



Inflation Reduction Act: Key Funding Opportunities for Cities

The Inflation Reduction Act (IRA) is a historic investment in combating climate change and promoting environmental resilience. Listed below are the key funding opportunities that cities are eligible for. For more details, see [“Climate action and the Inflation Reduction Act: A guide for local government leaders.”](#)

Category	Funding Opportunity	Amount	Type	Description
Air Quality and Reducing Greenhouse Gas	Greenhouse Gas Air Pollution Plans and Implementation Grants	\$5 billion	Grant	Grants for planning or implementing initiatives to reduce greenhouse gas (GHG) in disadvantaged areas
	Air Pollution Monitoring and Screening	\$280 million	Grant	Grants to install and maintain air quality monitoring equipment
	Grants to Reduce Air Pollution at Ports	\$3 billion	Grant	Grants and rebates to reduce air pollution and GHGs from port operations
	Greenhouse Gas Reduction Fund	\$27 billion	Grant and Loan	Funding to establish or support financial institutions that fund GHG reduction and zero-emissions projects, with a majority of funds benefiting disadvantaged communities
	Neighborhood Access and Equity Grant Program	\$3 billion	Grant	Funding to reconnect communities that have been fractured by transportation infrastructure barriers, to mitigate impacts of construction projects or transportation facilities in underserved communities, and to support equitable community engagement and transportation planning
Housing and Commercial Buildings	Energy Efficient Commercial Buildings Deduction	\$360 million	Tax Incentive	Tax credits for commercial and municipally-owned buildings that decrease energy use intensity by 25% or more
	Improving Energy or Water Efficiency or Climate Resilience of Affordable Housing	\$1 billion (up to \$4 billion in loans)	Grant and Loan	Grants and loans for owners of public or affordable housing properties to improve energy or water efficiency
	Assistance for Latest and Zero Building Energy Code Adoption	\$1 billion	Grant	Grants to support states and local governments implement, adopt and support compliance with high-performance building codes

Source: [“Climate action and the Inflation Reduction Act: A guide for local government leaders,”](#) C40



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Clean Vehicles	Clean Heavy-Duty Vehicles	\$1 billion	Grant	Grants for the cost of purchasing heavy-duty, clean energy vehicles, as well as for installing the charging/fuel infrastructure
	Commercial Clean Vehicles Credit	\$3.6 billion	Tax Incentive	Tax credit for purchasing electric or other emission-free vehicles
	Alternative Fuel Refueling Property Credit	\$1.7 billion	Tax Incentive	Tax credit for the charging and alternative fuel infrastructure
Environmental Resilience	Drought Mitigation in the Reclamation States ¹	\$4 billion	Grant	Grants for water conservation, prevention of drought and habitat restoration
	Reclamation Domestic Water Supply Projects	\$550 million	Grant	Grants to provide domestic water to disadvantaged communities that lack reliable water access
	Investing in Coastal Communities and Climate Resilience	\$2.6 billion	Grant	Competitive grants to support extreme weather preparation, coastal restoration, and natural resources that sustain coastal communities
	Urban and Community Forestry Assistance Program	\$1.5 billion	Grant	Competitive grants for tree planting projects, with an emphasis on underserved populations
Workforce	Environmental Product Declarations Assistance	\$250 million	Grant	Grants to support businesses in developing and verifying “environmental product declarations” of construction materials

¹Reclamation states include: AZ, CA, CO, ID, KS, MT, NE, NM, NV, ND, OK, OR, SD, UT, WA, and WY