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.

April 6, 2011
4:30 p.m. – 6:30 p.m.

A G E N D A

I. Call to Order

II. Roll Call

III. Public Comments: *(Note: All public comments are limited to this time period on the agenda. For matters not 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 not listed on the agenda brought up under this section will be taken under consideration and may be 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.)*

IV. Approval of Minutes of March 2, 2011

V. Senate Bill 7 – Water Conservation
Marilyn Mosher, Administrative Analyst III

VI. Update on Food Scraps Programs
Alex Ameri, Deputy Public Works Director

VII. Annual Review of Climate Action Plan Implementation and Priorities; Emissions Inventory Update
Erik Pearson, Senior Planner

VIII. Summary of Last Climate Action Management Team Meeting

IX. General Announcements and Information Items from Staff

X. Committee Referrals and Announcements

XI. Next Meeting: Wednesday, May 4, 2011
Environmentally Preferred Purchasing
Green Building - Requirements for Commercial Buildings, Parking Requirements, and Solar Requirements

XII. 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.

CITY COUNCIL SUSTAINABILITY COMMITTEE MEETING
Hayward City Hall – Council Chambers
777 B Street, Hayward, CA 94541-5007

March 2, 2011
4:30 p.m.

MEETING MINUTES

I. Call to Order – Meeting called to order at 4:35 p.m. by Mayor Sweeney.

II. Roll Call

Members:

- Michael Sweeney, Mayor
- Olden Henson, Council Member
- Bill Quirk, Council Member
- Diane McDermott, Planning Commissioner
- Sara Lamnin, Planning Commissioner
- Al Mendall, Planning Commissioner
- Doug Grandt, Keep Hayward Clean and Green Task Force (Absent)

Staff:

- Fran David, City Manager
- David Rizk, Development Services Director
- Bob Bauman, Public Works Director
- Erik Pearson, Senior Planner
- Marc McDonald, Sustainability Coordinator
- Katy Ramirez, Administrative Secretary (recorder)

***Others:**

- Mike Gable, Gable Associates, LLC
- Bachi Brunato, Ultimate Home Performance
- Simon Wong, Government Editor, Tri-City Voice Newspaper
- Florine Banks
- Otto Catrina, Bay East Association of Realtors
- Michael Chaney
- Cynthia Chiasson, Realtor
- Jeffrey Conner, Attorney
- Fadi Dib, Resident
- Mary Ann Falle, Resident
- Alex Hicke
- Kim Huggett, Hayward Chamber of Commerce
- Miroslav Kulias, Resident
- Angie LaPlante, Resident
- Rich LaPlante, Resident

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- Jan Lebby, Realtor
- Rodney Loché
- Timothy May, Rental Housing Owners Association
- Rene Mendieta, Legacy Real Estate
- Lyman Menger, Realtor
- Murline Monat, Coldwell Banker
- Luis Munoz, Resident
- Clyde Nazareth
- Teresa Nazareth
- Laura Owen, Coldwell Banker/Realtor, Resident
- Craig Ragg
- Heather Reyes
- Victoria Rodriquez, BEAR
- Jane Rowson, Realty World Neighbors
- Elizabeth Schultz
- David Stark, Public Affairs Director, Bay East Association of Realtors
- Carrol Stegall, Resident
- Judy Virgin, Resident
- Patrick Virgin, Resident
- Wade Winblad, Realtor
- John White

**There were other attendees in the audience that did not sign in.*

Mayor Sweeney welcomed everyone and explained that because there is a special City Council meeting this evening, the Sustainability Committee meeting will have to be finished by 6:00 pm to allow set-up for the Council meeting. Mayor Sweeney indicated that the Committee normally meets in Conference Room 2A; however, since we anticipated a large audience, this meeting was moved to the Council Chambers so that everyone would be comfortable.

III. Public Comments

Mayor Sweeney said that since there are so many people speaking, and without objection from the Committee, he is going to allow each speaker two minutes for their public comment. This will help to get through all the speakers and for staff discussion and questions. There were no objections from the Committee.

Miroslav Kulias, resident, said that he has owned his house in Hayward since 1972. Mr. Kulias said that he is surprised that the City is going to force homeowners to do unnecessary improvements; and if the improvements are not done, there will be a penalty should the homeowner decide to sell their house. He said that he believes the cost of the house is determined by its features, and if the house is not up-to-date, the selling price would be lower and the homeowner would be punished as a result. Mr. Kulias said that the current housing market in Hayward is down by 50 percent of the original price, and with the required upgrades, the homeowners would be punished twice.

Elizabeth Schultz, resident, distributed a document to the Committee. Ms. Schultz said that she owns property on Tyrrell Avenue and invited the Committee to come down to one of the vacant lots on Manon or Shephard Avenues and hold a meeting there. She asked the Committee to look at the pictures in the document and see the real Hayward outside of City Hall, which is in a nice location with marble steps, litter free lawn, and trimmed trees. Ms. Schultz said that litter is typical in the area along West Tennyson Road and South Hayward, and said that you will find it everywhere if you walk the streets rather than drive by on the freeway. There are fences in disrepair, litter strewn over various properties, vacant lots, and on the sidewalks, along fences, and that garbage is a sanitation hazard and attracts vermin and rats. She said there are overflowing dumpsters, and the City's own garbage cans are overflowing on a constant basis. Ms. Schultz said that the Sanitation Department comes out and picks up when asked; however, within 24 hours the garbage can is filled and overflowing once again. Ms. Schultz said that there are tarps instead of roofs, cardboard instead of fences, and said it is like a shanty town, unlike City Hall. Ms. Schultz said that she would like the Committee to come and walk these streets before imposing a tax on owners and occupants who need to do desperate work to their houses just to bring it up to minimal standards. She said that additional tax is the last thing they need on the work and repairs that they try to do on their property to keep up with other problems in the neighborhood.

Mayor Sweeney commented that he was walking up and down Tyrrell Avenue the past Saturday picking up trash with some students from the Keep Hayward Clean and Green Committee. He said to Ms. Schultz that he did not see her there helping out and told her that she is always welcome to join in and help. Mayor Sweeney indicated that the Keep Hayward Clean and Green Committee generally meets on the fourth Saturday of the month and they go out and pick up trash and paint out graffiti. Mayor Sweeney invited Ms. Schultz to bring her friends along, that the Committee would appreciate the help.

Cynthia Chiasson, resident, said that she has attended most of the Sustainability Committee meetings and has spoke regarding RECO. Ms. Chiasson said that she is most concerned about timeliness of what the City is trying to do. She said that she is not objecting to the concept and the passion of what Hayward is trying to do; it is the manner in which it is being done. She said that she would like to suggest pushing out this wonderful idea to 3-5 years. Ms. Chiasson said that we are in a no job recovery time and this idea is bad for Hayward, bad for homeowners, and bad for business. She said she use to be a realtor full time but is now a realtor part-time, and works for her son's company on a full-time basis, which is located in Hayward. She said she is very passionate about making RECO a fair thing, cleaning up Hayward, helping Hayward, but not doing it on the backs of the people during this hard time.

Patrick Virgin, resident, said that he is in disagreement with the need for a RECO, and has his personal views about global warming which he expressed at the last Sustainability Committee. He said that one of the things that he does not like about RECO is the government imposing it on him. Mr. Virgin said that he was reviewing the City's permit fees schedule and wonder if the 1 percent or 5 percent as proposed in the

RECO goes towards the cost. Mr. Virgin continued by providing many examples of permit fee costs associated with upgrading a house (i.e., to fix a chimney and insulation would cost $240.00; installation of a solar system, $300.00; stucco siding permit, $503.00, etc.), and noted that of the $5,000, you could spend $2,500 on permit fees. Mr. Virgin said that this is not fair and asked if the permit fee expenses are the owner's responsibility, because he cannot afford it.

Mayor Sweeney noted that Mr. Virgin raised a good issue and asked David Rizk, Development Services Director, to address it when this item is later discussed on the agenda, on whether permit fees go towards the cost or not.

Judy Virgin, resident, said she has been a homeowner in Hayward for almost 47 years. She said that she has seen Hayward go up and go down, and said that if she could figure out a way to move from here, she would be the first one to sell. She said that she got a quote on Facebook from a young man that was born, raised, and educated in Hayward and who has now moved to Marysville. She said that the young man indicated to her that between dealing with Mission Boulevard and the Building Department when trying to get a permit for a solar system, he thinks he will keep his jobs in the valley; she said that she hears this repeatedly. Ms. Virgin said that they needed a new sidewalk in front of their home and they did everything accordingly, went to the Building Department, paid for it, etc. She said that when the City inspector came to approve the work, he indicated that he does not like the color of the cement and said they will have to change it. She said that her husband asked the inspector if he likes the color of the cement across the street, and the inspector replied no, that he would not have approved that color either. Ms. Virgin said that her husband said to the inspector that the City installed the cement and color across the street, which is the same color that they have; the inspector approved their cement project.

Heather Reyes, resident, said that she is pleased to be part of a community that wants to improve; but asked if the timing is right. Ms. Reyes said that she is speaking on behalf of the homeowners that she recently spoke with to get their thoughts on RECO and first of all, they were unaware of the proposed RECO. Ms. Reyes asked if in making the RECO mandatory, is the Committee taking into account the current state of the economy in California. She said that the economic stability within Hayward proves that the unemployment rate is up by at least 10 percent; at least 1 out of 8 people are looking for a job. She asked if we really think these people are going to be concerned about energy efficiency on their homes. Ms. Reyes said that she has had multiple friends lose their homes due to foreclosures; there were 1,500 plus foreclosures over the last year, and asked if these foreclosed homes are going to fall under RECO as well. She said that she would like Hayward to become a green city, but at what cost? Ms. Reyes asked why the Sustainability Committee meetings begin at 4:30, when so many homeowners work. She said that she works in San Francisco and had to find two baby sitters and leave work early to attend this meeting. Ms. Reyes proposes for the meeting to begin at 7:00 pm, same as Planning Commission, in order to make it more available for the homeowners to attend and speak.

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Victoria Rodriquez, real estate broker, said that she has been doing business in Hayward for 35 years, and currently has an interest in a couple of properties with clients in the area. Ms. Rodriquez said that Hayward has many amenities to offer and among the ones that she emphasizes to her clients are convenient location, weather, and affordability. She said that the most obvious objections that she has to address to her clients are the school district, gang activity, and crime. Ms. Rodriquez said her experience has been that the majority of the buyers are choosing affordability, that most of her buyers are barely able to put together the required down payment and, consequently, will often seek assistance from the seller with credit for closing costs. Ms. Rodriquez said that the affordable cities in the area are Hayward, San Leandro, San Lorenzo, and Castro Valley. She said that if she knows in advance that she will be asking a seller for a reduction in their net proceeds because of a RECO, in addition to selling a home at foreclosure cost, her first option would be to eliminate Hayward and work with neighboring cities. She said that with all the good intentions, the City would be pounding the last nail on Hayward's value coffin. Ms. Rodriquez said that as a member of the Hispanic community, she is very aware of the struggles that we are facing during this economy. Ms. Rodriquez handed a letter to staff for distribution to the Sustainability Committee.

Luis Munoz, resident, said that he is concerned about the RECO requirements; that it will create a very destructive cycle with the three options that are being presented. For the remodel trigger, Mr. Munoz said that it does not take much to rack up $30,000 in remodeling expenses and said that he knows this because of the type of work that he does. He said for the folks that will try to get away with not having to deal with the issue, the problem with unpermitted improvements will get even bigger than what it is now. Mr. Munoz said that if you look at the transfer trigger, just because you postpone it does not mean that low and moderate-income families will be able to afford it later. If they do not do the upgrades, then they are going to rack up fines and make it worst. Finally, a base certain trigger – again, it doesn't change the math if you don't have the money, unless you are very clear how you define low income, then you will have folks that are not able to do it, try and circumvent it, etc., so it really won't address what you are trying to accomplish. Mr. Munoz said that he supports the concept but not the way it is being presented.

David Stark, Bay East Association of Realtors, noted that page two of the staff report references how priority was given to the various measures presented in the Climate Action Plan. He said the criteria included ease of implementation with potential for reduced emissions and the cost of implementation. Mr. Stark said that based on the information provided today, it is easy to conclude that the latest version of the RECO would be difficult to implement, would not reduce greenhouse gas emissions, and would be expensive for the City and for Hayward homeowners. He said that the Sustainability Committee still does not know if Hayward homeowners and homebuyers can afford to pay the upfront cost to retrofit, and simply stating there are grants available to pay for mandatory requirements is naïve. Mr. Stark said that the Committee does not know if the measures described in the staff reports will reduce energy use in homes located in Hayward. He said that the Committee does not know the unintended consequences from adopting a RECO ranging from health impacts, to the impact that the RECO will have

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on homeowners securing a mortgage. It is okay to conclude that a RECO is not good for Hayward or for reducing greenhouse gas emissions. Mr. Stark indicated that the Committee does not have to recommend the adoption of a RECO. He said that state law does not require the City of Hayward to adopt a RECO and, according to City staff, the Energy Efficiency Grants Programs available to the City of Hayward does not require adoption of a RECO; and the Climate Action Plan does not mandate the adoption of a RECO. Mr. Stark said that the push to adopt the RECO has put the cart before the horse. He would like to ask the Committee to first promote voluntary programs and energy efficient incentives; study the effectiveness of energy retrofits on real homes in Hayward, owned by real Hayward residents; and then use that data to make informed decisions about adopting a RECO.

Michael Chaney, resident, said that he is a realtor and property manager. He said that he thinks the approach that the Committee is making is not fair to the residents and homeowners. He said it should be approached from a different aspect by using the incentives and working with banks to give the proper loan incentives to make it happen; otherwise, the banks are going to look at this as a major problem. Mr. Chaney said that this is a big concern for him, his clients and renters. He asked the Committee if they have considered this approach, same as PG&E's offer to lower-income homeowners. Mayor Sweeney responded that this will be addressed later in the meeting.

Timothy May, Executive Director for the Rental Housing Owners Association, thanked the Committee for offering him the opportunity to speak before them today. Mr. May said that he hopes the Committee received the correspondence that he sent via email the other day. He said that he would like to reaffirm the fact that the California Apartment Association and their local do believe in conservational resources, that it is one of their primary tenants. Mr. May said he is concerned that the proposed RECO may affect the smaller rental property owners in Hayward. He indicated that some of their members are rental owners that are not necessarily landlords by choice, that they have been put in this position for various reasons, and the time certain trigger can really put a serious burden on these owners. Mr. May said that the good news is cities like Dublin and Union City have managed to create Community Climate Action Plans without RECOs, using incentives and education in very positive ways that have helped those communities hit the targets that have been put before them. Mr. May said that he is asking Hayward to consider a similar approach using incentives and education and continue to work to provide a positive business model for people who want to live and work in Hayward.

Rich LaPlante, resident, said that he stands in support of the concept of what the City is trying to do throughout Hayward with clean and green and environmental improvements; however, he totally stands in opposition to the enactment of a RECO. Mr. LaPlante said that he is currently responsible for a family home that was put up for sale in July of 2010. He said the home was offered at a fair price and had up to $40,000 in improvements, and he has not received a single offer despite lowering the price twice. Mr. LaPlante said that due to foreclosures situations in Hayward and in his neighborhood, real estate is pathetic. He said that he does not need a real estate

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profession to tell him that Hayward is near the bottom of the real estate market in Alameda County, and Alameda County is near the bottom for the counties in the Bay Area. He said that he does not need the City to make it more difficult to sell homes and this is not the time to impose more construction costs to those of us that are trying to move more homes, nor the time to impose more government fees; a fee is a tax. He said that he does not support a government process that wants to protect him from himself. Mr. LaPlante said that he stands in opposition to a process that has yet to conduct an extensive outreach to the homeowners in Hayward. He said yes, he has a copy of the water bill insert that was just received, and he has a copy of the February 12 Daily Review article that talks about this topic, and he has read all the minutes from all the meetings that have been conducted. Mr. LaPlante asked which of you elected leaders has sponsored a neighborhood meeting to engage affected homeowners that don't have what I have. Mr. LaPlante said that he supports increased education regarding RECO, for as long as it will take.

Craig Ragg said that he lives in Castro Valley, has a real estate business and owns property in Hayward. Mr. Ragg said that he is concerned about different parts of the RECO, one being the transfer of sale. He said that in theory, if the seller cannot afford to pay for upgrades, then the buyer negotiates and has two years to complete the upgrades. Mr. Ragg said that most of the buyers are buying with a minimum down, and bank and FHA fees are going up, so there will be very little money left over. He said that if they go in assuming that the costs are a certain amount based on the numbers that day, and they still have the two years, the homeowner would be chasing the numbers and that is a potential problem. Mr. Ragg said that his other concern is about the homes that were built over the last 10 years that met the Title 24 codes, that are being updated constantly, but the older homes are being sold and not updated until date certain. Mr. Ragg said that it seems crazy to have to continue to update homes that were built with high standards at the time; and not deal with the older homes. Mr. Ragg said it seems like a bad way to deal with this process and that he agrees with the speakers about education and doing it on a voluntary basis.

