



Memorandum

TO: TRANSPORTATION AND
ENVIRONMENT COMMITTEE

**SUBJECT: COMMUNITY FOREST
MANAGEMENT UPDATE**

FROM: John Ristow
Chris Burton

DATE: May 15, 2023

Approved

Date

5/26/23

RECOMMENDATION

Accept report on progress made towards goals set forth in the Community Forest Management Plan (CFMP), and the tree in-lieu mitigation fee audit.

BACKGROUND

San José's community forest is a vital City asset and part of our nature-based infrastructure with a complex maintenance and management structure. For several generations, property owners in San José have been responsible for street tree and sidewalk maintenance adjacent to their properties per the City's municipal code. As a result, the City's Street tree program has been primarily regulatory, and enforcement-based, where permits are required and issued for tree-related activities.

The Department of Transportation (DOT) applied for a California Climate Investments grant from the CAL FIRE Urban and Community Forestry Program to complete a Community Forest Management Plan (CFMP). Over the past few years, this work resulted in the development of a new tree database, the planting of 200 trees in disadvantaged communities, and a comprehensive report containing an analysis of the condition of the community forest, forestry management roles and responsibilities, and a strategic work plan.

The CFMP was adopted by the City Council on February 8th, 2022, and the workplan is shown in Attachment A. The City Auditor was also directed to determine how and whether the City is collecting tree-related mitigation fees from developers, how and whether the City is enforcing tree-planting conditions on development, how the City is spending tree mitigation funds, and how the City can cost-effectively plant more trees. The audit was presented to Council on January 10, 2023. The administration concurred with all findings, and they aligned closely with the initial roadmap discussed by DOT in the CFMP presentation. A status update on the recommendations is contained in Attachment B of this memo.

ANALYSIS

The adoption of the CFMP and heightened community interest provided an opportunity for the City to expand its forestry capacity in the Fiscal Year 2022-2023 budget. Notably, DOT added five staff members, including the City's first Forestry Program Manager, to implement the recommendations contained in the CFMP. DOT also received \$1.9 million in funding to plant 1,000 trees annually and prune all existing DOT-maintained trees on a 12-year cycle. PRNS was able to add its first Assistant Arborist to manage trees within its parks, as well as approximately \$895,000 for tree planting and maintenance.

The CFMP highlighted several key findings that generated a strategic workplan of items that need to be addressed for a more healthy and sustainable community forest. Several recommendations and subsequent actions taken are highlighted below:

Immediate action must be taken to reverse declining tree canopy cover: Based on a review of spatial imagery analysis conducted by the U.S. Forest Service in 2012 and 2018 across California, canopy cover in San José decreased from 15% to 13.5% during this time. Staff recently updated the calculations to reflect 2020 canopy data as well as re-districted council boundaries shown in

Figure 1. Staff found that canopy cover had reduced to 13.2% by 2020, though some of the districts saw gains in canopy from 2018 to 2020.

Many factors likely contributed to this decline, including climate change, drought, tree removal for development projects, and not enough new trees being planted. It

is important to note, while losing canopy cover happens as soon as a tree is removed, replacing lost canopy takes 30–40 years, making retention of existing mature trees where possible the most cost effective and efficient way to maintain canopy cover. Based on a report from American Forests, a realistic baseline canopy cover target for an urban city is 20%, although staff will be evaluating this target as the forestry program expands.

*Figure 1 – Canopy Cover by Council District**

CD	2012 (%)	2018 (%)	2020 (%)	Change
1	18.50	15.30	14.40	- 4.10
2	12.40	11.01	10.85	- 1.55
3	15.60	14.14	14.22	- 1.38
4	14.06	12.14	12.64	- 1.42
5	12.57	10.39	10.05	- 2.52
6	18.57	17.14	16.67	- 1.90
7	12.28	11.22	10.64	- 1.64
8	11.53	12.18	12.50	+ .97
9	16.60	14.26	13.28	- 3.32
10	18.08	16.28	15.48	- 2.6

**Numbers updated from CFMP to reflect redistricting and 2020 calculations*

The City Council, staff, and community partners recognized the urgency to change direction. DOT, PRNS, and partners have planted over 1,860 trees throughout the city in FY 2022-23 (as of early May 2023) and anticipate reaching 2,000 by the end of the fiscal year. This will represent an increase approximately 1,400 trees from the prior year. DOT and Planning, Building & Code enforcement (PBCE) are also collaborating to explore all phases of development process to

mitigate removal of trees or contribute to canopy growth. This is a continuing effort with progress tracked via regular audit updates to the Council and public, as well as through the work of the newly formed Community Forest Advisory Committee (Advisory Committee).

