



CITY OF BOULDER
CITY COUNCIL AGENDA ITEM
MEETING DATE: FEBRUARY 16, 2023

AGENDA TITLE: Introduction, first reading and consideration of a motion to order published by title only, Ordinance 8569 approving supplemental appropriations to the 2023 Budget and setting forth related details

PART 4: CLIMATE TAX AND WILDFIRE RESILIENCE APPROPRIATION

Climate Tax Summary

On November 8, 2022, Boulder voters approved the Climate Tax (ballot measures 2A and 2B) that supports enhanced climate initiatives and actions in the community and provides the city the authority to borrow up to \$52.9 million to accelerate investment in climate resilience efforts. On January 1, 2023, the Climate Tax took effect and replaced the former Climate Action Plan (CAP) and Utility Occupation Tax (UOT). The new Climate Tax is set at \$6.5 million for the first year, adjusted annually for inflation, and levied on any provider of electricity and natural gas in the city.

The new Climate Tax will continue to fund ongoing programs led by the Climate Initiatives department, including residential and business incentive efforts and the partnership work with Xcel and support new initiatives such as enhancement of community wildfire resilience efforts led across the city organization, discussed below. To ensure Climate Tax dollars are being invested in alignment with the city's Sustainability, Equity, and Resilience Framework, a Study Session was held with City Council on February 22, 2022, with the goal of providing council and the community an overview of the city's current and proposed uses of funding for community-based climate work. Attachment D of the February staff memorandum, Achieving Systems-scale impact for Climate Actions—Potential "Big Moves," details the types of programs that the Climate Initiatives department is prioritizing over the next several years.

To further inform the investment strategies for the Climate Tax revenue, staff conducted a statistically valid survey to collect feedback on the tax proposal. The poll introduced respondents to the areas of focus the climate tax is proposed to address – climate equity, climate resilience, energy systems, circular materials economy, natural climate solutions, land use and financial systems. Respondents were also afforded the opportunity to provide verbatim responses, so that in their own words they could articulate their concerns and recommended priorities. Results of the polling including verbatim responses, were share with council at their July 21, 2022 meeting.

Community members have also shared ideas, questions and feedback online using the city’s Be Heard Boulder Platform. Participants have used the tool to clarify how the city plans to invest a renewed climate tax, shared ideas on how the city can support accelerated electrification of buildings and transit and asked about progress of the city’s partnership with Xcel and policy efforts .

Additionally, Climate Initiative staff hosted three Climate Conversations in 2022, as well as focus groups with target communities and businesses, designed to gather input on how to invest climate funds. The council and community feedback has been used to identify specific uses of the tax revenue which were included in the tax measure ballot language.

Examples of expanded and new initiatives led by Climate Initiatives include:

- Energy equity
 - o Manufactured housing repair and efficiency;
 - o Incentives for local renewable energy including subscriptions to solar gardens for low-income residents;
 - o Energy code tools to counter equity impacts of aggressive building codes;
 - o Electrification solutions and financing tools to bring efficient heating and cooling to all community members;
 - o Incentive program to support landscaping service providers in adopting electric commercial-grade landscaping equipment; and
 - o E-bike incentive program.
- Community resilience
 - o Programs to bring undergrounding, microgrids and energy storage to the community; and
 - o Advancing neighborhood and community resilience through community resource sharing.
- **Natural Climate Solutions: Support systems change through knowledge and best practices in management of our natural environment.**
 - o **Cool Boulder: Major urban forestry climate campaign;**
 - o **Cool and Absorbent Landscapes: Land management strategies to increase carbon and water capture; and**
 - o Research and development: Urban heat mapping and vulnerability analyses to focus efforts.
- Circular Materials
 - o Consumer goods: Minimize single-use plastics, maximize repair and reuse, market development for recyclable materials;
 - o Built environment: Construction waste and low-carbon construction materials; and
 - o Organic Materials: Minimize food waste and maximize compost/biochar.

In addition to passing the new Climate Tax, Boulder voters also approved Issue 2B, which allows the issuance of debt for climate related initiatives. The ability to borrow against the Climate Tax revenues may be an important financial instrument to access additional finances for climate change mitigation or adaptation related projects. While any debt issuance would include a robust community and council conversation, some initial ideas that have been suggested by community members include capital-intensive energy projects such as microgrids and energy storage to support resilience and renewable energy development, additional infrastructure in support of the community's circular economy efforts such as organics processing and supply chain development for Natural Climate Solutions such as land acquisition for plant materials/greenhouse development.

