



March 18, 2026

MULTIFAMILY REVOLVING LOAN PROGRAM

REQUEST FOR INFORMATION

Purpose

The Connecticut Department of Energy and Environmental Protection (DEEP) is seeking public input to inform the design and implementation on a new Multifamily Revolving Loan Program (the Program). The Program concepts described herein are preliminary and subject to change based on feedback and further Program development.

Eligible Respondents

Anyone can respond to this RFI. In particular, DEEP is interested in responses from affordable multifamily property owners, developers, lenders, public agencies, energy program administrators, contractors, resident advocates, and other stakeholders involved in advancing energy efficiency and electrification in affordable multifamily housing.

Instructions for Responding to this RFI

Responses are due by Wednesday April 15th, 2026 at 5pm ET. Responses may include answers to as many or few questions as is relevant or practical. Responses should be sent to DEEP.EnergyBureau@ct.gov.

DEEP has established the email address below as the Official Contact for purposes of this RFI. The Official Contact is the only authorized contact for this RFI and, as such, handles all related communications on behalf of DEEP. Respondents are advised that any communication with any other DEEP employee(s) (including appointed officials) or personnel under contract to DEEP about this RFI is strictly prohibited.

Direct communications to:

Address: Bureau of Energy and Technology Policy,
10 Franklin Square, New Britain, CT

Phone: (860) 827-2668

E-Mail: DEEP.EnergyBureau@ct.gov

Please ensure that e-mail screening software (if used) recognizes and accepts e-mails from DEEP.EnergyBureau@ct.gov.

You do not need to respond to all questions or sub-questions to submit a response. Please submit your response as either a Microsoft Word or PDF file. Please label your responses according to the question number. Shorter responses or general thoughts/feedback can be submitted in the body of an email.

Informational Meeting

DEEP will hold a virtual informational meeting on March 31, 2026 from 11:00 am to 12:00 pm ET to solicit stakeholder feedback.

Registration is required. Please register here:

https://ctdeep.zoom.us/meeting/register/O_ETaBa0SfWIJGCw6mXiig.

The Connecticut Department of Energy and Environmental Protection is an Affirmative Action/Equal Opportunity Employer that is committed to complying with the requirements of the Americans with Disabilities Act. Please contact us at (860) 418-5910 or deep.accommodations@ct.gov if you: have a disability and need a communication aid or service; have limited proficiency in English and may need information in another language; or if you wish to file an ADA or Title VI discrimination complaint. Any person needing a hearing accommodation may call the State of Connecticut relay number - 711. Requests for accommodations must be made at least two weeks prior to any agency hearing, program, or event.

Submitting Questions about this RFI

Any questions regarding this RFI should be submitted to DEEP.EnergyBureau@ct.gov.

Disclosure & Waiver Authority

Neither the State nor DEEP shall assume any liability for expenses incurred by a respondent in preparing, submitting, or clarifying any response to this RFI. Respondents are advised that all materials associated with this RFI are subject to the terms of the Freedom of Information Act (FOIA), the Privacy Act, and all applicable rules, regulations, and interpretations. If a respondent deems that certain information required by this RFI is confidential, the respondent must label such information as CONFIDENTIAL prior to submission. The respondent must provide a convincing explanation and rationale sufficient to justify an exemption of the information from release under the FOIA. The explanation and rationale must be stated in terms of (a) the prospective harm to the competitive position of the respondent that would result if the identified information were to be released and (b) the reasons why the information is legally exempt from release pursuant to C.G.S. § 1-210(b).

Background & Scope

The Program was authorized under Public Act 23-205, as amended by Public Act 24-151 and 25-125¹ (CGS § 8-240a-8-240b) and is capitalized with \$12 million in state bond funds² to support energy upgrades in existing low-income affordable multifamily housing developments with five or more units. Program funds will be used to provide loans to developers for energy efficiency upgrades, and the rehabilitation work necessary to enable those upgrades. A key priority of the Program is to support energy-efficient all-electric upgrades where feasible and cost effective. In addition, funding may also be used for energy-related pre-development activities, such as technical assistance, energy audits, and feasibility studies.

Problem Statement

Many affordable multifamily properties face persistent barriers to implementing deeper energy efficiency and electrification upgrades, despite the availability of weatherization programs, utility incentives, and housing finance tools. High upfront costs, timing mismatches between construction and incentive payments, limited access to flexible capital, and the need to address underlying health, safety, or building condition issues often prevent projects from advancing. As a result, energy measures are frequently deferred or scaled back during project development, limiting energy savings and long-term benefits. At the same time, many of these properties are increasingly vulnerable to flooding, wind damage, and other climate-related hazards that can threaten building systems and undermine long-term energy performance.

