Attachment A

Response to Motion 16463

May 2, 2024

King County

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II. Executive Summary

Motion 16463 was unanimously approved by King County Council in November 2023 with a due date of April 30, 2024.[1] The Motion requested that the Executive "assess funding options, which together or individually, would secure one billion dollars over a six- or nine-year period for the purpose of addressing the climate crisis through the reduction, prevention, and sequestration of greenhouse gas emissions and the preparation for, mitigation of, adaptation to, and response to the impacts of climate change." Options for funding included, but were not limited to, a property tax levy and wastewater or solid waste fees.

The Executive Climate Office (ECO) established an internal working group to respond to the Motion within the timeframe and worked to develop an initial outreach strategy, develop recommendations for an external working group, develop a detailed request for information from King County agencies, and explore other climate funding opportunities and challenges.

While additional funding for climate action is needed, this report does not identify or address a 2024 potential levy Ordinance. Rather than have a King County climate levy proposal appear on the November 2024 ballot alongside a measure to repeal the Climate Commitment Act (CCA) and City of Seattle levy initiatives, a future County climate levy would benefit from further development to ensure that any future climate levy measure is aligned to address gaps in local, state, and federal climate funding. A future climate levy would also benefit from a more robust, consensus-driven process to determine a strategy and priority areas for a proposed climate levy and ensure alignment with the development of the 2025-2030 Strategic Climate Action Plan (SCAP).

Initial Stakeholder and Community Response. Initial engagement with community-based organizations and climate groups on development of an external working group to support the Motion identified the concerns outlined above. In addition, they further identified concerns over the abbreviated time frame for community input afforded by Motion 16463; competition with efforts to uphold the CCA; and the fact that with several other expiring King County levy lid lifts are up for renewal in the near future. Expiring levies include the Automated Fingerprint Identification System (AFIS) Levy expiring in 2024, the Parks Levy expiring in 2025, the Emergency Medical Services expiring in 2025, along with the City of Seattle Transportation Levy expiring in 2024.

Climate Priorities Across Past Engagement Efforts. The internal working group reviewed existing data on community priorities related to climate change for the purpose of collating initial themes from past countywide engagement. Climate concerns were explicit in certain reports and inferred in others. Across These included reports focused on climate-resilient affordable housing investments, energy efficiency and clean energy expansion, green workforce development, environmental protection, and affordable transit and mobility.

Climate Funding Landscape. The Climate Cost Share (CCS) currently funds King County's core communitywide and cross-departmental climate work through the newly established ECO. The adopted CCS is expected to generate $5.6M in revenue for countywide climate work in the 2023-2024 biennium. In addition to the CCS, department budgets fund department-specific climate actions.

[1] Motion 16463. [LINK]

In the past few years, local governments in the region and across the nation have identified sources of revenue to fund climate action at scale. Portland's Clean Energy Fund, Denver's Polluters Must Pay Ordinance, Seattle's Jumpstart Tax, and other cities' funding mechanisms, approaches to community engagement, and use of funds can provide lessons learned as King County considers funding options.

The recent influx of state and federal investments in climate programs offers an historic opportunity for ECO, King County departments, and community partners to advance climate initiatives. Through early 2024, Washington state's CCA has raised nearly $2 billion in revenue. The legislature has allocated $3.1 billion to climate programs over the past two legislative sessions. These investments advance a wide range of King County's SCAP priorities. However, a November 2024 ballot initiative (Initiative 2117) would repeal the CCA and prohibit Washington state agencies from implementing any cap-and-trade program in the future. If the CCA is repealed in November 2024, in addition to removing mandated greenhouse gas (GHG) emissions reductions for all covered polluting facilities, the newly created funding streams would end.

Recent federal policies will spend over $450 billion in clean energy and climate justice programs across the country over the next decade, with the Inflation Reduction Act (IRA) estimated to invest $369 billion for a vast range of climate programs and tax credits. These policies will significantly advance King County's climate goals in three forms: (1) direct funding to King County businesses and residents, (2) direct funding to King County government, and (3) competitive grant opportunities for King County and partners. Since much of the federal funding for grants will be awarded in the next two years, ECO set a goal for 2024 to apply for at least $100M in federal and state climate funding in partnership with regional, local, and community partners.[2]

Initial Climate Funding Needs. In reviewing past community engagement efforts, reports, and input from departments, the internal working group identified needed climate investments across the expenditure categories outlined in the Motion, as well as other climate investments consistent with the SCAP, that greatly exceed $1 billion. This report outlines high level categories of funding needs as identified by departments and the ECO. These categories of funding will each require additional time and capacity to adequately engage with stakeholders, however the subsections address opportunities in these six main areas.

1. Reducing greenhouse gas emissions (in transportation, buildings/structures, and open space);
2. Advancing work on climate preparedness, adaptation, and resilience;
3. Building climate equity and workforce development;
4. Scaling work with regional collaborations;
5. Directing investments to community through capacity building and direct funding, and
6. Investing in the circular economy.

Menu of Climate Change Funding Options. In addition to a property tax levy and wastewater or solid waste fees, the internal working group and departments identified additional climate funding options for further development, stakeholder engagement, and consideration. These range from continuing to scale the pursuit of historic levels of state and federal funding for climate action, exploring additional opportunities to pursue philanthropic funding or public private partnerships, and leveraging existing revenue generated by DNRP, Metro, and DES.

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[2] The information contained in this report is provided within the context of the continuously evolving landscape of research and developments in the field of climate change mitigation and adaptation.

Additional Opportunities for Further Development. In accordance with the 2020 SCAP's key strategies for embedding climate equity, the communitywide actions throughout the SCAP, and the Sustainable and Resilient Frontline Communities section of the SCAP, the internal working group identified additional areas for further development that could support the co-development of future climate change funding. These include but are not limited to: (1) leveraging existing regional collaborations to seek additional funding for climate action, (2) expanding existing community granting pilot frameworks, and (3) utilizing ongoing engagement opportunities with communities to inform and prioritize future climate funding.

Conclusion. Responding to the climate crisis with aggressive climate action is a priority for the King County Executive, King County's Climate Cabinet, and the ECO. King County is positioning itself to pursue state and federal climate funds and needs a balanced approach to expand its capacity to successfully implement programs from additional funds received. The recent influx of state and federal investments offers a historic opportunity for the ECO, King County departments, and community partners to advance climate initiatives. The initial climate change funding needs and opportunities analysis conducted by the internal working group in partnership with King County departments showed that there is a clear need for additional funding to support climate action for King County's departments and local communities. This analysis will inform the ongoing pursuit of state and federal funds and will shape the development of the 2025-2030 SCAP that kicked off in April 2024 and is slated to be transmitted to the King County Council by June 2025. All these areas of work for the ECO and King County departments would benefit from additional opportunities to engage with stakeholders to inform climate change funding priorities and pathways.

A future County climate levy would also benefit from further development to ensure that any future climate levy measure is aligned to address gaps in local, state, and federal climate funding. A future climate levy would also benefit from a more robust, consensus-driven process to determine a strategy and priority areas for a proposed climate levy and ensure alignment with the development of the 2025-2030 Strategic Climate Action Plan (SCAP).

The information contained in this Report is provided within the context of the continuously evolving landscape of research and developments in the field of climate change mitigation and adaptation.

III. Background

Office Overview. As established in King County Code 2.16.025, the duties and functions of the Executive Climate Office (ECO) include coordinating the integration of climate change into County operations in partnership with executive branch departments and offices, King County cities, partners, communities, and residents; advising the Executive and the Council on climate-related policies, programs, and activities; and leading and fostering climate innovation among County agencies.[3] The Office is located within the Executive Department.

After more than 20 years of King County advancing various climate initiatives, ECO was created in 2023 to expand and accelerate King County's response to climate change.[4] This new office is focused on the coordination and alignment of climate work across the County, implementing the 2020-2025 Strategic

[3] King County Code 2.16.025 [LINK]
[4] King County 2023-2024 Adopted Budget [LINK], pages 338-9.

Climate Action Plan (SCAP),[5] developing the 2025-2030 SCAP, seeking external federal, state, and philanthropic funds to support achieving the County's climate goals, and expanding communication and education about climate risks and climate actions.

King County's climate team includes the Executive Climate Office as well as climate leads from departments who lead coordination of climate efforts within departments. The climate team coordinates closely with partners on development and delivery of the SCAP and advancing emerging climate initiatives, including supporting development of this report. King County's Climate Cabinet is comprised of department leadership from across King County. The Climate Cabinet, convened by the Executive, meets bi-monthly. Its charter is to ensure successful implementation of the SCAP across all executive departments.

Historical Context – SCAP Overview. The SCAP is a five-year blueprint for County climate action, integrating climate change into all areas of County operations and work with King County's cities, partners, communities, and residents. Shaped by the King County Council through Ordinance 19041, the SCAP outlines King County's priorities and commitments for climate action to residents and partners. It is the guiding policy document.[6] The first SCAP was released in 2012. King County has had two SCAP updates since 2012, each developed in partnership with departments, communities, and cities, with an increasing focus on climate equity and community-driven policy.[7] Each SCAP has built on the last, with sections added on issues such as preparing for climate change and on sustainable and resilient frontline communities. The 2020-2025 SCAP was transmitted to the King County Council by the King County Executive in August 2020. It was unanimously adopted by the King County Council in May 2021 via Motion 15866.[8]

Report Methodology

The ECO established an internal working group, described below, to develop this report. The internal working group developed an initial outreach strategy, recommendations for an external working group, and a detailed request for information from King County agencies. The internal working group established criteria for climate funding needs and identified potential revenue generation to serve as the baseline for data gathering for departments and other stakeholders.

The internal working group was comprised of members from the Executive Office, Performance, Strategy and Budget (PSB), and ECO. This group met at least twice per month through the report development period (November 2023 – April 2024), with key activities outlined in Table 1.

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[5] King County. 2020 Strategic Climate Action Plan. [LINK]

[6] See Ordinance 19041. [LINK]

[7] Climate equity refers to ensuring that all people have access and opportunity to benefit from climate solutions, while not bearing an unequal burden of the impacts of climate change. This approach divides the burden of responding to climate change amongst those who contribute the most to the issue, while sharing the opportunities and benefits that equitable climate action presents with those that are most impacted. (King County 2020 SCAP, p 292). [LINK]

[8] See Motion 15866, A MOTION relating to the 2020 Strategic Climate Action Plan, submitted in compliance with K.C.C 18.25.010 [LINK]

Table 1. Summary of Climate Funding Working Group Activities

Month	Activity
November	Established internal working group, scope and timeline, external working group recommendations, revenue and climate funding needs and opportunities criteria, and conducted initial community engagement.
December	Developed requests to departments to obtain revenue and climate funding needs and opportunities information. Conducted additional engagement with stakeholders. Presented to Climate Cabinet.
January	Conducted research on funding landscape. Received initial department revenue generation and climate funding needs and opportunities information.
February	Analyzed department revenue generation and climate funding needs and opportunities. Developed report outline. Presented to Climate Cabinet.
March	Developed report. Discussed report approach with Motion sponsor.
April	Presented to Climate Cabinet.

IV. Funding Landscape Analysis

This section summarizes the working group's review of the existing climate funding landscape as part of assessing funding options, which together or individually, would secure "one billion dollars over a six- or nine-year period for the purposed of addressing the climate crisis," as called for by Motion 16463. As described below, this includes King County's existing Climate Cost Share and Climate Resilient Community Grant Program structures, which support ECO and a pilot community grant program. This section also provides an overview of what some local communities across the country have done to raise additional funding to combat climate change. It contains analysis of the evolving status of climate funding in Washington state. Lastly, it outlines potential federal funding opportunities for climate action through the Inflation Reduction Act (IRA) and the Infrastructure Investment and Jobs Act (IIJA), summarizing possible opportunities to work with philanthropy and the private sector.

King County's Climate Cost Share

The climate cost chare (CCS) is charged to certain King County agency divisions to support countywide climate efforts and programming. The CCS payers include:

- Department of Natural Resources and Parks
    - Solid Waste Division (SWD),
    - Parks and Recreation Division (Parks),
    - Wastewater Treatment Division (WTD), and
    - Water and Land Resources Division (WLRD)
- Metro
    - Transit Division, and
    - Marine Division
- Department of Executive Services
    - Facilities and Maintenance Division, and
    - Fleet Division
- Department of Local Services
    - Roads Division

The agency allocations are calculated by taking the total 2017 greenhouse gas emissions (GHG) for King County government and assigning a percentage of the County government operations GHGs to relevant department and divisions based on their share of GHG emissions (Table 2).[9] The CCS was previously collected by DNRP. However, since its formation, ECO has begun collecting and allocating the CCS revenue. In addition to the CCS, department budgets fund department-specific work on climate change. For example, a number of County agencies use their resources (e.g., Wastewater fee revenue or Metro's sales tax revenue) to fund dedicated climate positions within their respective departments. These departmentally funded positions coordinate climate strategy within the agency. In addition, departments use their own resources to implement agency-specific climate projects, like recycling initiatives within the Solid Waste Division and vehicle electrification within Metro.

Table 2. King County climate cost share CCS allocation by Department-Division based on 2017 King County governmental operations GHGs.[10]

King County Department-Division	Percent of King County Governmental Emissions in 2017
DNRP – Solid Waste Division	26.62%
DNRP – Wastewater Division	16.55%
DNRP – Parks Division	0.86%
DNRP – Water and Land Resources Division	0.18%
Metro Transit – Transit	45.01%
Metro Transit – Marine	0.65%
DES – FMD	4.01%
DES – Airport	0.16%
DES – Fleet	5.55%
DLS – Roads	0.42%
Total	100%

2023-2024 Adopted Budget Climate Funding Summary. The CCS generated $5.6 million in revenue for countywide climate work during 2023-2024. Table 3 below shows the distribution of funds across climate work categories.

[9] King County, (2019). Implementation Plan for a Carbon Neutral King County Government [Attachment A]. [LINK]
[10] Includes emissions from all facilities and fleet owned and managed by DES but used by other King County Depts not listed.

