



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Toni J. Taber, CMC  
City Clerk

A handwritten signature in blue ink, appearing to read "Toni J. Taber", is placed over the "FROM" field.

**SUBJECT:** SEE BELOW

**DATE:** April 30, 2024

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**SUBJECT: Climate Smart San José Plan Semi-Annual Report**

**Recommendation**

As recommended by the Transportation and Environment Committee on April 8, 2024, accept the semi-annual report on the Climate Smart San José plan from September 2023 through February 2024.

CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (Environmental Services) [Transportation and Environment Committee referral – 4/8/2024 – Item (d)1]



# Memorandum

**TO:** TRANSPORTATION AND ENVIRONMENT COMMITTEE

**FROM:** Kerrie Romanow

**SUBJECT:** CLIMATE SMART SAN JOSE PLAN SEMI-ANNUAL UPDATE

**DATE:** 3/18/24

Approved

Date

3/25/24

## RECOMMENDATION

Accept a semi-annual report on the Climate Smart San José plan from September 2023 through February 2024 and recommend this item for full Council consideration at the April 30, 2024, City Council meeting.

## SUMMARY AND OUTCOME

The Climate Smart San José plan (“Climate Smart”) was approved by City Council in February 2018 and includes greenhouse gas (GHG) reduction goals and milestones that align with the 2016 Paris Agreement. In November 2021, City Council adopted a resolution to work towards communitywide carbon neutrality by 2030, accelerating the City’s Climate Smart goals. In June 2022, City Council approved the Pathway to Carbon Neutrality by 2030 to focus staffs’ efforts on four key strategies to accelerate movement toward the achievement of this new carbon neutrality goal: move to zero-emission vehicles; reduce the miles we travel in our vehicles by at least 20 percent; switch our appliances from fossil fuels to electric; and power our community with 100 percent carbon-neutral electricity.

The City continues to seek out and employ cutting-edge and impactful tactics and programs to further Climate Smart and carbon neutrality by 2030 goals. This semi-annual Climate Smart update highlights the key activities completed, underway, and planned as of the September 2023 through February 2024 reporting period. While the City continues to progress towards its climate goals, without continued investment and focus, this momentum is not expected to continue at the rate required to reach those goals.

**BACKGROUND**

In February 2018, City Council approved Climate Smart with specific goals and milestones to reduce communitywide GHG emissions in alignment with the 2016 Paris Agreement, designed to prevent global temperatures from rising by more than 2°C (or 3.6°F). Staff provides semi-annual updates on Climate Smart activities and produces communitywide and municipal (City government operations) GHG inventories in alternating years to measure GHG reduction progress. Staff updates the City’s publicly accessible Climate Smart Dashboard annually to track and report on progress toward achieving Climate Smart goals.

In November 2021, City Council adopted a resolution setting a communitywide carbon neutral by 2030 goal for San José. City Council approved the Pathway to Carbon Neutrality by 2030 in June 2022 to focus staffs’ efforts on the following four key strategies to accelerate movement toward the achievement of this new carbon neutrality goal: move to zero-emission vehicles; reduce the miles we travel in our vehicles by at least 20 percent; switch our appliances from fossil fuels to electric; and power our community with 100 percent carbon-neutral electricity. Staff is working on an administrative update of Climate Smart, which will include incorporation of the carbon neutrality by 2030 goal.

**ANALYSIS**

City staff across multiple departments and in collaboration with various community partners have continued to make significant progress, as detailed below, on programs and policies supporting Climate Smart goals.

**Climate Smart Core Resources and Activities**

***Funding and Resources for Climate Smart Initiatives***

Climate Smart staff collaborate across City divisions and departments to track and pursue private, state, and federal funding opportunities to support Climate Smart initiatives. Table 1 summarizes Climate Smart's external resource acquisition in the reporting period and total to date for Fiscal Year (FY) 2023-2024.

***Table 1. Value of Acquired External Resources Supporting Climate Smart Goals***

	<b>Total Received in Reporting Period (Sept. 2023 – Feb. 2024)</b>	<b>Total Received in FY 2023-2024 (through Feb. 2024)</b>
<b>Direct Funding</b>	\$21,686,342*	\$23,257,324**
<b>In-Kind Resources</b>	\$25,000	\$25,000
<b>Total</b>	<b>\$21,711,342*</b>	<b>\$23,282,324**</b>

\* Does not include \$299,885 in direct funding from Community Air Grant partnership being led by Acterra.

