



April 10, 2023

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Office of Environmental Justice and External Civil Rights  
United States Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

**RE: Docket ID No. EPA-HQ-OEJECR-2023-0023 (Public Comment – Request for Information on the Environmental and Climate Justice Block Program)**

The African American Alliance of CDFI CEOs (the Alliance) is pleased to submit comments in response to the Request for Information (RFI) on the Environmental and Climate Justice Block Grant Program (ECJ Program), created by the Inflation Reduction Act. (IRA). The Alliance is a membership-driven intermediary organization that aims to: build the capacity of member organizations; build bridges to economic stability, well-being, and wealth for Black individuals, families, and communities; and build power in Black communities by challenging and influencing financial sectors to operate more equitably. Since launching in 2018, the Alliance has established a network of 70 CEOs of Black-led Community Development Financial Institutions (CDFIs), which includes loan funds, credit unions, and venture capital funds. Alliance members reach historically underserved communities in all 50 states by providing financial services in the small business, affordable housing, and commercial real estate development sectors.

Low-income and communities of color have experienced disproportionate exposure to air and water pollution, leading to adverse health outcomes and elevated energy costs for residents of those communities. This is not a new phenomenon - years of neglect and systemic disinvestment, lax emissions regulations and enforcement, and the placement of fossil fuel-fired plants and other toxic areas in or near low-income and communities of color have all contributed to these communities having to face unequal environmental burdens relative to their more affluent and majority white counterparts. IRA, building upon the Bipartisan Infrastructure Law and President Biden's Justice40 Initiative, represents a historical investment in efforts, like the ECJ Program, that tackle structural environmental inequality and racism felt by marginalized groups around the country. To ensure that ECJ Program reaches populations most susceptible to disparate health and environmental impacts, the Alliance strongly urges EPA to develop a streamlined and

transparent application process that affords respondents with necessary support throughout the process.

## **I. ECJ Program Design**

*What should EPA consider in the design of the ECJ Program to ensure that the grants benefit disadvantaged communities?*

**ECJ Program should prioritize partnerships with Community Development Financial Institutions (CDFIs).** IRA and, by extension, the ECJ Program represents a generational opportunity to reverse environmental injustices felt by low-income and communities of color around the country. The ECJ Program should prioritize relationships with Community Development Financial Institutions (CDFIs), as these mission-driven financial institutions are accountable to and have a track record of positive impact in the very communities targeted by the ECJ Program – i.e., those that are the most susceptible to the impacts of climate change. CDFIs, particularly those led by people of color, bring a considerable wealth of experience administering federal grant programs and capacity-building programs, as well as other skills that will be critical to the efficient ECJ Program implementation. However, these institutions are also fixtures of the community and thoroughly understand the unique personal challenges faced by residents of disadvantaged communities and, therefore, are best suited to tailor projects that will maximize social and environmental impacts in those communities.

**ECJ Program should reduce application barriers to ensure a robust pool of applicants.** Environmental justice (EJ) communities and small community-based nonprofit organizations (CBNOs) often cite onerous grant application, reporting, and data tracking requirements as a barrier to pursuing government grants. Potential applicants sometimes lack the organizational capacity and/or the technical and regulatory understanding of complicated federal grant application processes necessary to meaningfully participate in certain programs. To combat these barriers and ensure a diverse pool of ECJ Program applications, the ECJ Program should offer prospective applicants with technical assistance (TA) for grant writing, streamline its application process, and provide applicants with resources necessary to evaluate the environmental, social, and technical aspects of potential eligible projects. These interventions will reduce the financial burdens associated with accessing and navigating the ECJ Program opportunity and are conducive to the development of projects that meet the environmental and climate justice demands of disadvantaged communities.

*Are there best practices in program design that EPA should consider in designing the ECJ Program to reduce burdens on applicants, grantees, and/or subrecipients?*

**Convenience and ease of accessibility for the applicant should be at the heart of the ECJ Program process.** As stated, the competitive grants process is quite time consuming and costly for many nonprofits and may not be indicative of a particular nonprofit's ability to meet the stated goals of the grant opportunity. For many potential applicants, the ECJ Program may be their first experience with a federal grant application. The ECJ Program Notice of Funding

Opportunity (NOFO), therefore, should be unambiguous as it relates to program requirements, timelines, and review criteria. Furthermore, and as soon as practicable, EPA should provide the public with draft guidelines and clearly defined measures on what data is to be collected, including recommendations for effective collection and analysis methods. These efforts will give potential applicants ample time to review, provide clarifying questions to program staff, develop fundable projects, and submit competitive applications. A simple, transparent application process will open the ECJ Program to CBNOs and communities with the opportunity to participate in the funding competition with minimum disruption to core operations and expenditure of funds.