Table 3. Climate Cost Share Budget

2023-2024 Climate Cost Share Budget Summary	
Category 1: Climate Program Crosscutting Costs[11]	$4,437,000
Category 2: Reducing Greenhouse Gas Emissions	$216,000
Category 3: Sustainable and Resilient Frontline Communities	$312,000
Category 4: Preparing for Climate Change	$189,000
Category 5: Green Jobs	$448,000
Total:	**$5,602,000**

Climate Resilience Community Grants

The Community Climate Resilience Grant (CCR) Pilot Program, operated by the ECO and funded by CCS revenues, was developed in 2023 to respond to community-identified priority actions in the 2020 SCAP's Sustainable and Resilient Frontline Communities (SRFC) section. These priority actions are focused on providing direct resources and funding to organizations led by and serving frontline communities to advance their missions, build culturally relevant climate literacy in community, and integrate climate resilience strategies.[12] The CCR grant set project eligibility to align with the SRFC focus areas. However, CCR grant eligibility included flexibility beyond the SRFC framework to ensure responsiveness to applications soliciting funds for emergent climate-related community needs.

The CCR Grant Pilot Program allocated a total of $100,000 to fund several year-long community climate projects in King County, with awards ranging between $5,000, $15,000, and $30,000. In addition to the CCS revenue, the program also received a one-time contribution of $50,000 for CCR health-related awards from the Communities of Opportunity (COO) Program.[13] The total CCR funding available for this pilot grant program is $150,000.

The Climate Equity Community Task Force (CECTF) provided input on the development of a grant structure, management system, application, scoring criteria, and support mechanisms and participated in CCR grant review and scoring. The CCR grant application opened mid-October 2023; grant award decisions were communicated to grantees in January 2024 for five projects, funded at $30,000 with projects set to begin spring 2024.

The CCR program anticipated a maximum of 30 applications and received 64 applications for the one-year grant period. Most, but not all, grant funding requests were for the maximum $30,000 allowable amount. The funding requested by applicants totaled $1.7 million, about 11 times higher than the allocated funds. This experience underscores the substantial need and desire for direct frontline community investments on climate action and resilience in King County.

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[11] Crosscutting costs include all ECO staff position (FTEs and TLTs), regulatory dues, SCAP development and reporting, annual memberships and sponsorships, communications, and other ECO costs.

[12] Frontline communities are those that are disproportionately impacted by climate change due to existing and historic racial, social, environmental, and economic inequities, and who have limited resources or capacity to adapt. (King County 2020 SCAP, p 293). [LINK]

[13] COO is administered by Public Health Seattle King-County and partially funded by the Best Starts for Kids Levy.

Climate Funding from Local Jurisdictions

In response to Motion 16463, ECO reviewed actions being taken by other local jurisdictions to create or expand funding to address climate change and implement climate goals and actions prioritized by these local communities. A summary of a selection of these efforts are included in Table 4 below. While this is not a comprehensive review of all relevant climate change funding examples, it provides an initial overview of challenges and opportunities associated with some of these funding frameworks.

Table 4. Case Studies from Other Local Jurisdictions

City	Revenue Source	Amount	What it Funds
Seattle	Jump Start Tax (a payroll expense tax)	**Approximately $200-$300 million per year total. 9% for climate.**	• Climate – an initial target of spending 9% on Green New Deal investments[14] • The remainder funds housing, homelessness economic development, and other investments
Portland	PCEF: 1% surcharge on retail sales in Portland by large corporations[15]	**$150 million per year** (after adding exemptions)	• Clean energy • Transportation decarbonization • Regenerative agriculture • Frontline communities/low incomes and communities of color facing climate impacts
Denver	Polluters Must Pay Ordinance: 1% surcharge on retail sales of electricity and natural gas by large corporations	Revenue raised estimated to be: **$130 million per year**	• Green jobs • Sustainable transportation • Clean energy • Neighborhood programs • Energy-efficient building upgrades • Solar power and battery storage • Climate preparedness programs for neighborhoods
San Francisco	Allocated Budget: revenue provided from SF Environment's allocated budget	Updated revenue projections: **$90 million annually**	• Community-driven projects aligned with the city's climate action plan • Building electrification • Emissions reduction • Urban greening • Environmental justice • Youth engagement
Calgary	Clean Energy Improvement Program (CEIP)	Funded through a 1% surcharge on retail sales of electricity and natural gas by large corporations	• Residential property owners for energy efficiency and renewable energy upgrades

[14] Seattle City Council Blog. "Proof of Public Investment Impact from JumpStart Seattle Progressive Revenue." October 2023. [LINK]
[15] City of Portland. "Clean Energy Surcharge." [LINK]

City	Revenue Source	Amount	What it Funds
		in Calgary: The City of Calgary received **$15 million** from the Federation of Canadian Municipalities' Green Municipal Fund	
Miami-Dade County (Proposed November 2024)	Climate and Infrastructure Bond	**$2.5 billion bond referendum**: Funding source for the bonds will be property tax revenue	• Housing: addressing housing needs within the county • Septic-to-sewer conversions: improving wastewater infrastructure • Flood prevention: enhancing resilience against flooding • Resilient parks: creating more resilient parks across the county

Appendix B provides additional detail on how cities and counties across the country fund climate work at scale.

State Funding and the Climate Commitment Act

On January 1, 2023, Washington State's Climate Commitment Act (CCA) went into effect.[16] The CCA is a law that seeks to reduce GHG emissions from Washington's largest emitting sources and industries, allowing businesses to find the most efficient path to low carbon emissions.[17] According to the Washington Department of Ecology, "the law sets a limit, or cap, on overall carbon emissions in the state and requires businesses to obtain allowances equal to their covered greenhouse gas emissions. These allowances can be obtained through quarterly auctions hosted by Ecology or bought and sold on a secondary market (just like stocks and bonds). The cap will be reduced over time to ensure Washington achieves its 2030, 2040, and 2050 emissions-reduction commitments, which means we'll issue fewer emissions allowances each year."[18]

Funds from the auctions of emission allowances support new investments that "must be invested in critical climate projects focused on improving clean transportation options — increasing climate resilience in ecosystems and communities — and addressing issues of environmental justice and health inequity in Washington."[19] The CCA requires that at least 35 percent of funds be invested in projects that benefit overburdened communities, and a minimum of 10 percent go to projects with Tribal support in climate-resilience programs, clean transportation, and addressing health disparities. The CCA investments provide new opportunities for King County to fund its SCAP priorities, along with funding improvements to state programs and regulations in support of SCAP and related climate priorities such as equity, fleet electrification, green jobs, and the County's Clean Water Healthy Habitat initiative.

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[16] Chapter 70A.65 RCW. GREENHOUSE GAS EMISSIONS—CAP AND INVEST PROGRAM [LINK]
[17] Washington Department of Ecology. "Washington's cap-and-invest program." [LINK]
[18] ibid. [LINK]
[19] Washington Department of Ecology. "Climate Commitment Act." [LINK]

Through early 2024, the CCA had raised nearly $2 billion in revenue. The legislature allocated $3.1 billion to climate programs over the 2023 and 2024 legislative sessions.[20] Highlights of the investments that will advance SCAP goals are summarized below.

2023 State CCA Investments. During the 2023 legislative session, state lawmakers allocated about $1.8 billion of anticipated CCA revenue to climate programs across the state, with some of this funding directly or indirectly advancing King County's climate work. Most CCA investments support statewide programming and projects, which King County accesses through grant programs, formula allocations, or direct intergovernmental agreements. Key statewide programs that have or will advance SCAP initiatives, are listed in Table 5.

Table 5. 2023 Climate Commitment Act Investments

Category	Statewide Program and Allocation[21]
Transit + Transportation Electrification	• $120 million for a new zero-emissions medium- and heavy-duty vehicle purchase and infrastructure incentives program • $51.4 million for zero emissions transit grants • $202 million for public EV charging and hydrogen fueling stations • $50 million for incentives for EV purchases for low-income and overburdened communities • $74 million for ferry electrification • $7 million for e-bike incentive program
Building Decarbonization and Efficiency	• $75 million for building decarbonization rebates and grants • $50 million energy retrofits and solar power for public buildings • $21 million for public buildings energy efficiency • $39 million for Large Scale Solar Innovation Projects • $123 million for solar + energy storage projects
Other Relevant Investments	• $83 million for Carbon Sequestration Forests • $30 million for Farms and Fields Program • $10 million for Clean Energy Siting Grants • $20 million for Reducing Emissions in Hard-to-Decarbonize Sectors Program

2024 CCA Investments. With higher than anticipated revenue from the first year of CCA auctions, the state Legislature had an additional projected $1 billion to allocate in the 2024 supplemental budgets. Much of the $1 billion allocated in the 2024 legislative session is contingent on the outcome of the anticipated ballot measure which seeks to repeal the law, described below. Additional CCA investments in statewide programs from the 2024 legislative session are summarized in Table 6.[22]

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[20] The Seattle Times. "Climate Lab", March 11, 2024 [LINK]

[21] Program budgets listed in the table are statewide program investments and not a representation of what King County government or communities will receive.

[22] Given the uncertainty over the repeal of the Climate Commitment Act and the imperfect nature of projecting revenues from auctions through the end of 2024, the legislature added a clause to most of the CCA investments in the capital, operating, and transportation budgets in the 2024 supplemental budgets. The investments will take effect January 1, 2025, and will be null and void if the CCA is repealed.

Table 6. 2024 Climate Commitment Act Investments

Category	Statewide Program and Allocation
Transit + Transportation Electrification	• $104 million for EV charging infrastructure
Building Decarbonization and Efficiency	• $50 million in a new community clean energy program for decarbonization and resilience projects in overburdened communities • $45 million for school HVAC retrofits and energy upgrades • $55 million for affordable multifamily housing incentives for energy efficiency upgrades and electrification retrofits • $15 million for clean building performance grants for public buildings
Other Relevant Investments	• $21 million for clean technology manufacturing workforce grants • $25 million towards a Commerce-led incentive program to support industrial decarbonization • $6 million air quality improvements in south King County

The ECO and King County agencies are coordinating enterprise-wide, working with external partners and stakeholders to seek CCA funds to advance the County's climate goals. For example, the ECO recently led a coordinated application process to the Department of Commerce's Washington Electric Vehicle Charging Program, requesting a total of $15 million of funding across 113 King County locations with 16 co-applicants.[23] This included collaboration with King County departments, King County – Cities Climate Collaboration (K4C) partner cities, and private partners. Similarly, ECO staff are working with K4C partner cities and Seattle City Light to coordinate applications to Commerce's Home Electrification and Appliance Rebates (HEAR) [24] Climate and grant staff from across County departments meet monthly to share grant opportunities, coordinate responses, and identify opportunities.

Initiative 2117 and CCA Repeal Impacts. In December 2023, opponents of the CCA successfully gathered the requisite number of signatures from Washington citizens to seek a vote on the repeal of the CCA on the November 2024 ballot. Initiative 2117 would repeal the CCA and prohibit Washington state agencies from implementing any cap-and-trade program[25] in the future.[26] The CCA's economy-wide cap on emissions, required GHG reductions, and investments in a wide range of climate projects and programs is a key component of King County's ability meet SCAP goals, actions, and performance measures.

Repeal of the CCA in November 2024 would have impacts across the state and in King County. For example, in addition to removing mandated GHG emissions reductions for all covered polluting facilities, several King County programs and capital investments outlined below in Table 7 would end unless

[23] See the Washington Electric Vehicle Charging Program [LINK]

[24] Washington State Department of Commerce. "HEAR Program." 2024 [LINK]

[25] Cap-and-trade programs set a limit, or cap, on overall carbon emissions in a geography and require businesses to obtain allowances equal to their covered greenhouse gas emissions. These allowances can be obtained through quarterly auctions or bought and sold on a secondary market (just like stocks and bonds). The cap is then reduced over time to meet emissions-reduction commitments, which means there are fewer emissions allowances each year.

[26] BallotPedia WA Initiative 2117, 2024 [LINK]

alternative funding is identified. CCA investments that advance or directly support King County priorities and programs are summarized in Table .

Table 7. CCA Programs Supporting King County Climate Work

Category	Scope	Statewide Program
Transit + Transportation Electrification	County Operations	• Support for regional trail systems from active transportation investments, including bike trails • Transit Support: Flexible funding to support transit operations and services • Special Needs Transit: Support for Metro's Access paratransit operations • Capital Infrastructure: Competitive grants for specific Metro projects that would support Metro's goals to transition to a zero-emissions fleet
Building Decarbonization and Efficiency	County Operations	• Grant for energy audits for public buildings • Energy retrofit and solar power grants for public buildings
	Countywide	• Home Electrification and Appliance Rebates program • Air Quality in South King County: $6 million for King County air quality mitigation equipment to residential, recreational, or educational facilities (2025)
Other Relevant Investments	County Operations	• Grant programs to support landfill methane reduction • Grants for on-farm GHG reduction/anaerobic digesters • Grants to support local government planning related to climate
	Countywide	• Programs to revitalize the State Trust Land Transfer – which could result in State Trust lands being transferred to King County ownership and stewardship • Firewise grants to local governments and grants to support forest health and community wildfire prevention • Grants to improve urban tree canopy • Riparian protection grants • Grants to reduce flooding and improve salmon habitat • Puget Sound restoration programming • Grants to support green jobs, workforce and infrastructure • Frontline Communities: A grant program to fund projects that benefit overburdened communities statewide • HEAL Act Implementation: Investments to implement the healthy environment for all (HEAL) act statewide • Asthma research: $1.4 million to address disproportionate asthma rates of residents within a 10-mile radius of Sea-Tac airport, and associated research study

Category	Scope	Statewide Program
		• Workplace health and safety program: grants to focus on workplace health and safety for farmworkers, construction workers, and other workers who face the most risk from climate-related impacts

While this is not a comprehensive review of all CCA funding relevant to King County, it provides several examples of the impact of the loss of CCA funds to County programs and services that support climate goals and actions set forth in the 2020 SCAP.

