



## CITY-COUNTY TASK FORCE ON CLIMATE AND ECONOMIC EQUITY

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DATE: May 26, 2021

TO: City of Milwaukee Common Council and Milwaukee County Board of Supervisors

FROM: City-County Task Force on Climate and Economic Equity, Co-Chairs Ald. Nik Kovac and Sup. Marcelia Nicholson

RE: Five recommendation for American Rescue Plan Act of 2021 Funds

The City-County Task Force on Climate and Economic Equity believes government investments in the economy should support strategies that substantially reduce community greenhouse gas emissions, create family-supporting jobs, and reduce racial and economic disparities. While the Task Force continues to develop a formal Climate and Equity Plan, it also supports immediate actions to achieve its goals. At its May 12th meeting, the Task Force voted unanimously to offer support for these five actions for the American Rescue Plan Act of 2021 funds. The Task Force looks forward to engaging with government, utility, and community stakeholders to refine and eventually fund these preliminary recommendations.

### **1. Financing Residential Energy Efficiency Upgrades for High Energy Burden Households: Using ARP funds to simultaneously address the crises of energy burden, energy debt, racial inequity, and climate change**

**Energy burden** is the percentage of household income that goes toward energy costs. Energy burden is an ongoing issue due to the number of low-income households in Milwaukee, as explained in a recent Sierra Club [report](#) finding that 85,000 Milwaukeeans live in high energy burden census tracts with a high energy burden of 6% or more. It is also a **racial equity issue**: the average energy burden is 2.5% for majority white neighborhoods in Milwaukee, compared to 5% for Majority Black neighborhoods and 5.3 percent for Majority Hispanic/Latinx neighborhoods.

**Energy debt** is an issue that has skyrocketed during COVID-19 pandemic. During the pandemic, the Wisconsin Public Service Commission extended the moratorium against shutting off utilities, which usually only applies during the winter heating months, through the summer of 2020 to April 15<sup>th</sup> 2021. With the end of the moratorium on April 15, households that had difficulty paying their bills during the pandemic and accrued arrearages on their energy bills, now face risk of having their electricity and gas services shut off.

The [City of Milwaukee Greenhouse Gas Forecast & Planning Scenarios](#) indicate that **residential energy efficiency improvements are a key strategy necessary to meet the goal of reducing community-wide GHG emissions by 45% by 2030** relative to 2010 emissions and achieving net zero emissions by 2050 or sooner.

American Rescue Plan (ARP) funds offer Milwaukee an opportunity to create an innovative program to simultaneously lessen the financial stress of low-income households still struggling to recover economically from the pandemic, reduce high energy burdens and related racial and economic inequities, and reduce residential GHG emissions over the long term.

Options for how the City might proceed are detailed below, including how the City could leverage ARP funds to induce WE Energies to contribute to the proposed solutions.

