

# U.S. Small Business Administration

## Environmental Justice Strategic Plan



November 2024

## Table of Contents

1. Executive Summary .....	4
2. SBA’s Environmental Justice Vision Statement .....	4
3. SBA’s Approach to Advancing Environmental Justice.....	5
4. Advancing Environmental Justice Through Goal Setting.....	5
EJ Goal 1: Promote Opportunities for and Equitable Benefits to Disadvantaged Communities Impacted by Disasters .....	5
EJ Objective 1.1: The SBA will enhance the support offered to survivors applying for a disaster loan.....	6
EJ Objective 1.2: The SBA will increase resiliency in communities impacted by disasters.....	7
EJ Goal 2: Provide Opportunities for and Equitable Access to Businesses and Innovators Reaching Communities with Environmental Justice Concerns .....	7
EJ Objective 2.1: The SBA will increase support for environmental justice by promoting capital for energy public policy projects .....	8
EJ Objective 2.2: The SBA will promote public-private support for innovators of climate technology .....	9
EJ Goal 3: Incorporate Environmental Justice into SBA Internal Operations.....	9
EJ Objective 3.1: The SBA will promote sustainability in its internal operations, including connections to environmental justice, as appropriate.....	10
EJ Objective 3.2: The SBA will increase coordination between environmental justice planning and other SBA planning processes.....	10
5. Engagement and Consultation .....	11

*This page intentionally left blank.*

## 1. Executive Summary

In accordance with Executive Order (EO) 14096, Revitalizing Our Nation’s Commitment to Environmental Justice for All<sup>1</sup>, the SBA Environmental Justice (EJ) Strategic Plan includes three strategic goals and seven strategic objectives. This plan includes strategies<sup>2</sup> for the SBA’s public-facing programs as well as Agency internal operations.

The SBA will focus its environmental justice efforts in small businesses and communities that have been under-resourced, including disadvantaged communities. EO 14096 defines EJ, in part, as the “just treatment and meaningful involvement of all people, regardless of income, race, color, national origin, Tribal affiliation, or disability, in agency decision-making and other Federal activities that affect human health and the environment.” By advancing EJ, SBA seeks to protect people and small businesses from disproportionate and adverse environmental impacts and allow them access to a healthy, sustainable, and resilient environment. Many SBA programs focus on strengthening access and opportunity for small businesses and communities that have faced barriers or burdens to investment and economic security.

This SBA Environmental Justice Strategic Plan includes three strategic goals, seven strategic objectives, and twelve implementation strategies. SBA’s goals are to:

- Promote opportunities for and equitable benefits to disadvantaged communities impacted by disasters.
- Provide opportunities for and equitable benefits to businesses and innovators reaching climate-impacted communities.
- Incorporate environmental justice into SBA’s internal operations.

## 2. SBA’s Environmental Justice Vision Statement

The SBA’s mission is to maintain and strengthen the nation’s economy by enabling the establishment and vitality of small businesses and by assisting in the economic recovery of communities after disasters. To that end, the SBA is committed to helping businesses and communities, including those experiencing environmental injustice, start and grow their businesses, create jobs, and be resilient. By ensuring that small businesses have the tools and resources they need, the SBA can help small businesses lessen their environmental impact and can reach communities with EJ concerns to provide better access to SBA products and services, address environmental effects and inequities, and overcome barriers to equitable access to these SBA products and services. The SBA also helps restore communities and return businesses to normal operations by providing disaster assistance. Beyond just returning businesses and communities to normal operations, the SBA has additional tools to increase resiliency and improve recovery through mitigation options in disaster loans. The SBA also offers counseling and training programs that aid communities with disaster recovery.

---

<sup>1</sup> Executive Order 14096 of April 21, 2023, Revitalizing Our Nation’s Commitment to Environmental Justice for All. Federal Register 88, no. 80 (April 26, 2023): 25251, <https://www.govinfo.gov/content/pkg/FR-2023-04-26/pdf/2023-08955.pdf>.

