



## **AGENDA REPORT**

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**DATE:** September 20, 2022  
**TO:** Members of the City Council and Members of the Public  
**FROM:** Councilmember Dan Kalb  
**SUBJECT:** Resolution in Support of Proposition 30, the Clean Air Initiative

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### **RECOMMENDATION**

That the City Council

**ADOPT A RESOLUTION IN SUPPORT OF PROPOSITION 30, THE CLEAN AIR INITIATIVE, WHICH WOULD INCREASE THE TAX ON PERSONAL INCOME ABOVE \$2 MILLION BY 1.75% FOR TWENTY YEARS AND DEDICATE THE REVENUE TO ZERO-EMISSION VEHICLE SUBSIDIES, ZERO-EMISSION VEHICLE INFRASTRUCTURE, AND WILDFIRE SUPPRESSION AND PREVENTION PROGRAMS.**

Climate change has wrought havoc on California. Increasing temperatures and droughts stress wildlife and ecosystems, and bring deadly fires and air pollution. California's air quality is now amongst the worst in the country, causing more asthma attacks, pre-term pregnancies and low birth weight, heart attacks and strokes, lung cancer, and even premature death.

Just this past week, the jewel of Oakland, Lake Merritt, experienced massive fish and other wildlife die-off due to an algal bloom almost certainly brought on by climate change. This Tuesday, 9/6, 4000 firefighters battled more than a dozen blazes across California<sup>1</sup>. In 2018, another severe fire year, 106 lost their lives in fires. Researchers from UC Irvine believe that with the harm of air pollution factored in, 3652 died as a result of the fires.<sup>2</sup> We know that the

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<sup>1</sup> <https://www.usatoday.com/story/news/nation/2022/09/06/fairview-fire-evacuation-hemet-two-killed/7999301001/>

<sup>2</sup> <https://www.kqed.org/science/1971666/california-wildfires-killed-106-people-two-years-ago-researchers-say-the-smoke-killed->

City of Oakland, with dry hills and flammable brush, is also susceptible to tragic fires, like the one that killed 25 in 1991.

California, and the City of Oakland, must do more to halt the damaging effects of climate change. This bill, by providing subsidies for zero-emission vehicles, zero-emission vehicle infrastructure, and wildfire suppression and prevention programs, will help California reach its climate goals in an equitable manner. Zero-emission vehicles are still expensive, and these subsidies will go a long way toward making these vehicles more affordable for low-income communities.

Please see attached fact sheets for more information on funding allocation and program design for Proposition 30. Please join me in supporting this critical legislation.

For questions regarding this report, please contact Councilmember Dan Kalb at [dkalb@oaklandca.gov](mailto:dkalb@oaklandca.gov).

Respectfully submitted,



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Councilmember Dan Kalb

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3652#:~:text=Failed%20to%20save%20article&text=According%20to%20official%20numbers%2C%20the,as%20a%20fierce%20fire%20tornado.

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# Clean Air CA

## **CLEAN CARS AND CLEAN AIR ACT** Clean Air for All Communities

Climate change is devastating California with prolonged droughts and increasingly catastrophic wildfires that cost lives, destroy property, hurt our state's economy, ruin our air quality and damage public health. The air quality in California has become among the worst in the country, posing a hazard to public health and eroding the quality of life in every region of the state.

These impacts are felt by all Californians, but particularly by low-income and communities of color. All Californians deserve clean air.

To solve this crisis, we need to address two main sources of air pollution and climate change emissions in California: transportation and wildfires. We need an immediate, sustained investment to 1) prevent and fight wildfires, and increase community resilience, and 2) accelerate an equitable transition to clean transportation.

### **CCCA Act: Clean Air Programs with Progressive Funding and a Focus on Equity**

To address these issues, a coalition of labor organizations, environmental groups, firefighters, public health advocates, environmental justice organizations, and businesses are supporting the Clean Cars and Clean Air Act (CCCA) for the ballot this November. The Act provides roughly \$100 billion in new revenue over the next 20 years:

- . 1) \$20 Billion to fight and prevent catastrophic wildfires.
- . 2) \$35 Billion to expand EV and ZEV charging/fueling infrastructure.\*

- . 3) \$45 Billion for subsidies to help consumers & organizations afford clean vehicles.\*

\*The Act requires that half of the funding for the vehicle and infrastructure investments (or approximately \$40+ Billion) benefits low-income and disadvantaged communities. The remaining funding prioritizes affordability for middle-income Californians, and the measure also provides billions for wildfire prevention, including “grants for home-hardening retrofits focused on low-income communities.”

