CITY OF OAKLAND

AGENDA REPORT

TO: Office of the City Administrator
ATTN: Deborah Edgerly
FROM: Mayor's Office
DATE: January 11, 2005

RE: **INFORMATIONAL REPORT ON POLICY RECOMMENDATIONS, PRIORITY ACTIVITY AREAS, AND OBJECTIVES ADOPTED BY THE CITY COUNCIL FOR THE CITY'S SUSTAINABILITY PROGRAMS**

SUMMARY

The Oakland City Council adopted the Sustainable Community Development Initiative (SDI) by City Resolution 74678-98 in December 1998. Until November 2003, the two agencies that led the implementation of the SDI were the Community and Economic Development Agency (CEDA) and the Public Works Agency (PWA). In the 2003-2005 Oakland City Budget, adopted June 2003, the budget and staff for Oakland's sustainability efforts were transferred from CEDA to Mayor Brown's office. In November, Randy Hayes was hired as the Sustainability Director and Carol Misseldine was transferred from CEDA to work with Randy Hayes and serve as Senior Staff to the Mayor's sustainability efforts.

This is an informational status report on progress made since the previous report was delivered to City Council on July 8, 2003.

FISCAL IMPACT

There is no fiscal impact; this is an informational report.

BACKGROUND

Five Policy Recommendations in 1998: In December 1998, the SDI was adopted by City Council Resolution 74678-98 and contained the following five fundamental policy recommendations with accompanying action steps.

Recommendation 1: Implement a sustainable development strategy as an overarching principle guiding Oakland's economic development program.

Recommendation 2: Link the sustainable economic development strategy to a comprehensive approach to job training and continuing education.

Recommendation 3: Encourage affordable in-fill housing, mixed-use development, and sustainable building practices.

Recommendation 4: Make the City of Oakland's operations and services a model of sustainable community development practices.

Recommendation 5: Establish an ongoing process of community participation in sustainable development initiatives by community organizations, businesses, unions, and education.

Thirteen SDI Priority Activity Areas Adopted in 2000: In late 2000 the City Council adopted the following thirteen priority areas on which staff should focus.

1. Green Building guidelines
2. Energy efficiency and renewable energy
3. Promotion of in-fill housing
4. Leading by example with City and Port development
5. Development and application of a yardstick for the 3E's in economic development
6. Workforce Development
7. Best practices plans and "champions" in all City agencies and departments
8. Transportation demand management for large developments
9. Downtown parking/circulation/transit/pedestrian plan
10. Progress with five Transit Village development plans
11. Execut ing Affordable Housing Plan
12. Open Space Plan I mplementation for Lake Merritt and Estuary
13. Incorporating Su stainable Development in literacy and cultural/environmental education

Five Sustainable City Objectives Adopted in 2003-2005 Policy Budget: In June 2003, the following 5 objectives were adopted as part of Goal 2: Develop a Sustainable City.

Goal 2: Develop a Sustainable City

Objectives

2A. Maximize socially and environmentally sustainable economic growth.
2B. Facilitate the development of housing
2C. Implement programs that protect and conserve natural resources
2D. Attract new residents to Oakland
2E. Encourage and support social equity for all Oakland residents

Reporting: Staff submits reports on progress in implementing the sustainability priorities and recommended action steps. Reports have been submitted as follows: October 26, 1999; September 29, 2000; November 6, 2001; May 21, 2002; July 8, 2003; January 11, 2005.

The content of this current report is organized to correlate with the 5 objectives adopted in the 2003-2005 Policy Budget, as they are the most recent iteration of the City's priorities and intent.

KEY ISSUES AND IMPACTS

OBJECTIVE 2A

MAXIMIZE SOCIALLY AND ENVIRONMENTALLY SUSTAINABLE ECONOMIC GROWTH

The Economic Development department in CEDA is the lead on promoting economic growth in the City of Oakland. Sustainability staff have coordinated with Economic Development staff to promote socially and environmentally sustainable growth in the following ways.

a. Promote Sustainable Business: The revised Economic Development Strategy for 2003 produced in CEDA has an overlay component called "Sustainability" and identifies opportunities to promote sustainable business activity and practices in two of the target industry sectors - Transportation and Environmental Technology. Staff has engaged the Trucking Industry on strategies to improve efficiency and lessen the impact in neighborhoods by seeking changes to truck routing, consolidation of trucking services away from residential areas, and by leveraging work of others on developing cleaner alternative to diesel fuel. Work in the Environmental Technology sector includes ongoing work of the Oakland/Berkeley Recycling Market Development Zone (RMDZ), which has involved attraction, retention, and expansion of about 30 firms processing or manufacturing recycled materials into value added products. Services of the RMDZ include siting and permitting assistance, specialized financing programs, and marketing assistance.

b. Participate on Councilmember Brunner's Socially Responsible Business Task Force: A primary purpose of this Task Force, which began meeting Fall of 2002, is to make recommendations to the Mayor, City Council and City Administrator on improving City services to socially responsible businesses so as to attract new, and retain and expand existing, socially responsible businesses.

   The task force, staffed by sustainability and economic development staff, developed a draft set of criteria to define what is meant by a Socially Responsible Business. The task force also developed a list of possible incentives to promote and attract socially responsible businesses.

