

**Overview of existing Federal funding streams relevant to building, energy, and transportation climate actions
& City recommendations for how to improve funding streams**

March 2021 Draft

This document summarizes key potential stimulus funding streams that would be relevant to cities to fund local climate action, focusing on buildings, energy, transport and workforce. This list thus does not include stimulus funding such as tax credits or grants targeting businesses, universities, nonprofits or other entities that are not directly accessible to cities. Note that we strongly recommend that all public funding recipients be required to comply with labor and workforce guidelines, as outlined at the end of this document. More general information about federal programs can be found [here](#).

1. Department of Energy

Funding/support tool	Committee	Description	Proposed Funding Asks	Ways to improve (Program Reforms)	Additional comments
Energy Efficiency and Conservation Block Grants (EECBGs)	House E&C, Senate ENR, Energy and Water Appropriations Subcommittee	Provides state and local government grants to reduce emissions, improve EE and benefit local communities. Allocated formulaically with 70% going directly to cities with 30% going to states for distribution to	No current funding Received \$2.7 B under ARRA Environmental advocates: \$2 - \$3.5B/yr	Provide funds and time for communities to participate in process to develop strong projects; funding needed for scoping and planning, not just implementation; Shovel-ready approach means that many vulnerable, economically distressed communities will not benefit/participate. Expand definition of energy efficiency so that funds can be used more broadly for decarbonization including transportation electrification Add language to explicitly allow EECBGs to be used to seed financing programs Include the ability for EECBGs to fund job training and support services related to the jobs (could potential reframe these block	These block grants were invaluable in funding sustainability directly, which often loses out following an economic crisis One of ARRA’s failures (due to the rapid implementation) was on the mismatch between number of jobs created and number of people trained; more analytical work is required to identify what job retraining is required by sector and geography and what job certifications are required.

		smaller communities		<p>grants as Climate, Equity and Jobs Block Grant (CEJBG) Funding for cities to use in a holistic and flexible manner as long as they move the needle in their community on those 3 issues.)</p> <p>Review requirements for how states distribute funds to smaller communities to ensure rapid and equitable distribution of funds</p> <p>Incorporate labor and community standards and % for community based organizations for community-owned solar, transportation or other projects</p>	To drive additional progress, grants could be tied to cities updating building codes to achieve stretch standards
Weatherization assistance program (WAP)	House E&C, Senate ENR, Energy and Water Appropriations Subcommittee	The WAP program provides weatherization services to low-income families reducing energy cost and saving money for utility customers. WAP also is known for providing workforce training for	<p>FY20 funding was \$300M</p> <p>ARRA allocated \$5B over 3 years</p> <p><i>Proposed amounts</i></p> <p>Environmental advocates recommend to increasing to \$2B - \$5B/yr</p> <p>WAP implementors and many</p>	<p>Ramp up program funding and allow eligibility to be included temporarily to 250% of FPL to include the moderate-income families hard hit by pandemic</p> <p>Increase per home cap from \$7k to \$15k and allow for deeper energy saving measures including the installation of high efficiency electric technologies, where appropriate, conversion of electric resistance systems to heat pumps, and addressing building cooling (an increasing issue in areas dealing with extreme heat and poor outdoor air quality).</p> <p>Provide more flexibility to administrators of these program, such as include additional metrics for compliance with program requirements such as reducing energy</p>	This is a great program to help the communities most hurt by the recession and pandemic, given that it targets low-income communities, who spend disproportionately more on energy costs

		<p>the entire industry.</p> <p>Majority of funds are then allocated to states on a formulaic basis</p>	<p>policy advocates support a more gradual permanent increase to the WAP budget (ie \$1-\$2B/year) as opposed to very high budgets for 3 years, as this would be better for creating and sustaining a long lived workforce</p>	<p>burden, improving resident health and safety, and increasing energy resilience</p> <p>Ensure that up to 25% of these funds can be used for health and safety and encourage administrators to combine weatherization funds with other HHS funds targeting health and safety</p> <p>Include job quality and labor standards requirements</p> <p>Request that the federal government provide guidance(with city input) on jobs and equity metric calculations so that cities and states are estimating these using the same assumptions</p> <p>Do not require citizenship verification, protect the collection of PI</p>	
<p>Weatherization Innovation Pilot Program</p>	<p>House E&C, Senate ENR</p>		<p>\$90M under ARRA</p>	<p>Reauthorize and fund the Weatherization Pilot to allow state and local governments or other local non profits could apply for on a competitive basis to test out innovative approaches, such as deep retrofits, rapid standardized retrofits, community focused projects, etc.</p> <p>Require community engagement in the assessment/ design of the proposed innovation</p>	

