



SF Environment

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A Department of the City and County of San Francisco

London N. Breed
Mayor

Tyrone Jue
Acting Director

City and County of San Francisco
Commission on the Environment

DIRECTOR'S REPORT
Tuesday, September 27, 2022

This report covers San Francisco Department of the Environment updates for the period of July 1, 2022, to August 31, 2022. A glossary of acronyms is included at the bottom of report.

Climate

- **Climate Action:** Climate program staff presented an update on 2022 CAP implementation activities to-date to the Environment Commission on July 26, 2022. Featured highlights include finalization of a departmental reporting mechanism, establishing regular interdepartmental meetings to discuss progress and barriers, and upcoming collaboration opportunities.
- **Climate Action:** Climate and Outreach program staff collaborated with a consultant (Most Likely To) to create broad-based messaging and branding, and to execute a culturally relevant multimedia and marketing campaign to increase community awareness of the CAP and its priorities. The team is targeting a winter launch.
- **Environmental Justice:** The Environmental Justice and Toxics Reduction teams completed a study funded by the California Department of Pesticide Regulation (CDPR) to evaluate the effectiveness of SF Environment's previous Integrated Pest Management efforts at nine affordable housing sites in San Francisco. Findings showed pest prevention efforts were effective and results were presented to the Mayor's Office of Housing and Community Development and CDPR's Pest Management Advisory Committee.
- **Environmental Justice:** The Environmental Justice team helped seven affordable housing sites become compliant with AB 341's recycling and composting mandates.
- **Green Building:** The San Francisco Building Inspection Commission endorsed SF Green Building Code 2022 on August 17. Every three years, cities must readopt local building codes and reconcile updates to state codes.
- **Green Building:** Staff presented at a SF Board of Supervisor's Land Use and Transportation hearing on the findings, strategies, and supporting actions of the Building Operations component of the City's 2022 Climate Action Plan and the department's Building Decarbonization Roadmap.

Energy

- BayREN Single-family: The Home+ program, which offers rebates and free advisors to help homeowners save energy and transition from natural gas to electric appliances, launched a multilingual ad campaign on August 12. English ads ran on Google, Facebook, and Nextdoor, generating 465,000 impressions and 4,700 clicks, while Chinese ads ran on Google and Facebook, generating 206,000 impressions and 2,200 clicks.
- EV Charging: The Board of Supervisors unanimously passed the first reading of legislation to update the Planning Code for electric vehicles. The second and final reading will be a consent item on the September 6 Board Hearing.
- New Light-duty Vehicle Standards: The California Air Resources Board approved new passenger vehicle standards on August 25, effectively banning the sale of new, fossil-fueled, light-duty vehicles by 2035.
- EV Market Share: Over 26% of new cars registered in San Francisco in the first half of 2022 were zero-emission vehicles, according to California Energy Commission vehicle registration [data](#).
- Fix Lead SF: The program's pilot phase enrolled five properties, including single- and multi-family residences, in July and August.

Toxics Reduction

- Municipal Programs: The Toxics team presented on integrated pest management (IPM) at an annual public hearing on July 12 and on the Reduced Risk Pesticide List at the Commission's Policy Committee meeting on August 8. The team also convened two IPM technical advisory committee meetings. The July 7 meeting, titled "Vector control: Mosquito & Rodent," had 56 attendees. The August 4 meeting, titled "Strategies to Reduce Non-Target Impacts of Herbicides in a Wildland Weed Management Setting," had 49 attendees.
- Commercial Programs: The Green Business Program recognized four Certified-level businesses in July and August.
- Healthy Ecosystems: The data request for the 2022 Annual Urban Forest Report was distributed to participating organizations. Ten survey responses have been received and data analysis is underway.
- Healthy Ecosystems: With the support of the Urban Forestry Council, the California buckeye (*Aesculus californica*) at 2694 McAllister Street was designated a Landmark Tree by the Board of Supervisors on July 26 and by the Mayor on August 4.

Zero Waste

- Residential Programs: Environment Now launched a [multimedia campaign](#) (in English, Spanish, and Chinese) to educate residents about the importance of reuse, encourage referrals to the ReThink Disposable program, and promote upcoming events. Environment Now will host four public activations at local street fairs, where participants can strike a pose with a reusable item and receive a professional "glamour" shot reminiscent of those featured in the

campaign. Participants who tag their images #reuseSF or take the reuse pledge will receive a free "REUSE" branded canvas bag or travel mug.

- Commercial Programs: Environment Now delivered reusable foodware to 18 businesses that had signed up to transition from single-use foodware to reusables. Environment Now also conducted waste assessments for 20 businesses as part of its ongoing Compliance Verification Program to assess a business's potential to remove blue recycling and green compost service.
- Environmental Justice: Environment Now conducted door to door outreach at Bayanihan House, engaging 75 residents and distributing compost pails and recycling totes. Environment Now also led a Zero Waste presentation (in English and Cantonese) at Geraldine Johnson Manor for 22 residents.
- Municipal Programs: The Zero Waste Team presented on Zero Waste principles to 286 city employees and held its annual Zero Waste Coordinator workshops with 70 coordinators in attendance.
- Commercial Programs: Zero Waste moved 13 accounts into mandatory separation compliance, met with Hotel Council on RSO ordinance, and approved RSO compliance plans for 14 large generators to engage Zero Waste facilitators.
- Construction & Demolition: Zero Waste approved 56 material recovery plans and 41 final recovery reports with 12,013 tons of debris recovered at an average diversion rate of 75%. The team also conducted 177 visits to active construction sites, sent 36 compliance notifications, and received 11 applications as a result of field enforcement and outreach. The team also processed and approved 31 C&D transporter permit applications.
- Residential Programs: Zero Waste conducted an advisory group session, completed building material reuse surveys, and finalized a plan with the Port regarding an RFP for the 701 Amador St. building reuse site. The team completed its Fix It Clinic research report and the Stable Product Pilot with SF Market. The team presented to the San Jose Conservation Corps on "Career Pathways in Zero Waste," and met with the Zero Waste Program Manager from the City of Ottawa, Canada. They discussed best practices for composting in multifamily properties and assisted the Outreach team with the Reuse campaign by editing the campaign's Spanish translations.

