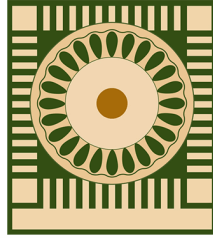


CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
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CITY OF
HAYWARD
HEART OF THE BAY

Agenda

Monday, May 13, 2019

4:30 PM

Conference Room 2A

Council Sustainability Committee

CALL TO ORDER

ROLL CALL

PUBLIC COMMENTS:

(The Public Comment section provides an opportunity to address the City Council Committee on items not listed on the agenda as well as items on the agenda. The Committee welcomes your comments and requests that speakers present their remarks in a respectful manner, within established time limits, and focus on issues which directly affect the City or are within the jurisdiction of the City. As the Committee is prohibited by State law from discussing items not listed on the agenda, any comments on items not on the agenda will be taken under consideration without Committee discussion and may be referred to staff.)

[MIN 19-068](#)

Attachments: [Attachment I - Minutes](#)

Approval of the March 11, 2019 Council Sustainability Committee Meeting Minutes

REPORTS/ACTION ITEMS

[ACT 19-132](#) Review of the Green Infrastructure Plan

Attachments: [Attachment I Staff Report](#)
[Attachment II Map of Potential Projects](#)
[Attachment III List of Potential Projects](#)
[Attachment IV Funding Options](#)

[ACT 19-127](#) PAYS® Pilot Program Review

Attachments: [Attachment I Staff Report](#)

[ACT 19-128](#) Downtown Streets Team Service Agreement

Attachments: [Attachment I Staff Report](#)
[Attachment II Downtown Service Area Map](#)
[Attachment III Tennyson Service Area Map](#)
[Attachment IV 2019 Downtown Streets Team Scope of Services](#)

[ACT 19-130](#) Update on Possible Reach Code for Building and Vehicle Electrification

Attachments: [Attachment I Staff Report](#)
[Attachment II Reach Code Opportunities Matrix](#)

[ACT 19-133](#) Proposed 2019 Agenda Planning Calendar

Attachments: [Attachment I Proposed 2019 Agenda Planning Calendar](#)

ORAL UPDATES

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS

ADJOURNMENT



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: MIN 19-068

DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

RECOMMENDATION

That the Committee reviews and approves the March 11, 2019 Council Sustainability Committee meeting minutes.

ATTACHMENTS

Attachment I March 11, 2019 Council Sustainability Committee Meeting

COUNCIL SUSTAINABILITY COMMITTEE MEETING
Hayward City Hall – Conference Room 2A
777 B Street, Hayward, CA 94541-5007
March 11, 2019
4:30 p.m. – 6:18 p.m.
MEETING MINUTES

CALL TO ORDER: Meeting called to order at 4:30 p.m. by Chair Mendall.

ROLL CALL:

Members:

- Al Mendall, City Council Member/CSC Chair
- Elisa Márquez, City Council Member
- Francisco Zermeño, City Council Member

Staff:

- Alex Ameri, Interim Director of Public Works
- Carol Lee, Management Analyst I
- Crissy Mello, Senior Secretary
- Elisa Wilfong, WPSC Administrator
- Erik Pearson, Environmental Services Manager
- Jan Lee, Water Resources Manager
- Jeff Krump, Solid Waste Program Manager
- Justin Temores, Fleet Maintenance Manager
- Kait Byrne, Management Analyst I
- Maria Hurtado, Assistant City Manager
- Nicole Grucky, Sustainability Specialist
- Todd Rullman, Maintenance Services Director

Others:

- Jane Kelly, KyotoUSA
- Stacy Lee, Hayward Resident, County Sustainability Office
- Tom Kelly, KyotoUSA, Executive Director

PUBLIC COMMENTS

No public comments.

1. Approval of Corrected Minutes of Council Sustainability Meeting on November 26, 2019

The item was moved by Council Member Marquez, seconded by Chair Mendall, and approved unanimously to approve the minutes of the Council Sustainability Committee meeting of November 26, 2019.

2. Approval of Minutes of Council Sustainability Meeting January 14, 2019

The item was moved by Chair Mendall, seconded by Council Member Marquez, and approved unanimously to approve the minutes of the Council Sustainability Committee meeting of January 14, 2019 with the correction of one typo on page three.

3. Climate Mayors Electric Vehicle Purchasing Collaborative

Chair Mendall introduced the item, and Environmental Services Manager, Erik Pearson presented the report.

Mr. Pearson explained the City's goal to replace 50 of the vehicles in its fleet with electric vehicles. Council Member Zermeño asked how difficult it would be to convert larger City trucks to electric to which Maintenance Services Director, Todd Rullman, replied that larger trucks would be more difficult and costly than those vehicles used as passenger vehicles. Mr. Rullman also touched on the battery life and replacement costs for these types of vehicles.

Council Member Marquez asked that staff clarify which fund would purchase these vehicles. Mr. Rullman responded that the funds are identified in the CIP. The Committee asked that staff continue to look into electric vehicles and present a resolution to the City Council for adoption.

The item was moved by Chair Mendall and passed unanimously.

4. Update on City's Renewable Diesel Use in Diesel Vehicle Fleet Pilot

Director Ameri introduced the item, and Management Analyst, Kait Byrne, presented the report.

Miss Byrne stated that the City has been conducting a trial at Fire Station 1 and has received good results, which may lead to the use of renewable diesel at all ten City fueling stations, assuming no issues are revealed over the remainder of the trial.

Council Member Zermeño asked about modifications needed to the fuel stations. Mr. Temores stated it is a drop in replacement and no modifications would be needed with either the fuel pumps or vehicles. Mr. Temores also noted the additional benefits of transitioning to renewable diesel such as less noise and decreased maintenance costs.

Chair Mendall requested that staff present its findings to neighboring cities and prepare a press release should Hayward implement the program.

5. PCBs Management for Demolition Projects

Environmental Services Manager, Erik Pearson introduced the item and Water Pollution Source Control Administrator, Elisa Wilfong, presented the report.

Ms. Wilfong gave a brief background of PCBs and their use in construction prior to its ban in 1979. She explained the environmental impacts of demolishing older buildings and recommended an ordinance similar to the Bay Area Stormwater Management Agencies Association (BASMAA) model be added to the City's municipal code.

Chair Mendall asked if the City already had an ordinance in place. Ms. Wilfong stated this ordinance would be added to the current solid waste ordinance. Director Ameri added that this would be one ordinance instead of two.

Council Member Marquez asked how the City would ensure compliance. Ms. Wilfong stated that it would be the responsibility of the applicant to address the regulations for City approval of the demolition permit. Council Member Zermeño asked about the fees associated to the ordinance to which Ms. Wilfong replied that the Buildings Division didn't feel a fee would be necessary, and staff would re-visit the ordinance should the implementation become too costly.

Chair Mendall motioned the item, and it was passed unanimously to move forward in drafting an ordinance to present to City Council for implementation by July 1, 2019.

6. Draft Ordinance for the Reduction of Single-Use Food Service Ware

Solid Waste Program Manager, Jeff Krump, presented the report and noted that StopWaste had reviewed the City's ordinance and suggested that the City amend its polystyrene ordinance as has been done by other jurisdictions.

Council Member Marquez inquired how this ordinance would effect food delivery services and advised staff to connect with the Chamber of Commerce or businesses to see if the companies have the infrastructure to add a utensil request option to their mobile application. Council Member Zermeño asked why the ordinance would not include drive-thru's. Mr. Krump responded that patrons who use drive-thru's are expected to eat in their vehicles and have a need for food ware accessory items.

Chair Mendall advised staff to refer to the Berkeley model on banning single-use plastics and would like to have a set date for the ban to take effect. Council Member Marquez added that this item be a work session. Council Member Zermeño commented that he would like to see a phased schedule for this ordinance.

Council Member Zermeño asked if the City could ban the sale of single-use food ware. Director Ameri explained that City Council does not want to restrict businesses from selling to outside city businesses. Chair Mendall motioned that he would like to see a complete ban by January 1, 2021 that was seconded by Márquez and passed unanimously.

7. Participation in the 8th Annual Wyland National Mayor's Challenge for Water Conservation

Environmental Services Manager, Erik Pearson introduced the item and Management Analyst, Kait Byrne presented the report.

Miss Byrne explained that pledges from the challenge will be divided into four categories with prizes awarded to the winning communities. The City would promote the challenge by use of social media and the City's newsletter. Should the Committee agree to participate, staff would prepare a statement of support for Mayor Halliday.

The item was moved by Chair Mendall, seconded by Council Member Marquez and passed unanimously.

8. East Bay Community Energy Update

Director Ameri introduced and co-presented the report with Environmental Services Manager, Erik Pearson.

Mr. Pearson presented the programs' opt-out rates and stated that the City is working closely with EBCE on a local building Reach Code which would require or encourage new construction to be all-electric and possibly electronic vehicle charging infrastructure.

Tom Kelly, KyotoUSA, Executive Director, and Jane Kelly, KyotoUSA, expressed their gratitude towards the City for choosing Brilliant 100 as the default. Mrs. Kelly stated that no other cities organized as efficiently and quickly as the City of Hayward. Mr. Kelly encouraged the City to consider choosing Renewable 100 as the default and commented that people who default to 100% renewable energy tend to stay in it.

