

## **1. PROGRAM PLAN**

### **1.1 Program Vision**

#### ***1.1.1 Community Lender Network Strategy***

Native CDFI Network (“NCN”) and its Native CDFI members are exclusively focused on developing healthy, vibrant Native economies and communities. Entering markets normally considered “high-risk,” Native CDFIs place Native communities on a path to success – creating businesses, jobs, and homeowners.

Native CDFIs were created through the U.S. Treasury Department’s CDFI Fund in 1994, which contained provisions that mandated the examination of lending and investment practices in Native communities.[1]<sup>1</sup> In the past three decades, Native CDFIs have proven to be vital engines for fueling the growth of healthy, vibrant Native economies and communities. According to the Treasury Department, investments made in CDFIs produce an eight-fold return, with each \$1 creating \$8 in private sector investments.[2] In the past year alone, Native CDFIs have provided \$61.3 million in business and microenterprise loans, \$68.3 million in home improvement and purchase loans, and \$50 million in consumer loans.[3]

NCN has identified and recruited 63 Community Lenders (“the Community Lender Network”) to participate in the CCIA-funded program, of which 58 are Native CDFIs. Thirty-eight (38) of the Native CDFIs are certified by the U.S. Treasury Department CDFI Fund. The remaining twenty (20) Native CDFIs are *emerging* CDFIs, firmly on a path to achieving Treasury certification. The five non-Native CDFIs are eligible Community Lenders and have long and distinguished track records of engaging with and lending in Native communities and financing clean energy projects in low-income communities. For the proposed program, all 63 confirmed lenders in this Network have committed to spending 100% of their capitalization funding on CCIA-eligible projects directly benefiting Native communities.

NCN is the only national non-profit organization with the sole mission to support and expand the institutional and lending capacity and efficacy of Native CDFIs. Through its Board of Directors[4], Policy Committee[5], regular field engagement webinars, in-person summits, and comprehensive national network of Native CDFI leaders and staff, NCN is keenly attuned to the capital needs of these community-based organizations, the innovative financing solutions they are developing, and how best to deliver technical assistance and training. NCN has established partnerships with tribal governments, organizations, and Community Lenders. These include partnerships with the Native American Finance Officers Association, Opportunity Finance Network, and National Congress of American Indians.

Based in Native communities, Native CDFIs have a proven track record of developing innovative financing products tailored to needs of tribal citizens and businesses, including low-interest mortgage lending for first-time homebuyers, flexible underwriting for community facilities, affordable commercial loans for Native-owned small businesses operating in low-income and disadvantaged areas, and consumer loans to help Native people purchase vehicles and improve their credit worthiness. Native CDFIs provide extensive and ongoing development services that far surpass what conventional lenders provide to ensure financing

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<sup>1</sup> A list of references are included 1.1.1 Project Narrative References under Optional Attachments.

success, such as education, credit building, and savings. Native CDFIs understand local tribal economies, land ownership issues (such as trust lands and restricted fee lands), tribal governmental policies, and other issues relevant to understanding investment and underwriting risks. Native CDFIs typically invest in and lend to projects located in rural tribal communities. Many Native communities are overburdened or feeling the acute effects of climate change impacts, and most are considered underserved by any measure.

The 63 organizations who have agreed to participate in NCN's Community Lender Network have deep working relationships with tribal governments, tribally owned enterprises, Native-owned small businesses, Native non-profit organizations, and consumers. More than half of the Network's Community Lenders are formally affiliated with an individual tribal government or a consortium serving multiple tribal governments. Virtually all of them do business with likely CCIA finance recipients on an ongoing basis, and thus keenly understand their needs. As such, these Community Lenders are in the best position to work with financing recipients to identify, design, finance, and implement CCIA-financed projects efficiently and for the greatest impact.

Increasingly, Native CDFIs are expanding into finance of infrastructure projects—including clean energy projects—in Native communities. During the process of recruiting Community Lenders to participate in this proposed CCIA project, lenders articulated a long-standing strategic interest in developing the capacity to finance clean energy initiatives and projects in their communities, driven by their customers' desires, and have identified clean energy projects to which they would like to direct CCIA funds. About one-quarter of lenders demonstrating interest in the CCIA program currently engage in clean-energy lending or have in the past.

The primary barrier to harnessing the full potential of NCN's current network of Community Lenders for clean energy financing is a lack of capacity to support these projects, both in terms of technical expertise and capital. NCN was told repeatedly by Community Lenders while recruiting them to participate in the CCIA, "We have an incredible demand for clean energy infrastructure, and we know what projects we wish to implement. We just don't have the resources to pay for them." In addition, NCN's recruitment survey indicated that 92% of lenders need staff training in clean energy underwriting, 86% need guidance in vetting potential projects and analyzing benefits, 86% need assistance in supporting lenders in securing grants and credits to pay down financing, 82% need assistance accessing and adapting model clean energy finance products, 76% need assistance developing staffing plans to expand their financing portfolio, 75% need assistance in developing risk management policies, and 71% need assistance in the development of strategic plans for generating program income. Nevertheless, the demand for loan products and services for clean financing is apparent; as demonstrated through their Letters of Interest, NCN's Community Lender Network has shovel-ready projects in distributed energy generation and storage, net-zero buildings, and clean transportation that will make a substantial, positive impact on Native communities throughout the U.S.

Under the proposed program, NCN and its Coalition Partners (see 1.1.1 Coalition Letters of Commitment under Optional Attachments) will provide technical assistance, technical assistance funding, and capitalization funding to its network of Community Lenders to expand capacity for clean energy lending in Native communities. Technical assistance will address knowledge gaps and support expansion of products and services to support clean energy financing such as loan

product development and training, finance engineering for sustained financing, clean energy project development and implementation, and other critical support services. Lenders will access these services through the NCN-led hub and through the provision of funding (up to \$1M per lender) for additional technical assistance or capacity building. The proposed program will also provide up to \$10M in capitalization funding to each lender to support Greenhouse Gas Reduction Fund (GGRF) priority projects in Native communities and support the measurement and verification of project benefits to those communities.

NCN's proposed CCIA-funded program aligns with and will support the other programs funded by the GGRF, including the Solar for All program and the National Clean Investment Fund (NCIF). NCN has joined lead applicants Midwest Tribal Energy Resources Association (MTERA), International Center for Appropriate and Sustainable Technology (ICAST), and GRID Alternatives (GRID) as a partner in applying to the Solar for All program. NCN's proposed CCIA program also will build the capacity of its Community Lenders to deploy 100% of their capitalization funding for clean energy projects in disadvantaged and low-income communities, extending the Justice40 impact of the GGRF beyond the 40% requirement of the NCIF and expanding the types of eligible projects beyond Solar for All. Furthermore, it will support the capacity building required for Community Lenders to access private capital through the NCIF for implementation of clean energy projects. Together, these three programs will align to support a clean energy transition in Native communities across the U.S.

The vision for the proposed program is to develop a robust clean energy finance ecosystem that will support NCN's Community Lender Network in deploying capital for clean energy, energy efficiency, and decarbonization projects across Native communities for decades. Through the technical assistance provided by Coalition Partners, lenders will build capacity and knowledge in clean energy financing, including project development, loan product development, finance engineering, and measurement and reporting. NCN's Community Lender Network will in turn finance distributed energy and storage, community and residential distributed energy (including microgrids), clean vehicles, and energy efficient houses (including retrofits). **The proposed initiative underscores the Native CDFI Network's unwavering commitment to the Native CDFI mission: to pave the way for financial prosperity, bolster economic sustainability, and foster stronger, more resilient Native communities.** Indian Country has been historically underfunded in nearly every area of economic development. Through this effort, tribes not only have the potential to become energy self-reliant, but can also serve as regional energy hubs for their own citizens and surrounding communities.

While several federal and state programs fund *technology innovation and development* in clean energy, zero-emissions transportation, and net-zero buildings, Native nations and organizations have proven much better equipped to deploy *proven, commercially available technologies* that will provide immediate benefits to Native communities at scale. The proposed program can build the capacity of Native Community Lenders to support their customers in bringing innovative technologies into Native communities in the future. Indian Country's clean energy future must be self-determined if it is to truly sustain Native communities, economies, cultures, and lifeways for the next seven generations and beyond. NCN is committed to supporting the ability of its CCIA Community Lenders to design and provide customized clean energy financing products that meet the distinct needs and goals of Native nations and communities.

**1.1.2 Geographic Coverage and Diversity**

NCN’s Community Lender Network will be deploying clean energy project financing across Native communities in as many as 35 states within the EPA’s 10 geographic regions (see 1.1.2 Geographic Coverage and Diversity under Optional Attachments). This includes federally-recognized tribal lands, reservation-based communities, non-federally recognized tribal members living in statistical areas, and many more living off reservation, but still served by NCN’s Network. Under this program, CCIA-eligible projects will exclusively benefit low-income and disadvantaged communities. It should be noted that Federally Recognized Tribes, including Alaska Native Villages, are considered disadvantaged (Climate & Environmental Justice Screening Tool). A few of the Native communities served through NCN’s Community Lender Network include The Chehalis Tribe (WA), Blackfeet Nation (MT), Cherokee Nation (OK), Citizen Potawatomi Nation (OK), Muskogee Creek Nation (OK), Confederated Tribes of the Umatilla Indian Reservation (OR), Hopi Tribe of Arizona (AZ), Oglala Lakota Sioux Tribe (SD), Cheyenne River Sioux Tribe (SD), Hawai’ian Homelands (HI), Nez Perce Tribe (ID), Navajo Nation (AZ, NM, UT), Central Council of the Tlingit & Haida Indian Tribes (AK), Yurok Tribe (CA), Winnebago Tribe (WI), and White Earth Nation (MN), among many others.

The NCN Community Lender Network also provides a diverse range of lending types, including home mortgages, consumer loans, small business lending, clean-energy lending, agricultural producer loans, and loans to construct affordable housing. In addition, these institutions provide a range of non-lending services to customers, including homebuyer education, individual homeownership advising, financial counseling and literacy assistance, entrepreneurship programs, and tax preparation support.

EPA Region	Community Lenders
Multiple	Affordable Housing CDC, Triple Bottom Line Foundation, Midwest Minnesota Community Development Corporation
1	Four Directions Development Corporation
2	Seneca Nation of Indians EDC
3 (National)	NDN Fund, Native Edge Finance, Native American Bank (NA), Native Agricultural Financial Services, Clearinghouse CDFI, Indian Land Capital Company*
4	The Sequoyah Fund
5	White Earth Investment Initiative, Chi Ishobak, Inc., Lake Superior Community Development Corporation, Leech Lake Financial Services, Inc., Mni Sota Fund
6	Tiwa Lending Services, Citizen Potawatomi Community Development Corporation, Osage Nation CDFI, Kiowa Tribal Loan Fund, Tigua Community Development Corporation, Cherokee Nation dba Cherokee Nation Economic Development Trust Authority, Inc., Mvskoke Fund CDFI
7	Native 360 Loan Fund, Ho-Chunk Community Capital, Inc., Big Elk Development Corporation, Iowa Tribe of Kansas and Nebraska Community Development Entity

8	Native American Development Corporation, Tatanka Funds, Lakota Funds, Four Bands Community Fund, Native American Community Development Corporation, Mountain Plains Community Development Corporation, Akiptan, Inc., Black Hills Community Loan Fund, Inc., Wind River Development Fund, Plenty Doors Community Development Corporation, Peoples Partners for Community Development, Island Mountain CDFI, Lakota Federal Credit Union, Mazaska Owecaso Otipi Financial, South Dakota Native Homeownership Coalition
9	Hawai'i Community Lending, Homestead Community Development Corporation, Native Partnership for Housing, Hopi Credit Association, Kauai Government Employees Federal Credit Union, Yurok Alliance for Northern California Housing, Westwater Financial, Arcata Economic Development Corporation
10	Haa Yakaawu Financial Corporation, Nixyaawii Community Financial Services, Spruce Root, Cook Inlet Lending Center, ATNI Economic Development Corporation, Alaska Growth Capital BIDCO, Inc., Pacific Northwest Tribal Lending, Nimiipuu Community Development Fund, Chehalis Tribal Loan Fund, Taala Fund, Jamestown S'Klallam Tribal Capital, North Idaho Native Fund

\*Region 3 lenders will also be serving Native communities nationally.

### ***1.1.3 Demonstrated Interest***

As mentioned above, the 63 Community Lenders in NCN's CCIA Community Lender Network are not prospective lenders – they are *confirmed* lenders who have formally agreed to participate in NCN's CCIA program should NCN be provided a grant award. This was the result of a rigorous, multi-faceted field engagement and recruitment process. At the outset, NCN issued a broad invitation to participate to all Native CDFIs and other EPA-eligible lenders serving Native communities that it regularly engages through the comprehensive national network it maintains. It then held several virtual informational sessions for these organizations about the CCIA opportunity, how the program works and is designed to leverage other federal sources of funding, NCN's plan to apply for CCIA funding as a CCIA coalition "hub" applicant, and how NCN (if awarded) would provide participating Community Lenders a comprehensive suite of technical assistance and training services to ensure their success in deploying CCIA capitalization funding.

NCN then conducted one-on-one meetings with those organizations who expressed interest in joining NCN's CCIA Community Lender Network and/or learning more about the opportunity. During these meetings, NCN shared its vision for its CCIA program and how it will be a game-changer for the ability of Native communities to develop clean energy solutions that meet their distinct needs and goals for climate resilience; answered questions from interested organizations; gained deep insights into each organization's existing readiness to deploy CCIA financing, the market demand for clean energy financing in the Native communities they serve, and the types and size of the specific projects they are already positioned to finance or envision financing during the six-year CCIA deployment period; and ultimately secured formal approval from each organization's principal to participate in NCN's CCIA program.

NCN also requested Community Lenders complete a comprehensive survey, with 53 of the 63 Community Lenders responding. The survey responses have and will continue to inform NCN's design and refinement of its overall vision for CCIA, how it will structure its CCIA program, and how to tailor its Network-wide training and technical assistance services to support the capacity building priorities and specific projects of the Community Lender Network writ large.

Attached are letters of interest from 50 of NCN's 63 Community Lenders affirming their commitment to leveraging CCIA financing in addressing Indian Country's clean energy development needs and explaining in general detail the types of projects they plan to support with their CCIA capitalization funding allocations and the benefits it will bring to the Native communities those projects are designed to serve. Those lenders who did not submit letters of interest are still named in Section 1.1.2 and have verbally confirmed their commitment to the program.

## **1.2 Investment Strategy**

### ***1.2.1 LI-DAC Engagement and Accountability Strategies***

#### ***1.2.1.1 LIDAC Engagement Plan***

Ninety-eight percent of NCN member Native CDFIs serve Native business owners and individuals living and working in rural or reservation communities that are economically disadvantaged. A majority of these CDFIs are Native-led or by individuals who are knowledgeable about Native culture, traditions, and engagement. Not only do they understand the economic dynamics and conditions of the communities they serve, but they are also adept at building strong working relationships with Native businesses and entrepreneurs, and tribal governments. During program implementation, NCN will leverage its Community Lender Network to ensure that the outputs and outcomes of the program align with clean energy and community benefits priorities identified across the full range of stakeholders.

Tribes often lack the capacity to investigate the opportunities emerging from the Inflation Reduction Act and other programs designed to reduce GHG emissions, support the implementation of renewable energy programs, and provide economic development opportunities. Members of the NCN Community Lender Network have already stepped in to help provide accessible opportunities for Native communities to learn about the programs and resources available and each tribe's leadership body determines, with the consent of their community, which programs and resources best align with their unique sets of challenges, goals, and priorities. Building the trust required for successful outreach in Indian Country involves demonstrating cultural competence and respect for tribal sovereignty and priorities through clear communication over repeated in-person visits, often to remote reservations in rural areas, and through routine contact and consistent messaging regarding the programs and support tribes have requested.

In the process of developing this application, NCN proactively engaged with tribal governments serving low-income and disadvantaged populations to initiate discussions around clean energy priorities in Native communities, including planned projects and initiatives that could potentially qualify for project financing under the CCIA program. Discussions to-date are memorialized in the letters of support provided as attachments to this application. During program implementation, NCN will continue to engage with tribes to ensure alignment of program

activities with these projects and initiatives, leaning on Intertribal Consortia to lead engagement efforts in Native communities.

NCN has enlisted the participation and support of a regionally diverse array of intertribal organizational partners, who will play an instrumental role in assisting NCN with providing targeted and ongoing education and outreach about the CCIA program and its specific clean energy financing opportunities to tribal leaders and tribal government staff, tribal enterprise CEOs and staff, Native small business owners, and other key stakeholders in their respective regions. They will provide this education and outreach through their annual conferences, regular board meetings with tribal leaders, co-hosted CCIA informational webinars with NCN, and regular email broadcasts to their vast tribal networks. Key intertribal organizational partners include the Affiliated Tribes of Northwest Indians, United South and Eastern Tribes, Great Plains Tribal Chairmen’s Association, Alaska Federation of Natives, and United Tribes of Michigan (see attached formal letters of support), with several other intertribal organizations currently in discussions with NCN to join this tribal education and outreach team to ensure broad and comprehensive national coverage.

