



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow

SUBJECT: SEE BELOW

DATE: February 5, 2018

Approved

Date

2/15/18

SUBJECT: CLIMATE SMART SAN JOSE PLAN

RECOMMENDATION

- 1) Accept the Climate Smart San José plan, and
- 2) Direct the City Manager to return to Council in fall 2018 with a progress update on Climate Smart San José.

OUTCOME

Acceptance of the Climate Smart San José plan will provide San José with a strategy for moving toward a sustainable water supply and to reductions in greenhouse gas emissions in alignment with the Paris Climate Agreement, and allow staff to focus on Plan implementation including any City Council priority setting and/or funding for activities in fiscal year 2018-2019.

EXECUTIVE SUMMARY

San José has a legacy of commitment to environmental leadership. In 2016, building upon its Green Vision adopted in 2007 and Envision San José 2040 General Plan adopted in 2011, the City Council directed staff to develop a sustainability action plan around a “green focus” - ensuring a sustainable water supply and a reduction in greenhouse gas (GHG) emissions related to energy and mobility, in alignment with the Paris Climate Agreement (“Paris Agreement”).

Following extensive community engagement, technical input, consultant analysis, and City department input, the resulting Climate Smart San José plan (“Plan”, see Attachment A) is framed around four core principles: people-centered, data driven, inclusive, and implementation-ready. It sets out nine strategies, each associated with quantitative milestones to ensure clear, timely progress tracking. To enable and facilitate implementation, it also includes a City Action Plan and Playbooks for various audiences. Ultimately, the Plan is not about sacrifice but about creating the “Good Life” for all San José residents through its strategic pathway. By addressing

the quality of life benefits associated with sustainability, the Plan generates excitement around tangible issues that matter to the San José community.

In light of the urgency to address climate change, the Plan will allow San José to continue to be a national leader in reducing GHG emissions. This progressive Plan outlines aspirational goals based upon a strong, data-based foundation. It allows San José to move forward in addressing climate change while remaining a living document that will be updated in tandem with the four-year major Envision San José 2040 General Plan updates as new policies, technological advancements, and data emerge.

BACKGROUND

San José has a strong heritage of forward-planning for its residents. Going back to the City's inaugural General Plan over 40 years ago, San José developed and evolved in line with the best-available evidence and resident priorities of the time. A decade ago, the City made the first forays into articulating the issues of urban sustainability through adoption of the San José Green Vision. Laying an important foundation for further progress, the Green Vision outlined the issues that the City would focus on to create a more sustainable community, including: switching its public vehicle fleets to alternative fuels, helping residents save energy, and growing clean technology jobs. Four years later, after an extensive community engagement process, the City adopted its award-winning Envision San José 2040 General Plan, which provides the framework for how the City can grow and evolve while achieving the community's social, economic, and environmental goals.

Climate change is a serious and pressing issue. In its most recent assessment on climate change, the Intergovernmental Panel on Climate Change, the international body for assessing the science related to climate change, reiterated its findings that the science is clear – GHG emissions are increasing due to human activities and there's an urgency of needed actions to reduce emissions and avoid its significant negative implications. Countries throughout the world took a strong and historic stance on combatting climate change with the creation of the Paris Agreement at the 2015 United Nations Climate Change Conference. The Paris Agreement provides a clear goal for the reduction in carbon emissions required by 2050 to keep the rise in average global temperature to below two degrees Celsius. The Paris Agreement has been signed by 195 countries and been ratified by 172 parties.

The City Council recognized the need for San José to do its part to combat climate change and to remain an environmental leader. As part of the 2016-2017 Adopted Operating Budget, the City Council directed the City Manager to procure consultant services to develop a sustainability action plan around a "green focus" - ensuring a sustainable water supply and a reduction in GHG emissions related to energy and mobility. The City's Environmental Services Department (ESD) secured a \$1.25 million award from the Pacific Gas & Electric Company (PG&E) for use on sustainability programs by successfully meeting its Step Up and Power Down program goals. Per Council direction, these funds were appropriated for the development and implementation of Climate Smart San José.