Council Member Marquez asked that staff hold an informational meeting in both English and Spanish to explain the EBCE program billing to residents. Chair Mendall also added that he would like staff to promote to the community regarding EBCE's rates being identical to those of PG&E.

9. Proposed 2019 Agenda Planning Calendar

Director Ameri suggested that the Green New Deal (GND) and its provisions be brought into discussion. Council Member Zermeño requested staff to present the details of the GND without its opponents' commentary.

Council Member Zermeño asked to see a City Tree Inventory item scheduled that includes an urban forest component.

Council Member Zermeño requested a discussion exploring the Country's options for recycling their own recyclables in place of outsourcing it overseas.

Chair Mendall requested staff to add the Recycled Water Master Plan to either the Council Infrastructure Committee or the Sustainability Committee. He also requested a Shoreline Master Plan update.

Mr. Pearson relayed a community member's request for a ban on gas powered leaf blowers and that he may be looking into ordinances adopted by other cities for guidance. Director Ameri commented that enforcement staff may not be able to respond to these complaints due to prioritization of more pressing matters.

COMMITTEE MEMBER/STAFF ANNOUNCEMENTS AND REFERRALS:

Director Ameri announced that the Annual Poster and Essay Contest has been moved closer to Earth Day.

ADJOURNMENT: 6:18 p.m.

MEETINGS

Attendance	Present 03/11/19 Meeting	Present to Date This Fiscal Year	Excused to Date This Fiscal Year	Absent to Date This Fiscal Year
Elisa Márquez	✓	5	0	0
Al Mendall*	✓	5	0	0
Francisco Zermeño	✓	5	0	0



CITY OF HAYWARD

Hayward City Hall
777 B Street
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File #: ACT 19-132

DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

Review of the Green Infrastructure Plan

RECOMMENDATION

That the Committee reviews and comments on this report and provides direction to staff regarding the completion of the Green Infrastructure Plan

SUMMARY

Provision C.3.j. of the Municipal Regional Permit (MRP) mandates that the City develop and implement a Green Infrastructure Plan (G.I. Plan). Compliance with the mandate requires the inclusion of a low impact development drainage design into storm drain infrastructure on public and private lands, including streets, roads, storm drains, parking lots, building roofs, and other storm drain infrastructure elements. This report provides a summary of the mandate to develop the G.I. Plan and the progress staff has completed to date.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Map of Potential Projects
Attachment III	List of Potential Projects
Attachment IV	Funding Options



DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

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BACKGROUND

To reduce pollution that reaches the Bay from development and redevelopment activities, cities are required to slow, spread, and treat surface runoff as well as minimize land disturbance and impervious surfaces. This requirement has primarily been achieved through low impact development (LID) techniques, which the City has implemented since 2002. The goal of LID is to reduce runoff and mimic the site's predevelopment hydrology by minimizing disturbed areas and impervious cover and then infiltrating, storing, and biotreating stormwater runoff close to its source. LID employs principles such as preserving and recreating natural landscape features and minimizing imperviousness to create functional and appealing site drainage that treats stormwater as a resource, rather than a waste product.

In addition to new development and redevelopment requirements, Provision C.3.j of the MRP mandates that municipalities include LID or Green Infrastructure (G.I.) in all projects. The goal is to shift impervious surfaces and storm drain infrastructure from gray (or traditional storm drain infrastructure where runoff flows directly into the storm drain and then the receiving water) to green (or a more-resilient, sustainable system that slows runoff by dispersing it to vegetated areas, harvests and uses runoff, promotes infiltration and evapotranspiration, and uses bioretention and other green infrastructure practices to clean stormwater runoff). Examples of G.I include rain barrels and cisterns, green roofs, permeable

pavement, and biotreatment through rain gardens, bioretention units, bioswales, and planter/tree boxes.

EXAMPLE OF BIORETENTION



EXAMPLE OF BIOSWALE AND PERVIOUS PAVEMENT



On May 2, 2017¹, upon a recommendation from the Council Sustainability Committee, Council approved a G.I. Framework document that describes the tasks and timeframes for development of the City's G.I. Plan. Within this framework the City committed to meet the mandated deadline and complete the G.I. Plan prior to submittal of the City's annual stormwater report, which must be filed by September 30, 2019.

DISCUSSION

To comply with the Green Infrastructure requirements in Provision C.3.j. of the MRP, the City needs to develop and implement a G.I. Plan. The G.I. Plan serves as a guide and reporting tool to ensure G.I. implementation and to document pollution reduction of pollutants of concern, namely PCBs and mercury, as well as, the shift from gray to green stormwater infrastructure. The G.I. Plan must include long term goals to implement G.I. These goals include:

- A mechanism to prioritize and map areas for potential and planned projects, both public and private, over the following time schedules:
 - o By 2020;
 - o By 2030; and
 - o By 2040;
- A target for the amount of impervious surface, from public and private projects, to be retrofitted over the time schedule;
- A process for tracking and mapping completed projects and making the information publicly available;
- Guidelines for design and construction projects that are concurrent with other project needs such as street improvements;
- Standard specifications for projects;
- A summary of the planning documents the City must update or modify to incorporate G.I. requirements, and
- An evaluation of prioritized project funding options.

In addition to the G.I. Plan, the City is required to adopt a legal mechanism to ensure implementation of the G.I. Plan, conduct outreach to professionals involved in infrastructure planning and design, train staff for implementation of the G.I. Plan, and educate elected officials of the G.I. requirements in the MRP.

Geosyntec, a stormwater consulting firm, has been retained to assist the City with drafting the G.I. Plan. The G.I. Plan will include a listing and prioritization of potential and planned projects, a summary of planning documents to be updated with G.I. requirements, and an evaluation of project funding options. Included for your review is Attachment II, a map of potential and planned projects, Attachment III, a list of projects with cost estimates and Attachment IV, a list of funding options. Staff seeks Committee comments and direction regarding the projects and funding options listed in the attachments. Staff recommends the

¹ <https://hayward.legistar.com/LegislationDetail.aspx?ID=3034173&GUID=7CE8F3EE-E594-4B32-BB6C-125F25904974&Options=&Search=>

list of projects as high potential sites for G.I. installation as well as exploring all funding options listed in the attachment. Staff is working on completing the remaining sections of the G.I. Plan and will have a final draft available for Council review and adoption in July 2019.

ECONOMIC IMPACT

Compliance with the MRP mandate for G.I. implementation will increase costs for certain public and private development projects. Staff will provide sufficient advance outreach to notify contractors of this new program via the City's website, a handout in the Permit Center, and targeted outreach to the development community.

FISCAL IMPACT

The cost for Geosyntec's services is \$75,000 to complete the G.I. Plan and will be paid by the Stormwater Fund. Oversight of G.I. implementation will impact staff resources, therefore staff will monitor the time required to review project applications, plans and time in the field to oversee construction projects to assess whether the existing fees are sufficient to cover staff time.

The potential projects identified in Attachments II and III could be constructed over the next 20 to 25 years and are estimated to cost approximately \$19 million. Staff seeks Committee direction regarding the potential funding sources listed in Attachment IV and which sources should be further studied.

STRATEGIC INITIATIVES

This agenda item is a routine operational item and does not relate to one of Council's three Strategic Initiatives.

SUSTAINABILITY FEATURES

Preventing pollution from entering the storm drain system will benefit Haywards aquatic ecosystems and the health of the San Francisco Bay.

PUBLIC CONTACT

No public contact has been made regarding this agenda item. However, staff plans to conduct outreach to the development community and use regional efforts to outreach to the development community in the next six months and prior to the G.I. Plan's adoption by Council.

NEXT STEPS

After receiving comments from the Committee, staff will present the completed G.I. Plan to Council for adoption in July 2019 to comply with the MRP Provision C.3.j.