The funding source - increasing the tax on personal income in excess of \$2 million by 1.75%, affecting only about .1% of Californians – is also progressive. This ensures the funding comes from those most able to afford it and the costs are not passed through to low- and middle-income families in the form of higher prices.

### **Ensuring Equity: Funding Allocation**

The Act’s focus on ensuring equity begins with its funding allocation: 50% of funding for the ZEV subsidies and charging infrastructure is reserved to benefit low-income and disadvantaged communities. Low-income communities also receive priority for grants to harden homes to protect them from wildfires.

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The Act uses existing statutes and definitions for these communities:

- “low-income community” refers to census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits.
- “disadvantaged community” is tied to the California EPA’s disadvantaged communities database, which identifies communities based on geographic, socioeconomic, public health, and environmental hazard criteria, including areas disproportionately affected by:
  - Environmental pollution and toxic exposures;

- High unemployment and low-income;
- Low levels of homeownership and high rent burden; or
- Low levels of educational attainment. The Act essentially codifies the minimum 50% investment requirement in low-income and disadvantaged communities supported by environmental justice, equity, environmental, and public health advocates that would have been imposed on the Energy Commission’s Clean Transportation Program by legislation which did not pass last year - SB 726 (Gonzalez) and AB 1389 (Reyes) - and extends that requirement to new infrastructure programs that would be funded by the Act as well as the Air Resources Board’s vehicle and clean mobility programs funded by the Act. **Ensuring Equity: Program Design** The Act’s focus on ensuring the benefits and funding flow to all communities extends to specific programs. The funding can go to existing programs or new programs, provided they meet the guidelines in the measure. **Increasing Use of ZEVs and Other Zero-Emission Transportation Options in Low-Income Communities** The Act tasks the Air Resources Board with achieving updated equity goals codified by the Charge Ahead California Initiative (SB 1275, de León, sponsored by Communities for a Better Environment, Coalition for Clean Air, The Greenlining Institute, Environment California, and NRDC):

● Purpose: “Providing access to, and affordability for, moderate-income, low-income and disadvantaged communities and consumers to ZEVs, to increase the placement of ZEVs in those communities and with those consumers to lower GHG emissions, enhance air quality, and promote overall benefits for those communities and consumers.”

Half of the ZEV funding goes to the “ZEV Equity and Air Quality Account” dedicated for projects, activities, and to benefit people in low-income and disadvantaged communities, such as:

- Zero-emission school buses and zero-emission transit buses;
- Incentives for government and businesses to buy medium-, heavy-duty,

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and off-road agricultural and construction EVs and ZEVs;

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- Financing assistance and incentives to help those without access to capital or credit acquire new and used EVs and ZEVs;
  - Help for people to retire old polluting vehicles and replace them with new and used EVs and ZEVs or other clean mobility options;
  - Help for agricultural workers and others to utilize zero-emission vanpools; and
  - Increase access to non-auto clean mobility options, including subsidies for the purchase of electric bikes or transit passes, and supporting bike lanes and equitable access to bike sharing. This funding will be available to dramatically expand the zero-emission investments in existing equity-forward CARB programs such as Clean Mobility Options and Clean Cars 4 All, as well as expanding the zero-emission investments in the Hybrid and Zero-emission Truck and Bus Voucher Incentive Program (HVIP).

Increasing ZEV Charging /Fueling Infrastructure The Act tasks the California Energy Commission with achieving the equity goals codified by the Charge Ahead California Initiative (SB 1275), modified to focus on infrastructure:

- Purpose: “Increasing access for disadvantaged, low-income, and moderate-income communities and consumers to passenger ZEV fueling infrastructure, and to increase the placement of that passenger ZEV infrastructure in those communities and with those consumers in order to lower GHG emissions, enhance the air quality, and promote overall benefits for those communities and consumers.”

Similarly, half of the ZEV Infrastructure funding goes to a dedicated Infrastructure Access Account to benefit communities of color and low-income communities, including dedicated funding for multifamily dwelling properties and fast-charging sites near multi-family dwellings, ensuring renters benefit from the funding. This funding will be available to dramatically expand existing equity-forward CEC programs such as Reliable, Equitable, and Accessible

Charging for multi-family Housing (REACH), which prioritizes installing charging equipment in multi-family affordable housing developments in low income or disadvantaged communities.

### **Transparency and Accountability**

The programs that will be funded pursuant to this measure are informed by public processes that allow for significant stakeholder input, and are subject to oversight by advisory committees that include representation from public-interest groups. The Act also requires biennial audits by the State Auditor and performance audits by the State Controller to ensure transparency, accountability and ultimately that the funding and benefit goes to communities as required.

