

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

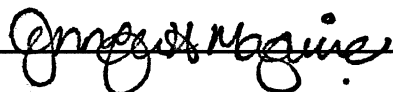
FROM: Kerrie Romanow
Rosalynn Hughey

SUBJECT: SEE BELOW

DATE: October 8, 2019

Approved

Date



10/18/19

**SUBJECT: ORDINANCE PROHIBITING NATURAL GAS INFRASTRUCTURE IN
DETACHED ACCESSORY DWELLING UNITS, SINGLE-FAMILY, AND
LOW-RISE MULTI-FAMILY NEW CONSTRUCTION AND POLICY FOR
MUNICIPAL BUILDINGS**

RECOMMENDATION

- (a) Approve an ordinance of the City of San José adding a new Chapter 17.845 to Title 17 of the San José Municipal Code to Prohibit Natural Gas Infrastructure in New Single-Family, Low-Rise Multi-Family Buildings (three stories and under), and Detached Accessory Dwelling Units.
- (b) Adopt a resolution to approve a new Council Policy Number 8-15, entitled, “Natural Gas Infrastructure in Municipal Buildings.”

OUTCOME

City Council approval of these two actions, an ordinance prohibiting natural gas infrastructure in new low rise residential construction and a resolution for municipal facilities, will further community-wide progress on meeting the goals of the following Climate Smart San José strategies:

- 1. Strategy 1.1: Transition to a renewable energy future
- 2. Strategy 2.2: Make homes efficient and affordable for our residents

BACKGROUND

These two actions are the next steps in the City of San José’s leadership role in addressing critical environmental challenges. On September 17, 2019, City Council approved the “Reach Code” which requires increased building efficiencies for new construction beyond that which is required by state law. In taking that action, Council also directed staff to return to Council in October 2019 with an ordinance prohibiting natural gas infrastructure in new detached accessory

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dwelling units, single-family, and low-rise multi-family building (three stories and under) starting January 1, 2020. Council further directed staff to return to Council with a policy prohibiting natural gas infrastructure in all new municipal construction, with exceptions allowed for emergency equipment or micro-grids providing energy resiliency in anticipation of extended blackouts and de-energization of the grid.

ANALYSIS

The City remains a leader in addressing the environmental crisis, from its approval of Climate Smart San José to the adoption of the Reach Code Ordinance and declaration of a Climate Emergency last month. The City's unique local, geological, topographical and climatic conditions make it particularly vulnerable to the impacts of the changing climate, including risk of devastation from flood or fire. A rise in temperature increases the risks associated with climate change and its impact on local conditions. In September 2019, the United Nations Development Programme and the United Nations Climate Change issued its report, *The Heat is On: Taking Stock of Global Climate Ambition* which concludes that the climate crises is more urgent than previously projected. With global emissions on the rise, local governments play an increasingly critical role in curbing emissions. Replacing natural gas with near carbon-free electricity in low-rise residential buildings (three stories and under) and municipal buildings will help the City meet its Climate Smart goals and help mitigate the impact of climate change on local conditions, while also setting an example for other cities to follow.

The ordinance prohibiting natural gas infrastructure (i.e. natural gas piping to heat water, space, food, etc.) in new detached accessory dwelling units, single family, and low-rise multi-family buildings, excluding low-rise hotels and motels, is expected to have a significant positive impact on future greenhouse gas (GHG) emissions from the building sector. According the City's latest five-year development forecast, San José can conservatively expect approximately 350 single family new residences and 2400 new multi-family residences per year. Since the ordinance applies to low-rise residential including single family and multi-family buildings of three stories or less, the projected GHG emissions offset by this ordinance over the estimated 50-year lifecycle of these buildings is at least 105,000 MT of CO₂e. However, due to a lack of disaggregated data available, it is important to note that emissions from multi-family buildings were not included in this analysis; therefore, GHG emissions offset by the ordinance are expected to be much greater. Furthermore, the ordinance will help the City of San José reach its Climate Smart goals and transition the building industry toward electrification.

The proposed Council Policy Number 8-15, entitled, "Natural Gas Infrastructure in Municipal Buildings" (attached) requires all new municipal facilities to be constructed without natural gas infrastructure such as pipes, meters, appliances and equipment. All new municipal buildings will be designed and constructed without provisions for gas piping infrastructure that utilize fossil fuel (e.g. natural gas, propane, heating oil).

