CITY OF CHICAGO
DEPARTMENT OF ENVIRONMENT

MEMORANDUM

To: **The Honorable Jason Ervin**
Chairman, Committee on the Budget and Government Operations

From: **Angela Tovar**
Commissioner and Chief Sustainability Officer
Department of Environment

CC: Kennedy Bartley
Chief External Affairs Officer, Mayor's Office

Date: December 11, 2024

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 72-01

The following information is provided in response to questions posed at our department's hearing on December 3, 2024, to discuss the proposed 2025 budget.

Alderperson Hadden asked whether DOE should have a larger role in regulating City contractors' environmental impacts and if DOE has already done any research on how other cities are involved in this area.

DOE does not have regulatory or enforcement authority over city contracts or contractors. Preliminary research shows limited examples of cities incorporating environmental reviews within public works contracting. Instead, much of the research points to cities like San Francisco, Minneapolis, and New York for their sustainable purchasing plans, though these often focus on office supplies and equipment such as paper, cleaning products, LED lightbulbs, etc. DOE intends to continue researching other city examples and have conversations with other cities' procurement agencies to understand the national landscape further.

Through the Environmental Justice (EJ) Action Plan Working Group, convened by DOE, the Department of Procurement Services has proposed developing a process to identify projects, during initial steps in the procurement process, that could have environmental impacts in environmental justice neighborhoods during the procurement (purchasing) process, triggering further analysis and steps to mitigate potential impacts before awarding contracts. DOE and DPS are working closely together to further develop this proposal.

As always, please let me know if you have any further questions.

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To: **The Honorable Jason Ervin**
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Commissioner and Chief Sustainability Officer
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CC: Kennedy Bartley
Chief External Affairs Officer, Mayor's Office

Date: December 11, 2024

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 72-02

The following information is provided in response to questions posed at our department's hearing on December 3, 2024, to discuss the proposed 2025 budget.

Alderperson Manaa-Hoppenworth asked DOE to provide a copy of the Environmental Governance Study completed by DOE's predecessor, the Office of Climate and Environmental Equity.

Please see the attachment for the final Environmental Governance Study.

As always, please let me know if you have any further questions.

Brandon Johnson
Mayor

Environmental Governance Study

Office of Climate and Environmental Equity with support from Civic Consulting Alliance, Bloomberg Associates, and MUSE Community + Design

City of Chicago

August 2023

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Executive Summary

Environment and Sustainability initiatives have been a key feature of the City of Chicago's policies since the early 1990s. However, their implementation has depended highly on the governance structure developing and implementing these policies. One major shift in this governance occurred in 2011 when in response to a structural change in the funds available, the City dissolved the Department of Environment and decided to embed sustainability across all City departments. Since then, residents and stakeholders have consistently raised concerns and criticisms that this governance structure has reduced the focus on environmental enforcement and issues broadly. In response, as a part of the 2023 City budget process, the City Council required the Mayor's Office to complete and submit a study providing recommendations regarding establishing a department responsible for the policymaking and operations related to climate and environmental equity.

This report summarizes and synthesizes the findings from the study conducted between January and July 2023 to assist and guide the decision-making for how the City of Chicago should organize its environmental functions. It includes insights from three distinct workstreams: internal stakeholder input from City staff currently working on environmental functions, external stakeholder engagement, including one-on-one interviews and focus groups with a wide variety of external stakeholders and a public survey, and best practice research based on nine peer cities and how they organize their environmental functions. It is organized into five sections: Introduction, Methodology, Background, Research Findings, Possible Organizational Models and Next Steps.

One of the key takeaways from best practice research was that there is no one way in which cities organize and implement their environmental functions. Instead, environmental functions can be organized at three levels: a Mayoral/executive-level office, an operational entity handling environmental functions, often a Department of Environment (DOE), either standalone or merged with another function, and other city departments. There are benefits and tradeoffs associated with each. Combining insights from internal stakeholder engagement, best practice research, and executive leadership, the City developed Possible Organizational Models, which include the Current State and three different structural organizations of the environmental functions at the three governance levels. The models are:

1. **Current State:** the current executive-level office – the Office of Climate and Environmental Equity (OCEE) with the Chief Sustainability Officer leading OCEE.

2. **Center of Excellence:** add capacity to the Current State OCEE to manage centralized climate strategy and oversee environmental functions across the City, to own and implement public education and engagement related to environment and sustainability and add technical expertise to provide targeted support for key initiatives such as energy policy. Operations for specific functions would remain primarily in their current departments.

3. **Hybrid Department of Environment:** includes functions at all three governance levels – an executive-level office, same as the Center of Excellence model, with added capacity and technical expertise, a new targeted operational Department of Environment (DOE) with a specific set of functions that would benefit most from being co-located in a DOE, and some City departments would continue to maintain certain functions which are more closely tied to their specialization. The new DOE could be standalone or combined with an existing department. Some examples of the functions that could potentially move into the new DOE are brownfield

redevelopment, building decarbonization, environmental compliance and review, waste strategies related to recycling, composting and circular economy initiatives. Some examples of functions that could stay within their existing specialized departments are air quality, transportation/fleet management, and water management.

4. **Comprehensive Department of Environment:** this model includes environmental functions only at the department level and most closely represents the City's governance structure when the former DOE was in place. Most environmental functions would move into a new standalone Department of Environment, a robust standalone structure that directly plans, administers, and operates environmental functions. The Comprehensive DOE would be the center of environmental expertise in the City, removing environmental functions from several departments and enabling those departments to specialize in their areas of expertise.

Detailed model descriptions, roles, and environmental function distributions are outlined in the Possible Organizational Models. While each model has its own set of costs, benefits, and risks, certain key factors emerged that are relevant to the success of all models.

- Adequate staffing and resources must be allocated to ensure the chosen governance design can be successfully implemented to create an impact for residents. Staffing capacity emerged as a big barrier to enforcement, engagement, and overall implementation across all three workstreams.
- The Mayor's Office must champion climate and environmental goals to center environmental goals in City's policy agenda. Executive leadership sets the tone and priorities for City government and can help create a shared vision across all departments.
- Environmental work is cross-cutting, and formal opportunities to collaborate and communicate internally across departments and with external stakeholders must be created to ensure the City is progressing on its environmental agenda.
- Roles should be clearly defined and regularly reinforced to clearly establish and communicate the governance structure to internal and external stakeholders.

The Next Steps are to present these findings to the City Council at a public hearing and identify an appropriate model to organize the environmental functions for the City of Chicago. Before doing the latter, City must also investigate revenue opportunities to fund the relevant model, identify appropriate political and leadership structures that empower collaboration and coordination, and identify legal modifications required for applicable entities to enforce environmental laws and regulations. Once a governance structure has been finalized, a transition plan should be in place which outlines how functions, staff, and procedures will be moved and modified.

Introduction [1]

Origin of study

Chicago has been a leading city for sustainability since the early 1990s under the Richard M. Daley administration. Chicago became the first major American city to create a comprehensive climate action plan in 2008 and updated its strategy in 2015 and 2022. Chicago formally committed to the Paris Climate Agreement in 2017 and committed in 2019 to transition all buildings and municipal electricity load to 100% clean, renewable power by 2025.[2,3] While the City continues to focus on environmental issues, recent priorities have shifted to prioritize longstanding environmental justice challenges and equitably investing in communities.

An important event in Chicago's environmental history is the dissolution of the City's Department of Environment. In 2011, in response to a structural change in the funds available to the Department, the Department of Environment was dissolved by Mayor Rahm Emanuel's administration as part of the 2012 budgeting process. The goal of the dissolution was both to lower the cost of providing environmental functions and to embed sustainability across City departments. The Department of Environment's responsibilities were transferred to several other departments while simultaneously establishing the role of Chief Sustainability Officer in the Mayor's Office.

The dissolution of the Department of Environment has – from the beginning – raised concerns from environmental activists, alderpersons, and city stakeholders. Concerns primarily center on a lack of enforcement and inspections, reduced staff focused on environmental issues and the decentralization of environmental functions. In response to those criticisms and calls for action, Mayor Lori Lightfoot's administration established the Office of Climate and Environmental Equity and considered reorganizing City functions into a new Department of Environment.

Through the 2023 City budget process, an Ordinance was approved by City Council to require the Mayor's Office to complete and submit a study to Council providing recommendations regarding establishing a department responsible for the policymaking and operations related to climate and environmental equity. The code language reads:

"SECTION 4. After passage of Section 3, the Mayor of Chicago ("Mayor") shall commission a study to provide recommendations regarding establishing a Department to be responsible for the policymaking and operations related to climate and environmental equity. The study shall survey best practices for comparable municipal departments of environment across the United States, and shall:

> *(1) recommend the scope and mission for a new department in Chicago;*
> *(2) recommend proper staffing for such a department;*
> *(3) review specific duties and enforcement authorities within existing Departments with environmental responsibilities, identify service gaps, and those responsibilities that may be necessary in a new Department as opportunities for enhanced whole-of-government action; and*
> *(4) determine sustainable revenue sources for a department.*

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[1] We offer our appreciation to Moksha Menghaney, 2023 Mayoral Summer Fellow, for her invaluable assistance in compiling this report. We also express our gratitude to Alec Kelley and Kevin Schuster in the Office of Budget and Management for their collaboration in this analysis.

[2] Climate Action Plan, 2022 Planning

[3] Resilient Chicago, p. 104

The study will involve robust internal and external engagement with stakeholders and its findings will be presented to both the Mayor and a joint committee of the Committee on Environmental Protection and Energy and the Subcommittee on the Chicago Recovery Plan, on or before June 30, 2023. The Joint Committee shall discuss and evaluate the study through one or more public hearings, including at least one subject matter hearing, and provide recommendations to the Mayor, the Office of Budget and Management, and the City Council in sufficient time to be considered as part of the 2024 Budget Recommendations."[4]

Overview of study

This study, conducted between January and July 2023, summarizes and synthesizes the findings from three distinct workstreams – internal stakeholder engagement, external stakeholder engagement and peer city benchmarking. These workstreams were completed by the City of Chicago, Civic Consulting Alliance, MUSE Community Design and Bloomberg Associates respectively. This study provides insights and a set of possible organizational models to assist and guide the decision making for how the City of Chicago organizes its environmental functions.

[4] Amendment of Municipal Code Titles 2,4,6 and 11, p.5

Methodology

Description of overall approach

This study was conducted over an intensive discovery phase conducted in the first half of 2023. In response to the requirements set forth by City Council, the study was divided into three distinct workstreams – external stakeholder engagement, internal stakeholder engagement, and best practice research. These three workstreams ensured crucial input was gathered from a wide variety of sources.

This research provided valuable insights (summarized in Research Findings) and informed the development of options or "models" the City could consider as it determines the best governance structure for its environmental functions. These options are captured in four models described in detail in the Possible Organizational Models section of this study.

Internal stakeholder engagement

In response to the Ordinance requirement prescribing input from internal City stakeholders, this workstream was conducted to capture the perspective and insights of City staff currently working on environmental functions. It included 20 hour-long individual interviews with City staff members across ten departments and two 90-minute six-person focus groups. The internal stakeholders contacted for this study included several former Chicago Department of Environment employees who shared their perspectives on how environmental functions operated under the department prior to 2012 versus how they operate today embedded in another city department.

The City engaged a third party, Civic Consulting Alliance (CCA), to conduct the stakeholder interviews and focus groups. The 60-minute interviews covered a background of the interviewee's work, the interviewees' views on the benefits and disadvantages of centralizing functions, and the interviewees' ideal model for the City's environmental function. CCA developed this structure to develop an understanding of the interviewee's current work and their history interacting with the former Department of Environment, the departments they interact with in their current roles, and their perspective on the ideal future state.

In addition, CCA facilitated two 90-minute focus groups to discuss the Environmental Governance Study with 12 program managers and policy experts across seven departments. Focus group attendees shared insight into the past, present, and future of the City's environmental work, the benefits and disadvantages of centralizing environmental functions, and the interviewees' ideal model for the City's environmental functions.

In addition to direct stakeholder interaction, CCA reviewed relevant documents to understand environmental functions performed by the City. CCA reviewed budget information from the Office of Budget and Management (OBM) describing the funding sources for the former DOE and current funding for environmental work. CCA also reviewed City ordinances covering the dissolution of the DOE and the formation of OCEE. Other materials reviewed include research from leading environmental think tanks, newspaper articles describing local environmental issues, and additional documents relevant to recent reorganizations in the City government.

Benchmarking and best practice research

Bloomberg Associates, the philanthropic consulting arm of Bloomberg Philanthropies, analyzed nine U.S. cities to understand how environmental functions are distributed across their municipal governments. These cities were selected in consultation with the City based on three criteria: (i) national leadership on climate action, (ii) the presence of a Department of the Environment (or similar entity) in the municipal government; and (iii) the city's adoption of a Building Performance Standard[5]. The cities surveyed included: Boston, MA; Denver, CO; Los Angeles, CA; Minneapolis, MN; New York, NY; Philadelphia, PA; San Francisco, CA; St. Louis, MO; and Washington, DC. The environmental functions included in this scan (and outlined in the appendix) were based on the functions being considered for possible inclusion in a reconstituted Department of Environment.

Information for the analysis was collected via city websites and publicly available documents (including departmental reports, citywide plans, municipal budgets, organizational charts, and city charters and legislation), as well as interviews with city officials.

External stakeholder engagement

To get external perspectives about the needs, challenges, and opportunities that a new environmental governance structure could address and fulfill the external stakeholder engagement requirement outlined in the Municipal Code, the City organized one-on-one interviews, focus groups, and a public survey to get input from a wide variety of external stakeholders. Please see Appendix A and Appendix B for a full list of external stakeholder participants.

The City engaged a third-party local firm, MUSE Community + Design (MUSE), to conduct external stakeholder interviews and focus groups to identify key themes, priorities, and watchouts when considering how to organize the City's environmental functions and governance structure. Accordingly, MUSE spoke with 29 individuals - eight one-on-one interviews and 21 participants in five focus groups. These participants included government stakeholders (alderpersons), environmental advocacy organizations, green economy leaders, and business and civic leaders. An additional four participants were invited to participate but could not attend. Stakeholders were asked the same series of questions about what makes an approach effective for policymaking, the ideal role and set of functions for a new governance model, and their preference from four outlined models for a future state. These outlined models were developed in conjunction with CCA and were informed by internal stakeholder engagement and peer benchmarking analysis findings. Stipends were provided to community-based organizations and environmental justice leaders as compensation for their time.

In addition to interviews and focus groups, MUSE designed a written public survey in collaboration with the City Office of Climate and Environmental Equity (OCEE) to understand the public's views around future environmental functions at the City, governance and roles, and impacts on current City services. The survey had ten questions, was open from June 12, 2023, through July 6, 2023, and was offered in 5 languages: English, Spanish, Polish, Arabic, and Chinese. The first six questions focused on environmental priorities for Chicagoans and their preferences for the relevant governance model. One

[5] Buildings are responsible for 70% of Chicago's GHG emissions, and decarbonizing buildings through upgrades, retrofits, and electrification goals for new builds, are top policy priorities outlined in the Chicago Climate Action Plan. 2022 Climate Action Plan, p. 39

question was an open comment, and the last three requested demographic information. The survey received 1,054 responses.

Background

Environmental Challenges

This study comes at a time when climate change impacts on the environment are becoming increasingly severe and present. All cities, including Chicago, face the threat of these impacts evident in an array of environmental challenges. In Chicago, these challenges disproportionately impact the City's most vulnerable residents, often in lower-income and predominately Black and Brown communities.

City governments, perhaps more than any other level of government, are at the frontlines in addressing environmental challenges and ensuring their communities are safe and clean for all residents. If a city's government functions are structured effectively, resources can be allocated efficiently and provide consistent service delivery to residents. Focusing on how the City of Chicago organizes its environmental governance structure to meet these challenges and provide the services Chicagoans need is as critical as ever. Effective city governance on environmental issues will also be critical for the successful implementation of the federal Inflation Reduction Act, the most substantial national climate law in U.S. history. Much of its implementation will occur at the local level.

Climate Change

According to the Intergovernmental Panel on Climate Change (IPCC), global temperatures have already risen 1.2°C, and temperatures are expected to rise to 1.5°C above pre-industrial levels between 2030-2035.[6] The City of Chicago is not immune to global temperature rise. By the end of the 21st century, Illinois will experience a 4-14°F increase in temperature,[7] which is especially harmful to public health in urban areas. To prevent temperatures from rising to the critical threshold of 2.0°C, the IPCC recommends cities adopt strong mitigation measures and significantly reduce emissions.

Environmental Justice

Climate change effects will not be felt equally across the globe or even within cities. Low-income communities and communities of color are often overburdened by pollution and a history of environmental injustice. As Chicago's 2022 Climate Action Plan notes, "While a climate hazard may affect the greater city or region, its impact may be unequally felt due to communities' underlying physical, socioeconomic, and health conditions."[8]

According to U.S. EPA, the most severe harms from climate change fall disproportionately upon underserved communities that are least able to prepare for and recover from heat waves, poor air quality, flooding, and other impacts. Furthermore, socially vulnerable groups based on income, educational attainment, race and ethnicity, and age may be exposed to the highest impacts of climate

[6] C40, "Why all cities need to adapt to climate change"
[7] Illinois State Climatologist, "Climate Change in Illinois"
[8] 2022 Climate Action Plan, p. 138

change, such as changes in air quality and extreme temperature, disruptions to weather-exposed workers, and flooding threats to property.[9]

The legacy of industrialization in Chicago has burdened communities primarily on the South and West sides with air quality issues and exposure to toxic pollutants. For example, approximately 250 Environmental Protection Agency-regulated facilities can be found on the Southeast Side, including both Chicago's designated Superfund sites."[10] Recent controversies surrounding industrial polluters in Chicago have highlighted the need for cross-departmental coordination and increased enforcement capacity.

Heat

Research indicates that residents of the hottest neighborhoods in the country are often predominantly lower-income people and people of color.[11] Neighborhoods with a dense concentration of buildings and asphalt and fewer green spaces experience the urban heat island effect. The dense conditions heat the urban space significantly more than the surrounding areas and cause devastating health challenges for people experiencing worse air pollution and higher temperatures.[12] Heat-related illnesses have a profound effect on human health and pose an increased risk to communities as temperatures continue to rise.

As extreme heatwaves become increasingly likely in Chicago, it becomes even more important to work with community groups to develop solutions to keep the City's most vulnerable residents safe. The City has experience creating these solutions and continues to strategize on how to best address heat risks. Following two deadly heatwaves in 1995 and 1999, the City developed "extreme-heat emergency response plans, bringing critical infrastructure like cooling centers and buses online, and deploying wellness checks for vulnerable residents."[13] As noted in the Climate Action Plan, "continued assessment and investment in the needs of frontline communities is core to meeting the challenges of climate change with a lens of climate justice."[14]

Water

Global temperature rise also affects oceans, lakes, and rivers, which cover more than 70% of the Earth's surface. Oceans absorb heat as global temperatures rise, which causes sea level rise, accelerates melting of ice sheets, and intensifies storms such as hurricanes[15]. This has a negative effect on the oceans' health and change ecosystems through events such as coral bleaching.

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[9] EPA, "EPA Report Shows Disproportionate Impacts of Climate Change on Socially Vulnerable Populations in the United States"
[10] Crain's Chicago Business, "The repercussions of environmental hazards on Chicago communities"
[11] Scientific American, "Climate Inequality Exists in U.S. Cities and Has Deep Racist Roots"
[12] 2022 Climate Action Plan, p. 14
[13] 2022 Climate Action Plan, p. 14
[14] 2022 Climate Action Plan, p. 14
[15] NASA, "Ocean Warming"

Although Chicago is far from an ocean, it is certainly not immune to water-related issues. Warmer water in Lake Michigan leads to more algal blooms, which degrades water quality and harms native fish populations. Furthermore, invasive species such as quagga mussels thrive in warm waters and further disrupt the aquatic ecosystem. As Lake Michigan is an integral part of the City's natural environment, water quality degradation has social and economic implications. In addition, variations in lake levels erode the shoreline causing property damage. Since the City lies on one of the world's largest bodies of freshwater, erosion is a key concern along our city's eastern shoreline border as it can cause costly damage and require expensive repairs for residents and communities near Lake Michigan.

Storms and flooding

An increase in extreme precipitation is one of the clearest changes in climate observed in the Great Lakes region. Heavier, more frequent storms have been responsible for most of the observed increase in total precipitation during the last 60 years. Total precipitation falling in the most intense 1% of events has increased by 42% in the Midwest from 1958 through 2016. Rain falling during heavy, multi-day wet periods has also significantly increased. Rising surface temperatures have led to more heat and moisture, key elements for storm development. As temperatures continue to warm, the potential for both wetter and drier conditions can increase, leading to an increased chance of extreme precipitation events and prolonged dry periods. [16]

Chicago's existing infrastructure and building standards are not fully equipped to handle such intense rain events leading to basement flooding and property damage, sewage overflows, contamination of local waterways, and transit disruptions. Furthermore, Chicago's history of redlining and racist zoning policies has caused extreme legacy disparities in infrastructure equipped to handle excessive stormwater across the City's 77 neighborhoods.