Citywide/Cross-Sector Programs or Initiatives

- EnergyAccess SF: The current local government partnership entered its final implementation phase. After completing outreach to single- and multi-family residents and small businesses in the Mission and Excelsior neighborhoods, the partnership distributed mailers to families and small businesses in the South of Market and Civic Center neighborhoods. Each mailer contains instructions on accessing utility rate-assistance and energy efficiency programs.
- GoMission TDM: Environment Now conducted six tabling events in the Mission District to enroll residents in the GoMission campaign in conjunction with the SFMTA. Environment Now engaged 283 residents, including 129 Spanish-language engagements, resulting in 305 enrollments and 13,279 trips reported.

- Environmental Education: The Outreach Team conducted nine programs for 855 K-12 students, two of which were delivered in Cantonese and Mandarin. Programs focused on Zero Waste and water conservation.

State and Federal Collaboration

- Toxics Reduction: The Toxics Team supported several successful legislative efforts to reduce the quantity of household items that cannot be discarded in the City's three refuse bins. These include the sales bans on mercury-containing fluorescent light bulbs (SB 2208) and single-use camp stove-size propane cylinders (SB 1256). The team also supported legislation to improve labeling prohibiting trash disposal on vape pens (SB 1894) and, after 15 years of effort, to establish producer responsibility for household battery recycling (AB 1215 and SB 2440). Both houses of the Legislature passed these bills before the end of the session, and they await the Governor's signature.
- Toxics Reduction: The Toxics Team also supported three bills addressing PFAS. One bill will ban the use of PFAS in most textiles (AB 1817), another bans PFAS in cosmetics (AB 2771), and third requires PFAS disclosure (AB 2247).

Press and Media Highlights

- [In San Francisco budget battle, a small win for climate action](#): "After months of rancorous debate over how San Francisco would invest in its response to climate change, the Board of Supervisors approved \$2.6 million for the Department of Environment to begin enacting The City's climate action plan late Monday night" (SF Examiner).
- [San Francisco Bay Area, inspiration for California's organics law, offers recycling lessons and limitations](#): "'When [state regulators] were developing the regulations, they looked at San Francisco as a model, so basically, they're asking the entire state to do what we're doing," said Jack Macy, senior zero waste coordinator with San Francisco's Department of the Environment, during a recent webinar hosted by the Climate & Clean Air Coalition" (Waste Dive).
- [Is California's infrastructure ready for an electric vehicle future?](#): "'We know that the demand for public charging is going to or has already outpaced the supply of charging stations,' said Lowell Chu, interim program manager of energy and clean transportation at the San Francisco Department of Environment" (SF Examiner).
- [San Francisco Wants to Make Cooking with Gas a Thing of the Past](#): "According to Charles Sheehan, San Francisco Department of the Environment (SFDoE) chief policy and public affairs officer, while 'everyone knows we need to get off of fossil fuels, just as important are health and safety issues'" (The Potrero News).
- [San Francisco Department of the Environment Gets Glamorous](#): "The San Francisco Department of the Environment (DOE) names local agency Most Likely To as their creative partner to launch a multimedia marketing campaign encouraging SF residents to avoid single-use items, especially plastic bags and paper cups, and choose reusable alternatives instead, according to agency Founder and Chief Strategist, Joseph Newfield" (Marketing & Communications News).

Public Events/Conferences (e.g., conferences attended, speaking engagements, travel for work)

- Green Building: Eden Brukman represented the United States as a trainer invited by the Department of State for the inaugural event of the US-ASEAN Smart Cities Partnership: Green Building Innovations Program. The event was hosted by Singapore's BCA Academy and the Singapore Green Building Council, with delegates from Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Thailand, and Vietnam. San Francisco policies and programs were highlighted, together with several municipal building case studies.

Incoming – Proposals submitted, and grants and contracts awarded to the Department

Letters Submitted:

- Electric Vehicles: The Department submitted three Concept Papers to the US Department of Energy's Vehicle Technology Office Funding Opportunity Announcement. After review, the DOE may request full proposals.
- Electronic Vehicles: The Department also submitted two Letters of Interest outlining city EV needs to the Metropolitan Transportation Commission's Transportation Electrification Program. While letters will not lead directly to funding, the MTC will use these ideas to craft future funding programs.

Outgoing – Requests for Proposals released, and grants and contracts awarded from the Department

Solicitations/Requests for Proposals Released:

- The Department released a request for proposals for the Green Business Recruitment and Pre-bate Grant Program (July 11).

Awards Issued:

- Corey, Canapary & Galanis was awarded a contract for market research (August 4).
- EMC Research, Inc. was awarded a contract for market research (August 4).
- Interethnica, Inc. was awarded a contract for community outreach (August 4).
- Next Steps Marketing Inc was awarded a contract for community outreach (August 4).
- California Green Business Network was awarded a grant for green business assistance (August 26).
- En2action was awarded a grant for green business recruitment (August 26).
- Renaissance Entrepreneurship Center was awarded a grant for green business recruitment (August 26).

Audits

- The accounting audit conducted by the Controller's Office identified four main areas of improvement: voucher processing, compliance with year-end close schedule, grant administration, and pre-approval of expense reports. Most of the recommendations have been addressed through memos and in accounting staff meetings. Trainings and refreshers on proper processes for staff are planned for the first half of October.

Staff Updates

- Climate: The Climate Team welcomed Icelyn Yopez as its new Environmental Justice Associate.
- Toxics: The Toxics Team welcomed Lucia Hakkaart as its new USF McCarthy Fellow. Alejandra Ureno was also promoted to Green Business Associate.
- Zero Waste: The Zero Waste Team welcomed Kelaia Cruz as its new Commercial Zero Waste Assistant Coordinator and Chris Otoshi as its new C&D Zero Waste Fellow.
- Outreach: The Outreach Team welcomed Sze-Wing Lau and Jessica Reyes as its new Environmental Education Associates.
- Policy: The Policy Team welcomed Katie Lowery and Bianca Mantovani as its new USF McCarthy Fellows.
- Administration: Patrice Mack was promoted to Senior Personnel Clerk.

