



Q. What is the Community Climate Action Millage?

A. The Community Climate Action Millage is a request for funding to support the city’s ambitious climate and equity goal – achieving a just transition to community-wide carbon neutrality by 2030. The millage would provide the resources needed to immediately begin creating, implementing, and scaling programs and services to make progress locally and regionally towards this goal.

Q. How much revenue would it generate?

A. In 2021 dollars, the Millage, which is up to 1-mill, would generate an estimated \$6.8 million per year for 20 years.

Q. How much would the millage increase my taxes?

A. If approved, the 1-mill amounts to \$125 annually for a property with an average taxable value of \$125,000.

Q. What’s the difference between taxable value and assessed value?

A. In Michigan, property is assessed at 50% of fair market value and property taxes are calculated on taxable value. Assessed values change annually based on market conditions of property. Taxable values changes are capped by the rate of inflation. The maximum change in taxable value for one year is 5%. For the past several years, the inflation rate has been less than 2.5%. The one mill levy that is being proposed will be calculated off the taxable value of property, not the assessed value. A property owner can also look up assessed and taxable value using the online assessment and property tax data search tool through the city of [Ann Arbor website](#).

Q. Is this a permanent tax?

A. No, this millage is being requested for 20 years.

Q. What is A²ZERO?

A: Adopted by City Council in June 2020, [A²ZERO](#) is the city’s climate program, plan, and associated services that focus on achieving a just transition to community-wide carbon neutrality by the year 2030.

Q. Why not conduct a millage at the County level?

A. The city doesn’t have the authority to put a county-wide millage on the ballot, only the Washtenaw County Commissioners or county residents do. However, the city plans to use the millage to create new initiatives and programs that are scalable and have the potential to be replicated by other local units of government. Moreover, the County, as well as many surrounding municipalities, are members of the [A²ZERO collaborators network](#) where we share experiences, lessons learned, and explore collaboration opportunities as it relates to creating a just transition to carbon neutrality.

Q. Why is the City looking to fund climate work, at least in part, through a millage?

A. In Michigan there are very few ways that local governments can raise revenue, and one of the few viable pathways is through millages. Right now, funding does not exist at the scale needed to address local climate change-related needs and create local climate programs. The City continues to pursue federal grants, state support, philanthropic dollars, and donations to advance climate work, but a millage provides a guaranteed and regular source of funding.



Q. What will the millage support?

A: The millage will:

- Create, enhance, and provide services that move the city toward a **zero waste, circular economy**. This includes efforts to expand and increase use of composting, recycling, and reuse services and programs, support for local and sustainable food generation and use, construction waste recovery programs, and enhancement of reuse programs and services.
- Advance the deployment and utilization of **renewable energies** such as solar and geothermal in the community. This includes educational activities, community solar programs, bulk discount programs, low-income renewable energy programs, and other programs that help lower and/or remove barriers to accessing renewable energy, especially for low-income households. Monies may be used for the design and construction of renewable energy installations at municipal and public sites, including installations designed to be community solar programs.
- Support **energy efficiency and weatherization programs** designed to support residents and businesses in improving the energy and water efficiency of their homes and businesses while also improving comfort and affordability. This includes things such as programs to help seniors age in place, greening rental infrastructure, expansion of weatherization services, green business programs, and the creation of an energy concierge service.
- Advancing **neighborhood and community resilience** and preparedness to climate change and natural disasters. This includes efforts to foster neighborhood community and resilience centers, neighborhood emergency preparedness activities, flood and heat monitoring and mitigation support services, and community resource sharing.
- Create and sustain home- and transportation-related **electrification programs**. This includes support for building and installing electric vehicle charging stations at public sites, multi-family residential sites, and in commercial areas throughout the city as well as education, training, and programs focused on supporting appliance and vehicle electrification, including fleet electrification. This also includes programs and services aimed at lowering resident upfront costs to accessing electrified transit and transportation, especially for low-to-moderate income households.
- The 2021 Community Climate Action Millage may be used to support educational efforts as well as all administrative and ancillary costs required to complete the aforementioned programs and services and administer such programs and services.
- In addition, the millage may be used as local cost share to state, federal, and private grants where necessary to unlock additional financial resources.

Q. Why didn't the city look at coming up with these funds elsewhere in the budget?

A. During the last several years, the city has increased the amount of funding dedicated to climate action. However, those funds are still insufficient to achieve the city's climate and equity goals. Funding does not currently exist within the city's budget to fund the programs and services necessary to achieve a just transition to community-wide carbon neutrality by 2030. This means that additional sources of funding are necessary.