Intensive Industrial Pollution

Pollution can harm public health and degrade the natural environment even at low levels.[17] Chicago has a deep history of industrialization and manufacturing which often produce significant levels of pollution. While this has allowed the City to expand and thrive economically, it has often done so at the expense of the natural environment and the people who inhabit the surrounding areas. Intensive industrial land uses are concentrated on the South and West sides of the City and expose residents to toxic pollutants and poor air quality.

The City has policies and procedures surrounding environmental permitting, enforcement, and inspections; however, the execution of these policies and procedures has garnered investigation and criticism over the past decade. According to the Illinois Answers Project, between the first year after the dissolution of the Department of Environment and 2018, the City issued 3,500 citations for environmental violations compared to over 11,200 in the seven years prior. The inspection staff was cut nearly in half due to budget cuts and attritions which contributed to inspections dropping by more than

[16] GLISA, Extreme Precipitation
[17] EPA, "Air Pollution: Current and Future Challenges"

half as well.[18] Between 2010 and 2018, hazardous material inspections fell by more than 90%, air quality inspections fell by almost 70%, and solid waste inspections dropped by more than 60%.[19] According to this investigation, the dissolution of the Department of Environment corresponds to the decreased inspections and enforcement in the City.[20]

Governance

Addressing these challenges and pursuing the kinds of changes the IPCC and other leading climate researchers envision, requires an effective City governance structure for environmental functions. This structure can include a mix of the Chief Sustainability Officer, task forces, working groups, and community outreach networks. Due to the complexities of existing systems, cities must weigh the benefits and disadvantages of how to structure these positions based on their needs. Later in this report, the Models section lays out these tradeoffs and considerations.

Beyond establishing an appropriate governance structure, cities also face challenges in attracting and retaining talent. Effective governance structures should be staffed with experienced professionals, supported by technical advisors, and must be committed to working in close coordination with community groups. Talent retention can be challenging for positions subject to political changes, such as staff members tied to a mayor that might be replaced by the incoming administration. Therefore, it is important to consider methods to retain staff regardless of electoral outcomes.

This study included benchmarking nine cities to provide insight into how cities of different sizes have implemented different models. Research Findings from this workstream indicate that there is no standard way cities organize their environmental and climate functions. Every city that was analyzed distributed provision of environmental services across at least five departments, reflecting the cross-cutting nature of sustainability and climate action and the need for coordinated planning across agencies and reporting structures to maximize the impacts of different entities for climate and sustainability outcomes. Each city tailored its governance to the unique issues, political form, and regulatory structure under which it operates. Governance structures are complex and inherently tied to local considerations, making it especially important to evaluate the surrounding context and purpose of organizational structures responsible for environmental work.

A well-designed governance structure is crucial to effectively implement climate mitigation and adaptation solutions for all Chicago communities. As noted in the 2022 Climate Action Plan, "Given Chicago's vibrant diversity, there cannot be one solution for all neighborhoods. Heat waves, flooding, and other climate and weather events each affect the broader Chicago community differently. The need to address these problems varies widely and requires that existing and future climate risks be well understood, monitored, and considered in planning and policy development."[21]

The next section of this study reviews the organizational history of Chicago's environmental governance structure. Later, the Models section reviews the set of structures that make up Chicago's current

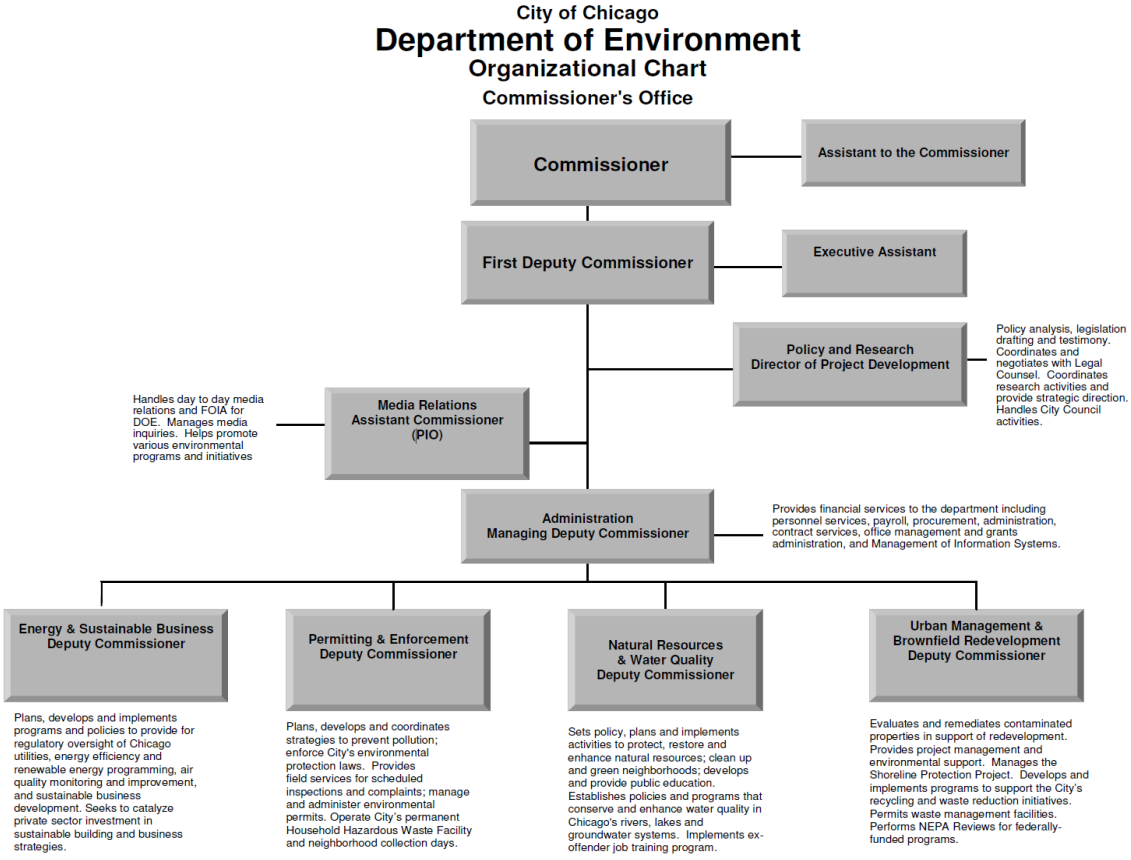
[18] Illinois Answers Project, "Emanuel Soft on Chicago Polluters Despite Tough Talk"
[19] Illinois Answers Project, "Emanuel Soft on Chicago Polluters Despite Tough Talk"
[20] Illinois Answers Project, "Emanuel Soft on Chicago Polluters Despite Tough Talk"
[21] 2022 Climate Action Plan, p. 149

governance and examines distinct models for the City to consider as it aims to meet environmental challenges and serve all Chicago residents.

Environmental Functions: City of Chicago's Organizational History

*Department of Environment (1992 – 2011)**

Created in 1992 by Mayor Richard M. Daley, the Department of Environment (DOE) was established to improve the city's coordination and enforcement of environmental matters by overseeing city environmental policy decisions, monitoring the city's compliance with environmental regulations, and developing cases against polluters and illegal dumpers. Led by its first Commissioner, Henry L. Henderson, the Department of Environment was a reorganization of nine different departments, with an initial staff of 86 and a first-year budget of $6.4 million.[22]



*Former Department of Environment Organizational Chart

The Department of Environment was organized into five divisions covering an array of responsibilities:

Division	Responsibilities
Permitting and Enforcement	• Planned, developed, and coordinated strategies to prevent pollution • Enforced the City's environmental protection laws

[22] Chicago Tribune, "Lawyer to Lead City Environment Division" (Dec 1991)

	• Provided field services for scheduled inspections and complaints • Managed and administered environmental permits
Natural Resources and Water Quality	• Set policy and implemented activities to protect, restore, and enhance natural resources; cleaned up and greened neighborhoods; developed and provided public education • Established policies and programs that conserve and enhance water quality in Chicago's rivers, lakes, and groundwater systems • Implemented returning resident job training program
Urban Management and Brownfield Redevelopment	• Evaluated and remediated contaminated properties in support of redevelopment • Provided project management and environmental support • Developed and implemented programs to support the City's recycling and waste reduction initiatives • Permitted waste management facilities • Performed NEPA Reviews (National Environmental Policy Act) for federally funded programs
Energy and Sustainable Business	• Planned, developed, and implemented programs and policies to provide for regulatory oversight of Chicago utilities, energy efficiency, and renewable energy programming, air quality monitoring and improvement, and sustainable business development
Centralized Policy Planning	• Responsible for communications • Handled public information and FOIA requests • Responsible for policy planning, including the 2008 Climate Action Plan

Following the creation of the Department of Environment, the City of Chicago adopted and implemented several climate-focused initiatives. From 1992 to 2008, key new programs were launched, such as the Brownfields Initiative and the Greencorps Chicago program. Serving as an environmental enforcement arm, the DOE was also able to hold private developers legally liable for improper disposal of hazardous materials in residential communities.[23]

In 2008, the Daley administration unveiled the City's first Climate Action Plan, which outlined the major effects climate change could have on Chicago and proposed goals and initiatives that could address those effects. This robust plan was to be a collaborative effort across City departments, with the Department of Environment taking responsibility for policy planning and coordination.[24]

After 2008, the Department of Environment's corporate budget decreased each year until its dissolution. In 2008, corporate funds were $5.6 million and only $3.4 million by 2011. The largest portion of corporate budget dollars was allocated toward personnel services.[25] The Department of Environment received roughly 0.1% of the City's $3.2 billion corporate budget in 2011.

[23] 2008 Chicago Climate Action Plan, p. 8-9
[24] CCA, "Plan to transition DOE to Elevate and Embed Sustainability in Chicago"
[25] Data provided by the Office of Budget Management

Dissolution of the Department of Environment (2011-2012)

In 2011, Mayor Rahm Emanuel's administration decided to disband the Department of Environment. The dissolution hinged on two organizational design choices: creating the role of Chief Sustainability Officer (CSO) and distributing the functions of the Department of Environment across City departments.

The strategic goal of both of these actions was to integrate environmental functions throughout the City while creating a central role to oversee environmental work. The City sought to "elevate" and embed sustainability to strengthen environmental functions.[26] The position of Chief Sustainability Officer was created and elevated to the Mayor's Office.[27] The CSO role would focus on how to create green jobs and boost the local economy while pursuing the City's environmental goals.[28] Following the dissolution of the Department of Environment, the Sustainable Chicago 2015 Action Agenda was released to offer the City a roadmap to increase sustainability. Committed to achieving the goals outlined by the 2015 Action Agenda, the Sustainability Council was created. This council was made up of a group of department leaders from across the City, the Chief Sustainability Officer, and was chaired by Mayor Emanuel.[29]

In addition to these strategic goals, financial considerations factored into the dissolution of the Department of Environment. A large source of funding for the DOE was from a ComEd settlement agreement, which ended in 2012. This loss in funding was addressed in the 2012 City of Chicago Budget Plan, which also focused on filling a $635.7 million citywide deficit.[30] These savings were realized by cutting spending, increasing efficiencies, and additional innovations or government reforms that added up to $417 million. As a part of this budget plan, several administrative positions within the Department of Environment (including Commissioner's office staff) were eliminated.

The dissolution of the Department of Environment was expected to save $3.6 million.[31] The initial plan for dissolution intended to eliminate approximately 14 filled positions, but in total 39 DOE positions were eventually eliminated – at least 21 of which were unfilled vacancies.[32] The remaining DOE positions were transferred to other departments, including Fleet and Facility Management (now Assets, Information and Services (AIS0), Chicago Department of Public Health (CDPH), Chicago Department Of Transportation (CDOT), and Department of Water Management (DWM).

In addition to the reduction of staffing following the dissolution, environment-related revenues fell drastically due to the exhaustion of funds received under ComEd and People' Gas legal settlements. In 2011, the DOE had $15.3 million in revenues, primarily due to the settlement agreements. Two years later, in 2013, following the dissolution of the DOE and the end of settlement funds, the revenues associated with former DOE functions were reported at only $2.5 million. Most of the $2.5 million in revenue was generated through enforcement-related functions which have since moved to CDPH. Over the course of the next nine years, revenues were reported at an average of $2.7 million, with the majority continuing to be generated by CDPH.[33]

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[26] CCA, "Plan to transition DOE to Elevate and Embed Sustainability in Chicago"

[27] Office of the Mayor, "Mayor Rahm Emanuel Outlines 2012 Budget Proposal to Secure Chicago's Future"

[28] Green Building and Design Magazine, "Karen Weigert: Second to None", Crain's Chicago Business, "Green Scene: Chicago's chief sustainability officer reaching out to new partners"

[29] Sustainable Chicago 2015 Action Agenda, p.4

[30] City of Chicago 2012 Budget Plan, p. 1

[31] Crain's Chicago Business, "Chicago shutting Environment Department, adding eco-friendly measures to new budget"

[32] Data provided by the Office of Budget Management

[33] Data provided by the Office of Budget Management

DOE's various functions, responsibilities, powers, and duties were disseminated across several departments in accordance with the 2012 Management Ordinance outlining its dissolution. CDPH absorbed a large majority of DOE functions, including public health-related powers, environmental review, and all responsibility for environmental permitting and enforcement.[34] Other departments or agencies that absorbed functions from the DOE were DWM, Department of Streets and Sanitation (DSS), Business Affairs and Consumer Protection (BACP), Department of Buildings (DOB), Chicago Police Department (CPD), the Mayor's Office via the Chief Sustainability Officer (CSO), as well as sister agencies such as the Chicago Park District. In total, functions previously owned by the DOE were moved to nine different City departments or agencies. The table, *Mapping of Environmental Functions to City Departments*, below, maps which department each function transitioned to, as well as all the departments involved in each function.

After the dissolution, functions from the DOE were absorbed into their new departments to varying degrees. Many vacant positions within DOE prior to dissolution were never filled, and some staff decided to retire or were let go during the dissolution. This reduction in staffing posed a challenge for some functions as they transitioned to new departments.[35] Chicago has had four people fill the role of CSO on a full-time basis since 2011. Although the Chief Sustainability Officer was intended to operate as a centralizing entity for environmental functions, a variety of issues made serving that role difficult in practice, including: a lack of consistent prioritization of environmental issues within the Mayor's Office, which left the role without proper backing to efficiently coordinate City departments; a lack of resources and staffing in the Mayor's Office; and the turnover of CSOs and their staff.

Current State (2023)

As the City continued to develop climate and environmental initiatives post-dissolution, functions continued to disseminate beyond what was originally written in the dissolution ordinance. The rightmost column of the *Function Mapping* table indicates all departments that are involved in each specific function. Across the City, eight different departments (CDPH, AIS, OCEE, DOB, CDOT, DSS, DWM, and Office of Emergency Management and Communications (OEMC)) have a leading role in an environmental function, with a total of 15 different departments being involved in some capacity.

Chicago has continued to work on environmental challenges facing the City. In 2022, the City significantly expanded the tree canopy, allocated $188M dollars for climate and environmental justice initiatives in the Chicago Recovery Plan, signed a contract to fully supply all municipal operations with clean, renewable energy by 2025, launched cumulative impact assessment processes, expanded public engagement opportunities and much more. The City also updated its Climate Action Plan in 2022, discussed further in the following section.

The most recent change to the City's environmental governance structure is the creation of the Office of Climate and Environmental Equity (OCEE) as part of the City of Chicago's 2023 Budget Plan. The OCEE serves as an expansion of the Chief Sustainability Officer's responsibilities as they relate to the environment, with a budget of $677,000 and expanded staffing of 12 positions.[36] The Office serves as a coordinating body to work across all sectors and City departments with the goals of lowering

[34] Office of the Chicago City Clerk, "Amendment of Municipal Code regarding various department functions and duties (2012 Management Ordinance)"

[35] Interview with internal stakeholder

[36] Office of the Mayor, "Mayor Lightfoot's 2023 Budget Approved by City Council"

greenhouse gas emissions and driving co-benefits that communities need immediately. As part of the 2023 Budget Plan, OCEE's previously Mayoral-appointed director, the Chief Sustainability Officer, must also be confirmed by the City Council.[37] While coordinating functions are owned by OCEE, the original DOE's functions – such as permitting and enforcement – are still distributed to various other City departments that work together in order to accomplish environmental protection actions.

In the current state, over ten years after the dissolution of the Department of Environment, many City departments have had a chance to embed environmental functions into their work. For example, according to some internal stakeholders, the functions that moved to CDPH (air quality, enforcement/permitting) have benefitted from the department's clear perspective on public health, leading to environmental actions being seen through a public health lens alongside a climate lens. The department has also launched an effort to complete a cumulative impact assessment to understand community-level vulnerability to pollution and inform changes to land use/zoning, permitting, and enforcement.[38] Some internal stakeholders also believe the sustainable transportation function has also benefitted from becoming embedded in CDOT. By embedding sustainability in CDOT, the department is able to include an environmental lens into its core mission, making it a part of every initiative. Some CDOT staff have also noted that the department's support is key for electrification efforts relating to transportation.[39] (See Research Findings section for more information)

[37] Chicago Sun-Times, "After 5-hour battle, Lightfoot's 2023 budget clears key hurdle"
[38] Interview with individual stakeholder
[39] Interview with individual stakeholder

Table 1: Mapping of Environmental Functions to City Departments and Sister Agencies

Mapping of Environmental Functions to City Departments and Sister Agencies			
Function	**Pre-DOE Dissolution**	**Post-DOE Dissolution (2012)**	**Current (2023)**
Air Quality	DOE	**CDPH**	**CDPH**, DPD
Brownfield Redevelopment	DOE	**AIS (2FM)**	**AIS**, DPD, CDPH, DSS
Building Decarbonization and Benchmarking	DOE	**BACP**	**DOB,** BACP, CDA, CPS#, AIS, DPD, OCEE
Centralized Climate Strategy	DOE	**CSO**	OCEE
Climate Resiliency Planning	DOE	**CSO**, CPD, CDPH	**OCEE**, CHA#, OEMC, DOB, CDOT
Energy Policy and Strategy	DOE	**CSO**	**OCEE,** DPD, CDA, CPS#, DOB, AIS
Environmental review and compliance	DOE	Not Found	AIS, CDA, DOL
EV/Fleet/Transportation	DOE	**CDOT**	**AIS**, **CDOT**, CTA#, DPD, CPS#, DSS, OCEE
Public Education and Engagement	DOE	**CSO**	**OCEE**, CDOT, CPS#, DWM
Stewarding Natural Resources	DOE	**CDOT**	**CDOT, DSS**, CDA, Parks#
Waste Strategy	DOE	**DSS**, CSO, CDPH	**DSS**, CDPH, CDA, CPS#, OCEE
Water Management	DOE	**DWM**, DOB	**DWM**, CPS#, CDOT, DPD, Parks#, CDA, OCEE
Green Workforce Development	DOE	Not Found	CDOT

**Bolding indicates lead department for given function*

#CPS, CTA, Parks, and CHA are sister agencies

Mapping based on: *2012 Department of Environment Dissolution Ordinance, 2023 OCEE Formation Ordinance, Climate Action Plan,* and *Summary of Current Environment, Energy, Climate and Sustainability-Related Ordinances in the Municipal Code of Chicago*

Environmental Goals for Chicago

In parallel to the evolution of its organizational structure, the environmental goals of the City of Chicago have also developed, most recently with the 2022 update of the Chicago Climate Action Plan. The vision and environmental goals set by the Climate Action Plan and other key strategic plans like Chicago's Waste Strategy and the Building Decarbonization Working Group Report should inform the determination of the governance structure the City adopts to effectively realize them.

2008 Climate Action Plan

In 2008, the Daley Administration released the first Chicago Climate Action Plan. Input from a variety of stakeholders was used in to evaluate the potential climate impact on Chicago and to develop recommendations on how to address that impact. As a result, the Climate Task Force proposed an initial goal for the City of Chicago and 26 "mitigation" or emissions reduction actions that, together, could provide a roadmap to achieve it.

