

# CREATION OF A CLIMATE EQUITY FUND

**City Council**

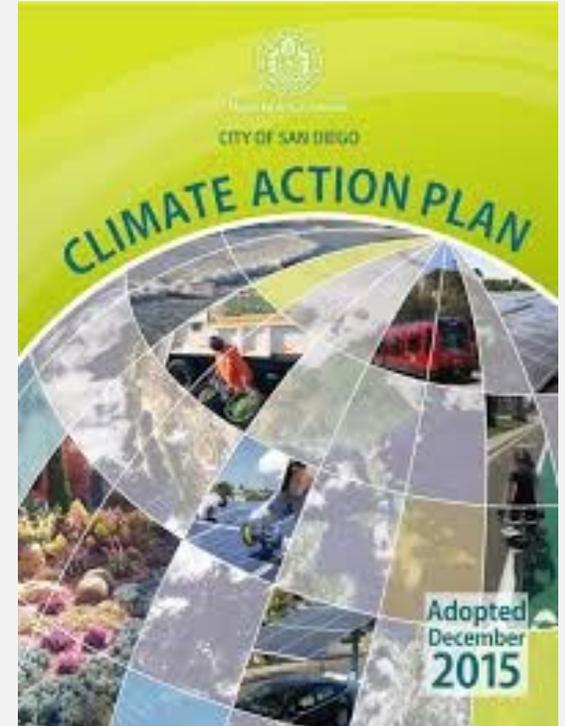
**Item #332**

**March 9, 2021**



## BACKGROUND

- 2015: City Council approves landmark Climate Action Plan (CAP), which committed to eliminating half of all GHG emissions in the City by 2035.
- The CAP identified many targets, including the equitable distribution of public facilities and services outlined in the City's General Plan and strategies aimed at social equity, adaptation and resiliency
- Communities throughout the city have been determined to have limited access to opportunity and require increased investment in infrastructure by the city to ensure they can effectively respond to climate change through adaptation and resiliency strategies.



# INFRASTRUCTURE INEQUITIES

- Throughout the City there are many disadvantaged communities that have been ignored by the city and lack basic infrastructure such as, deficient park acreage, unimproved streets, roads lacking pedestrian and bicycle improvements, and insufficient street lighting.
- Investing in infrastructure projects within identified disadvantaged communities will increase residents quality of life and provide them with the tools to effectively adapt to climate change.

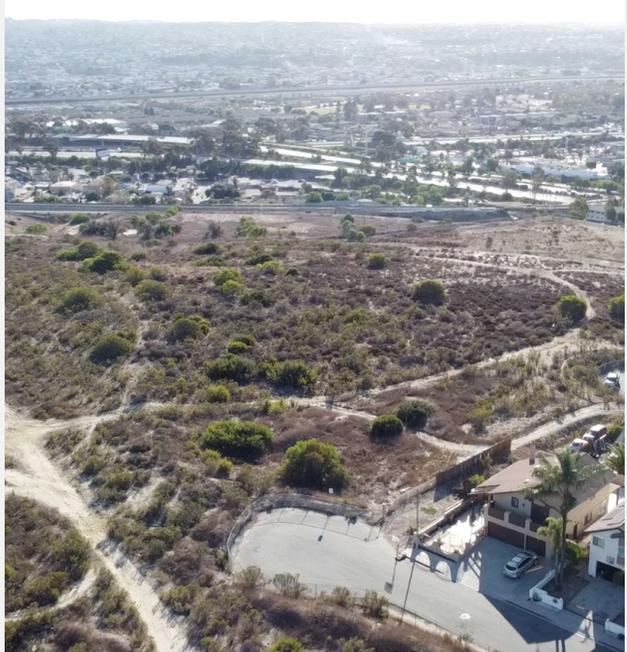


Chollas Creek

# INFRASTRUCTURE INEQUITIES

- Missing sidewalks in older and low income neighborhoods discourage walking within communities.
- Disadvantaged communities include over 2/3 of the unimproved streets in the city.
- Missing streetlights discourage walking and biking.

- Park acreage deficiencies prevent residents from having local areas for active and passive recreation.



# CREATION OF A CLIMATE EQUITY FUND

- Creating the Climate Equity Fund will allow the city to annually allocate a reliable source of additional funding that will be targeted towards building city infrastructure projects in disadvantaged communities that have been disproportionately impacted by the effects of climate change.
- Building infrastructure projects that support the goals of the CAP will ensure effective climate change adaptation and resiliency within disadvantaged communities.
- This funding is intended to supplement, not replace, allocations for these projects in the annual budget.