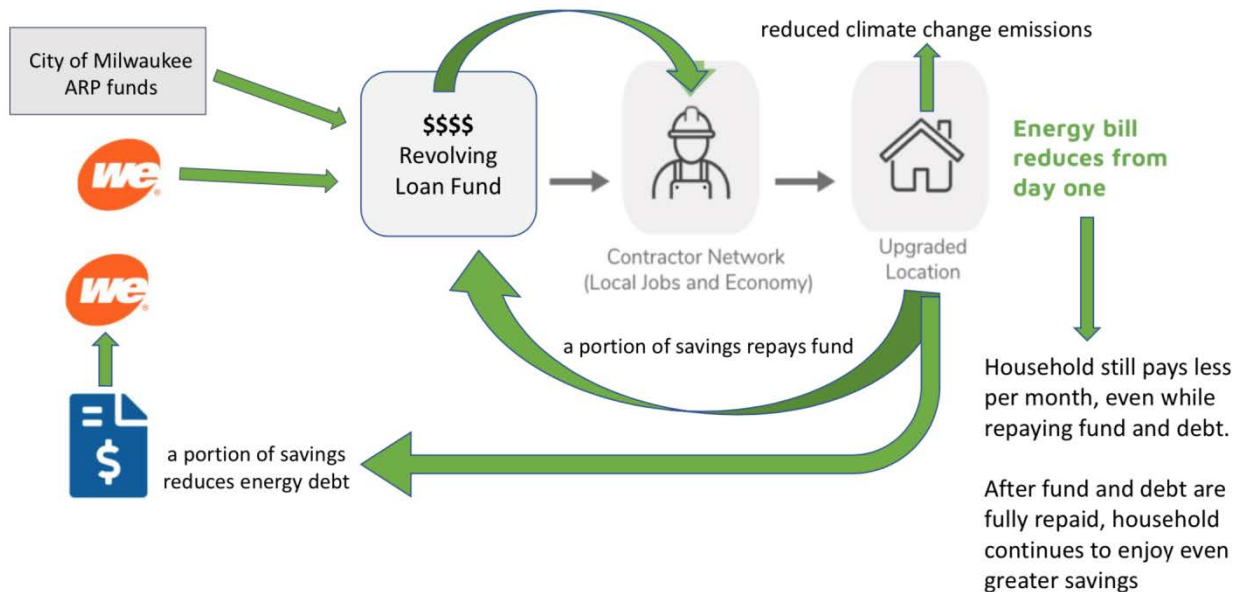
**Option A:**

**A Pay-As-You-Save (PAYS) Tariff Program to Finance Energy Efficiency Upgrades for High-Energy Burden Households, implemented through WE Energy Bills in coordination with WE Energies.**

Key components:

- The City would use ARP funds to set up a revolving loan fund (RLF) to finance energy efficiency upgrades for low-income households.
- WE Energies would contribute a matching amount into the RLF and agree to administer the tariff through its energy bills.
- Program eligibility would be limited to Milwaukee census tracts with an energy burden of 6% or more. (See Sierra Club [report](#) for an indication of eligible census tracts).
- Energy efficiency upgrades for high energy burden households would be financed by the RLF, after first utilizing Focus on Energy, LIHEAP, and other available subsidies.
- The energy efficiency upgrades would reduce energy costs. A portion of the resulting savings would be used to pay off the household's energy debt, and a portion would be used to repay the RLF, as illustrated below.
- Because the tariff would be linked to the energy meter rather than to the building owner or occupant, it would be available to benefit renters as well as homeowners.

## How the proposed PAYS on-bill tariff would work



Although WE Energies has in the past been reluctant to support on-bill financing for energy efficiency upgrades, the utility may nevertheless be willing to support the proposed program for the following reasons:

- The proposed program would be targeted to the most energy-burdened neighborhoods in Milwaukee, not WE Energies' entire service area.
- The alternative for WE Energies is either writing off pandemic-era energy debt or paying the administrative and public relations costs of cutting off thousands of indebted households still struggling to recover financially from the pandemic.
- Energy efficiency upgrades for severely energy-burdened households will make these households more reliable customers over the long term.
- The City could negotiate terms with WE Energies to favor repaying energy debt prior to repaying the RLF.
- WE Energies investment in the proposed program could be designed to benefit WE Energies including, potentially, through a PSC-approved rate case that would reward WE Energies for investing in residential energy efficiency.

### Option B, part 1:

#### **A Pay-As-You-Save (PAYS) Tariff Program to Finance Energy Efficiency Upgrades for all Milwaukee Households, implemented through Milwaukee Water Works billing system.**

If WE Energies refuses to implement the proposed on-bill tariff, the City could design and implement its own on-bill tariff program through MWW water bills. Although outreach would be directed primarily to high-energy burdened households, the program would be available to all Milwaukee households.

The tariff would operate in a similar fashion to that proposed as Option A. If the City is prepared to finance and operate a massive energy efficiency program even without WE Energies, the company may be more likely to take up Option A so that it can yield public relations and

financial benefits (if implemented through a rate case that would reward WE Energies for investing in energy efficiency) from the program.

Part 1 would provide a long-term solution to high energy burdens and related racial and economic inequities and also substantially reduce GHG emissions over the long term, but it would not directly address energy debt.

### **Option B, part 2:**

#### **Using ARP funds to induce WE Energies to forgive a portion of energy debt accumulated by high energy burden households during the pandemic.**

The City could offer to use ARP funds to help households that have accumulated energy debt due to the pandemic if WE Energies also agreed to forgive a portion of the energy debt. For example, the City could agree to pay off 50% of the energy debt for eligible households if WE Energies forgave the remainder of the energy debt.

Like pandemic-relief stimulus payments from the federal government, using ARP funds in this way would provide an additional direct subsidy to households that will find it hard to recover from the pandemic financially without assistance to pay off their energy debt. Using such payments to induce WE Energies to forgive the remaining debt on customer bills would further leverage this expenditure for the benefit of low-income Milwaukee households. WE Energies is very likely to write off a significant portion pandemic-era energy debt from its own accounts. *This proposal would induce WE Energies to also write off this debt from customer bills, and not just its own books.*

### **2. Affordable, energy efficient modular homes with good paying manufacturing jobs in the Century City Triangle Business Park**

- Development of manufacturing plant and supply chain businesses to create energy efficient housing units for vacant lots in the city
- This plant and supply chain could also incorporate some on-the-job training using subsidized employment funds--the subsidized employment funds could also be provided through the ARP funds coming to the state Department of Workforce Development.

