



NOTICE OF SPECIAL MEETING

Pursuant to Section 54954.2 of the Government Code of the State of California, a special meeting of the **ENVIRONMENTAL SUSTAINABILITY COMMISSION** is hereby called for:

Date/Time: **Monday, November 27, 2023, at 7:00 p.m.**
(or as soon thereafter as possible)

Location: **City Hall Council Chambers**
333 Civic Center Plaza,
Tracy

THIS MEETING WILL BE OPEN TO THE PUBLIC FOR IN-PERSON PARTICIPATION PURSUANT TO GOVERNMENT CODE SECTION 54954.3 WHICH STATES THAT EVERY PUBLIC MEETING SHALL PROVIDE AN OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE COMMISSION ON ANY ITEM, BEFORE OR DURING CONSIDERATION OF THE ITEM, HOWEVER, NO ACTION SHALL BE TAKEN ON ANY ITEM NOT ON THE AGENDA.

MEETING AGENDA

1. Call to Order
2. Roll Call
3. Pledge of Allegiance
4. Items from the Audience - In accordance with Council Meeting Protocols and Rules of Procedure, adopted by Resolution No. 2019-240, and last amended by Resolution No. 2021-049, a five-minute maximum time limit per speaker will apply to all individuals speaking during "Items from the Audience/Public Comment". For non-agendized items, the Commission may briefly respond to statements made or questions posed by individuals during public comment; ask questions for clarification; direct the individual to the appropriate staff member; or request that the matter be placed on a future agenda or that staff provide additional information to Commission.
5. Approval of Meeting Minutes
 - a. Review and approve regular meeting minutes for: October 26, 2023
6. Election of Chairperson and Vice-Chairperson (if necessary)
7. Old Business
 - a. Review and update ESC 2024 workplan
8. New Business
 - a. SB355 (Eggman) Multifamily Affordable Housing Solar Roofs Program.
9. Staff items (Verbal Report)
10. Items from the Commission
11. Adjournment

AGENDA POSTED: November 20, 2023

The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in public meetings. Persons requiring assistance or auxiliary aids in order to participate should call City Hall at (209) 831- 6000 at least 24 hours prior to the meeting.

Any materials distributed to the Parks and Community Services Commission regarding any item on this agenda will be made available for public inspection in the Parks and Recreation Department located at 333 Civic Center Plaza, Tracy, during normal business hours.

Full copy of the agenda can be found at the Tracy Library as well on the City's Website:

<https://www.cityoftracy.org/government/boards-and-commissions/parks-and-community-services-commission>



**ENVIRONMENTAL SUSTAINABILITY COMMISSION
REGULAR MEETING MINUTES**

**OCTOBER 26, 2023
7:00 PM**

1. CALL TO ORDER:

a. The meeting was called to order by Chairperson Nygard at 7:09 p.m.

2. ROLL CALL:

a. Present: Dotty Nygard, James Damasco, Tony Acosta, Nicholas Sese, and Navi Kahlon

b. Absent: None.

c. Staff Present: Karin Schnaider, Assistant City Manager
Stephanie Reyna-Hiestand, Assistant Director of Utilities
David Murphy, Assistant Director of Operations
John Newman, Operations Superintendent
Necy Lopez, Deputy City Clerk

d. Recorded by: Carla Sorich, Executive Assistant
Isabel Espinosa, Administrative Technician

3. PLEDGE OF ALLEGIANCE

Led by Chair Nygard

4. ITEMS FROM THE AUDIENCE

None.

5. REGULAR AGENDA

Chairperson Nygard asked if there were any items the Commission wished to be pulled. Vice-Chairperson Damasco requested that Item 6a be pulled.

Public Comment:

Veronica Vargas commented that she was very disappointed that this item was going to be pulled from the agenda without a discussion. She stated that she was working on this plan for 5 years, staff worked hard on this report. Allow due process so the public can have input on this item.

Commission questions and comments followed.

ACTION: Motion was made by Chairperson Nygard and seconded by Commissioner Kahlon to continue the presentation and discussion for tonight's meeting agenda as posted. All in favor; passed and so ordered. (5,0,0)

Approve – Nygard, Kahlon, Sese, Acosta, Damasco
Oppose - None
Abstain - None

6. APPROVAL OF MEETING MINUTES

a. REVIEW AND APPROVE THE REGULAR MEETING MINUTES FROM SEPTEMBER 28, 2023

Public Comment: None

Commissioner questions and comments followed.