\*\*Does not include \$1,299,885 in direct funding from Climate Pollution Reduction Grant partnership being led by Santa Clara County and Community Air Grant partnership being led by Acterra.

Total funding received thus far in FY 2023-2024 includes support for biking infrastructure and planning, bike share expansion, pedestrian improvements, and building energy efficiency and electrification, with three awarded grants focused on disadvantaged communities in San José. City staff directly applied for an additional \$14.26 million in external funding in this reporting period (not including two significant partner applications for over \$380 million that would benefit San José), with several award notices pending, and are planning to submit applications for over \$18 million in funding in the next reporting period. The Climate Smart team is closely monitoring and preparing for external funding opportunities to support Climate Smart goals such as building electrification, energy efficiency, weatherization, electric vehicles (EVs) and EV charging infrastructure, transportation mode shifting, and microgrids. City staff also continue to leverage and promote available external resources, incentives, and programs that align with Climate Smart goals.

### ***Climate Advisory Commission***

In May 2023, City Council approved an ordinance amending the San José Municipal Code to establish the Climate Advisory Commission and merge it with the Clean Energy Community Advisory Commission, effective January 1, 2024. Following the approved ordinance direction and City policy, the City Clerk's Office led commission recruitment and presented commissioner recommendations to City Council on January 30, 2024. City Council approved the nominations of five continuing, former Clean Energy Community Advisory Commission members and six newly appointed commissioners. The Departments of Environmental Services, Transportation, Community Energy, and Planning, Building, and Code Enforcement will co-lead the commission, with the Environmental Services Department serving as the primary commission facilitator. The first Climate Advisory Commission meeting is expected to occur by April 2024.

### ***Climate Smart Community Outreach and Engagement***

- **Climate Smart Annual Survey** – Environmental Services staff conducted its annual Climate Smart Survey, which aimed to measure several key indicators regarding climate awareness and actions from October 9 through November 6, 2023. The survey was promoted in three languages through Facebook ads, Google ads, Nextdoor ads, laundromat advertisements, and email blasts. The survey received responses from 564 participants online in English, Spanish, and Vietnamese. Notably, the data reveals a growing awareness of climate change and Climate Smart San José, particularly within the Spanish and Vietnamese communities. This year, there was an 11 percent increase in overall awareness of Climate Smart San José. Financial constraints pose the biggest barrier (73 percent) to taking climate action, with respondents also mentioning lacking time (21 percent), being unaware (19 percent), and feeling overwhelmed (14 percent). Energy and water-saving appliances (71 percent), along with native plants (76 percent), are most favored across all language groups for supporting climate actions. In open-ended responses, individuals emphasized the need for accessible resources and regular community gatherings to inform and engage residents about Climate Smart initiatives.
- **Electric Home Tour** – Environmental Services staff promoted a regional Electric Home Tour, held in October 2023, which allowed residents to visit homes across the Peninsula and South Bay that have transitioned from traditional "natural gas" to clean electricity.

Seventy (70) San José residents registered for the tour, and 28 attended. During the tour, residents engaged with homeowners to learn about their experiences selecting energy-efficient appliances such as electric water heaters, heating, ventilation, air conditioning systems, dryers, and induction cooktops. Additionally, participants gathered insights on associated costs and available rebates. In a tour-goer survey, 83 percent indicated that they felt more prepared to electrify their home following the tour. Staff anticipates continued support for future tours, focusing on increasing San José resident participation.