   Beta Testing of the Tool: In November 2003, we began "beta-testing" this criteria list. Economic Development staff sent the list to approximately 125 businesses, asking that they check the practices on the list that applied to their operations. Eighteen businesses returned the survey. Their responses suggested that the criteria were too cumbersome, so the list was revised and simplified in Spring 2004 with input from the entire Task Force and the Criteria Subcommittee.

   In May 2004, it was decided that this second draft of the survey should be beta-tested with a new batch of businesses, and that the best way to accomplish that task was to

integrate it with the Economic Gardening Services Pilot Project that Economic Development is overseeing. To date, the number of businesses served in the Economic Gardening project has been relatively low, and only a few additional socially responsible surveys have been collected. Field tests suggest that for most businesses contacted during the two different methods of testing the survey, there is a persistent sense that the survey is cumbersome or lacking relevance in whole or in part, and that additional avenues are needed to engage businesses on this topic. If and when a sufficient number of surveys are returned to provide information on how best to modify the tool, the City agency that will lead a socially responsible business effort will need to be identified, as will a source of revenue to support programmatic and staff efforts in this area.

c. Promote Alternative Fuels: Sustainability staff have been collaborating with Economic Development staff on the establishment of an alternative fuels filling station near downtown on Port property. Although some hurdles remain including fuel pricing, prospects for this station are good. Once established, this filling station will provide cleaner alternatives to fossil fuel based fuels, thereby improving air quality and health while ensuring continued economic vitality.

d. Promote Sustainable Jobs: Numerous studies document that strong energy efficiency and renewable energy policies and programs promote strong job creation opportunities. Toward that end, sustainability staff aggressively promote energy efficiency programs and policies for Oakland, as highlighted in the Energy section of this report. In addition, we have had preliminary meetings and conversations with an outside consultant to investigate the possibility of identifying and attracting a major renewable energy company such as a solar panels manufacturer to the City of Oakland, although to date we have not identified such a company. Preliminary talks are also underway with Sharp Solar about the feasibility of an Oakland distribution center at an Oakland Eco-Industrial Park.

e. Promote Non-Toxic "Wet" Cleaning: Wet Cleaning is a more environmentally benign alternative to dry cleaning as the processes used are far less toxic and more energy efficient. We have had preliminary discussions with PG&E, and have learned that rebates may be available to businesses that switch to this more benign form of cleaning. We will be working to identify a potential Oakland dry cleaner that may be willing to serve as a pilot.

OBJECTIVE 2B

FACILITATE THE DEVELOPMENT OF HOUSING

a. Promotion of In-Fill Housing: Building permits for infill housing units continue to be relatively high. Whereas approximately 300 permits had been issued annually in prior

years, over 900 permits were issued for infill-housing units in 2002 and 890 permits were issued in 2003.

The City of Oakland is promoting infill housing in a number of ways, including the Land Use and Transportation Element of the Oakland General Plan, which promotes densely populated, mixed-use and transit accessible land use patterns, and the Mayor's 10K Downtown Housing Initiative, which encourages the development of 6,000 housing units in downtown Oakland. As of October 2004, these efforts have resulted in 40 residential projects totaling 5,134 units. Of that total, 1,624 units have been completed and the rest are in construction, have received planning approvals, or are in the planning process.

b. Progress with five Transit Village Development Plans: Fostering transit oriented, mixed-use development is at the heart of Smart Growth principles. The Redevelopment Division in CEDA is the lead for implementing the following Transit Village development plans:

Uptown at 19th Street BART: As of October 7, the Lease DDA for this mixed-use development project has been executed and authorized with Forest City, Inc. The planning review and approval process will take place in the spring of 2005 and construction is planned to begin by summer of 2005. As highlighted under the Green Building section of Objective 2C, sustainability staff worked extensively with the Redevelopment Agency and Forest City to ensure the incorporation of substantive green building techniques into this project.

Fruitvale Transit Village: Phase I of the Fruitvale Transit Village is complete. This transit-oriented mixed-use development project is located in the heart of Oakland's Fruitvale neighborhood adjacent to the BART station. The project has 47 units of housing and comprehensive community services including a child-care facility, a senior center, a library, a health clinic and a commercial/retail shopping area. The retail space is almost completely leased and about half of the tenants have already moved in. Phase II of this project has not been reviewed or approved, and is in the conceptual phase pending the success of Phase I.

MacArthur BART: This project is still in the early phases and does not yet have any unit counts or square footage. The Redevelopment Agency selected a new development team comprised of Aegis Equity Partners, Bridge Housing, and Shea Properties in April 2004, and entered into an Exclusive Negotiating Agreement with the team on November 1st. The development team is currently developing a project proposal including site plan and mix of uses. Environmental review is planned for August 2005. Staff in Redevelopment consider sustainability principles to be important to this project and note that such principles will be taken into consideration as the project moves forward.

Coliseum BART: Consultants are in the process of completing Phase I of a market study and feasibility analysis for a transit oriented development project at the Coliseum BART parking lot. The final design for the Coliseum/San Leandro streetscape project is

complete and the project will soon be in the bid phase. Construction has commenced at the Amtrak Intercity Rail Platform Project and at Oakland Housing Authority's Coliseum Gardens site.