<sup>2</sup> The SBA is using the term “Strategy” interchangeably with “Priority Action” indicated in the EJ Strategic Plan Guidance

### 3. SBA’s Approach to Advancing Environmental Justice

The SBA helps Americans start and grow successful small businesses. Through investments across our capital, contracting, counseling, innovation, and disaster recovery programs, the SBA will continue to ensure that entrepreneurs anywhere and everywhere—including those from disadvantaged communities—can access the funding, knowledge networks, mentors, and revenue growth opportunities they need to achieve their American dream of business ownership. In alignment with EO 14096, the SBA advances EJ through the SBA Disaster Loan Program, which provides financial assistance to businesses of all sizes, nonprofit organizations, homeowners, and renters following a disaster. The SBA also helps small businesses prepare for disasters through a mitigation loan option. The SBA works diligently to reduce barriers to access by modernizing the technology that disaster survivors use to apply for disaster lending products and assistance. Although the disaster loan program is a key method through which the SBA advances EJ, the SBA is committed to expanding all opportunities that support EJ goals. This includes improving outreach to small businesses in communities with EJ concerns and continuing to seek opportunities for the SBA to reduce its own environmental impact.

### 4. Advancing Environmental Justice Through Goal Setting

#### EJ Goal 1: Promote Opportunities for and Equitable Benefits to Disadvantaged Communities Impacted by Disasters

Goal 1 aims to improve access to SBA disaster assistance in disadvantaged communities through better access to its benefits and resources. Natural disasters have become more intense and more costly, with 28 distinct weather and climate disasters reaching or exceeding \$1 billion in the United States in 2023.<sup>3</sup> Through direct loans, the SBA disaster assistance programs help restore small businesses and their communities and allows businesses of all sizes, homeowners, renters, and nonprofits to recover from physical damage and economic losses after a disaster. In addition to helping restore communities after a disaster, SBA programs allow businesses and homeowners to be more resilient in anticipation of future natural disasters. The SBA disaster loan recipients can take on mitigation projects to protect their homes or businesses and reduce future property damage, allowing them to rebuild stronger. Through EJ Goal 1, the SBA developed objectives and strategies designed to enhance the support it provides to disadvantaged communities, including those marginalized by dis- or underinvestment and overburdened with high levels of polluted air, water, and land.

---

<sup>3</sup> National Oceanic and Atmospheric Administration, National Centers for Environmental Information, *Billion-Dollar Weather and Climate Disasters* (2024), <https://www.ncei.noaa.gov/access/billions/>

**EJ Objective 1.1: The SBA will enhance the support offered to survivors applying for a disaster loan**

*Strategy 1: Deploy a new, streamlined online lending platform*

Indicator: Average time from when a disaster survivor begins to apply for an SBA loan until the loan's disbursement

*Strategy 2: Continue to develop and disseminate multilingual educational materials*

Indicator: Number of languages used in SBA disaster education materials

*Strategy 3: Expand the deployment of Portable Loan Outreach Centers (PLOCs)*

Indicator: Number of times PLOCs are deployed

*Strategy 4: Enable small business contractor to compete for jobs and service survivors in disaster-declared areas*

Indicator: Number of surety bonds approved for projects in disaster-declared areas

Strategy 1 advances environmental justice by identifying, analyzing, and addressing barriers related to Federal activities<sup>4</sup> that impair the ability of communities with EJ concerns to receive equitable access to human health or environmental benefits. This includes benefits related to natural disaster recovery and climate mitigation, adaptation, and resilience. The SBA recently migrated its loan programs to the MySBA Loan Portal to reduce the amount of work for disaster victims and speed up the process from application to approval. The loan portal streamlines the application process and is easier and more intuitive for applicants to use. The SBA will continue to make enhancements to the MySBA Loan Portal to improve the experience and reduce burden for the borrower.

Strategy 2 advances environmental justice by ensuring that the public has adequate access to information on the SBA's Federal activities. Strategy 2 also intends to seek out and encourage the involvement of persons and communities potentially affected by SBA's activities. This will be accomplished by ensuring that the Agency offers or provides information on its activities in a manner that provides meaningful access to all, including individuals with limited English proficiency and individuals with disabilities. The SBA will build its capacity to translate materials into several dozen languages, including American Sign Language (ASL) and Braille.

Strategy 3 advances environmental justice by providing technical assistance, tools, and resources to assist in facilitating meaningful and informed public participation for persons and communities with EJ concerns who are potentially affected by the SBA's Federal activities. The SBA's PLOC initiative focuses on providing support to disaster survivors that might not otherwise have access to SBA assistance, including those in communities with environmental justice concerns facing cumulative impacts of environmental and other burdens. PLOCs are lightweight, mobile internet-enabled deployable systems that enable rapid response to some of the most damaged and vulnerable locations where traditional recovery centers may be unavailable. PLOCs enhance the SBA's agility, increase efficiency, and maximize outreach, making them essential in responding to disasters when infrastructure has been destroyed.

