



SOCIETAL BENEFITS: EQUITY - INVESTMENT IN VULNERABLE COMMUNITIES

Background



The Green Bank stimulates economic activity in the state through its program related and strategic lending and investing, specifically in vulnerable communities. Investment can be tracked by census tract, or other means, to determine how vulnerable communities benefit from the Green Bank's programs and products

The Comprehensive Plan of the Green Bank has established a goal that by 2025 no less than 40 percent of investment and benefits will inure to vulnerable communities through its incentive and financing programs. To help the Green Bank measure progress, it tracks investments and benefits (e.g., number of project units, deployment) in vulnerable communities, with a focus on those communities eligible for CRA, as well as environmental justice communities.

Projects In Vulnerable Communities

During the fall 2020 Special Session, the Connecticut General Assembly passed Public Act 20-5 to address emergency response by the state's electric utilities during recent storms. Within the resiliency aspects of the bill, a definition for "vulnerable communities" was included:

"Vulnerable communities" means populations that may be disproportionately impacted by the effects of climate change, including, but not limited to, low and moderate income communities, environmental justice communities pursuant to section 22a-20a, communities eligible for community reinvestment pursuant to section 36a-30 and the Community Reinvestment Act of 1977, 12 USC 2901 et seq., as amended from time to time, populations with increased risk and limited means to adapt to the effects of climate change, or as further defined by the Department of Energy and Environmental Protection (DEEP) in consultation with community representatives".

Activity & Projects

Table 1: Green Bank Commercial and Residential³ Activity in Vulnerable and Not Vulnerable Communities by FY Closed⁴

Fiscal Year	# Project Units				MW				Total Investment			
	Total	Not Vulnerable	Vulnerable	% Vulnerable	Total	Not Vulnerable	Vulnerable	% Vulnerable	Total	Not Vulnerable	Vulnerable	% Vulnerable
2012	288	215	73	25%	1.9	1.5	0.5	23%	\$9,901,511	\$7,675,503	\$2,226,008	22%
2013	1,114	844	270	24%	23.5	6.2	17.3	74%	\$111,093,950	\$27,482,896	\$83,611,054	75%
2014	2,566	1,612	954	37%	23.4	12.5	10.9	46%	\$104,381,638	\$60,609,916	\$43,771,721	42%
2015	6,745	4,059	2,686	40%	62.2	39.8	22.4	36%	\$314,705,958	\$177,737,418	\$136,968,540	44%
2016	8,316	3,860	4,456	54%	65.9	34.5	31.4	48%	\$317,268,066	\$147,706,494	\$169,561,572	53%
2017	6,135	2,131	4,004	65%	49.9	20.2	29.7	59%	\$177,326,879	\$69,135,109	\$108,191,770	61%
2018	8,392	2,913	5,479	65%	56.4	24.8	31.6	56%	\$218,276,725	\$94,774,677	\$123,502,048	57%
2019	13,596	7,608	5,988	44%	64.4	29.5	34.9	54%	\$317,257,425	\$156,396,465	\$160,860,960	51%
2020	9,264	4,225	5,039	54%	75.3	41.3	34.0	45%	\$287,441,536	\$153,085,833	\$134,355,704	47%
2021	7,519	4,011	3,508	47%	71.8	44.9	26.9	37%	\$280,468,043	\$153,362,899	\$127,105,144	45%

Projects by Income Bands

In addition to tracking funding and clean energy deployment in distressed municipalities, the Green Bank works to ensure that low to moderate income (LMI) census tracts across the entire state benefit from its programs. The Green Bank defines low to moderate income as 100% or less of the Area Median Income (AMI) of a Metropolitan Statistical Area (MSA). Table 2 groups the Green Bank's residential projects by the average area median income (AMI) of their census tract from the American Community Survey (ACS) 5-Year Estimate data.

