



Long-term Funding for Climate Action

SF Board of Supervisors
Budget and Appropriation Committee
March 15, 2023

SAN FRANCISCO

ENVIRONMENT

DEPARTMENT



SAN FRANCISCO'S

CLIMATE ACTION PLAN 2021

Chapter 9 of the Environment Code – established goals and targets

Climate Action Plan - charts a pathway to achieve net-zero greenhouse emissions and works towards **addressing racial and social equity, public health, economic recovery and resilience.**



FY21-22 SFBOS
appropriated funding to
research sustainable
funding mechanisms for
equitable CAP
implementation .

SFE contracted with UC
Berkeley CLEE and Civic
Makers

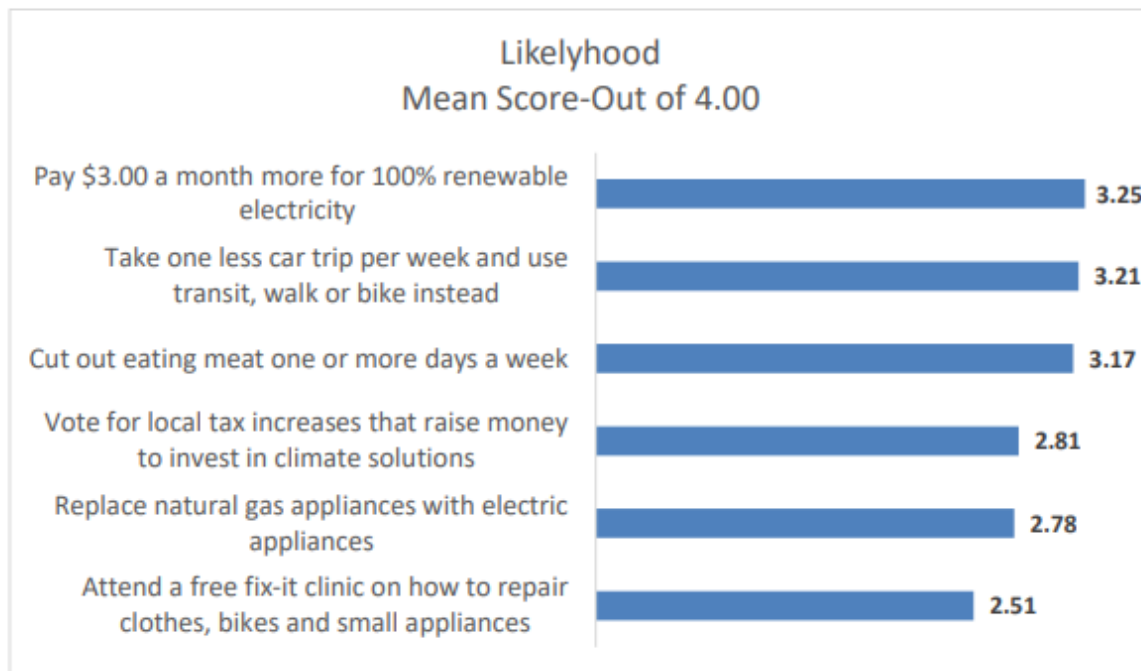


CivicMakers & SFE
convened advisory groups

Strong support for general
obligation bonds, mixed
support for a parcel tax,
and challenges for a gross
receipts tax

SFE

Realistically, how likely would you be to take any of the following actions related to climate change:



Thank you!

Cyndy Comerford
Climate Program Manager
San Francisco Environment
Department

[SFEnvironment.org](https://www.sfenvironment.org)



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Funding San Francisco's Climate Action Plan

