



CITY OF
HAYWARD
HEART OF THE BAY

CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING

Hayward City Hall – Conference Room 2A
777 B Street, Hayward, CA 94541-5007

Mission Statement:

Make Hayward a more sustainable community in order to ameliorate negative impacts of climate change, conserve natural resources and promote a clean environment.

September 2, 2009
4:30 p.m. – 6:00 p.m.

A G E N D A

- I. Call to Order
- II. Roll Call
- III. Public Comments: *(Note: For matters not otherwise listed on the agenda, the Committee welcomes public comments under this section but is prohibited by State Law from discussing items not listed on the agenda. Items brought up under this section will be taken under consideration and referred to staff for follow-up as appropriate. Speakers will be limited to 5 minutes each; organizations represented by more than one speaker are limited to 5 minutes per organization. All public comments are limited to this time period on the Agenda.)*
- IV. Approval of Minutes of July 1, 2009
- V. Update on State Codes
Glen Martinez, Acting Building Official and Michelle Koo, Landscape Architect
- VI. Status Update on Developing a Renewable Energy/Energy Efficiency Financing Program
Erik Pearson, Senior Planner

Alameda County Property Assistance Clean Energy (PACE) Program
Darryl Gray, Assistant Director, Alameda County's Neighborhood Preservation and Sustainability Department
- VII. Monthly Meeting Topics
- VIII. General Announcements and Information Items from Staff
- IX. Committee Referrals and Announcements
- X. Next Meeting: Wednesday, October 7, 2009
Presentation of Energy Efficiency and Conservation Strategy
- XI. Adjournment



Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Please request the accommodation at least 48 hours in advance of the meeting by contacting Katy Ramirez at (510) 583-4234 or by calling the TDD line for those with speech and hearing disabilities at (510) 247-3340.

CAP Actions for Implementation in FY 2010

Priority ¹	Action	Short Description	Status
High	3.9	offer energy efficiency financing program for commercial buildings	
High	3.7	offer energy efficiency financing program for single-family homes	
High	3.8	offer energy efficiency financing program for multiple-family homes	
High	5.2	offer renewable energy financing program for commercial buildings	
High	2.2	collaborate the state and federal government on policies that promote low-carbon vehicles and low-carbon fuels	On-going
High	2.1	provide incentives for low-carbon vehicles and low-carbon fuels	On-going
High	1.10	align zoning policies to minimize vehicle travel	
Medium	6.3	improve construction and demolition debris program	
Medium	4.2	continue to implement private development green building ordinance for commercial buildings	On-going
Medium	4.1	continue to implement private development green building ordinance for residential buildings	On-going
Medium	6.2	increase participation in food-scrap collection programs	
Medium	6.7	prefer waste management strategies that maximize the useful value of waste streams	
Medium	9.1	create green-portal website	
Medium	9.2	develop and implement plan to engage residents in emissions reductions activities	
Medium	9.3	develop and implement plan to engage businesses in emissions reductions activities	
Low	6.1	increase participation in recycling programs	
Low	5.1	offer renewable energy financing program for residential buildings	
Low	5.4	increase portion of electricity provided by renewable energy	On-going
Low	6.6	encourage waste reduction and promote recycling participation at multi-family properties	On-going
Low	1.5	continue to implement bike master-plan	On-going
Low	1.9	encourage high density, mixed-use, smart-growth development in areas near public transit stations	On-going

¹ Priority rankings are based on the calculated rankings presented in the Climate Action Plan (Table 1 in the Executive Summary).

CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING
Hayward City Hall – Conference Room 2A
777 B Street, Hayward, CA 94541-5007

July 1, 2009
4:30 p.m. – 6:00 p.m.

MEETING MINUTES

- I. Call to Order – Meeting called to order at 4:30 p.m. Mayor Sweeney welcomed everyone.
- II. Roll Call

Members:

- Michael Sweeney, Mayor
- Olden Henson, Council Member
- Bill Quirk, Council Member
- Julie McKillop, Planning Commissioner
- Al Mendall, Planning Commissioner
- Marvin Peixoto, Planning Commissioner
- Doug Grandt, Keep Hayward Clean and Green Task Force (KHCG)

Staff:

- Fran David, Assistant City Manager
- Debra Auker, Finance Director
- Robert Bauman, Public Works Director
- Vic Avila, Facilities Manager
- Vera Dahle-Lacaze, Solid Waste Manager
- Scott Estes, Equipment Manager
- Jasmine Gacusan, Purchasing & Services Manager
- Richard Patenaude, Planning Manager
- Allen Koscinski, Electrician II
- Liz Sanchez, Administrative Analyst II
- Arlynne J. Camire, Associate Planner (recorder)

Others:

- Anna May-Bruno, City Council Member
- Nathaniel Bruno, Citizen Advisory Commission
- Roxanne Cruz, Pacific, Gas & Electric
- Sara Lamnin, Citizen Advisory Commission
- Audrey LePell, President, Citizens Against Pollution
- Ernest Pacheco, Citizens Against Pollution
- Andy Wilson, Citizens Against Pollution
- Simon Wong, Tri-City Voice Newspaper

III. Public Comments-

Ernie Pacheco, Citizens Against Pollution – To achieve AB32 mandate, Mr. Pacheco offered his interpretation of where he believes the City is with the Energy Efficiency and Conservation Block Grant proposal, and encouraged the City to participate with the County for large-scale programs.

Mr. Pacheco also expressed his many concerns with PG&E and discouraged the City from accepting information from PG&E on the issue of Community Choice Aggregation (CCA).

Mayor Sweeney asked if there are any other public comments and thanked the speaker. He also welcomed Councilmember Anna May-Bruno.

IV. Approval of Minutes of June 3, 2009 - Minutes approved.

V. Public Works Director Robert Bauman gave short summary of the method for which the various agenda topic presentations will be given.

Update on City-Wide Energy Efficiency & Emission Reduction Efforts:

a. Public Works Energy Efficiency Measures

Robert Bauman, Public Works Director, gave the presentation that summarized changes that have been made to allow public works projects to be more energy efficient. The summary included an explanation of the co-generation of electricity at the Water Pollution Control Facility treatment plant (the Plant) through the use of methane gas, and installation of energy efficient equipment and systems that has resulted in two PG&E energy rebates that total \$150,000. He discussed the installation of the energy efficient equipment throughout the water distribution and waste water collection system that has not only reduced the use of electricity, but has extended the life of the equipment. Instituting and maintaining water conservation measures. Mr. Bauman also referenced the conversion from incandescent bulbs to LED lights for traffic signals, resulting in an energy reduction of 80 percent.

Mr. Bauman also summarized proposed practices and programs, which included a one megawatt (MW) Solar Project at the Plant that will create energy to “pay back” PG&E for energy needed for daily Plant operations, and a 270-acre City-owned site that is being analyzed to determine the feasibility of the installation of 10MW solar facility. Mr. Bauman also indicated that staff was exploring the possibilities of the generation of wind energy and a green co-generation facility at the Plant, and the possibility of converting approximately 7,800 street lights to LED, which would extend the life of the lights. Mr. Bauman ended his presentation with a summary of funding sources and cost savings associated with future practices and programs, which included entering into a Power Purchaser Agreement (PPA). He also mentioned that Hayward may take advantage of government subsidies available for the purchase of fuel cells.

Councilmember Quirk asked if staff could get back to the Committee as to whether the fuel cells would contain trace gasses, to which KHCG Committee member Grandt asked for what fuel cells would be used. Mr. Bauman replied that methane gas was used in fuel cells at treatment plants, and that currently it is difficult to meet Bay Area Air Quality Management District standards; however, that the standards were being met.

Councilmember Henson stated that he is looking forward to increased solar use, and asked if the digesters at the Plant needed to be retrofitted, to which Mr. Bauman answered that additional changes would be required.