**ECJ Program should not feature cost-sharing/match requirements.** An ECJ Program that features match and/or cost-sharing requirements for eligible applicants could deter CBNOs from investing in ECJ activities that benefit disadvantaged communities. This is particularly true for smaller and lower-capacity CBNOs that quite literally cannot afford to share project costs funded by a federal grant award. Ultimately, such requirements that eligible applicants share project costs will only exacerbate environmental and climate inequities faced by residents of disadvantaged communities.

*EPA is considering a process where it issues a NOFO soliciting applications for projects under the five ECJ Program eligible activities described above (Section III) that allows applicants, on a rolling basis over an extended period such as 12 months, to apply for the funding activities they are interested in, when they are interested in applying, as opposed to applying under multiple separate NOFOs that have 45-day submission periods. What are your views on this approach?*

The Alliance supports the proposal to allow applicants to apply for funding activities on a rolling basis, as opposed to multiple separate NOFOs with 45-day submission periods. Many small and rural CBNOs lack staff members dedicated to grant writing and, as such, a 45-day submission period is a difficult bar to meet for such organizations. A rolling application process will also afford these organizations the time to properly consider each ECJ Program activity and sequence their requests in a manner that is most beneficial to the disadvantaged communities they serve. However, the Alliance urges EPA to safeguard against the risks posed by a rolling competition – i.e., the vast majority of program funds going to early applicants with little to no funds remaining by the end of the 12-month rolling period. For example, the program could feature multiple application periods throughout the year. In addition to promoting the relatively equal distribution of funds throughout the year, such an approach would also give potential applicants more time to consider ECJ Program offerings than they would under a 45-day submission period.

*EPA is aware that applying for competitive Federal grants can be burdensome and that placing too much importance on written applications for projects to benefit disadvantaged communities may not be the best way to help communities address environmental justice challenges. EPA is considering innovative techniques to replace portions of the written application process, such as an approach where EPA would invite applicants whose initial written application scored well to then provide a 30–60-minute oral presentation discussing predetermined questions or sets of issues. The purpose of the oral presentation would be to replace portions of the written*

*application process to streamline the grant competition process and expedite the delivery of assistance for disadvantaged communities. What are your thoughts on this approach?*

The Alliance generally supports efforts to ease the burdens associated with applying for competitive Federal grants. Though we appreciate the proposal to provide applicants with the flexibility to replace written portions of the application with oral presentations, we caution against a hard-and-fast rule requiring applicants to provide an oral presentation in lieu of written responses. This is particularly true for applicants for whom English is not their first language as well as those applicants who are not comfortable with public speaking. Furthermore, technological limitations may make the oral presentation option difficult, if not impossible, for some applicants. Instead, each applicant, at his or her own discretion, should have the option of submitting either a written or oral response to the ECJ Program application.

## **II. Eligible Projects**

*What types of projects should EPA focus on and prioritize under the five eligible funding categories in CAA Section 138(b)(2) listed below? Please also describe how the projects you identify would benefit disadvantaged communities: a. Community-led air and other pollution monitoring, prevention, and remediation, and investments in low-and zero-emission and resilient technologies and related infrastructure and workforce development that help reduce greenhouse gas emissions and other air pollutants (greenhouse gas is defined as “air pollutants carbon dioxide, hydrofluorocarbons, methane, nitrous oxide, perfluorocarbons, and sulfur hexafluoride”); b. Mitigating climate and health risks from urban heat islands, extreme heat, wood heater emissions, and wildfire events; c. Climate resiliency and adaptation; d. Reducing indoor toxics and indoor air pollution; and e. Facilitating engagement of disadvantaged communities in State and Federal advisory groups, workshops, rulemakings, and other public processes.*

**Residential home energy retrofits.** Investments to expand access to residential retrofitting – e.g., energy efficient insulation, air sealing, HVAC upgrades, etc. – particularly in older properties located in low-income and disadvantaged communities, has the potential to reduce the operational carbon emissions of housing located in disadvantaged communities through improved heating, cooling and electrical efficiency. Furthermore, such investments will significantly lower the energy burden felt by both tenants and property owners residing in those communities.