Federal Funding

Recent federal policies will invest more than $450 billion in clean energy investments and climate justice programs across the country over the next decade. The IRA is the largest federal climate investment in US history, providing more than $369 billion for a range of climate programs and tax credits.[27] The IRA builds on the IIJA, also known as the Bipartisan Infrastructure Law (BIL), which provides about $100 billion in climate related projects such as electric vehicle charging, transit, power infrastructure, and climate resilience.[28] These federal policies and funds will significantly advance King County's climate goals in three forms:

1. Direct funding to King County businesses and residents;
2. Direct funding to King County, and
3. Competitive grant opportunities for King County and partners.

Direct Funding to King County Businesses and Residents. The IRA directs most funding towards business and individual tax credits ($264+ billion) to incentivize a wide range of clean energy technologies, including renewable electricity, clean hydrogen, batteries, electric vehicles, and heat pumps. Households, businesses, utilities, manufacturers, and others across King County will benefit from these credits through 2032.

Direct Funding to King County Government. A few federal programs are formula based, rather than competitive, sending smaller amounts of funds directly to King County. This includes a formula grant that King County recently receive approval for from the Energy Efficiency and Conservation Block Grant (EECBG) Program, which is a program under the IIJA. This grant for $475,000 will fund the development of a countywide building decarbonization strategy and work to advance the County's communitywide actions in frontline communities.

The IRA also created a new mechanism for tax exempt entities, such as local governments, to take advantage of the range of new and modified clean energy tax credits and receive them as a direct payment instead of a tax credit.[29] This program, called direct pay or elective pay, will allow King County to receive a 'refund' for purchasing electric vehicles ($7,500 for light duty and up to $40,000 for medium and heavy duty), installing solar panels (about 30-40 percent of solar projects), and a few of other types of climate and clean energy projects.

[27] Text - H.R.5376 - 117th Congress (2021-2022): Inflation Reduction Act of 2022. (2022, August 16). [LINK]
[28] H.R.3684 - 117th Congress (2021-2022): Infrastructure Investment and Jobs Act. (2021, November 15). [LINK]
[29] Climate Mayors & C40 Cities, Climate Action and the IRA, 2022 [LINK]

Competitive Grant Opportunities for King County and Partners. Much of the opportunity for King County government to directly receive funds for advancing of climate goals comes from a wide range of competitive federal grant opportunities. The IRA funds more than a dozen new programs in which local governments are directly eligible recipients, totaling over $47 billion in funding opportunities. The Bipartisan Infrastructure Law also offers a number of grant programs already underway, primarily in transit and transportation electrification, available to local governments. This includes $33.5 million in funding that King County received from the BIL to support Metro's purchase of zero-emissions buses, awarded in June 2023.[30]

Since much of the federal funding for grants will be awarded in the next two years, the King County climate team set a 2024 goal to apply for at least $100 million in federal and state climate funding in partnership with regional, local, and community partners. More than $70 million in grants proposals have been submitted by the ECO between December 2023 and through April 2024.

Philanthropic Funding

In 2023, Public Health – Seattle & King County was awarded $1.2 million from Gates Ventures to implement a project focused on health protection strategies related to extreme heat in highly affected areas of King County. This is an example of partnerships with local philanthropy that is advancing King County's climate priorities.

Philanthropy has been a funder of climate action nationally and globally.[31] Some philanthropies are making investments to local governments or directly to communities to take climate action.[32] More focused and intentional engagement with local and national philanthropy by King County is an opportunity for further exploration with additional staff capacity.

Public-Private Partnerships

Public-private partnerships (PPPs) between King County and private sector companies can also bring additional private capital to advance the County's SCAP goals. King County has a history of PPPs, including recently working with community-based organization Eastrail Partners and corporate partners to fund key elements of the Eastrail gap in Bellevue.[33] In the past few years, King County launched two climate related PPPs that have potential to scale with additional support: the Wastewater Treatment Division's Sewer Heat Recovery program and King County's Commercial Property Assessed Clean Energy + Resiliency (C-PACER) program.

The Sewer Heat Recovery program allows private property owners and developers to recover heat energy from King County's sewer pipes for heating or cooling their buildings and recently announced its first project as part of the pilot program. The CPACER program incentivizes clean energy, energy efficiency, and resiliency projects in private buildings by allowing the property owner to record a voluntary lien on the building.[34] As of April 2024, the new program had enabled over $131 million of

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[30] King County Metro Matters, 2023 [LINK]
[31] Desanlis, Helen et al. "Funding Trends 2022: Climate Change Mitigation Philanthropy." [LINK]
[32] Bloomberg Philanthropies. "Michael R. Bloomberg Recommits Support for Local Climate Leadership Around the World." [LINK]
[33] King County Council News, 2020. [LINK]
[34] King County C-PACER Program. [LINK]

private investment in building projects. These and other PPPs could help leverage private funding to support SCAP work with additional staff capacity.

V. Report Requirements

This section summarizes initial stakeholder engagement conducted by the working group, as well as lessons learned from related community engagement efforts. It outlines high-level, initial climate change funding categories that can inform more comprehensive community engagement. It also includes a menu of existing funding streams that could be modified to increase funding to address climate change along with highlighting potential limitations.

While additional funding for climate action is needed, this report does not identify or address a 2024 potential levy Ordinance. Rather than have a proposed King County climate levy lid lift appear on the November 2024 ballot alongside a measure to repeal of the Climate Commitment Act and City of Seattle levy initiatives, a future County climate levy would benefit from further development to ensure that any future climate levy measure is aligned to address gaps in local, state and federal climate funding. A future climate levy would also benefit from a more robust, consensus-driven process to determine a strategy and priority areas for a proposed levy lid lift to benefit the County's climate initiatives.

The information contained in this Report is provided within the context of the continuously evolving landscape of research and developments in the field of climate change mitigation and adaptation.

A. Initial Stakeholder and Community Response

Community and stakeholder engagement for this report includes summaries of initial feedback with key stakeholders. It also provides an overview of climate-related themes from community engagement processes completed for a variety of King County initiatives, such as the 2021 Skyway-West Hill and North Highline Anti-displacement report, and a climate survey administered for the 2024 King County Comprehensive Plan Update, among others. A complete list of initiatives is included in the following *Community Climate Priorities Across Past Engagement Efforts* section. Key stakeholders consulted included the Climate Equity Community Task Force (CECTF) and both staff and elected members of the King County – Cities Climate Collaboration (K4C). Key themes from the engagement conducted by stakeholder group are summarized below.

Climate Equity Community Task Force (CECTF). Members of the CECTF provided feedback on a potential climate levy proposal in fall 2023 and winter 2024. Themes from these discussions included concerns over the inequitable impacts of imposing a levy on residents during times of high inflation, i.e., regressive taxation; a potential looming recession; and rising energy, utilities, and housing costs that are collectively making King County's less affordable and fueling frontline community displacement patterns across the region. Members advocated for taxing major polluters vs. homeowners and renters. A concern was raised by the group that future legislation of this type (climate) could largely rely on messaging related to elevating equity as a priority, while ultimately only allocating the smallest share of investments to impacted communities.

The CECTF noted that the timeline of Motion 16463 was constrained for completing a climate levy proposal perpetuated patterns of high-pressure working environments for the group correlated with political agendas. They expressed a desire for an intentional and longer-term process that allows for the CECTF to be involved in scoping and decision-making, and allows for extended community engagement with youth, students, seniors, people working in trades, and people who have been historically harder to reach, overlooked, and under engaged in civic participation processes.

King County – Cities Climate Collaboration (K4C). Elected officials from cities located within King County that participate in the K4C Elected Official outreach group provided initial feedback to the Executive Office. The input provided included the need to consider several critical areas that need funding and could compete with or complement a future climate levy, such as transit-oriented development and other housing investments, climate resilience funding, and filling gaps in state and federal investments. K4C members showed interest in providing additional feedback on future proposals. The City of Kirkland also submitted a letter to the Sound Cities Association's Board and Public Issues Committee asking that a "more focused conversation" occur with the Sound Cities Association about a potential County climate levy.

King County Business and Workforce Community. While the internal working group identified the need to engage the private sector and labor partners in the external working group, these engagements were not able to be pursued by the group due to the limited timeframe and staff capacity and the determination to not move forward with an external working group.

National Labs and Academic Institutions. These groups were identified by the working group as stakeholders that could be engaged around the development of potential climate funding opportunities in response to Motion 16463. However, the limited timeline for engagement posed a challenge to this outreach. Opportunities for engagement with these stakeholders were identified by the working group that may be pursued by the ECO in other areas of climate work.

After passage of the Motion 16463 in mid-November 2023 and during the process of notifying stakeholders in late 2023 and early 2024 of the Motion's planned engagement process for cross-sector stakeholder and community input, community and climate groups expressed concerns. They raised concerns about the implications of the timing of the work and timeline to developing recommendations on expenditure categories, levels, and implementation details. These concerns included:

- A constrained timeline which resulted in restricting authentic community education and engagement for capacity-constrained frontline communities – perpetuating patterns of marginalization in civic engagement;
- Limited capacity among stakeholders to engage on a new climate-related levy while concurrently addressing the potential repeal of the Climate Commitment Act (CCA);
- A potential timing conflict with County levies (e.g., Parks) in the planning stages in 2024 and other high priority funding needs such as affordable housing;
- Business community requests for expanded opportunities to engage on this proposal, and
- An inability to participate in work groups during planned end-of-year holidays.

In response to these concerns, the internal working group committed to reviewing existing King County data on community priorities related to climate change for the purpose of providing an initial summary in this report.

Community Climate Priorities Across Past Engagement Efforts

King County departments routinely conduct community engagement for several reasons, including helping to guide issue-specific planning and strategy development and general information gathering to inform the County's community-wide priorities. As a result of this, the County holds a wealth of information that provides base-level understanding of communities' concerns and priorities related to climate change.

Some of these community priorities are explicitly tied to climate change (worsening air quality and health). Other priorities connect to reducing greenhouse gas emissions and preparing for predicted climate change extreme heat and rainfall patterns. Examples of these include a growing need for green jobs to support new technologies such as heat pump installation and investments in a flood-resilient built environment. A summary of recent and past engagement efforts, reports, and their connections to climate action are listed below. The information below is not a comprehensive summary of all relevant plans. It is a starting point for gathering information from countywide engagement efforts where community input or partnership related to climate was obtained. Table 8 below is a summary of the climate-related priorities elevated across the planning and engagement efforts listed above.

Table 8. Climate Priorities Across Past Engagement Efforts

King County Plan or Engagement	Description	Climate-Related Community Priorities
2020 SCAP (ECO-led)	The King County Strategic Climate Action Plan (SCAP) is a five-year blueprint for County climate action, integrating climate change into all areas of County operations and work with King County cities, partners, communities, and residents. The SCAP outlines King County's priorities and commitment for reducing greenhouse gas emissions and advancing climate justice and climate preparedness. This plan was co-developed with the K4C, the CECTF, County departments, and informed by community-wide engagement.	Community leadership and capacity-building, equitable green jobs, community health and emergency preparedness, food systems and food security, housing security and anti-displacement, energy and utilities justice, transportation access and equity.
Climate Equity Community Task Force (ECO-led)	The 2020 SCAP includes a new Sustainable and Resilient Frontline Communities (SRFC) section focused on climate equity and community-driven policy. The SRFC framework was developed through a community-driven process where leaders of frontline communities, as part of the Climate Equity Community Task Force (CECTF), established the goals and identified key areas for climate action based on community needs. The CECTF has been an active community climate working group to date. It provided feedback on	Affordable, climate resilient, healthy housing and anti-displacement, access to green open space, access to energy efficiency upgrades, community resilience hubs, public transportation investments, broader frontline community climate engagement.

King County Plan or Engagement	Description	Climate-Related Community Priorities
	the climate levy proposal in fall 2023 and again in winter 2024.	
Skyway-West Hill and North Highline Anti-displacement report (DCHS-led)	Motion 15539, adopted by the King County Council on October 23, 2019, required the Executive to identify concrete recommendations to develop and retain affordable housing in Skyway-West Hill and North Highline. This report was developed in consultation with 10 local community-based organizations. This report references and is aligned with the 2020 SCAP Housing Security and Anti-Displacement focus area within the Sustainable and Resilient Frontline Communities section.	Anti-displacement strategies that incorporate climate resilience and restore polluted and toxic sites near frontline communities, linking affordable housing to new infrastructure and transit investments, priority hire and workforce development, redevelopment assistance, tenant relocation assistance.
Determinants of Equity Tool (PSB-led)	King County has identified 15 determinants of equity outlined in Ordinance 16948. These population-level indicators help the County better understand disparities and opportunities to make a difference across the communities served. ECO supported updates to the Healthy Built and Natural Environment indicators while also identifying climate impact connections to other indicators.	Improve indicators related to a healthy built and natural environment: tree canopy and environmental pollution burden, Invest in equitable access to transit, Jobs and job training
Equitable Development Initiative Plan Phase 1 Report (DCHS-led)	Motion 16062, adopted by King County Council on March 15, 2022, requested the Executive to establish a King County Equitable Development Initiative (EDI) to provide investment, programs, and policies that account for historic inequities and current conditions and allocate resources to communities at risk of displacement. This report provides Phase 1 of the King County EDI Implementation Plan called for by the Motion. Phase 2 will be completed fall 2024.	Cross-dept collaboration on increased access to affordable housing, healthy communities – climate resilience strategies, expanded approach to land banking and strategic acquisition, increase development led and owned by priority communities, equitable access to transit and mobility, workforce development.
Community Needs List	Every two to three years, King County's Department of Local Services (DLS) works with the unincorporated area	Affordable and "green" housing, expanded bike lanes, composting/recycling facilities (Vashon-Maury Island), EV charging station

King County Plan or Engagement	Description	Climate-Related Community Priorities
Program (DLS-led)	residents to identify the funding priorities for their communities, the Community Needs Lists. DLS also works with other County departments to coordinate process participation. The 2021-2022 Community Needs Lists included emerging climate-related themes.	(Bear Creek-Sammamish), flooding and drainage improvements, healthy food access, transit service improvements, workforce development.
KCCP Climate Survey Findings (PSB-led)	The King County Comprehensive Plan (KCCP) is the guiding policy document for land use and development in unincorporated King County. It ensures compliance with the goals of the Growth Management Act. King County Code (KCC 20.18.030) allows for annual, midpoint, and 10-year updates to the KCCP for considering broader policy changes and revisions to the Urban Growth Area. The 2024 update is led by PSB and is a 10-year update mandating a complete plan review on regional services, development, land conservation, and the environment. ECO collaborated on updates to chapters where GHG emissions, climate equity, and climate preparedness were relevant, participated in public engagement processes and in equity analyses development. In fall 2022 County staff launched a Climate survey as part of community engagement on the KCCP. The survey had 1,264 respondents. While respondents were representative of County demographics, PSB noted more robust engagement with frontline communities is needed.	Concerns: extreme weather (wildfire smoke, wildfires, flooding), human, animal, environment impacts, forest management, climate migration Actions: environmental protection and restoration, increased energy efficiency and clean energy, affordable transit and mobility alternatives, waste reduction, adaptation, air pollution mitigation Action for rising temperatures: affordable in-home climate solutions, energy efficient homes for cooling, tree canopy Top fuel reduction strategies: fast, affordable transit, safe mobility options, affordable, climate-resilient housing General sentiments: sense of urgency, need for innovation, public education, clean energy investments, environmental protections, disincentivize waste/fossil fuels, anger with big polluters, concerns of crises perceptions (i.e., homelessness) vs long-term climate investments.

