



Inclusive Prosperity Capital

inclusiveprosperitycapital.org

ABOUT THIS PROJECT

Inclusive Prosperity Capital (IPC) accelerates investment in clean energy projects with an emphasis on underserved markets such as low- and moderate-income communities. Kresge's guarantee supported IPC as it launched in 2018 and seeks to raise at least \$200 million to deploy in the next five years. Projects funded will include third party solar for housing authorities, community facilities and municipal buildings; clean energy for affordable single- and multi-family housing; and other project finance in partnership with developers operating in underserved markets who offer technology solutions or business model innovations that have yet to reach adequate scale to attract investment from traditional markets. These could include green infrastructure, fuel cell, wind power projects and more.

IMPACTED LOCATION



Initially, Northeast and Mid-Atlantic; eventually National

YEAR APPROVED

2018

TYPE OF TRANSACTION

PRI Loan

WHY WAS THIS NEEDED?

Challenge: Low-income communities face barriers to financing for clean energy and other resilience projects. Connecticut Green Bank (CGB), the nation's first green bank, had decades of expertise in clean energy finance but experienced difficulties to achieving a greater level of activity, particularly due to geographic restrictions. As a result, CGB was challenged to effectively address underserved segments of the market at scale.

Solution: By spinning off and investing in IPC, capital can be efficiently sourced and delivered to the clean energy and climate resilience markets in Connecticut and beyond.



This family worked with Connecticut Green Bank to finance asbestos remediation as well as converting their home to natural gas.

KRESGE PROGRAM

Environment Program

AMOUNT OF INVESTMENT

up to \$10M

GRANT SUPPORT

\$300,000

TERM OF INVESTMENT

17 years



This couple worked with Connecticut Green Bank to install solar panels on their roof.

ABOUT THE BORROWER

Launched in 2018 as a nonprofit by Connecticut Green Bank (CGB), Inclusive Prosperity Capital (IPC) finances clean energy and other climate resilience projects within a community development context. Since its founding in 2011, CGB has leveraged more than \$1 billion in investment into Connecticut's clean energy economy, with \$350 million of that investment focused on underserved communities and underinvested markets. As CGB has evolved, an increased focus has been on supporting affordable and healthy buildings in low- and moderate-income communities by reducing their energy burden, increasing climate resilience and addressing health and safety. CGB's decision to develop IPC as a mission-aligned affiliate is a key strategy to advance these goals. CGB will support IPC through a combination of grant investment and long-term service contracts.

KEY PARTNERS:

Connecticut Green Bank, Forsyth Street Advisors

Key Considerations



Kim Dempsey

Deputy Director
Social Investment Practice

- » Kresge's \$10 million guarantee will protect up to 25% of losses on \$40 million of senior capital.
- » IPC will primarily concentrate in the Northeast and Mid-Atlantic states but will eventually expand nationally.
- » Ultimately, IPC expects most of its project finance dollars will be invested in low- and moderate-income communities
- » Kresge's Environment Program believes in the potential for IPC to expand the availability of financing for green stormwater infrastructure, resilient power systems and other critical climate resilience improvements in low-income communities.
- » IPC is managed and governed by senior staff from the CGB, a team that collectively has more than 50 years of combined experience in clean energy finance.

"Kresge's guarantee is especially catalytic," said Kerry O'Neill, CEO of IPC, "because it provides our new fund structure with the sort of institutional, anchor support that can serve as the foundation for a flexible capital stack that both meets diverse investor needs and allows IPC to address traditionally underinvested market segments."



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