NCN will collaborate broadly to implement a targeted and effective engagement strategy. To reduce barriers for participation, program information will be provided across the coalition’s robust community outreach and engagement network. Coalition Partners have deep relationships with their communities and understand their needs and priorities. Details regarding roles and activities of each entity in community engagement follows in the table below.

<b>Partner</b>	<b>Outreach Strategies and Audiences</b>
Alliance for Tribal Clean Energy	Support outreach and engagement efforts to tribes and tribal citizens.
Blue Lake Rancheria	Educate and advise tribal governments and enterprises on the development of Native nation-wide long-term strategic plans for clean energy infrastructure build-out, expansion, and sustainability.
GRID Alternatives	Connect with Community Lenders to evaluate the potential for solar with their existing partners/borrowers, advise in developing clean energy lending products and programs for ongoing lending in communities, including business planning and capitalization strategies.
ICAST USA	Provide guidance on adherence to EPA’s green investment guidelines, workforce training on green building, heat pumps, solar installs, battery storage (design, installation and O&M).
National Center for American Indian Enterprise Development (NCAIED)	Serve as a training and resource center for Native entrepreneurs, support outreach and communications to tribes and Native-owned business owners regarding availability of clean energy financing.

National Indian and Native American Employment and Training Conference (NINAETC)	Provide ongoing education and outreach about the program to tribal and Native workforce development practitioners through the organization’s regular training events, website, and two email listservs.
National Indian Health Board	Provide ARC GIS mapping technical assistance to confirm the eligibility of projects located outside of tribal reservation boundaries as being in LIDAC.
National Renewable Energy Laboratory	Provide training, outreach communications, and project development support to Community Lenders and tribes in areas of renewable power sources, sustainable transportation, energy efficiency, and energy systems integration; support market impact analysis related to air quality, and environmental, social, and economic impacts of the circular economy generated through clean energy projects.
National American Indian Housing Council	Provide ongoing education and outreach about the program, project financing opportunities to tribal government leaders and tribal housing authority leaders and staff through events and email broadcasts to its extensive national network, brief tribal government leaders and tribal housing authority leaders and staff about critical program developments.
Northern Arizona University (NAU) – Institute for Tribal Environmental Professionals (ITEP)	Provide outreach and education to tribes regarding clean transportation options via the Tribal Clean Transportation Working Group. Attend regional and national tribal environmental and energy conferences to conduct outreach in-person and help promote technical assistance offered by ITEP. Develop a website with information and resources pertaining to ITEP’s technical assistance, and compilation of resources to help advance clean energy projects on tribal lands.
University of New Hampshire (UNH) – Carsey School Center for Impact Finance	Work with Coalition Partners and Community Lenders to customize training resources to best meet the needs of clean energy project development and capital deployment in Indian Country.

NCN will ensure that highest-need areas and LIDAC are included in engagement strategies. Engagement efforts will include residents, small business owners, low-income residents, rural residents, local nonprofits, and other stakeholders, such as public housing representatives, with a priority to include traditionally underrepresented Native communities and other populations, such as people with disabilities and those who identify as LGBTQ+. Opportunities to learn about program offerings and provide input will be available via multiple venues, leveraging coalition systems in place to ensure engagement is continuous, flexible, and meets community needs.

#### *1.2.1.2 LIDAC Accountability Plan*

The federal government has a history of not being transparent with or accountable to tribal governments. Invitations to tribal governments to engage in discussions and decision-making around energy planning or regional approaches to climate solutions have been rare. As a result,



existing energy infrastructure has often been sited on tribal lands without the express permission of the tribal leadership by the Bureau of Indian Affairs and other government agencies working with utility companies and cooperatives. This history, coupled with intergenerational trauma and exacerbated by challenging socioeconomic conditions, has led to extreme underinvestment in electric transmission, distribution, and energy access across Indian Country. Understanding this context is vital to successfully engaging and collaborating with tribal communities regarding the development of GHG and air pollution reducing projects. Early engagement with full transparency and explicit recognition of tribes' data sovereignty is essential to the success of the CCIA. The recognition and respect afforded by transparent early information sharing, along with acknowledgment of tribal sovereignty, is at the core of the NCN's approach to accountability.

NCN's LIDAC accountability plan ensures that tribal citizens understand the purpose of the CCIA program, are educated and informed about the benefits of CCIA projects to their livelihoods, and are able to provide feedback and input into program implementation. Native communities have a long and distinguished history of storytelling. Using this tradition, NCN will incorporate storytelling processes as part of the program evaluation strategy to portray the impacts, especially in terms of improved livelihoods. NCN will incorporate "stories" as part of case studies that will be conducted by NCN and Coalition Partners. Regional Program Coordinators will continuously gather information during their monthly calls which will be supplemented by the semi-annual meetings between the Intertribal Consortia and Community Lenders to discuss the progress of the projects, lending schedules, community feedback, lending and project development challenges, additional funding needs, leveraging CCIA dollars, and tax credits at a minimum. The "stories" and case studies will be included as part of the collective knowledge and histories, and incorporated into reports. Furthermore, Community Lenders and Tribal Consortia leaders will be asked by NCN to complete a detailed survey on an annual basis. Survey results will be shared with Community Lenders and Tribal Consortia leaders and incorporated into project implementation plans for the subsequent project year.

### ***1.2.2 Investment Objectives***

In July 2023, NCN received a Energizing Rural Communities Prize that will support a comprehensive market study of clean energy market demand and capital needs. The study will take place from December 2023–February 2024 and will include an assessment of tribal clean energy needs and capacity building needs of Native-serving Community Lenders to deliver clean energy financing products. Although the below GGRF investment objective goals and targets may be refined as a result of this study, **the overall impact will be a substantial reduction in GHG emissions and air pollution, creation of high-quality jobs, improved health outcomes, greater housing affordability, a lower energy burden, and a historically-significant clean energy investment in Indian Country.** Results from this market study will also inform the development of model clean energy loan products and related underwriting processes that can be deployed at the start of the CCIA program (July 2024).

#### ***1.2.2.1 Climate and Air Pollution Benefits***

Tribal lands have significant renewable energy resource potential that can serve to ensure energy security and a low-carbon energy future that benefits Native communities as well as the entire U.S. The National Renewable Energy Laboratory (NREL) estimates that there is 17,600 billion kWh/year of solar energy potential and 535 billion kWh/year of wind energy potential on tribal

lands in the lower 48 states alone.[6] The goal of the proposed CCIA program is to harness the considerable renewable energy resources on tribal lands to provide carbon- and pollution-free electricity in Native communities, reducing GHG emissions and striving for net-zero emissions across Indian Country.

NCN will provide \$630M in capitalization funding to its Community Lender Network to support deployment of CCIA-eligible projects in Native communities across the U.S. Informed by a Community Lenders survey, NCN anticipates that its Community Lender Network will finance distributed energy and storage projects; net-zero building retrofits; new net-zero construction; clean transportation projects, including electric vehicles. These projects will support GGRF goals of reducing greenhouse gas emissions 50 to 52% below 2005 levels in 2030 and achieving net-zero emissions by no later than 2050. These projects will provide carbon-free electricity to Native communities, accelerating this statutory goal while providing the additive benefits of GHG emissions reductions, improved local air quality, and low-cost, permanent clean energy access in low-income and disadvantaged communities with a high energy burden. In addition, NCN's Lender Network will support the GGRF goal of achieving 50% of zero-emission vehicles share of all new passenger cars and light trucks sold in 2030 by funding clean transportation projects, driving GHG emissions reductions and reduction of criteria air pollutants, specifically those associated with gas- and diesel-powered vehicles. Progress towards these goals will be evaluated against targets at both the project-level and program-level (cumulative) scale.

Distributed energy and storage projects anticipated to be deployed through CCIA capitalization funding include rooftop and community solar, renewable microgrids, utility-scale battery storage, and utility-scale solar, wind, and hydroelectric generation. Current average emissions from the U.S. electricity grid are 0.855 lbs CO<sub>2</sub>/kWh.[7] Solar and rooftop solar (0.10 and 0.09 lbs CO<sub>2</sub>/kWh, respectively), hydroelectric (0.05 lbs CO<sub>2</sub>/kWh), and wind (0.02 lbs CO<sub>2</sub>/kWh) all have substantially lower lifecycle CO<sub>2</sub> emissions compared to the current grid mix. The Community Lenders in NCN's lender network serve an estimated 75% of all Native communities in the U.S. representing ~830,000 American Indian and Alaska Native households in addition to numerous Native Hawai'ian communities on Hawai'ian Homelands.[8] If the projects financed through the proposed program were to supply renewable energy to 100% of these homes, **the estimated GHG reductions resulting from these projects would be ~3.4 Mt CO<sub>2</sub>/year.**<sup>2</sup>

Further emissions reductions will be realized from the displacement of gas-powered generators, which are commonly used for residential energy generation and backup generation on Tribal Lands. Many Native homes are unable to connect to Tribal utility grids as a result of their remoteness, the cost of grid interconnection, or right-of-way permitting issues.[9] As a result, they rely on generators for their daily energy needs. Every gallon of diesel or gasoline fuel burned in a generator results in ~20 lbs CO<sub>2</sub> emissions, with most Native households using 5 to 7 gallons/day to meet their minimum energy needs, resulting in 24 tons CO<sub>2</sub> emissions/year.

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<sup>2</sup> Methodology: A typical U.S. household uses ~11,316kWh/year \* 830,000 Native households served by NCN's Community Lenders (9.437BkWh/year). At the current grid mix, this results in 9.437BkWh/year\*0.855 lbs CO<sub>2</sub>/kWh (8.069B lbs CO<sub>2</sub>/year). Assuming an average of 0.06lbs CO<sub>2</sub>/kWh for a mix of renewable energy technologies, and 100% of households served powered with renewables, the result is 9.437BkWh/year\*0.06 lbs CO<sub>2</sub>/kWh (566M lbs CO<sub>2</sub>/year). This is a reduction of 7.503B lbs CO<sub>2</sub> annually or 3,403,401 metric tons (t) of CO<sub>2</sub> (3.4Mt).

Fourteen percent of Native households lack access to electricity (~154,000 homes). Over the course of the six-year program, if CCIA-eligible projects replace gas-powered generators with renewable electricity for 25,000 homes, the resulting reduction would be **600,000 tons CO<sub>2</sub>/year**. In addition, elimination of diesel generators will significantly reduce harmful air pollutants, including particulate matter and NO<sub>x</sub>, which are detrimental to both human and environmental health.

The typical annual CO<sub>2</sub> emissions for a single-family home in the U.S. are 14,020 pounds, assuming approximately 943kWh per month in electricity consumption.[10] Through CCIA-funding, the proposed program is expected to construct ~450 new net-zero homes, which will reduce emissions by 2,862 tons annually. In addition, NCN's Lender Network will aim to retrofit 100,000 homes with solar panels, solar water heaters, and electric heat pumps to achieve net-zero emissions, making the anticipated total CO<sub>2</sub> reduction from new and retrofitted homes on Tribal Lands **635,943 tons CO<sub>2</sub>/year**. Additional reductions will be realized from the new construction and retrofitting of net-zero community facilities, including community houses, medical centers, and municipal buildings.

According to NCN's Community Lender Network survey, clean transportation projects are currently less of an energy priority in Native communities. Access to affordable electricity and housing far outweigh the need for electric vehicles and other clean mobility options. However, several lenders have demonstrated interest in financing fleet electrification, EV charging infrastructure projects, and providing personal auto loans for EVs or plug-in hybrid vehicles using CCIA capitalization funding. According to the National Congress of American Indians, approximately 11 billion vehicle miles are traveled on the Tribal Transportation Program (TTP) system annually.[11] The average gas-powered passenger vehicle emits 0.8818 lbs CO<sub>2</sub>/mile traveled, resulting in 4.39 Mt CO<sub>2</sub>/year in emissions. Converting just 25% of those miles into electric vehicle miles traveled (eVMT) through financing of electric vehicles and buses and installation of EV charging infrastructure would reduce CO<sub>2</sub> emissions from vehicles by **~1 Mt CO<sub>2</sub>/year**. Additional benefits would be realized from a reduction in other GHGs, including methane, nitrous oxide, and HFCs, as well as criteria air pollutants, such as particulates, sulfur dioxide, and carbon monoxide.

Based on the above estimates, anticipated GHG emissions reductions from all CCIA-eligible projects financed through the NCN Community Lender Network is anticipated to be **~5.6 Mt CO<sub>2</sub>/year**.

To validate the reduction in greenhouse gases and air pollution in Tribal Lands, the National Tribal Air Association (NTAA), the Northern Arizona University (NAU) Institute for Tribal Professionals, the National Renewable Energy Laboratory (NREL), ICAST, and the Alliance Tribal Clean Energy will manage environmental modeling, data collection and analysis. Specific tools that will be used for modeling and analysis will include TREAT, Sefiera, REMRate, Aurora Solar, Energy Toolbase, NEAT/MHEA, IES VE, eQUEST, and EPA Portfolio Manager. On the ground air sampling over the six years of the program, using on the ground sensors, satellite data and reputable air quality resources such as EPA, will help to indicate an improvement in air quality in Native communities as a result of transitioning to zero-emissions technologies (see Section 1.3.1 Reporting Plan).

### *1.2.2.2 Equity and Community Benefits*

100% of requested funds will be used for the purposes of providing financial assistance for projects that benefit Native communities; providing technical assistance to build capacity for lenders serving Native communities; and programmatic support for measurement, verification, and reporting of benefits in the communities served. NCN and its Coalition Partners will track all expenditures of project funds to verify that funds were directly spent: (1) on projects located on Federally-Recognized Tribal Lands, (2) on Native Americans, Alaska Natives, Native Hawai'ians directly (e.g. rooftop solar) in non-Native communities, or (3) to provide programmatic support and technical assistance for Community Lenders and tribal citizens to implement these projects. CCIA-eligible projects funded through NCN's Community Lender Network are anticipated to provide the following benefits in these communities:

**Improved health outcomes:** NCN's network of Community Lenders are committed to uplifting Native communities, many of which are disproportionately affected by the impacts of climate change and poor air quality.[12] American Indians and Alaska Natives born today have a life expectancy that is 5.5 years less than the U.S. all races population (73.0 years to 78.5 years, respectively).[13] Native communities have higher rates of chronic diseases that are linked to poor air quality, including asthma and heart disease. Children in Native communities are twice as likely to have asthma, compared to non-Hispanic white children.[14] The increasing incidence of wildfires driven by climate change is further degrading air quality on Native lands.[15] Of Community Lenders surveyed, 78% want to reduce GHG emissions and air pollutants, which contribute to poor health outcomes in Native communities.

Diesel generators and vehicles are a major source of air pollution in Native communities. According to a recent study conducted by the California EPA and the American Lung Association of California, "diesel exhaust and many individual substances contained in it, including arsenic, benzene, formaldehyde and nickel), have the potential to contribute to mutations in cells that can lead to cancer. In fact, long-term exposure to diesel increases the risk of exhaust particles and poses the highest cancer risk of any toxic air contaminant evaluated by OEHHA. ARB estimates that about 70% of the cancer risk that the average Californian faces from breathing toxic air pollutants stems from diesel exhaust particles." [16]

This program will result in improved health outcomes through projects that focus on reducing or eliminating indoor and outdoor pollutants, including:

- 1) The installation of residential rooftop solar and standalone storage systems to replace 25,000 diesel backup generators and reduce CO<sup>2</sup> emissions and particulate matter (PM) air pollutants.
- 2) Retrofitting 100,000 homes and buildings with electric boilers and water heaters, solar heat pumps, electric stoves, and other appliances that replace natural gas appliances which have been associated with poor indoor air quality.
- 3) Building 450 new homes with low VOC materials, which contribute to poor air quality and exacerbate respiratory illnesses, such as asthma.
- 4) Installation of 25 EV charging stations to support EV adoption and electrification of buses and other vehicles that emit CO<sup>2</sup>, methane, nitrous oxide, and hydrofluorocarbons.

Air quality improvements will be directly measured and verified by Northern Arizona University's Institute for Tribal Environmental Professionals (NAU-ITEP) (see Section 1.3.1). In the longer term, improved health outcomes will be measured through community survey and hospital admissions data against Healthy People 2030 goals, such as reducing asthma attacks to 35.1% among those with asthma.[17]

**Job creation and workforce development:** Beyond environmental and health challenges, Native workers face higher unemployment rates than their non-Native counterparts – 11.1% compared to the national average of 4.4%.[18] Furthermore, Native workers are overrepresented in frontline, often low-wage service sector work, making them especially susceptible to national crises including the COVID-19 pandemic. Creating high-quality jobs is an imperative for Native communities and was identified by 82% of Community Lender survey respondents as a top motivation for providing clean-energy financing.