For more information, please contact [info@cleanairca.org](mailto:info@cleanairca.org) or visit [www.cleanairca.org](http://www.cleanairca.org).



## Clean Cars and Clean Air Act Fact Sheet – Public Health

### Supporters\*

American Lung Association

CA Electric Transportation Coalition

CA Environmental Voters

CA State Pipe Trades Council

CAL FIRE Local 2881

Climate Resolve

Coalition for Clean Air

Lyft

Mary Nichols, former Chair - CA Air Resources Board

Natural Resources Defense Council

Move LA

Public Health Advocates

Rivian

State Association of Electrical Workers - IBEW

Union of Concerned Scientists

*\*Partial list.*

### **California's Poor Air Quality Is a Serious Threat to Public Health**

Climate-driven extreme wildfires and transportation emissions are creating a public health emergency in California.

California's air quality is now among the worst in the country, posing a serious hazard to public health and our quality of life throughout the state. A recent [American Lung Association air quality report](#) gave nearly every county in the state a failing grade on either ozone pollution, particle pollution, or both.

Polluted air has serious impacts on our health: increased asthma attacks, pre-term pregnancies and low birth weight, heart attacks and strokes, lung cancer, impaired cognitive functioning and even premature death.

These risks are elevated for women, children and seniors, and for low-income and disadvantaged communities where air pollution is frequently more acute. All of which translates into billions of dollars in higher health care costs for families, employers and the state.

### **Tackling the Source of Air Pollution and Carbon Emissions**

Wildfire and [transportation emissions](#) are the top sources of climate change emissions in our state and among the top sources of the particulate emissions polluting our air. To restore clean healthy air to Californians, we must address both.

### **The Clean Cars & Clean Air Act: Healthier Air for All Californians**

A coalition of public health advocates, environmental groups, state firefighters, labor and businesses are sponsoring the Clean Cars and Clean Air Act (CCCAA) for the ballot this November to fight and prevent wildfires and reduce vehicle emissions.

The Act provides roughly \$100 billion in new revenue over 20 years to fund:

- Subsidies to help make light-, medium- and heavy-duty electric (EVs) and other zero-emission vehicles (ZEVs) more affordable;
- Development of infrastructure to ensure more convenient, affordable access to charging / fueling of EVs / ZEVs; and
- Fighting and preventing wildfires, including resilience measures to protect communities, homes and businesses.

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## Clean Cars and Clean Air Act Fact Sheet – Public Health

The Act includes strict transparency and accountability measures to ensure the money is spent as intended, including 1) regular audits by the State Auditor, and 2) prohibiting the State Legislature from using these funds to supplant existing programs.

The CCCAA addresses the two barriers many Californians face in purchasing an EV – affordability and convenient charging – accelerating our transition toward a zero-emission transportation sector. The Act requires 50% of the funding for vehicle subsidies and infrastructure to be spent to benefit low-income and disadvantaged communities. Air pollution disproportionately impacts low-income communities and disadvantaged communities, so focusing efforts there helps address a key social and structural determinant of health.

The Act also provides new resources for fighting and preventing wildfires, helping to reduce the number of catastrophic wildfires plaguing our state.

Clean cars + fewer extreme wildfires = cleaner, healthier air.

### **The CCCAA Will Save Lives and Lower Health Care Costs**

The ozone and particle pollution in California placed the health of over 38 million residents at risk in 2021. Air pollution costs Californians \$1 billion in asthma hospitalizations each year. According to the American Lung Association, the reduced emissions from shifting to zero-emission vehicles in California will avoid:

- \$169 billion in health care costs,
- 440,000 asthma attacks,
- 15,300 premature deaths, and
- 2,160,000 lost workdays.

The reduction of extreme wildfires will result in additional health benefits. Even short-term exposure to wildfire smoke has resulted in increased hospital and ER visits. The particular health risks from long-term exposure to wildfires are still being researched, but early research suggests the particulate matter from wildfires could present a greater risk than from other particulate sources.

### **Current Efforts Are Not Enough: We Need to Act Now**

California is far behind track to meet its climate and zero-emission vehicle goals, even accounting for recent proposals and programs. Absent strong action today to boost our efforts, we will face more wildfires, worse air quality and the consequences from both.

Ad paid for by Clean Air California, a Coalition of Rideshare Companies, Labor, and Environmental Groups.  
Committee Major Funding from:

Lyft  
California State Association of Electrical Workers  
California Environmental Voters  
Funding details at [www.fppc.ca.gov](http://www.fppc.ca.gov)

November 8, 2022 Ballot



## **PROPOSITION 30**

### **Provides Funding for Programs to Reduce Air Pollution and Prevent Wildfires by Increasing Tax on Personal Income**

**Over \$2 Million. Initiative Statute.**

#### **ANALYSIS OF MEASURE BACKGROUND**

*California Personal Income Taxes.* The state collects a tax on personal income earned within the state. Last year, the personal income tax raised over \$130 billion in revenue. Most of the revenue helps pay for education, prisons, health care, and other public services.