Councilmember Henson inquired if a benefit of the changes at the Plant would be a reduction of greenhouses gases (GHG). Public Works Director Bauman stated that the changes to the existing and the proposed power plant would result in a Plant that would be cleaner than other facilities and that, overall, GHG emissions will be reduced.

Councilmember Henson stated that the State and City of San Francisco PPA experience has been fairly good and inquired if that is the sense perceived by the Public Works Director, to which Mr. Bauman stated that the PPA may not be the financially best thing for the treatment plant, in terms of reducing greenhouse gas emissions. In response, Councilmember Henson inquired whether the savings would not be as significant, to which Mr. Bauman replied that the savings may not be less than what we pay to PG&E, depending on the energy.

Planning Commissioner Mendall gave a summary of alternative energy projects currently being considered in the Bay area, including Cal State University East Bay's exploration of wind generation.

b. Environmentally Preferred Purchasing

Jasmine Gacusan, Purchasing & Services Manager, summarized the goals, achievements and long-term commitment of the Environmentally Preferable Purchasing (EPP) Program. The goals are to increase awareness, change how the City procures products, and to create the demand that will in turn develop business and competitive products. Ms. Gacusan indicated that awareness is accomplished by providing information and resources to City employees and the public on EPP products and services, and information on alternative solutions that would allow individuals to make informed decisions on best green products.

Ms. Gacusan emphasized that more products and services will be available to meet our standards when the process becomes more competitive. When more customers demand reusable, non-toxic products with less packing, demand will be collectively created. Ms. Gacusan stated that EPP is a more efficient way of doing business that makes common sense. She informed the Committee that there are several factors to consider besides the lowest bid that include how products are to be stored, waste disposal, and the carbon footprint of the shipping and manufacturing of products. Ms. Gacusan emphasized that support for EPP from the City leadership is important and a successful program starts small and increases each year. She stated that staff is commitment to continuous review and evaluation of EPP products, services and practices.

Councilmember Henson suggested that the City should ultimately adopt an EPP policy. He stated that StopWaste.Org completed a survey on EPP practices and Hayward and Alameda County are the only two municipalities that met the criteria of EPP. He also suggested that through a Joint Powers Agreement with ABAG, a consortium to create prices could be established.

Planning Commissioner Mendall suggested that the City should coordinate with other jurisdictions.

Ms. Gacusan stated that staff shares information with other cities.

Planning Commissioner Peixoto thanked Ms. Gacusan and praised her report. He stated concern for subverting the competitive process and expressed concerned with possible abuse of procurement standards.

Ms. Gacusan said that priority is given to local Hayward vendors, which is required to be disclosed in the bid.

Commissioner Peixoto asked how staff can tell if an EPP vendor is legitimate, to which Ms. Gacusan said that agencies, such as StopWaste.Org, have a list of certified vendors. Assistant City Manager David stated that there is now huge competition for products and among vendors that is much different than five years ago. Finance Director Debra Auger added that since the City receives funding from Federal and State sources, their criteria is required to be followed.

Planning Commissioner Peixoto asked if the City has motion sensor lights installed in City facilities.

Committee member Grandt stated that he once was a purchasing manager, as was Commissioner Peixoto. He inquired who is responsible for completing life cycling costing of a product. Ms. Gacusan stated that the staff using the product will calculate costs.

Planning Commissioner McKillop asked who would draft a City EPP policy. Assistant City Manager David said that there are templates available, which could be used and modified to meet Hayward's specific goals and priorities.

Commissioner McKillop stated that that the City should quantify current EPP practices to assure that everything is measurable.

c. Energy Efficiency & Sustainability of Municipal Buildings

Vic Avila, Facilities Manager in the City's Maintenance Services Department, summarized City practices and improvements to municipal buildings, which included changing lighting systems, replacement of the main library HVAC, replacement of the Police Department furnace, installation of cool roofs, instituting sustainable recycled content practices by replacing carpet and upholstery, and reusing and re-fabricating counters and siding. Mr. Avila discussed the 60,000-square-foot solar array on the Barnes Court building, and also discussed the dollar savings to the City resulting from such energy efficiency and sustainability practices. Mr. Avila

also discussed the most recent changes to Hayward facilities that include the quart flush urinals in City Hall and future changes that include the installation of jet towel hand dryers.

Commissioner Mendall asked what the typical number of years for payback is after installation of energy efficiency or sustainable improvements. Mr. Avila replied that the City Hall lighting and Police Department boiler paid back in four years.

Public Works Director Bauman said that the payback may not be solely financial, but the improvement might just be the right thing to do to decrease our carbon footprint.

Councilmember Quirk asked what effect the jet hand driers will have on energy costs. Mr. Avila stated that the savings will be approximately \$29,000 annually, which includes the savings in the cost of paper hand towels.

Councilmember Henson inquired about rubberized roofs. Mr. Avila explained that it is a built-up roof with a cap sheet of rubber. Councilmember Henson made a comment that it contributes to the longevity of the roof. Mr. Avila agreed, stating that it is a low VOC product, which reflects the sun and increases the life of the roof.

Liz Sanchez, Administrative Analyst II, stated that the City also buys recycled janitorial supplies and recycled graffiti paint.

d. Municipal Fleet Upgrades

Scott Estes, Fleet Manager, gave an overview of past City practices and programs. He stated that Hayward was facing budget challenges, and that the Public Works corporation yard operations has been a Certified Green Business since 2003. This is based on a practice of almost zero waste and the use of low flush toilets, energy efficient lights, and use of re-tread tires for fleet. He stated that the fleet will downsize by removing a larger class of vehicles. He is working with departments to get right vehicles that are right for their use. The goal is to retire large vehicles with high fuel use. Mr. Estes also indicated that the changes in policy with respect to employees' use of City vehicles, which includes vehicle sharing and use of personal vehicles, has also contributed to more efficiency. He discussed that GPS units installed in vehicles are used for safety, accountability, and trip scheduling, which has also helped with reducing emissions from the fleet vehicles.

Committee member Grandt asked how much are the GPS tracking units, to which Mr. Estes replied that they are \$300 per unit after rebate.

Councilmember Henson commended Mr. Estes for doing well with limited resources. He asked if the City has looked into the use of electric cars. Mr. Estes said that staff is evaluating those costs, to which Commissioner Mendall stated that electric cars seem to be a viable solution.

Assistant City Manager David said that staff had made all the changes identified on its own before the City Council or the City Manager asked for the efficiency measures to be instituted.

Commissioner Mendall pointed out that that it seems that the City policy of EPP and energy efficiency and sustainable practices are employee driven and inquired if staff needs help from

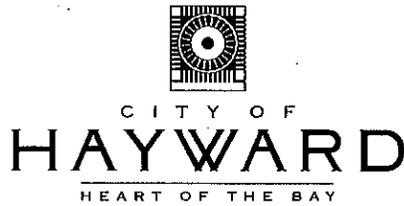
City leadership. Assistant City Manager David said that getting an EPP policy in place will be helpful and will reflect what the City is already doing.

Mr. Avila said that technology and vendors also influence practices.

Councilmember Henson asked that an EPP proposal be presented to the City Council. Assistant City Manager David replied that staff can present the proposal.

- VI. Monthly Meeting Topics- Mayor Sweeney requested an updated list for next year.
- VII. General Announcements and Information Items from Staff –Public Works Director Robert Bauman distributed information on Graywater issues. He stated that a new code will soon be adopted.
- VIII. Committee Referrals and Announcements –none.
- IX. Next Meeting: Wednesday, September 2, 2009

Update on State Codes and Update on Countywide Energy Efficiency Financing Program Development
- VI. Adjournment – Meeting adjourned at 6:20 p.m.



DATE: September 2, 2009
TO: Sustainability Committee
FROM: Development Services Director
SUBJECT: Update on State Codes

RECOMMENDATION

That the Committee reads and comments on this report.

SUMMARY

This report provides a summary of the status of new State building codes that regulate Title 24 Building Energy Efficiency Standards, Gray Water Standards for Residential Application, and the recommended Updated Model Water Efficient Landscape Ordinance.

