



Energy Commission

CONSENT CALENDAR
July 27, 2021

To: Honorable Mayor and Members of the City Council
From: Energy Commission
Submitted by: Janet Strömberg, Chairperson, Energy Commission
Subject: Creation of Climate Equity Action Fund

RECOMMENDATION

The Energy Commission recommends that City Council create a Climate Equity Action Fund, designate a process for making funding decisions, and appropriate \$600,000 to create a pilot test.

FISCAL IMPACTS OF RECOMMENDATION

The Commission recommends funding of \$500,000 for the current fiscal year, with an additional \$100,000 to pay for staff costs associated with the Finance Department and Office of Energy and Sustainable Development administering applications and disbursing funds.

CURRENT SITUATION AND ITS EFFECTS

On May 26, 2021, the Berkeley Energy Commission voted to send these recommendations to create a Climate Equity Action Fund, designate a process for making funding decisions, and appropriate \$600,000 to create a pilot test. Moved by Commissioner Leger, second by Commissioner Guliasi, motion carried by vote 7-0-0-0; Ayes: Stromberg, Moore, Gil, Guliasi, Leger, Paulos, Zuckerman. Noes: None. Abstain: None. Absent: None.

The Fund would be a repository of grant and municipal funds that would be used to pay for equitable climate-related pilot programs for low-income households at or below 50% of Area Median Income, or as otherwise designated by Council.

The Fund would support the goals of the Climate Action Plan, and specifically the Electric Mobility Roadmap and the Existing Building Electrification Strategy. It would provide financial incentives and support for low-income households to reduce carbon emissions from transportation and natural gas use in buildings, while lowering costs and improving quality of life. Some examples for transportation may include transit, electric mobility, and walking and biking. For buildings, some examples are improved energy efficiency, rooftop solar, and efficient electric appliances.

Council would request the Energy Commission (or successor) and the Facilities, Infrastructure, Transportation, Environment & Sustainability Policy Committee (FITES), in consultation with the public and community groups, to provide input to staff and Council about eligible categories of fund expenditures (e.g., transportation modal shift or building electrification) and processes to maximize emissions reductions and equitable impacts for eligible households.

BACKGROUND

In response to the Council's *Fossil Fuel Free Berkeley* proclamation and *Declaration of a Climate Emergency*, and as a means of pursuing the City's *Climate Action Plan*, the Council put Measure HH on the November 2020 ballot to create the Climate Equity Action Fund.

Measure HH would have reformed the Utility User Tax (UUT) by a) eliminating it for households on the CARE and FERA rate discount plans, and b) raising it for other customers from 7.5% to 10%. This would have raised about \$2.3 million per year for the City, to fund the Climate Equity Action Fund.

The Fund would have been used to support actions by residents and businesses to cut greenhouse gas emissions, with an emphasis on assisting low-income residents, remediating past environmental injustices, and promoting equity.

The Climate Equity Action Fund fits into the Strategic Plan, advancing our goals to:

- foster a dynamic, sustainable, and locally-based economy.
- create affordable housing and housing support service for our most vulnerable community members.
- create a resilient, safe, connected, and prepared city.
- champion and demonstrate social and racial equity.
- be a global leader in addressing climate change, advancing environmental justice, and protecting the environment.

Unfortunately Measure HH did not pass. Subsequent research on voter attitudes showed strong support for taking action on climate change, but disagreement on how to fund it and a lack of understanding on how the Fund would work.

ENVIRONMENTAL SUSTAINABILITY AND CLIMATE IMPACTS

Climate change is the challenge and threat of our modern society. The United States is the largest cumulative contributor of carbon emissions in the atmosphere and has one of the highest rates of emissions per capita. Berkeley's emissions come largely from transportation and from natural gas used in buildings.

Berkeley also sees very wide disparities in income and wealth, compounded by a long history of social and racial inequity. This inequity is reflected in the environmental

burdens of vulnerable communities, barriers to clean transportation, and disparities in the quality of housing.

By supporting local climate action with an emphasis on low-income households and vulnerable communities, we would be taking action on both of these problems, working to solve climate change while creating a more equitable society.

RATIONALE FOR RECOMMENDATION

As mentioned, research into voter attitudes on Measure HH showed that while there was broad support for local climate action, many voters were not clear on what the Climate Equity Action Fund would do. By creating the Fund, establishing its structure and process, and making a round of grants, the Council would be able to show voters the Fund in action, creating a better understanding and broader support for the Fund. This could lead to increased voter for future ballot measures or other funding strategies.

ALTERNATIVE ACTIONS CONSIDERED

Voters could be asked again in 2022 to support the Fund, but the Commission believes it would be more likely to succeed if we address the concerns that some voters expressed after the 2020 vote.

CITY MANAGER

The City Manager takes no position on the content and recommendations of the Commission's report. In its budget adoption action on June 29, 2021, the City Council allocated \$600,000 for the creation of a Climate Equity Action Fund.

CONTACT PERSON

Billi Romain, Secretary, Energy Commission, 510-981-7432

Attachments:

1: Campaign Report for Berkeley Measure HH

Campaign Report for Berkeley Measure HH



Prepared by [Bentham Paulos](#), March 3, 2021

This is a summary of the 2020 campaign for the Climate Equity Action Fund (Measure HH), an analysis of why it failed, and recommendations for next steps.

Measure HH would have raised about \$2.4 million per year to fund actions that reduce carbon emissions. To raise the funds, it would have increased the utility users tax (UUT) from 7.5% to 10%, while eliminating the tax for low-income households. The funds would have been spent with a focus on equity, seeking to cut pollution in disadvantaged communities, lower energy and transportation costs for low-income households, and create jobs.

The timing of the measure seemed good, coming on the heels of catastrophic wildfires, large public #climatestrike events in favor of climate action, and four years of Trump. The strong emphasis on equity positioned it well after the Black Lives Matter protests.

The operation of the campaign seemed like a success –

- It was endorsed by 27 organizations, including some very prominent ones, along with a majority of the city council and notable residents
- It raised over \$16,000, so was able to support multiple mailings and lit drops, online and social media ads, and text banking
- It got some national news coverage, and favorable op-eds in the local press
- It had very little organized opposition

Nonetheless, HH failed by a margin of 53 to 47, even as all other city measures were approved.

