Exhibit C

1

CITY OF
HAYWARD
HEART OF THE BAY

DATE: June 25, 2009

TO: Planning Commission

FROM: Erik J. Pearson, AICP, Senior Planner

SUBJECT: Climate Action Plan

RECOMMENDATION

That the Planning Commission recommends that the City Council find the Plan categorically exempt from the requirements of the California Environmental Quality Act and adopt the attached Climate Action Plan per the attached findings.

SUMMARY

A draft Climate Action Plan (CAP) was released to the public in March and comments received during the month of March have been incorporated into the attached final CAP. The CAP includes information about Hayward's current greenhouse gas (GHG) emissions, short- and long-term targets for reducing those emissions, and a prioritized list of actions needed to be taken to achieve the targets. Implementation of the CAP will require a significant commitment from both the City as well as from the community in terms of time, effort, and funding.

BACKGROUND

When the City joined the Alameda County Climate Protection Project and ICLEI's[1] Cities for Climate Protection Campaign in 2006, the Council adopted a resolution, committing to implement a five-step program:

1. Conduct a local emissions inventory and forecast of greenhouse gas emissions.
2. Develop an emissions reduction target.
3. Prepare an action plan to achieve the target.
4. Implement the approved action plan.
5. Evaluate, monitor, and review progress in meeting the stated targets.

[1] ICLEI was founded in 1990 as the International Council for Local Environmental Initiatives as an international association of local governments and national and regional local government organizations that have made a commitment to sustainable development. In 2003, ICLEI's members voted to change the name to "ICLEI – Local Governments for Sustainability".

Many cities have followed this five-step program precisely by developing a reduction target first and then preparing an action plan. Hayward chose to prepare the action plan concurrent with the emissions reduction target so that more information regarding the costs and challenges associated with meeting the target would be available when the target is adopted.

On February 26, 2008, the Council authorized staff to enter into a contract with the Bay Area Air Quality Management District for the receipt of a grant of $40,000 to be spent on the preparation of a Climate Action Plan (CAP). An additional $40,000 of Measure 'D' funds were allocated to match the grant. The Council also authorized staff to issue a request for proposals and execute a contract with a consultant for the preparation of a CAP. Since that authorization, the City hired the team of HDR and Town Green to assist with the preparation of the CAP and to conduct public outreach efforts associated with it.

Previous Reviews –

On July 24, 2008 and July 29, 2008, work sessions were held with the Planning Commission and the City Council, respectively, to collect ideas for ways to reduce the City's greenhouse gas emissions and to receive general direction regarding the preparation of the CAP. Preparation of the CAP was discussed at the City Council Sustainability Committee meetings of October 1, 2008 and December 3, 2008.

A memo from staff outlining the approach to identifying and adopting a GHG reduction target was presented to the Council in September 2008, and to the City Council Sustainability Committee in October 2008. A copy of the memo is attached to this report (Attachment A).

The draft CAP was presented to the Planning Commission and City Council at a joint work session on March 10, 2009. Staff received many constructive comments on the draft, which have been incorporated into the attached final CAP.

DISCUSSION AND STAFF ANALYSIS

Greenhouse Gas Emissions Inventory –

The CAP includes an inventory of the City's greenhouse gas emissions, which estimates all the emissions caused by transportation, energy use by buildings, and waste during 2005. The inventory was initially completed in 2006 and updated in 2008.

The current total emissions estimated for 2005 is 1,183,279 metric tons. This is not a complete "carbon footprint", which would include the emissions associated with every aspect of the City's residents lives and business activities. A carbon footprint would include all the energy used that is associated with the life cycle (raw material mining, manufacturing, distribution, recycling, etc.) of all products consumed.

The methodology for estimating emissions is an evolving science and will continue to change periodically in the future. Over time, Hayward's baseline emissions for 2005 will change and become more accurate. As future inventories are conducted to monitor Hayward's progress,

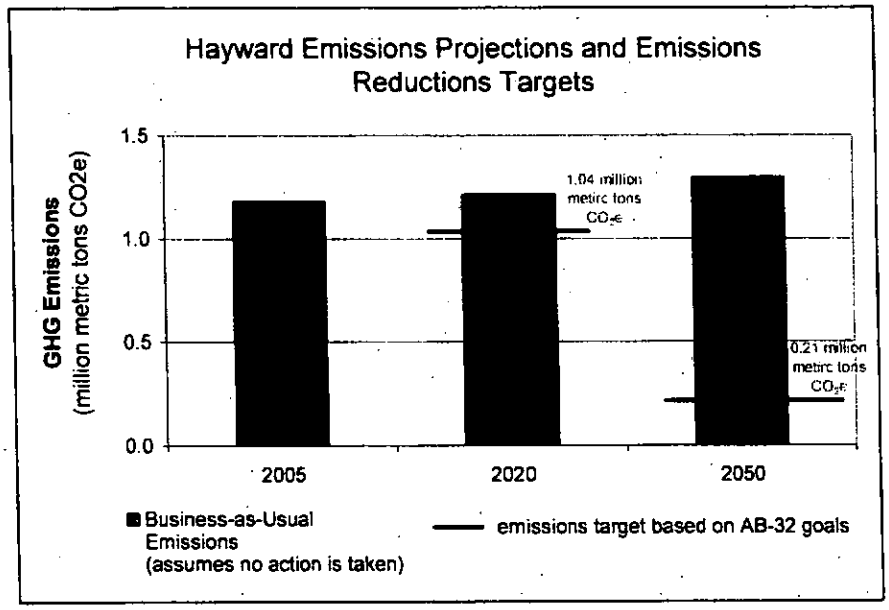
emissions will always be compared with 2005 levels to measure progress. Staff will ensure that consistent methodology is used when comparing the emissions associated with different time periods.

Adoption of Greenhouse Gas Reduction Targets –

Adoption of the Climate Action Plan will include the adoption of a specific greenhouse gas reduction target. The targets proposed are:

- 6 percent reduction of emissions below 2005 levels by 2013
- 12.5 percent reduction of emissions below 2005 levels by 2020
- 82.5 percent reduction of emissions below 2005 levels by 2050

The following graph shows 2005 emissions and those projected for 2020 and 2050 along with the targets for 2020 and 2050.



