



Partnership for the Advancement of New Americans



April 19, 2024

To: City of San Diego Mayor Todd Gloria

Cc: City of San Diego Councilmembers, staff

Subject: Community Response to Proposed Defunding of the City of San Diego's Climate Equity Fund in the FY25 Proposed Budget

Honorable Mayor Gloria,

We the undersigned organizations were shocked and dismayed to hear that you have proposed defunding the Climate Equity Fund (CEF) in the proposed FY25 budget, [released](#) on 4/12/24.

The Climate Equity Fund was [established](#) in 2021 to provide additional funding for City infrastructure projects to enable Communities of Concern to better respond to the impacts of climate change. This funding is meant to address inequities previously committed by the city to certain communities and this suggested budget actually continues those behaviors. It is immoral to balance the budget on the backs of communities that are worthy of more, not less funding.

We request that you:

1. Restore the \$8.5 million in funding to the Climate Equity Fund in the FY25 budget
2. Direct staff to engage with the city's Climate Equity Working Group to provide input on FY25 Climate Equity Fund project allocations
3. Direct staff to provide annual reporting of Climate Equity Fund allocations and Project status at a Council Committee, as required by law
 - a. Provide a comprehensive report of FY22-FY24 CEF allocations and Project status by July 1, 2024
 - b. Include in the report the breakdown of large continuing projects (Bicycle Facilities, Street Lights, Traffic Signals, Park Improvements, Traffic Calming) into the specific projects funded by the CEF
 - c. Provide annual reporting by Jan 1 for subsequent years

The [2022 Climate Action Plan](#) included a letter from you, Mayor Gloria, stating:

People of color and low-income residents have been hit first, worst, and hardest by climate change, a pattern that will continue unless we listen to them and prioritize their needs.

We are asking you to listen to us and prioritize our needs.

Signed,

Andrea Guerrero, Executive Director, Alliance San Diego

Keara O'Laughlin, Senior Researcher & Policy Advocate, Center on Policy Initiatives

Josephine S. Talamantez, Founder and Chair of the Board of Directors for the Chicano Park Museum and Cultural Center

Jesse Ramirez, Senior Program Manager- Transportation & Planning, City Heights CDC

Anthony Dang, Policy and Community Outreach Manager, Climate Action Campaign

Cherry Robinson Psy. D, Coalitions Chair, Climate Reality Project San Diego

Keara O'Laughlin, Senior Researcher & Policy Advocate, Community Budget Alliance

Amy Castaneda, Policy Co-Director, Environmental Health Coalition

Dan Mueller, Development and Strategic Partnerships Manager, GRID Alternatives San Diego

Leslie Reynolds, Executive Director, Groundwork San Diego-Chollas Creek

Karina Gonzalez, Deputy Director, Hammond Climate Solutions Foundation

Dr. Adrienne Fusek, Executive Director, In Good Company

Anne Fege, Ph.D., Urban Forester, Kate Sessions Commitment (Kate's Trees)

Alicia Nichols Gonzalez, California State Manager, Mothers Out Front

Joe Houde, President, North County Climate Change Alliance

Richard Diaz, President, Oak Park Community Council

Asma Abdi, Policy Associate, Partnership for the Advancement of New Americans

Diane Moss, Managing Director, Project New Village

Kelly Lyndon, Team Lead, SanDiego350

Colleen FitzSimons, Executive Director, San Diego Green Building Council

Ali Mariko Dressel, Coalition Manager, San Diego Green New Deal Alliance

Eddie Price, Executive Director, San Diego Urban Sustainability Coalition

Tina Matthias, Founder/Executive Director, South Bay Sustainable Communities Network

Zack Zeilman, Climate Change Committee Co-Lead, Surfrider Foundation, San Diego Chapter

Brian Pollard, Alix Aceituno, Carmina Paz, Christopher Olfato, Urban Collaborative Project

Additional detail regarding the Climate Equity Fund

Climate Equity Fund Background

In 2021, San Diego City Council members unanimously [approved](#), and you signed, the creation of the [Climate Equity Fund](#) (CEF).