*Zero-Emission Vehicle Programs.* The state has goals to limit greenhouse gas emissions that contribute to climate change, such as carbon dioxide from burning fossil fuels. To help meet these goals, the state has programs that promote zero-emission vehicles (ZEVs)—or vehicles that do not release pollution from the tailpipe. Examples of ZEVs include electric cars and hydrogen fuel cell cars. The state requires ride-sharing companies (such as Uber and Lyft) to use an increasing number of ZEVs for their services. The state also gives some funding to help households, businesses, and governmental agencies buy new ZEVs and install fueling infrastructure, such as charging stations for electric cars.

*Wildfire Response and Prevention Programs.* The state has the main

responsibility for wildfire response activities—commonly known as firefighting—on about one-third of California’s land area. (The federal government and local agencies have the main responsibility for wildfire response everywhere else in California.) Wildfire response activities help limit the spread of large wildfires and stop them from damaging communities and harming residents. The state also runs wildfire prevention programs to reduce the chances that wildfires will start and to limit the damage they cause when they do occur. Some examples of wildfire prevention activities include removing trees from overgrown forests and clearing dead plants that are likely to catch on fire in areas near buildings.

## **PROPOSAL Creates a New Tax on High-Income Taxpayers**

Beginning January 2023, Proposition 30 requires taxpayers with incomes above \$2 million each year (annually) to pay an additional tax of 1.75 percent on the share of their income above \$2 million. This additional tax would end by January 2043. The tax could end several years earlier if California is able to drop its statewide greenhouse gas emissions below certain levels before then.

## **Uses Revenue to Expand ZEV Programs and Wildfire Activities**

Proposition 30 requires that the revenue from the new tax go to increasing funding for ZEV programs and wildfire activities, as shown in Figure 1. The money would go to several state agencies to manage the programs and activities.

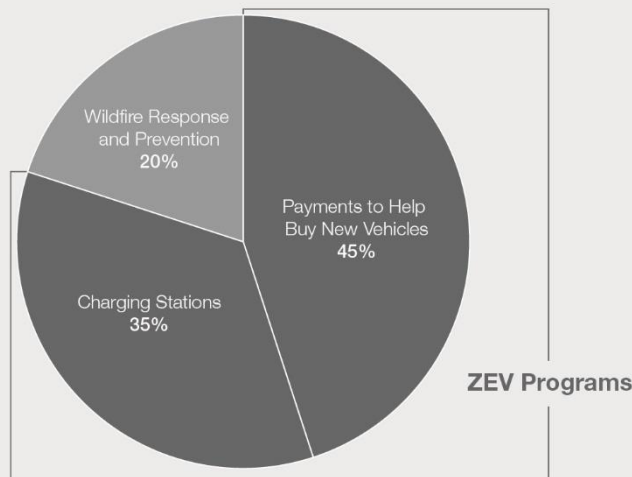
*ZEV Programs (80 Percent).* About 80 percent of the total revenue is for two ZEV program categories:

- *Payments to Help Buy New Vehicles.* Most of this money must be used to help households, businesses, and governments pay for part of the cost of new passenger ZEVs (such as cars, vans, and pick-up trucks). The rest

of the money would be available for other programs. These include payments to businesses and governments

Figure 1

### Proposition 30 Uses Increased Revenue for ZEV Programs and Wildfire Activities



ZEV = zero-emission vehicle.

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to help buy large ZEVs (such as trucks and buses) and programs that encourage less driving and improve local air quality.

- *Charging Stations.* This money would be used to install and operate ZEV charging and fueling stations at places such as apartment buildings, single-family homes, and public locations.

For each category above, at least half of the money must be spent on projects that benefit people who live in or near heavily polluted and/or low-income communities. The rest of the money could be spent on projects anywhere in the state.

*Wildfire Response and Prevention Activities (20 Percent).* About 20 percent of total revenue must be spent on wildfire response and prevention activities. In general, the state would have to prioritize spending to hire, train, and retain state firefighters. The rest of the money could be used for other wildfire response and prevention

activities.