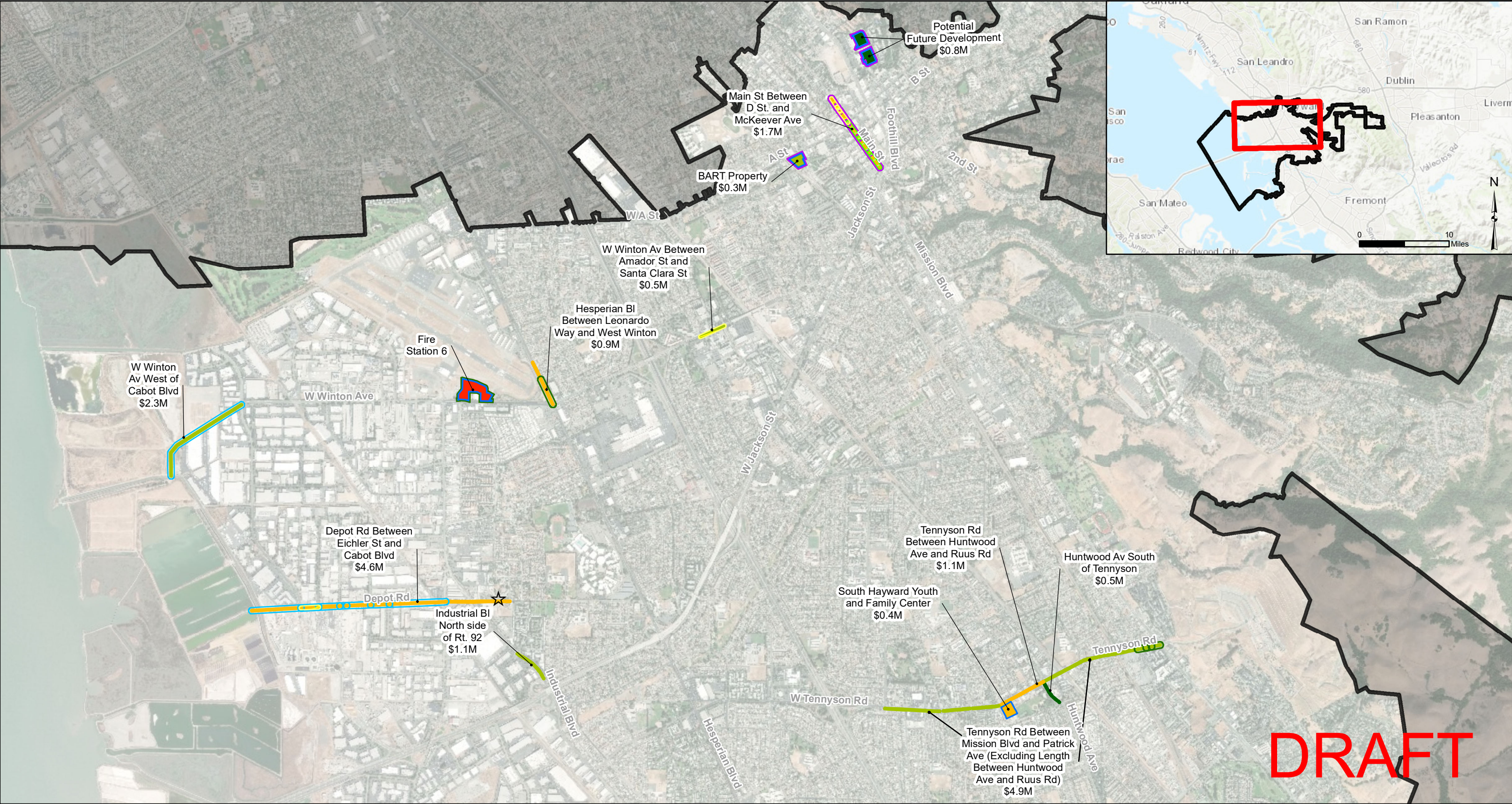
Prepared by: Elisa Wilfong, Water Pollution Control Administrator

Recommended by: Alex Ameri, Director of Public Works

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAadoo', written over a horizontal line.

Kelly McAadoo, City Manager



Legend

Identified Public GI Retrofit Projects^{1,2}

	2020 Identified Project (1)
	2030 Identified Project (5)
	2040 Identified Project (5)
	2040+Potentially Project (2)

Master and Specific Plans

	Shoreline Master Plan
	Downtown Specific Plan
	Bike/Ped Master Plan
	Main St Improvement

Project Type

	Regional Opportunity
	Adjacent to Proposed New or Redevelopment
	Affordable Housing Project Location

Notes:

1. Project count indicated next to anticipated construction year category.

2. Cost estimate based on unit GI project implementation costs provided in the Green Infrastructure Cost Estimation Methodology memo prepared for Alameda Countywide Clean Water Program (Geosyntec, 2018).

Hayward GI Plan

Identified Public GI Retrofit Projects

City of Hayward, California

Figure

1

LA0513

May 2019

Priority (Year)	Description	Total Drainage Area (acres)	Estimated Capital Cost (2018 dollars)	Master or Specific Plan	Other Classifications
2020	Fire Station 6	6.9	in progress ¹	Bike/Ped Master Plan (within 50-ft)	
2030	Depot Rd Between Eichler St and Cabot Blvd	17.3	\$4,623,000	Shoreline Master Plan	Proposed New or Redevelopment
2030	Hesperian Bl Between Leonardo Way and West Winton	3.4	\$899,000	Bike/Ped Master Plan	
2030	Main St Between D St. and McKeever Ave	6.2	\$1,650,500	Downtown Specific Plan, Main St Improvement, Bike/Ped Master Plan	Proposed New or Redevelopment
2030	South Hayward Youth and Family Center	2.4	\$427,000		
2030	Tennyson Rd Between Huntwood Ave and Ruus Rd	4.0	\$1,063,500		Proposed New or Redevelopment
2040	BART Property	1.9	\$338,500	Downtown Specific Plan, Bike/Ped Master Plan (within 50-ft)	
2040	Industrial Bl North side of Rt. 92	4.0	\$1,081,000		
2040	Tennyson Rd Between Mission Blvd and Patrick Ave (Excluding Length Between Huntwood Ave and Ruus Rd)	18.2	\$4,857,000	Bike/Ped Master Plan	Affordable Housing (within 50ft)
2040	W Winton Av Between Amador St and Santa Clara St	1.8	\$473,000		Proposed New or Redevelopment
2040	W Winton Av West of Cabot Blvd	8.6	\$2,288,000	Shoreline Master Plan	
2040+	Huntwood Av South of Tennyson	1.8	\$476,000		
2040+	Potential Future Development	4.4	\$777,000	Downtown Specific Plan, Bike/Ped Master Plan (within 50-ft)	

¹Fire Station 6 design and detailed cost estimate currently in progress.

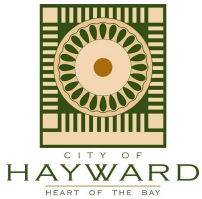
Funding Options for Green Infrastructure Plan

Following is a list of potential funding options recommended for further study. This list was developed collaboratively with the City's consultant team and the City's internal Green Infrastructure team.

- a. Landscape and Lighting Fee: GI maintenance could potentially be funded by an increase in the Landscape and Lighting assessments on new development.
- b. Regulatory Fees – There may be potential to recover costs for GI administration through standard permit application fees.
- c. Grants – Both transportation and resource-based grants may be applicable for projects included in the GI Plan, including the State Water Resources Control Board's Proposition 1 Stormwater Grant Program, Caltrans' Active Transportation Program, and the One Bay Area Grant Program.
- d. Alternative Compliance – City staff could develop an in-lieu fee program for C.3 Regulated Projects that have constraints for implementing on-site stormwater treatment.
- e. Multi-Agency Partnerships – Hayward Unified School District would be a potential partner after the State Water Resources Control Board includes school districts in the statewide Phase II Stormwater Permit. Other potential partners are Chabot Community College and the Hayward Area Recreation and Park District.
- f. Caltrans Mitigation – The City is partnering with Caltrans on trash and will explore expanding this partnership to include GI.
- g. Transportation Partnerships – There may be opportunities to partner with BART.
- h. Public-Private Partnerships – A process has been initiated to form a Hayward Community Foundation, which is anticipated to help provide philanthropic support for local communities and their local nonprofit organizations. There may be opportunities to partner with the Foundation on projects that include GI.
- i. Volunteers – The City is interested in exploring opportunities for volunteers to participate, possibly through local industries, colleges, and/or schools; the Keep Hayward Clean & Green Task Force; and/or expanding Adopt a Block to Adopt a GI Project.

The following options are not currently recommended for further study, but may be considered in the future:

- a. Stormwater Fee – Hayward has existing stormwater fee, but it hasn't been increased in some time.
- b. Developer Impact Fees – Staff is currently studying a possible a transportation impact fee.
- c. Realignment of Existing Fees – Hayward may consider covering some stormwater activities by the Wastewater Fund. In the longer term, Hayward may consider including GI as an expense covered by the street impact fee collected as part of the franchise fee for garbage service.
- d. Loans
- e. Community Facilities Districts



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: ACT 19-127

DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

PAYS® Pilot Program Review

RECOMMENDATION

That the Committee reviews and comments on this report and considers recommending to Council that the Green Hayward PAYS® be terminated by December 31, 2019.

SUMMARY

The Green Hayward PAYS® (Pay-As-You-Save) pilot program has been available to multifamily property owners since the summer of 2015. To date, six projects have been completed using the PAYS® on-bill repayment program. The Bay Area Regional Energy Network (BayREN) is developing a Regional Water Bill Savings Program (RWBSP) intended to replace and expand on the existing on-bill repayment programs offered by Hayward and other water agencies. Staff recommends that the Green Hayward PAYS® program be terminated effective December 31, 2019 and that consideration be given to the City's participation in the RWBSP.

ATTACHMENTS

Attachment I Staff Report



DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT: PAYS® Pilot Program Review

RECOMMENDATION

That the Committee reviews and comments on this report and considers recommending to Council that the Green Hayward PAYS® be terminated effective December 31, 2019.

SUMMARY

The Green Hayward PAYS® (Pay-As-You-Save) pilot program has been available to multifamily property owners since the summer of 2015. To date, six projects have been completed using the PAYS® on-bill repayment program. The Bay Area Regional Energy Network (BayREN) is developing a Regional Water Bill Savings Program (RWBSP) intended to replace and expand on the existing on-bill repayment programs offered by Hayward and other water agencies. Staff recommends that the Green Hayward PAYS® program be terminated effective December 31, 2019 and that consideration be given to the City's participation in the RWBSP.

