



MnCIFA Board of Directors | August 19, 2026

AGENDA

- **Welcome: Approval of Agenda & June 17, 2026, Meeting Minutes**
- **Community & Engagement Update**
- **Investment Team:**
 - Vote to approve: Board Approval & Recission Policy
 - Vote to approve:
 - Recission for NDC Innovation Center Loan
 - Recission for Winegar Loan
 - Vote to approve: Counterparty Risk Due Diligence Policy
 - Informational only: Community Decarbonization Loan Fund - Product Development
- **Finance Team:**
 - Vote to approve: Proposed Lake Street Solar Repayment Deferral
 - Portfolio Overview
 - Billed/Received Revenue Summary
- **2028-2029 Biennial Budget:**
 - Summary of the biennial budget process
 - Vote to approve the 2028-2029 biennial budget narrative
- **Other business and discussion for the board**
- **Adjourn**



Communications and Engagement

Mo Schriner | Communications and Engagement Director

Grand openings

July 30 - Avenues for Youth



August 8 – Sandstone

- New name: The Bookmatch
- [WDIO-TV story](#)



Upcoming engagements: Bemidji

August 25 - Bemidji

[Renew Highway 2 event](#)

Hosted by Fresh Energy and
Headwaters RDC

Presenters:

- CURA and Fresh Energy
- MnCIFA – Pete Klein
- Aki Giizis Initiative
- Introducing new Headwaters/Arrowhead RDC Lakes and Northwoods Climate Resilience Collaboration

Afternoon tour: Leech Lake Tribal College



Additional upcoming engagements

September 9 – 10 – Iron Range tour

Coleraine – Natural Resources and Research Institute Coleraine facility

NRRI DRI-simulator demo and other meetings

Chisholm - IRRRB State of the Range event

Nashwauk - Mesabi Metallica tour

Keewatin – US Steel Keetac facility

Silver Bay Marina – Cleveland Cliffs North Shore Mining shipping landout facility

September 29-30 – MNSEIA Gateway to Solar exhibit table, St. Paul

October 1 – GMHF Energy Development Convening, Brainerd

October 2 – MN CDFI Coalition annual meeting, St. Cloud

Strategic Plan 2026 update

Statutory requirement:

- MnCIFA must approve Strategic Plan every 2 years
- December 15, 2026 due for approval
- Plan is not required to be submitted to Minnesota Legislature

Contract: Public Consulting Group for EJ community engagement:

- Statewide outreach with 1:1 and group discussions
- Concluding engagement September
- Preliminary report to BOD at October meeting

MAD consultants:

- Guiding BOD Strategic Plan Committee on Strategic Plan
- Framework for integration and coordination: Investment and Strategic Plans, annual report
- Providing assistance for 2026 Annual Report
 - BOD will review draft 2026 Annual Report draft at October meeting
 - Annual report to be submitted to MN Legislature by February 1, 2027

Government Affairs 2027 planning



Gov Office timelines:

- September: Policy proposals due
- October: Budget proposals due
- November: New governor admin and MMB transition team begin 2027 session plans
- December: Prelim GO approval for policy and budget proposals
- January 4: New governor sworn in
- January 12: MN Legislature starts 2027 session



Investment Team Updates

Arpita Bhattacharyya | Chief Investment Officer
Peter Greenwood | Director of Investments
Delphine Ntegeye | Investment Officer
Marissa Deml | Finance Administrative Assistant

Pipeline and Loan Product Updates



Pipeline overview: MnCIFA is processing two full applications and awaiting 8 other applicants to submit their full applications, totaling \$26M.



New Products: Team developing Loan Loss Reserve (LLR) and Community Decarbonization Loan Fund (CDLF) products and received feedback from:

- California Capital Access Program (CalCAP) / California Capital Programs & Climate Financing Authority (CPCFA)
- Michigan Saves
- New York Green Bank
- Minnesota CDFI Coalition
- Metropolitan Economic Development Association (MEDA)

2026 Call for Applications Round 2



September 30

- Round 2 launched at MnCIFA Quarterly Public meeting September 30, 12 pm
- Launch will include new products: Loan Loss Reserve and Community Decarbonization Loan Fund, as well as direct loan applications.

