



## City Council AGENDA REPORT

**DATE:** 12/21/2023

**AGENDA OF:** 1/23/2024

**DEPARTMENT:** City Manager's Office

**SUBJECT:** Communitywide Climate Action Plan 2030 – Year 1 Progress Report Update (CM)

**RECOMMENDATION:** Accept progress report update for the first year of the City's Communitywide Climate Action Plan 2030.

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**BACKGROUND:** The Communitywide Climate Action Plan 2030 (CAP 2030 accessed at [cityofsantacruz.com/climateactionplan](http://cityofsantacruz.com/climateactionplan)) was adopted in September 2022 after nearly 2 years of community engagement, technical analysis, and plan development. The CAP 2030 includes both a California Environmental Quality Act (CEQA) qualified emissions target that is consistent with the state target for 2030 and is deemed reasonable and achievable: a 40% reduction in emissions from a 1990 level by 2030. The CAP 2030 also recognizes recent scientific consensus and the need to accelerate beyond the State target and sets an aspirational voluntary target of carbon neutral (zero emissions) by 2035. The cost of inaction on climate change in the community is estimated to cost the City at least \$25M annually in the form of adverse impacts to health, infrastructure, and the economy.

Table 1 summarizes historical projections for mass community-wide and average per capita (i.e., per person) emissions (in metric tonnes of carbon dioxide equivalent [MT CO<sub>2</sub>e]) as they relate to the 2030 and 2035 emissions targets. The inventories consider only the sectors regulated by the State's scoping plan. For 2019, 69% of emissions were from transportation and mobile services (e.g., landscaping, construction equipment), 24% was due to energy use, and 7% attributable to solid waste.

Table 1. Mass and Per Capita Historical Emissions and Targets

Year	Mass Emissions (MT CO <sub>2</sub> e)	Per Capita Emission (MT CO <sub>2</sub> e)
1990	302,319	6.08
2005	355,669	5.53
2019	274,584	4.22
2030 – target	181,391	2.74 CEQA 2030 target 1.32 Carbon Neutral 2035 aspirational target
2035 – target	0	0

It is also important to note that a 2.74 MT CO<sub>2</sub>e per capita emission reduction target by 2030 is the minimum the community must achieve for CEQA target compliance. The community must go beyond this per capita emissions reduction by 2030 to achieve the aspirational carbon neutrality target in 2035. Considering only emissions from the State Scoping Plan sectors, to achieve carbon neutrality by 2035, per capita emissions must be reduced to 1.32 MT CO<sub>2</sub>e by 2030 (or 0.165 MT CO<sub>2</sub>e per year in emissions reductions for 8 years until 2030). As called for by Action W-2, the City was able to complete a consumption-based and supply chain emissions inventory to better characterize the per capita emissions impact of other sectors and activities not regulated by the State scoping plan. This inventory included producing, transporting, using, and disposing of products and services including food. As such, it was found that under this methodology, per capita emissions are about 15.7 MT CO<sub>2</sub>e, nearly 4 times the per capita emissions from the regulated State Scoping Plan activities alone.

The CAP 2030 contains 31 measures and 152 actions – the programs, policies, and projects - to meet the targets and address non-State Scoping Plan sectors, listed by type in Table 2. When considering the cumulative impact of state legislation and implementation of the CAP 2030 measures, the emissions reductions quantified meet the 2030 per capita and mass emissions reduction targets. Notably, emissions reductions were quantified for those measures that address sectors contained California Scoping Plan and where a legally justifiable methodology to determine emissions reductions exists. Some measures are also considered “supportive” meaning that when implemented, they contribute to the success of achieving the quantifiable emissions reduction measures. Those measures that are “supportive” may or may not address a State Scoping Plan sector and may or may not have a means to estimate emissions reduction potential. But, for CEQA purposes, the legal defensibility of those measures is not strong and thus not included in quantification. As data become available and methods more robust to estimate the emissions reduction potential of measures outside the State Scoping Plan, the City will complete further quantification work.