King County's climate priorities and related actions require diverse solutions including reducing greenhouse gas emissions, integrating climate preparedness, building resilient infrastructure, and investing in economic and social justice and equity. Regardless of the solutions, King County climate work can apply key strategies for embedding climate equity. The following list of cross-cutting key strategies from the Sustainable and Resilient Frontline Communities section of the 2020 SCAP serve as a guide for advancing climate actions across King County.[35]

- Build County and community capacity to prioritize climate equity.
- Prioritize collaborative language access in partnership with trusted community partners.
- Advance frontline community leadership by investing in long-term community and Tribal partnerships, community capacity development, and improved infrastructure for community-driven policy and decision-making.
- Address root causes of climate vulnerability by prioritizing comprehensive solutions co-developed with frontline communities that reduce systemic inequities and have co-benefits.
- Advance an equitable climate future and outcomes by investing in climate solutions and opportunities with and for frontline communities.
- Align and elevate actions in related County plans and programs that support frontline communities and climate resilience.

King County Department Engagement

The internal workgroup asked King County departments, including the Department of Community and Human Services (DCHS), the Department of Executive Services (DES), the Department of Local Services (DLS), Department of Natural Resources and Parks (DNRP), Metro Transit (Metro), and Public Health – Seattle & King County (PHSKC) to develop initial options for climate revenue generation. They were also asked to provide initial information around climate funding needs and opportunities.

The information provided was used by the workgroup to begin to develop a more robust understanding of how additional climate change funding could be used to advance current initiatives and implement new areas of work in alignment with King County's climate goals. Per Motion 16463, the departmental inquiry was specifically focused on potential projects or programs that would:

1. Reduce or prevent greenhouse gas from the transportation sector;
2. Reduce or prevent greenhouse gas emissions resulting from energy consumption in buildings;
3. Purchase or acquisition of open space land identified through land conservation initiatives that sequester greenhouse gases and mitigate urban heat island effect and/or climate impacts, and
4. Projects or programs to prepare for, mitigate, adapt to, or respond to the impacts of climate change, including but not limited to extreme weather events and wildfire smoke.

The information requested by the working group included:

- agency owner,
- project description,
- specific type of project,
- project costs,
- relationship to federal and/or state funding opportunities,
- community benefits,
- implementation,
- geography,
- potential partners and supporters, and
- tie to SCAP sections and/or focus areas.

[35] King County. 2020 Strategic Climate Action Plan. "Section: Sustainable & Resilient Frontline Communities." [LINK]

This information allowed the internal working group to sort department projects and programs by each criterion. Additionally, since many potential climate funding activities have restrictions such as federal grant assurances and state-limited allowable uses, the ECO will continue to build upon this initial list of project and program ideas to inform King County priorities for state and federal grant applications and other funding opportunities. The ECO will also use it as a starting point to inform the development of the 2025-2030 SCAP.

Other King County offices that were initially engaged to inform the development of climate funding needs and opportunities included the ECO, PSB, OERSJ, and the Office of Economic Development and Creative Economy. Department directors and department climate leads were first engaged in December and updated through King County Climate Cabinet and climate team and climate department leads meetings. PSB engaged the King County departments identified above by providing tools for discussing potential revenue sources as well as an outline for climate funding needs, including implementation details, alignment with Executive priorities, and context.

B. Initial Climate Change Funding Needs and Opportunities

The analysis below is provided to establish a clearer sense of funding needs and opportunities to help inform current climate planning. It also informs preparation for future engagement with community around recommendation for categories of expenditures funded with potential future additional climate revenue. In addition to reviewing past community feedback, the working group engaged department climate staff in the greenhouse gas reduction and climate preparedness areas identified by the Motion, as well as other areas of the SCAP and other frameworks for funding climate action countywide.

The following subsections outline high level categories of funding needs as identified by departments and the ECO. These categories of funding will each require additional time and capacity to adequately engage with stakeholders. The following subsections address:

1. Reducing greenhouse gas emissions (in transportation, buildings/structures, and open space);
2. Advancing work on climate preparedness, adaptation, and resilience;
3. Building climate equity and workforce development;
4. Scaling work with regional collaborations;
5. Directing investments to community through capacity building and direct funding, and
6. Investing in the circular economy.

Each category includes specific service or programmatic areas such as transportation, buildings and structures, and open space.

Greenhouse Gas Emissions Reduction

Transportation - Projects or Programs to Reduce or Prevent Greenhouse Gas Emissions Resulting from Energy Consumption in the Transportation Sector

The transportation sector contributes 46 percent of King County GHG emissions.[36] To help achieve the emission reduction goals for this sector, King County adopted a strategy in the 2020 SCAP. The strategy includes reduction of car trips through sustaining and increasing transit service; focusing development in urban areas and centers; equitably pricing vehicle usage; and reducing vehicle emission through adoption of clean fuels and electric vehicles in County vehicle fleets. Reducing transportation emissions,

[36] Cascadia Consulting Group. (2022). *King County Communitywide Geographic Greenhouse Gas Emissions.* (Puget Sound Regional Emissions Analysis – Final Report). King County. [LINK]

especially heavy-duty diesel vehicles, provides direct public health benefits for communities adjacent to Identified investments that accelerate and enhance King County's capacity to reduce vehicle usage and vehicle emissions are below. [37]

Sustain and increase transit service:

- Expand and improve RapidRide network: increase local funding for R and K lines to ensure timely launch date; improve passenger facilities and customer amenities along A, B, C, D, E, and F RapidRide lines.
- Expand bus base infrastructure to sustain and grow transit service at South Annex Base.
- Improve speed and reliability on priority corridors based on ridership, delay, and equity.
- Grow ridership and incentivize mode-shift to transit through transit and shared mobility rewards programs.
- Encourage transit ridership during Revive I-5 construction impacts with Transit demand management and Business Passport Team outreach campaigns.
- Complete "missing links" in regional trail system.

Focus development in urban areas and centers:

- Expand active transportation and Safe Routes to Transit projects, including sidewalks, Americans with Disabilities Act (ADA) curb ramps, and bike lanes in urban unincorporated King County to increase walking and bicycling travel modes, providing access to transit, and reducing reliance on driving.
- Overbuild green infrastructure (e.g., green stormwater infrastructure) as part of RapidRide station areas to help lower commercial construction barriers around Bus Rapid Transit stations through a Transit-Oriented Communities Green Infrastructure Bank Pilot Program.
- Implement mobility hub improvements at Metro Park & Ride facilities and enhance sustainable and active transportation modes where high transfer activity between transit and other forms of transportation occurs.
- Expand Transit-Oriented Communities and Transit-Oriented Development projects along RapidRide corridors.

Equitably pricing vehicle usage:

- Research and evaluation of program and regulatory options for equitable pricing vehicle usage (i.e., congestion pricing, road usage charge (RUC), parking). Develop strategy for King County to work with regional partners to implement a vehicle usage pricing strategy regionally and/or statewide.

Charging infrastructure development – increased investment for:

- Assessment, design, and deployment of electric vehicle (EV) chargers for the County's fleet agencies with potential access for pubic and commuting employees.
- Regional transportation electrification planning for build out of public charging in four-county region.
- Support for Seattle City Light proposed district energy battery storage system to serve the charging needs of passenger-only ferries in the region.
- Design and engineering of new electric marine vessels and associated charging infrastructure.

[37] U.S. Environmental Protection Agency. (2024) *Greenhouse Gas Emissions Standards for Heavy-Duty Vehicles: Phase 3* - Regulatory Impact Analysis (EPA-420-R-24-006) Assessment and Standards Division Office of Transportation and Air Quality. [LINK]

- Establish program to support development of commercial public charging infrastructure throughout King County, especially in "charging deserts."
- Develop a policy and program to build out Level 2 Right of Way charging in underserved, unincorporated King County.
- Research shared charging hub development.

Support for electric vehicle (EV) and clean fuels integration – increased investments for:
- Light, medium, and heavy-duty EV fleets will need an automotive workforce trained in high-voltage skills and safety, as well as modified auto shop service areas.
- Fleet Division to accelerate transportation electrification planning, and to cover the upfront price difference of medium and heavy-duty electric vehicles.
- Procure and use of R99 (99 percent renewable diesel) in all on-road and off-road vehicles until price parity is reached.
- Studies to assess benefits and feasibility of sustainable aviation fuels (SAF).
- Develop strategy to support implementation of electric aircraft at KCIA.
- Assess charging needs to transition Roads Division heavy equipment and power tools from combustion engines to electric.
- Replace current West Seattle foot ferry with two smaller all-electric vessels offering more frequent service.
- Convert two existing ferries to more efficient diesel-electric battery hybrid propulsion systems.
- Electrify MetroFlex van fleet, and non-revenue fleet vehicles.
- Electrify Metro bus base to support 100 percent battery electric buses.
- Electrify trolley expansion of network and optimize energy storage systems to reduce weekend dieselization.

Enhanced personal mobility – increased investments for:
- Electric shared mobility devices and mode shift programs, E-bike hubs, and EV carshare providers.
- Launch and support of low-to-middle-income countywide E-bike rebate program.
- Countywide bike and scooter share program, available to all King County cities.

Buildings/Structures - Projects or Programs to Reduce or Prevent Greenhouse Gas Emissions Resulting from Energy Consumption in Buildings
In 2019 and 2020, the built environment accounted for 46 percent and 42 percent of King County's communitywide emissions, respectively, with electricity and natural gas accounting for most of those emissions. [38] Built environment emissions are a growing, with a 15 percent increase from 2008 to 2019.[39] The 2020 SCAP committed the County to countywide reductions in fossil fuel use and energy, as well as to a rapid transition to clean electricity. Similarly, the SCAP outlined goals and actions to reduce energy use in County facilities, make investments to reduce fossil fuel use in buildings, and to produce more renewable energy.

The recently completed King County Geographic GHG Emissions Inventory and Wedge Report identified existing buildings decarbonization as one of the largest unaddressed sources of emissions when

[38] King County Greenhouse Gas Emissions, 2019 [LINK]
[39] King County Greenhouse Gas Emissions, 2019 [LINK]

considering federal, state, and local policies.[40] As reported in the 2023 SCAP Biennial Report, while County facilities have made progress on reducing emissions from electricity use, fossil fuel use in King County buildings has increased substantially since 2014.[41]

Investments identified in past community engagement, research, and engagement with department staff include:

Communitywide:
- Building electrification and energy efficiency programs to support clean energy in multifamily affordable housing, in single-family homes, and in small commercial housing.
- Community grants for climate resilient buildings (e.g., improved cooling and air quality filtering during extreme heat and wildfire smoke events) and clean energy projects to replace fossil fuel heating and ventilation systems with electricity-based systems (e.g., heat pumps).
- Grants and programming to support community solar programs in frontline communities.
- Programs and investments to support the development or decarbonization of energy districts.
- Technical assistance to support scaling green building, energy codes, and embodied carbon work across King County.

County Operations:
- Building energy efficiency, electrification, and green buildings:
    - Energy efficiency and fossil fuel reduction investments across King County facilities.
    - Funding to support compliance with state Clean Buildings Act and Seattle's building emissions performance standard requirements.
    - Green building and embodied carbon technical assistance for internal capital projects (a portfolio of $5.5B as of 2023).
    - Support for development of energy districts on King County properties.

Energy Projects:
- Wastewater biogas enhancement projects at South Plant and Brightwater Treatment Plants that collect fugitive methane from wastewater and prepare it to be used as renewable fuel to replace fossil fuel based natural gas.
- Landfill gas collection wells to increase methane collection at the Cedar Hills Regional Landfill.
- Solar energy projects at Metro, DNRP, and FMD facilities.

Open Space - Purchase or Acquisition of Open Space Land Identified Through Land Conservation Initiatives that will Sequester Greenhouse Gases and Mitigate Urban Heat Island Effect and/or Climate Impacts

Stakeholder feedback received in this area focused on existing programs to purchase or acquire open space as a means of maximizing climate co-benefits, not duplicating efforts by King County's Parks Division and other land conservation initiatives. The King County Land Conservation Initiative (LCI), a regional collaboration between King County, cities, businesspeople, farmers, environmental partners and others, is a strategy for the preservation of natural lands and urban green spaces in King County.[42] A

[40] King County GHG Emissions Inventory Wedge Report, 2022 [LINK]
[41] King County 2023 SCAP Biennial Report (p 63), 2023 [LINK]
[42] King County. (2017). *King County Land Conservation Advisory Group. Final Report.* [LINK]

variety of funding sources are used to implement this work across the County, including the Conversation Futures Tax (CFT) [43] and the Parks Levy.[44]

The 2020-2025 voter-approved Parks Levy allocates $78M for King County open space over the six-year period. According to the March 2024 Office of Economic and Financial Analysis (OEFA) forecast, the voter-approved Conservation Futures tax should generate $105M for acquisitions in 2023-2024. Private funding sources also support LCI implementation including philanthropy, transfer of development rights, in lieu fee mitigation, and ecosystem service markets.