Table 2: Green Bank Residential⁷ Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 100% by FY Closed⁸

Fiscal Year	# Project Units				MW				Total Investment			
	Total	Over 100% AMI	100% or Below AMI	% at 100% or Below	Total	Over 100% AMI	100% or Below AMI	% at 100% or Below	Total	Over 100% AMI	100% or Below AMI	% at 100% or Below
2012	288	240	48	17%	1.9	1.7	0.3	15%	\$9,901,511	\$8,543,945	\$1,357,565	14%
2013	1,107	896	211	19%	7.9	6.5	1.3	17%	\$35,342,806	\$29,071,314	\$6,271,492	18%
2014	2,539	1,755	784	31%	16.7	12.7	4.0	24%	\$75,010,052	\$56,327,094	\$18,682,958	25%
2015	6,683	4,518	2,165	32%	47.5	34.1	13.4	28%	\$217,730,951	\$154,998,892	\$62,732,058	29%
2016	8,245	4,474	3,771	46%	55.7	34.4	21.2	38%	\$262,380,908	\$148,693,022	\$113,687,886	43%
2017	6,074	2,544	3,530	58%	35.2	19.1	16.2	46%	\$132,393,212	\$68,807,188	\$63,586,024	48%
2018	8,307	3,580	4,727	57%	42.3	24.2	18.1	43%	\$178,368,044	\$97,827,992	\$80,540,052	45%
2019	9,206	4,056	5,150	56%	55.5	32.7	22.8	41%	\$236,695,478	\$122,965,352	\$113,730,126	48%
2020	8,576	4,645	3,931	46%	59.5	35.4	24.1	41%	\$223,626,494	\$130,236,871	\$93,389,623	42%
2021	6,697	3,818	2,879	43%	50.7	31.7	19.0	37%	\$195,421,810	\$120,717,712	\$74,704,098	38%
Total	57,722	30,526	27,196	47%	373.0	232.6	140.4	38%	\$1,566,871,265	\$938,189,382	\$628,681,883	40%

CRA & Distressed Communities

Projects by CRA Eligibility

The Community Reinvestment Act was enacted by Congress in 1977 to encourage depository institutions to lend in low-to-moderate-income communities. These lending institutions are rated by regulators as to the volume of their lending to projects in these communities by regulators. Projects are potentially compliant with CRA requirements if they are below 80% of a Metropolitan Statistical Area's (MSA) Adjusted Median Income (AMI) level or if the program is designed to serve LMI customers.

Table 3. Green Bank Commercial and Residential⁹ Activity in Metropolitan Statistical Area (MSA) Area Median Income (AMI) Bands Above or Below 80% by FY Closed¹⁰

Fiscal Year	# Project Units ¹¹				MW				Total Investment			
	Total	Over 80% AMI	80% or Below AMI	% at 80% or Below	Total	Over 80% AMI	80% or Below AMI	% at 80% or Below	Total	Over 80% AMI	80% or Below AMI	% at 80% or Below
2012	288	273	15	5%	1.9	2	0	4%	\$9,901,511	\$9,514,915	\$386,596	4%
2013	1,114	1,027	87	8%	23.5	8	15	65%	\$111,093,950	\$37,790,564	\$73,303,386	66%
2014	2,566	2,180	386	15%	23.4	18	5	21%	\$104,381,638	\$84,151,042	\$20,230,595	19%
2015	6,745	5,528	1,217	18%	62.2	54	8	13%	\$314,705,958	\$243,872,647	\$70,833,311	23%
2016	8,313	5,498	2,815	34%	65.5	52	13	20%	\$316,055,012	\$231,720,965	\$84,334,047	27%
2017	6,135	3,260	2,875	47%	49.9	33	17	34%	\$177,326,879	\$107,472,041	\$69,854,839	39%
2018	8,387	4,618	3,769	45%	55.3	39	16	29%	\$214,866,711	\$146,192,287	\$68,674,424	32%
2019	9,256	4,974	4,282	46%	64.2	45	19	30%	\$268,841,681	\$163,320,320	\$105,521,361	39%
2020	8,643	5,377	3,266	38%	67.5	49	18	27%	\$257,494,311	\$176,094,784	\$81,399,527	32%
2021	6,767	4,494	2,273	34%	68.9	53	16	23%	\$260,674,956	\$176,983,062	\$83,691,894	32%
Total	58,214	37,229	20,985	36%	482.3	354	128	27%	\$2,035,342,606	\$1,377,112,626	\$658,229,979	32%

