





























June 14, 2021

Dear Mayor Breed and Board of Supervisors,

As San Francisco recovers from the global pandemic, it is imperative that the City invest significant resources to rapidly and equitably address the present climate emergency.

The undersigned organizations submit this letter urging you to (1) allocate at least an additional 1% of San Francisco's total \$13.1 billion citywide budget to equitable climate mitigation, adaptation programs and policies during this budget cycle, (2) make the climate emergency a central focus of long-term planning and capital spending, and (3) ensure that all such investments and initiatives are paired with robust planning, accountability and oversight mechanisms that explicitly include frontline communities, and environmental justice and labor organizations.

San Francisco's Current Climate Action Plan: Underfunded, Under-ambitious and Perpetuating Local & Global Inequities

The City's existing climate investments, programs, targets, and accomplishments do not put us on track to meet science-based emissions reduction and equity obligations.¹ Climate justice is barely an afterthought in the proposed FY 21-22 and FY 22-23 budget, representing an infinitesimal fraction of total expenditures.

According to scientific and economic models, wealthy cities such as San Francisco – which are disproportionately responsible for historic carbon emissions, are obligated to reach near zero by the *end of this decade* in order to provide less well-off cities and nations around the world with sufficient time and momentum to fully decarbonize by 2050.^{2 3} In 2019, the Board of Supervisors theoretically recognized this in the Climate Emergency Declaration, stating: "[t]o stay within 1.5 degrees Celsius, major cities throughout the world will need to significantly reduce their per capita emissions by 2030, and as a city on a rapid growth trajectory, San Francisco has an obligation to lead by example."⁴

The City's current "net-zero" between 2045 to 2050 target is insufficient.⁵ U.N. scientists have updated the global target to a reduction of 7.6 per cent per year for the next decade, to limit global warming to 1.5° Celsius.⁶ Yet San Francisco's Climate

¹ As outlined by the 2018 U.N. Intergovernmental Panel on Climate Change Special Report, to limit global warming to 1.5° Celsius, scientists project that carbon emissions must fall approximately 50% *globally* from 2010 levels by 2030 and reaching "net-zero" by 2050. Meeting this target may provide humans with the best chance of maintaining a habitable Earth. While the City has in theory adopted these global targets, it has not allocated sufficient resources to accomplish them and is significantly behind. More importantly, such targets fall short of San Francisco's true science-based obligations; San Francisco is obligated to act more swiftly than global targets, reducing emissions as soon as possible—ideally by 2030.

² San Franciscans and Americans on average have cumulatively consumed far more than their share of emissions as compared to the rest of the world, and have comparably more means to transition rapidly away from fossil fuels. See Carbon Brief, Twitter Post, April 23, 2019, 8:48 PM, https://twitter.com/CarbonBrief/status/1120715988532629506?s=20.

³ As stated by U.N. scientists in 2018, achieving this will require nothing less than "rapid, far-reaching and unprecedented changes in all aspects of society." Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments," U.N. Intergovernmental Panel on Climate Change, October 8, 2018, https://www.ipcc.ch/site/assets/uploads/2018/11/pr_181008_P48_spm_en.pdf.

⁴ "Resolution declaring a climate emergency in San Francisco; and requesting immediate and accelerated action to address the climate crisis and limit global warming to 1.5 degrees Celsius," San Francisco Board of Supervisors, April 12, 2019, https://sfgov.legistar.com/LegislationDetail.aspx?ID=3874323&GUID=591C58DD-2B77-47FB-AA45-B59 E639314CF&Options=ID|Text|&Search=190222.

⁵ "Focus 2030: A Pathway to Net Zero Emissions," San Francisco Department of the Environment, July 2019, https://sfenvironment.org/sites/default/files/files/sfe_focus_2030_report_july2019.pdf.

⁶ "Cut Global Emissions by 7.6 Percent Every Year for Next Decade to Meet 1.5°C Paris Target - UN Report," United Nations Climate Change, November 26, 2019,

Action Plan is based on the earlier Paris Agreement pledges, which are projected to warm the planet to a catastrophic 3° Celsius. We must update our target to zero emissions by 2030 in order to equitably share the world's remaining carbon budget with our neighbors in the Global South.⁷

At the same time, within San Francisco itself, there are significant inequalities with respect to the impact of global warming and air pollution on frontline communities, as well as efforts to mitigate emissions. Workers too face significant risks and injustices as a result of the current economic system that will likely only be exacerbated by a warming world.