Circular Economy Investments - Projects or Programs that reduce or prevent Greenhouse Gas Emissions and to Prepare for, Mitigate, Adapt to, or Respond to the Impacts of Climate Change through Circular Economy investments.

Consumption and Materials

GHGs are emitted during all stages of a product or service's life cycle, from extraction of raw materials to manufacturing, transport to use, and maintenance to disposal. King County's total countywide consumption-based emissions of more than 38 million metric tons of carbon dioxide-quivalent (MTCO2e) are roughly 40 percent greater than the geographic inventory of 27 million metric tons occurring within County limits.[45] These emissions can occur within and outside of King County, affecting the health of communities and negatively impacting ecosystems around the world.[46]

Example investments identified by the Solid Waste Division of DNRP that accelerate and enhance work to reduce GHG emissions from consumption and materials and that implement the Re+ (zero waste) initiative to keep valuable materials out of the landfill and reduce climate impacts include:

- Increase staffing at transfer stations to increase diversion and reduce disposal violations.
- Build new infrastructure to increase metal recycling at transfer stations.
- Support development of a Sustainable Wood Business Park.
- Establish recycling and composting sites at existing multifamily building sites.
- Establish tool lending libraries, with space for repair events.
- Collect different commodities, at different locations to maximize the recycling capabilities and reduce waste residuals in the recycling process.
- Construct a large scale, industrial compost facility to turn Class B Loop® biosolids into Class A Loop compost for retail sale and distribution.

Agriculture and Forests

Production, transportation, and processing of food generates substantial GHGs, reducing food waste can avoid wasting resources and also help feed communities in King County.[47] Build a more climate resilient

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[43] King County. (2024). *King County Conservation Futures Program Manual.* [LINK]

[44] King County Parks. (2019) *King County Parks, Recreation, Trails, and Open Space Levy.* [Voter Ballot Measure Fact Sheet]. [LINK]

[45] EcoDataLab and Stockholm Environment Institute. [2022]. *King County Communitywide Consumption-based GHG Emissions Inventory.* [Puget Sound Regional Emissions Analysis]. Final Report. [LINK]

[46] EcoDataLab and Stockholm Environment Institute. [2022]. *King County Communitywide Consumption-based GHG Emissions Inventory.* [Puget Sound Regional Emissions Analysis]. Final Report. [LINK]

[47] U.S. Environmental Protection Agency/ [2022]. *From Farm to Kitchen: The Environmental Impacts of U.S. Food Waste.* [EPA 600-R21 171]. [LINK]

and just King County food system by employing strategies for farmers and farms to adapt to climate change and mitigate GHG emissions by investing in local farmers and hunger relief organizations, and upgrading King County's food system infrastructure. Example investments include:

- Sustain and enhance the King County Farm to Food Bank Program.
- Purchase edible food from farmers that is rejected for sale and destined for the landfill so that it can be redistributed to hunger relief organizations.
- Complete the development of the South Seattle Community Food Hub.
- Support climate-smart/regenerative agriculture practices, including compost use.

Forests can mitigate climate impacts by capturing carbon, regulating ambient temperatures, reducing flooding risks, and removing harmful pollutants from the air.[48] Although forest cover in rural regions of King County has remained relatively stable, there continues to be significant loss in cities and urban areas; in both landscapes, forest health is affected by climate change and associated risks, such as wildfire.[49] The 2020 SCAP and King County's 30-Year Forest Plan call for increased focus on forest restoration and forest management on both private and public land to enhance the benefits of trees and forest cover and to ensure those places are more resilient to climate change.[50] This work includes urban forestry, rural forestry, and wildfire actions. Example investments include:

- Acquisitions of privately held forestland to add to King County open space system;
- Increased forest restoration and forest management;
- Forestry program capital investments such as funding for a forestry shop, and
- Funding for forestry staff and contractors to expand the impact of the forestry program, targeting 1,000 acres/year of stewardship.

Advance Preparedness, Adaptation, and Resilience

Projects or Programs to Prepare for, Mitigate, Adapt to, or Respond to the Impacts of Climate Change, Including but Not Limited to Extreme Weather Events and Wildfire Smoke.

Preparing for climate change is a necessary component of a comprehensive countywide response to climate change. Data shows that climate is changing, and current and past greenhouse gas emissions have effectively locked in change for the next several centuries.[51] Investments identified that accelerate and enhance King County's capacity to mitigate the harmful impacts of climate change in King County include the following: [52]

Build for resilience – includes increased investments for:

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[48] King County. [2021]. King County 30-Year Forest Plan. [King County Department of Natural Resources and Parks; Clean Water Healthy Habitat]. [LINK]

[49] King County. [2021]. King County 30-Year Forest Plan. [King County Department of Natural Resources and Parks; Clean Water Healthy Habitat]. [LINK]

[50] See the Forest Plan and summary information on connections to climate change at "King County 30-Year Forest Plan." [LINK]

[51] Marvel, K., W. Su, R. Delgado, S. Aarons, A. Chatterjee, M.E. Garcia, Z. Hausfather, K. Hayhoe, D.A. Hence, E.B. Jewett, A. Robel, D. Singh, A. Tripati, and R.S. Vose, 2023: Ch. 2. Climate trends. In: *Fifth National Climate Assessment*. Crimmins, A.R., C.W. Avery, D.R. Easterling, K.E. Kunkel, B.C. Stewart, and T.K. Maycock, Eds. U.S. Global Change Research Program, Washington, DC, USA. [LINK]

[52] Mauger, G.S., J.H. Casola, H.A. Morgan, R.L. Strauch, B. Jones, B. Curry, T.M. Busch Isaksen, L. Whitely Binder, M.B. Krosby, and A.K. Snover, 2015. *State of Knowledge: Climate Change in Puget Sound*. Report prepared for the Puget Sound Partnership and the National Oceanic and Atmospheric Administration. Climate Impacts Group, University of Washington, Seattle. [LINK]

- Stormwater infrastructure and treatment designed for climate change, helping to reduce localized flooding and water pollution due to heavier rain events.
- Increasing wastewater infrastructure conveyance and treatment capacity to account for increases in heavy rain events and to reduce exposure to flooding and anticipated sea level rise.
- Adapting transportation infrastructure and related storm drainage systems to reduce the impacts of sea level rise, flooding, and heavy rain events on transportation infrastructure such as highways and roads.
- Investing in landslide hazard mitigation for vulnerable regional trail segments.
- Expanding recycled water distribution to help address growing needs for summer irrigation and drought mitigation.
- Expanding bus shelters within the transit network to provide rider protection during extreme weather events (rain, snow, and heat).

Increase ecosystem resilience – includes increased investment for:
- Restoring and managing forests on urban and rural public and private lands.
- Restoring habitat connectivity in floodplains for flood resilience and salmon recovery.
- Restoring marine shoreline habitat to restore natural shoreline processes and support salmon recovery.
- Restoring fish passage by removing barriers and ensuring that replacement culverts are sized to handle projected increases in stream flows.

Build technical knowledge and capacity – includes increased investment for:
- Conducting climate change vulnerability assessments for county programs, infrastructure, and locations.
- Improving real-time data collection for flooding and air quality monitoring.
- Conducting technical studies on climate impacts and options for mitigating identified impacts.

Increase community resilience – includes increased investment for:
- Increasing public outreach, education, and training on reducing climate risks, including multilingual climate education and engagement resources.
- Supporting climate preparedness in King County food systems and increased community access to healthy and culturally relevant foods.
- Accelerating home acquisitions and relocations in floodplains and other hazard zones.
- Community wildfire planning and implementation.
- Reducing health risks from wildfire smoke.
- Reducing the impacts of extreme heat, including investments in urban tree canopy, emergency sheltering, and expanded access to cooling.
- Increasing severe weather response for people experiencing homelessness (e.g., extreme heat, wildfire smoke).
- Integrating climate change into disease tracking to account for emerging threats.
- Establishing resilience hubs to provide additional places of refuge and community-centered response coordination for multiple hazards.

Build Climate Equity and Workforce Development

King County launched its first comprehensive Green Jobs strategy in February 2023, following recommendations by the Climate Equity Community Task Force (CECTF) captured in the SRFC Section of the SCAP. The strategy has four goals:

1. Partner regionally to grow green jobs through climate initiatives;
2. Facilitate a Green Jobs pathway for frontline communities;
3. Invest in local high-demand sectors, and
4. Support greening the County workforce.

Major ECO initiatives associated with implementing the green jobs strategy include: the development of JumpStart, a grant-funded clean energy workforce training program focusing on living wage paid work-based learning; the green skills development fund to support County employees in obtaining energy conservation credentials; a regional public-private partnership, The Coalition for Climate Careers (C3), and revisions of the green building scorecard to enhance ESJ credits aimed at advancing economic justice.

Opportunities identified and resources to improve and amplify King County's efforts to build a skilled and diverse workforce to support the implementation of County climate goals include:

Bridging the Paid Work-Based Learning Gap
While federal funding offers valuable support, it currently restricts funding for paid work-based learning opportunities in clean energy fields. County-allocated resources will bridge this gap, providing critical financial support for pre-apprentices in solar, heating, ventilation, air conditioning (HVAC), and electrical fields. Work-based learning offers valuable on-the-job experience and supports small local contractors and youth seeking entry-level positions in the green economy.

Expanding Existing Programs with Proven Success
The NextGen Climate Internship provides internship opportunities for students from underrepresented backgrounds to gain valuable experience in local government. Interns learn to implement climate policy and SCAP actions, manage long-term projects, and network with environmental professionals. NextGen Climate Internship alumni have gone on to start careers in public service organizations including The White House Council of Economic Advisers, Tacoma County Public Health, the National Park Service, and environmental consulting firms – demonstrating its impact on developing early career environmental leaders. Increased funding will allow for the expansion of this program, attracting a wider pool of interns into careers within local government and expanding the county workforce capacity to deliver on climate work.

Expanding Climate-informed outreach to Minority and Women-Owned Businesses (MWBEs)
Additional resources will facilitate targeted outreach to MWBEs, encouraging participation in County capital projects, like the King County Metro South annex base electrification project. King County can contribute to a more informed business community by promoting and strengthening local decarbonization efforts by notifying MWBEs of emerging incentives for residential building improvements such as solar and heat pump installations and electric vehicle charging infrastructure through workshops and educational resource materials.

Building Communications Partnerships for Long-Term Success
Collaboration and communication are crucial to building a robust green workforce pipeline. By establishing meaningful partnerships with labor partners, local career and technical education programs, and schools, the County can effectively inform frontline communities and the public about the economic opportunities rapidly emerging within the clean energy transition. Additional investment would support leveraging successful large-scale community outreach events like the 2023 Green Jobs Green Futures Summit to launch engaging digital campaigns and increase reach and engagement. Campaigns could highlight identified local high-growth sectors, including transportation, construction, manufacturing, professional services, and the tech industry. Additionally, these efforts would target middle-skill workers, youth, and justice-involved community members, supporting inclusive and equitable recruitment.

Increased investment in work development from a climate equity lens can enable King County to leverage the existing success of the green jobs strategy into durable workforce development partnerships and programs to enhance King County's climate and workforce development goals regionally for the long term.

Scale Regional Collaborations

Regional collaborations provide opportunities for King County to amplify and accelerate climate action. Collaborations help to build stronger alignment in goals, leverage limited resources, and provide a broader foundation for advocacy on policies that support climate action. Three key collaborations hosted and co-chaired by King County are the King County-Cities Climate Collaboration (K4C),[53] the Puget Sound Climate Preparedness Collaborative, and the Climate Careers Coalition (C3),[54] described below. Additional investment in these collaborations is needed to maximize the opportunities that exist with these collaborations.

King County-Cities Climate Collaboration (K4C)
As described earlier in this document, K4C is a partnership of local governments in King County working together to accelerate equitable climate action. K4C leverages the combined knowledge, resources, and advocacy power of its member communities to shape policy and programs that cut harmful greenhouse gas emissions so the King County region can thrive in a changing climate. Since it began in 2012, the K4C has grown to 23 partners – King County, Bellevue, Bothell, Burien, Duvall, Issaquah, Kenmore, Kent, Kirkland, Lake Forest Park, Maple Valley, Mercer Island, Newcastle, Normandy Park, North Bend, Redmond, Renton, Sammamish, Seattle, Shoreline, Snoqualmie, Tukwila and the Port of Seattle. Combined, K4C member communities represent more than 86 percent of the King County population.

K4C shared partnership priorities for reducing harmful greenhouse gas emissions includes sustainably increasing mobility, investing in renewable energy, promoting, and funding clean energy use in buildings and vehicles, and expanding farm and forest protection. K4C members have adopted the same greenhouse gas emissions reduction targets, creating a unified goal for partner efforts, and enhancing greenhouse gas tracking efficiency. The collaboration allows each K4C member to expand staff capacity at minimal cost while providing the flexibility to pursue the strategies and actions that will have the most impact in their community.

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[53] See "King County-Cities Climate Collaboration." [LINK]
[54] See "The Coalition for Climate Careers." [LINK]

Puget Sound Climate Preparedness Collaborative (Collaborative)
The Collaborative is a network of local and county governments, Tribes, regional agencies, and other organizations in the Puget Sound basin working together to build community, economic, and environmental resilience to the impacts of climate change. Established in 2017, the Collaborative's work is guided by the vision that Puget Sound's communities, its economy, and its environment are prepared for and resilient to the impacts of a changing climate. The Collaborative seeks to support equitable adaptation outcomes within and across jurisdictions with an emphasis on the intersection of climate impacts on public sector responsibilities (e.g., economic and community resilience, equity, infrastructure, natural resource management, public health, hazard mitigation, emergency response).

The Collaborative currently includes 32 member organizations and has connected with more than 1,000 practitioners to date via monthly calls, webinars, and convenings. The Collaborative is hosted co-chaired by King County.