To find out why, the campaign analyzed election results, ran a small online survey of voters, and collected anecdotes. The campaign is summarized in section 1 of this report, followed by research on voting results. Section 3 analyzes the survey and anecdotes, while section 4 goes into greater depth on possible conclusions. The report ends by discussing next steps.

In short, it seems the most likely reasons that HH failed were a combination of the following:

- Voters did not understand how the funds would be spent, and a sufficient number did not seem to trust the City to spend them well. It was not clear whether the Fund would be used by the City or whether it would pay for incentives given out to residents and businesses. This was exacerbated by the measure being crafted as a general tax to avoid a 2/3 threshold, rather than a “special tax” with the funds dedicated to a specific use.
- The measure was not presented well on the official ballot statement. The one-sentence title emphasized the tax increase more than the benefits that would come from a fund. The ballot statement was by far the main source of information to voters.
- A number of voters opposed any tax increase, or preferred to tax *others* rather than *themselves*. Revenue measures GG and FF did not fall on all voters, while HH did. (On the other hand, Alameda County Measure W raised the sales tax, which also affects all voters; it passed by a very narrow margin.)
- The campaign did not communicate the equity aspects well enough. Despite explicit efforts to get the message out, there was low awareness that HH would have cut taxes for low-income households and focused spending on disadvantaged communities.
- The campaign communications were positive rather than negative, so there was no “bad guy” to motivate voters, but instead a vision of positive collective action.

The good news is that Berkeley voters are in fact concerned about global warming and most think that local action is warranted, even if they voted against HH. This suggests that they did not reject the idea of a Climate Equity Action Fund or the kinds of things the Fund was intended to support, but instead need more specifics about what it would do before supporting it.

To test this theory, the campaign believes **the City should create the Fund by Council action**, ask a city commission to establish a process and guidelines, and seed it with a modest amount of funding. The Fund would then be able to run through a round of grants by early 2022, showing voters what Measure HH intended to accomplish. Then the Fund could be presented to voters again to ask for an ongoing source of revenues.

One way to expand this pilot effort would be for the City to request donations to the Fund from prominent donors, such as large businesses or developers. If the City were to appropriate \$500,000, and raise matching funds from others, the Fund could make, for example, 10 grants of \$100,000 to local climate equity organizations and businesses.

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A) Campaign Analysis

1. Leadership

The campaign was led by a leadership committee, which participated in regular planning calls and organized actions.

Bentham Paulos, Berkeley Energy Commission
 Kate Harrison, Berkeley City Council
 Martin Bourque and Denaya Shorter, Ecology Center
 Kathy Dervin, 350 Bay Area
 Elyce Klein, Citizen's Climate Lobby
 Igor Tregub, Sierra Club
 Mary Ann Furda, volunteer coordinator
 Linda Currie, Transition Berkeley
 Harry Chomsky, Treasurer

2. Fundraising and spending

The campaign raised \$16,584.38 from 63 donors. Major donors included the SEIU (\$5000), the Green Advocacy Project (\$4000), Nick Josefowitz (\$2500), and Dave Margulius (\$1000).

All of the funds were expended, with the bulk of the money going for printing and mailing (\$11,050), online ads (\$1,648), the campaign treasurer (\$1,260), and text banking (\$492).

Who	What	Amount \$
Autumn Press	Printing	10,300.85
Harry Chomsky	Campaign Treasurer	1,260
Cityside	Berkeleyside ads	1,000
Facebook	Ads	648.59
Sierra Club, SF Bay Chapter Campaigns SMO	Slate mailer	500
Albany Cares About Climate, Yes on Measure DD, controlled by Preston Jordan	Donation of remaining funds to Albany campaign	467.21
Stephanie Perez	Design	400
Twilio	Text banking	392.82
WDRG 2020	Slate mailing	250
Amazon.com	Gifts	187.14
PayPal	Fee	146.02
Ben Paulos	Reimbursements	135.38
Tony Kay	Stipend	100
Validito	Text banking	100
Mary Ann Furda	Reimbursements	88.37
California Secretary of State	Fee	50
Internal Revenue Service	Fee	50

3. Coalition support

The campaign got formal endorsements from 27 organizations, many elected officials, and a number of prominent individuals.

Endorsing organizations included:

1. League of Conservation Voters of the East Bay
2. SEIU 1021 – Service Employees International Union
3. Alameda Labor Council
4. Sierra Club
5. League of Women Voters: Berkeley, Emeryville, Albany
6. East Bay Working Families
7. Wellstone Democratic Renewal Club
8. Greenpeace USA
9. Berkeley Tenants Union
10. California Interfaith Power & Light
11. Climate Reality Project Bay Area Chapter, Alameda County Policy Squad
12. Green Party of California
13. Citizens’ Climate Lobby, Alameda County Chapter
14. United Nations Association – East Bay Chapter
15. Berkeley Citizens Action
16. Environmental Health Working Group of the Berkeley Climate Action Coalition
17. Sunrise Movement Bay Area
18. Berkeley Progressive Alliance
19. Elders Climate Action (ECA) NorCal Chapter
20. Alameda County Democratic Party
21. McGee-Spaulding Neighbors in Action
22. Walk Bike Berkeley
23. 350 Berkeley Hub
24. 350 East Bay
25. The Ecology Center
26. Green the Church
27. Transition Berkeley

Elected officials included Mayor Arreguin and five members of the City Council.

Some notable individual endorsers were Alice Waters of Chez Panisse; Daniel Kammen, Professor at UC-Berkeley; Annie Leonard, Executive Director of Greenpeace USA; David Hochschild, Chair of the California Energy Commission; Kate Gordon, Director of Governor Newsom's Office of Planning and Research; and Jon Wellinghoff, Past Chair of the Federal Energy Regulatory Commission (FERC).

4. Opposition

The measure had little organized opposition. The Alameda County Taxpayers Association wrote the [opposition statement](#) for the ballot book, and an [op-ed](#) was published in Berkeley's side

against it.¹ A group called Berkeleyans Against Measure HH filed [campaign papers](#), with Isabelle Gaston as the treasurer, but they reported raising no money.

The opposition statement and the op-ed attacked the measure as “well-intentioned, but badly flawed,” and charged that the money would not be spent well, or even on climate action measures, but instead on pensions and potholes.