BACKGROUND

The Green Hayward PAYS® (Pay-As-You-Save) On-Bill Conservation and Efficiency Financing Pilot Program was designed to allow multifamily property owners to have energy efficiency and water conservation improvements installed with low to no upfront costs. Participating owners pay for the improvements with a surcharge on their water bill. To qualify, installed improvements must provide for at least \$1.00 in savings for every 80 cents of the surcharge so that participants will see a net reduction in their bill when the surcharge is added.

The Green Hayward PAYS® program was established with assistance from the Bay Area Regional Energy Network (BayREN). BayREN also supports two other similar programs: the Town of Windsor's Efficiency PAYS® and the East Bay Municipal Utility District's (EBMUD) On-Bill Program. Windsor's program was active in 2012 through 2015 and is currently on hold while program changes are being considered. EBMUD's program was a small pilot

program with a \$150,000 budget and only three projects installed since 2016. More information about the PAYS® Program is available on the City's website ¹.

On February 18, 2014 ², Council approved the Green Hayward PAYS® (Pay-As-You-Save) On-Bill Conservation and Efficiency Financing Pilot Program, including authorization for agreements with suppliers and a contractor to provide products and installation services. On June 23, 2015 ³, after staff determined a private bank loan was not feasible, Council approved an allocation of \$1,000,000 from the Water Improvement Capital Fund to cover the upfront costs associated with installing conservation and efficiency measures at multifamily properties. The City contracted with Bottom Line Utility Solutions (BLUS) to develop project proposals and perform installations and with Frontier Energy to serve as the certification agent for the program.

The Committee received updates on PAYS® implementation on December 10, 2015 ⁴, May 9, 2016 ⁵ and July 10, 2017 ⁶. On July 10, 2017, in an effort to stimulate interest in the program, the Committee recommended that Council approve changes to the program terms to allow participants to choose a repayment period of less than ten years and to allow for prepayment without penalty. The Committee also asked that staff reevaluate the effectiveness of the program in a year to ensure that the participation outweighs the cost to the City to implement the program.

On September 19, 2017 ⁷, Council approved modifications to the program to 1) allow customers to select a repayment term of three to ten years, so long as the customer's surcharge will be no more than 100% of their bill savings, and 2) to allow customers to prepay their repayment amount without penalty.

DISCUSSION

Program Participation – Since July 2017, only two properties have completed upgrades, totaling 23 units and using \$13,199 of program funds. In the almost four years since the program launched, six properties have completed upgrades, totaling 161 units and using \$143,651 of the \$1,000,000 dedicated to the program. In addition, two multifamily properties totaling 23 units completed upgrades on their own due in part to the marketing efforts of the PAYS® Program. These properties received assessments from the PAYS® contractor and

¹ www.Hayward-ca.gov/PAYS

² <https://hayward.legistar.com/MeetingDetail.aspx?ID=454164&GUID=34203B70-D1D1-47E2-A455-1C467FC19D91&Options=&Search=>

³ <https://hayward.legistar.com/MeetingDetail.aspx?ID=454193&GUID=7ED2DCF4-519F-4221-A360-E0B421549F4E&Options=info&Search=>

⁴ <https://hayward.legistar.com/LegislationDetail.aspx?ID=2529562&GUID=61DFF8F1-0EB4-4425-A3E5-659F0FEA8A03&Options=&Search=>

⁵ <https://hayward.legistar.com/LegislationDetail.aspx?ID=2713025&GUID=5C104C99-DA16-49CF-8064-240F9A6E5374&Options=&Search=>

⁶ <https://hayward.legistar.com/LegislationDetail.aspx?ID=3096084&GUID=94E89CC9-F91E-4263-8CE5-343551966544&Options=&Search=>

⁷ <https://hayward.legistar.com/LegislationDetail.aspx?ID=3155403&GUID=D2B89D2E-243E-498E-AB9E-FFACD5E20975&Options=&Search=>

decided to complete the upgrades but declined to use the on-bill financing. While the pilot program has resulted in significant water, energy and bill savings for participating properties, the limited number of projects completed indicates that the program has been largely unsuccessful.

Bill Analysis for Four Participating Properties – Staff conducted bill analysis through February 2019 for properties one, three, and five which is summarized in the table below. Property two went through a transition of account to another owner in 2018 so staff did not calculate savings for this property beyond the end of 2017 as permission to access the property’s PG&E bill data has not been granted by the new owner.

Properties one and three have twenty-eight months of billing data. Property five has twelve months of billing data. Bills savings are calculated using an estimate of what the customer would have paid had they not completed the upgrades. This estimate is based on two years of historic billing data for each property. For properties one and five staff only reviewed water bills because staff did not have access to two-years of historic PG&E bills. For property three, staff considered water and energy bills.

Table 1 – Bill Analysis

Property #	# of Units	Cost of Upgrades	Surcharge /Bill	Projected Net Savings/Bill	Average Actual Net Savings/Bill
1	34	\$9,100	\$211	\$329	\$530
2*	24	\$12,261	\$285	\$230	\$575
3	12	\$6,483	\$151	\$434	\$170
4**	68	\$102,608	\$2,382	\$17,440	-
5	18	\$10,922	\$344	\$88	\$165
6***	5	\$2,277	\$53	\$13	-
Total	161	\$143,651	\$3,426	\$18,534	

* Property two went through a transition of account in 2018 so staff did not obtain bill analysis beyond the end of 2017.

** Did not obtain bill analysis for property four (a condominium homeowner’s association) due to difficulty obtaining the appropriate utility bill information.

*** Did not yet obtain bill data for property six.

Staff’s conclusions from the above data:

1. Properties one, two, and five have achieved actual bill savings higher than their projected bill savings.
2. Property three achieved lower actual savings than what the Program Contractor, Bottom Line Utility Solutions, had projected. This customer achieved reductions in their water usage, but the energy upgrades did not perform as well as expected. BLUS and Frontier Energy have adjusted their calculations so this error should not occur with future projects.

Toilet Rebates – A new constraint on the program that might further reduce participation in the program is the elimination of toilet rebates. Completed PAYS® projects have been able to utilize the \$100 per toilet rebate, which has helped make projects qualify for the 80% savings threshold. Most member water agencies of the Bay Area Water Supply and Conservation Agency (BAWSCA) have ended or are considering ending their rebates for toilet replacements. Hayward will end its toilet rebates this year. Applications for rebates must be approved by June 30, 2019 and the toilets must be installed by December 31, 2019, in order for a project to use the rebate. According to Frontier, the program (designing projects such that the installed improvements provide for at least \$1.00 in savings for every 80 cents of the surcharge) should still be viable without the rebates – even with smaller projects, which have smaller margins.

Survey Results – BayREN commissioned a study to evaluate the Green Hayward PAYS® program as well as the Windsor Efficiency PAYS® and EBMUD On-Bill programs. The study was completed in late 2018 and published in February 2019. Authors of the study contacted program participants as well as those who received offers from the program contractor but elected not to participate (“near participants”). Researchers talked four of the five participants in Hayward (representing 5 of 6 accounts). They also conducted brief interviews with 6 of 12 near participants representing 7 of 13 accounts). Below are some key findings of the study:

- All participants were highly satisfied with the program.
- The contractor said that for many busy multi-family rentals, water savings are “peanuts” relative to rents and the fact that entering a tenant’s unit can make them upset.
- Near participants commented that the proposed measures were too expensive, and the interest rate was too high.

Potential Regional Water Bill Savings Program – BayREN is developing a Water Bill Savings Program for Bay Area water utilities. The program has been made possible by SB 564, the Water Bill Savings Act, which was signed into law by Governor Brown in 2017. The law enables a Joint Powers Authority to issue bonds and loan the proceeds to local water agencies. On March 21, 2019, the Association of Bay Area Governments (ABAG) Executive Board received an informational report on the program and expressed interest. The program is expected to be ready to launch by the end of 2019. BayREN would fund the program, which would allow Hayward to offer a PAYS program requiring minimal City resources.

One concern is that the program will require participating utilities to submit repayment for installed improvements regardless of collections. In other words, if a Hayward property owner participates in the RWBSP and then does not pay their full water bill, the City would still be responsible for paying the surcharge to BayREN on their behalf. In lieu of requiring participating utilities to repay the program regardless of collections, the program could establish a loan loss reserve, however this would increase overall program costs and would require all participants to pay higher fees to fund the reserve. The program requires screening of potential participants and will only extend an offer to customers in good standing, which should limit the chances of a participant with delinquent payments.

While Hayward's participation in the RWBSP would free up City funds allocated to program, the City's involvement would be similar to the existing pilot program. The City would no longer have contracts with suppliers, contractors and the certification agent, but the City would still be responsible for assistance with marketing and for applying surcharges to water bills. Upon direction from the Committee staff could return to the Committee when details of the RWBSP are further developed.

ECONOMIC IMPACT

The Green Hayward PAYS® Program benefits residents and property owners who are able to take advantage of the opportunity to improve energy and water efficiency in their homes with no up-front costs and no increases in their overall utility bills.