Laura Owen, resident, said that she has lived in Hayward for 21 years and her mother-in-law has lived in her Hayward home for 52 years. Ms. Owen said that she is a real estate agent and has been selling homes in Hayward for 18 years and is very concerned about Hayward taking a hit on home prices. She said that transferring and selling properties by trigger would hurt the community, would bring it down in value and, as already discussed, there is the cost of obtaining permits. Ms. Owen said that her income has taken a hit over the last couple of years and she is worried about the expense involved with doing a RECO. She said her mother-in-law is 75 years old and retired; how will she and other homeowners be able to afford these upgrades. She said that she strongly believes that Hayward is one of the lowest communities in the Bay Area and has already taken a huge hit. Ms. Owen said that some investors do not want to purchase in Hayward because of the every 2 to 3-year inspections. Ms. Owen said that she is against RECO through the transfer.

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Clyde Nazareth said that he has a real estate office in Hayward and has been selling homes in the Hayward area for over 20 years. Mr. Nazareth said that he would like to address the most important point that the City should be focusing on right now. He said that we are looking at a community that is the starter area for the Bay Area, and we do not need more hindrances placed in the way of selling homes. Mr. Nazareth said that Berkeley is the only other community that has an active RECO law and Hayward does not need to emulate them. He said that the real estate industry has enough competition for home sales in the surrounding areas, and the surrounding areas do not have the restrictions that a RECO will bring. He said that we are talking about people who suffer greatly, much more than other people in the Bay Area as far as proportional drop, and the City does not need to add more to it. Mr. Nazareth encouraged the Committee to not set a deadline to try to enact a RECO in the future; at this point, it is better to suspend an action of this law and look at sustaining home equity. Mr. Nazareth said that Berkeley is a community at 28 percent above the average income for California; Hayward is 17 percent below. Everything the City does will have an impact, and it will impact it greatly.

Teresa Nazareth, broker at Century 21 for over 20 years, said that she would like to bring to the Committee's attention a letter addressed to the editor of the Daily Review from Jim Ferry, where he talks about the RECO's costly retrofits. Ms. Nazareth said that if the RECO is in the interest of the community, the homeowners do not know about it. She said everybody is trying to hold a job and 4:30 for this meeting is not a viable time. Ms. Nazareth said that a lot of audience is opposed to it; that if we educate the public, she is sure the Committee will have a lot more people telling you what they think about RECO. Ms. Nazareth suggests that we educate people, homeowners, and low-income people, with a little flyer in the electric or water bill.

Rene Mendieta said that he lives in San Leandro and is a local real estate agent. Mr. Mendieta said that he agrees with what the City is trying to achieve and especially addressing the issues of global warming, which in his opinion is definitely creating catastrophic climate change. He said that this legislation does not even put a close dent on the issue; however, he thinks it is still good legislation, but misguided. Mr. Mendieta said that Mr. Clyde Nazareth made an excellent presentation of his opposition to this legislation. Mr. Mendieta said he would like to point out that the exempt foreclosure and distressed sales represent about 70/30 percent of the transactions, which already shows that it is misguided. He said this will deter people from wanting to remodel their homes and deter them from wanting to sell their homes. Mr. Mendieta said that he is not an advocate real estate agent; he is here because he thinks it is unfair for local homeowners and, again, it is misguided.

John White, resident, asked to what degree the Committee has looked at other possibilities and programs like a RECO, whereby the incentive may be, for example, the City of Hayward doing an energy audit or better than that, the CPU City utilities do an energy audit. Mr. White asked how can we piggyback on all of those programs to get more leverage without building a bureaucracy to go out and do the audits. He said they exist now and there has to be opportunities, again, to pardon with the utilities, CPUC to

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get to the goals that we are trying to achieve in saving energy. Mr. White asks to what degree have we given consideration to the new homes being built in the City of Hayward; what degree would those homes allow us to achieve our goals without the expense on the existing homes. Mr. White said third and final thought, perhaps the city can put an "E" stamp on an incentive if you are selling your property, that this home is energy efficient, and that might give some leverage for a few extra dollars as well.

Jan Lebby, resident, said that she owns two homes and has lived in Hayward for 34 years. She said they have enjoyed their home and have done many upgrades to maintain their property. Ms. Lebby asked if we are going to bring homeowners to live and enjoy Hayward, what is there to offer. She said there have been upgrades to some areas, along B Street, and a new theater, and these type of upgrades will bring people to Hayward. Ms. Lebby said to bring them in under this RECO is a negative thing, and if the seller cannot afford to make the improvements, then the buyer is going to have to do this. She said right now home prices are low enough to bring in more people, especially with the starter homes, people will be able to make their improvements as they go along and raise their families. Ms. Lebby said that we do not want to discourage anyone so we need to do whatever we can to help people come to Hayward. She said that if Hayward does not offer affordability and if there isn't a reason to come to Hayward, then Pleasanton and Dublin are 10 minutes down the road, and they have a lot to offer there.

Mary Ann Falle, resident, said that she has lived in Hayward for about 20 years. Ms. Falle said that sustainability and being kind to the environment are values that she holds near and dear to her heart; that this is how she chooses to live her life and these are choices that she makes for herself. However, she said that when she heard about RECO yesterday for the very first time, it felt very disrespectful to her as a homeowner. She said it should be up to her on how she chooses to make her home energy efficient; that it should be her decision based on how much money she makes. Ms. Falle said that now is not the time for a mandatory law and suggests that the City look into something voluntary. She explained, for example, to set a goal for people and say," we as a City want to achieve these goals; these are some things that you can do in your home to help us achieve these goals," and then people can make the choices that are right for them. Ms. Falle said that if the Committee does decide to recommend a RECO, she would like to ask that the whole section on the shower fixture, sink faucet, lavatory faucet, and toilets be omitted, because the reality is that you don't get any savings on gas and electricity by changing those things. She said energy efficiency comes from changing your water heater, wrapping your water heater, wrapping your pipes, and if we are already asking people to do those things, it is not fair to ask them to do these other things. Ms. Falle said that the goal is to reduce energy efficiency with this proposal, not to preserve water, and for the City to stick to its goal.

Wade Winblad, resident, said that he does not have a problem with new construction, energy efficiency, or extensive remodels, but forcing people to retrofit when they are not ready is not called for these days. Mr. Winblad said there are many people in attendance tonight that are not represented, and those are the people that he hopes he can speak for. People that are still at work, people on assembly lines and at hospitals, and he bets the

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people in the audience can probably buy insulation for their attic, but the people that aren't here, might not be able to afford it. Mr. Winblad said that the mandatory requirement to retrofit houses is totally wrong, and asked if the Committee are public servants or our rulers, which is it?

Otto Catrina, property owner in Hayward and President of Bay East Association of Realtors, said that he is involved with a transaction in Alameda where they have a point-of-sale on a sewer lateral. Mr. Catrina said that he is a big advocate for this because of the toxic leaks in the sewer lateral getting into the high water cable and the adverse affect it would have on the community. He said that Bay East Association is advocating on the proposed RECO incentives; however, they want to make sure that it is not mandated and that it is voluntary. He said that it is unfortunate that a lot of the community is not in attendance; there is a population of 158,000 in Hayward and only about 50 people are in the audience. Mr. Catrina said that the communication and collaboration with the community in trying to identify and resolve a solution is missing, and needs to be addressed.

Fadi Dib, resident, said that four years ago he remodeled his home and went the extra mile to make his home more efficient. He said that some of the items disclosed in the RECO indicate that he would have to do some of these things again. Mr. Dib said that he went through a lot with the City in dealing with permits, licensing, inspectors, and other horrible things that were mentioned earlier in the meeting, and he is not willing to do that again. Mr. Dib said that if incentives are offered, then basically, homeowners would achieve what they need to achieve.

Mayor Sweeney closed the Public Comments session and thanked the speakers for their comments.

IV. Approval of Minutes of February 2, 2011 - minutes approved with minor revisions from Planning Commissioner, Al Mendall.

V. Residential Energy Conservation Ordinance (RECO)

David Rizk, Development Services Director, said there has been a lot of effort in the last several months to develop the framework for a potential RECO for Hayward. Based on the direction from the Sustainability Committee, staff has tried to balance the adopted goal of reducing greenhouse gas emissions associated with energy use in existing homes while minimizing the cost to homeowners. Mr. Rizk said that since the February Sustainability Committee meeting, staff has made revisions to potential components of the future RECO to provide more flexibility for compliance, more exemptions, and as many incentives as possible to encourage homeowners to reduce energy use, which will all be addressed by Erik Pearson during the presentation.

Mr. Rizk said that he would like to take a moment to introduce and acknowledge the team that has been working on the proposed RECO. First, Erik Pearson, Senior Planner, has been the lead on developing many of the components of the RECO. Second, a

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tremendous amount of work has been done by Mike Gable of Gable and Associates, who not only developed the RECO report for Hayward, but also developed a cost effective study that was used by Hayward and other cities in the Bay Area related to adopting Green Building Ordinances for new construction. Third, Marc McDonald of QuEST and the City's Sustainability Coordinator, who is on contract through the end of next year. He said that Mr. McDonald will be will be the lead on rolling out the three energy efficiency incentive programs that total about $750,000 in Federal Energy Efficiency and Conservation Block Grants funds, and of that amount, $250,000 relates to rebates for improvements in existing homes. Mr. Rizk also introduced Bachi Brunato, who has been doing general contracting and construction work for over 30 years and has worked on hundreds of homes involving remodels and retrofits, and worked on homes with the current utility program incentives and energy efficiency installations. He said that Mr. Brunato is here to answer any questions in terms of cost and construction and any questions related to his contracting experience.

Mr. Rizk said that Mr. Pearson will be providing a PowerPoint presentation and overview of the proposed RECO, and will explain what a RECO is and why the City has been spending time in trying to develop a RECO. Mr. Rizk said that Mr. Pearson will also be providing the Committee with some options to consider as they move forward to the City Council, which is scheduled for Work Session on May 31.

Mr. Pearson said that he will be providing a few of the basis for a RECO, focus on some of the major components that might go in the RECO, and focus on some of the changes that have been made since the last Sustainability Committee meeting in February.

Mayor Sweeney asked Mr. Pearson if he may interrupt for a moment, and continued by saying that the Committee has heard from many people this evening, and now he sees that people are walking out. Mayor Sweeney said that it is a little disingenuous for folks to tell the Committee what they don't like, and then when the information is about to be shared, for them to walk out of the room. Mayor Sweeney offered the suggestion to the other audience members to encourage the folks that walked out to come back in and listen to the presentation. He said that it is unfortunate for people to talk about certain things they don't like without hearing what the program is and what the ordinance might actually include. Mayor Sweeney indicated he is just making a suggestion and that he is sure the rest of the Committee members would appreciate this, as well. Mayor Sweeney apologized to Mr. Pearson for the interruption and asked him to proceed.

Mr. Pearson indicated that the State adopted the Global Warming Solutions Act in 2006, which includes greenhouse gas emissions reduction goals and that it includes Hayward's goals. In addition, the California Public Utilities Commission released a Long-Term Energy Efficiency Strategic Plan that includes goals for reducing energy use in existing homes, and that plan recommends that local governments adopt RECOs. Mr. Pearson said that Hayward's Climate Action Plan was adopted in 2009, and includes emission reduction goals to those of the State. He said that a RECO is one of the recommended options in the Climate Action Plan, which estimates savings of 639 metric tons annually by 2020, and 39,000 metric tons annually by 2050.

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Mr. Pearson provided a brief overview of the schedule of Sustainability Committee meetings that were held in 2010 and 2011, and noted there were a couple of special meetings outside of the regular meeting schedule, as well as several meetings with the Climate Action Management Team. He indicated that all meeting agendas are posted to the website; email notifications have been sent out; and inserts were included with the water bill accounts. Mr. Pearson said there is background information and reports on the RECO page of the website and you may visit it by clicking on the Green Hayward link located on the website page.

Mr. Pearson said that the main components of the RECO are the retrofit measures triggers, cost caps, and exemptions, and proceeded to explain each of these components. Details are available in the March 2 Staff Report.

Mr. Pearson said that staff plans to provide a draft ordinance to City Council on May 31, and has drafted several options that the Sustainability Committee may want to recommend to City Council, as outlined below:

1. Adopt a RECO consistent with today's report (effective approximately 2 years after adoption);
2. Adopt a RECO that differs with today's report (effective approximately 2 years after adoption);
3. Delay adoption of a RECO until a County-wide model ordinance is developed;
4. Don't adopt a RECO and amend the City's Climate Action Plan; or
5. No recommendation at this time.

Mr. Pearson said that this concludes his presentation.

Bill Quirk, Council Member, thanked everyone for being at the meeting tonight, and clarified that they are not rulers, they are representatives. Mr. Quirk said that he thinks it is critical that we fight global warming; however, the Committee is losing the argument with the community, and thinks they should begin with a voluntary program. Mr. Quirk said that they are partly losing the argument because they should have removed the change on sale; this has all the realtors talking with the community, and also it doesn't make sense with the status of the current market. Mr. Quirk said that we should start with a model ordinance and a lot of education, and also educate the community about the problems with global warming. Mr. Quirk indicated that Berkeley put a measure on the ballot asking the community to come up with a goal for reducing greenhouse gases, and they did and it brought the community out and a lot of the discussion forward. He said that as a member of Hayward Area Shoreline Planning Agency, they brought forward a plan to deal with sea level rise, and if something is not done we are going to lose part of Hayward's industrial district and the City's sewage treatment plant. Mr. Quirk said that we need to omit the idea regarding toilets, that PG&E has a toilet replacement program. Mr. Quirk said he thinks we need to start with something that is voluntary and that he doesn't see them proceeding any other way at this time; however, he wants to hear what his colleagues have to say.

Olden Henson, Council Member, thanked everyone for attending the meeting and for their interest, and thanked staff for all their hard work. Mr. Henson wanted to point out that staff is not initiating, staff is moving forward at the directive of the Sustainability Committee, who wanted to see how we can address some of the issues that are relative to reduction in carbon footprint. Mr. Henson said that the key to any adopted program are incentives; and to have a major program without any incentives or funding mechanisms, will probably be a failure up front. He said that one of the things that he has done in the past year or so is to represent the City on the Stopwaste.org board, which is the waste authority for the County. Mr. Henson said that he had a couple of opportunities to look at RECO audiences in that venue as well, and asked that staff to look at Hayward proposals and what could be done, in lieu. Mr. Henson said that he just learned from the Executive Director of Stopwaste.org, that his concern with Hayward's RECO at this moment, is that another program was recently unveiled called Energy Upgrade California, which is an incentive program. He said if Hayward were to move forward with a RECO, there might be confusion with the mandatory programs and the incentive programs, such as the PG&E incentive programs, many of which are forthcoming, and this would offset some of the RECO actions. Mr. Henson indicated that the main program that Stopwaste.org staff has been working on over the last year is with the Department of Energy on major grants that might make the RECO unnecessary. In addition to that is the PACE program with Fannie Mae and other agencies, and it may be that the many incentive programs along with the City of Hayward's program, may offset that need, however, we do not know that yet. Mr. Henson said that he is suggesting, as one member of the Committee, to wait for a model ordinance from the entire County, so that Hayward is not stepping out and providing another City an unfair advantage over Hayward.

Mr. Henson said there are a number of recommendations from staff, and then asked staff for their recommendation. Mr. Rizk responded that he thinks there are valid reasons for delaying in order to allow for several things to happen, such as education and outreach, full utilization of incentives, including any future incentive programs, and the ability to collect data to see how efficient some of these improvements would be for those who do take advantage of the incentives. Mr. Rizk said the final thought is to have staff review their analysis on what the capacity is of City staff, including future staffing levels, would be to administer and oversee this type of ordinance and implementation. Mr. Henson said that his suggestion, more specifically, is to look at what all the other cities are doing and to come under one umbrella, and approach it this way. He said that he thinks it is critical to educate the community. Mr. Henson addressed Mr. Stark in asking that his organization do their part as well. He asked that when the incentive programs roll out, that Mr. Stark make sure that these incentive programs are out there and indicated that there is an education component that is needed on his part, as well. Mr. Henson said to Mr. Stark that he has asked something of the Committee, and the Committee is asking something of him, and he fully expects that to go into play.

Sara Lamnin, Planning Commissioner, said that she also wants to add her thanks to everyone that has done work on this, including the community and that they attended

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this meeting and are speaking out. Ms. Lamnin said the government's role is to manage and to protect, that is what people were appointed for, and that is what people were voted for; but not to do what the community does not want. She said there must be community involvement and community engagement, so the question is whether we move forward. Ms. Lamnin said that she heard some good support and good ideas about delay in terms of what else could happen. She thinks that focusing on education and making sure that the incentives get out through homeowners groups and community networks in the City, and giving people the tools that they need to make sure we are all taking care of each other, that energy conservation will provide for us. Ms. Lamnin said that she is hesitant because 2020 is nine years away, so if we delay for everybody to get together on the same page, we are never going to get there. She said she is wondering if instead of a prescriptive measure where people have to do these things, that we talk about a date certain home energy audit, with solid information that helps to make sure that what is happening in a home, is what needs to happen, to allow people flexibility with a really clear goal. Ms. Lamnin said in addition, to clarify that this is where we are trying to get to; here is what the City has already done to try and meet its requirements; here are the next steps; and here is the role that we are asking everybody in the City to do. Ms. Lamnin asked that we do not exempt people who are low income or have disabilities from participating. She said that she does not mean we add extra burden to people who are already burdened; she means that we do not eliminate the opportunity for everybody to participate. She said there are many free programs and ways to mitigate costs to share burdens; however, if someone is living in substandard housing, that could be a huge burden to the environment and if we do not address that, she thinks we are doing a disservice to the community, as well.