Table 2. At a Glance: CAP 2030 Measures and Actions

<b>Measure Type</b>	<b>No. Measures</b>	<b>No. Actions</b>
Sustainable Government	9	43
Climate Mitigation -Building Energy -Transportation -Water, Waste, Wastewater	17	90
Climate Economy	2	4
Climate Restoration	3	15
<i>Total</i>	<i>31</i>	<i>152</i>

At the same time of adoption of the CAP 2030, the Council also adopted a 3-year Implementation Workplan for the City to carry out. Each department, the external Climate Action Task Force and internal Sustainability Team also developed 1-year workplans carried out over calendar year 2023. The Health in All Policies (HiAP) City Council committee is also apprised and provides input onto sustainability initiatives as sustainability is one of the three HiAP pillars with the others being equity and public health.

To advise partners and residents to take actions to make maximum impact in reducing emissions, the CAP 2030 identifies the most impactful actions residents can take and encourages residents to commit to actions in the Resilient Santa Cruz community activation platform (<https://resilientsantacruzcounty.org/santacruz>). The Resilient Santa Cruz platform is part of the Resilient Central Coast campaign, with 12 cities and counties in the Central Coast utilizing the platform and its consistent messaging and outreach. Resilient Santa Cruz platform was selected after a regional assessment by climate practitioners of available activation tools. In addition to the outreach campaign being conducted by Resilient Central Coast's operational partner, Ecology Action, new funding is pending to expand community engagement on the platform, a key activity needed to optimize use of the platform across the City beyond the 341 households currently utilizing the platform (1/3 of the 2023 goal of 1,000 households).

**DISCUSSION:** Overall, the City remains a leader in its climate action work in the United States, retaining an A or A- score for the past 3 years by disclosing the City's climate risk and progress on emissions mitigation with the Carbon Disclosure Project (cdp.net). The City has made substantial progress on the adopted CAP 2030 3-year implementation workplan, having started and/or completed each of the 17 activities to be completed by the end of FY 2026. Similarly, the City has had a banner in year in terms of the volume and magnitude of grants pursued for climate activities in calendar 2023. However, only 1 year into CAP 2030 implementation, measure achievement and emissions reductions from these combined efforts are difficult to quantify across all measures with the transition from planning to implementable carbon reducing projects and lag in data availability preventing a thorough and accurate accounting.

Backtracking on electrification in new buildings caused the deferral of work on existing building electrification and, as such, the City is not on track to reduce emissions from existing buildings as modeled in the CAP 2030 CEQA target. Also, due to the pandemic and a significant uptick in remote work, there were observed decreases in all other transportation modes including biking, walking and public transportation (see measures denoted with \*\* under Table 3). To counteract those decreases and make gains toward targets, the City, its partners and community members must continue to work together on the largest emissions source, transportation, by expanding supportive structures and incentives to electrify transportation modes and enable use of public transportation and active transportation modes (e.g., biking and walking). Future annual progress reports will capture the impact of exciting developments with Santa Cruz METRO and increased grant funds for alternative transportation encouragement programs. Pending grant funding, if awarded, will also scale up the number of municipally owned public chargers by a factor of 10. Another bright spot is the progress made on waste related emissions reduction measures.

Municipally, the City has made great strides in planning for fleet electrification and pursuing grant funds to electrify the fleet and provide charging infrastructure. Before the CAP 2030, the City already utilized renewable diesel as a large proportion of diesel fuel purchased and had retrofitted nearly all streetlights. The City only has 1 fully electric building but installed 3 more solar PV systems in 2023 and the upcoming Municipal Building Decarbonization Roadmap project will complete the planning needed to begin transitioning buildings to all-electric.

