



Request for Proposal:

The Community Investment Guarantee Pool (CIGP) seeks qualified beneficiaries (defined in “Who Should Apply”) who currently operate or wish to operate in the climate change space to receive committed unfunded guarantees/credit enhancements.

Key Dates

- Issuance of RFP: 9/8
- Deadline of statements of intent: 9/24 at 12:00 PM EST
- Deadline for clarifying questions: 9/24 at 12:00 PM EST
- Issuance of answers to clarifying questions: 10/8
- Response deadline: 10/29 at 5:00 PM EST

Background on CIGP

CIGP is a first of its kind platform allowing philanthropies and other impact-driven institutions to combine resources and expertise to establish a one-stop-shop for issuing guarantees in support of lenders, intermediaries, and other innovative actors in the climate, affordable housing, and small business sectors. This pooled commitment of financial guarantees aims to unlock capital and accelerate investments that would not otherwise be possible across the United States.

This effort by CIGP is the first attempt in the U.S. to aggregate pooled philanthropic guarantees to accelerate the flow of capital into climate finance. CIGP arranges committed unfunded financial guarantees, which are leveraged to increase community development lending and investing for climate change, affordable housing, and small business, all with an emphasis on low-income communities and communities of color. CIGP has raised \$38.1M in guarantee capacity to date and plans to grow the pool to \$75M - \$100M within three to five years.

Committed unfunded guarantees are legal agreements in which a third-party guarantor to a financial transaction promises to pay the lender/investor if the borrower/investee is unable to do so. No funding is provided up front by the guarantor in this agreement. By reducing risk and demonstrating support for projects, guarantees unlock more traditionally risk averse capital, thereby accelerating lending and community investments. CIGP pools commitments from multiple guarantor institutions who share risk by contributing prorated payments in the event of a call on the guarantee.

CIGP guarantors include leading philanthropies and impact investors including the Annie E. Casey Foundation, the California Endowment, the Chan Zuckerberg Initiative, CommonSpirit Health, Gary Community Investments, the Jessie Ball duPont Fund, the Kresge Foundation, the Phillips Foundation, the Robert Wood Johnson Foundation, the Seattle Foundation, and the Weingart Foundation. The CIGP program is managed and administered by LOCUS Impact Investing, which guides and supports place-focused institutions to innovatively invest their capital to drive meaningful, local community impact.

Summary of the Request for Proposal

CIGP seeks qualified beneficiaries to apply for guarantees/credit enhancements. More information on guarantee amounts, terms, and other details are below:

CIGP Climate Change Guarantee Basics:	
Guarantee Amount	\$1M minimum, \$5M maximum; Expected average \$2.5 to \$3.5M
Term	Up to 13 years
Deployment	Transactions must be approved within 12 months (deployment preferred)
Sector	Climate Change Mitigation, Adaptation, and/or Disaster Recovery
Use	Liquidity, Equity Substitution, Collateral Substitution, Credit Enhancement
Type	Enterprise, Pool, Program (transaction by transaction)
Leverage	Demonstrate at least 5:1 direct leverage
Typical Pricing	Typically, 1-3% annual fee for total committed guarantee amount to CIGP
Loss Share	Qualified beneficiary generally will take first loss up to specified amount, with CIGP taking second loss

Purpose of the Request for Proposal

New tools like guarantees are needed to de-risk, mobilize, and most importantly, accelerate private capital flows for climate change solutions. This pressing need for new financial solutions for climate change challenges led CIGP to issue this RFP and seek qualified beneficiaries to submit proposals to receive its guarantee.

Who Should Apply

Qualified beneficiaries include both for-profit and nonprofit organizations – such as established community lenders, investors, and financial intermediaries (credit unions, CDFIs, etc.) – in the U.S. that currently provide or want to begin providing climate change solutions to low-income communities and communities of color. CIGP will also consider issuing guarantees to other entities working to de-risk climate investments or to attract and leverage investment into such projects, such as clean energy infrastructure developers and installers. CIGP encourages institutions, particularly smaller ones, to partner together in their proposal submission. We understand and appreciate the significant impact and challenges addressed by smaller institutions and welcome their innovative partnerships.