FISCAL IMPACT

The funding for the program is \$1,000,000 from the Water Improvement Capital Fund, which will be paid back over time with interest through a surcharge on each participating customer's water bill. The City has an agreement with its selected PAYS® Program Certification Agent, Frontier Energy, not-to-exceed amount of \$100,000. An administrative fee is charged to each participating customer to cover Frontier's costs associated with managing the program.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goal and objectives:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 4: Create resilient and sustainable neighborhoods

This agenda item also supports the Tennyson Corridor Strategic Initiative. The purpose of the Tennyson Corridor initiative is to develop an attractive, cohesive, thriving Tennyson Corridor through thoughtful engagement of residents, businesses and community partnerships. This item supports the following goal and objectives:

Goal 5: Increase Community Resiliency.

Objective 6: Reduce resident utility bills through efficiency

SUSTAINABILITY FEATURES

Water: Access to on-bill financing through the PAYS® program enables water upgrades, which reduce Hayward's per capita water consumption.

Energy: Access to on-bill financing through the PAYS® program enables energy efficiency upgrades, which reduce the community's reliance on fossil fuels.

PUBLIC CONTACT

Outreach related to the Green Hayward PAYS® program has been focused to owners and managers of multifamily properties. Since July 2017, staff has worked with Frontier Energy to conduct 664 communications (mailers, outreach calls, etc.) to Hayward multifamily owners and managers. In addition, two case studies were developed and shared with prospective participants.

NEXT STEPS

Upon direction from the Committee, staff will prepare a resolution for consideration by the full Council to terminate the Green Hayward PAYS® pilot program by December 31, 2019. Furthermore, staff could return to the Committee for consideration of the City's participation in the RWBSP.

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: ACT 19-128

DATE: May 13, 2019
TO: Council Sustainability Committee
FROM: Director of Public Works
SUBJECT

Downtown Streets Team Service Agreement

RECOMMENDATION

That the Committee reviews and comments on this report.

SUMMARY

The Downtown Streets Team (DST) partners with cities to provide homeless individuals with immediate volunteer opportunities to serve the community through work teams. The program's primary goal is to provide work experience and job skills training to team members who are homeless or at-risk of becoming homeless and transition them to permanent employment. Since 2016 the DST has served Hayward by removing debris from Hayward's streets, performing training, and offering employment services. This work has been funded primarily with Community Development Block Grant (CDBG) and Recycling funds as well as agreements with local businesses. This report presents a proposal to expand the DST's services while helping to increase Hayward's landfill diversion rate. The total cost to contract for both the debris removal and sorting services is \$39,659 and would be paid with funding from the Recycling Fund.

ATTACHMENTS

Attachment I	Staff Report
Attachment II	Downtown Service Area Map
Attachment III	Tennyson Service Area Map
Attachment IV	2019 Downtown Streets Team Scope of Services



DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT: Downtown Streets Team Service Agreement

RECOMMENDATION

That the Committee reviews and comments on this report.

SUMMARY

The Downtown Streets Team (DST) partners with cities to provide homeless individuals with immediate volunteer opportunities to serve the community through work teams. The program's primary goal is to provide work experience and job skills training to team members who are homeless or at-risk of becoming homeless and transition them to permanent employment. Since 2016, the DST has served Hayward by removing debris from Hayward's streets, performing training, and offering employment services. This work has been funded primarily with Community Development Block Grant (CDBG) and City Recycling funds as well as agreements with local businesses. This report presents a proposal to expand the DST's services while helping to increase Hayward's landfill diversion rate. The total cost to contract for both the debris removal and sorting services is \$39,659 and would be paid with funding from the Recycling Fund.

BACKGROUND

In 2015, the City began a pilot program to address employment opportunities and job skills training for homeless individuals living in Hayward, in partnership with the DST. Members of the DST participate in a volunteer work experience program that provides value to partnered non-profits, local governments, and the greater community. In exchange for their service, DST members receive stipends for housing assistance, food assistance, transportation assistance, job skills development and employment placement. Over the past decade, the DST has operated programs in Palo Alto, Sunnyvale, San Rafael and San Jose, with Hayward being the first East Bay location.

On December 15, 2015, Council amended the CDBG FY 2016 Annual Action Plan to approve an agreement with DST in the amount of \$205,000 from restricted program income funds for the implementation of the Hayward Downtown Streets Team Homeless Employment

Program. On April 19, 2017, Council approved the CDBG FY 2017 Action Plan, which included \$90,000 for DST. In 2017, the DST expanded its service to provide sorting assistance at City-sponsored events with \$2,380 in funding from the City's Recycling Fund. In 2018, as part of the Tennyson Corridor Strategic Initiative, DST service was expanded to provide litter collection and recycling sorting service to the Tennyson Corridor using \$30,000 from the City's Recycling Fund. On May 14, 2019, the Council will consider the continuation of the agreement with DST to continue their core services in the Downtown and Tennyson Corridor areas.

The DST volunteer work-experience program provides great value to local business by helping ensure a clean and friendly environment for Hayward residents, visitors, patrons, employees, and business owners. Attractive public spaces provide cleaner living conditions for residents, and can draw more people and more activity, thus strengthening the businesses and improving the local economy.

Since the DST started operating in Hayward in June of 2016, the program has served 122 community members. DST case managers have assisted 20 individuals out of homelessness and into housing and helped 15 individuals find permanent employment. Team members have removed more than 250,000 gallons of litter from the streets of Hayward and DST is included in the City of Hayward's vision to end waste in the waterways by 2022.

DISCUSSION

Staff seeks approval to expand the scope of services for an additional day of Downtown service and an additional day of service to the Tennyson Corridor. Staff also seeks approval to expand the scope of work to include sorting of recyclables from waste in both the Downtown and Tennyson service areas. The cost for these services will be \$37,591 and will cover a time period from July 1, 2019 through June 30, 2020. In addition, staff seeks approval for the DST to continue to provide recyclables sorting assistance at City-sponsored events at a cost of \$2,068 from June 1, 2019 through December 31, 2019. The total contract for both the debris removal and sorting services totals \$39,659 and will be paid with funding from the Recycling Fund.

Additional Days of Service

The DST currently removes debris from Downtown Hayward Sunday through Wednesday from 8:00 am to 12:00 pm. The Tennyson team currently removes debris Wednesday through Friday from 8:00 am to 12:00 pm. Staff proposes increasing funding for an extra day of debris removal for the Downtown area (Thursday 8:00 am to 12:00 pm) and the Tennyson area (Monday 8:00 am to 12:00 pm). This additional funding will also allow the DST to expand the area of coverage in downtown and the Tennyson area and account for the extra time it will take to properly sort waste and recycling.

The total cost for the debris removal and sorting services for July 1, 2019 through June 30, 2020 is \$37,591.

Additional Service Areas

The proposed additional service area for Downtown is shown as Sector 6 on the Downtown Service Area Map (Attachment II). The expansion will cover the area between Montgomery Avenue, and Main Street, and bordered by Simon Street and A Street. The proposed additional service to the Tennyson area is shown as Sectors 5 and 6 on the Tennyson Service Area Map (Attachment III). Expanded coverage for this area is proposed to include servicing along Tennyson Road from 880 west to Hesperian Boulevard.

Additional Recycling

The DST has been sorting cans and bottles from other waste. The proposed expanded services will include sorting of other recyclables such as paper as well as possibly organics, such as plant debris.

Sorting Assistance at Events

The City provides three-stream cart service for nine special events each year through its Solid Waste Franchise Agreement with Waste Management. Staff contracted with DST in 2017 and 2018 to provide in-person sorting assistance to attendees of the events by placing DST team members at sorting stations to help guide the public to put their disposable items in the correct cart. The DST proposes to continue sorting assistance at the same nine City-sponsored events in 2019-2020 for a cost of \$2,068.

ECONOMIC IMPACT

Providing clean, pleasant areas for people to visit can increase the potential of visitors' patronage to local businesses. Downtown and the Tennyson Corridor businesses can benefit economically from the expanded services to be provided by the DST.

FISCAL IMPACT

The proposed expanded services in Downtown and the Tennyson Corridor for a period of one- year cost estimate is \$37,591. The cost of the DST providing sorting assistance at special events for one year is \$2,068 for a total contract amount of \$39,659 paid from the City's Recycling Fund. There is no impact to the General Fund.

STRATEGIC INITIATIVES

This agenda item supports the Complete Communities Strategic Initiative. The purpose of the Complete Communities initiative is to create and support structures, services, and amenities to provide inclusive and equitable access with the goal of becoming a thriving and promising place to live, work and play for all. This item supports the following goal and objectives:

Goal 1: Improve quality of life for residents, business owners, and community members in all Hayward neighborhoods.

Objective 2: Foster a sense of place and support neighborhood pride.

Objective 3: Increase collaboration with businesses, non-profits and neighborhood groups on placemaking projects.

SUSTAINABILITY FEATURES

The DST efforts to remove trash and debris from Hayward's streets helps the City meet its trash reduction goals for storm water management. The DST efforts to assist with sorting waste at events helps increase recycling at events and educates attendees on how to recycle. Solid waste management involves the safe and responsible management of discarded material from generation through processing to disposal. Reducing waste landfilled by maximizing the reuse, recycling, and composting of materials increases diversion, conserves natural resources, and plays an important role in making a community sustainable.

