21-974 **Agenda Date: 2/23/2021**

REPORT TO COUNCIL

SUBJECT
Actions for Target Setting and Priority Strategies for Climate Action Plan (CAP) Update

COUNCIL PILLAR
Promote Sustainability and Environmental Protection

BACKGROUND
On January 24, 2020, the City began an update to the current Climate Action Plan (CAP) with the consultant team lead by Cascadia Consulting Group and including Raimi + Associates and David J. Powers and Associates.The City's current CAP, adopted in December 2013, identifies measurable actions the City can implement through the year 2020 to reduce Greenhouse Gas (GHG) emissions to 1990 levels, as required by California's Global Warming Solutions Act of 2006 (Assembly Bill 32). The City is now in the process of comprehensively updating the CAP to extend the City's GHG reduction goals through 2030, and to address new State requirements enacted since the 2013 CAP was adopted. For information on the regulatory background, refer to the Planning Commission Study Session staff report available as Attachment 1.

Planning Commission Input
A study session with the Planning Commission was held on August 26, 2020 with a follow-up study session on October 14, 2020 to obtain their recommendation on the appropriate reduction target for the CAP, and on the key strategies and initial actions list for these strategies. Staff asked the Commission as a whole to weigh in on their top priority actions for the first two focus areas, Buildings and Energy, and Transportation and Land Use. Staff reports for both the study sessions are available as Attachment 1 and 2. The Planning Commission provided the following input:

- Set an ambitious GHG emissions reduction target, exceeding the State mandate.
- The City of Santa Clara should project itself as a climate action leader.
- Emphasis should be on reducing Vehicle Miles Travelled (VMT), promoting Electric Vehicles (EV's) and improving Electric Vehicle Infrastructure.
- Focus on data centers for opportunities to reduce GHG emissions.
- Facilitate telecommuting by providing reliable internet.
- Incorporate reach codes, with a preference for an all-electric reach code.

Community Engagement
The City conducted widespread engagement efforts to involve the public in the CAP update process.

This included staff interviews, stakeholder focus groups, a virtual community meeting, two public Planning Commission study sessions, and two online surveys with nearly 900 responses. These efforts are described below.

The consultant team conducted several interviews with City staff to prepare a progress report on the adopted measures in the 2013 CAP. The result is the CAP Measures Status Memo, which is provided with this report as Attachment 3. Seven out of the 19 measures in the 2013 CAP have been completed.

Over the first week of April 2020, the consulting team hosted a series of stakeholder focus group online webinars in lieu of holding a live Community Workshop for the Climate Action Plan (CAP) Update. Overall, they spoke with ten community members representing various community-based organizations, sectors, and opinions. This included representation from the bicycle community, youth groups, Santa Clara University, Environmental advocacy groups, the Association of Bay Area Governments (ABAG), Silicon Valley Power (SVP), business interests and the data center community.

The City also hosted a virtual community workshop on July 16, 2020 where people were asked to provide input on the City's climate goals and strategies. The 38 participants actively engaged in discussions on a variety of topics including Land Use and Transportation, Buildings and Energy, Materials and Consumption, Natural Systems and Water Resources, and Community Resilience and Wellbeing. The presentation <https://www.santaclaraca.gov/home/showdocument?id=69321> from this workshop has been posted on the CAP webpage on the City's website. Summaries of the responses from the survey and the discussions during the Community Workshop have also been posted on the CAP webpage. <https://www.santaclaraca.gov/our-city/departments-a-f/community-development/planning-division/general-plan/climate-action-plan>

Additionally, the City also conducted two CAP community surveys to further engage community members in the process. Survey questions allowed the public to prioritize climate related threats and comment on concepts such as goals and actions desired in a variety of topic areas. The first online survey was completed on July 16, 2020, with nearly 400 responses received. A second online survey was completed on November 19, 2020 to further engage the community in the process, with nearly 500 responses received. The summary of these online survey results has been posted on the CAP webpage.

DISCUSSION

Staff is now requesting City Council's confirmation on an appropriate GHG reduction target and input on the key strategies to guide the next steps in the preparation of the CAP update.

Forecast and Overarching Targets

The City's GHG emissions trends were first analyzed, and then a series of focus group interviews were conducted with City staff and key stakeholders. Key findings are summarized in the Forecast and Targets Memo, which is available with this report as Attachment 4. The memo summarizes the GHG forecasts and provides options for the overall reduction target for the CAP Update. Based on the Planning Commission input, the target alternatives have been narrowed down to three choices:

1. Santa Clara adopts the goal of carbon neutrality no later than 2045. This target is based on Former Governor Brown's Executive Order B-55-18.