Specifically, the CAP 2030 measures that contribute to achievement of the CAP 2030 targets are tracked both quantitatively and qualitatively. There are 16 quantitative measures being tracked that, when completed, will ensure the City meets its 2030 CEQA target. Note that some measures do not yet have information to track. The City has achieved over 50% progress on five of the 16 measures in the first year of implementation. In Tables 3, 4 and 5 the high impact activities – those that have the largest impact on emissions reductions - are denoted by an asterisk (\*). High impact activities: choosing renewable electricity from Central Coast Community Energy, reducing air travel, eating more plant-based meals, taking public transportation, buying or leasing an electric vehicle, electrifying: installing electric heat pump water heater or space heating, using active transportation: bike, walk, skateboard, or scooter, and installing solar panels

Table 3. CAP 2030 Quantitative Measure Progress Summary

Measure	Unit	Goal	Data Year	% Progress	Notes
Measure BE-1: Enforce the City’s new construction natural gas prohibition ordinance (SCMC 6.100) and inform the community regarding the available technology and benefits of electrification.	Number of employees working in new all electric buildings	5,251	--	--	Unable to track until new land management system comes online. 1,275 units somewhere in planning pipeline
Measure BE-1: Enforce the City’s new construction natural gas prohibition ordinance (SCMC 6.100) and inform the community regarding the available technology and benefits of electrification. Funding: Grants, Grants/Accelerator	Number of all electric residential units built	1,851	--	--	Unable to track until new land management system comes online. 1,275 units somewhere in planning pipeline
Measure BE-2: Electrify 31% of existing residential buildings by 2030 and 53% by 2035.	Therms below forecast	2,660,343	--	--	No progress
Measure BE-3: Electrify 26% of existing commercial buildings by 2030 and 45% by 2035.	Therms below forecast	1,257,239	--	--	No progress
Measure CS-1: Develop an Urban Forest Master Plan and plant 3,000 new trees by 2030.	Trees Planted	3,000	2023	10%	On track
Action M1.3 - Electrify 100% of municipal buildings by 2040	% Municipal Buildings Electrified	100	2023	3%	1 building: City Hall Annex
Action M1.4 - Implement plan to retrofit all remaining streetlights, facility lighting, and traffic signals to LEDs by 2040	% Municipal lighting converted to LEDs	100	2023	95%	

Measure	Unit	Goal	Data Year	% Progress	Notes
Action M5.1 - Decarbonize municipal fleet by 2035	% Municipal fleet decarbonized	100	2023	4%	Substantial funding pending to increase progress
Action M5.3 - Procure 100 percent renewable diesel as a transition fuel until complete fleet electrification in 2035. Funding: N/A	% of municipal fleet fuel purchased that is renewable diesel	100	2023	63%	Started near 60%
**Measure T-1: Implement programs for active transportation (walking and biking) that achieve 23% of bicycle mode share by 2030 and 30% by 2035.	% of Passenger Transportation by Bicycle (%)	23	2021	73%	Started at 19.5% Currently at 16.7%
**Measure T-2: Implement programs for public transportation that achieve 8% of public transportation mode share by 2030 and 12% by 2035.	Percentage of Passenger Transportation by Public Transit (%)	8	2021	58%	Started at 7% Currently at 4.6%
Measure T-4: Increase passenger electric vehicle (EV) adoption to 35% by 2030 and 40% by 2035.	Electric Vehicle Adoption as Percentage of Passenger Fleet (%)	35	2022	9%	Currently at 3.1%
Action T4.1 - Increase the number of public electric vehicle (EV) chargers installed to support EV adoption goal - Install at least 1,247 new public EV charging stations prioritizing frontline neighborhood and high usage areas by 2030. Funding: Taxes, Fees, Private, Grants, Grants/Accelerator, Bonds, Private	Total Public EV Chargers Installed	1,247	2023	12%	Not on track; but pending grant funding will increase progress
Measure T-5: Increase commercial EV adoption to 25% by 2030 and 35% by 2035.	Electric Vehicle Adoption as Percentage of Commercial Fleet (%)	25	2022	0.01%	Not on track
Measure T-6: Electrify or otherwise decarbonize 50% of off-road equipment by 2030 and 75% by 2035.	Percentage of off-road equipment decarbonized	50			data unavailable

Measure	Unit	Goal	Data Year	% Progress	Notes
Measure W-2: Reduce organic waste by 75% by 2030 and 90% by 2035; and reduce inorganic waste by 35% by 2030 and 40% by 2035.	Metric Tons of Organic Waste Diverted per Service Person (MT)	0	2023	65%	On track

Successful achievement of all measures is modeled to reach the 2030 emissions target. To track emissions targets, the CAP 2030 calls for the City to prepare a GHG emissions inventory every 3 years. The calendar year 2022 inventory will be prepared by staff in 2024 and staff will report on GHG emissions trends and changes in the 2024 progress update.

