

December 5, 2022

The Honorable Michael Regan
Administrator
Environmental Protection Agency
1200 Pennsylvania Avenue, N.W.
Washington, DC 20004

RE: Docket ID No. EPA-HQ-OA-2022-0859

Dear Administrator Regan:

On behalf of the undersigned organizations, we write to express our enthusiastic support for the creation of the \$27 billion Greenhouse Gas Reduction Fund (GHGRF) in the recently passed Inflation Reduction Act. Thank you for the opportunity to respond to the Agency's associated Request for Information, Docket ID No. EPA-HQ-OA-2022-0859.

The Greenhouse Gas Reduction Fund addresses a crucial need to decarbonize the built environment, particularly in low-income and disadvantaged communities. As the EPA makes important decisions about how to develop the GHGRF program, **we urge the Agency to take seriously the significant carbon savings and opportunity to advance climate justice provided by the adaptive reuse of existing buildings and location-efficient projects.**

When paired with energy efficiency and electrification upgrades, [reusing existing buildings can save 50-75% of the carbon expended in a new construction project](#).¹ Development in compact, connected, walkable, and mixed-use neighborhoods has a double bottom-line benefit to the environment: it reduces the carbon-intensive infrastructure needed to serve buildings and it helps reduce Vehicle Miles Traveled (VMT), a key driver of greenhouse gas emissions.

Yet thousands of buildings and parcels lie vacant or underutilized, especially in communities of color and rural communities, because of the difficulty of finding conventional financing to fund rehabilitation or infill development. The struggle to access capital in communities of color is particularly well documented, and difficulties obtaining financing in rural places are also evident. Many factors contribute to these challenges. In the case of communities of color—whether in rural or more urbanized contexts—a legacy of racist and systemic barriers to lending persists. In all locales, the loss of community lenders as larger banks consolidated exacerbates problems finding capital, as many national banks have little interest in projects less than \$5M in total value and there are fewer local lenders to provide financing.

While some small-scale and community-driven development projects succeed, the default of market-rate redevelopment often leads to the creation of inaccessible housing or commercial space. The

¹More detail regarding the scientific case for the carbon benefits of reuse and location efficiency can be found in the response to the GHGRF RFI submitted by Smart Growth America and Main Street America.

Greenhouse Gas Reduction Fund presents an opportunity to invest in energy-efficient affordable housing and commercial space through adaptive reuse and in location-efficient places, ensuring that low-income and disadvantaged communities do not continue to be disproportionately burdened by climate change impacts and high energy costs.

In order to leverage the carbon benefits of reuse and location efficiency and achieve key climate justice goals, we specifically request that the EPA:

- Affirmatively identify the energy-efficient adaptive reuse of existing buildings and investment in location-efficient projects as eligible projects under sections 134(a)(1)-(3).
- Provide significant discretion and flexibility in the deployment of technical assistance programs to support a wide range of skill-building and knowledge-sharing needs related to adaptive reuse and location-efficient projects.
- Enable the use of Greenhouse Gas Reduction Fund grants to support pre-development costs (architecture and engineering fees, financing application costs, etc.) which are a substantial barrier to adaptive reuse and location-efficient projects.
- Allow discretion and flexibility as regards lending terms for adaptive reuse and location-efficient projects to meet project-specific needs.

As the EPA crafts a strategy for deploying \$27 billion in capital, and as the regulations are written establishing the eligibility of projects, we urge you to authorize the financing of adaptive reuse projects and the financing of development in location-efficient communities. These projects are vital to our climate fight and to the fight to create economic opportunity, affordable housing in location-efficient areas, and improve the quality of life in communities of color and low-income communities.

Thank you again for the opportunity to comment.

Sincerely,

America Walks
American Council for an Energy-Efficient Economy
American Institute of Architects
Architecture 2030
Association of Preservation Technology International
Congress for New Urbanism
Local Initiatives Support Corporation (LISC)
Low Income Investment Fund (LIIF)
Main Street America
National Association for Latino Community Asset Builders
National Association of REALTORS®
National Preservation Partners Network
National Trust for Historic Preservation
National Trust Community Investment Corporation
Partnership for Southern Equity
Smart Growth America
U.S. Green Building Council