<p>State Energy Program</p>	<p>House E&C, Senate ENR, Energy and Water Appropriations Subcommittee</p>	<p>Program provides funding and technical assistance to states for programs that increase EE and promote economic growth with improved environmental quality.</p> <p>Funding is mainly allocated on a formulaic basis and a small amount (~\$5M) is allocated to competitive grants</p>	<p>Received \$62M in FY20 budget</p> <p>Received \$3.1B under ARRA</p> <p><i>Proposed amounts</i></p> <p>Environmental Advocates suggest \$3.1B over 5 years</p>	<p>Strengthen the requirement that funds be spent on activities that reduce emissions, reduce energy burden or electrify direct fuel use</p> <p>Make transportation electrification an eligible category</p> <p>Strengthen performance measurement and reporting requirements, including requiring social equity outcomes</p> <p>Require that cities in that state to have a consulting role in development and submittal of state SEP plans.</p> <p>Provide support to increase staff capacity at state PUCs to work on climate and clean energy regulation (staff lack of capacity on these issues is a major barrier to advanced climate friendly policies and regulations)</p> <p>Expand authority to allow revolving loan funds to finance such activities statewide for public, private and non profit sectors, eliminating the \$1M cap on such efforts</p> <p>Include a 1% economic inclusion project fee to support local 'assist' agencies to develop targeted outreach, training and support programs for local workers and businesses.</p>	
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<p>Creation of a Clean Energy & Sustainability Accelerator (CESA)</p>	<p>House E&C / T&I / FS, Senate ENR</p>	<p>Will support existing state and local green banks with funding and technical support to accelerate investment in clean energy projects and also provide support to create such local banks</p> <p>Includes a 40% requirement for investment in EJ</p>	<p>Current estimates for funding range from \$20B to \$100B for initial capitalization</p>	<p>CESA will help state and local efforts to increase private sector funding to clean energy projects.</p> <p>CESA will support clean energy and infrastructure projects that cross state border and would benefit from federal assistance.</p> <p>CESA is expected to allocate funds to existing green banks across the country and also provide advisory and potentially back office support for states and potentially cities to create their own green banks.</p> <p>Create financial products for certified dbe/sbes to compete and perform on green building/infrastructure projects, such as working capital, credit enhancements, etc.</p> <p>Provide T.A. & support to help local banks develop underwriting criteria (discounted rates, fees, better terms) as incentives to increase diversity & inclusion in workforce and supply chain</p>	<p>Legislation for the concept passed the house twice in 2020 at \$20B funding level</p>
<p>Vehicle Technology</p>	<p>House SST (probably), Senate ENR</p>	<p>DOE's Vehicle Technologies Office The Vehicle Technologies Office (VTO) supports high</p>	<p>FY 20 funding was \$400M</p> <p>Environmental advocates support increasing to</p>	<p>VTO grants have typically been limited in both size and scope. Recommend increasing funding so that more than 5 grants awarded per year and that these grants fund true demonstration projects more at scale, more demonstration of *business models* not just technology,</p>	

		<p>impact projects that can significantly advance its mission to develop more energy efficient and environmentally friendly highway transportation technologies that enable America to use less petroleum.</p>	<p>\$500M - \$1B per year</p>	<p>work with used EVs, work with nonroad vehicles and micromobility, etc.</p>	
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2. Department of Transport

General comments for transport-related funding:

- Provide direct aid to cities by either creating a new opt-in program so that cities can be a direct recipient of FHWA or require that state DOTs sub-allocate a portion of CMAQ, HSIP, and STGBP funds to cities
- Enable local control over project selection, design and development by explicitly incorporating language into the law that grants default authority to cities provided they are using approved design guide
- Extend any flexibilities states receive to streamline project delivery to cities
- Create a forum to better reflect city needs and priorities on state led financing. That could include options such as:

- Require concurrence from cities in order to expend sub-allocated funds on projects within their borders
- Create an appeal process for cities to request a review of a state’s decision from FHWA
- Allow cities to formally object or prevent states from spending any sub-allocated funds on projects they oppose within their borders
- Require states to provide cities with technical assistance to manage federal funds and grants

Funding/support tool	Committee	Description	Funding estimates	Ways to improve (Program Reforms)	Additional comments
Expand FTA Emergency Relief Funding	House T&I, Senate CST	Emergency transit operating funding	\$25 b in CARES, \$14 b in 2020 Dec stimulus, \$20 b in Biden’s proposed Rescue Plan	Provide immediate relief to transit agencies Include equity metrics to ensure service for vulnerable groups, people of color etc.	Cities and transit agencies are facing a fiscal cliff, and will not be able to provide essential mobility services without federal help.
Capital Investment Grants	House T&I, Senate CST <i>or</i> BHU	Capital funding for transit expansion	\$25 billion over 5 years	Increase program funding, reduce local share for projects, include eligibility for network improvements (Ex. bus only lanes, signal upgrades, etc. usually owned by the city rather than transit agency), include eligibility for affordable housing Extend the project development phase beyond the current 2 year limit Ease the Local Financial Commitment criteria used to evaluate CIG projects for older transit systems Reduce the Federal oversight where non-CIG contribution is below 50% or where the project sponsor has successfully	Cities would usually have to work with transit agencies to get access to this funding

				<p>implemented one or more CIG projects of similar complexity in past 5 years</p> <p>Continue to include and/or strengthen existing practices to coordinate transit, affordable housing, and community development investments in the CIG evaluation criteria and ratings process</p> <p>Consider ADA access components as eligible expenses in Core Capacity projects, rather than State of Good Repair Require that 85% of CIG funds are obligated in an 18 month period</p>	
STBP-TAP	House T&I, Senate CST	Supports biking and walking infrastructure investment	\$1.7 billion over five years (double existing budget)	Amend the program to remove transferability to other highway programs except CMAQ, and increase the federal share for projects to 90 percent during COVID recovery.	Cities would have to compete with other entities to receive this money, and states and MPOs have a lot of discretion in how the money gets spent.
Low-No Bus Program	House T&I, Senate ENR or EPW	Helps cities/transit agencies purchase ZEVs for transit	\$7.5 billion or more.	<p>Eliminate natural gas eligibility, combine with existing “dirty” bus program, create fleet purchase incentives</p> <p>Diesel particulates (black carbon) are extremely harmful to children’s health. Make school buses eligible and create a very simple way to disburse/administer these funds.</p>	Cities would usually have to work with transit agencies to get access to this funding

CMAQ	House T&I, Senate CST	Wide eligibility and can be used to support most low-carbon transportation modes including: public transit, active transportation, electrification, and port and freight pollution mitigation.	\$50 billion over 5 years		This funding flows to cities from their state DOTs. Cities particularly interested in funding sources for heavy EV and the light truck market, which are the workhorses of most municipal fleets
EV Infrastructure - Clean Corridors	House T&I, Senate EPW	Funding for zero-emission fueling along select corridors around the country	\$350 per year for 10 years	Include in next reauthorization bill	proposed in INVEST Act
Climate-Transportation grant programs	House T&I, Senate EPW (probably)	Funding for transportation climate mitigation and resilience		Include in next reauthorization bill: \$8.35 billion through 2025, for a new apportionment program to support carbon pollution reduction; \$6.25 billion through 2025, for a new apportionment program to support resilience and make it a core part of the Federal-aid highway program; and \$250 million per year through 2025 for Community Climate Innovation Grants.	proposed in INVEST Act

BUILD/TIGER	House T&I, W&M, Senate BHU <i>or</i> EPW	Discretionary grant program with flexible funding for almost any transportation project	\$1 billion?	Secretary must set new priorities for the program to align with climate goals, lower local match requirements for climate projects	
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3. HUD