Qualitatively, Table 4 includes the implementation year and status of each of the projects and initiatives contained in the adopted CAP 2030 3-year workplan and indicates which projects and initiatives will be implemented in calendar year 2024. The 3-year work plan includes planning and implementation, organizational change and accountability related projects, policies and initiatives.

Table 4. Status 3 Year CAP 2030 Implementation Workplan

Project/ Initiative	Year to be Implemented				Status	Responsible Department
	FY 23	FY 24	FY 25	FY 26		
*Implement fossil fuel divestment policy	•				In progress	FN
*Completion of Active Transportation Plan	•				Grant funds secured; to be completed in 2025	PW
*Fleet Electrification Master Plan	•				Complete. Substantial fleet electrification and charging infrastructure planned/installed	PW
Update food waste to energy feasibility and design facilities	•				In progress	PW
*Adopt equitable electrification ordinance/ programs for existing and residential commercial buildings by 2024	•	•	•		In progress; halted to address new buildings again	CMO, PL
Integrate CAP into Maser Investment Strategy, Financial Plan Development,	•	•			In progress	FN, CMO

Project/	Year to be Implemented					Responsible
Master Fee and Cost Evaluation Study						
Evaluate state compost application requirement and obtain funding for tree projects	•	•			Evaluation complete. Tree planting is ongoing: \$1M grant for tree planting awarded	PW, PR
*Complete municipal building electrification master plan		•			Project scoping complete for grant applications, RFP	PW, CMO
Fund/hire an Energy Manager		•			Evaluated need. Likely not possible to fund until FY 26	PW, CMO, FN, HR
Update Environmentally Preferable Purchasing Policy		•			In progress and anticipate completion early 2024	FN
* Municipal Transportation Demand Management Plan	•	•			Updated to include Bicycle incentives; other incentives in progress	PW, HR, CMO
* Develop remote work program plan	•	•	•	•	Ongoing. Compiled remote work/satellite work site opportunity data in 2023	IT, HR, CMO
* Plan to electrify and improve health and safety of affordable housing stock by 2035	•	•			Completed scoping of Affordable Housing Decarbonization Plan; Applied for grant to prepare plan / stand up affordable housing decarbonization fund	CMO, PL, ED
Pursue green workforce development opportunities	•	•	•	•	Ongoing. Convened regional work group; built into grant projects; climate friendly jobs at Trades Day	PW, WT, ED, CMO, PR
Develop Urban Forest Master Plan and plant ~400 trees per year			•		Plan pending funding and capacity. \$1M grant for tree planting awarded	PR
* Complete Rail trail Bikeways and plan light transit to Rail Line		•	•	•	Priority bikeways in City limits funded. Segment 7 phase 3 lower priority at future date. Ongoing light rail planning	PW

In addition to the formal workplan, there were many other actions and activities that were addressed in 2023 including the following (with each's status in *italics*):

\* BE-1.1: Enforce the new construction natural gas prohibition. *Suspended in June, 2023; Staff prepared and Council adopted an alternative energy reach code for new buildings in November, 2023*

\* BE-2.5: Incentivize Electrification. *Staff promoted electrification incentives provided by the State, PG&E, Central Coast Community Energy (CCCE) and the Monterey Bay Air Resources District;*

BE-5.1 Weatherization and Health Retrofits for low-income homeowners and rental units. *Funding obtained and project in progress*

\* BE-6.2: Partner with CCCE to develop all electric rates by income level and incentive equitable all electric retrofits; *All electric rate adopted by not based on income level.*

\* BE-6.6. Facilitate equitable access to accurate and current information about electrification programs, incentives and opportunities. Develop induction cooktop loaner program; *In a partnership with the Library system, 9 induction cooktop kits were put into circulation at City branches.*

BE-6.8 Work with partners to establish a Regional Energy Network; *City supported Association of Monterey Bay Area Governments to establish REN in 2024.*

