



Memorandum

TO: TRANSPORTATION AND ENVIRONMENT COMMITTEE

FROM: Kerrie Romanow

SUBJECT: CLIMATE SMART SAN JOSÉ PLAN SEMI-ANNUAL UPDATE

DATE: April 17, 2019

Approved

Date

4-26-19

RECOMMENDATION

Accept this update on Climate Smart San José activities and recommend this item for full Council consideration at the May 21 City Council meeting.

OUTCOME

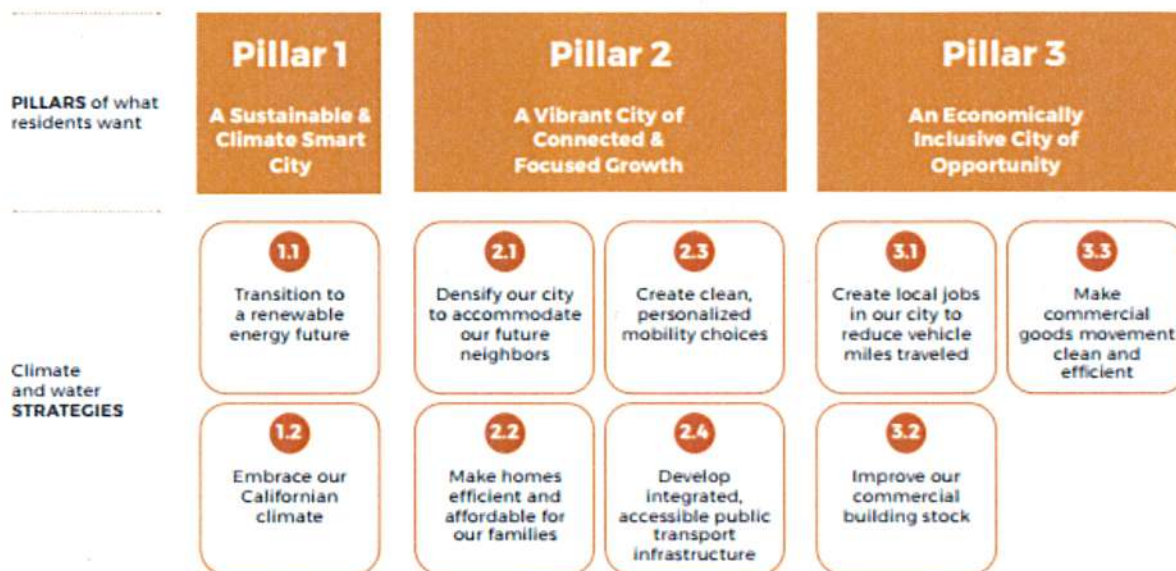
Provide a semi-annual update to the City Council on key activities completed and underway to implement Climate Smart San José.

BACKGROUND

The climate challenges of this century directly affect the quality of life of all residents in San José. Over the past two years, across California and in the City, we have seen evidence of more frequent and disruptive flooding, degraded air quality from massive wildfires, and record-breaking extreme heat events. These events, in turn, affect the health of residents and visitors, the safety of neighborhoods, the success of businesses and institutions, and the viability of plants and animals in local parks.

In response to the impacts of climate change, the City of San José was one of the first U.S. cities to adopt a Paris Agreement-aligned climate action plan: Climate Smart San José. Adopted in February 2018, Climate Smart San José is a data-driven plan with specific goals to reduce climate change through greenhouse gas (GHG) reduction strategies organized in three pillars with nine associated strategies, as depicted on Figure 1.

Figure 1: Climate Smart San José Framework



A technical work group and executive steering committee, consisting of various city departments under the leadership of the Environmental Services Department (ESD), coordinate the city’s climate action efforts. The work group and steering committee have met monthly over the course of the year to develop opportunities for departments to work together, as well as to identify areas that require broad coordination and/or alignment on fundamental policy decisions related to the implementation of Climate Smart San José.

ANALYSIS

Significant efforts have been made across city departments to embrace Climate Smart San José and implement climate actions. The Climate Smart program developed a community engagement strategy to engage stakeholders and community members in the implementation of the Climate Smart San José goals. Between October 2018 and March 2019, the following notable engagement activities were completed:

- Presentations at five community meetings and outreach at 12 community events reaching over 2,500 residents; selected events included Christmas in the Park, Têt (Vietnamese Lunar New Year) Festival, and City Dance.
- LED giveaway—nearly 1,179 light bulbs were given away from October to March at events to promote simple, cost effective energy efficiency.
- Social media campaigns, including a Climate Smart San José animated video ad that reached over 385,060 people on Facebook and had over 129,000 impressions on Twitter.
- The Climate Smart Cup competition, partnering with the Energize Schools Energy Competition to honor three San José schools for reducing their energy consumption.