CIGP defines climate change solutions as those that address mitigation, adaptation, and/or disaster recovery challenges. Guarantees should be used to enhance the credit of “but for” transactions, projects, or loans that would not be possible without the use of such a guarantee. These would be defined as transactions, projects, or loans that without a guarantee would be outside of a lender's "credit box" (e.g., too high of a loan-to-value, too little collateral).

CIGP welcomes applications from qualified beneficiaries to leverage guarantees for the below scenarios. CIGP's guarantees should enable qualified beneficiaries to expand its service offerings and try something new that would not be possible without a guarantee.

- Qualified beneficiaries who seek to fund specific, already identified project(s) in the climate space.
- Qualified beneficiaries who have not identified specific project(s) at the time of application but have previously encountered climate projects that would have benefited from a guarantee and expect to encounter similar projects in the future. Qualifications for the projects and loans to which the guarantee can be applied would be agreed upon in advance between CIGP and the beneficiary.
- Qualified beneficiaries who have no prior experience with projects in the climate space but seek to utilize a guarantee to begin providing climate change solutions. Qualifications for the projects and loans to which the guarantee can be applied would be agreed upon in advance between CIGP and the beneficiary.

Currently, preference is given to qualified beneficiaries operating within California, Colorado, Delaware, Florida, Georgia, Maryland, New Mexico, North Carolina, Texas, Virginia, and Washington with a focus on Seattle. However, mission aligned entities outside of these geographies will be considered. Mission alignment is imperative regardless of the beneficiary's area of operations. CIGP deliberately focuses on diversity, racial equity, and inclusion at the intermediary and/or end user level.

Proposal Process

Timeline:

- Statements of intent should be sent to cigp_rpf@sustainablecap.com by 9/24 at 12:00 PM EST. Statements of intent should be no more than a few sentences expressing your organization's intent to submit an RFP response, and a high-level overview of the initiative your organization would utilize CIGP's climate change guarantee toward.
 - Statement of intents are encouraged but missing the statement of intent deadline will not disqualify anyone from submitting a final proposal.
- Clarifying questions should be submitted to cigp_rfp@sustainablecap.com by 9/24 at 12:00 PM EST.
- Questions and answers will be aggregated and posted on the CIGP website on 10/8.
- Proposals from qualified beneficiaries should be in the form of a PDF, no more than 5 pages, and should be submitted to cigp_rfp@sustainablecap.com by 10/29 at 5:00 PM EST.
 - Proposals will be considered on a rolling basis; initial responses will be sent approximately two weeks after submission.

Proposals should include the following:

- Background information about the applicant, including commitments to diversity, equity, and inclusion (DEI).
 - Evidence of commitment to DEI through institutional governance, organizational practices, and/or commercial transactions, including number of transactions completed, dollar amount, impact, and metrics to evidence measurable commitment/performance in this space.
- A detailed summary of past financing activity, preferably in the climate change space, along with references, and the details below:

- How much financing was provided and what was it used for?
- What impact did the financed project achieve?
- Project(s)/project type(s) information:
 - How will your organization utilize the CIGP guarantee to access capital?
 - What project(s) will the guarantee be leveraged for?
 - How will the climate change impacts of the project be measured and on what frequency?
 - How will the project(s) impact low-income communities and/or communities of color?
 - What is the deployment schedule for the project(s)?
- Financial information:
 - What amount of leverage off of the guarantee does the project anticipate achieving?
 - What is the estimated size (dollar amount) of the project?
 - What size of a guarantee (dollar amount) does the project require?
 - What amount of first loss is your organization prepared to accept?
- Risks and opportunities:
 - What potential financing and execution risks and opportunities are associated with the project(s)?
 - What risk(s) will the CIGP guarantee address? (i.e., securing a specific type of funding)
- Partner information:
 - Have the target funding partners been identified, and if so, who are they?
 - What entity will be providing the funding that CIGP will be providing a guarantee for?
 - Are there other financial entities providing guarantees for other elements of the capital stack?