Al Mendall, Planning Commission, said that this is very difficult for him and there is no doubt in his mind that we need to do this. He said that global warming is real and it is getting worst every year, and many speakers tonight acknowledge that we need to do something to combat global warming. He said when the green building ordinance came before the Committee, the builders came and said yes, we need to do something about global warming, but not with new construction. If we have something that is going to affect businesses, the business owners will come down and say we need to do something, but do not affect businesses. Mr. Mendall said if we all take that approach, then we get paralyzed and do nothing. He said that doing nothing is not acceptable. Mr. Mendall said that he lives three miles in from the bay and his house is 16 feet above sea level. Mr. Mendall said that global warming is going to affect Hayward first; 20 percent of the town is approximately 10 – 15 feet above sea level or less. He said that we just can't hope for the best and do nothing. Mr. Mendall said that he cannot disagree with what some of his colleagues are saying regarding trying to force something down the community's throats; it is not the right way to do it, even though he knows it the right thing to do. Mr. Mendall said that he is left in a little bit of a pickle; to do nothing is wrong; to force something that the community is opposed to is wrong; and that he honestly does not have an answer, except move to higher grounds.

Dianne McDermott, Planning Commissioner, thank everyone for their various opinions and observations. She said she works in a financial investors office and is familiar with

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lenders, FHA, conventional, Freddie Mac, etc., and it does concern her with the timing, and we need to do something. She said that Hayward is suffering a decline in market value and it is difficult to sell a home. She said that some folks have already done work to improve heating and conservation and now, according to what is being required, it would have to be certified and an inspector would have to come and look at it. Ms. McDermott said she is not against the fact that we need something to come into place, she just doesn't think, based on the timing, if we can do it, or not. She said she believes that we should make incentives available for those people that want to do upgrades voluntarily, and measure the success of those improvements to see how significant they really are. Ms McDermott said that in taking a look at implementation, we don't really have proper staffing at this point; it would require hiring and right now we have budget concerns and we are losing funding. Ms. McDermott said that she feels education is important and that we continue to do our best to make the public aware of what is going on with education.

Mayor Sweeney said that it appears that the consensus of the Committee is to start with a voluntary program, look at the County-wide model ordinance, when available, and emphasize education and outreach.

Mr. Quirk said that he would like to add that the community has said that all we need is a voluntary program to get the improvements, and we need to see that happen. Mr. Quirk said that once we have a loan program and we have shown that payments on the loan are going to be saving energy, then we can move forward with the mandatory program. Mr. Quirk said that all those things need to happen first and we are still going to need to sell it to the community before we can move forward.

Mr. Mendall said that those incentive programs have been in place for a long time and they have not worked. He said that we have new incentives and different programs now and that he is not optimistic that they will work. Mr. Mendall said that for those of you that don't want to see something mandatory, he will challenge you, encourage you, plead with you, to help us to make the voluntary path work. He said that if we can do it in a voluntary way to meet the goals that we need to meet, then great. He asked the audience to help the City to get different results this time or when we come back in three or four years, we may end up with a different result and a difficult kind of RECO that would not be as friendly.

Mayor Sweeney said that Mr. Mendall's point is a good one. Mayor Sweeney addressed Mr. Rizk and said that this leads to another element of some sort of monitoring to track and see if the walk is matching the talk. Mayor Sweeney said if it does not match the talk, then of course the next logical step would be the sort of steps that Mr. Mendall is suggesting. Mr. Rizk responded that they anticipate monitoring the program and part of the requirements for participating in our program for rebates, is to provide data and allow PG&E to submit that data. He said it would help track our overall greenhouse gas emissions and update our inventory.

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Mayor Sweeney asked if there were further questions; there being none, Mayor Sweeney closed the RECO discussion.

IV. Summary of Last Climate Action Management Team Meeting

Mr. Mendall said that many of the items that were discussed tonight were discussed at the last CAMT meeting. There was general approval for the staff recommendations with one descent from Mr. Stark who wanted it said that the RECO could have a negative effect on a buyer's ability to qualify for purchase financing.

V. General Announcements and Information Items from Staff

Mr. Rizk said that the City Council is going to have a Work Session on the RECO on May 31. Also, there will be a Green Expo in the rotunda on March 11, from 12:00 – 7:00 pm, and everyone is invited to that event. Mr. Rizk said that staff would continue to attend the Neighborhood Partnership meetings and get the word out on the various incentive programs, including the cities that are getting ready to launch.

Mayor Sweeney said that Mr. Rizk has been attending the meetings and does an excellent job in presenting the program. Mayor Sweeney thanked Mr. Rizk, Mr. Pearson, Mr. Gable, and everyone for their good work.

VI. Committee Referrals and Announcements – none.

VII. Next Meeting: Wednesday, April 6, 2011
Update on Food Scraps Programs
Senate Bill 7 – Water Conservation
Annual Review of CAP Implementation and Priorities

VIII. Adjournment: Meeting adjourned at 6:18 p.m.

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DATE: April 6, 2011

TO: Mayor and City Council Sustainability Committee

FROM: Robert Bauman, Director of Public Works

SUBJECT: Senate Bill 7 (SB7) Per Capita Water Use Reductions

RECOMMENDATION

That the Committee reviews and comments on this report.

SUMMARY

Senate Bill (SB) 7, formally known as the Water Conservation Act of 2009, was signed into law in November 2009. This legislation is intended to reduce state-wide urban per capita water consumption by 20% by 2020 by requiring urban water purveyors, such as Hayward, to set and achieve specific per capita water use targets. The 20% reduction is a state-wide goal, and the actual required local reductions will vary from agency to agency, depending on a variety of factors, including current per-capita consumption and climate. Staff has determined that Hayward will need to achieve a 4% reduction over recent gross per-capita usage, from 127 gallons per capita per day (gpcpd) to 122 gpcpd by 2020 through a combination of water conservation strategies, requirements for water efficient fixtures, and pricing signals. In comparison, the current statewide per capita usage is 192 gpcpd, and the 2020 target is 154 gpcpd.

BACKGROUND

In 2008, Governor Schwarzenegger called for a reduction of 20% in statewide per capita urban water use by 2020. The directive initiated development of the 20% by 2020 Water Conservation Plan, prepared by the Department of Water Resources (DWR), to establish a framework for achieving reductions in urban water usage, taking into account regional economic and climate variation. DWR developed estimates of statewide and regional baseline per capita use, and recommendations for reducing usage through a combination of indoor and outdoor water use efficiency measures, financial incentives, education and outreach, and increased use of non-potable sources. The 20% by 2020 Plan is not intended to achieve a 20% reduction in overall water use, but rather a reduction in *per capita* use. SB7 was signed into law in November 2009 to enact the principles of the 20% by 2020 Plan. The intent of the legislation is to reduce urban per capita water use state-wide by 10% by 2015 and 20% by 2020. Acknowledging differences among agencies in terms of climate conditions, economic factors, availability of data, and development patterns, SB7 allows several different methodologies for calculating baseline water use and target reductions. DWR has developed technical guidance to ensure

consistent application of the legislative intent. Staff has reviewed the guidance documents, participated in workshops held by DWR, and studied the various methodologies and their impacts on Hayward.

It is important to keep in mind that per-capita use, as defined in SB7, refers to gross water use, rather than residential water use. For Hayward, this means that the water used by the State university, community college, two hospitals, and other businesses must be included in the calculations.

Urban Water Management Plans (UWMPs) are the mechanisms identified in SB7 for reporting on water use reduction targets and progress. Urban water suppliers, including Hayward, are required to adopt an UWMP every five years in years ending in five and zero. (Normally, the 2010 UWMP would have been due to the State by December 31, 2010, but SB7 granted an automatic extension to July 1, 2011 to allow water purveyors time to determine their water use reduction targets.) UWMPs are planning tools used to estimate future water use, identify water supplies, and evaluate supply reliability in both normal and dry years.

DISCUSSION

SB7 applies to any urban water retail supplier that delivers more than 3,000 acre-feet per year or serves more than 3,000 connections. With more than 30,000 connections and annual water deliveries of close to 20,000 acre-feet, Hayward is subject to the provisions of this legislation. Compliance with SB7 consists of several steps, which in the end, result in a 2015 interim and 2020 final water use target that each agency must meet in those years. Simply put, SB7 requires urban water suppliers to do the following:

1. Calculate baseline daily per-capita usage, on which reductions will be based.
2. Develop water use targets for 2015 and 2020, using one of four approved methods.
3. Determine the minimum water use reduction requirement, and compare it to the water use targets, calculated in Step 2.Whichever is the lower of the two must be adopted as the final per capita water use target.
4. Achieve water use reductions to meet the 2015 and 2020 water use target.

The following paragraphs will further describe each step and how the legislation will impact Hayward.

Calculate Baseline Daily Per-Capita Usage

Per-capita water use is defined as the total amount of water supplied to a distribution system during a year divided by the number of people served (known as the service area population). The base daily per capita use for the purpose of SB7 is the average for a consecutive ten-year period, ending no earlier than December 2004 and no later than December 2010. Using California Department of Finance population data and billed water consumption from San Francisco Public Utilities Commission, staff calculated the average per-capita use for each of the eligible ten-year periods and determined that the optimal base period for Hayward is Fiscal Year 1995-96 through 2004-05. The average daily per-capita use in Hayward during this period was 130 gallons per day.

Develop Water Use Targets for 2015 and 2020

After calculating base daily per-capita water use, agencies must select one of four methodsto establish interim and final water use targets. The following table briefly describes the four alternatives:

Description of Methodologies for Calculating Urban Water Use Targets

	Brief Description	Data Requirements
1	Water use target is set at 80% of base daily per capita daily water use	• Base daily per capita water use
2	Water use target is based on achievement of certain performance standards: a) indoor residential water use of 55 gpcpd; b) landscape water use efficiency equivalent to the Water Efficient Landscape Ordinance standards; and c) 10% reduction in baseline commercial/industrial/ institutional water use	• Water use estimates and appropriate water budgets for all parcels with dedicated irrigation meter • Baseline commercial/industrial/ institutional water use
3	Water use target is set at 95% of the applicable state hydrologic region target	• Applicable state hydrologic region target (131 gpcpd for Region 2 – San Francisco Bay Area)
4	Water use target is set in accordance with a provisional method that totals savings from installation of water meters, specific indoor residential and commercial/industrial savings, and landscape and water loss savings	• Potential savings due to installation of water meters • Assumed residential, commercial and industrial savings • Assumed landscaping and water loss savings

In reviewing the methodologies and data requirements for each, it was apparent that data was most readily available for calculating Hayward's water use target using two of the four alternatives, specifically, Methods 1 and 3. Method 1 is fairly straightforward and the data needed is available, accurate and verifiable. Method 3 allows agencies to set targets based on their hydrologic region and appears to be optimal for agencies with relatively low existing per-capita use and outdoor use, such as Hayward. The two methods that were not analyzed, Methods 2 and 4, require a significant amount of data that is not currently available, particularly related to dedicated irrigation accounts and would likely require consultant assistance. In addition to the complexity and data requirements, these methods may not be the best option for Hayward because of necessary reductions in non-residential use, which could affect business and economic development. Method 4 also incorporates potential savings from the use of water meters, and since Hayward's water consumption is already metered, the City would not benefit from this provision.

Methods 1 and 3 result in two very different water use targets. Method 1, which establishes the target at 80% of the base daily per-capita water use, results in a 2020 target of 104gpcpd, with an interim 2015 target of 117 gpcpd. Method 3establishes the target at 95% of the applicable regional hydrological goal. Hayward is situated in Region 2, the San Francisco Bay Area, which has a 2020 regional goal of 131 gpcpd and an interim 2015 goal of 144 gpcpd. Thus, the 2020 target for Hayward under this alternative is 124 gpcpd, with an interim goal of 137 gpcpd. Method 3 clearly provides the optimal target for Hayward because this approach recognizes the community's already low per-capita use and moderate climate, whereas Method 1 may be more appropriate for an agency with existing per-capita use that is significantly higher than the applicable regional hydrological goal.

Determine Minimum Water Use Reduction and Compare to Calculated Water Use Target

As noted in the previous section, Method 3 is the optimal of the four alternatives for determining water use goals in Hayward, setting targets for 2015 and 2020 at 137 gpcpd and 124 gpcpd respectively. However, SB7 further requires agencies to compare these targets to minimum water use reductions. Briefly, the minimum target is determined by calculating average per capita use during a continuous five-year period, ending no earlier than December 2007 and no later than December 2010. This average is then multiplied by 95%. If this result is lower than the calculated 2020 goal, then the final 2020 per capita use must be reduced to the minimum water use target.

For the purpose of determining the minimum water use reduction, the most favorable five-year period for Hayward is Fiscal Year 2003-04 through 2007-08. The average use during this time was 128 gpcpd, and 95% of this value is 122. Since this number is lower than Hayward's target under Method 3, the minimum water use reduction is applicable, and Hayward's targets become 126 gpcpd in 2015 and 122gpcpd in 2020.

The following table summarizes the 2015 and 2020 targets for Hayward under Methods 1 and 3, and the minimum use requirement.

Water Use Targets

Calculation Method	2015 Interim Target (in gpcpd)	2020 Final Target (in gpcpd)
Method 1 – 80% of Baseline	117	104
Method 3 – 95% of Hydrologic Region Goal	137	124
Minimum Water Use Requirement	**126 ***	**122**

* Midpoint between the ten-year baseline usage (130 gpcpd) and the 2020 target.

Achieve Water Use Reduction Targets

The final action required will be to achieve and document the water use reduction targets in 2015 and 2020. Non-residential development and expansion can affect gross per-capita use, so it will be critical to develop a comprehensive implementation plan that does not adversely impact one customer sector disproportionately. This will take some time, but the following information may serve as a starting point for discussion.

Water Use Reduction Challenges - Hayward's current per capita water use is among the lowest of all the wholesale customers of San Francisco Public Utilities Commission. There are several reasons for this, including climate and development patterns; however, considering that Hayward's service area includes a state university, community college, two major hospitals, and a significant industrial sector, the gross per capita water use is very low. Hayward's highest per-capita water use during the last ten years was 136 gpcpd in FY 2003-04. The average for the last ten years is 127, excluding an unusually low usage of 114 gpcpd in FY 2009-10. Assuming a somewhat normal recent per-capita use of 127gallons, reaching a target use of 122 gpcpd would require a 4% reduction in current per-capita use. While this reduction appears to be modest percentage-wise, it would be a challenge to further reduce Hayward's already low usage, even if the community were built out and static.

However, in that Hayward is looking ahead to future economic growth and development, a further challenge will be to develop strategies to comply with SB7 while pursuing City goals of business

attraction and retention, improved community appearance, and neighborhood revitalization. Future water usage projections are currently being evaluated for the City's 2010 Urban Water Management Plan. As part of that assessment, staff is reviewing the potential for intensification of existing underutilized industrial properties with higher water using businesses such as biotechnology, food processing and the like, as well as renovation and landscape upgrades of existing residential and non-residential properties. An overarching consideration will be the need to balance sustainable future water use with other community priorities.

Water Use Reduction Strategies —SB7 acknowledges that agencies will need time to evaluate strategies and identify resources to achieve compliance with water use targets, and at this time, it is not necessary to provide a fully developed plan. However, it is beneficial to review in general terms some of the known and potential mechanisms that will be available to the City.

- Water Conservation Programs. Hayward's current water conservation program includes:

    - Rebates for replacement of high usage toilets with high efficiency models and the purchase of water efficient clothes washing machines
    - Distribution of high efficiency devices, such as showerheads, at no charge to customers
    - School classroom and assembly programs
    - Public education and outreach
    - Free water efficient landscaping classes

    These programs are expected to continue as long as they are cost effective. The City will also evaluate and implement new programs which have demonstrated water savings potential at a reasonable cost. Such programs could include rebates for "smart" irrigation technology, commercial/industrial water conservation surveys and incentives, and submetering incentives.

- Water Efficiency Standards. Hayward will benefit over time from its adoption of indoor water efficiency standards for new construction and remodels and the water efficient landscaping ordinance. These standards mandate installation of the most water conserving fixtures that are available and which have been shown to work effectively. In addition to local efforts, there is legislation at the State level that mandates replacement of existing non-conserving fixtures, such as toilets and showerheads by a specified date. State-wide and national efforts to improve the water efficiency requirements for washing machines, dishwashers, and other water using appliances are also ongoing.

- Cost of Water. A factor that will play an increasing role in water use efficiency in Hayward is the rising cost of purchasing water. As the Committee is aware, San Francisco Public Utilities Commission is anticipating significant increases in wholesale rates due to regional water system improvements, and those costs will need to be passed on to customers. As water rates increase, the economics of water conservation will become more attractive to customers.

