



MEMORANDUM

City Manager's Office

DATE: July 1, 2019

TO: City Council

FROM: Steve Attinger, Environmental Sustainability Coordinator
Audrey Seymour Ramberg, Assistant City Manager/Chief Operating Officer

VIA: Daniel H. Rich, City Manager

SUBJECT: Fiscal Year End Sustainability Update

PURPOSE

The purpose of this memo is to follow up on the direction given by the City Council during the April 30, 2019 meeting, and provide an update on key sustainability initiatives.

BACKGROUND

On April 30, 2019, the City Council held a Study Session during which staff presented a Sustainability Strategic Plan, offering three levels of response to climate change (Foundational, Advanced, and Innovative), with corresponding actions to be taken and additional program budget and staffing needed at each level. At this meeting, the Council directed the following.

Overall Direction

- Strive to achieve an Advanced or higher level of response.
- Identify and prioritize specific strategies to achieve the largest “bang for the buck” reduction in greenhouse gas (GHG) emissions.
- Return to the Council with specific initiatives to be undertaken as part of Sustainability Action Plan 4 (SAP-4).

Funding

- Create a 3-year Sustainability Reserve of \$7.5 million from the unallocated General Fund balance and a redirection of FY 2018-19 and FY 2019-20 Strategic Property Acquisition Reserve (SPAR) contributions (this is not enough to reach the Advanced or Innovative levels, as currently defined).
- Identify other sources of on-going funding, such as revenue from the new business license tax, short-term rentals, cannabis sales, the Development Services Fund, the Shoreline Community District, and Enterprise Funds.
- Explore the creation of new impact fees, as well as a revenue measure to increase the Transient Occupancy Tax (TOT), as other potential funding sources.

UPDATE ON RECENT ACTIONS

Based on City Council direction during the December 4, 2018 and April 30, 2019 meetings, staff has been implementing, or will implement, the following actions.

Sustainability Action Plan 4

As requested by the City Council, staff is in the process of developing Sustainability Action Plan 4 (SAP-4), which will be created based on the collective recommendations in the Environmental Sustainability Task Force 2 (ESTF-2) report and Sustainability Strategic Plan. In developing SAP-4, staff will identify:

- the highest impact initiatives, bearing in mind the synergies that come from implementing a suite of measures in a given area;
- other initiatives that may be high priority due to timing, financial incentives, or other considerations;
- direct and indirect resources needed to accomplish the initiatives by year, including ongoing vs. one-time program and staff funding; and
- funding gaps to accomplish these initiatives.

Staff aims to present SAP-4 to the Sustainability Committee in September and to the City Council in October. SAP-4 will include a proposal for how to spend the \$7.5 million reserve and next steps to identify other funding sources. A more comprehensive funding strategy beyond the \$7.5 million will be presented to Council subsequent to adoption of SAP-4.

Building Energy and Electric Vehicle Reach Codes

The City is participating in a regional effort to develop “reach codes” that exceed the minimum standards of the California Building Standards Code. These reach codes are intended to encourage building electrification and installation of electric vehicle charging infrastructure to reduce GHG emissions. This regional effort is being led by Silicon Valley Clean Energy (SVCE) and Peninsula Clean Energy, who have engaged consultants to draft model reach codes and provide technical support to cities in this process.

Staff is currently reviewing the draft codes developed by the consultants and will determine what changes may be needed to adapt them to Mountain View’s specific conditions. Staff is also working with the consultants to coordinate stakeholder outreach as the proposed reach codes are developed. The City has submitted a Memorandum of Understanding (MOU) to SVCE confirming our interest in participating in the reach code process, which makes the City eligible for a \$10,000 grant if a reach code is brought to Council for approval at any point in 2019. These funds are intended to reimburse the City for staff time and other costs incurred as part of the reach code development process. Staff anticipates conducting community outreach in late August through mid-September, and bringing any proposed reach codes to Council along with other code updates in October 2019.

Electric Vehicle Chargers

Staff is moving forward with Council’s December 2018 direction to leverage grant opportunities to add additional electric vehicle charging capacity in the city-owned parking facilities downtown. Staff enlisted an electrical contractor to assess the feasibility of installing additional chargers in the parking garages and surface lots in the Downtown Parking District. Based on the results of this analysis and other factors, staff selected the two parking garages (135 Bryant Street and 850 California Street) as the most feasible sites for additional chargers in the short term.

Staff received a proposal from a vendor to install 34 additional EV chargers across the two downtown parking garages, as well as nine chargers at the new Community Center, at zero cost to the City by leveraging a Bay Area Air Quality Management District grant opportunity. Staff is currently evaluating this proposal and determining potential contracting options. Depending on various factors, staff estimates that the chargers could be installed by December at the earliest.

Staff will monitor utilization of any new chargers and projected future demand, and assess if additional chargers are needed. Based on the contractor’s analysis, additional

electrical capacity would be needed to install chargers in the downtown surface parking lots. This would require a utility electrical service upgrade, which may be considered if EV adoption rates remain high and demand for charging increases. Increased electrical capacity would also allow for installation of DC Fast chargers (Level 3), which deliver significantly faster charging than the current Level 2 chargers.