Funding/support tool	Committee	Description	Funding estimates	Ways to improve (Program Reforms)	Additional comments
Community Development Block Grant (CDBG)	House FS, Senate BHU	Provides communities with resources to address a wide range of unique community development needs. Includes an entitlement program, a disaster relief program, and a state program; 70% of funds must be used for activities that	<p>FY19 funding was \$3.36B; CARES acted provided additional \$5B</p> <p>Received additional \$2B under ARRA;</p> <p><i>Proposed amount</i></p> <p>Environmental Advocates: \$30B/year</p>	<p>The CDBG grantees should be required to design projects that will reduce greenhouse gas emissions and local pollution, lower energy bills through energy efficiency improvements, protect public health and safety, and address resilience. In addition, projects must be designed and implemented through community-driven planning that protects against community displacement.</p> <p>Include explicit carveout for “Green CDBG”</p> <p>Expand CDBG to include planned investment in climate resilient infrastructure, especially in LMI neighborhoods</p>	<p>Housing agencies generally control these funds and getting access to them for climate projects is usually challenging</p> <p>Anecdotally, contractors view these funds as cumbersome and difficult to manage</p>

		<p>benefit LMI persons</p> <p>Funds allocated formulaically with large cities receiving direct allocations and states disbursing to smaller communities</p>		<p>Allow a percentage of funding to support training for the jobs created by this work</p>	
<p>Healthy Homes and Weatherization Cooperation Demonstration Program</p>	<p>House E&C, FS, Senate BHU</p>	<p>Pilot project that funds communities that provide housing interventions in lower income households jointly through the coordination of HUD's Office of Lead Hazard Control and Healthy Homes (OLHCHH) DOE's Weatherization</p>	<p>\$5 M in FY 20</p> <p>Environmental Advocates: [No estimate yet - BN suggests ramping to \$100M?]</p>	<p>This is an innovative pilot that should be expanded as it tackles the thorny and important issue of improving health, energy and environmental issues in low income buildings in a coordinated manner</p>	

		n Assistance Program			
Sustainable Communities	House E&C, FS, Senate BHU	Provides grants to improve regional and local planning efforts that integrate housing and transportation decisions, and increase the capacity to improve land use and zoning to support market investments that support sustainable communities.	no allocation since 2010 \$166M under ARRA of which \$5M for capacity building (grants given for 3 year period)	Create new version of Sustainable Communities Initiative to provide direct (competitive) assistance to local & regional govts to do integrated transportation, housing, environmental, and economic plans with clear climate and equity goals. This program was a partnership with EPA, HUD, and DOT, which is a useful cross agency model to promote	ARRA grants reached 40% of US, including rural areas due to set asides for small communities Great mechanism for initiatives that don't neatly fit into one functional area and require planning support
Multifamily Energy Innovation Fund	House E&C, FS, Senate BHU	The Energy Innovation Fund is to help catalyze a multi-family energy retrofit market by accelerating private investment in cost-saving EE measures with	Received \$25M under ARRA Environmental Advocates suggest \$74B over 10 years	Insert labor and community goals and standards	

		a goal of identifying innovative and replicable strategies to improve the usefulness of existing HUD programs			
HOME Investment Partnership, National Housing Trust Fund (and other relevant HUD housing support)	House E&C, FS, Senate BHU	HOME provides funding for states and local governments to support affordable housing preservation and development; National Housing Trust Fund provides federal funding to support affordable housing for extremely low income households		Funding should be increased to ensure efficiency and electrification upgrades are covered in the construction and rehabilitation costs under the subsidies. This could be done as either a requirement for receiving the increased funding or as an incentive for more efficiency/electrification upgraders.	

4. Other agencies

Funding/support tool	Committee	Description	Funding estimates	Ways to improve (Program Reforms)	Additional comments
Environmental Protection Agency					
Environmental Justice Small Grant Program	House E&C, Senate EPW	This program provides small grants to communities to address environmental risks associated with high concentrations of pollution, to prepare for climate change effects, and to improve public health	In FY 2019, the EJSG program provided roughly \$1.5 million for one-year grants of up to \$30,000 each. <i>Proposed amount</i> Environmental Advocates suggest increasing to \$6M per year	Increase the grant size to up to \$500,000, and increase the grant period from one to two years	While not directly accruing to city governments, this has a local community angle on it that could coordinate with city priorities
Clean Cities Program/DERA	House E&C, Senate ENR	Provide communities with electric school buses, and electrifying ports	\$500 million per year	This program should focus less on retrofits of dirty diesel equipment and more on new zero emission equipment and should also increase focus on community engagement An additional reform would be to develop an initiative to support and learn from all the state VW settlement funded projects, resulting in a coordinated national clean diesel strategy instead of just random projects...	