Goal: To achieve a 25% reduction in Greenhouse Gas (GHG) emissions by 2020

Strategies: The actions identified by the 2008 CAP were organized into five strategies:

- **Energy Efficient Buildings**: To improve the energy efficiency of residential, commercial, and industrial buildings by retrofitting 50% of the commercial and industrial building stock, improving efficiency of 50% of residential buildings to achieve a 30% reduction in energy used, expanding trade-in of appliances and updating the City's energy code.
- **Clean and Renewable Energy**: Expand the City's use of clean and renewable energy by upgrading or repowering 21 Illinois power plants, raising the efficiency standards for new and existing power generators, procuring enough renewable energy to reduce electricity emissions by 20%, increasing distributed generation and promoting household renewable power.
- **Improved Transportation Options**: To decrease the amount people drive in the city and improve vehicle fuel efficiency by investing in transit improvements and boosting CTA ridership by 30%, providing incentives for transit use, promoting transit-oriented development, making walking and biking easier, improving fleet efficiency, and more.
- **Reduced Waste and Industrial Pollution**: To reduce emissions by recycling 90% of the City's waste by 2020, shifting to alternative refrigerants, and managing stormwater with green infrastructure.
- **Adaptation**: To continue to adapt to potential outcomes outlined by the Task Force caused by the level of greenhouse gases already in the atmosphere.[40]

The 2008 Climate Action Plan emphasized the significance of continuously assessing and monitoring the strategies it proposed. In support of this, a Green Ribbon Committee – composed of business and community leaders – was charged with overseeing and reporting progress to the public each year.[41] However, in the years leading up to the 2020 target year, it was unclear if there was a single entity responsible for keeping track of the City's progress towards its set environmental goals. As a result, several of the actions proposed to meet the goal set by the 2008 CAP were left unattended or with little

[40] 2008 Chicago Climate Action Plan, p. 17
[41] 2008 Chicago Climate Action Plan, p. 48

official data being kept to properly track its progress. In total, 12 out of the 26 actions proposed by the 2008 CAP were left either untracked or unmet.[42]

2022 Climate Action Plan

Ten years following the dissolution of the Department of Environment and 14 years since the first Chicago Climate Action Plan (CAP), Mayor Lori Lightfoot released the 2022 Chicago Climate Action Plan. In addition to using greenhouse gas emissions inventory data, the Office of the Mayor led the development of this plan by hosting listening sessions, virtual town halls, and an open comment period to seek input from over 2,100 residents to develop the language and commitments of the 2022 CAP. City departments and sister agencies were also engaged in developing CAP's strategies. The 2022 cap identifies an ambitious 2040 goal and multiple actions to achieve it.

Goal: To reduce GHG emissions by 62% by 2040 while delivering equitable co-benefits that invest in the City's people, infrastructure, and communities.

Strategies: The actions identified by the 2022 CAP were organized into five pillars, which are comparable to the strategies laid out by the 2008 CAP:

1. **Increase access to utility savings and renewable energy, prioritizing households:** Lowering costs for households and businesses through utility savings and expanded access to renewable energy, including a commitment to retrofitting 20% of all building types in the City of Chicago, retrofitting 90% of the City's own building portfolio by 2035, and expanding Chicago based community renewable energy by 20MW.
2. **Build circular economies to create jobs and reduce waste:** Reduce waste by committing to introducing an organic waste collection system by 2025 and diverting 90% of the City's residential waste by 2040 and create jobs through expanded materials reuse opportunities.
3. **Deliver a robust zero-emission mobility network that connects communities and improves air quality:** Delivering a zero-emission transportation network and improving air quality by expanding the City's walk, bike, and transit options, increasing CTA ridership, and supporting municipal and commercial fleet electrification.
4. **Drive equitable development of Chicago's clean-energy future:** Invest in the City's clean energy future, by upholding our commitments to 100% renewable energy for City operations by 2025 and city-wide by 2035, investing in 30MW of renewable energy on City property by 2030, and encouraging a transition from fossil fuel-based peaker plants during peak energy demand to clean battery storage technologies.
5. **Strengthen communities and protect health:** Enable community resilience investments and integrate health and racial equity criteria in decision-making.[43]

These climate action pillars were developed to ensure that multiple, meaningful benefits were delivered to residents and their communities while also reducing emissions:

1. **Household Savings**: Initiatives that prioritize monetary savings for individual households
2. **Carbon Emissions**: Initiatives that will reduce the City's overall pollution burden
3. **Environmental Justice**: Initiatives that prioritize frontline communities, address cumulative environmental burdens, and ensure a just transition to 100% renewable energy

[42] WBEZ, "How Is Chicago Doing On Its Ambitious 2020 Climate Goals?"
[43] Office of the Mayor, "Mayor Lightfoot Announces 2022 Climate Action Plan"

4. **Community Health**: Initiatives that prioritize community health and resiliency[44]

Like the 2008 Climate Action Plan, the 2022 iteration notes the importance of accountability and implementation of the strategies proposed. The Plan provides an implementation table detailing specific actions, the City Partners involved, a timeframe, and an action status. While accountability and implementation is a goal outlined in the CAP, internal stakeholders interviewed for this study noted that there is not a robust structure in place yet to track and drive results.

Chicago's Environmental Goals: Looking Forward

While the 2008 CAP set the foundation by prioritizing actions that aimed to mitigate climate change, the 2022 CAP continues to work toward environmental goals by building up pillars that aim to support the communities affected while also working toward a GHG emissions reduction goal. This can be seen in recent initiatives such as CDPH's cumulative impact assessment, which seeks to identify communities overburdened by environmental issues.

The City should keep the vision and goals of the 2022 Climate Action Plan (as well as the specific initiatives already underway) in mind as it determines the City's environmental governance structure. Tailoring the City's organizational structure to its local context and goals developed with community feedback will bolster Chicago's ability to implement the vision set by the Climate Action Plan.

[44] 2022 Climate Action Plan, p. 9

Research Findings

Internal stakeholder engagement

City staff members engaged in interviews and focus groups for this report highlighted important factors and tradeoffs to consider when deciding how to organize the City's environmental functions. These internal stakeholders, working across ten City departments, offered a range of perspectives on potential benefits and costs of centralizing environmental functions. Over the course of this report's extensive internal engagement process, key themes emerged across the many conversations.

- central authority
- internal communication
- external communication
- enforcement
- financial costs
- opportunity costs
- disruption costs
- service gaps and opportunities

Central Authority

Throughout interviews and focus groups, one of the most commonly expressed ideas was the need for a clearly defined central authority to oversee the City's environmental work. This central authority would be an individual and/or organizational structure with recognized responsibility to influence and dictate what other departments do. This authority's primary responsibilities would be to set the City's environmental agenda, coordinate internal stakeholders, track progress and enforce accountability for the various City departments containing environmental functions. Most interviewees did not believe the recently created Office of Climate and Environmental Equity (OCEE) is able to house this central authority due to a variety of factors, including not having clarity on what the office does, OCEE not being located in the Mayor's office, and not having an established track record of working with departments yet. These responses weren't surprising, given the interviews were conducted weeks after the Office's creation.

Nearly all stakeholders believed that this central authority would need to exist at the level of the Mayor's Office as opposed to in a department. City staff expressed that if there were a Department of Environment, it could not have the level of authority required on its own. According to them, a department or office is unlikely to have the ability to hold another department accountable to advancing environmental initiatives and additional authority from the Mayor's Office would be necessary. Connection to the Mayor's Office can create the necessary authority to set clear standards and objectives, assign departments' roles and responsibilities, and hold departments accountable to policies through more coordinated reporting and progress tracking (e.g., grant reporting, accomplishment of Climate Action Plan initiatives, etc.).[45]

While nearly all internal stakeholders expressed the need for a central authority, some stakeholders did offer thoughts on how this central authority would operate in practice. A central authority could derive

[45] Interviews and focus groups with internal stakeholders

its power through a variety of sources – ordinance, being in the Mayor's Office, building relationships with commissioners across departments. However, some stakeholders noted the concern for a lack of continuity across administrations if environmental priorities changed.[46] Additionally, a clear reporting structure would need to be established to avoid unnecessary levels of bureaucracy.[47] Commissioners or liaisons in departments with environmental functions could report to a central authority figure. If structured efficiently though, an entity with central authority could serve as the nucleus of the City's environmental mission for other departments.[48]

Enforcement

Enforcement, inspections, and permitting came up regularly in conversations with internal stakeholders, but there were generally mixed feelings about the possibility of centralizing these enforcement-related functions.

Some staff, including environmental engineers and inspectors interviewed for this report, felt that centralizing enforcement roles would be beneficial. If centralized into its own division in a new DOE, permitting/inspection/enforcement would operationally benefit from streamlined communication. If a project requires multiple permits, inspectors would be able to easily update and communicate with each other, strengthening efficiency. Centralization could also increase inspectors' camaraderie, and connection to the environmental mission.[49] From the public facing perspective, the process for facility owners could become less layered and more streamlined.

However, a number of arguments were conveyed against centralizing all environment-related enforcement roles. First, because environmental permitting and enforcement can be so far-reaching, it would require pulling in functions from a number of departments including CDPH, DOB, and DWM. This would create significant disruption to existing processes which stakeholders felt were operating well. Further, it would be nearly impossible to pull in *all* environmental-related enforcement functions into a single department given how expansive environment-related work is, so cross department collaboration would still be necessary.[50] Second, several stakeholders felt that enforcement functions actually operate better by being co-located in non-environment focused departments. For example, a few stakeholders noted that current environmental enforcement roles in CDPH benefit from being connected to public health experts and data sets, which could be lost if centralized into a new DOE.[51]

Financial Costs

Many stakeholders expressed concern over how a new DOE would be funded. Particularly, former DOE staff interviewed for this report, noted that the settlement funding which supported DOE's operations is no longer in place.

Additionally, City staff noted that there would be a significant, relatively fixed administrative cost including staff for a Commissioner's office, as well as human resources, and other internal roles. The administrative cost for the last year of the former DOE was approximately $2.7 million.[52] Given

[46] Interview with internal stakeholder
[47] Interview with internal stakeholder
[48] Interviews and focus groups with internal stakeholders
[49] Interview with internal stakeholder)
[50] Interview with internal stakeholder
[51] Focus group with internal stakeholders
[52] Data provided by the Office of Budget Management

relatively fixed administrative costs, a few interviewees noted that creating a stand-alone DOE would only be worth it if the new department was large enough to justify the administrative costs.

Stakeholders were skeptical of how a new Department of Environment would be funded to meet these administrative costs and maintain the same level of work on environmental functions. Some called out that funding for several environmental functions come from their current departments, and were concerned that funding could be reduced if those functions are centralized. Likewise, if functions are moved into a centralized DOE, the City departments which used to contain those functions might lose funding.

Opportunity Costs

While a few interviewees expressed clear support for reinstating a standalone Department of Environment, the majority of City staff consulted for this report were skeptical about it being the most effective way to improve environmental service delivery to Chicagoans. A large number of internal stakeholders indicated that, while some service gaps exists and there is room for improvement, they believe the current state of environmental functions is working well and the main issue is that they do not have enough resources (staff and funding).[53]

Stakeholders expressed that resources used to potentially set up a new DOE could drive greater impact if they were instead simply used to address existing resource constraints for environmental functions. Several interviewees noted that they are working with fewer staff than there were under the former DOE to perform the same function.[54] When the former DOE was dissolved, dozens of vacant positions were never refilled.[55] There was also interest in investing more in solutions within the current organizational structure, such as technology (e.g., permitting systems that better communicate across departments). These efforts could potentially offer greater benefits than reorganization and reinstituting a DOE.

Disruption Costs

Several City staff expressed that a potential cost to reorganization and centralizing functions in a new DOE is disrupting functions they believe are working well. Many City staff felt that a lot of progress has been made since the dissolution of the DOE to embed environmental functions in their current departments.[56] and that reorganization has the potential to lose that progress. While there is variation among internal stakeholders, many stakeholders argued that the City is able to better perform environmental function by them being embedded in their current departments.

If centralized, stakeholders have expressed that their current functions could be disrupted. Stakeholders from CDOT have also noted that their functions benefit from being housed in a department that focuses on transportation.[57] Furthermore, multiple interviewees have noted that all of the work to culturally and organizationally connect to their current departments since the dissolution of the DOE would be disrupted and potentially lost.[58]

[53] Interviews and focus groups with internal stakeholders
[54] Interview with internal stakeholder
[55] Data provided by the Office of Budget Management
[56] Interviews and focus groups with internal stakeholders
[57] Interview with internal stakeholder
[58] Interviews and focus groups with internal stakeholders

Stakeholders also noted that by pulling environmental functions from City departments into a new DOE, the City risks those departments deferring all environmental responsibilities to the DOE, removing the onus from the City departments to prioritize environmental goals.[59] By centralizing expertise in one department, City staff noted, it could potentially create a silo instead of having environmental equity champions embedded throughout the City.[60]

Service Gaps and Opportunities

As part of the internal stakeholder engagement process, participating staff were regularly asked to identify any service gaps or opportunities where the City could improve its environmental work. Most felt that while there was general room for improvement and more resources needed, the City of Chicago provides service to an adequate level over a comprehensive spectrum of municipal environmental functions. However, some stakeholders did point out specific functions the City does not perform or perform to an adequate level:

Potential service gap	Description
Energy policy and strategy	The former DOE had a division for Energy and Sustainable Business which led the City's energy policy and strategy development. The responsibilities of that division (e.g., energy efficiency and bill assistance, renewable policy, energy finance mechanisms, etc.) were dispersed or left unassigned to a clear owner following the dissolution. As a result, the Office of Climate and Environmental Equity is the primary owner of energy policy and strategy. It should be noted that AIS recently hired an energy manager to oversee energy management of the City's internal assets.
Green infrastructure	Stakeholders felt that there is no clear home within the City for green infrastructure (e.g. permeable pavements, greenspaces to address stormwater). While the Department of Water has the most familiarity in this function, most of the infrastructure built has been a result of private development.[61] A few stakeholders expressed a desire for a more coordinated effort to have the City lead the implementation of green infrastructure. OCEE has recently begun efforts to increase such coordination.

City staff also identified opportunities for the City to make improvements on current operations:

Opportunities	Description

[59] Interviews and focus groups with internal stakeholders
[60] Focus group with internal stakeholders
[61] Interview with internal stakeholder

Accountability for overall policy and strategy	Stakeholders did not feel there was a clear owner of the City's environmental policy agenda and strategy. While the City ordinance grants the newly created Office of Climate and Environmental Equity (OCEE) responsibilities of policy coordination and strategy development, there is no clearly empowered entity in the Mayor's Office that has the authority to direct those strategies. The 2022 Climate Action Plan reflects this challenge. While the CAP is a crucial guide and goal setting document for the City, staff expressed frustration with the lack of a structure to administer or prioritize the activities outlined by the CAP.[62]
Environmental justice	While most internal stakeholders felt the City appreciates and is aware of environmental justice issues as it relates to their environmental functions, some called out the need to more intentionally embed environmental justice into the City's work.[63] Efforts are underway to advance the cumulative impact assessments, ensuring enforcement efforts align with environmental justice principles, and having additional staffing to ensure capacity for robust community engagement efforts (not only to listen to and learn from community members but also to share information from the City).
Maintenance of environmental projects	Lack of staffing and resources have been identified as serious obstacles for departments to ensuring the long-term maintenance of environmental work and investments. For example, stakeholders from DWM have identified that their limited resources do not allow for the prioritization of strategic planning or maintenance of their green infrastructure.[64] CDPH staff have also noted that recycling programs do not currently have oversight to ensure the environmental work is being completed.[65]
IT systems	City staff, particularly inspectors, commented on the need for investment in better IT solutions – particularly for permitting systems that communicates across departments. For some projects, the City needs to conduct a variety of enforcement activities spanning multiple departments. Within the City's current permitting system there may be a method to flag items for other departments, but staff rely on manually emailing, or calling other departments to communicate when permits have been completed.[66] This is a time-consuming and inefficient process which significantly slows down and may ultimately diminish the City's capacity to enforce environmental policies. Additionally, stakeholders

[62] Interview with internal stakeholder
[63] Focus group with internal stakeholders
[64] Interview with internal stakeholder
[65] Interview with internal stakeholder
[66] Interviews with internal stakeholders

	have expressed their concern with the lack of knowledge they possess over other departments' permitting processes and requirements.[67]

Internal Communication

Many stakeholders expressed a desire for improved internal coordination and communication. There was a general lack of clarity surrounding the City's overall environmental priorities and the environmental work that other departments were involved with. City staff pointed to previous convening meetings (which occurred following the dissolution of the DOE) that brought together around 15 environmental stakeholders in City departments and sister agencies and provided opportunities to collaborate and understand each other's work.

Several internal stakeholders found value in the roundtable and have expressed the desire to reinstitute it in some manner. Creating a regular convening meeting could strengthen interdepartmental communication and keep the various City departments aligned on an environmental mission. There was also value found in having a space to share feedback and ask for clarity on the environmental work being done across the City.[68]

Some internal stakeholders called out that reinstituting a Department of Environment and structurally integrating relevant environmental functions would ensure this form of regular coordination and improve internal communication. A new DOE would also uplift the environmental work City staff are completing, strengthening their connection to the overall mission, and indicating that the City places significance on their work.[69] However, several interviewees noted that recreating a DOE would not be necessary to address the current internal communication challenges, and a less intensive approach – such as reinstituting convening meetings – would be enough. While regular communication would be beneficial, it won't suffice as the necessary coordination needed to prioritize and collaboratively implement environmental functions spread across departments. Centralized leadership and policy strategy are needed to achieve desired climate goals.

External Communication

Many internal stakeholders also noted the need for improved communication with external stakeholders – residents, other levels of government, and the private sector. In the current state, the City *does* communicate about its environmental work, but City staff largely felt that it was too limited and potentially confusing due to how environmental work distributed across City departments. Stakeholders offered ideas on how to improve external communication, centering on two specific topics:

- **Creating a centralized external affairs and communication function:** City staff suggested that a centralized external affairs and communication function would enable the City to more effectively communicate its environmental work. Currently, external communications regarding environmental work could come from the Mayor's Office, or from specific departments, depending on the relevant environmental function. Larger departments containing

[67] Interviews with internal stakeholders
[68] Interviews with internal stakeholders
[69] Interviews with internal stakeholders

environmental functions (CDPH, CDOT, etc.) have their own external affairs capacity, but are not necessarily dedicated to communicating progress on environmental work.

A centralized external communication role would have a range of responsibilities including:

- implementing strategies to communicate City policies and programs to residents to improve participation in environmental initiatives
- develop an aligned agenda between different levels of government and maintain relationships with Illinois EPA, US EPA, and the private sector[70]
- support engagement with alderpersons and other officials in order to align the City, on all levels, on the work that is being done and the goals that are driving environmental functions

City staff have also indicated the importance of this function to bolster environmental justice efforts by creating opportunities to engage with the public. Centralizing external affairs would strengthen support for community engagement and education around the City's work and services from all City departments. Internal stakeholders have expressed a desire for the creation of a common language and culture around the environment for the public, which could potentially be achieved by centralizing external affairs and communication.[71]

- **Reinstating a Department of Environment:** Several internal stakeholders have pointed to the symbolic value of a new DOE as a benefit to help convey the value the City places on environmental work. A new department would be able to communicate that the City values and prioritizes environmental issues. As one City staffer noted: "The City of Chicago deserves a Department of Environment."[72] For Chicagoans, the creation of a new DOE could indicate the significance of the City's environmental work, while also creating clear points of contact. The creation of a DOE could also address community concerns and provide a mechanism for advocates to hold the City accountable.[73]

[70] Interviews and focus groups with internal stakeholders
[71] Focus group with internal stakeholders
[72] Interview with internal stakeholder
[73] Interview with internal stakeholder

Benchmarking and best practice research

Several key findings emerged from the benchmarking and best practice analysis. First and foremost, there is no standard way cities organize their environmental and climate functions. All of the cities surveyed had different types of agencies, reporting to different executive functions within their municipal governments, overseeing different environmental work. Each city tailored their governance to the unique issues, political form, and regulatory structure under which they operate.

Every city analyzed distributed oversight of environmental functions across at least five departments/offices (and some as many as nine). No one agency has purview over everything. This reflects the cross-cutting nature of sustainability and climate action and highlights the need for coordinated planning across agencies and reporting structures to maximize the impacts of different entities for climate and sustainability outcomes. It also reflects the split between internal (e.g., fleet management) and external (e.g., permit reviews) actions being taken by cities, which require different types of capacities, staffing, and structures.

Environmental governance in the nine cities surveyed can broadly be grouped into three categories:

1. **Highly centralized governance**, with many environmental functions overseen by a large department and/or Mayoral office (e.g., Washington, DC, Los Angeles, Minneapolis). Lead departments varied between departments of public health, environment, and public works. Washington, DC had the most centralized governance, with the Department of Environment and Energy overseeing 13 environmental functions.

2. **Relatively centralized governance**, with 2-3 departments or Mayoral offices overseeing a majority of environmental functions (e.g., New York, Denver, Philadelphia). Entities with significant oversight included departments of environment, public health, and public works as well as Mayoral offices.

3. **Fairly dispersed governance** (e.g., San Francisco, St. Louis, Boston). In San Francisco and Boston, different departments working on climate and sustainability issues are coordinated through the cities' respective executive reporting structures.

