr. Pease explained the high-level mechanics of the loans program. The loans start with the customer having a work agreement with a contractor, then they submit their application to our CDFI (Community Development Financial Institution). The CDFI administers the loan applications with the customer and pays the contractors the amounts they charge for their work, then the Utility pays the CDFI the loaned amount as well as the processing fees for CDFI's work. The loan payments are collected by Fort Collins Utilities Billing Department and are included in each monthly utility bill, and those funds are used to pay the Utility's Capital Partners. There is a blended fund for loans where grants, public capital (such as loans from our State Energy Office), and private banks create the fund. Private banks are key to scale participation, otherwise the Utility would run out of funds.

Board member Althouse asked if the loan can cover solar, batteries, etc. Mr. Pease said yes, the maximum loan limits were increased from \$25,000 to \$50,000 and the program saw a significant boost in solar installation projects. Board member Moore said she participated in the loan program many years ago and back then limit was \$15,000.

Staff will be asking City Council to support renewing the capital agreement bank terms, as well as an increase on the 15-year bank loan limits (currently at \$1.5 million), because the 15-year loans have been more popular.