Program Overview

- The proposed Program would support eligible affordable multifamily properties by financing activities necessary to plan, prepare for, and implement comprehensive energy efficiency, electrification, and related upgrades that may not otherwise be feasible through existing incentives or financing alone. Projects must demonstrate at least **20% reduction in energy consumption with 70% of the total project costs dedicated to energy efficiency and electrification measures**, while remaining funds may support pre-development activities, resilience measures, or enabling upgrades, depending on project needs. In particular, the Program is designed to:
- Enable deeper energy measures that rely on incentives or rebates typically received after installation, by providing upfront capital during construction.
- Enable increased resilience of affordable multifamily properties and ensure that energy measures and upgrades are resilient to intensifying extreme weather and natural hazards.
- Support the inclusion of energy and electrification measures that are technically sound and cost effective but may be excluded during value engineering due to capital constraints.

¹ Section 15 of Public Act 25-125, [AN ACT CONCERNING THE PROTECTION OF THE ENVIRONMENT AND THE DEVELOPMENT OF RENEWABLE ENERGY SOURCES AND ASSOCIATED JOB SECTORS](#). C.G.S.A. § 8-240a

² Item number 29 in the December 2025 CT State Bond Commission agenda, [agenda_dec18_2025-revised.pdf](#)

- Ensure that energy performance goals are preserved throughout project development and are not compromised as projects advance toward construction.

Program funds are intended to complement, and not supplant, existing grants, financing, incentives, or rebates. Applicants are expected to reasonably leverage all available resources before relying on Program funds to address remaining gaps.

Program Requirements

Properties must meet the following requirements:

- Demonstrate at least 20% reduction in energy consumption relative to baseline conditions.
- Energy efficiency and electrification measures must represent at least 70% of the total project costs.
- The remaining share may support pre-development activities, resilience measures, or enabling upgrades, depending on project needs.

Eligible Properties under the Program

Properties must:

- Have five or more units, where at least 50% of the units are occupied by residents with household incomes at or below 80% of Area Median Income (AMI) or at least 66% of the units are occupied by residents with household incomes at or below 60% of State Median Income (SMI).
- Be an existing housing development; new construction and adaptive reuse projects are not eligible.
- Demonstrate financial feasibility consistent with the Program's underwriting standards.

Property owners must commit to maintaining the required level of affordability, as directed below, for the stricter of:

- The life of the loan, or
- A minimum affordability period of ten (10) years, as determined by the Program.

Both subsidized properties and naturally occurring affordable housing (NOAH) are eligible for this program. Properties that are already subject to recorded affordability restrictions through approval, financing, or regulatory oversight by a housing finance agency or other qualified public or quasi-public housing entities may be deemed categorically eligible, provided such restrictions meet the Program's affordability eligibility criteria and are enforceable for a period equal to or longer than the affordability commitment required under this Program.

For properties that are not already subject to existing affordability restrictions, affordability compliance will be demonstrated through:

- A written owner certification attesting that the property meets the program's income eligibility thresholds at the time of program enrollment and will remain in compliance for the duration of the affordability commitment, with annual recertification required, and

Submission of current rent rolls as supporting documentation and annual submission thereafter.

Aligning Owner and Tenant Incentives

The Multifamily Revolving Loan Fund supports energy upgrades in multifamily buildings while aligning benefits for property owners and tenants. The Program addresses owner–tenant split incentives through financing flexibility, delivery supports, and clear expectations that facilitate successful project implementation.

To support owner participation, the Program reduces upfront risk and transaction costs by allowing financing for pre-development activities, technical assistance, and health and safety barrier remediation. Projects may also include building-wide and common-area improvements that improve building performance, reduce maintenance needs, and support long-term asset preservation. Utility incentives, where available, further improve project feasibility.

Tenant benefits are delivered through improved housing quality, comfort, health, increase resilience and energy performance. In individually metered properties, tenants benefit from reduced energy use and lower utility bills. In master-metered properties, building-wide upgrades improve living conditions and indoor environmental quality. All participating properties are required to maintain long-term affordability and provide advance notice and coordinated access during implementation.

To support effective delivery and sustained performance, the Program envisions a standardized energy-aligned lease addendum that communicates tenant protections and responsibilities as listed below. This shared framework reduces implementation risk for owners and helps ensure energy upgrades deliver lasting benefits for both tenants and property owners.

