EPA Efforts in Opportunity Zones
In December 2018, the White House Opportunity and Revitalization Council (WHORC) was established by Executive Order 13853 to implement administrative reforms and initiatives to target, streamline, and coordinate Federal resources in economically distressed communities. EPA is a member of the Council and is included in two separate work streams: Safe Neighborhoods and Economic Development. In addition to tax incentives for development in designated Opportunity Zones (OZ) provided by the Tax Cuts and Jobs Act of 2017, a new feature on grants.gov beginning in March 2020 will enable applicants to search for available grants/programs across the federal government that benefit OZs. This will benefit OZ stakeholders by increasing general awareness of federal programs with OZ benefits.

The OZ initiative creates incentives for equity investments in real estate and infrastructure projects as well as new or expanded businesses located in the designated OZs. It is principally an economic development initiative that is designed to support the revitalization of communities to address chronic and acute problems that result from economic decline. Many of these problems relate to the environment and human health.

Our experience with community-focused programs suggests that economic investments from the private sector are far more likely and attractive when environmental quality is maintained at healthy levels. Potential environmental liability and uncertainty about environmental quality can also discourage private sector investment in a community. We believe that additional environmental infrastructure and improvements are a necessary condition to attract private sector investment in many communities, even with OZ incentives.

Investing in distressed communities is not new for EPA. The Agency has historically provided support to communities through mechanisms that have included grants, tools, training, education, and technical assistance. Despite these efforts and investments, EPA cannot always determine, in advance, whether its limited resources will be effectively leveraged to make a measurable environmental and public health improvement for these communities.

EPA Mission Fit
The EPA Office of Policy (OP), located in the Office of the Administrator, is the primary policy arm of EPA. Among other duties, OP is responsible for coordinating all of EPA’s OZ work. OP has extensive experience in working in economically distressed communities across the country to support locally led, community-driven strategies that improve economic development and environmental and human health outcomes. OP uses this expertise in coordinating across EPA programs and in collaboration with other federal agencies to assist communities’ efforts to ensure that public and private sector investments support community goals.
EFAB Charge – Facilitating Investment (Marketplace / Matchmaking)
Advise EPA on how to enhance the Agency’s approach to encourage increased OZ funds investment into both rural and urban communities alongside existing EPA funding tools, programs, regulatory/permitting flexibility, and federal and state partners. Provide examples and advice and support to communities, including ways to minimize risk for investors, and to investors seeking to direct OZ Fund investment into low-income, minority, and/or otherwise vulnerable communities, reflecting environmental justice (EJ) principles.

- Note where community benefits standards and guidance have been developed [or are so far lacking] that may be relevant to OZ-funded projects in these communities and the value of such community benefits can be achieved.
- Provide recommendations on where EPA may uniquely be situated to coordinate with investors and other agencies in encouraging/identifying OZ investment opportunities in high-priority communities from an environmental justice standpoint, including low-income, minority, tribal, and indigenous communities that bear disproportionate environmental risks and damages.

Type of EFAB Engagement
To be determined.

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