

**MONTECITO PLANNING COMMISSION
Staff Report for Draft Climate Action Study**

**Hearing Date: May 25, 2011
Staff Report Date: May 6, 2011**

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Environmental Document: CEQA Exemption

1.0 REQUEST

Hearing on the request of the Planning and Development Department to consider and make recommendations regarding the draft Climate Action Study, which includes:

- 1) Receive a report on the results of the draft Climate Action Study and provide comment.
- 2) Determine that the project is exempt from CEQA pursuant to Section 15262 of the State Guidelines for Implementation of the California Environmental Quality Act and accept the CEQA exemption attached hereto as Attachment B.

2.0 RECOMMENDATION AND PROCEDURES

The Commission’s motion should include the following recommendations

That the Board of Supervisors:

1. Determine the Draft Climate Action Study is exempt pursuant to section 15262 of CEQA and accept the CEQA exemption attached hereto as Attachment B.
2. Recommend the BOS accept the draft Climate Action Study
3. Recommend the BOS direct staff to implement the draft Climate Action Study through the development of a Climate Action Plan and associated building and energy codes.

Refer back to staff for any actions other than those listed above.

3.0 JURISDICTION

An Executive Order and multiple pieces of legislation have emerged in recent years establishing California as a leader in climate change policy. Table 1 below summarizes these key regulations.

Table 1. Key Green House Gas Reduction Directions

Regulation	Summary
EO S-3-05 (2005)	<ul style="list-style-type: none"> • Reduce State GHG emissions to 1990 levels by 2020 and to 80% below 1990 levels by 2050.
AB 32 (2006)	<ul style="list-style-type: none"> • Reduce State GHG emissions to 1990 levels by 2020. • AB 32 Scoping Plan, by CARB, interprets this to be 15% below current emissions. • No direct mandate on local governments – but encourages local governments to set goals to match the State’s.
SB 97 (2007)	<ul style="list-style-type: none"> • Requires that GHG emissions be analyzed under CEQA. • Allows for programmatic mitigation through adoption of a Climate Action Plan.
SB 375 (2008)	<ul style="list-style-type: none"> • Requires that Metropolitan Planning Organizations develop a Sustainable Communities Strategy to reduce passenger vehicle emissions. • SBCAG’s adopted target is zero net increase in emissions from passenger vehicles.
BOS Resolution 09-059 (2009)	<ul style="list-style-type: none"> • Directed staff to take immediate, cost effective and coordinate steps to reduce the County’s collective GHG emissions.

Although there is no mandate placed on local governments at this time, the AB 32 Scoping Plan does encourage local governments to adopt a reduction target for both municipal and community emissions of 15% from current levels by 2020 to parallel the State's target. The Climate Action Strategy (CAS) was initiated pursuant to the Board direction under Resolution 09-059.

4.0 ISSUE SUMMARY

In May 2009, the Board of Supervisors adopted Resolution 09-059, which committed the County "to take immediate, cost effective, and coordinated steps to reduce the County's collective greenhouse gas emissions." In response, the Planning and Development Department is developing the CAS. The CAS is a two-phase project intended to promote an informed public dialogue prior to any County commitment to concrete actions to reduce Greenhouse Gas (GHG) emissions.

Phase 1 of the CAS is the Climate Action Study (Study). The Study includes the following components:

- GHG Emissions Inventory and Forecast for the unincorporated County
- Catalog of all efforts completed or currently ongoing which reduce GHG emissions
- An evaluation of a comprehensive set of Emissions Reduction Measures (ERMs) organized in four categories so that reductions could be spread out and not focused on any sector:
 - Air and Energy
 - Land Use and Transportation
 - Green Building
 - Resource Conservation
- Evaluation of potential incentive-based and regulatory ERMs and qualitative ranking based on prioritization criteria
- Recommendations to move forward including the development of a Climate Action Plan (CAP) and coordination with SBCAG on the development of a Sustainable Communities Strategy.

The second phase of the CAS would be the development of CAP if so directed by the Board. The CAP would:

- seek to reduce the County's GHG emissions through implementation of selected ERMs
- set a GHG reduction target to be selected by the Board
- be adopted into the Comprehensive Plan and
- provide programmatic mitigation for GHG emissions under CEQA, alleviating applicants of having to provide mitigation on a project specific basis.

The GHG emissions inventory, completed in the Study, will be used as the baseline to quantify projected emission reductions and cost of ERMs. Additionally, the inventory will be used to

assist the Board in setting an emission reduction target and determine a threshold of significance for GHG emissions under CEQA.

5.0 PROJECT INFORMATION

5.1 Greenhouse Gas Emissions Inventory and Forecast

The Study presents the results of a GHG emissions inventory, which evaluates current (2007), historical (1990) and projected (2020 and 2035) emissions County-wide and for the unincorporated County only. This Study focuses on the unincorporated County only as this is the area with respect to which Santa Barbara County maintains land use authority. The 7 GHGs recognized by the State were included in the inventory. Results are reported in terms of CO₂ equivalent (CO₂e) which is the unit that describes the amount of CO₂ that would have the same global warming potential as a given mixture of GHGs. The inventory was completed according to ICLEI protocol, the accepted standard for GHG community inventories. The inventory calculates current GHG emissions for the unincorporated County to be 1.78 million metric tons of CO₂e, based on 2007 data

For the 2007 inventory, transportation is found to be the largest sector at 27.9%, with electricity the second largest sector at 24.9%, and industrial the third largest with 18% of emissions. The agricultural, residential, commercial, and waste sectors were found to be the fourth to sixth largest sectors. The agricultural sector is the fourth largest sector in the County, with 14% of emissions, which is significantly greater than that of the State's inventory. This is believed to be a result of the large amount of agricultural activity in the County with approximately 80% of the unincorporated County being zoned for agriculture.