After a competitive procurement process, the City contracted with PricewaterhouseCoopers (PwC) in December 2016 to develop the Plan. In [January](#) and [August](#) 2017, City staff and PwC presented to the City Council at two study sessions to: provide an overview of the Plan development process; introduce the framework and vision, including the "Good Life" concept; discuss results of the initial baseline assessment of the City's goals and progress related to sustainability efforts; review input received from community and technical stakeholders; discuss recommended measures to include in the Plan; and review the next steps in the Plan development process.

The Plan development was built upon a strong foundation of community and technical expert engagement (see Attachment B, *Community Engagement Timeline*) in order to create awareness that the Plan was in development, provide forums to listen and collect ideas, and understand how people interpreted the idea of the "Good Life" and its connection to sustainability. During the development process, efforts included: engagement of over 100 technical experts from business, non-governmental agencies, local and state government, and academia to get more in-depth guidance in the areas of energy, water, mobility and land use/open space; a public survey with 2,200 survey responses with 1,800 ideas submitted; and presenting and gathering public input at thirteen community meetings including City Council Study Sessions, townhall meetings, technical stakeholder workshops, Youth Commission and Neighborhoods Commission presentations, and other public presentations.

While developing Climate Smart San José, the City has continued to demonstrate its commitment to environmental leadership. The City Council approved the establishment of San José Clean Energy (SJCE) in May 2017, making San José the largest city with a community choice energy (CCE) program in the U.S., and adopted a resolution in June 2017 supporting the principles of the Paris Agreement, directing staff to return with a GHG reduction target aligned with the Paris Agreement as part of its Plan. In addition, the City Council included funding in the 2017-2018 Adopted Operating Budget, offset by a portion of the \$1.25 million grant received from PG&E, for the addition of staff in ESD to support Plan implementation.

ANALYSIS

San José Leads the Way

The City of San José has a proud history of driving progress on sustainability issues, including national leadership in electric vehicle adoption, solar installation, solid waste reduction, and green building development. The establishment of SJCE will allow the City to direct how quickly to accelerate the development of renewable energy for the people of San José. Climate Smart San José capitalizes on these successes and opportunities by setting aspirational sustainability goals that are both ambitious and grounded in the latest data and technologies. It is focused on creating the "Good Life" for all members of our community and requires their engagement and action for success. By addressing the quality of life benefits associated with sustainability through resident priorities of an affordable home, time with their loved ones, and

pleasant open space for them and their families to enjoy in San José, the Plan generates excitement around tangible issues that matter to the San José community.

Climate Smart San José builds on the Envision San José 2040 General Plan by highlighting and interpreting those elements related to the community's profile of carbon emissions and then providing additional analysis and recommendations. Climate Smart San José uses the City's General Plan as a foundation and goes further by creating a bold pathway for San José to reach the Paris Agreement goals. While more than 350 cities representing over 18 percent of the U.S. population have committed to the Paris Agreement, Climate Smart San José is among the first to take the next step in charting a roadmap of the measures and progress needed for a city to achieve compliance with the Paris Agreement. To remain on a Paris Agreement-aligned pathway, staff will need to continue to track, review, and update the Plan keeping in mind emerging technologies, new policies, and current community needs.



