

April 10, 2023

To: Administrator Michael Regan
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Bruce Binder
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Mathew Tejada Deputy Assistant Administrator for Environmental Justice Office of Environmental Justice and External Civil Rights

Re: RFI for Docket ID No. EPA-HQ-OEJECR 2023-0023 (Request for Information, Environmental, and Climate Justice Block Grant Program)

Dear Administrator Regan and Office of Environmental Justice & External Civil Rights Staff,

<u>The Center for Progressive Reform</u> is a nonprofit research and advocacy organization that conducts advocacy, policy analysis, and research on state and federal policy. With the support of <u>our network of legal scholars</u>, we work to harness the power of law and public policy to create a responsive government, a healthy environment, and a just society.

As part of our strategic initiative on climate justice, the Center works to promote and secure state and federal climate policies that are expressly designed to achieve justice for the frontline and fenceline communities that are disproportionately harmed by the fossil fuel industry and the impacts of climate change. We develop research, policy tools, and strategies to inform decision-makers, allies, and support advocates in accelerating the development and implementation of climate policies and strategies that most meaningfully center environmental, social, and economic justice.

Our comments in response to this RFI are informed by our work allied with frontline communities in states across the country and in particular, our California climate justice project examines decision-making, governance, and funding mechanisms in California climate justice programs. The project is co-led led by CPR Member Scholar and University of San Francisco School of Law professor, Alice Kaswan, and Catalina Gonzalez, a CPR policy analyst. Through research that has included interviews with key stakeholders from state agencies, state-level advocates, and representatives from community-based organizations, we are assessing how decision-making structures and funding program design affect the capacity of these programs to meet state climate goals and respond to community needs related to clean energy, transportation, and housing.

Before we delve into responses to your questions, based on our study of California funding program structures, we would like to identify several overarching recommendations to guide the funding program:

- Address community needs holistically
- Ensure that the competitive grant process and substantive criteria do not systematically undermine the ability of the least-resourced communities to succeed
- Provide meaningful technical and capacity-building assistance
- Ensure the participation of rural, tribal, and other harder- to reach communities

We recognize that the purpose of this RFI is to address these and related issues, and our staff, scholars, and allied partners appreciate EPA's interest in new and innovative program design strategies.

We provide more detailed responses to select questions below:

ECJ Program Design

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

Grant Criteria

Develop criteria that ensure that the funding goes to communities most in need. The competitive grant process can create competition between communities with relatively more resources and those with less. The communities with relatively more resources are likely to be able to develop better proposals than those with fewer resources, skewing grant distribution to better-resourced communities.

- Very tight criteria, that limit eligibility to the communities most in need, would increase the likelihood that these communities would obtain program funds.
- Avoid criteria, like matching fund requirements, or having shovel-ready projects, that benefit communities that are better resourced and connected.
- Set aside funds for different types of under-resourced communities. For example, unincorporated rural farmworker communities in California often lack effective local governments and pre-existing community-benefit organizations that can facilitate strong grant applications. Setting aside funds for particular types of under-resourced communities will help ensure that different kinds of under-resourced communities obtain funds, and avoid having different types of communities compete against one another.
- EPA can continue to clarify the definition of disadvantaged communities and continue to improve screening tools, including the Climate and Economic Justice Screening Tool (CJEST) to more accurately account for cumulative impacts and socioeconomic factors.

<u>Application Process</u>

- Establish a two-stage grant process for communities that demonstrate that they
 are under-resourced: (1) initial grants to facilitate capacity-building, needs
 assessments, and planning, and (2) implementation grants. This would help
 communities that have needs, but that do not have existing capacity to develop
 the kinds of plans and projects that would be eligible for funding.
- Do not deliver technical assistance through a competitive process that requires applicants to devote limited funds to a potentially unsuccessful application.
 Instead, define eligibility for technical assistance and provide that assistance to communities who meet the criteria.
- For application review, create a two-stage process to winnow the most promising applications, so that communities with a low probability of success do not waste extensive resources. Potential applicants could submit preliminary community

data and present a concept proposal for review. Agency staff could review the proposals and indicate their relative likelihood of success. Although this would entail more work at an earlier stage, it would likely reduce the number of applications and lessen the workload at a later stage.

• EPA should ensure that funding announcements and program information are available in multiple languages.

2. Are there best practices in program design that EPA should consider in designing the ECJ Program to reduce burdens on applicants, grantees, and/or sub-recipients?