- Follow-up survey in early 2019, measuring community awareness of Climate Smart and willingness to engage in Climate Smart behaviors. Preliminary analysis indicates awareness of Climate Smart increased by seven percent since 2018.
- Inaugural Climate Smart Champions recognition ceremony, honoring nine residents or community partners and one City employee for their actions to advance the goals of Climate Smart.

In addition to overarching Climate Smart community engagement, the City made progress on the Climate Smart San José Action Plan (Attachment). There is still a long journey ahead in order to implement the full City Action Plan and meet Climate Smart goals through 2050, but there is also a clear, ongoing commitment by the City Council and City staff to make progress in the near-term towards long-term success. The following are specific key initiatives arranged by plan's core pillars and are representative of the extensive and commendable actions that various City departments are taking to bring the near- and long-term Climate Smart goals to a reality:

Pillar 1: A Sustainable & Climate Smart City

San José Clean Energy Launch

San José Clean Energy (SJCE) initiated service in September 2018 to municipal accounts and expanded in February 2019 to serve most residents and businesses. SJCE now serves more than 310,000 customers in the City of San José and is the largest single-jurisdiction Community Choice Energy program in operation. SJCE's default GreenSource service is 45 percent renewable and 80 percent carbon-free, and their TotalGreen service is 100 percent renewable. Their peak demand served is 470 MW. Customers opting out of the program for full PG&E service represent less than 2 percent of the customers who have been enrolled.

The successful launch of San José Clean Energy has the potential to generate funding to support Climate Smart San José initiatives in promoting programs such as energy efficiency, fuel switching, and demand reduction. SJCE is working on a comprehensive plan, strategy, and guiding principle to evaluate opportunities for climate smart actions such as electrification incentives, feed-in tariff programs, and other ways to scale renewable energy and storage. This plan is expected to be completed in Fall 2019.

Solar Loan Program

Public Works is investigating a Bay Area Air Quality Management District (BAAQMD) loan program for storage and solar projects. BAAQMD's Climate Tech Finance program offers subsidized financing for public and private facilities to adopt emerging technologies that reduce GHG emissions.

Climate Smart San José Phase II – Natural and Working Lands (NWL) Analysis

At the February 2018 City Council meeting, Council directed staff to work with external partners to further research the connection between natural and working lands (NWL) and community-wide GHG emissions and report back to City Council with findings and recommendations. City Council subsequently approved up to \$100,000 in matching City funds in FY 2018-2019 to

develop this NWL element, working with the State of California, the Santa Clara Valley Open Space Authority (OSA), and other funding partners.

ESD staff have been meeting regularly with Santa Clara Valley Open Space Authority (OSA) staff and coordinating with relevant city departments to secure the NWL project's matching funds, develop a memorandum of understanding (MOU) between OSA and the city, and develop a scope of work. The final scope of work includes the development of a spatially derived tool (e.g., a modeling platform) and a formal report, which can be incorporated into Climate Smart, that evaluates how NWL land use changes may impact San José's net GHG emissions profile.

OSA was not able to secure state funding for the project; and instead committed \$80,000 in matching funds in March 2019. With that match in place, the City released a request for proposals for consultant services for up to \$160,000 (including the City's match) in April 2019. The remaining \$20,000 in NWL funds is being utilized for City staff costs. A consultant contract is expected to be executed in June 2019 with an expected completion of work no later than June 2020.

Pillar 2: A Vibrant City of Connected & Focused Growth

Transportation Access and Mobility Plan

Climate Smart San José calls for change to the transportation system and how it is used on a significant scale. Implementing the changes will require the City's approach to transportation to change. To facilitate that change, DOT is working toward a comprehensive San José Access and Mobility Plan. Phase 1 of the Access and Mobility Plan was completed, which brings together the many broad and complex goals, policies, and strategies in the city's guiding documents into eight concentrated directives.