Tenant Protections and Responsibilities

As a condition of participation in the Revolving Loan Fund, property owners must agree to the following:

- Program-funded improvements shall not be used as justification for rent increases beyond those otherwise permitted under applicable law or existing affordability restrictions.
- Existing tenants shall not be displaced as a result of Program-funded improvements, except where temporary relocation is required for health and safety reasons.
- Reasonable advance notice shall be provided to tenants prior to construction activities affecting occupied units.
- Property owners must comply with all applicable federal, state, and local tenant protection laws.

As a condition of participation in the Revolving Loan Fund, tenants are expected to:

- Provide reasonable access, with advance notice, for installation, inspection, and maintenance of energy upgrades.
- Operate installed systems in accordance with provided guidance.
- Avoid disabling or removing installed equipment, except for immediate health or safety reasons.
- Report issues with installed equipment to property management in a timely manner.
- Cooperate with scheduling and temporary disruptions during installation.

Eligible Activities under the Program

1. Pre-Development activities: These may include early planning activities that help determine project feasibility and readiness including technical assistance, energy audits, and feasibility studies. DEEP is considering a cap of \$8,000-\$10,000 per project for energy audits and

assessments and a cap of \$25,000-\$50,000 per project for all pre-development activities. See below for potential circumstances where the initial tranche of the pre-development funding for building assessment and audits may be forgiven.

2. Energy Efficiency and Water Conservation Measures: These may include, but are not limited to, installing heat pumps, insulation, air sealing, ventilation systems, low-flow fixtures, heat pump water heaters and other water conservation measures that can demonstrate energy savings. Additionally, energy-efficiency appliance upgrades and necessary electric system or wiring improvements for retrofits are eligible.
3. Resilience Measures: These may include resilience measures that support or enable energy efficiency outcomes, such as those that strengthen the building envelope or mechanical systems and support the durability and performance of installed energy systems. Examples may include, solar + storage systems, FORTIFIED Roof³, and floodproofing, including vents for foundation walls and garages, sump pump installation with seals and locks, repoint deteriorated mortar in basement walls and around windows, and French drain installation.
4. Health, Safety, and Enabling Rehabilitation: The Program recognizes that health, safety, and building condition issues often impede the implementation of energy efficiency and electrification measures. Eligible activities may therefore include remediation of conditions that directly prevent or limit energy upgrades, such as mold and moisture remediation, asbestos, lead, and radon mitigation, electrical hazards, plumbing deficiencies, and moderate rehabilitation needed to prepare the property for energy efficiency upgrades.

Program funds are expected to be used in coordination with available incentives, rebates, grants, and other financing sources to the greatest extent practicable.

Program Implementer

DEEP anticipates selecting one or more qualified entities to serve as Program implementer (Implementer). DEEP's goal is to leverage existing programs and infrastructure so that loans can be deployed quickly across the state, without duplicating systems or creating new intermediaries. Eligible entities may include nonprofit organizations, quasi-public entities, or electric distribution or gas companies, provided they demonstrate:

- Experience financing multifamily properties, particularly energy efficiency and clean energy upgrades;
- Capacity to coordinate energy, health and safety, and moderate rehabilitation scopes;
- Ability to operate statewide; and
- Experience coordinating with lenders, utilities, and public agencies, as well as developers, landlords, and housing agencies.

The Program Implementer will provide data tracking and reporting to DEEP on a predefined schedule and handle intake, screening, underwriting recommendations, coordination with incentives, fund disbursement, verification, servicing, and repayment.

³ FORTIFIED Roof[™] is a voluntary construction standard developed by the Insurance Institute for Business & Home Safety (IBHS) that goes beyond building codes to improve wind and rain resistance, typically featuring sealed roof decks, enhanced edge securement, and superior nailing techniques.

Loan term and repayment structure

DEEP anticipates that revolving loan financing will be structured as a low-interest (1-3%) mortgage product. The interest rate will be set at a level sufficient to recover reasonable servicing and administrative costs while preserving the revolving nature of the fund. Loans will be secured by a mortgage on the property, which may be subordinate to existing mortgages or the primary lender so that energy upgrades can be financed without complicating and delaying primary underwriting. Loan sizing will be based on the most restrictive of the per-unit or per-project caps and the property's ability to reasonably support debt service, including consideration of projected energy savings.

A. Bridge capital structure

Short-term loan to cover upfront costs including pre-development expenses.