October-November:

- Webinars in collaboration with partners: Clean Energy Resource Teams (CERTs, Great Plains Institute (GPI), and Minnesota Technical Assistance Collaborative
- Extensive communications and outreach planned

Board Approval & Recission Policy

- **Policy Purpose:** *The purpose of this policy is to communicate a set of standards for the MnCIFA Investment and Servicing Teams when seeking approval from the Credit Committee and/or the Board of Directors, as well as standards for when approved or closed loans have material changes.*
- **Highlights for post-approval pre-closing**
 - Board Approvals will have expiration dates (maximum of one year).
 - Credit Approval Memos will contain ranges of key loan terms (rate, term, etc.).
- **Highlights for post-closing**
 - Borrower-requested modifications within the original Credit Approval Memo ranges may be approved by MnCIFA Executive Team
 - Material changes or changes outside ranges require approval by the CC and BOD.

Approved and Closed Loans Material Changes

Board Approval and Recission Policy (continued)

Material changes to approved and closed loans include:

- Collateral Type Change
- Interest Rate Range Change
- Lien Position Change
- Loan Tenor Range Change
- Maximum MnCIFA Loan Amount
- Project Location
- Use of proceeds
- Counterparty Risk Change

Vote to Rescind: NDC-Innovation Center

- Recommend rescinding March 19, 2025 MnCIFA approval for \$3,000,000 loan to the Neighborhood Development Center (NDC) to finance the solar installation and geothermal HVAC system components of its to-be-constructed Lake and Chicago Innovation Center (the “Project”).
- The Project is at the site of two buildings that were destroyed during the civil unrest of 2020 and was intended to provide a location for assisting BIPOC-owned businesses in scaling their business models.
- MnCIFA recommends rescinding loan approval and performing a new underwriting when the Project is ready to move forward.
- NDC's current target for full finance closing is March 2027 with a construction start of April 2027 and 13 - 14 months of construction.
- The MNCIFA loan closing could happen on or before March 2027.

Vote to Rescind: Winegar

- Recommend rescinding May 21, 2025, approval of loan to Winegar, Inc. for a \$1,800,000 loan to Winegar for the purchase and installation of a 600-kW (AC) solar energy system at its manufacturing facility in Waseca, MN.
- Winegar has attempted to secure an interconnection agreement with Xcel Energy but has been unsuccessful.
- MnCIFA cannot close without a signed interconnection agreement.
- On June 8, 2026, Winegar informed MnCIFA that the project has not moved forward and understand that the approval will be rescinded.

Investment Team Policy & Procedures

- Investment Team working with MMB to develop specific loan origination policies and procedures that describe core processes outlined in lending manual
- Policies include:
 - **Counterparty Risk Due Diligence (CRDD)**
 - Project Risk Spread Pricing Policy
 - Capital Structure Policy
 - Loan Amortization and Repayment
 - Collateral Policy

Counterparty Risk Due Diligence Policy

Defines the counterparty risk factors that MnCIFA assesses as a part of its underwriting of new loans and monitoring of its outstanding loan portfolio.

Guiding Principles:

- Eliminate waste, fraud, and abuse, including the misuse of Authority's funds and resources by its counterparties;
- Reduce borrower repayment risk to the Authority; and
- Protect the reputation of the State of Minnesota and that of the Authority.

Counterparty Risk Due Diligence Policy: Risk Factors

Risk Factors

Counterparty Risk Due Diligence Policy (continued)

- **Identity Verification:** Confirms the legal identity of counterparty entities and counterparty key persons, including the counterparty key person(s) authorized to sign on behalf of the counterparty entity.
- **Financial and Operational Health:** Confirms the condition of the counterparty's financial management and operational status, including those of counterparty key persons.
- **Compliance and Sanctions:** Confirms that counterparty entities and key persons are responsible stewards of public funds and are not engaged in illicit business activities.
- **Transparency:** Confirms the ownership structure, related entities, business and financial relationships of counterparty entities and counterparty key persons.

Counterparty Risk Due Diligence Policy: Risk Thresholds

Counterparty Risk Thresholds

Counterparty Risk Due Diligence Policy (continued)

Material Counterparty Risk: An identified counterparty risk factor that represents a potential or actual repayment and/or reputational risk of significance to the Authority that may not be able to be mitigated by the Authority and/or the counterparty.

- In general, the Authority will not underwrite any loans associated with a Material Counterparty Risk unless the assessed risks can be mitigated to the satisfaction and written approval and consent of the Authority's Executive Management Team.
- Should a loan in the Authority's outstanding portfolio be associated with or should the Authority become aware of a Material Counterparty Risk that cannot be mitigated by the Authority and/or the Counterparty, the Authority will seek to liquidate or otherwise exit the loan. Any action taken with respect to a Material Counterparty Risk requires the written approval and consent of the Authority's Executive Management Team.

Immaterial Counterparty Risk: An identified counterparty risk factor that does not represent a potential or actual repayment and/or reputational risk to the Authority.

