

# **OSEC Climate Resilience Fund: Multiple Paths Forward**

## **The Urgency of Action:**

- The climate crisis is real, it's here, and bringing increasingly frequent, extreme and unpredictable weather events.
- The invisible nature of greenhouse gases makes it easy to forget or deny their existence, but the problem is undeniable and urgent.
- Raising awareness is good but only gets you so far. A bias toward quick, effective, proactive action is critical.

## **A Broken Cycle:**

- America remains stuck in a reactive cycle, moving from one disaster to the next but mostly failing to address the root causes.
- Climate mitigation and adaptation is no longer optional; it's a must-have, not a nice-to-have. These should no longer be viewed as 'special projects' but should be integrated into every project as a matter of course.
- California and Brisbane are doing better than some, but we need to do much, much more and move quickly.

## **Self-Reliance seems Key:**

- Federal support for climate initiatives and disaster relief seems increasingly tenuous.
- As the crisis deepens, existing systems and structures we have previously taken for granted –insurance as one example – may prove increasingly expensive, and difficult or impossible to obtain or keep.
- With a vacuum at the Federal level, Cities and states must take self-reliant action to proactively prepare for and mitigate climate risks and respond to disasters when they occur.

### **The Value of Local Action:**

- As I see it Brisbane's small size may in some ways be an asset and not a liability. Every home, every business, every action carries significant impact in a small community.
- Progress measured in percentages means smaller cities like Brisbane can see meaningful results faster if aggressive action is taken.
- By executing well, Brisbane has an opportunity to lead by example and demonstrate how proactive climate action can be achieved.

### **A Strategic Focus:**

- Things like renewables and storage are critical, but with our local grid power being as clean as it now is the real impact comes from electrifying and using this energy to aggressively eliminate fossil fuel use and other emissions sources as quickly and thoroughly as possible.
- Target the largest local sources of pollution with specific programs and regulations to drive swift, effective reductions.
- Where reductions aren't immediately possible, parties need to be held appropriately accountable for their role in our local emissions.
- Data is essential: we need clear, actionable information on costs and emissions to be able to prioritize effectively. You can't improve what you don't measure.

### **Financial Logic of Proactive Solutions:**

- I've heard a figure quoted that at the federal level every dollar spent on disaster mitigation saves \$6 in response and recovery. Our specific mileage may vary but I believe the same logic would hold true at the local level.
- An effective funding mechanism for climate related initiatives ensures we don't have to deprioritize climate risk mitigation, resilience, or recovery – these aspects of a project could simply receive the needed funding and proceed.
- Not if, but when unexpected climate related weather events or other disasters strike, we will be ready to clean up and rebuild better than before without delay.

### **The free option: “Just say no”**

- We could start with an articulated pledge/mandate that going forward, if any piece of fossil fuel infrastructure breaks or needs to be decommissioned, then it will be replaced with an equivalent all electric alternative. This should be the baseline.
- Pushes the electrification decision out until its actually needed so no money need be spent at first, but formally removes the option of falling back on fuel sources that are unaligned with our climate goals.
- This should apply to any and every line item in the city budget. Buildings, vehicles, anything that burns something.
- Of course if faster decarbonization is possible it is welcomed and encouraged! This is just a starting point.

### **The Role of a Climate Resilience Fund:**

- A Climate Resilience Fund will provide consistent, proactive investment in addressing local climate risks and decarbonization opportunities that will have the biggest impact on emissions.
- A specialized fund will establish a destination for funds from future climate focused ordinances and measures to go.
- Will allow Brisbane to implement solutions that are no longer one-off reactive special ‘Climate’ Projects, but just a normal baseline consideration for all projects.
- When the “just say no” option is too expensive, the fund covers the difference and enables the city to do the right thing anyway.
- When there is no viable “just say no” option, the emitted carbon can be offset via contributions to the fund and then go toward other decarbonization efforts.
- Could also be structured as a vehicle for businesses, individuals or the city to offset their emissions and/or be seen to be contributing to positive local decarbonization projects via contributions to the fund
- Keeps carbon offset money in the community instead of allowing it to fund some other project somewhere else.
- Could fund ‘climate dividends’ or other programs providing direct financial support to businesses or individuals doing electrification projects, purchasing EVs, etc. A source of local ‘carrots’ to help accelerate the transition.
- With the right mechanisms in place, Brisbane can secure its future and serve as a model for other communities.

# Ways other cities have funded Climate Action

## 1. Dedicated Sales Tax Increase

- Description: Implement a modest local sales tax increase, generating revenue specifically for climate initiatives.
- *Examples:*
  - **Denver:** [Measure 2A](#) is 0.25% sales tax increase generates \$40 million annually for GHG reductions and resilience projects.
  - **Portland, Oregon:** [The Clean Energy Fund](#) applies 1% tax to large retailers, funding energy efficiency upgrades and renewable energy projects and job training.
  - **Los Angeles:** [Measure W](#) implements a 2.5-cent tax per square foot of impervious surface on private parcels in the Los Angeles County Flood Control District to fund stormwater and water quality improvements, indirectly contributing to climate resilience.
- Considerations: Requires strong public engagement to gain support and equity measures to avoid disproportionate impacts on low-income households.