**Green infrastructure projects.** Each year, more people move into cities, subjecting themselves to the urban heat effect and extreme temperatures. Urban and extreme heat has a disproportionate impact on Black and low-income populations, as these populations often have health conditions that are made worse by extreme heat. Furthermore, urban housing units are often energy-inefficient, thus necessitating increased use of air conditioning for longer periods of time, which creates a significant financial burden for individuals living in those units. The ECJ Program should prioritize projects that minimize the effects of urban and extreme heat. Green

infrastructure projects, like green roofs, have proven effective at reducing urban and extreme heat by shading surfaces, deflecting solar radiation, and improving air quality through the absorption of pollutants.

**Investments in electric vehicle ownership and infrastructure in disadvantaged communities.** It is an established fact that electric vehicles (EVs) reduce our reliance on fossil fuels, thus reducing local air pollution and carbon emissions in communities with large concentrations of EVs. Unfortunately, the relatively high cost of EV ownership and lack of charging infrastructure in many urban areas have made it impractical for residents of disadvantaged communities to pursue and benefit from EV ownership. The ECJ Program should target barriers to equitable access to EVs through EV purchase incentives, flexible financing options, and the installation of publicly accessible charging stations and other infrastructure.

**Investments in solar energy deployment.** Residents of disadvantaged communities adopt rooftop solar projects at a far lower rate than residents of wealthier communities. The ECJ Program should prioritize projects aimed at overcoming some of the systemic barriers faced by these communities, including, but not limited to, lack of understanding of the financial and health benefits of solar power, lack of access to credit for rooftop solar, and relatively lower homeownership rates in these communities.

*With respect to the workforce development activities under category 1(a) above: a. Please describe what you perceive as the most significant challenges and barriers to connecting residents of disadvantaged, underserved, and under-represented communities to workforce opportunities related to addressing environmental justice and climate change, and what programs, services, and partnerships are needed to address these challenges and barriers. b. What types of jobs and career pathways should EPA prioritize to support environmental justice and climate priorities?*

The Alliance believes that a significant commitment to and investments in a vibrant ecosystem of project developers, TA providers, workforce programs, and training opportunities is necessary to connect residents of disadvantaged communities with job opportunities related to environmental and climate justice. However, significant knowledge and information gaps are a persistent challenge faced by disadvantaged communities, as traditional networks have generally not been successful in their outreach and recruitment efforts in these communities. Additionally, entrepreneurs in disadvantaged communities, particularly BIPOC entrepreneurs, generally have more limited access to startup and growth capital for their small businesses. This capital gap is particularly problematic for ECJ-focused minority-owned small businesses, as it significantly limits their ability to hire and develop a skilled workforce that is equipped to operate in this relatively nascent industry. EPA must combat these capital challenges and ensure that workforce capacity is not a barrier to achieving EJ and climate priorities. To that end, EPA must prioritize meaningful workforce development programs that prepare residents of disadvantaged communities – particularly those that target youth/high school students and the formerly incarcerated – for successful careers in the ECJ space.

### III. Eligible Recipients

*Eligibility for the ECJ Program grants is limited to a partnership between a community-based nonprofit organization and an Indian tribe, local government, or institution of higher education; a community-based nonprofit organization; or a partnership of community-based nonprofit organizations.*

- a. What is and how should EPA define a “community-based nonprofit organization” for purposes of implementing ECJ Program funding?*

For purposes of implementing ECJ Program funding, the Alliance supports an interpretation of community-based nonprofit organization (CBNO) that prioritizes nonprofits that are directly accountable to economically distressed, low-income, and historically underserved communities. More specifically, the CBNO definition should encompass registered nonprofit, mission-driven financial institutions that promote economic growth and opportunity in low-income and disadvantaged communities (LIDCs) through the provision of affordable and responsible financial products and services. Community Development Financial Institutions (CDFIs), particularly those that are minority-led, consistently meet this standard. For decades, CDFIs have developed significant social capital in and met the community and economic development needs of LIDCs around the U.S. For these reasons, CDFIs are critical to successful ECJ Program implementation.