ACTION: Motion was made by Vice Chairperson Damasco and seconded by Commissioner Kahlon to approve the Regular Meeting Minutes from September 28, 2023. All in favor; passed and so ordered. (5,0,0)

Approve - Nygard, Kahlon, Sese, Acosta, Damasco
Oppose - None
Abstain - None

7. OLD BUSINESS

a. THE COMMISSION, BY MOTION, RECOMMEND TO CITY COUNCIL TO ADOPT THE CITY-WIDE URBAN FOREST MANAGEMENT PLAN

John Newman, Operations Superintendent, provided the staff report.

Public Comment:

- a. Jennie Wood had questions regarding the canopy spot percentages and stated that she is happy the plan includes protection, maintenance, and pest control for the trees.
- b. Veronica Vargas a board member for the Tracy Tree Foundation commented she would like to see irrigation infrastructure maintenance and budget outline for irrigation added to the plan. There are lots of losses due to lack of irrigation and maintenance. She is requesting that language be added to the report to include that trees will be watered regardless of drought situation, and those restrictions only affect lawns. Thanked the Commission for the report.
- c. Anthony Wahhab had questions regarding the significance of the different species of trees selected from a biology perspective. He also had questions regarding prevention of root encroachments on sidewalks.
- d. Leah Shoaito had questions whether we are planting by seed, if the trees are genetically modified, and the maintenance plan.

John Newman replied to public questions.

Commission discussion continued.

ACTION: Motion was made by Chairperson Nygard and seconded by Commissioner Sese to recommend adoption of the City-Wide Urban Forest Management Plan with amendments to include: 1) guidelines regarding working with PG&E for power lines and tree trimming; 2) Slide 14 - Methodology behind numbers; 3) locations where fruit bearing trees could be located; 4)

root barriers for all new trees 5) 10-20-30 impact on native trees; and 6) irrigation policy ensuring trees have an adequate water supply. Roll call found four in favor and one against. Passed and so ordered. (4,0,1)

Approve - Nygard, Kahlon, Sese, Acosta
Oppose - Damasco
Abstain - None

8. NEW BUSINESS

a. **THE COMMISSION, BY MOTION, REVIEW AND APPROVE THE 2023-2024 CALENDAR YEAR REGULAR MEETING SCHEDULE.**

Stephanie Reya-Hiestand, Assistant Director Utilities, provided the staff report.

Public Comment:

Anthony Wahhab and Leah Shoaito commented that school ends at 3:55 p.m. and that 7 p.m. meetings work fine. They also request that this committee takes into consideration civic clubs, and school related activities. They inquired about the meeting date in May.

ACTION: Motion was made by Chairperson Nygard and seconded by Commissioner Kahlon to cancel December 2023 and July 2024 meeting, move November 2023 meeting to November 27, 2023 at 7 p.m.. All in favor, passed and so ordered. (5,0,0)

Approve - Nygard, Kahlon, Sese, Acosta, Damasco
Oppose - None
Abstain - None

b. **COMMISSION TO REVIEW AND PROVIDE INPUT ON THE ESC WORKPLAN BASED ON COUNCIL STRATEGIC PRIORITIES**

- Sustainability Action Plan
- Environmental Compliance
 - Stormwater Pollution Prevention

Karin Schnaider, Assistant City Manager, provided the staff report.

This is a reoccurring item for board members and public to add items to the agenda. Most items will be 90 days out to allow for review and staff reports. Coordination with an outside department may take longer than 90 days depending on their availability.

Public Comment:

- a. Veronica Vargas requesting optimizing environments, socioeconomic public health benefits. Senator Eggman SB 746 for Valley Link and the installation of the Hydrogen fuel facility in Tracy. Based on this new technology I would suggest this group to research how this affects our environment and the benefits. Creating a fuel income, taking vehicles off the road. TOD has impact of walkability, biking, hydrogen plant and workforce that it will bring.

- b. Jenni Wood commented the housing element has been opened. Is it possible to bring that on an informational basis to this commission make suggestions on the housing element. Are there any issues that may be detrimental to the environment. Specifically, under the purview of density, permeable roads, and sidewalks, development and overall policies.

ACM Schnaider responded it may be added to the workplan to bring back for comments.

Commission questions and comments followed.

Chair Nygard said she would like to see how to implement SB 746 with Valley Link and Hydrogen fuel facility and SB 335 to allow low-income housing and disadvantaged communities to take advantage of solar energy programs under quality of life and infrastructure.

ACTION: Motion was made by Chairperson Dotty Nygard and seconded by Vice Chairperson James Damasco to amend the ESC Workplan based on Council Strategic Priorities to include SB 355, SB 746/Hydrogen Facility Plant, EIR for Housing Element and commission. All in favor; passed and so ordered. (5,0,0)

Approve - Nygard, Kahlon, Sese, Acosta, Damasco
Oppose - None
Abstain - None

9. STAFF ITEMS

Karin Schnaider, Assistant City Manager, provided the staff report.