- Term: typically, 12 to 24 months (TBD, match term of construction financing)
- Takeout: repaid from one or more of:
 - construction to permanent conversion,
 - recapitalization proceeds,
 - incentive payments once measures are installed,
 - bill savings

B. Permanent amortizing structure

- Term: commonly 5 to 15 years (TBD; not to exceed the average useful life of EE measures), sometimes longer if paired with major capital events

C. Hybrid

The Program is considering a hybrid loan structure where a short-term bridge loan converts to a longer-term amortizing loan at completion, with incentives applied as principal reduction and repaid funds recycled into new loans.

Project Caps

DEEP is considering the use of both per-unit caps and per-project caps to guide deployment of revolving loan proceeds and manage portfolio risk.

- Per-unit cap of \$40,000 per eligible affordable unit and funds will be available to be used across the whole project. This cap is intended to promote equitable distribution of funds across properties.
- Per-project cap of \$500,000 for small properties (5-20 units) and \$1,000,000 for large properties (20+ units). This cap is intended to limit concentration of funds in any single project.

Proposed Program Structure

DEEP is considering a phased approach:

1. Pre-Development screening
2. Pre-Development funding
3. Eligibility confirmation
4. Revolving loan financing for comprehensive energy upgrades
5. Implementation, verification, and repayment

Applications to the Program will be accepted year-round on a rolling basis. A project may directly apply to energy efficiency loan financing if pre-development funding is not needed.

Pre-Development Screening (Threshold Review)

Prior to the release of any pre-development or assessment funding, the Implementer(s) will conduct a pre-development screening to determine whether a property is sufficiently viable and aligned to warrant early-stage investment.

The purpose of the screening is to provide DEEP the confidence that limited pre-development funds are directed to real projects that are likely to advance, before committing additional public resources. The screening is not a full underwriting, technical review, or final project approval, but a threshold determination used to guide the strategic deployment of limited pre-development funds.

As part of the screening, the Implementer(s) may review, at a high level:

- Property and ownership information.
- Owner intent and anticipated timing of upgrades or capital events.
- High-level building conditions.
- The status of weatherization and health and safety work, or a proposed pathway to complete such work.
- Availability of existing energy or building assessments.
- Commit to coordinate with WAP, utility programs, and other available funding sources.

Projects with existing financing approvals from CHFA, DOH, HUD, or other comparable public agencies may be exempt from this screening, provided such approvals demonstrate project readiness and alignment with the objectives of the Program.

Following completion of the screening, the Implementer(s) may invite the applicant to proceed to pre-development or assessment funding, invite the applicant to proceed with conditions, or decline to advance the project at this time. Advancement through screening does not constitute a commitment to providing revolving loan funding.

Pre-Development Funding

DEEP is considering the use of limited pre-development funding to support early-stage activities needed to assess project feasibility and readiness under the Program. Pre-development funding will be provided in tranches, tied to defined milestones and deliverables. The initial tranche of funding will be structured as a forgivable loan to support energy and building assessments, including documentation of existing conditions, identification of health and safety barriers, and identification of rehabilitation or enabling work necessary to support proposed energy efficiency or electrification or resilience measures. Assessments may build upon existing WAP, utility, or other whole-building assessments where sufficient, consistent with DEEP's assessment approach. DEEP is considering a cap of \$8,000-\$10,000 per project for the initial tranche.

Based on assessment findings, DEEP may authorize additional pre-development funding to advance viable projects toward implementation and financing. Where projects do not proceed beyond the assessment stage, initial pre-development funding may be forgiven at DEEP's discretion or other allowable circumstances.

If assessment findings indicate that a project is viable and ready to proceed, DEEP may authorize additional pre-development funding to support further planning, coordination, or analysis necessary to advance the project toward implementation and financing. If assessment findings indicate that a project is not viable, as determined at the discretion of DEEP/Implementer(s) or due to other allowable circumstances, initial pre-development funding may be forgiven. Pre-development funding will be rolled into the overall Revolving Loan Program financing if the project proceeds, subject to a total cap of \$25,000-\$50,000 per project.

Revolving Loan Financing

As a condition of receiving Revolving Loan Program proceeds, projects will be required to complete weatherization, address any health and safety barriers that prevent weatherization, and complete a comprehensive package of cost-effective energy efficiency measures as identified by energy audit findings, designed to achieve meaningful energy savings. Additionally, where technically and economically feasible, projects are expected to evaluate and prioritize electrification as part of their overall efficiency strategy.