Q. Why not use other sources of funding (i.e., federal and state resources) to meet these needs?

A. The city actively pursues other financial resources to supplement existing funding. This includes federal grants, state support, philanthropic resources, and donations. Unfortunately, these types of funding sources are not consistent or stable. However, the city will continue to leverage these other sources of funding to ensure millage funds go as far as possible.

Q. How will the community be informed of Millage progress?

A. The city adopted a Governance Plan when it adopted A²ZERO, the city’s equitable decarbonization plan. As outlined in this plan, the city will, at a minimum, prepare an annual report outlining progress, annually report on community-wide greenhouse gas emissions using best practice protocols and standards, create a dashboard to track real-time progress on many of the actions outlined in A²ZERO, and host an annual gathering to reflect on successes, lessons learned, any needed new programs, and any necessary programmatic revisions. This plan is available at www.a2gov.org/sustainability.

Q. Your earlier report said you needed \$1 billion to achieve A²ZERO, this millage would generate just under \$7 million a year for 20 years, far less than \$1 billion. Why the difference?

A. When the city presented A²ZERO, an investment scenario was created that outlined how the initiative could be funded. This scenario showed that a significant amount of funding for A²ZERO would be sought from federal, state, and philanthropic sources. The passing of a millage would both help fund the remaining pieces and provide a local match, which is often required as part of securing federal and state grants.

Q. Have other municipalities passed similar millages?

A. Numerous communities have passed millages or comparable funding mechanisms to fund their local climate efforts, including:

- On November 3, 2020, Denverites passed Ballot Initiative 2A raising the local sales and use tax by 0.25% to create the Climate Protection Fund (CPF), which raises \$40 Million annually to address climate change.
- In 2016, voters in Boulder County passed a sustainability tax (sales and use tax) to support climate action, renewable energy, sustainable transportation, circular economy and waste reduction, water conservation, and local food production and use.
- British Columbia has had a carbon tax since 2008.
- Alberta, Canada implemented a carbon tax in 2017 on emissions not covered by its existing carbon pricing program.
- In 2006, the City of Boulder, Colorado, became the first U.S. city with a direct voter-approved carbon tax.
- Athens, Ohio passed a carbon fee that is placed upon utilities, set at a rate of 2-mills per kilowatt hour (\$0.002/kWh), which adds up to an increase of \$1.60-\$1.80 on an average household’s utility bill each month, and funds primarily solar projects.
- Aspen was the first city in the world to introduce a carbon fee in 1999, called the Renewable Energy Mitigation Program (REMP). It requires either onsite mitigation with renewables or charges a ‘fee-in-lieu’ on new buildings and large remodeling projects that consume excess energy. REMP uses those revenues for grants and rebates that fund energy efficiency and renewable energy measures.
- Orange County, North Carolina passed the Orange County Climate Action Tax, a measure that increases the county’s property tax by a quarter of a cent for every hundred dollars



Q. Aren't we already paying for sustainability through the county Mental Health Millage?

A. The rebate received from the public safety portion of the County Mental Health Millage that supports climate programs equates to \$960,000 in the last fiscal year. While a notable increase from previous years, this funding is insufficient to meet the city's climate and equity goals.

Q. What if the millage doesn't pass?

A. If the millage does not pass, we will re-evaluate which programs and services to offer based on current funding and staffing capacity. This evaluation will take place each year as new city budgets are adopted and funding for climate action fluctuates.

Q. Why a 20-year millage when our goal was a just transition by 2030?

A. To achieve our carbon neutrality goals, we will need resources to sustain programs and initiatives we create over the coming years. In addition, our A2ZERO plan includes offsets to meet the 2030 goal. We will need additional resources to achieve the goal of net zero local greenhouse gas emissions that minimizes the use of carbon offsets.

Q. How much have our sustainability initiatives cost to date? What is the GHG emissions reduction that can be attributed to that expense?

A. Currently, the city invests approximately \$2 million in climate-related initiatives. This includes the \$940,000 rebate from the public safety portion of the County Mental Health and Public Safety initiative and approximately \$1 million in funding from the city's general fund. These investments have enabled the city to launch programs such as the Solarize initiative, Aging in Place Efficiently, Energy Benchmarking, 10,000 Trees Initiative, Green Fleets and vehicle electrification, and more. Details on what has been accomplished in the first and second year of the A2ZERO program, as well as updates on the city's annual greenhouse gas emissions, can be found on the city's website, or [here](#).