Low-income and tribal communities as well as communities of color have long borne the brunt of environmental pollution, unjust housing policies, economic inequality, and disparate access to affordable and quality health care. The lack of investment in these communities coupled with historic and systemic racism has resulted in toxic air, properties contaminated by industrial pollution—or brownfields—high unemployment, chronic illness, and crumbling infrastructure. As Peggy Shepard, co-founder of WE ACT for Environmental Justice, said:

There’s a continuum of racism that has permeated government, institutions, and all systems and sectors of society for communities of color and people of low income. The Black Lives Matter demonstrations have been a catalyst for renewing awareness and understanding of the intersectionality of issues such as environmental degradation, education disinvestment, economic instability, and housing segregation with racism.

These hardships are now being exacerbated by the COVID-19 pandemic and its economic fallout, which have disproportionately affected people of color. Unemployment rates are the highest they have been since the Great Depression, and they are higher for people of color than for white people.

The confluence of these conditions and events has worsened already-deep economic, health, and social divides and highlights the need to expand federal investment in equitable, healthy, and climate change-ready community development. As Congress prepares another COVID-19 relief package and a long-term economic stimulus plan, it must target significant new investment in vulnerable communities, including those that are economically disadvantaged, tribal, and majority people of color, to help address and lift long-standing and unjust environmental, health, and economic burdens. Specifically, Congress must invest in the programs and recommendations outlined in this issue brief to support just and climate-resilient community development.
Social, economic, and environmental conditions underline the need to build equitable, climate change-ready communities

The Black-white wealth gap is as wide today as it was in the 1960s due to persistent labor and housing market discrimination and segregation. As the pandemic-induced economic devastation continues, making it difficult for many to pay rent and put food on the table, Congress has failed to pass a second and desperately needed COVID-19 relief package. In May, however, the U.S. House of Representatives passed the Heroes Act—a $3 trillion comprehensive COVID-19 relief and economic stimulus bill—as well as an updated version in September; the Senate has yet to consider the bill.

This summer has also seen record-breaking wildfires in the West, deadly extreme heat events, and an abnormally active and damaging hurricane season with 25 named storms—more than double the season average—and nine hurricanes, including Hurricane Laura. This summer was the warmest on record for the Northern Hemisphere, triggering excessive heat warnings—issued when the heat index reaches 105 degrees Fahrenheit or higher, creating dangerous public health conditions—for millions of people across the country. At the same time, the deadly wildfires in California, fueled by dry conditions, have already burned more than twice as much land than in 2018, the deadliest and most destructive year until 2020. According to climate models, this level of damage from wildfires was not anticipated until 2050. These and other dangerous extreme weather events and disasters have been fueled and exacerbated by climate change.

Economically disadvantaged communities that are vulnerable to the effects of climate change typically do not have the capacity or resources to adequately prepare for or recover from extreme weather events, and they often experience more economic hardship in the wake of emergencies and disasters. When layered on top of multiple stressors that already overburden Black and brown communities, the impact is crippling. For example, residents in Mossville, Louisiana, a predominantly Black community, have dealt with decades of toxic pollution from nearby refineries and chemical plants before being pummeled by Hurricane Laura’s 150 mph winds that downed power lines, tore away street signs, and uprooted massive trees. The hurricane also caused a chlorine plant fire in the neighboring city of Westlake, which triggered shelter-in-place orders to avoid exposure to toxic fumes.

The country is also grappling with a racial reckoning that was sparked by the deaths of George Floyd, Breonna Taylor, and countless other Black people at the hands of the police. This reckoning has propelled decadeslong systemic racism within law enforcement and the judicial system into the national spotlight. Near-constant protests in support of Black Lives Matter have spurred discussion of pervasive racism and injustice not only in police departments but also across nearly every realm of society, including environmental policies and organizations and community development.
These interconnected events have shined a light on the need to end systemic racism and invest in the communities most deeply affected by these crises. As a result, a policy proposal to target 40 percent of the overall benefits from investing in a clean energy transformation, climate-resilient infrastructure, and affordable housing to disadvantaged communities is gaining momentum nationally and in states. This proposal is reflected in New York state’s climate law; the Evergreen Climate Action Plan, which builds upon Gov. Jay Inslee’s (D-WA) climate plan; and the platforms of other prominent federal policymakers and thought leaders. If implemented at a national scale, this proposal could mobilize substantial new investment to expand access to renewable energy and energy efficiency improvements, pollution-free transportation, and safe affordable housing in the communities that need it the most. To make immediate progress toward the widely supported 40 percent goal, Congress must invest in safe, healthy, and equitable community development, including by increasing funding for the federal programs described below.