Implementation, Verification, and Repayment

All energy efficiency and electrification measures supported by revolving loan proceeds must be included in the approved scope of work and will be verified at closeout against the scope and required documentation.

Project closeout will be determined by verification that:

- Required weatherization and health and safety measures have been completed.
- Energy efficiency and electrification measures align with the scope of work.
- Required documentation has been submitted and reviewed.

If the owner fails to complete the approved energy efficiency measures in accordance with the terms of this Agreement, the owner shall be required to repay all or a prorated portion of the funds provided, as determined by DEEP. Such repayment may be accelerated and may include applicable interest, fees, or penalties.

The mortgage will be released upon the repayment of the principal and interest, expected at the earlier of a refinance of a construction loan, the end of the efficiency loan term, or the sale of property.

Anticipated Success Metrics

Program success may be evaluated based on:

- Estimated energy savings and associated greenhouse gas reductions
- Depth and comprehensiveness of retrofits, including electrification
- Speed and scale of deployment across the multifamily sector
- Loan deployment and repayment performance, including effective recycling of capital
- Leverage of additional public and private capital
- Advancement of projects from pre-development and barrier remediation to full energy upgrades
- Program processing timelines, including application review and disbursement
- Number of units and low-income residents served
- Overall Program efficiency and borrower experience

Public Input Questions

Respondents are encouraged to answer only those questions most relevant to their experience and expertise. Responses need not address every question.

1. Within the requirements of C.G.S. §8-240a, as amended by Public Act 25-125 Sec. 15, how can the Multifamily Revolving Loan Program be designed to align with existing housing finance programs and underwriting workflows, so that it integrates seamlessly into the project capital stack without creating duplicative reviews or administrative burden for project sponsors and lenders?
2. How should the Multifamily Revolving Loan Program coordinate with existing weatherization and utility-funded multifamily programs to complement technical assessments and assistance provided as part of those programs, avoid duplication or rigid sequencing, and ensure efficient project delivery?
3. Based on current market conditions in Connecticut, what are typical costs for energy audits or related assessment add-ons needed to support deeper energy efficiency and electrification projects, and what would be a reasonable cap or funding range for an initial pre-development tranche?
4. How should the Program incorporate resilience measures (e.g. solar + storage systems, FORTIFIED Roof, and floodproofing), that are critical for risk reduction but may have high upfront costs and limited direct energy savings to support loan repayment? Please provide recommendations on appropriate financing structures to ensure project feasibility while maintaining a sustainable revolving loan program.
5. What limits, if any, should be placed on the portion of total project costs used for health, safety, or enabling rehabilitation to ensure the Program remains focused on energy outcomes, while still making deeper energy efficiency and electrification projects feasible? Please comment on appropriate percentage ranges and when exceptions may be warranted.
6. Are there alternative loan structures not mentioned above that should be considered for the Program?
7. How should loan sizing be structured to balance project feasibility, portfolio risk, and equitable distribution of funds, including the use of per-unit and per-project caps for deeper energy efficiency and electrification projects?
8. How should repayment triggers or events (such as receipt of incentives, conversion to permanent financing, sale, or recapitalization) best allow borrowers to undertake energy upgrades while ensuring that funds are repaid and recycled to support future projects?
9. How can the Program provide funds early to cover upfront costs, while still putting in place reasonable safeguards to ensure that approved energy efficiency and electrification measures are actually completed?

10. What program design features are most effective in preventing the Program funds from supplanting other leveraged resources, including practices that discourage energy measures from being treated as add alternates or optional scope items?
11. How can funding be structured to ensure equitable access and broad participation for both small (5-20 units) and large (20+ units) multifamily properties? For example, would separate administrators, separate funding tracks or other approaches be effective? Are there other strategies you would suggest?
12. What community engagement, outreach channels, or partnerships would be most effective in publicizing the Multifamily Revolving Loan Fund and reaching owners and tenants of naturally occurring affordable housing (NOAH) who may not be connected to traditional energy or housing program networks?
13. What organizational capacities, experience, or partnerships are most important for an entity serving as the Program implementer for a statewide multifamily energy financing program?
14. The Program outline describes how the Multifamily Revolving Loan Fund addresses owner–tenant split incentives through financing structure, delivery supports, tenant protections, and shared responsibilities. Does this approach appropriately address split incentives in multifamily properties? Are there additional strategies or refinements that should be considered?
15. Please provide any other feedback on the Multifamily Revolving Loan Program design or implementation that would make it successful and impactful.