



MONTGOMERY COUNTY OFFICE OF RACIAL EQUITY & SOCIAL JUSTICE

REIA #25-90

Green Bank Pilot Technical Assistance Program

Requesting Agency/Department(s)
Department of Permitting Services

Dollar Amount
\$1,000,000

Funding Source

DPS Fund Undesignated Reserves

Finding

The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #25-90 has the potential to advance racial equity and social justice in the County. The funding will launch the Green Bank Pilot Technical Assistant Program (TAP), which will help commercial property owners understand and comply with updated energy and green codes. The Green Bank TAP is being designed to address the barriers and burdens that property owners face when participating in the permitting process. The extent to which the program reduces racial disparities or inequities will depend on how targeted and prioritized the assistance is, as well as the resources provided to commercial property owners of color.

Background

Purpose

The purpose of SA #25-90 is to provide funds for the Green Bank Technical Assistant Program, which will support commercial property owners in navigating the County's updated energy and green codes. This program will collect data, support contractors in understanding and complying with current energy and green codes, and help to reduce the number of rounds needed for permitting review.

In December 2017, Montgomery County declared a climate emergency through a Council Resolution,¹ which accelerated the County's climate goals, including an 80 percent reduction in greenhouse gas (GHG) emissions by 2027 and the elimination of GHG emissions entirely by

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #25-90 Page 2

2035. Many of the key recommendations from the County's Climate Action Plan,² released in 2021, focus on actions businesses can take to reduce their greenhouse gas emissions, such as improving energy performance in buildings and electrifying them. However, many businesses face several challenges in implementing these climate actions, including knowing how to start improvements, finding reliable contractors, and managing upfront costs. Funding is being requested for DPS to partner with the Montgomery County Green Bank³, an independent nonprofit, to deliver technical assistance in response to this need.

Additional Background Information

The County also received a \$10 million Federal Grant from the Department of Energy in SA 26-10 Achieving Net Zero Energy Codes for All Montgomery County Government. The funds will help to further develop County codes. Both of these efforts will ultimately lead to Net Zero Energy Code adoption over the next two code cycles in 2029.

Relevant REIAs and Other Assessments

ORESJ has conducted REIAs since 2021. The below REIA and Racial Equity and Social Justice Impact Assessments (RESJIS) are relevant to supplemental appropriation #25-90.

- REIA #24-43 Implementation of Bill 18-22 – Noise Control – Leaf Removal Equipment – Amendments <https://www.montgomerycountymd.gov/ore/Resources/Files/24-43.pdf>
- RESJIS Bill 16-21- Environmental Sustainability-Building Energy use Benchmarking and Performance Standards Amendments <https://www.montgomerycountymd.gov/OLO/Resources/Files/resjis/2021/Bill31-21RESJ.pdf>
- RESJIS Bil 13-22 - Buildings – Comprehensive Building Decarbonization <https://www.montgomerycountymd.gov/OLO/Resources/Files/resjis/2022/Bill13-22.pdf>

Analysis

Montgomery County plans to adopt a Net Zero Energy Code over the next two code cycles, aiming for implementation by 2029. As energy codes have become more stringent, there is an increasing need to assist builders and developers in complying with these requirements. To facilitate compliance, alleviate financial burdens, and address obstacles that can delay the permitting process due to changes in the energy code, the Montgomery County Department of Permitting Services (DPS) will partner with the Montgomery County Green Bank to deliver the

Racial Equity Impact Assessment (REIA)

Supplemental Appropriation (SA) #25-90

Page 3

Technical Assistance Program (TAP). This partnership aims to reduce barriers and burdens in the permitting process.

While the disparity has not been directly measured, DPS notes that underserved communities face the most obstacles in permitting. A 2024 Brookings Institution study on climate investment notes that many commercial properties are owned by small-to-midsize companies, families, and individuals, often referred to as mom-and-pop landlords. The study goes on to point out that the resources available to large institutional owners and mom-and-pop landlords differ.⁴ Additionally, commercial property owners of color are more likely to face disproportionate barriers in meeting these enhanced code requirements. The permitting process for projects subject to these standards often requires multiple review cycles, technical expertise, and upfront capital for design and consultant fees. Property owners with fewer financial resources or less access to specialized professionals may struggle to achieve compliance, potentially delaying projects, increasing costs, or even making development financially unfeasible.

As the Urban Sustainability Directors Network (USDN) notes, “status quo government action often creates, codifies, and exacerbates inequities.”⁵ Without assistance, new code requirements could deepen existing disparities in access to capital and technical expertise. To reduce this burden, TAP will be available to all, but 40%-100% of professional fees will be covered with TAP funding for underserved communities, based on verified need. This funding will help reduce the cost barrier that disproportionately affects property owners in underserved communities.

DPS will collect data on the program, although the specific data to be collected remains unclear. Gathering demographic data will help the County understand who is utilizing the program, determine if funding has been equitably distributed, and identify any disparities. It is also unclear if funding will be prioritized for businesses in underserved areas. The prioritization of funding may help ensure funds are available for underserved communities should demand for TAP exceed current resources and capacity.

Finally, DPS plans to leverage the County’s existing language access and translation services, provided by the Office of Community Partnerships in conjunction with the Net Zero Federal grant program. Languages access and translation services will be available in Spanish, Chinese (Mandarin), Amharic, Vietnamese, French, and English for implementation of the Federal grant program. As DPS partners with the Green Bank to deliver TAP, it is unclear whether language access resources would be available for this program as well. Ensuring language access and

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #25-90

Page 4

outreach in general will help ensure the public and business owners of color are aware of the program and financial assistance opportunities.

Caveats

This REIA has been conducted with the best available information at the time of writing, including department responses to the Racial Equity and Social Justice template and research conducted by ORESJ Policy Team Analysts. While the assessment examines specific racial equity and social justice impacts of the funding request, it cannot fully address all systemic inequities that affect the communities in question, nor do we seek to examine impacts outside the scope of the funding request. We recommend using this assessment as a starting point for discussions about the impact of the program on advancing racial equity and social justice in Montgomery County.

References

¹ Resolution 18-974. December 5, 2017. Available at:

https://apps.montgomerycountymd.gov/ccllims/DownloadFilePage?FileName=8727_1_4838_Resolution_18-974_Adopted_20171205.pdf.

² Climate Action Plan. June 2021. Available at

<https://www.montgomerycountymd.gov/climate/Resources/Files/climate/climate-action-plan.pdf>.

³ The Montgomery County Green Bank is the County's designated Green Bank. It was established by Bill 18-15-Environmental Sustainability - Montgomery County Green Bank, and later amended by Bill 26-15. Bill 44-21 requires the County to appropriate 10 percent of the revenue received by the County from the fuel energy tax each year to the Montgomery County Green Bank. Bill 28-23 restricts the use of the 10% appropriation to remain dedicated to investment in clean energy, not climate resiliency activities for the County Green Bank-which was later authorized under Bill 3-23.

⁴ Brookings. Homes and commercial buildings need substantial investments to become more resilient and sustainable. Who pays for these investments has important equity implications. September 2024.

<https://www.brookings.edu/articles/homes-and-commercial-buildings-need-substantial-investments-to-become-more-resilient-and-sustainable-who-pays-for-these-investments-has-important-equity-implications/>

⁵ American Cities Carbon Challenge, Decarbonization. USDN. Available at:

<https://www.usdn.org/uploads/cms/documents/decarbonization-slides.pdf>