5. Volunteers

The Citizens Climate Lobby provided significant volunteer assistance to the campaign, with Tony Kay donating design services for mailings and materials, and Tony Surdna managing online ads and text banking software. The Ecology Center and 350 Bay Area also did significant work to mobilize volunteers and do online outreach.

There was a sufficient, but not overwhelming, number of volunteers for in-person work such as literature drops, sign distribution, tabling and public events (no canvassing was done). This was probably due to the impact of the pandemic and shelter-in-place order. Nonetheless, volunteers did distribute tens of thousands of pieces of literature to doors, often in combination with other campaigns. Given the huge turnout for recent climate marches and “the Greta Effect” we hoped there would be a larger response, especially among young people. But efforts to contact high school and college students were disrupted by school closures.

6. Promotion

Canvassing: The campaign did not canvas, due to the pandemic. Ben Paulos ran an informal poll on Nextdoor that suggested about half of residents may have been antagonized by being visited by a canvasser. (The canvassing done by the campaign for mayoral candidate Wayne Hsiung was the subject of much hostile discussion on Nextdoor.)

Instead we relied more on direct mail, text banking, online ads, and yard signs.

Mail: We did two major mailings, one directed at apartment dwellers and the other at homeowners. We distributed our own literature, and participated in literature drops with other campaigns, focusing especially on districts 2, 3, and 4.

Op-Eds: There were three op-eds published in support of the measure, in Berkeleyside and the Daily Cal.

[Opinion: Climate equity now — vote yes on Measure HH](#)

¹ Authors: John Stephen Kromer is an energy efficiency program evaluator. Eric Friedman is a 20-year Berkeley resident. Isabelle Gaston is a medical and regulatory document writer and former city council candidate, president of the North East Berkeley Association and member of the Citizens Budget Committee. Barbara Gilbert is a longtime Berkeley resident and former officer in northeast Berkeley and citywide civic associations, labor commissioner, mayoral aide and city council candidate.

By Kate Harrison, Oct. 20, 2020, Berkeleyside

[Opinion: Vote 'yes' on Berkeley's Measure HH to support action on climate change](#)

By Carl Anthony, Martin Bourque, Rev. Ambrose Carroll, Kathy Dervin, Dan Kammen, Annie Leonard, Bentham Paulos, Karma Smart, and Igor Tregub, Oct. 15, 2020, Berkeleyside

[Vote yes on local ballot measures to support equitable climate action](#)

By Andy Kelley, September 15, 2020, Daily Cal

Press: Press coverage was limited, especially in the local press. While the Ecology Center organized an online press briefing event, only one reporter attended, from the Berkeley Times. The Times does not post articles online so it is unknown if they reported on the measure. The Berkeley High and UC papers ran columns in favor:

[Measure HH Is Necessary to Lower Berkeley's Greenhouse Gas Emissions](#), Ariel Spagnolo, BHS Jacket, October 31, 2020,

[Here's how you should vote on Berkeley's 8 city measures](#), Daily Cal editorial, October 20, 2020

Virtually all of the press coverage was due to a press release Paulos sent to selected out-of-town media, with assistance from Climate Nexus.

[Berkeley Puts Equitable Climate Action on the Ballot — Episode 115 of Local Energy Rules](#), podcast from the Institute for Local Self Reliance, October 21, 2020.

[This innovative tax plan is designed to help cities pay for climate action](#), Fast Company, October 21, 2020.

[The Most Important Climate Ballot Initiatives to Watch on Election Day](#), Dharna Noor, Gizmodo, Oct. 23, 2020

Online ads: Sirna, with help from Denaya Shorter and Kathy Dervin, set up an advertising account with Facebook, with ads targeted toward Berkeley residents. The ads included banners and videos. An additional round of ads was run in Berkeleyside in the few weeks before election day.

Videos: Two videos were used for the campaign. The first featured Mayor Arreguin giving a short speech on the Measure. The full 4 minute video was posted on the campaign website, while a 30 second clip was used for social media ads. The other video was a short clip of a woman (Libby Lee-Egan) riding her child in a cargo bike with HH signs on the side, used for the Berkeleyside ad and social media.

Social Media: Accounts were created on Twitter and Facebook, and posts were placed on Nextdoor. The Facebook and Twitter accounts attracted 88 and 68 followers, respectively, with messages amplified by campaign participants and organizations.



Yard signs: The campaign printed and distributed about 400 yard signs, via Autumn Press.

Web site: BerkeleyClimate.org was built by BHS student Jerome Paulos, with pages on fundraising, endorsements, an FAQ, and social media links. The site was able to handle donations and to collect endorsements from individuals and organizations.

Text banking: Tony Sirna from the Citizens Climate Lobby set up a text-banking effort, with tens of thousands of text messages sent to registered voters.

Virtual house party: Due to the pandemic there were no house parties or rallies. Instead, Ecology Center organized a virtual house party with presentations by Dan Kammen, Karma Smart, Dr. Ashley McClure, and others.

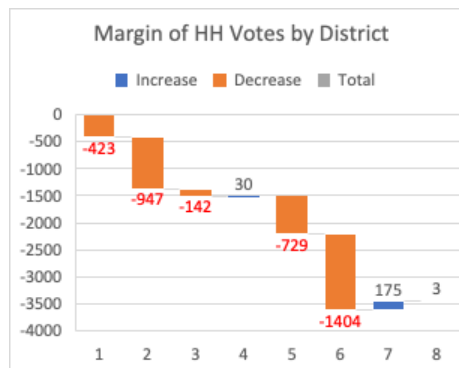
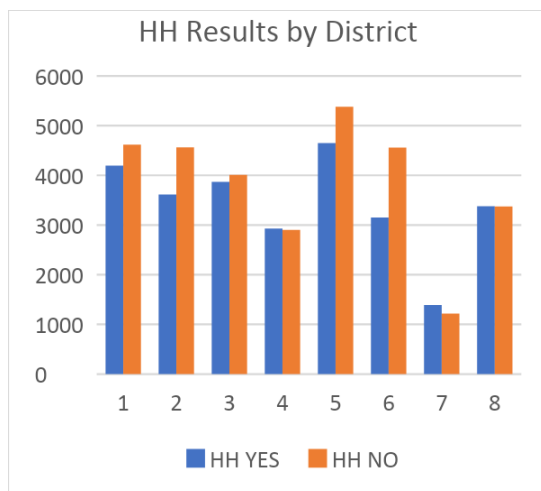
B) Election Results