Health and Human Services					
<p>Low Income Energy Assistance Program (LIHEAP)</p>	<p>House E&C, Education, Senate ENR or HELP</p>	<p>Federal program providing direct utility assistance to low income households (150% of FPL or 60% of SMI)</p>	<p>In FY20, \$3.3B appropriated, with additional \$0.9B in CARES funding</p> <p>Under ARRA, the program received just over \$5B annually for 3 years</p> <p><i>Proposed amounts</i></p> <p>Biden announced \$5B for LIHEAP in his first rescue proposal</p> <p>Environmental Advocates suggest increasing to \$4 to \$20B/yr</p>	<p>Ramp up program funding dramatically and allow eligibility to be included temporarily to 250% of FPL to include the moderate income families hard hit by pandemic</p> <p>Consider including funding for a competitive grant program that tests out a combined effort with weatherization and energy education</p> <p>Simplify/streamline eligibility requirements across the board for all income qualified energy programs (WAP, LIHEAP etc.)</p>	<p>This is a great program to help the communities most hurt by the recession and pandemic, given that it targets low income communities, who spend disproportionately more on energy costs</p> <p>More than 16 M households in energy poverty before Covid 19; current estimates are that 15-20% of residential customers are at least 60 days behind on their utility bills</p>
<p>Department of Labor</p>					

Energy Training Partnership Grant	House E&L, E&C, Senate HELP <i>or</i> ENR	Projects will provide training and placement services in the energy efficiency and renewable energy industries for workers impacted by national energy and environmental policy, individuals in need of updated training related to the energy efficiency and renewable energy industries, and unemployed workers	Under ARRA, \$100M allocated to 20-30 grantees	Update this so that it has climate, equity, jobs angle and explicitly include clean mobility as an eligible work area NYSERDA's Green Job program might be a good model - https://www.nyserda.ny.gov/researchers-and-policymakers/green-jobs-green-new-york	
Pathways out of Poverty	House E&L, E&C, Senate HELP <i>or</i> ENR	provide training and placement services to provide pathways	ARRA granted \$150M to localities and non profits		Pathways out of poverty should be embedded in all major funding/projects at 1% of project costs set aside for local workforce and business assistance agencies

		out of poverty and into employment in green sectors			to build project pipelines and support. Portland's MAWE CBA was an exemplary program. This initial project now migrated into a retail assessment (PCEF) as a continuous funding stream.
State Energy Sector Partnership (SESP) and Training Grants	House E&L, E&C, Senate HELP <i>or</i> ENR	Grants provided to State Workforce Boards to create comprehensive strategy and roadmap for investing in workforce strategies targeting EE and renewable Energy	ARRA granted \$190M	Consider focusing on climate oriented High Road Training Partnerships similar to what California's State Workforce Board has done (see https://cwdb.ca.gov/initiatives/high-road-training-partnerships/)	

All publicly-funded programs should include workforce development standards:

- Job quality standards, including family-sustaining wages (i.e. prevailing wages for construction occupations, wage floors for other occupations), employer-provided benefits, career pathways, and safe and healthy working conditions. Job quality should also address certification requirements for relevant jobs, including apprenticeship standards for apprenticeable occupations.
- Job access (i.e. hiring) targets for low-income households, historically marginalized people and communities, i.e. BIPOC, women, at-risk youth, and those with barriers to employment**
- Workforce development pathways, preferably local, that include training and hiring through programs (such as community based organizations, community colleges, relevant certification programs, pre-apprenticeship/apprenticeship-readiness, and apprenticeship

programs) with a demonstrated track record of success in recruiting, developing “soft skills,” providing wrap-around support services (e.g. individualized plans based on an assessment of a full range of needs, such as child care, transportation, housing, mental health, physical health, financial stability, and educational achievement), training and placing workers from low-income and disadvantaged communities into good jobs (note that it is crucial to provide funding to these types of programs if workforce development goals are to be met)