Executive coordination and commitment

A key consideration in each of these structures, regardless of which model was chosen, was trying to align different department reporting structures to a few executive leaders (e.g., a Deputy Mayor or City Administrator). This ensures that an empowered executive can mitigate disputes between co-equal agencies, coordinate separate portfolios, and break through traditional bureaucratic silos that inhibit climate action (e.g., working across water and transportation departments to accelerate the use of green stormwater infrastructure in the public right of way to manage flood risks). In Boston, for example, which has oversight of its environmental functions distributed among nine municipal entities, many of these functions report to a cabinet-level Chief of Environment, Energy, and Open Space.

All of the cities also noted that regardless of structure, the key to consistent and coordinated climate and sustainability action is Mayoral leadership. Absent consistent executive commitment to long-term goals and the implementation of near-term actions, all structures can suffer from a lack of funding and momentum.

The size and scope of standalone departments varies

Five of the nine cities surveyed had a Department of Environment in some form, although the size and scope of these offices varied. New York's Department of Environmental Protection (DEP) has more than 5,400 employees, although that is largely because that department serves as the city's water utility, operating New York's water supply, wastewater treatment plants, and stormwater system. According to City officials, approximately 4,000 of DEP's staff focus on water supply, wastewater, and stormwater issues while approximately 500 are in the Bureau of Environmental Compliance.

Denver combined its environmental and public health functions into a single department (the Department of Public Health and Environment), which oversees a variety of services, including brownfields policy and permitting, water quality policy, food waste, and environmental review processes. (Denver also has a separate executive climate office, the Office of Climate Action, Sustainability, and Resiliency.) In Washington, DC, the Department of Energy and Environment (DOEE), with a staff of more than 300 people, plays a lead role in most environmental functions in the city (13 of 18).

While energy supply is a critical issue for climate action – and equity – in cities, Washington and Boston are the only two cities that have this function overseen by a Department of Environment. Recognizing the importance of energy, DC's DOEE is organized into five divisions: Operations Services, Energy Administration, Environmental Services, Natural Resources, Urban Sustainability, and Utility Affordability.

Planning and resilience in executive functions, municipal operations in internal-focused agencies

Only three of the nine cities featured strong mayoral climate offices – Denver, New York City, and Philadelphia. But, in each of those cases, the climate offices led on at least six environmental functions in the city. In New York, the Mayor's newly renamed and expanded Mayor's Office of Climate and Environmental Justice (which was created in 2022 with the merger of three existing offices: the Mayor's Offices of Sustainability, Environmental Coordination, and Environmental Remediation) leads on six environmental functions, and advises on nine additional functions. Reflecting their cross-cutting nature, climate planning and resilience are two environmental functions most often led by a central Mayor's office (four and five cities respectively).

Conversely, the decarbonization of municipal buildings and electrification of city fleets are typically managed by non-climate departments. The department responsible for fleet electrification, for example, ranges from the Department of Citywide Administrative Services in New York to the Department of Public Works in Los Angeles to the Department of Transportation in Washington, D.C. Other cities, like Philadelphia, have their own Department of Fleet Services dedicated to this effort.

Strong connection between health and the environment

Across most cities analyzed, there was a strong link between environmental protection, sustainability, and public health. Departments of Public Health in several cities lead on critical environmental functions – most notably air quality policy, where health agencies oversaw this service in seven cities.

As noted above, Denver has a Department of Public Health and Environment, emphasizing the link between these issues. Minneapolis embedded an environmental division (Sustainability, Healthy Homes, and Environment) within its Health Department. That division oversees 7 of the 19 environmental functions analyzed.

Where cities have separate environmental and health functions, there is strong collaboration between these entities. For example, New York's street-level air quality monitoring program (the New York City Community Air Survey), which has more than 100 air quality monitors across the city, is a joint project of the Mayor's Office and the Department of Health and Mental Hygiene.

Funding

Regardless of the specific approach to environmental governance, it is imperative that cities develop budgetary and funding strategies for climate actions so that no one function or service is severely impacted by budgetary fluctuations. Few cities have large, recurring funding streams dedicated to climate action and environmental protection writ large (this excludes funding raised by utility services such as New York's water rates that fund large portions of its Department of Environmental Protection).

Denver is an outlier to this. In 2020, Denver voters approved a 0.25% sales tax dedicated to funding climate action (via a Climate Protection Fund), which is expected to raise $40 million a year. Under the regulations governing the tax, half of the funds need to be dedicated to lower-income communities. The Climate Protection Fund has six categories of allowable uses:

1. Job creation through local workforce training and new careers for under-resourced individuals in clean energy technology and management of natural resources.
2. Increased investments in solar power, battery storage, and other renewable energy technology.
3. Neighborhood-based environmental and climate justice programs.
4. Adaptation and resiliency programs that help vulnerable communities prepare for a changing climate.
5. Programs and services that provide affordable, clean, safe and reliable transportation choices, like walking, biking, transit, electric vehicles, and neighborhood-scale transit.
6. Upgrading the energy efficiency of homes, offices, and industry to reduce their carbon footprint, utility bills, and indoor air pollution.

In 2021, the sales tax generated $41 million, which represented a ten-fold increase in the amount of funds the city spends on climate action. This enabled the Mayor's Office of Climate Action, Sustainability, and Resilience to grow from 10 to 40 people. The Climate Protection Fund has funded an e-bike rebate program, a rebate program for residential heat pumps, community solar projects ($17 million), and the purchase of EVs for the city's fleet ($1.4 million).

Although not one of the benchmarked cities, San Diego offers another example, potentially replicable here in Chicago, of a funding strategy for climate and environmental equity programs. It does so by using some of the funds raised from the electric and gas utility franchise agreements that allow utilities to serve customers within a city's boundaries. For example, San Diego's Code requires that 75% of its electric franchise fee revenue is to be deposited in its General Fund with the remaining 25% of revenue required to be spent on environment and climate programs.[74]

Denver and San Diego's dedicated, stable funding for climate action contrasts with San Francisco's Department of Environment (DOE), which generates much of its funding through internal MOUs with other municipal departments to cover collaborative action. While this can enhance buy-in from other

[74] City of San Diego Electric & Gas Franchise Fee Workshop presentation at 12, https://oceanbeachplanning.org/files/2020/03/2020-03-Franchise-Fee-workshopPresentation.pdf

departments for environmental actions undertaken by the Department of Environment, it leaves the DOE with a highly variable and unreliable budget year over year.[75]

[75] San Francisco Commission on the Environment Resolution Addressing Short-Term and Long-Term Funding Concerns for Critical Department Initiatives and Programs, https://sfenvironment.org/sites/default/files/policy/030121_resolution_file_no._2021-02-coe_funding.pdf

City scan of key environmental functions

	Washington, DC	Los Angeles	Minneapolis	Denver	Philadelphia	New York	San Fransisco	St Louis	Boston	Chicago
Dept of Environment	Y	N	N	Y	N	Y	Y	N	Y	N
# of staff	~300					~5,400	~70			
Summary	Highly centralized structure for planning and implementation	Centralized, with Dept of Public Works overseeing multiple offices leading on climate and sustainability issues (including the Climate Emergency Mobilization Office). The only city with a publicly-owned energy utility	Centralized within the Dept of Health to better align with public health and environmental justice.	Relatively centralized, with most responsibilities split between 2 entities - a strong Mayoral office funded by a recurring, dedicated tax and a consolidated Dept of Public Health & Env	A strong Mayoral Office of Sustainability, with 16 staff, half focused on sustainability and half on energy via a Municipal Energy Office.	Relatively centralized, with most responsibilities split between 2 entities. Both entities are currently run by the same person. Many agencies report to the Deputy Mayor for Operations	Many functions in the Dept of Environment and Public Utilities Commission (water and energy). Air quality functions shared with a regional entity.	Very diffused responsibilities. Office of Sustainability is within the Dept of Planning, not the Mayor's Office (Pittsburgh also has this model)	More diffused responsibilities at an agency level, but many climate functions report up to cabinet-level Chief of Environment, Energy, and Open Space	Diffused responsibilities. OCEE primarily has policy and planning responsibilities. Most functions are spread across several City departments.
Environmental functions										
AQ policy	Dept of Energy & Env	Dept of Public Health	Dept of Public Health	Dept of Pub Health & Env	Dept of Public Health	Dept of Env Protection / Dept of Health	Dept of Pub Health / Bay Area AQ Mgmt. District	Health & Hospitals	Dept of Env	Dept. of Publc Health
AQ enforcement	Dept of Energy & Env	Dept of Public Health	Dept of Public Health	Dept of Pub Health & Env	Dept of Public Health	Dept of Env Protection	Dept of Pub Health / Bay Area AQ Mgmt. District	Health & Hospitals	Dept of Env	Dept. of Publc Health
Brownfields policy	Dept of Energy & Env	Dept of Public Works	Comm Planning & Econ Dev	Dept of Pub Health & Env	N/A	Mayor's Office of Climate & Environmental Justice	Dept of Env	Development Corp		Dept. of Assets, Information, and Services
Brownfields permitting	Dept of Energy & Env		Comm Planning & Econ Dev	Dept of Pub Health & Env	N/A	Mayor's Office of Climate & Environmental Justice		Development Corp		Dept. of Assets, Information, and Services
Climate planning	Dept of Energy & Env	Dept of Public Works	Dept of Public Health	Office of Climate Action, Sust & Res	Office of Sustainability	Mayor's Office of Climate & Environmental Justice	Dept of Env / Office of Resilience & Capital Planning	Dept of Planning	Dept of Env	Office of Climate and Environmental Equity
EVs (City)	Dept of Transportation	Dept of Gen Srvcs	Dept of Public Works		Dept of Fleet Srvcs	Dept of Citywide Admin Srvcs	Dept of Env	Board of Public Service	Dept of Trans	Dept. of Assets, Information, and Services
Bldg efficiency / decarb (City)	Dept of Gen Srvcs	Dept of Gen Srvcs	Dept of Public Health	Dept of Gen Srvcs	Office of Sustainability	Dept of Citywide Admin Srvcs	Dept of Env	Board of Public Service	Dept of Env	Dept. of Buildings
Bldg efficiency / decarb (private)	Dept of Energy & Env	Dept of Bldg and Safety	Dept of Public Health	Office of Climate Action, Sust & Res	Office of Sustainability	Dept of Blgds	Dept of Env	Dept of Planning / Dept of Public Safety	Dept of Planning & Dev	Dept. of Buildings
Energy supply	Dept of Energy & Env	Dept of Water & Power	Dept of Public Health	Office of Climate Action, Sust & Res	Office of Sustainability	Mayor's Office of Climate & Environmental Justice	Pub Utilities Commission	Dept of Planning	Dept of Env	Office of Climate and Environmental Equity
Green workforce dev	Dept of Energy & Env	Econ & Workforce Dev Dept	Comm Planning & Econ Dev	Office of Climate Action, Sust & Res	Dept of Commerce	Economic Development Corp	Office of Econ & Workforce Dev	Development Corp	Dept of Workforce Dev	Dept. of Transportation
Solid waste	Dept of Public Works	Dept of Public Works	Dept of Public Works	Office of Climate Action, Sust & Res / Dept of Trans & Inf	Dept of Streets	Dept of Sanitation	Dept of Env	Streets Dept	Dept of Public Works	Dept. of Streets and Sanitation
Water quality policy	Dept of Energy & Env	Dept of Public Works	Dept of Public Works	Dept of Pub Health & Env	Dept of Water	Dept of Env Protection	Pub Utilities Comm	Public Utilities	Dept of Water & Sewer	Dept. of Water Management
Water quality permitting	Dept of Energy & Env	Dept of Public Works	Dept of Public Works	Dept of Pub Health & Env	Dept of Water	Dept of Env Protection	Bay Area Regional Water Quality Board	Public Utilities	Dept of Water & Sewer	Dept. of Water Management
Green Infrastructure	Dept of Energy & Env	Dept of Public Works	Dept of Public Works	Dept of Trans & Inf	Dept of Water	Dept of Env Protection	Pub Utilities Comm	Public Utilities	Dept of Water & Sewer	Dept. of Transportation
Stormwater	Dept of Energy & Env	Dept of Public Works	Dept of Public Works	Dept of Trans & Inf	Dept of Water	Dept of Env Protection	Pub Utilities Comm	Public Utilities	Dept of Water & Sewer	Dept. of Water Management **and** Dept. of Buildings
Resilience	City Administrator	Dept of Public Works	Mayor's Office	Office of Climate Action, Sust & Res	Office of Sustainability	Mayor's Office of Climate & Environmental Justice	Office of Resilience & Capital Planning		Office of Resilience & Racial Equity	Office of Emergency Management and Communications
Environmental Review	Dept of Energy & Env	Dept of City Planning	Comm Planning & Econ Dev	Dept of Pub Health & Env		Mayor's Office of Climate & Environmental Justice	Planning Dept	Dept of Planning	Dept of Planning & Dev	Dept. of Assets, Information, and Services
Forestry	Dept of Transportation	Dept of Public Works	Dept of Public Health	Dept of Parks & Rec	Office of Sustainability	Dept of Parks & Rec	Dept of Public Works	Dept of Parks & Rec	Dept of Parks	Dept. of Streets and Sanitation **and** Dept. of Transportation
# of lead entities	5	7	4	5	6	8	8	8	9	8
most functions per lead	13	9	7	7	6	6	6	4	5	4

Dedicated Dept of Env
City's executive function

External stakeholder engagement

External stakeholders ranging from alderpersons, environmental advocacy organizations, green economy leaders, and business and civic leaders participated in interviews and focus groups for this portion of the study. The City's partner, MUSE Community + Design, conducted these interviews and focus groups. Their conversations focused on identifying priorities, opportunities, and watchouts when considering how to organize the City's environmental functions. Besides answering open-ended questions about effective policymaking and governance, they also shared their reactions to the four representative models outlined in the next section. While participants shared their preferences across the four proposed models, they strongly emphasized implementation and accountability, placing less importance on the overall structure. Three key themes underlay all external stakeholder conversations: accountability, clarity, and transparency.

Accountability: Participants emphasized a desire to hold City leadership and individual departments accountable to achieve desired climate outcomes and a sense of urgency to prioritize climate, environment, and environmental equity across City functions.

Clarity: They expressed a need to establish a clear set of goals, a division of roles, and a centralized climate strategy to align city leadership, departments, and sister agencies. Participants envisioned streamlined and consistent processes for permitting, licensing, and compliance.

Transparency: Participants also noted that transparency is critical for trust building. Creating metrics and a reporting mechanism was a top priority for many participants. They expressed a desire for stronger internal and external reporting on metrics, outcomes, communications, and data sharing.

Tying these themes to a governance structure, over half of the external stakeholder participants identified their preferred environmental governance model of keeping the existing Office of Climate and Environmental Equity to lead policy and overall strategy and launching a new Department to implement the related functions. They also identified several opportunities for the City to incorporate the three key themes into the new governance structure. These include:

- strong leadership for citywide implementation
- accountability
- catalyze a culture shift
- community partnership
- external communications + outreach
- tracking and transparency
- funding opportunities

Public survey results followed similar themes. More details can be found under Public Survey.

Strong Leadership for a Citywide Implementation

Leadership was identified as a top priority in every discussion. Participants shared that any new environmental governance structure should include a leadership role over all city operations related to environmental functions. This function should have resources allocated to ensure regular coordination and connection of appropriate departments and sister agencies to environmental governance functions. At the same time, each department should clearly define its environmental priorities and establish a set

of objectives outlining why, how, and when it will achieve its environmental goals. These priorities should align with the broader goals and citywide objectives.

> *"Leadership is everything; a shared vision with visible relationships with commissioners will build accountability. Create a citizen-driven policy agenda endorsed by mayor/city council and mandate department heads/commissioners to participate, different staff need to see the collaborative agenda."* **- Stakeholder Participant**

Participants offered a variety of insights to support such a structure, all including the theme of having leadership from the Mayor, the Mayor's Office, and every City Department Commissioner to ensure that environmental governance is a top priority. They widely acknowledged that executive leadership within the Mayor's Office should play a crucial role in setting environmental policy and strategy, as it provides the necessary power and authority to drive environmental improvements in air, land, and water. A few participants encouraged OCEE or other Mayor's Office functions to be the convener to identify program efficiencies and opportunities for collaboration while layering the environmental benchmarks citywide. Several participants noted that Chicago's recent plans (Climate Action Plan and We Will Chicago's Environment, Energy, and Climate chapter) are ready roadmaps for leaders to lift up and implement.

But participants also cautioned that if the current OCEE is to be maintained, it needs more staffing capacity and authority to oversee and coordinate environmental initiatives that other departments implement effectively. Staffing capacity emerged as a big barrier to enforcement, engagement, and overall implementation in conversations. Participants expressed the need to add more policy and professional staff that can work across departments. While highlighting these limited resources, they acknowledged the commendable work done by the office thus far, advancing environment, climate, and equity initiatives.

Overall, while most participants expressed a preference for either creating a Department of Environment or a hybrid structure combining the existing Office of Climate and Energy (OCEE) with a new department, there was a clear consensus on the need for executive-level staff within the Mayor's Office, working in conjunction with an operating department focused on coordination, innovation, and the bigger picture.

Accountability

External stakeholders strongly expressed that regardless of structure, staff overseeing environmental priorities must have the ability to hold other departments and sister agencies accountable. Several participants identified that previous governance models did not have enough standing to guide citywide environmental decision-making and priorities. Whether it's a hybrid structure or a standalone department, the new governance structure should allow this position/department to have power, accountability, and authority.[76]

Catalyze a Culture Shift

Several conversations also identified the need for a commitment to address and bolster the culture of environmental governance at the City. Participants emphasized that departments should move away

[76] Interviews and focus groups with external stakeholders

from a siloed approach to a more collaborative environment, both internally with other departments and externally with the public.

They noted cross-department coordination as a significant factor for successful implementation and highlighted the need for seamless collaboration and communication among various departments and sister agencies. They identified a volume of environmental priorities for the City - building decarbonization, urban flooding, lead pipe replacement, electric vehicle and solar infrastructure, recycling and compost, water management, and fleet and transportation – and recognized that no single department could achieve the desired environmental outcomes alone, underscoring the need for collective efforts and cooperation with strong leadership to coordinate policy in a centralized approach.

Participants also emphasized catalyzing a culture shift such that the City of Chicago staff and operations embrace their role as a resident and stop an 'othering' of community members. They highlighted a need for departments to develop a deeper understanding of why community advisory groups are important and how they can be essential in building trust with the community.

Community Partnership

External stakeholder participants emphasized the importance of including community partners when designing and implementing a new governance structure. There was an understanding that no one entity can address climate challenges alone, and organizations expressed a readiness and willingness to support City priorities on environmental initiatives, including implementation, policy co-development, and coordination. However, a common sentiment shared was that communities need a voice in the conversation earlier in the decision-making process, not when it's the last conversation before a decision is made. There was a broad feeling that to address climate and environmental justice priorities, Chicago must provide businesses, environmental advocacy organizations, and residents with clear guidance, resources, and technical assistance.

Participants consider community partners – both non-profit and for-profit – well-positioned to directly support the City and serve as liaisons between the community and the City. Several identified that the new governance structure should incorporate funding for community partners to both build external capacity for the City and assist community-based organizations with limited financial structure and staff capacity. A participant suggested that Chicago should help develop more opportunities that directly allocate resources to communities with limited bureaucratic red tape. Other suggestions included ways to build local capacity for environmental governance, such as creating programs like the Local Industrial Retention Initiative (LIRI) model that allows local organizations to work on behalf of the City or DPD regional planners that focus staff geographies on specific neighborhoods of Chicago.

Several participants mentioned the opportunity for the City to work with Cook County, from sharing responsibilities on functions like inspections to funding geographically targeted community liaison positions. Business and civic leaders cited the permitting and licensing process as a barrier due to a lack of staff resources, unclear processes, and inconsistent outcomes. A centralized, transparent process with consistent staffing to provide direct resources was suggested to improve the process of navigating regulations for compliance.

Communication & Outreach

External stakeholders strongly expressed prioritizing public-facing environment and climate-related education to increase Chicagoans' environmental literacy. They identified open and transparent external communications and engagement as critical to rebuilding trust and providing accountability.

Participants stressed that when communicating with individual communities, messages should be crafted to resonate with individuals and meet them where they are. Communications and engagement should be customized for individual communities, especially for overburdened communities for which environmental sustainability may not be a priority.

> "*We need to raise awareness of the impacts of climate change; day-to-day life takes a front seat for most residents; we need to translate their immediate experience and connect it to climate change. A resident's sense of safety is related to sustainability; if someone doesn't feel safe then they won't plant a rain garden.*" - **Stakeholder Participant**

Tracking & Transparency

External stakeholders emphasized a strong desire to consistently track all environmental governance functions for residents, businesses, and elected officials. Opportunities were identified to share compliance data, funding allocations, resource distribution, development approvals, and community engagement activities to provide a clearer picture of environmental governance-related activity.

Participants shared the uncertainty in permitting and licensing processes and voiced the need for access to clear, easy-to-track data on development processes and zoning decisions. They also recommended tracking data that emphasized the role of community input. An example is tracking how community input is incorporated into the development approval process since there are currently no records provided by the City and the City is not required to respond to comments.