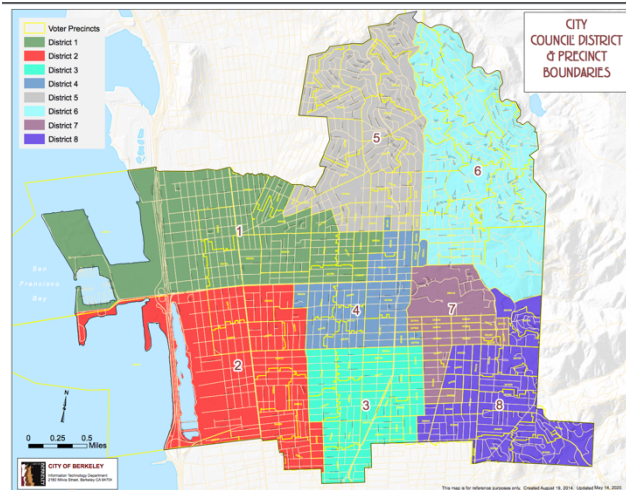
Voter turnout in Berkeley this year was 81.5% of registered voters, up from 78.1% in the 2016 presidential election. The pandemic reduced the pool of potential voters as the UC student population was smaller than normal. The number of registered voters fell from 83,778 in 2016 to 79,072 this year, but interest in the election was so strong that the number of votes cast dropped by only 980 votes.

The number of votes cast and turnout both reached record levels in districts 1, 2, 3 and 5, exceeding 2008, when Obama was first elected, the year with the highest number of votes ever cast in Berkeley. The number of votes cast in the other districts, which include student neighborhoods, fell even though turnout was higher due to the reduced number of student voters. In District 7, the student supermajority district, only 3126 votes were cast, down from an already relatively low 4898 votes in 2016. The number of voters was two or three times higher in other districts.

Measure HH failed by a margin of 3437 votes. 89% of ballots cast included a vote on HH. HH won narrowly in districts 7, 4 and 8. The losing vote margins were largest in districts 6, 2, and 5. Districts 5 and 6 tend to be more affluent, with more homeowners. District 2 is the least affluent, with more renters.

	Votes	Percentage
No	30,612	52.97 %
Yes	27,175	47.03 %





A number of guesses were put forward about why HH failed with voters.

Too many taxes: Coming at a time of economic disruption, voters may have thought this was a bad time to raise taxes at all. But other tax measures did pass.

Daily Planet: “Measure HH’s failure may be related to the presence of multiple tax measures on the ballot. Voters did easily pass Measure FF, the firefighting/emergency response tax, (now leading 75% to 25%) and Measure GG, the Uber/Lyft rider tax (now leading 60% to 40%).”

“Taxing me not thee”: HH raised the utility tax for all residents and businesses except low-income households on CARE/FERA rates, so voters were asked to tax themselves rather than “somebody else,” as in the case with measure GG (taxing Uber/Lyft riders) or FF, the fire safety measure (taxing property owners). However, county measure W, a sales tax increase, did pass.

Daily Planet: “Berkeley voters approved Measure FF, the parcel tax to fund Berkeley emergency services by an almost 3-1 margin, and approved Measure GG that taxes rides on Uber and Lyft. Berkeley voters also favored Alameda County’s Measure W. However, Berkeley voters rejected Measure HH which would have increased the city’s Utility Users Tax, which appears on everyone’s PG&E bill.”

Ballot title and language: The title and description of the measure both emphasized the tax more than the climate equity action fund, the cost more than the benefit. The short title of the measure was “Utility Users Tax” while the official description was:

“Shall an ordinance increasing the Utility Users Tax on electricity and gas from 7.5% to 10%, with exemptions for low-income users, for general municipal services, including programs to equitably reduce local greenhouse gas emissions, and authorizing the City Council to increase the gas users tax by an additional 2.5%, with the total tax estimated to generate \$2.4 million annually, until repealed by the voters, be adopted?”

Berkeleyside: “It’s hard to know why any particular measure fails, but Martin Bourque hypothesized that the abundance of new taxes on the ballot this year contributed to Measure HH’s rejection. The language describing Measure HH also focused on the tax rather than how it would combat climate change and support renters, low-income residents and Black, brown and indigenous communities, Bourque said.”

Lack of student turnout: As mentioned, the student population in Berkeley was lowered by the pandemic, as UC moved to online classes. However, student turnout is often low for local measures, as students are often registered to vote elsewhere.

General and personal anxiety about the economy: Many voters may have either lost their jobs or felt insecure about the economy, making them less likely to vote to raise their own taxes. However, they did approve other taxes.

Berkeleyside: Mayor Jesse Arreguín said he thought Measure HH may have lost because it had a direct impact on people’s pocketbooks, particularly now while people are at home a lot. While there was a carve-out for low-income residents, others would have seen their utility rates on gas and electricity go from 7.5% to 10%. The measure would have generated about \$2.3 million a year. “We’re in a pandemic and people are facing economic challenges,” said Arreguín.

C) Survey results

To test the theories of why HH failed, the campaign ran an online survey about a month after the election. To get a reasonably random set of respondents, the campaign texted registered voters used the same list of phone numbers used for text banking, supplemented by posts on Nextdoor.

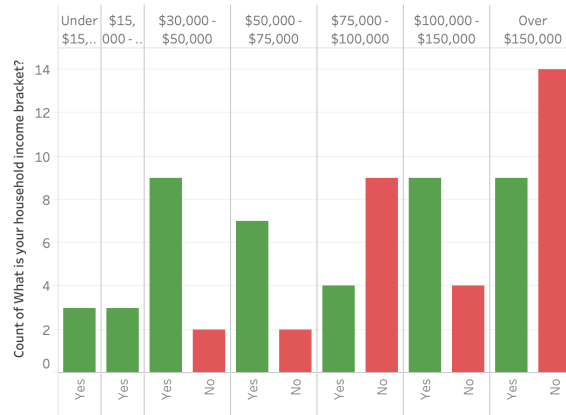
In total, the survey got 97 respondents. While this is not a large enough sample to draw scientific conclusions, it does point to some voter attitudes. For one, HH seemed to do poorly with higher income homeowners, as shown by poor results in districts 5 and 6 and the responses shown in the following bar charts. HH won handily among the renters in the survey, and lost among homeowners. By income, the largest block of No voters were in the highest income category. This is backed up by district voting results, where the largest margin of failure was in the high-affluence District 6.