PUBLIC CONTACT

The DST is part of Hayward's Community Agency Funding process which goes through an extensive public input process. In addition, DST members were present at Hayward's Energizer Station at the South Hayward BART station on Bike to Work Day on May 9, 2019 to help raise awareness of the DST.

NEXT STEPS

If the Committee approves staff's recommendations, staff will negotiate with the Downtown Streets Team to execute an agreement and implement the scope of services outlined in Attachment IV.

Prepared by: Jeff Krump, Solid Waste Program Manager

Recommended by: Alex Ameri, Director of Public Works

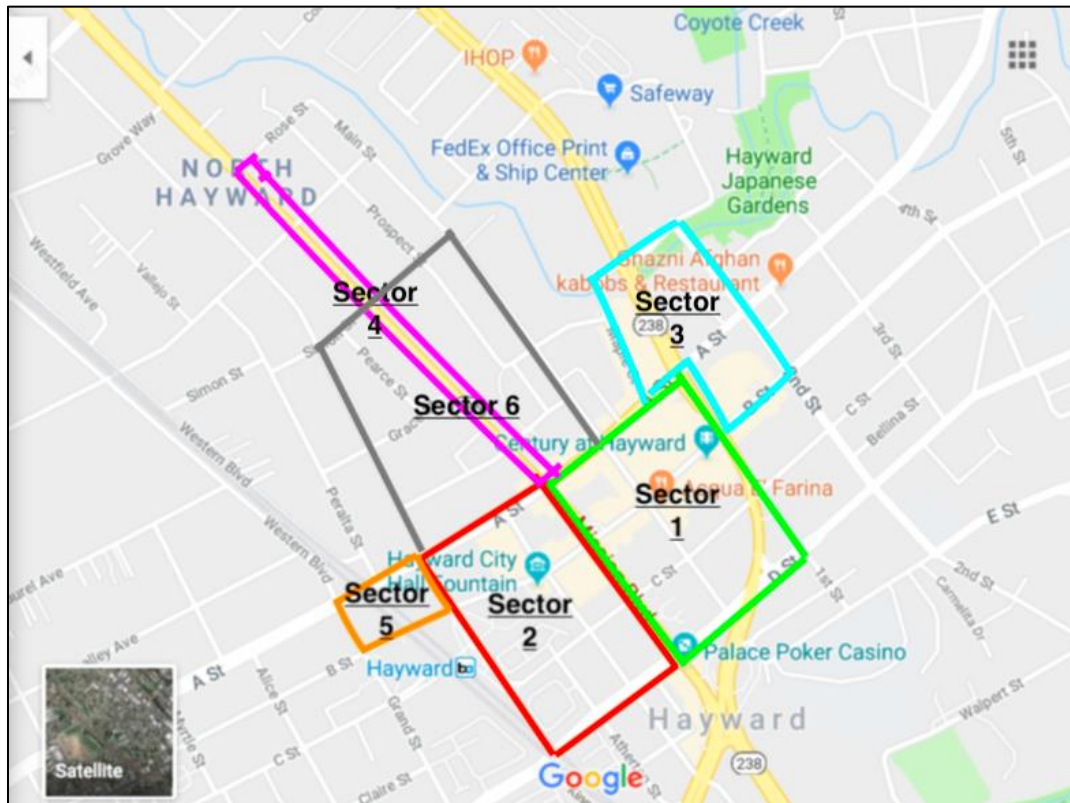
Approved by:



Kelly McAdoo, City Manager

Downtown Service Area - Downtown Street Team Service

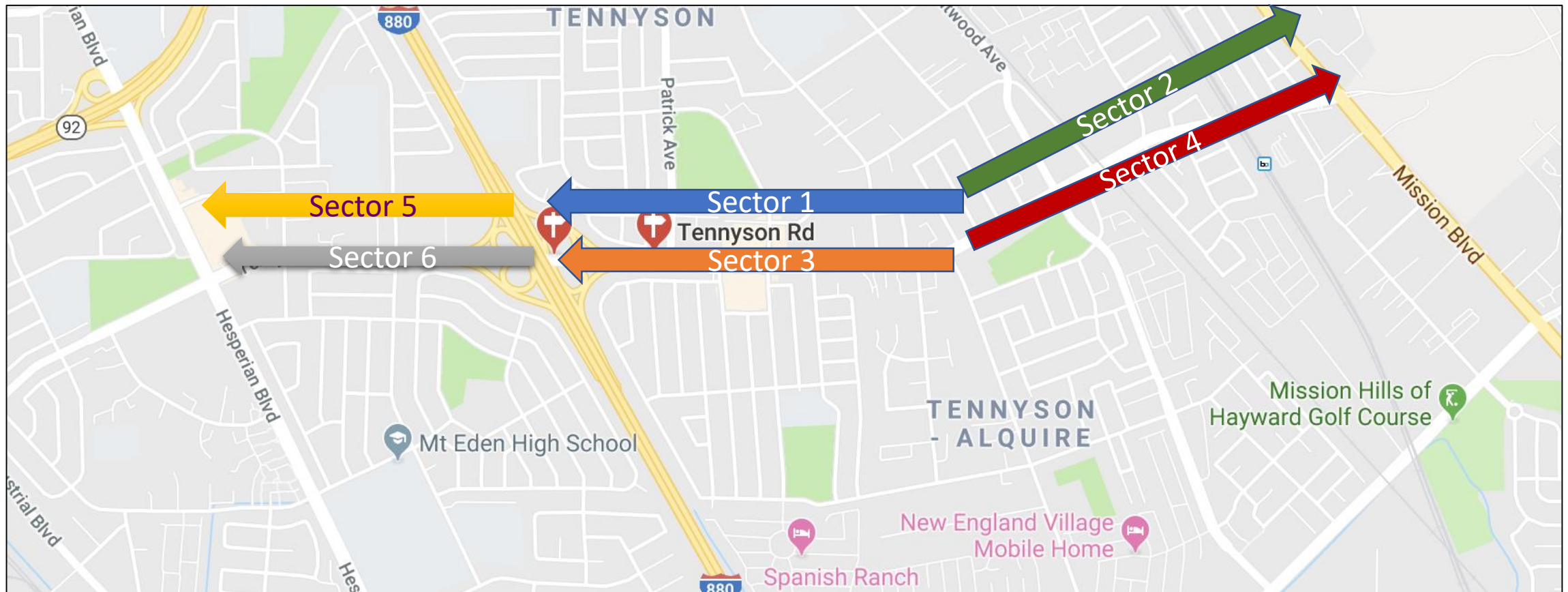
Area Map Sector 6 (in gray) is the proposed new area of service



Tennyson Corridor Downtown Street Team Service Area Map

Sectors 1-4 are the current area served.

Sectors 5 and 6 show the proposed new areas of service.





HAYWARD DOWNTOWN STREETS TEAM
Proposal for Revamped Recycling Program and Sorting Services at
City Events
“Zero Waste Heroes”

Revamped Recycling Program Scope of Services for Calendar Year 2019

Project Overview

Downtown Streets Team seeks to launch a recycling program that will help the City attain its zero waste initiative. Our teams will be working in Downtown and Tennyson area in Hayward to remove blight from the community and sort waste into the proper receptacles to reduce waste in our landfills. Currently our teams recycle bottles and cans but we recognize that we can do more to keep items such as paper, cigarettes, and compostable materials out of landfills. We will sort waste into the following categories: compostable waste, recycling, cigarette waste, and garbage.

The City of Hayward will continue to provide proper training to staff and Team Members to learn how to properly handle, separate, and dispose of the waste and recycling. The City of Hayward will provide Downtown and Tennyson teams with the proper bins and pick up for our recycling and waste. Downtown Streets Team will ship the cigarette waste to a company Terracycle where it is shredded and separated into plastics, papers, and organics. In addition, we will track data of the number of gallons of debris and recycling materials collected to report to the City.

Company Background

Downtown Streets Team (DST) is a volunteer work-experience program in which homeless and at-risk Team Members beautify their community in exchange for case management, employment services, and a basic needs stipend. Through their volunteer work, Team Members rebuild effective work habits, take on leadership opportunities, further their education and ready themselves to re-enter the workforce through the support of a positive community. Team Members earn valuable work-experience while improving their city. It's a win for the community, a win for the environment, and a win for the increased self-sufficiency of our Team Members. DST's model to end homelessness.

- Provides meaningful daily activity and work experience for Team Members
- Shifts perceptions in the community regarding homelessness



- Encourages self-sufficiency and self-worth among participants
- Beautifies our streets, parks, and public spaces.

Since our launch in Hayward in June of 2016, we have served 122 community members. Our Case Manager assisted 20 individuals out of homelessness and into housing. Our Employment Specialist has empowered 15 individuals to gain permanent employment. Team Members have also removed over 250,000 gallons of debris from the streets of Hayward, and have been included in the City of Hayward's vision to end waste in the waterways by 2022.