West Oakland Transit Village: The first catalyst project is under construction and an application for a second catalyst project is under review in Planning. A streetscape design is being prepared with a grant. The transit village is included in the Regional Transportation Plan and the Alameda Countywide Transportation Plan, which will make it eligible for transportation infrastructure funding in the future.

c. Promote the Development of Affordable Housing: The Housing and Community Development Division of CEDA manages efforts to preserve, rehabilitate, and construct affordable housing targeted for low- and moderate-income households. Through the 2004 Notice of Funding Availability (NOFA), the City and the Agency approved funding allocation of $14.5 million for six new construction projects (270 units) and $1.6 million for three rehabilitation projects (213 units). Staff continually looks at ways to improve the sustainability of these projects. In the NOFA, a list of green building techniques, entitled "Strategies for Sustainable Development" was provided to encourage applicants to incorporate green building measures into their proposals, and applicants were required to submit a "Sustainable Development Statement" in their applications. In addition, the proposals were evaluated on the basis of site location criteria including proximity to public transit and community services, and for energy efficiency criteria including exceeding Title 24 by 15%, and other energy efficiency measures. All the new construction projects approved for funding during this NOFA round received full points for "Proximity to public transit" and "Energy Efficiency".

Sustainability staff and staff from the Alameda County Waste Management Authority (ACWMA) have been meeting with Housing staff to make it easier for applicants to highlight their existing green building initiatives and learn about additional initiatives. We are doing so by promoting the inclusion of the Greening Multifamily Checklist, developed by ACWMA as a submittal in the 2005 NOFA process.

OBJECTIVE 2C
IMPLEMENT PROGRAMS THAT PROTECT AND CONSERVE NATURAL RESOURCES

A. FOSTER THE USE OF GREEN BUILDING TECHNIQUES IN PUBLIC AND PRIVATE DEVELOPMENT PROJECTS

1. Promote Adoption of a Civic Green Building Ordinance for Oakland

One of the five initial policy recommendations of the SDI is: *Make the City of Oakland's operations and services a model of sustainable community development practices.* Ensuring that

City facilities meet certain Green Building standards would take the City a long way toward meeting that goal, and substantial progress on this priority has been made.

Working in collaboration with Councilmember Nancy Nadel's office and the Alameda County Waste Management Authority (ACWMA), sustainability staff in the Mayor's office convened a meeting of Council members and Department heads to form a Civic Green Building Ordinance Steering Committee.

The committee's first meeting was held on July 8, 2004. Participants included: Nancy Nadel and Danny Wan, Council members; and staff from CEDA, Public Works Agency, ACWMA, and the Mayor's office. At the end of the meeting, the Steering Committee directed staff to form a working group for the purpose of developing draft language for an Ordinance that would mandate certain green building standards for City projects.

Sustainability staff convened a working group comprised of invitees from the following City agencies and offices: Staff from Councilmembers Nadel's and Brunner's offices; Public Works Agency; Mayor's Office; CEDA and ACWMA. The group met three times, and the principal result of their efforts is a draft Civic Green Building ordinance that proposes that all new City Building Projects and renovations equal to or exceeding $3 million in construction costs meet a minimum Leadership in Energy and Environmental Design (LEED) "Silver" rating, and be so certified by the U.S. Green Building Council (USGBC). The draft text also proposes that all traditional public works projects include as many applicable green building practices as possible.

The Steering Committee reconvened on December 7th to review the ordinance. Committee members directed staff to bring the ordinance to Council in February 2005. Staff were also directed to develop minimum green building standards for City projects that do not meet the Ordinance's threshold for the purpose of reducing operation and maintenance costs of all City buildings. Finally, staff were directed to develop recommendations for incentives that would promote the adoption of green building strategies in private development projects.

2. Provide Technical Green Building Assistance to Private Development Projects

Sustainability staff receive increasing numbers of requests from private developers for technical assistance on incorporating green building strategies in private development projects in the City of Oakland. Working directly with the developer and design team, we have successfully promoted the inclusion of a significant number of such features in various projects. A brief summary of assistance provided since the prior status report follows.

Forest City Uptown Project: Sustainability staff from the Mayor's office collaborated extensively with staff from PWA, the Redevelopment Agency, the

East Bay Community Foundation, the Alameda County Waste Management Authority (ACWMA) and the Energy Efficiency Design Assistance (EEDA) program to provide substantive green building technical assistance to the Uptown design team. As a result, the following Green Building features were incorporated into the DDA language as requirements or goals:

- Design a water efficient landscape
- Use low emitting building materials
- Exceed Title 24 Energy Standards by 15%
- Divert 75% of construction waste
- Maximize the use of recycled content construction materials;
- Provide extensive daylighting of indoor spaces;
- Maximize the use of electricity generated from alternative energy systems;
- Model leadership in green building;
- Hold periodic coordinating meetings between Forest City and the City to provide updates on green building progress and share resources.