Younger voters tended to be more supportive, though many respondents did not indicate their age.

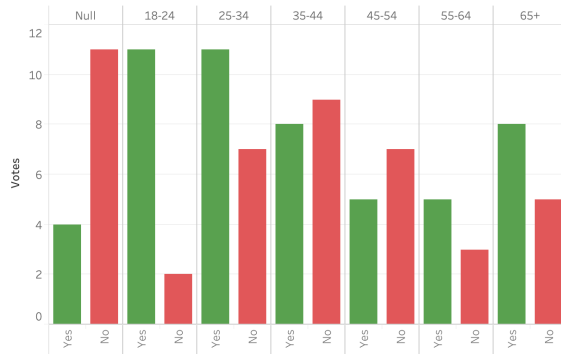
Renter vs. Homeowner



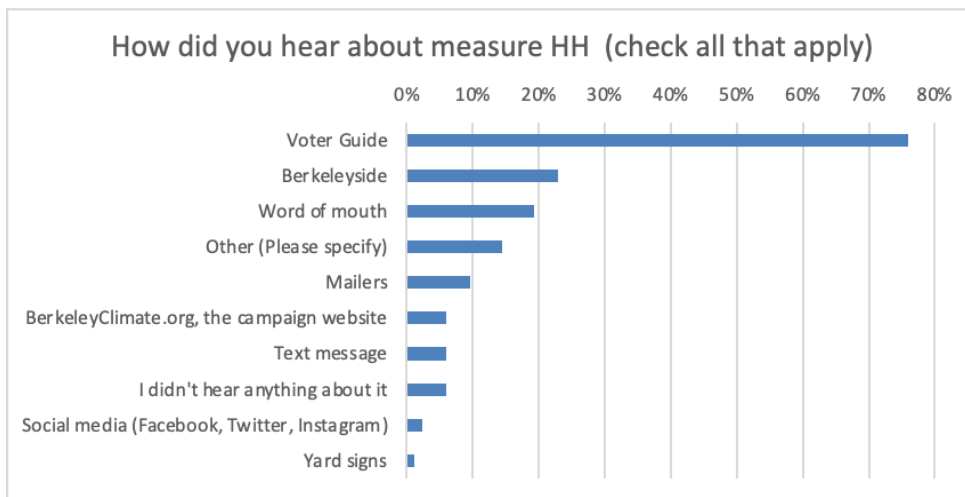
Income brackets



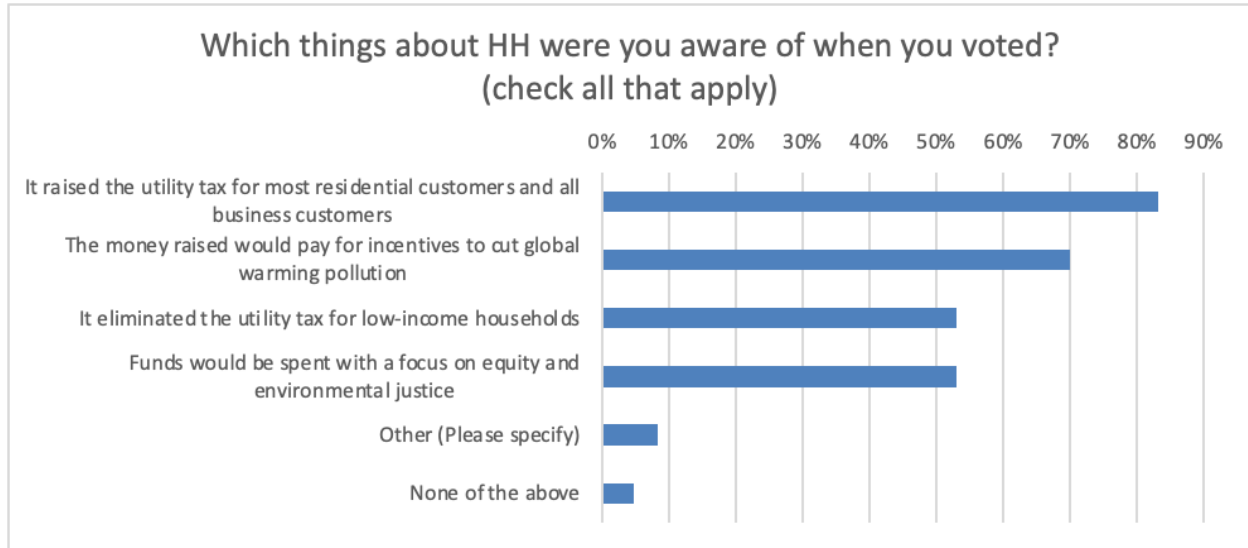
Age brackets



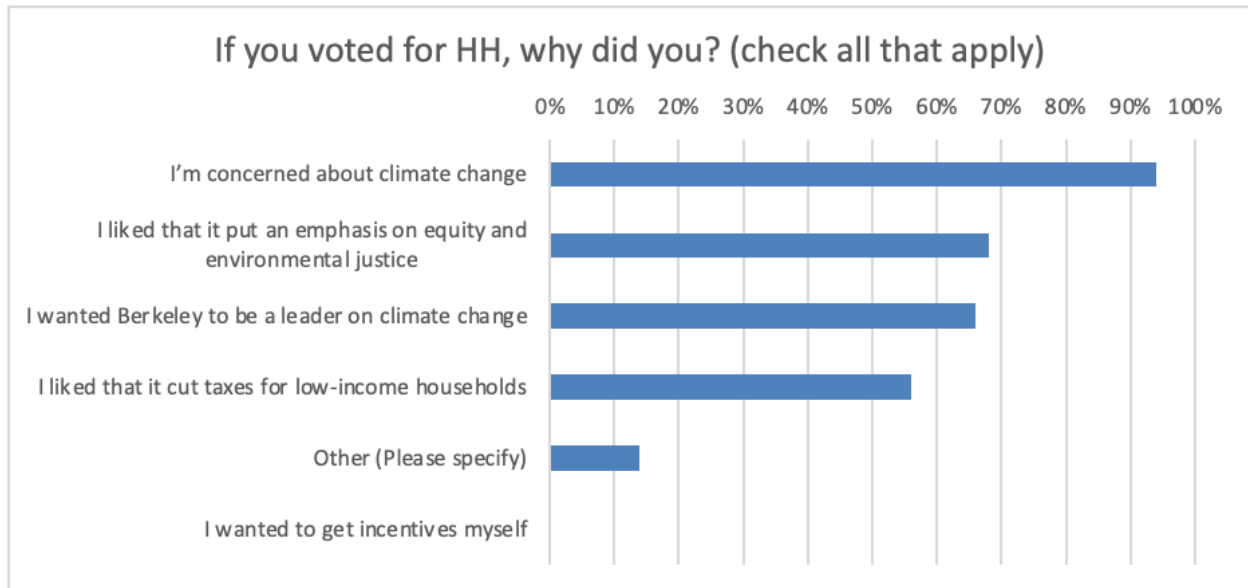
The voter guide, mailed to all registered voters by the City, was by far the largest source of information on HH, with three out of four respondents reporting it as their source. A quarter of voters reported Berkeleyside, either the op-eds for and against or the ads placed by the campaign. None of the campaign activities – mailers, social media, texting, etc. – broke 10% as an information source.



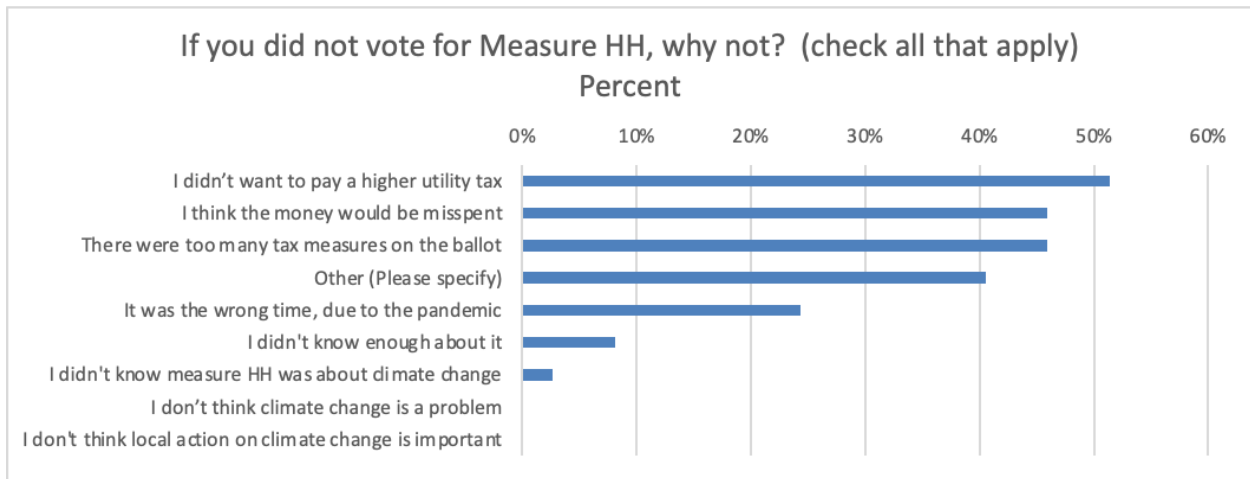
Voters were very aware that HH affected the utility users tax (UUT), and generally aware that it aimed to fight global warming. But only half of voters said they knew that HH would eliminate the UUT for low-income households or be used for equity programs. This largely reflects the official short description of the measure in the voter guide.



For voters who supported HH, it was largely due to concern about climate change. There was significant but less support for the equity and tax-cutting aspects of HH.