### **3. Build Tree Canopy, Native Landscaping and Green Infrastructure with a Diverse Green Workforce during this UN Decade on Ecosystem Restoration 2021-2030**

- **The City of Milwaukee should allocate ARP funds to achieve the [City's goal of increasing tree canopy to 40% coverage](#).** Of the City of Milwaukee's 96.80 square miles, only 26% has tree canopy coverage (WDNR, 2019). The remaining land cover in the City of Milwaukee is .76% water cover, .58% wetland cover, 21.95% grass/herbaceous cover, and 51.17% impervious surface (WDNR, 2019).

- **Investments in Milwaukee’s tree canopy would provide multiple significant benefits to Milwaukee communities** in relation to water quality, flooding, air quality, public health (including positive impacts towards reducing cardiovascular disease, respiratory diseases such as asthma, skin cancer, childbirth outcomes, and mental health), economic stability, employment, heat vulnerability, especially due to the urban heat island effect, and other impacts of climate change, as well as mitigating climate change by removing carbon from the atmosphere. These benefits are further discussed and documented in the [Master Plan for the Branch Out Milwaukee Campaign](#), a collective action tree planting and maintenance program aimed at equitably growing Milwaukee’s tree canopy to maximize environmental and public health benefits. This campaign has been developed and endorsed by 30+ project collaborators including city, county and state agencies, local businesses and institutions, as well as community organizations and nonprofits. Branch Out Milwaukee is an initiative of Milwaukee Water Commons.
- **Increase funding to the City’s DPW Forestry Department to achieve the City’s goal of increasing the tree canopy’s coverage to 40%.** Specifically, the City should first prioritize maintenance of the existing canopy and ensuring the establishment of new plantings, as recommended in the [Branch Out Milwaukee Master Plan](#). Further, the City should estimate the maximum viable scale by which Forestry Department’s tree planting schedule could be ramped up during the 2022 – 2024 spending period for ARP funds, and fully fund this ramp-up using ARP funds. In subsequent years, a portion of City Forestry’s budget allocation which would otherwise have been used for tree planting on the existing schedule can instead be allocated to ensure maintenance of the additional trees planted using ARP funds, while still ensuring that planting progresses beyond 2024 to achieve the 40% goal. Planting and maintaining trees is a long term investment, the benefits of which increase year-on-year; by using ARP funds to ramp up Milwaukee’s planting schedule, Milwaukee communities – and the climate-- will enjoy the multiple benefits of increased tree canopy sooner. Planting priorities and strategies should draw insights from the Branch Out Milwaukee Master Plan to ensure equitable distribution of the benefits of Milwaukee’s expanded tree canopy.
- Provide funding to **build an equitable workforce to support Milwaukee’s tree canopy**, leveraging insights and recommendations in the Branch Out Milwaukee Master Plan, including investments in pre-apprenticeship, apprenticeship and transitional jobs training opportunities in forestry and landscaping which should be increased and targeted to people of color and low-income individuals. Recommendation 33 of the Governor’s Climate Task Force could further support this work by creating a state-funded and state-run AmeriCorps-like program to

train and deploy workers in climate resilience such as floodwater management and drought preparedness and tree-planting in urban areas.

