



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF
POLICY

December 8, 2022

Ms. Kerry O'Neill, Chair
Environmental Financial Advisory Board
U.S. Environmental Protection Agency
1200 Pennsylvania Avenue, NW
Washington, D.C. 20460

Dear Ms. O'Neill:

I am writing to thank you and the rest of the Environmental Financial Advisory Board members for your service to develop analysis and recommendations for the U.S. Environmental Protection Agency to attract investment to communities with Opportunity Zones as documented in the letter to EPA Administrator Michael Regan dated October 18, 2022. A special thank you to the Opportunity Zone Working Group Co-Chairs Margot Kane and William Stannard, and the full team of Opportunity Zone working group members who reviewed the original charge and then met repeatedly to review EPA's role, including how EPA programs could work alongside the Opportunity Zone tax incentive.

I am pleased to report that work is already advancing on the EFAB recommendations to focus on EPA's core competencies such as providing assistance to underserved communities (including those with Opportunity Zones) on enabling conditions (predevelopment, technical assistance, and planning capacity), interagency engagement, funding source alignment, and updates to existing grant programs. Many of these recent advances have been sparked by recent legislative actions and executive leadership.

Recent and ongoing updates at EPA:

- A series of changes to improve how government ensures equitable access and distribution of the benefits of many programs is underway. For example, existing and new programs—including programs created by the President's Inflation Reduction Act, the Bipartisan Infrastructure Law, and the American Rescue Plan—are covered by the Justice40 Initiative if they meet the eligibility requirements. To meet the goal of the Justice40 Initiative, agencies are changing their programs to ensure the benefits reach disadvantaged communities.

- EPA will award up to \$150 million in grants to Environmental Finance Centers (EFCs) over the next five years. On November 4, 2022, the agency announced the selection of 29 EFCs under three categories of technical assistance. Through the EFC grant program, technical assistance providers will help communities develop and prepare to submit project proposals, including State Revolving Fund (SRF) applications for Bipartisan Infrastructure Law (BIL) funding and greenhouse gas reduction projects through the Greenhouse Gas Reduction Fund. EFCs will support underserved communities with technical assistance to identify sustainable infrastructure solutions, which can include pre-development assistance to create the “enabling conditions” for securing financing and potentially pursuing other forms of capital.
- EPA has experience supporting locally led, community-driven approaches to economic revitalization, improved environmental and human health outcomes, and more sustainable communities. However, more interagency coordination and awareness is essential to better deliver lasting solutions to the communities most in need. EPA is now a frequent partner in whole-of-government approaches to ensure that the agency better delivers support on the ground in communities –with its federal, state, tribal, and local partners.
- The Bipartisan Infrastructure law provides EPA with more than \$60 billion over five years for a wide range of environmental programs that will bring much-needed funding to America’s water infrastructure, environmental cleanups, and clean air protections, while also advancing environmental justice and combatting climate change. The [Bipartisan Infrastructure Law Year One Anniversary Report](#) highlights how EPA is working with state, local, and Tribal partners to transform communities through the largest appropriation the Agency has ever received. EPA has already awarded \$5.5 billion of the \$14.1 billion available in FY 2022 through grants, contracts, and interagency agreements, and program implementation efforts and will continue to build on this progress in the coming year.

EPA is fortunate to have a diverse and skilled group of expert advisors available to assist in analyzing policies at the intersection of environmental and financial sectors. Thank you for your work on this issue and for your support more broadly to better align environmental protection and community reinvestment.

Sincerely,



Vicki Arroyo
Associate Administrator