Strategy 4 advances environmental justice by helping to ensure that small business contractors rebuild communities according to local standards and laws. SBA-authorized sureties approve

---

<sup>4</sup> EO 14096 defines "Federal activity" as any agency rulemaking, guidance, policy, program, practice, or action that affects or has the potential to affect human health and the environment, including an agency action related to climate change.

thoroughly vetted small business contractors for bonding because of their ability to complete contracts according to relevant job specifications, local ordinances, or environmental standards. In addition, commercial business disaster survivors can request contractors to secure a surety bond to avoid violations and incurring additional debt through contractor malfeasance. This safety net ensures that the surety company will remedy any issues caused by negligence, providing a sense of security and relief.

### EJ Objective 1.2: The SBA will increase resiliency in communities impacted by disasters

*Strategy 1: Provide low-interest disaster loans to homeowners and small businesses impacted by declared natural and other disasters*

Indicator: Percent of disasters having a disaster loan outreach center or business recovery center open within ten (10) days

*Strategy 2: Promote expanded funding to borrowers to mitigate homes and businesses against future disasters*

Indicator: Number of loans that include mitigation measures

Strategy 1 ensures that the SBA is focused on serving the communities impacted by disasters as quickly and effectively as possible. To support Strategy 2, the SBA expanded the use of its disaster assistance loans with the mitigation option through the public rulemaking process to eliminate a restriction on property owners. Previously, borrowers could only use disaster loan funds to mitigate a “similar” disaster event that caused damage to their homes or businesses. The new rule gives property owners more options to mitigate future damage from different types of disasters, reducing the need for future financial assistance. The same rule change also increased disaster loan limits from \$40,000 to \$100,000 for repair and replacement of household and personal effects and from \$200,000 to \$500,000 for repair and replacement of a primary residence, the maximum allowed for post-disaster mitigation<sup>5</sup>. To advance resiliency in communities impacted by disasters, in Fiscal Year 2023, the SBA provided over \$66 million in loans with the mitigation option to 1,356 borrowers for rebuilding their properties with safeguards against future disasters. The SBA will be using this updated and more flexible approach to provide funding to borrowers to mitigate their homes and businesses against future disasters, so those burdened communities suffer lower financial impacts in the future.

### EJ Goal 2: Provide Opportunities for and Equitable Access to Businesses and Innovators Reaching Communities with Environmental Justice Concerns

EJ Goal 2 aims to increase the SBA’s outreach for its non-disaster loan programs for small businesses and innovative startups, including businesses and innovators that specifically provide products and services for communities with EJ concerns. Clean energy initiatives, support for climate and energy technologies, and assistance for businesses themselves to be more environmentally sustainable are some of the ways that SBA will engage both communities and small businesses.

---

<sup>5</sup> “Disaster Assistance Loan Program Changes to Maximum Loan Amounts and Miscellaneous Updates: A rule by the Small Business Administration on 6/16/2023,” *Federal Register* 88, no. 116 (Friday, June 16, 2023): 39335. <https://www.govinfo.gov/content/pkg/FR-2023-06-16/pdf/2023-12779.pdf>.

The SBA’s capital loan programs provide a range of products for businesses reaching communities with EJ concerns. For instance, the SBA’s 504 loans provide financing for workplaces, real property, and major equipment. These products also provide tools for the refinancing of the debt incurred for these major fixed assets. Small manufacturers of certain energy-related projects are eligible for higher loan totals to support clean energy initiatives for increasing resilience to climate impacts. These projects, referred to as “energy public policy” projects, are eligible for higher loan amounts and reduced restrictions on certain loan terms.

These energy public policy projects fall under one of three categories:

- (1) Projects for the reduction of existing energy consumption by at least ten percent.
- (2) Projects where renewable energy sources generate more than 15 percent of energy used at the Project Facility.
- (3) Projects with increased use of sustainable designs.