The City of Tracy has been working with California League of Cities regarding E-Commerce and tax dollars associated with warehousing in Tracy. Moving from point of sale to destination. We are working on something to start acting in the 12-24 months on the state level. The loss is between \$16-50 million dollars. It is a very significant loss.

10. **ITEMS FROM THE COMMISSION** – Youth commissioner, next steps. Two are selected, the other two will remain on eligibility list. Will move forward once appointed by City Council at their next meeting on November 7, 2023.

11. **ADJOURNMENT** – Time: 9:57 PM.

ACTION: Motion was made by Vice Chairperson Damasco and seconded by Commissioner Kahlon to adjourn. Roll call found all in favor; passed and so ordered. (5,0,0)

Approve - Nygard, Kahlon, Sese, Acosta, Damasco
Oppose - None
Abstain - None

Agenda Item 7.a.

MEETING DATE	DISCUSSION ITEMS	COUNCIL STRATEGIC PRIORITY RELATION	TASKS/ACTION	ASSIGNMENT / SUBCOMMITTEE	TIMELINE	STATUS
2023						
1 OCTOBER 26, 2023	URBAN FORESTRY MANAGEMENT PLAN	Quality of Life	Review and Adopt	Operations Division - John Newman		Recommended adoption to Council - 10-28-23
2	ESC WORKPLAN FOR CY 2024 (INCLUDING OCT/NOV 2023)	Good Governance	input and review	ESC	monthly	on-going
3 NOVEMBER 27, 2023	SB355 (Eggman) - Multifamily Affordable Housing Solar Roofs Program	Quality of Life	Informational	Stephanie Reyna-Hiestand	one-time	
4	ESC WORKPLAN FOR CY 2024	Good Governance	input and review	ESC	monthly	on-going
2024						
	Multi-Gen - LEED Awards Presentation	Quality of Life/Good Governance	Informational Item	Richard Joaquin	One-Time	
JANUARY 25, 2024	SB746 - HYDROGEN FACILITY PLANT	Quality of Life/Transportation	Informational Item	Stephanie Reyna-Hiestand	One-Time	
	ESC WORKPLAN FOR CY 2024	Good Governance	input and review	ESC	monthly	on-going
FEBRUARY 22, 2024	INFORMATIONAL ITEM PRESENTATION - ENV. COMP AND SWPPP	Quality of Life/Good Governance	Informational Item	Stephanie Reyna-Hiestand		
	ESC WORKPLAN FOR CY 2024	Good Governance	input and review	ESC	monthly	on-going
MARCH 28, 2024 APRIL 25, 2024	SUSTAINABILITY ACTION PLAN	Quality of Life	Informational Item	ESC/Planning Division		

MEMORANDUM

To: City of Tracy
From: Townsend Public Affairs
Date: November 8, 2023
Subject: SB 355 (Skinner) Analysis

SB 355 (Skinner) makes changes to the Solar on Multifamily Affordable Housing (SOMAH) Program, including expanding the eligibility for the program in order to increase participation. The measure was signed into law on October 7, 2023. Its provisions will become effective January 1, 2024.

Background

Established by AB 693 (Eggman, Chapter 582, Statutes of 2015), the SOMAH program provides incentives for solar energy photovoltaic systems for qualified multifamily affordable housing. SOMAH is funded from the portion of the electric IOUs greenhouse gas (GHG) emissions auction proceeds that is authorized to be programmed by the CPUC for clean energy or energy efficiency programs. Per the statute, the program requires funding of up to \$100 million annually, and up to \$1 billion over 10 years, to install 300 megawatts (MW) of capacity. The qualified multifamily affordable housing is defined as a residential building of at least five rental housing units that is operated to provide deed-restricted low-income residential housing, and is located in a disadvantaged community and/or at least 80 percent of the households have incomes at or below 60 percent of the area median income.

The program didn't begin accepting applications until July 1, 2019. On the first day it opened, the program received more than 200 applications, and waitlists were started in the large electric IOUs' territories. The SOMAH Program Administrative team is comprised entirely of non-profit organizations: the Center for Sustainable Energy, GRID Alternatives, the Association for Energy Affordability, and the California Housing Partnership Corporation. In April 2020, the CPUC directed the electric IOUs to continue funding the SOMAH program through 2026. According to the program's website, there have been 82 completed projects with 15 MW of installed capacity with service to over 7,333 tenant units across the state. Currently, there are 422 active applications, representing 50 MW of reserved capacity and \$104 million in funding, with participation in all five SOMAH-eligible electric IOU territories.