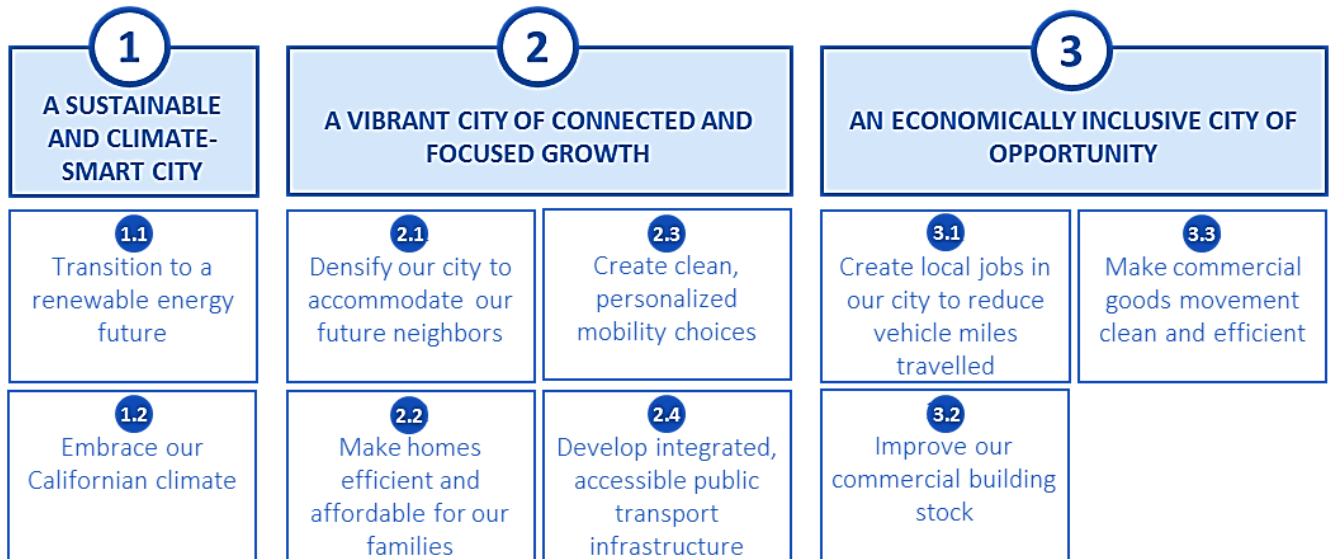
Climate Smart San José

Climate Smart San José is the culmination of extensive community engagement, technical input, consultant analysis, and interdepartmental as well as community vetting. The Plan leverages San José's strengths and is framed around four core principles:

1. *People-centered* – connecting the Plan with the concept of the “Good Life” to link climate smart choices to quality of life benefits for residents in order to help deliver the aspirations and desires of our residents, excite residents to engage on climate issues, and drive the adoption of carbon-reducing technologies and behaviors from niche users to the mainstream
2. *Data-driven* - grounding the Plan in quantitative evidence to best address the major drivers of GHG emissions and set the community on a clear pathway aligned with Paris Agreement goals
3. *Inclusive* - seeking to improve quality of life throughout San José by making the Plan accessible to all residents, regardless of income or background
4. *Implementation-ready* - including actionable measures through its nine key strategies and associated milestones, a set of bold goals, a City Action Plan, and community Playbooks. There are further details in the subsections below.

Strategies and Milestones

The Plan focuses on three big moves and nine key strategies, explained in the graphic below:



Each of the strategies is associated with timed, quantitative milestones to enable the City and community to track progress.

Bold Goals

The bold goals to activate the Plan’s strategies and milestones are outlined below.

1. By 2021, SJCE will offer 100 percent GHG-free power as a base product
2. By 2040, San José will be the world’s first 1 GW solar city
3. By 2030, 60 percent of all passenger vehicles in the city will be electric, making us the electric car capital of the United States
4. From 2020, 100 percent of new homes will be Zero Net Energy and by 2030, 25 percent of existing homes will be energy efficient and all-electric
5. By 2030, San José will create an additional 22 million sq. ft. of commercial workspace located within half a mile of transit
6. By 2030, San José will have developed 40,000 dwelling units in its urban villages and focused growth areas
7. By 2040, only 4 out of 10 commute trips in San José will be taken in single occupancy vehicles
8. By 2030, San José will reduce its per capita residential water consumption by 30 percent compared to 2009 levels

City Action Plan

The Plan contains a City Action Plan that identifies lead department(s) and outlines strategies for how the City can enable the San José community to become climate-smart as well as convene and enable partners to drive Plan implementation.

Playbooks

The Playbooks contained in the Plan offer pragmatic, tactical actions a resident, business owner, and developer can take to combat climate change, ensure a sustainable water supply, and upgrade to the “Good Life” without sacrifice.