GLOSSARY

ABAG: Association of Bay Area Governments
 ACCO: Association of Climate Change Officers
 AOA: Apartment Owners Association
 BAAQMD: Bay Area Air Quality Management District
 BOMA: Building Owners and Managers Association
 BayREN: Bay Area Regional Energy Network
 BC3: Business Council on Climate Change
 C40: C40 Cities Climate Leadership Group
 CAEECC: California Energy Efficiency Coordinating Committee
 CAISO: California Independent Systems Operator
 CalGreen: California State Green Building Code
 CARB: California Air Resources Board
 CEC: California Energy Commission
 COIT: Committee on Information Technology
 CNCA: Carbon Neutral Cities Alliance
 CPSC: California Product Stewardship Council
 CPUC: California Public Utilities Commission
 DBI: SF Department of Building Inspection
 DER: Distributed Energy Resources
 DOE: U.S. Department of Energy
 DPH: SF Public Health
 DOT: U.S. Department of Transportation
 ECBO: Existing Commercial Building (energy benchmarking) Ordinance
 EJ: Environmental Justice
 EPA: U.S. Environmental Protection Agency
 EV: Electric Vehicle
 EVWG: Electric Vehicle Working Group
 FAA: Federal Aviation Administration
 FCEV: Fuel Cell Electric Vehicles
 FUF: Friends of the Urban Forest

GARE: Government Alliance on Race and Equity
GHG: Green House Gas
HERO: Home Energy Renovation Opportunity HOPE SF: Housing Opportunities for People Everywhere, San Francisco
HHW: Household Hazardous Waste
ILG: Institute for Local Governments
IOU: Investor-Owned Utility
IPM: Integrated Pest Management
kW: Kilowatt
kWh: Kilowatt hour
LBNL: Lawrence Berkeley National Laboratory
LEED: Leadership in Energy and Environmental Design Green Building Rating System
LGC: Local Government Commission
LGSEC: Local Government Sustainable Energy Coalition
NCRA: Northern California Recycling Association
NREL: National Renewable Energy Laboratory
PACE: Property Assessed Clean Energy
PEV: Plug-in Electric Vehicle
PV: Photovoltaic
RAD: Rental Assistance Demonstration
SFE: San Francisco Department of the Environment
SFEECC: SF Energy Efficiency Coordinating Committee
SFEW: SF Energy Watch
SFO: SF International Airport
SFMTA: SF Municipal Transportation Agency
SFPL: San Francisco Public Library
SFPUC: SF Public Utilities Commission
SFPW: SF Public Works
SFUSD: San Francisco Unified School District
Title-24 2016: California Energy Code 2016 version
UCSF: University of California, San Francisco
UFC: Urban Forestry Council
USDN: Urban Sustainability Directors Network
USDOE: United States Department of Energy
USDOT: United States Department of Transportation
U.S. EPA: US Environmental Protection Agency
USF: University of San Francisco
USGBC: United States Green Building Council
ZNE: Zero net energy
ZW: Zero Waste

MEMORANDUM

DATE: September 7, 2022

TO: Eddie Ahn, President, San Francisco Commission on the Environment and Members of the Environment Commission

THROUGH: Tyrone Jue, Acting Director, San Francisco Department of Environment

FROM: Cyndy Comerford, Climate Program Manager

RE: Update on the Department's FY22-23 Add Back Budget

This memo presents an update on the San Francisco Department of Environment's Fiscal Year 22- 23 budget addback of \$2.6 million. This memo is divided into three sections:

1. Background
2. Summary of Progress
3. Key Next Steps

BACKGROUND

In July 2022, the San Francisco Department of Environment received \$2.6M in funding during the City's budget process for initial implementation of the San Francisco 2021 Climate Action Plan focusing on building and transportation electrification, healthy ecosystems, and racial equity. The funding follows a smaller General Fund allocation in FY 21-22 for \$1.1 million. The allocation of \$2.6M was the largest single allocation of funding during the FY 22-23 budget addback process, and the largest amount of general fund support that the department has received since its inception 27 years ago.

SUMMARY OF PROGRESS

The San Francisco Department of Environment is prioritizing use of the addback funds in six areas (Figure 1). Each of the investment areas represents short and medium-term Climate Action Plan implementation strategies that are the responsibility of the department. The budget increases the department's capacity through the hiring of new positions and provides the resources to apply for federal and state grants, promote climate equity, deploy community climate grants, and implement adopted climate ordinances that had no dedicated funding. We are also making a significant allocation from the San Francisco Carbon Fund to help augment the impact of our community climate grants. The San Francisco Carbon Fund is administered by the department and was established to provide the City a resource to mitigate their event-related greenhouse gas emissions by investing in local projects. The department plans to issue one large comprehensive grant RFP and approximately 7 – 10 RFPs for professional services. Table 1 details the progress that has been made by the department for grants and professional services expenditures. The department also plans to fund 7.18 FTE with 6 new FTEs and funding for 1.18 FTEs for existing positions. Table 2 details the progress on hiring new staff.