The above goals are consistent with California's Global Warming Solutions Act of 2006 (AB32), which requires emissions to be reduced to 1990 levels by 2020. The proposed target for 2050 is also consistent with Executive Order S-3-05, signed by the Governor in 2005, which established a greenhouse gas reduction target of 80 percent below 1990 levels by 2050. The proposed targets are different from the State's due to the use of a different baseline year.

The draft CAP identified actions that would enable the City to achieve the reduction target for 2020, but predicted only a 22 percent reduction by 2050 with implementation of the Plan. Comments from the Planning Commission, City Council, and the public indicated an aspiration to make the CAP more aggressive and to show how we can achieve the 2050 target. Accordingly, the goals and assumptions included in the Methodology Report (Appendix C of the CAP) have been adjusted to show that the actions identified can allow the City to achieve the 2050 target of reducing emissions by 82.5 percent below 2005 levels.

Responses to Comments Received on the Draft CAP –

From the public:

Letters were received from Evelyn Cormier, Heather Larson (StopWaste.org), Nathan Landau (AC Transit), Sherman Lewis (Hayward Area Planning Association), Peggy Gumsey, and Doug Grandt and are included in Appendix J of the CAP. Comments from Community meeting held on March 19 are also summarized in Appendix J of the CAP. The following is a summary of the comments received and the responses to those comments:

- Separate the vehicle miles traveled (VMT) on state and local roads when reporting emissions.

  Response: Local and state VMT have been separated on graphs on pages vii, 17, and 18.

- Improve and increase transit service.

  Response: Action 1.4 is for the City to work with AC Transit and BART to improve and expand services. Additionally, the actions in Strategies 1 and 2 collectively aim to make the use of public transit more convenient and economical than driving.

- Build higher densities.

  Response: This is included in Actions 1.9 and 1.10 encourage higher densities near public transit as well as the development of zoning standards to achieve reductions in GHG emissions.

- Reduce parking.

  Response: Action 1.3 calls for the modification of existing parking regulations to incentivize walking, biking, and public transit.

- Include carbon off-sets as an action.

  Response: Per the direction received from the City Council Sustainability Committee on December 3, 2008, carbon off-sets have not been included as an action. The Committee expressed concerns about the accountability of some off-set programs and that we should focus on reducing our own emissions at the local level.

- Include members of the public on the Climate Action Management (CAM) Team.

  Response: Discussion of the CAM Team in Section 6 of the CAP has been revised to indicate that members of different Commissions and Committees as well as members of the local business community will be invited to participate on the CAM Team.

- Focus on educating children.

  Response: Action 9.2 includes a plan to provide climate protection-related education to all grade levels of students in Hayward.

- Control waste by charging per unit of volume or weight, which can be measured at time of collection.

  Response: This is something the City can consider when exploring options to implement the Actions in Strategy 6.

- Implement a parking cash out program. It could help encourage use of transit and non-automotive modes. Under such a program, employers that provide free parking to employees would charge for the parking, and pay their employees the cost of the parking. The employee could use the money to pay for parking, or to pay for transit (or a bicycle). This would "level the playing field" so that all travel choices were supported, whereas today only driving to these workplaces is subsidized.

  Response: This idea has been added to Action 1.1 and may also be considered through the implementation of Actions 1.3 and 1.13.

- Be bolder about estimating greenhouse gas reductions due to smart growth development. (Page 120 of the draft CAP Plan stated (with regard to Action 1.9) that "GHG savings from these actions are not calculated or evaluated due to lack of sufficient data.").

  Response: This action supports other actions. Including GHG reductions for every action would lead to double counting.

- Need to explore rapid shuttles, car free living, and reduced parking. We do not need to rely on AC Transit to provide rapid bus/rapid shuttles. The cities of Union City, Emeryville, and San Leandro have supported their own services.

  Response: This may be considered through the implementation of Actions1.3, 1.4, and 1.7.

- Add an action for parking fee districts.

  Response: This may be considered through the implementation of Actions 1.1 and 1.3.

- The development proposed for the South Hayward BART station increases the total number of parking spaces and the parking structure will subsidize an increase in VMT.

  Response: While the commenter mentions that the Witteck project increases the total number of parking spaces at the South Hayward station, he does not acknowledge that the number of spaces available to general BART riders will decrease from approximately 1,200 to 910 and that the number of spaces for the 788 residential units is only 898.

- All references to "solar" in all documents should make reference specifically to "solar photovoltaic", "solar thermal water heating", "solar thermal space heating" and "solar thermal space cooling".

  Response: Several references of "solar photovoltaic" have been changed to "renewable energy" or "solar" and "solar thermal" is now mentioned several times.

- As written, Hayward's plan admittedly falls far short of AB 32 targets for 2050. The gap between the planned CO2 reductions and the targets set by AB 32 must be closed. To leave the gap open and subject to reliance on state and federal legislation is unacceptable. Make long-term CAP program goals more aggressive.

  Response: The Final CAP shows that the Strategies and Actions identified can meet the 2050 target.

- Though technically feasible, it will be extremely difficult for Hayward to achieve these goals without state, regional and federal cooperation.

  Response: Staff agrees with the commenter.

- We cannot wait for federal or state programs. Hayward, like other cities around the state and around the nation, must take the lead with bold and creative local action.

  Response: Adoption of the CAP will be a bold and creative local action.

- We can begin to make that happen using the CityFIRST program establish by Berkeley and AB 811. We need to prioritize Action 5.1 (priority 1), Action 5.3 (priority 2), Action 3.6 (priority 3), Action 3.7 (priority 4), and Action 3.8 (priority 5), with start dates on each set with the highest urgency.

  Response: Prioritizations have been calculated based on the cost-effectiveness of each action as well as potential barriers to implementation. Some actions are scheduled to begin as early as 2010. Action 5.3 is scheduled to begin in 2019. All actions will be implemented as soon as possible while taking into consideration City staffing, political support, and market conditions.

- We need to prioritize implementation of a Community Choice Aggregation (CCA).

  Response: The City Council Sustainability Committee considered the idea of creating a CCA at its meetings in April and May. The Committee concluded that, for now, there are too many unknown costs associated with setting up a CCA and that the City should first focus on conservation efforts.