Climate Funding Budget Adjustments

This Special ATB will perform several adjustments relating to the new Climate Tax and Climate Initiatives funding. The existing Climate Action Plan Fund will be renamed the Climate Tax Fund to better align with the newly approved revenue source, the Climate Tax Fund will increase by \$4.27 million in appropriation to support the reorganization of programs funded by the restructured tax and increased wildland resilience efforts, and the General Fund will decrease by a total of \$2.77 million to reduce the expenditure appropriation related to the Climate-related Utility Occupation Tax revenue source, which has been replaced by the Climate Tax, and the Disposable Bag Fee. The Disposable Bag Fee is a distinct revenue source that is codified for restricted use to support Climate-related waste reduction initiatives. In addition, the General Fund will perform a one-time transfer of \$1.43 million in Utility Occupation Tax reserves and \$774,000 in Disposable Bag Fee reserves to the Climate Tax Fund. This consolidation of Climate-related funding to the Climate Tax Fund will assist to provide flexibility in funding future climate work.

Of the \$4.27 million in increased appropriation in the Climate Tax Fund, a total of \$1.5 million will fund enhanced wildfire resilience efforts. Increased appropriations for wildfire resilience are described in the next section.

City Wildfire Resilience Efforts

As described in the February 16, 2023, Citywide Wildfire Resilience Efforts IP (link forthcoming), the City of Boulder has a long history of building and developing programs, staff expertise, and partnerships related to wildfire resilience efforts. Resilience efforts are embedded within the work that staff does every day. Boulder's resilience efforts related to wildfire are a multi-faceted, cross-departmental, cross-jurisdictional endeavor that must include ongoing efforts to reduce the chance of future fires, improve wildfire preparedness, plan to handle emergencies, respond to the emergency, and recovery from the impacts of the emergency. As with any local risk, the goal is to reduce the wildfire threat as much as possible to save lives and property and to maintain and enhance ecosystem health and biodiversity.

Wildfire resilience efforts can be organized under the three goals identified in the National Cohesive Wildland Fire Management Strategy document: Resilient Landscapes; Fire-Adapted Communities; and Safe and Effective Wildfire Response. Some of the programs and actions under these three goal areas include: forest, grassland, and agriculture

management; the urban canopy; building codes; public education and outreach; critical infrastructure; evacuation and public notification, wildfire planning, trainings and equipment; early detection; and incident response. All these efforts strive to increase the resilience of the community that lives, works, and visits the City of Boulder.

While the city has long been working on wildfire resilience, the climate crises and the numerous events over the past ten years have prioritized the need to expand community planning, preparedness, response, and recovery efforts. The issue of climate-related resilience, especially in the context of wildfire, has become an urgent citywide need and priority. Therefore, significant staff resources are being dedicated to identifying and implementing opportunities to enhance city investment in resilience efforts specific to wildfire and the climate emergency, including the need to update the city's Community Wildfire Protection Plan (CWPP). The CWPP identifies and prioritizes areas for hazardous fuel reduction treatments, recommends the types and methods of treatment that will protect at-risk communities and essential infrastructure, recommends measures to reduce structural ignitability, and addresses other issues related to wildfire response, hazard mitigation, community preparedness, and structure protection.

The new and expanded climate tax affords the opportunity to implement identified enhancements in the city's wildfire resilience efforts related to Resilient Landscapes; Fire-Adapted Communities; and Safe and Effective Wildfire Response.



Fig. 1. The National Cohesive Wildland Fire Management Strategy Goals. This memo and the Citywide Wildfire Resilience Efforts IP are organized using these goals.

Resilient Landscapes: Landscapes are resilient to fire-related disturbances in accordance with management objectives.

Restoring and maintaining landscapes so they are resilient to fire-related disturbance is a focus across many of the City's ongoing management efforts. The Resilience IP provides more detail, but efforts to manage Boulder's urban and wildland forests, grasslands, and agricultural areas all prioritize healthy ecosystems while addressing fuels and fire risk to

the surrounding communities. The City will continue to design and prioritize vegetation treatments to reduce fire intensity, extent, and structure ignition. In 2023, the Climate Tax Fund will be used to add to existing funding focused on these efforts, increasing staffing and equipment to implement restoration and management efforts in priority areas across city owned and managed lands (Table 2). Increasing the size of existing crews and adding equipment to the city fleet will help expand the scope and speed at which fuels management efforts are completed on City lands.

Fire-Adapted Communities: Human populations and infrastructure can withstand wildfire without loss of life and property.

In efforts to support the maintenance of a fire-adapted community, Boulder has engaged in a variety of projects that mitigate risk and educate residents. Currently, there are regulated building codes that help support mitigation, vegetation management standards, and the use of erosion modeling which helps to assess potential post-fire impact to watershed. In terms of education for community members, Boulder Fire-Rescue provides curbside and detailed home assessments, and Boulder Office of Emergency Management provides a quarterly preparedness workshop open to community members and supports additional education by providing workshops by request. These efforts need to be bolstered in order to ensure that all community members have access to education that will enable them to personally prepare and mitigate property, which supports our overall resilience as a community. By increasing efforts in preparedness and mitigation education we provide our community members an opportunity to gain confidence in their own skillset, and confidence in our ability to maintain open space lands responsibly. In 2023, funding from the Climate Tax Fund will be used to accelerate wildfire risk home assessments, develop grant tools to assist homeowners and businesses, and update and deliver wildfire preparedness information (Table 2).