Participants stressed the need for transparent benchmarking and sharing of outcomes to evaluate the effectiveness of environmental initiatives. Several identified the prompt implementation of the We Will Chicago and Chicago Climate Action Plans for tracking and performance measurement to reinforce the value of the planning processes and keep the plan participants engaged. In addition, there was a desire to track funds related to environmental governance.

Funding Opportunities

Participants also shared ideas on how to fund environmental functions across the City. They expressed a desire to see environmental governance prioritized in the City's annual budget. They cautioned the City to consider the cost of doing nothing, emphasizing that prioritizing the environment is too important to *not* fund.

Specific funding suggestions included:

- **Focus on federal funding opportunities**.

    - Participants shared that Chicago does not have deep relationships with federal agency staff in D.C. and that the City, in general, needs more skilled capacity for grant applications.
    - A participant suggested the need for Chicago to create a shared agenda with US EPA's Region 5 office.
- **Reclaim revenue streams.**
    - Participants suggested targeting the Checkout Bag Tax to fund environmental governance rather than going into the general corporate fund.
    - Two participants encouraged revisiting the Chicago Electricity Franchise Agreement to identify additional funding.
- **Engage foundations to support specific initiatives.**
    - One participant gave the example of Great Rivers Chicago, which provided seed funding to community-based organizations and then implementation funds to local environmental organizations as a model for engaging philanthropic partners.

Lastly, several participants advised that Chicago should not add additional compliance fees or fines as a revenue source. A few voiced concerns that the current inspection model is not transparent and, at times, seems financially driven, not based on compliance, and the punitive nature of fees and fines. They expressed a need for public access to assessed fees and fines to understand compliance action.

Public Survey

As a part of the external stakeholder engagement, the City again partnered with MUSE Community + Design to conduct a public online survey that included ten questions asking residents about their environmental priorities and preferences for a governance structure to address these priorities. It received 1,057 responses. Unsurprisingly, issues that directly impact residents on a day-to-day basis dominated the survey results. The top three environmental priorities that emerged were public transit service, clean air, and environmental justice. Respondents also identified implementing a Climate Action Plan as an important environmental priority. Most survey respondents identified that there is room for Chicago to do more to enhance the environment and favored reorganizing the City's environmental governance. Regarding governance structure, responses were almost equally divided between a) a hybrid approach with an expanded strategy office directly reporting to the Mayor to serve as the authority on climate policy and environmental justice coordination and a Department of Environment to conduct environmental operations currently at other departments or b) a standalone Department of Environment where a majority of environmental functions, policy/strategy, and operations all fall under one Department.

Possible Organizational Models

Overview

Peer benchmarking, research, and extensive engagement for this study have demonstrated that there is not one standard "out of the box" organizational model of municipal environmental functions. No two cities among those that we studied are organized exactly in the same way. Rather, there is a spectrum of organizational solutions that cities have adopted based on unique local issues, political forms, and regulatory structures under which they operate.

There are three distinct structures this report focused on which could perform environmental functions:

- a Mayoral/executive-level office
- an operational entity, often a Department of Environment (DOE)
- other City departments

Think of the above three structures as building blocks or puzzle pieces for potential organizational models.

Peer cities' organizational models differ in how these three structures operate and whether they exist within a city at all. Some have executive-level offices that play a major role in environmental work (Denver, Philadelphia, New York). And while some peer cities have a standalone Department of Environment (Washington DC, New York, San Francisco, Boston), all peer cities have other city departments that perform at least a few environmental functions. Moreover, the dispersion of functions across all departments within a city range from highly centralized (Washington, DC and Los Angeles), with many environmental functions overseen by a large department, to more dispersed (San Francisco, St. Louis, Boston), where several different departments carry out environmental functions.

As this peer benchmarking research has demonstrated, a wide range of possibilities exist for organizing a city's environmental functions. To center this study on key factors for the City to focus on, this section presents:

1. a set of possible organizational **Models** to help create a clearer set of choices to assist the City in determining the best governance structure for environmental functions
2. a standardized list of **roles and environmental functions** which are allocated differently across the alternative models identified
3. a **framework** to both assign roles, functions and evaluate models overall

This section provides a profile of each model. Each profile describes the model in greater detail, indicates where roles and functions would exist within the City government, and provides an overview of the benefits, costs, and risks each model poses.

Models

To organize the findings gathered through extensive stakeholder engagement and help clarify the choices the City of Chicago can make, this report categorizes the many possible organizational options into a Current State and three additional models. These models were developed in collaboration with executive City leadership, informed by best practice research, and refined through internal discussion and additional academic and industrial research. These models are examples or frameworks focusing on major organizational structures; however, multiple permutations and nuances within each model could impact how it is ultimately implemented.

The organizational models developed are anchored on the three key structures discussed above – a Mayoral/executive-level office, an operational entity handling environmental functions, often a Department of Environment (DOE), either standalone or merged with another function, and other city departments. For this study, we will refer to the Office of Climate and Environmental Equity (OCEE) as an executive-level office because the City's Chief Sustainability Officer (CSO) oversees OCEE. It should be noted, however, that OCEE is currently not located within the Mayor's Office and is considered a stand-alone office in the City's budget.

The below table provides a simplified overview followed by basic descriptions of each model. Within the table, an X indicates that the structure exists and performs environmental functions within that model. A blank cell indicates that structure does not exist in that model. For example, there are two Xs in the Center of Excellence model column – indicating that in that model, both an executive-level office and other departments perform environmental functions – and one blank cell, demonstrating that a new operational entity focusing on targeted environmental functions would not exist in the Center of Excellence model.

	Allocation of environmental functions across models			
	Current State	**Center of Excellence**	**Hybrid DOE**	**Comprehensive DOE**
Mayoral/executive-level office (OCEE)	X	X	X	
A New Operational Entity (w targeted) environmental functions or robust depending on model)			X	X
Other City departments	X	X	X	X

Current state – represents how roles and environmental functions are organized in the City of Chicago as of Spring 2023. The Chief Sustainability Officer heads the Office of Climate and Environmental Equity (OCEE) and primarily leads policy, strategy, and planning work. There is no Department of Environment, and environmental functions are dispersed across several City departments.

Center of Excellence model – additional capacity and technical expertise would be added to a Mayoral/executive office level. The Mayoral/executive-level office would be the central authority on environmental functions and will take on greater responsibility in coordinating and supporting environmental work across the City and sister agencies. A new operational entity will not be created and operations for specific functions would remain primarily in their current departments. This entity could be classified as either a department or office.

Hybrid DOE model – all three City organizational structures are directly involved in environmental work. The City would have an enhanced Mayoral/executive-level office like the Center of Excellence model. A new targeted operational Department of Environment would be created. Other City departments would still own several environmental functions. A Department of Environment in this model could be implemented as either a small standalone department or a *combined* department such as the Department of Public Health and Environment.

Comprehensive DOE – no Mayoral/executive-level office is directly responsible for implementing environmental work under this model, but coordination and collaboration across City departments might still exist at the executive level. Most environmental functions would move into a new standalone robust Department of Environment, similar to the City's governance structure when the former DOE was in place. A few environmental functions would remain in their current departments outside of the new DOE.

Roles and functions

While the existence of these high-level structures (executive office, an operational entity, City departments) provides the most foundational level of understanding, it is essential to define what work would be done *within* the structures of each model. A standardized list of roles and functional areas was created to provide additional detail (and consistency in discussing models). These were developed based on best-practice research and feedback from executive City leadership and internal stakeholders. For definitions of each function, please refer to Appendix C.

Roles	Functional Areas
• Administration • Budget/finance • Enforcement • External Affairs • Operations • Policy/Strategy Making • Legal Services	• Air Quality • Brownfield Redevelopment • Building Decarbonization • Centralized Climate Strategy • Climate Resiliency Planning • Enforcement • Environmental Review and Compliance • Energy Policy and Strategy • EV/Fleet/Transportation • Public Education and Engagement • Stewarding Natural Resources • Waste Strategy • Water Management • Green Workforce Development

The model profiles on the following pages indicate where each role and function would exist within the City. The models distribute these roles and functions following a continuum of increasing centralization. For example, in the Current State, roles and environmental functions are decentralized and distributed across City departments, which was intentional as a result of the 2012 dissolution of the former Department of Environment. On the other end of the continuum, under the Comprehensive DOE model, most roles and functions would be centralized into a standalone Department of Environment, with a few particularly specialized functions remaining in other City departments.

Framework

The third element of this approach – after first establishing models and defining the standard roles and functions – is a framework to determine how roles and functions should be allocated within each model. This framework is also used within the following profiles to evaluate models *overall*.

One thing to note is that this framework, while a valuable decision-making tool, has limitations. It is impossible to develop a framework that encompasses all relevant factors related to a potential reorganization decision of this scale. The overarching framework used in this study provides an approach to highlight the key benefits, costs, and risks the City should consider when determining how to organize environmental functions. But it cannot score or provide quantitative values to precisely decide how to organize the City's environmental functions. Instead, it provides a consistent lens through which to interpret the extensive research conducted for this study. The ultimate choice of how to organize the roles and functions to execute environmental work should utilize the information provided in this study, but additional considerations such as budget, the City's short and long-term priorities, and the overall agenda for the Mayor's administration will also factor into this choice.

The framework below focusing on benefits, costs, and risks was developed in collaboration with executive City leadership, environmental experts, and internal stakeholders:

Category	**Illustrative questions**
Functional benefits Factors that would make the City's service delivery of specific functions more effective and impactful	○ Would this model increase the amount of positive impact specific functions could provide Chicagoans? ○ Would this model centralize functions or keep functions in specialized departments in a way that could improve their performance? ○ Would this model provide additional technical expertise and capacity? ○ Would this model address and/or fill existing functional service gaps?

Organizational benefits Factors that would make the City's overall operations and organizational culture more effective and impactful	○ Would this model enable a central authority to support and lead the City's environmental work across departments? ○ Would this model improve internal stakeholder coordination and communication? ○ Would this model improve external stakeholder coordination and communication? ○ Would this model be vulnerable to changes in Mayoral administrations?
Financial costs Factors which directly relate to the amount of funding required for a given model	○ What would be the upfront cost to launch this model? ○ What staffing would be required? ○ What additional ongoing expenses would this model require, in comparison to current state? ○ What additional revenue sources could this model create?
Risks Non-financial factors that could negatively affect the City's effectiveness and level of impact	○ What level of disruption would this model cause? ○ How would internal and external stakeholders react to this model? ○ What opportunity costs does this model pose? ○ Would this model be an improvement over simply adding resources to existing organizational structures? ○ Would this model be vulnerable to changes in Mayoral administrations?

This framework was used both to assess where roles and functions would be best located within each model (as shown in the following model profiles) and to evaluate the models overall.

Framework summary – the below table summarizes the key benefits, costs, and risks of each model highlighted in the following profiles. Each row represents a common theme across models. Within the profiles for each model, there is greater detail explaining each benefit, cost, and risk. If a cell is blank it is not a primary factor for that model, but it could still apply to an extent for that model.

	Current State	Center of Excellence model	Hybrid DOE model	Comprehensive DOE model
Functional benefits	*Functions may operate better in specialized departments*	*Functions may operate better in specialized departments*	*Functions that may benefit from being in specialized departments can stay in place*	*Certain functions that benefit from being in specialized departments can stay in place*
	Functions would maintain continuity	*Functions would maintain continuity*		
			Functions that may benefit from co-locating within a DOE can move	*Functions that may benefit from co-locating within a DOE will be centralized*
		Added centralized technical expertise could support functions	*Added centralized technical expertise could support functions*	
		Offers a dedicated location for energy policy work	*Offers a dedicated location for energy policy work*	*Offers a dedicated location for energy policy work*
Organizational benefits	*Maintains environmental focus across departments*	*Maintains environmental focus across departments*	*Maintains some environmental focus across departments*	
	Maintains role with potential to provide central authority	*Maintains and can empower executive-level office with more central authority*	*Maintains and can empower executive-level office with more central authority*	
		More capacity to lead internal communication	*More capacity to lead internal communication*	
		More capacity to lead and potentially streamline external communication	*More capacity to lead external communication*	*More capacity to lead and potentially streamline external communication*
			Potentially less vulnerable to changes of mayoral administrations	*Potentially less vulnerable to changes of mayoral administrations*

Risks	*Insufficient resources under current state*	*Insufficient resources at department level could be an obstacle for impact*		
	Lack of central authority			*Lack of central authority*
	Lack of internal coordination		*Potential lack of clarity in internal communication*	
	Lack of external communication	*Potential lack of clarity with external communication*	*Potential lack of clarity in external communication*	
		Vulnerable to changes in Mayoral administrations		
			Disruption of current environmental work	*Disruption of current environmental work*

Profile: Current State

Description

This profile for the Current State reflects how roles and environmental functions are organized in the City of Chicago as of Spring 2023. Since the dissolution of the Department of Environment in 2012, environmental functions have remained dispersed across several City departments (as shown in the function mapping table in the earlier Background section). The City has a Chief Sustainability Officer (CSO). The CSO had been positioned in the Mayor's Office until 2022, when the City created a separate Office of Climate and Environmental Equity (OCEE) outside the Mayor's Office. The CSO leads OCEE and its work.

Anchoring on the three structures introduced earlier in this section – Mayoral/executive-level office, an operational entity with environmental functions, and other City departments – Chicago's Current State most closely resembles cities such as Philadelphia, St. Louis, and Boston. There are differences, but Chicago shares key features.

- Chicago has an executive-level office – the Office of Climate and Environmental Equity (OCEE), headed by the Chief Sustainability Officer. Philadelphia has an Office of Sustainability with a few key responsibilities similar to OCEE, playing a leading role in climate planning. In comparison, Boston has an Office of Resilience and Racial Equity that leads resilience planning as well as a cabinet-level Chief of Environment, Energy, and Open Space.
- Chicago does not have a Department of Environment – both Philadelphia and St. Louis do not have a standalone Department of Environment.
- Several Chicago departments perform environmental functions – in St. Louis and Boston, environmental functions are dispersed across several different departments, although in the case of Boston, the city maintains a standalone Department of Environment.

The below table captures how roles and functions are currently distributed across the City of Chicago in its current state.

Current state		
Location	**Roles**	**Functions**
Mayoral/executive-level office (OCEE)	• Policy/Strategy Making* • External Affairs*	• Centralized Climate Strategy • Climate Resiliency Planning* • Energy Policy and Strategy*
An Operational Entity	*Does not exist in this model*	
Other City departments	• Policy/Strategy Making* • Administration • Budget/finance • Enforcement • External Affairs* • Operations • Legal Services	• Air Quality (CDPH) • Brownfield Redevelopment (AIS) • Building Decarbonization and Benchmarking (DOB) • Climate Resiliency Planning* (CDPH and others) • Environmental Review and Compliance (AIS) • Energy Policy and Strategy (OCEE) • EV/Fleet/Transportation (CDOT and AIS) • Green Workforce Development (CDOT) • Public Education and Engagement (OCEE) • Stewarding Natural Resources (CDOT, DSS and Parks) • Waste Strategy (DSS) • Water Management (DWM)

* Occurs in multiple structures within City for given model

Roles

In the Current State, the executive-level office (Office of Climate and Environmental Equity (OCEE)) has two primary roles – environmental policy/strategy making and external affairs. However, OCEE is not the sole owner of these roles. Roles are dispersed across City Departments, and there is no central authority to own and hold departments accountable to the City's environmental agenda. The City's 2023 budget, creating OCEE, also did not budget for a position within OCEE to manage external affairs such as an outreach or communications position.

City departments perform all roles related to the execution of environmental functions (admin, budget, operations, etc.) but also play a part in policy/strategy and external affairs. City departments, such as CDPH, have staff dedicated to policy development and external affairs, which touch on environmental topics. This overlap may contribute to the sentiment felt by many internal stakeholders that the City lacks central authority for its environmental work.

Functions

The Office of Climate and Environmental Equity (OCEE) leads centralized climate strategy and climate resiliency planning, as demonstrated by the development of the 2022 Climate Action Plan. To carry out these functions, OCEE was allocated a budget of $677,000 and 10 positions in the 2023 City budget.[77] While OCEE is the primary lead for climate planning, it has not developed the practice of holding other departments accountable to citywide plans. This is in part because it is a brand new office, still staffing up. Also, the distribution of roles (and lack of sole ownership at OCEE) across departments may make it difficult for OCEE to possess a clear and robust level of central authority.

Additionally, OCEE has become the default owner of energy policy and strategy. While OCEE and the Chief Sustainability Officer have provided significant input on work such as the ComEd franchise agreement, OCEE stepped up to take on energy policy and strategy work in part because there was not a clear owner otherwise. A department such as the Department of Assets and Information Systems (AIS) could be an owner of this function but currently does not have the full staff or expertise in place to own this function.

Other City departments cover a wide range of environmental functions under the current state. The distribution of environmental functions across City departments is by design according to the 2012 DOE dissolution.

Current State – benefits, costs, and risks

Functional benefits

- *Functions may operate better in specialized departments* – certain functions can benefit from being co-located in specialized departments, which are not specifically dedicated to the environment. For example, several stakeholders felt that enforcement functions operate better in non-environment-focused departments. More specifically, a few stakeholders noted that current environmental enforcement roles in CDPH benefit from being connected to public health experts and data sets, which could be lost if centralized into a new DOE.[78] Peer

[77] Office of the Mayor, "Mayor Lightfoot's 2023 Budget Approved by City Council"
[78] Focus group with internal stakeholders

benchmarking research also shows that certain environmental functions remain in other departments, even when a DOE exists. Departments of Environment typically do not manage functions such as municipal building energy and electrification of city fleets.

- *Functions would maintain continuity* – several internal stakeholders felt that over the ten-plus years since the dissolution of the DOE, they have had a chance to become more integrated into their current departments. This integration includes long-term planning to develop projects within their current department. Now that these environmental functions have become more connected, they can operate more effectively and collaborate within their existing departments. For example, internal stakeholders who were moved from the former DOE to CDPH shared that after an initially rocky start and feeling disconnected from CDPH overall, they now feel like they play a key part in the overall mission of the department.[79]

Organizational benefits

- *Maintains environmental focus across departments* – a primary strategy goal of the DOE dissolution was to embed an environmental focus throughout the City's work. Some stakeholders shared this sentiment, believing that if environmental functions were centralized into a new DOE, departments would not prioritize environmental work as much as they do in the current state.[80] So not only would certain environmental functions themselves operate more effectively if they were located in a non-environment department, but there is a broader organizational benefit of having dispersed functions because it ensures that a wide range of City departments incorporate an environmental focus in their work.
- *Maintains role with potential to provide central authority* – in practice, the current position of the Chief Sustainability Officer and OCEE may not be well-equipped to provide the level of central authority many internal stakeholders felt is needed. However, a Chief Sustainability Officer role within the Mayor's Office at a level above departments would be valuable to help shape and direct the City's environmental agenda. Most stakeholders were concerned that a DOE alone would not be able to ensure collaboration across departments to achieve the City's environmental goals.

Financial costs

Current State cost estimates, included below, are based on the existing OCEE budget and staff numbers. It doesn't include the current cost of administering environmental functions dispersed across various departments after the dissolution of the Department of Environment in 2012.

Budget estimate for this model ($ estimate includes cost of fringe benefits)

- Personnel: $1.58M
- Non-personnel: $0

[79] Interviews with internal stakeholders
[80] Focus group with internal stakeholders

Staff for this model

- FTEs estimate: 10

Risks

- *Insufficient resources under the current state* – internal stakeholders consistently pointed out that they do not currently have adequate resources and staff to perform functions to a high level. While some stakeholders were interested in maintaining a governance structure similar to the current state, nearly everyone noted that additional resources would still be necessary in the current state. Some City staff even argued that the best way to improve the City's environmental work was to invest more in functions in their current structures (e.g., hiring more environmental inspectors, an energy policy manager, etc.)[81]

- *Lack of central authority under the current state* - while the Current State model includes a Chief Sustainability Officer and OCEE which could potentially possess this central authority, it may not be able to exercise that authority in practice. This is in part because the OCEE is still staffing up, and also because the Chief Sustainability Officer is no longer placed within the Mayor's Office.[82] Stakeholders noted that a central authority is needed to set the City's environmental agenda, coordinate internal stakeholders, track progress and enforce accountability for the various City departments containing environmental functions.

- *Lack of internal coordination* – many stakeholders expressed a desire for improved internal coordination and communication under the current state. These internal stakeholders felt like they do not know the City's overall environmental priorities or what other departments are doing to advance environmental work. Without a strong central authority or adding formal opportunities for collaboration and communication across departments, the organizational model under the current state is unlikely to foster significant levels of internal coordination.

- *Lack of external communication* - many internal stakeholders also noted the need for improved communication with external stakeholders – residents, other levels of government, and the private sector. In the current state, the City *does* communicate about its environmental work, but City staff largely felt that it was too limited and potentially confusing due to how environmental work is split up across the City.