Jack London Square: Sustainability staff collaborated with CEDA's Major Projects division to ensure the inclusion of the following Green Building features into the Conditions of Approval for this project:

- Water efficient landscaping
- Use low-emitting building materials
- Divert 75% of construction waste through re-use and recycling
- Use recycled content construction materials
- Incorporate daylighting into indoor spaces

In addition to the above features, we have succeeded in introducing the design team for this project to the Energy Efficiency Design Assistance Project and the Savings by Design program. These meetings have convinced the design team that they can save not only energy but also dollars, and can access substantial monetary incentives, by improving their energy efficiency performance.

T-10: Sustainability staff worked with staff in the Redevelopment Agency to ensure the inclusion of sustainability language into the DDA. We also facilitated a meeting between the design team and representatives from the Energy Efficiency Design Assistance program to ensure the provision of energy efficiency and green building technical assistance, and provided a free copy of the new *Multi-Family Green Building Guidelines* published by ACWMA.

Infiniti Dealership: Sustainability staff met with the design team and a representative of EEDA for the purpose of determining the feasibility of incorporating green building features into the planned construction and operation of a new Infiniti auto dealership on Oakport near Hassler Way. The primary focus of the meeting was to promote the use of energy efficient lighting and other

energy efficiency recommendations. As a result of our meeting, it was agreed that numerous other green building features would also be incorporated including water efficient landscaping, storage and collection of recyclables and construction waste diversion.

Jackson Center I and II: The building owner expressed an interest in the use of solar for his project to add 100 residential units to the back of the site. Staff met with the owner and connected him with the Oakland Energy Project and other resources that could assist in accessing solar rebates and incentives.

Oakland Waterfront Trail: Sustainability staff met with CEDA staff and supported their interest in including environmental features in this project by recommending numerous strategies including water efficient operations, non-toxic building materials, energy efficient lighting and the use of recycled content materials for construction, trail development, benches and railings.

The City has hired Walter Hood to further define guidelines for development of the Oakland Waterfront Bay Trail with the goal of City Council adopting development standards for implementation of the waterfront trail. An element of the development standards includes a list of suitable sustainable materials that will be accepted by the City and provisions for alternative energy sources for lighting elements.

Lake Merritt Municipal Boathouse: Sustainable design concepts integrated into the design for the Lake Merritt Municipal Boathouse project will make this project the City's first LEED-certified "green" building.

Studio One: Sustainability staff provided early assistance to the steering committee in understanding and considering the use of the U.S. Green Building Council's LEED rating system.

3. Green Building Workshops

Providing one-on-one assistance to private developers is effective in ensuring the incorporation of green building features into specific projects, but it is very time intensive. In an effort to reach a broader group of developers at one time, sustainability staff hosted and facilitated two "Greening Oakland's Housing" workshops during this reporting period.

Greening Affordable Housing: On October 2, 2003, sustainability staff collaborated with the Green Affordable Housing Coalition to host a workshop targeted to affordable housing developers in Oakland. Approximately 20 attendees learned about strategies for incorporating green building attributes into their projects through presentations of Bay Area green building case examples. Workshop conveners also provided clear

recommendations for developing a plan and determining which green building features should be given highest priority from an economic and environmental standpoint.

Greening Single and Multi-Family Housing in Oakland: On August 5, 2004, sustainability staff collaborated with ACWMA to facilitate a green building workshop for private housing developers. More than 20 developers learned about the benefits of building green, including life-cycle savings and enhanced marketability. Opportunities and barriers to the use of solar were also highlighted, including availability of rebates and tax incentives.

The meeting closed with a facilitated discussion about what types of assistance from the City would be most useful to developers relative to the incorporation of more green building features into their projects. Suggestions included a green building awards program, a green building tour, local financial data for building green, and facilitated dialogues with developers who already "build green." Sustainability staff have met with representatives from ACWMA and Build it Green to determine best ways to provide this assistance to private developers.

4. Updating and Improving the Green Building Resource Center

In February of 2000, a Green Building Resource Center (GBRC) was established at the City's Zoning and Building Permit Counters on the 2nd floor of 250 Frank Ogawa Plaza to promote sustainable building practices. Unfortunately, the center is not receiving the level of interest originally envisioned or desired to ensure the widespread understanding and use of green building principles. To increase use of the Center, sustainability staff in the Mayor's office have been collaborating with the Environmental Services Division of the Public Works Agency to update and remodel this Center.

Key to our collaboration has been the development of a Scope of Work and schedule for two different contractors. The finalization of the contracts, expected by the end of December, will result in the production of the following Center updates:

Redesign of the Existing Green Building Resource Center: The deliverables of a contract with Right Design Lab will be the development of recommended layout and new design for the Center. Preliminary work suggests that final recommendations will include some or all of the following elements:

- New highly effective graphics, signage, and attraction systems for the Center;
- An emphasis on compelling, state-of-the-art presentations that provide visitors with a "rapid learning" environment and easy access to relevant green building information;
- Compelling Oakland green building case studies; and

- An easy feedback mechanism so visitors can offer suggestions on further assistance they would find helpful.

Portable Green Building Display: The second contract will result in the design and production of a portable display highlighting the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) green building rating system. In addition, the display will feature samples of sustainable building materials used in construction, as well as contact information for local vendors who supply these materials. The display will be housed in the Center, and will be available for use by City staff as a portable educational and promotional tool.