- Install electrical outlets in its parking garages to charge electric and plug-in hybrids.

  Response: Action 2.1 encourages providing preferred parking spaces for low-carbon vehicles. This may include charging stations.

From the Planning Commission and City Council:

- Encourage more recycling at multiple-family residential properties and make recycling mandatory for commercial properties.

  Response: Action 6.6 has been revised to add language to increase "participation in recycling services at multi-family properties and to eventually make recycling by commercial businesses mandatory."

- Assist with commuter benefits.

  Response: Action 1.1 calls for the City to work with businesses to implement commuter benefits programs. Action 1.13 has been amended to direct the amendment of Administrative Rule 2.26 (*Policy Establishing the Transportation Demand Management Program for City Employees*) to expand and develop new commuter benefits for City employees.

- Promote more offices near transit.

  Response: Action 1.9 encourages more intense development, including office use, within ½ mile of rail transit stations and ¼ mile of major bus routes.

- Banning plastic bags will be much easier if done at the state level.

  Response: Action 6.4 calls for an evaluation of the viability of implementing a ban on certain materials at the local level. Lobbying for state-level action will certainly be considered.

- Plant more trees.

  Response: Action 7.1 calls for the planting of trees and Appendix C includes an assumption that 10,500 trees will be planted by 2030 to help achieve the longer term GHG reduction target.

- Use more LED lighting in City facilities.

  Response: Actions 3.10, 3.11, and 3.12 include activities that encourage improvements in energy efficiency in City facilities and may include the installation of LED light fixtures.

- Upgrade City's vehicle fleet.

  Response: Action 2.3 encourages the procurement of more fuel-efficient and alternative fuel vehicles for the City's fleet.

- Implement action 5.3 (incorporate a renewable energy requirement into the green building ordinance) sooner.

  Response: The first draft of the CAP indicated that this action would be implemented in 2028. The revised CAP (Appendix E) includes a start date of 2019 for this action. The action has also been revised to recommend the renewable energy requirement would also apply to the Residential and Commercial Energy Conservation Ordinances (RECO and CECO).

- Encourage use of public transit (it needs to be cheaper than driving). Also, public transit needs more stable funding.

  Response: Action 1.4 is for the City to work with AC Transit and BART to improve and expand services. Additionally, the actions in Strategies 1 and 2 collectively aim to make the use of public transit more convenient and economical than driving.

- Concerns were expressed about how CAP programs will be funded.

  Response: On or before June 25, 2009, staff will submit an application to the Department of Energy to receive approximately $1.3 million in Energy Efficiency and Conservation Block Grant (EECBG) funds. Staff intends to implement several of the CAP programs, including the temporary funding of a Sustainability Coordinator with this grant.

- Look into a bicycle sharing program like Portland or Mexico City.

  Response: Actions 1.5 (for the public) and 1.14 (for City employees) encourages the consideration of bicycle sharing programs.

- Reach out more to the public.

  Response: Strategy 9 provides the framework for developing and implementing a variety of public outreach programs.

- Promote solar thermal (don't focus on one technology - focus on goals/performance).

  Response: Throughout the CAP, the term 'solar photovoltaic' has been replaced with 'solar' or 'renewable energy'.

- Charge for parking.

  Response: Actions 1.3 (for the public) and 1.13 (for City employees) calls for the consideration of creating paid parking spaces and/or parking cash-out programs, which establish incentives for not using existing parking spaces.

- Annual review of emissions should be presented to full Council – not just the Sustainability Committee.

  Response: Section 6 of the CAP has been revised to recommend the Climate Action Management Team make annual reports on the progress of emissions reductions to the full City Council.

Additional Changes to the Draft CAP –

The CAP now provides the goals, the actions that need to be taken, and the assumptions made to show how Hayward will meet the 2050 target. Assumptions and goals related to the implementation of Strategies 1 through 6 have been substantially increased in Appendix C of the CAP. The state and regional goals that have influenced the assumptions include those of the California Public Utilities Commission (CPUC) and the Joint Policy Committee (JPC).

The CPUC, in their September 2008 report titled, *California Long Term Energy Efficiency Strategic Plan*, includes the following goals:

- By 2020, all new single and multi-family homes will be "zero net energy" (ZNE).
- By 2011, 50% of new homes will surpass 2005 Title 24 standards by 35%; 10% will surpass 2005 Title 24 standards by 55%.
- By 2015, 90% will surpass 2005 Title 24 standards by 35%.
- Energy consumption in existing homes will be reduced by 20% by 2015 and 40% by 2020 through universal demand for highly efficient homes and products.
- New commercial buildings will increasingly embrace zero net energy performance, reaching 100 percent penetration of new starts in 2030.
- 50 percent of existing buildings will be equivalent to zero net energy buildings by 2030 through achievement of deep levels of energy efficiency and clean distributed generation.
- For industrial buildings, by 2020, Energy intensity (per gross dollar of production value) will be reduced at least 25 percent.

The JPC, which coordinates the regional planning efforts of the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD), the Bay Conservation and Development Commission, and the Metropolitan Transportation Commission (MTC) has set a goal in its *Draft Policies for the Implementation of SB 375* of reducing emissions from transportation 40 percent below 1990 levels by 2035.

For purposes of calculating GHG reduction, estimates have been made for individual actions as well as for each Strategy. The total emissions reductions provided for each Strategy does not equal the sum of the individual actions. Appendix B has been revised to show that the total GHG estimated reduction expected for each Strategy, which take into consideration the overall goals for each

Strategy as well as the Actions for which GHG reductions have not been estimated.

Changes to goals and assumptions for individual actions in Appendix C include the following:

- RECO and CECO program goals have been increased for actions 3.1 through 3.3.
- Action 1.13 has been revised to add that the City will amend Administrative Rule 2.26 to reflect current Transportation Demand Management (TDM) opportunities.
- Program goals have been increased for Actions 3.6 through 3.8.
- Program goals have been increased for Actions 4.1 and 4.2 to reflect the California Public Utility Commission's (CPUC) goals of requiring new residential construction to be zero net energy by 2020 and new commercial construction to be zero net energy by 2030.
- The goal of Strategy 5 has been changed to state that we aim to obtain 100 percent of Hayward's electricity from renewable sources by 2050.
- Goals in Strategy 6 have been revised to state that we aim to eliminate GHG emissions from waste between 2020 and 2050.
- Action 5.3 was changed to add a renewable energy requirement to the green building ordinance and to RECO and CECO.