Overview

SB 355 proposes to expand the eligibility of the program in a few ways, specifically:

- Authorizing multifamily residential property, instead of building, to allow for properties that may have separate single-family buildings (including mobile home parks).

- Expanding the income requirements to at least 66 percent, instead of 80 percent, of households have incomes at or below 80 percent, instead of 60 percent, of area median income.
- Authorizing properties owned by California Native American tribes.
- Authorizing properties that are rental housing properties owned by either a public housing authority or public housing agency.

Additionally, this bill prohibits, for new construction, the use of the incentives from the program to satisfy the Title 24 California Code of Regulations requirements, including the solar mandate on new buildings. This bill authorizes the continued use of the available funding an additional two years, to 2032. Lastly, this bill includes a provision that authorizes the CPUC to consider advance payment loans with specified conditions.

Additional information about the program, including eligibility and application overviews, can be found here: www.calsomah.org



Senate Bill No. 355

CHAPTER 393

An act to amend Section 2870 of the Public Utilities Code, relating to electricity.

[Approved by Governor October 7, 2023. Filed with Secretary of State October 7, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 355, Eggman. Multifamily Affordable Housing Solar Roofs Program. Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations. Existing law establishes the Multifamily Affordable Housing Solar Roofs Program. Existing law requires the commission, beginning with the 2016–17 fiscal year and ending with the 2019–20 fiscal year, to authorize the annual allocation of certain amounts of moneys for the program. Existing law requires the commission to continue authorizing the allocation of those moneys through June 30, 2026, if the commission determines that revenues are available and that there is adequate interest and participation in the program. Existing law requires the commission, as part of the program, to award monetary incentives for qualifying solar energy systems, as defined, that are installed on multifamily residential buildings of at least 5 rental housing units that are operated to provide deed-restricted low-income residential housing, as defined, and that meet one or more specified requirements, including that at least 80% of the households have incomes at or below 60% of the area median income, through December 31, 2030.

This bill would expand those specified requirements to, among other things, include properties in which at least 66% of the households have incomes at or below 80% of the area median income, properties owned by a tribe, as defined, and rental housing properties owned by public housing agencies or authorities, as defined. The bill would extend the requirement that the commission award monetary incentives for those solar energy systems through December 31, 2032. If those multifamily residential properties are new construction, the bill would prohibit using moneys authorized through the program to meet specified regulatory requirements. The bill would authorize the commission to consider authorizing an advance payment loan to an eligible project if there is reasonable evidence to suggest that an advance payment loan would lead to the delivery of a project that would not occur absent the advance payment loan, as specified.

Existing law requires that low-income tenants who participate in the program receive credits on utility bills from the program.

This bill would limit the applicability of that requirement to units that are separately metered.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because a violation of a commission action implementing this bill's requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 2870 of the Public Utilities Code is amended to read:

2870. (a) As used in this section, the following definitions apply:

(1) "CARE program" means the California Alternate Rates for Energy program established pursuant to Section 739.1.

(2) "Program" means the Multifamily Affordable Housing Solar Roofs Program established pursuant to this chapter, which is also known as the Solar on Multifamily Affordable Housing Program.

(3) "Qualified multifamily affordable housing property" means a multifamily residential property of at least five rental housing units that is, or will be, operated to provide deed-restricted low-income residential housing, as defined in clause (i) of subparagraph (A) of paragraph (3) of subdivision (a) of Section 2852, and that meets one or more of the following requirements:

(A) The property is located in a disadvantaged community, as identified by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code.

(B) At least 66 percent of the households have incomes at or below 80 percent of the area median income, as defined in subdivision (f) of Section 50052.5 of the Health and Safety Code.

(C) The property is owned by a tribe.

(D) The property is rental housing property that is owned by one of the following:

(i) A public housing authority created pursuant to the Housing Authorities Law (Chapter 1 (commencing with Section 34200) of Part 2 of Division 24 of the Health and Safety Code).

(ii) A public housing agency, as defined in Section 1437a of Title 42 of the United States Code.

(4) "Solar energy system" means a solar energy photovoltaic device that meets or exceeds the eligibility criteria established pursuant to Section 25782 of the Public Resources Code.

(5) "Tribe" means a California Native American tribe, as defined in Section 21073 of the Public Resources Code.

(b) (1) Adoption and implementation of the program may count toward the satisfaction of the commission's obligation to ensure that specific alternatives designed for growth among residential customers in disadvantaged communities are offered as part of the standard contract or tariff authorized pursuant to paragraph (1) of subdivision (b) of Section 2827.1.