## 2. Fossil Fuel Production Tax

- Description: Levy a tax on fossil fuel production or related activities (perhaps storage?), directing funds to climate action projects.
- *Examples:*
  - **Long Beach:** [Implements an oil production tax](#) to support local climate programs.
  - **New York (State):** [The Climate Superfund Act](#) imposes fees on fossil fuel companies to fund \$75 billion in climate adaptation projects.
  - **New Jersey (State):** [Climate Superfund Act](#), funded by fees on oil and gas producers, to support mitigation and adaptation efforts.
  - **Maryland, Massachusetts, and Vermont (States):** Introduced Climate Superfund bills modeled after federal Superfund laws, recovering costs from fossil fuel companies for state-managed climate projects.
- Considerations: Limited to regions with fossil fuel extraction activities and may face legal challenges.

### 3. Green Bonds

- Description: Issue municipal green bonds to fund environmentally friendly infrastructure and projects.
- *Examples:*
  - **San Francisco:** "[Solar bonds](#)" finance renewable energy and energy efficiency improvements.
  - **Washington, D.C.:** [Green bonds](#) fund stormwater management projects, reducing runoff and improving water quality.
  - **Chicago:** [Green bonds](#) support public transit electrification and sustainable infrastructure upgrades.
- Considerations: Requires strong credit ratings and detailed project plans to attract investors.

### 4. Priority-Based Budgeting

- Description: Reallocate existing budget resources to prioritize climate-related initiatives.
- *Examples:*
  - **Pittsburgh:** Redirected funds through systematic budget reviews to prioritize climate action goals.
  - **Seattle:** Adopted a Green New Deal budget framework to reallocate resources toward environmental justice and carbon reduction projects.
  - **Boulder, Colorado:** Incorporated priority-based budgeting to fund renewable energy initiatives and building efficiency programs, aligning with their climate commitment goals.
  - **Portland, Oregon:** Used a climate-focused budgeting model to prioritize investments in public transit and affordable clean energy for underserved communities.
- Considerations: Interesting approach. May require reducing funding for lower-priority programs, potentially controversial.

### 5. Public-Private Partnerships (PPPs)

- Description: Partner with private companies to co-fund climate projects, leveraging private investment to supplement public resources.
- Examples:
  - **Denver:** Partnered with Xcel Energy to co-fund EV charging infrastructure and community solar gardens.
  - **San Diego:** Worked with private companies to deploy microgrids and battery storage systems for enhanced energy resilience.
  - **Boston:** Collaborated with private developers to fund green infrastructure projects, including permeable pavements and urban tree planting.
  - **Houston:** Formed partnerships with oil and gas companies to invest in carbon capture and storage technologies for industrial emissions reduction.
- Considerations: Requires clear agreements on risk-sharing and long-term commitments.

## Potential new structures

### 6. Carbon Accountability Ordinance (New Proposal)

**Description:** Modeled after Brisbane's Public Arts Ordinance in some respects, this system would require new developments or major renovations (and potentially others) to be financially responsible for their GHG emissions and pay a fee based on a fixed price per metric ton of CO<sub>2</sub>e.

**Emissions Pricing:** Could start with California's Cap-and-Trade [auction price](#) (e.g., \$29.15/MT CO<sub>2</sub>e). Other programs are structured differently, can price in other externalities and are often higher, but this seems like a defensible local baseline.

**Built in reduction Incentive:** Parties could choose to simply pay their fair share now or voluntarily decarbonize facilities or operations to reduce or eliminate their fees completely. There is also a built in 'sunset' to the program since presumably if successful, at some point in the future local emissions would reach Net Zero and such an ordinance would become effectively obsolete.

**Revenue Use:** Funds would be added to the Brisbane Climate Resilience Fund to support climate risk mitigation, resilience, and recovery projects.

#### Advantages:

- Holds high emitters accountable and incentivizes decarbonization by design.
- Might (?) Align with existing processes like Environmental Impact Reports (EIRs), which already include estimated emissions.

- Creates a pathway where decarbonization eliminates the fee entirely, promoting proactive action on decarbonization goals.

**Considerations:**

- Requires robust enforcement
- Equity measures needed to prevent overburdening small businesses and individuals
- Clear guidelines for emissions reporting needed. Data is the unlock.

## **7. Climate Resilience Fund with Prudent Investment (New Proposal)**

**Description:** Establish a Climate Resilience Fund as a vessel for contributions from mechanisms like the Carbon Accountability Ordinance and others over time that grows and is self-sustaining through prudent investments. Investments would be managed and grown over time to maximize their impact.

**Investment Goals:** Ensure the fund supports long-term projects by prioritizing growth, stability, and alignment with environmental objectives.

**Types of Investments:**

- Green bonds supporting renewable energy and conservation projects.
- ESG (Environmental, Social, and Governance) funds to ensure socially responsible investments.
- Local low-interest loans for decarbonization projects that yield both environmental and financial returns.
- Revenue Use: Returns from investments could be reinvested into local decarbonization efforts, climate risk mitigation, and disaster recovery.

**Advantages:**

- Ensures the fund remains sustainable and self-replenishing over time.
- Expands funding capacity for larger or more impactful climate projects.
- Attracts contributors by demonstrating fiscal responsibility and local impact.

**Considerations:**

- Requires expert financial management to balance growth and risk.
- Transparency and accountability are critical to maintaining trust and ensuring funds are used effectively.