Micro-Mobility Ordinance

The City of San José adopted a micro-mobility ordinance in December 2018 that will permit, monitor, and evaluate shared micro-mobility service operators throughout the city. E-scooters began appearing in San José in March 2018, with multiple companies now operating e-scooter sharing programs on our streets. In addition, San José already has a robust bike-share program, which has grown from 350 bikes to 2,000, half of which will be e-bikes and will grow the service area from the Greater Downtown area to many neighborhoods throughout the city. These two synergistic programs, e-scooter and e-bikes grouped into the term "micro-mobility devices," will result in more climate-friendly options for getting around San José.

Increasing High Density Housing

Housing and PBCE are finalizing guidelines for housing units in planned growth areas, including Downtown and North San Jose, key areas focused along two light rail routes. Changes to the North San Jose Area Development Policy and to the City's Municipal Code will motivate developers of high-density multifamily housing to construct new affordable apartments in North San Jose close to transit.

Parking Management and Pricing

The City has a need to reevaluate its car parking policies to improve consistency with its Climate Smart Plan and Envision San José 2040 General Plan transportation and land use goals. At present, minimum parking requirements are based on the type and scale of activity, to ensure sufficient parking. The current parking requirements are not always consistent with community goals, including increasing fairness and housing affordability, reducing traffic congestion and GHG emissions, designing more attractive and lively neighborhoods, and development of urban villages. In addition, excessive and inflexible parking requirements greatly reduce urban housing and commercial affordability.

Through the American Cities Climate Challenge (ACCC), the City will partner with SPUR, Urban Land Institute, and Nelson Nygard to comprehensively evaluate and pursue updating parking requirements for new development to design a parking strategy that will enable no- and low-parking development, particularly around transit. The process will engage technical experts in parking policy to help develop broad project objectives and provide guidance on this complex issue. The parking strategy will evaluate on-street and off-street parking pricing, where to remove or reduce minimum parking requirements, whether to impose maximum parking requirements in the downtown area and near high-capacity transit stations, and/or how to effectively “unbundle” the cost of parking from the cost of renting/leasing/owning usable residential or commercial space. Based on the strategy, which will include a broad range of stakeholder input, the end products will include updated parking policies and updated zoning code regulations that will modernize parking requirements to accelerate the adoption of multimodal solutions.

Climate Smart Equity Leaders Program

As the beginning of an effort to apply an equity lens to Climate Smart initiatives, ESD led an interdepartmental team from ESD, DOT, SJCE, Housing, and the Mayor’s Office through the Urban Sustainability Director’s Network’s (USDN) Equity Leaders Program. The program included six workshops to help participants learn about: 1) how to communicate about equity; 2) how to build an implementation team; 3) proven equity techniques and tools; and 4) how to apply those learnings to real-life local government programs and policies. At the end of the program, participants and the Climate Smart Technical Working Group provided recommendations on Climate Smart projects where an equity lens could be applied. The completion of this program also qualifies the city to apply for equity mini-grants and an equity fellow from the USDN in their next round of recruitments starting in summer 2020.

Residential Energy Upgrades

Housing administered the rehabilitation of 1,127 restricted affordable apartments at six properties that incorporated energy efficiency improvements including photovoltaic installation, LED lighting, energy-efficient window replacements, HVAC system replacements, and new energy-efficient appliances.

Electric Vehicle (EV) Strategy

The City of San José has made progress towards development of an electric vehicle (EV) strategy. In the fall, DOT contracted with the Shared-Use Mobility Center (SUMC) to develop an analysis of the current state of EV infrastructure and vehicle uptake, identify mobility gaps and opportunities to expand electric vehicle and shared mobility infrastructure in the city, and identify priority areas for EV charging infrastructure and locations for EV-based shared vehicle programs.

A narrative summary and Geographic Information System (GIS) analysis depicting EV charging station infrastructure and site suitability for EV uptake is anticipated to be completed Spring 2019. The City of San José is also receiving support through the ACCC to develop an EV education and incentive program with partners to provide information about EVs and encourage their adoption and use, particularly shared use, and to develop a shared electric vehicle strategy.

EV Charge Points

Public Works and DOT have been collaborating with PG&E to install 300 charge points for electric vehicles that would be available for the public, employees, and the City fleet. Construction is estimated to begin in early 2020.