According to the Center for American Progress, “clean energy investments create 16.7 jobs for every \$1 million in spending,” roughly three times as many jobs as fossil fuel investments.[19] Based on the anticipated investment of CCIA capitalization funding alone, the proposed program will create ~13,360 jobs in Native communities. As of 2021, there were 12,670 American Indian, Alaska Natives, and Native Hawai'ians (or other Pacific Islanders) employed in renewable energy generation industries (solar, wind, hydropower, and biofuels) and 198,327 employed in the energy industry overall (including fossil fuel sectors).[20] Through this additional investment in Native communities, American Indian, Alaska Native, Native Hawaiian (or other Pacific Islander) representation in the clean energy sector is expected to increase by 195% and overall employment in the energy sector will increase by 6%.

Rooftop and community solar installations, building retrofits, and net-zero housing construction have been identified as key project types for CCIA-funded clean financing and are anticipated to create high-quality jobs in Native communities. According to the Bureau of Labor Statistics, the median annual wage for solar photovoltaic (PV) installers in 2022 was \$45,230, slightly above the median household income for American Indian and Alaska Native populations nationwide (\$43,825) and significantly higher than the average income of individuals living on reservations (\$17,000).[21] For construction workers, salary ranges vary from \$39,520 for construction laborers and helpers to \$101,480 for construction managers.[22] For both solar installers and construction laborers, on-the-job training is typical for entry into these positions, providing access to jobs created by CCIA-funded projects. NCN anticipates additional job creation through distributed energy and storage projects and clean transportation projects, but does not currently have enough information to qualify the types of jobs that will be created nor quantify the number of jobs that will result from these projects. These jobs will likely result in high-quality jobs in technology, manufacturing, and construction. Job quality will be measured and verified through gathering information from Community Lenders on positions created by each project, including wages and bonuses, healthcare benefits, paid time off and sick leave, and other benefits, based on established job quality evaluation best practices.

**Affordable housing and energy:** Ninety percent of Community Lenders surveyed by NCN identified affordable housing and reduced energy (utility) costs as top motivations for clean energy financing. According to the Affordable Housing Tax Credit Coalition, 57% of Native

households are burdened by the cost of housing or live in housing with poor conditions or overcrowding.[23] Furthermore, the median energy burden of Native households (4.2%) is 45% higher than that of non-Hispanic white households (2.8%), the highest energy burden of any historically excluded group.[24] Note that this is based only on race and ethnicity; a number of other factors can lead to a further increase in energy burden, including income status, age of household members, type of housing, and geography.

Several of NCN's Community Lenders already finance affordable housing projects and plan to develop new products specifically for construction of new and affordable net-zero homes in Native communities. These projects are expected to result in an estimated 450 new single-family, affordable homes. Other projects, including rooftop and community solar and energy efficiency retrofits, are expected to reduce household energy burdens. According to the American Council for an Energy-Efficient Economy, energy efficiency and weatherization can reduce the energy burden of low-income households by 25%.[25] By increasing the availability of affordable housing and decreasing the average household energy burden, CCIA-funded projects will help build wealth in Native communities while ensuring access to basic necessities.

### *1.2.2.3 Market Transformation Benefits*

Native communities have faced historical underinvestment despite being at the frontlines of climate change. Generations of financial exclusion, wealth-stripping policies, and government subjugation have contributed to financial fragility, leaving Native communities vulnerable to economic fluctuations and natural and man-made disasters.[26] According to the Urban Institute, Native communities continue to lack access to affordable credit to meet their financial needs, often turning to high-cost lenders to meet their credit needs.[27]

**It is the imperative of NCN and its Community Lender Network to transform the lending market to build wealth and financial resilience in Native communities through access to affordable lending products and services.** Coalition Partners will provide technical assistance services (total EPA funds requested: \$24.5M) to support NCN's Community Lender Network and NCN will provide lenders an additional \$63M<sup>3</sup> in technical assistance subawards to obtain technical services outside of the capabilities of the coalition. In total, \$87.5M in EPA funding will be leveraged to build capacity for NCN's Community Lenders to deploy \$630M<sup>4</sup> in capitalization funding to projects that improve Native livelihoods and economies by transforming Indian Country into clean energy communities.

Only 25% of NCN's Community Lender Network currently supports clean energy lending. As previously stated, most of these lenders reported the major barriers to developing clean financing portfolios to be insufficient capacity (including training on clean energy lending products and staffing) and insufficient capital. Through NCN's technical assistance services and technical assistance subawards, lenders will be able to obtain the resources needed to build a portfolio of clean financing products and services, and be able to support these services with trained and knowledgeable staff. NCN anticipates all 63 lenders participating in this program will be able to offer clean energy financing products and services by 2026. This represents a 313% in the

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<sup>3</sup> This represents direct costs for TA subawards.

<sup>4</sup> This represents direct costs for capitalization funding.

number of lenders serving Native communities that will be qualified and resourced to finance clean energy projects.

NCN has designed its pass-through strategy to catalyze capital mobilization for clean energy projects in Native communities. Community Lenders will be encouraged—and will have access to technical support—to leverage CCIA capitalization funding for other financing in CCIA-eligible projects, including private investment, grants, and tax credits (see Section 1.2.5.5 Coordination Plan). While the amount of co-financing obtained will vary depending on the lender and project, the program-wide target for capital mobilization ratio is 3:1, that is every \$1 of capitalization funding will mobilize \$3 in additional funding. This is a conservative target based on data taken from the 2021 U.S. Green Bank Annual Industry Report, which reported that in 2020, green banks mobilized \$1.7B in total investments with \$450M in green bank funds.[28] However, achieving this target mobilization ratio will mean that the EPA’s \$630M in capitalization funding for the NCN Community Lender Network will leverage an additional \$1.9B in additional financing for clean energy projects on tribal lands, **totaling \$2.53B. This total far exceeds the \$120M spent between 2010 and 2022 by the Department of Energy’s Office of Indian Energy and, moreover, represents a significant step in empowering Native financial institutions to invest in Native communities, building a long-term, self-sustaining, and Native-led financial market for clean energy investments.** In addition, over the longer term the repayments from these loans would support further lending. By encouraging lenders to use CCIA capitalization funding to leverage private investment, NCN will build capacity within its Community Lender Network for long-term financing of greenhouse gas- and air pollution-reducing projects.

### ***1.2.3 Pass-Through Strategy***

#### ***1.2.3.1 Capitalization Funding and TA Subaward Design***

##### **Capitalization Funding Parameters**

NCN has elected to provide capitalization funding to lenders as subsidies (i.e., the funding instrument). Subsidies will be provided for up to 100% of loan origination to qualified projects, though NCN will encourage and provide technical assistance to lenders to leverage additional capital for qualified projects, such as funds raised through private investments, and federal grants, credits, and rebates to meet the program requirement for capital mobilization. Based on data gathered from NCN’s Community Lender survey, total capitalization funding amounts per lender are anticipated to range from \$5,000,000 to \$10,000,000. The process for amount determination is explained in Section 1.2.3.5. Technical assistance subawards will be provided as subgrants for up to \$1M per lender to support capacity building and obtain technical assistance services to support project development and reporting; additional information on TA subaward parameters is provided below. Both capitalization funding and TA subawards are designed to support the GGRF investment objectives by (1) subsidizing loans origination for CCIA-eligible projects that reduce GHG emissions and air pollution in Native communities; (2) support projects that create high-quality jobs and provide other benefits (such as improved health outcomes) in Native communities; and (3) encourage additional investment in CCIA-eligible projects, catalyze additional investment in clean energy projects in Native communities, and support a new financial market for clean capital within NCN’s Community Lender Network.

NCN surveyed its Community Lender Network to determine their current capacity to deploy capitalization funding, both in terms of internal capacity (e.g., available loan products, staffing) and the existing pipeline of shovel-ready projects available for funding. Based on the survey, NCN has defined the parameters for three tiers of Community Lenders and developed a distribution process that aligns with the characteristics of the lenders in each group (see Section 1.2.3.2). The three lender tiers are defined below:

<b>Tier 1</b>
Community Lenders in this tier have an excess of \$10M in shovel-ready, CCIA-qualified clean energy projects with partner financing recipients in their <i>existing</i> pipeline. These lenders also agree to deploy their full capitalization funding allocations within the first three years of the CCIA-funded program (July 2024 to June 2027). NCN estimates nine to ten Community Lenders in its network meet the requirements for Tier 1 (estimated total capitalization funding \$90M to \$100M).
<b>Tier 2</b>
Community Lenders in this tier have shovel-ready, CCIA-qualified clean energy projects with partner financing recipients in their existing pipeline totaling less than \$10M. These lenders are prepared to deploy CCIA financing for qualified projects by June 2025; lenders will be expected to expend remaining capitalization funding by June 2030. NCN estimates 34 to 35 Community Lenders in its network meet the requirements for Tier 2 (estimated total capitalization funding \$340M to \$350M).
<b>Tier 3</b>
Community Lenders in this tier have undefined local market demand to be able to deploy 100% of their capitalization funding within six years. This is defined by having an existing pipeline of shovel-ready, CCIA-qualified that total less than 30 percent of their capitalization funding allocation. In addition, lenders in Tier 3 require six to 18 months to ramp up their organization’s capacity before deploying CCIA financing to partner financing recipients. These lenders must begin deploying capitalization funding no later than December 2025 and spend funds by June 2030. NCN estimates 18 Community Lenders in its network meet the requirements for Tier 3 (total capitalization funding \$180M).

*Framework for Limited Exceptions and Reallocation - Capitalization Funding*

Based on the results of the NCN Community Lender survey, some lenders may not be able to deploy the full \$10M allocation over the six-year project. In contrast, several lenders have communicated that they have well over \$10M in clean energy projects in their *existing* pipeline. For example, Mountain Plains CDC has over \$200M in new, net-zero affordable housing projects and Alaska Growth Capital has over \$60M in renewable energy projects ready to finance. These projects are critical to achieving significant GHG emissions reductions, air pollution benefits, and equity and community benefits that will contribute to the overall impact of the GGRF. Therefore, NCN has developed a reallocation strategy for capitalization funding and a framework for lenders to receive additional capitalization funding above the \$10M limit.

During Program Year 1, NCN will review and evaluate all 63 lenders’ financial plans and assess the amount of capitalization funding they will be able to deploy towards CCIA-eligible projects



during the six-year program. Lenders who are unable to deploy their full \$10M allocation (e.g., lenders who make small personal loans for home improvements), will be allocated a smaller amount of capitalization for the program. The difference in the reallocation and the original allocation will be merged into a pooled fund to address limited exceptions. NCN estimates that after initial assessments this pool will amount to ~\$100M.

Beginning in Program Year 2, NCN will open an RFP process in August 2025 for lenders to develop proposals to request additional capitalization funding above the \$10M limit. Lenders proposals will be evaluated on the following criteria: (1) Project Readiness – lenders must demonstrate they have shovel-ready projects (e.g., permitting is complete); (2) Project Impact – lenders must demonstrate that the project will make a significant contribution towards achieving the goals and targets for each investment objective (see more below); (3) Project Eligibility – lenders must demonstrate that all funds will be spent on CCIA-eligible projects; (4) Capacity – lenders must demonstrate they have the capacity to deploy the additional capitalization funding based on the Tier 1 timeline (i.e., fully deployed within three years); and (5) Performance Verification – lenders must demonstrate that their original allocation was spent on CCIA-eligible projects and submit initial reporting on outputs and outcomes. NCN will then select proposals based on its evaluation against these criteria. In addition, NCN has identified affordable housing that includes energy efficiency options as a critical priority for project finance through discussions with its Lender Network. NCN may select projects that expand net-zero housing availability in low-income, rural Native communities as well as projects that support priorities identified through the upcoming market analysis NCN will be completing through its DOE Energizing Rural Communities Prize (Phase I). Successful proposals will be submitted to the EPA to request a limited exception to the \$10M capitalization funding cap.

Lenders granted an exception will be required to meet additional reporting requirements, including financial and administrative reports and measurement and verification reports for project impact. The intent of this additional reporting is to provide the EPA justification for the expenditure of additional funds beyond the standard provisions of the grant program. NCN regional teams and Coalition Partners will provide technical assistance to support reporting requirements; likewise, these lenders may receive TA subaward funding to support rapid deployment of the additional capital (see description of TA subaward exceptions below).

#### Technical Assistance Award Parameters

The Community Lenders in NCN's Network overwhelmingly stated the need for technical assistance to deploy capitalization funding provided through the CCIA program. NCN has carefully selected Coalition Partners to support Network lenders in capacity-building through technical assistance services (see Section 1.2.4.1). NCN also anticipates that lenders will need technical assistance subawards for hiring and training staff and to access technical services that are outside the expertise of Coalition Partners. Based on discussion with lenders, NCN plans to provide \$1M technical assistance subawards to all lenders identified for capitalization funding under the CCIA-funded program.

#### Framework for Limited Exceptions and Reallocation – Technical Assistance Subawards

NCN recognizes that some lenders may not require \$1M in TA subawards, and others may exceed the \$1M limit in order to rapidly deploy capitalization funding for shovel-ready projects.

Thus, NCN will reallocate TA subaward using a similar strategy to the framework for reallocation capitalization funding. For lenders to receive reallocated TA subawards, they must demonstrate that:

- 1) The required technical services for initial capitalization deployment cannot be provided through NCN’s Coalition Partners; or
- 2) Additional capacity (e.g., staff) is required to deploy capitalization funding within the program timeline.
- 3) They have successfully utilized their original TA subaward allocation within the program guidelines.

Lenders must demonstrate that the technical assistance service provider(s) they have selected are qualified and are providing services at market rate. Lenders may request additional TA funding annually beginning in Program Year 2.

### 1.2.3.2 Distribution Process Design

Distribution of capitalization funding will vary depending on the characterization of each lender and its pipeline projects as described in Section 1.2.3.1, which will be determined during the evaluation process described in Section 1.2.3.4. The distribution process for each lender tier has been designed to expedite deployment of shovel-ready, CCIA-eligible, clean energy projects and complement capitalization funding with TA subawards that can be used to build capacity for those lenders with the greatest need. The distribution process for technical assistance awards is the same for all tiers – the capitalization funding distribution plan for each lender tier varies. Both are described below:

<b>All Lender Tiers</b>	
<b>Program Year</b>	<b>Technical Assistance Subaward</b>
1 (July 2024 – June 2025)	<b>First-stage tranche of TA funding allocated</b> (at least 25% and up to 50% of total allocation)
2 (July 2025 – June 2026)	<i>Eligible to receive additional first-tranche TA funding if initial first-tranche distribution is fully expended (but not more than 70% of total allocation when combined with first tranche).</i>
3 (July 2026 – June 2027)	<i>Eligible to receive second-stage tranche of TA funding if first tranche is fully expended (but not more than 70% of total allocation when combined with first tranche).</i>
4 (July 2027 – June 2028)	<b>Second-stage tranche of TA funding allocated</b> (entire remainder of overall TA allocation).
5 (July 2028 – June 2029)	<i>It is expected that lenders will be self-sustaining for Years 5 and 6 or</i>
6 (July 2029 – June 2030)	<i>will spend down their remaining TA funding.</i>

Tier 1	
Program Year	Capitalization Funding
1 (July 2024 – June 2025)	<b>100% allocated</b> based on project pipeline evaluation
2 (July 2025 – June 2026)	
3 (July 2026 – June 2027)	<b>100% deployed</b>
4 (July 2027 – June 2028)	<i>Reinvest program income in eligible projects</i>
5 (July 2028 – June 2029)	<i>Reinvest program income in eligible projects</i>
6 (July 2029 – June 2030)	<i>Reinvest program income in eligible projects</i>

Tier 2	
Program Year	Capitalization Funding
1 (July 2024–June 2025)	<b>First-stage tranche allocated</b> based on project pipeline evaluation
2 (July 2025–June 2026)	<i>Additional tranche allocated at negotiated amount if 100% of first-stage tranche has been deployed</i>
3 (July 2026–June 2027)	<i>Additional tranche allocated at negotiated amount if 100% of first-stage tranche has been deployed</i>
4 (July 2027–June 2028)	<b>Second-stage tranche allocated</b> based on project pipeline review
5 (July 2028–June 2029)	<i>If any allocation remains, additional tranche allocated at negotiated amount if 100% of second-stage tranche has been deployed</i>
6 (July 2029–June 2030)	<i>If any allocation remains, additional tranche allocated at negotiated amount if 100% of second-stage tranche has been deployed</i>

Tier 3	
Program Year	Capitalization Funding
1 (July 2024–June 2025)	<i>Lenders will be focused exclusively on building their capacity through technical assistance in Year 1</i>
2 (July 2025–June 2026)	<b>First-stage tranche allocated</b> based on project pipeline evaluation
3 (July 2026–June 2027)	<i>Additional tranche allocated at negotiated amount if 100% of first-stage tranche has been deployed</i>
4 (July 2027–June 2028)	<b>Second-stage tranche allocated</b> based on project pipeline review
5 (July 2028–June 2029)	<i>If any allocation remains, additional tranche allocated at negotiated amount if 100% of second-stage tranche has been deployed</i>
6 (July 2029–June 2030)	<i>If any allocation remains, additional tranche allocated at negotiated amount if 100% of second-stage tranche has been deployed</i>

### 1.2.3.3 Eligibility Review Process

Many of the Community Lenders NCN will be working with as part of this project are already members of the Native CDFI Network and are certified CDFIs, meaning that they have achieved certification through the U.S. Department of Treasury’s CDFI Fund. By virtue of their certification, those entities have undergone a rigorous evaluation to determine that they are

qualified Community Lenders. Eligibility for certification through the CDFI Fund requires entities to meet the following requirements: must be a legal entity at the time of certification; has a primary mission of promoting community development, is a financing entity; primarily serves one or more target markets; provides development services in conjunction with its financing activities; maintains accountability to its defined target market; and is a non-governmental entity and not under the control of any government entity (Tribal governments excluded). Several of these criteria align with the lender requirements of Section 134(b)(2) of the Clean Air Act, but NCN will conduct a review of organizational documents to confirm eligibility of each lender upon EPA award by requesting evidence of the lender being a public, quasi-public, not-for-profit, or nonprofit entity; having the legal authority to provide financial assistance to qualified projects at the state, local, territorial, or Tribal level or in the District of Columbia; and are eligible to receive a subaward under the EPA Subaward Policy.