- **Events Participation** - Environmental Services staff have been actively engaged in eight community events during the reporting period to raise awareness and disseminate information about Climate Smart programs, including the induction cooktop checkout program and available building electrification incentives. These events included the Annual Neighborhood Posada, Viva Calle, Santa Visits Alviso, National Night Out, and Viet Community Festival. As a result of these efforts, staff have successfully engaged with 749 individuals, facilitating discussions and connections within the community regarding sustainable practices and initiatives.
- **Climate Smart Contractor Survey** - From November 13 through December 8, 2023, Environmental Services staff conducted an online survey among contractors specialized in installing heat pump HVAC and water heaters. The survey aimed to gain insights into how contractors currently access information on building electrification, including training, rebates, incentives, professional development opportunities, and their preferences for receiving such information from the City. The survey gathered responses from 16 participants with expertise in plumbing, electrical work, HVAC, and general contracting. Most were familiar with electrification and identified EV chargers as their most commonly installed technology. They indicated a preference for email communication, either monthly or biweekly, for professional development, incentives, and rebates.
- **Equity-focused Co-creation with Community-Based Organizations:** The following Climate Smart initiatives are leading in the effort to develop City policies and programs more equitably by using a co-creation approach working with residents in and/or community-based organizations representing historically marginalized communities:
  - **Zero Emissions Neighborhood Pilot** – Since summer 2022, Environmental Services Department staff have been collaborating with residents and organizations in the Santee neighborhood to implement the Zero Emissions Neighborhood Pilot. In December 2023, Environmental Services staff extended the deadline for utilizing \$73,000 granted by the North Santa Clara Resource Conservation District to December 31, 2024, allowing more time to fully utilize these funds after staffing changes within the Resource Conservation District delayed implementation. Also in December 2023, the City was selected to receive \$25,000 from the County of Santa Clara Public Health Department to support implementation of building electrification in the ZEN pilot area. In January 2024, ESD staff collaborated with the community partners and Franklin-McKinley Children’s Initiative centered in the pilot area to plant native, drought-tolerant plants in the community center’s garden. City staff will continue to work with the

Franklin-McKinley Children's Initiative, other community groups, and Project HOPE to increase urban greening and building electrification in the Santee neighborhood.

- **EVs and Shared E-Mobility Services** – Department of Transportation staff are working closely with residents and community-based organizations in East San José, such as the Si Se Puede Collective, SOMOS Mayfair, and the Latino Business Foundation, to co-develop and expand e-mobility programs and services including bike sharing and e-micro transit. The City and its partners secured \$1.5M in the reporting period and will continue to seek grant funds to implement those programs and services as well as build the capacity of environmentally-focused community based organizations in East San José.
- **Climate Smart Challenge:** Environmental Services Department staff continue to promote the City's Climate Smart Challenge platform, available at [www.climatesmartsjchallenge.org](http://www.climatesmartsjchallenge.org), which currently has 1,219 users, an increase of 98 San José residents from the previous reporting period. Participants have completed more than 4,100 climate actions (754 added in this reporting period) resulting in \$99,894 saved, 323 tons of CO<sub>2</sub> avoided, and 593,754 gallons of water saved. Participants have also indicated a goal of completing an additional 835 actions on the platform.
- **GoGreen Teams:** GoGreen Teams is a team-based community engagement pilot supported by Bright Action Communities (formerly Community Climate Solutions), the creators of the Climate Smart Challenge platform. Launched in 2022, the program empowers residents and students in San José to form teams with their colleagues and complete a series of meetings to learn about and take action on climate solutions, including food and waste, home energy, transportation, water, and community action. Environmental Services staff led a second cohort of the pilot, running from May to October 2023, which consisted of three campaigns: a community campaign led by local community-based organizations, a City Hall campaign, and a school campaign led by Community Climate Solutions. To have a wider reach in the community as well as gain insight on how to improve the program and make it more inclusive for all communities to participate, staff partnered with three community-based organizations on the implementation of the community campaign: Guadalupe River Park Conservancy, San José State University Office of Sustainability, and Valley Verde. Three San José schools and over 120 community members were engaged across all three campaigns. Participants completed 203 actions on the platform, resulting in nearly 40 tons of CO<sub>2</sub>e avoided, \$19,070 saved, and 117,298 gallons of water saved. Staff began planning for a third pilot cohort, with community engagement planned for launch in mid-2024.
- **Building Electrification Webinars:** Building upon a successful webinar series in 2023, Environmental Services staff are contracting with Redwood Energy to host five home electrification webinars between April through June 2024. One of the webinar topics, the Ask Sean Show (on home electrification), will be held in three different languages: English, Spanish and Vietnamese. Staff will research and deploy outreach tactics specific

to each unique community, hoping to reach more community members. The remaining two webinars will cover topics about avoiding panel upgrades and building electrification incentives.