Limited financial and human resources to manage the community forest: The CFMP estimated that the City's Community Forestry Program would need to be increased by an \$20–\$24 million annually to manage all street trees in the public realm. This estimate will be adjusted as inventory work progresses. This level of funding would provide for a tree planting campaign to replace lost canopy, establishment care for newly planted trees, and tree pruning on a five to seven-year cycle. PRNS and DOT collectively received approximately \$4 million in personal and non-personal services in the FY 2022-23 budget to hire staff and expand capacity to manage and plant City-owned trees. This resulted in the hiring of six new staff members between DOT and PRNS, the planting of 2,000 trees, establishment of a maintenance plan for city-maintained trees, and the formation of the City's first Advisory Committee to provide feedback to staff and identify work plan priorities. This 10-member committee includes members of several city departments, the Santa Clara Valley Open Space Authority, Valley Water, the Santa Clara County Office of Sustainability, representatives from Latinos United for a New America, Our City Forest, and at-large community members. The Advisory Committee will provide an annual review and prioritization of the strategic workplan, which in the near term consists largely of responding to the audit recommendations contained in Attachment B. Although there is still a need within PBCE to address capacity for key functions in the development plan and review phase, more resources are focused on this issue than ever before.

Figure 2 – Arbor Day Planting, OCF and CSJ



The City must complete an inventory of all public

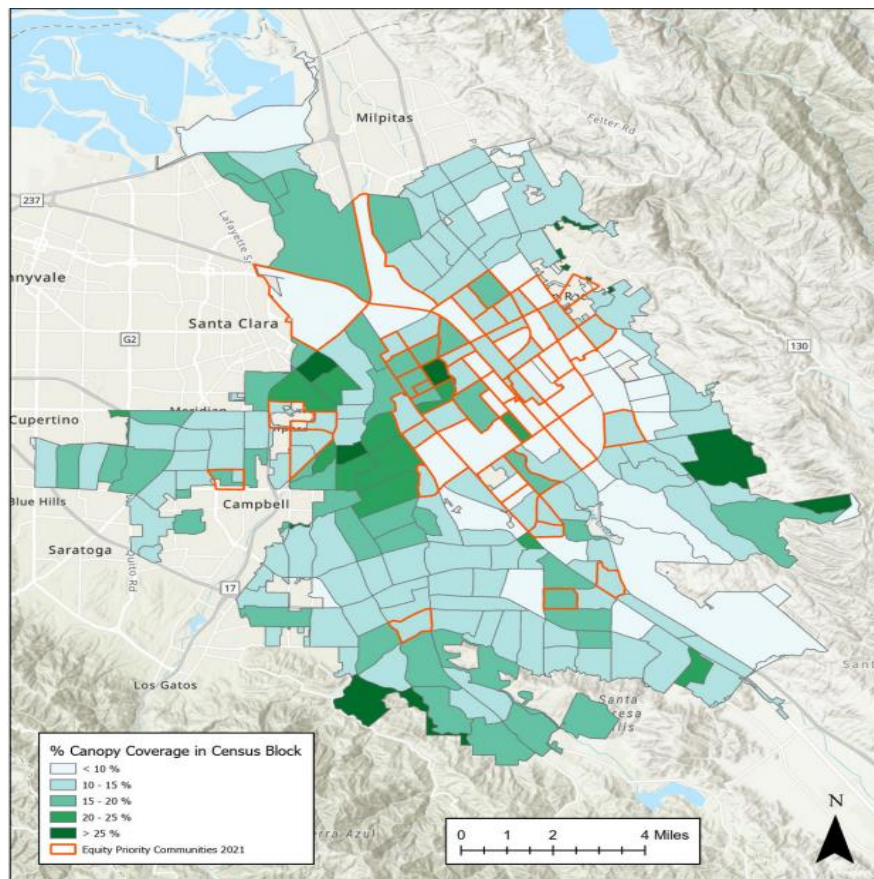
space street and park trees: The City last completed a street tree inventory in 2014 and does not have current information on the condition of all trees in the public space. The prior inventory provides data to inform management decisions but lacks key updated information on the health and safety condition of street trees. Funding was identified in the FY 2022-23 budget to create the inventory for City parks and this inventory will be completed in the current fiscal year. Although there is no current grant source to update the entire street-tree inventory, DOT has identified funding to initiate a partial update early in FY 2023-24 and will continue to seek grant funding or partnerships to complete a full street tree inventory. The inventory data will be used to calculate an updated cost estimate for the City to take on full maintenance responsibility and liability for all trees in the public sphere (excluding private property).

Economically disadvantaged communities have fewer trees:

The CFMP determined that traditionally disadvantaged communities have lower canopy cover. Updated data systems and visualization tools allow staff to better understand where trees have been neglected or not planted and prioritize work for the future. Although a work in progress, Figure 3 shows canopy cover by census tract in the city. Staff has integrated the Metropolitan Transportation Commission “Equity Priority Communities” layer to maximize the consideration for equity in planting and maintenance activities.

Investing resources and attention into forestry programs is a critical first step in a work plan that will take a generation to accomplish. The audit report provided the basis for a strong first work plan, aligned with the CFMP, and contained in Attachment B.