## FISCAL EFFECTS

### *Increased State Tax Revenues From New Tax for ZEV Programs and Wildfire Activities.*

The new tax on high-income taxpayers typically would raise \$3.5 billion to \$5 billion annually, growing over time. This range reflects the changes in the incomes of high-income taxpayers. Their incomes often change greatly due to changes in the economy and stock market. Based on the spending requirements in Proposition 30, this funding would support:

- . *ZEV Programs.* The proposition would increase state funding for ZEVs by \$2.8 billion to \$4 billion annually. The state typically spends hundreds of millions of dollars annually on ZEV programs and also recently committed to spending about \$10 billion over a five-year period on these programs.
- . *Wildfire Response and Prevention Activities.* The proposition would increase state funding for wildfire response and prevention activities by \$700 million to \$1 billion annually. The state typically spends about \$2 billion to \$4 billion annually on wildfire activities, mostly on firefighting. *Potential State and Local Effects From Increased ZEV Spending.* The additional funding for ZEV programs under Proposition 30 could impact the number of ZEVs, as well as gasoline- or diesel-powered vehicles, being driven in California. However, the actual effect the proposition would have is uncertain for a variety of reasons. Most notably, while this analysis was being written, the state was considering requiring that car companies sell an increasing share of ZEVs in future years until 2035 when they would only be able to sell ZEVs. (The state was scheduled to decide on this requirement by August 2022.) This

requirement is sometimes called a “ZEV mandate.” The proposition’s potential transportation-related fiscal effects on state and local governments depend on whether or not the ZEV mandate is approved.

- If the state *approves* the ZEV mandate, then the additional funding from the proposition to help buy new ZEVs would not have much effect on the total number of ZEVs driven in California. This is because the ZEV mandate would already require a significant increase in the number of ZEV sales, even without the additional spending. Instead, the proposition’s main effect would be to shift who pays for the ZEVs. That is, more costs would be covered by revenue from the new tax on high-income taxpayers instead of by vehicle sellers and/or buyers. This would not have much effect on state and local finances.
- If the state *does not approve* the ZEV mandate, then the funding from the proposition to help buy new ZEVs would increase the number of ZEVs—and decrease the number of gasoline- or diesel-powered vehicles—driven in California. As a result, the amount of gasoline being used would be less. Over the long term, this change could have several different fiscal effects on state and local governments, including lower gasoline tax revenues that are used for transportation projects, higher revenues from electricity taxes, and other effects related to less air pollution. The net fiscal effect of these changes are uncertain, but likely minor compared to the hundreds of billions of dollars state and local governments spend annually on all activities.

*Potential Decreased State and Local Costs for Wildfire Response and Recovery.*

Proposition 30 could somewhat decrease state and local government costs related to firefighting, clean-up, and recovery if the additional funding for wildfire activities ends up reducing the severity of future wildfires. However, any cost reductions would depend on (1) which

specific wildfire activities end up being funded, (2) how effectively these activities reduce wildfire severity, and (3) the severity of wildfires that would have otherwise taken place in any specific year. All of these factors are uncertain, which makes the size of the potential fiscal effects on state and local governments unclear.

*Decreased State Revenue for Other Activities.* Some taxpayers probably would take steps to reduce the amount of income taxes they owe. This would reduce existing state revenues used to pay for activities not funded by Proposition 30. The degree to which this would happen and how much revenue the state might lose as a result is unknown.

*Potential Reductions to Other State Programs to Comply With State Spending Limit.* With some exceptions, such as responding to emergencies and building infrastructure, the California Constitution limits how much the state can spend. In recent years, state spending has reached this limit. Some of the spending required by Proposition 30—likely an amount ranging from about \$1.5 billion to \$3 billion annually—would count toward this limit. As a result, when state spending is at the limit, the proposition would require the state to reduce an equal amount of spending from other programs to “make room” for the new required spending on ZEV programs and wildfire activities.

## **YES/NO STATEMENT**

A **YES** vote on this measure means: Taxpayers would pay an additional tax of 1.75 percent on personal income above \$2 million annually. The revenue collected from this additional tax would support zero-emission vehicle programs and wildfire response and prevention activities.

A **NO** vote on this measure means: No change would be made to taxes on personal income above \$2 million annually.

## **SUMMARY OF LEGISLATIVE ANALYST’S ESTIMATE OF**

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## **NET STATE AND LOCAL GOVERNMENT FISCAL IMPACT**

- Increased state tax revenue ranging from \$3.5 billion to \$5 billion annually, with the new funding used to support zero-emission vehicle programs (80 percent) and wildfire response and prevention activities (20 percent).

## **BALLOT LABEL**

**Fiscal Impact:** Increased state tax revenue ranging from \$3.5 billion to \$5 billion annually, with the new funding used to support zero-emission vehicle programs and wildfire response and prevention activities.