- **Social Media:** City staff deployed social media campaigns and shared 29 posts on the Environmental Services Department's and San José Clean Energy's Facebook, Instagram, X (formally Twitter), and LinkedIn platforms to highlight program initiatives. City staff also posted four NextDoor ads.
- **Draft Zero Waste Element Community Engagement:** Environmental Services Department staff partnered with Cascadia Consulting Group to gather feedback from the community on the draft Zero Waste Element from January 16 through February 9, 2024. During this time, the public was encouraged to provide input and comments on a draft version of the Zero Waste Element through an online portal, a survey, and a virtual community meeting. The online portal, survey and virtual community meeting were promoted by social media posts (X, Facebook, Instagram), digital ads (Facebook, NextDoor), stakeholder email lists, and newsletters shared by City Council members to their constituents. The online portal was viewed 5,051 times with 114 comments, the survey received 73 responses, and 11 members of the public attended the virtual community meeting. Outreach material posted through digital ads and social media was translated into Vietnamese and Spanish, and a translation service was provided in the same languages during the virtual community meeting to encourage more community members to participate. After considering all public comments and feedback, staff and Cascadia will update the draft Zero Waste Element.
- **Public Art:** The City of San José's Office of Economic Development and Cultural Affairs in partnership with the Environmental Services Department supported Climate Smart with [\*One Day One Action\*](#), a socially engaged public art project led by artists Trena Noval and Sue Mark. The project was developed to inspire how we can all contribute to climate action, one day at a time, now and into the future. The social media-based project deployed a collection of 200 prompts designed by a local graphic designer and translated into Spanish and Vietnamese. Recognizing the value of trusted sources, the artists fostered relationships with six local community organizations as partners to share content on their social media accounts, thus broadening outreach, access, and equitability. The project concluded on December 21, 2023. The artists are currently collecting data from all project partners and compiling a final report expected in Spring 2024. As part of project completion, the artists are developing a website where all content will be publicly accessible and free to use.

## **Climate Smart Program and Policy Updates**

Below are Climate Smart program and policy highlights from September 2023 through February 2024 reporting period, grouped within the four key strategies in the Pathway to Carbon Neutrality by 2030.

### **Power Our Community with 100 percent Carbon-neutral Electricity**

#### ***Carbon Neutral Power***

In full operation since February 2019, San José Clean Energy (SJCE) now serves about 350,000 homes and businesses. SJCE's default GreenSource service is 60 percent renewable and 95 percent carbon-free, and its TotalGreen service is 100 percent renewable. Nearly 2,000 residential and commercial customers have upgraded to TotalGreen. SJCE maintains a 97 percent participation rate, which means only 3 percent of customers have opted out of SJCE to receive full service from PG&E.

SJCE has invested in more than 850 megawatts of new renewable energy and storage resources, including wind, solar, geothermal, solar plus storage, and long-duration storage. This is up from 600 megawatts in the last reporting period. SJCE has contracted for these resources at cost-effective prices through long-term power purchase agreements, helping it provide competitive, stable rates.

### **Switch Our Appliances from Fossil Fuels to Electric**

#### ***Electric Homes San José***

Environmental Services Department staff are working with BlocPower LLC on implementation of the City's residential building electrification upgrade and workforce development accelerator program. The program, Electric Homes San José, is expected to provide a comprehensive service to residential building owners (single-family and multifamily) throughout San José who would like assistance electrifying their building, including: building assessments, contractor connections, access to available City incentives, assistance with external incentive stacking, and project implementation. The program will also collaborate with local job training partners to support high-quality training for electric heat pump installers and home upgrade technicians. The program targets 250 residential building electrification measures and 50 individuals trained by 2025. In this reporting period, City staff worked with BlocPower to complete the following: 1) draft program design; 2) drafted customer incentive applications, including pre-install rebate reservation and post-install applications; 3) drafted incentive structure that will target 50 percent of funds to be designated for Equity Communities<sup>1</sup>; 4) regular Community Advisory Board program updates; and 5) updated the BlocMaps tool with new dropdown menu features and

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<sup>1</sup> As identified by the California Environmental Protection Agency's [SB 535 Disadvantaged Communities Map](#)

updated building data insights. Electric Homes San José has a tentative launch date of April 22, 2024 – Earth Day.