Going forward, new water conservation opportunities will become available as technology evolves. The City will benefit by staying flexible and open to new strategies and ensuring that all customer sectors are provided with incentives and opportunities to reduce water usage. Staff will continue to look to the City Council and public for direction on continued implementation of water conservation programming.

Regional Compliance - SB7 allows water agencies to comply with provisions on a local or regional basis, or both. Regional alliances may be formed among agencies that purchase water from a common wholesale provider, are members of a regional agency authorized to implement water conservation, or

are located in the same hydrologic region. The Bay Area Water Supply and Conservation Agency (BAWSCA), of which Hayward is a member, is comprised of agencies that buy water from SFPUC and is specifically named in the legislation as an agency that may serve as a regional entity for compliance with SB7. Alliances may be formed by some or all of the BAWSCA agencies.

BAWSCA prepared a preliminary assessment of regional SB7 targets to determine how agencies would benefit by forming a regional alliance, either among all agencies or among subsets of agencies. The results indicated that all agencies could reduce their SB7 targets to some extent through a regional alliance, although not surprisingly, the greatest beneficiaries would be agencies with high current per-capita use. Preliminarily, it appears that, if all BAWSCA agencies participated in a regional alliance, Hayward's reduction over its current per-capita usage would be between 3 and 4 gpcpd, rather than the minimum use reduction of 5 gpcpd.

Staff is not sure that entering into a regional effort that would reduce water conservation goals for high use agencies is the best strategy for conserving water resources. However, no decision on whether to form an alliance needs to be made at this time. Staff recommends that the door be left open to participating in a future alliance in the event that a significant benefit to Hayward is identified, and to proceed with individual compliance. If the City Council determines in the future that it is in Hayward's interest to form an alliance with some or all of BAWSCA agencies, staff would explore the most favorable alternatives.

Consequences for Non-Compliance with SB7– Agencies that are not in compliance with the legislation after July 1, 2016 will not be eligible for water grants or loans administered by the State until the target is achieved. The only exceptions will be for disadvantaged communities or for water agencies that have provided the State with a schedule, financing plan, and budget for achieving compliance. No financial penalties for non-compliance are identified in the legislation. As a point of information, the Hayward Water System currently has no such grants or loans.

ECONOMIC IMPACT

Compliance with SB7 will require additional, potentially costly, water conservation programming. These costs will need to be recovered through water rates; thus, there will be an economic impact to the community. The actual costs will depend on the types of the programs, participation levels, and other factors. Staff will work with other regional entities to secure grant funding whenever possible to alleviate the impact on the rates.

PUBLIC CONTACT

SB7 requires that decisions regarding urban water use targets be subject to a public hearing. This issue is scheduled to be considered by the full City Council at a public hearing in June. Staff is also mindful of the need to listen and respond to the public in terms of the types of water conservation programs that would be effective in Hayward, both for residential and non-residential customers. Through staff's presence at community and business events, one-on-one discussions with customers, participation in regional water conservation efforts, and other activities, various programs will continue to be assessed and brought to the City Council for consideration.

NEXT STEPS

A public hearing and Council consideration of the City's 2010 Urban Water Management Plan is scheduled for June 21. As part of this action, the City Council will consider public input and approve

the method for determining SB7 water use reductions. Staff is currently preparing the draft documents, which will be available for public review at least two weeks prior to the hearing.

Prepared by: Alex Ameri, Deputy Director of Public Works

Recommended by: Robert A. Bauman, Director of Public Works

Approved by:

Fran David, City Manager

CITY OF
HAYWARD
HEART OF THE BAY

"20 x 2020" Water Use Reductions

Council Sustainability Committee

April 6, 2011

Alex Ameri, Deputy Director of Public Works

Public Works Administration
Public Works Department

Outline

- Background
- Overview of SB7 Requirements
- Water Use Target Calculations
- Minimum Water Use Reduction Target
- Compliance Strategies
- Next Steps

Background

Feb 2008 – Governor calls for 20% reduction of per capita urban water use by 2020

Nov 2009 – Water Conservation Act of 2009 (SB7) requires state and local agencies to reduce per-capita use

Feb 2010 - The *20x2020 Plan* - established average statewide water use target of 154 gpcpd

SB 7 Overview

Who Must Comply

- Water suppliers serving more than 3,000 customers or supplying more than 3,000 AF annually

State Goals

- 20% reduction in *statewide* urban per capita water use by December 31, 2020

Water Supplier Requirements

- Select one of four methods to develop interim and final water use reduction targets; compare against minimum target
- Implement measures to achieve targets

Water Use Target Calculations

Method 1

- Water Use Target set at 80% of ten-year base daily *gross* per capita water use
- Hayward's targets under Method 1:
  - Interim (2015): 117 gpcpd (10% reduction)
  - Final (2020) target: 104 gpcpd (20% reduction)

- Significant reductions needed over already low per capita use
- Could impact economic development
- Not selected

Water Use Target Calculations

Method 3

- Water Use Target set at 95 percent of the applicable state hydrologic region target
- Hayward targets under Method 3
  - Interim (2015): 137 gpcpd (0% reduction from current use)
  - Final (2020): 124 gpcpd (2.4% reduction from current use)

- Favorable to agencies with already low per capita use
- Accounts for moderate climate zone
- Results in more achievable targets for Hayward customers
- Recommended methodology

Minimum Water Use Reduction Target

Minimum Water Use Reduction Target

- Compare calculated target to minimum water use reduction target and select lower of two numbers
- Hayward's minimum water use reduction targets:
  - Interim (2015) : 126 gpcpd
  - Final (2020) : 122 gpcpd

Conclusion: Hayward target to be set at the minimum use reduction

Summary of Water Use Targets

Methodology	Interim Target (gpcpd)	Final Target (gpcpd)
Method 1 – 80% of Baseline Daily Per Capita Use	117	104
Method 3 – 95% of Hydrologic Region Goal	137	124
Minimum Water Use Reduction Target – 95% of Five-Year Daily Per Capita Use	**126**	**122**

Comparison of Current Water Use to Targets

- Average per-capita use since 1999-00 is 127 gpcpd (excluding unusually low 2009-10)
- Therefore:
  - 1% reduction needed by 2015
  - 4% reduction by 2020

- Reducing already low usage will be a challenge

Water Use Reduction Strategies

Continue current water conservation programs

- Rebates
- Free water efficient fixtures
- School education programs and public outreach
- Landscape classes

Evaluate and implement new programs

- Incentives for improved irrigation technology
- Commercial water use surveys and incentives

Indoor and outdoor water use efficiency standards

Water pricing

Compliance with SB7

- Targets and progress to be documented in Urban Water Management Plans
- Consequence of non-compliance – ineligible for State loans/grants

Regional Compliance

- Alliances may be formed among agencies that purchase water from a common wholesale provider
- For example, BAWSCA agencies could join together - would be most beneficial to agencies with high per-capita use
- Decision not needed at this time – can leave the door open for future alliance

Next Steps

Draft UWMP and water use targets –April/May

↓

Public review of UWMP and SB7 water use targets – May/June

↓

Public hearing and adoption of water use targets and UWMP– June 21

↓

Submission of adopted UWMP to State – mid-July

↓

Water use reduction strategies to achieve targets - Ongoing

“20 x 2020”
Water Use Reductions

April 6, 2011

HAYWARD

CITY OF
HAYWARD
HEART OF THE BAY

VI

DATE: April 6, 2011

TO: Mayor and City Council Sustainability Committee

FROM: Director of Public Works

SUBJECT: Food Scraps Programs: Status Report

RECOMMENDATION

That the Committee reviews and comments on this report.

BACKGROUND

This report summarizes current participation levels in the organics collection services offered residents and businesses in the City of Hayward and staff's efforts to increase participation and diversion. The goals to increase participation in recycling services offered residents and businesses are described in the Climate Action Plan (CAP) adopted by the Hayward City Council on July 28, 2009. One of its goals is to reduce greenhouse gas emissions associated with the disposal of solid waste; the CAP describes a number of planned actions. The goals to increase program participation by businesses and residents are established in Actions 6.1 and 6.2, respectively. Another related planned activity is implementation of organics collection at City offices (Action 6.9), which will be completed later this year.

The City's Franchise Agreement with Waste Management of Alameda County (WMAC) offers residential and commercial collection of food scraps, food-soiled paper, yard trimmings, and untreated lumber and unpainted wallboard. Residents are asked to place all organics in their green cart, which is serviced weekly, on the same day as regular garbage collection. Residential collection of food scraps and food-soiled paper, implemented at no additional charge to residents, began in January 2009. Commercial collection of organics, available at half the price of garbage collection for the same level of service, began in June 2007, the commencement date of the current contract.

DISCUSSION

Residential Participation - Staff estimates that in 2010, about 34% of all single-family households in Hayward recycled food scraps and food-soiled paper. This estimate is based on four visual surveys of green carts placed curbside that staff conducted in 2009 and 2010. Each survey covered about 2200 households. The surveys recorded and evaluated the total number of households that recycle food scraps and food-soiled paper and noted whether and which types of contaminants (e.g., plastic bags) were placed in the green carts. A consultant retained by

StopWaste compiled all of the data recorded by staff for each of the surveys conducted and calculated an estimated participation rate. The consultant indicated that the rates were consistent with the experience of other municipalities in Alameda County. Total tons of organics collected in calendar year 2010 has increased about 9.5% over tons collected in 2009, and WMAC has reported no measurable contaminants. Staff attributes an undetermined portion of this increase to food scraps and food-soiled paper and is unable to calculate the actual amount collected.

The City of Hayward provides public outreach materials, including a green plastic pail for households to store food scraps indoors, brochures inserted in each garbage bill, and placement of stickers on green carts promoting food scraps collection. The current brochure is also available on the City's website.

Commercial Participation - Nearly 80% of the total tons collected and landfilled by WMAC from Hayward are generated by businesses. Thus, commercial recycling services, including collection of recyclables (e.g., paper and food and beverage containers) and organics (e.g., food and food-soiled paper) is essential to the City's efforts to achieve the 75% diversion goal. As of December 2010, WMAC reported a total of 3,069 businesses subscribe to regular garbage service. Since August 2009, participation in recyclables and/or organics programs has more than doubled; the total number of commercial accounts increased from about 650 to nearly 1,500, or about half of all businesses in Hayward. A total of 81 businesses participate in the organics collection service, including numerous family-owned restaurants and florists, larger restaurants such as Applebee's and Buffalo Bill's, and large food processors such as Clarmil Manufacturing and Columbus Foods.

Since August 2009, participation has increased, in part, due to outreach to businesses, including assistance in implementing programs, providing indoor storage containers and providing literature for employees' reference. Tonnage recycled has increased about 9.6% in calendar 2010 over 2009. Informational literature includes flyers inserted in mailings to members of the Chamber of Commerce, brochures included as garbage bill inserts, and presentations to the Latino Business Roundtable and other groups referred to staff by members of the Keep Hayward Clean and Green Task Force.

Using the revised State methodology, the City's estimated landfill diversion rate for 2009 was 68%, which is the same as in 2008 and is slightly less than the county-wide weighted average of 69%, as calculated by StopWaste.

ECONOMIC IMPACTS

Businesses that implement organic collection programs pay half the price of garbage for the same level of service, as explained previously. Businesses will realize a net savings in their garbage bills, although separately collecting organics will require some additional staff time. Single-family residents may also be able to reduce their garbage bills by taking advantage of the services to collect organics and recyclables and reducing their garbage service to a smaller cart size.

NEXT STEPS

Staff will continue to promote organics collection to residents and businesses using the outreach methods described above. Staff has also prepared and mailed outreach literature to retail food vendors regarding the polystyrene ordinance and begun site visits to small- and medium-size family-owned restaurants to help identify cost-effective alternative containers and offer assistance implementing recycling programs.

Prepared by: Alex Ameri, Deputy Director of Public Works

Recommended by: Robert A. Bauman, Director of Public Works

Approved by:

Fran David, City Manager

CITY OF
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Food Scraps Programs: Status Report

Council Sustainability Committee Meeting
April 6, 2011

Alex Ameri, *Deputy Director of Public Works*

Utilities Division – Solid Waste Program
Public Works Department

Food Scraps Collection Programs: Status Report

Purpose of Report

- Summarize residential and commercial participation levels
- Describe staff's efforts to increase participation and diversion
- Record progress toward achieving goals of the Climate Action Plan, including
  - ✓ Reducing GHG emissions
  - ✓ Increasing program participation by businesses and residents (Goals 6.1 and 6.2)
  - ✓ Implementing organics collection at City offices (Goal 6.9) to be completed later in 2011

Organics Collection Programs: Status Report

Residential & Commercial Organics Collection Services

- Accepts food scraps, food-soiled paper, yard trimmings, untreated lumber and unpainted wallboard

Residential Organics Collection

- Offers pail for indoor storage and cart for curbside collection
- Service began in January 2009 at no additional charge

Commercial Organics Collection Services

- Offers carts and bins provided by WMAC for outdoor storage
- Cost for service is half the price of regular garbage service
- Service began in June 2007

Residential Food Scraps Collection Program

Participation Levels

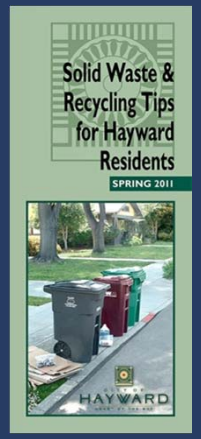
- In 2010: 34%; based on four visual surveys of carts
- Consistent with other municipalities in Alameda County

Total Tons of Organics Collected

- In 2010: 9.5% increase over 2009
- No measurable contaminants

Public Outreach Materials

- Brochures in garbage bills and on City's website
- Stickers on green carts



Commercial Food Scraps Collection Program

Commercial Services to Collect Recyclables & Organics

- Essential to achieve 75% diversion goal
- Percent of business waste landfilled annually in Hayward: 80%

Participation Levels & Tonnage Collected

- Nearly half participate in recyclables and/or organics collection
- Total tons collected in 2010 increased 9.6% over 2009
- Participants include small- and large restaurants, florists and large food processors, e.g., Applebee's, Buffalo Bill's, Clarmil Manufacturing and Columbus Foods

Commercial Recyclables Collection Program

Public Outreach Materials

- Brochures in garbage bills and on City's website
- Presentations to Latino Business Roundtable and others
- Flyer included in mailings to Chamber members
- City assistance includes waste assessments, plastic indoor storage containers, labels for the containers and posters

2009 Landfill Diversion Rates

- City of Hayward: 68%
- Countywide weighted average: 69%

Residential & Commercial Recyclables Collection

Economic Impacts

- Potential net savings to businesses implementing programs
- Reduced garbage bills to residents who recycle and reduce garbage cart size

Next Steps

- Continue promoting organics collection services
- Continue visiting businesses to assist in implementing recycling programs and to identify cost-effective containers that comply with the polystyrene ban

CITY OF
HAYWARD
HEART OF THE BAY

Food Scraps Programs: Status Report

Council Sustainability Committee Meeting
April 6, 2011

Alex Ameri, *Deputy Director of Public Works*

Utilities Division – Solid Waste Program
Public Works Department

CITY OF
HAYWARD
HEART OF THE BAY

VII

DATE: April 6, 2011

TO: Mayor and City Council Sustainability Committee

FROM: Development Services Director

SUBJECT: Annual Progress Report on Implementation of Hayward's Climate Action Plan

RECOMMENDATION

That the Committee reads and comments on this report.

SUMMARY

This first annual progress report on implementation of the City of Hayward's Climate Action Plan (CAP)will compare CAP-recommendedimplementation timetables against actual progress. Appendix E of the CAP (Attachment I) is a timeline indicating when each action in the CAP should be implemented. Progress on action items that are scheduled to commence after 2012 will not be addressed in this report, but will be addressed in future reports, which staff plans to provide to the Committee and City Council on an annual basis.This report also provides an update to Hayward's 2005 greenhouse gas emissions inventory.

BACKGROUND

On July 28, 2009, the Hayward City Council adopted the Hayward Climate Action Plan(CAP)[1]with the goal of reducing the amount of greenhouse gas (GHG) emissions from activities taking place within the City.The CAP includes GHG emissions targets that align with those of the State of California for 2020 and 2050and provides a roadmap for achieving the targets. Hayward's GHG reduction targets are as follows:

- 6.0 percent below 2005 levels by 2013 (interim target)
- 12.5 percent below 2005 levels by 2020
- 82.5 percent below 2005 levels by 2050

Appendix A of the CAP includes an inventory of all GHGs emitted in the City of Hayward in 2005. The CAP presents 9strategies and 40 specific actions that, if fully implemented, will make it possible for the City to meet itsadoptedemission reduction targets.

[1] The Climate Action Plan is available at http://www.ci.hayward.ca.us/CAP08/CAP08.shtm

DISCUSSION

Following is a summary of the status of implementation ofthe nine strategies identified in the CAP, including an update on specific CAP actions recommended to commence prior to 2012. The priority number, as identified in Appendix D of the CAP, is also indicated for each action, as is a GHG reductiontarget as shown in Appendix B in the CAP.