- Permit flexibility in program implementation. Applicants may not be able to
 foresee all potential obstacles and opportunities when they apply for funds.
 Allowing changes in proposed projects that are consistent with the purpose of the
 block grant program will allow communities to maximize the value of the grants
 rather than forcing them to follow what may turn out to be an unwise path.
- Provide advance payment or vouchers at the time of purchase rather than reimbursement of costs. Small local governments and community-benefit organizations often lack the cash to make upfront payments and could be deterred from applying if required to have substantial cash on hand.
- 3. 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?
 - Requiring applicants to prepare separate applications for ECJ program activities
 is burdensome for small and under-resourced organizations, and undermines
 EPA's ability to take a more holistic approach to proposed projects (a value we
 discuss below). EPA could have a single "universal" application that gives
 applicants the option to propose projects that include multiple ECJ program
 activities that holistically address community needs.

Eliqible Projects

1. 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.
 - Rather than focusing on these discrete categories, EPA should take a more holistic approach to investments in under-resourced communities. Valuable investments could well transcend these categories. For example, heat pump installations would constitute an investment in low-carbon technology that would reduce greenhouse gas emissions and other air emissions, they could mitigate health risks from extreme heat if they provide air conditioning in an unairconditioned home, and they could reduce indoor air pollution if they reduce indoor use of natural gas. Distributed solar generation could reduce greenhouse gas emissions, mitigate climate risks from power shut-offs due to wildfires, and reduce indoor air pollution if coupled with building electrification. Or tree planting could help sequester greenhouse gas emissions and mitigate urban heat island effects. Although some proposals might concentrate on one or another of these project types, EPA should develop a review process that considers, and potentially rewards, proposals that serve more than one purpose.
 - Workforce development is an important component of a transition to a clean and just economy and is a component that should be included and prioritized across all project categories.

Eligible Recipients

2. What characteristics and attributes do you think are important to the formation of a "partnership" for purposes of implementing ECJ Program funding?

- Non-profit and community organizations should be eligible to be the lead applicants on project proposals
- 3. 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?
 - To avoid the risk that program funding will go to larger well-resourced organizations rather than smaller community-based organizations, EPA staff can require that nonprofit organizations applying for grants describe how they are engaging with community groups, organizations, and residents within the under-resourced community, with a preference for organizations that have a history of already serving a particular community where such organizations exist. This will help ensure that the program targets resources to lower-resourced communities and empowers historically marginalized communities.

Reporting and Oversight

- 1. 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?
 - Consider technical assistance that helps under-resourced communities with reporting requirements as well as applications.

Technical Assistance

- 1. 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?
 - EPA should consider providing technical assistance and training to help familiarize
 applicants with using the Climate and Economic Justice Screening Tool (CEJST,) to
 provide ongoing feedback, and to ensure this tool empowers eligible applicants to
 participate in the program and does not become a barrier.

General Comments

1. Besides the questions above, do you have any other comments on the design, structure, and/or implementation of the ECJ Program including your views on ways EPA can simplify the application process for applying for the ECJ Program grants?

Consider reducing the competitive grant aspect of the program. Instead, identify the communities most in need (across a variety of types of under-resourced and disadvantaged communities) and designate them as automatically eligible. Then engage in a capacity-building and planning process with the impacted community to identify the projects that would best meet their needs, consistent with the funding criteria.

We recognize that Congress designated this as an EPA program. However, the issues confronting under-resourced communities transcend the mission and authority of any single agency. To the extent possible, EPA should seek to coordinate its grant program and work with other agencies serving under-resourced communities, including the Department of Energy, the Department of Transportation, the Department of Housing and Urban Development, and the Department of Interior. For example, applications could include a list of parallel grant programs in other agencies and ask applicants to check off other grants they may be submitting. EPA could then coordinate its review with the agencies considering applications from the same communities, facilitating the provision of a more holistic package of grants. EPA could also take a more proactive approach: EPA could inform potential applicants of grant opportunities in other agencies and, as part of its technical assistance, could help communities develop a package of related grant applications to address the communities' multi-faceted needs.

Thank you for the opportunity to submit these comments. We look forward to seeing the final program parameters. Please feel free to be in touch with Catalina Gonzalez (cgonzalez@progressivereform.org) or Alice Kaswan (kaswan@usfca.edu) if you have any questions or would like to further discuss program design.

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