BACKGROUND

2008 Title 24 Building Energy Efficiency Standards – Hayward's Green Building Ordinance

In anticipation of the State adopting the 2008 Title 24 Building Energy Efficiency Standards with an effective date of August 1, 2009, City Council adopted the City of Hayward Green Building Ordinance (Exhibit A) and City of Hayward Green Building Checklist for Private Non-Residential Development (Exhibit B) in December of last year. The ordinance mandates compliance with the ordinance standards for covered projects for which permit applications are submitted after August 1, 2009, or whenever the California Energy Commission and California Building Standards Commission approve Hayward's ordinance, whichever date is later. Prior to the mandatory compliance date of the ordinance, in order to promote familiarity with green building standards, compliance with the mandatory standards is voluntary; afterwards, compliance is required for all new single-family, multi-family and mixed use projects, as well as new non-residential projects and non-residential projects entailing additions or remodels over 1,000 square feet. Residential remodel projects over 500 square feet will be required to have green building checklists submitted with plans, but will not be required to implement green building measures.

The State has since moved the effective date for the new 2008 Title 24 Energy Efficiency Standards to January 1, 2010, which is also the effective date for Build It Green's new and revised residential GreenPoint Rated guidelines and checklists.

Since Hayward's Green Building Ordinance indicates covered residential projects will be required to be GreenPoint Rated and requires energy efficiency standards for covered non-residential projects that exceed those of the State, it mandates exceeding the new 2008 State energy efficiency standards. State law indicates that in order to mandate green building measures that exceed State energy efficiency standards, a cost effectiveness study and findings must be submitted to the California Energy Commission for approval. Findings related to local climatic geological or topographical conditions must also be filed with the California Building Standards Commission. A cost-effectiveness study and associated ordinance amendments must be done whenever the State energy efficiency standards are updated and as long as Hayward's ordinances mandate exceeding those standards. Typically, the State energy efficiency standards are revised every three years.

In June of this year, the City Council introduced an ordinance (Exhibit C) that amended the Hayward Green Building Ordinance, related to a cost effectiveness study funded by StopWaste.Org. City staff filed the revised ordinance, cost effectiveness study, and related findings with the California Energy Commission in early July, and expects the Commission to approve the ordinance in late summer or fall of this year. Afterwards, City staff will file the ordinance with the California Building Standards Commission and bring the ordinance back to Council for adoption, with an anticipated effective date for the ordinance of January 1, 2010. In summary, it is expected that the effective date of the Hayward Green Building Ordinance for Private Development, the State's new 2008 Title 24 Energy Efficiency Standards (2008 Standards), and Build It Green's new GreenPoint Rated guidelines and checklists for residential development will be January 1, 2010.

California Plumbing Code - Gray Water Systems

The Committee was presented a brief overview of this issue at its last meeting on July 1, 2009. At that time, staff indicated it would bring back more information related to the State's efforts in developing provisions that would allow such systems, as part of the California Plumbing Code revisions. Also, such standards would help promote water reuse and conservation, which is part of sustainable practices.

Updated Model Water Efficient Landscape Ordinance - Hayward's Landscape Guidelines

In anticipation of the California State Department of Water Resource's release of Updated Model Water Efficient Landscape Ordinance (CA-WELO) in early spring of 2009, and Stopwaste.org's development of its Bay-Friendly system including developing a checklist and third-party rater system for single-family developments in fall of 2009, City Council adopted, by resolution, the Hayward Environmentally Friendly Landscape Guidelines and Checklist for landscape professionals and single-family development in March of 2009. Currently the State is expected to release the model ordinance by the end of August and the model ordinance will be available for local agencies' adaptation in 30 days from the release date. Local agencies, as required by law,

must adopt the updated Model Water Efficient Landscape Ordinance or an ordinance that is "at least as effective as" no later than January 1, 2010.

The water efficient landscape ordinance, once adopted, will provide local agencies the authority that implements and enforces the provisions of the ordinance while promoting the values and benefits of water efficient landscapes while recognizing the need to use water and other resources as efficiently as possible.

DISCUSSION

2008 Title 24 Building Energy Efficiency Standards - Hayward's Green Building Ordinance

The California Energy Commission adopted the 2008 Standards on April 23, 2008, and the California Building Standards Commission approved the standards for publication on September 11, 2008. The postponement of the effective date from August 1, 2009 to January 1, 2010 is due to the development of a certified software program for residential construction; without which all reviews of new projects would have had to be prescriptive to the Code, which would have been very restrictive and inflexible. Therefore, all building permit applications submitted on or after January 1, 2010 are required to meet the 2008 Title 24 Standards.

It should also be noted that the State's new Green Building Code will have an effective date of January 1, 2010, and will mandate many of the measures currently identified as green building measures. It is anticipated that the GreenPoint Rated checklists and guidelines will be revised at that time, to reflect the new State Green Building Code.

California Plumbing Code - Gray Water Systems

Through an emergency building standard proposal on July 31, 2009, the California Building Standards Commission amended the 2007 California Plumbing Code's Chapter 16 (Gray Water Systems) requirements for residential applications. The adopted changes, which added Chapter 16A: "Nonpotable Water Reuse Systems," became effective on August 4, 2009, and will remain in force for 180 days or until made permanent by the State Housing and Community Development Department (HCD). The major impact of new Chapter 16A is that it identifies three types of grey water systems. Each of these systems have specific installation requirements the first which consists of a clothes washer in conjunction with other single fixture unit items, can be installed without construction permits (see detailed overview below). Since the State has adopted Chapter 16A as an emergency proposal, Hayward's Building Division will allow the installation of the simplest type of gray water system without a construction permit, as long as it is prescriptive to the new Code.

Under the new standards, a clothes washer or other single-fixture, residential gray water system, could be installed without a construction permit. That's a complete reversal of the previous state requirement that homeowners installing systems to recycle the waste water from their sinks, showers, bathtubs, and laundry machines conform to Chapter 16 of the California Plumbing

Code, which required that gray water systems not only be permitted by the appropriate administrative authority, but installed underground with extensive filtering apparatus.

Appendix G (the predecessor to Chapter 16) went into effect in 1992 at the end of a five-year drought. Its update was required by Senate Bill 1258, which passed last summer, requiring the state's Department of Housing and Community Development to revise the Code in an effort "to conserve water by facilitating greater reuse of graywater in California." The code's revision was scheduled to take effect January 1 of 2011, but in late June, in response to the State's continuing drought, representatives from Housing and Community Development submitted the new standards to the state's Building Standards Commission for emergency adoption.

The new gray water standards divide residential graywater water systems into three types: a clothes washer and/or single-fixture system, a simple system, and a complex system. Clothes washer/single fixture systems use only a single washing machine in conjunction with other single unit fixtures such as bathroom sinks in one- or two-family dwellings while simple systems collect gray water from multiple fixtures and have a maximum discharge capacity of 250 gallons per day, and complex systems which also collect water from multiple fixtures have a discharge capacity over 250 gallons per day. Both the simple and complex systems require the applicant to submit construction plans and pull plumbing permits. The clothes washer or single fixture systems must follow 12 guidelines to be in compliance and be exempt from a construction permit, the guidelines are:

- 1) If required, notification has been provided to the Enforcing Agency regarding the proposed location and installation of a gray water irrigation or disposal system.
- 2) The design shall allow the user to direct the flow to the irrigation or disposal field or the building sewer. The direction control of the gray water shall be clearly labeled and readily accessible to the user.
- 3) The installation, change, alteration or repair of the system does not include a potable water connection or a pump and does not affect other building, plumbing, electrical or mechanical components, including structural features, egress, fire-life safety, sanitation, potable water supply piping or accessibility.
- 4) The gray water shall be contained on the site where it is generated.
- 5) Gray water shall be directed to and contained within an irrigation or disposal field.
- 6) Ponding or runoff is prohibited and shall be considered a nuisance.
- 7) Gray water may be released above the ground surface provided at least two inches of mulch, rock, or soil, or a solid shield covers the release point. Other methods which provide equivalent separation are also acceptable.
- 8) Gray water systems shall be designed to minimize contact with humans and domestic pets.
- 9) Water used to wash diapers or similarly soiled or infectious garments shall not be used and shall be diverted to the building sewer.
- 10) Gray water shall not contain hazardous chemicals derived from activities such as cleaning car parts, washing greasy or oily rags, or disposing of waste solutions from home photo labs or similar hobbyist or home occupational activities.
- 11) Exemption from construction permit requirements of this code shall not be deemed to grant authorization for any gray water system to be installed in a manner that violates other provisions of this code or any other laws or ordinances of the Enforcing Agency.

