

RESOLUTION

WHEREAS, the City of Chicago and the Chicago metropolitan region are increasingly impacted by extreme weather events caused by a rapidly changing climate; and

WHEREAS, to position the City of Chicago to lead on climate change adaptation, mitigation, and prevention efforts, the City Council declared a climate emergency in 2020;

WHEREAS, the resolution codified language calling for a Climate Mobilization, an emergency mobilization of resources and assets on a scale not seen since World War II in order to reach zero greenhouse gas emissions across all sectors of the economy, to rapidly and safely remove all the excess carbon from the atmosphere at emergency speed and until safe, pre-industrial climate conditions are restored; and to implement measures to protect all people and species; and

WHEREAS, the Inflation Reduction Act (IRA), the landmark legislation championed by President Biden, was written to reduce the federal deficit, cut greenhouse gas emissions, and lower health insurance-related costs while increasing health insurance coverage for vulnerable Americans; and

WHEREAS, the IRA invests \$369 billion in climate and energy, a scale of financial and resource mobilization not seen since the New Deal; and

WHEREAS, the IRA establishes new programs that provide direct funding opportunities for states, cities, and counties to engage in clean energy and climate projects and provides funds for a range of issues, including air pollution, energy efficiency, and carbon emissions.

WHEREAS, the goal of the IRA is to reduce greenhouse gas emissions by 40 percent below 2005 levels by 2030; and

WHEREAS, the IRA also enables states, counties, and local governments to draw up hundreds of billions of dollars by participating under a 'Direct Pay' program administered by the Internal Revenue Service; and

WHEREAS, the Direct Pay program extends, modifies, and establishes several tax incentives to turbocharge the development and deployment of clean energy so units of government can directly access the tax credit funds usually reserved for private parties with tax liabilities; and

WHEREAS, innovations and investments at the local level are crucial to responding to and preventing climate change; and

WHEREAS, put plainly: states, counties, and cities could elect to receive a direct payment from the federal government. This presents new opportunities for local governments to pursue and finance clean energy projects simultaneously at an industrial and community scale; and

WHEREAS, there are opportunities for the City of Chicago to leverage Direct Pay to convert its fleet of vehicles from combustion to electric, install solar and geothermal systems at all city and sister agency-owned buildings, establish a publicly-owned solar utility, propel utility-scale renewable projects, partner with the Illinois Finance Authority/Climate Bank and the Cook County Land Bank to rebuild disinvested neighborhoods, and develop workforce development programs in partnership to employ justice-involved individuals to create employment to wealth pathways; and

WHEREAS, the comment period for the proposed rules for Direct Pay is open until August, and there is a planned public hearing; and

WHEREAS, the City of Chicago should provide comment on proposed rules to ensure local governments have maximum flexibility to deploy 'Direct Pay' funds; now, therefore,

BE IT RESOLVED, that we, the members of the City Council for the City of Chicago, do hereby call on the Committee on Economic, Capital, and Technology Development to hold a hearing on the potential of 'Direct Pay' and the IRA, and include in this hearing subject matter experts and local and national organizations working on innovative policies and programs, including public options.



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