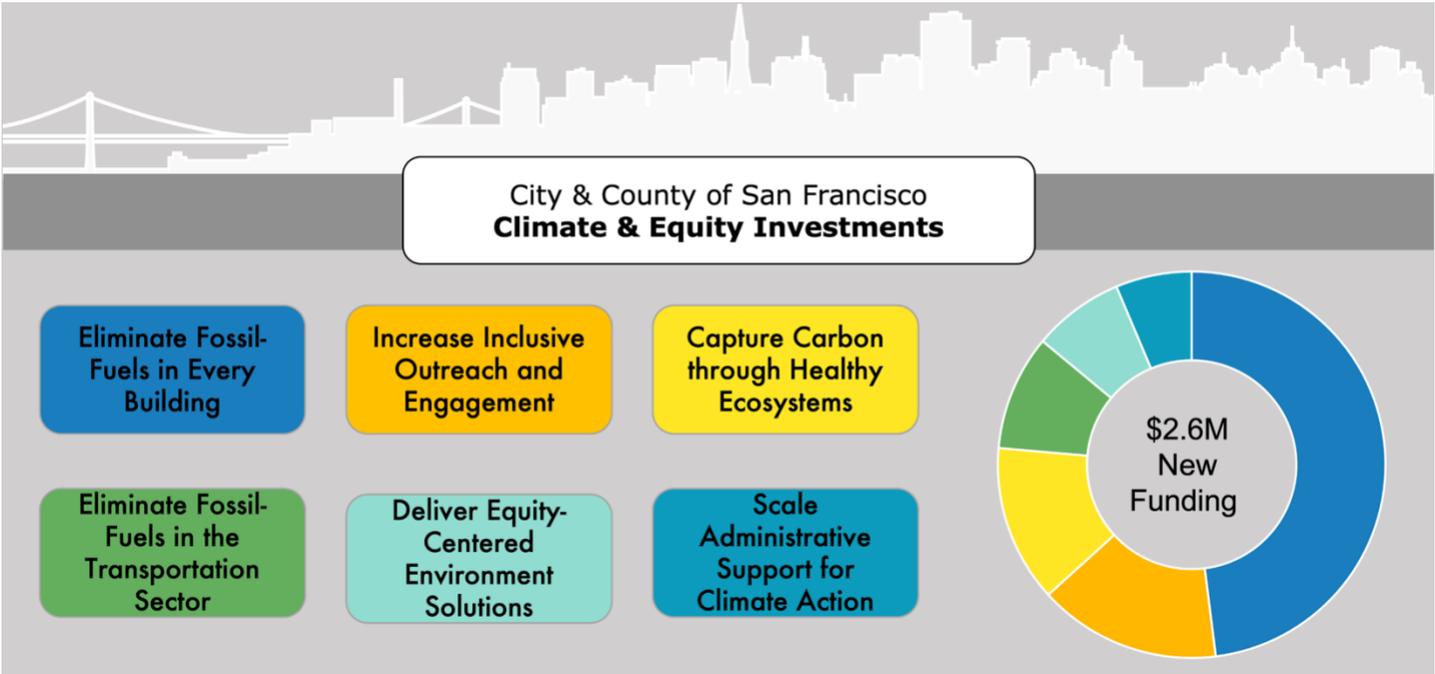


Figure 1. Investment Areas for FY22-23 Add back budget

Table 1. Professional Services & Grants

#	Investment	Category	Amount	Description	Status	Notes
1	Deliver Equity-Centered Environmental Solutions	Grants - Environmental Justice	\$175,000	The Environmental Justice aims to support community-driven projects to equitably implement San Francisco’s Climate Action Plan. This first round of funding is to address San Francisco’s building emissions reduction goals. Awards will be granted for projects that engage, educate, and empower communities to better understand building decarbonization and reduce GHG emissions from buildings. The grant RFP will be supplemented by \$300,000 from San Francisco’s Carbon Fund, with \$450,000 going out to CBOs.	In progress	RFP for grants will be issued in September 2022 and awardees will be selected in early 2023.



2	Eliminate Fossil Fuels in Every Building	Professional Services – Climate Equity Hub	\$300,000	This funding will be seed funding for the Climate Equity Hub. The Climate Equity Hub will be a one-stop-shop for residential decarbonization and will channel resources and support to owners and renters, support workforce development, and streamline the City’s electrification requirements.	In progress	The department is concluding a collaborative stakeholder process and plans to develop an RFP to fund a CBO in October 2022.
3	Eliminate Fossil Fuels in Every Building	Professional Services – Impact Analyses and technical support	\$150,000	1. Municipal Electrification Cost Study to understand city impact of Chapter 7 to the capital plan -. \$35,000; 2. Residential Time of Replacement Study \$35,000; 3. Climate Modeling to develop a robust climate model - \$50,000; and 4. Green building support TBD based on policy work - \$30,000	1. In progress 2. In progress 3. Not started 4. Not started	1. A draft of the cost study was presented to the MGBT on 7/14 and will be completed in Oct 2022. 2. Contract is being finalized and study is expected to be completed by early 2023.
4	Inclusive Engagement and Outreach	Professional Services – Climate outreach, research, and tracking	\$340,000	1 Professional facilitators - \$50,000; 2. Community stipends - \$25,000; 3. Research on Residents Perception on Climate Action - \$65,000; 4. Climate Action Month – \$10,000; 5. Graphic Design \$10,000; 6. Workforce Development Training - \$26,000; 7. CAP outreach - \$54,000. 8. Climate Dashboard and Tracking - \$100,000;	1. In progress 2. Not started 3. In progress 4. Not started 5. Not started 6. Not started 7. Not started 8. Not started	1. A draft RFP has been developed and is expected to be issued in Oct 2022 3. A contract with a consultant has been initiated and survey development is in process. This information will feed into the marketing campaign.
5	Inclusive Engagement and Outreach	Repro, Sales Force, Trainings, Travel etc.	\$10,000	1.Team Training and Travel (TTT). \$7,000 and 2. \$3,000 reproduction for EBO	1. Not started 2. Not started	
6	Inclusive Engagement and Outreach	Professional Services – Marketing Campaign	\$400,000	The objective of the marketing and outreach campaign is to raise awareness among San Francisco residents about the City’s Climate Action Plan. The campaign will focus on key messages that inform people about how the city is taking	In progress	A contract with a consultant has been initiated and staff/w consultants had a kickoff meeting in late August. Campaign expected to launch in Jan 2023.



				action; the transformation that will be needed in the future; and how they will benefit.		
7	Deliver Equity-Centered Environmental Solutions	Professional Services - Racial Equity Professional Training and Coaching	\$125,000	Racial equity all staff fundamentals trainings; All Staff training on microaggressions and program facilitation support. Program and staff development and one-on-coaching.	In progress	An all-staff racial equity fundamentals training is scheduled for 10/19/22.
8	Carbon Capture through Healthy Ecosystems	Grants - Heathy Ecosystems	\$25,000	The healthy ecosystems grant program is focused on urban greening outreach and education that promotes stewardship of community projects - both new and existing. The program prioritizes projects in neighborhoods that have been underserved by greening projects and have been identified as being at greater risk of greater climate change impacts than other parts of the city.	In progress	RFP for grants will be issued in September 2022 and awardees will be selected in early 2023.
9	Eliminate Fossil Fuels in the Transportation sector	Professional Services – truck electrification working group	\$25,000	The working group's purpose is to inform the development of a citywide charging infrastructure plan to support 10,000 medium to heavy duty electric trucks by 2030. The group consists of a diverse industry and community stakeholders.	In progress	Contract has been initiated with a consultant for the Technical Support for Medium- and Heavy-duty Zero Emission Truck Working Group.