Climate Careers Coalition (C3)
C3 is a public-private partnership co-sponsored by King County, the City of Seattle Office of Economic Development (OED), and the Port of Seattle. It supports the equitable and innovative distribution of workforce development resources connected to climate initiatives and clean energy deployment. Designed to amplify the historic investments associated with the Inflation Reduction Act, C3 prioritizes frontline communities and workers affected by the green economy transition, providing policy guidance, funding public and private workforce partnerships, promoting green career opportunities, and fostering cross-community collaboration. C3 is building an executive steering committee reflective of the broader coalition of community-based organizations, labor unions, small businesses, employers, and educational institutions within the network. C3's regional approach streamlines collaboration across sectors and eliminates duplication of efforts, maximizing the impact of workforce development initiatives. Additionally, C3 facilitates the coordinated use of federal and private funding, addressing critical gaps, such as paid work-based learning opportunities.

The working group's review of funding needs and opportunities from existing work and engaging department staff outlined in this subsection identified two key findings. First, climate funding strategies and needs should be integrated into the development of the 2025-2030 SCAP to further advance the initial funding discussion with these and other stakeholders. Second, while federal and state policies and investments will greatly advance King County climate work, there is a clear need for significant additional funding to support scaling climate focused work across multiple fronts.

C. Menu of Climate Change Funding Options

The internal working group explored a menu of potential climate change funding options for further development, stakeholder engagement, and consideration. They include continued pursuit of existing federal, state, and philanthropic funding for climate, the continued consideration of a future climate levy lid lift, existing revenue generation opportunities available through existing pathways, and generally benefiting departments in accordance with existing funding limitations including wastewater and solid waste rates.

This section summarizes existing funding options that could be considered, separately or in combination, to increase funding to scale King County's climate work. The options include summary information on a future climate property tax levy and fees related to solid waste and wastewater treatment, as requested in the Motion. Options also include external funding sources described in the funding landscape analysis, as well as other options identified by Executive staff.

The recent influx of state and federal investments offers a historic opportunity for ECO, King County departments, and community partners to advance climate initiatives. Since many of the federal grant opportunities are playing out now through 2025 and the state's CCA investments are at risk with Initiative 2117, ECO and department staff can continue to focus on maximizing this opportunity in the next two years. Simultaneously, pursuit of philanthropic and public private partnerships to address existing gaps in and leverage available state and federal funding opportunities could be pursued more aggressively with additional staff capacity.

Future Climate Levy

This subsection provides supporting analysis for a property tax levy lid lift that could contribute towards a one-billion-dollar revenue goal. Financial estimates outlined here were developed by OEFA and reflect the revenue forecast adopted in March 2024.[55]

A levy rate of $0.181 (per $1,000 assessed value) would be necessary to generate $1B over a six-year period, with revenue collections beginning in 2025. This assumes a multi-year levy lid lift, with annual levy increases indexed to the Consumer Price Index (CPI-W) for the Seattle-Tacoma-Bellevue Metropolitan Statistical Area. A levy of $0.181 will cost the average homeowner in King County approximately $154/year.[56]

The increased levy rate would be subject to the statutory limit of $5.90/$1,000 AV, with the cumulative levy within King County (including city and special district levies) nearing the limit in 2028 and 2029. This will reduce the amount of room available for other potential levy increases and create the possibility of levy suppression, where junior taxing districts lose their property tax revenue in order to reduce the cumulative levy to the statutory limit.

Several expiring King County lid lifts are up for renewal in the near future, including AFIS (expiring in 2024), Parks (2025), Emergency Medical Services (2025), along with lid lifts from the City of Seattle (transportation levy expiring in 2024).

Department of Natural Resources and Parks (DNRP) Rates and Fees

The Department of Natural Resources and Parks (DNRP) serves as a key steward of the region's environment and is a major implementing agency of the County's SCAP goals. DNRP divisions are primarily supported by dedicated funding sources, such as wastewater fees and solid waste fees, which are charged to external, public ratepayers. While each dedicated funding source has legal restrictions, which limit their use, most have some flexibility to support climate-related efforts specific to their collection purpose. In other words, and as an example, a portion of wastewater fees can be used to support wastewater-related climate efforts.

The County could leverage these existing rates and fees in DNRP to support a broader set of climate-related work. However, input from external partners and payers and, importantly, approval from the Executive and King County Council would be necessary to raise or reallocate existing fee rates to support

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[55] King County Office of Economic & Financial Analysis, March 2024 Revenue Forecast [LINK]
[56] King County Assessor. Assessed Value and Taxes by City. 2023. [LINK]

further climate goals. This section describes relevant, dedicated revenue sources that currently exist and the processes through which each is set.

Wastewater Rates (DNRP)

King County's Wastewater Treatment Division (WTD) generates more than 95 percent of its annual revenue from the sewer rate and capacity charge. In 2023, WTD collected $479.4 million and $90.9 million in revenue from the sewer rate and capacity charge, respectively. State law (RCW 35.58.200) authorizes the County "to fix rates and charges for the use of metropolitan water pollution abatement facilities, and to expend the moneys so collected for authorized water pollution abatement activities."[57] Revenue from the sewer rate and currently supports implementation of WTD SCAP actions and priorities including reducing energy usage; increasing production of renewable energy, especially biogas and solar; expanding use of recycled water and compost; and preparing wastewater infrastructure for climate change impacts such as sea level rise and increasing heavy rain events. These investments are scoped and implemented consistent with state authority and purpose for wastewater rates and with County Code (28.86).

The County's administration of the sewer rate reflects WTD's role as a wholesale provider of wastewater treatment and regional conveyance. Local sewer agencies (LSAs) made up of cities, special purpose districts, and the Muckleshoot Indian Tribe, provide local sewage collection, billing, and customer service to individual customers. WTD charges LSAs for wholesale treatment based on the number of residential customer equivalents (RCEs) in each jurisdiction.

The sewer rate and RCE calculation are governed by King County Code and the contracts that WTD maintains with all 34 LSAs. Per King County Code (28.86.160),[58] the County should attempt to adopt multiyear sewer rates to provide stable costs to sewer customers. This process includes an advisory period from the Metropolitan Water Pollution Abatement Advisory Committee (MWPAAC) made up of LSA representatives, and adoption of rate proposals by King County Council. In addition to sewage treatment, up to 1.5 percent of the annual wastewater system operating budget may be used for eligible "water quality improvement activities, programs, and projects" (28.86.160, FP-8)[59] through the WaterWorks grant program.[60]

Since 1990, King County has also levied a sewage capacity charge on new sewer system connections. This helps to recover capital costs needed to serve new customers, ensuring that system growth pays for its proportionate share of capital costs. The capacity charge forecast is updated every three years, based on customer growth and projected capital costs through 2030. The capacity charge rate is adopted by the King County Council annually.
In addition to revenue from the sewer rate and capacity charge, WTD also collects revenue from septage disposal, a high-strength waste treatment surcharge, and Industrial Waste Program activities related to

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[57] RCW 35.58.200 Powers relative to water pollution abatement. [LINK]
[58] King County Code 28.86 Wastewater Treatment. [LINK]
[59] King County Code 28.86 Wastewater Treatment. [LINK]
[60] The WaterWorks Grant Program provides approximately $5 million in funding every two years to organizations carrying out a variety of water quality improvement projects in the service area for King County's regional wastewater system. Nonprofits, schools and educational institutions, cities, counties, tribes, and special purpose districts are all eligible to apply. [LINK]

compliance monitoring and administration. These fees are defined in King County Code and approved at the discretion of the WTD Division Director.

Solid Waste Rate (DNRP)

The Solid Waste Division (SWD) currently derives about 80 percent of its revenue from disposal fees based on tonnage and transactions on garbage sent to the Cedar Hills Regional Landfill. Rules and regulations related to Solid waste, including authorization for fee collection, are outlined in KCC Title 10.[61]

Revenue from the solid waste rate currently supports implementation of SWD SCAP actions and priorities including to: implement the Re+ program to reduce waste and increase reuse; implement the County's Green Building Ordinance 19042; and improve landfill gas collection and renewable biogas production. These investments are scoped and implemented by DNRP consistent with state authorizing authority and purpose for solid waste rates and with County Code.

The rates charged by SWD are an investment in programs to reduce waste, increase recycling, and continue to responsibly and cost-effectively manage garbage disposal for 37 partner cities and 1.5 million people daily. Solid Waste revenue must be used for expenses with a nexus to solid waste utility operations. Additionally, SWD must have sufficient revenue to deliver on contractually required services with partner cities, and to meet regulatory requirements for operating the landfill and transfer stations.

As SWD advances toward its Re+ goals, garbage tonnage will decrease significantly. This means that, as recycling rates increase, the Division's revenue will decline, which is an unsustainable business model.

In March 2022, King County Council passed a new rate structure that included a fixed annual charge to commercial waste haulers to provide a stable revenue source independent of how much waste tonnage is brought in. The new rate structure with the fixed annual charge was implemented in January of 2024. Previously, SWD worked with three pilot cities (Redmond, Kent, and Maple Valley) and the three major haulers to develop template language for contracts in preparation for the rate restructure. This work helped provide guidance to smaller cities updating their hauler contracts.

Rate proposals are developed with collaboration from the Metropolitan Solid Waste Advisory Committee (MSWAC), the Solid Waste Advisory Committee (SWAC), and the King County Executive Office. SWD is currently conducting work to prepare for the 2025 rate proposal. Rate changes are adopted by the King County Council.

Biogas Production and Utilization (DNRP)

The Solid Waste and Wastewater Divisions of DNRP are major renewable biogas producers. The biogas projects are part of these agencies' climate and energy work, maximizing resource recovery and taking advantage of the revenue opportunities from biogas. The biogas is derived from garbage disposal at Cedar Hills and from the wastewater treatment process.

The biogas produced by the County is used in multiple ways, including:

- Purified into a renewable natural gas (RNG) commodity from Cedar Hills and South Plant and sold to Puget Sound Energy;

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[61] King County Code Title 10 Solid Waste. [LINK]

- Used to generate electricity that is sold to Seattle City Light (West Point), or
- Used at the facility for pumping (West Point) and/or heating (Brightwater and West Point).

In 2021, DNRP generated more than $18 million of revenue from the sale of biogas-derived energy and associated renewable identification numbers (RINs) to third parties. Revenue generated by sale of biogas supports further climate and energy work consistent with 2020 SCAP policy APX 17.C, “Scope of Coverage and Principles for Reinvestment.”

Construction & Demolition Fees (DNRP)

One in three truckloads of solid waste generated in King County consists of construction and demolition (C&D) debris.[62] King County requires that readily recyclable C&D materials (metal, cardboard, wood, concrete, asphalt paving, brick, and new drywall scrap) be recycled, which furthers the Division’s zero waste of resources goal and carbon emissions reduction efforts.

SWD’s construction and demolition management program is funded by a $4.25 per ton fee. This program implements activities that help achieve the 2020 SCAP Performance Measure GHG #20 to increase the materials diversion rate from building development sites across King County, excluding Seattle and Milton. The fee applies only to C&D waste that is landfilled, further incentivizing recycling. This fee has been unchanged since 1993. The collected fees go into a dedicated fund that covers expenses related to C&D management and programmatic functions. Approximately 220,000 tons of C&D waste was landfilled by companies participating in the King County designated C&D facilities program in 2023 generating $935,000 in revenues.

Metro Transit Revenue Sources

Metro Transit’s largest revenue source is a 0.9 percent sales/use tax, currently imposed at the maximum allowable rate.[63] This generates revenues of more than $6 billion over six years. It is currently dedicated to existing and planned service levels and capital investments. This includes investing in efforts towards the expanded bus service hours reflected in Metro’s long-range plan (Metro Connects interim network), investments in transit-oriented communities, and to achieve fleet electrification goals.[64] These fleet electrification goals are reflected in KCC 28.94.085, including a 100 percent zero-emission revenue bus fleet by 2035, a 67 percent zero-emission ADA paratransit fleet by 2030, and a 100 percent zero-emission rideshare fleet by 2030.

Metro’s existing revenue portfolio also includes $1.4B in expected grant revenue over the next six years, from both local and federal sources. These revenues are programmed for both operating and capital investments, depending on the grant’s specifications. Metro intends to pursue grant support for future investments that align with the agency’s service and zero-emissions goals.

Other existing revenue sources that could support discretionary climate investments include fare revenue ($822M over six years), property tax ($263M over six years) and interest income ($216M over six years). Some revenue sources are dedicated to specific contracted service, including Sound Transit and the City of Seattle, and are not available to be repurposed for other climate investments.

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[62] King County. [2021]. 2021 Solid Waste Division Annual Report. [King County Department of Natural Resources and Parks]. [LINK]
[63] King County Executive Office. 2023-2024 Biennial Budget – Executive Proposed. September 2022. [LINK]
[64] King County Metro. Metro Connects Long Range Plan. November 2021. [LINK]

King County Transportation Benefit District
Washington state law allows for the creation of special-purpose Transportation Benefit Districts to "make and fund transportation improvements necessitated by economic development and to improve the performance of the transportation system."[65] King County established its Transportation Benefit District in 2014 but voters did not approve a ballot measure to implement its associated revenue sources.[66]

King County Metro has identified the Transportation Benefit District revenue sources in the list below as potentially supporting operating and capital improvements consistent with its long-term plans to achieve the Metro Connects mobility network, including a more than 70 percent increase in service by 2050 and full fleet electrification.[67] These revenues are not reflected in Metro's financial plan and are dependent upon approval by the governing members of the special purpose Transportation Benefit District and voters. Sources include, but are not limited to:

- *Sales/Use Tax*, including a councilmanic 0.1 percent and an additional 0.2 percent with voter approval, generating $700M - $2.1B over six years;
- *Vehicle License Fees* (including councilmanic and voter-approved options), assessed on registered vehicles within King County, generating $214M - $389M over six years;
- *Property Tax Excess Levy*, requiring 60 percent voter approval, generating $544M over six years if levy is imposed at $0.10/$1,000 AV; and
- *Vehicle Tolls* on state routes, city streets, or county roads within King County, subject to the approval of the state tolling authority, with undetermined revenue impact based on size of toll.