Staff is also evaluating projected charging needs for City fleet vehicles to accelerate the replacement of gasoline-powered models with electric versions.

Greenhouse Gas Inventories

Staff is currently finalizing the 2017 Community GHG inventory, having received final emissions data for that year, and will begin conducting the *preliminary* 2018 Community inventory as soon as 2018 data is available in the late summer or early fall. Staff anticipates being able to present these inventories, along with an analysis of trends in community-wide GHG emissions and reduction efforts, to the Council in November 2019. The final 2017 GHG emissions numbers will be used to determine areas of greatest emissions reduction impact and will inform the development of SAP-4.

Staff plans to begin the 2017 Local Government Operations (LGO) inventory this summer, and expects to present the results to the City Council in November, along with the 2017 (final) and 2018 (preliminary) community inventories. Staff will also present its analysis and any recommended changes to the City's GHG reduction targets, and potential use of a carbon budget or offsets.

Energy Efficiency Incentives – *Heat Pump Water Heaters*

SVCE's heat pump water heater rebate pilot program launched on June 28, 2019. This program will provide generous rebates toward the cost of replacing a natural gas water heater with a heat pump version, and any necessary electrical panel upgrades, throughout SVCE's service territory. This program is intended to help assess the full cost of switching water heating from natural gas to electricity, and to evaluate opportunities and barriers to electrifying existing buildings. The results of this program will inform future building electrification programs from SVCE and the City, as well as the City's Building Baseline Study and Decarbonization Roadmap, discussed below.

Building Baseline Study and Decarbonization Roadmap

As part of their overall decarbonization roadmap, SVCE has been planning to conduct a building baseline study in their service territory, which would include the scope of Mountain View's proposed Building Baseline Study and Decarbonization Roadmap.

After discussions between SVCE and City staff about how best to leverage SVCE's regional study and avoid duplication of effort, SVCE staff agreed to focus their study in the City of Mountain View as an initial phase of their broader regional assessment, and expect it to be completed later this summer. The objectives of this study are to develop a comprehensive understanding of energy usage and associated GHG emissions for buildings (residential and non-residential), and to identify opportunities for targeted decarbonization policies and programs. As identified in the ESTF-2 report and subsequent staff reports to Council, this type of study is a key first step to the development of programs to effectively decarbonize the existing building stock.

Community Shuttle Study

In June 2019, the City entered into an agreement with Transportation Management & Design (TMD), a consulting firm that specializes in transit service planning, to conduct a Shuttle Study. This study will explore the possible modification, expansion, and/or consolidation of local transit and shuttle services (including the Mountain View Community Shuttle) to better serve Mountain View residents and employees. In particular, the study will address service needs for senior citizens and students, as well as strategies for first-mile/last-mile connections. Over the next three months, City staff and the consulting team will conduct surveys and stakeholder interviews to better understand needs and options for additional or modified shuttle service. The project team will also be analyzing land use plans and origin-destination data to help identify travel demand patterns. A Council Study Session is scheduled in the fall to review this analysis and consider preliminary service concepts and strategies.

Community Engagement

Staff has a number of community engagement tools or programs being considered or planned for the next fiscal year, among them:

- *Collaborate Mountain View*: an overarching online platform to solicit feedback from, and relay information to, the community about the City's sustainability initiatives – *look out for a summer launch!*
- *Electric Vehicle Ride and Drive*: an opportunity to ride in or drive a number of different electric vehicles as part of National Drive Electric Week in September.
- *Community Climate Solutions*: an online tool that provides residents with information and resources on specific actions they can take to lower their impact in a number of different areas.

- *HomeIntel*: a utility-funded online tool that analyzes home energy use and provides custom steps, coaching, and updates to help residents reduce wasted energy in their homes.
- *CoolBlock*: an innovative program that helps households on their own, and as a group within their city block, reduce their carbon footprint, conserve water, prepare for disasters, and connect socially to build community.
- *YellowTin*: a tool that provides residents with unbiased and personalized recommendations about the benefits of clean energy products such as solar power, electric vehicles, water heaters, electric furnaces, and battery storage.
- *Business Outreach*: mini-workshops or roundtable forums to help small-to-large businesses incorporate sustainability practices into their operations.
- *Website Dashboard*: a way for the community to easily see the City's progress toward its sustainability and climate goals.

PROGRAM EXPANSION

As identified in the Sustainability Strategic Plan, leading edge cities have incorporated social equity/justice as a formal component of their sustainability programs. As such, and in support of the City's long history of focus on its diverse community members (through multi-cultural outreach, affordable housing, etc.), the Environmental Sustainability Program is being re-named the Sustainability Program to reflect programs beyond those environmentally-focused. Staff will include recommendations in SAP-4 for implementing programs that address the social equity component of sustainability.

cc: CDD, PWD, ACDD, APWD—Cameron, APWD—Hosfeldt, CBO, PP, ZA, TM—Lo, SWPM, WRM, TP—Baird, TP—Kim, FMS, EMS, COC