Table 2. Personnel (hiring)*

#	Investment	Position	Program	Focus Area	Description	Status
1	Eliminate Fossil Fuels in the Transportation sector	5644- Clean Transportation Program Manager (new)	Clean Transportation	Electric vehicles adoption, charging infrastructure	The position provides full-time leadership for all aspects of the Program’s operations with emphasis on directing state and federal EV and EV charging grants into San Francisco. Responsibilities include directing the continuous operations of the Program; managing the Program toward its goals and objectives;	In progress



					identifying and securing funding to achieve them; leads the team to consider major decisions in resource deployment; and supporting collaboration within SFE and with Program partners.	
2	Deliver Equity-Centered Environmental Solutions	5642- Senior Racial Equity Coordinator (new)	Outreach	Racial Equity Initiative	This position will coordinate the implementation of Phase I and Phase II of the department’s racial equity action plans to ensure steady progress and organizational accountability. The Racial Equity Coordinator will work in close collaboration with Human Resources, SFE’s Core Racial Equity Team and senior leadership to draft reports on the progress of our racial equity work and develop and report on standardized metrics for measuring the success of our efforts.	In progress
3	Eliminate Fossil Fuels in Every Building	5642 – Senior Building Decarbonization Coordinator (new)	Climate	Building Decarbonization	The position oversees a portfolio of programs and policy efforts in the building operation sectors that aligns with San Francisco's goal to get to net zero carbon emissions by 2040. This position will serve as the senior coordinator for building electrification and decarbonization. It will coordinate strategy, resources, and policies to decarbonize buildings, centering equity in the work to ensure energy burden is not transferred to low-income communities	In progress
4	Eliminate Fossil Fuels in Every Building	5640 – Workforce Development and Partnerships (new)	Climate	Building Decarbonization	This position will coordinate San Francisco's just transition to a low carbon economy. It will leverage City, SFUSD & Community College partnerships/programs to create pathways for students to enter trade training for green high workforce jobs. Assist employers and labor unions to help develop high road jobs. Provide research and reports on best practices on green job development. Support labor component of the climate equity hub and grants to communities.	Not Started



5	Eliminate Fossil Fuels in Every Building	9922 - Assistant Building Decarbonization Associate (new)	Climate	Building Decarbonization	This position will support the coordination among residents and small business owners to facilitate compliance with the time of sale and time of replacement policies. This will involve supporting the program helpdesk, assisting homeowners with compliance, and working with both City staff and program stakeholders. The associate will also prepare the help desk for incorporating new regulations around residential permitting.	In progress
6	Inclusive Engagement and Outreach	9922 – Climate Change Program Associate (0.51 FTE – existing vacant position)	Climate	Research and Outreach support	This position will assist The Climate Research Associate will assist in a variety of duties related to the administration and outreach on the climate team including but not limited to: assisting with the development and execution of work plans; convene meetings; providing administrative assistance for working groups; assist in the research and development of climate projects; develop information and guidance for partners, decision-makers, and the public on the progress of this initiatives.	Not Started
7	Scale Administrative Support for Climate Action	1822 – Climate Grants Analyst (new)	Administration	Grants	The position will support a range of environmental programs, including green building, environmental justice, and climate action planning grants and administrative functions. The analyst will be tasked with developing and executing grant and contract agreements; prepare technical assistance on requirements, compliance and to grantees and support procurement actions including development of documents and management of the process through successful completion	In progress
8	Carbon Capture through Healthy Ecosystems	5642 – Healthy Ecosystem Senior Policy Coordinator (0.56 FTE – existing position)	Toxics and Healthy Ecosystems		This position leads the healthy ecosystems team, including implementation of the 32 actions of the Healthy Ecosystems Chapter of the Climate Action Plan and leading the Biodiversity Interagency Working Group to facilitate citywide ecological restoration and biodiversity	Completed



					conservation. It will manage an inter-jurisdictional working group to maximize carbon sequestration across the city.	
9	Eliminate Fossil Fuels in the Transportation sector	5640- Clean Transportation Coordinator (0.10 FTE existing position)	Clean Transportation	Electric vehicles adoption, charging infrastructure	This position will be responsible for applying for state and federal grants with focus on equitable outcomes; expanding public, off-street charging for medium- and heavy-duty vehicles; installing off-street charging at multifamily sites; support to expand charging at municipal garages and lots; enforce Ord #244-19, EV charging in commercial garages and lots; following up and supporting curbside studies; and partnering with SFPUC to study and alleviate electrical grid impacts from new charging infrastructure.	Completed

KEY NEXT STEPS

Over the next year, the City will continue department discussions to carry forward with initial work and staffing funded through the \$2.6M budget addback and lead efforts to fully fund the implementation of the City’s Climate Action Plan. This year’s general fund allocation represents a historic milestone for the department; however, more significant, and sustained investments are required to achieve our City’s climate goals. At a minimum, staff have calculated that the department will need to secure approximately \$1.8M in general fund resources to continue funding the new positions (Table 2) and avoid layoffs. This does not include the professional service or grant funding that will be needed to sustain meaningful engagement with the community and businesses. The department is leading long-term funding discussions with our community partners through the work of the UC Berkeley Center for Law, Energy, & the Environment and CivicMakers over the coming months to develop an equitable revenue generation and implementation strategy for San Francisco’s 2021 Climate Action Plan. As a reminder, this long-term funding work was funded through the FY21-22 budget addback. Key next steps include:

- **Hiring:** Complete hiring for five new full-time positions by FY Q2 2022 and two other positions by FY Q3 2022.
- **Grants:** Release community climate grant request for proposals for zero waste, environmental justice, toxics reduction, healthy ecosystems by FY Q2 2022. Selection and Commission award of winning proposals is targeted for February 2023.
- **Racial Equity:** The department will hire its first fully dedicated racial equity coordinator to lead implementation of the internal racial equity commitments and provide funding to develop externally focused racial equity goals and commitments. The position will focus on departmental hiring, recruitment, and retention changes to improve diversity, coordinating trainings, and program and policy analysis.
- **Clean Transportation:** Complete the hiring for a Clean Transportation Program Manager (5644). A new clean transportation program will allow for focused implementation of the City’s Electric Vehicle (EV) Roadmap, applying for federal and state funding, and alleviating technical/financial barriers to EV adoption and charging installations.