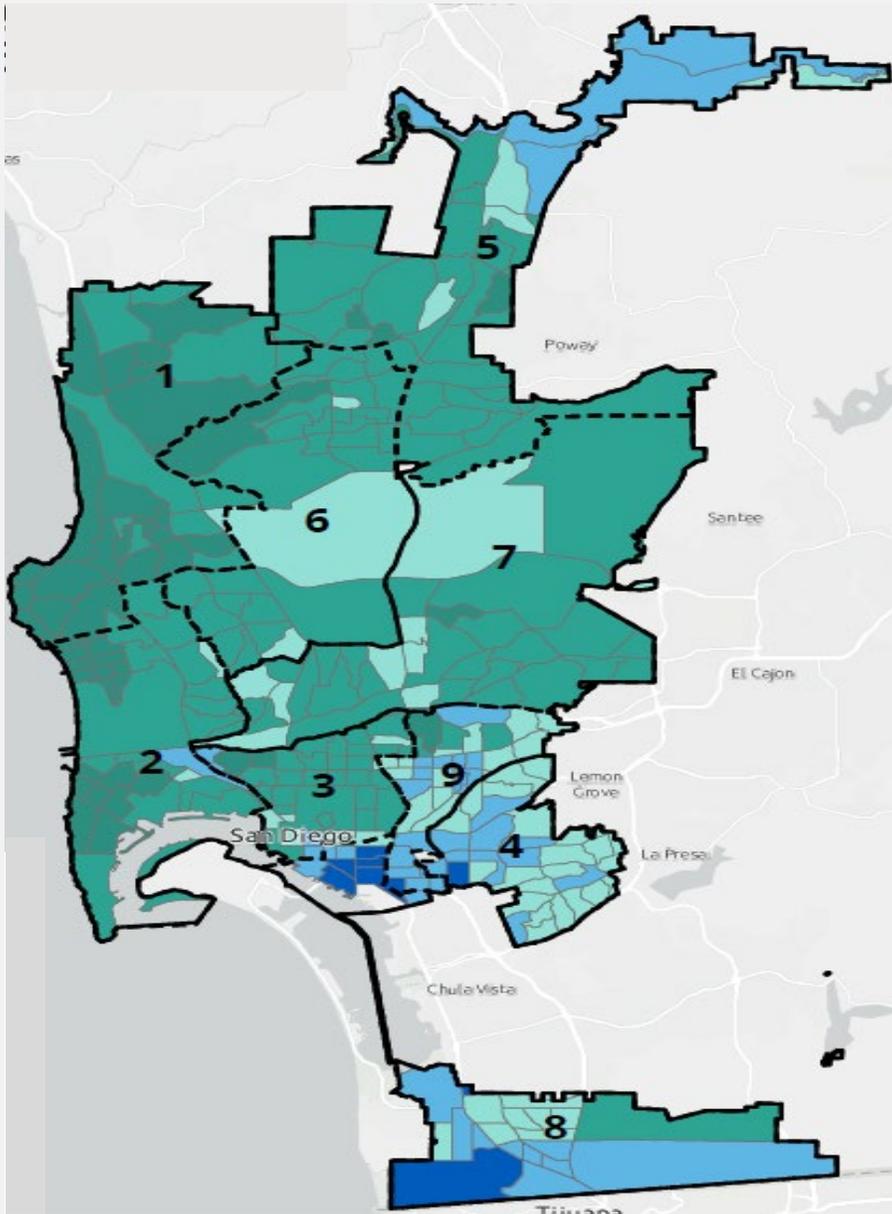
# CLIMATE EQUITY INDEX

For a project to qualify to receive funding from the Climate Equity Fund it must receive a score of 0-60 under the City's Climate Equity Index.

Climate Equity Index Scores measure the access to opportunity across the city using the following guidelines and 38 indicators:

- **Equity Focus:** Data representing equity issues.
- **Climate Focus:** Data closely connected to the CAP.
- **Clear Connection:** Relationship between indicator and climate equity is clearly understood.
- **Data Integrity:** Quality data is available from a reliable and trustworthy source.
- **Data Update Frequency:** Data updates are frequent and allow for indicators to be tracked over time.

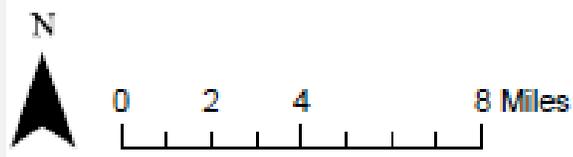
# CLIMATE EQUITY INDEX MAP



## Legend

### Access to Opportunity

- Very Low
- Low
- Moderate
- High
- Very High
- City of San Diego
- Council Districts



# FUNDING SOURCES

Through the City’s annual budget process, the Mayor and Council may allocate funding to the CEF from any source of revenue, but at a minimum, shall consider making allocations from the following revenue sources:

➤ **Transnet:** 1% of the total annual revenue received through Transnet.

➤ **Gas Tax:** 1% of the total annual revenue received through the Gas Tax.

➤ **Annual Gas and Electric Franchise Fees:** 10% of the total General Fund revenue received through the annual gas and electric franchise fees.

➤ **Other Revenue:** Any revenue received by the city for the purpose of being deposited into the CEF.



# CLIMATE EQUITY FUND ALLOCATION PROCESS

- CEF allocations to projects will be determined during the annual budget process.
- **January:** Councilmembers may recommend projects for CEF funding in their annual budget priority memos.
- **June:** City Council adopts a budget with final allocations from the CEF to qualifying projects for that Fiscal Year.
- **April:** Mayor will include recommended uses of the CEF for qualifying projects in the Proposed Budget with an explanation for why projects were recommended for funding.



# MONITORING, TRANSPARENCY AND BUDGET PROTECTION

- ✓ A written explanation for each project receiving CEF funds, including why it was chosen and its projected impact on reducing greenhouse gas emissions and achieving other climate equity outcomes, shall be included in the proposed budget.
- ✓ The Mayor, or designee, shall provide an annual report of CEF allocations and project status to the appropriate Council Committee by January 1<sup>st</sup> of each year.
- ✓ If the Mayor determines that anticipated revenues in any fiscal year will be insufficient to maintain existing city services, the Mayor may ask the Council to temporarily suspend contributions for the upcoming fiscal year by a majority vote of the City Council.

# **BENEFITS OF CLIMATE EQUITY FUND**

- Invests in disadvantaged communities that have historically been ignored by the City.
- Infrastructure investments align with CAP goals and strategies of adaptation and resiliency.
- Ensures a stable funding source annually to ensure infrastructure projects in disadvantaged communities are built.



**REQUESTED ACTION**

**Recommend that the City Council approve the Staff Recommendation.**