- 12) An operation and maintenance manual shall be provided. Directions shall indicate the manual is to remain with the building throughout the life of the system and indicate that upon change of ownership or occupancy, the new owner or tenant shall be notified the structure contains a gray water system.

Updated Model Water Efficient Landscape Ordinance - Hayward's Landscape Guidelines

The State Department of Water Resources is behind schedule in releasing its Updated Model California Water Efficient Landscape Ordinance (CA-WELO). Originally, the State was scheduled to release the model ordinance in January of 2009; however, at the time of the writing of this report, the model ordinance had not been released. The final text modifications were made to the proposed text of the draft CA-WELO dated May 7, 2009 and the final draft ordinance is in the California Office of Administrative Law and is expected to be approved by the end of August. The Ordinance will become effective 30 days later. At that time, the State would require all local agencies to adopt the updated model ordinance, or an equivalent ordinance, no later than January 1, 2010. Staff intends to present a recommended ordinance to the City Council in early December.

A possible equivalent ordinance that is recommended by StopWaste.Org for adoption is a Bay-Friendly version of CA-WELO. The StopWaste.Org version of the draft CA-WELO dated May 7, 2009 and released on June 3, 2009, recommends five additional requirements which are included in the Hayward's Landscape Guidelines:

- Quality compost is specified as the soil amendment, at the rates indicated by a soil analysis, to bring the soil organic matter content to a minimum of 3.5 percent by dry weight OR one- inch of quality compost;
- Specify California native, Mediterranean or other climate-adapted plants that require occasional, little or no water for 75 percent of all non-turf plants;
- Total irrigated areas specified as turf is limited to a maximum of 25 percent, with sports or multiple uses fields exempted;
- None of the species listed by CAL-Invasive Plant Council as invasive in the San Francisco Bay Area are included in the planting plan;
- Planting specifications and plants indicate that after construction, all soil on site is protected with a minimum of three inches of mulch (State requires two inches).

Another alternative version of a water efficiency landscape ordinance is proposed by the Bay Area Water Supply and Conservation Agency (BAWSCA), of which Hayward is a member. A kick-off meeting was held on July 30, 2009 to introduce this ordinance that has the goal of a 25 percent water savings, based on 2004 water consumption data. BAWSCA has an aggressive schedule to release a draft ordinance by September 2009, and the final ordinance is to be ready for adaptation by the BAWSCA agencies by November 2009.

Michelle Koo, City of Hayward Landscape Architect, participated in the last public comment period in May 2009 for CA-WELO, participated in the review and comment period for StopWaste.Org in developing the draft Bay-Friendly version of CA-WELO, and is participating in the working group developing the BAWSCA's Outdoor Water Efficiency Ordinance. It is prudent to wait for the

release of the BAWSCA's draft ordinance and decide which of the three ordinances would best serve the City.

In summary, City staff will evaluate the merits of the three ordinances and will present a recommendation to City Council in early December 2009 with the goal of adopting a Water Efficient Landscape Ordinance prior to the required State deadline of January 1, 2010.

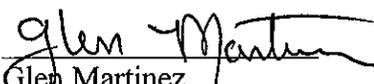
FISCAL IMPACT

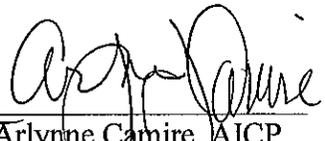
There will be no direct impacts to the General Fund, though additional staff time will be required to prepare the Water Efficient Landscape Ordinance.

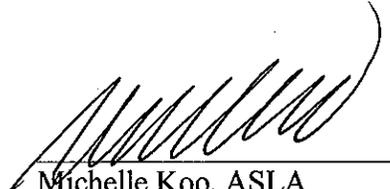
NEXT STEPS

After the California Energy Commission approves Hayward's green building ordinance for private development, which mandates exceeding the State's new 2008 Title 24 Energy Efficiency Standards, staff will file the ordinance with the California Building Standards Commission and bring the ordinance to Council for adoption, anticipated for late fall of 2009, with an effective date to be January 1, 2010. Also, staff will present the Sustainability Committee and City Council in late fall and December its recommended water efficient landscape ordinance, for adoption prior to January 1, 2010.

Prepared by:


Glen Martinez
Acting Building Official

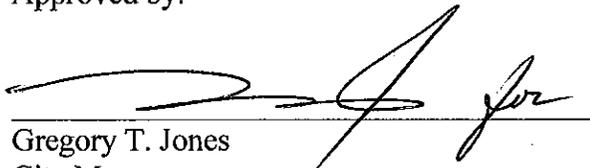

Arlyne Camire, AICP
Associate Planner


Michelle Koo, ASLA
Landscape Architect

Recommended by:


David Rizk, AICP
Director of Development Services Department

Approved by:


Gregory T. Jones
City Manager

Attachments:

- Exhibit A: Hayward Green Building Ordinance for Private Development (Ordinance No. 08-20)
- Exhibit B: City of Hayward Green Building Checklist for Private Non-Residential Development
- Exhibit C: Revisions to Hayward Green Building Ordinance for Private Development

ORDINANCE NO. 08-20

AN ORDINANCE ADDING ARTICLE 22 TO CHAPTER 10 OF
THE HAYWARD MUNICIPAL CODE ESTABLISHING GREEN
BUILDING REQUIREMENTS FOR PRIVATE DEVELOPMENT

THE CITY COUNCIL OF THE CITY OF HAYWARD DOES ORDAIN AS FOLLOWS:

Section 1. Purpose. The purpose of this Article is to promote the health, safety and welfare of Hayward residents, workers and visitors by minimizing the use and waste of energy, water and other natural resources in the construction and operation of the City's building stock and by providing a healthy indoor environment.

The green building practices required by this Article will encourage resource conservation, reduce waste generated by construction projects, increase energy efficiency and promote the health and productivity of residents, workers, and visitors of the City.

Section 2. Findings. The City Council of the City of Hayward hereby finds that:

a. The design, construction, and maintenance of buildings and structures within the City can have a significant impact on the City's environmental sustainability, resource usage, energy efficiency, waste management, and the health and productivity of residents, workers, and visitors.

b. Green building design, construction, and operation can have a significant, positive effect on resource conservation, energy efficiency, waste and pollution generation, and the health and productivity of a building's occupants over the life of the building.

c. Green building benefits are spread throughout the systems and features of the building. Green buildings can include, among other things, the use of certified sustainable wood products; extensive use of high-recycled-content products; recycling of waste that occurs during deconstruction, demolition, and construction; orientation and design of a building to reduce the demand on the heating, ventilating, and air conditioning systems; the use of heating, ventilating, and air conditioning systems that provide energy efficiency and improved indoor air quality; enhancement of indoor air quality by selection and use of construction materials that do not emit chemicals that are toxic or irritating to building occupants; the use of water conserving methods and equipment; and installation of alternative energy methods for supplemental energy production.

d. In recent years, green building design, construction and operational techniques have become increasingly widespread. Many homeowners, businesses, and building professionals have voluntarily sought to incorporate green building techniques into their projects. A number of local and national systems have been developed to serve as guides to green building practices. Requiring commercial and new residential projects to incorporate

green building measures is appropriate to help achieve the public health and welfare benefits of green building.

