RESULTS FOR AMERICA

5 Winning Strategies for Cities in Accessing and Leveraging Inflation Reduction Act Resources

The Inflation Reduction Act (IRA) provides historic investments to address climate change and promote energy efficiency and environmental resilience. Listed below are five ways that cities can maximize IRA's resources.

#1 Emphasize IRA Programs that Align with Your City's Climate Action Plan

The IRA contains a multitude of grant opportunities and tax incentives for cities and their residents to improve the environment and address climate change. Competitive grant proposals that elevate strategies included in a city's Climate Action Plan are more likely to be successful because they link to the city's values and priorities and often specifically address equity. And if your city needs a Climate Action Plan, the IRA provides support for their development. For example, the Climate Pollution Reduction Grant Program is allocating $200 million in planning grants so communities are better-positioned to leverage future funding for specific projects. (See this background on IRA programs of relevance to cities.)

#2 Prioritize Equity

Equity considerations are front-and-center in the IRA. The Administration's Justice 40 goal, which states that at least 40 percent of the benefits of federal investments in the environment must benefit marginalized communities that are overburdened by pollution, will be a clear priority in IRA funded projects. For example, $8 billion from the Greenhouse Gas Reduction Fund is earmarked for low-income and marginalized communities, and the entirety of the $3 billion Environmental and Climate Justice Block Grants must benefit disadvantaged communities.

#3 Spread Awareness of Consumer and Business-Facing Tax Incentives

The IRA includes tax incentives for businesses and consumers to improve energy efficiency and promote environmental resilience, and local governments can play an important role in disseminating information on these benefits to their constituents, for example by developing and fostering relationships with local non-profits, business organizations and other on-the-ground stakeholders. Some notable tax incentives under IRA include the Residential Clean Energy Tax Credit, which will provide an estimated $22 billion in tax credits to individuals who install renewable energy systems, and the New Energy Efficient Home Tax Credit, which will provide an estimated $2 billion for contractors who construct energy efficient homes.

#4 State-Level Coordination is Important

Cities increase their likelihood of developing a winning grant proposal if they partner and coordinate with state agencies. Cities can generate buy-in at the state level by thinking about how local priorities that are consistent with IRA funding opportunities align with state economic development plans, and are encouraged to contact their state infrastructure coordinator. Grant applications are stronger when they include

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funding commitments from both the city and state levels, as this demonstrates that city and state officials are aligned and speaking with a unified voice. (See our previous resource on how cities can leverage multiple sources of grant funding from the BIL and IRA.)

#5 Support Workforce Development

Because the IRA invests significant resources in the green jobs of tomorrow, cities should think holistically about long-term workforce opportunities and work with local stakeholders—including community colleges, workforce boards, and local labor union offices—to create and foster pipelines and mid-career training opportunities for workers.

To get started, cities could consider developing:

- ***An inventory of what IRA projects are in the works,*** including projects being led by city agencies as well as those being spearheaded by community-based organizations (CBOs), local employers, and other stakeholders.
- ***A publicly-available asset map of the different stakeholders that are either leveraging IRA dollars or that can play a role in developing the workforce for IRA projects,*** including community colleges, labor unions, workforce boards, and local workforce and economic development offices.

Ultimately, relevant workforce development programs may already exist, and there may also already be a qualified workforce in an area for IRA-focused jobs, and the above interventions will enable workforce system stakeholders to connect CBOs, local businesses, and city agencies with relevant programs and workers.