Strategy 1- Transportation and Land Use: Reduce Vehicle Miles Traveled

Action 1.5(Community-wide Action Overall Priority #37)- Continue to implement and expand the City-wide bicycle master plan through aggressive pursuit of grants and other sources of funding which could be used to expand bike lanes and bike parking facilities. (2020 reduction target: 2,419 metric tons; 2050 reduction target: 7,610 metric tons)

The CAP calls for this Action to be implemented beginning in 2009. Hayward's current Bicycle Master Plan was adopted in October 2007.Mostof the bikeway network improvements recommended in Chapter 6 of the Bicycle Master Plan have been completed, with the exception of theCentennial-Cannery Connector Bridge and the East Bay Greenway, which is a pedestrian/bicycle path that is proposed to followthe BART right-of-way and will be constructed by others.City staff will continue to seek grants to fund the Centennial-Cannery Connector Bridge. Also, when theCity's General Plan and Circulation Element are updated, which is anticipatedto occur within the next few years, policiesrelated to the City's bicycle network will be revised.

Action 1.9(Community-wide Action Priority #27)Encourage high density, mixed-use, smart growth development in areas near public transit stations.(Emissions reductions are not quantified in the CAP.)

The CAP callsfor this Action to be implemented beginning in 2009. On March 17, 2009, the Hayward City Council approved a high-density, mixed-use, transit-oriented development project at the South Hayward BART station. Additionally, the City anticipates adopting this calendar year a new Form-Based Code along Mission Boulevard between Harder Road and Industrial Boulevard and in the general area around the South Hayward BART station, and a new Specific Plan/Form-Based Code along Mission Boulevard north of Harder Road to the City limit (excluding Downtown). Such codes will follow the Smart Code template and include provisions, including those that promote walkability, which will promote smart growth development along the Mission Boulevard Corridor and near the South Hayward BART station.

Action 1.10(Community-wide Action Priority #9) - Explore the development of zoning and development standards that consider both the land uses and the urban design and form of buildings and public space, where the new standards will result in reduced GHG emissions.(Emissions reductions not quantified in the CAP.)

The CAP calls for this Action to be implemented beginning in 2009. The two form-based codes current being developed and referenced above will help to decrease automobile travel and increase walkability, but city-wide zoning amendments will be necessary as well. Additional Zoning Ordinance amendments as recommended in Appendix H of the CAP will be developed as staff resources allow.

Action 1.13(Municipal Action Priority #7) - Reinstate commuter benefits such as Commuter Checks to City employees, and when possible expand or develop other commuter benefits programs such as parking cash-out or parking pricing programs, or taking advantage of the new tax credit for biking to work. The City will amend Administrative Rule 2.26 to reflect current transportation demand management opportunities.(Emissions reductions not quantified in the CAP.)
Possible commuter benefits such as incentives for riding public transit and other transportation demand management strategies are planned tobe presented to the Sustainability Committee on June 1, 2011.

Action 1.14(Municipal Action Priority #15) -Explore options in developing a car-sharing and/or bike-sharing program for City employees. If private organizations like Zip Car are not interested in managing the car sharing program, it could be administered by the City as a benefit available to City employees only. A bike share program would also be administered by the City as a benefit to City employees. (Emissions reductions not quantified in the CAP.)
Staff hasdiscussed such programswith private firms such as Zip Car, who has indicatedno interest in locatingin Hayward. Staff will continue to explore options related to car and bicycle sharing.

Action 1.15(Municipal Action Priority #8) - When making decisions about where to rent or build new City facilities, give preference to locations that are accessible to an existing public transit line.(Emissions reductions not quantified in the CAP.)
Plans have been prepared for a new library to be constructed at the corner of C Street and Mission Boulevard, which is approximately one block from theHayward BART station. Staff is currently also exploring the possibility of constructing a new police station in the downtown area. No other new City facilities are being considered.

Additional Items Related to Strategy 1:

Bus Service –Due to a budget shortfall of approximately $18.9 million, AC Transit announced in October 2010 that starting on October 31, 2010, the bus agency would reduce service on about seventy bus lines, including ten lines serving Hayward.

Traffic Signal Timing–OnDecember 7, 2010, Public Works Department staff presented City Council with information about a $614,000 grant received from the Alameda County Transportation Commission for a traffic signal timing and controller replacement program on three major transportation corridors – Hesperian Boulevard, Tennyson Road and Winton Avenue. Once the upgrades required for the signal coordination are complete, all 32 intersections on the three major corridors in Hayward will be optimized and coordinated to reduce traffic congestion, thereby improving traffic flow, decreasing fuel consumption, and ultimately reducing greenhouse gas emissions. This project is scheduled to be completed in the fall of 2011.

Strategy 2 – Transportation: Decrease Carbon-Intensity of Vehicles

Action 2.1(Community-wide Action Priority #5)- Play an active role in collaborating with regional, state, and federal efforts to provide financial and non-financial incentives for residents to purchase low-carbon vehicles.(Actions 2.1 and 2.2 combined: 2020 reduction target: 129,060 metric tons; 2050 reduction target: 532,735 metric tons)

The CAP calls for this Action to be implemented beginning in 2010. Staff will continue to seek opportunities for working at theregional, state and federal levels toward making incentives for low-carbon vehicles available. Staff will present letters and resolutions to the Councilwhen appropriate to advocate for incentives for low carbon vehicles.

Action 2.2(Community-wide Action Priority #4) - Play an active role in collaborating with regional, state, and federal entities to promote the use of alternative fuels and increased vehicle fuel efficiency standards.(Actions 2.1 and 2.2 combined: 2020 reduction target: 129,060 metric tons; 2050 reduction target: 532,735 metric tons)
The CAP calls for this Action to be implemented beginning in 2010. Since the adoption of the CAP, many more hybrid vehicles have become available and recently, lower emission vehicles such as the Nissan Leaf and the Chevrolet Volt, have come onto the market. A Prius plug-in hybrid vehicle is scheduled to be available in 2012.

In January 2007, Governor Schwarzenegger signed Executive Order S-01-07, which directed the development of protocols for measuring the "life-cycle carbon intensity" of transportation fuels.The executive order sets an initial goal of reducing the carbon intensity of fuels used by California's passenger vehicles by at least 10% by 2020. In April 2009, the California Air Resources Board adopted the Low Carbon Fuel Standard regulation. The regulation will require fuel providers to ensure that the mix of fuel they sell into the California market meets, on average, a declining standard for GHG emissions. Staff will continue to monitor activities at the state level and recommend to the City Council adoption of resolutions that would support implementation of the Low Carbon Fuel Standard.

Action 2.3 (Municipal Action Priority #6) - Continue to procure fuel-efficient and alternative fuel vehicles for municipal vehicle fleet.(Actions 2.3 and 2.4 combined: 2020 reduction target: 54 metric tons; 2050 reduction target: 108 metric tons)
When new vehicles are purchased, fuel efficiency and/or alternative fuels will be a high priority among the factors considered.

Action 2.4 (Municipal Action Priority #12) – Continue, whenever possible, to negotiate an alternative fuel requirement into new services provided by the City's franchisee.(Actions 2.3 and 2.4 combined: 2020 reduction target: 54 metric tons; 2050 reduction target: 108 metric tons)
Beginning June 2007, the City's waste and recycling franchisee has used alternative fuel vehicles for Residential Collection of Garbage, Recyclables, and Organics. Staff will continue to seek additional opportunities to do business with firms utilizing alternative fuel vehicles.

Strategy 3 - Energy: Improve Performance of Existing Buildings.

Action 3.1 (Community-wide Action Priority #23) -Develop and implement a Residential Energy Conservation Ordinance (RECO) for detached single-family homes which would require improved energy efficiency and energy conservation in residential buildings. (2020 reduction target: 639 metric tons; 2050 reduction target: 39,304 metric tons)
The CAP calls for this ordinance to be developed beginning in 2011. The City Council Sustainability Committee and the Climate Action Management Team (CAMT) have developed general parameters for a Residential Energy Conservation Ordinance (RECO) to improve the

energy performance of existing single-family and duplexresidential properties in Hayward. Language for components of a draft RECO was provided to the City Council Sustainability Committee on March 2, 2011, and will be provided to the City Council on May 31, 2011, and to the Planning Commission on June 9, 2011. The Committee recommended that staff promote incentives/rebates available to homeowners to encourage voluntary installation of energy efficiency improvements (see later discussion). That recommendation will be forwarded to City Council for the May 31 work session, and staff will track such installations over the next several months.

Action 3.2 (Community-wide Action Priority #12) -Develop and implement a Residential Energy Conservation Ordinance (RECO) for multiple-unit homes which would require improved energy efficiency and energy conservation in residential buildings.(2020 reduction target: 983 metric tons; 2050 reduction target:33,033 metric tons)

The CAP calls for this ordinance to be developed beginning in 2011. The Sustainability Coordinatoris scheduled to begin the process of developing a RECO for multiple-unit homes in November 2011.

Action 3.3(Community-wide Action Priority #3) - Develop a Commercial Energy Conservation Ordinance (CECO) which would require improved energy efficiency and energy conservation in commercial buildings.(2020 reduction target: 5,164 metric tons; 2050 reduction target: 105,152 metric tons)

The CAP indicates this ordinance is to be developed beginning in 2011. The Sustainability Coordinator is scheduled to begin the process of developing a CECO in June 2011.

Action 3.7(Community-wide Action Priority #6) -Develop a residentialenergy efficiency retrofit financing program for single-family homes.(2020 reduction target: 181 metric tons; 2050 reduction target: 40,248 metric tons)

The CAP calls for this Action to be developed beginning in 2010.Staff provided an update on the status of development of a statewide Property Assessed Clean Energy (PACE) program, called *CaliforniaFirst*, to the City Council on September 14, 2010[2] and to the Council Sustainability Committee on November 3, 2010[3].As indicated in the November 3, 2010 report to the Council Sustainability Committee, lawsuits have been filed against the Federal Housing Finance Agency (FHFA) and/or Freddie Mac and Fannie Mae by the State of California, Sonoma County, the City of Palm Desert, the Town of Babylon in New York, the Sierra Club, and the Natural Resources Defense Council for blocking the implementation of PACE programs around the country.

While Congress did not take action on the PACE legislation that was introduced in 2010, work is continuing to prepare for the next session. There are plans for new, bi-partisan, PACE legislation to be introduced in 2011. On February 9, 2011, the National Association of Counties and the National League of Cities wrote a joint letter to the United States Congress urging them to support legislation that affirms the right of state and local governments to exercise liens or assess special taxes or other property obligations for the installation of renewable energy and energy efficiency improvements. Staff will continue to monitor PACE developments at the national level, and support efforts for such

[2] The September 14, 2010 Council report is at http://www.hayward-ca.gov/citygov/meetings/cca/rp/2010/rp091410-11.pdf
[3]See Report # 1 athttp://www.hayward-ca.gov/citygov/meetings/csc/ccsc/2010/CSC-CCSC110310.pdf

programs via letters or recommendations for letters from the Mayor or resolutions from the City Council as appropriate.

On January 25, 2011[4], the City Council endorsed an energy efficiency incentive program for single-family homes, funded by Hayward's federal Energy Efficiency and Conservation Block Grant funds as part of the American Recovery and Reinvestment Act (ARRA).Typical improvement measures eligible for incentives include air sealing, insulation, duct sealing, and furnace and water heater upgrades. The Residential Energy Users Incentive Program will provide three types of rebates:

- Comprehensive home energy audit - $250;
- Energy efficiency improvements installed via aprescriptive option - $750;
- Energy efficiency improvements installed via aperformance option - $1,500 for a 15 percent reduction in energy use and $2,000 for a 20 percent reduction in energy use.

Action 3.8 (Community-wide Action Priority #7) -Develop a residential-energy efficiency retrofitfinancing program for multiple-family homes. (2020 reduction target: 126 metric tons; 2050 reduction target: 33,617 metric tons)
The status of the PACE program mentioned above also applies to multiple-family homes.

Action 3.9(Community-wide Action Priority #1)-Develop a commercial energy efficiency retrofit financing program for commercial buildings. (2020 reduction target: 1,630 metric tons; 2050 reduction target: 132,025 metric tons)
The CAP calls for this action to be developed beginning in 2009. While residential PACE has been put on hold, a number of jurisdictions are moving forward with commercial programs. Staff plans to investigate the possibility of establishing a commercial PACE program when the CECO is studied.

Using the City's federal Energy Efficiency and Conservation Block Grant funds, staff recently developed and launched two programs that offer energy efficiency financing programs for commercial buildings – the Large Energy Users Incentive Programand the Non-Profit and Governmental AgenciesEnergy Efficiency Program.

The Large Commercial Energy Users Incentive Programwill leverage the existing infrastructure and processes of PG&E's Customized Retrofit Incentive program to offer financial incentives in addition to those provided by PG&E to eligible "energy intensive" Hayward businesses that make qualifying energy efficiency improvements to their facilities.Program participation will be limited to Hayward businesses that use a minimum of 1,500,000 kWh annually and successfully participate in the above-listed PG&E program. The City will match PG&E incentives up to a maximum of $50,000.

The Non-Profit and Governmental Agencies (NPGAs) Energy Efficiency Program willleverage the existing infrastructure and processes of the East Bay Energy Watch's Business Energy Solutions Team (BEST) program to provide financial incentives to eligible Hayward NPGAs that make qualifying energy efficiency improvements to their facilities. The NPGA program will match BEST incentives up to a maximum of $10,000 per project installation or the project cost, whichever is less.

[4] See Report # 4 at http://www.hayward-ca.gov/citygov/meetings/cca/2011/CCA11PDF/cca012511full.pdf

Action 3.10 (Municipal Action Priority #1)- Take advantage of California Energy Commission's low interest loans for efficiency retrofits and LED street lighting. (2020 reduction target: 969 metric tons; 2050 reduction target: 1,054 metric tons)

As authorized by the City Council on March 15, 2011, the City of Hayward will accept a California Energy Commission loan of $887,152 to make lighting system upgrades at the Police Department, City Hall, Fleet Maintenance building, City Hall parking garage and the Cinema Place parking garage. The project is being supported by $138,111 in rebates from PG&E and will result in annual energy savings worth $111,981. In addition, $70,000 of the City's Energy Efficiency and Conservation Block Grant funds are being used to retrofit streetlights with LED fixtures along Tennyson Road near the South Hayward BART station.

Action 3.11 (Municipal Action Priority #3)-Continue to implement energy conservation practices in City-owned buildings. Prepare an energy conservation plan and update it on a regular basis. (2020 reduction target: 330 metric tons; 2050 reduction target: 1,542 metric tons)(The GHG reduction targetis combined for Actions 3.11 and 3.12.)

Facilities Division staff recently participated in a benchmarking class offered by the Association of Bay Area Governments and PG&E. The class covered PG&E's Portfolio Managertool, which assesses normalized energy performance, and PG&E's Automated Benchmarking Service, which provides historical energy usage data as well as automatic monthly updates to the building's Portfolio Manager account. Use of these tools will allow staff to benchmark buildings, automate the entry of monthly utility data, and use the informationto track performance of energy conservation activities. In addition, over the last several years, staff has implemented energy conservation practices such as replacing older light tubes with more efficient tubes, adjusting thermostats, and encouraging employees to only turn on lights that are needed.

Action 3.12 (Municipal Action Priority #2)- Improve energy performance of City buildings. Begin by auditing City buildings to identify opportunities for efficiency improvements from both operations and equipment upgrades. (2020 reduction target: 330 metric tons; 2050 reduction target: 1,542 metric tons)(The GHG reduction targetis combined for Actions 3.11 and 3.12.)

City facilities have been audited by the California Energy Commission (CEC) as well as by Quantum Energy Services & Technologies, Inc. (QuEST), the firm currently serving as the City Sustainability Coordinator. The CEC audit was completed as a prerequisite to receiving the loan mentioned above. The QuEST audit was completed as part of the City's participation in the Municipal Implementation Team (MIT) program.Results of the MIT audit were presented to the Sustainability Committee in January, 2011 and the audit recommended "retro-commissioning," or making adjustments to existing heating and ventilation equipment to improve efficiency. The improvements to City Hall and the Police station, which are underway, will cost approximately $2,500 and result in annual cost savings of approximately $33,000.

Strategy 4 – Energy: Improve Energy Performance of New Buildings

Action 4.1 (Community-wide Action Priority #20)-Continue to implementtheprivate development green building ordinance for residential buildings. (2020 reduction target: 979 metric tons; 2050 reduction target: 18,836 metric tons)

This Action is to be implemented beginning in 2009. The Green Building Ordinance related to private development was initially adopted on December 2, 2008. The Ordinance was revised to incorporate provisions related to energy efficiency and cost effectiveness on December 15, 2009, which became effective on January 15, 2010. On October 6, 2010, staff provided the Sustainability Committee with an overview of California's new green building code known as Cal Green, which took effect on January 1, 2011. The Green Building Ordinance and its effectiveness is scheduled to be reviewed by the Council Sustainability Committee in May, 2011.

Action 4.2(Community-wide Action Priority #18)-Continue to implementtheprivate development green building ordinance for commercialand industrialbuildings. (2020 reduction target: 4,493 metric tons; 2050 reduction target: 77,925 metric tons)
The CAP calls for this Action to be implemented beginning in 2009. The City's Green Building Ordinance and the State's new Green Building Code, Cal Green, both apply to commercial buildings. Additionally, as recommended by the Sustainability Committee during its October 6, 2010 meeting, the City's Green Building Ordinance was amended, which increased the green building requirements for new commercial buildings in Hayward. The most significant change is that all new non-residential buildings are now required to exceed Title 24 energy efficiency standards by at least 15 percent, which is in line with CalGreen's Tier 1 standards.

