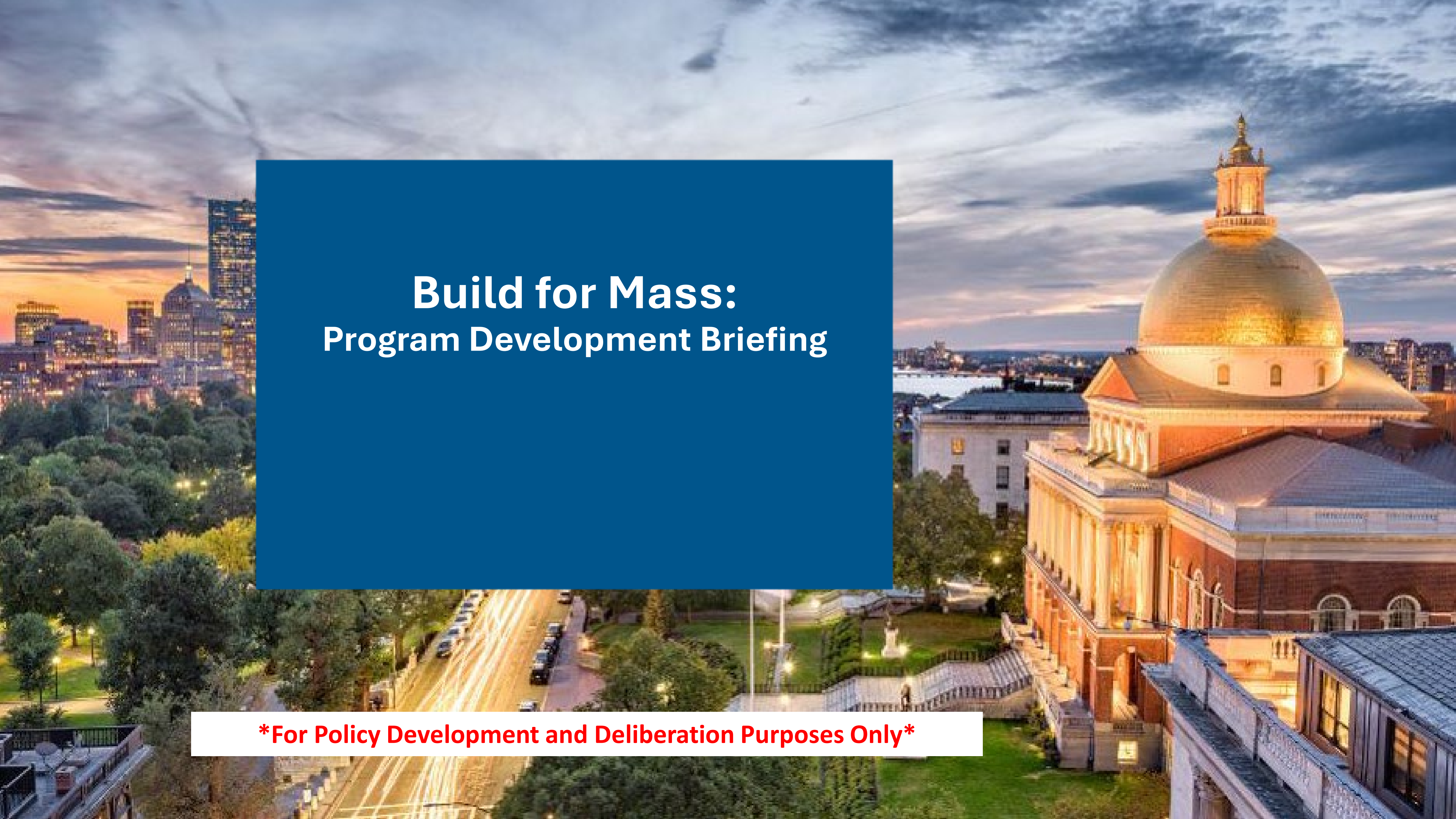

Build for Mass:
Program Development Briefing

For Policy Development and Deliberation Purposes Only

Addressing Two Problems through Loan Programs

Problem #1	Program Response	Federal Connection	Key Features	Possible Examples
Community has a **finance gap on a federally funded capital project** (previously funded or viable federal applicant); it is unable to access needed funding through another state program.	**General Loan Program** MassDevelopment	• Federal discretionary grant • Federal formula funds • Congressionally Directed Spending ("CDS")	• Low interest loan (2.0%-2.5%) • 5-20-year loan terms • Priorities: Gateway Cities, rural communities, Healey-Driscoll policy goals	**Quincy** *Manet Ave. Seawall Project* • $5M need • Received FEMA Pre-Disaster Mitigation Funding **Pittsfield** *Downtown Renewal Project* • $5M need • Received FY24 USDOT Reconnecting Communities Grant

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Addressing Two Problems through Loan Programs

Problem #2	Program Response	Federal Connection	Key Features	Possible Example
Communities have a **timing problem and need up-front bridge loans** to initiate a qualifying clean energy projects eligible for federal tax credits	**Green Loan Program** MassDevelopment	• **IRA's Direct Pay Tax Credit program** (new rules expand eligibility for geothermal and battery storage projects)	• Low interest loan (2.00%-2.5%) • 3-4-year loan terms • Loans capped at 30% of project cost • Eligible projects: Ground-sourced heat pumps ("GSHPs"); battery storage	**Northampton** *Forbes Library Ground-Source Heat Pump ("GSHP") Project* • $1.6M need **Orleans** *Net Zero Fire Station GSHP Project* • $1.6M need

OBBBA Update on Direct Pay:

The investment tax credit eligibility period for investments in geothermal or battery storage projects **expanded** under OBBBA

- Projects that begin construction by 12/31/33 are eligible for the full tax credit
- Projects that begin construction between 2034 and 2035 will receive reduced credit values

Source: National League of Cities

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Questions?