

Inflation Reduction Act: Environmental Justice Block Grants and Other Provisions

Although the term “environmental justice” is not used explicitly throughout the Infrastructure Reduction Act (IRA), the Act includes significant investments in environmental justice.

- Greenhouse gas reduction fund. Provides \$27 billion to the greenhouse gas reduction fund. This includes \$7 billion (\$7,000,000,000) for grants to enable low-income and disadvantaged communities to deploy or of benefit from zero-emissions technologies and \$8 billion (\$8,000,000,000) for financial assistance and technical assistances in low-income and disadvantaged communities for qualified projects. Qualified projects are any project, activity, or technology that reduces or avoids greenhouse gas emissions or other forms of air pollution **in partnership with, and by leveraging investment from, the private sector**; or those that assist communities in their efforts to reduce or avoid GHG emissions and other forms of air pollution.¹
- Climate and environmental justice block grants. Provides three billion dollars (\$3,000,000,000) to award grants to “community-based nonprofit organization[s]” or tribe, local government, or institution of higher education in partnership with a community-based nonprofit organization. Grants may be used for air/pollution monitoring, climate mitigation, resiliency, and adaptation, indoor toxics/air pollution reduction, and community engagement.²
- Climate pollution reduction grants. Provides \$5 billion for states, state air agencies, municipalities, and tribes to develop and implement GHG reduction plans. This includes \$250,000,000 for grants to *each* state to cover the costs of developing a plan for the reduction for GHG air pollution and \$4,750,000,000 for grants to implement these state plans.³
- Neighborhood access and equity grant program. Provides \$1.893 billion (\$1,893,000,000) to the Administrator of the Federal Highway Administration (FHA) for competitive grants to state and local government. Grants may be used to improve walkability, safety, and affordable transportation access, mitigate negative impacts from transportation facilities in disadvantaged communities, and for planning and capacity building activities in disadvantaged or underserved communities. Also provides \$ 1.262 billion (\$1,262,000,000) to the Administrator of the FHA to provide grants specifically to disadvantaged communities for the same purposes and administered in the same manor.⁴
- Tax credit for solar development in EJ communities. Updates the previous solar tax credit that was set to expire in 2024. The update provides a 30% federal tax credit for the cost of solar installation with additional credit added on for EJ projects (20% additional credit for projects on federally subsidized affordable housing projects and 10% additional credit for solar projects in low-income communities). This means that an investment in a \$100,000 solar array on a federally subsidized affordable housing project would result in \$50,000 being reduced from the investors federal taxes.⁵

¹ Infrastructure Reduction Act (“IRA”) § 60103. [Here](#) at page 248.

² IRA. § 60201. [Here](#) at page 261

³ IRA. § 60114. [Here](#) at page 259

⁴ IRA. § 60501. [Here](#) at page 263.

⁵ IRA. § 13103. [Here](#) at page 204.

- Funding for fenceline monitoring in disadvantaged communities. Provides \$117,500,000 to deploy, integrate, support, and maintain fenceline air monitoring, screening air monitoring, natural air toxics trends stations, and other air toxics and community monitoring. Additionally provides another \$3,000,000 for grants to deploy, integrate, and operate air quality sensors in low-income and disadvantaged communities.⁶

⁶ IRA. § 13103. [Here](#) at page 250.