There are 20 emerging Native CDFIs that have confirmed their commitment to participating in this project. While these lenders have not achieved certification through the CDFI Fund, through NCN’s membership screening process (which includes a review of organizational documents) it has determined they are eligible Community Lenders under Section 134(b)(2). NCN will work closely with this group prior to EPA notification of award to ensure they meet eligibility requirements. Upon EPA award, these lenders also will need to provide evidence that they meet eligibility criteria. Any Community Lender that is deemed ineligible will still be offered technical assistance through NCN’s Coalition Partners but will not be eligible for capitalization funding or technical assistance subawards per the grant requirements.

*1.2.3.4 Evaluation Process*

NCN has developed a rigorous, consistent, and equitable process for evaluating lenders’ plans to use capitalization funding and technical assistance subawards through the six-year program. NCN will establish a CCIA Evaluation Panel to lead and carry out evaluation throughout the program. The Panel will consist of NCN’s CCIA Program Manager and three CCIA Regional Coordinators, a representative from each Coalition Partner organization, and third-party financial consultants with expertise in serving Native CDFIs and other Indian Country-serving lenders. The Panel will develop specific tools (e.g., rubrics) for initial and ongoing evaluations and provide these documents to lenders to assist them in preparing plans and reports throughout the program. These rubrics, as well as having lenders’ plans evaluated by the Panel consisting of objective reviewers will ensure fairness in the review process. The following elements comprise the initial evaluation process for lenders to formally participate in the program (General Evaluation) and evaluation criteria for lenders’ plans for use of capitalization funding and TA subawards:

<b>General Evaluation Criteria</b>	
<b>Lender Vision</b>	Lenders will be required to describe their vision for establishing a clean financing portfolio, including how it aligns with the program-wide mission to develop a robust, long-term clean energy finance ecosystem that will support Community Lenders in deploying capital for clean energy, energy efficiency, and decarbonization projects across Native communities.

<b>Lender Past Performance</b>	In addition to assessing lenders for program eligibility (Section 1.2.3.3), the Panel will evaluate lenders' past performance in lending to tribal governments and Native businesses and individuals. Lenders will be reviewed for loan origination metrics (e.g., application approval rate, average loan value), loan servicing metrics (e.g., servicing issues per total loans serviced, response/resolution time), default servicing metrics (e.g., non-performing loan ratio), and financial performance metrics (e.g., total consumer loan revenue, return on assets). Lenders with past experience in clean financing will be asked to provide additional break-out details on those loan metrics. Note that a lender's past performance will only be evaluated at the beginning of the program. Ongoing program reporting will only include metrics for CCIA-funded loans and services.
<b>Lender Capacity</b>	Lenders' capacity to deploy clean financing will be assessed against current financial reserves, employee capacity (e.g., # of employees and experience), and current clean financing products and services. Technical assistance subaward plans will be evaluated against equity and community benefits and market transformation targets, specifically as it relates to creating quality jobs within the Community Lender Network and increases the number and types of clean financing products and services available to Native communities.

<b>Capitalization Funding Evaluation Criteria</b>	
<b>Project Eligibility</b>	Each lender's portfolio of projects will be evaluated against the project checklists provided in Appendix B and Appendix C of the NOFO. Lenders may work with technical assistance providers to develop their rationale for meeting eligibility criteria.
<b>Investment Objectives</b>	As part of project eligibility, NCN will request that lenders develop an initial assessment of GHG reductions, community benefits, and capital mobilization for their project portfolio. NCN's Coalition Partners will provide lenders with support for these assessments. Based on these assessments, the Evaluation Panel will assess proposed project outputs and outcomes against program-wide targets for achieving GGRF investment objectives.
<b>Project Readiness</b>	As described in Section 1.2.3.5 below, a lender's initial amount of capitalization funding will be determined based on their "shovel-ready" project pipeline. NCN will request that lenders submit documentation demonstrating project readiness, such as engineering design packages, building or utility permits, and contractor quotes. Projects that demonstrate a high-level of readiness and meet eligibility criteria will be approved for deployment of capitalization funding. Projects that cannot demonstrate sufficient readiness will be added to a lender's portfolio of "pending projects," which will be eligible to receive approval for capital deployment in subsequent reviews.
<b>Community Support</b>	Lenders will be requested to demonstrate community support for projects through documentation such as letters of support or memoranda of agreement

	with tribal governments and community organizations. This requirement may not apply to lenders planning on providing personal loans for energy efficiency home improvements or electric vehicle auto loans, since this would be administratively burdensome on individuals. However, lenders may provide general support for tribal entities or organizations supporting provision of personal loans that support GGRF investment objectives.
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<b>TA Subawards Evaluation Criteria</b>	
<b>Coalition Services</b>	NCN has selected Coalition Partners based on their expertise in capacity-building for clean energy projects and clean financing. Lenders' TA subaward plans will be evaluated against the technical assistance services provided by the coalition. Lenders will be encouraged to utilize Coalition services for monitoring and reporting against the investment objective targets and allocate TA subawards to technical assistance activities that cannot be provided by Coalition Partners.
<b>Capacity Building Support</b>	Lenders' TA subaward plans will be assessed for their potential to build long-term capacity for and transform clean financing markets in Native communities. Technical assistance activities that build capacity may include training existing staff in clean energy financing; hiring new, qualified staff; developing new financial products; and co-financing support to achieve capital mobilization targets.
<b>Project Development Support</b>	Lenders' TA subaward plans will be evaluated for their potential to develop new or expand on existing pipelines of clean energy projects that will achieve GHG reductions, decrease air pollution, and provide community benefits, including conducting market analyses; supporting pre-development activities; technical feasibility studies; and design, engineering, and permitting support.
<b>Community Development Support</b>	Lenders' TA subaward plans will be evaluated for their potential to build community capacity for clean energy financing, including community education and engagement activities and workforce development.
<b>TA Provider Qualifications</b>	Lenders will need to demonstrate due diligence on technical service providers prior to contracting services, including confirming that providers are qualified and will provide services at market rate. Preference will be given to lender plans that include Disadvantaged Business Enterprises (DBEs), Small Business Enterprises (SBEs), and Minority- and Women-owned Business Enterprises (MWBEs).

**Ongoing Performance Reporting:**

NCN's CCIA Program Manager and Regional Coordinators will meet monthly with lenders to continually evaluate performance and track compliance with program requirements. Lenders will be required to submit quarterly financial and performance progress reports. NCN Regional Coordinators and Coalition Partners will assist lenders in preparing these reports. Reports will be evaluated for compliance with program guidelines and progress towards achieving investment objective goals and targets.

**Noncompliance:**

Lenders whose funding plans are determined to be insufficient will be given 120 days to revise and resubmit their plans. During this time, they will still have access to the technical assistance services provided by Coalition Partners and will be encouraged to leverage partners to address areas of concern. Likewise, if a lender is deemed noncompliant with financial or performance reporting requirements, NCN will request that they pause all loan origination for 60 days and work with NCN and Coalition Partners to address compliance issues. See Section 2.3.1 for more information regarding noncompliance.

*1.2.3.5 Amount Determination Approach*

NCN will provide up to \$10M to each Community Lender consistent with the following approach for each lender tier:

<b>Tier 1</b>
These lenders have an existing pipeline of CCIA-eligible projects exceeding \$10M and they will receive 100% of their capitalization funding allocation in Year 1 (\$10M) to immediately deploy projects that achieve the GGRF program’s investment objectives. To receive funding, these lenders will need to submit a financing plan to NCN for approval within 90 days of the program start date that includes confirmation that projects meet CCIA eligibility, the total per project amount, and the amount of CCIA capitalization funding that will be utilized to finance each project. The Evaluation Panel will conduct an initial evaluation of these plans against the investment objectives, goals and targets described in Section 1.2.2, as well assess how the plan demonstrates responsible expenditure of EPA funding.
<b>Tier 2</b>
These lenders have an existing pipeline of CCIA-eligible projects totaling less than \$10M and will receive a first tranche of capitalization funding that is less than 100% of their total allocation in Year 1 to immediately deploy projects that achieve the GGRF program’s investment objectives. The Evaluation Panel will determine the amount by evaluating each lender’s financing plan, which they will submit for approval within 90 days of the program start date (see description above). Tier 2 lenders will be eligible to receive a second tranche of capitalization funding when they have fully deployed the first tranche. The amount determination approach for the second tranche will be the same as the first, with the requirement that the lender demonstrates that they have successfully deployed the first tranche in accordance with all program guidelines.
<b>Tier 3</b>
These lenders’ pipeline of eligible projects are undefined and they require 6-18 months of technical assistance to be able to begin capital deployment. During Year 1, Tier 3 lenders will work closely with Coalition Partners to identify eligible projects and develop clean financing products and services, thereby making progress towards Market Transformation targets. By the end of Year 1, lenders will submit a financing plan (see above for description) to receive their first tranche of funding to deploy CCIA-eligible projects that achieve the GGRF investment objectives. The Evaluation Panel will evaluate these plans to determine the amount of the first tranche, which will be less than 100% of their \$10M allocation. As with Tier 2, Tier 3 lenders

will be eligible for a second tranche of funding, provided they successfully deploy the first tranche and submit a financing plan for the additional funds.

#### *1.2.3.6 Management and Oversight Plan*

NCN's CCIA program staff will hold monthly calls with each lender to track fund expenditures (both capitalization funding and TA subawards), review potential and current projects, and identify any potential issues. These calls will assist NCN in the preparation of quarterly and annual reports to the EPA and the NCN Board. NCN plans to rely heavily on attorneys in drafting the contracts with the lenders, the loan agreements, the reporting documents, educating the lenders and lending recipients on the legal requirements of the grants, and more. The attorneys will be tasked with preparing, maintaining, and reviewing all the legal agreements regarding NCN's activities, as well as reviewing the quarterly and annual reports prepared by the CDFIs for consistency with NCN's records. They will also opine on the legal compliance procedures of NCN and its Community Lenders. The lead attorney will be an expert in grants and have a comprehensive understanding of this particular NOFO.

The accountants will review the monthly, quarterly, and annual financials from the Community Lenders in addition to auditing NCN's financial statements. The auditors will review Community Lenders' documents for inconsistencies, compliance with accounting regulations, both state and federal, and the use of other sources of funding for the projects. Auditors will also conduct periodic forensic audits on the projects themselves, as well as the lenders. NCN has purchased new bank/finance tracking software. At its request, the manufacturer will customize the software to include grants monitoring capabilities including but not limited to: (1) the status of each project for each Community Lender; (2) the amount and category of the funding, general vs. technical vs funds raised from corporations, philanthropies and individuals; and (3) the responsible parties and the drawdown schedules. The software will also be used to validate the Community Lender reports.

Remedies for noncompliance and reallocation of unused funds are described in Sections 1.2.3.4 and 1.2.3.1, respectively. The process for subsidy disbursement will require Community Lenders to submit written requests for the amount of capitalization funding and/or technical assistance funding they need to proceed with the corresponding phase of their projects. A standardized request form will be required that includes a brief description of the intended use of funds, amount requested, and organizational bank account information for receiving the funds. Upon approval from the NCN CCIA Evaluation Panel, NCN will transfer the approved amount of funds to the Community Lender via ACH transfer.

#### ***1.2.4 Technical Assistance Services Strategy***

##### *1.2.4.1 Targeted Community Lender Support Plan*

NCN is the leading resource for Native CDFIs seeking to create or expand existing lending programs. It develops and promotes to its members training tools to help build capacity, including staff training on microbusiness services and loan programs and products. NCN has identified several areas of technical assistance required to execute GGRF priority projects in Native communities. In NCN's Community Lender Network survey, 92% of lenders expressed a need for training in clean energy underwriting, 86% need guidance in vetting potential projects and analyzing benefits, 86% need assistance in supporting lenders in securing grants and credits



to pay down financing, 82% need assistance accessing and adapting model clean energy finance products, and 75% need assistance in developing risk management policies.

Through the CCIA-funded program, NCN’s Coalition Partners will provide technical assistance services that target knowledge and capacity gaps and advance the program’s investment objectives (see Coalition Partner Letters of Commitment under Optional Attachments). Technical assistance services will be provided to lenders at no cost. NCN also will provide up to \$1M per lender for lenders to access technical assistance outside of the Coalition’s services. The services below will also be available to Community Lenders that have not received capitalization funding or TA subawards, including new Native CDFIs that are established during the six-year program. In addition to the services described below, Community Lenders will have access to legal and accounting services to assist in managing grant compliance reporting, and to assist in navigating the deployment of capitalization funding in conjunction with other federal grant funding, tax credits, and incentives.

<b>Project Development and Implementation Support</b>
<p>The <b>Alliance for Tribal Clean Energy</b> will assist in scoping, designing, permitting, and interconnecting successful tribe-led clean energy projects. <b>ICAST USA</b> will support development of projects related to cold-climate heat pump infrastructure, solar panel installation and storage, and community energy storage, including net-zero building projects. <b>University of New Hampshire’s (UNH) Climate Equity Training Hub</b> will assist lenders in accessing resources to develop and finance solar projects. <b>Blue Lake Rancheria</b> will advise tribal governments and enterprises on the development of community-scale solar, micro-grid, and related clean energy projects. <b>Institute for Tribal Environmental Professionals at Northern Arizona University</b> will support lenders to implement pilot projects that catalyze deployment of clean transportation. <b>The National American Indian Housing Council</b> will provide ongoing technical assistance to tribal governments and tribal housing authority staff to support the effective implementation of housing-based clean energy infrastructure in Native communities.</p>
<b>Loan Product Development and Training</b>
<p><b>Carsey School Center for Impact Finance at the University of New Hampshire</b> will provide training and financial product development customized to meet the needs of clean energy project development and capital deployment in Native communities. <b>GRID Alternatives (GRID)</b> will provide support around solar project development, energy finance product development and deployment to Community Lenders who plan on developing residential and community-scale solar in Native communities.</p>
<b>Clean Energy Market Analysis</b>
<p><b>National Renewable Energy Lab (NREL)</b> will provide support for market impact analysis related to air quality, and environmental, social, and economic impacts of the circular economy generated through clean energy projects. The <b>Alliance for Tribal Clean Energy</b> will partner with lenders to conduct market research to assess clean energy needs and readiness to develop clean energy projects. The <b>National Center for American Indian Enterprise Development</b></p>

(NCAIED) will provide “heatmap” services to tribes and tribal enterprises that include analysis of clean energy opportunities unique to individual tribes and capitalization strategies.

#### **Finance Structuring and Engineering for Sustained Financing**

Partners will provide capacity building support for deploying clean energy projects, and build sustained financing models (e.g., grants, tax credits, rebates) for beyond the grant period.

**Alliance for Tribal Clean Energy** will develop capital stack planning tools for Community Lenders. **GRID Alternatives** will work with Community Lenders, tribal governments, tribal enterprises, and other lendees to build sustainable financing plans and leverage capital. **National Indian Health Board – Thriving Communities Technical Assistance Center (NIHB-TCTAC)** will provide technical assistance to funding recipients to identify and secure federal grants, tax credits, and rebates to buy down the cost of CCIA financing. **ICAST USA** will assist with designing measurement and reporting mechanisms that allow access to carbon credits and markets.