2. Santa Clara adopts the State's emissions reduction targets set forth in SB 32. These targets include a mid-term and long-term goal of reducing GHG emissions 40% below baseline levels by 2030 and 80% by 2050.
3. Santa Clara chooses to set targets that are more stringent than State guidance, such as achieving carbon neutrality earlier than 2045.

The memo further recommends that the City adopt Option 1, the goal of carbon neutrality no later than 2045, to align with the State and peer cities in the Bay Area. This would require the City of Santa Clara to adopt strategies and take actions to reduce the GHG emissions to zero, including offsets for any remaining emissions that cannot be eliminated. As stated earlier in the report, the Planning Commission's recommendation was to adopt Option 3, a more aggressive target, exceeding the State mandated target of Carbon Neutrality by 2045 and consider an earlier target year, such as 2040. This, however, conflicts with the results from the second survey, which indicates that the community prefers incentives and voluntary measures rather than additional regulations.

Because a significant percentage of the City's emissions are tied to power generation, the CAP heavily relies on Silicon Valley Power's (SVP) Integrated Resources Plan (IRP), adopted by Council November 27, 2018. The IRP documents SVP's ability to provide power to its customers over the next 20 years given the existing regulatory environment. The IRP is reviewed and approved by Council every five years.

The CAP target would need to align with adopted policy documents including the IRP. It should also be consistent with the existing Bicycle Master Plan, SVP EV Blueprint, the Santa Clara Urban Water Management Plan (UWMP), and any reach codes that are adopted. A more aspirational target would require added regulatory measures to ensure 85% of households and commercial buildings undertake energy and water efficiency retrofits, install solar, and electrify; 85% of vehicles are electric; and 50% of VMT has been shifted to carpool, walking/biking, or transit by the target year.

The City's proposed reach codes also contribute to the consideration of GHG emissions. In the study session, staff will present the current all-electric preferred approach to the proposed reach codes.

Potential Strategies and Actions

An initial actions list was developed related to these strategies and is available as Attachment 5. This list has been developed through an iterative process that included interviews with City staff, outreach to targeted stakeholders and the public, a review of current City planning documents and activities, consideration of peer city and industry best practices, and a qualitative multi-criteria prioritization analysis. The action list is divided into five focus areas:

- Buildings and Energy
- Transportation and Land Use
- Materials and Consumption
- Natural Systems & Water Resources
- Community Resilience & Wellbeing

This action list would more specifically communicate the goals and policies set forth in the CAP Update to be implemented. Staff is seeking Council's input on this initial action list.

Project Timelines and Next Steps

Following input from City Council, the project team will revise and refine the initial action list and develop the CAP administrative draft plan to be made available for public comment by Spring 2021 and presented to the Planning Commission via a study session by Summer 2021. Staff anticipates the Planning Commission and the City Council Hearing for the adoption of the final CAP by Fall/Winter 2021.

ENVIRONMENTAL REVIEW

This is an informational report only and no action is being taken by the City Council and no environmental review under the California Environmental Quality Act ("CEQA") is required at this time.

Prior to adoption of the CAP Update, an addendum to the General Plan Environmental Impact Report (EIR) will be prepared in accordance with the California Environmental Quality Act (CEQA) to inform key decision-makers and the general public of the potential environmental effects that would arise from implementation of the CAP Update.

FISCAL IMPACT

On January 14, 2020, the City Council approved an agreement with the consulting team led by Cascadia Consulting Group, Inc. to work on the CAP Update with a budget of $192,440 and a 10% contingency. The total not-to-exceed amount of this Agreement, including contingency, is $211,684.

COORDINATION

This report has been coordinated with the City Attorney's Office and the Sustainability Manager in the City Manager's Office. SVP has been part of the process including developing the proposed Strategies and Actions.

PUBLIC CONTACT

The City has conducted initial outreach activities for the CAP update, including stakeholder interviews, a first survey launched in June 2020, a second survey launched in October 2020 and a virtual Community Workshop held on Thursday, July 16, 2020. Public comments were also received at the two Planning Commission Study Sessions on August 26, 2020 and October 14, 2020.

Public contact was also made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov>

RECOMMENDATION

The goal of the study session is to get Council's confirmation on the recommended GHG target for the CAP update. The staff also seek the Council's input on strategies and the initial action list to indicate their top priority actions and to indicate if there are actions that should not be included in the CAP Update.

Reviewed by: Andrew Crabtree, Director of Community Development
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. PC Study Session Staff Report 8.26.20
2. PC Study Session Staff Report 10.14.20
3. CAP Measures Status Memo
4. Forecast and Targets Memo
5. Initial Actions List