Center for Law, Energy & the Environment
UC Berkeley School of Law



Introduction to CLEE



Our Approach

CAP analysis

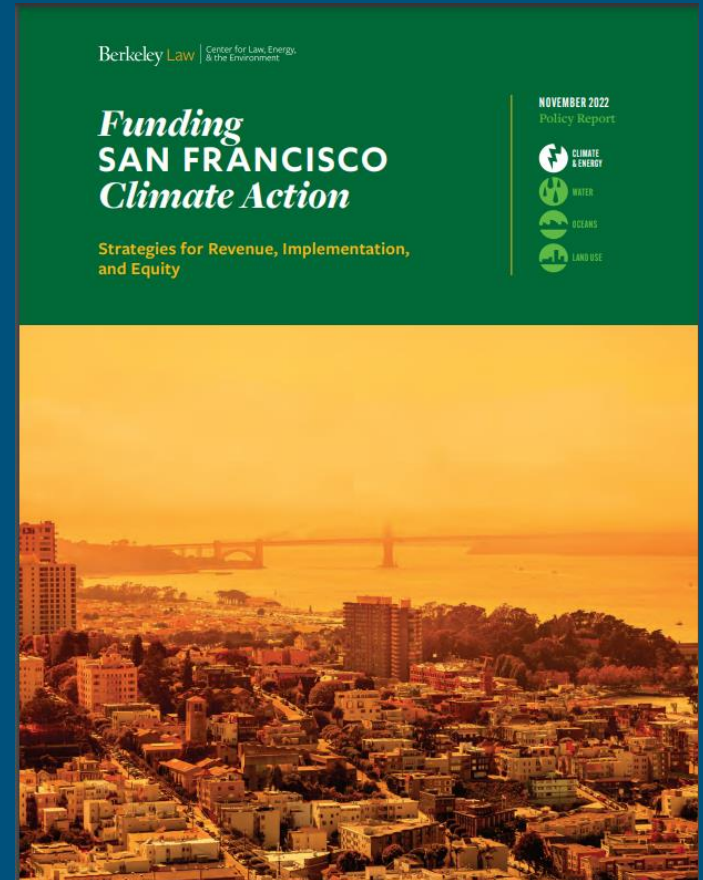
Revenue + implementation research

City + external expert interviews

Expert + stakeholder convenings

Technical advisory group

Participant review process



Assessing Costs

BY SECTOR

	NO.*	TOTAL COST (LOW)	TOTAL COST (HIGH)
Energy Supply (ES)	5	\$1.012 Billion	\$10.12 Billion
Building Operations (BO)	4	\$503 Million	\$5.03 Billion†
Transportation/Land Use (TLU)	7	\$513 Million	\$5.132 Billion
Housing (H)	4	\$210 Million	\$1.101 Billion
Production/Consumption (RPC)	4	\$2 Million	\$20 Million
Healthy Ecosystems (HE)	7	\$51 Million	\$511 Million
Total	31	\$2.291 Billion	\$21.914 Billion

* Number of CAP strategies within each sector

† Includes residential buildings only, for scoping purposes

- These estimates are based solely on CAP cost ranges (\$0-1m, \$1-10m, \$10-100m, \$100-500m, \$500m+) and are likely conservative

Recommendations

Revenue: Diversity of sources, scales, timelines, and spending flexibility

Implementation: City tools and staff to plan and lead investment

Equity: Throughout revenue generation, spending, and decision-making

REVENUE	Tools for raising revenue and accessing funds to implement CAP actions.
IMPLEMENTATION	Processes and capacity expansions to support implementation of revenue strategies and CAP actions efficiently and effectively.
EQUITY	Measures to integrate equity considerations throughout the funding, financing, and implementation processes.

Recommendations - Revenue (Bonds)

Building decarbonization GO bond (\$300-\$500m): Direct grants for retrofits in lower-income housing stock; seed funds for city green bank to attract private capital

Affordable housing GO bond expansion (\$50-100m): Funds for SF Housing Accelerator Fund to acquire/develop low-carbon, affordable units

Transportation GO bond (\$300-\$500m): Funds for CAP-aligned transit and vehicle electrification investments in priority communities

- Could be structured as individual measures or an omnibus bond
- Building decarbonization funds likely can cover privately owned building electrification infrastructure if linked to a public purpose (likely affects tax exempt status)

Recommendations - Revenue (Near term)

Gross receipts tax (\$25-50m annual): Funds for city staff, equity oversight bodies, workforce development initiatives

Parcel tax (\$12-25m annual): Funds for green infrastructure investments

Recommendations - Revenue (Medium term)

Congestion pricing (\$50-100m annual): Funds for CAP-aligned transit and vehicle electrification investments in priority communities or free/discounted Muni

Parking pricing (\$40-60m annual): Funds for CAP-aligned transit and vehicle electrification investments in priority communities or free/discounted Muni

Commercial building carbon emissions fee (\$20-128m annual): Funds for all CAP building decarbonization measures

Recommendations - Implementation

- Fund or reallocate City staff to accelerate CAP implementation and secure federal (IRA/IIJA) and state climate funds
- Convene formal cross-departmental committee of City employees
- Fund nonprofits and community-based organizations
- Establish fund for corporate and philanthropic partners

Recommendations - Equity

- Create an independent community council for oversight
- Work with communities to identify high-priority projects
- Structure each of the large-scale GO bond programs to direct a portion of funds to:
 - Make investments through a community-scale competitive grant process
 - Deliver near-term capital improvements in priority communities
- Require racial equity impact assessments for major initiatives

Contact

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