The 504 loans for energy public policy projects under categories 1 and 2 are eligible for loans of \$5.5 million per project, an increase from \$5 million for a typical 504 loan. In April 2024, the \$16.5 million total amount cap on energy public policy projects was lifted, which will provide greater flexibility for small manufacturer borrowers.<sup>6</sup>

The SBA also leverages its public-private innovation programs to support climate technologies. The Growth Accelerator Fund Competition (GAFC) Program stimulates innovation and entrepreneurship by infusing accelerators and incubators with additional operating capital. The program also catalyzes partnerships across stakeholders to strengthen the national innovation ecosystem. The competition aims to incentivize innovation ecosystem stakeholders to provide equitable access to resources for disadvantaged and undercapitalized communities and industries and connects groups and/or geographies that traditionally have difficulty obtaining research and development (R&D) funding and investment capital.

### EJ Objective 2.1: The SBA will increase support for environmental justice by promoting capital for energy public policy projects

*Strategy 1: Promote 504 loans for small manufacturers of certain energy-related projects to support clean energy initiatives to increase resilience to climate impacts*

Indicator: Number of 504 loans supporting energy public policy projects

*Strategy 2: Enable small business contractors to compete for energy public policy projects*

Indicator: Number of surety bonds approved for energy public policy projects

Expanding the availability of clean energy initiatives that are resilient to climate impacts can help advance environmental justice by fostering the creation of more sustainable and resilient communities. One of the ways the SBA will work toward this objective is through its capital loan programs, including the 7(a) and 504 loan programs. For both 7(a) and 504, the SBA requires

---

<sup>6</sup> The White House, FACT-Sheet: *Biden-Harris Administration Takes Action to Expand Access to Capital for Small- and Medium-Sized Climate Businesses* (2024), <https://www.whitehouse.gov/briefing-room/statements-releases/2024/05/30/fact-sheet-biden-harris-administration-takes-action-to-expand-access-to-capital-for-small-and-medium-sized-climate-businesses/>



adherence to its environmental policies and procedures for loan disbursements.<sup>7</sup> These requirements include environmental investigations of all commercial property upon which a security interest is offered as security for a loan or debenture when SBA loan proceeds are used to acquire, refinance, or improve real estate. Lenders also submit an environmental investigation report to the SBA center that is processing the application. The removal of the cap on energy public policy projects should make these loans more attractive to small businesses and expand the use of these 504 loans that support clean energy and sustainable design providing resources that will increase resilience in communities impacted by climate events. Through the use of these 504 loans that support clean energy, communities impacted by climate events will also have more flexibility in participating in the use of the SBA's products and services.

Strategy 2 supports small business contractors bidding for energy public policy projects through the provision of surety bonds. Surety bonds help small businesses win contracts by providing the customer with a guarantee that the work will be completed, enhancing the competitiveness of the small business contractor and decreasing the risk to the project. Supporting an equitable transition to a clean energy future is critical to advancing environmental justice.

### EJ Objective 2.2: The SBA will promote public-private support for innovators of climate technology

*Strategy 1: Promote the Growth Accelerator Fund Competition including sustainability-themed areas*

Indicator: Number of Growth Accelerator Partnerships addressing sustainability

This objective advances the SBA's commitment to building an equitable, inclusive, and sustainable economy. The SBA will maintain a focus on underrepresented science, technology, engineering, and mathematics (STEM) entrepreneurs who develop innovative opportunities to advance clean energy technologies. The Growth Accelerator Fund Competition program will support an inclusive public-private ecosystem for innovators, particularly those who have been underrepresented in STEM/R&D entrepreneurship. Focus areas will include assistance programs for entrepreneurs from underrepresented communities, entrepreneurs in rural areas, and programs targeting technologies addressing manufacturing and climate change. The SBA will implement the program to incentivize and facilitate partnerships between different stakeholder groups to increase the pipeline and success of STEM/R&D-focused entrepreneurs and will maintain a focus on entrepreneurs underrepresented in STEM.

### EJ Goal 3: Incorporate Environmental Justice into SBA Internal Operations

The SBA manages approximately 1.4 million square feet of leased space, designs offices, and supports repairs for facilities on office needs. Working with the General Services Administration, the SBA is evaluating approaches to office configurations and to determine where it can pursue opportunities to reduce its real estate footprint and its environmental impact, including on communities living near these facilities that may have environmental justice concerns. The SBA also manages a fleet of 192

---

<sup>7</sup> U.S. Small Business Administration, *SOP 50 10 Lender and Development Company Loan Programs* (2024), <https://www.sba.gov/document/sop-50-10-lender-development-company-loan-programs>

vehicles to ensure that staff can visit stakeholders across the country. In support of Executive Order 14057, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability,<sup>8</sup> the SBA is continuing to prioritize resources for the operation and procurement of electric vehicles (including plug-in hybrid technology) and associated charging infrastructure. EJ Goal 3 is the SBA's internal management goal to ensure that the SBA is working internally to lessen its own negative environmental impacts on the communities that the SBA serves. This EJ Goal 3 also includes commitments to incorporate EJ into other management and strategic plans that the Agency executes.

