

IMPLEMENTATION GUIDANCE FOR STATES:

ENVIRONMENTAL AND CLIMATE JUSTICE BLOCK GRANTS

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The Inflation Reduction Act (IRA) provides \$3 billion to the Environmental Protection Agency (EPA) for Environmental and Climate Justice Block Grants (EJ Block Grants), a first-of-its-kind program aimed at providing significant funding for community-led solutions to the climate crisis. The EJ block grant is flexible and will allow community-led organizations to implement projects that are most needed within their own communities.

While the EJ Block Grants will be locally driven, projects will greatly benefit from state and local government support as community-scale projects may require permits, design and/or infrastructure approval from an agency or city council/town board, or workforce engagement. States are eligible to apply under the first round of funding for the EJ Block Grants, though it is not clear if states will be able to apply in the future. As such, states should plan to apply for initial funding, while also supporting local and Tribal governments and academic institutions in current and future funding opportunities by proactively engaging with community-based organizations to encourage their participation.

This memo summarizes the program and provides project examples and recommendations for how state and local governments can engage with grant recipients to maximize project success.

Program Details

The \$3 billion available through the EJ Block Grants are broken into two categories, with \$2.8 billion available for program grants, and \$200 million available for technical assistance. The table below details the program's two categories.

Program	Funding	Use of Funds
Program Grants	\$2.8 billion	Community-led pollution monitoring, prevention, and remediation activities, which can include investment in zero-emission technologies and infrastructure, as well as workforce development that will reduce air pollution
		Mitigation of climate and health risks including from urban heat islands, extreme heat, wood heater emissions, and wildfire events
		Projects related to climate resilience and adaptation
		Activities that reduce indoor toxics and indoor air pollution
		Improving engagement and access of disadvantaged communities in state and federal advisory groups, workshops, rulemaking, and public processes.
Technical Assistance	\$200 million	Provides technical assistance directly to recipients of the program grants to support with implementation

Exhibit 1. EJ Block Grant Funding Breakdown (\$3 billion total)

Additional details can be found in the legislative text, <u>Section 60201</u>.

Initial Round of Funding and Request for Information

In January EPA announced the first round of funding from the EJ Block Grants; nearly \$100 million was made available through the <u>Environmental Justice Collaborative Problem Solving</u> (EJCPS) Cooperative Agreement Program, and the <u>Environmental Justice Government to Government Program</u> (EJG2G).

Environmental Justice Collaborative Problem Solving Cooperative Agreement Program

The EJCPS program will distribute \$30 million to eligible entities in this first round of applications, with \$5 million set aside for smaller organizations with 5 or less full-time staff members. EPA expects to fund 50 awards of \$500,000 and 30 awards of \$150,000 for smaller organizations. Applicants will have three years to spend the grant funds. Projects must address one of the five categories of the EJ Block Grant program (described below), with an emphasis on building collaborative partnerships with local stakeholders to develop solutions to environmental and public health issues within the community, using EPA's environmental justice collaborative problem-solving model. Special consideration will be given to the following projects: those that address climate change, disaster resilience and emergency preparedness, projects in rural areas, and projects that apply a health impact assessment. Applications are due by April 10, 2023, with projects beginning in October.

Environmental Justice Government-to-Government Program

The EJG2G program will distribute \$70 million total, granting roughly \$1 million to each awardee under four different categories. Roughly 20 awards will be granted to each of the following entities that partner with community-based organizations: states (for a total of \$20 million), Tribal governments (for a total of \$20 million), local governments (for a total of \$20 million) and U.S. territories (for a total of \$10 million). Awardees will have three years to spend the funds, and projects must fit within one of the five program categories. Special consideration will be given to projects in the following areas: projects addressing climate change, disaster resilience and emergency preparedness, projects in rural areas, and projects that apply a health impact assessment. <u>Applications</u> are due by April 10, 2023, with projects beginning in October.

In February 2023, EPA opened a <u>Request for Information</u> (RFI) to gain input on program definitions, structure, and relation to the Justice40 Initiative. Potential applicants are encouraged to provide input, including states, local governments, and Tribal governments. This RFI closes on March 17, 2023.

Program Grants

The program grants will provide direct funding to community-based nonprofit organizations within disadvantaged communities to support these communities in combating the climate crisis. The program grants can be used for five different types of projects which are described below.

While communities may be able to independently implement certain activities, many community-scale projects, particularly those that require new infrastructure, technology, or workforce development opportunities, will require engagement from state and local agencies. State and local agencies should remain engaged in the process of tracking grant awardees, and provide support for projects as needed, to ensure that projects align with broader local and state goals to reduce emissions and support marginalized communities.

1. Community-led pollution monitoring, prevention and remediation

Eligible projects under this category will reduce air pollution through air monitoring and remediation projects which can engage workforce development activities. Community-based nonprofit organizations may select projects that will require state and/or local government engagement such as installation of publicly accessible charging stations or other community-based infrastructure such as community microgrids powered by zero-emissions electricity.