[81] Interviews with internal stakeholders
[82] Interview with internal stakeholder

Profile: Center of Excellence Model

Description

Under the Center of Excellence model, a new operational entity would not be created; instead, additional capacity and technical expertise would be added to a Mayoral/executive office such as the Office of Climate and Environmental Equity (OCEE).

The Center of Excellence model aims to centralize a few key roles and functions at an executive office to create clearer central authority for environmental work citywide while maintaining departmental ownership of most functions. Nearly all environmental functions would stay in their current structures, but the Center of Excellence would enhance the executive office by adding capacity in three main ways:

1. Adding capacity for managing environmental functions across the City (e.g., tracking progress to ensure accountability to citywide environmental strategies).
2. Providing support to own external affairs and communications.
3. Adding technical experts with backgrounds in topics such as energy policy, environmental economics, and engineering who could both support key functions, help develop strategy, and provide targeted support to environmental initiatives across departments.

Among peer cities, Denver, Philadelphia, and Boston most closely reflect elements of the Center of Excellence model. Both Denver and Philadelphia have a strong mayoral office dedicated to sustainability which owns a specific set of functions. In Boston, many climate functions dispersed across the city report to a cabinet-level Chief of Environment, Energy, and Open Space.

Within this archetypal Center of Excellence model, multiple permutations exist to consider for implementation. This model could be implemented in Chicago in numerous ways – adding staff to OCEE and maintaining a separate office, moving OCEE into the Mayor's Office, or supplementing OCEE by developing a formal liaison structure of City department staff assigned to report periodically to the Chief Sustainability Officer.

Center of Excellence model		
Location	**Roles**	**Functions**
Mayoral/executive-level office (OCEE)	• Policy/Strategy Making • External Affairs	• Centralized Climate Strategy • Climate Resiliency Planning • Public Education and Engagement • Energy Policy and Strategy
A New Operational Entity	*Does not exist in this model*	
Other City departments	• Policy/Strategy Making • Administration • Budget/finance • Enforcement • External Affairs • Operations • Legal Services	• Air Quality (CDPH) • Brownfield Redevelopment (AIS) • Building Decarbonization and Benchmarking (DOB and BACP) • Enforcement (CDPH) • Environmental Review and Compliance (AIS) • EV/Fleet/Transportation (CDOT and AIS) • Green Workforce Development (CDOT) • Stewarding Natural Resources (CDOT, DSS and Parks) • Waste Strategy (DSS) • Water Management (DWM)

Roles

In a Center of Excellence model, the Mayoral/executive-level office would take on sole ownership of policy/strategy and external affairs. This office would possess a greater level of authority than in the current state. It would have a greater responsibility to develop the City's environmental agenda, but it would have additional capacity to lead and ensure coordination and accountability to meet that agenda.

City departments would still maintain their environmental functions, but their roles in performing those functions would be more strictly focused on execution. Policy, strategy, and external engagement roles would be centralized inside the executive-level office (at OCEE or the Mayor's Office, depending on implementation).

Functions

Under the Center of Excellence model, the Mayoral/executive-level office would take on two additional functions from the current state. It would solely own all environmental and climate planning. It would also own public education and engagement, being the central point through which the City communicates and engages with residents and external stakeholders. This office (OCEE or the Mayor's Office) could also formally take on energy policy and strategy with its added capacity and expertise.

Other City departments would maintain nearly all of their environmental functions. Added technical expertise at the Mayoral/executive-level office could provide targeted support on specific high-priority initiatives.

Center of Excellence model – benefits, costs, and risks

Functional benefits

- *Functions may operate better in specialized departments* – certain functions can benefit from being co-located in specialized departments, which are not specifically dedicated to the environment. For example, several stakeholders felt that enforcement functions operate better in non-environment-focused departments. More specifically, a few stakeholders noted that current environmental enforcement roles in CDPH benefit from being connected to public health experts and data sets, which could be lost if centralized into a new DOE.[83] Peer benchmarking research also shows that certain environmental functions remain in other departments, even when a DOE exists. Functions such as municipal building energy and electrification of city fleets are not typically managed by Departments of Environment.

- *Functions would maintain continuity* – several internal stakeholders felt that over the ten-plus years since the dissolution of the DOE, they have had a chance to become more integrated into their current departments. This integration includes long-term planning to develop projects within their current department. Now that these environmental functions have become more connected, they can operate more effectively and collaborate within their existing departments. For example, internal stakeholders who were moved from the former DOE to CDPH shared that after an initially rocky start and feeling disconnected from CDPH overall, they now feel like they play a key part in the overall mission of the department.[84]

- *Added centralized technical expertise could support functions* by adding technical experts with backgrounds in topics such as energy policy, environmental economics, and engineering – the City would have the ability to support key functions better, help develop strategy, and provide targeted support to environmental initiatives across departments. Internal stakeholders noted that this kind of expertise is rare in the City.[85] Other City staff noted that having a Department of Environment which siloed expertise would be disadvantageous to the City's overall environmental work because other departments would not have that expertise embedded in their own staff.[86] By adding technical support in a centralized office, experts could provide needed technical assistance across the City.

[83] Focus group with internal stakeholders
[84] Interviews with internal stakeholders
[85] Interview with internal stakeholder
[86] Focus group with internal stakeholders

- *Offers a dedicated location for energy policy work* – OCEE has become the default owner of energy policy and strategy because it does not currently have a logical home within the current state. OCEE or a mayoral office could maintain this role but would benefit from added capacity and expertise on energy policy. Denver, Philadelphia, and New York all have Mayor's Office teams that lead energy supply policy and strategy.

Organizational benefits

- *Maintains environmental focus across departments* – a primary strategy goal of the DOE dissolution was to embed an environmental focus throughout the City's work. Some stakeholders shared this sentiment, believing that if environmental functions were centralized into a new operational entity, departments would not prioritize environmental work as much as they do in the current state.[87] Thus not only would certain environmental functions themselves operate more effectively if they were located in a non-environment department, but there is a broader organizational benefit of having dispersed functions because it ensures that a wide range of City departments incorporate an environmental focus in their work.

- *Maintains and can empower executive-level office with more central authority* – while the Center of Excellence model largely maintains the current organization and allocation of environmental functions, it is intended to better equip the Chief Sustainability Officer and OCEE (or a comparable office within the Mayor's office) to play a greater role in leading this City's environmental work. Internal stakeholders consistently expressed a desire for greater central authority to set and hold departments accountable to the City's environmental goals. Under the Center of Excellence, OCEE could have the capacity and expertise needed to play that role.

- *More capacity to lead internal communication* – increased capacity at the executive office level is intended to ensure there is more active communication between a central office and departments across the City. In a Center of Excellence model, the executive office should actively and regularly communicate with departments, identify opportunities for collaboration across departments, and track citywide data. By creating a central office with increased capacity and authority, the City would have a clearer convener to organize the City's environmental work.

- *More capacity to lead and potentially streamline external communication* – as outlined in the Research Findings, City staff suggested that a centralized external affairs and communication function would enable the City to communicate its environmental work more effectively. Under a Center of Excellence model, the Mayoral/executive-level office with added capacity would be better equipped to play this role. Centralizing external affairs could also help streamline communication with external stakeholders by creating a clearer point of contact – as opposed to the current state where external communications are more dispersed across the executive office level and departments.

Financial costs

[87] Focus group with internal stakeholders

This section illustrates the potential cost estimates based on the function distribution described above. These estimates are built off one sample distribution, and internal discussion and further budget evaluation are needed to finalize the function distribution and overall governance strategy.

The cost estimates for this model are based on building off of the Office of Climate and Environmental Equity (OCEE) Current State. The expanded entity would need to hire additional personnel to take on two additional key responsibilities: a new external affairs team to manage public education and engagement and technical experts to lead high-priority initiatives such as energy policy, water infrastructure, and green workforce development.

Budget estimate range for this model ($ estimate includes cost of fringe benefits)

- Personnel: $2.5M-$3.5M
- Non-personnel: $50,000-$70,000
- Added City Corporate Fund cost estimate versus Current State: $1.3M-$1.5M

Staff for this model

- FTEs estimate: 19
- Added FTEs vs Current State: 9

Risks

- *Insufficient resources at the department level could be an obstacle for impact* – City staff interviewed for this study consistently called out challenges of completing work because they do not have enough staff. If there is added capacity at the executive office level under this model, and understaffing issues within departments are not addressed, the impact of a more robust executive office would be muted. The City would still benefit from increased central authority and technical expertise, but if there are not adequate resources and staff in departments to carry out environmental functions, the impact would only go so far.

- *Potential lack of clarity with external communication* – under this model, the City would not have a new targeted operational entity, and environmental functions would still exist across many departments. The City would need to be intentional and deliberate in how it frames the executive-level office under this model to clearly communicate its environmental work to external stakeholders. In Philadelphia, there is not a Department of Environment, but an Office of Sustainability, which serves as center of their environmental work.

- *Vulnerable to changes in Mayoral administrations* – depending on the model implementation, it could be difficult to maintain momentum across mayoral administrations. For example, if the added capacity at the executive-level office is embedded directly in the Mayor's Office, it is possible that a new administration could decide to dramatically reduce the size and scope of it. While there is an advantage in creating more central authority through increased proximity to the Mayor, internal stakeholders noted this potential tradeoff and vulnerability. Stakeholders felt that having a separate department or office dedicated to the environment might be able to maintain continuity on environmental work better, although others felt that a department could still be defunded or even eliminated depending on mayoral priorities.

Profile: Hybrid DOE Model

Description

In a Hybrid DOE model, all three city organizational structures are directly involved in environmental work. The City would have an enhanced executive-level office, a new targeted operational Department of Environment, and other City departments would still own a number of environmental functions.

- The executive-level office, same as the Center of Excellence model, would possess added capacity and technical expertise.
- The new Department of Environment (DOE) would only own a set of specific functions that would benefit most from being co-located in a DOE. This new DOE could be implemented in multiple ways – a small standalone Department of Environment or it could be a combined department, such as the Department of Public Health and Environment. Additional staff would be added in either case, although a greater number of administrative staff would be needed if the department were standalone. A combined department could potentially rely on existing administrative staff in, for example, the Department of Public Health.
- Some City departments would maintain certain functions which are more closely tied to their specialization, while other departments would lose functions that would be relocated to the new DOE.

This Hybrid DOE model aims to maintain a central authority across all departments (an executive office) and create an operations-focused team in the City dedicated to performing certain environmental functions (a targeted DOE). Having both structures is valuable because a department alone would not have the authority and ability to ensure other departments execute environmental work. And if there were only an executive-level office, some internal stakeholders were concerned that the office could not ensure understaffed departments would carry out high-priority initiatives.[88]

Among peer cities, Denver and New York have governance structures that most closely resemble this Hybrid DOE model. Both cities possess an executive-level office dedicated to climate as well as a Department of Environment. Denver's Department of Environment is merged with the Department of Public Health (Department of Public Health and Environment). Note also that New York's Department of Environmental Protection also serves as the city's water utility.

[88] Focus group with internal stakeholders

Hybrid DOE model[#]		
Location	**Roles**	**Functions**
Mayoral/executive-level office (OCEE)	• Policy/Strategy Making • External Affairs	• Centralized Climate Strategy • Climate Resiliency Planning • Public Education and Engagement • Energy Policy and Strategy
A New Operational Entity (w targeted environmental functions)	• Administration* • Budget/finance* • Enforcement* • Operations*	• Brownfield Redevelopment • Building Decarbonization and Benchmarking • EV/Fleet/Transportation* • Environmental Review and Compliance • Green Workforce Development • Stewarding Natural Resources • Waste Strategy* (Recycling, Composting and Circular Economy Initiatives)
Other City departments	• Administration* • Budget/finance* • Enforcement* • Operations* • Legal Services	• Air Quality (CDPH) • Waste Strategy* (DSS) • Water Management (DWM) • EV/Fleet/Transportation* (CDOT and AIS)

* Occurs in multiple structures within City for given model

[#] Functions distribution included in the table is for illustration purposes only; final decisions will be made after comprehensive review, consultations, and analysis

Roles

In this Hybrid DOE model, the executive-level office would play essentially the same role as under the Center of Excellence model, maintaining sole ownership of policy/strategy and external affairs roles for the City's environmental work.

In this model, a new Department of Environment (which would possess certain environmental functions discussed below) would focus on the operations, administration, and execution of environmental work.

Other City departments would have the same roles as the new DOE for the functions remaining in those departments, with legal services remaining in the Department of Law.

There are various ways to implement this Hybrid DOE model, but central authority for the City's environmental work would remain at the executive-level – likely through a Chief Sustainability Officer or potentially a Deputy Mayor. If a small standalone department were created under this model, there would be a Commissioner for the department. That Commissioner would lead the operations of the

work completed by the functions within this targeted department. But since other City departments would still complete a significant amount of environmental work, the executive office would organize and lead environmental work citywide.

Functions

The executive office performs the same functions in the Hybrid DOE model as the Center of Excellence model – focusing on planning and strategy development, public engagement, and potentially energy policy.

Targeted functions (based primarily on internal stakeholder feedback) would be centralized in a new Department of Environment. These functions (listed in the above table) were viewed as strong candidates for moving to a Department of Environment for two primary reasons. First, functions could potentially operate more effectively by being co-located with other related environmental functions. For example, certain enforcement functions could benefit from being in the same department to improve communication and coordination. Second, certain functions might not be core to the operations of their current department. For example, green workforce development (primarily Greencorps) is a respected and valued program, but it is not closely tied to the overall mission of its current department, CDOT. If there were a new DOE, a program like Greencorps might fit more naturally.

Hybrid DOE model – benefits, costs, and risks

Functional benefits

- *Functions that may benefit from being in specialized departments can stay in place* – the Hybrid DOE model offers flexibility in that only functions that most benefit from centralization would move from their current departments. As previously discussed, certain functions can benefit from being co-located in specialized departments which are not specifically dedicated to the environment. For example, several stakeholders felt that enforcement functions operate better by being in non-environment-focused departments. More specifically, a few stakeholders noted that current environmental enforcement roles in CDPH benefit from being connected to public health experts and data sets, which could be lost if centralized into a new DOE.[89] Peer benchmarking research also shows that certain environmental functions remain in other departments, even when a DOE exists. Functions such as building decarbonization and electrification of city fleets are not typically managed by Departments of Environment.
- *Functions that may benefit from co-locating within a DOE can move* – due to the creation of a new Department of Environment (standalone or combined with another department) in the Hybrid DOE model, functions that benefit from centralization can move into an environment-focused department. As noted above, functions could potentially operate more effectively by being co-located with other related environmental functions. For example, certain enforcement functions could benefit from being in the same department to improve coordination and data sharing instead of communicating across departments for the next step of a project to go forward. Additionally, functions that might not be core to the operations of their current department could more naturally fit at this DOE (e.g., moving Greencorps from CDOT, moving invasive species responsibilities from BACP).

[89] Focus group with internal stakeholders

- *Added centralized technical expertise could support functions* – by adding technical experts with backgrounds in topics such as energy policy, environmental economics, and engineering at an execute office – the City would have the ability to better support key functions, help develop strategy, and provide targeted support to environmental initiatives across departments. Internal stakeholders noted that this kind of expertise is rare in the City.[90] Other City staff noted that having a Department of Environment which siloed expertise would be disadvantageous to the City's overall environmental work because other departments would not have that expertise embedded in their staff.[91] By adding technical support in a centralized office, experts could provide needed technical assistance across the City.

- *Offers a dedicated location for energy policy work* – OCEE has become the default owner of energy policy and strategy because it does not currently have a logical home within the current state. OCEE or a mayoral office could maintain this role but would benefit from added capacity and expertise on energy policy. Denver, Philadelphia, and New York all have Mayor's Office teams that lead energy supply policy and strategy.

Organizational benefits

- *Maintains some environmental focus across departments* -- a primary strategy goal of the DOE dissolution was to embed an environmental focus throughout the City's work. Several functions could remain in their current departments in a Hybrid DOE model. Internal stakeholders noted that if environmental functions were centralized into a new DOE, departments would not prioritize environmental work as much as they do in the current state. So not only would certain environmental functions operate more effectively if they were located in a non-environment department, but there is a broader organizational benefit of having dispersed functions because it ensures that a wide range of City departments incorporate an environmental focus in their work.

- *Maintains and can empower executive-level office with more central authority* – like the Center of Excellence model, the Hybrid DOE model is intended to better equip the Chief Sustainability Officer and OCEE (or a team within the Mayor's Office) to play a greater role in leading the City's environmental work. Internal stakeholders consistently expressed a desire for greater central authority to set and hold departments accountable to the City's environmental goals. Under a Hybrid DOE model, an executive office would have the capacity and expertise needed to develop and hold departments accountable to a citywide environmental agenda.

- *More capacity to lead internal communication* – increased capacity at the executive office level as well as the creation of a new Department of Environment, creates opportunities for more active communication and collaboration on environmental work across the City. Due to its elevated position, the executive-level office would likely still lead communication and coordination across the City, but depending on implementation, the new DOE could also assist in convening and coordinating the City's environmental work.

- *More capacity to lead external communication* – as outlined in the Research Findings, City staff suggested that a centralized external affairs and communication function would enable the City

[90] Interview with internal stakeholder
[91] Focus group with internal stakeholders

to more effectively communicate its environmental work. Under this Hybrid DOE model, the Mayoral/executive-level office with added capacity would be better equipped to play this role. Additionally, the City might be able to clearly demonstrate its commitment to environmental work by standing up at least a combined Department of Environment.

- *Potentially less vulnerable to changes in mayoral administrations* – since the Hybrid DOE model creates a new operational Department of Environment – a separate structure outside of an executive-level office focused on environmental work – this model might be less affected by Mayoral changes over time. A key component of this model is having a central office with authority, and stakeholders felt that having a separate department dedicated to the environment might be able to maintain the continuity of environmental work. However, others felt that a department could still be defunded or even eliminated depending on mayoral priorities.

Financial costs

This section illustrates the potential cost estimates based on the function distribution described above. These estimates are built off one sample distribution, and internal discussion and further budget evaluation are needed to finalize the function distribution and overall governance strategy.

The cost estimates for this model include an expanded entity building off of the Current State OCEE with additional staff for an external affairs team and technical experts to lead high-priority initiatives and a newly formed operational Department of Environment to implement targeted environmental functions. Some of these costs pertain to adding administrative staff supporting the new department such as Contracts Coordinator and Director of Administration. Some are related to operational staff implementing new environmental functions such as building decarbonization and cumulative impact assessments.

Budget estimate range for this model ($ estimate includes cost of fringe benefits)

- Personnel: $15M-$20M
- Non-personnel: $50M-$60M
- Added City Corporate Fund cost estimate versus Current State: $5M-$7M

Staff for this model

- FTEs estimate: 120-130
- Added FTEs vs Current State: 45-50

Risks

- *Disruption of current environmental work* – staff and functions that move from existing departments into a new Department of Environment, would experience significant friction, at least in the short-term. When functions were moved following the DOE dissolution in 2012, internal stakeholders mentioned that it took years for them to feel like they were integrated into their current departments. For example, environmental inspectors at CDPH mentioned that it wasn't until the pandemic in 2020 that they felt their work was incorporated into the overall mission of the department.[92] While, this time, the move would be to an environment-focus department where functions would more naturally fit together, the City must be thoughtful in determining exactly which staff and what programs would be moved. There are labor, data, and systems considerations

[92] Interviews with internal stakeholders

which would need to be factored in to make sure the work for targeted functions in a new DOE could operate effectively. Additionally, nearly all internal stakeholders interviewed for this study (even those who suggested the City should reinstitute a Department of Environment), said they would prefer to remain in their current departments.

- *Potential lack of clarity in internal and external communication* – the presence of both an executive-level office and DOE in this model could create confusion and potential for duplicated effort. Having both of these structures could be viewed in a positive light, particularly for environmental advocates, but the City would need to ensure responsibilities and lines of communications are clear, both internally and when communicating with outside groups. If this model is implemented, the City should look to models like Denver and New York to learn lessons in how to clarify responsibilities while having both an executive office and the operational department of environment.

Profile: Comprehensive DOE Model

Description

Under a Comprehensive DOE model, most environmental functions would move into a new standalone Department of Environment. This model most closely resembles the City's governance structure when the former DOE was in place. In this model, there would not be a Mayoral/executive-level office dedicated to environmental work, and a few functions would remain in their current departments. The Comprehensive DOE model aims to create a robust standalone structure within the City which directly plans, administers, and operates environmental functions. In this model, the DOE would be the center of environmental expertise in the City, removing environmental functions from several departments, enabling those departments to specialize in their areas of expertise. The few functions that remain in other departments are core to the work of those departments, and based on internal stakeholder feedback, they would not benefit from being centralized, even under a substantial DOE. This new DOE would take on the personnel and budget of the environmental functions it absorbs. It would also add a Commissioner and associated administrative staff to lead and support the department.