- b. What is and how should EPA define a “partnership” between a community-based nonprofit organization and an Indian tribe, local government, or institution of higher education for purposes of implementing ECJ Program funding?*

A “partnership,” for purposes of implementing the ECJ Program, is a collaborative alliance between a CBNO and an Indian tribe, local government, or institution of higher education, whereby parties to the partnership share a commitment to advancing environmental equity in disadvantaged communities that have been disproportionately impacted by environmental and climate hazards. Where possible, partnerships should also demonstrate the extent to which disadvantaged community members will be meaningfully and intentionally engaged throughout the ECJ Program implementation.

The Alliance believes that partners – particularly those with preexisting relationships – with complementary strengths will likely produce the most effective ECJ Program partnerships. For instance, a CBNO may have a thorough understanding of the environmental and health challenges faced by community members, but may lack the technical, regulatory and financial knowledge of the green activities best suited to combat community-specific challenges. Similarly, an institution of higher education may possess such knowledge, but may lack the trust of the community that stands to benefit from the ECJ Program. In this case, a partnership

between the CBNO and the institution of higher education can maximize the impact of the ECJ Program on disadvantaged communities.,

*What criteria or requirements do you think are important to ensure that projects – particularly projects of partnerships between community-based nonprofit organizations and other eligible entities – are community-driven and result in benefits flowing to the community while avoiding consequences such as community displacement and/or gentrification?*

ECJ projects have the potential to reverse generations of underinvestment in and neglect towards critical, green-focused infrastructure in disadvantaged communities. Unfortunately, history has proven that such investments often hasten gentrification and displacement by increasing the property values of those communities, thus robbing vulnerable populations of the benefits of green technology. For the ECJ Program to achieve the dual goals of promoting environmental equity in disadvantaged communities while simultaneously mitigating gentrification and displacement in those same communities, it must, first, encourage active engagement with the community. This engagement could take the form of meeting with community leaders and advocacy groups, and/or offering informational sessions around the proposed project and should take place early in and throughout the life cycle of the ECJ project. Giving the residents of disadvantaged communities a seat at the table in the early stages of a proposed project empowers them to speak out on the potential impact of a project on the displacement of vulnerable populations and participate in the development of anti-displacement strategies.

Second, the leadership makeup of the CBNO could signal the likelihood of its ECJ projects being tailored to unique community development needs of a particular disadvantaged community. For instance, CDFIs share lived experiences with the communities they serve – most of which are the focus of the ECJ Program. They take the time to understand the specific issues and challenges facing residents of those communities, and they have consistently answered the call when called upon to meet their needs. The very nature of their mission is to promote racial equity and economic opportunity in disadvantaged communities, empowering residents to reverse the effects of past discriminatory practices in our country. For these reasons, CDFIs and other mission-based CBNOs that are accountable to low-income and communities of color are likely to develop programs and activities that, first, maximize the short- and long-term impact of the ECJ Program on current residents of disadvantaged communities and second, limit the likelihood of community displacement and/or gentrification.

*What are your thoughts on EPA sponsoring on-line forums or webinars to facilitate potential applicants' ability to develop partnerships with other organizations and communities to submit applications for ECJ Program grants? How else can EPA be helpful in facilitating these partnerships?*

The Alliance supports any efforts to increase access to the ECJ Program for communities that may require assistance in identifying mutually beneficial partnership opportunities. However, we urge EPA to go beyond on-line forums or webinars. These resources may not be easily accessible for certain potential applicants and do not get to a major impediment that community developers will encounter – i.e., general understanding of EPA programs and how they can positively impact

their communities. To that end, the Alliance urges EPA to make its staff available to participate in community planning processes, provide designated office hours to address issues faced by CBNOs in their pursuit of partnerships, and offer one-on-one coaching so that ECJ Program dollars are utilized in a manner that promotes equitable development and environmental justice in disadvantaged communities.

#### **IV. Reporting and Oversight**

*What types of governance structures, reporting requirements, and audit requirements (consistent with applicable Federal regulations) should EPA consider requiring of EPA grantees of the ECJ Program grants to ensure responsible and efficient implementation and oversight of grantee/sub-recipient operations and financial assistance activities?*

Proper oversight and reporting are critical to a successful ECJ Program implementation. However, the Alliance cautions against complicated and time-consuming compliance requirements that limit grantees' ability to meet ECJ Program goals. That said, with respect to governance structures, the Alliance recommends that EPA prioritize ECJ Program awards to those grantees that feature inclusive governance structures that include community members, TA providers, workforce developers and others to ensure successful project implementation. Such governance structures should also be able to demonstrate accountability to low-income and disadvantaged communities, evidenced by a successful track record of meeting performance-based metrics.