Section 3. The City of Hayward's Municipal Code is hereby amended to add Article 22 to Chapter 10 as follows:

"GREEN BUILDING REQUIREMENTS FOR PRIVATE DEVELOPMENT

SECTION 10- 22.100 TITLE. This Article shall be known and may be cited as the Private Development Green Building Ordinance of the City of Hayward.

SECTION 10-22.110 DEFINITIONS. For the purposes of this Article, certain terms are defined as follows:

a. "Applicant" means any individual, firm, Limited Liability Company, association, partnership, political subdivision, government agency, industry, public or private corporation or any other entity that applies to the City of Hayward for permit(s) to construct a Project subject to the provisions of this Article.

b. "Build It Green" is a non-profit membership organization which developed the GreenPoint Rating Systems for Residential and Mixed Use occupancies in order to promote sustainable buildings.

c. "City" means the City of Hayward.

d. "Commercial" means any building or space used for retail, industrial, office or other non-residential use.

e. "Covered Project" means any privately funded construction project, except as otherwise provided herein, for which an application for a building permit is received after August 1, 2009, or after the date the California Energy Commission and California Building Standards Commission approve green building standards required by this Article, whichever date is later, consisting of:

i. new construction, additions or remodels over 500 square feet for residential projects, or

ii. new construction, additions or remodels entailing 1,000 square feet or more of new or remodeled Commercial space.

f. "Green building" means a whole systems approach to the design, construction, and operation of buildings and structures that helps mitigate the environmental, economic, and social impacts of construction, demolition and renovation. Green building practices recognize the relationship between natural and built environments and seek to minimize the use of energy, water, and other natural resources and provide a healthy, productive indoor environment.

g. "GreenPoint Rated" is a third party rating system for homes based on a set of green building measures incorporated from Build It Green's Green Building Guidelines and used to evaluate a home's environmental performance. City staff shall maintain the most recent version of Build It Green's GreenPoint Rated Checklists for Single Family, Multi-Family and Existing Homes and Residential Green Building Guidelines for New Home Construction, Home Remodeling and Multifamily Green Building.

h. "Historical Building" means any structure or collection of structures deemed of importance to the history, architecture or culture of an area by an appropriate local or state governmental jurisdiction, pursuant to Section 18955 of the California Health and Safety Code and Section 8-201 of the 2007 California Historical Building Code, Title 24, Part 8.

i. "LEED™" and "LEED™ Checklist" mean the Leadership in Energy and Environmental Design rating system, certification methodology, and checklist used by the United States Green Building Council (USGBC). City staff shall maintain the most recent version of the LEED™ Rating system at all times.

j. "Multi-family Residential Building" means a single residential building that has more than two dwelling units.

k. "Mixed-Use" means a building with residential and commercial uses.

SECTION 10- 22.120 APPLICATION.

The provisions of this Article apply to Covered Projects, with the following exemptions or exceptions:

- a. Historical Buildings, as defined by this Article.
- b. Permits issued only for foundation repair, re-roofing, repair of fire damage, work required by termite reports, upgrades for accessibility , or other items of building or structural maintenance, as determined by the Building Official.
- c. Hardship exemptions may be granted by the Building Official for projects valued at less than \$50,000 where the Project Applicant can demonstrate the cost of complete

compliance will exceed 20.0% of construction costs. In these cases, the applicant may limit compliance to 20.0% of the cost of the project.

d. Exemptions or partial exemptions may be granted by the City Council for other projects where it can be demonstrated that complete compliance is not possible due to unusual building circumstances. This exemption is for other than economic considerations.

e. Projects for which a Vesting Tentative Map has been approved by January 1, 2009.

f. Projects subject to a Development Agreement approved by January 1, 2009, but without a Vesting Tentative Map, shall comply with the requirements of this Article if a building permit application is received on or after January 1, 2011.

SECTION 10-22.130 ALTERNATIVE GREEN BUILDING REQUIREMENTS.

The following green building requirements shall apply to all Covered Projects. Wherever reference is made to the Hayward checklist or GreenPoint Rated systems, a comparable equivalent rating system may be used if the Building Official finds the proposed alternate method is satisfactory and complies with the intent of this Article. The applicable systems are those in effect at the time a complete application for the Project is submitted to the Building or Planning Division.

SECTION 10 -22.140 STANDARDS FOR COMPLIANCE.

a. **Multi-Family Residential and Mixed-Use Buildings.**

Applicants for new Multi-Family Residential Covered Projects, prior to obtaining a Certificate of Occupancy, shall submit documentation demonstrating the building(s) has/have been GreenPoint Rated. The Certificate of Occupancy shall state that the project complies with the City's Private Development Green Building Ordinance.

Prior to August 1, 2009, in order to promote familiarity with green building standards, applicants are encouraged to have their projects GreenPoint Rated, or to incorporate items, if any, from the checklist; however, only completing the list and submitting it is mandatory. For such projects that are GreenPoint Rated, the Certificate of Occupancy shall state that the project complies with the City's Private Development Green Building Ordinance.

These requirements shall also apply to Mixed-Use Covered Projects.

b. New Single Family Dwellings.

Applicants for new Single Family Covered Projects prior to obtaining a Certificate of Occupancy, shall submit documentation demonstrating the building(s) has/have been GreenPoint Rated. The Certificate of Occupancy shall state that the project complies with the City's Private Development Green Building Ordinance.

Prior to to August 1, 2009, in order to promote familiarity with green building standards, applicants are encouraged to have their projects GreenPoint Rated, or to incorporate items, if any, from the checklist; however, only completing the list and submitting it is mandatory. For such projects that are GreenPoint Rated, the Certificate of Occupancy shall state that the project complies with the City's Private Development Green Building Ordinance.

c. Residential Additions/Remodels Greater Than 500 Square Feet.

Applicants for residential Covered Projects consisting of remodels and/or additions greater than 500 square feet to existing residential single family or multi-family dwellings, shall submit, with their permit application, the GreenPoint Rated Existing Homes Checklist. The Applicant shall indicate on the plans and checklist if any of the items on the checklist have been incorporated into the project. Applicants are encouraged to have their projects GreenPoint Rated, or to incorporate items from the checklist; however, only completing the list and submitting it is mandatory. For such projects that are GreenPoint Rated, the Certificate of Occupancy shall state that the project complies with the City's Private Development Green Building Ordinance.

d. Commercial Covered Projects.

Applicants for new Commercial Covered projects shall submit with their permit application the City of Hayward checklist for Private Non-Residential Development. The plans shall clearly show where each item has been incorporated into the project. The plan review, to be conducted by City staff, shall verify the incorporation of checklist items into the plans. The building inspection process, to be conducted by City staff, shall verify the inclusion of these items in the construction. A Certificate of Occupancy shall not be issued until the incorporation of the checklist items is verified by City staff. The Certificate of Occupancy shall state that the project complies with the City's Private Development Green Building Ordinance.

Prior to August 1, 2009, applicants are encouraged to incorporate measures from the City of Hayward Checklist for Private Non-Residential Development into their projects. For such projects that incorporate such measures, the Certificate of Occupancy shall state that the project complies with the City's Private Development Green Building Ordinance.

SECTION 10-22.150 PROMULGATION OF IMPLEMENTING REGULATIONS.

The City Manager shall promulgate any rules and regulations necessary or appropriate to achieve compliance with the requirements of this Article. The initial rules and regulations shall be promulgated after securing and reviewing comments from affected City departments.

Section 4. Severance. Should any part of this ordinance be declared by a final decision by a court or tribunal of competent jurisdiction to be unconstitutional, invalid, or beyond the authority of the City, such decision shall not affect the validity of the remainder of this ordinance, which shall continue in full force and effect, provided that the remainder of the ordinance, absent the unexcised portion, can be reasonably interpreted to give effect to the intentions of the City Council.