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As explained in more detail in the Policy, exceptions are contemplated for:

1. Emergency or backup power equipment that is used in the event of power outages.
2. Microgrids that provide energy resiliency in anticipation of extended blackouts or de-energization of the grid.
3. City corporation yards and the Police Substation where vehicle fueling takes place
4. Norman Y. Mineta San José International Airport facilities that process, transport or store aviation and/or vehicle fuel.
5. San José – Santa Clara Regional Wastewater Facility which relies on blended biogas/natural gas to operate.
6. This Policy does not apply to the renovation, retrofit, remodel, or reconfiguration of existing buildings that already have gas infrastructure.

This policy builds on Council's previous direction (February 12, 2019, item 3.4, referenced above). It ensures that new municipal buildings are constructed without natural gas infrastructure, allowing the City to lead by example in pursuing building electrification.

EVALUATION AND FOLLOW-UP

Staff will return to Council by January 2020 with an analysis as to whether or not the City should require building electrification for all wood-frame construction up to seven stories. In addition, staff will track data associated with the compliance of the reach code and report back to Council in May 2021 and annually thereafter. Staff will provide progress updates to Transportation and Environment Committee 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 October 29, 2019 City Council's Agenda website.

COORDINATION

This memorandum has been coordinated with the City's Attorney's Office, City Manager's Budget Office, Planning, Building & Code Enforcement, San José Clean Energy, and Public Works.

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COMMISSION RECOMMENDATION/INPUT

There is no commission recommendation/input associated with this action.

FISCAL/POLICY ALIGNMENT

Requiring new construction to be built without natural gas infrastructure and as a policy for new municipal facilities align with Climate Smart San José strategies and the City's Envision 2040 General Plan approved by City Council.

CEQA

Categorically Exempt, File No. PP19-067, CEQA Guidelines Section 15308, Actions by Regulatory Agencies for Protection of the Environment.

/s/
ROSALYNN HUGHEY
Director, Planning, Building,
and Code Enforcement

/s/
KERRIE ROMANOW
Director, Environmental Services

For questions, please contact Ken Davies, Deputy Director, at (408) 975-2587.

Attachment: Council Policy Number 8-15, entitled, "Natural Gas Infrastructure in Municipal Buildings"

City of San José, California

COUNCIL POLICY

TITLE	NATURAL GAS INFRASTRUCTURE FOR MUNICIPAL FACILITIES	PAGE	1 of 1	POLICY NUMBER	8-15
EFFECTIVE DATE		REVISED DATE			
APPROVED BY COUNCIL ACTION					

BACKGROUND

In February 2018, the City adopted Climate Smart San Jose which sets aggressive goals around electric vehicle adoption, solar installation, and zero net energy/carbon buildings. Municipal construction presents an opportunity for the City to incorporate these goals into its new building inventory.

PURPOSE

This policy establishes leadership in reducing greenhouse gas emissions and global climate change by requiring all new municipal facilities to be constructed without natural gas infrastructure such as pipes, meters, appliances, and equipment. This policy supplements the City's existing Green Building Policy 8-13.

POLICY

All new municipal buildings will be designed and constructed without provisions for natural gas piping infrastructure. Exceptions to this policy are listed below. Project-specific exceptions to this Policy may be approved by the City Council.

All existing buildings that undergo major renovation, retrofit, or remodel will be evaluated for the elimination of natural gas infrastructure during the scoping and preliminary design process, with the goal of eliminating natural gas infrastructure where feasible, as determined by the Director of Public Works.

Exceptions to this Policy:

- Emergency or backup power equipment that is used in the event of power outages.
- Microgrids that provide energy resiliency in anticipation of extended blackouts or de-energization of the grid.
- City corporation yards and the Police Substation where vehicle fueling takes place
- Norman Y. Mineta San Jose International Airport Central Utilities Plant, commercial concessions, and facilities that process, transport or store aviation and/or vehicle fuel.
- San Jose – Santa Clara Regional Wastewater Facility which relies on blended biogas/natural gas to operate.