#### **Tribal Outreach and Engagement**

NCN and Coalition Partners will work with intertribal consortiums to identify economic, social, energy, and environmental priorities, then develop communications to reach individuals and businesses interested in accessing clean energy financing. The **Alliance for Tribal Clean Energy**, **NCAIED**, and the **NAIHC** will connect individuals and businesses in their communities to NCN’s Network to deploy projects.

#### **Labor and Workforce Development**

**National Indian and Native American Employment and Training Conference – California Indian Manpower Consortium** will connect tribal and Native workforce development practitioners with training and job opportunities tied to CCIA-funded emerging clean energy projects through outreach and education activities that they can then share with Native workers. **GRID** will support rooftop solar workforce development through its existing programs. **Blue Lake Rancheria** will provide their model tribal clean energy apprenticeship program and support tribes to implement similar programs including the development of necessary and related tribal ordinances.

#### **Measurement, Reporting, and Verification**

Several Coalition Partners have expertise in measuring clean energy project impact and will assist Community Lenders in evaluating the impact of their lending portfolios, as well as provide measurement, reporting, and verification for the overall program (see Section 1.3.1). NCN’s and Coalition Partners’ implementation of these technical support strategies will help Community Lenders to deploy their capitalization funding and technical assistance subawards, while building the capacity of the lending community to finance clean energy projects beyond the grant period.

#### *1.2.4.2 Financial Market-Building Plan*

NCN envisions creating a supportive financial market for Community Lenders to finance CCIA-eligible projects by addressing market-wide barriers to capacity and de-risking new loan products and services for clean financing. NCN, along with key Coalition Partners that include Alliance for Tribal Clean Energy, GRID Alternatives, Blue Lake Rancheria, the National Center

for American Indian Economic Development and the University of New Hampshire – Center for Impact Finance, will develop programs and services that equip Community Lenders with practical, high-level skills as well as access to the tools and networks they need to develop the clean financing expertise needed to serve as cornerstones of clean energy financing in Indian Country.

NCN's technical financing support will include clean energy finance products and training components that are tailored to clean energy market demand in Indian Country. Support will include:

- **Model loan products and related underwriting guidance** that includes, but is not limited to loans for consumer, commercial, and community solar, electric vehicle purchase, net-zero building and retrofit projects, distributed energy generation and storage projects for agriculture enterprises, and consumer energy efficiency, and electrification.
- **Instructor-led and self-paced virtual trainings** with cohorts of lenders, focused on project implementation and project finance skills needed to underwrite clean energy projects.
- **Development of guidebooks** that provide tools, templates, and examples of innovative finance engineering strategies that support consumer and community scale projects. Guidebooks will include information related to identifying and securing the grants, credits, and rebates available through the BIL and IRA that can significantly buy down/offset the cost of the CCIA financing.
- **Individualized technical assistance** to CCIA financing recipients (Community Lenders, tribal governments, tribal enterprises, Native small business owners, etc.) to access resources such as tax credits (e.g., LIHTC, solar ITC), foundation and/or government grants, state funding (weatherization assistance program, DOE home energy rebates) and utility rebates.
- **Matchmaking services** between Community Lenders, tribes, and investors to finance clean energy projects.

The intention of this finance market-building plan is to build enduring capacity within the Native community financing ecosystem to deliver efficient, effective, and equitable implementation of the GGRF, going beyond climate mitigation to achieve adaptation, resilience, and environmental justice for Native communities.

CCIA funding will also help de-risk entering a new lending market. NCN's Community Lenders will be able to leverage the CCIA capital funds by stacking funds with other subgrants, rebates, incentives, subsidies, or loans. For example, CCIA capital may be used to provide loans to individual tribal citizens for the purchase of electric vehicles, rooftop solar, or energy efficiency upgrades to their homes. These individuals may also be eligible for tax credits or rebates, available through the IRA, which can be used to reduce the individual's total borrowing requirements and to mitigate some of the lender's risk. Tribal nations might also receive grants to help offset the costs. Finally, these loans will also typically be secured, either by the equipment, the car, or the energy project.

In the case of financing tribal government or tribal enterprise clean energy projects such as

larger-scale clean energy projects that include community or commercial rooftop solar, distributed wind, microgrids, and battery storage, a Community Lender can lend GGRF funds to a tribal government to develop and construct the project and structure the loan to be repaid or paid down once the government receives its grant and/or tax credit. Tribal governments are eligible for several types of grants (e.g. the DOE Office of Indian Energy grant program is a “reimbursable grant.”), and are also now eligible to receive tax credit payments under the Inflation Reduction Act (IRA).<sup>5</sup>

Tribal enterprises may also qualify for tax credit payments, and tribal citizen-owned businesses will also be eligible for renewable energy tax credits. These grants and tax credits will substantially buy down a loan. Between tax credit payments and grant funding, the loan can be paid down substantially or paid off entirely. These additional incentives reduce the risk to the Community Lender and allow for re-lending GGRF funds to other projects – as anticipated by the program.

### ***1.2.5 Implementation Plan***

#### ***1.2.5.1 Community Lender Outreach and Accessibility Plan***

NCN has recruited 63 lenders to participate in its Community Lender Network as the central component of this CCIA program. More than 90% of them serve Native business owners and individuals living and working in rural or reservation communities that are economically disadvantaged. To keep them engaged throughout the six-year grant period and to ensure that they are informed of the technical assistance services available, NCN’s CCIA Program Coordinators will hold a monthly meeting with each lender. In addition, NCN hosts several events and programs for its network that it will leverage to expand participation from other lenders, particularly emerging CDFIs that would benefit from the technical assistance services provided by Coalition Partners. These events and programs include:

- **Annual Summit:** The Annual Summit is a platform to unite Native CDFI voices as advocates for increased access to clean capital that improves economic opportunity for small and micro businesses and individuals in Native communities. The Summit includes training sessions on small and micro business re-lending programs. This premier event brings together Native CDFI leaders, traditional lenders, funders, nonprofit organizations, federal agencies, and policy makers to engage in dynamic sessions in support of Native communities. NCN is slated to host a Summit (170 attendees) in December 2023, and will continue holding these events throughout the program. NCN will add a day to each Annual Summit dedicated to CCIA program outreach, support, and technical assistance training.
- **Regional Meetings:** NCN hosts smaller regional convenings (~60-90 attendees) throughout the year, offering Native CDFIs an opportunity for networking and peer-to-peer learning

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<sup>5</sup> Through the Inflation Reduction Act, a local government that makes a clean energy investment that qualifies for the investment tax credit can file an annual tax return with the IRS to claim elective pay for the full value of the investment tax credit, as long as it meets all of the requirements including a pre-filing registration requirement. As the local government would not owe other federal income tax, the IRS would then make a refund payment in the amount of the credit to the local government. *See Inflation Reduction Act, Sec. 6417; see also IRS Elective Pay for Tribal Governments, <https://www.irs.gov/pub/irs-pdf/p5817f.pdf>.*

among NCN members and supporters. Regional gatherings are open to members and non-members. Native organizations, funders, and state and tribal leaders and policy makers. Different groups host seminars on a variety of topics, including affordable housing development resources for tribes and Community Lenders, Native homeownership lending programs, opportunities available through programs such as Fannie Mae, Freddie Mac, and Farmer Mac, New Market Tax Credit options to support development projects on tribal lands, and investor matchmaking events.

- **Capacity-building Programs:** NCN's capacity-building programs include webinars and virtual training sessions conducted by industry professionals and subject matter experts. Webinars are open to non-members, helping to attract new members to the NCN network (attendance average 25-35 lenders). Example topics covered in these sessions include Capitalization Planning, Workshopping and Best Practices; Priming the Loan Pipeline; Understanding the New Native CDFI Requirements; and Financial Systems and Dashboards.

NCN is committed to accessibility in its programmatic content, providing resources in various online multimedia formats to accommodate a range of abilities and resources. Lenders who do not have internet access will be accommodated with printed materials or provided webinar recordings on DVD. Webinars and videos are and will be recorded and captioned according to ADA Title II and Title III. If requested, NCN will provide materials and content to lenders in Native languages using translation services, as well as provide ASL translation services for the hearing-impaired at all in-person events, if requested.

#### *1.2.5.2 Labor and Equitable Workforce Development Plan*

Eighty-two percent of Community Lender Network Survey respondents identified creating high-quality jobs as a top motivation for providing clean-energy financing. NCN and Coalition Partners will work with project developers to offer several workforce development and training services to support the creation of high-quality jobs in Native communities. Coalition Partner ICAST will provide workforce development as part of this project. ICAST hosts its own workforce initiatives, including providing workforce training ranging from basic clean energy construction training to disadvantaged individuals, via the EnergySmart Academy at Santa Fe Community College (SFCC) to initiatives that provide training on the installation and implementation of cold-climate air-source heat pumps (ccASHPs). ICAST will advise CCIA project developers in the U.S. Department of Labor's qualified apprenticeship opportunities (specifically for solar installs) to maximize financial incentive/tax credit opportunities. As part of the IRA, all solar PV installations over 1 MW planning to seek tax credits require apprentices to be utilized for 15% of total labor hours. ICAST will also train all property maintenance staff on projects on how to maintain the new installations, providing upskilling training and ensuring project savings longevity.

Through its review of procurement proposals for NCN CCIA projects, ICAST will identify and recommend the prioritization of contractors complying with Build America Buy America Standards for all equipment and materials and meeting the apprenticeship/prevaling wage requirements. ICAST will also collaborate with project partners for specialized training. ICAST will offer training in operations and facilities maintenance in communities where NCN CCIA projects are being built.

NCN and ICAST will prioritize the recruitment and training of Tribal members for placement in NCN CCIA project jobs and apprenticeships. ICAST will reach out to local tribes to determine the workforce available and promote job openings to the local workforce. Further, it will utilize local trade publications, supplier councils, and local building associations in sourcing diverse contractors. ICAST will engage in a competitive bidding system to identify and select contractors for projects, in which a Request For Proposal (RFP) is typically sent to contractors meeting the criteria for that specific project. The RFP will address high-quality job attributes, including: experience; fair and reasonable pricing; crew skill set(s); health and safety procedures and record; permits and licensing; ability and record to meet timelines and emergency calls; openness to training (as well as ability to provide training as necessary); and ability to expand or condense work crews to meet project needs. Bonus points will be awarded to minority firms, women-owned businesses, veteran-owned businesses, small business enterprises, and disadvantaged business enterprises.

Other Coalition Partners that will support workforce development include Blue Lake Rancheria and GRID Alternatives. Blue Lake Rancheria's Tribal Apprenticeship and Prevailing Wage Accelerator develops registered apprenticeship programs and prevailing wage programs with and specifically for Tribal Nations to ensure eligibility for and compliance with the Direct Pay/Elective Pay provisions of the Inflation Reduction Act (IRA), resulting in a larger skilled and trained workforce earning livable wages in Tribal lands. Through the Accelerator program, Blue Lake Rancheria aims to co-design Tribal apprenticeship and prevailing wage training programs with at least five Tribal Nations, and support implementation of these programs through legal and accounting technical assistance. Note that the current Accelerator program is funded through other sources and is not part of Blue Lake Rancheria's EPA request as a coalition member. However, through EPA funding, Blue Lake Rancheria will deploy the emerging model tribal clean energy apprenticeship program currently under development through the Accelerator program to foster the comprehensive national development of a Native workforce pipeline for clean energy jobs created through CCIA-funding and other EPA GGRF programs. In addition, Blue Lake Rancheria will assist tribal governments in partnering with Community Lenders to develop and enforce tribal ordinances governing clean energy workforce education, training, job acquisition, and prevailing wage.

GRID Alternatives will create and convene a Tribal Workforce Development Advisory Committee (TWDAC) to develop a Tribal Workforce Development Plan for CDFI-funded clean energy projects. The Plan will identify existing and anticipated workforce development needs and industry barriers, as well as opportunities for workforce development and education across the different Native communities and projects funded by Community Lenders. The TWDAC will then develop a comprehensive workforce development strategy and timeline that aligns with the technical assistance services being provided and the implementation of CCIA-eligible projects. This strategy will identify potential partnerships with educational institutions, vocational trainers, employer partners, community-based workforce development organizations, and others within the workforce system for the development of workforce training programs. Finally, GRID will develop an implementation roadmap that outlines best practices for engaging tribal communities to increase participation in workforce development activities, and provide assistance in the development of outreach strategies to support capacity building for a broader tribal workforce development network.

#### *1.2.5.3 Consumer Protection Plan*

NCN's legal counsel will add into all loan and grant agreements that subrecipients and borrowers are required to adhere to applicable consumer protection laws, including the consumer protection laws in the jurisdictions their organization serves as well as federal consumer protection and consumer financial laws, such as those prohibiting unfair, deceptive, and abusive practices (e.g., the Federal Trade Commission Act (15 USC § 45), Consumer Financial Protection Act (12 USC § 5536), and Fair Debt Collection Practices Act (15 USC § 1692e)); the Truth in Lending Act (15 USC § 1601 et seq.) and Regulation Z (12 CFR §1026), which require the disclosure of terms and cost of consumer credit and offer substantive protections to people who use consumer credit; and the Equal Credit Opportunity Act (15 USC § 1691 et seq.) and Regulation B (12 CFR § 1002), which prohibit creditors from discriminating against consumers who apply for or receive credit. NCN's legal counsel will develop a procedural checklist for all subrecipients and borrowers to ensure they meet all applicable federal, state, and tribal consumer protection laws, as well as other federal funding requirements. To promote trust, respect, and confidence, all customer personal and business financial affairs will be kept strictly confidential. All customer records and information will be safeguarded and unauthorized access or use is prohibited. Specific customer information shall be provided only to those individuals who are part of the lending process and the Evaluation Panel, when applicable. The NCN Board of Directors will only be provided specific credit information on customers when a policy exception is required. Credit information about NCN customers will be released outside the system only with the express written consent of the customer. A customer's name and general business information will be used for publicity or marketing purposes only if the customer has signed an authorization or consent form.

In addition, NCN's legal counsel will be preparing training material for all Community Lenders that will cover processes for reviewing, tracking, and addressing consumer complaints regarding business practices and, if applicable, consumer complaints regarding the practices of any service provider used in the provision of a consumer financial product. Legal counsel, accountants (when applicable), and NCN will conduct periodic audits of consumer lending practices and those of service providers.

#### *1.2.5.4 Housing Affordability Plan*

NCN has identified housing affordability as a critical priority in Native communities and is committed to maintaining housing affordability for tribal citizens. NCN Community Lenders and tribes will work closely with the National American Indian Housing Council (NAIHC), a Coalition Partner on this proposed project, to identify federal grants and programs and leverage CCIA capitalization funding to significantly reduce the cost of financing affordable housing projects. Representative grant programs include the Indian Housing Block Grant Program and the Indian Community Development Block Grant Program. NAIHC will also provide guidance to lenders on the Section 184 Indian Home Loan Guarantee Program, which provides home mortgage products specifically designed for American Indian and Alaska Native families, Alaska villages, tribes, or tribally designated housing entities.

NCN also has an existing cooperative agreement with the U.S. Department of Agriculture (USDA) to make USDA Rural Development Programs more accessible to Native businesses and citizens. This includes the USDA Section 502 Direct Loan Program, which assists low- and

very-low-income applicants in obtaining decent, safe and sanitary housing in eligible rural areas by providing payment assistance to increase an applicant's repayment ability. NCN will work with lenders and the USDA to leverage this program to assist tribal citizens in access with new net-zero and housing retrofitted with energy efficiency technologies in Native communities. NCN has also entered into preliminary discussions with Fannie Mae and Freddie Mac to develop partnerships with Native CDFIs to expand the availability of low-interest, long-term capital for low-income homeowners in Native communities. NCN will continue to cultivate that relationship and facilitate discussions between Fannie Mae, Freddie Mac, and its Community Lender Network.

Community Lenders also will seek additional affordable housing funding from state and local governments, foundations and philanthropies, and corporations. As part of the technical assistance services provided, NCN CCIA program staff and Coalition Partners will help Community Lenders identify applicable federal, state, and local incentives, grants, and funding initiatives on a state-by-state basis.

NCN also anticipates supporting housing affordability by reducing household energy burden, thereby increasing homeowner's liquid assets for paying down existing debt and loans, including mortgages. With the average household income of American Indian and Alaska Native homes at \$43,825 and an average energy burden of 4.2%, Native households are spending ~\$1,840 annually on energy costs. A 25% reduction in energy burden would result in a \$460 reduction in energy costs per household per year. In addition, Community Lenders will be able to support customers in accessing tax credits and rebates to further reduce utility costs over time.

Finally, several of NCN's lenders have existing programs for establishing or improving credit for tribal citizens, which can, in turn, be used to leverage lower interest rates on mortgages and other personal loans.