The goal of the CEF is to provide additional funding for City infrastructure projects to enable Communities of Concern to better respond to the impacts of climate change.

To be eligible to receive CEF funding, projects must have an impact on reducing greenhouse gas emissions, enhancing safety in the public right-of-way, relieving congestion, and/or achieving other climate equity initiatives. Projects must also be in a Community of Concern as identified using the Climate Equity Index. The CEF funding is intended to supplement allocations for Projects in the annual budget and is not intended to replace any funding budgeted or previously allocated to specific Projects.

City staff work with community-based organizations, Council offices, and City departments to decide which projects to fund.

The minimum annual allocation to CEF eligible projects is shown below (unless the Mayor recommends and Council approves the suspension for one fiscal year in order to maintain existing city services):

- 1 percent of the total annual revenue received through TransNet.
- 1 percent of the total annual revenue received through Gas Tax
- 10 percent of the total General Fund revenue received through the annual gas and electric franchise fees.

In addition, the CEF receives \$1.5 million from the SDG&E Electric Franchise Agreement until Fiscal Year 2026.

Prior budget cycles have allocated the following to the CEF:

- FY22: \$7.1 million
- FY23: \$10.4 million
- FY24: \$9.2 million (adopted)

CEF Allocations in the FY25 Proposed Budget

The [FY25 Proposed Budget](#) released on 4/12/24 has the following statements:

The Fiscal Year 2025 Proposed Budget includes the suspension of the minimum annual allocation to the CEF but includes the \$1.5 million from the SDGE Electric Franchise Agreement.

The Fiscal Year 2025 Proposed Budget recommends the suspension of this allocation of \$8.5 million for the Climate Equity Fund, which would allow this revenue to remain in the General Fund to support existing City services.

To take money from any Equity Program to fund the City's General Fund is disrespectful to the term Equity and the people it represents. The funding is meant to address inequities previously committed by the city to certain communities and this suggested budget actually continues those behaviors.

Once a commitment is made to achieving equitable outcomes it MUST be adhered to. Achieving equity is expensive because it directly correlates to the cost inequity that is and has been paid by people living in Communities of Concern.

In addition, it is not clear this redirection of funding to the General Fund is legal, since it can only be done if it is needed to support existing City services. There are a number of increased services in the proposed budget, beyond existing services.

The FY25 Proposed Budget does include the following allocation for the CEF:

In Fiscal Year 2025, \$1.5 million of CEF has been added to the CIP budget, as shown in Table 5.

Table 5: Climate Equity Fund

Project	Page No	Project Status	Priority Score	Priority Category	FY 2025
Stormwater Green Infrastructure / ACC00001	386	Continuing	Annual	Annual	\$ 1,500,000
Total					\$ 1,500,000

In years past, the city’s Climate Equity Working Group was consulted in determining projects to fund via the CEF. ***This did not occur for the FY25 budget, despite numerous requests by Working Group members to staff for this to be agendized.***

In addition, the “Stormwater Green Infrastructure / ACC00001” Project is a continuing project with many funding sources, which should have already been prioritizing Communities of Concern (Council Policy [800-14](#) PRIORITIZING CAPITAL IMPROVEMENT PROGRAM PROJECTS), and appears to contradict the ordinance requirement that the CEF is “not intended to replace any funding budgeted or previously allocated to specific Projects.”

CEF Annual Reporting

The 2021 CEF ordinance states:

The Mayor’s Office or designee shall provide an annual report of CEF allocations and Project status to the appropriate Council Committee by January 1 of each year.

It appears that this legally required annual report to Council Committee never occurred. PRA request [24-1338](#) filed this year provided this message to the requestor:

The City determined that it does not maintain specific annual report on the Climate Equity Fund allocations and/or projects. However, on an annual basis the City does provide updates via the budget process: See FY22 (p 37-38), FY23 (p- 35), and FY24 (p 40-41) budgets for which links have been provided. Additional reports and links have also been uploaded.