Monitoring –

The CAP recommends that the City assess the effectiveness of CAP programs on an annual basis. Annual reporting of specific programs and data that is relatively easy to obtain would be conducted to monitor the City's progress toward the targets. Annual reporting would be presented to the City Council. A full inventory of community-wide and municipal emissions would be conducted by City staff every three to five years to ensure programs are successfully reducing emissions, and in the target years (2013, 2020, and 2050) to ensure that goals were achieved. The full inventory would be similar to the baseline inventory that ICLEI prepared, and will give the City a clear indication whether or not it is meeting targets.

Implementation of the CAP –

Implementation of the CAP programs to meet our aggressive targets requires appropriate staffing levels, which currently do not exist. Included in the draft CAP is a recommendation that the City create a new staff position to oversee implementation of the CAP. Responsibilities of the position, which could have the title of Sustainability Coordinator or Climate Action Coordinator, would include:

- designing and implementing programs, including revisions to the Zoning Ordinance and the General Plan, writing new ordinances, and updating the green building ordinance;
- community outreach;
- conducting future inventories of emissions and other measurements of the CAP's success;
- securing grants and loans for implementation of actions
- coordinating the Climate Action Management Team;

- overseeing programs funded by the City's Energy Efficiency and Conservation Block Grant (EECBG) money; and
- preparing updates to the CAP.

Implementation of the CAP is expected to present short-term costs and long-term savings associated with various GHG reduction strategies. Costs of implementing the 57 actions vary widely, but all will require staff time to administer them. For example, the City of Berkeley has one staff person whose primary responsibility is administration of their RECO.

Depending on the energy savings associated with the municipal actions taken and the success of obtaining grant funding, it is possible for some or all of the staff costs associated with implementation of the CAP to be offset. Staff is currently exploring the possibility of using funds from the Department of Energy's Energy Efficiency and Conservation Block Grant (EECBG) program.

Also in the CAP is a recommendation for the formation of a Climate Action Management Team, which would include representatives from the Finance, Public Works, Development Services, City Manager (Economic Development), Maintenance Services, Library and Neighborhood Services Departments, as well as members of the public and the local business community. The Team would support the Coordinator with the implementation of specific programs.

Findings for Adoption of the Climate Action Plan -

The CAP is a new type of plan for which the Zoning Ordinance does not specify the findings that must be made for adoption of the plan. However, staff has prepared the following findings as well as the supporting reasons for the Planning Commission to recommend adoption of the CAP.

A. The proposed plan will promote the public health, safety, convenience, and general welfare of the residents of Hayward.

Evidence of global climate change has been observed in the form of increased global temperatures, rising sea levels, decreased snow-pack in mountainous regions, retreating glaciers, increased species extinction and range shifts, and an increase in floods and wildfires. Furthermore, the international scientific community is convinced that deforestation, emissions from burning fossil fuels, and other industrial processes are the primary factors contributing to climate change. Locally, climate change may result in increased sea levels, decreased air quality, and decreased water supply. The CAP provides the guidance and policies necessary to implement programs that will reduce greenhouse gases to minimize the effect of global climate change.

B. The proposed plan is in conformance with the purposes of the General Plan and all applicable, officially adopted policies and plans.

The CAP is in conformance with the purposes of the General Plan in that it supports general policies that encourage transit-oriented development, affordable housing, reducing traffic, improving public transit service, increasing safety for pedestrians and bicyclists, improving

the local economy, enhancing wetlands and open spaces, reducing flood hazards, improving air quality, and promoting energy conservation.

C. The project will create an environment of sustained desirability and stability and will have no substantial adverse effect upon the environment.

By reducing the local impacts of global climate change, the CAP will help to ensure that Hayward remains a sustainable community that is a desirable place to live, work and play. No adverse environmental impacts associated with the implementation of the CAP have been identified.

ENVIRONMENTAL REVIEW

The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) per Section 15308 of the CEQA Guidelines, *Actions by Regulatory Agencies for Protection of the Environment*. A Notice of Exemption will be filed with the County Recorder after the Council adopts the CAP.

On April 13, 2009, the Governor's Office of Planning and Research (OPR) submitted to the Secretary for Natural Resources its proposed amendments to the state CEQA Guidelines for greenhouse gas emissions, as required by Senate Bill 97. The proposed CEQA Guideline amendments are intended to provide guidance to public agencies regarding the analysis and mitigation of the effects of greenhouse gas emissions in draft CEQA documents. The amended Guidelines are expected to be adopted by the end of 2009.

The draft CEQA Guidelines specify that a project-level Environmental Impact Report (EIR) would not need to evaluate greenhouse gas emissions if the project is consistent with a local plan (such as a CAP) that adequately addresses the issue, and an EIR was prepared for that plan (proposed Guideline 15152(i)). An EIR is not being prepared for the adoption of the CAP, therefore, EIRs prepared for individual development proposals will need to include evaluations of greenhouse gas emissions. When the City's General Plan is updated (currently anticipated for July 2012 through early 2014), the CAP will be incorporated into the General Plan. An EIR will be prepared for the updated General Plan and CAP at that time. Project-level EIRs would then be able to tier off the EIR prepared for the CAP and General Plan update.

PUBLIC OUTREACH

Work sessions were conducted with the Planning Commission on July 24, 2008 and the City Council on July 29, 2008 and a community meeting was held on July 26, 2008. Notice of the community meeting was provided to an extensive list of entities including neighborhood organizations, the Chamber of Commerce, public transit providers, the Hayward Unified School District, California State University East Bay – Hayward Campus, Chabot College, Alameda County, Hayward Area Recreation and Park District, and others. In addition, the CAP was discussed at regular City Council Sustainability Committee meetings on October 1, 2008 and December 3, 3008.