Given the potential that ECJ Programs grantees may already be regulated by a government agency or entity, EPA should not adopt reporting standards that increase the regulatory burden of such awardees. Instead, EPA should adopt reporting standards that are consistent with that of other government agencies or entities (e.g., CDFI Transaction Level Reports). However, if it is not possible for EPA to utilize existing reporting systems, then ECJ Program awardees should receive grants to operationalize ECJ Program-specific reporting requirements. EPA should also consider developing a reporting template that is intuitive and can be periodically updated by direct and indirect awardees to demonstrate progress towards ECJ Program goals. Finally, to increase standardization across the program, the Alliance recommends that EPA develop simple reference charts and formulas to guide eligible project determination and performance.

Finally, EPA should consider the specific characteristics of ECJ Program grantees in crafting audit requirements. For example, mature grantees with a history of successful federal grant management should be subject to less stringent auditing requirements relative to less experienced grantees.

*What metrics should EPA use to track relevant program progress and outcomes including, but not limited to, how the grants benefit disadvantaged communities?*

Successful ECJ Program implementation will require EPA to develop clear and relevant criteria and appropriate indicators regarding the extent to which approved projects are promoting environmental justice and equity in disadvantaged communities. Those metrics must capture the

social, economic, and health benefits to disadvantaged communities as described in the ECJ Program. Specifically, performance metrics should, first, measure the extent of community involvement in the planning and implementation of a funded project (e.g., number of community meetings held by the grantee, number of residents engaged by the grantee, etc.). Second, performance metrics should measure the relative success of a recipient in lowering energy costs in low-income and disadvantaged communities through conservation and energy improvement projects (e.g., number of new end beneficiaries with access to energy efficient products, etc.) Third, the EPA should measure the extent to which products build wealth for low-income households and small businesses (e.g., number of small businesses financed in disadvantaged communities, number of new green energy businesses created in disadvantaged communities, number of green energy jobs created by small businesses in disadvantaged communities, number of community residents trained in the green energy sector, etc.). Finally, and most importantly, EPA should analyze how well a funded project improves health equity in disadvantaged communities. We will rely on the expertise of the EPA in identifying appropriate and relevant health outcomes attendant to funded projects.

## **V. Technical Assistance**

*What types of technical assistance would be most helpful to the ECJ Program's eligible entities to help those entities successfully perform the ECJ Program grants?*

Technical assistance (TA) is critical for disadvantaged communities, as they often have limited experience with grant writing, research, as well as technical understanding of green technologies. Beyond compliance-related TA, however, CBDOs also require TA that builds clarity and consistency around ECJ Program goals, enables them to build organizational capacity, and acquire technology, staff, and other tools necessary to combat environmental and climate hazards in their communities. Furthermore, residents of disadvantaged communities lack a comprehensive understanding of the myriad social, economic, and health benefits that green energy investments can have on the quality of their lives. To this end, CDBOs will require assistance to develop engagement and educational outreach programs that inform the communities they serve of the multigenerational impact of the climate crisis and how best to combat those impacts in their communities. In addition, ECJ Program awardees and impacted communities will require language access resources, clean energy counseling, and financial coaching to help them better understand green energy-related tax rebates and credits, the benefits of energy efficient appliances, and how best to locate contractors that can complete retrofits, etc. Furthermore, ECJ Program awardees will require assistance to conduct market analyses to estimate the impact of environmental and climate hazards on disadvantaged communities and small business owners, particularly those located in low-income and disadvantaged communities. Finally, ECJ Program awardees will require assistance in developing a basic curriculum centered around the environmental impact of their business operations.

*Which types of organizations and institutions are best suited to provide technical assistance?*

The Alliance believes that equity-focused institutions with considerable experience navigating the federal grants process and a history of service to prioritized communities are best suited to provide TA under the ECJ Program.

On behalf of the African American Alliance of CDFI CEOs, we thank you for the opportunity to provide recommendations on the implementation of the ECJ Program and welcome continued discussions with EPA. Please do not hesitate to contact us for clarifying questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Lenwood V. Long, Sr.", written in a cursive style.

Lenwood V. Long, Sr., President and CEO  
African American Alliance of CDFI CEOs