We then tested attitudes for people who voted against HH. Their attitudes seemed to closely reflect the anti-HH arguments in the voter guide and the Berkeley-side oped. No respondents thought climate change was not a problem.



Some respondents volunteered other answers:

Other priorities

- Berkeley needs to first spending crime and streets under control before delving into national Issues

Taxing electricity is counterproductive

- I am against regressive taxation and taxing electricity is exactly the wrong thing to do if the goal is to electrify energy systems.
- Taxing electricity bills seems like the wrong approach if we want to electrify power use to deal with climate change
- "soda taxes" should tax things where people have reasonable alternatives. tax gasoline, not having electricity in your house

Regressive tax

- Regressive, lack of clarity on how it would be spent, unclear oversight
- I thought a utility tax was regressive and costs would fall more on low-income residents than those more able to bear the costs.

Lack of oversight

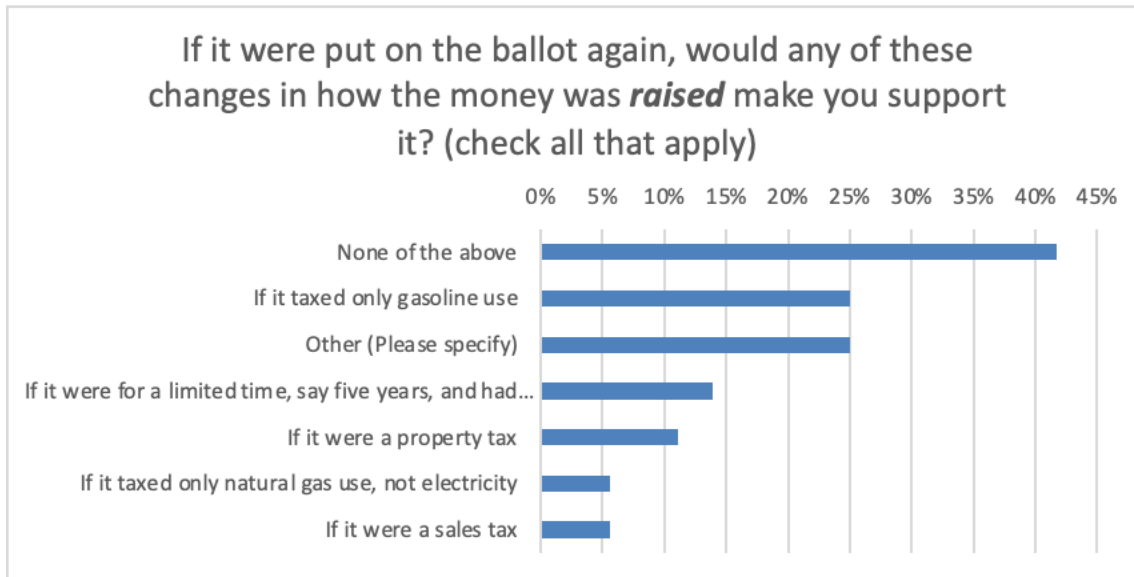
- went into general fund
- Berkeley has a lack of accountability. I don't want to pay yet more taxes for something I don't think Berkeley can impact and with limited governance and oversight