Washington Clean Fuel Standard
The WA Clean Fuel Standard (CFS), adopted by the Legislature in 2021 and effective in 2023, establishes regulatory requirements for reducing GHGs of transportation fuels. The policy allows large fleet owners, such as Metro Transit, to generate credits for electrification of public transit vehicles, including the existing trolley fleet. The policy also provides options for upfront revenue generation for installation of fast chargers, such as heavy-duty bus charging, to provide upfront capital investment. Metro Transit can generate revenue from the sale of these credits. Metro Transit (as well as DNRP) has registered its EV charging infrastructure with the state and have begun generating credits. To sell credits and generate revenue, King County departments must have King County Council approval and work with a third-party environmental commodity market provider to efficiently engage in the market. Average CFS credit values for 2023 were $91.23 per credit. For example, in 2023 King County generated 6,346 credits, with an estimated value of $580,000. Credit volumes will increase as Metro transitions to a zero-emission fleet.

Metro is currently evaluating existing and projected revenue sources as part of budget planning for 2025 and financial planning for the coming 10-year period. Metro's budgeted revenues are expected to be highly constrained on account of existing commitments to both service and to significant capital

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[65] Revised Code of Washington 36.73.010 [LINK]
[66] The Board of the King County Transportation Benefit District passed Resolution TD2014-03 in 2014 to enact a sales/use tax and vehicle license fee and put to voters on the April 2014 ballot. This was not approved by voters. (MRSC. Local Ballot Measure Database. Accessed April 2024. [LINK])
[67] King County Council Motion 16155: Metro Connects Implementation Report. May 2022. [LINK]

investments, including transition to a zero-emission bus fleet by 2035. Metro has previously discussed funding opportunities for its zero-emission program through fund balance, debt, and competitive grants, as well as the prospect for new revenue sources.[68]

Department of Executive Services (DES) Revenue Sources

DES is focused on providing internal services to other King County agencies and some services directly to the public, one such service is management of the King County International Airport (KCIA).

King County International Airport (KCIA)

The King County International Airport's revenue portfolio is primarily composed of two sources: negotiated lease revenues for use of Airport real estate and federal grants administered through the Federal Aviation Administration. Existing revenues are programmed for Airport business purposes, including projects as part of its climate change programming.[69] Due to federal grant assurances, Airport revenue cannot be repurposed for unrelated climate initiatives.

In order to generate additional revenue for King County International Airport to continue to adapt to climate change, advance climate equity, and prepare for lower and zero emissions innovations in the aeronautical field, future KCIA leases could be updated to include climate-readiness expenses. These additional funds would need to be spent at KCIA in accordance with FAA requirements.

D. Funding Limitations

As noted above, King County faces financial constraints to generating the revenue target discussed in Motion 16463. While this report identifies funding options to help King County address the climate crisis, it also highlights the challenges to reprioritizing existing funding; generating new funding (either through taxes, fees, or grants); and reducing funds through the potential repeal of the CCA.

Current funding sources are programmed through 2024, including the six-year CIP. As of the writing of this report, departments and PSB are beginning to develop the Executive's 2025 budget proposal which will be transmitted to the Council in September 2024. The County's enterprise funds, including Wastewater Treatment, Solid Waste, Metro Transit, and the King County International Airport, each have revenue sources that are restricted to certain uses and cannot be repurposed for initiatives that do not align with the fund's purpose.

King County's unrestricted revenues that could be programmed at the Executive and the Council's discretion for climate initiatives are within the General Fund. As communicated to the State Legislature and to the King County Council, the General Fund is currently facing a budget gap of $35M in 2025, with greater reductions in future biennia. Revenue solutions currently being evaluated by Executive staff are expected to be prioritized to preserve existing General Fund functions.[70]

While revenue solutions are being evaluated, current General Fund revenues will remain constrained by the State Legislature's imposed one percent cap on levy growth. With King County annual inflation plus population growth forecasted to exceed three percent through the early 2030's, the County's General

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[68] King County Metro Transit, Moving to a Zero Emission Fleet: Transition Plan. May 2022. [LINK]
[69] See "Helping our environment." [LINK]
[70] Washington State Legislature. HB 2044 (2024 session) [LINK]

Fund is not expected to be able to support significant investments in new climate programs with current revenues.

Funding Gap Areas

To inform this report, agencies identified an ambitious set of projects in support of the County's climate priorities. As highlighted above, County agencies have been proactive in prioritizing existing funding, where possible, for climate initiatives. However, a significant gap remains due to the funding limitations outlined above and further discussed below.

In some cases, the General Fund could be the only legally eligible fund source to support a proposed project, which presents significant challenges given the General Fund constraints described above. Examples of this include:

- Green building features as part of affordable housing projects, including those that provide holistic support to frontline communities disproportionately affected by climate change;
- Infrastructure for immigrant and refugee farmers to grow and harvest culturally relevant and sustainable foods in King County;
- Onsite sewage system repairs and replacements to prevent environmentally harmful leaks into habitats and waterways;
- Purchasing edible food from farmers that has been rejected for sale and destined for the landfill, so that it can be redistributed to hunger relief organizations, and
- Support for climate-smart/regenerative agriculture practices, such as compost use, by local farmers.

Additional Opportunities for Further Development

The internal working group identified potential next steps that could further advance a community driven approach to future climate change funding that align with the principles of the SCAP's Sustainable and Resilient Frontline Communities section. These opportunities include, but are not limited to:

1. Leveraging existing regional collaborations to seek additional funding for climate action;
2. Expanding existing community granting pilot framework, and
3. Utilizing ongoing engagement opportunities with communities to inform and prioritize future climate funding.

Each of these opportunity areas are described below.

Regional Collaborations

The ECO co-leads three distinct regional collaborations with local municipalities. These regional collaborations are King Counties – Cities Climate Collaboration (K4C), the Puget Sound Climate Preparedness Collaborative (Collaborative), and the Climate Careers Coalition (C3). Overarching recommendations relevant to K4C, the Collaborative, and C3 are outlined below.

Secure or expand base funding for staff capacity to support a strategic shift from shared learning to shared action and implementation support in regional collaborations.
For K4C, this could include increased staff support for: joint grants and funding, EV transportation, building decarbonization, building codes, carbon sequestration, shared performance measures related to joint K4C commitments, and climate preparedness. For the Collaborative, this includes support for vulnerability assessment, developing and implementing climate action plans, integrating hazard mitigation and climate preparedness, equitable community engagement and partnership, partnering

with Coast Salish Tribes on climate adaptation, integrating climate change into capital planning, and best practices for addressing specific climate risks such as sea level rise, extreme heat, and increased flooding.

Explore how to accelerate funding to partner communities on shared priorities through state and federal grants.
King County could explore additional opportunities to partner with local governments and community partners to secure state during this key influx of funding. Recent examples of leveraging cross-jurisdictional collaborations for grants include the following:

- Two applications to the EPA's [Climate Pollution Reduction Grant (CPRG)]() program:
    - ECO developed a $49.9 million proposal to reduce greenhouse gas emissions throughout the building lifecycle on behalf of and in direct collaboration with the cities, counties, and regional organizations making up the Seattle-Tacoma-Bellevue metropolitan statistical area (MSA). If selected, the proposal would deploy measures in four counties (King, Kitsap, Pierce, and Snohomish), representing 4.3 million people or 55.7 percent of Washington state's population.
    - The Puget Sound Regional Council (PSRC) coordinated a regional proposal for the CPRG program that includes the transit agencies in the region (Community Transit, Everett Transit, King County Metro, Kitsap Transit, Pierce Transit, and Sound Transit), the Northwest Sea Port Alliance, Ports of Seattle and Everett, and Pierce County. The proposal is requesting nearly $200 million. Elements of the grant application include transit electrification, port and airport electrification, and equitable public EV charging in the Pierce County area. King County Metro elements of the proposal total $46 million and would be for the purchase of thirty 60-foot battery electric buses and supporting charging infrastructure that will be located at Metro's South Annex Base.
- ECO coordinated a $15 million submittal to the Washington Department of Commerce's new Electric Vehicle Charging Program (EVCP) grant in December 2023. This program provides funding for charger installation in three distinct arenas (fleet/workplace, multi-family housing, and public access). King County volunteered to serve as a Prime Applicant, aggregating 113 locations across the County from 18 different co-applicant partners, and submitting on their behalf.
- The ECO led the development of a $2 million proposal to NOAA's Coastal Resilience Regional Challenge grant on behalf of the Puget Sound Climate Preparedness Collaborative. The proposal is designed to support community and Tribal climate preparedness work in the 11 counties bordering Puget Sound and the Strait of Juan de Fuca. Program priorities include a Small Communities Cohort, Climate Equity and Tribal Partnerships learning series, and building stronger regional alignment in climate preparedness work.

Community Capacity Building and Direct Funding
Building capacity for frontline communities to engage and partner with King County on climate change is critical to developing comprehensive and equitable solutions. The 2020 SCAP Sustainable and Resilient Frontline Communities section calls for community investments through deepened external

engagement, expanding community education, supporting youth education, investing in awareness building, language access, technical assistance, and leadership development.[71]

Scale funding for new King County Community Climate Resilience (CCR) Grant program and incorporate lessons learned from similar programs in the region.
Increased funding and internal capacity for these efforts is critical to growing the number of frontline partners, community champions, and future climate action. The CCR Grant is a first iteration of funding for community-led priorities on climate action applying procedural equity in its design.

Two examples of expanded community grant programs are Seattle's Green New Deal[72] and the Environmental Justice Fund[73] and Portland's Clean Energy Community Benefits Fund[74] which are further described below. These programs direct significant and ongoing investments to community and serve as potential models for expanding King County's CCR grant program.

Seattle's Green New Deal and the Environmental Justice Fund: Seattle's Green New Deal (GND) is a City of Seattle Resolution[75] and Executive Order[76] establishing the goal to eliminate all city climate pollution by 2030. It invests in direct support to frontline communities that bear the brunt of the climate crisis by reducing greenhouse gas emissions, building a climate workforce, and building community resilience to climate change. It is partially funded by a payroll expense tax.

The Environmental Justice (EJ) Fund grant is one of the programs under the GND. Since its launch in 2017, the EJ Fund has awarded four grant cycles totaling more than $1.8 million to 28 community-based organizations, whose projects are led by or are in partnership with communities of color impacted by environmental injustices. Projects can focus on, but are not limited to, arts and storytelling, community education, organizational or community capacity building, climate change preparedness, skills building, and trainings related to green jobs, and community planning or visioning. A community-based Environmental Justice Committee provides oversight of the EJ Fund.

Portland's Clean Energy Community Benefits Fund (PCEF): In 2018, Portland achieved voter approval of the Portland Clean Energy Community Benefits Fund (PCEF). The PCEF empowers communities to lead projects aimed at reducing carbon emissions, fostering economic empowerment, and bolstering resilience against the impacts of a changing climate. The PCEF is the first climate fund measure conceived and championed by communities directly affected by climate change. Funding for the PCEF is generated through a 1 percent surcharge on sales made by large retailers in Portland. The program prioritizes funding projects serving Portland's frontline communities and neighborhoods, including those with historically marginalized populations such as communities of color and people with low incomes. By 2023, the PCEF awarded more than $147 million in grants that support communities most impacted by climate change, including people with low incomes, people of color, and people living with disabilities.[77]

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[71] King County 2020 SCAP, Section II. Sustainable and Resilient Frontline Communities, p 186 [LINK]
[72] City of Seattle Green New Deal [LINK]
[73] City of Seattle Environmental Justice Fund [LINK]
[74] City of Portland Clean Energy Community Benefits Fund [LINK]
[75] City of Seattle Green New Deal Resolution 31895 [LINK]
[76] City of Seattle Green New Deal Executive Order 2020-01 [LINK]
[77] City of Portland Clean Energy Community Benefits Fund priority populations. [LINK]

The funds are dedicated to supporting community-led projects that address climate change, equity, and increasing resilience.

King County's CCR Grant is a pilot for supporting King County frontline community priorities, assets and strategies, technical capacity needs, and general awareness of climate change as a threat multiplier, as identified in the SCAP. Developing and launching the CCR Grant has grown ECO's network of individuals and community-based organizations for future engagement opportunities across climate programs such as workforce development, community decarbonization, emergency preparedness, climate justice education and many other emerging campaigns. Scaling these direct investments would also support cross-sector partnerships focused on equitable, comprehensive climate solutions.

Opportunities for Additional Stakeholder Engagement

While the timeline of the Motion allowed for only initial engagement with stakeholders, the working group recognized that additional engagement opportunities are essential to help identify and prioritize climate funding needs and opportunities.

One of the most valuable upcoming opportunities to engage community members, the CECFT, and other stakeholders on King County climate action, implementation, and funding is the development of the 2025-2030 SCAP. The ECO formally initiated SCAP plan development in April 2024 and will be engaging stakeholders to inform the development of the plan in several ways over the next year.

In addition to ECO's SCAP work, other King County planning engagement opportunities simultaneously occurring in the next year include:

- The King County Parks Levy Community Advisory Committee process;
- The King County Equity, Racial and Social Justice Plan refresh;
- The King County Hazard Mitigation Plan development;
- The King County Flood Management Plan development, and
- The King County Comprehensive Plan update.

Several of these planning efforts are engaging with community at large and with members of equity working groups across King County departments, including the Climate Equity Community Task Force, the Metro Mobility Equity Cabinet, the Open Space Equity Cabinet, the Office of Equity, Racial, and Social Justice (OERSJ) Cabinet, the OERSJ Gathering Collaborative, and the DCHS Equitable Development Initiative Community Planning Workgroup. In the case of the King County Comprehensive Plan update, an Equity Working Group was established comprising select members of the above-named groups. Review of these updated plans will further inform Countywide community climate priorities and support alignment across planning, action, and investments.