Counterparty Risk Due Diligence Procedure

Procedures Outline

- Counterparty documentation and data submission requirements
- Contracted third-party risk management database and open-source searches on counterparty entities and key counterparty person(s) during preliminary application stage and throughout loan due diligence
- Post-closing, routine database and open-source searches throughout the loan term
- Escalation and action procedures to the Authority's Executive Management Team in the event a Material Counterparty Risk is discovered



Community Decarbonization Loan Fund

Delphine Ntegeye, Investment Officer

Community Decarbonization Loan Fund Pilot

A limited wholesale lending pilot that gives MnCIFA a scalable way to reach smaller, community-based qualified green energy projects through trusted local lenders.

\$5M-\$15M

Proposed pilot fund
size (MnCIFA)

3-5

Qualified intermediary
lenders

Recycle

Repayment into future
projects

Approval request: Authorize staff to launch pilot, develop guidelines, underwriting standards, terms, reporting requirements, and risk controls. Each deal will be approved by BOD.

Why This Structure Fits MnCIFA

Market Gap

Smaller clean energy projects, rural communities, nonprofits, small businesses, tribal entities, and environmental justice communities may not fit a direct lending model.

Scalable Delivery

MnCIFA provides wholesale capital to qualified CDFIs, nonprofit lenders, credit unions, community banks, tribal lenders, and other mission-aligned institutions.

Revolving Impact

Repayments are recycled into future eligible projects, creating a long-term platform for clean energy lending in Minnesota.

**MnCIFA
Capital**

**Local
Lenders**

**End
Borrowers**

**Eligible
Projects**

Market Outreach

INTERMEDIARIES

- MN CDFI Coalition ✓
- Greater Minnesota Housing Fund, GMHF ✓
- Propel Nonprofits ✓
- West Central Initiative ✓
- Metropolitan Economic Development Association, MEDA ✓
- Minnesota Consortium of Community Developers, MCCD 

TA PROVIDERS

- Minnesota Department of Commerce, Energy Technical Assistance / GESP ✓
- Center for Energy and Environment, CEE 

PEERS & OTHER GREEN BANKS

- NY Green Bank, Community Decarbonization Fund ✓

Early Market Outreach Findings

WHAT WE ARE HEARING SO FAR

- High interest in the pilot concept
- Need for TA support for borrowers
- Funding above **4%** may be difficult for intermediaries
- Preference for **long-term capital**, ideally **10+ years**

Implication: Early feedback supports continued pilot design, but final terms will address pricing, loan term, and TA funding needs.

Proposed Pilot Structure

PILOT PARAMETERS

Fund size: **\$5M - \$15M**

Target Rate: **2.5 - 4%**

Lenders: **3 - 5 qualified intermediaries**

Commitment: **\$1 - \$10M per lender**

Term: **Up to 10 years**

Repayments: **Recycled into future projects**

ELIGIBLE USES / QUALIFIED PROJECTS PER MnCIFA STATUTE

- Minnesota-based energy efficiency, clean energy, electrification, or water projects
- Greenhouse gas and energy-use reduction projects
- Renewable energy, storage, district heating, smart grid, and microgrid systems
- Fossil-fuel replacement with electric technology
- EV charging, electric buses, and electric fleet vehicles
- Water conservation and surface water protection projects

WHO CAN DEPLOY

- Certified CDFIs
- Nonprofit lenders
- Community banks and credit unions
- Tribal lenders/Native CDFIs
- Housing finance organizations
- Local and regional loan funds, including initiatives and other Foundations

All projects must meet MnCIFA Qualified Project requirements, including prevailing wage.

New Product: Decarbonization Loan Fund

Opportunity cost example: Income comparison under the same loan amount, term, and origination fee.

Decarbonization Loan Fund

Loan Amount	\$2,000,000
# of Projects	20+
Rate	2.50% - 4%
Term	7 years
Origination Fee	\$20,000
Interest Income	\$182,179 - \$296,359
Total Income	\$202,179 - \$316,359

Opportunity Cost

\$38,868 - \$153,048

Lower total income in this example

Tradeoff: MnCIFA may accept a lower yield to create a scalable channel for smaller, community-based, qualified projects.

Direct Loan

Loan Amount	\$2,000,000
# of Projects	1
Rate	4.50%
Term	7 years
Origination Fee	\$20,000
Interest Income	\$335,227
Total Income	\$355,227

Risk Controls & Recommendation

Approval will be conditioned on strong eligibility, verification, reporting, and portfolio limits.