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- **Building Electrification/Decarbonization:** The climate program will continue to expand building decarbonization efforts to work with community partners on the formation of the City's first Climate Equity Hub by the end of FY Q3 22-23. Funding will also be used for technical studies needed to implement new citywide policies designed to eliminate fossil fuels from buildings.
- **Healthy Ecosystem:** The healthy ecosystems team will lead the city's biodiversity work. The team will develop, and administer the department's first healthy ecosystem grants, and begin growing community awareness and support for the healthy ecosystem strategies in the Climate Action Plan
- **Community Engagement and Marketing:** Implementation of the department's first public engagement and marketing campaign by FY Q3 22-23. The department plans to issue an RFP for the development of a publicly assessable dashboard by FY Q2 2022. The department plans to utilize the dashboard to measure progress and show results towards its climate action goals.



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TO: San Francisco Commission on the Environment

FROM: Cyndy Comerford, Climate Program Manager

DATE: September 23, 2022

SUBJECT: Informational Memo Regarding Climate Action Opportunities in the Inflation Reduction Act

The Inflation Reduction Act of 2022 (IRA) is a multifaceted piece of legislation that will significantly impact national efforts to curb greenhouse gas emissions. It represents the largest federal investment ever in climate and clean energy and is projected to reduce greenhouse gas emissions by 40 percent by 2030. The legislation is a historic and major step forward for the federal government on climate policy. The bill builds on the progress cities have made over the last decade and is a much-needed win for climate justice communities.

The IRA includes \$700 billion in spending, of which \$369 billion will go toward climate and energy. The law builds on programs funded through the bipartisan Infrastructure Investment and Jobs Act, including funding for EVs and technologies that promote building efficiency and resilience, appliance electrification, and rebates to reduce air pollution and emissions. Most of the funding will go toward tax credits, including incentives for businesses to transition to renewable energy and incentives for individuals and households to improve energy consumption. While many programs have set-asides for disadvantaged, low-income, and “energy” communities (e.g., communities with fossil fuel extraction and processing operations, brownfield sites), major portions of the IRA will apply directly to local governments, including:¹

- **Reductions in greenhouse gas emissions and air quality improvement**, including Environmental and Climate Justice Block Grants for community capacity-building centers and projects to address disproportionate environmental impacts, the Greenhouse Reduction Fund (i.e., Green Bank), and Climate Pollution Reduction Grants.
- **Improvements in building stock and energy efficiency**, including energy efficiency and electrification in affordable housing, Assistance for latest Zero Building Energy Code Adoption, Energy Efficient Commercial Buildings Deduction, and Low Emissions Electricity Outreach Program.
- **Reductions in transportation emissions**, including loans to build new EV manufacturing facilities, grants to retool existing manufacturing facilities to produce EVs, clean heavy-duty vehicle grants, and rebates and funding to reduce port emissions.
- **Support for natural resources, agriculture, and community resilience**, including grants that support forest conservation, drought relief, and urban tree-planting.

Additionally, local governments with municipal utilities are now eligible to benefit from clean energy tax credits. Most notably, Section 13801 of the IRA, which adds a new Section 6417 to the tax code, allows municipalities and municipal utilities to directly access tax credits and pass on 100 percent of cost savings to

¹ For an analysis of the Inflation Reduction Act of 2022 impact on local governments, see <https://blogs.law.columbia.edu/climatechange/2022/08/22/cities-the-inflation-reduction-act/>.

customers. This can assist municipalities and municipal utilities with increasing investments in clean energy generation and purchasing clean energy assets.

The IRA will help San Francisco reach its 2040 net zero goal and advance its 2021 Climate Action Plan. It will bring real opportunities to households and businesses to reduce energy costs, promote healthier environments, and create jobs. It will also allow San Francisco to make strategic investments in its post-pandemic economic recovery and its future. The IRA will support the actions and plans of San Francisco, as well as community-based organizations, businesses, and residents, including the core climate and equity agenda with the City’s Climate Action Plan. Table 1 specifies the programs within the IRA that may provide relevant funding for Climate Action Plan actions, and Appendix A is a key for the corresponding Climate Action Plan strategies and actions.

Table 1. Comparison of Inflation Reduction Act Sections Relevant to San Francisco Climate Action Plan²

Inflation Reduction Act Section ³	Potentially Relevant Climate Action Plans Action(s) ⁴
<p>Sec. 60103. Greenhouse Gas Reduction Fund.</p>	<p>ES.1-1, ES. 1-3, ES. 2-1, ES. 2-2, ES. 3-3, BO. 2-7, BO. 2-12. The IRA Greenhouse Gas Reduction Fund is a new fund administered by the Environmental Protection Agency (EPA). Municipal governments, tribal governments, and nonprofit entities that provide and leverage capital (e.g., green banks) to finance projects to reduce greenhouse gas emissions are eligible. The program has multiple components:</p> <ul style="list-style-type: none"> ● \$7 billion for grants, loans, and financial and technical assistance “to enable low-income and disadvantaged communities to deploy or benefit from zero-emission technologies,” including rooftop solar and other GHG reduction activities.⁵ ● \$11.97 billion for direct and indirect investment in projects, activities, or technologies that (1) reduce or avoid greenhouse gas and other air pollution by leveraging investment from the private sector or (2) assist communities in their efforts to reduce or avoid greenhouse gas and other air pollution. ● \$8 billion for the same activities specifically in low-income and disadvantaged communities. The funding will remain available until September 30, 2024, to make grants on a competitive basis. <p>Actions to achieve ES. 1, ES. 2, ES. 3, BO. 2-7, and BO. 2-12 may be best situated to receive greenhouse gas reduction fund awards, because they will decarbonize the City’s energy supply and reduce emissions from the built environment.</p>
<p>Sec. 60114. Climate Pollution Reduction Grants.</p>	<p>ES. 5-1, ES. 5-3, BO. 2-1, BO. 2-3, TLU. 1-7, TLU. 7-3. This section directs the EPA to allocate:</p> <ul style="list-style-type: none"> ● \$4.75 billion for grants to implement GHG pollution reductions. ● \$250 million to support the development of plans to reduce greenhouse gas pollution in support of later projects that implement such pollution reductions. <p>While many details remain to be determined by the EPA, applications for funding will need to include information regarding the degree to which greenhouse gas air pollution is projected to be reduced in</p>

² Center for Law, Energy, and the Environment. “Funding San Francisco Climate Action: Strategies for Revenue, Implementation, and Equity” *Forthcoming*.