- **Allocate ARP funds to leverage state funding to remove invasive tree species and plant native trees in City parks and on other City-owned lands**, in line with [Governor Evers' April 2021 Executive Order pledging to plant 75 million trees across Wisconsin, including in urban areas, by 2030.](#)
- **Milwaukee County should allocate ARP funds to supplement funds available for planting trees and other green infrastructure on boulevards maintained by the County.** County-maintained boulevards provide a prime opportunity to increase tree canopy, landscaping and green infrastructure across the County to achieve the multiple benefits outlined above.
- **Milwaukee County should use ARP funds to leverage state funding to remove invasive tree species and plant native trees in County Parks and on County lands**, in line with [Governor Evers' April 2021 Executive Order pledging to plant 75 million trees across Wisconsin, including in urban areas, by 2030.](#)
- **The City of Milwaukee should increase funding to implement the [City's Green Infrastructure Plan](#), including in particular a major increase in funding to de-pave excess parking lot areas and replace them with trees and other landscaping through the City's Green Lots program.**
  - Milwaukee's comprehensive [Green Infrastructure Plan](#), published in June 2019, aims at adding 36 million gallons of stormwater storage and 143 acres of new open space by 2030, targeted at high-priority subbasins and public schoolyards. **The [Green Infrastructure Plan](#) prioritizes de-paving of private and public land, adding and maintaining green infrastructure on City-owned parking lots and streets and Milwaukee schoolyards, as well as working with contractors that provide a diverse green workforce for green infrastructure projects.** It is currently funded with \$2 million from the Milwaukee Metropolitan Sewerage District and \$800,000 additional allocation in the City budget annually. A portion of the program funding is targeted to the Green & Healthy Schools program for schoolyard redevelopment projects at Milwaukee area schools. It is highly successful and routinely oversubscribed. Additional funding is needed to allow the City to achieve the ambitious goals of the plan and meet the demand for these programs. In addition, MPS should be encouraged to designate a sizeable portion of their ARP funding allocation towards the Green & Healthy Schools program that revitalizes MPS schoolyards and to designate sufficient ARP funds to fully cover the related MPS Sustainability Project Manager position for the next 3 years.

- An aerial view of the City reveals a predominance of cement and asphalt hardscape that covers over 40% of the City. Not only are these paved areas unattractive, they're detrimental to the city's health and the people who live there. Impervious pavement does little to mitigate the effects of flooding and runoff pollution in a region already facing increases in rainfall due to climate change. **Expanses of excess hardscape, such as excess parking at the many strip malls around the city, occupy space that could be converted for nature-based climate solutions.**
- The Milwaukee ECO Green Lots program is the answer on both ends as it aims to remove excess parking lot area and replace it with landscaping and green infrastructure. However, it has scarcely been implemented due to severe across-the-board City budget cuts. **New funding for the Milwaukee ECO Green Lots Pilot Program will provide grants to commercial parking lot owners for pavement removal and landscape edge improvements that meet or exceed the City's landscape code.** See the Landscape Design Guide. The program can be targeted to the Neighborhood Strategic Planning Area (See Council File 190186) as well as to other areas that can be identified through mapping tools with a high concentration of hardscape, such as the commercial corridors at North Avenue, Center Street, Uptown Crossing, Fond du Lac Avenue and underutilized parking lot areas on the City's south side.
- **The benefits of the Green Lots program** include physical and mental health benefits of increased equitable access to green space, building an inclusive green workforce, stormwater retention to reduce flood risk and water pollution, increased tree canopy to mitigate the urban heat island effect, increased biodiversity, urban pollinator and wildlife habitat, neighborhood beautification, and carbon sequestration within plant biomass and the surrounding soil.
- "Green" jobs and workforce development programs created to accomplish tree planting, tree maintenance, de-paving, landscaping and establishment of green infrastructure, as outlined in this proposal, are anticipated as a collaboration of the City and County with public, private, and nongovernmental partners.

#### **4. Urban Renewal and Green Spaces Projects**

- Development of a bike trail next to the 30th Street Industrial Corridor railroad, providing an off-street bike path along this industrial corridor to provide bike commuting paths and connect the Hank Aaron to the Oak Leaf trails.

**5. Invest in transportation infrastructure that reduces greenhouse gas emissions and improves mobility and health for low and moderate income communities which have been disproportionately impacted by COVID.**

Among other measures, investments can include:

- Accelerate the development of bus rapid transit lines to provide fast, affordable transportation to jobs, healthcare, shopping and other necessities. This will encourage increased use of transit for local trips and benefit individuals who rely primarily on public transit to access basic services.
- Accelerate the implementation of Complete Streets infrastructure to improve safety and encourage active mobility (bicycle and pedestrian) and public transportation. This should include funding sufficient staffing to implement the Complete Streets, pedestrian and bicycle plans.
- Accelerate the build out of electric vehicle (EV) infrastructure and take measures to make electric vehicle ownership and use affordable and available to low and moderate income people, including shared vehicle and shared ride services.
- Reduce toxic air pollution by funding the procurement of electric and other no/low emission vehicles by local government departments and agencies.
- Increase safety and mobility for low and moderate income people by expanding the mileage of on-street and off-street bicycle facilities (protected lanes, etc.) throughout the City and County area.
- Expand the bike share network, including electric assist bikes, to low and moderate income neighborhoods hit hardest by COVID and assure seamless connection with public transit.
- Consider making bike share free at stations in low and moderate income neighborhoods.

We ask your support in advancing these aims through your political process.