B. FOSTER A SUSTAINABLE AND ENERGY INDEPENDENT OAKLAND

One way to achieve the overarching goal of Developing A Sustainable City is to make Oakland even more of a model for innovative sustainable development practices and connect the City with regional, national, and worldwide sustainable development programs. Fundamental to building that sustainable society is the energy types used to power it. We know that a sustainable city must be powered by efficient and renewable systems. Pursuit of this goal not only reduces pollution; done properly it generates local economic development and local jobs and reduces utility bills.

Early in his tenure, sustainability director Randy Hayes, in consultation with Mayor Jerry Brown, developed an initial push on energy efficiency, the use of renewable energy, and climate protection to meet the Council policy of 15% reduction of green house gasses by 2010.

1. Develop a Comprehensive Energy Plan in City Operations and City-wide

In March 2004, the City of Oakland signed a Memorandum of Understanding with the U.S. Department of Energy (DOE) and the California Energy Commission (CEC) to help the City of Oakland develop a comprehensive energy plan within the larger sustainability context. The three key components will be energy efficiency, renewable energy supply, and green house gas reduction. This will help Oakland position itself as a leader for Sustainable Development by incorporating clean energy technologies, policies and programs into priority city initiatives and development projects.

To achieve these goals, the CEC and DOE provides free consulting expertise in identifying practical technologies, policies, programs and projects associated with renewable energy and energy efficiency. The City agrees to develop a project plan and will provide the coordination required with local, state and federal partners, and will work to meet the objectives.

2. Further Energy Efficiency Programs

It is widely held in energy circles that the first order of business relative to improving energy performance at any scale—be it a home, a city, or a nation—is to cut waste. Oakland has been

an energy efficiency pioneer, reducing energy consumption in City-owned facilities by 19% since 1990. Over the course of the past several years, the City has completed a number of specific projects that cut a million kilowatt hours of energy use and save about $1 million per year in City operations and maintenance. Those same efforts have resulted in the reduction of about 3,500 tons of pollution.

City staff have also been responsible for helping the larger Oakland community reduce its energy use by over 17 million kilowatt hours, resulting in a savings of nearly $2 1/2 million in energy costs annually and avoiding nearly 1,000 tons of pollution.

But these successes only scratch the surface of the gains that are possible, and increasingly necessary, in energy efficiency. Sustainability staff have aggressively pursued assistance and funding to dramatically expand our efforts in promoting energy efficiency both within City operations and throughout the community. These efforts will further establish Oakland as a leading energy efficiency City.

a. CA-LEEP Contract: In August 2004, Oakland was selected as one of six Pilot Projects in California to participate in the California Local Energy Efficiency Program (CA-LEEP). Technical and financial assistance accompanies pilot project status.

CA-LEEP is a program of Navigant Consulting, Inc's (NCI) Energy Practice and is funded by the California Public Utilities Commission (CPUC). Through the Program, assistance from NCI will help Oakland develop the energy efficiency component of the City's overall Sustainability Plan, containing policies, programs and projects that position the City for significant implementation funding from state and federal sources.

One of the first steps we have taken is to convene a Steering Committee comprised of members of the City Council, the Mayor's office, Public Works Agency, CEDA, Redevelopment Agency, City Administrator's office, US DOE, and outside energy stakeholders to ensure broad knowledge and support for this work City-wide. The first Steering Committee meeting was held on November 18, 2004 and resulted in buy-in and support for this program from these City leaders.

b. Collaborate with Local Cities on Energy Efficiency Policy: The City of Berkeley is revising their successful Residential Energy Conservation Ordinance (RECO) to improve its accessibility and usefulness to homeowners. The primary requirement of a RECO is that all residential properties sold or renovated must meet increasingly stringent energy efficiency standards with building owner considerations in mind. Total cost outlays per residence are capped. Over the past six months, sustainability and PWA staff have been participating in meetings of Bay Area cities, facilitated by the City of Berkeley's Energy Office, to assist in Berkeley's RECO revision so that we can adapt the final version to Oakland. We anticipate that we will have a draft RECO for Council consideration in early-mid 2005.

c. Collaborate with Outside Energy Efficiency Programs: Other organizations and initiatives, highlighted below, actively promote energy efficiency in Oakland, and Oakland's sustainability staff routinely refer project managers to them for technical and financial assistance.

The East Bay Energy Partnership originated as the Oakland Energy Partnership and was funded through state money in 2001 and subsequently funded in 2002/2003 through the public purpose surcharge found on utility bills. In 2004/2005 the Program expanded to cover all of Alameda and Contra Costa Counties. Total funding for 2004/2005 is $5.3 million. Oakland seniors, homeowners, and businesses can take advantage of this program by visiting www.eastbayenergypartnership.com. The program has over $5 million in funding and much of that can be spent in Oakland on a first-come first-served basis.

Senior Energy Services: Oakland's assisted living and convalescent facilities can now get free energy audits, financial incentives, and energy equipment installations. A mailing will soon announce the program's offering to 55 facilities located in Oakland.