Pillar 3: An Economically Inclusive City of Opportunity

Reach Code Ordinance

Climate Smart San José establishes a goal that by 2020, 100 percent of new homes will be zero net energy (ZNE). A ZNE building is one that produces as much energy (generally through onsite renewable energy) as it consumes. In order to achieve the Climate Smart goal, homes built in San José will need to be designed to include green building measures specified in the state-adopted 2019 Building Efficiency and CALGreen Standards (to be implemented in 2020) and will also need to exceed Title 24 energy efficiency standards and have an energy design rating of zero. This can be achieved with a reach code. Every three years, cities and counties across the state adopt the new codes, with an opportunity to adopt building codes more advanced than those required by the state, known as “reach codes”. Legal requirements for a reach code are: 1) it must be at least as stringent as the statewide code; 2) it must cost effective; 3) it must be approved by the California Energy Commission; 4) it may not preempt federal appliance regulations; and 5) a reach code needs to be re-approved with each energy code update. Implementing a reach code for San José can have several benefits, such as:

- increased savings of both energy and money;
- reduction in GHG emissions and fulfill actions in Climate Smart San José through zero net carbon buildings and electrification; and
- alignment with future state building codes and market benefits.

Additionally, the benefits of GHG-free electricity supplied by San Jose Clean Energy (SJCE) can best be realized by electrification of buildings and transportation vehicles established through a

reach code. Electrification will transition residents and businesses away from the use of natural gas and gasoline to clean energy provided by SJCE and provide financial benefits for the city.

To advance this initiative, the city will partner with the New Buildings Institute (NBI) through the ACCC to establish and facilitate a Reach Code Task Force and engage stakeholders to pursue an energy reach code for EV, and solar-readiness in new residential and commercial construction. The reach code timing will be aligned with the city's adoption and implementation of the 2019 CA Energy Code.

Resources and Performance Tracking

Staffing Focused on Climate Smart Implementation

San José was the first ACCC awardee to hire its Climate Advisor, housed in ESD, who will help to facilitate Climate Smart ACCC initiatives to completion during the ACCC grant term. As part of the 2018-2019 Mid-Year Budget Review approved by Council on February 12, 2019, a new City-wide appropriation of \$150,000 was established to provide temporary analytical and planning staff support for ACCC initiatives within the Environmental Services, Transportation, and Planning, Building and Code Enforcement Departments. Recruitment efforts are underway to fill these key staff positions, with Planning, Building and Code Enforcement having successfully filled its position in April 2019. City staffing support will be critical to fully leverage the resources and expertise being offered by Bloomberg Philanthropies through the ACCC program. Additional limit-dated positions will be considered as part of the 2019-2020 Proposed Budget development to continue work efforts until the end of the ACCC project (December 2020).

Funding

While focusing on the delivery of quality work products under current grants, City staff continue to closely track and discuss, as part of the Climate Smart technical working group meetings, available grant opportunities to ensure coordinated and timely grant applications. Recently, the Department of Transportation was awarded a \$10 million grant for the Better Bikeway SJ project and is awaiting a response, expected in Spring 2019, to its \$680,000 Caltrans Sustainable Communities Grant application for an Emerging Mobility Action Plan. For Climate Smart ACCC initiatives, ESD staff is working with ACCC staff to pursue the furthest extent of in-kind resources such as communications and strategic planning assistance and consultant services.

Dashboard

In order to track the overall trajectory of community-wide GHG emissions, ESD staff is working with International Council for Local Environmental Initiatives (ICLEI) to complete a 2017 GHG inventory, as an update to the most recent 2014 inventory, with expected completion in Spring 2019. ESD staff is continuing to work with its external partners and the Climate Smart Technical Working Group to develop and populate an online Climate Smart dashboard in order to track and share progress on GHG emissions and Climate Smart milestones. Similarly, the ACCC has a framework for a dashboard to track the progress of the specific initiatives being supported by the ACCC which, when ready, may be adapted for the broader City initiatives. Staff include a discussion of these tools as part of the next plan update.

EVALUATION AND FOLLOW-UP

Staff will provide progress updates to T&E and City Council on Climate Smart San José activities on a semi-annual basis.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the May 6, 2019 T&E agenda as well on the May 21, 2019 City Council's Agenda website.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the Department of Transportation, Department of Community Energy, Housing Department, Public Works and Planning, Building and Code Enforcement.

COMMISSION RECOMMENDATION/INPUT

No commission recommendation or input is associated with this action.

FISCAL/POLICY ALIGNMENT

Climate Smart San José activities align with the Climate Smart San José strategies and the City's Envision 2040 General Plan approved by City Council.

CEQA

Not a project, File NO. PP17-003, Agreements/Contracts (New or Amended), resulting in no physical changes to the environment.

/s/
KERRIE ROMANOW
Director, Environmental Services

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

Attachment A: City Action Plan