- Agreement from funded employers to commit to respecting workers’ rights to organize (labor peace / neutrality) by not opposing unionization
- Mechanisms including Project Labor Agreements (PLAs), Community Workforce Agreements (CWAs), Community Benefits Agreements (CBAs) and/or similar comprehensive agreements, which include both labor standards and targeted/local hire language.
- Tracking of jobs data to ensure accountability and measure impact and progress, including:
 - Job quantity: number of workers employed/trained; employment status (part-time/full-time, or percentage of full-time equivalency)
 - Job quality: hourly wages, employer-provided benefits for hires, partners and dependents (medical and dental coverage, paid vacation and sick leave, retirement benefits)
 - Job access: worker demographics, including gender, race/ethnicity, workers with barriers to employment; geographic location (census tract of residency); project subject to project-labor agreement, targeted hiring policies, or community workforce agreement; paid training opportunities; supports for transportation and, childcare
 - Job retention: length of time employed, retention rate after 3,6,9,12 months
 - Job classification: occupation, employee classification (employee, independent contractor, trainee, etc.), contractor classification (diverse- owned business, community based organization, etc.)
 - Career paths: number and type of certifications or credentials awarded, number of job placements for trainees/interns, number of trainees enrolled in pre-apprenticeship or state-certified apprenticeship programs; existing workforce and training partnerships with training providers, workforce agencies or community-based organizations
- In addition, investment in early employment opportunities and career training for low-income and disadvantaged youth to prepare them for clean economy careers, to create a pipeline for the next generation of clean economy workers and to significantly increase the lifetime earning potential and economic mobility of youth.
- A 1% economic inclusion assessment (smaller for very large projects) on all projects to fund local workforce and business assistance organizations to recruit, train, coach/case manage, finance local residents and businesses to increase project diversity and inclusion

INNOVATIVE AND NEW federal funding ideas relevant to CITIES in building, energy, and transportation sectors

Agency	Funding/support tool	Description	Proposed Funding Asks	Additional Information
DOE	“Local” Energy Program	State Energy Program equivalent for cities and local government to help support capacity building and local policy/program design .	SMART Communities Act calls for \$240 million per year for implementation; additional \$80 million for research Require community engagement in local planning	SMART Communities Act by Clarke is one planning bill option
DOE/HUD/HHS	Program that combines LIHEAP, WAP, Health to provide a more streamlined interface	Meant to address all pressing LMI family concerns		
HUD	Program that supports clean mobility in affordable housing	Need a funding vehicle to integrate clean mobility into affordable housing more fully - including things like charging in new developments but also carshare/micromobility solutions at existing housing, mobility advising from CDC staff, etc.		

DOT	Transportation funds specifically allocated to cities			Right now funding usually flows to transit agencies and cities need to partner with them
HUD	HUD - Green, Resilient, Efficient, and Affordable Homes for Tenants (GREAHT)	National Housing Trust Proposal to create a permanent program and authorize HUD to provide federal grants and loans to eligible owners to conduct decarbonization and energy efficiency retrofits of their buildings. The goals of the proposal are to decrease carbon emissions and improve the energy efficiency of properties, while improving living conditions and health outcomes for residents and reducing the energy burden for residents and owners.	New program; no estimates yet available. Eliminate disincentives for utility savings by sharing with local PHA and/or residents.	Program aims to support renters in low income buildings. Eligible building categories in proposal include: Properties with project-based rental assistance (PBRA); USDA Section 515 rural housing; Properties with Low-Income Housing Tax Credits (Housing Credits); and Naturally Occurring Affordable Housing
DOE	Create or expand WAP to support electrification of low income housing	Model on CA Low Income Weatherization Program https://csd.ca.gov/Pages/Low-Income-Weatherization-Program.aspx , which can serve both regulated and unregulated affordable housing. Note that this program could also be supported by CESA	No program, no estimates available. the CAP LIWP program has received \$212M in funding since 2014.	