Recommendations to support just and climate-resilient community development

Congress must make significant new investments in the following community development programs to ensure a just, healthy, and climate change-ready economic recovery from the COVID-19 pandemic.

Provide $2 billion for the CDFI Fund

Congress should include $2 billion for Community Development Financial Institutions (CDFIs) in the next COVID-19 relief package. CDFIs promote economic recovery and revitalization in disadvantaged communities in all 50 states and Washington, D.C. These funds create jobs, support affordable housing, foster financial health, and expand economic opportunity in communities that have long suffered from systemic racism. CDFIs have experience in responding to natural disasters and public health crises, spurring local economies, and addressing community needs. They also are located in the communities they serve, allowing them to respond to the specific challenges each community faces. For these reasons, the Coalition for Clean Energy and Healthy Communities has recommended that Congress include funding for CDFIs in its next relief package and future recovery and stimulus plans. The House of Representatives allotted $2 billion for CDFIs in both the original and updated Heroes Act. A supplemental appropriation of $2 billion would allow CDFIs to leverage roughly $24 billion in capital to improve the energy efficiency of existing buildings and expand access to clean renewable energy, quality affordable housing, and other critical community infrastructure and services in underserved communities. CAP estimates that a $2 billion appropriation to the fund would result in the financing of more than 400,000 affordable housing units and more than 150,000 businesses in underserved communities.
CDFIs that receive federal funds should be required to use resilience principles and tools such as those developed by the Resilient Community Development Finance (ResCDF) campaign. These principles and tools aim to ensure that community development projects are designed as part of a holistic strategy to address systemic racism, environmental degradation, aging infrastructure, and other challenges and that they are built to withstand climate change effects and other shocks.24

**Fund $30.36 billion for CDBGs**

The Community Development Block Grants (CDBG) program provides grants to states to support community development and address economic and public health challenges created by historic racial and economic inequality.25 CDBGs support construction of affordable housing, programs to create economic opportunities and jobs, services for those in need, disaster mitigation and recovery, and other projects to improve community living conditions and quality of life. The CARES Act included $5 billion for the CDBG program, and both versions of the Heroes Act allotted an additional $5 billion.26 The House Select Committee on the Climate Crisis’ report, “Solving the Climate Crisis,” endorses a bill that would authorize $10 billion for the program.27 As recommended by the co-authors of the Equitable and Just National Climate Platform and the Coalition for Clean Energy and Healthy Communities, Congress should include at least $30 billion for CDBGs in future COVID-19 relief and economic stimulus packages to support equitable and just community development and access to affordable, resilient, and energy efficient housing.28

**Fund $2.25 billion for the EPA’s Brownfields Program**

Congress should provide $2.25 billion for the Environmental Protection Agency’s Brownfields Program in the next economic relief package to support the cleanup and redevelopment of former industrial sites and community revitalization, as recommended by the co-authors of the Equitable and Just National Climate Platform and the Coalition for Clean Energy and Healthy Communities.29 The Brownfields Program provides grants to states, communities, and tribes to remediate and revitalize brownfields, and it has proven successful in spurring local economic development and job growth.30 Brownfields are previously developed parcels of land with potentially hazardous substance contamination; estimates indicate that there are more than 450,000 brownfields across the country.31 Brownfields are also usually concentrated in low-income communities and communities of color.32 The House Select Committee on the Climate Crisis’ report recommends increasing funding for the Brownfields Program to the level included in H.R. 2, the Moving Forward Act, which was $2.25 billion over five years.33