VI. Conclusion

Thoughtfully and intentionally responding to the climate crisis with aggressive and ambitious climate actions is a priority for the Executive, the County's Climate Cabinet, and the Executive Climate Office. As shown throughout this report, the climate change funding landscape is complex and has evolved since the development of the 2020 SCAP, with historic levels of state and federal funding of climate investments. At the same time, additional climate funding will be needed for King County to meet its climate goals.

King County is positioning itself to pursue state and federal climate funds and needs a balanced approach to expand its capacity to successfully implement programs from additional funds received. The recent influx of state and federal investments offers an unprecedented opportunity for the ECO, King County departments, and community partners to advance climate initiatives that reduce GHG emissions advance climate equity and increase climate preparedness. Many of the federal grant opportunities are available now through 2025. The state's CCA has raised nearly $2 billion in revenue through early 2024 but is facing possible repeal on the Washington state ballot in November 2024. The loss of CCA funding would create a seismic shift in how King County is planning for and investing in climate action. It would result in the loss of current funding for department climate work as well as for new communitywide programs currently under development.

The initial climate change funding needs and opportunities analysis conducted by the internal working group in partnership with King County departments showed that there is a clear need for additional funding to support climate action for King County departments and local communities. This analysis will inform the ongoing pursuit of state and federal funds and will shape the development of the 2025-2030 SCAP that kicked off in April 2024 and is slated to be transmitted to the King County Council by June 2025. All of these areas of work for the ECO and King County departments would benefit from additional opportunities to engage with stakeholders to inform climate change funding priorities and pathways.

Given the November 2024 ballot outlook with initiatives seeking voter approval including the initiative to repeal the CCA, this report does not include a levy lid lift for November 2024. The Executive will consider the broader funding landscape, in future deliberation of a climate levy. A future County climate levy would also benefit from alignment to address gaps in local, state, and federal climate funding. . A future climate levy would also benefit from a more robust, consensus-driven process to determine a strategy and priority areas and ensure alignment with the development of the 2025-2030 Strategic Climate Action Plan (SCAP).

In the meantime, this report provides a funding landscape analysis as background and identifies several funding options and other recommendations that could be advanced to better prepare King County for a changing climate. Multiple approaches to align climate investments with communitywide and King County climate actions and goals will be necessary. Consideration of existing revenue sources to support climate investments, including those available through the King County Transportation Benefit District, will need to be discussed at the Executive level and include all relevant partners, including the governing members of the special purpose district. Additional and sustained capacity will be needed over the coming months and years to develop the robust funding ecosystem.

VII. Appendices

Appendix A: Motion 16463

Title

A MOTION relating to climate change funding, requesting that the executive assess funding options to address the climate crisis in consultation with a work group of interested parties, and transmit a report, a proposed motion, and, if recommended, a proposed ordinance.

Body

WHEREAS, human activities have caused current levels of atmospheric greenhouse gases to exceed any level measured for at least the past 800,000 years and have already caused global warming of more than one degree Celsius over pre-industrial levels, and

WHEREAS, the Washington state Legislature's findings associated with RCW 70A.45.020 state that climate change is an existential threat to the livelihoods, health, and well-being of all residents of the state, and that Washington is experiencing a climate emergency in the form of increasingly devastating wildfires, flooding, drought, rising temperatures and sea levels, lack of snowpack, and increases in ocean acidification caused in part by climate change, and

WHEREAS, Washington's built environment, which includes buildings, transportation infrastructure, water, wastewater, and energy systems, will face increasing climate-related hazards due to rising seas, more intense heavy rains, river floods, increasing temperatures, and more frequent wildfires, and

WHEREAS, the Washington state Legislature's findings associated with RCW 70A.45.020 state that the state, including its counties, cities, and residents, must engage in activities that reduce greenhouse gas emissions and dependence on fossil fuels, and indicates that the effort to restore a safe and stable climate will require mobilization across all levels of government, and that the longer the state delays in taking definitive action to reduce emissions, the greater the threat posed by climate change to current and future generations, and the more costly it will be to protect and maintain communities against the impacts of climate change, and

WHEREAS, the Washington state Legislature's findings in RCW 70A.65.005 state that actions to increase the resilience of Washington communities, natural resource lands, and ecosystems can prevent and reduce impacts to communities and the environment and improve their ability to recover, and

WHEREAS, King County has demonstrated leadership among local governments nationwide through its focus on climate change, in 2012 adopting its first Strategic Climate Action Plan ("SCAP") and becoming one of the first local jurisdictions in the nation to comprehensively plan to address the threats of climate change, and

WHEREAS, the 2020 SCAP identifies the primary sources of greenhouse gases in King County as fossil fuels used for transportation and energy used to heat, cool, and power the region's homes and buildings, and

WHEREAS, the 2020 SCAP emphasizes investments in preserving open space and forest lands not just as a means of increasing carbon sequestration by protecting trees and vegetation, but also as a means of protecting vulnerable communities from the impacts of climate change, as open space lands can help to mitigate urban heat island effect and other negative health impacts resulting from climate change, and

WHEREAS, the 2020 SCAP states "Frontline Communities are those that will be disproportionately impacted by climate change; these are the populations that face historic[al] and current inequities, often experience the earliest and most acute impacts of climate change, and have limited resources and/or capacity to adapt," and King County recognizes that that those communities are particularly vulnerable to excessive heat, poor air quality, and flooding episodes, all associated with a changing climate, and

WHEREAS, King County must act to accomplish a systematic response to climate change and its impacts by takings steps both to limit and sequester the greenhouse gas emissions that contribute to climate change and to prepare for, mitigate, adapt to, and respond to climate change impacts, and

WHEREAS, RCW 84.55.050 established a process by which counties can increase regular property taxes in excess of one percent per year through a vote of the people, known as a levy lid lift, and this mechanism would provide funding critical to the county's systematic response to climate change and its impacts;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A.1. The executive is requested to assess funding options, which together or individually, would secure one billion dollars over a six- or nine-year period for the purpose of addressing the climate crisis through the reduction, prevention, and sequestration of greenhouse gas emissions and the preparation for, mitigation of, adaptation to, and response to the impacts of climate change. The options should include, but not be limited to, a property tax levy proposal with collections beginning in 2025, revenues relating to solid waste disposal and wastewater treatment, and any other potential revenue sources. The executive should consult with a work group of interested parties as identified in section A.3. of this motion.

2. The proposal should give full consideration to, and center, concerns of equity and social justice generally, and environmental justice specifically, including the disproportionate impacts that climate change can have on frontline communities and other vulnerable populations. The proposal should also seek a balance between long-range greenhouse gas reduction goals and pressing equity needs.

3.a. The executive should form a work group of interested parties for the purpose of developing the proposal. The proposal development process should be community driven, embody the principles of delegated power and community ownership, and align with the Sustainable and Resilient Frontline Communities framework of the 2020 Strategic Climate Action Plan.

b. The work group should include, but not be limited to, representatives of:

(1) the climate equity community task force;

(2) organizations concerned with topics such as climate change, low-emission or no-emission transportation alternatives, energy conservation, environmental protection, and equity and social justice; and

(3) frontline communities and other groups directly impacted by climate change.

4. The proposal should take the form of a written report and should include, but not be limited to, the following:

a. a summary of the development proposal process;

b. if a property tax levy is recommended, recommendations for provisions to be included in a proposed levy ordinance, including:

(1) an initial levy rate, time period for the levy lid lift, and limit factor to be used, along with estimated annual proceeds from each year of levy collections, using the most recent data from the office of economic and financial analysis;

(2) a recommendation for the categories of expenditures to be funded with levy proceeds, including, at a minimum, the following:

(a) projects or programs to reduce or prevent greenhouse gas emissions from the transportation sector;

(b) projects or programs to reduce or prevent greenhouse gas emissions resulting from energy consumption in structures;

(c) the purchase or acquisition of open space land identified through the land conservation initiative that will sequester greenhouse gases or mitigate urban heat island effect or other climate impacts; and

(d) projects or programs to prepare for, mitigate, adapt to, or respond to the impacts of climate change, including, but not limited to, extreme weather events and wildfire smoke;

(3) a proposed percentage allocation of levy funding among the expenditure categories; and

(4) any other recommendations of the executive and work group to be included in the proposed levy ordinance;

c. an assessment of potential revenues relating to solid waste disposal and wastewater treatment, and any other potential revenue sources for the purpose of addressing the climate crisis through the reduction, prevention, and sequestration of greenhouse gas emissions and the preparation for, mitigation of, adaptation to, and response to the impacts of climate change; and

d. a preliminary implementation plan, including, but not limited to:

(1) recommended subcategories of expenditures, such as grant programs and specific projects or bodies of work;

(2) a proposal for overall administrative responsibility and management of expenditures and functions relating to the levy proceeds and other funding sources; and

(3) proposed provisions for annual reporting to the council regarding accomplishments, challenges, total expenditures, allocation of expenditures, and metrics regarding greenhouse gas emissions reduced or prevented, greenhouse gases sequestered, and impacts addressed.

B. No later than April 30, 2024, the executive should electronically file the following with the clerk of the council, who shall retain an electronic copy and provide an electronic copy to all councilmembers, the council chief of staff, and the lead staff for budget and fiscal management committee or its successor:

1. The proposal report, as set forth in section A.4. of this motion;
2. A proposed motion acknowledging receipt of a proposal report; and
3. If recommended by the proposal report, a proposed ordinance providing for the submission to the qualified electors of King County at the general election to be held in King County on November 5, 2024, of a proposition authorizing a property tax levy in excess of the levy limitation contained in chapter 84.55 RCW, for the purpose of addressing the climate crisis through the reduction, prevention, and sequestration of greenhouse gas emissions and the preparation for, mitigation of, adaptation to, and response to the impacts of climate change, that is consistent with the recommendations of the proposal report.

Appendix B: Case Studies from Other Local Jurisdictions

Seattle's Jump Start Tax and Green New Deal

In 2020, Seattle approved a payroll expense tax (JumpStart tax) requiring large businesses to pay a tax for all employees earning $150,000 or more annually for affordable housing and small businesses. The JumpStart tax spending plan set aside 62 percent for housing, 15 percent toward small business, 9 percent for the Equitable Development Initiative, 5 percent for administrative costs, and 9 percent of revenue for investment to advance Seattle's Green New Deal (GND).[78] The Green New Deal oversight

[78] Jump Start Seattle – Proposed Spending Plan, 2021-2022+ [LINK]

board recommended investments and the City's 2023-24 budget included about $20 million per year of climate investments.[79]

Portland's Clean Energy Community Benefits Fund (PCEF)[80]

In 2018, Portland achieved a significant milestone with a 64 percent voter approval of the Portland Clean Energy Community Benefits Fund (PCEF). The PCEF stands out as the first climate fund measure conceived and championed by communities directly affected by climate change. As described in the PCEF's Climate Investment Plan, funding for the PCEF is generated through a 1 percent surcharge on retail revenues made by large retailers (those with gross revenues exceeding $1 billion, and $500,000), excluding basic groceries, medicines, and health care services in Portland, with a minimum threshold of $1 billion in national revenue. The money in this fund is used to finance three priorities: 1) clean energy projects, 2) clean energy jobs training, and 3) programs that both reduce GHGs and promote economic, social, and environmental benefits which is broken down into PCEF Funding Allocation Table. The PCEF had an initial total funding projection amount of $44 million but exceeded revenues and has a five-year, $750 million investment plan. The funds are dedicated to supporting community-led projects that address climate change, equity, and increasing resilience.

Denver's Polluters Must Pay Ordinance

The Polluters Must Pay ordinance in Denver represents a proactive approach to combatting climate change by holding major polluters accountable for their emissions. This innovative initiative channels funds into critical areas such as green job creation, sustainable transportation, clean energy, and neighborhood programs. Funded through a new citywide tax on electricity and natural gas, most Denver property owners, including commercial, industrial, and residential, contribute to the initiative. However, low-income residents receiving government aid and property owners enrolled in renewable energy programs are exempt. Residential property owners receive a modest allowance and pay minimal fees for exceeding the cap, with allowances and fees scaling up for commercial and industrial buildings. This ordinance is projected to generate approximately $130 million annually, supporting job training, energy-efficient building upgrades, solar power, battery storage, and climate readiness programs, with a special focus on frontline communities disproportionately affected by the climate crisis.

San Francisco's Climate Action Grant Program (CAGP)

San Francisco is committed to combatting climate change through its Climate Action Plan (CAP), which outlines strategies to achieve net-zero greenhouse gas emissions by 2040 as described by the . The city offers Community Grants to support local projects aligned with the CAP's goals, focusing on areas such as building electrification, urban greening, composting, waste reduction, environmental justice, and youth engagement. These grants promote initiatives fostering meaningful community partnerships, workforce development, and youth engagement while addressing sustainability challenges and promoting equity and environmental justice. Mayor London N. Breed announced the availability of grant funding through the San Francisco Department of the Environment (SF Environment), which designates specific amounts for projects aligned with the CAP. Funding has supported over $900,000 in proposals from organizations, nonprofits, and community groups outline how grant funds will be utilized for climate-related projects.

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[79] Jump Start Outcomes Presentation [LINK]

[80] PCEF Climate Investment Plan, 2023 [LINK]

Calgary's Clean Energy Improvement Program (CEIP)
offers flexible financing to residential property owners in Calgary. The CEIP's primary goal is to assist homeowners with the upfront costs of energy efficiency and renewable energy upgrades as a financing tool according to the CEIP webpage. The CEIP allows homeowners to access financing for up to 100 percent of project costs, competitive interest rates (as of 2023, the rate is 2.95 percent), long repayment terms of up to 20 years, and options to repay in full at any time without penalty.

Miami-Dade County Proposed Bond
Mayor Levine Cava, alongside County Commissioner Danielle Cohen-Higgins, has jointly introduced a $2.5 billion bond package (305 Future Ready) slated for presentation to voters this upcoming November. This proposed bond seeks to channel investments into crucial infrastructure and services, fortifying the county's capacity to confront adversities and adapt to evolving circumstances. The comprehensive package adopts a multifaceted approach, directing funds towards critical infrastructure enhancements, including upgrades to seawalls, stormwater management systems, flood mitigation measures and advancing renewable energy initiatives.