

TACOMA CLIMATE ACTION PLAN



SECTION 5, FUNDING OPTIONS

INVESTING IN A JUST, CLIMATE-SAFE TACOMA

THE CASE: TACOMA HAS A SHRINKING WINDOW TO INVEST BOLDLY IN CLIMATE JUSTICE.

Tacoma has reached a crossroads: we can do things the way we have always done them, or change the rules and mobilize extraordinary federal and state resources to get onto a lucrative net-zero path for 2030 and 2050. Today, the costs remain manageable, and the cost savings are dramatic. The benefits will always be immense. We can develop a competitive green economy, positioning ourselves for a 21st century renewal; protect livability, particularly for the poor and middle class; and avoid drastic future economic and human costs. Or, we can pass the socio-economic and environmental burdens to the next generation. Over time, conditions will worsen, adaptation will be more difficult, and it will become more costly to achieve the future we have in reach today. The scientific, financial, and moral cases are clear. **Large new investments in a climate-safe economy and high-functioning bureaucracy are both smart and urgent for Tacoma.**

The following approach to climate action resourcing is based on the premise that existing systems and resources have not solved and will not be sufficient to solve the socio-economic and climate crises we must overcome.

For a just, sustainable transition away from fossil fuels, the City can:

1. Transform existing budgets, expertise, and staffing to reduce socio-economic gaps, reduce greenhouse gas emissions, and improve resilience to climate impacts;
2. Obtain outside resources, including funding, financing, and revenues, to supplement current City resources;
3. Change our rules and enforce them to raise or offset costs for behaviors destructive to social equality and our climate;
4. Change others' rules so we have the tools and resources to solve the problem, such as through policy advocacy at the local, state, and federal level.

This Plan reflects decision-makers and administrators reimagining the way we deliver services for the public welfare. It challenges concepts of and standards for safety, health, our economy, and our environment. Its 46 actions would have the City make intersectional, cross-departmental investments that bring healthy, affordable housing; clean, reliable transportation; and green, good-paying jobs, among other co-benefits. These outputs and outcomes are not new in many cases – instead, climate action is a complement to Tacoma City Council's core priorities: public health, housing, access to services, safety, livable wage jobs, and trust in public institutions. In order to be successful, though, this Plan depends on also reimagining the way we resource our work – changing funding and implementation decisions to align our efforts and prioritize investments that check more boxes, including reduced greenhouse gas emissions and improved preparedness to climate impacts. The following strategies and tools could address some of the resourcing needs for implementation of this Plan.

STRATEGIES AND TOOLS

1. REALIGN EXISTING RESOURCES: EXPENDITURES, EXPERTISE, STAFFING

Realign existing resources to improve organizational effectiveness.

- Move funding and staffing from low-demand services to climate action work
- Leverage one-time recovery funding, like American Rescue Plan funds, to improve community resilience:
 - Improve or build community centers for smoke and heat safety ([Duluth, MN](#))
 - Build or acquire healthy and sustainable affordable housing ([Seattle](#) and [King County, WA](#))
 - Implement a green job training and career pathways program ([Boston, MA](#))

2. OBTAIN OUTSIDE RESOURCES: FUNDING, FINANCING, AND REVENUES

Raise revenues and supplement them with outside resources to increase our capacity as we develop rule changes that empower a transformative pace and scale of climate action work.

A. Pursue Grant Funds for the City and Partnerships

- Complete necessary studies and assessments to be prepared to compete for new state funding from the 2021 [WA Clean Fuel Standard](#) and [Climate Commitment Act](#)
- Prioritize federal funding for ready climate projects and to make infrastructure projects climate-ready

B. Finance Climate-Focused Capital Projects and Support Sustainable Businesses

- Issue green bonds for enhanced climate-focused capital projects ([King County, WA](#))
- Allocate seed funding for a revolving loan program that finances climate upgrades for equipment and facilities ([King County](#) and [Snohomish County, WA](#))

C. Raise Revenues within Existing Rules

- Implement an [excess property tax levy](#) or multi-year [property tax levy lid lift](#) to fund enhanced climate-focused capital projects and support operations (Excess levy: [Kirkland](#), [Shoreline](#), [Tukwila, WA](#); Levy lid lift: [Seattle](#), [Pierce County](#), and [King County, WA](#))
- Increase franchise fees for natural gas utilities using the public right-of-way ([King County, WA](#))
- Implement appropriate [parking-related policies and fees](#) to promote business activity as well as active transportation and transit ([Seattle, WA](#); [Vancouver, BC](#))
- Pursue lawsuits against polluters to offset the costs to the public from their behavior ([Baltimore, MD](#); [San Francisco and Oakland, CA](#); [King County, WA](#); [Washington State](#))

3. CHANGE OUR RULES AND ENFORCE THEM

Charge fees to discourage socially and environmentally destructive behavior as well as offset the

costs of development and growth. Fee valuations should be commensurate with the public value of affected assets, like our waterways, salmon, and tree canopy, the cost of administration, and additional necessary disincentives.