**Create a Healthy Communities and Resilient Infrastructure Fund**

Congress should create a Healthy Communities and Resilient Infrastructure Fund to drive new investment in clean and affordable energy and transportation options, climate change-resilient infrastructure, and flood protections.34 Sixty percent of the fund’s investments should be directed to economically disadvantaged communities,
tribal communities, and communities of color. The fund would support projects to reduce carbon emissions and local pollution by increasing renewable energy generation, lowering energy bills through energy efficiency improvements, providing sustainable transportation options that increase access to economic opportunities, and reducing flood risks from extreme weather. The fund idea builds on a previous CAP recommendation to create State Future Funds to support clean, affordable energy and transportation options and other infrastructure to improve community health and safety. This idea is similar to the Clean Energy and Sustainability Accelerator included in H.R. 2, which directs 20 percent of its investments to climate-affected communities; the National Investment Authority proposed by Data for Progress; and the Clean Infrastructure Bank proposed by the Evergreen Collaborative.

Expand funding for federally qualified health centers
In the next COVID-19 relief package, Congress must also increase funding for federally qualified health centers through the Health Resources and Services Administration (HRSA)’s health center program, as recommended by the Coalition for Clean Energy and Healthy Communities. The program invests in community-based health care providers operating in underserved areas to administer quality and affordable primary care services. These providers offer critical health services to communities, including COVID-19 testing, and meet high standards for care. Federally qualified health centers include community health centers such as those that provide services to migrants, people experiencing homelessness, and residents of public housing. These health centers are especially vital to communities that are overburdened with pollution, as higher rates of air pollution have been linked to higher COVID-19 death rates. The CARES Act included $1.3 billion for the HRSA to support health care centers, and the updated Heroes Act included an additional $7.3 billion in emergency funding for health centers. Congress should substantially increase funding for this program in the next COVID-19 relief package and future stimulus plans to ensure that people have access to critical, affordable, and life-saving health care services during the pandemic and beyond.

Provide $6 billion for the Environmental Justice Small Grants Program
Congress must include in the next relief package at least $50 million for environmental justice grants, including the Environmental Justice Small Grant (EJSG) Program, consistent with the updated Heroes Act. Over the longer term, Congress should provide $6 billion for the EJSG program, increase the grant size to up to $500,000, and increase the grant period from one year to two years, as advocated by the co-authors of the Equitable and Just National Climate Platform. The EJSG program provides community assistance to help mitigate environmental hazards associated with high concentrations of pollution, improve public health, and prepare for climate change. Over its 25-year history, the EJSG program has directed $25 million to more than 1,400 local and tribal communities. Communities eligible for the EJSG are often disproportionately burdened by cumulative impacts of pollution, so these grants are critical to improving community health and advancing economic development.
Fund anti-displacement strategies

To ensure that the above recommendations benefit rather than displace community residents, Congress must also provide funding to support anti-displacement strategies. These strategies should include, for example, inclusionary zoning; community land trusts, or community-based organizations that acquire and manage land to protect and expand affordable housing, as outlined in CAP’s 2016 report on the subject; investments in affordable and sustainable housing; rent control; and other tenant protections at the local level.43 Unless the risk of displacement is directly addressed, community revitalization efforts can drive up living costs for longtime residents, forcing them to leave their neighborhoods and exacerbating racial and economic inequities. In the context of projects designed to reduce pollution or build resilience to climate change, this phenomenon has been described as environmental gentrification and must be avoided.44 In a joint report, titled “A Framework for Local Action on Climate Change: 9 Ways Mayors Can Build Resilient and Just Cities,” CAP and the Center for Earth, Energy and Democracy recommend using the above strategies to ensure that investments in environmental remediation and economic development benefit community members and avoid displacement.45

Conclusion

Congress’ delay in passing a COVID-19 relief, stimulus, and long-term recovery package hurts everyone. Since the start of the pandemic, more than 210,000 Americans have lost their lives, and millions have lost their jobs or seen their hours cut.46 On top of decades of systemic abuse by way of pollution, over policing, mass incarceration, segregation, and redlining, the effects of the coronavirus crisis and the resulting economic fallout on communities of color and low-income areas have cut deep and will be long-lasting. As the impacts of climate change and economic inequality only become graver, Congress must move quickly to pass a COVID-19 relief package that includes meaningful and long-overdue investments in disadvantaged communities to provide much-needed support to families struggling to make ends meet and to support equitable, healthy, and climate-resilient community development.

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