Section 5. Annual Review. The City Council shall review this ordinance at least annually to determine whether it needs to be updated because of new legislation enacted by the State or new standards developed by applicable organizations, such as StopWaste.org, Build It Green, and LEED (Leadership in Energy and Environmental Design). The Building Official shall annually report to the City Manager the number and types of projects built under this ordinance.

Section 6. In accordance with the provisions of Section 620 of the City Charter, this ordinance shall become effective thirty days after adoption.

INTRODUCED at a regular meeting of the City Council of the City of Hayward,
held the 25th day of November, 2008, by Council Member Quirk.

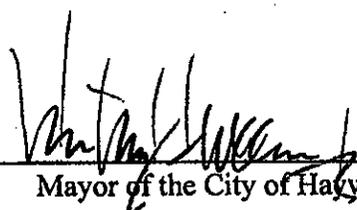
ADOPTED at a regular meeting of the City Council of the City of Hayward held
the 2nd day of December, 2008, by the following votes of members of said City Council.

AYES: COUNCIL MEMBERS: Zermeño, Quirk, Halliday, Dowling, Henson
MAYOR: Sweeney

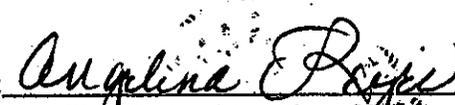
NOES: COUNCIL MEMBERS: May

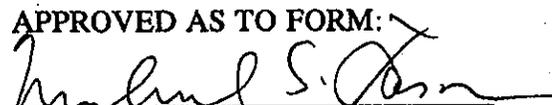
ABSTAIN: COUNCIL MEMBERS: None

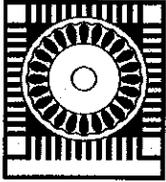
ABSENT: COUNCIL MEMBERS: None

APPROVED: 
Mayor of the City of Hayward

DATE: Dec. 9, 2008

ATTEST: 
City Clerk of the City of Hayward

APPROVED AS TO FORM: 
City Attorney of the City of Hayward



City of Hayward Green Building Checklist for Private Non-Residential Development

For All Non-Residential Projects That Exceed 1,000 Square Feet

Energy Efficiency

For all non-residential projects entailing 1,000 square feet or more of new or remodeled space, and where at least half of the light fixtures are new or replaced, one of the following must be met:

- 1. the lighting load for such fixtures shall be reduced by at least 15% below 2008 Title 24 Building Energy Efficiency Standards, or
- 2. 15% of the lighting loads of such fixtures shall be provided by solar, wind, or other renewable energy source, as approved by the Building Official, or
- 3. the project must show compliance for overall energy budget at 5% below 2008 Title 24 Building Energy Efficiency Standards, using the performance method.

Note:

When tailored method is used for retail sales lighting compliance, such 15% reduction shall apply only to LTG-6-C part 1, but not to LTG-6-C parts 2 & 3 for display lighting.

Background on Energy Efficiency:

According to the U.S. Department of Energy, buildings use about 68% of the electricity generated in the country on an annual basis. The California Energy Commission estimates that about one third of the energy used in commercial buildings is dedicated to lighting. This makes commercial lighting one of the single biggest energy users nationally. Reducing lighting power demand is an essential step in making buildings "green".

The California Energy Commission establishes the maximum allowed lighting power for commercial buildings and the city enforces this through the T-24 energy report. All designers and contractors are familiar with the process of calculating the allowed lighting power for a project.

This measure is based on *LEED Energy and Atmosphere Credit 2*. In the LEED system, however, the renewable energy percentage is only based on the total electricity demand of the building.

Water Conservation

For non-residential projects entailing 1,000 square feet or more of new or remodeled space, and where a new bathroom is proposed or a bathroom is proposed to be remodeled and involves new water closets or urinals:

- Reduce indoor water use by 20% below baseline, per 2007 California Plumbing Code, for each water closet or urinal that is installed or replaced

Note of the design process: Instead of 1.6 gallons per flush (gpf) toilets/water closets, 1.28 gpf units will be installed. For urinals, either 0.5 gpf or waterless units will replace the standard 1.0 gpf units.

Background on Water Efficiency:

Reducing water use in commercial buildings is relatively easy to achieve. Technologies such as waterless urinals*, occupant sensors and ultra low-flow toilets are available and provide instant savings. This measure is based on the LEED Water Efficiency Credit 2. In the LEED system additional credit is given for a 30% reduction as well. For the Hayward ordinance it will probably be sufficient to start with a 20% reduction initially and see if a higher threshold is appropriate at a later time.

Waterless Urinals: These units utilize a trap insert filled with a sealant liquid instead of water. The lighter-than-water sealant floats on top of the urine collected in the U-bend, preventing odors from being released into the air. Although the cartridge and sealant must be periodically replaced, the system saves anywhere between 15,000 and 45,000 gallons of water per urinal per year.

DRAFT

Exhibit C

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

Yml
6/15/09

RESOLUTION FINDING THAT AMENDMENTS TO THE PRIVATE DEVELOPMENT GREEN BUILDING ORDINANCE IS CATEGORICALLY EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

BE IT RESOLVED by the City Council of the City of Hayward that the City Council finds that amendments to the Private Development Green Building Ordinance, Article 22 of Chapter 10 of the Hayward Municipal Code, requiring energy efficiency standards for certain projects to exceed those of the State's 2008 Building Energy Efficiency Standards (Title 24, Part 6 of the California Code of Regulations), but not less than those required by the State, and determination that such requirements are cost-effective, is categorically exempt from environmental review under the California Environmental Quality Act, pursuant to Section 15308 of the CEQA Guidelines, Actions by Regulatory Agencies for Protection of the Environment.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 2009

ADOPTED BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:
MAYOR:

NOES: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward



CITY OF
HAYWARD
HEART OF THE BAY

DATE: September 2, 2009

TO: Mayor and City Council Sustainability Committee

FROM: Development Services Director

SUBJECT: Status Update on Developing a Renewable Energy/Energy Efficiency Financing Program

RECOMMENDATION

That the Committee reads and comments on this report, and provides feedback regarding whether the City should consider participating in Alameda County's PACE (Property Assistance Clean Energy) program.

SUMMARY

This report provides a status report on the progress of developing a renewable energy and energy efficiency improvements financing program for Hayward. Information is provided on recent and pending Federal and State legislation related to renewable energy and energy efficiency financing, as well as programs currently being considered at the state, regional, and county levels.

BACKGROUND

In November 2008, the City of Berkeley began offering its residents the ability to finance the installation of solar photovoltaic panels on existing single-family homes. After adopting a special tax financing law, Berkeley's pilot program began allowing residents to pay for solar panels through a special assessment on their property taxes. Cities all over California have developed or are developing programs similar to Berkeley's, including Palm Desert, San Diego, San Francisco, Los Angeles, and Sonoma County.

On January 7, 2009, the Committee considered a report from staff on solar and energy efficiency financing and heard a presentation from Cisco Devries of Renewable Funding, which included an overview of the Berkeley and Palm Desert programs. The Climate Action Plan, adopted by Council on July 28, 2009, includes establishing financing programs for renewable energy and energy efficiency financing for commercial, multi-family, and single-family properties as four of the top five prioritized actions for implementation.

DISCUSSION

Federal and State Legislation –

The Waxman-Markey bill (HR 2454, the American Clean Energy and Security Act of 2009) passed the House earlier this summer. A provision in the bill would authorize the federal government to provide guarantees or other indirect financial support to Property Assessed Clean Energy (PACE) program bonds, potentially reducing the costs of capital to the program dramatically. The bill would create a new entity called the Clean Energy Deployment Administration (CEDA), which would have the authority to issue the loan guarantees or other credit enhancement efforts. The Senate will continue to work on its version of a climate and energy bill after the legislative recess. Also, Congressman Mike Thompson has introduced legislation (HR 3525) to allow the use of federal tax-exempt bonds for PACE programs. This bill would also provide a big boost to PACE programs by reducing the costs of capital. These are examples of support at the federal policy level for funding energy efficiency and renewable energy programs.