Based on these documents, below is a summary of the Projects and allocations (based on proposed budgets, which may vary from final budget):

Project	FY22	FY23	FY24	Total
Berardini Field GDP / P22006	\$ 400,000			\$ 400,000
Bicycle Facilities / AIA00001	\$ 90,000			\$ 90,000
Boston Ave Linear Park GDP / P22005	\$ 400,000		\$ 1,500,000	\$ 1,900,000
Chollas Creek Oak Park Trail / S20012	\$ 900,000		\$ 2,100,000	\$ 3,000,000
Cypress Dr Cultural Corridor / P22002	\$ 800,000		\$ 2,000,000	\$ 2,800,000
Emerald Hills Park GDP / P20003	\$ 1,000,000			\$ 1,000,000
Installation of City Owned Street Lights / AIH00001	\$ 450,000	\$ 2,005,100		\$ 2,455,100
Southwest Neighborhood Park / P18010	\$ 1,000,000			\$ 1,000,000
Traffic Signals - Citywide / AIL00004	\$ 750,000			\$ 750,000
Traffic Signals Modification / AIL00005	\$ 375,178		\$ 250,000	\$ 625,178
University Avenue Complete Street Phase1 / S18001	\$ 800,000			\$ 800,000
Park Improvements / AGF00007		\$ 4,599,146	\$ 650,000	\$ 5,249,146
Traffic Calming / AIL00001		\$ 800,000		\$ 800,000
Federal Blvd Sidewalk Improv& SW Upgrade / RD24000			\$ 1,000,000	\$ 1,000,000
Hickman Fields Athletic Area / S00751			\$ 550,000	\$ 550,000
John Baca Park / S22004			\$ 1,400,000	\$ 1,400,000
Total	\$ 6,965,178	\$ 7,404,246	\$ 9,450,000	\$ 23,819,424

The FY25 budget includes the amount expended on each project as of as of December 31, 2023:

Project	FY22-FY24 Alloc	Exp	% Exp	Notes
Berardini Field GDP / P22006	\$ 400,000	\$ 401,367	100%	
Bicycle Facilities / AIA00001	\$ 90,000	\$ -	0%	
Boston Ave Linear Park GDP / P22005	\$ 1,900,000	\$ -	0%	
Chollas Creek Oak Park Trail / S20012	\$ 3,000,000	\$ 922,455	31%	
Cypress Dr Cultural Corridor / P22002	\$ 2,800,000	\$ 194,803	7%	S23011?
Emerald Hills Park GDP / P20003	\$ 1,000,000	\$ 6,461	1%	
Installation of City Owned Street Lights / AIH00001	\$ 2,455,100	\$ 400,636	16%	
Southwest Neighborhood Park / P18010	\$ 1,000,000	\$ 1,023,962	102%	renamed Grove Nbrhood Park / S22002
Traffic Signals - Citywide / AIL00004	\$ 750,000			combined with Traffic Signal Mods?
Traffic Signals Modification / AIL00005	\$ 625,178	\$ 14,338	1%	
University Avenue Complete Street Phase1 / S18001	\$ 800,000	\$ 796,170	100%	
Park Improvements / AGF00007	\$ 5,249,146	\$ 156,726	3%	
Traffic Calming / AIL00001	\$ 800,000	\$ 182,544	23%	
Federal Blvd Sidewalk Improv& SW Upgrade / RD24000	\$ 1,000,000	\$ -	0%	
Hickman Fields Athletic Area / S00751	\$ 550,000	\$ -	0%	
John Baca Park / S22004	\$ 1,400,000	\$ -	0%	
Total	\$ 23,819,424	\$ 4,099,462	17%	

While capital improvement projects can take multiple years to implement, the projects allocated within the CEF appear to be at an exceptionally slow rate of expenditure. Since no CEF status reporting has been provided, it is unclear whether this is expected or if there are obstacles responsible for slow implementation.

In addition, a number of these Projects are continuing projects with many funding sources utilized for many projects. The specific projects in Communities of Concern funded by the CEF for these are not clear. The spreadsheet provided as part of PRA 24-1338 had partial but inadequate information. These projects are: Bicycle Facilities, Street Lights, Traffic Signals, Park Improvements, and Traffic Calming.