Action 4.3 (Municipal Action Priority #9)- Continue to implement the Municipal Green Building Ordinance. Evaluate the program every 5 years to ensure buildings are becoming more efficient over time. (2020 reduction target: 47 metric tons; 2050 reduction target: 328 metric tons)
In 2008, the City adopted a Green Building Ordinance requiring LEED Silver certification for new municipal facilities. The certification goal for the new Library and Community Learning Center is LEED Gold or higher.

Strategy 5 – Energy: Use Renewable Energy

Action 5.1 (Community-wide Action Priority #29)-Develop a program for the financing and installation ofrenewable energysystems onresidential buildings including single and multiple family residential buildings and mobile homes. (2020 reduction target: 850 metric tons; 2050 reduction target: 2,149 metric tons)
This action is identified to be implemented beginning in 2010. The PACE program discussedabove in Action 3.7 would provide financing for renewable energy projects in addition to energy efficiency improvements in residential buildings.

Action 5.2 (Community-wide Action Priority #8)-Develop a program for the financing and installation ofrenewable energy systems on commercial buildings. (2020 reduction target: 10,768 metric tons; 2050 reduction target: 22,822 metric tons)
The CAP calls for this action to be implemented beginning in 2010. The PACE program discussedabove in Action 3.9 would provide financing for renewable energy projects in addition to energy efficiency improvements in commercial buildings.

Action 5.4 (Community-wide Action Priority #17) - Increase the renewable portion ofutilityelectricitygeneration by advocating for increased state-wide renewable portfolio standards;

and consider participating in community choice aggregation, or other means. (2020 reduction target: 32,026 metric tons; 2050 reduction target:77,414 metric tons)
The CAP identifies this action to be implemented beginning in 2009. Opportunities for increasing the percentage of Hayward's electricity that is generated by renewable sources include community choice aggregation (CCA), power purchase agreements, wholesale distributed generation, and advocating for increasing the statewiderenewable energy generation portfolio. On April 1, 2009 and May 6, 2009, staff and guest speakers presented an overview of CCA to the Sustainability Committee. Staff hopes to review options for addressing this action with the Sustainability Committee in the near future. Also, when financing program become available (Actions 5.1 and 5.2), Hayward will see an increase in the percent of electricity generated from renewable sources.

Action 5.5 (Municipal Action Priority #4)-Conduct a city-wide renewable energy assessment to estimate the total renewable energy potential and costs and benefits of developing that potential within City bounds. Develop a plan for capturing all cost effective opportunities. (2020 reduction target: 76 metric tons; 2050 reduction target: 2,226 metric tons)
Staff recently worked with the California Energy Commission (CEC) to complete an assessment of all City facilities. Using a portion of the CEC loan of $887,152 mentioned in Action 3.10 above, solar photovoltaic panels will be installed on the Utilities and Streets buildings this year. Also, a solar photovoltaic installation was recently completed at the wastewater treatment facility. Staff will continue to look for other opportunities to install renewable energy projects on City facilities. Also, as resources allow, a comprehensive costs/benefits analysis related to renewable energy use potential for city facilities will be completed in the future.

Action 5.6 (Municipal Action Priority #5) - Ensure that all new City owned facilities are built with renewable energy (i.e. PV and/or solar hot water) systems as appropriate to their functions. (2020 reduction target: 76 metric tons; 2050 reduction target: 2,226 metric tons)(The GHG estimate was combined for Actions 5.5 and 5.6.)
The planned Library and Community Learning Center is designed to include rooftop solar photovoltaic panels.

Strategy 6 – Solid Waste: Increase Waste Reduction and Recycling

Action 6.1(Community-wide Action Priority #14)- Increase participation in the recycling services offered to businesses through the City's contract with its franchisee. (2020 reduction target: 15,916 metric tons; 2050 reduction target: 38,216 metric tons)
The CAP callsfor this action to be implemented beginning in 2010. As of December 2010,about halfof the businesses in Hayward participated in collection of recyclables and/or organics. Since August 2009, participation has more than doubled in part due to outreach to businesses, including assistance implementing programs, indoor storage containers, and literature provided for employees' reference. Tonnage recycled has increased about 9.6 percent in calendar year 2010 over 2009. Outreach to businesses has included literature inserted in mailings to members of the Chamber of Commerce, presentations to the Latino Business Roundtable and brochures included in garbage bill inserts.

Action 6.2 (Community-wide Action Priority #26)- Increase participation in the recycling services offeredto single-family homesthrough the City's contract with its franchisee. (2020 reduction target: 1,495 metric tons; 2050 reduction target: 11,963 metric tons)
Beginning in January 2009, residential food scraps have been accepted for collection in the green carts provided to single-family households. Visual surveys of those carts placed curbside indicated that in 2010, about 34% of all households recycle their food scraps. Total tons of co-mingled food scraps, food-soiled paper and yard trimmings increased about 9.5 percent in calendar year 2010 over 2009. Outreach to residents included brochures inserted in each garbage bill and placement of stickers on green carts promoting food scraps collection. On average, about 65 percent of single-family households participate in the service that collects yard trimmings, food scraps and food-soiled paper, and 75percent participate in the service that collects co-mingled paper, and food and beverage containers.

Action 6.3 (Community-wide Action Priority #14)- Improve construction and demolition debris recycling program. (2020 reduction target: 1,953 metric tons; 2050 reduction target: 15,634 metric tons)
The CAP calls for this action to be implemented beginning in 2011. Staff plans to present possible amendments to the City's ordinance to the Sustainability Committee inSeptember of this year.

Action 6.4 (Community-wide Action Priority #40)–Evaluate the viability of implementing a ban on-certain materials from landfillse.g., yard trimmings, untreated wood, cardboard, plastic bags, orpolystyrene. (2020 reduction target: 2,487 metric tons; 2050 reduction target: 2,986 metric tons)
The CAP callsfor this action to be developed beginning in 2012. On October 19, 2010, theHayward City Council adopted an ordinance that bans the use of polystyrenefoam food service containersand requires restaurants and all other vendors selling food at retail establishments to use only paper, cardboard, aluminum or recyclable plastic cups, plates, bowls, trays and "to go" containers. The ordinance will become effective July 1, 2011.

In December 2010, staff provided the Sustainability Committee with an update on options regarding a possible ban onsingle-useplastic carryout bags. Many jurisdictions have faced lawsuits for adopting such ordinances. The Committee agreed with staff's recommendation to wait for Stopwaste.org to complete an Environmental Impact Report that can be used by Hayward to adopt a local ordinance. The EIR, which will be useful for all Alameda County jurisdictions, is expected to be completed byDecember 2011.

In early 2009, StopWaste.org instituted a ban prohibiting disposal of plant debris in county landfills. Plant debris includes grass, leaves, shrubbery, vines and tree branches. The ban applies to residential and commercial landscapers and gardeners, commercialand residential property managers, municipalities, institutions and commercial customers subscribing to four cubic yards or more of weekly solid waste collection service. Additional informationabout the plant debris ban is available at this link: http://www.stopwaste.org/home/index.asp?page=941.

Action 6.6 (Community-wide Action Priority #34)-Develop a program that encourages overall reduction of solid waste in residential and commercial sectors. This would include increasing participation in recycling services at multi-family properties and to eventually make recycling by

commercial businesses mandatory. (2020 reduction target: 253 metric tons; 2050 reduction target: 304metric tons)
The CAP recommends this action to be developed beginning in 2009. Staff plans to provide a briefing regarding this action to the Sustainability Committee inSeptember ofthis year.

Action 6.7 (Community-wide Action Priority #11)–Advocatefor waste management strategies that aim to maximize the useful value of solid waste by, for example, utilizing landfill gas to create electricity. (Emissions reductions are not quantified in the CAP.)
The CAP calls for this action to be developed beginning in 2010. Staff plans to provide a briefing regarding this action to the Sustainability Committee inSeptember 2011.

Action 6.8 (Municipal Action Priority #16) - Continue to implement recycling programs in City-occupied buildings. (2020 reduction target: 32 metric tons; 2050 reduction target: 71 metric tons)
On September 7, 2011, staff will provide a report to the Sustainability Committee outlining current and potential future recycling efforts in City facilities.

Action 6.9 (Municipal Action Priority #13) - Implement organics collection programs in City-occupied buildings. (2020 reduction target: 73 metric tons; 2050 reduction target: 163 metric tons)
In September of this year, staff will provide a report to the Sustainability Committee describing a possible organics collection programfor City facilities.

Action 6.10 (Municipal Action Priority #14) - Develop an Environmentally Friendly Purchasing Policy. (Emissions reductions are not quantified in the CAP.)
The City's current Environmentally Friendly Purchasing Policywas established as Administrative Rule 3.9 on March 18, 2010. On May 4, 2011, the Sustainability Committee will review the City's current policies and consider possible adoption of a new or revised policy.

Action 7.2 (Municipal Action Priority #17) - Develop a protocol for maximizing carbon sequestration on municipal property by way of planting trees or other methods. (2020 reduction target: 5 metric tons; 2050 reduction target: 32 metric tons)
Hayward was successful in winning anUrban Forestry Inventory Grant from the California Department of Forestry and Fire Protection. With this grant, the City has purchased and implemented a tree management software program.Approximately 32,000 trees have been inventoried to date. The trees inventoried include City of Hayward street trees and trees on City of Hayward properties leased by the Hayward Area Recreation and Park District and trees on properties that belong to the Hayward Unified School District.This fiscal year, the inventory will be completed. Staff will continue to explore other means of sequestering carbon and tracking carbon sequestration.

Strategy 8 – Climate Change Adaptation

While there were no specific actions listed in the CAP, staff has been working with the Hayward Area Shoreline Planning Agency (HASPA) on preparing for rising sea levels. A report titled, Preliminary Study on the Effect of Sea Level Rise on the Resources of the Hayward Shoreline, was completed in March 2010. The study identifies the resources and infrastructure along the Hayward Shoreline that are vulnerable to sea level rise and it describes potential strategies for protecting or

adapting those resources. Numerous presentations summarizing the study have been made to a number of organizations, including the Bay Conservation and Development Commission, the Association of Bay Area Governments, and the Bay Planning Coalition. In part due to the work completed by the Hayward Area Shoreline Planning Agency and the partnerships established with other East Bay agencies, the East Bay shoreline, including theHayward Shoreline, was selected as the subject of a sea level rise study by the Bay Conservation and Development Commission (BCDC) and the National Oceanic and Atmospheric Administration (NOAA) in a partnership called Adapting to Rising Tides (the ART Project). The subregion, extending from Emeryville to Union City, was selected by BCDC due to the high level of interest from local jurisdictions and for the wide variety of shoreline types in this area. More information about the ART Project is available at http://risingtides.csc.noaa.gov/ .

In addition, staff is nearing completion of a Local Hazard Mitigation Plan, which will address flooding, wildfires, drought and other weather-related impacts of climate change. Staff is working with the Association of Bay Area Governments on updating a regional Local Hazard Mitigation Plan, and the City of Hayward's Plan will be an annex to the regional Plan, which will be presented to the City Council for adoption by November of this year.

Strategy 9 – Engage and Educate Community

Action 9.1(Community-wide Action Priority #15)-Createa stand-alone Green Portal, or website, that would serve as theCity's hub for all things green. (Emissions reductions are not quantified in the CAP.)
The CAP recommends that this action be developed beginning in 2010. The green-portal website is in development and staff anticipates completing the website by the summer of 2011.

Action 9.2(Community-wide Action Priority #16)- Develop and implement plan to engage residents in the Citywide effort to reduce emissions. (Emissions reductions are not quantified in the CAP.)
The CAP calls for this action to be developed beginning in 2010. A Community Outreach Plan was presented to the Sustainability Committee on July 7, 2010. Staff plans to work with the Climate Action Management Team in the coming months to implement the Outreach Plan. In October, 2010, the City partnered with Alameda County and the League of Women Voters to hold an Energy Fair, which provided climate action and energy efficiency information to the public.

Action 9.3 (Community-wide Action Priority #17)-Develop and implement an outreach plan to engage local businesses in climate-related programs. (Emissions reductions are not quantified in the CAP.)
The CAP callsfor this action to be developed beginning in 2010 (see Action 9.2 above).

Action 9.4 (Municipal Action Priority #9) - Offer a GHG reductions education program in which employees will learn about programs the City already offers, and/or will offer in the future to residents and businesses. (Emissions reductions are not quantified in the CAP.)
Hayward City Hall was recently recognized as a Green Business by the Alameda County Green Business program. On March 11, 2011, a Green Expo was held to inform both City staff and the public about ways to live more sustainably.

Action 9.5 (Municipal Action Priority #11) - Show leadership by setting targets to reduce municipal emissions and work diligently to meet targets.(Emissions reductions are not quantified in the CAP.)
As indicated in this report, the City is actively working to reduce its emissions. The City has enrolled in the Institute for Local Government's Beacon Award Program so that emissions reductions will be recognized.

Action 9.6 (Municipal Action Priority #10) - When awarding contracts, professional service agreements, grants, etc. to businesses or non-profit agencies, the City will request proposals or applications to include information about the sustainability practices of the organization. (Emissions reductions are not quantified in the CAP.)
Some City-issued requests for proposals (RFPs) have asked bidders to provide information about the sustainability practices of the firm or agency applying for a grant or for a City contract. Planning staff will work with staff in all City departments to share standard language that may be used in all City-issued RFPs.

INVENTORY

As mentioned above, the Climate Action Plan includes an inventory of all greenhouse gas (GHG) emissions from 2005. Staff recently began the process to update the inventory detailing GHG emitted in 2009. Emissions are aggregated and reported in terms of equivalent carbon dioxide units, or CO2e, Converting all emissions to equivalent carbon dioxide units allows for the consideration of different greenhouse gases in comparable terms. For example, methane is twenty-one times more powerful than carbon dioxide in its capacity to trap heat, so one ton of methane emissions isequal to 21 tons of CO2e. Also, all units of energy have been expressed in megawatt hours, or MWh, for easier comparison. Appendix A of the Climate Action Plan includes the baseline energy consumption and CO2 equivalent production for an inventory of the following Hayward sectors: Community-Residential; Community-Commercial/Industrial; Community-Transportation; Community-Waste; Municipal Buildings; Municipal Vehicle Fleet; Municipal Streetlights; Municipal Water/Sewage; and Municipal Wastewater Treatment Plant.

Community-wide Emissions – The 2005 inventory indicated that Hayward's community-wide emissions totaled 1.183 million metric tons of greenhouse gases (GHG). The 2009 inventory also shows a total of 1.183 million metric tons of GHG. As the table below shows, 2009 city-wide emissions increased by only 347 tons over 2005 emissions. A detailed comparison of 2005 and 2009 emissions is included as Attachment II. The table below is a summary of those estimated emissions.

Community Emissions Summary – Comparison of 2005 and 2009

	Equiv. CO2 (tonnes)		Equiv. CO2 (% Change)	Energy (MWh)		Energy (% Change)
	2005	2009		2005	2009	
Residential	158,529	177,069	12%	813,932	822,690	1%
Commercial/Industrial	238,227	243,332	2%	1,152,496	1,009,035	-12%
Transportation	734,086	740,342	1%	2,902,981	2,990,055	3%
Waste	52,439	22,191	-58%	NA*	NA*	--
Total CO2e	**1,183,281**	**1,182,934**	**0%**	**4,869,409**	**4,821,780**	**-1%**

*As shown in Attachment II, data for waste emissions is not expressed in terms of energy use, but in tonnage, which can and has been converted to equivalent CO2 emissions.

Overall, energy use has gone down slightly. However, greenhouse gas emissions have not changed. This is because PG&E's emission factor for electricity has changed. In 2005, the emission factor was 0.489 lbs./kWh. In 2009, the emission factor was 0.641 lbs./kWh. GHG production is calculated by multiplying an emissions factor times the quantity of energy consumed. In 2005, the emissions factor was low because PG&E produced energy using a significant quantity of hydropower which produces "0" GHG. Between 2004 and 2009 there was a drought, leading to a reduction in available hydropower. To meet PG&E customer needs, PG&E purchased power from out of state. A significant amount of that power is produced using coal. Coal produces significant quantities of GHG for each watt of energy produced. The result was a higher emissions factor used in 2009 than in 2005. The result was an increase in GHG production, despite a decrease in energy consumption.

Energy use in residential buildings increased slightly by 1%. As indicated in the detailed summary (Attachment II), electricity use increased by five percent and natural gas use decreased slightly. Energy use in commercial and industrial buildings represents an overall decrease of 12%. This is composed of a 19% decrease in electricity use and a 4% decrease in gas use. Transportation fuel use increased by three percent.

Both GHG and tonnage for waste have decreased significantly. This is in due in part to changes in reporting, recycling rates and the economy. Previously, certain materials that were classified for paper recycling are being recovered as compostable materials. Examples of this category include used paper food containers that were previously classified as paper and are now classified as compostables. Other paper materials that were previously classified as paper, but were not actually suitable for recycling have been excluded from the inventory as they are now treated as trash. Due to the aggressive efforts of City staff and Waste Management, recycling rates have gone up for green waste and paper. Finally, the downturn in the economy has slowed new home construction and renovations. The result was a substantial reduction in wood waste suitable for recycling.