\* T-1.4 Re-establish citywide e-bike share. *Launched in spring 2023*

T-1.6 Pilot Neighborhood Greenways; *West Cliff Drive closure enabled pilot through half of 2023.*

\* T-2.4 Free Public Transit for youth; *City advocated to METRO to provide free public transit to youth, enacted in 2023.*

T-3.4 Reduce Off-Street Parking requirements; *completed in 2023 due to state requirements that pre-empt local requirements for development within ½ mile of transit*

\* T-4.5 Partner with community groups to increase adoption rates of EVs in frontline neighborhoods; *Staff supported funding of Ecology Action to carry out a EVs for everyone/EVs para todos campaign as a concierge service to frontline groups.*

T-6.5 Ban Gas Powered Small Off-Road Engines; *gas leaf blower ban ordinance project scoped for 2024.*

W-1.1 and 1.2 Continue to provide free water conservation education, devices and rebates; *ongoing*

W-2: Reduce organic waste by 75% by 2030 and 90% by 2035; and reduce inorganic waste by 35% by 2030 and 40% by 2035. *Food scrap collection launched to comply with SB 1383. With respect to rescuing edible food, working with regional partners to recover up to 20% of edible food and give to people who are food insecure. Ongoing in nature. 7 of 10 other Waste related Actions are ongoing in nature.*

W-3.4, Complete a consumption-based and supply chain emissions inventory. *Complete*

W3.5 Launch a Community Activation Platform. *Complete and ongoing.*

CE-1.2 Complete consumption-based emissions inventory. *Complete.*

CE-2.2 Support regional collaboration. *Stood up the Monterey Bay Regional Climate Project Working Group (see Fiscal section for details). Staff participate on the steering committee of the Central Coast Climate Collaborative and the Green Cities California Network. Green Business hosted one mixer in collaboration with County; Monterey Bay Green Business quarterly meetings. State grant provided rebates to network for businesses. Santa Cruz County Solid Waste Task Force met quarterly and preparing to launch subcommittee to align packaging practices*



M-1: Decarbonize municipally owned buildings by 2030 and remaining municipal facilities by 2045. *Civic solar (complete), HW Park solar at ballfields (in design), and Soquel Front garage (in design); upgraded lights at HW Park ballfields (complete)*

\*M-3.3. Identify and implement near term microgrid opportunities that align with resiliency objectives; *participated in project scoping with Housing Matters on energy resiliency and microgrid; preparing application for funding.*

M-4.2 City Staff Commute Data; *annual employee commute survey completed*

\* M-5.2 EV Charger installation for municipal fleet; *substantial EV charging for municipal fleet completed including at Libraries and in progress at the Corporation Yard and Landfill*

As part of the monitoring and reporting component of implementation, the City will complete an emissions inventory for calendar year 2022 in 2024 as all information needed will be available. This will be reported to City Council at the end of calendar year 2024. As part of engaging the community in this work City staff were capacity constrained to organize a community-wide implementation partners roundtable but will do so in 2024 in addition to expanding outreach capacity on the Community Activation Platform, Resilient Santa Cruz. The City is also assessing Climate Action Task Force role/format.

#### HiAP Statement

The CAP 2030 and its focus on equity, public health and sustainability epitomizes the intention of the City's HiAP initiative. The CAP 2030 was developed through the use of an equity screening tool, ensuring all actions do not result in a negative impact on equitable community well-being outcomes. Measures and actions were linked to the adopted HiAP community well-being outcome metrics they support such that indicators related to equity and public health could be tracked in addition to the GHG emissions reduction progress. The adopted HiAP community well-being outcome metrics are updated biannually and will be included in the HiAP progress update to City Council in early 2024, denoting those that support the CAP 2030. As computed during CAP 2030 development, 70% of the 152 actions support improvement in community health. The dedication of resources to prioritize equity in the climate work is demonstrated by recent grant foci, e.g., Green and Healthy Low Income Homes (funded by Department of Energy) and the Affordable Housing and Climate Resilience in Frontline Communities grant proposal pending with the Department of Housing and Urban Development).