Other

- If Berkeley does something for climate change that is a very small impact when the rest of the world needs to be involved to make a worthwhile difference, not just Berkeley. Why punish taxpayers any further?

- It was way too permanent for my liking and I feel that something like this should be passed through the legislature. By having it be permanent until repealed by the voters there's very little chance for review.
- If you want to solve climate change, go after wealthy energy hogs, rather than ineffective feel good measures to help working class people. It was a bad proposal.

We asked No voters if they would have voted differently if something were changed in how the money was raised. Most said no, while some pointed to taxing gasoline or pollution.



Anti-tax

- am not voting for anything that will increase my residential utility costs
- When are our taxes going to actually go down?
- If city taxes were reduced by 10%, I would be fine with 5% going to this purpose. City taxes are too high and need to be spent on general purpose things from which all benefit.
- We of course see climate change as a problem but are barely making it in this incredibly expensive city that is only getting more expensive daily. So I cannot support new tax increases.

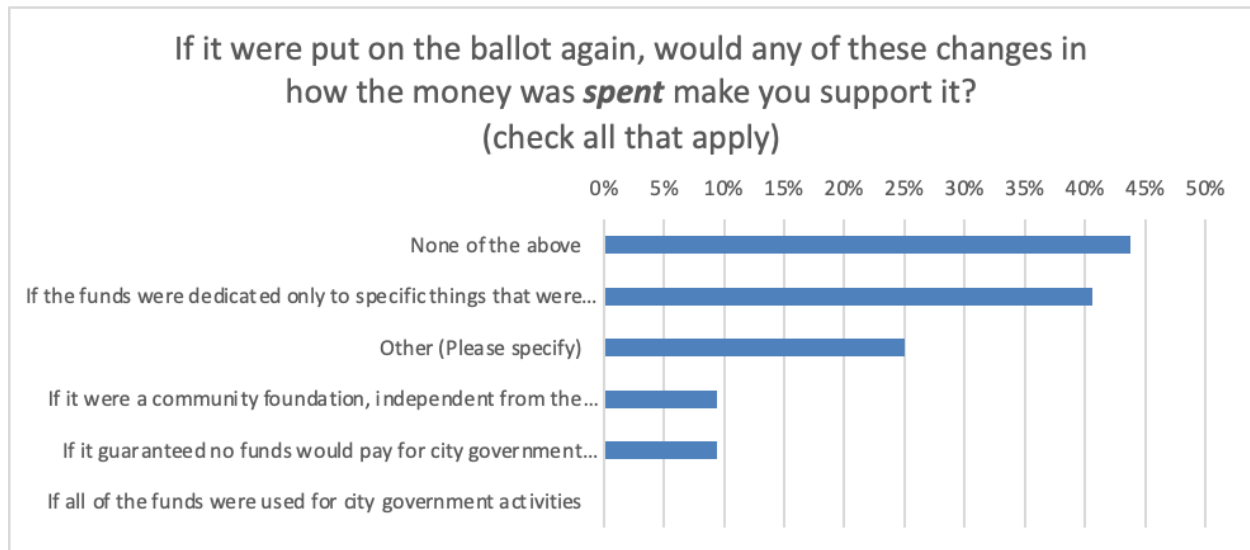
Tax pollution or tax more progressively

- If it was progressive tax or focused on activities we want to curtail. We should be taxing cars and parking and gas consumption .
- Tax fossil fuel use
- Cost should have been allocated to those more able to pay/responsible for emissions. Not sure exactly how.

Accountability (* these are more appropriate to next question)

- More clarity on use of funds and mechanism of accountability
- put in dedicated fund/budget

We asked if they would have voted differently if the money was spent differently. While most said no, a significant number may have voted differently if they knew up front exactly how the money would be spent. Importantly, it looks like voters were not opposed to the city pursuing the activities HH was meant to fund. They just wanted more specifics.



Anti-tax

- I am tired of endless tax increases
- I would not vote for this measure period
- It's sort of fake funding if city council wants to take this out of the general fund then fine but the way the special tax is done is not going to gain my support
- If this replaced a different city tax I would consider it.

Specific actions

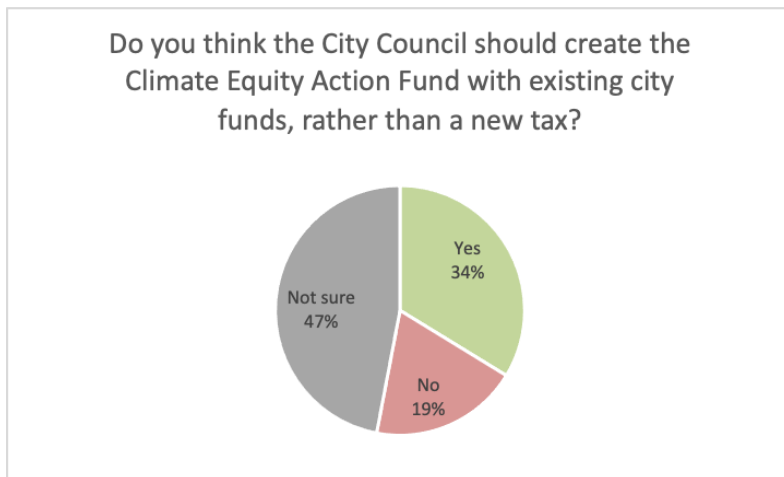
- If the specific actions are reasonably well supported by evidence that they will be effective and constructive, eg building electrification for poor residents, but not recycling
- Dedicated to energy efficiency measure

Other

- I didn't have an issue with how money would have been spent.
- Knowing it was for climate change would've changed my vote to a yes!