The City also elicited community feedback through a survey, which was posted on the City of Hayward's website. Nine on-line surveys were completed and the results were compiled in a spreadsheet along with input from other sources.

The Mayor established an Advisory Group comprised of representatives from the following seven entities: the office of State Assembly Member Mary Hayashi, the Chamber of Commerce, AC Transit, Hayward Unified School District, California State University East Bay – Hayward Campus, the Keep Hayward Clean and Green Task Force, and Stopwaste.org. Group members were interviewed for their professional expertise and to gather ideas for the preparation of the CAP.

A working group consisting of staff from various City departments was assembled. The first meeting was held in July to introduce the need for a CAP and to garner departmental support for our efforts by eliciting ideas and projects currently underway that may contribute to GHG emission reductions. A second meeting was held in September where the consultants presented a set of potential actions, which were derived from feedback received to date. The group was provided a feedback worksheet and encouraged to provide their thoughts and ideas on each action. The working group has also been invited to review and comment on preliminary drafts of the CAP.

During the months of October 2008 through January 2009, staff made presentations to the Citizens Advisory Committee to the Board of the Hayward Area Recreation and Park District (HARD), the Youth Commission, the Evangelical Churches of the Hayward Area (ECHA), the Keep Hayward Clean and Green Task Force, the Rotary Club, the South Hayward Neighborhood Collaborative, the Latino Business Roundtable, and the Chamber of Commerce's Leadership Hayward class. The meetings provided an opportunity for staff to inform the public and collect input about the preparation of the CAP.

Notice of availability of the revised draft of the CAP and the Planning Commission hearing was provided to the public with a notice in the *Daily Review* as well as by e-mail to interested parties. The revised draft of the CAP as well as the revised Excel file containing the calculations of GHG reduction estimates have been posted on the City's website on the *Sustainable Hayward* page.

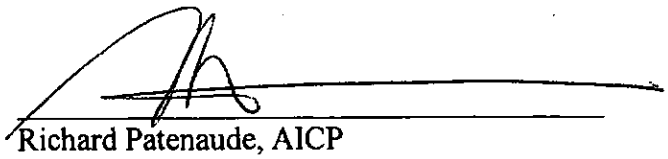
SCHEDULE

A public hearing is scheduled for July 28, 2009 for the City Council to consider adoption of the CAP.

Prepared by:

Erik J. Pearson, AICP
Senior Planner

Recommended by:



Richard Patenaude, AICP
Planning Manager

Attachment A:	Findings for Approval
Attachment B:	Memo dated August 28, 2008
Attachment C:	Climate Action Plan

6/4/2009

FINDINGS FOR APPROVAL – Climate Action Plan

Findings for Approval – California Environmental Quality Act:

A. The project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) per Section 15308 of the CEQA Guidelines, Actions by Regulatory Agencies for Protection of the Environment. The Climate Action Plan (CAP) will not have a significant effect on the environment and Plan reflects the City's independent judgment and analysis.

Findings for Approval – Climate Action Plan:

B. The proposed plan will promote the public health, safety, convenience, and general welfare of the residents of Hayward.

Evidence of global climate change has been observed in the form of increased global temperatures, rising sea levels, decreased snow-pack in mountainous regions, retreating glaciers, increased species extinction and range shifts, and an increase in floods and wildfires. Furthermore, the international scientific community is convinced that deforestation, emissions from burning fossil fuels, and other industrial processes are the primary factors contributing to climate change. Locally, climate change may result in increased sea levels, decreased air quality, and decreased water supply. The CAP provides the guidance and policies necessary to implement programs that will reduce greenhouse gases to minimize the effect of global climate change.

C. The proposed plan is in conformance with the purposes of the General Plan and all applicable, officially adopted policies and plans.

The CAP is in conformance with the purposes of the General Plan in that it supports general policies that encourage transit-oriented development, affordable housing, reducing traffic, improving public transit service, increasing safety for pedestrians and bicyclists, improving the local economy, enhancing wetlands and open spaces, reducing flood hazards, improving air quality, and promoting energy conservation.

D. The project will create an environment of sustained desirability and stability and will have no substantial adverse effect upon the environment.

By reducing the local impacts of global climate change, the CAP will help to ensure that Hayward remains a sustainable community that is a desirable place to live, work and play. No adverse environmental impacts associated with the implementation of the CAP have been identified.

CITY OF HAYWARD

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT

Interoffice Memorandum

DATE: August 28, 2008

TO: Mayor and City Council

THRU: Gregory T. Jones, City Manager
Susan J. Daluddung, Director of Community and Economic Development

FROM: Erik J. Pearson, Senior Planner

SUBJECT: **Climate Action Plan & Greenhouse Gas Reduction Target**

As you know, we intend to present to the City Council a draft Climate Action Plan in the early part of 2009. The CAP will include a goal or a target of a specific reduction in greenhouse gas emissions that the City will aim to achieve by a certain date in the future. The purpose of this memo is to keep the Council informed about the CAP and the approach we intend to use to adopt a greenhouse gas emission reduction target.

To provide the Council members with information and analysis to assist them in setting a feasible reduction level and target date, staff is recommending that a "concurrent" approach be taken where such target levels are established by Council as it adopts the Climate Action Plan, rather than setting such targets beforehand. Following is a discussion about such approach, including a brief summary of past actions regarding reduction levels and target dates.

On April 8, 2005, the City of Hayward became a participant in the U.S. Mayors Climate Protection Agreement and committed to reducing greenhouse gas emissions by seven percent below 1990 levels by 2012. This is roughly equivalent to a reduction of 16 percent below 2005 levels by 2012. Figure 1 in Attachment 1 shows how Hayward's emissions would decrease if this aggressive target were met. It also shows how further reductions could continue through the year 2050.

Given that the reduction was agreed to over three years ago, it may be more realistic to adopt the Western Climate Initiative's (WCI) goal, which is to reduce emissions to 15 percent below 2005 levels by the year 2020. This would give the City 12 years to meet the first target, rather than only 4 years. The State of California has determined that the WCI's goal is consistent with those of AB 32, which are to reduce emissions to 1990 levels by 2020 (25% below business as usual), and 80% below 1990 levels by 2050. Figure 2 shows the reductions Hayward would need to attain to stay on track for to achieve the WCI target.