Distressed Communities

Connecticut's "distressed communities"¹¹ are particularly affected by the state's high energy prices. On average, Connecticut's neediest households owe \$1,678 more in annual energy bills than they can afford¹². The Green Bank's financing products and marketing efforts seek to bring lower and more predictable energy costs to homes and businesses in these communities.

For more information on DECD Distressed Municipality criteria, click [here](#)¹³

Table 4. Green Bank Commercial and Residential¹⁴ Activity in Distressed and Not Distressed Communities by FY Closed¹⁵

Fiscal Year	# Project Units				MW				Total Investment			
	Total	Not Distressed	Distressed	% Distressed	Total	Not Distressed	Distressed	% Distressed	Total	Not Distressed	Distressed	% Distressed
2012	288	253	35	12%	1.9	1.7	0.2	10%	\$9,901,511	\$8,904,382	\$997,129	10%
2013	1,114	995	119	11%	23.5	7.9	15.5	66%	\$111,093,950	\$35,983,309	\$75,110,640	68%
2014	2,566	2,177	389	15%	23.4	19.5	3.9	17%	\$104,381,638	\$83,369,842	\$21,011,796	20%
2015	6,745	5,247	1,498	22%	62.2	49.1	13.1	21%	\$314,705,958	\$221,490,130	\$93,215,828	30%
2016	8,316	5,881	2,435	29%	65.9	48.9	16.9	26%	\$317,268,066	\$218,810,665	\$98,457,401	31%
2017	6,135	3,868	2,267	37%	49.9	34.1	15.8	32%	\$177,326,879	\$118,164,462	\$59,162,417	33%
2018	8,392	4,651	3,741	45%	56.4	35.7	20.7	37%	\$218,276,725	\$140,564,141	\$77,712,584	36%
2019	9,257	4,974	4,283	46%	64.4	44.5	19.9	31%	\$269,576,221	\$164,734,635	\$104,841,586	39%
2020	8,647	5,696	2,951	34%	75.3	55.7	19.6	26%	\$276,528,657	\$202,095,129	\$74,433,528	27%
2021	7,031	4,888	2,143	30%	64.2	49.9	14.3	22%	\$258,600,637	\$198,188,470	\$60,412,168	23%
Total	58,491	38,630	19,861	34%	487.0	347.0	140.0	29%	\$2,057,660,241	\$1,392,305,164	\$665,355,076	32%

Projects in Areas Designated as Environmental Justice Communities

DEEP's Environmental Justice Program¹ as described [here](#) defines Environmental Justice Communities as "Environmental justice community" means (A) a United States census block group, as determined in accordance with the most recent United States census, for which thirty per cent or more of the population consists of low income persons who are not institutionalized and have an income below two hundred per cent of the federal poverty level; or (B) a distressed municipality, as defined in subsection (b) of section 32-9p;". Click [here](#)² for more information on Distressed Communities and defined census block groups.

Table 5. Green Bank Commercial and Residential¹⁴ Activity In Environmental Justice Communities by FY Closed¹⁵