Single-Family Direct Install Program: Oakland homeowners can get free energy audits and installation of energy-efficient exterior lighting, compact fluorescent lamps, and programmable thermostats.

Smart Lights Program: Oakland small businesses can get help with energy-efficient lightning. They get free start-to-finish technical assistance and substantial subsidies towards installation and equipment costs.

Business Energy Services Team (BEST): Medium-sized businesses can get no-cost business energy use assessments, detailed proposals with energy saving recommendations and rebate offers, and installation of energy-saving equipment.

The Energy Efficient Design Assistance Program provides free, customized, energy-efficiency design assistance to property owners, developers, and building designers who are constructing new or renovating existing commercial, industrial or multi-family buildings. In 2004, City staff referred Forest City Development Corporation to EEDA, resulting in a dramatic improvement in the use of energy efficiency and renewable energy features in the Uptown project. Other projects referred to EEDA by sustainability staff include Jack London Square and T-10.

Savings by Design: This statewide program encourages high performance nonresidential building design and construction. It is sponsored by California's four investor-owned utilities and offers building owners and design teams a range of services including 1) Design assistance; 2) Owner incentives to help pay for energy efficiency; and 3) Incentives to reward designers with financial incentives to meet ambitious energy efficiency targets. Sustainability staff successfully

referred the Jack London Square design team to this project, resulting in a commitment to dramatically improve their energy efficiency performance.

3. Promote the use of Renewable Energy Sources in Oakland

The State of California plans to have 20% of the electricity in the grid sourced from renewable sources by 2017. A number of communities in the Bay Area, including Oakland, are seeking ways to achieve 40% or even 50% by 2017. Sustainability staff at the Mayor's Office are championing the following goals relative to increasing the use of renewable energy in Oakland:

- 5 Megawatts of solar by the end of 2005
- 25 Megawatts of solar by the end of 2010
- 50% of the city's entire electricity use from renewable sources by 2017
- 100% of the city's entire electricity use from renewable sources by 2030

Progress has been made on the first 5 Megawatts by the end of 2005 as follows:

- 1 megawatt on a set of 16 city-owned buildings (in process as of July 2004)
- 1 megawatt on the Federal Express building at the Oakland Airport (in process as of October 2004) followed by another half megawatt between runways at the Airport
- 115 kilowatts at Leona Quarry housing, to come on-line in 2004
- 30 kilowatts on Temescal Place at 48th and Telegraph
- 68 kilowatts on the Open Hand building
- 26.5 kilowatts in place at Chabot Space & Science Center.
- 1 megawatt on Oakland Coliseum (proposed)
- 1 megawatt on private housing projects (proposed)

4. Community Choice Aggregation

In July, the City Council adopted resolution #78708, authorizing a Professional Services Agreement with Navigant Consulting, Inc (NCI). The purpose of this agreement is to ensure Oakland's participation in the Bay Area Community Choice Aggregation (CCA) demonstration project, which will assess the feasibility, opportunities and risks to Oakland of becoming an energy aggregator.

There are numerous potential benefits that accrue to Cities that aggregate including:

- More stable and reliable power supplies;
- Lower electricity rates for City, residents, and businesses;
- Increased latitude for renewable energy use; and
- Access to Public Goods Charge monies for efficiency and renewables programs.

As part of this contract, NCI will provide the City with a final report in early 2005 that will evaluate the costs and benefits of proceeding with CCA. A guidebook, fact sheets and workshops

for local elected leaders and staff will be developed to share lessons learned by the pilot communities and assist in Council deliberations.

5. Climate Protection Initiatives

Background: Global warming represents a serious threat to Oakland's natural resources, economy, availability of drinking water, and the health of its residents and employees. For example, the primary source of East Bay Municipal Utility District (EBMUD) water is the Mokelumne River Basin, which is dependent on the snow pack of Alpine, Amador, and Calaveras Counties. All city facilities, including water for drinking, sanitation, fire protection, and irrigation are served by EBMUD water. Any water shortage or price increase will have a direct adverse impact on Oakland and its fiscal resources.

Global warming is predicted to increase rainfall intensities in the Oakland region leading to greater drought and flood frequencies and intensities. Between 1880 - 2000, temperatures monitored at the nearest long-term site to Oakland at Berkeley increased by about 2°F. Over a similar period rainfall has increased 1%. Climate models indicate warming of 5°F (range 2 - 9°F) in the winter and summer, and slightly less in spring and fall.

Oakland is also vulnerable to rising sea levels caused by global warming. During the 20th century, sea level has risen by about 8 inches in the San Francisco Bay area. Sea level is projected to rise by between 3.5 and 35 inches between 1990 and 2100. A twelve-inch rise in sea level would mean that the current 100-year high tide peak would become instead the 10-year high, thus a rare event would become common. El Niño-Southern Oscillation (ENSO) events also elevate sea levels by up to 12 inches or more off coastal California. High tides coupled with ENSO events and storm surges will increase significantly the hourly maximum high tide peak.

Oakland International Airport, built on a former wetland at about 10 feet above sea level, will be susceptible to flooding from extreme tides coupled with flood conditions and storm surges. Other low-lying parts of Oakland not protected from storm surges face possible inundation. High intensity rainfall in winter may cause local flooding in the City of Oakland coupled with sewage system overflows.