When the City joined the Alameda County Climate Protection Project and ICLEI's Cities for Climate Protection Campaign in 2006, the Council adopted a Resolution, committing to implement a five-step program:

1. Conduct a local emissions inventory and forecast of greenhouse gas emissions.
2. Develop an emissions reduction target.
3. Prepare an action plan to achieve the target.
4. Implement the approved action plan.
5. Evaluate, monitor and review progress in meeting the stated targets.

Many cities have followed this five-step program precisely by developing a reduction target first and then preparing an action plan.

Staff recommends that the Council understand the scope of the opportunities and challenges associated with a particular GHG reduction target before adopting a long term target that may prove unrealistic. For this reason, rather than asking the Council to adopt a target as a separate action prior to the preparation of the CAP, we plan to present two or three possible GHG reduction targets when we present the draft CAP, along with the community actions necessary to achieve the targets.

If the Council wants to be more aggressive and desires to reduce emissions by a higher percentage, the City can add actions that need to be implemented. This may result in the City's consultants having to prepare a less in-depth analysis of additional potential actions rather than conducting a more in-depth analysis of fewer potential actions. The City's CAP staff and consultants feel that in order to provide more valuable information about the costs and benefits of specific potential actions, an emphasis should be placed on providing more comprehensive analysis on fewer measures. Another approach that would be available to the Council if it wishes to be more aggressive would be to set earlier reduction target dates, utilizing the measures to be presented with the Plan.

For these reasons, we recommend an approach where we propose a specific target, in conjunction with the draft Plan. With this target, we would propose a list of actions that would need to be implemented to achieve the given target.

Staff expects that the Council Sustainability Committee will provide a recommendation to the Council, based on discussion on the draft Plan and reduction targets presented at a meeting to be held toward the end of this calendar year. Based on such recommendation, the Council would then direct staff on the setting of a GHG reduction target at a work session in February and that the target would be adopted along with the CAP, which becomes the means to reaching the target, at a public hearing later in 2009.

Finally, as a reference, Attachment 2 contains the emissions reduction targets that have been adopted by other jurisdictions in the Bay Area, as well as an excerpt from Natural Capitalism Solutions' *Climate Protection Manual for Cities* that lists the reduction targets adopted by various organizations. These various methodologies will be used to form the basis of staff's recommendation to the Sustainability Committee and Council.

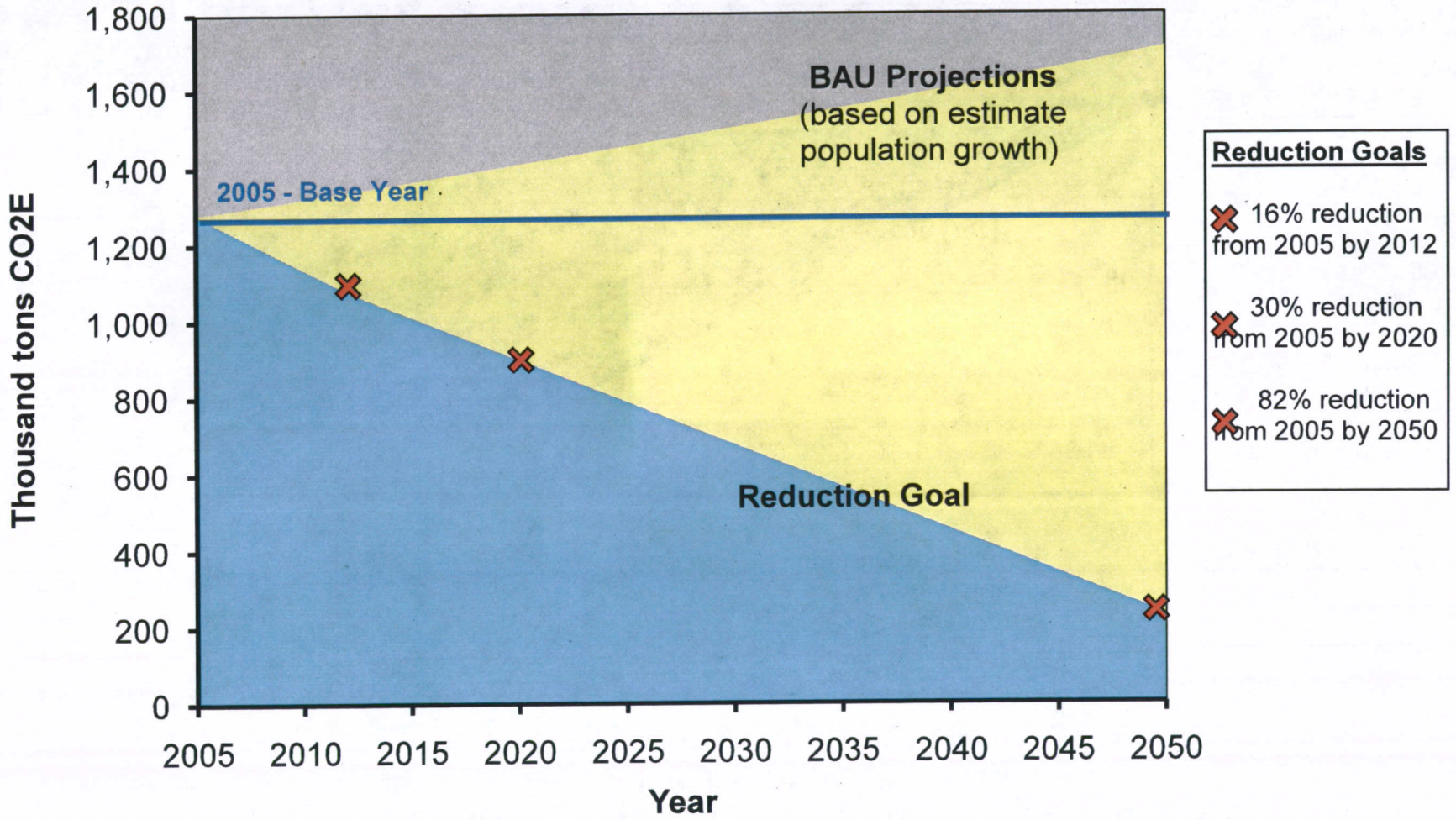
Attachments:

1. GHG Reduction Graphs
2. Reduction Targets of Other Organizations

cc: David Rizk, Planning Manager
Alex Ameri, Deputy Director of Public works
Vera Dahle-Lacaze, Solid Waste Manager
Tiffany Roberts, Planning Intern

Hayward GHG Emissions Reductions Goals Based on Kyoto and US Conference of Mayors Goals

Base Year Emissions = 1.28 million tons CO2

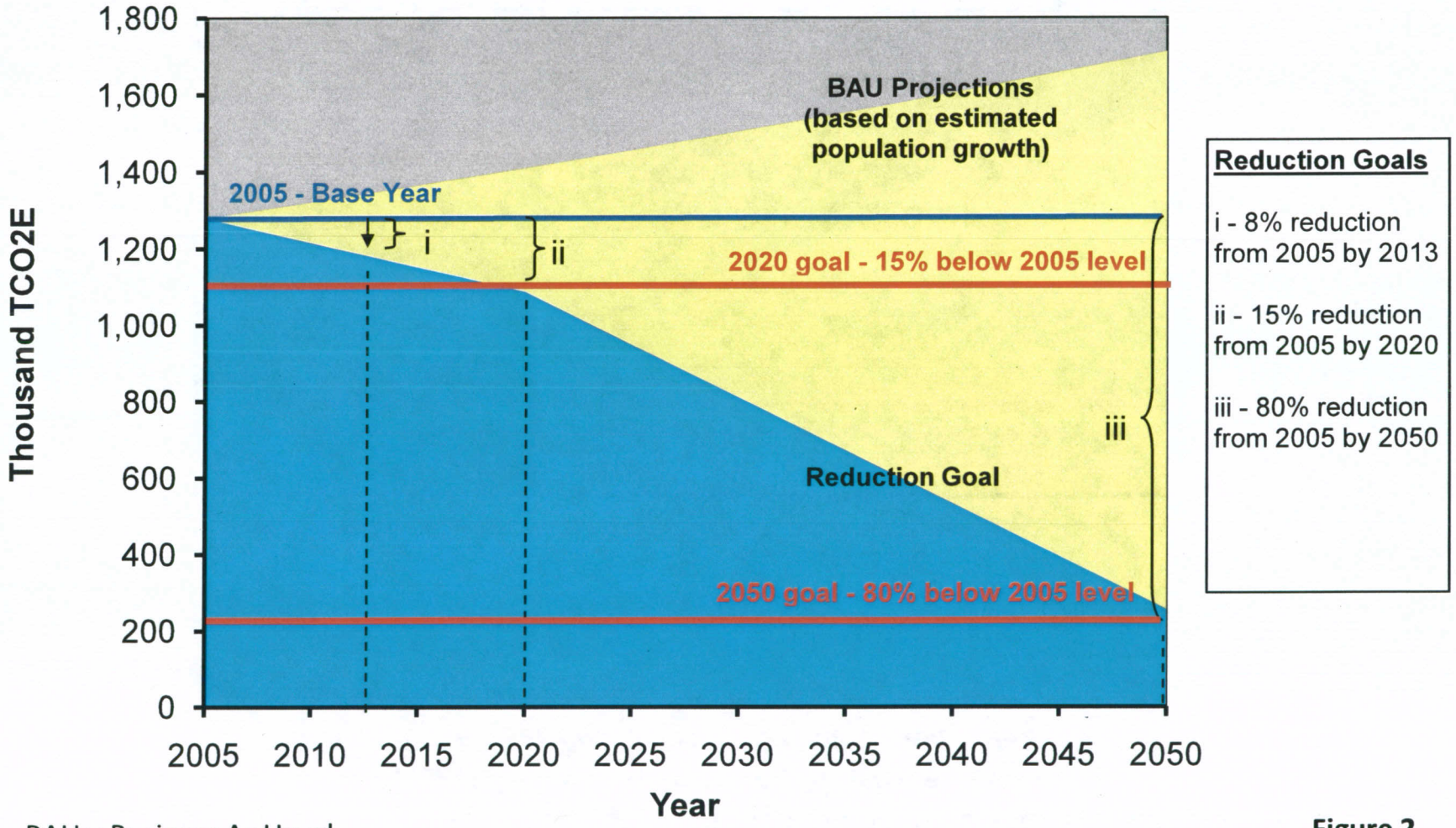


BAU = Business As Usual

Figure 1

Hayward GHG Emissions Reductions Based on WCI and AB 32 Goals

(Base Year Emissions = 1.2 million tons CO2e)