2. Increased engagement of disadvantaged communities

Eligible activities in this category include those that will provide marginalized communities with greater access to decision-making opportunities at the state and federal levels. This category of activities will require particular attention from state and local agencies to create processes that can be replicated across subject areas and are sustainable. Areas of engagement for state and local governments may include the development of local or statewide advisory groups which contain members and experts from disadvantaged communities to inform state and local decision-makers on relevant policy areas, or expansion of education and outreach programs.

3. Mitigation of climate and health risks

Eligible activities under this program category are those that will reduce climate and health risks of urban heat islands, extreme heat, wood heater emissions, and wildfire events. State and/or local governments may need to engage in projects such as installation of green roofs or cool roofs in disadvantaged communities, investment in green space and vegetation to provide shade and reduce heat, or expansion of public cooling centers.

4. Climate resilience and adaptation

The climate resilience and adaptation category is broad. State and local governments may need to engage or assist in projects such as updating, improving, and burying sewage systems in communities with open sewage systems that are subject to flooding, or redeveloping estuaries, marshes, swamps, reefs, and other water bodies that serve as protective barriers during storms.

5. Reduction of indoor toxics and indoor air pollution

Eligible projects in this category include those that will reduce indoor air toxics and indoor air pollution. State and local governments may want to engage in projects related to installation of air filters, ventilators, and air quality monitors in schools and low-income living facilities (including state-run and Housing and Urban Development (HUD)subsidized housing), or removal of lead paint and other toxic lead materials from schools, public buildings, and low-income living facilities (including state-run and HUD subsidized housing).

Technical Assistance

The EJ Block Grants provide \$200 million for technical assistance that is available to grant awardees to use in relation to their community-scale projects. Technical assistance is often in high demand in marginalized communities, because while residents have lived experience they may not have access to or experience with contracts and grant writing, research data, technical knowledge of clean energy technology, scientific knowledge regarding toxins and air pollutants, and so on. Local and state governments should take note of what areas of technical assistance are needed by recipients of the EJ Block Grants.

States can replicate existing technical support programs such as California's Transformative Climate Communities (TCC) program, which provides <u>technical assistance</u> to potential applicants through ongoing workshops, guidance, and tailored resources to ensure applicants are set up for success. The TCC offers a survey for applicants to best pair them with existing technical assistance. The TCC program offers various forms of technical assistance through the grant life cycle, distinguishing pre-application and planning assistance from implementation, evaluation, and reporting assistance. TCC's approach has proven successful due to <u>intentional</u> <u>investment in funding capacity building</u> for communities to allow for current and future engagement in community-scale projects. As states prepare budgets for future fiscal years, it would be ideal to create a dedicated funding source for technical assistance.

Program Eligibility

The EJ Block Grant program aims to provide funds directly to communities that have been disadvantaged by climate and environmental injustice, and the eligible entities are designed to be organizations within impacted communities that have the capacity to develop and implement community-scale projects. Disadvantaged communities are those that experience a high pollution burden and are vulnerable to-or already experiencing-the impacts of climate change. Typically disadvantaged communities have experienced systemic underinvestment, and thus require dedicated funding sources to address existing pollution as well as infrastructure and technology needs. The Council on Environmental Quality (CEQ) has developed a <u>national</u> screening tool to identify disadvantaged communities, though EPA has yet to finalize how disadvantaged communities will be defined for this program.

Eligible entities include:

- A community-based nonprofit organization, or
- A partnership of community-based nonprofit organizations, or
- A partnership between a Tribal government, a local government or a higher education institution and a community-based nonprofit.

The <u>EPA defines</u>ⁱ a community-based nonprofit organization as "a public or private nonprofit organization that supports and/or represents a community and/or certain populations within a community through engagement, education and other related services provided to individual community residents and stakeholders. A 'community' can be characterized by a particular geographic area and/or by the relationships among members with similar interests and can be characterized as part of a broader national or regional community where organizations can be focused on the needs of urban, rural and/or Tribal areas, farmworkers, displaced workers, children with high levels of lead, asthmatics, subsistence fishers, and other similar groups."

Implementation Recommendations for States

The EJ Block Grants will primarily be granted to community-based organizations with projects developed by marginalized communities, but state engagement will be critical to project success and maintenance. In the first round of funding, under the EJG2G Program states and local governments are able to apply for grants in partnership with community-based organizations to initiate eligible projects and strengthen relationships between impacted communities and state entities.

Program Grants

In addition to applying for the first round of funding, states should plan to support the EJ Block Grant program in the following ways:

• **Provide Guidance:** Disadvantaged communities may look to state or local agencies for guidance on which projects may produce the greatest emissions reductions impact, or which projects will be most feasible given the community's geographic location and climate.