The City has taken some important steps to address this overwhelming problem. In 1998, Council established a policy and goal of achieving 15% reduction of green house gases (GHG) by 2010. In 1998, with help from the US office of the International Council on Local Environmental Initiatives (ICLEI), Oakland established an emissions baseline set for 1990 that highlighted that Oakland was emitting about 2 million tons of green house gases per year. A draft work plan was produced but not assigned to a particular department to implement. Nonetheless Oakland has initiated and completed a number of projects that reduce our GHGs.

Climate Protection Report: The Mayor's sustainability staff procured software designed to help cities calculate progress toward their targets. We have structured the free consultancy with Navigant to help us produce a Climate Protection progress report, which should be ready to present to the Council in the second half of 2005.

Climate Protection Law Suit: The City of Oakland is a plaintiff in federal court against several federal agencies in a suit alleging violation of the National Environmental Policy Act requirements in the funding of certain overseas development projects that exacerbate climate change. We have joined the cities of Boulder, Santa Monica, and Arcata as well as Friends of the Earth and Greenpeace in this suit. Randy Hayes from the Mayor's office and Patrick Tang from the City Attorney's office have attended mediation sessions seeking to settle out of court. As of November 2004 litigation in court is expected to happen and will proceed in 2005.

OBJECTIVE 2D

ATTRACT NEW RESIDENTS TO OAKLAND

The initiatives to facilitate the development of housing, as detailed under Objective 2B above, serve to attract new residents to Oakland.

OBJECTIVE 2E

ENCOURAGE AND SUPPORT SOCIAL EQUITY FOR ALL OAKLAND RESIDENTS

Equity: the state, ideal, or quality of being just, impartial, and fair.

Oakland's approach to sustainability is for ecological considerations, economic need, and social equity to be mutually supportive. The 2003-05 Policy Budget calls for the City to facilitate access to resources that assist those who have seen limited benefit from the economic and social development of Oakland to date. This includes job training, local employment, literacy, and multi-lingual access programs. Work that relates directly or indirectly to achieving that objective is highlighted below.

1. KTOP Sustainability TV Series in Chinese: In the summer of 2004, Oakland's KTOP initiated shooting a ten part TV series covering issues from clean water to litter to healthy buildings to air quality to hazardous waste reduction. Sustainability staff consulted on the script and participated in the shoots and is seeking free translation into Chinese for distribution on cable in northern California.

2. Workforce Development: The Workforce Development section of the Economic Development Division of CEDA leads these efforts. Job training efforts improve clients' employability through education, training and support services. The workforce development system also promotes business development through placement services, customized training subsidies and technical services for employers.

3. Reducing Utility Bills: Seniors, homeowners, and small businesses are increasingly stressed to pay utility bills. The City of Oakland is partner to three specific programs

(with greater details in the energy section of this report) offering free energy services to those target groups.

4. Green Building and Affordable Housing: Sustainability staff work closely with Housing, Planning and Redevelopment staff in Oakland, as well as private development teams, to provide technical assistance on green building. The assistance provided helps occupants through reduced utility bills and improved indoor air quality.

5. Reducing Capital Flight: In February 2004, Sustainability staff participated in a press conference organized by Oakland's Redefining Progress (RP), which reported that the Bay Area loses $104 billion in economic opportunity annually, primarily through energy expenditures. Health costs associated with air pollution cost the Bay Area $1.4 billion annually. Paying outside companies to supply non-renewable energy to our businesses and citizens also drains local capital. We are consulting with RP on the indicators for measuring sustainability in Oakland and reducing capital flight by promoting energy efficiency and renewable energy.

6. Precautionary Approach: Randy Hayes has presented information on the Precautionary Principle as a tool to reduce toxicity exposure to several Oakland organizations, and sustainability staff are investigating the feasibility of following San Francisco's lead and integrating this approach into Oakland's procurement criteria.

7. Youth Energy Training: In August of 2004 Public Works staff had conversations with Community Youth Energy Services about training youth in energy efficiency and sustainability retrofits to residences in Oakland.

8. Hydrogen Learning Center: AC Transit plans to build a hydrogen fueling station near the Coliseum in 2005. Sustainability staff are working to procure finishing funds for a Hydrogen Learning Center that would be completed before 2006.

   AC Transit, one of the largest public transit agencies in California, has three fuel cell buses, ten light-duty vehicles, and two on-site hydrogen stations. Now, in partnership with Lawrence Hall of Science at UC Berkeley, Schatz Energy Research Center at Humboldt State University, Chabot Space and Science Center in Oakland, and the City of Oakland, AC Transit is seeking funding to create and operate the HyRoad Learning Center as part of its Oakland hydrogen station.

   The HyRoad Learning Center will engage school children and policy-makers in an interactive exploration of emerging transportation. In all of the Learning Center's exhibits and outreach programs, we will take a "whole systems" approach. The Learning Center will present the complexity of our energy and transportation systems, point to possible solutions, then invite visitors to embark on the road to a sustainable future.

