

FINAL APPROVED EFAB CHARGE
Attracting Private Investment to Opportunity Zones: A Role for EPA
Proposed by: EPA Office of Policy

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.

EFAB OZ Workgroup

Joanne Throwe – EFAB Chair; President, Throwe Environmental

joanne@throwe-environmental.com

Margot Kane – Workgroup Co-Chair; Chief Investment Officer, Spring Point Partners LLC

margot.kane@thespringpoint.com

Bill Stannard – Workgroup Co-Chair; Chairman of the Board, RAFTELIS

wstannard@raftelis.com

Brent Anderson – CEO, RESIGHT

banderson@resight-ai.com

Steve Bonafonte – Assistant District Counsel, The Metropolitan District of Hartford

sbonafonte@themdc.com

Sonja Favors – Industrial Hazardous Waste Branch Chief, Alabama Dept of Environmental Management

environmentdirector@nsbe.org

Craig Holland – Senior Director of Urban Investments, The Nature Conservancy

cholland@TNC.ORG

John Jones – Board Member, New Mexico Rural Water Association

entranosa@aol.com

Chris Meister – Executive Director, Illinois Finance Authority

CMeister@il-fa.com

Dennis Randolph – City Traffic Engineer, City of Kalamazoo Public Services Department

randolphd@kalamazoo-city.org

David Zimmer – Executive Director, New Jersey Infrastructure Bank

dzimmer@njib.gov

EPA Client

Michelle Madeley – EPA Office of Community Revitalization

madeley.michelle@epa.gov

Jon Grosshans – EPA Region 5

grosshans.jon@epa.gov

David Doyle – EPA Region 7

doyle.david@epa.gov

Joshua Tapp – EPA Region 7

tapp.joshua@epa.gov