It's Not Too Late: San Francisco has an Opportunity to Lead

Undoubtedly, attaining zero by 2030 will require significant new and ongoing revenue sources, in addition to state and federal funds. Organizing to secure these sources will take time—time that we can't afford to waste. It is therefore critical that the City provide seed funding with approximately \$130 million *today* in order to jump-start the transition while simultaneously organizing for revenue sources in subsequent years.

Fortunately, during this budget cycle, the City has a once-in-a-generation opportunity to seed this transition with one-time funds, thanks to the more than a half a billion-dollar windfall from the federal government through the American Rescue Plan Act, as well as significant reserves and higher-than-anticipated tax revenue.

The Board of Supervisors also has an opportunity to provide frontline communities and labor with seats at the table in influencing the transition towards a zero-carbon city through legislation.

See below for an overview of recommended opportunities, with full details provided in the attachment.

<u>Immediate Budget Opportunities</u>

We are calling on the City to immediately allocate funds to catalyze building electrification throughout San Francisco with pilot programs, including electrification retrofits and weatherization for 5,000 low-income homes/apartments and an income-qualified residential electrification incentive program via CleanPowerSF. Both programs should include requirements for the development of local community

https://unfccc.int/news/cut-global-emissions-by-76-percent-every-year-for-next-decade-to-meet-15degc-paris-target-un-report.

⁷ "UN emissions report: World on course for more than 3 degree spike, even if climate commitments are met," UN News, November 26, 2019, https://news.un.org/en/story/2019/11/1052171.

workforce and union jobs. In addition, we are asking you to fund initial program development, community outreach, and staff to develop a Climate Equity Hub—a central clearing house for building electrification resources for residents, other property owners, and the building trades.

With respect to the transportation sector, the City must expand the availability and affordability of zero-carbon micro-mobility options by launching a municipal pilot program subsidizing low- and moderate-income residents to purchase and/or rent bicycles and other mobility options.

Finally, we need to bolster (1) the community organizations that are already addressing climate, and (2) Department of the Environment work and workers. Support for community organizations should include equity grants for grassroots organizing, policy, communications, and/or community-directed projects.

Immediate Legislative Opportunities

We are also calling for the City to establish a modern capital planning process that works for all San Franciscans. This is not the case now. For example, with the Embarcadero Sea Wall Program, San Francisco has prioritized wealthy and powerful centers of financial and commercial interests from sea level rise. Meanwhile the Bayview-Hunters Point, Treasure Island and other communities are left vulnerable.

In addition, to ensure our City is spending money in a way that meets community and labor needs and advances equity, it is critical to establish an oversight committee/task force with specific seat requirements to include various community representatives, including frontline communities and labor. The committee would be responsible for recommending and overseeing expenditures and planning efforts supporting the climate work of city departments as described herein.

Now is the Time to Act

This decade is arguably one of the most critical in human history. Your action can help determine the fate of future generations for thousands of years. There are likely no second chances.

San Franciscans expect you to prioritize climate justice *now* among competing budget and legislative priorities.

Sincerely,

Service Employees International Union (SEIU) Local 1021

People Organizing to Demand Environmental & Economic Rights (PODER)

Emerald Cities Collaborative

San Francisco Climate Emergency Coalition

San Francisco League of Conservation Voters

Earthjustice

350 San Francisco

Climate Health Now

Mothers Out Front San Francisco

1000 Grandmothers for Future Generations, San Francisco

The Climate Reality Project, Bay Area Chapter - San Francisco Policy Action Team

San Francisco Tomorrow

Citizens' Climate Lobby, San Francisco Chapter

UPSTREAM

<u>Attachment</u>

1. 1% for Climate Equity Outline

1% for SF Climate Equity

Summary

The City of San Francisco must invest at least \$136 million of American Rescue Plan Act (ARPA) one-time funds or other funds (such as surplus equity or tax revenue or COVID reserves) in equitable climate programs. This figure is approximately 1% of the Fiscal Year 2020-2021 citywide budget of \$13.6 billion. In addition, the City must commit to center climate with regard to its approach to long-term planning and capital spending. All investments and initiatives should be paired with robust accountability and oversight mechanisms.