9. Holiday Light Exchange Program: The holiday light exchange is a cost savings, safety, and social equity related program. All Oakland residences and businesses can exchange

for free up to five strings of energy inefficient holiday lights totaling 2,500 strings. This program was arranged by Public Works and The Mayor's office with funding from PG&E. Free energy efficient lights were distributed by PWA staff to certain business districts, through farmers markets, and to City of Oakland employees through the Oaklanders Assistance Center. The following chart compares the cost of LED holiday light usage to both mini and large holiday incandescent lamps, for Pacific Gas and Electric Company customers.

# of Lights	**Type of Light**	**Energy Usage of Bulb**	**225 Hours (5 hours per day for 45 days)**	**Average Cost per kW/h**	**AVERAGE OPERATING COST**
300	Large Incandescent	7.00 Watts	472.5 kW/h	12.6 cents	$ 59.54
300	Mini Incandescent	0.45 Watts	30.38 kW/h	12.6 cents	$ 3.83
300	**New LED Lights**	**0.043 Watts**	**2.9 kW/h**	**12.6 cents**	**$ .37**

10. Equity Express: In December 2004, Randy Hayes met with local business and community leaders around financial services counseling that helps lower income people save money on energy and transportation, and set up savings accounts and build wealth. Subsequently he met with the Richard and Rhoda Goldman Fund, which funds similar programs in San Francisco, to see if they would replicate that support in Oakland. They are willing to receive proposals.

11. Researching Rental Improvements Ordinance: Renters typically see fewer benefits from energy efficiency improvements when landlords fail to invest in more efficient lighting systems or Energy Star appliances. As part of the 10 year energy efficiency planning process initiated in October, 2004, the sustainability staff is adapting a San Francisco ordinance, for eventual Council consideration, that allows landlords to pass these costs down to renters if and only if it is less than the monthly savings in their utility bills.

Recommendations for Sustainability Priorities for the Mayor's Staff for 2005

Aligned with the Sustainable City Objectives, Sustainability Staff in the Mayor's office have prioritized the following areas for our work in 2005.

1. **Energy:** Develop a comprehensive energy and climate action plan for Oakland including energy efficiency, renewables, and climate protection components.

2. **Green Building:** Promote the use of Green Building techniques in public and private development projects. Efforts will be concentrated on fostering the adoption of the Civic Green Building ordinance, including more substantive green building goals in the

affordable housing NOFA process, and providing incentives and assistance to private development projects.

3. **Local Eco-Economic Development Action Plan:** Work to identify and attract environmentally oriented businesses that provide jobs to Oakland residents.

SUSTAINABLE DEVELOPMENT OPPORTUNITIES

All initiatives highlighted in this report seek to address sustainable development opportunities, some of which are highlighted below.

Economic: Compelling research now demonstrates that the integration of green building features into development projects can generate substantial energy, water and materials efficiencies, resulting in reduced operating costs of 20-80% over the life of the building. Reduced operating costs generate increased cash flow, which helps free capital for other investments. More recently, research is showing that even the initial first costs of building green can be the same as or less than conventional building techniques. There is also a growing body of research that indicates that green buildings improve property values and can capture lease premiums.

Another significant economic impact from green building is improved employee or occupant morale and general well being, resulting in quantifiable productivity increases and reductions in liability and health insurance claims.

The work now underway in energy efficiency and fostering the use of renewable energy not only reduces pollution, but also saves occupants and renters on their electric and other utility bills. Sourcing more of our energy locally through aggregation would dramatically decrease the flight of local capital to large energy companies.

Environmental: The generation and use of energy from fossil fuels is the major contributor to air pollution and global climate change. Since approximately 30% of total energy use in the U.S. is used for buildings, improving energy efficiency and using renewable energy sources in buildings and vehicles are effective ways to improve air quality and reduce the impacts of global climate change.

In addition to improving our energy footprint in our buildings, the numerous initiatives underway in energy efficiency help to reduce our contribution to climate disruption.

Expanding the use of recycled content in City purchases saves energy, water and materials and decreases pollution.

Social Equity: Alameda County inhabitants' exposure to hazardous air toxics such as diesel and benzene emissions, and the resulting cancer risk, is among the highest in the country. Areas most affected by vehicle emissions are neighborhoods close to freeways—areas that also tend to be lower-income. Fostering the use of alternative fuels will serve to improve air quality in disadvantaged areas.

The U.S. Environmental Protection Agency reports that the air in new buildings can be ten times more polluted than outdoor air. Formaldehyde, commonly used in shelving and insulation, is one of the most common indoor pollutants. Many paints, floor finishes, and adhesives contain unhealthy volatile organic compounds (VOCs). The use of green building practices promotes the use of alternatives to these unhealthy materials and thereby promotes worker health.

DISABILITY AND SENIOR CITIZEN ACCESS

This is an informational report, so there is no direct effect on accessibility for senior citizens or disabled persons.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the Council accept this informational report.

Respectfully submitted,

Randy Hayes, Mayor's Office

Prepared by:
Carol Misseldine and Randy Hayes, Sustainabilty Staff, Mayor's Office

APPROVED AND FORWARDED TO
THE PUBLIC WORKS COMMITTEE

Office of the City Administrator

Item: _____
Public Works Committee
January 11, 2005