Figure 3 – Tree Canopy Cover by Census Block Map 2020



Tree Planting, Development Conditions, and In-Lieu Fees Audit Report

There are approximately 1.2 million trees on private property in San José, wholly under the maintenance responsibility of property owners, compared to an estimated 233,000 street trees in the public right-of-way that property owners are responsible to maintain, 37,000 street trees maintained by DOT, and 30,500 trees maintained by either the City’s PRNS or Department of Public Works (DPW). Additionally, there are an estimated 70,000 trees along trails and in undeveloped park areas. PBCE manages a system of policies that regulate private property trees throughout the City: determining and approving site plans, enforcing removal and planting activities, and collecting mitigation funding for projects in which adequate trees cannot be planted on site. The intersection of these efforts with those of DOT and PRNS in managing trees in the right-of-way is highlighted in the findings, recommendations, and work plan generated from the tree planting, development conditions, and in-lieu fees audit report. The City Auditor reported findings to the City Council in January 2023.

Audit Status Update

All findings and audit recommendations with a brief status update can be found in Attachment B. Of note, the City has seated its first Advisory Committee, which will work on several of the recommendations, including building an outreach strategy as well as evaluating tree-replacement ratios and possible zero net canopy loss policies. The Advisory Committee meets quarterly, and these items were identified as high priority in the April 2023 meeting.

For off-site tree replacement fees, PBCE will no longer collect and distribute the funds one-time annually. Effective in FY 23-24, all fees will be sent directly to DOT when collected which should result in the quicker deployment of funds. This will also facilitate the adoption of the policy set forth in the supplemental memorandum calling for 50% of collected in-lieu fees to return to the original district, and 50% to be distributed citywide using an equity lens. DOT will report in the subsequent annual report as to the success and continued feasibility of the policy. PBCE is also working to include forestry review at the early stages of the entitlement process. Forestry staff are now available for live tree removal permit application reviews and currently working with PBCE to streamline their integration of the review of tree removal application and development projects that involve potential tree removals.

The audit also showed that DOT had been unable to spend in-lieu fee revenues in a timely manner, accumulating approximately \$1.5 million in funds over a period of three years due to the unexpected magnitude of revenues, COVID-related delays, and a lack of capacity to plant at scale. DOT and its partners have made significant progress in FY 2022-23, utilizing mitigation fee revenues to plant and establish 770 trees of the 2,000 to be planted this fiscal year. This is due to increased collaboration with Our City Forest, as well as the establishment of two large purchase orders approved in November 2022 that allow the City to issue work to tree-planting contractors.

Staff expects a FY 2022-23 expenditure of approximately \$320,000 for planting and the first year of maintenance, and an obligation to spend an additional \$340,000 over the following three years for watering, establishment, and maintenance. The City is in a good position to continue scaling a planting and maintenance program in subsequent years. DOT is exploring additional ways to utilize mitigation funding, including using the funds for concrete demolition to add new tree locations where needed, and considering using the funds to assist in plantings in areas providing community benefit such as schools.

The City still has work to do in developing and refining policies to prevent or mitigate the removal of trees. The audit called for the evaluation of policy considerations regarding tree replacement ratios, replacement policies to include considerations for canopy size and optimal species and providing permit applicants with guidance regarding tree selection. Modifying these policies requires research and outreach with relevant stakeholders. PBCE and DOT are currently exploring alternatives to trunk size and classification with respect to replacement ratios. The focus of these modifications is to preserve tree canopy, rather than ratios of tree replacement

without consideration for canopy. In its April meeting the Advisory Committee affirmed that exploring a “net zero canopy loss” policy should be a high priority for the City and its partners.

The target for some of these policy goals is June 2024. Some items, such as a recommended tree list, will face fewer obstacles to adoption while others, such as a net zero canopy loss policy, will require substantial outreach with the community, developers, and City staff to determine the feasibility of policy changes and balance the need to maintain the tree canopy, while allowing projects that conforms to the other City General Plan goals such as increase overall development density. Both the audit and the CFMP process have raised awareness with PBCE staff regarding the importance of the tree canopy and resulted in staff applying more scrutiny during the project review phase and requesting additional justifications and consideration of alternatives to help maintain existing trees on-site. PBCE, DOT, and partners have made noticeable progress in the first six months following the audit report and will continue to provide updates via annual Transportation and Environment Committee meetings and semi-annual audit status report updates.

CONCLUSION

The City has improved its forestry program by hiring a forestry team, planting 2,000 trees, forming and facilitating the Advisory Committee, and completing an inventory project. The City has expanded its data collection and analysis capabilities and adjusted how revenue is collected and distributed to aggressively recover lost canopy. There is still much work to do, particularly in community education and outreach, strengthening proactive maintenance practices, and exploring ways to preserve the existing canopy through development and policy review. The City will also explore the benefit and maintenance burden of trees on its residents and evaluate whether the current roles and responsibilities can deliver the desired results to the community.

COORDINATION

This memorandum has been coordinated with the City Manager's Budget Office, the City Attorney's Office, Parks, Recreation and Neighborhood Services, and Public Works.

/s/

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/s/

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ATTACHMENT A – CFMP Strategic Work Plan

ATTACHMENT B – Audit Report Recommendations and Status Update