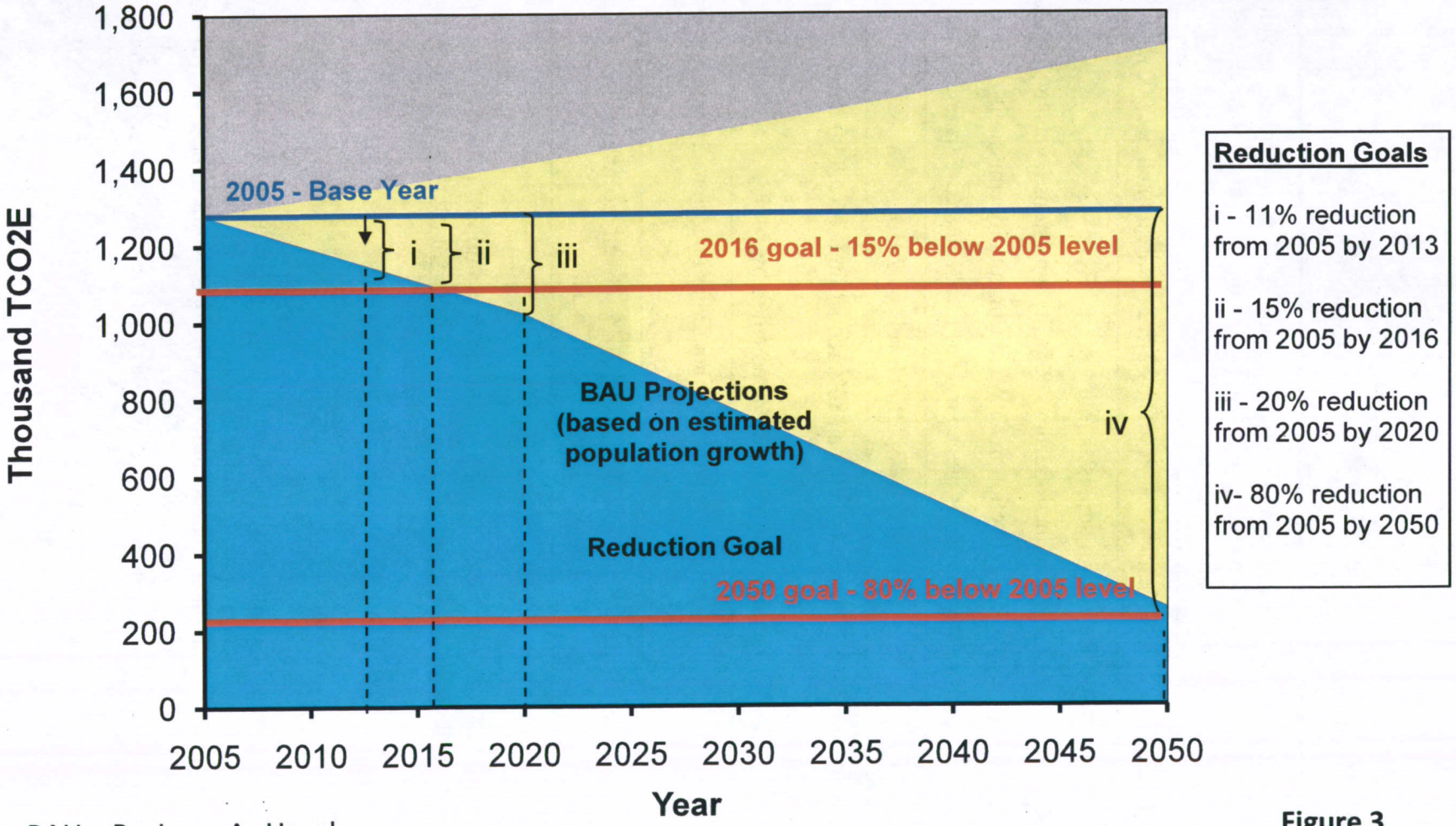


BAU = Business As Usual

Figure 2

Hayward GHG Emissions Reductions Based on WCI Goal with Accelerated Timeframe

(Base Year Emissions = 1.2 million tons CO2e)



BAU = Business As Usual

Figure 3

Reduction Targets of Bay Area Jurisdictions

Jurisdiction	Reduction Target
San Mateo	Reduce greenhouse gas emissions each year, beginning with 2009 emissions being less than the 2006 baseline and then exceed the 2020 state target and meet the 2050 state target
San Francisco	20% below 1990 levels by 2012 (goal adopted in 2002)
Palo Alto	Reduction targets as follows: • A 5% reduction from 2005 City emissions levels by July 2009. • A 5% reduction in City and Community emissions by July 2012. • A community-wide target of a 15% decrease from 2005 levels by 2020.
Santa Rosa	Set target of 20% of 2000 levels by 2010
Berkeley	• Ultimate target is an 80% reduction below 2000 baseline level of 696,498 eCO2 by 2050 • Interim target is a 33% reduction by 2020
Albany	Target set to reduce greenhouse gas emissions 25% below 2004 levels by 2020
Sonoma County	25% below 1990 levels by 2015 (Given recent growth in CO2 emissions, it is not likely that they will achieve target.)

The following is an excerpt from Natural Capitalism Solutions' *Climate Protection Manual for Cities.* Chapter 4. http://www.climatemanual.org/Cities/Chapter4/index.htm#_ftnref2

Examples of Emission Targets

Cities typically follow one of several approaches:

1. Adopting the goals set by the Kyoto Protocol: This is not an ambitious goal, but more than 300 cities have joined the U.S. Mayors Climate Protection Agreement in committing to meet or beat them. The Kyoto Protocol goals set for the U.S. are to reduce emissions of greenhouse gases 7% below 1990 levels by 2012.[2]
2. Various cities and other jurisdictions have set their own goals, which may be more or less ambitious.
    - The New York State Energy Plan set a goal of 5% below 1990 levels by 2010 and 10% below 1990 levels by 2020.[3]

3. Some cities are adopting more ambitious goals and longer-range goals.
    - The city of Portland and Multnomah County, Oregon, chose a level of 10% reductions below 1990 levels by 2010.[4]
    - Cambridge, Massachusetts, chose 20% below 1990 levels by 2010.[5]
    - Ottawa, Ontario, Canada picked 20% below 1990 levels, splitting the dates of attainment to 2007 for corporate business activities and 2012 for community emissions.[6]
4. Some governments and companies have adopted goals ranging from cutting emissions in half to eliminating them entirely to achieve carbon "neutrality." Examples from the public and private sectors include:
    - Seattle City Light, a municipal utility, set a target of zero net emissions that was achieved in 2005 through a purchase of 300,000 tons of GHG offsets[7]
    - Fort Carson Mountain Post, U.S. Army set a goal of 100% renewable energy by 2027.
    - DuPont set corporate goals of 65% reduction over 1990 levels by 2010, and has already met that target for its global operations, with a savings to date of $3 billion.
    - Interface Inc.'s "Mission Zero" commitment to "eliminate any negative impact our company may have on the environment by 2020" includes a goal that all fuels and electricity will be from renewable sources.[8]
5. An increasing number of cities are joining Chicago Climate Exchange:
    - Over 200 members, including six cities and King County, Washington (as of September 2006) have committed to the legally binding requirements of the Chicago Climate Exchange (CCX). Cities that join CCX get a comprehensive carbon calculator, as well as externally verified, third party audits of their performance. CCX requires its city members to reduce emissions from municipal operations a total of 6% by 2010 from a baseline of the average emissions of 1998-2001. Annual requirements from the baseline from 2006 to 2009 are: 2007: 4.25%; 2008: 4.5%; 2009: 5%. [9]