Fiscal Year	# Project Units				MW				Total Investment			
	Total	Not EJ Community	EJ Community	% EJ Community	Total	Not EJ Community	EJ Community	% EJ Community	Total	Not EJ Community	EJ Community	% EJ Community
2012	288	244	44	15%	1.9	1.7	0.3	14%	\$9,901,511	\$8,557,222	\$1,344,289	14%
2013	1,114	967	147	13%	23.5	7.8	15.7	67%	\$111,093,950	\$35,082,048	\$76,011,902	68%
2014	2,566	2,099	467	18%	23.4	19.0	4.4	19%	\$104,381,638	\$81,289,649	\$23,091,988	22%
2015	6,745	5,038	1,707	25%	62.2	47.5	14.6	24%	\$314,705,958	\$214,460,249	\$100,245,709	32%
2016	8,316	5,503	2,813	34%	65.9	46.5	19.4	29%	\$317,268,066	\$208,049,297	\$109,218,769	34%
2017	6,135	3,208	2,927	48%	49.9	29.6	20.3	41%	\$177,326,879	\$102,676,562	\$74,650,317	42%
2018	8,392	4,261	4,131	49%	56.4	33.1	23.2	41%	\$218,276,725	\$131,219,217	\$87,057,507	40%
2019	9,257	4,533	4,724	51%	64.4	42.2	22.2	34%	\$269,576,221	\$155,970,762	\$113,605,459	42%
2020	8,647	4,946	3,701	43%	75.3	53.0	22.3	30%	\$276,528,657	\$192,113,412	\$84,415,245	31%
2021	7,064	4,616	2,448	35%	64.6	47.5	17.0	26%	\$259,793,388	\$176,801,253	\$82,992,135	32%
Total	58,524	35,415	23,109	39%	487.3	327.9	159.5	33%	\$2,058,852,991	\$1,306,219,672	\$752,633,320	37%

Footnotes

1 <https://portal.ct.gov/DEEP/Environmental-Justice/Environmental-Justice>

2 <https://portal.ct.gov/DEEP/Environmental-Justice/Environmental-Justice-Communities>

3 Residential Owner-occupied properties of 1-4 units and multifamily housing greater than 4 units.

4 Excludes projects in unknown communities.

5 2019 American Community Survey (ACS).

6 The suite of products offered by the Connecticut Green Bank do not currently address rental properties of 1-4 units.

7 Residential Owner-occupied properties of 1-4 units and multifamily housing greater than 4 units.

8 Excludes projects in unknown bands.

9 Residential Owner-occupied properties of 1-4 units and multifamily housing greater than 4 units. This table has been adjusted to include all the Low-Income Solar Lease (ESA) and Multifamily Affordable Housing projects as 80% or Below AMI regardless of which census tract the project falls into as these programs are designed to serve the

LMI market.

10 Excludes projects in unknown bands.

11 Distressed Municipalities are defined by the Connecticut Department of Economic and community Development by a combination of per capita income, poverty rates, unemployment rates, growth, age of buildings, education.

12 Mapping Household Energy & Transportation Affordability in Connecticut: <https://www.ctgreenbank.com/wp-content/uploads/2020/11/Mapping-Household-Energy-and-Transportation-Affordability-Report-Oct-2020.pdf> \$21,678 is the average energy affordability gap for Households earning less than 100% of the Federal Poverty Level. For households earning less than 200% FPL the average energy affordability gap is \$858.

13 Department of Economic and Community Development: https://portal.ct.gov/DECD/Content/About_DECD/Research-and-Publications/02_Review_Publications/Distressed-Municipalities

14 Residential Owner-occupied properties of 1-4 units and multifamily housing greater than 4 units.

15 Excludes projects in unknown bands.

About the Connecticut Green Bank

The Connecticut Green Bank was established by the Connecticut General Assembly in 2011 as the nation's first green bank and has since supported the creation of more than 23,000 green energy jobs in the state, while reducing the energy cost burden on over 55,000 families, businesses, and nonprofits. The Green Bank's vision is a planet protected by the love of humanity and its mission is to confront climate change and provide all of society a healthier, more prosperous future by increasing and accelerating the flow of private capital into markets that energize the green economy. This is accomplished by leveraging limited public resources to scale-up and mobilize private capital investment into Connecticut. In 2017, the Connecticut Green Bank received the Innovations in American Government Award from the Harvard Kennedy School Ash Center for Democratic Governance and innovation for their "Sparkling the Green Bank Movement" entry. For more information, please visit www.ctgreenbank.com