The City of Hayward included DST in one of three main strategic initiatives in the City to revitalize the Tennyson Corridor and invited us to launch our first project in South Hayward to help beautify the blighted corridor in early 2018. Not only has our Work Development Program been successful in these concrete ways, our Team Members have also contributed to a large shift in perspective from the business owners and community members of Hayward on the humanity of people experiencing homelessness. Most importantly, our Team's sense of self-worth is growing with each day, leading them to seek a better life through achieving their goals.

Goals of the Project

The main objectives of this proposed project is to reduce waste from entering our waterways, landfills and recycle more effectively. Our Team Members will directly benefit from having additional opportunity to participate on our work experience projects given the added days proposed for our Downtown and Tennyson teams.

Project Scope & Cost

Our Downtown Team currently removes debris on Sunday through Wednesday from 8:00 am to 12:00 pm. Our Tennyson team currently removes debris Wednesday through Friday from 8:00 am to 12:00 pm. We propose funding for stipends to add an extra day of debris removal for the Downtown (Thursday 8:00 am to 12:00 pm) and Tennyson area (Monday 8:00 am to 12:00 pm) in Hayward. This additional funding will allow us to expand our coverage in the Downtown and Tennyson areas and account for the extra time it will take to sort waste and recycling properly.

We also request funding for the materials that will be needed for proper recycling and waste sorting. The total cost for the entire project for July 1, 2019 through June 30, 2019 is \$37,591.



Reporting

The Downtown Streets Team will report quarterly to the City's Environmental Services Division to document the litter collected and sorted. Reports shall be in Excel format sortable by:

- Time Period (weekly or monthly)
- Type of waste (compostable/organic, recyclable, tobacco-related, and garbage)
- Volume (number of gallons)
- Location (Downtown or Tennyson area)

Possible Roadblocks

The proposed project is new for Downtown Streets Team Hayward. With any new project there will be a learning curve for our Team Members and staff.

Budget

Project Delivery Expenses	Annual Cost
Basic Needs Stipends	\$19,000
Supplies	\$1,500
Staff	\$8,000
Associated Staffing Costs	\$1,840
Management, Legal, Accounting and G&A (23.9%)	\$7,251
	Total: \$37,591



Sorting Services at City Events Scope of Services for Calendar Year 2019

The Downtown Streets Team will provide Team Members to staff sorting stations at City-sponsored events. The events, number of team members, and hours are listed in the table below.

The Team Members will stand alongside sorting stations to help direct the public to place their garbage in the correct bin (recycling, organics, or landfill). Team Members may also be asked to walk from station to station to identify the one with the highest use. Team Members will not be responsible for picking up garbage or sorting items that have already been disposed.

The City will provide an in-person training before the first event, as well as on-the-scene coordination on the day of each event.

The City will provide training to DST staff members so that they may offer ongoing training on the material for Team Members.

The City will provide all supplies and materials needed for the service, including signs, handouts, and gloves (as a precautionary measure).

Budget

Event	Month	Team Members	Hours
Downtown Street Party	June	4	3.5
Downtown Street Party	July	4	3.5
Downtown Street Party	August	4	3.5
Movie on the Plaza	July	2	5
Blues Festival	July	2	10 (5X2 days)
Mariachi Festival	September	2	5
Airport Open House	October	2	5
Light Up the Season	December	4	3

Cost

The Cost for the nine events above, totaling 104 hours of service, would be **\$2,068**

Downtown Streets Team Contact

Amanda Olson

Project Manager • Hayward Team

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Mobile: (408) 318-1996



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
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File #: ACT 19-130

DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

Update on Possible Reach Code for Building and Vehicle Electrification

RECOMMENDATION

That the Committee reviews and comments on this report and provides direction to staff.

SUMMARY

This report provides an update on the effort to address natural gas appliances and infrastructure in new construction. Every three years, the California Building Code undergoes a full update and the 2019 Code will be in effect on January 1, 2020. Local jurisdictions can implement codes that are more stringent than the State Code and can address the electrification of buildings and vehicles. If local codes are adopted and approved in 2019, they can also be effective January 1, 2020. This report presents the results of cost-effectiveness studies prepared by the California Energy Codes and Standards program and stakeholder outreach being conducted by East Bay Community Energy (EBCE) and requests the Committee's direction.

ATTACHMENTS

Attachment I Staff Report

Attachment II Reach Code Opportunity Matrix



DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT: Update on Possible Reach Code for Building and Vehicle Electrification

RECOMMENDATION

That the Committee reviews and comments on this report and provides direction to staff.

SUMMARY

This report provides an update on the effort to address natural gas appliances and infrastructure in new construction. Every three years, the California Building Code undergoes a full update and the 2019 Code will be in effect on January 1, 2020. Local jurisdictions can implement codes that are more stringent than the State Code and can address the electrification of buildings and vehicles. If local codes are adopted and approved in 2019, they can also be effective January 1, 2020. This report presents the results of cost-effectiveness studies prepared by the California Energy Codes and Standards program and stakeholder outreach being conducted by East Bay Community Energy (EBCE) and requests the Committee's direction.

BACKGROUND

On July 16, 2018, the Committee considered a report titled *Building Electrification & Reducing Natural Gas Use*¹. The Committee recommended supporting and encouraging East Bay Community Energy (EBCE) to address electrification of existing buildings. The Committee also expressed support for phasing out the use of natural gas in new construction and, eventually, no longer permitting new natural gas lines for new construction. The Committee noted that heat pump water heaters in new construction may be a good place to start and that any new regulations should come with sufficient advance notice to developers and builders.

¹ Report is available at <https://hayward.legistar.com/LegislationDetail.aspx?ID=3551018&GUID=718DCC1C-13F6-41D0-8833-C72B0B86DCE5&Options=&Search=>

On January 14, 2019, the Committee considered a report titled *Natural Gas Use in New Construction*², which described the current regional effort to develop a Reach Code that would encourage all-electric construction. The report mentioned that the 2019 California Building Standards Code will be effective on January 1, 2020. In order to adopt a Reach Code that will be effective on January 1, 2020, local ordinances must be adopted in September 2019 to allow time for filing with and review by the California Energy Commission and the California Building Standards Commission by the end of 2019. The Committee supported the idea of a Reach Code and asked staff to engage with local builders and developers and noted that a Reach Code would be most effective if all cities in the area would adopt the same requirements.

DISCUSSION

The California Energy Codes and Standards program has completed cost-effectiveness studies for potential Reach Codes that could take effect in January 2020. Two studies were completed; one for single-family and low-rise residential and one for non-residential construction. In general, the studies found that all-electric construction is cost effective for new construction for several building prototypes including: single-family home, low-rise multi-family building, medium office and medium retail. The computer modeling needed to determine cost-effectiveness for high rise residential buildings (four stories and higher) is still in development. The complete cost effectiveness studies are available on the California Energy Codes and Standards program website³.

As shown in Attachment II, the table titled “2019 Potential Reach Codes Opportunities” shows that there are additional Reach Code elements beyond new construction that can advance all-electric buildings and electric transportation. The following items could be new requirements for existing buildings: panel upgrades, 240-volt wiring for additional electric appliances such as heat pump water heaters, electric vehicle (EV) chargers, and installation of EV chargers. These additional measures do not increase the energy efficiency of a building, so they do not require cost-effectiveness analysis. Staff seeks the Committee’s direction regarding the requirements for existing buildings that should be included in the Reach Code.

Cost-Effectiveness Metrics – The studies use two different metrics to assess cost-effectiveness: on-bill, and time dependent valuation (TDV). The on-bill metric considers the customer’s on-bill electricity and natural gas savings using utility rates projected over a 30-year timeframe accounting for discount rate and energy cost inflation. The TDV methodology is used by the California Energy Commission and considers fuel source, time of day and season to calculate costs or savings. Cost-effectiveness was evaluated for all sixteen climate zones in California.

² Report is available at <https://hayward.legistar.com/LegislationDetail.aspx?ID=3834310&GUID=B84DE7FD-6A5A-43D6-A042-26992FFF031C&Options=&Search=>

³ <https://localenergycodes.com/content/2019-local-energy-ordinances/>

Residential Results – Four scenarios of all-electric construction for single-family and multi-family buildings were evaluated. The four scenarios included different combinations of energy efficiency, solar photovoltaics (PV), and batteries and all are cost-effective⁴.

Non-Residential Results – The cost effectiveness study for non-residential construction evaluated similar scenarios with different combinations of energy efficiency, PV and batteries. The results found that all-electric construction for office and retail buildings is cost-effective⁵.

Potential Code Requirements – The model Reach Code will likely offer two compliance options for most building types: the electric pathway and the mixed fuel pathway. For all building types, the mixed fuel pathway would require higher energy efficiency relative to the state energy code. Also, construction of a mixed fuel building is estimated to cost more than an electric building. Staff will provide more detail on the potential code in a presentation during the Committee meeting.

Potential EV Requirements – Investing in electric vehicle (EV) charging infrastructure during new construction is estimated to save 40% to 400% over the life of the building, compared to the cost of a retrofit. Requirements for EV charging infrastructure in new construction could include the following:

- EV Capable – Raceway (conduit) and electrical service capacity (breaker space);
- EV Ready – Raceway, electrical service capacity, overcurrent protection devices, wire and outlet (i.e. full circuit), and
- EV Supply Equipment – All the equipment needed to deliver electrical energy from an electricity source to the EV.