Risk	Why it Matters	Control
Fraud or misuse	Public funds must be tied to verified eligible projects	Eligible-use documentation, invoice review, proof of payment, controlled disbursement.
Weak intermediary oversight	Partner capacity may vary.	Due diligence on financials, audit history, staffing, servicing, internal controls, and lending history.
Inflated costs	Unsupported costs can weaken impact and repayment.	Multiple bids, vendor checks, cost reasonableness review.
Concentration risk	Overexposure can weaken the portfolio.	Limits by lender, geography, project type, borrower type, and loan size.
Limited green lending experience	Lenders may lack clean energy underwriting expertise	Require green lending capacity, TA support, or MnCIFA-approved TA providers.

Proposed Pilot Timeline

Goal: Move from concept approval to pilot launch/disbursement within 12 to 15 months.

Timeline	Task
Months 0-1:	Executive alignment and pilot goals
Months 1-3:	Market outreach and peer research
Months 3-4:	Lender outreach and capacity assessment
Months 4-5:	Draft program guidelines and risk controls
Months 5-8:	Launch program; Simultaneously, develop legal documents, underwriting framework, and call for applications
Months 8-10:	Review applications and select lenders
Months 10-15:	Execute agreements and begin disbursements





Finance Team Updates

Margaret Kelly, Financial Management Consultant

Rachel Lauer, Loan Portfolio Manager

Loan Modification Requests

Lake Street Solar, LLC

- Due to utility connection and application processing delays, Lake Street Solar has requested a repayment deferral.

Following analysis of interim financials, the Finance Team is recommending the following:

- Risk Rating downgrade from a 3 (Moderate/Low Risk) to a 4 (Moderate/High Risk)
- Extend date of first repayment to 2/1/2027
- Re-amortize loan balance over remaining 78-month term
- Accrued interest to be capitalized at the end of deferment period and amortized with remaining loan balance
- Require monthly construction and utility connection updates from the Borrower until date of first payment

Portfolio Dashboard

As of 7/31/2026

Number of
loans in
servicing:
12

MnCIFA
committed
loan balance:
\$29,858,700

Private funding
leveraged:
\$94,270,581

MnCIFA share of
project totals:
24.2%

Min-max commitment for closed loans: \$250,000 - \$5,000,000

Average closed loan commitment: \$2,488,225

Portfolio Dashboard (Continued)

As of 7/31/2026

Borrower Name	Stage	Original MnCIFA Loan Amount	Current Outstanding Balance	First Repayment Date	Loan Term (Years)	Interest Rate
Greater MN Housing Fund	Repayment	\$4,000,000	\$4,000,000	5/1/2025	3	2.50%
New Rock LLC	Repayment	\$3,623,700	\$3,623,700	9/1/2025	7	4.40%
Carba	Repayment	\$500,000	\$500,000	9/1/2025	5	5.52%
3561 Minnehaha, LLC	Repayment	\$2,000,000	\$2,000,000	1/1/2026	5	4.25%
****Avenues for Youth	Repayment	\$4,500,000	\$1,439,312	3/1/2026	5	4.01%
Neighborhood Development Center	Repayment	\$1,500,000	\$500,000	7/31/2026	9	2.50%
EESolar33, LLC	Repayment	\$5,000,000	\$5,000,000	8/1/2026	2	5.84%
Lake Street Solar LLC	*Repayment	\$1,835,000	\$1,835,000	8/1/2026	9	4.50%
Renewable Energy Partners	Disbursed	\$1,200,000	\$1,200,000	**1/1/2027	5	4.70%
Minnesota Marine Art Museum	Disbursed	\$250,000	\$250,000	7/1/2027	7	4.89%
30,000 Ft	Disbursed	\$750,000	\$750,000	**7/31/2027	2	3.50%
The Heights	Disbursed	\$4,700,000	\$4,700,000	1/1/2028	5	4.67%
TOTAL:		\$29,858,700	\$25,798,012			4.28%

*Lake Street Solar has requested a repayment deferral of 6-months, which was presented to the Board.