Among peer cities, Washington DC most closely resembles this Comprehensive DOE model. Washington DC's Department of Energy and Environment is responsible for both the planning and implementation of most environmental functions, while a few functions, such as solid waste, city fleet electrification, forestry, and city building decarbonization, operate in other departments.

Comprehensive DOE model		
Location	**Roles**	**Functions**
Mayoral/executive-level office (OCEE)	*Mayoral/executive-level office for environment does not exist in this model*	*Mayoral/executive-level office for environment does not exist in this model*
A Robust Operational Entity	• Policy/Strategy Making • Administration • Budget/finance • Enforcement • External Affairs • Operations	• Air Quality • Brownfield Redevelopment • Building Decarbonization and Benchmarking • Centralized Climate Strategy • Climate Resiliency Planning • Energy Policy and Strategy • Environmental Review and Compliance • EV/Fleet/Transportation* • Green Workforce Development • Public Education and Engagement • Stewarding Natural Resources • Waste Strategy
Other City departments	• Legal Services	• EV/Fleet/Transportation (AIS) * • Water Management (DWM)

* Occurs in multiple structures within City for given model

Roles

Under this model, nearly all roles related to environmental work would be centralized within a new Department of Environment. This comprehensive DOE would lead both environmental policy/strategy development as well as the administration and execution of environmental functions. Legal services would remain primarily outside of the DOE and stay with the Department of Law.

There would potentially still be a liaison in the Mayor's Office coordinating city-wide policy and strategy across the Department of Environment and non-DOE environmental functions.

Functions

In this model, most functions would be centralized under a relatively large Department of Environment. Two primary factors influenced which functions are included in a DOE versus which must remain in their current department. First, some internal stakeholders indicated that the functions they work on (e.g., air quality permitting) would be worth centralizing if there were a critical mass of functions co-located inside a substantial DOE. Second, some functions would remain in other City departments because there are no clear functional or organizational benefits that would outweigh the costs of reorganizing them away from their current departments. Based on internal stakeholder feedback and comparing to peer cities, these functions could operate more effectively in their current departments, not in a dedicated Department of Environment.

Comprehensive DOE model – benefits, costs, and risks

Functional benefits

- *Certain functions that benefit from being in specialized departments can stay in place* – the Comprehensive DOE model offers a limited amount of flexibility, but some functions could still remain in their departments. As previously discussed, certain functions can benefit from being co-located in specialized departments, which are not specifically dedicated to the environment. For example, several stakeholders felt that enforcement functions actually operate better by being in a non-environment focused departments. Peer benchmarking research also shows that certain environmental functions remain in other departments, even when a DOE exists. Functions such as building decarbonization and electrification of city fleets are not typically managed by Departments of Environment.

- *Functions that may benefit from co-locating within a DOE will be centralized* – due to the creation of a new standalone Department of Environment in the Comprehensive DOE model, functions that benefit from centralization would move into an environment-focused department. As noted previously, functions could potentially operate more effectively by being co-located with other related environmental functions. In the more robust Department of Environment envisioned in this model, there could be greater opportunities to collaborate and find synergies across functions currently in different departments.

- *Offers a dedicated location for energy policy work* – the Office of Climate and Environmental Equity (OCEE) has become the default owner of energy policy and strategy because it does not currently have a logical home within the current state. OCEE or an environment-focused mayoral office would not exist in the Comprehensive DOE model. However, given the scope of the standalone DOE in this model, energy policy and strategy would logically fit within this DOE. The Departments of Environment in both Washington DC and Boston own energy supply functions.

Organizational benefits

- *More capacity to lead and potentially streamline external communication* – as outlined in the Research Findings, City staff suggested that a centralized external affairs and communication function would enable the City to communicate its environmental work more effectively. Furthermore, establishing a dedicated Department of Environment would help the City convey its values and priorities to residents more clearly. Under the Comprehensive DOE model, a robust Department of Environment with a dedicated capacity for external affairs would be

equipped to lead external communication work. Centralizing external affairs work in this way could also create a clearer point of contact – as opposed to the current state where external communications are more dispersed across the executive office level and departments containing environmental functions.

- *Potentially less vulnerable to changes of mayoral administrations* – since the Comprehensive DOE model creates a substantial Department of Environment – a separate structure outside of an executive-level office – this model might be less affected by Mayoral changes over time. Internal stakeholders noted that having a separate department dedicated to the environment might better maintain environmental work continuity. However, others felt that a department could still be defunded or even eliminated depending on mayoral priorities.

Financial costs

This section illustrates the potential cost estimates based on the function distribution described above. These estimates are built off one sample distribution, and internal discussion and further budget evaluation are needed to finalize the function distribution and overall governance strategy. A Comprehensive DOE model would call for full administrative staff and potentially more operational staff as well.

Budget estimate range for this model ($ estimate includes cost of fringe benefits)

- Personnel: $25M-$30M
- Non-personnel: $70M-$80M
- Added City Corporate Fund cost estimate versus Current State: $5M-$7M

Staff for this model

- FTEs estimate: 190-210
- Added FTEs vs Current State: 45-50

Risks

- *Lack of central authority* – the primary risk internal stakeholders noted when reflecting on the former DOE and considering this Comprehensive DOE model, is not having a central authority at the Mayor's office level. Without this authority, City staff regularly pointed out that a department would not be able to influence or force another department to follow through on environmental functions. Collaboration across departments will be required to execute at least some environmental work, even if a large Department of Environment were created. For example, even peer city with the most centralized functions, Washington DC, still has environmental functions outside of its Department of Environment. Internal stakeholders as well as peer benchmarking research indicated the importance of Mayor's Office support to ensure departments take action on environmental initiatives.

- *Disruption of current environmental work* – staff and functions that move from existing departments into a new Department of Environment, would experience significant friction, at least in the short-term. When functions were moved following the DOE dissolution in 2012, internal stakeholders mentioned that it took years for them to feel like they were integrated into their current departments. For example, environmental inspectors at CDPH mentioned that it wasn't until the

pandemic in 2020 that they felt their work was incorporated into the overall mission of the department.[93] While, this time, the move would be to an environment-focus department where functions would more naturally fit together, the City must be thoughtful in determining exactly which staff and what programs would be moved. There are labor, data, and systems considerations which would need to be factored in to make sure the work for environmental functions in a new DOE could operate effectively. Additionally, nearly all internal stakeholders interviewed for this study (even those who suggested the City should reinstitute a Department of Environment), said they would prefer to remain in their current departments.

[93] Interviews with internal stakeholders

Key considerations relevant across all models

As demonstrated by the profiles of the City's current state and three potential models – Center of Excellence, Hybrid DOE, and Comprehensive DOE – there are a variety of factors and tradeoffs the City must weigh when determining how to organize its environmental functions. However, in addition to these factors and tradeoffs, there are key principles that emerged through the research for this study that are important for the City to consider regardless of the ultimate governance structure the City adopts.

- **Staffing and resources are foundational to delivering impact** – each model can be successful only if adequate staffing and resources are in place. The City's overall scope for environmental work may vary based on evolving priorities, and reorganization might create efficiencies, but staffing and resources are a prerequisite to create impact for residents no matter how functions are organized.
- **The Mayor's Office must champion climate and environmental goals** – the Mayor's Office sets the tone and priorities for City government. The Mayor's Office also helps create and enforce coordination among departments and mitigates disputes when needed. Even in the Comprehensive DOE model – which does not have an executive office dedicated to environmental work – if there is not executive commitment to environmental goals, all governance structures can suffer.
- **Opportunities for collaboration are necessary to drive impact on a multi-faceted subject** – a fundamental challenge in creating a governance structure for environmental work is that the boundaries of what constitutes *environmental work* are undefined. The boundaries can be expansive and environmental work (as shown in peer cities) always exists across multiple agencies or departments. Given that reality, setting up formal opportunities to collaborate and communicate across departments is a necessary tool to ensure progress is made.
- **Roles must be clearly defined and regularly reinforced** – regardless of what governance structure the City adopts, it should be clear to internal and external stakeholders. One of the existing challenges Chicago faces is a lack of clarity over the roles and responsibilities within its current state. Updating the City's environmental governance structure provides an opportunity to (re)establish and clearly communicate roles.

These principles aim to both guide the decision-making process to choose a governance structure, but also support the implementation and continued maintenance of that structure to ensure its success.

Next Steps

The Ordinance authorizing this study also outlines the planned engagement process going forward and requires the findings to be presented to the Mayor, the Office and Budget and Management, and City Council during the 2024 budget process. The code language reads:

- *SECTION 4. "Findings will be presented to both the Mayor and a joint committee of the Committee on Environmental Protection and Energy and the Subcommittee on the Chicago Recovery Plan, on or before June 30, 2023. The Joint Committee shall discuss and evaluate the study through one or more public hearings, including at least one subject matter hearing, and provide recommendations to the Mayor, the Office of Budget and Management, and the City Council in sufficient time to be considered as part of the 2024 Budget Recommendations."*

Beyond the planned engagement, the City must utilize findings from this study and engage in further research and discussion to ensure the successful preparation and implementation of its environmental governance structure. Some recommendations for additional consideration are:

Before selecting a governance structure

- **Innovative revenue opportunities** – additional research would be beneficial to identify innovative revenue sources for models as an alternative or supplement to the corporate budget. The former DOE relied on ComEd and People's Gas settlements as major revenue streams, so the City may need to identify revenue sources that did not exist under the former DOE to sustain operations of environmental functions. One of the places to start would be determining if Chicago could replicate the revenue streams of peer cities.
- **Specific permutations of potential models** – the models described in this study are archetypes. There are many different permutations of how any single model could be organized and operate in reality. Considerations include where to place leadership in relation to the Mayor, how the current OCEE would factor in, the role and size of administrative staff, and how specific functions would be centralized or reorganized. Attention should also be paid to political structures such that appropriate entities are empowered to coordinate and collaborate across all city departments to ensure they align with and uphold the City's environmental agenda. Function distribution analysis should also include additional budgetary impact evaluation.
- **Legal enforcement authorities** – the ability to enforce environmental laws and regulations is imperative for an effective governance structure, and legal analysis should be done to identify which entities would need enforcement authority and over which functions and roles.

After selecting a governance structure

- **Transition research** – once the model is chosen and City leaders agree on the specific permutation of how the model will be implemented, the City will need to conduct research into how functions, staff, and procedures will be moved and modified. It will be essential to think through the level of disruption that might be created, to ensure a successful transition into a new governance structure. The City should work with departments to understand factors such as labor union considerations and data/IT systems.

- **Stakeholder Input** – this study was based largely on stakeholder engagement and input. It will be critical to re-engage stakeholders after a governance structure has been chosen by City leadership to provide transparency as well as gain feedback on how to improve and refine the implementation of the selected governance structure.
- **Code revisions necessary for modifying enforcement authorities** – to ensure functions and responsibilities are appropriately organized and implemented, a transition plan should outline what municipal code needs to be modified, for which relevant entities, and over what timelines.

Appendix

Appendix A: List of External Stakeholder Interviewees

Government Stakeholders

- Grace Troccolo Rink, Chief Climate Officer, City and County of Denver
- Chris Wheat, Former Chief Sustainability Officer for the City of Chicago
- Maria Hadden, Alderperson 49th Ward, Chair, Chicago City Council Committee on Environmental Protection and Energy
- Matt Martin, Alderperson 47th Ward, Chicago City Council

Environmental Advocacy Organizations

- Iyana Simba, City Programs Director, Illinois Environmental Council
- Jacky Grimshaw, VP, Government Affairs, Center for Neighborhood Technology (CNT)

Business and Civic Community Leaders

- Christina Harris, Metropolitan Planning Council (MPC)
- Drew Williams-Clark, Metropolitan Planning Council (MPC)

Appendix B: List of External Stakeholder Focus Group Participants

Government Stakeholders

- Karen Weigert, Former Chief Sustainability Officer for the City of Chicago
- Sandra Henry, Former Chief Sustainability Officer for the City of Chicago
- Daniel LaSpata, Alderperson 1st Ward, Chicago City Council

Environmental Advocacy Organizations

- Kim Wasserman, Executive Director, Little Village Environmental Justice Organization
- Alfredo Romo, Founder, Neighbors for Environmental Justice
- Olga Bautista, Executive Director, Southeast Environmental Taskforce
- Anne Evens, President, Elevate
- Angela Larsen, Alliance for the Great Lakes
- Chris Kessler, Director of Policy, Openlands
- Robert A. Weinstock, Director, Environmental Advocacy Center, Northwestern Pritzker School of Law, Environmental Advocacy Center

Green Economy Leaders

- AJ Patton, CEO + Founder, 548 Enterprise
- Jonathan Pereira, Executive Director, Plant Chicago
- Bill Schleizer, CEO, Delta Institute
- Katie Kaluzny, Illinois Green Alliance
- Rachel Havrelock, Founder and Lead PI, Freshwater Lab (UIC)
- Gary Cooper, Founder + CEO, Reaply
- Liam Donnelly, Wastenot Compost

Business and Civic Community Leaders

- Joanna Madigan, World Business Chicago
- Paulina Martinez, World Business Chicago
- Farzin Parang, Executive Director, Building Owners and Managers Association (BOMA)
- Ramiro Hernadez, Chicagoland Chamber of Commerce
- Elizabeth Cisar, Foundation Officer, Joyce Foundation

Appendix C: Standardized roles descriptions

Description of standardized roles for City departments and offices:

Roles	Description
Administration	Provides back-end support for the department, including HR, IT, compliance, DEI, and other office management
Budget/Finance	Manages budget and identifies funding/grant opportunities for the department
Enforcement	Ensures compliance with environmental regulations and requirements through inspections, permitting, and other means of enforcement
External Affairs	Develops and implements strategies to communicate the department's policies and initiatives to the public and fosters relationships with various stakeholders
Operations	Manages personnel, runs programs and initiatives, implements policies and procedures, and ensures efficient communication among directly-involved stakeholders to execute work
Policy/Strategy Making	Develops and evaluates policies and strategies that align with the City's goals and priorities. Studies and conducts research to ensure policies and strategies are feasible and will drive positive impact
Legal Services	Acts as in-house support for legal consultation regarding environmental laws and represents the department in legal proceedings

List of roles and definitions based on research of City of Chicago departments (including CDPH, AIS, former DOE, CDOT, DWM, and more) and other cities' departments (including Washington DC)

Appendix D: Standardized functions descriptions

Description of standardized functions for the City:

Function	Description
Air Quality	Any action that works to mitigate air pollution through monitoring, management, and enforcement of air quality regulations as well as any air quality strategy and/or goals.
Brownfield Redevelopment	Any action that pertains to the redevelopment and/or remediation of brownfields and vacant lots in the City of Chicago.
Building Decarbonization	Any action that increases energy efficiency of buildings through the monitoring, management, and enforcement of decarbonization regulations as well as any broader decarbonization goals.
Centralized Climate Strategy	Any action that supports the coordination and implementation environmental and sustainability strategies.
Climate Resiliency Planning	Any action that supports the creation of a long-term plan for sustainability and resilience, including work such as the 2022 CAP, and Chicago Waste Strategy.
Environmental Review and Compliance	Any action that enforces current environmental regulations and keep City departments and other relevant third parties accountable.
Energy Policy and Strategy	Any action that works towards the creation and/or coordination of energy policy and strategy for the City including developing energy supply agreements with utilities.
EV/Fleet/Transportation	Any action that pertains to electric vehicles, municipal fleets, and other transportation in Chicago including mobility solutions.
Public Education and Engagement	Any action that pertains to communication with the public and/or outside agencies, including through public education, community outreach, aldermanic interactions, state and federal agency coordination, and interaction with environmental advocacy groups.

Stewarding Natural Resources	Any action that supports green infrastructure and/or advances the sustainable beautification of the City.
Green Workforce Development	Any action that contributes to the training and development of skills relevant to environmental work.
Waste Strategy	Any action that pertains to the collection, and disposal of waste and recycling.
Water Management	Any action that works to reduce the damages of stormwater and to maintain the quality of water in the City through the monitoring, management, and enforcement of water quality regulations as well as any water quality strategy and/or goals.

Function list and definitions based on best practice research and feedback from City leadership. These definitions were created by looking through the City's current and future environmental initiatives, which all consider environmental justice and community impact.

Appendix E: Summary of Current Environment, Energy, Climate and Sustainability-Related Ordinances in the Municipal Code of Chicago from the Department of Law

SUMMARY OF CURRENT ENVIRONMENT, ENERGY, CLIMATE AND SUSTAINABILITY-RELATED ORDINANCES
IN THE MUNICIPAL CODE OF CHICAGO

Following is a summary of current ordinances in the Municipal Code of Chicago ("MCC") which: (a) provide authority to City executive departments and offices to address Environment, Energy, Climate and Sustainability ("EECS") issues; and (b) establish programs and/or compliance obligations which affect EECS issues in the City. Because EECS issues are involved in many aspects of municipal governance, not every ordinance with potential EECS implications is listed. Please also note that the MCC provisions have more detail than summarized below.

This summary is divided into two parts:

I. A high-level outline of the City's executive departments and offices that: (A) have been assigned authority to address various EECS issues; (B) have responsibility for the City's compliance with EECS-related federal, state, and local laws and policies, with respect to the City's assets and operations; and (C) implement and enforce EECS-related City laws requiring compliance by those who live, work, operate, and visit in the City; and

II. A table providing more detailed references to many, but not all City ordinances relating to authority, programs, and compliance obligations regarding or impacting EECS issues.

Part I: Roadmap Outline Of Authorities And Responsibilities Of Executive Departments And Offices Regarding EECS Issues

A. Ordinance Authority for the City's Executive Departments and Offices for EECS-Related Responsibilities and Initiatives.

1. **AIS (Department of Assets, Information, and Services, MCC § 2-51, *et seq.*):** In general, AIS is responsible for managing City-owned or City-leased assets, other than airports, public rights of way, properties managed by the Department of Planning and Development ("DPD") or the Department of Housing ("DOH"), and other limited exceptions. (MCC § 2-51-050 provides a detailed list of authority.) In the dissolution of the former Department ("Dept.") of Environment ("DOE") as of January 1, 2012, AIS was given "all rights, powers, duties, obligations and responsibilities of the [DOE] related to energy, utilities, and brownfields development" with respect to City assets. (MCC § 2-51-040.) As of January 1, 2012, all City departments were required to provide AIS with a list of the departments' "environmentally significant activities." (MCC § 2-51-080.)
   a. Environmental: AIS conducts evaluations of environmentally significant City projects and activities, including compliance review and policy implications; conducts environmental

evaluations and investigations on behalf of City programs; negotiates and executes agreements to allow third-party access for purposes of environmental and other investigations; encourages and conducts studies and inter-governmental agreements regarding brownfields redevelopment, contaminated sites remediation, waste disposal programs; conducts federally-required National Environmental Policy Act and National Historic Preservation Act reviews for federally funded programs.

b. Energy: AIS enters into contracts for the purchase of electricity, natural gas, renewable energy, renewable energy credits and carbon emission credits; oversees the implementation of utilities' franchise agreements; procures energy for use at City-owned or -leased facilities, including airports; implements energy conservation programs at public buildings and grounds; operates the City's fleet, including with respect to fuel management and efficiency; encourages and conducts studies and inter-governmental agreements regarding energy efficiency. Note, however, that the City's home rule authority over utilities is limited and may be precluded by exclusive state authority. *See, e.g., Peoples Gas Light and Coke Co. v. City of Chicago,* 125 Ill. App. 3d 95, 465 N.E.2d 603 (1st Dist. 1984).

2. **CDPH (Chicago Department of Public Health, MCC § 2-112, *et seq.*):** CDPH is the principal enforcer of environmental laws with which the public (and City departments) are obligated to comply. Pursuant to MCC § 2-112-110(b), CDPH is responsible for supervising the execution and implementation of all laws "pertaining to environmental protection and control" that are codified in MCC § 11-4; prosecuting violations of those laws; investigating complaints and observed environmental conditions; inspecting, permitting, and approving fuel-burning, combustion, or process equipment or devices, furnaces, smoke prevention equipment, air pollution control, and water pollution equipment, storage tanks, and waste handling facilities. CDPH is empowered to issue emergency and non-emergency stop work and abatement orders and also is the issuer of all permits, certificates, and other notices required under MCC § 11-4, as transferred from DOE as of January 1, 2012. CDPH also has the responsibility to interact with other Illinois, federal, and other governmental agencies to advance environmental protection in furtherance of the purposes of MCC § 11-4. CDPH's authority includes police powers "to correct, by whatever means are necessary, any health hazard that presents an immediate risk to the life or health of one or more" Chicago citizens. MCC § 2-112-050.
   NB: Although most environmental ordinances are codified in MCC Chapter 11-4, environmental/nuisance control ordinances appear elsewhere in the MCC, including in MCC Title 4 (Businesses, Occupations, and Consumer Protection); MCC Title 7 (Health and Safety); and as shown on the table provided with this memo.