#### *1.2.5.5 Coordination Plan*

NCN has joined lead applicants Midwest Tribal Energy Resources Association (MTERA), International Center for Appropriate and Sustainable Technology (ICAST), and GRID Alternatives (GRID) as a partner in applying to the Solar for All program. In addition, NCN has joined Calvert Impact in their application to the National Clean Investment Fund (NCIF). If awarded, Calvert Impact will collaborate with NCN to build a program that provides Native Community Lenders with a package of grants and loans to accelerate the ability of these lenders to originate and finance Qualified Projects in tribal communities. Calvert Impact and NCN will work together to co-develop a coordinated Operations Manual for Community Lenders that streamlines reporting, definitions, systems, and other processes related to capital deployment to eligible, EPA priority projects. In addition, Calvert Impact, in partnership with NCN, will support Native Community Lenders in their growth journey, including connecting them to other sources of liquidity or risk capital being managed by Climate United or its other sub awardees (e.g., standardized mortgage or commercial lending products). In the event that other Solar for All and NCIF awardees are focused on Native communities, NCN will engage and coordinate with them to minimize duplication and maximize complementarity across grantees in achieving the GGRF program objectives.



Community Lenders will be encouraged to leverage CCIA capitalization funding for private investment or other financing in CCIA-eligible projects. Additional funding will be sought from state and local governments, foundations and philanthropies, and corporations. Currently, there are approximately 2,433 state and local government policies and incentives for reducing greenhouse gases. These incentives range from grants to rebates to cash incentives to tax credits and more.[29] Public-private partnerships (PPPs) involve collaboration between a government and a private-sector company that can be used to finance, build, and operate projects, such as public transportation networks, parks, and convention centers. Financing a project through a PPP can allow a project to be completed sooner or make it a possibility in the first place. Public-private partnerships often involve concessions of tax or other operating revenue, protection from liability, or partial ownership rights over nominally public services and property to private sector, for-profit entities.

Foundations have increased their funding for climate change mitigation from \$7.5 billion to \$12.5 billion – an increase of 25% – from 2021 to 2022.[30] For example, the William and Flora Hewlett Foundation and 19 other foundations have pledged \$223M to reduce greenhouse gases, while the Bezos Earth Fund pledged \$1.0B.[31][32] From 2019 until the end of 2022, private-market equity investors launched more than 330 new sustainability; environmental, social, and governance (ESG); and impact funds. The cumulative assets under management in these funds grew threefold, from \$90B to more than \$270B.[33] Furthermore, those figures do not include the significant amount of capital earmarked for climate opportunities in corporate capital budgets, public-equity investment vehicles, and credit funds.

As part of the technical assistance services provided, NCN and Coalition Partners will help Community Lenders identify applicable federal, state, and local incentives, grants, and funding initiatives on a state-by-state basis. In addition, the team will also identify foundations, philanthropies, impact funds, and private market climate investors as potential funders. Leveraging NCN’s national network and that of its partners, NCN will determine each entity’s requirements and begin the application process in the beginning of 2024. The Carsey School Center for Impact Finance at the University of New Hampshire (UNH), a Coalition Partner, is an expert in financial product development. UNH will be responsible for recommending capital stacks that utilize the CCIA grant funding of 30% to leverage other investments. They will also develop a program for the lenders and the tribes on the sources of funding and how to apply for the capital. This will be an ongoing program introduced in 2024 and updated throughout the program and in the future.

## **1.3 Program Reporting**

### ***1.3.1 Reporting Plan***

NCN will partner with the University of New Hampshire–Carsey School Center for Impact Finance (UNH–CIF), the Northern Arizona University Institute for Tribal Environmental Professionals (NAU–ITEP), and the Alliance for Tribal Clean Energy for tracking and reporting of environmental outputs and outcomes. UNH will work with NCN CCIA awardees, sub-awardees, and investees to identify workable, clear, shared definitions of outputs and outcomes to ensure consistency of reporting across organizations. Through the National Tribal Air Association (NTAA), the Northern Arizona University (NAU) Institute for Tribal Energy Professionals, will work to advance air quality management policies and programs, consistent

with the needs, interests, and unique legal status of American Indian Tribes, Alaska Natives, and Native Hawai'ians. In addition, ITEP will manage environmental modeling, data collection and analysis. ITEP will employ on-the-ground air sampling over the six years of the program, using on the ground sensors, satellite data and reputable air quality resources such as EPA, to monitor changes in air quality in local communities as the result of transitioning to clean-energy technologies through NCN's CCIA program. ITEP has deployed air monitoring equipment in 30 Native communities and hopes to install at least 30 more as part of this grant.

Below is a preliminary description of environmental outputs and outcomes that will be tracked and reported on a quarterly and annual basis:

#### **Climate and Air Pollution Benefits:**

- **Outputs:** NCN will track projects financed (*total, by project category*), projects deployed (*total, by project category*), and project details (*will vary by sector and technology*) through monthly meetings with Community Lenders. Lenders will be provided a standardized form for obtaining project details from project developers (including individuals applying for financing for residential solar projects or energy efficiency improvements). Project details will support tracking of project-type-specific metrics, such as MW/MWh of clean energy generation/storage deployed, number of net-zero homes constructed, and number of EV charging stations financed. NREL will provide market impact analyses related to air quality, and environmental, social, and economic impacts of the circular economy generated through clean air projects.
- **Outcomes:** NCN will measure and verify the reduction and avoidance of GHG emissions (e.g., carbon dioxide, methane) and the reduction and avoidance of other air pollutants (e.g., particulate matter 2.5) in partnership with NAU-ITEP through on-the-ground air monitoring.

#### **Equity and Community Benefits:**

- **Outputs:** NCN will track projects financed and projects deployed *by community type* throughout the project to ensure that it achieves its target of 100% deployment in Native communities. To add granularity to project metrics, NCN will also track the number of households receiving financing for projects and total amount of financing received, number of households benefiting from projects, number of businesses receiving financing for projects and total amount of financing received, and number of businesses benefiting from projects. UNH-CIF will help define criteria for evaluating these outputs, specifically around determination of whether a household or business “benefits” from certain types of projects, such as utility-scale renewable generation and clean transportation initiatives.
- **Outcomes:** NCN has identified critical priorities for equity and community benefits as described in Section 1.2.2.2. To track progress towards achieving the goals and targets described, NCN will track improvements in indoor air quality (from e.g., installation of electric appliances, use of low VOC building materials), number, types, and locations of jobs created, including how they meet the definition of high-quality jobs (e.g., through tracking of average wages, benefits provided, and provision of the free and fair chance to join a union and collectively bargain), training and workforce development, including number and types of programs offered and participation in these programs), access to affordable housing as measured through a reduction in housing burden, and access to

affordable energy, as measured through a reduction in energy burden. Outcomes will be tracked through a mix of direct data acquisition from Community Lenders (e.g., lenders will be required to report on the location of projects financed) and project developers (e.g., developers building net-zero affordable housing will be required to report on energy efficiency measures integrated in new houses), and engagement with community partners to establish baselines for housing and energy burdens and determine improvements in these areas.

### **Market Transformation Benefits:**

- **Outputs:** NCN will work closely with its network of Community Lenders to track market transformation outputs, including total CCIA grant funds committed to projects (*total, by project type and location*), total private capital mobilization for projects (*total, by project type and location*), total private capital mobilization ratio, number of Community Lenders supported (*total, by lender type, by assistance type*), number of FTEs hired/trained at Community Lenders (*total, by lender type*), and volume of CCIA-supported transactions (*total, by lender type*). This data will be gathered directly from lenders through monthly meetings and quarterly reports. The reporting format will be standardized to more efficiently and effectively measure program outputs.
- **Outcomes:** NCN has already gathered preliminary input to establish a baseline for evaluating market transformation outcomes. If awarded, NCN will again survey lenders to establish baselines for the assessing the following outcomes: increase in volume of clean capital deployment by Community Lenders (*compared to baseline*); increase in share of Community Lenders with clean lending programs (*compared to baseline*); and increase in volume of CCIA-supported transactions (*compared to baseline*). UNH-CIF will assist in establishing baselines for market transformation outcomes.

UNH-CIF staff will use their research and practical community development skills to help NCN design evaluation methods that center voices from within low-income and disadvantaged communities to ensure that evaluations – and the programs they are evaluating – are relevant and equitable. One potential method is participatory evaluation, whereby community stakeholders are engaged in a variety of evaluative tasks that they may otherwise be excluded from in conventional evaluations, such as in validating and revising the theory of change, scoping the evaluation work, data collection and making sense of data, storytelling, validating findings, and participating in discussions about lessons learned and recommendations.

### **1.3.2 Reporting Capacity**

NCN recognizes the extensive reporting requirements of the proposed EPA award and will hire eight new program staff to support program reporting. In addition to NCN current National Program Director, NCN will hire a CCIA Program Manager with considerable grants reporting experience, specifically in federal assistance awards. This new hire will also have experience in clean energy projects or technologies to effectively liaise with Coalition Partners that will provide measurement and reporting of project benefits. Financial and administrative reporting will be managed by NCN's CFO and a dedicated in-house accountant.

UNH-CIF, NAU-ITEP, and ICAST will develop policies and procedures for reporting in accordance with EPA Order 1000.33. In addition, the monitoring of greenhouse gas emissions

reductions will be done in real time, meaning the levels reported will be continuous. ICAST will provide GHG emissions reduction analyses through the tools and methods described in Section 1.2.2.1. NAU-ITEP will analyze the information on a short-, mid-, and long-term basis to identify trends. The analysis will be a part of the monthly reports sent to EPA and could potentially become part of EPA's tracking network depending upon the preference of all the parties. UNH-CIF staff regularly work with large datasets, such as CDFI reporting data, Census data, and business and consumer credit data to help distill themes and findings to inform community development practice. Furthermore, UNH-CIF will advise NCN on "formative" evaluation strategies to assess program performance during implementation to determine whether it is on track to meet program goals and identify barriers and supports to implementation. In addition to reviewing data on program outputs and outcomes to date, formative evaluations often use qualitative methods, such as feedback interviews conducted by a third-party evaluator. Program-level reporting will also be supported by NREL, who will support market impact analyses related to air quality and environmental, social, and economic impacts of the circular economy generated through clean energy projects.

Furthermore, each Community Lender receiving capitalization funding and technical assistance subawards will be reviewed financially on a monthly, quarterly, and annual basis. Lenders will be required to demonstrate compliance with program lending policies and demonstrate all EPA-provided funds are being spent on CCIA-eligible projects and technical assistance activities. Finally, NCN will hire independent auditors in compliance with EPA's competitive procurement requirements to review financial reports.

### ***1.3.3 Past Performance and Reporting History***

NCN has received over \$5.7M in federal and philanthropic grants since 2016 and has a strong history of successfully achieving project outcomes, producing anticipated deliverables and complying with reporting requirements set forth by grantors. NCN has not received any adverse audit findings nor has it been found noncompliant on any grants. NCN has also only once requested a grant extension on the SBA PRIME grant due to a delay in project start as a result of the COVID-19 pandemic. A full list of previous financial assistance awards has been attached under "Optional Attachments." Briefly, NCN has received eight grant awards (2016-2022) totaling \$2,310,337 from the Northwest Area Foundation; three grant awards (2020-2022) totaling \$1,024,182 from the Native American Agricultural Fund (NAAF); three grant awards (2021-2023) totaling \$767,641 from the Administration for Native Americans (ANA); two grant awards (2021, 2023) totaling \$580,000 from the U.S. Small Business Administration (SBA); two grant awards (2020-2021) totaling \$600,000 from the Catholic Campaign for Human Development; two technical assistance awards (2021-2022) totaling \$300,000 from the Community Development Financial Institutions Fund; and one grant award (2022) for \$180,000 from the Robert Wood Johnson Foundation.

As demonstrated, NCN has been awarded multiple subsequent grants from numerous grantors including the Northwest Area Foundation (general operating support), Catholic Campaign for Human Development (Covid relief and general operating support), Native American Agriculture Fund (training and capacity building programs for Native CDFIs), Administration for Native Americans (training, technical assistance, and loan fund development for Native CDFIs), and the U.S. Small Business Association (one-on-one technical assistance, training, and regional

gatherings for Native CDFIs). Based on its successful past performance on grant and assistance awards, NCN is confident that it will be able to meet the financial, administrative, and reporting requirements set forth by the EPA. NCN will be hiring eight new staff members, six of whom will be dedicated full-time to the CCIA program.

## **1.4 Program Budget**

### ***1.4.1 Expenditure and Disbursement of Awarded Funds***

NCN will be hiring a CFO and CCIA Program Accountant (100% assigned) who will be responsible for implementing procedures and controls for grant disbursement and expenditure, and ensuring financial reporting compliance. Sections 1.2.3.4 and 1.2.3.5 described NCN's approach for determining capitalization funding and TA subaward amounts, as well ongoing evaluation and remedies for noncompliance. NCN will also be contracting with third-party accountants who will review both NCN's and lenders' quarterly and annual reports, including supporting documentation. In addition to NCN's annual audit, accountants will conduct periodic "forensic" audits on selected projects and lenders. NCN's CCIA Program Advisory Committee, in conjunction with Coalition Partners, will formally evaluate the progress of all the projects quarterly to determine if capitalization and technical assistance funding has been awarded expeditiously and only for eligible purposes and deployment of those funds has been unobstructed.

NCN has received over 21 grant and technical assistance awards totaling \$5.7M in the past seven years and has prudent internal controls for expenditure of grant funds. NCN operates on a Program Fund Accounting practice. A program fund is an independent accounting record having separate asset, liability, revenue, expenditure, and fund balance accounts for each grant or contract. All monies received or expended by NCN must be classified and defined in accordance with any special regulations, restrictions, or limitations as specified by the grant or contract. Per NCN's internal controls practice, NCN's National Program Director is responsible for developing a drawdown plan for each grant that NCN is awarded, and is responsible for tracking grant-related financials. NCN's Chief Executive Officer reviews the drawdown plan and, as Authorized Organization Representative (AOR), approves all grant expenditures. Grant expenditure amounts exceeding \$200,000 require approval from NCN's Board of Directors. Finally, NCN retains a third-party accountant to review contractor invoices, pay contractors, and issue subgrants. This process ensures the accurate recording of all transactions, both cash and accrued, which will facilitate the need for compliance with general accounting principles. Included in this objective is the assurance that all program funds are expended and accounted for in a manner consistent with all contract and grant agreements.

NCN's plans for timely and efficient disbursement of funds is described in Section 1.2.3.1, and is based on each lenders' financial plan, which includes project eligibility and readiness. Once a lenders' plan is approved by the Evaluation Panel, NCN will approve the plan and authorize disbursement of funds pursuant to the project drawdown schedule. Lenders will meet with NCN staff on a monthly basis and will be required to report on capitalization funding and TA subaward expenditure.

### ***1.4.2 Budget Description and Table***

The program budget, detailed in the attached budget table, has been designed to correspond to grant objective and project level outcomes, putting the maximum of resources into capitalization funding and technical assistance to reduce GHG emissions in Native communities. The budget draws on institutional capacity and collaboration to ensure that every opportunity to share programming and expertise will be taken advantage of, lowering costs to EPA. The following costs and methods of calculation ensure the personnel, programmatic, supply, and support resources needed to meet the project objectives.

***Total Program Costs:*** NCN is requesting a total budget of \$805,251,073 for the six-year program. This includes \$693,000,000 in capitalization funding (“participant support costs”), including indirect costs on capitalization funding (86% of program funds) and \$69,300,000 in technical assistance subawards, including indirect costs on TA subawards (8.6% of program funds), totaling \$762,300,000 in pass through funding, or 94.6% to provide financial and technical assistance nationally to LIDAC and Native communities.

***Personnel and Fringe Benefits:*** NCN’s total personnel costs (\$4,736,364) include its three existing staff: the Chief Executive Officer (30% assigned in Years 1-2, decreasing by 5% annually) will ensure that NCN’s broader activities align with and support the CCIA program. National Program Director (50% assigned in Years 1-2, decreasing to 35% in Year 3 and then decreasing by 5% annually) will be dedicated to program management and coordination, including directly managing the CCIA Program Manager. NCN’s Communications Director (50% assigned in Year 1; 40% in Year 2; and 30% in Years 3-6) will support educational, marketing, and outreach communications. To fully support the proposed CCIA program, NCN will hire eight new full-time staff, including a Chief Financial Officer (CFO) (75% assigned in Year 1; 30% in Year 2; 50% in Year 3; 30% Years 4-6). New roles that will be 100% assigned to the program will include one CCIA Program Manager (National Coordinator), three CCIA Regional Coordinators, two CCIA Program Assistants, and a CCIA Program Accountant. This individual will report to the CFO. Personnel costs include a 5% annual cost of living adjustment. All employees are provided **fringe benefits** at 36% of base salary. Fringe benefits consist of FICA (7.65%); FUTA (6% of first \$7K); SUTA (NE) - 1.25% of first \$9K; Health Insurance (12%); 401(3b) (6%); Other (~9%) (total: \$1,705,091).