(2) This section does not preclude electrical corporations from offering and administering a distributed energy resource program, including solar energy systems, in disadvantaged communities offered under current or proposed programs using funds provided under subdivision (c) of Section 748.5 or programs proposed to comply with paragraph (1) as approved by the commission.

(c) The commission shall annually authorize the allocation of one hundred million dollars (\$100,000,000) or 66.67 percent of available funds, whichever is less, from the revenues described in subdivision (c) of Section 748.5 for the program, beginning with the fiscal year commencing July 1, 2016, and ending with the fiscal year ending June 30, 2020. The commission shall continue authorizing the allocation of these funds through June 30, 2026, if the commission determines that revenues are available after 2020 and that there is adequate interest and participation in the program.

(d) The commission shall consider the most appropriate program administration structure, including administration by a qualified third-party administrator, selected by the commission through a competitive bidding process, or administration by an electrical corporation, in an existing or future proceeding.

(e) Not more than 10 percent of the funds allocated to the program shall be used for administration.

(f) (1) By June 30, 2017, the commission shall authorize the award of monetary incentives for qualifying solar energy systems that are installed on qualified multifamily affordable housing properties through December 31, 2032. The target of the program is to install a combined generating capacity of at least 300 megawatts on qualified properties.

(2) The commission shall require that the electricity generated by qualifying renewable energy systems installed pursuant to the program be primarily used to offset electricity usage by low-income tenants. These requirements may include required covenants and restrictions in deeds.

(3) The commission shall require that qualifying solar energy systems owned by third-party owners are subject to contractual restrictions to ensure that no additional costs for the system be passed on to low-income tenants at the properties receiving incentives pursuant to the program. The commission shall require third-party owners of solar energy systems to provide ongoing operations and maintenance of the system, monitor energy production, and, where necessary, take appropriate action to ensure that the kWh production levels projected for the system are achieved throughout the period of the third-party agreement. Those actions may include, but are not limited to, providing a performance guarantee of annual production levels or taking corrective actions to resolve underproduction problems.

(4) The commission shall ensure that incentive levels for photovoltaic installations receiving incentives through the program are aligned with the installation costs for solar energy systems for affordable housing and take account of federal investment tax credits and contributions from other sources to the extent feasible.

(5) The commission shall require that no individual installation receive incentives at a rate greater than 100 percent of the total system installation costs.

(6) The commission shall establish local hiring requirements for the program to provide economic development benefits to disadvantaged communities.

(7) The commission shall establish energy efficiency requirements that are equal to the energy efficiency requirements established for the program described in Section 2852, including participation in a federal, state, or utility-funded energy efficiency program or documentation of a recent energy efficiency retrofit.

(8) For purposes of the new construction of qualified multifamily affordable housing property, moneys authorized through the program shall not be used to meet the requirements of Part 6 (commencing with Section 100) of Title 24 of the California Code of Regulations.

(g) (1) The commission shall ensure that electrical corporation tariff structures affecting the low-income tenants participating in the program continue to provide a direct economic benefit from the qualifying solar energy system.

(2) If units are separately metered, low-income tenants who participate in the program shall receive credits on utility bills from the program. The commission shall ensure that utility bill reductions are achieved through tariffs that allow for the allocation of credits, such as virtual net metering tariffs designed for program participants, or other tariffs that may be adopted by the commission pursuant to Section 2827.1.

(h) This chapter is not intended to supplant CARE program rates as the primary mechanism for achieving the goals of the CARE program.

(i) The commission shall determine the eligibility of qualified multifamily affordable housing property tenants that are customers of community choice aggregators.

(j) The commission may consider authorizing an advance payment loan to an eligible project if there is reasonable evidence to suggest that an advance payment loan would lead to the delivery of a project that would not occur absent the advance payment loan, so long as appropriate funding guarantee and loss recovery mechanisms are implemented to limit the risk of liability to the program from making the advance payment loan. The commission, in considering an advance payment loan, may prioritize allocating funding to a project where an advance payment loan will have the greatest impact on project delivery.

(k) (1) Every three years, the commission shall evaluate the program's expenditures, commitments, uncommitted balances, future demands, performance, and outcomes and shall make any necessary adjustments to

the program to ensure the goals of the program are being met. If, upon review, the commission finds there is insufficient participation in the program, the commission may credit uncommitted funds back to ratepayers pursuant to Section 748.5.

(2) The commission shall include in the annual workplan required pursuant to Section 910, an annual update of the program that shall include, but not be limited to, the number of projects approved, number of projects completed, number of pending projects awaiting approval, and geographic distribution of the projects.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.