- Require permits and increase fines for tree removal ([Seattle](#))
- Institute fines for disposal of edible, compostable, and recyclable material ([Seattle](#))
- Increase transportation benefit district vehicle registration fees and sales tax to support active transportation, transit, and transit-oriented development ([Washington State cities](#))
- Implement [impact fees](#) for [multimodal streets](#), recreation facilities, and fire protection facilities ([Western Washington](#))
- Improve [business and occupation \(B&O\) tax credits](#) to encourage green jobs

4. CHANGE OTHERS' RULES TO ENHANCE OUR RESOURCES AND TOOLS

A transformative pace and scale of climate action work depends on changing rules that limit the capacity of the City of Tacoma to govern effectively and address climate change and socio-economic disparities.

- Support an increased [Pierce Transit sales tax](#) for more frequent, high quality services
- Advocate for policy changes from the Washington State Legislature:
 - Provide authority for utilities to develop incentives to customers to invest in clean, efficient appliances.
 - Develop a state [public bank](#) or [financial cooperative](#)
 - Raise property tax growth caps to align with growth and inflation
 - Impose a graduated income tax
 - Institute an [air quality surcharge](#)
 - Increase funding for active transportation and transit

Achieving climate action will require smart, urgent, and large new investments as well as a high-functioning bureaucracy. In its resourcing approach, the City of Tacoma should consider equity and effectiveness criteria in order to develop a [high-quality revenue system](#).

This entire Plan, including and beyond the 46 actions prioritized through 2024, must be implemented to get Tacoma on our net zero path. Anything less will be insufficient. However, to help jump-start implementation, ten highest priority actions have been highlighted below with cost estimates for the City and funding options:

Jump-Start Action Summary	Type of Action	City Cost Estimate*	Funding Options
3. Fund community food-growing or food-sharing projects, including community gardens, food forests, orchards, farms, or food rescue efforts; use suitable right-of-way and other public properties to address land access issues.	Community Support	\$100,000 annually	Fed. Recovery, GF, ES
4. Provide community and youth-serving organizations and climate justice leaders with education, tools, materials, compensation, professional development, and technical assistance to effectively engage and share their expertise.	Community Support	\$25,000 annually	GF, ES, grants
9. Develop and implement a funding plan to complete the City's bike and pedestrian network and Safe Routes to School improvements by 2050; new funding sources could include voter approved (Streets Initiative), impact fees, surface parking tax, etc.	Planning & Infrastructure	\$500,000 for plan, \$60m annually	Plan: GF
14. Collaborate with private and public partners to prioritize, support and create residential and commercial building retrofit solutions with: a) Increased access and awareness to codes, loans and incentives for energy efficient heating/cooling, windows insulation and decarbonization; b) Seek grant funding to pilot single and multifamily decarbonization retrofit program. Prioritize funding for rentals and income-qualified individuals.	Community Support & Programs	>\$2,000,000	Fed. & State grants or allocations, GF
15. Improve commercial energy codes to reduce most fossil fuel use, and require enhanced efficiency and health standards in coordination with Regional Code Council.	Policy	\$50,000	GF
17. Improve land use density bonuses and tax credits to require efficient zero carbon energy and green building certification.	Policy	N/A	

Jump-Start Action Summary	Type of Action	City Cost Estimate*	Funding Options
24. Develop program to ban food waste from garbage.	Staff & Programs	\$150,000 annually	Fed. Recovery, ES, grants
38. Designate or hire Green Economy Specialist to coordinate green economy actions and support partners and businesses. Increase knowledge, tools & capacity among City business liaison staff regarding W green resources.	Staff & Programs	\$150,000 annually	Fed. Recovery, GF, ES, Fed. & State grants or allocations
40. Establish, fund, and implement right-of-way tree maintenance program focused in high heat, low & very low opportunity equity neighborhoods. Include policy, protocols, and standards.	Programs	\$500,000 annually	GF, ES, grants
42. Work with the Health Department to provide filter fans for at-risk community members to assist in mitigating wildfire smoke in their homes and businesses.	Community Support	\$30,000 annually	GF, grants

Table key: Fed. = federal (for federal government); GF = General Fund; ES = Environmental Services Department

*City cost estimates are one-time costs unless stated otherwise