### ***Energy Efficiency Programs***

In September 2022, SJCE launched two energy efficiency programs, the Home Appliance Savings Program and Energy Efficient Business Program, which will run through the end of 2024 and are estimated to result in 2,800 megawatt-hours of annual savings over the lifetimes of the energy-saving equipment – equal to the annual energy usage of about 560 homes.

Through February 2024, customers have requested 189 appliance redemption codes and 42 of these have been redeemed by customers at Airport Home Appliance, resulting in 25 clothes dryers, 30 clothes washers, 10 refrigerators, and 1 induction cooktop purchased through the San José Home Appliance Savings Program.<sup>2</sup> In addition, the program has delivered 167 smart thermostats and 140 smart plugs to customers. The San José Energy Efficient Business Program<sup>3</sup> provides technical assistance and 20 to 90 percent discounts for HVAC, water heating, and refrigeration systems and components for small- and medium-sized businesses and schools. In that same time period, the program has served over 640 businesses and is in the process of serving an additional 50-100 businesses.

The American Council for an Energy Efficiency Economy has selected the Energy Department to receive free technical assistance over the next year to increase renter participation in electrification and energy efficiency programs, engage landlords and tenants, and develop renter protection policies for the programs.

### ***Building Electrification Workforce Development***

Given the understanding that workforce development will be necessary to support the City's building electrification and equity goals, the Energy Department hired an industry consultant to research the current state of the electrification workforce (general contractors, electricians, plumbers, etc.) in San José, existing workforce training programs, and evaluate the speed at which buildings can be electrified with the current workforce. The study will determine the workforce size needed to meet the Bay Area Air Quality Management District 2027 and 2029 regulations and the City's carbon neutral by 2030 goal. The consultant will also identify career pathways that should be developed to help ensure that the workforce represents San José's diverse communities, that the building electrification jobs are high quality, and that the workforce that supports the installation and maintenance of gas appliances can transition to supporting building electrification or other scopes of work. Energy Department staff continue to attend the High Road Training Partnership member meetings. They will collaborate with IBEW and other unions, labor groups, contractor groups, and the City's Office of Economic Development and Cultural Affairs over the coming months as part of its workforce development study. Once this analysis is completed in mid-2024, the Energy Department will develop

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<sup>2</sup> [San José Home Appliance Savings Program webpage](#) (also available in [Spanish](#) and [Vietnamese](#)).

<sup>3</sup> [San José Energy Efficient Business Program webpage](#) (also available in [Spanish](#) and [Vietnamese](#))

workforce development programs that utilize the community development funds SJCE secures through its clean energy power purchase agreements with developers for utility-scale clean energy resources. Potential programs may include scholarships for enrollment in apprenticeship or pre-apprenticeship programs, sponsoring appliance-specific training, or incentives awarded for successful installations of electrification technologies.

***Energy & Water Building Performance Ordinance***

The Energy & Water Building Performance Ordinance (“Building Performance Ordinance”) requires owners of commercial and multifamily buildings, 20,000 square feet or larger, to annually track their energy and water use with the Environmental Protection Agency’s platform ENERGY STAR Portfolio Manager® and share that information with the City. There are roughly 2,050 San José buildings covered by the Building Performance Ordinance. Starting in 2023, the Building Performance Ordinance began its final phase of implementation, Beyond Benchmarking, requiring covered buildings to meet energy and water efficiency standards or take specified actions. The first cohort of 250 buildings were required to comply with Beyond Benchmarking in May 2023. Table 2 provides an overview of the program's compliance rates over time.

*Table 2. Building Performance Ordinance Compliance Rates*

<b>Compliance Year</b>	<b>Annual Benchmarking</b>	<b>Beyond Benchmarking</b>
2019	42.5%	N/A
2020	28.2%	N/A
2021	66.8%	N/A
2022	73.3%	N/A
2023	87.9%	~ 70%

Approximately 450 buildings are required to comply with Beyond Benchmarking by May 2024.