³ Inflation Reduction Act, P.L. 117-169 (2022). Available at <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>.

⁴ This table is intended to provide an overview of sections of the Inflation Reduction Act of 2022 that may offer funding for CAP actions, and to match relevant CAP actions where possible. This is not a comprehensive list of all the possible funding programs that the City may wish to explore, nor is it a comprehensive list of all the possible CAP actions that could be funded by each program. The City will need to ensure it meets any eligibility requirements before pursuing funding from these programs. Additionally, some funding initiated by the Inflation Reduction Act may be distributed to state governments, and then passed through to municipal governments.

⁵ Inflation Reduction Act, P.L. 117-169 (2022).

	<p>total and with respect to low-income and disadvantaged communities.⁶</p> <p>CAP actions identified to reduce energy system, building operations, and transportation emissions may be strong candidates for this funding. Planning and infrastructure efforts, such as TLU. 7-3 efforts to help the City’s non-revenue fleet and small and locally owned businesses build zero emission transportation infrastructure could qualify. Additionally, BO. 2-3 aims to develop a plan and policy to require all newly installed residential and other small building equipment to be efficient and all-electric. Building decarbonization would reduce climate pollution and improve public health.</p>
Sec. 50131. Assistance for Latest and Zero Building Energy Code Adoption.	<p>BO. 2-7. In conjunction with the City’s All-Electric New Construction Ordinance, the City could apply for funding from the Department of Energy to expedite building codes that meet or exceed the 2021 International Energy Conservation Code (for residential) or the ANSI/ASHRAE/IES Standard 90.1-2019 (for commercial).⁷ Local governments that have building code authority are eligible as grantees to assist with developing or adopting these plans. The IRA also appropriates \$670 million for the adoption of codes that meet or exceed the zero energy provisions in the 2021 International Energy Conservation Code (or an equivalent stretch code) and for related compliance plans.</p>
Sec. 60107. Low Emissions Electricity Program.	<p>ES. 1, ES. 2, ES. 3, ES. 5. Through a \$17 million appropriation to the EPA, this program allows for outreach and technical assistance to local governments with respect to reductions in greenhouse gas emissions resulting from domestic electricity generation and use. While the appropriation does not specify details for how the EPA may allocate funds, the City could use potential funding for deployment of renewable energy resources, advanced metering infrastructure, demand response, and equitable electrification as they decommission the natural gas system.</p>
Sec. 60501. Neighborhood Access and Equity Grant Program.	<p>TLU. 2, TLU. 3, HE. 3, HE 5. A Federal Highway Administration (FHWA) program will provide more than \$3 billion of funding for highway removal or remediation, building or improving streets or active transportation networks, and increasing access to public spaces and transportation hubs. This new program covers a wide range of projects aimed at restoring communities and reimagining existing infrastructure while reducing transportation emissions. Eligible uses of funds include bicycle infrastructure improvements and alternative fuel vehicle deployment (including charging infrastructure), along with other eligible projects. The broad eligibility of the Neighborhood Access and Equity Grant Program means that several categories of CAP actions could benefit from this funding, including TLU. 2 (active transportation), TLU. 7 (ZEV adoption), HE. 3 (park and open space restoration), and HE. 5 (street trees). There could also be alignment with Housing goals to create vibrant low- and moderate-income communities.</p>
Sec. 40007. Alternative Fuel and Low-Emission Aviation Technology Program.	<p>RPC. 4. The U.S. Department of Transportation is directed to allocate \$244.5 million in funding for projects to produce, transport, blend, or store sustainable aviation fuels and \$46.5 million for other projects “relating to low emission aviation technologies.”⁸ Local governments are among the public and private entities eligible to receive this funding. CAP actions RPC. 4-1 and 4-2 regarding incorporating sustainable aviation fuel at San Francisco International Airport (SFO) may be bolstered by program funding. Transitioning aviation sector fuel to low carbon sources for both air and ground fleets and working with airlines to replace up to 50% of fuel supplies with Sustainable Aviation Fuels by 2050 will likely be eligible activities under the program.</p>
Sec. 23003. State and Private Forestry Conservation Programs.	<p>HE. 3, HE. 5, HE. 6. The U.S. Department of Agriculture is responsible for allocating a \$1.5 billion program to support tree planting activities by local governments, states, insular areas, Indian Tribes, and nonprofit organizations through the Urban and Community Forestry Assistance Program. Applicable Healthy Ecosystem CAP actions include supporting ecological parkland, planting street trees in sidewalk tree wells (HE. 5-1), and creating a City-owned and managed local native plant nursery that supplies plants annually to City agencies (HE. 6-4).</p>

⁶ Inflation Reduction Act, P.L. 117-169 (2022).

⁷ City of San Francisco Department of Building Inspection, “All-Electric New Construction Ordinance” (webpage), available at <https://sfdbi.org/AllElectricNewConstructionOrdinance>.

⁸ Inflation Reduction Act, P.L. 117-169 (2022).

<p>Sec. 60201. Environmental and Climate Justice Block Grants.</p>	<p>BO. 2-8, BO. 2-9. As part of a new federal block grant program, more than \$2.8 billion is available for various environmental justice and climate-related activities, including: “(1) community-led air and other pollution monitoring, prevention, and remediation, and investments in low- and zero-emission and resilient technologies; (2) mitigation of urban heat islands, extreme heat, wood heater emissions, and wildfires; (3) reducing indoor air pollution; (4) climate resilience and adaptation; and (5) facilitating engagement of disadvantaged communities in State and Federal advisory groups, workshops, rulemakings, and other public processes.”⁹ Applicable CAP actions include efforts to align anti-displacement policies in buildings transitioning to efficient and all-electric systems and offering targeted technical assistance for BIPOC and low-income owners and tenants, including building decarbonization incentive, rebate, and financing information.</p>
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In addition to the IRA, the 2021 Federal Infrastructure Investment and Jobs Act includes billions of grant dollars for electric vehicle charging infrastructure, public transportation, congestion mitigation, and other investments through the creation of new programs or increased funding for existing programs. Furthermore, the FY2022–2023 California State budget will align with CAP implementation efforts. The State passed 42 bills that work toward achieving the State’s climate goals and has allocated \$54 billion to focus on equity and economic opportunity through climate action.