As noted in Attachment II, the average daily cover (ADC) used at the landfill has decreased by 51 percent between 2005 and 2009. Staff is not confident in the accuracy of the 2005 figure because specific reporting requirements for ADC were not established until 2007. Tonnages for the different materials are estimated based on waste characterization studies prepared under the direction of Stopwaste.org in 2000 and 2008. The schedule for future waste characterization studies is unknown at this time. As the City's GHG inventory is updated in the coming years, actual landfill and recycling data provided by Waste Management will likely be used. The data is not separated by material, but it is collected on a regular basis and would be more meaningful to compare from year to year.

A new standard protocol for estimating community-wide emissions is anticipated to be available by the end of this year. Hayward's next inventory will be completed in early 2012 and will compare data from 2005, 2009, and 2011.

Municipal Emissions –
City staff is still compiling 2009 emissions data associated with municipal activity and operations, and will present such data for the full City Council and Planning Commission for the April 19 joint work session.

ECONOMIC IMPACT

While some programs called for in the Climate Action Plan will require upfront investment, many will benefit the community by reducing energy costs over the longer term. The continued implementation of the CAP is expected to result in a community with cleaner air, healthier residents, and recognition that Hayward is doing its part to mitigate the effects of global climate change.

FISCAL IMPACT

Implementation of the CAP is currently being administered by the City's Sustainability Coordinator, which is being funded by an Energy Efficiency and Conservation Block Grant from the Department of Energy as well as by various City staff in their day-to-day work. Grant funding for the Sustainability Coordinator will expire in December 2012. Additional resources will need to be identified to continue CAP implementation in 2013 and beyond.

NEXT STEPS

Staff will continue to implement the CAP, following the Implementation Timeline, to the extent possible, given staffinglevels and resources.

Prepared by: Erik J. Pearson, AICP, Senior Planner

Recommended by: David Rizk, AICP, Development Services Director

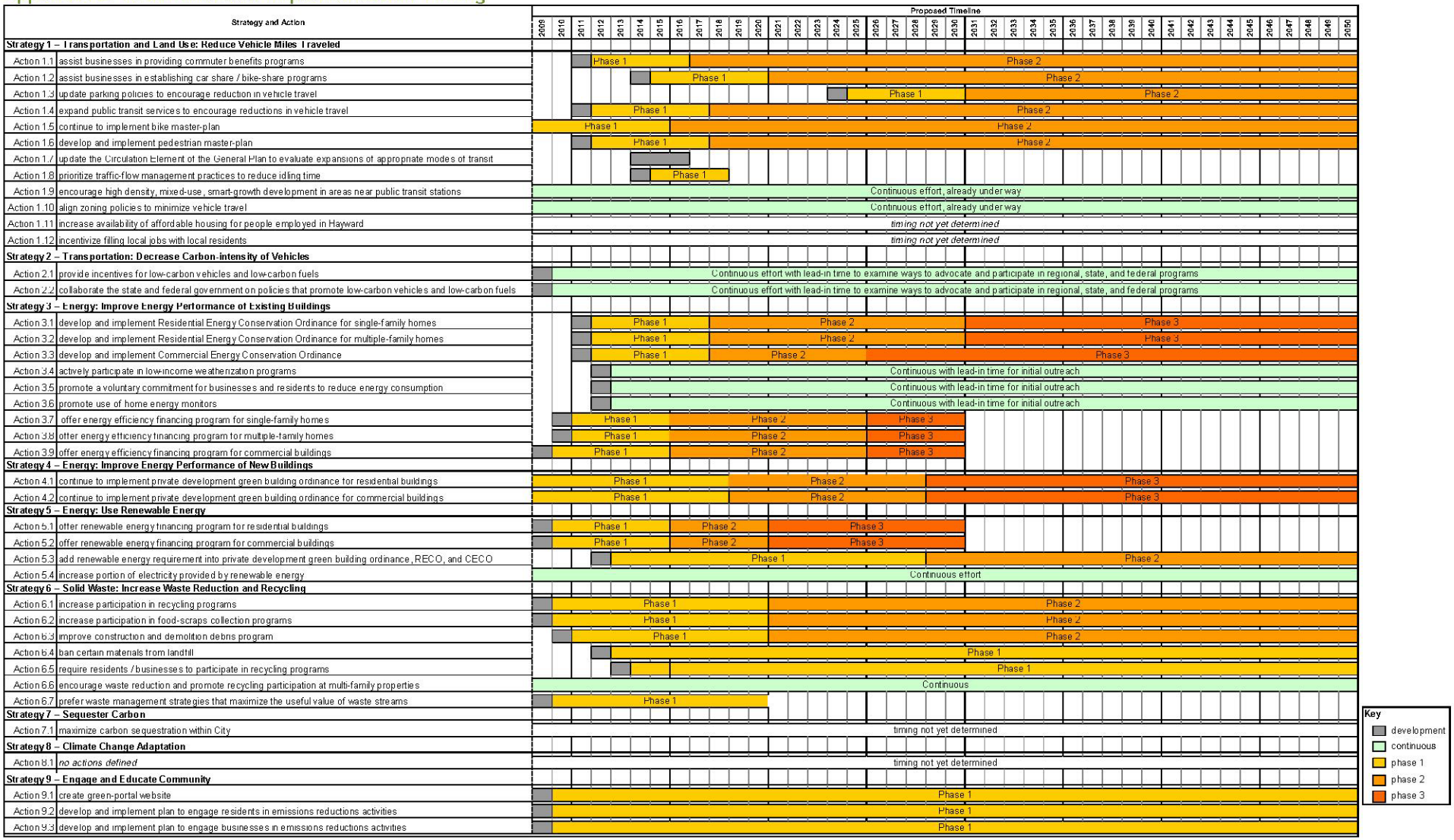
Approved by:

Fran David, City Manager

Attachments

Attachment I:	Appendix E of the Climate Action Plan – Implementation Timeline
Attachment II:	Detailed Comparison of 2005 and 2009 Community-wide Emissions

Appendix E: Recommended Implementation Timing



Community Greenhouse Gas Emissions in 2005-2009
Detailed Report

	Equiv. CO2 (tonnes)		Equiv. CO2 (% Change)	Energy (MWh)		Energy (% Change)
Residential	**2005**	**2009**		**2005**	**2009**	
Electricity	54,252	73,767	36%	242,674	253,711	5%
Natural Gas	104,277	103,302	-1%	571,258	568,979	0%
Subtotal Residential	158,529	177,069	12%	813,932	822,690	1%
Commercial/Industrial	**2005**	**2009**		**2005**	**2009**	
Electricity	151,793	160,681	6%	678,989	552,635	-19%
Natural Gas	86,434	82,651	-4%	473,507	456,400	-4%
Subtotal Commercial/Industrial	238,227	243,332	2%	1,152,496	1,009,035	-12%
Subtotal Buildings	**396,756**	**420,401**	**6%**	**1,966,428**	**1,831,725**	**-7%**
Transportation - Local Roads	**2005**	**2009**		**2005**	**2009**	
Gasoline	227,502	241,598	6%	926,326	977,896	6%
Diesel	59,429	52,514	-12%	208,359	210,137	1%
Subtotal Transportation - Local Roads	286,931	294,112	3%	1,134,685	1,188,033	5%
Transportation - State Hwy	**2005**	**2009**		**2005**	**2009**	
Gasoline	354,540	356,357	1%	1,443,589	1,442,395	0%
Diesel	92,615	89,873	-3%	324,707	359,627	11%
Subtotal Transportation - State Hwy	447,155	446,230	0%	1,768,296	1,802,022	2%
Subtotal Transportation	**734,086**	**740,342**	**1%**	**2,902,981**	**2,990,055**	**3%**
Subtotal Community (exclu Waste) - Hayward	**2005**	**2009**		**2005**	**2009**	
Buildings	396,756	420,401	6%	1,966,428	1,831,725	-7%
Transportation	734,086	740,342	1%	2,902,981	2,990,055	3%
Total - Community (exclu Waste) - Hayward	**1,130,842**	**1,160,743**	**3%**	**4,869,409**	**4,821,780**	**-1%**

	Equiv. CO2 (tonnes)		Equiv. CO2 (% Change)	Tonnage Tons		Tons (% Change)
Waste	**2005**	**2009**		**2005**	**2009**	
ADC Tonnage						
Plant Debris	119	58	-51%	1,436	697	
Subtotal ADC Tonnage	119	58	-51%	1,436	697	-51%
Landfill Waste	**2005**	**2009**		**2005**	**2009**	
Paper Products	29,052	16,197	-44%	38,733	21,514	-44%
Food Waste	9,094	3,588	-61%	21,432	22,442	5%
Plant Debris	2,276	555	-76%	9,436	6,694	-29%
Wood/Textiles	11,898	1,793	-85%	44,908	10,530	-77%
All Other Waste	0	-		-	-	0%
Subtotal Landfill Waste	52,320	22,133	-58%	114,509	61,180	-47%
Subtotal Waste	52,439	22,191	-58%	115,945	61,877	-47%
	2005	**2009**		**2005**	**2009**	
Total - Community (inclu Waste CO2e)	**1,183,281**	**1,182,934**	**0%**			
Total - Community Energy Mwh (exclu Waste Tonnage)				**4,869,409**	**4,821,780**	**-1%**
Total - Community Waste Tonnage				**115,945**	**61,877**	**-13%**

CITY OF
HAYWARD
HEART OF THE BAY

CLIMATE ACTION PLAN IMPLEMENTATION
APRIL 6, 2011

Erik Pearson, *Senior Planner*
Marc S McDonald, *Sustainability Coordinator*

Planning Division, Development Services Department

Climate Action Plan Implementation

- Review of actions recommended by CAP

GHG Emissions Inventory

- Comparison of 2005 and 2009 Estimates

Climate Action Plan Implementation

- Most Actions called for in the Climate Action Plan are proceeding on schedule.
  - Exception: City program to finance renewable energy projects.
    - Property Assessed Clean Energy (PACE) on hold pending federal action.
- Items remaining this Calendar Year include:
  - Single-Family RECO Ordinance to City Council, May 31
  - Updates to Recycling and Food Scraps Programs
  - Review Green Building Requirements and PACE status
  - Address Transportation Issues
  - Healthy/Local Eating
  - Complete Green Portal Website
  - Review CECO and Multifamily RECO issues

Community Actions - Direct City Control

Action		Priority	Complete	On Schedule	Behind Schedule	Progress
3.9	EE Financing program - Commercial Buildings	1		X	PACE Program on hold.	City providing rebates for Commercial EE upgrades.
3.3	Commercial Energy Conservation Ordinance	2		X		To be addressed by Staff in September 2011.
3.7	EE Financing Program for Single-Family Homes	3		X	PACE Program on hold.	City providing rebate for residential EE upgrades.
3.8	EE Financing program for multi-family homes	4			X	PACE Program on hold pending federal action.
5.2	Renewable E Financing - Commercial buildings	5			X	PACE Program on hold pending federal action.
6.3	Improve Construction and demolition debris program	6		X		To be addressed by Staff in September 2011.
4.2	Continue to implement GB ordinance for commercial buildings	7	X			
5.3	Add Solar Requirement to GB Ordinance for private development	8		X		To be addressed at the May 2011 Sustainability Committee Meeting
4.1	Continue to implement GB ordinance for residential buildings	9	X			
3.1	Implement RECO for Single Family Residential Homes	10		X		To City Council Work Session on May 31, 2011.

Community Action – GHG Savings Not Quantified

Action		Priority	Complete	On Schedule	Behind Schedule	Progress
2.2	Collaborate with state and federal levels to promote low-carbon vehicles and fuels	1		X		
2.1	Provide Incentives for low-carbon vehicles and fuels	2		X		Collaborate with Federal and State levels of government to promote low-carbon vehicles and fuels.
1.10	Align zoning policies to minimize vehicle travel	3		X		Form-Based Codes being developed.
6.7	Maximize the useful value of waste streams	4		X		To be addressed at the Sept. 2011 Sustainability Committee Meeting
9.1	Create Green-portal website	5		X		Complete Summer 2011.
9.2	Engage residents in emissions reductions activities	6		X		CAM Team will develop engagement strategies as it builds the Communications Program.
9.3	Engage local businesses in climate-related programs.	7		X		CAM Team will develop engagement strategies as it builds the Communications Program.
1.9	Encourage high density, mixed-use development near public transit.	8	X			Transit Village approved for South Hayward Bart Station. Form-Based Codes being developed.

Municipal Action – Direct City Control

Action		Priority	Complete	On Schedule	Behind Schedule	Progress
3.10	Upgrade streetlights to LEDs	1		X		Complete July 2011
2.3	Buy fuel efficient/low-carbon fuel vehicles for municipal fleet	2		X		Prioritize fuel efficiency/low-carbon vehicle purchases
3.12	Audit City buildings and identify energy savings opportunities	3		X		Audits completed in 2010 and currently in progress.
3.11	Prepare and implement EC plan for municipal buildings	4		X		Track performance through Benchmarking
2.4	Include alternative-fuel and fuel economy requirements into contracts	5		X		Recycling franchisee uses alternative fuels. Seek new opportunities.
6.9	Implement food scraps collection programs in city buildings	6		X		Address at the Sept. 2011 Sustainability Committee Meeting
5.5	Audit city buildings and identify buildings best suited for solar	7		X		Completed with CEC. Seeking new sites.
5.6	Install renewable generation on municipal property	8		X		New library will include rooftop photovoltaics
4.3	Continue to implement municipal green building ordinance	9	X			LEED Silver Certification required new buildings
6.8	Continue recycling programs in City-occupied buildings.	10		X		Address at the Sept. 2011 Sustainability Committee Meeting

Municipal Action – GHG Savings Not Quantified

Action		Priority	Completed	On Schedule	Behind Schedule	Progress
1.13	Provide commuter benefits to government employees	1		X		To be addressed at the June 2011 Sustainability Committee Meeting
1.15	Prefer facilities with convenient access to public transit	2		X		Planned library will be convenient to BART
9.4	Offer climate education programs to city employees	3		X		Green Expo held on March 11, 2011
9.6	Contract awardees to include information about sustainability practices.	5		X		Currently used for some RFPs. Planning to share standardized language with other departments.
9.5	Set Municipal reduction targets. Work to achieve those targets	6		X		City is actively working to reduce emissions.
6.10	Develop environmentally friendly purchasing program	7	X			Administrative Rule 3.9, Environmentally Friendly Purchasing Policy adopted.

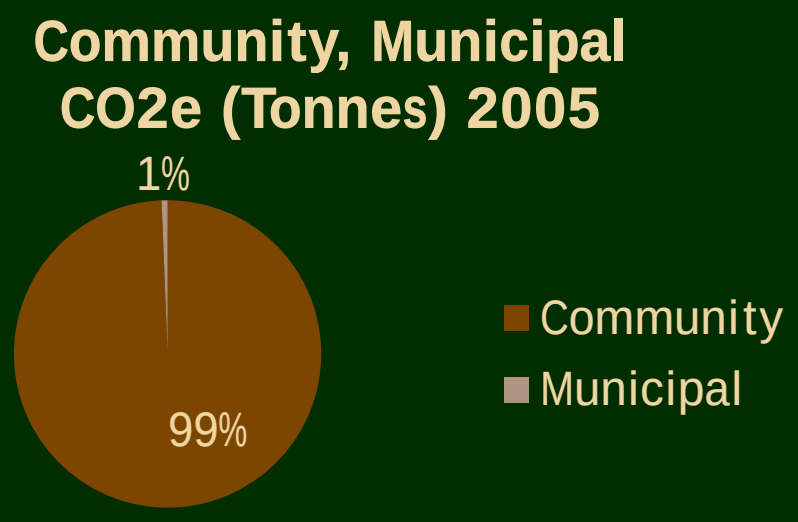
Comparison
City Emissions and Energy 2005-2009

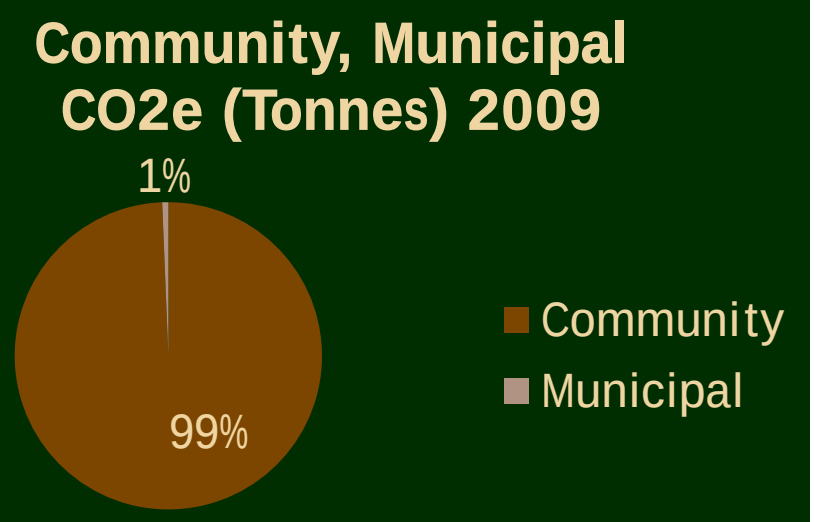
- City wide energy consumption decreased while City-wide CO2e production remained unchanged.
  - Each watt of electricity consumed in 2009 produced more CO2e than in 2005.
- Municipal energy consumption decreased while municipal CO2e increased.
- Community energy consumption decreased while community CO2e remained unchanged.