Finally, to see if voters liked the idea of a Climate Fund separately from their attitudes toward a tax increase, we asked whether voters would want the City Council to create the Climate Fund

with existing revenues rather than a new tax. Most respondents were not sure, but of those that offered an opinion, there was 2-1 support.



D) Conclusions

The good news is that Berkeley voters are concerned about global warming and think that local action is warranted, even if they voted against HH. The timing seemed to be fortuitous: with wildfires ravaging California, Greta Thunberg and climate strikes in the news, and the pro-pollution President Trump on the ballot, this could have been a referendum on climate change.

But despite broad support for action on climate change, a number of factors contributed to Measure HH's defeat.

COVID: The pandemic certainly played a role, creating health and economic anxiety among voters, driving down turnout among college students, limiting volunteer activity, and cutting off grassroots outreach. Public events could have been a major part of the campaign, given recent #climatestrike marches and rallies. It's also possible that climate change had to compete with COVID as the most important crisis to prioritize.

WILDFIRES: The California wildfires did not seem to have as big an effect as anticipated. While September 9 was "the day without sunshine" due to wildfire smoke, voters may not have linked it to climate change, or it may have slipped in their memory.

TAXES: The thesis that HH lost due to dislike of taxes was partly borne out. For many, HH seemed to be a vote on taxes more than a vote on local climate action or equity. A number of No voters cited tax increases for their opposition, especially the more affluent voters that we surveyed. On the other hand, other tax measures were approved, perhaps because they targeted other funding sources or had more specific spending plans.

One fundamental problem is that voters expect climate change to be solved by someone else, by “big polluters” or “the government.” They do not think of themselves as the problem. Some communities that have approved local climate funds did it by attacking a bad guy, as in Portland and Seattle taxing big business. Berkeley has no major polluters, or even many big businesses. HH campaign messages did not dwell on this, instead creating positive messages of taking action for equity and for the future.

A clear failure of the campaign was to convey to voters what the funds would be used for and how they would be spent. Many voters were guided by very little information on Measure HH, with most looking only at the summary in the voter guide, which focused on the mechanism for collecting the tax rather than on the benefits of the fund. There was very little awareness of the fact that HH would have cut taxes for low-income households, which was featured in campaign materials and was a core part of the equity pitch.

Opponents and at least some voters were skeptical of the process proposed by HH, to have an “expert panel” make funding decisions in response to proposals. Voters may have been more comfortable if the measure spelled out exactly what the funds would be used for rather than creating a flexible fund. It would have been an easier message to convey, certainly.

E) Next Steps

Voter approval was not needed to create the Climate Equity Action Fund, only to finance it.

Measure GG, which will raise maybe \$1 million per year through a new tax on Uber and Lyft rides is intended to promote transportation alternatives. This could be done through infrastructure improvements and incentives for behavior change by Berkeley residents. The Fund could manage the latter, giving incentives to promote low-carbon transportation choices, especially for low-income residents.

Whatever the funding source, the Council should create the Fund and appropriate perhaps \$500,000 as a seed fund. At the same time, city leaders should invite donations to the fund, especially from large entities that have their own sustainability goals and that would benefit from a better low-carbon transportation system, like UC Berkeley, Bayer Pharmaceuticals, and large real estate projects like 600 Addison.

The City should then set goals and parameters for the fund, appoint a board (or adapt a current city commission) to reflect the twin goals of climate action and equity, and initiate a single round of grants by early 2022. The Fund should be explicitly aimed at providing incentives for action by residents and businesses, rather than used to fund City infrastructure. While infrastructure is critical to cutting carbon emissions, such as building Complete Streets that encourage non-car transportation, we believe a bond is a better way to pay for long-lasting infrastructure. A bond will better be able to raise the large amounts required for infrastructure development, rather than the relatively modest amounts that the Climate Fund would handle.

If we can show voters how the Fund can work and create benefits, perhaps we can seek approval to expand funding on the 2022 ballot. Berkeley residents support action on climate change in a general sense but need help to understand how elements of our daily lives contribute to climate change (i.e., we are the ones buying and consuming the products sold by the evil corporations). As some No voters commented, they might have supported HH if we “taxed fossil fuel use” or “activities we want to curtail,” and if we taxed those “responsible for emissions.” All of which HH did.

The best way to increase this understanding is not through speeches or op-eds, but a demonstration of how the Fund would work, through a pilot.

We can also prepare for a successful ballot measure in 2022, with a number of strategies.

One possible strategy is to put it on the ballot by voter initiative rather than by local government action. Recent court rulings suggest that voter initiatives are not subject to the “special tax” limitation that Proposition 218 (1996) applied to government-led initiatives.² This would allow a future measure to be specific about how the funds would be used without triggering the 2/3 vote threshold.

Another strategy is to make it easier to split the tax rates for electricity and natural gas in the Utility Users Tax, so we can increase the tax just on gas. This would support the electrification agenda, seeking to shift buildings from gas to renewable electricity. Because of PG&E’s outdated software, measure HH could not tax only natural gas. Working with electrification advocates and cities to solve this problem would help Berkeley, along with many other California cities that followed Berkeley’s lead in fighting natural gas pollution.

A related strategy is to sync up with the messaging that electrification advocates are using to attack gas on grounds of health and safety, in addition to environmental harm, and the pushback from the gas industry.³ This could provide the kind of “bad guy” messaging that helped boost the soda tax campaign, which attacked “big soda.”

Lastly, other California cities have expressed an interest in creating climate action funds. Voters in Albany and Long Beach did pass their measures (as did Denver) on election day. Working in Oakland, Alameda and other towns could help create a sense of movement for the issue that can help here in Berkeley.

So while the immediate battle was lost, we think the idea of funding local climate action is still valid, and worth pursuing in the future. It will just take City leadership to convince voters to follow.

² Courthouse News, [California High Court Lets San Francisco’s Disputed Homeless Tax Stand](#), September 9, 2020.

³ For example: NPR, [As Cities Grapple With Climate Change, Gas Utilities Fight To Stay In Business](#), February 22, 2021.