ⁱ Defined during the December 2022 National Environmental Justice Advisory Council meeting, found on slide 136 (<u>National Environmental Justice Advisory Council</u>)

- **Maximize Use of Existing Funds:** Applicants may need help identifying projects that will be good opportunities to apply other federal funding from the IRA, the Infrastructure Investment and Jobs Act, or the American Rescue Plan. State and local governments should also be prepared to support communities in identifying existing funding opportunities on the local level that may allow for project expansion. Agencies should point applicants to funding opportunities that provide the greatest investments in infrastructure that will directly lead to pollution reduction.
- Self-Sustaining Projects: Grant applicants may seek advice on project development. If so, states should suggest projects that can be self-sustaining and community owned to the greatest extent possible. Projects with reduced maintenance cost are also ideal, and state agencies may be able to identify project partners (such as utilities or private companies) that are willing to do maintenance work on long term infrastructure projects. By coordinating with applicants early in the process, agencies can help reduce barriers in permitting, environmental review, and other processes that may delay a project. Agencies should also be prepared to support applicants with community outreach that may be necessary for projects that require resident participation (such as rooftop solar programs) to ensure there are no project delays.
- Identify a Point of Contact: Identify an individual at the state level that interested applicants can reach out to learn about the EJ Block Grant program and receive project development support. The point of contact should lead coordination efforts across state or local agencies/departments as needed by applicants to ensure progression of community projects.
- **Community Identification:** State and local governments should become familiar with federally available tools to identify disadvantaged communities such as the <u>Climate and Economic Justice</u> <u>Screening Tool</u>, the Department of Energy's <u>Energy Justice Dashboard</u>, and the Center for Disease Control's <u>Social Vulnerability Index</u>. Begin working with state and regional community organizations to conduct outreach to potentially eligible communities, as some underserved and pollution burdened communities may not appear on federal mapping tools due to lack of nationally available data.
- Educate State Workers and Stakeholders: Make sure that state and local government officials, as well as stakeholders such as NGOs and Congressional Budget Offices are aware of the EJ Block Grant program. States can help stakeholders stay up to date with the program timelines to ensure that environmental justice community members and organizations are aware of the program.
- Facilitate Engagement of Disadvantaged Communities: One of the eligible uses of funds is for activities that facilitate engagement of disadvantaged communities in state and federal processes. States can proactively identify processes that can be made more inclusive and accessible. Examples include expanding community engagement opportunities for permitting decisions, rulemakings, decisions on who to invite to hearings and public testimony opportunities, development of application criteria for state and local grants, etc.

Technical Assistance

- **Track Community Needs:** By tracking the EJ Block Grant processes and noting the kinds of technical assistance that disadvantaged communities in your state are asking for, agencies can develop processes for proactively providing such assistance in the future.
- **Expand Environmental Justice Staff/Identify Point of Contact:** By utilizing existing staff with EJ expertise, state and municipal offices can support processes such as establishment of advisory councils or community convenings to provide opportunities to educate communities by sharing resources and

funding opportunities. Agencies can also designate an office or individual who has experience working with disadvantaged communities to serve as a point of contact for technical assistance needs for the EJ Block Grants and future funding opportunities. Ideally a point of contact would be identified for each agency related to climate change, clean energy and siting, clean water infrastructure, pollution remediation, and related workforce development efforts.

• **Share Resources**: Host sessions, workshops, etc., to connect technical assistance providers to communities in need. In particular, community organizations will likely need support with grant writing to receive funds, as well as support with reporting requirements to maintain funding.

Implementation Timeline

The EJ Block Grants are subject to an aggressive funding timeline, as EPA only has until September 2026 to distribute the entirety of the funds. The funding from the first round of applications is expected to become available in October 2023. Given the limited timeline to disperse funds, it will be imperative for EPA to increase the pace of funding cycles as well as the amount of funding available in each application cycle.

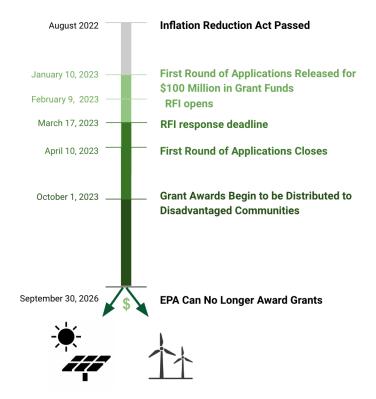


Exhibit 2. Timeline for program implementation

The EJ Block Grants are an exciting opportunity for marginalized communities to implement their own visions of a clean energy future, and states will have a supporting but key role to play to maximize project benefits and sustain projects over time. Funds from the EJ Block Grants will begin to reach communities in Fall of 2023, which gives states lead time to educate communities about the opportunity and organize technical assistance efforts.

Additional Resources

Legislative text section 60201 of the IRA Environmental and Climate Justice Block Grants

EPA presentation to the National Environmental Justice Advisory Council on EJ Block Grants (beginning on slide 133)

Transformative Climate Communities Program, which EJ Block Grant program is loosely based on

Application for EJCPS program funding

Application for EJG2G program funding