Community Engagement

The extensive community engagement that occurred during the Plan’s development helped to refine the content of the Plan and continued engagement and activation of the community will be vital to successfully implement it. During the Plan development process, staff worked directly with several organizations supporting open space in San José, including the Open Space Authority, Greenbelt Alliance, and Sierra Club. As a result of this engagement, the Plan recognizes the value of conducting future groundbreaking work to explore the carbon sequestration potential of Natural and Working Lands (areas with Open Space, Parklands, Habitat, Agriculture, and Open Hillside land use designations in the General Plan) and the impact that development of these areas could have on community-wide GHG emissions.

Next Steps

- 1) Create a City-wide Climate Smart San José Steering Committee to align City departments and facilitate Plan implementation
- 2) Develop a community engagement plan to build awareness and to activate San José residents and businesses around the Plan implementation
- 3) Integrate Climate Smart San José with City policies and processes
- 4) Determine any City Council priority setting and/or funding for activities in fiscal year 2018-2019
- 5) Continue to coordinate and align with emerging City initiatives, including:
 - **San José Clean Energy** – SJCE is anticipated to launch in summer 2018. Moving to 100 percent GHG-free electricity is a core component of the Plan.
 - **Transportation Analysis Policy (Proposed)** – At its February 27, 2018 meeting, the City Council is anticipated to consider adoption of new Transportation Analysis Policy that shifts the measure of environmental impact under CEQA from Level of Service (LOS) to Vehicle Miles Traveled (VMT) - focusing on reducing VMT and GHGs and building a people-centered city.
 - **City Energy Project (CEP)** – The Plan will support the CEP grant, which will provide valuable data for energy conservation and renewable energy strategies that are incorporated within the Plan’s strategies and City Action Plan.
- 6) Work with external partners to secure funding to further research Natural and Working Lands and community-wide GHG emissions and report back to City Council with findings and recommendations
- 7) Provide semi-annual updates to the City Council on progress implementing the Plan
- 8) Update the Plan in tandem with the four-year major Envision San José 2040 General Plan updates

In light of the urgency to address climate change, the Plan will allow San José to continue to be a national leader in reducing GHG emissions. While bold, the Plan sets aspirational goals based upon a strong, data-based foundation. It allows San José to move forward in addressing climate

change while remaining a living document that will be updated in tandem with the four-year major Envision San José 2040 General Plan updates as new policies, technological advancements, and data emerge. Through the Plan's pathway, San José is enabled to meet both state and international GHG reduction goals all while growing its population and furthering the "Good Life" for its community. The result is a city that is sustainable and climate smart, vibrant and connected, and economically inclusive.

EVALUATION AND FOLLOW-UP

Staff anticipates returning to the City Council with a progress update in fall 2018. The Plan will be updated in tandem with the next four-year major Envision San José 2040 General Plan update in 2020.

PUBLIC OUTREACH

This memorandum shall be posted on the City's website for the February 27, 2018 City Council agenda. See Attachment B for an overview of community outreach conducted during the Plan's development.

POLICY ALIGNMENT

The recommended actions align with the City's Envision San José 2040 General Plan (Goal MS-2 and Appendix 8: GHG Reduction Strategy).

COORDINATION

This memorandum has been coordinated with the Departments of Planning, Building and Code Enforcement, Transportation, the City Attorney's Office, the City Manager's Budget Office, and the Office of Economic Development.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

HONORABLE MAYOR AND CITY COUNCIL

February 5, 2018

Subject: Climate Smart San José

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CEQA

Determination of Consistency with the Envision San José 2040 General Plan EIR, Supplemental EIR, and Addenda thereto, File No. PP18-009.

/s/

KERRIE ROMANOW

Director, Environmental Services

Attachment A: [Climate Smart San José \(full plan\)](#); [Climate Smart San José \(executive summary\)](#)

Attachment B: Community Engagement Timeline

For questions, please contact Kerrie Romanow, Director of Environmental Services, at (408) 535-8552.