**Reduce the Miles We Travel in our Vehicles by at least 20 Percent**

***Better Bike Plan 2025***

Department of Transportation staff secured over \$5.7 million in grant funding to advance Bike Plan projects and added a total of 17.6 new miles of bikeways to the City’s network between September 2023 and January 2024, including 10 miles class 2 (standard), 5.3 miles class 3 (bike routes), and 2.3 miles class 4 (protected) bikeways. Staff expects to be able to upgrade most new class 2 bikeways installed in 2023 with bollards. Therefore, these new bikeways may be classified as class 4 (protected bikeways) in 2024. At the time of Council adoption of the Plan in 2020, material costs for the build-out the of the bikeways network was estimated to be \$370 million, but this estimate does not include non-construction bikeway improvements DOT staff is pursuing. In the next year, staff will continue to seek funding to advance the construction of the 550-mile, low-stress, all-ages-and-abilities, on-street bike network, which still requires the buildout of new bikeways and additional critical improvements to the existing network.

### ***Bike Share Service Expansion***

Department of Transportation staff are collaborating closely with the Metropolitan Transportation Commission and Lyft, the Bay Wheels bike share operator, to expand access to the Bay Wheels program in communities that do not have easy access to the bike share program. This expansion entails the purchase of 500 new e-bikes and installing approximately 23 new stations on the eastern side of the service area. Furthermore, the City secured a \$1.5 million grant from the Clean Mobility Options program in December 2023 to support expansion efforts in the Mayfair neighborhood. This program will include procuring new bikes (75), establishing new stations (9), organizing promotional events, and providing heavily discounted fares for all trips to, from, and around the Mayfair community. These investments aim to significantly augment the overall station coverage and system accessibility in underserved neighborhoods in San José.

### ***Micro-Mobility Hubs on San Fernando Street***

In July 2023, the City received a \$1.5 million grant award from the Metropolitan Transportation Commission's Mobility Hub Program to develop two micro-mobility hubs between 2<sup>nd</sup> and 7<sup>th</sup> San Fernando Street, which is currently being re-designed to better accommodate bike, pedestrian, and transit users. During the reporting period, Department of Transportation staff has collaborated with the Swedish program initiative Street Moves and key stakeholders like the Valley Transportation Authority to develop preliminary design ideas to support a community-driven design process. The proposed micro-mobility hubs will be installed once the San Fernando project is completed (2026-2027) and will further improve the services available to pedestrians and people who travel by transit, bike, or scooter.

## **Move to Zero Emission Vehicles**

### ***California Electric Vehicle Infrastructure Project***

The California Electric Vehicle Infrastructure Project is a \$14 million rebate program for Level 2 and Direct Current Fast Charging infrastructure co-funded by SJCE and the California Energy Commission. As of February 2024, 140 Level 2 and 26 Direct Current Fast Chargers funded by the program are operational. The program is expected to conclude in Q4 2025, at which point any unspent funds committed by the City would be returned to the City.

### ***Electric Vehicle Education Pilot***

SJCE focuses on increasing EV vehicle adoption in San José, especially among residents with lower incomes and those with the highest barriers to adoption. Staff continued their educational efforts in partnership with several community-based organizations. Through one partner, SJCE sponsored four "EV 101/102" webinars where residents could learn all about EV basics. SJCE helped host a Clean Air Day community dinner in October, during which residents enjoyed a meal together before learning about e-mobility solutions. In December 2023, SJCE was accepted into the U.S. Department of Energy's "Clean Energy to Communities" peer-learning cohort. SJCE will participate in the six-month cohort alongside the Silicon Valley Clean Cities Coalition to assess community transportation needs and design effective engagement strategies.

### ***Building Reach Code Update***

Every three years, the California Energy Commission updates its Building Energy Efficiency Standards (Efficiency Standards) and, subsequently, the City must readopt its building reach codes at minimum every three-year code cycle for the requirements to remain in effect. The City may also adopt additional reach code requirements at any time.

Environmental Services and Planning, Building, and Code Enforcement Department staff presented a reach code readoption ordinance covering solar photovoltaic, energy efficiency, and electrification-ready reach code components for all new developments to City Council and it was approved at its September 12, 2023, meeting. Responding to previous City Council direction, staff also presented an updated reach code for EV infrastructure in new multifamily developments on January 30, 2024. City Council approved an ordinance requiring EV Ready infrastructure (i.e., outlets) for 100 percent of residential parking, including parking lifts.