***Travel:*** Total travel costs (\$235,043) include airfare, lodging, and per diem for all NCN personnel to travel to the Annual Summit in Washington, D.C. each year for the six-year program. Costs for Year 1 are based on current GSA rates for Washington, D.C. and are adjusted in subsequent years based on a 3% inflation rate. Regional Staff Travel has been budgeted for the CCIA Program Manager and CCIA Regional Coordinators to travel within their regions to convene small meetings with lenders. Travel logistics for these meetings are to be determined, thus \$1,500 per person per trip has been budgeted for airfare, lodging and per diem, adjusted annually for 3% inflation. NCN anticipates the CCIA Program Manager and Regional Coordinators to make three trips per year.

***Equipment and Supplies:*** Total equipment (\$22,000) and supplies (\$18,000) are minimal and include computers and other office supplies to support the eight dedicated program staff for the duration of the project.

Contractual: Total contractual costs (\$9,690,000) include consultant, legal, and accounting services that are critical for program implementation.

- HR Services: NCN will retain a human resources (HR) firm for the duration of the program to conduct nationwide searches for all personnel and manage the subsequent hiring, payroll, and benefit program.
- Consultants: NCN contracts with several subject matter experts in strategy, finance, and clean energy. In addition to presenting at the Annual Summit workshops, these individuals will be part of the initial team responsible for developing evaluation criteria, reporting, definitions, systems, and other processes related to capital deployment to eligible, EPA priority projects (\$145/hr; 2,000 hours in Year 1; 1,600 hours in Years 2-6). Consultant costs also include up to \$40,000 for 8-12 consultants to attend the Annual Summit in Washington, D.C. and present at workshops (~\$18,500/year) and to host one-off workshops and visit project sites to provide technical assistance services (\$21,500/year).
- Legal Services: NCN has assumed an average rate of \$500/hr for legal services and 7,600 billable hours for the six-year program for legal services and related instruction, review and reporting. Legal consultants will support Tribes that are participating in other federal and state clean energy grant programs with generating tax credits, and be responsible for instructing the lenders and the Tribes on the legal requirements and how to differentiate the tax credits among the various programs. They will also review legal compliance to Tribal, city, county, state and federal laws and regulations, prepare the certification documents and instructional materials, and establish reporting procedures for the lenders' flow of information to NCN.
- Accounting and Auditing Services: Accountants will also be an integral component of preparing workshops and instructional material for lenders and the Tribes. They will review the quarterly and annual reports, including supporting documentation, of the NCN and the CDFIs. In addition to NCN's annual audit, accountants will conduct periodic "forensic" audits on selected projects and lenders. NCN anticipates paying an average of \$50 per hour for an average of 555 hours per lender for the six-year project.
- Information Technology: NCN has budgeted for contracted services to build and maintain a program-specific website hosted within its existing website.
- Marketing and Outreach: NCN has allocated a budget for marketing and outreach to create recorded educational content on specific topics recommended by our partners, printed materials for distribution in tribal communities and schools, and other community relations programs. These programs will be essential in educating Tribal members on the benefits of zero emissions, what it means to be net-zero, and how to transition to a more sustainable livelihood.

Other Direct Costs: Other Direct Costs (\$717,871,936) include the following:

- Annual Summit Event Costs: Annual cost to host the Annual Summit, which will be the primary means of convening all program participants. This estimate is based on previous years' costs.
- Staff Training/Registration: Educational and training costs and professional registrations for NCN staff will support NCN staff in obtaining the required training and qualifications needed to fully support program participants and ensure grant reporting compliance.

- **Coalition Partners:** Scopes of work for all partners are provided in individual Memorandum of Agreement. The individual budgets consist of funding for each named Coalition Partner to effectively conduct and contribute their designated program services.
- **Participant Support Costs:** Up to \$10,000,000 in subsidies will be provided to each of 63 lenders in NCN's Community Lender Network (\$630,000,000). The budget reflects estimated distribution of these subsidies over the six-year program.
- **Technical Assistance Subawards:** Up to \$1,000,000 in technical assistance subawards will be provided to each of 63 lenders in NCN's Community Lender Network (\$63,000,000). While the budget reflects 100% allocation of these funds in Year 1, the exact amounts will be determined as described in Section 1.2.3.5.

**Indirect Costs:** Indirect costs (\$70,972,650) have been calculated based on the Federal 10% *de minimis* rate. For program administration costs, the indirect rate has been applied to the total Modified Total Direct Costs (MTDC), which includes personnel, fringe benefits, travel, contractual fees, and other direct costs *except* participant support costs, TA subawards, and Coalition Partner costs. The 10% *de minimis* has also been applied to capitalization funding and TA subawards separately, but *not* to Coalition Partner subawards, as those budgets are inclusive of indirect costs.

## **2. DESCRIPTION OF PROGRAMMATIC CAPABILITIES**

### **2.1 Organizational Background, Track Record, and Policies**

The Native CDFI Network (NCN) was formed in 2009 to unify Native CDFIs serving Native trust land communities, American Indians, Alaska Natives, and Native Hawai'ians. NCN creates opportunities to share stories, identify collective priorities, and strengthen its industry. NCN also works to ensure that Native peoples are represented in the national policy dialogue and that innovative solutions created by CDFIs have maximum impacts for Native communities. As a strong national network, NCN advances policy priorities that foster systemic and sustainable Native community and economic development. Currently, 64 certified Native CDFIs and two dozen emerging CDFIs are located in nearly 35 states across the country, serving Native communities.

The NCN mission is to be a national voice and advocate that strengthens and promotes Native community development financial institutions (CDFIs), creating access to capital and resources for Native peoples through four foundational goals:

1. Build a Strong Membership Network and Infrastructure
2. Commit to Gathering Members Annually
3. Create CDFI-to-CDFI Peer Mentoring and Sharing Opportunities
4. Identify Native CDFI Policy Priorities

#### **2.1.1 Organizational and Governing Documents**

NCN includes the following organizational documents for review with this application for funding:

- South Dakota Certificate of Incorporation of a Domestic Nonprofit (dated February 3, 2014).
- Articles of Incorporation and Bylaws (filed January 27, 2014).



- IRS Tax Exemption Determination Letter (dated September 30, 2015).

### ***2.1.2 Organizational Experience***

Native CDFI Network (NCN) is the leading industry organization that supports Native CDFIs (NCDFIs) across Indian Country. By joining NCN, its members are strengthened through: (i) networking opportunities with other NCDFIs and partners, (ii) access to NCN webinars, training, and events, (iii) weekly NCN newsletters, and (iv) access to regional and national events. Through education and training, NCN helps NCDFIs build capacity to start and grow as community financial institutions. As of 2023, NCN has managed one pass-through program through a grant funded by the U.S. Small Business Administration Program for Investment in Microentrepreneurs (PRIME). The PRIME program uses a cohort model to provide technical assistance services for building capacity within NCN's network through in-person events, trainings, webinars, and individual coaching services. Organizations that completed the full program series received a \$4,000 subaward for technology assistance. As with the proposed CCIA program, NCN established selection criteria for Native CDFIs to participate in the program, and evaluation criteria for determining successful completion of the program in order to receive the assistance award. Though smaller in scale, NCN believes that the PRIME program has a similar scope in providing financial and technical assistance to lenders specifically serving Native communities.

NCN is a leader in providing technical assistance services to certified and emerging Native CDFIs throughout the U.S., as well as advocating at the policy level to support Native CDFIs and Native American economic development. NCN, working collaboratively with its staff, Board of Directors, and Policy Committee, substantially advances its policy priorities. Below is a list of key policy wins over 2022:

- Helping secure a 30% increase in the CDFI Fund's Native American CDFI Assistance Program (NACA) program to \$21.5M, up from \$16.5M;
- Starting a conversation with U.S. Treasury to establish a 10% Native set-aside within the New Markets Tax Credit program, and establishing an internal NCN working group to develop a set of deployment goals;
- Signing an MOU with Enterprise Community Partners to form a Native American Advisory Board to help move the needle on the critical need for housing in Indian Country;
- Providing a Native American economic development perspective in the rewrite of the Community Reinvestment Act regulations to better address the realities of investing in Indian Country and to improve the flow of capital from this program;
- Advocating for the establishment of the Native American Programs office within Treasury to have a critical advocate within the department who understands the complexities of working within Indigenous communities;
- Submitting comments to the CDFI Fund regarding the updated Certification Application process to ensure Native American CDFI Assistance (NACA) Program changes would not impact Native CDFIs with unintended consequences.

From its founding in 2009, the Native CDFI Network has always been a policy-driven organization. Over the past two years, though, the organization has shifted its policy work into high gear with the creation of a formal policy committee that includes representatives from nine

different regions of the country. The regional structure of the committee makes sure that Native CDFI members from every corner of Indian Country are included. In 2022, the group worked to advance nearly two dozen policy priorities aimed at making sure Native CDFI Network member voices were heard by Congress, federal agencies — including Treasury, HUD, USDA, SBA, among others — and other government-sponsored agencies, regulators, thought leaders, and Native intermediaries.

Building on the success of its webinar series during the pandemic, NCN accelerated its pace of online programming in 2022. In the first 10 months of the year, NCN hosted 21 webinars drawing more than 800 members, including multiple sessions on the State Small Business Credit Initiative (SSBCI) and the United States Department of Agriculture’s Single Family Housing Direct Home Loans program, also known as the Section 502 Direct Loan Program.

NCN’s recent policy and advocacy work is further illustrated by improvements to the following initiatives and programs:

- **State Small Business Credit Initiative (SSBCI):** NCN worked closely with senior Treasury officials to bring Native CDFIs and Tribal officials together for a series of roundtable discussions, issued a white paper authored by legal expert Pilar Thomas, and hosted a series of webinars on how Indian Country could implement and benefit from the SSBCI program.
- **CDFI Equitable Recovery Program:** NCN submitted a formal service request to ask that service counties be included and that the eligibility criteria be revamped so Native CDFIs could participate in the program. During the process, NCN worked with the Treasury’s Office of Native Affairs to help provide background information and context to agency officials.
- **Native American CDFI Assistance Program:** NCN advocated for increased funding through a mix of formal requests and ongoing education and awareness activities. NCN also leveraged its relationships with Congressional members to solidify support for increased funding for Native CDFIs.
- **New Markets Tax Credit:** NCN worked with Congress and Treasury to increase awareness of Indian Country’s historical exclusion from the NMTC program. As a result, the CDFI Fund has contracted with a consulting firm to provide technical assistance to Native organizations and to conduct research regarding the needs for New Markets Tax Credits in Indian Country.
- **Community Reinvestment Act:** NCN has been actively working on CRA since 2019, when it traveled to New Mexico to join then-U.S. Rep. Deb Haaland (Laguna Pueblo), banks, community leaders, and banking regulators to deepen their understanding of how Native communities have been left out of CRA. NCN held listening sessions with its members, provided formal comments to the Office of the Comptroller of the Currency, Federal Deposit Insurance Company, and the Federal Reserve, and worked with members to encourage changes and comments on the rules.
- **Section 502:** NCN worked with several of its members and the South Dakota Homeownership Coalition to raise awareness and organize an event to bring Congressional leaders together. A webinar on the topic drew 90 participants, including Congressional staff, and highlighted the best practices of the South Dakota Native Homeownership Coalition and

the successes that happen when Native-led organizations administer federal dollars in the ways that work best for their communities.

NCN has also established partnerships with tribal governments, inter-tribal organizations, and other Community Lenders working within rural tribal communities. These include partnerships with the Native American Finance Officers Association, Opportunity Finance Network, and National Congress of American Indians. Native CDFI members that are sponsored (owned) by tribal governments also have direct connections to the tribal governments and tribal communities served by those governments. NCN collaborates and partners extensively with other organizations to promote programs and attract new members. This includes collaborations with the National Center for American Indian Enterprise Development, Native American Agriculture Fund, Intertribal Ag Council, Prosperity Now, and National Cooperative Bank. Key partners and stakeholders include First Nations Oweesta Corporation, Native American Finance Officers Association, and Center for Indian Country Development of the Federal Reserve Bank of Minneapolis. Additionally, NCN has several affiliate members including Native, non-Native organizations, banks, and small business-focused entities.

### ***2.1.3 Equity Policies and Practices***

Diversity, Equity, Inclusion, and Accessibility (DEIA) are essential components of NCN's Strategic Plan, and NCN is committed to promoting DEIA in its workforce, supplier diversity, and its network. NCN's strategic, operational, and growth objectives are all fully aligned with Section 342 of the Dodd-Frank Act, The Office of Minority and Women Inclusion (OMWI) directives, and Executive Order 14035, *Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce* (2021). NCN is committed to eliminating any systemic barriers to equal access of opportunities for its employees, membership, and consumers. NCN strives to foster a culture of equity for all, while ensuring the needs of its most vulnerable employees, members, and consumers are met.

NCN has established equal opportunity and affirmative action policies to memorialize its commitment to a diverse, equitable, and inclusive workplace. NCN was built upon teamwork and equal opportunity and will continue to be successful when people are treated fairly and allowed to advance and achieve their full potential. NCN is proud of the fact that it extends equal employment opportunities to all qualified employees and applicants for employment without regard to race, color, religion, sex, age, national origin, disability marital status, or any other category protected by law, which if needing accommodation, may be reasonably accommodated as required by law. NCN policies and procedures ensure that all qualified minority group individuals, women, disabled persons, and disabled or Vietnam Era veterans are given the opportunity to know of openings, are encouraged to seek promotions, are considered for promotion opportunities, and, when qualified, are hired or promoted. All phases of employment including, but not limited to, recruiting, hiring, selection for training, promotion, demotion, discipline, rates of pay or other compensation, transfer, layoff, termination, recall, use of all facilities, and participation in all Native CDFI-sponsored activities, will be administered so as to further the principle of equal employment opportunity.

NCN will continue to base decisions on employment so as to further the principles of equal employment opportunity by hiring and employing qualified, reliable, productive employees

without regard to race, color, religion, sex, age, national origin, veteran's status, and mental or physical disability. To implement this policy, NCN has adopted an affirmative action program and cooperates with federal, state, or local government agencies that have the responsibility of observing actual compliance with various laws relating to employment. The NCN CEO also serves as Equal Employment Opportunity Officer and is responsible for coordinating all aspects of the Equal Employment Opportunity process to assure nondiscrimination and compliance with all applicable orders and guidelines.

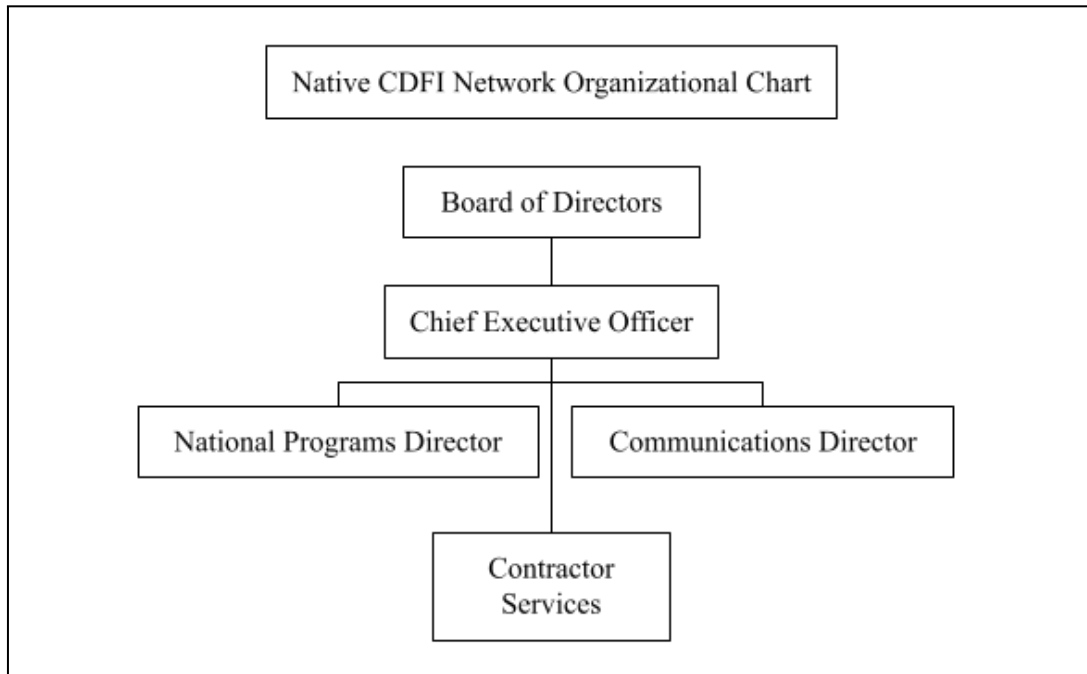
## **2.2 Governance and Management**

NCN is an established 501(c)3 corporation with the primary mission to strengthen and promote Native Community Development Financial Institutions and create access to capital and resources for Native peoples. The organization is guided by an established set of bylaws and operational policies, a governing board of directors, and two active committees (Policy Committee and Organizational Committee). NCN operations are currently overseen by a Chief Executive Officer, a National Program Director, a Communications Director, and a team of expert consultants.