As one of the wealthiest and most unequal cities in the world, San Francisco is disproportionately responsible for global carbon emissions and has a responsibility to act quickly. In other words, inhabitants of San Francisco and the United States have on average consumed far more than their share of emissions as compared to the rest of the world.

However, while it is incumbent on San Francisco to act swiftly, it must also do so in an equitable way. Certain communities and workers have borne the brunt of air pollution, climate change, racism and income inequality, and therefore must be prioritized and have a seat at the table during the transition towards a zero-carbon city.

ARPA funds provide a once in a generation opportunity to invest 1% of San Francisco's total general fund budget in equitable climate action. This initial allocation would represent seed money for the next decade of equitable climate investments and would serve as a pilot program for investing future revenue (both within SF as well as future federal and state funds).

Key principles:

- Investment of these funds must be equitable and sensitive and responsive to historic systemic economic, racial and societal inequalities;
- These funds must be *additional*; that is, they should be used to expand or create programs instead of displacing funding sources for existing program work;
- This funding must be accompanied by a mechanism for community approval and oversight of spending to ensure that it meets both its climate and equity goals;
- In addition, the City must establish as a long-term policy that all capital planning must be consistent with known climate impacts, and also must direct a significant percentage of spending towards equitable climate-impact mitigation.

Immediate Funding Priorities

The following items are immediate investments the City should make in climate equity. This list is not exhaustive, and the priorities should be determined with sustained input from community groups (social, political, local etc), environmental justice organizations, and labor organizations. The recommended accountability structure, defined below, provides an additional mechanism for ensuring the spending ultimately meets community, climate, and equity needs.

Buildings

Catalyze electrification⁸ throughout our city, starting with those who can otherwise least afford the transition but stand the most to gain from it:

- Investment 1: Electrification retrofit and weatherization pilot program designed and implemented in consultation with residents and community groups⁹
 - Replace natural gas-powered appliances in approximately 5,000 low-income homes/apartments with clean all-electric appliances, performing electrical and weatherization upgrades as necessary, and installing locally-owned solar, battery resources (GoSolarSF), and EV charging as appropriate.
 - Must Include union/local/community jobs and workforce development requirements.

Eliminating natural gas use in buildings is not only essential for meeting our climate goals, but there is a strong nexus with equity. Studies have demonstrated a 42% increased correlation with natural gas use in the home and asthma, not to mention the fact that gas extraction and pipelines pollute the homes and communities of those most vulnerable to climate change.

A market-based approach where we "start at the top" of the socioeconomic ladder and allow retrofitting to happen organically is an equity nightmare. In such a scenario, the fixed costs of the natural gas network will increase, leaving those already struggling families with skyrocketing utility costs. We cannot let this happen, and we must provide the benefits of electrification to those communities and households first.

Retrofitting our buildings is also a significant employment and economic recovery opportunity. If we invest in local job development and training, we can keep the economic benefits of the transition within our communities.

⁸ Background: Natural gas use in buildings accounts for about 35% of the City's overall greenhouse gas emissions. The Department of Environment's Focus 2030 report states that in order to meet our climate goals, we need to convert 3% of the existing building stock per year from natural gas appliances to efficient, electric ones, starting in 2020. With the Mayor's proposed 2045 carbon neutrality goal, this number is 4%. Yet we have not even remotely begun planning or implementation.

⁹ See, e.g. <u>program from SMUD</u>

- Investment 2: Universally available and income-qualified subsidies for residential electrification for example via CleanPowerSF¹⁰
 - Must include union/local/community jobs and workforce development requirements.
- Investment 3: Climate Equity Hub: a central clearing house for building electrification resources
 - Seed funding for initial program development, community outreach, and staff.
 The Hub will serve at least the following purposes, among others:
 - Education on electrification benefits and opportunities for tenants and homeowners
 - Coordinating contractor training, education, and certification
 - Providing technical assistance
 - Providing centralized information about financing and funding opportunities
 - Investments in City College of San Francisco, particularly for programs in the building trades with a focus on electrification, as well as for climate, equity, and green technology education more broadly.