While the State mandated direct wiring for assigned EV parking spaces effective July 1, 2024, the City has exempted unassigned parking from this requirement given the high complexity of direct wiring parking spaces that could be re-assigned over time. Due to this exemption, there are concerns over the additional costs that can be incurred by EV charging that are not directly linked to a unit's electric panel. City Council directed staff to continue monitoring the viability of available technology options to support flexible direct wiring and/or other options to maintain reasonable electric utility rates for multifamily residents. Attachment A provides a summary of the scale of the issue and an update on findings to-date, including planned next steps for future updates to City Council on this topic.

The State's next building code update for 2025 would be effective January 1, 2026. Therefore, City staff anticipates beginning work on readopting and/or updating the City's reach code in late 2024.

### **Looking Ahead**

City staff plans to complete the following items in the next reporting period (March – August 2024):

- Launch the Electric Homes San José program;
- Expand Peak Rewards, SJCE's demand response program, to SJCE residential customers;
- Launch a telematics-based managed charging program for SJCE residential customers with EVs;
- Launch a super off-peak residential charging rate for SJCE residential customers with EVs;
- Develop a preliminary fleet electrification master plan for the City of San José;

- Launch SJCE’s EV shopping tool, an online multilingual website for comparing lifetime costs and emissions for EVs versus gas-powered cars and finding incentives and nearby chargers;
- Select and contract with a consultant to provide Big Data to improve the Department of Transportation’s computerized Decision Support System and for other transportation analysis purposes on a regular basis;
- Execute grant agreement with Santa Clara County for building electrification projects in Zero Emissions Neighborhood pilot area; and
- Finalize the new Climate Smart Zero Waste Element.

Staff also expects to bring the following Climate Smart items to City Council:

- SJCE Programs Roadmap (April 2024);
- Climate Smart Plan Administrative Update (Summer 2024);
- Climate Smart Zero Waste Element (Fall 2024); and
- Overstay fee to increase utilization of the City’s downtown EV chargers by encouraging EV drivers to move their vehicle when they are finished charging (Spring 2025).

While the City continues to progress towards its climate goals, without continued investment and focus, this momentum is not expected to continue at the rate required to reach those goals.

### ***Racial Equity Impact Analysis***

Historically marginalized communities of San José are already experiencing and are more likely to be burdened by the impacts of climate change while also being the least able to, due to financial and other constraints, take advantage of climate initiatives which can bring significant health and financial benefits with them.

Many Climate Smart initiatives are leading in the effort to develop City policies and programs more equitably by using a community co-creation approach, by employing outreach tactics to better reach historically marginalized communities, and by ensuring a portion of program benefits will go to these communities.

### ***Climate Smart San José Analysis***

Climate Smart initiatives detailed in this memorandum are helping to advance several goals under Climate Smart San José, by facilitating:

- the reduction of energy or water use consumption, or increases in demand for renewable energy,
- the energy and water efficiency of homes and commercial buildings, and
- the choice of mobility choices other than single-occupancy, gas-powered vehicles.

### **EVALUATION AND FOLLOW-UP**

Staff will provide progress updates to the Transportation and Environment Committee and City Council on Climate Smart San José activities semi-annually.

### **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, Office of Economic Development and Cultural Affairs, and the Departments of Transportation, Energy, and Planning, Building and Code Enforcement.

### **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the April 30, 2024, City Council meeting.

### **COMMISSION RECOMMENDATION AND INPUT**

No commission recommendation or input is associated with this action.

### **CEQA**

Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action shall not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

KERRIE ROMANOW  
Director, Environmental Services

TRANSPORTATION & ENVIRONMENT COMMITTEE

March 18, 2024

**Subject: Climate Smart San Jose Plan Semi-Annual Update**

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For questions, please contact Julie Benabente, Deputy Director, Environmental Services at [Julie.Benabente@sanjoseca.gov](mailto:Julie.Benabente@sanjoseca.gov) or (408) 975-2537.

**ATTACHMENT:**

Attachment A – Summary of Multifamily Electric Vehicle Rate Management Options