**FISCAL IMPACT:** There is no fiscal impact associated with this annual progress update. However, implementation of the CAP 2030 is partially funded by grants, enterprise funds and the General Fund. It is not possible to quantify the impact on the General Fund since CAP 2030 implementation activities are diffused broadly across departments. Nevertheless, implementation of the CAP 2030 requires substantial investment and resources by the City, its partners and residents to achieve the targets specified.

Public and private climate investment could create up to 2,400 jobs by 2030 as per the CAP 2030 Green Economy appendix. Those jobs help generate revenue for the City that can be reinvested into climate work. Staff have estimated a low and high five-year projection for CAP 2030 implementation to be integrated into future budgets and the City's Long-range Financial Plan. In FY 2025, climate and equity will be decision making priorities in the city budget. The funding and financing implementation appendix to the CAP 2030 specifies pathways to obtain this investment for implementation in a rapid and focused way.

To that end, the City has ramped up its application to and award of grant funding for climate action. In calendar year 2023, with 4 other Monterey Bay jurisdictions, the City stood up the Monterey Bay Regional Climate Project Working Group (RCPWG) via charter. The RCPWG's mission is to collaborate among groups and organizations in the Monterey Bay Area region, including Santa Cruz, San Benito, and Monterey Counties, to develop, prioritize, secure funding for, and effectively and equitably advocate for and implement regionally beneficial climate mitigation and adaptation projects and programs. Through nominal contribution of funds by each jurisdiction, the RCPWG hired a governance and grant writing firm and has submitted 6 joint grant applications as described below. Over \$2M has been secured and over \$31M is pending award decisions. The potential cost to benefit ratio for the City's share of RCPWG grants could be as low 1%, depending on award decisions that are currently pending. Grants pursued jointly that are specific to emissions mitigation include:

- \$2M Dept of Energy Weatherization Grant between Cities of Santa Cruz and Watsonville and Central Coast Energy Services for Low Income Clean and Green Healthy Homes (decarbonization/electrification/other improvements) - landed in summer 2022 and implementation in progress
- \$15k Urban Sustainability Director's Network Emergent Learning Fund between all member jurisdictions for Advancing Equitable, Shared Governance for Monterey Bay Regional Climate Investment Decision-making - landed summer 2023 and begins January 2024
- \$14,132,648 Federal Highway Administration between member jurisdictions/AMBAG for Monterey Bay Region Equitable EV Charging (submitted June 2023 and pending award announcement - \$2.5M for City of Santa Cruz)
- \$15,713,981 from California Air Resources Board to pioneer the Monterey Bay Municipal Fleet Electrification and Workforce Accelerator with member jurisdictions (submitted in October, 2023 and pending award announcement, with nearly \$3M for City of Santa Cruz)

The City itself has over \$2.7M in grants and rebates landed with work in progress and another \$5M grant pending to support the purchase of municipal fleet EVs, municipal fleet EV charging and public EV charging. In addition, in 2023 the City landed a \$1M US Department of Agriculture grant for planting trees and submitted an \$8M US HUD PRO Housing grant for Affordable Housing and Climate Resilience in Frontline Communities of Santa Cruz (pending award decision). Finally, the City of Santa Cruz secured grant funding to construct the Swanton/Delaware Multiuse Path (\$2.9M), Segments 8 and 9 of the Rail Trail (\$35.7M), and Nonsignalized Pedestrian Crossing Improvement Program (\$250k) to advance goal to increase the percentage of people walking and biking. The Waste Recovery division also has secured and has pending funding from CalRecycle for field trips and education as well as food recovery.

In addition to grant funding, through the City's internal Carbon Fund, the City annually invests in internal grants as a way to engage and catalyze employee driven climate efforts. Since its first grant round in 2016, the Carbon Fund has awarded over \$300,000 to 31 projects, funding fleet ebikes, streetlight assessments, expansion of electronic plan review systems, an urban tree inventory CalFire grant match, Harvey West pool pump controls, microgrants for Green Business certification, employee alternative commute incentives, and much more.

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**ATTACHMENTS:**  
None.