**EJ Objective 3.1: The SBA will promote sustainability in its internal operations, including connections to environmental justice, as appropriate**

*Strategy 1: Manage SBA's fleet of vehicles to support the transition to clean and zero-emission vehicles*

Indicator: Proportion of SBA's vehicle fleet made up of clean and zero-emission vehicles

*Strategy 2: Pursue opportunities to reduce SBA's real estate footprint and promote better use of its facilities*

Indicator: SBA's real estate footprint (square feet)

These strategies support EO 14096 Section 3(a)(i), which asks agencies to identify, analyze, and address disproportionate and adverse human health and environmental effects and hazards of Federal activities, including those related to climate change and the cumulative impacts of environmental and other burdens on communities with EJ concerns. As leases expire for various field offices, the SBA will pursue opportunities to reduce its real estate footprint to meet its objectives, including efforts to promote the better use of facilities to lessen its environmental impact. The SBA will also prioritize transitioning its Federal motor fleet to clean and zero-emission vehicles in alignment with targets set by the Council on Environmental Quality and the Office of Management and Budget and for longer-term electrification goals. These efforts will help SBA address potential human health and environmental effects on communities living near its facilities that may have environmental justice concerns.

**EJ Objective 3.2: The SBA will increase coordination between environmental justice planning and other SBA planning processes**

*Strategy 1: Ensure coordination with management plans, such as [Equity Action Plans](#) and [Customer Experience Action Plans](#), to address communities with EJ concerns*

*Strategy 2: Incorporate EJ into future complementary plans, as appropriate, to inform new strategies*

These strategies support EO 14096 Section 3(a)(xv), which asks agencies to develop internal mechanisms to achieve the goals of the EO. The SBA is dedicated to ensuring alignment and coordination amongst its plans and processes in which activities to advance EJ are appropriate. The SBA developed the Environmental Justice Strategic Plan in alignment with the existing Equity Action

---

<sup>8</sup> Executive Order 14057 of December 8, 2021, Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability. Federal Register 86, no 236 (December 13, 2021): 70935, <https://www.govinfo.gov/content/pkg/FR-2021-12-13/pdf/2021-27114.pdf>

Plan. The SBA will socialize the plan internally to ensure its integration into future strategic planning efforts to allow for an Agency-wide approach to these critical climate initiatives.

## 5. Engagement and Consultation

The SBA works with several Federal Advisory Committees, including the Council on Underserved Communities (CUC), which provides the SBA with input, advice, and recommendations on strategies to help strengthen competitiveness and sustainability for small businesses in underserved communities. The CUC focuses on communities and populations that traditionally have faced barriers in accessing credit, capital, and other tools they need to start and grow businesses. These communities include inner cities and rural areas, and they may include populations such as women, communities of color, veterans, tribal groups, and others, including communities with EJ concerns. The CUC meets regularly to advise the SBA on ways to increase access to capital and promote sustainability, growth, and job creation.

The strategies and activities outlined in the EJ Strategic Plan included many that specifically required public participation, such as public rulemaking for updates to the disaster loan program that serves as the basis for EJ Goal 1. As the Agency considers new efforts to advance Environmental Justice, the SBA will facilitate public participation on these proposals, including tribal consultations, when appropriate.

The SBA conducts regular outreach with disaster survivors as part of the response and recovery process. For continued engagement and support from the entrepreneurial ecosystem, SBA field offices provide vital links between disaster operations and survivors. These connections strengthen the long-term recovery and overall resiliency of affected communities. The SBA is also working with other Federal agencies as part of a Life Experience Research Team to determine how to improve disaster response and recovery from the survivor's point of view.<sup>9</sup>

The SBA's field offices also build local partnerships with organizations that are focused on capital access and entrepreneurial development and include the development of communication materials. The SBA program offices and field team members continuously engage with small businesses, including small business owners in underserved communities, local chambers of commerce, and participants in industry events.

---

<sup>9</sup> This work is documented at: [Recovering from a Disaster | Performance.gov](https://www.performance.gov/recovering-from-a-disaster).