California Assembly Bill 811, which lets local governments use contractual benefit assessments to provide public financing for the installation of renewable energy and energy efficiency improvements on private property, was passed on July 21, 2008. The Mello-Roos Community Facilities Act of 1982 authorizes a community facilities district to finance the purchase, construction, expansion, improvement, or rehabilitation of certain facilities, including, among others, child care facilities, undergrounding of water transmission and distribution facilities, and the cleanup of hazardous materials. SB 279, currently in the legislative process, is similar to AB 811 in that SB 279 would allow non-charter cities to use Mello-Roos taxes to finance renewable energy and energy efficiency improvements on private property. SB 279 is based on AB 1709, which was vetoed by the Governor last year. Last year's AB 1709 relied on special assessments, while this year's SB 279 uses special taxes.

Special assessments are used for specific public improvements such as streets, storm drains, sewers, street lights, curbs and gutters, and landscaping. Unlike taxes, the sum of a special assessment cannot exceed the cost of the improvement or service it is financing and cannot be levied against those properties which do not directly benefit from the improvements being financed. Special assessments do not require a two-thirds vote of the electorate prior to being imposed and do not apply toward a jurisdiction's Gann Act spending limit. A Special tax is a tax imposed for a specific purpose, such as police, fire, or library services, which is placed into a general fund. Special taxes are typically "per parcel" taxes apportioned according to the square footage of the parcel or on a flat charge.

SB 279 would allow the creation of Community Facility Districts (CFD) that initially contain no parcels of land, but consist only of territory to which parcels may subsequently be annexed with the unanimous approval of the owners of the parcels proposed to be annexed. SB 279 would allow the financing of improvements in new construction only when the construction is undertaken by the intended owner or occupant. Special assessments, such as those allowed by AB 811, are subject to Proposition 218. SB 279 is not subject to Proposition 218, which introduces burdensome procedures into a process where all of the participating owners have elected to participate.

Finally, the California Energy Commission (CEC) has committed \$96 million of the American Recovery and Reinvestment Act's (ARRA) State Energy Program (SEP) to fund three specific programs, including AB 811 municipal finance programs. As currently proposed, the SEP funds can be used in a number of ways to increase lender confidence, lower interest rates, increase bond ratings and increase program affordability. The Commission plans to approve final guidelines September 24th.

ABAG Program –

The Association of Bay Area Governments (ABAG) is working with PG&E to develop a region-wide renewable energy and energy efficiency financing district. The program relies on the passage of SB 279. The energy financing district would be set up by ABAG's Financing Authority for Nonprofit Corporations, which is a joint powers agency. The ABAG program could be used to finance energy efficiency improvements ranging from \$5,000 to \$40,000 and renewable energy improvements ranging from \$20,000 to \$60,000.

ABAG, working with PG&E, is currently conducting a market research study to determine customer interest in participating in an energy financing district. Results of the study are expected to be available in September 2009. Results will be included in a "business case", which will be presented to PG&E and the ABAG Executive Board. According to Stopwaste.org, the ABAG program could take more than one year to be operational.

CaliforniaFIRST –

The California Statewide Communities Development Authority (CSCDA) is currently working with Renewable Funding, LLC to develop CaliforniaFIRST, which is a funding mechanism similar to Berkeley's BerkeleyFirst program. Renewable Funding's President, Cisco DeVries, spoke to the Committee previously about such program. Unlike the County's PACE program described below, CaliforniaFIRST is not a comprehensive program, but rather a financing program that could be used to fund improvements identified and proposed through a more comprehensive program. CSCDA is a joint powers authority created in 1998 by the League of Cities and the Association of Counties. CaliforniaFIRST would create a financing district allowing commercial and residential property owners to finance 100 percent of the upfront capital costs of clean energy projects and repay the amount financed on their property tax bill over 20 years, similar to Berkeley's BerkeleyFIRST program for single-family homes. The goal is for CaliforniaFIRST to provide all the administrative and financial services for participating cities and counties, with the focus on reducing implementation costs for municipalities and providing lower cost capital than would be available to smaller programs. All California cities and counties that express interest in the CaliforniaFIRST program for their residents and businesses would have access to statewide bond financing specifically for this program.

The delay in CSCDA implementation relates to addressing issues associated with program implementation. Four main issues that need to be resolved by CSCDA are:

1. Taxable bonds must be rated such that the interest passed onto the property owner makes the program attractive;

2. Protocols for renewable energy, energy and water conservation measures that are permitted to be funded within the Program must be cost effective and cost reasonable. County staff are working with CSCDA and Stopwaste.org to ensure that what is funded has a positive benefit/cost ratio;
3. Proposition 218, the right to vote on all property tax assessments, does not make exceptions for voluntary assessment benefit districts. Bond counsel for CSCDA, in consultation with Alameda County Counsel, are working to validate the intended CaliforniaFIRST voting process to ensure that bonds sold meet Proposition 218 requirements.
4. It is unclear whether the assessments created to secure repayment of the bonds have senior priority as tax liens. Also, there is some lender concern that the placement of PACE assessments on properties may trigger a technical default in the mortgage. CSCDA has been working with its bond counsel and major lenders to address these issues as well.

According to Stopwaste.org, CSCDA does not have a clear timeline for implementation of the program. Stopwaste.org is encouraging the County to move ahead with its own program.

Alameda County's PACE Program --

The Alameda County Board of Supervisors has endorsed the concept of a Property Assistance Clean Energy (PACE) program. CaliforniaFirst is not necessary for the PACE program to move forward, since other funding sources could be used for the program. However, with CaliforniaFirst, the PACE program would finance energy efficiency and renewable energy improvements with an AB 811 type financing district. The County is soliciting the cooperation of its cities to participate in the PACE program, and Darryl Gray, Assistant Director for Alameda County's Neighborhood Preservation and Sustainability Department, will make a brief presentation to the Committee about the proposed PACE program, the benefits of Hayward participating in it, and how PACE would integrate other proposed programs, such as Stopwaste.org's *Green Packages*. The aggregation of communities into a single County program is specifically encouraged by the U.S. Department of Energy and the California Energy Commission and will increase participating cities' competitiveness for grant funding. Objectives of the PACE program are to:

- Retrofit and upgrade residential and commercial structures to performance-based energy efficiency standards to reduce energy and water consumption;
- Utilize best practices and specifications developed by others, such as Stopwaste.org's "Green Packages" program being developed for solar, wind, or biomass installations to reduce greenhouse gases as required under the California Global Warming Solutions Act of 2006 (AB 32);
- Integrate energy efficiency improvements with existing housing rehabilitation and weatherization;
- Educate the public on the need to reduce greenhouse gas emissions and to increase energy efficiency (Stopwaste.org's Green Packages program will include such a component);
- Develop and train a green workforce including energy auditors, construction inspectors, and energy retrofit installers (Stopwaste.org's Green Packages program will include such a component);

- Provide technical and financial assistance to property owners to implement water conservation and energy efficient retrofits and renewable energy improvements; and
- Evaluate the programs' reductions in energy consumption, reductions in greenhouse gas emissions and the creation of new green jobs.

FISCAL IMPACT

There will be no direct impacts to the General Fund for staff to continue to follow and evaluate the best financing program for the City of Hayward to pursue. As programs are developed and if the City chooses to participate in such programs, information regarding fiscal impacts will be provided at that time.

NEXT STEPS

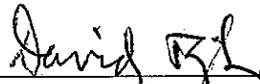
Staff will continue to closely follow the progress of development of the County's PACE program, ABAG's program and the CSCDA's CaliforniaFirst program. Staff will report to the Sustainability Committee as such information becomes available.