### ***2.2.1 Governance Structure***

NCN is governed by a nine-member national Board of Directors elected by NCN member CDFIs. Members of the Board support the membership's organizational growth and development, as well as its working committee structure, to maximize NCN's impact while engaging its membership base. In addition, the Native CDFI Network's Board accommodates three Ex Officio seats that are filled by seasoned community and economic development professionals who lend their knowledge and guidance to the Network.

NCN members are certified or emerging Native CDFIs. The members of NCN's Board of Directors are Executive Directors and/or Senior Managers at Native CDFIs, directly serving Native American target markets, and are, generally, American Indian, Alaska Native, or Native Hawai'ian. Native CDFI executives nominate NCN Board Members from Native CDFIs in good standing and then vote to determine Board membership. NCN conducts an annual survey of NCN members (Native CDFIs) that assess the extent to which NCN is fulfilling its mission, areas of growth opportunities, and capacity building needs of Native CDFI members. This information informs the Board of Directors' decisions about the strategic direction of NCN's work related to policy advocacy and capacity building support on behalf of Native CDFIs. A summary of NCN activities is provided to members annually.



Board members serve three-year terms. Board members are independent, and are not obligated to any other entity when making decisions related to the oversight of NCN. The Board accepts responsibility for setting direction, making decisions, ensuring the fiscal solvency of the organization, and overseeing the work of the Executive Director who manages the day-to-day operations of the organization. Board Members vote on specific actions as necessary for the success of the organization and may present issues before NCN members as necessary prior to voting on them.

NCN’s Bylaws (amended in 2020) authorize the formation of a Governance committee, a Finance committee, a Personnel committee, a Policy committee, and a Development committee. NCN’s Bylaws (amended in 2020) detail comprehensive policies including:

- **Board nomination, election and terms:** The Board is elected by NCN Members at the Annual Membership Meeting. Board members serve three-year terms and cannot serve more than three consecutive terms.
- **Board meeting frequency and duration:** Regular Board meetings are to be held in person or virtually every quarter, and notice of meetings must be given at least 30 days in advance. Special meetings may be called by the Chairperson or a majority of Directors, and notice must be given 24 hours in advance.
- **Board conflict of interest:** Directors must disclose any potential conflicts of interest, the Board must determine if conflicts of interest exist, and the Board will vote to address any conflicts. The Board can determine whether a Director has violated the policy and take corrective action.

Current NCN Board Membership

**Pete Upton, Chairperson and Chief Executive Officer:** With 35 years of industry experience, Mr. Upton has been involved with the Native CDFI Network since 2011. He served on the steering committee that was instrumental in the Native CDFI Network’s initial organizational

development steps. In 2012, Mr. Upton became a founding board member and served as a Chairperson for the Peer Learning Committee. Upton is also Executive Director of Native360 and serves Native communities in three states. See section 2.2.2 for more information. **Fern Orié, Vice Chairperson:** Fern Orié (Oneida) is the Chief Executive Officer of the Matriarch Group. Previously, she served as founding CEO of the certified NCDFI, Wisconsin Native Loan Fund, a statewide housing and consumer revolving loan fund. Orié has over 20 years of experience in the Native housing field and was in the Indian gaming sector for 10 years. She is the Chairperson of the Wisconsin Indian Business Alliance. **Cindy Logsdon, Treasurer:** Cindy Logsdon is the CEO of the Citizen Potawatomi Community Development Corporation. In this role she oversees the loan servicing, internal systems management, administers the reporting and relationships with funding entities, as well as oversees the financial reporting for the organization. Over a 26-year career, Ms. Logsdon has assisted in making over \$45 million in loans to Native American entrepreneurs. She has laid the groundwork for introducing multiple products to her tribal community, such as: an Employee Loan program, Financial Education Initiatives, Credit Builder Loan, Jumpstart Auto Loan, Tornado Shelter, CSA and IDA programs. She is honored to have secured funds through the 2015 CDFI Bond Program for \$16 million. **Cindy Mittlestadt, Secretary:** Cindy Mittlestadt serves as Fund Manager of Bristol Bay Development Fund (BBDF). By deploying both financial and human capital – knowledge, planning assistance, and connections – BBDF acts as a catalyst for the successful launch of new businesses and helps existing companies advance to the next level. Mittlestadt previously managed a \$14 million Native CDFI focused on affordable homeownership and neighborhood revitalization initiatives with two co-occurring IDA programs.

**Russ Seagle (Member)** is the Executive Director of The Sequoyah Fund, Inc., in Cherokee, NC. The Sequoyah Fund offers commercial loans, training, consulting, and coaching to small businesses in Western North Carolina. The Sequoyah Fund also provides support services for Cherokee artists, fundraising programs for nonprofits and youth organizations, a savings program and financial literacy education for local children, and youth entrepreneurship education and summer camp. **Rjay Brunkow (Member)** is an enrolled member of the Turtle Mountain Band of Chippewa Indians, has previously served as an Investment Banker for Wells Fargo with a focus on government infrastructure in Indian Country. He has served as Solicitor General for the Mille Lacs Band of Ojibwe, and Chief Legal Counsel for the Turtle Mountain Band of Chippewa Indians. He also has an extensive background in gaming and non-gaming economic development projects within Indian Country. Mr. Brunkow earned his Juris Doctorate (Cum Laude) from the University of Minnesota Law School. **Dave Tovey (Member)** (Umatilla) is Executive Director of the Umatilla Tribes' Nixyáawii Community Financial Services, a developing CDFI. He also served as executive director for the Confederated Tribes of the Umatilla Indian Reservation in northeast Oregon. He has served in top executive roles with the Siletz Tribal Business Corporation, Cayuse Technologies, the Coquille Indian Tribe, and the Affiliated Tribes of Northwest Indians Economic Development Corporation (ATNI-EDC) and named Economic Development Leader of the Year for the State of Oregon by former Governor John Kitzhaber in 2001. He currently serves on two CDFI boards - President of ATNI-EDC and Secretary/Treasurer of the Indian Land Capital. **Rolina Faagai (Member)** is Native Hawai'ian born and raised in Kaneohe on the island of Oahu. She is an enrolled member of the Sovereign Council of Hawai'ian Homestead Associations (SCHHA), a public policy analyst on Hawai'ian trust lands, and is the Vice-Chair of the governing board of Hawai'ian Lending & Investments

(HLI). HLI is a Native CDFI delivering financial resources to Hawai'ian trust land communities in the State of Hawai'i. Ms. Faagai is employed as the Deputy Director of Economic Development for the Homestead Community Development Corporation. **Rollin Wood (Member)** (Cherokee Nation of Oklahoma) has served as Executive Director of Native Partnership for Housing (NPH) since 2014. Under his leadership, NPH expanded operations in lending, housing counseling, and construction services. Prior to joining NPH, Mr. Wood owned and operated Sierra Vista Resources, Inc., Tucson, AZ, developing business plans and financial projections for start-up businesses, including a Navajo-owned natural resource company. Rollin also serves on the Board of Directors of the National NeighborWorks Association and served on the city of Gallup, New Mexico's Housing advisory committee.

For the proposed project, the NCN CCIA Program Director will provide regular updates to NCN's Board of Directors and work with the Board to ensure compliance with EPA program requirements. Any issues related to noncompliance by Community Lenders and Community Partners will be brought to the attention of the Board for review and approval of recommended steps to remedy issues.

### ***2.2.2 Senior Management and Staff Capabilities***

NCN's senior management has the requisite experience to implement the proposed program. Resumes for all NCN key organizational staff and board members are included with this application. NCN will also be relying on Coalition Partners and subject matter experts (consultants) to lend their expertise to this program.

Kristen Wagner serves as the NCN National Program Director and has led the design and development of the proposed CCIA program. In this role, Dr. Wagner manages all of NCN's grant-funded programs, Membership Programs, and oversees the design and delivery of capacity-building support to NCN members. Dr. Wagner built her 25-year career in classroom settings, individual mentoring relationships, and as a consultant providing organizational management support and training to asset-building practitioners and advocates with a commitment to building more equitable economies in Native communities across the country and Indigenous communities globally. In these roles, she was directly responsible for the development, implementation, and evaluation of community-based research programs, and has twelve years of experience working directly in Native communities. Through this experience, she is uniquely qualified for overseeing implementation of the CCIA-program, as she is familiar with tribal protocols for data collection and storage, and with tribal data sovereignty. Wagner holds a Bachelor of Arts degree in Psychology from the University of North Dakota and a Master's degree and Ph.D. in Social Work from Washington University in St. Louis.

Pete Upton (Ponca Tribe of Nebraska) currently serves as the NCN Chief Executive Officer and Chairman. Pete is the Executive Director of Native360 Loan Fund, a certified NCFI that focuses on entrepreneurship and financial literacy development for Native Americans. Serving as Executive Director since 2011, Mr. Upton has built the organization from its start-up phase into a successful lending organization that continues to experience growth while ever-increasing its community impact. Mr. Upton has been involved with NCN since it was a grassroots movement. From 2011 to 2012, he served on the steering committee that was instrumental in the NCN's initial organizational development steps. In 2012, Mr. Upton became a founding board member

and served as the Chairperson for the Peer Learning Committee. As Native360 serves Native communities in three states, Mr. Upton understands the challenges of serving rural and urban areas in various jurisdictions. He values strong networks and cultivates partnerships to deliver TA throughout a vast service area. Mr. Upton is a powerful advocate for equal access to capital.

Shauntel Hogan (Ponca Tribe Of Nebraska) serves as the NCN Communications Director. Mrs. Hogan advises and advances the development and implementation of NCN's strategic communication initiatives. She also creates and coordinates NCN's branding and storytelling processes that support advocacy efforts on behalf of Native CDFIs. Hogan graduated from the University of Nebraska-Lincoln with a degree in Finance and a minor in Native American studies. Her background in the banking and housing industries serves as a complement to NCN's mission and strategic objectives.

NCN will hire eight new full-time staff to support the program, including a Chief Financial Officer with extensive experience in managing high-dollar grant awards, financial management, and preferably in structuring complex energy financings and construction, especially residential construction. The CCIA Program Manager will have a strong background in grant management, as well as a financial background preferably in structuring green energy projects. The three CCIA Regional Coordinators will have a mixture of clean energy development experience and/or green housing development and construction. They will track the status of all projects across 35 states, work with the Coalition Partners to track program performance against investment objectives and assist the lenders and the projects as needed. The two CCIA Program Assistants will work with the Program Manager and Regional Coordinators, the Coalition Partners and the lenders on a daily basis supporting their activities and maintaining reporting documentation and files. NCN will also hire an CCIA Program Accountant, who will be responsible for maintaining the grant tracking system, reviewing all the financial data from the CDFIs, and preparing the quarterly/financial reports.

## **2.3 Risk Management and Financials**

### ***2.3.1 Legal and Compliance Risk Management Program***

Native CDFI Network has established policies and procedures for managing legal and compliance risk for federal and non-federal assistance awards, which adhere to 2 CFR § 200.302(b), 2 CFR § 200.303, and 2 CFR § 200.332. Upon EPA grant award, NCN will review its risk management plan to ensure it meets any additional requirements listed in the terms and conditions of the grant agreement (see attachment 2.3.1 Legal and Compliance Risk Management Program).

For risk management pertaining to financial management (2 CFR § 200.302(b)), NCN operates on a Program Fund Accounting practice, an independent accounting record having separate asset, liability, revenue, expenditure, and fund balance accounts for each grant or contract. All monies received or expended by NCN must be classified and defined in accordance with any special regulations, restrictions, or limitations as specified by the grant or contract. NCN will maintain separate financial accounts for CCIA funds, which will be identified according to the requirements of 2 CFR § 200.302(b)(1). Coalition Partners and Lenders will also be required to identify and track CCIA funding in its financial reporting separately from other funds, including program income generated from CCIA-funded lending activities. Policies and procedures



regarding financial management during the program will be memorialized in writing to be kept on record for NCN's reference during the program and in a Coalition Partner Handbook and a Community Lender Handbook for reference by Coalition Partners.

Grant expenditures are reviewed on a monthly basis by the National Program Director to comply with quarterly reporting and assess drawdown needs. The Chief Financial Officer reviews prior to subsequent drawdowns and reporting. All expenses are compared against Federal award line items and proper documentation is verified. NCN contracts with a professional accounting firm to manage financial bookkeeping and perform annual audits. NCN maintains a grants dashboard to track funding allocations by project from both public and private sources, document project milestones and outcomes, and identify key project reporting dates and requirements. To manage additional funds and outcome tracking for the CCIA program, NCN will use DownHome Solutions, LenderFit and QuickBooks software to track and report on use of funds from public and private sources.

NCN has established internal controls (2 CFR § 200.303) for providing reasonable assurance that it is managing the EPA award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Namely, NCN has thoroughly reviewed the objectives of the CCIA program and designed a process for reviewing the activities of Community Lenders that ensures compliance with CCIA program requirements. NCN has established processes in place to meet the reporting requirements of the EPA award and has established a regular cadence for financial and performance reporting from Coalition Partners (semi-annually) and Community Lenders (quarterly) that will allow it to submit complete, accurate, and timely program reports. Throughout the program, NCN will retain legal and accounting services to regularly evaluate and monitor compliance with statutes, regulations, and the terms and conditions of the CCIA award. Coalition Partners and Community Lenders will also be subject to regular evaluation and monitoring for compliance. NCN will formally establish policies and procedures for noncompliance among Coalition Partners and Community Lenders, including noncompliance in audit findings, which may include withholding cash payments until the deficiency is remediated. Additional policies for Community Lender noncompliance will include a requirement to cease loan originations using CCIA funds until the issue is resolved.

Internal controls that will ensure that the objectives of the CCIA program are achieved include the processes and procedures described in Sections 1.2.3.3, 1.2.4.4, 1.2.3.5, and 1.2.3.6. Briefly, NCN has established a process for evaluating the activities of each lender throughout the program to verify that CCIA funds are being expended only on CCIA-eligible projects according to the program guidelines. NCN will establish an Evaluation Panel to regularly assess Community Lender compliance with program requirements and objectives. This will include a thorough review of the lenders' planned lending activities, monthly calls with lenders, and quarterly and annual reports. NCN has also established internal controls for providing consumer protection for all loans originated with CCIA funds, including protection for personally identifiable information (see Section 1.2.5.3 Consumer Protection Plan).

NCN acknowledges that, as a pass-through entity, additional policies and procedures for risk management are required (2 CFR § 200.332). To manage risk associated with acting as a pass-through entity, NCN will provide each Coalition Partner and Community Lender with a

handbook that includes the CCIA program legal and compliance policies and procedures. Prior to signing a subaward agreement, Coalition Partners and Community Lenders will be required to review the handbook and sign a statement acknowledging that they have reviewed the handbook. In addition, NCN will carefully evaluate each subrecipient's risk of noncompliance prior to issuing subawards or subsidies through the CCIA program, such as requesting evidence of successful compliance with previous federal assistance awards. For Coalition Partners, NCN's National Program Director will be responsible for assessing noncompliance risk at the outset of the program and on an ongoing basis through semi-annual performance and financial reviews and periodic "on-site" reviews of each Coalition Partner's technical assistance services.

For Community Lenders, NCN's risk management plan includes a rigorous reporting process and NCN will provide technical assistance to lenders to support compliance. NCN's four full-dedicated program staff (the Program Manager and three Regional Coordinators) will each oversee a subset of lenders (~15 lenders per staff). This will allow NCN staff to thoroughly review each lender's compliance with internal reporting requirements and progress towards program objectives. Lenders will be provided technical assistance through Coalition Partners, including ICAST, NREL, and NAU-ITEP, to verify program outputs and outcomes for each investment objective. Reports will be reviewed by NCN's Evaluation Panel for compliance with lenders' original financial plans, general program requirements, and legal and financial compliance requirements. If there is a risk of noncompliance identified, the individual flagging the risk will present the noncompliance risk to NCN's National Program Director who will, in turn, present the case to NCN's CEO and Board of Directors along with a recommendation for action. The Board will then approve or deny the action based on the level of risk, legally or otherwise, it presents to NCN or the CCIA program.

NCN also acknowledges a high level of risk associated with the proposed program activities. Although NCN will not be lending directly to businesses or consumers, it will be responsible for the funds used for lending through its Community Lender Network. To mitigate some of the risk associated with these activities, NCN will leverage its own lending policies (see Loan Policies attached) to advise lenders on establishing similar guidelines for all loans originated through the CCIA program. In addition, lenders will be provided model clean energy loan products and related underwriting guidance, and will have access to legal and accounting services for assistance in navigating the complexities of clean energy financing, including the legalities and financial implications of leveraging other federal funds, including grants, tax credits, and subsidies.

### ***2.3.2 Financial Statements***

Native CDFI Network's audited financial statements for FY2022 and FY2021 have been uploaded as attachments to the application.