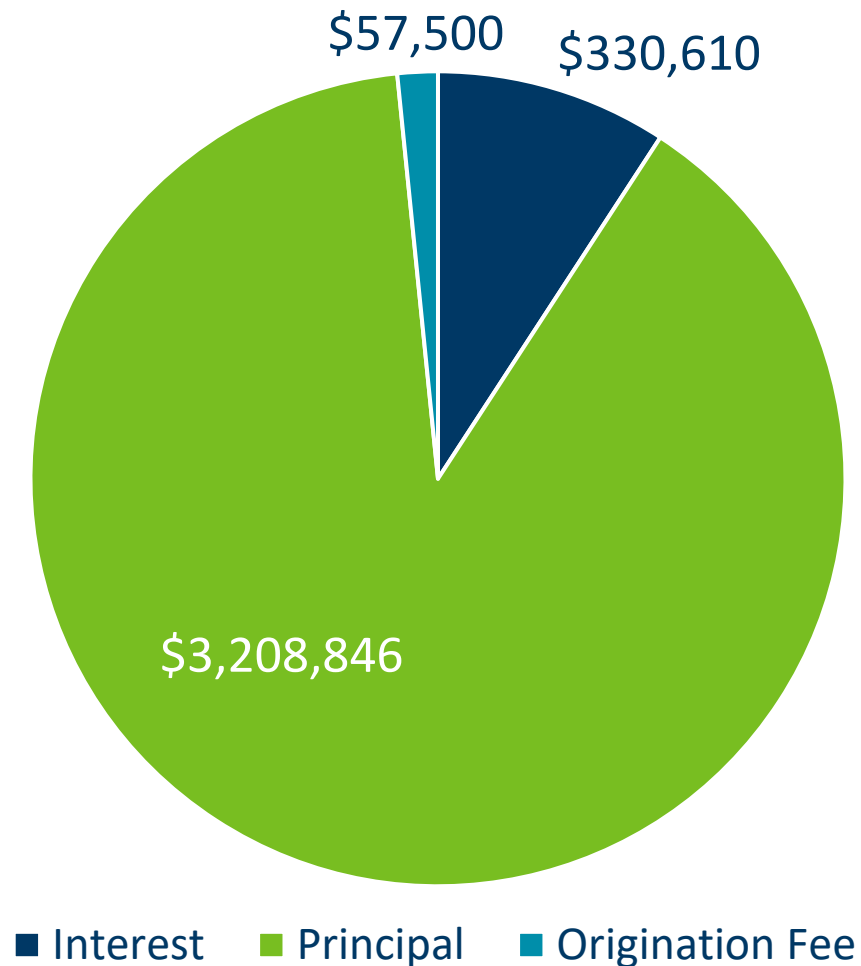
**Renewable Energy Partners extended first repayment date from 1/1/2026 to 1/1/2027.

***30,000 Ft extended first repayment date from 2/25/2026 to 7/31/2027.

****Avenues for Youth loan was fully repaid August 13th; this change will be represented in the next Board update.

Loan Servicing Dashboard

As of 7/31/2026



FY26 Summary

- Revenue billed: **\$3,612,987**
- Amount received (total): **\$3,596,955**
99.56% of revenue billed
- Amount outstanding at year end: **\$16,032**
Invoice collected August 7
- Origination fees collected: **\$57,500**
100% of fees billed

Thank You!

The MnCIFA Team

Pipeline Summary (as of 8/12/2026)

Stage & Weighting Percentage	# of Projects	Sum of Loan Amount	<i>Weighted Sum of Loan Amount</i>
Early Lead (0%)	46	\$79,470,000	
Lead Qualified (0%)	3	\$7,000,000	
Preliminary Application Submitted (10%)	4	\$19,384,509	\$1,938,451
Invited to Full Application (20%)	8	\$21,420,000	\$4,284,000
Full Application Submitted (50%)	2	\$5,200,000	\$2,600,000
Approved by Credit Committee (60%)			
Approved by the Board (70%)	3	\$7,800,000	\$5,460,000
Preparing Closing Documents (80%)			
Final Credit Memo Approved & Docs Finalized (90%)			
TOTALS	66	\$140,274,509	\$14,282,451

Pipeline Summary – Stages Guide

Stage Name	Stage Gate / Meaning	Weight
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00-Not Moving Forward	Loan will not be proceeding towards closing.	0%
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0-Early Lead	Client is a potential borrower, but unclear if they have a specific project.	0%
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1-Lead Qualified	MnCIFA has discussed with the borrower their project and invited them to complete the Preliminary Application.	0%
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2-Preliminary Application Submitted	Client has submitted a Preliminary Application. Investment Team is reviewing and connecting with applicant.	10%
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3-Invited to Full Application	Client has been sent the Full Loan Application to complete but has not yet submitted it.	20%
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Stage Name	Stage Gate / Meaning	Weight
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4-Full Application Submitted	Client has submitted a Full Loan Application. Due diligence is in process.	50%
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5-Approved by Credit Committee	Loan has been approved by the CC but not yet by the BOD.	60%
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6-Approved by the Board	Loan has been approved by the BOD.	70%
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7-Preparing Closing Documents	Loan closing committee is meeting. Closing documents and final terms are being negotiated.	80%
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8-Final Credit Memo Approved & Docs Finalized	Closing documents drafting and negotiations completed. Final Credit Memo has been approved by MnCIFA Executive Committee.	90%
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