3. **DSS (Department of Streets and Sanitation, MCC § 2-100, *et seq.*):** DSS is responsible for supervision of the sanitation of the City's public ways; contracts and implementation of the removal of garbage, refuse and waste; providing services regarding rodent control and snow removal; and working with the Chicago Park District regarding some of these services. (MCC § 2-100-030.) As of 2012, DSS was given DOE's responsibilities relating to waste management. (MCC § 2-100-035.) DSS also has police powers for purposes of service of

process or notice with respect to violations of certain environmental, nuisance, and other obligations, enforced by DSS and/or other departments. (MCC § 2-100-110.)

a. DSS Bureaus' responsibilities: Responsibility for cleaning and removal of garbage, refuse, and waste is delegated to the Bureau of Sanitation. (MCC § 2-100-100.) Responsibility for supervision, planting and maintenance of parkways, trees, plants and shrubbery in the public ways is delegated to the Bureau of Forestry. (MCC § 2-100-170.) The Bureau of Rodent Control is responsible for extermination of insects, rodents, or other pests. (MCC § 2-100-200.) The Bureau of Street Operations is responsible for street sweeping, lot cleaning, and graffiti removal. (MCC § 2-100-210.)

4. **DWM (Department of Water Management, MCC § 2-106, *et seq.*):** In general, DWM is responsible for operating the City's waterworks and sewer system, including water and sewer pipes within the City. (MCC § 2-106-040.) As of 2012, DWM was given DOE's responsibilities relating to water quality and stormwater management. DWM's authority specifically includes creation and administering the "Lead Service Line Replacement Programs, MCC § 11-12, Art. IX. DWM also is primarily responsible for ensuring compliance with the City's National Pollutant Discharge Elimination System ("NPDES") permits, issued by the Illinois Environmental Protection Agency ("IEPA "), including regulating combined sewer overflows into the Chicago River.

5. **CDOT (Chicago Department of Transportation, MCC § 2-102, *et seq.*):** CDOT is responsible for the design and construction of subway and mass transit projects, planning transportation system projects, and overseeing construction and repairs to public ways and other public infrastructure. (MCC § 2-102-030.) CDOT administers the Green Streets Program and other urban forestry and beautification programs (transferred from DOE as of 2012), as well as other programs to develop outdoor public enjoyment areas. As part of CDOT's responsibilities, which also can be found in Title 10 of the MCC, CDOT, with the Chicago Park District, works on lakefront erosion/vulnerability issues.

6. **OCEE (Office of Climate and Environmental Equity, MCC § 2-31, *et seq.*):** The OCEE, established by ordinance passed on November 7, 2022, led by the Chief Sustainability Officer, has all the powers and responsibilities previously authorized for the City's Chief Sustainability Officer, MCC § 2-4-055 (repealed by Article I, Section 2 of ordinance at *Council Journal*, 11-7-2022, at p. 54951), as well as expansive authority to advance the environmental, climate, energy, and sustainability goals of the City. The OCEE's first listed responsibility is to "develop a coordinated and comprehensive equity-focused environmental policy agenda for the City aimed at protecting residents and conserving the City's natural resources, to encourage and promote the resiliency, adaptation, and long-term sustainability of the City's streets, built environment, parkways, waterways, natural areas, and shoreline for the benefit of all residents." MCC § 2-31-040(a)(1) (*Council Journal*, 11-7-2022, at p. 54952). The OCEE is also responsible for "guid[ing] City departments in creating, monitoring, and reporting on climate and environmental policy and programs in order to achieve the goals of the City's Climate Action Plan and other regional, state, national, and international climate agreements; [and for] develop[ing] a coordinated and comprehensive energy policy and initiatives for the City to improve energy efficiency and decarbonization across the City and encourage innovation in renewable energy and

affordability and access in the generation, storage, distribution, conversion, and consumption of energy." MCC § 2-31-040(a)(3) and (4) (*Id.)*. "All City departments and, to the extent permitted by law, sister agencies shall work cooperatively with the Chief Sustainability Officer to advance the environmental, climate, energy, and sustainability goals of the City." MCC § 2-31-040(b). (*Council Journal*, 11-7-2022, at p. 54953.)
NB: The ordinance establishing the OCEE also required the Mayor to conduct a study and report to the Mayor and designated committees of the City Council by June 30, 2023, "to provide recommendations regarding establishing a Department to be responsible for the policymaking and operations related to climate and environmental equity." See Article I, Section 4 of ordinance at *Council Journal*, 11-7-2022, at page 54953.

7. **Other departments** have responsibility for EECS issues within their programs and activities, including:
   a. Department of Aviation ("CDA"), which has responsibility for environmental compliance and energy conservation in its operations (which do not include operations of aircraft) and of those working at airports.
   b. Department of Procurement Services ("DPS"), which has responsibility for ensuring that certain of its procurement practices implement environmental requirements and policies, such as the power to provide bid incentives for City-issued contracts for alternatively powered vehicles (MCC § 2-92-413), procuring designated recycled products (MCC § 2-92-590), and implementing clean diesel contracting requirements (MCC § 2-92-595).
   c. Department of Buildings ("DOB") was delegated DOE's responsibilities for flood control (MCC § 14A-1-104.10.2) and the Department's Construction Codes "establish minimum requirements for the protection and promotion of public health, safety, and welfare" (MCC § 14A-1-101.3).
   d. Department of Business Affairs and Consumer Protection ("BACP") was delegated DOE's responsibilities for invasive species control (MCC § 2-25-130) and has other EECS-related responsibilities, such as business practices regarding use of plastic bags and film plastic recycling and licensing of businesses whose operations affect EECS issues.
   e. Department of Public Safety/Police is primarily responsible for investigating and enforcing the City's Noise Ordinance (MCC § 8-32, *et seq*.), addressing noise and vibration controls from various sources.
   f. DOH and DPD are responsible for ensuring that EECS-issues are considered in their programs.

8. **DOE authorities transferred upon dissolution:** When DOE was dissolved as a department as of January 1, 2012 (*see Council Journal 11-16-2011,* Vol. 1, p. 13798, pp. 13906 *et seq*.), the following DOE authorities were transferred to other departments as shown below:
   a. AIS – utilities and brownfields redevelopment (originally transferred to former Dept. of Fleet and Facility Management, whose responsibilities, in the Year 2020 Management Ordinance, became part of AIS)
   b. CDPH – public health, environmental protection powers, duties, permitting and enforcement
   c. DOB – flood control

d. CDOT – Green Streets Program and other urban forestry and beautification programs
e. DSS – waste management
f. DWM – water quality and stormwater management
g. Police – noise and vibration control

B. The City as a Regulated Entity: EECS Compliance Responsibilities Arising from City Operations.

One of the City's significant environmental functions involves assuring that the City, in all its operations and management of its assets, complies with federal, state, and law environmental and energy laws. This function is principally addressed by AIS, which is responsible for managing the City's owned and leased assets. Other agencies which have significant environmental and energy compliance obligations are CDA, DPS, DSS, CDOT, and DWM. This compliance function is separate from the City's oversight and enforcement function with respect to actions of persons who are not City employees or private contractors performing actions on behalf of City departments ("Third Parties"). Examples of the City's own compliance obligations that have been AUTHORIZED to specific executive departments and offices include:

1. AIS: Investigation of properties for environmental issues before the City acquires control of properties.
2. AIS: Compliance with federal, Illinois, and City laws regarding management of asbestos, lead, PCBs, and other hazardous or toxic substances during maintenance, repair, renovation and demolition of City-owned or leased properties.
3. AIS: Ensuring that City operations comply with franchise agreements with utilities serving the City's owned and leased properties and operations.
4. AIS/DPD: DPD is responsible for administering programs such as the "Large Lot Program" for disposition of City-owned vacant parcels (MCC § 2-157), the sale of surplus land (MCC § 2-158), and Adjacent Neighbors Land Acquisition Program (MCC § 2-159), and AIS is authorized to evaluate the environmental impact of City programs and to negotiate agreements addressing and/or minimizing the City's liability for environmental conditions on these properties. *See, e.g.,* MCC §§ 2-51-050(a)(34),(35)**.**
5. CDA: Compliance with federal, Illinois, and City laws during operations, maintenance, repair, renovation and demolition activities at airports, including compliance with laws regarding solid and liquid waste, stormwater control, noise, air emissions, NEPA, and NHPA.
6. CDPH: Compliance with Illinois EPA reporting requirements regarding Third Parties' and the City's demolition and renovation activities triggering asbestos control laws, including under an existing Intergovernmental Agency Agreement.
7. DSS: Compliance with federal, Illinois, and Chicago requirements regarding waste handling, transport and disposal laws and control of odors from waste operations.
8. DWM: Compliance with federal and Illinois Safe Drinking Water Act and waste disposal laws; compliance with Metropolitan Water and Reclamation District's requirements regarding wastewater and stormwater.
9. DWM: Compliance with federal Clean Water Act and Illinois implementing regulations regarding the Illinois EPA-issued and US EPA-approved combined sewer overflow permit.

10. DWM: Compliance with Illinois Pollution Control Board regulations regarding design, operational, and maintenance criteria for owners, operators and official custodians of community water supplies, including regarding sanitary separation of water mains from other pipes.

11. DPD/DOH/AIS: DPD is responsible for administering programs for disposition of City-owned land, such as the "Large Lot Program" for disposition of City-owned vacant parcels (MCC § 2-157), the sale of surplus land (MCC § 2-158), and Adjacent Neighbors Land Acquisition Program (MCC § 2-159). DOH's authority includes managing residential properties and liens on residential properties acquired by the City, including authority to negotiate and execute leases of units within such properties (MCC § 2-44-050(a)(3)). AIS is authorized to evaluate the environmental impact of City programs and to negotiate agreements addressing and/or minimizing the City's liability for environmental conditions on these properties and protect purchasers/lessees and Third Parties. *See, e.g.,* MCC §§ 2-51-050(a)(34), (35)**.**

C. Primary Examples of City's Compliance/Enforcement Authority for Third Parties' Activities Impacting EECS Issues.

1. CDPH: CDPH is primarily responsible for implementation and enforcement of the City's Environmental Protection and Control Ordinance, MCC § 11-4.
   a. Permitting for actions which can result in "nuisances," *i.e.,* activities impacting ambient air, water, land pursuant to MCC authority and/or to implement obligations under federal or Illinois law.
   b. Developing and proposing laws controlling "nuisances" and/or to implement obligations under federal or Illinois law.
   c. Inspecting/investigating compliance with laws controlling "nuisances" and local environmental protection.
   d. Inspecting/investigating compliance with federal and State laws when City has statutory or MOU-delegated authority.
   e. Enforcing compliance with MCC requirements and/or delegated responsibilities regarding environmental compliance and protection.
   f. In addition, CDPH is primarily responsible for implementation and enforcement of the City's law regarding Lead-Bearing Substances, MCC § 7-4.

2. DOB:
   a. Inspecting and enforcing waste management at construction sites.
   b. Permitting construction, including in compliance with federal/state laws, *e.g.,* asbestos control.
   c. Serving notice of any nuisance at a building or structure, and ordering abatement (MCC § 7-28-010).

3. DSS:
   a. Inspecting and enforcing waste control responsibilities at construction sites where waste is in streets/ROWs.
   b. Inspection of streets and ROWs for waste as a "nuisance."
   c. Enforcing compliance with Chicago legal requirements re "nuisances" in public ways.

4. DWM: Responsible for permitting and enforcing waste pretreatment and waste prohibition laws regarding any discharge into waters, sewer, drain, watercourse or natural outlet within the City's jurisdiction.

CITY OF CHICAGO
DEPARTMENT OF ENVIRONMENT

MEMORANDUM

To: **The Honorable Jason Ervin**
Chairman, Committee on the Budget and Government Operations

From: **Angela Tovar**
Commissioner and Chief Sustainability Officer
Department of Environment

CC: Kennedy Bartley
Chief External Affairs Officer, Mayor's Office

Date: December 11, 2024

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 72-03

The following information is provided in response to questions posed at our department's hearing on December 3, 2024, to discuss the proposed 2025 budget.

Alderperson Vasquez asked whether DOE's Public Information Officer position has been filled and whether DOE share any communications plans for 2025.

Below is information in response to the written request.

In Fall 2024, DOE hired a Director of Public Affairs. The following is an overview of DOE's communications plans for 2025. This list is not exhaustive, and items are subject to change.

Time-specific Initiatives:

- **January**
  - RE 100
    - Promote the City's transition to 100% renewable energy
- **February**
  - EV Projects

        - Showcase the Climate Infrastructure Fund grantees who have completed EV projects
- **March**
    - Green Homes Chicago
        - Showcase home retrofit projects completed through the Green Homes Chicago program
    - Sustainability-focused event with Chicago Film Office
        - Highlight vendors and filmmakers who are reducing waste in and pursuing cleaner energy solutions for the film industry
- **April**
    - Earth Day
        - Advance celebration of City's climate and environmental initiatives
        - **Proposed strategies:** social media; flyers; major event; media release
- **May**
    - Space to Grow
        - Highlight the Space to Grow program's schoolyard transformations
    - Stay Cool Chi
        - Work with other departments to promote heat health and safety
- **June**
    - Library Solar ("Power Up Chicago")
        - Highlight the libraries that have installed solar panels

Ongoing Initiatives:

- DOE website redesign
- Promotion of:
    - City's fleet electrification
    - Air quality monitoring program
    - Energy benchmarking program
    - Climate Infrastructure Fund grantees
    - Cumulative impacts work
    - City-wide composting efforts
    - Our Roots Chicago
- Community event participation
- Community partners' event promotion

As always, please let me know if you have any further questions.

CITY OF CHICAGO
DEPARTMENT OF ENVIRONMENT

MEMORANDUM

To: **The Honorable Jason Ervin**
Chairman, Committee on the Budget and Government Operations

From: **Angela Tovar**
Commissioner and Chief Sustainability Officer
Department of Environment

CC: Kennedy Bartley
Chief External Affairs Officer, Mayor's Office

Date: December 11, 2024

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 72-04

The following information is provided in response to questions posed after our department's hearing on December 3, 2024, to discuss the proposed 2025 budget.

Alderperson Vasquez asked the following written question.

Question: Can you provide the timeline of the study that you mentioned in response to Chair Hadden's question about other City positions migrating to DOE and who is doing it? Will that study be publicly released?

Answer: The 2025 Municipal Code Management Ordinance introduced on October 30, 2024 (O2024-0013673), has the following provision on page 16 regarding additional potential DOE migration:

> No later than August 1, 2025, the Chief Sustainability Officer and the Budget Director shall provide a report, written in consultation and regular coordination with the Departments of Fleet and Facility Management, Public Health, Law, Human Resources, Technology and Innovation, Procurement Services, Mayor's Office, Department of Finance, and other departments as appropriate, to the Mayor and the Committee on Environmental

Protection and Energy detailing a transition plan for additional key environmental functions, including the logistical requirements to transfer relevant duties and personnel, into the Department of the Environment for implementation in 2026.

As always, please let me know if you have any further questions.

CITY OF CHICAGO
DEPARTMENT OF ENVIRONMENT

MEMORANDUM

To: **The Honorable Jason Ervin**
Chairman, Committee on the Budget and Government Operations

From: **Angela Tovar**
Commissioner and Chief Sustainability Officer
Department of Environment

CC: Kennedy Bartley
Chief External Affairs Officer, Mayor's Office

Date: December 11, 2024

Re: Request for Information from Annual Appropriation Committee Hearing
ID#: 72-05

The following information is provided in response to questions posed after our department's hearing on December 3, 2024, to discuss the proposed 2025 budget.

Alderperson Vasquez asked the following written question.

Question: As well, following Chair Hadden's line of questioning, it seems like actually no one has the authority or is doing the work of scouring contracts and holding polluters who are also vendors accountable. In 2025 will any DOE policy people be working to close this loophole per this budget?

Answer: DOE is working with Department of Procurement Services on the implementation of their Environmental Justice (EJ) Action Plan, which aims to improve the City's procurement process by evaluating City public works projects for potential environmental impacts before a contract is issued. A status update on this collaborative work will be included in the 2024 EJ Action Plan progress report at the end of December. Additionally, DOE will continue to be part of this work in 2025.

As always, please let me know if you have any further questions.

CITY OF CHICAGO
DEPARTMENT OF ENVIRONMENT

MEMORANDUM

To: **The Honorable Jason Ervin**
Chairman, Committee on the Budget and Government Operations

From: **Angela Tovar**
Commissioner and Chief Sustainability Officer
Department of Environment

CC: Kennedy Bartley
Chief External Affairs Officer, Mayor's Office

Date: December 11, 2024

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 72-06

The following information is provided in response to questions posed after our department's hearing on December 3, 2024, to discuss the proposed 2025 budget.

Alderperson Vasquez asked the following written question.

Question: Can you please provide a written plan if it exists/detail on DOE's role in how the City across each relevant department (DOB, OEMC, DWM, DSS) is proactively and strategically planning to manage the increased frequency and intensity of disaster events (like local flooding and extreme heat) and make sure residents are cared for?

Answer: DOE strives to improve departments' ability to respond to both chronic stressors and acute shocks related to shifts in our local climate patterns. The department serves as a convener, policy and program advisor, and liaison to international networks for government-led climate resilience. DOE supports departments in reducing long-term vulnerabilities, and strengthening communities' ability to respond to – and recover from – major climate events in the following ways:

Planning: OEMC has invited DOE to participate in periodic planning initiatives including 2024 Cook County Hazard Mitigation Plan + City of Chicago Annex, Chicago's Emergency Operation Plan, and Chicago Urban Area Threat and Hazard Identification and Risk Assessment (THIRA)/Stakeholder Preparedness Review (SPR). The department also contributed to the City's first Air Quality Annex for the City's Emergency Operation Plan and seeks to be included in the City's next version of the plan.

Communications: As DOE strengthens its external communications tools, it will amplify messages from DFSS and OEMC for greater community climate resilience. In 2024, the department worked with community partners to improve existing virtual (i.e. data portal) and printed resources (i.e. fliers) to promote *all* cooling centers, rather than only focusing on those intended for seniors or those in need of shelter. Additionally, DOE designed and distributed palm cards to departments and community partners to use while tabling at community events and to share directly with community partners and/or delegate agencies for distribution at their events. Lastly, DOE piloted a co-promotion campaign with CTA across rail and bus lines to raise awareness about heat health and safety.

Research: DOE is working with CDPH and Northwestern University to develop a heat vulnerability index using local public health data along with other community-identified variables. The tool can be used to update policies and programs of other departments (i.e. OEMC, DPD, DFSS, and CDPH) in order to reduce long-term vulnerability and improve resilience for all.

Funding: DOE pursues funding opportunities to support climate resiliency initiatives. In addition to partnering with other departments, DOE supports community-led and -managed initiatives that advance equitable climate investments across the city.

As always, please let me know if you have any further questions.

CITY OF CHICAGO
DEPARTMENT OF ENVIRONMENT

MEMORANDUM

To: **The Honorable Jason Ervin**
Chairman, Committee on the Budget and Government Operations

From: **Angela Tovar**
Commissioner and Chief Sustainability Officer
Department of Environment

CC: Kennedy Bartley
Chief External Affairs Officer, Mayor's Office

Date: December 11, 2024

Re: Request for Information from Annual Appropriation Committee Hearing

ID#: 72-07

The following information is provided in response to questions posed after our department's hearing on December 3, 2024, to discuss the proposed 2025 budget.

Alderperson Vasquez asked the following written question.

Question: Will you please read the attached narrative from our constituent who is having a hard time with electrical permitting for greening his home and provide guidance? Can we work together on streamlining permitting processes alongside other relevant departments to make sure those who want to voluntarily green their homes can do so?

Answer: The narrative provided by the Alderman to the Chair reviews the challenges from one homeowner in their process of decarbonizing their homes. These challenges include:

- difficulty in obtaining limited-scope electrical permits for one unit in a multi-family condominium building; and
- difficulty in finding licensed contractors who will obtain permits for electrification work.

Solutions the homeowner proposed included:

- Streamlining the permit process for condo owners;
- Simplifying the permit process for some electrical work;
- Providing better information regarding the permit process for electrification work;
- Better defining liability in electrical work;
- Simplifying the permit process for green technologies; and
- Expanding the definitions of “Replace in Kind” already in the code to include appliance electrification.

While DOE recognizes the challenges that homeowners may face in pursuing electrification work in their homes regarding these issues, building permitting is under the purview of the Department of Buildings (DOB). DOE will raise these challenges with DOB and will engage in discussion about potential changes to their process for the future.

Additionally, DOE is working to provide resources for residents seeking to adopt clean energy technologies in their homes. DOE will utilize federal Energy Efficiency Community Block Grant (EECBG) funding earmarked for a public education campaign to develop, publish, and publicize these new resources. This work will entail efforts to consolidate and make readily available all information residents may need to pursue clean energy and energy efficiency measures, as well as identify available state and private sector funding for electrification work.

As always, please let me know if you have any further questions.