Safe and Effective Wildfire Response: All jurisdictions participate in making & implementing safe, effective, efficient risk-based wildfire management decisions.

Given the level of risk faced by the community, safe and effective wildfire response is a very high priority both in the municipal boundary and on the city's owned and managed lands. Boulder Fire Rescue prioritizes this response by ensuring all front-line responders are trained to National Wildfire Coordinating Group standards for wildland firefighting. In addition to those responders the BFRD also has a dedicated wildland fire division. Those specialists ensure training standards are met in the wildfire space as well as manage agreements for response and support with other jurisdictions that hold city owned land within their districts. Fire danger-based dispatching and upstaffing of wildland specific apparatus are also managed by the division as well as the management of the Countywide incident management team in conjunction with the fire management group within Boulder County Sheriff's dept.

In 2023, additional funding from the Climate Tax Fund will bring new tools for better data collection on fuels and weather to enhance response and upstaffing decisions, an important step to a more data-driven response (Table 2). We are also evaluating a possible shift to have wildfire-specific overhead available 24 hours a day with an additional ask for the 2024 budget cycle. See the Citywide Wildfire Resilience Efforts IP for more information

on evacuation and public notification, water use during response, the structure protection plan, response staffing, and early detection of wildfire.

Community Wildfire Protection Plan

A Community Wildfire Protection Plan (CWPP) is a nationally recognized collaborative planning framework used to identify wildfire hazard and risk in the Wildland-Urban interface and prioritize specific management actions to reduce the risk of wildfire to communities. A cross-departmental team will be working with an outside contractor in 2023 to update the City’s CWPP, which was previously completed in 2007 (Table 1). This update will analyze wildfire risk to the communities and neighborhoods across the city and adjacent to all City owned and managed lands, synthesize feedback from the public and stakeholders with an interest in wildfire issues, and create an actionable implementation plan to drive on-the-ground management efforts. This plan will integrate across the three National Cohesive Wildland Fire Management Strategy goals (resilient landscapes, fire-adapted communities, and safe and effective wildfire response) described above and in the Citywide Wildfire Resilience Efforts IP and create a comprehensive approach for City departments to address the risk of wildfire to the City of Boulder. Moving forward, the CWPP will be used to inform budgeting and prioritize work plans and will become the basis for state and local grants to additionally fund fire mitigation efforts.

Table 2. Examples of 2023 enhancements to the City of Boulder’s wildfire resilience efforts using the Climate Tax Fund.

Item	2023 Range of Expenses	Community Outcomes
Resilient Landscapes	\$600,000 to \$700,000	Reduced Wildfire Risk: Funding from the Climate Tax Fund will be used to expand the scope and speed at which fuels management efforts are completed on City lands, including forest thinning, prescribed burns, weed management, and ditch fuel management.
Fire-Adapted Communities	\$500,000 to \$700,000	<p>Reduced Wildfire Risk: Funding from the Climate Tax Fund will be used to accelerate wildfire risk home assessments and create financing and grant tools to assist homeowners and businesses in risk reduction efforts such as vegetation removal, roofing and siding replacement, and fence reconstruction.</p> <p>Increased Community Preparedness: Funding from the Climate Tax Fund will be used to update wildfire preparedness information and deliver them via mailings, online material, advertising campaigns, display boards, and education and outreach programs in multiple languages, including preparedness workshops.</p>

Safe and Effective Wildfire Response	\$50,000 to \$150,000	Faster Wildfire Response: Funding from the Climate Tax Fund will be used to improve real-time weather and fuels data to enhance response and upstaffing decisions.
Community Wildfire Protection Plan	\$100,000 to \$200,000	Increased Community Wildfire Protection: Funding from the Climate Tax Fund will be used to update the 2007 CWPP. The CWPP includes community engagement, updated risk mapping, project prioritization, and makes the COB eligible to apply for grants. CWPP implementation in out years may be funded in part with the Climate Tax Fund.
Total	\$1.25 - \$1.5 million	

Climate Tax Fund for Wildfire Resilience: 2024 and Beyond

Table 2 above describes planned enhancements funded through the newly approved Climate Tax. As described in the Citywide Wildfire Resilience Efforts IP, these recommendations were created using city cross-departmental team, based on what immediate enhancements could be implemented using the Climate Tax fund in 2023. This team will continue to evaluate program enhancements related to wildfire resilience for out years and create recommendations as part of annual COB budget process.

NEXT STEPS

Second reading and public hearing for this supplemental appropriation is scheduled for March 2, 2023.