To fund all the actions identified in the Climate Action Plan, the City will need to take steps beyond leveraging federal and state funding. The San Francisco Department of the Environment contracted with the Center for Law, Energy & the Environment (CLEE) to draft a report as part of an initiative to develop an equitable revenue generation and implementation strategy for San Francisco’s 2021 Climate Action Plan. This report will be released in Fall 2022, and it describes top-priority recommendations identified through CLEE’s research and engagement process to ensure that CAP implementation is rapid, effective, and equitable.

Appendix A (see [San Francisco’s 2021 Climate Action Plan](#) for context & details)

Sector: Building Operations		
CAP ID	CAP Strategy	CAP Action
BO. 2-1	Eliminate fossil fuel use in existing buildings by tailoring solutions to different building ownership, systems, and use types.	By 2023, develop a system to monitor the replacement rate of existing private sector natural gas-fueled equipment with all-electric. Annually report to BOS whether fossil-fuel using equipment is being switched at a rate sufficient to meet climate goals, including access to electrification by BIPOC and low-income communities.
BO. 2-3	Eliminate fossil fuel use in existing buildings by tailoring solutions to different building ownership, systems, and use types.	By 2024, begin recording decarbonization status for each property at time of sale and permit review to ensure compliance with time of replacement policy.
BO. 2-7	Eliminate fossil fuel use in existing buildings by tailoring solutions to different building ownership, systems, and use types.	Adopt a building performance policy requiring large commercial buildings to: (1) completely transition to efficient and all-electric equipment no later than 2035; (2) in 2025, begin regular disclosure of progress toward goal; and (3) allow payment of annual fees in lieu of electrification, which must be invested into decarbonization of low-income and affordable housing.
BO. 2-8	Eliminate fossil fuel use in existing buildings by tailoring solutions to different building ownership, systems, and use types.	By 2023, develop and adopt tenant protection and anti-displacement policies for renters in buildings transitioning to efficient and all-electric systems.
BO. 2-9	Eliminate fossil fuel use in existing buildings by tailoring solutions to	By 2023, begin offering targeted technical assistance to BIPOC and low-income owners and tenants, including information about incentives, rebates, and public and private financing options.

⁹ Inflation Reduction Act, P.L. 117-169 (2022).

	different building ownership, systems, and use types.	
BO. 2-12	Eliminate fossil fuel use in existing buildings by tailoring solutions to different building ownership, systems, and use types.	Explore the creation of a revolving decarbonization fund by developing a virtual power plant (VPP) or other district scale solution that monetizes the benefits derived from energy efficiency, demand response, and energy storage systems.

Sector: Energy Supply		
CAP ID	CAP Strategy	CAP Action
ES. 1	Supply 100% renewable electricity to residents and businesses.	
ES. 1-1	Supply 100% renewable electricity to residents and businesses.	Provide 100% renewable electricity at affordable rates.
ES. 1-3	Supply 100% renewable electricity to residents and businesses.	Ensure 100% renewable electricity is the only option for San Francisco residents and businesses by 2025, by supporting state or local regulatory requirements and/or acquiring PG&E's grid assets serving San Francisco.
ES. 2	Invest in local renewable energy and energy resilience projects.	
ES. 2-1	Invest in local renewable energy and energy resilience projects.	Assist affordable housing developments with installing on-site solar and battery storage and meeting City energy efficiency and solar energy requirements.
ES. 2-2	Invest in local renewable energy and energy resilience projects.	Continue to develop on-site solar on City-owned buildings and reservoirs based on emerging opportunities and SFPUC feasibility analysis.
ES. 3	Design and develop the reliable and flexible grid of the future.	
ES. 5	Plan for the equitable decommissioning of the City's natural gas system.	
ES. 5-1	Plan for the equitable decommissioning of the City's natural gas system.	By 2023, assemble data to inform strategic and equitable planning for geographically focused electrification and gas decommissioning plans. Develop metrics to inform prioritization and implementation, including cost, equity, safety, climate and just transition.
ES. 5-3	Plan for the equitable decommissioning of the City's natural gas system.	By 2025, publish a Decarbonization Masterplan documenting the systematic approach to decommissioning natural gas distribution and transmission in San Francisco. Specify hard to address loads/uses that are likely to remain "residual" in 2040. Provide neighborhood groups and business districts with interactive planning mechanisms to empower coordination of electrification, and to set localized goals and priorities.

Sector: Healthy Ecosystems		
CAP ID	CAP Strategy	CAP Action
HE. 3	Restore and enhance parks, natural lands, and large open spaces	
HE. 5	Maximize trees throughout the public realm.	
HE. 6	Maximize greening and integration of local biodiversity into the built environment.	

Sector: Responsible Production and Consumption		
CAP ID	CAP Strategy	CAP Action
RPC. 4	Promote reduction, reuse, repair, and recovery of goods and materials.	

Sector: Transportation and Land Use		
CAP ID	CAP Strategy	CAP Action
TLU. 1-7	Build a fast and reliable transit system that will be everyone's preferred way to get around.	By 2022, study the role of Muni fare programs on equity, climate, and mobility goals and adopt recommendations.
TLU. 2	Create a complete and connected active transportation network that shifts trips from automobiles to walking, biking, and other active transportation modes.	
TLU. 3	Develop pricing and financing of mobility that reflects the carbon cost and efficiency of different modes and projects and correct for inequities of past investments and priorities.	

TLU. 7-3	Where motor vehicle use or travel is necessary, accelerate the adoption of zero-emission vehicles (ZEV's) and other electric mobility options.	By 2024, develop a plan to help the City's nonrevenue fleet and small and locally owned businesses build infrastructure that allows for zero emission delivery, drayage, and longer haul trucks.
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