City Emissions/Energy 2005-2009 Comparison

	Equiv CO2 (tonnes)		%	Energy (MWh)		%
	2005	**2009**	Change	**2005**	**2009**	Change
Community Emissions/Energy 2005 – 2009 Comparison	1,183,281	1,182,934	0%	4,869,409	4,821,780	-1%
Municipal Emissions/Energy 2005 – 2009 Comparison	7,422	7,591	2%	32,221	28,076	-13%
Total	1,190,703	1,190,525	0%	4,901,630	4,849,856	-1%

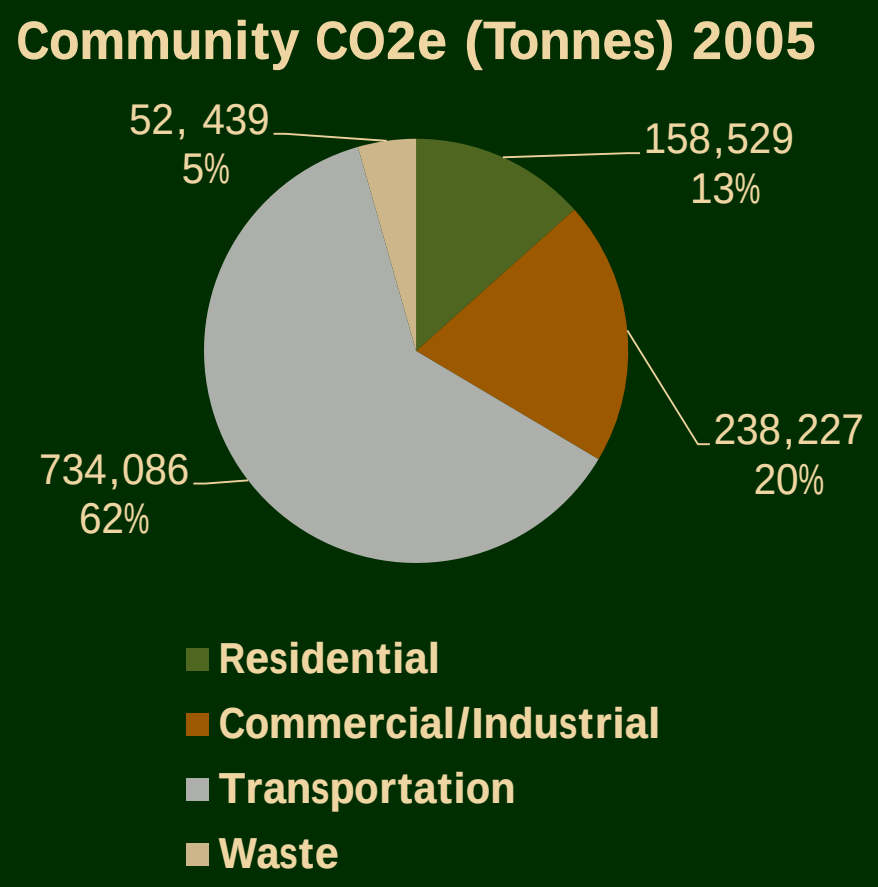
Community, Municipal Emissions

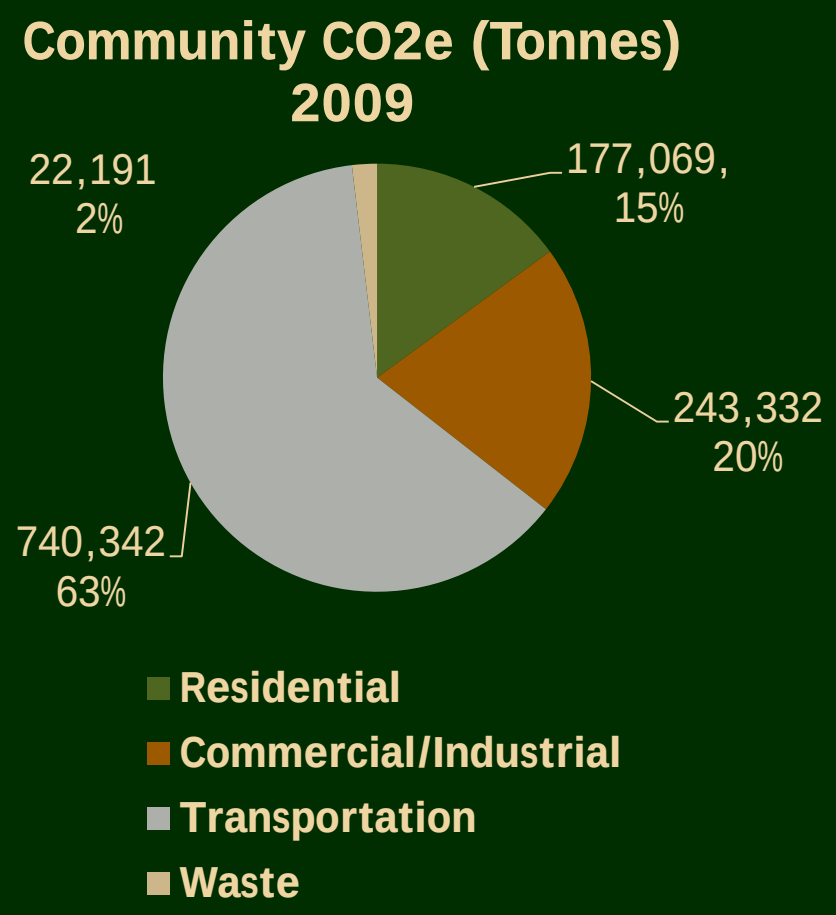




EP5

Community Emissions

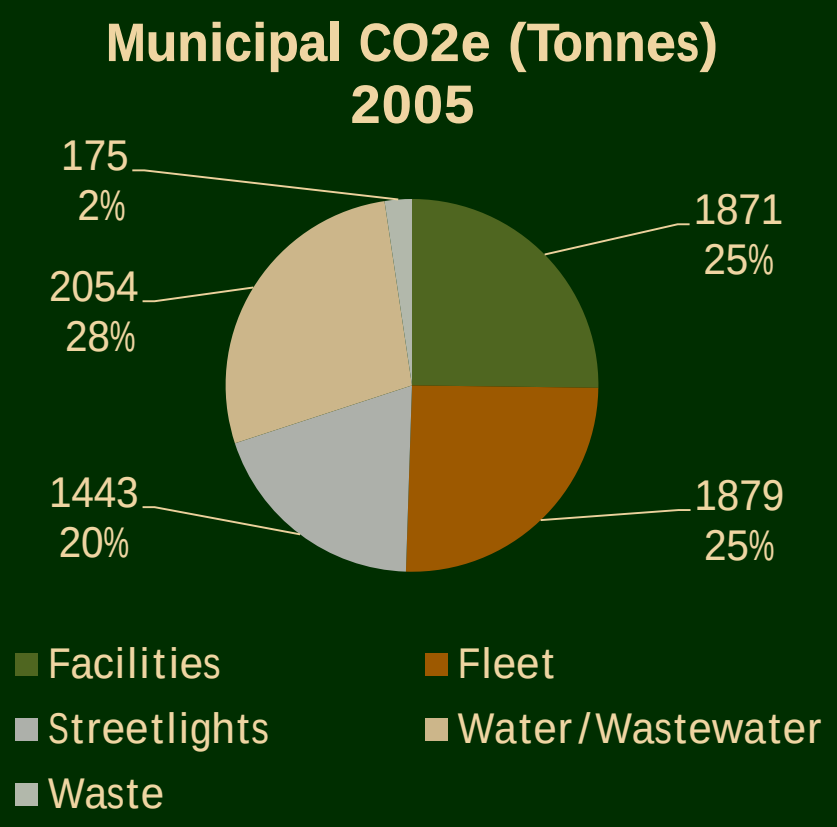


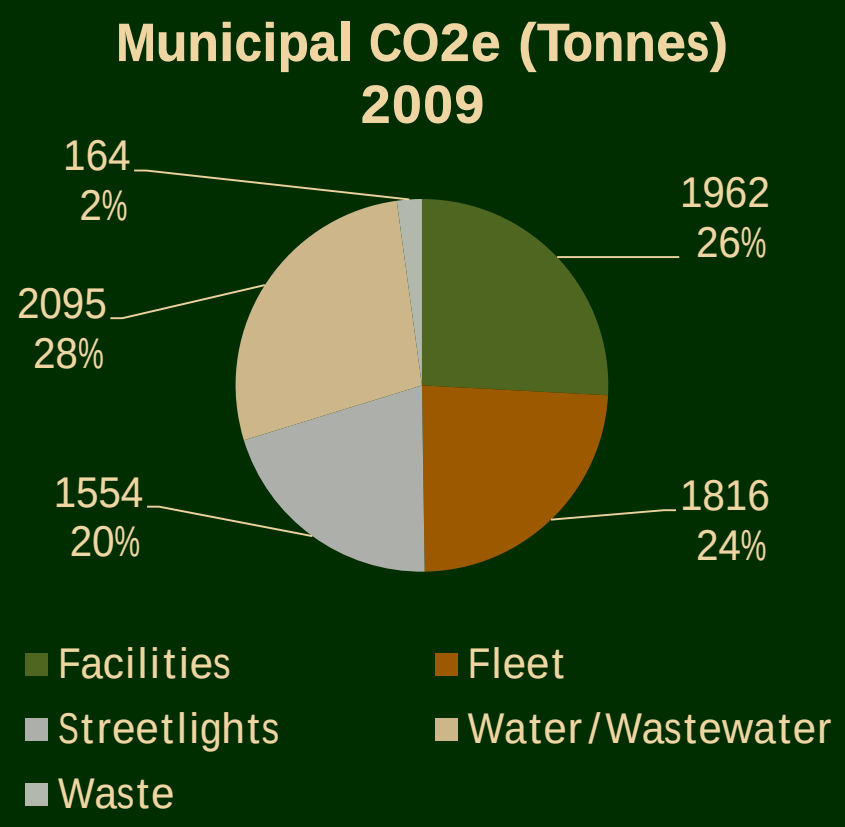


Slide 11

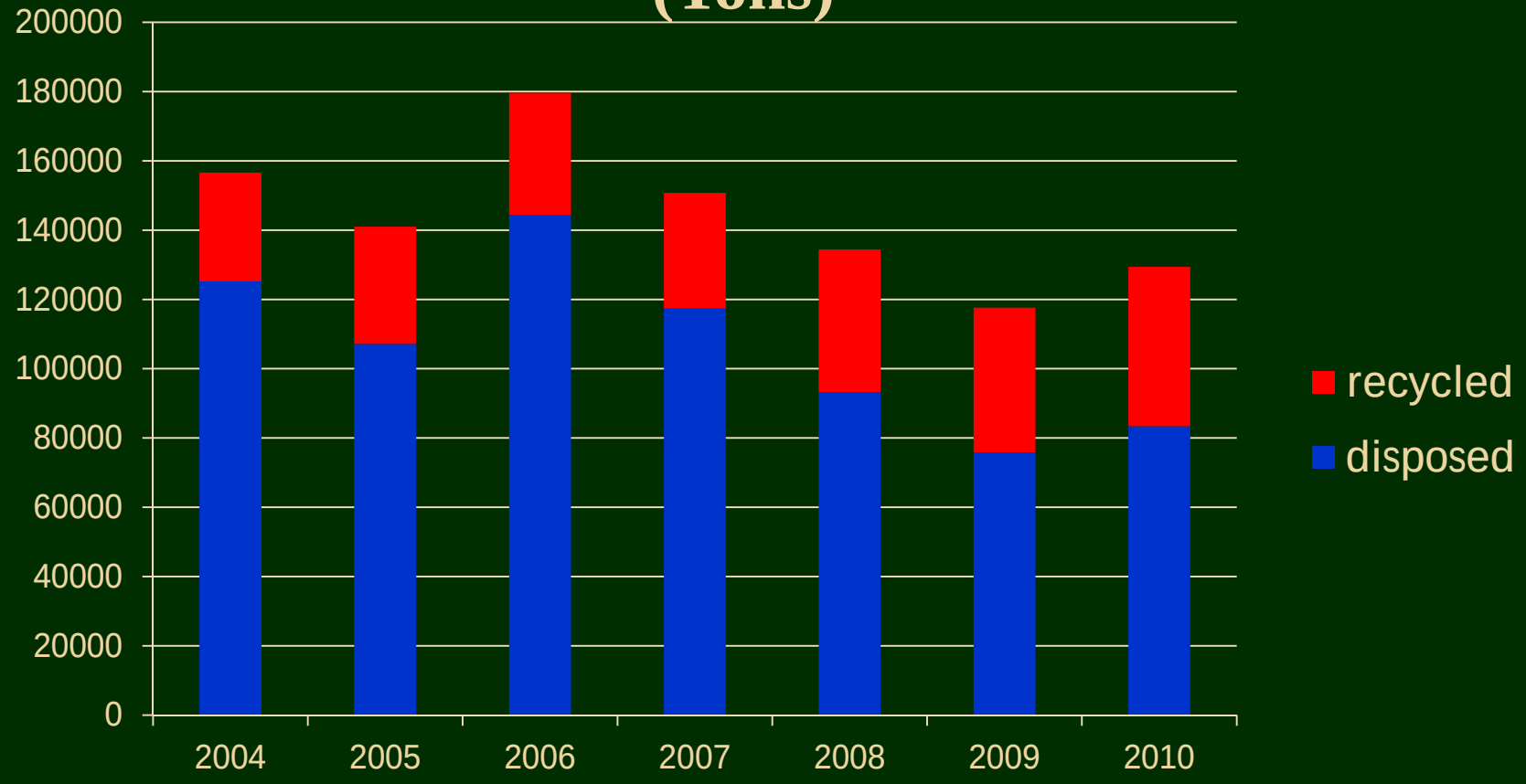
EP5 pie charts and the text on these last 2 slides needs to be larger!
Erik Pearson, 4/4/2011

Municipal Emissions





Franchised Waste Disposed and Recycled (Tons)



Landfilled tonnage has declined steadily since 2007 due to the economic downturn

Tonnage recycled has increased since 2007 due to new programs

Source: Reports provided by Waste Management, Inc.

HAYWARD

Sustainability Committee Monthly Meeting Topics for 2011

Presenting Department	Date	Topics	Climate Action Plan Action Number (Community-Wide Action Priority per Appendix D in the CAP)
~~DS & Facilities~~	~~January 5~~	~~Energy Audits of City Facilities~~	
		~~Energy Efficiency and Conservation Block Grant (EECBG) Programs (Large Energy Users, Audits, etc.)~~	
~~DS~~	~~February 2~~	~~Residential Energy Conservation Ordinance (RECO)~~	~~3.1 (11)~~
~~DS~~	~~March 2~~	~~Residential Energy Conservation Ordinance (RECO)~~	~~3.1 (23)~~
PW	April 6	Update on Food Scraps Programs	6.2 (26)
PW		Senate Bill 7 – Water Conservation	
DS		Annual Review of CAP Implementation and Priorities	
Finance	May 4	Environmentally Preferred Purchasing	6.10 (14*)
DS		Green Building - Requirements for Commercial Buildings, Parking Requirements, and Solar Requirements	4.1 (20), 4.2 (18), 5.3 (19)
PW	June 1	Transportation Demand Management (TDM) Programs/Strategies	1.1 (36)
DS		Commercial Energy Conservation Ordinance (CECO)	3.3 (2)
DS		Local Food Production/Healthy Eating	8.1
DS		Update on Education/Outreach Efforts	9.1 (15), 9.2 (16), 9.3 (17)
PW	July 6	Report on Public Transportation	1.4 (30)
		Update on Sea Level Rise Studies	Strategy 8
DS/PW		Pedestrian Master Plan (*may be addressed in Circulation Element when General Plan is next updated*)	1.6 (39)
	August	*No Meeting – annual recess*	
PW	September 7	Update on Recycling Programs (food scraps, construction & demolition debris, multi-family recycling, City facilities and waste to energy)	6.1 (28), 6.2 (26), 6.3 (14), 6.6 (34), 6.7 (11), 6.8 (16*), 6.9 (13*)
		CECO Update	3.3 (3)
	October 5	Update on Property Assessed Clean Energy (PACE) and Energy Upgrade California (EUC)	5.1 (29), 5.2 (8), 3.7 (6), 3.8 (7), 3.9 (1)
DS		Update on Green Team Efforts	
DS	November 2	Multi-Family RECO (introduce topic)	3.2 (24)
DS		Discussion of Topics for 2012	
PW	December 7	Plastic Bag Ordinance	6.4 (40)

*Municipal Actions Priority per Appendix D in the CAP