Transportation

Accelerate transition away from fossil fuel transportation¹¹ through expansion of availability and affordability of zero-carbon micro-mobility options outside of SFMTA's¹² historic function:

- Investment 1: Micro-mobility Subsides
 - Incentive pilot program subsidizing low and moderate income residents to purchase and/or rent bicycles and electric micro mobility, with a preference for

¹¹ Background: According to 2019 data, 47% of San Francisco's emissions are transportation-based. Gasoline and diesel combustion is the largest share of emissions. Passenger vehicles are responsible for 72% of transportation emissions. Transportation Network Companies, also known as ridesharing, are an increasing share of the City's emissions, estimated at 15% of all vehicles trips.

In addition to being a significant contributor to GHGs, transportation-related fossil-fuel combustion is a significant contributor to particulate pollution.

¹⁰ See e.g., <u>Electrify Marin</u>

¹² Although SFMTA is receiving dedicated stimulus fund money from ARPA, we recognize there are still major gaps. However, many of these priorities would benefit from dedicated infrastructure money (hopefully via federal legislation) and require much more significant community discussion to determine, particularly when discussing trade offs such as free fares, fleet electrification, and service expansion. Therefore, our recommendations focus on opportunities outside of MTA's typical operations.

subsidizing rentals from providers other than corporate mobility share programs such as Uber, Lyft etc.

Climate Equity Grants

Bolster community organizations addressing climate:

- Investment 1: Grants
 - Community-administered climate equity grants,¹³ including funding for grassroots organizing, policy, communications, and/or community-directed projects with nexus to climate.

SFE Budget

Restore and fund critical positions and work in the Department of the Environment:

- Investment 1: Fund conversion of temporary contracts to full-time work.
- Investment 2: Restore SFE FY21-23 Budget Cuts
 - Restores the lost \$346,000 per year in work orders from SFMTA and SFPUC, through direct increases to SFE budget so that SFE can attain its original goals around EVs and clean power
- Investment 3: Fund Climate Action Plan Program Analysis and Funding Opportunities Study:
 - Fund SFE to hire consultants to propose programs needed to implement the city's climate action plan and to identify potential long-term funding opportunities to pay for them.

Capital Planning

Establish a citywide policy that all capital planning must be consistent with known climate impacts and needs, to include, but not limited to:

¹³ See eg., <u>Portland Clean Energy Community Benefits Fund</u>: A fund established by ballot measure (~2:1 vote) that raises \$40-60 million a year in funding to be distributed in the form of grants to priority communities for clean energy projects. The grant committee, comprising diverse community members, makes funding recommendations to the Mayor and City Council and evaluates the effectiveness of the Fund.

- Outcome 1: Investing in vulnerable communities, for example sea level adaptation for the Bayview and Treasure Island (as opposed to solely focusing on centers of financial power such as the Downtown), and mitigation efforts for neighborhoods with disproportionate air pollution impacts.
- Outcome 2: Rethinking development policies in the Southeast Corridor and Treasure Island that lack commensurate adaptation efforts. SF has already done significant work assessing the risks and impacts, and money should be directed at high priority efforts.
- Outcome 3: Dedicating a significant percentage of spending towards climate mitigation efforts.

Planning and Oversight

In order to ensure our City is spending money in a way that meets community needs and advances equity, the city must establish an oversight committee, similar to that of the Our City, Our Home Fund.¹⁴

- Outcome 1: This committee would have specific seat requirements to include community members of various qualifications and would be responsible for recommending and approving expenditures to the Board of Supervisors and city departments.
- Outcome 2: This committee would be responsible for commissioning an implementation plan(s), in concert with city departments and outside experts. This implementation plan would dive into major areas of climate mitigation and adaptation and create actionable roadmap(s) for implementation that centers climate equity.
- Outcome 3: Any such structure must include funding to reimburse those community members who sit on the committee, money to pay community members who participate in outreach, and to support the expert analysis needed to plan.

¹⁴ Our City, Our Home (Prop C): Establishes a fund and oversight committee to hold and determine the uses of Prop C-generated revenues. Places requirements on committee seats and generally takes a similar structure to the Portland Clean Energy Community Benefits Fund. Also requires that spending programs be additional: "Appropriations May Not Supplant Existing Expenditures."