The current code (2016 CalGreen) requires each new single-family home to have at least one EV Capable parking space for a Level 2 charger. The 2019 CalGreen, effective January 1, 2020, will not change this requirement. The model code being developed could require:

- Increased number of EV parking spaces;
- Increased rate of charging capability (Level 1 versus Level 2), and
- Increased readiness to charge (EV Supply Equipment or EV Ready or EV Capable).

ECONOMIC IMPACT

A Reach Code may only be adopted if it is determined that the proposed requirements are cost-effective. Cost-effectiveness will be measured considering lifecycle costs using a 30-year timeframe. The CEC requires that the cost-effectiveness analysis incorporate the time-dependent valuation (TDV) of energy so that the costs for the construction and operation of

⁴ See page 75 of the “2019 Residential New Construction Cost-effectiveness Study – DRAFT”, available at <https://localenergycodes.com/content/2019-local-energy-ordinances/>

⁵ See pages 18 – 26 of the “2019 Nonresidential Cost-effectiveness Study – DRAFT”, available at <https://localenergycodes.com/content/2019-local-energy-ordinances/>

the building can be accurately calculated. In addition to TDV, the studies also present cost-effectiveness in terms of the on-bill customer lifecycle benefit-to-cost ratio.

Generally, electric appliances are not more expensive compared to those fueled by natural gas. When considering the avoided cost of installing gas infrastructure (piping), in most cases, all-electric construction is cost-effective. Before a Reach Code is adopted in Hayward, the required analysis must show that the code would provide economic benefits to the local community.

FISCAL IMPACT

East Bay Community Energy (EBCE) is assisting its member jurisdictions with community outreach and development of local ordinances. EBCE will provide a grant of \$10,000 to each city that presents an ordinance to its Council as compensation for the staff time spent on the effort. Before a Reach Code is adopted, staff will evaluate the potential impacts that implementation would have on the General Fund.

STRATEGIC INITIATIVES

This agenda item does not directly relate to one of Council's three Strategic Initiatives.

SUSTAINABILITY FEATURES

Meeting the City's long-term GHG reduction goal of 82.5% by 2050 will require that the use of natural gas be significantly curtailed throughout the community. Eliminating the use of natural gas in new construction would be a step toward meeting this goal. Furthermore, a Reach Code that encourages all-electric construction is consistent with the following General Plan policy:

Natural Resources Policy 2.6: Greenhouse Gas Reduction in New Development
The City shall reduce potential greenhouse gas emissions by discouraging new development that is primarily dependent on the private automobile; promoting infill development and/or new development that is compact, mixed use, pedestrian friendly, and transit oriented; promoting energy-efficient building design and site planning; and improving the regional jobs/housing balance ratio.

PUBLIC CONTACT

East Bay Community Energy is coordinating the preparation of draft Reach Codes and stakeholder engagement for its member agencies. EBCE has developed a website⁶ with information and resources. On April 23rd and 24th, EBCE held four meetings in Fremont and Berkeley. Each location had one meeting for city staff and one for community members and stakeholders. In total, more than 100 people attended, including city staff from at least seven EBCE jurisdictions. Comments received at the meetings included:

⁶ <https://ebce.org/reach/>

- Many attendees were hesitant to support a Reach Code without better understanding the economic impacts it would have on current and future businesses.
- Staff from city building departments were concerned about implementation, noting that training staff for the 2020 statewide building code will be a challenge and that adding a Reach Code might slow down permitting processes.
- Berkeley may be developing an ordinance that would prevent any new natural gas infrastructure. The City wants to address mid- and high-rise residential buildings for which cost-effectiveness determination is dependent on the CEC releasing another cost-effectiveness model. The ban on gas infrastructure could be on the grounds of public health (indoor air quality) and safety (earthquake preparation), which would not be subject to the CEC's requirements for cost-effectiveness.
- City Council members from Albany present at the meeting said they plan on copying the ordinance developed by Berkeley.
- Requiring panel upgrades on existing homes could be problematic as some homes will require a new electric service from the utility's main line. Some services are overhead, but some are buried without conduit, which will require more expensive excavation of existing cabling.

On May 3, 2019, staff met with the Chamber of Commerce's Government Relations Council where staff from EBCE presented an overview of the need for and the benefits of a Reach Code. Comments made at the meeting included:

- Construction cost is always a primary concern. This seems to have been addressed.
- Cooking with a gas range seems to be the most preferred over electric.
 - Response: New induction cooktops are becoming more popular and are safer and easier to control than a gas range. Home builders recently selling all-electric townhomes reported no issues with the sale of homes that have induction stoves.
- One member noted that they own several (older) buildings and one is all-electric. The electric building is significantly more expensive to operate compared to the ones with natural gas.
 - Response: The older electric building most likely has electric appliances that use electric resistance technology. Heat pump technology is now available for space heating and water heating and is much more efficient and cost-effective than electric resistance.

Later this month, EBCE anticipates releasing a draft model code as well as materials and trainings for Building Departments to assist with implementation of the Reach Codes. EBCE plans to hold additional meetings soon for builders, developers and city building department staff.

NEXT STEPS

Upon on direction from the Committee, staff may return to the Committee in July to present a draft Reach Code. Additional steps would be as follows:

May – August 2019	Continue Stakeholder Engagement
September 2019	Present Reach Code for Council Adoption
Late September 2019	Submit Reach Code to CEC for Approval
January 1, 2020	New Code Takes Effect

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Public Works

Approved by:



Kelly McAdoo, City Manager

2019 Potential Reach Codes Opportunities

Attachment II

Scope / Measure		C/E Study Required?	Timing of Reach Code			Project Types				
			At Construction / Entitlement		Other Trigger (Time of Sale, Date-Certain...)	Single Family	Multifamily			Non-Residential
			New	Addition / Remodel / Renovation	Existing Building		Low-Rise (≤3)	Mid-Rise	High-Rise (4+)	
Efficiency and/or Renewables	Whole Building (mixed-fuel and all-electric)	Yes	X		X	X	X	X	X	X
	Solar PV	Yes	X	X	X			X	X	X
	Single Measures	Yes	X	X	X	X	X	X	X	X
	Rental Property	Yes		X	X		X	X	X	
Energy Plus Water Efficiency	Hot Water Distribution	Yes	X	X		X	X	X	X	Some
	Indoor Water	No	X	X	X	X	X	X	X	X
	Outdoor Water	No	X	X	X	X	X	X	X	X
Process Loads (Equipment)	Commercial Kitchens	Maybe	X	X						X
	Elevators	Maybe	X	X				X	X	X
	Escalators	Maybe	X	X						X
Electric-Ready	240 V Pre-wiring	No	X	X		X	X	X	X	
	Panel Upgrade	No	X	X		X	X	X	X	X
	EV Readiness	No	X	X		X	X	X	X	X
	EV Charging	No	X	X		X	X	X	X	X
Information Disclosure	Audits	No		X	X	X	X	X	X	X
	Benchmarking	No		X	X		X	X	X	X

NOTE: Items shown in bold indicate types of reach codes that one or more jurisdictions adopted during the 2016 Code Cycle.



CITY OF HAYWARD

Hayward City Hall
777 B Street
Hayward, CA 94541
www.Hayward-CA.gov

File #: ACT 19-133

DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT

Proposed 2019 Agenda Planning Calendar

RECOMMENDATION

That the Committee reviews and comments on this report.

SUMMARY

This report provides suggested agenda topics for the Committee's upcoming meetings.

ATTACHMENTS

Attachment I Proposed 2019 Agenda Planning Calendar



DATE: May 13, 2019

TO: Council Sustainability Committee

FROM: Director of Public Works

SUBJECT: Proposed 2019 Agenda Planning Calendar

RECOMMENDATION

That the Committee reviews and comments on this report.

DISCUSSION

For the Committee's consideration, staff suggests the following tentative agenda topics for 2019.

Monday, July 8, 2019
Annual Update on City's Waste Reduction and Recycling Programs
Litter Reduction – Consideration of Alternatives to a Fee
Draft Reach Code to Encourage Building Electrification
Summary of SB 1383 – Draft Regulations for Organic Waste and Methane Emissions
Update on the Use of Renewable Diesel in City Vehicles
EBCE's Renewable Energy Product for Municipal Accounts
Tuesday, September 10, 2019
Greenhouse Gas Inventory Update
Standard Conditions of Approval for New Development
Implementation of Solar Projects
Green New Deal
Tuesday, November 12, 2019
Long Term Water Conservation Framework
Multifamily Building Energy Efficiency (CEC grant-funded project by StopWaste)
Update on Preparation of Shoreline Master Plan
Unscheduled Items
Sustainable Groundwater Plan
City Tree Inventory & Urban Forest

NEXT STEPS

Upon direction from the Committee, staff will revise the above list and schedule items accordingly for 2019.

Prepared by: Erik Pearson, Environmental Services Manager

Recommended by: Alex Ameri, Director of Utilities & Environmental Services

Approved by:

A handwritten signature in black ink, appearing to read 'K. McAdoo', written over a horizontal line.

Kelly McAdoo, City Manager