Prepared by:



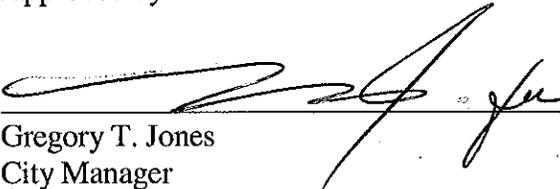
Erik J. Pearson, AICP
Senior Planner

Recommended by:



David Rizk, AICP
Development Services Director

Approved by:



Gregory T. Jones
City Manager

Alameda COUNTY PACE Program



PACE | Partnerships for
Affordable Clean Energy



Alameda County PACE Program

Presentation by:

L. Darryl Gray, Assistant Deputy Director
Damien Gossett, Assistant Deputy Director

Neighborhood Preservation and Sustainability Department
Alameda County
Community Development Agency

September 2, 2009

Alameda COUNTY PACE Program



- ◆ Background
 - ◆ Goals
 - ◆ Objectives
 - ◆ Program
 - ◆ Financing
 - ◆ Benefits
 - ◆ Integration
 - ◆ Next Steps
-



Background



AB 32 and SB 375: Global Warning Solutions & Sustainable Community Strategy Acts

- Limits GHG emissions to 1990 levels by 2020
- 80% below 1990 levels by 2050
- SB 375 achieves AB 32's GHG reduction requirements



Background



By 2020, all of the County's 564,000+ housing units, and 85,000+ commercial buildings should be retrofitted to assist in meeting the goals set forth in AB32:

- Hayward has 47,000 housing unit
- Hayward should reduce energy usage by 40% on average
- Hayward should reduce water usage by 20% on average



Goals



Create a program to assist Alameda County in meeting the goals of AB32 and to increase energy efficiency and the use of renewable energy in residential and commercial structures by:

- Provide financing and repayment vehicles to fund improvements
- Provide technical assistance to program participants
- Provide program administration and quality assurance
- Coordinate activities with Cities, Stopwaste.org, PG&E, and other public & private entities



Program Objectives



- ❑ **Retrofit and upgrade 1,000 structures** (residential and commercial) to performance based energy efficiency standards to reduce energy and water consumption
- ❑ **Utilize best practices and specifications** developed by others (Stopwaste.org "Green Packages") for solar, wind or biomass installations to reduce green houses gases as required under AB32
- ❑ **Integrate energy efficiency improvements** with existing housing rehabilitation programs.
- ❑ **Educate the public** on the need to reduce green house gas emissions and to increase energy efficiency
- ❑ **Develop and train a green workforce** including energy auditors, construction inspectors, and energy retrofit installers and create new employment opportunities
- ❑ **Provide technical and financial assistance** to property owners to implement water conservation and energy efficient retrofits and renewable energy improvements
- ❑ **Evaluate program reductions in energy consumption**, reductions in greenhouse gases emissions and the creation of new green jobs



Financing Objectives



- Minimal or no upfront cost for:
 - Renewable Energy improvements (wind/solar)
 - Energy Efficiency Improvements
 - Weatherization
 - Water Reduction Measures
 - Serve property owners at all income levels
 - Leverage local, state and federal resources
-



Financing Options



- AB 811 Financing District
 - ARRA funds
 - DOE
 - Neighborhood Stabilization
 - Department of Labor Green Jobs
 - CalHome and other Housing Rehabilitation Funds
 - CDBG
 - Mello-Roos District
 - Energy Efficient Block Grants
 - Redevelopment Funds
 - State Energy Program (SEP)
 - Other Competitive Grants
-

Alameda COUNTY PACE Program



Benefits



- ❑ Creation of an Efficiency and Renewable brand Countywide
 - ❑ Promoting a consistent message on green house gas emissions and energy efficiency
 - ❑ Centralized point of entry for all participating county homeowners and businesses
 - ❑ Standardized process from first application to final inspection
 - ❑ Minimize city staffing needed to implement the Program by reducing overlap and gaps
-

Alameda COUNTY PACE Program



Potential Partners



Partners in PACE Program

- Cities in Alameda County
 - County of Alameda
 - California Communities
 - Stopwaste.org
 - Homeowners, developers, real estate professionals
 - Construction vendors, distributors, manufacturers
 - IBEW, labor organizations
 - Local businesses, banks/lenders,
 - Nonprofits & community-based organizations
-



Program Integration



County PACE and Stopwaste.org's proposed MOU

- ❑ ***Develop technical standards and specifications*** for energy conservation, renewable energy and green building;
 - ❑ ***Explore financing mechanism*** including land based assessment districts, federal and state grants and other types of local and regional financing;
 - ❑ ***Provide specific and limited funding for legal services*** and the development of data systems for the management of programs;
 - ❑ ***Work with businesses***, the contractor community, job training providers, community colleges/educational institutions and non-profits to develop job training and apprenticeship programs;
 - ❑ ***Develop a public education campaign*** and program marketing strategies for programs;
 - ❑ ***Develop long term strategies*** and policies on green building, energy efficiencies and renewable energy.
-



Proposed Timelines



Schedule for developing and launching the County PACE Program

- Resolution of Interest – Mid-September 2009
- Define Participation in Program – October 2009
- PACE Program Development – Nov. 2009
- Finalize PACE Program Participation – Nov. 2009
- Resolution of Authorization – December 2009
- Program Implementation – January 2010

Alameda COUNTY PACE Program



Benefits to Hayward



- Leverage federal stimulus funds
 - Local consortium increases competitiveness for additional funding
 - Minimize cost for into the PACE Program.
 - Minimize city staffing needed to implement a land based assessment financing.
 - Economies of scale in program administration, procurement, installation, and marketing.
 - Leverage other public and private funding sources.
 - Stimulate greater demand for green jobs in the local construction industry.
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Alameda COUNTY PACE Program



Next Steps



- ❑ Commitment to work with Alameda County and other cities as part of PACE program.
 - ❑ County and city staff negotiate PACE Program Participation Agreement
 - ❑ Define details related to financing, program administration, objectives etc.
 - ❑ County and City approvals
 - ❑ Implement PACE Program
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Alameda COUNTY PACE Program



Questions?



Thank You

**Sustainability Committee
Monthly Meeting Topics
September, 2009 - August, 2010**

Presenting Department	Date	Topics	Relationship to Climate Action Plan (CAP)
DS/PW	September 2, 2009	Update on State Codes and Update on Countywide Energy Efficiency Financing Program Development	Actions 3.7, 3.8, 3.9, 4.1, 4.2, 5.1, 5.2
DS	October 7, 2009	Presentation of Energy Efficiency and Conservation Strategy (required as part of EECBG application)	Action 3.4 and General CAP Implementation
DS/PW	November 4, 2009	Summary of Education and Outreach Efforts (Permit Center-Green Display, Website, Water Efficiency, etc.)	Actions 9.1, 9.2, 9.3
PW		Water Recycling Presentation	Strategies 3 and 4 (no specific actions)
DS	December 2, 2009	Discussion-Citywide Parking Policy and Revised Standards	Action 1.3
DS	January 6, 2010	Annual Review of Green Building Ordinances and Implementation	Actions 4.1 and 4.2
DS	February 3, 2010	Discussion- Residential Energy Conservation Ordinance (RECO) Commercial Energy Conservation Ordinance (CECO)	Actions 3.1, 3.2, 3.3
DS	March 3, 2010	Green Collar Jobs and Investment	CAP Implementation (no specific actions)
DS	April 7, 2010	Solar and Energy Efficiency Financing Programs Update	Actions 3.7, 3.8, 3.9, 5.1, 5.2
DS	May 5, 2010	Draft- Residential Energy Conservation Ordinance (RECO) Commercial Energy Conservation Ordinance (CECO)	Actions 3.1, 3.2, 3.3
DS/PW	June 3, 2010	Update-Energy Efficiency and Conservation Block Grant Projects	Action 3.4 and General CAP Implementation
PW	July 7, 2010	Update on plastic bags ban and styrofoam ordinances efforts	Action 6.4
	August 2010	No Meeting	