A backcast inventory to 1990, conducted using a "top-down" methodology extrapolating from general statewide data rather than direct emissions data, which are not available for 1990, indicates emissions of 1.62 million metric tons of CO₂e. A second 2007 inventory prepared using the same "top-down" methodology to determine the trend between 1990 and 2007, shows 2007 emissions of 1.54 million metric tons of CO₂e, representing a decrease of approximately 5% over this period. This reduction was led by a 13% decrease in emissions from stationary sources.

Forecasts to 2020 and 2035 project a 7.3% increase from 2007 to 2020 with emissions increasing to 1.92 million metric tons of CO₂e. Further growth in emissions is forecast to 2035, with a 24.4% increase and emissions totaling 2.23 million metric tons of CO₂e anticipated. All forecasts assume a business-as-usual scenario. Growth in emissions to 2020 and 2035 is explained by the replacement of ozone-depleting substances in the commercial and residential sectors by two of the GHGs recognized by the State, HFCs and PFCs; population growth of 11.4% to 2035; and employment growth of 22.1% to 2035.

5.2 Emission Reduction Targets

As part of the CAP, the BOS would have the task of determining whether to set a GHG reduction target. There are two main available options:

- 1) Set a reduction target of 15% from current emissions by the year 2020. This target would follow the recommendation provided to local governments by CARB in the AB 32 Scoping Plan.
- 2) Set a unique reduction target at the discretion of the BOS. There is no specific State or federal mandate at this time for local governments with respect to GHG reduction and the BOS has wide latitude to determine a reduction target unique to Santa Barbara County.

GHG emission reductions would be realized from both the County’s own efforts and through the State’s implementation of the AB 32 Scoping Plan measures. Land use-related measures implemented by the State are estimated to result in a 19.6% reduction in emissions from the Santa Barbara County 2020 Forecast. This 2020 reduction translates into a 13.3% reduction from 2007 emissions using the “detailed” inventory. Table 2 summarizes different reduction target scenarios which the County could pursue.

Table 2. Emission Reduction Target Scenarios

Reduction Target	2007 Emissions (metric tons)	2020 BAU Emissions (metric tons)	Emission Goal (metric tons)	Reduction Needed from 2020 Forecast (metric tons)	% Reduction Needed From 2020 Forecast
13.3 % < 2007 by 2020	1,780,565.0	1,919,439.0	1,543,229.0	376,210.0	19.6%
15% < 2007 by 2020	1,780,565.0	1,919,439.0	1,513,480.3	405,958.8	21.1%
20% < 2007 by 2020	1,780,565.0	1,919,439.0	1,424,452.0	494,987.0	25.8%

A reduction target of 13.3% from 2007 emissions represents the breakeven point for the County, equivalent to the reductions that would be achieved by the AB Scoping Plan. Assuming a scenario of 15% reduction from 2007 emissions, which the AB 32 Scoping Plan encourages local government to adopt, the County would be responsible for the remaining 1.5% reduction in emissions from the 2020 forecast. Were the County to pursue a more aggressive reduction target, more of a burden would be placed on the County to meet that goal. For a 20% reduction from 2007 emissions, the County would be responsible for a 6.2% reduction from emissions in the 2020 forecast.

5.3 Emission Reduction Measures

The Study addresses GHG reduction through the County’s roles as generator and regulator of GHG emissions as well as incentivizer of GHG reductions. The Study summarizes policies that have already been put in place to reduce GHG emissions in the County as well as a list of new

emission reduction measures (ERMs) that the County of Santa Barbara could implement in the future. Both current and potential ERMs are organized into four reduction categories:

1. Air and Energy
2. Land Use and Transportation
3. Green Building
4. Resource Conservation

A total of 33 potential new ERMs are discussed. The Study qualitatively evaluates and ranks these ERMs based on the five criteria:

1. GHG Reduction Potential
2. Cost Effectiveness/Fiscal Impact
3. Simplicity of Administration
4. Local Control
5. Associated Co-benefits

ERMs are ranked only within their respective category and not against other categories. This approach ensures that any implemented ERMs do not favor any one sector. Additionally, the Study considers incentive-based ERMs and regulatory ERMs separately and prioritizes incentive-based measures over regulatory measures. Exceptions to this prioritization approach would be when regulatory measures are required by law, for example, mitigation measures required by CEQA or the State-mandated development of enhanced building and energy codes. In the former case, the County would provide a menu of options, through the implementing CAP, for developers to choose.

In the Air and Energy category, there are eight ERMs proposed with five incentive ERMs and three regulatory ERMs. These measures focus on promoting a switch to renewable energy, retrofitting existing structures to be more energy efficient, and promoting the use of energy efficient equipment and appliances.

Land Use and Transportation has 11 proposed ERMs with six incentive ERMs and five regulatory ERMs. These measures focus on multi-modal transportation and smart growth policies.

The Green Building category has seven proposed ERMs with five incentive ERMs and two regulatory ERMs proposed. The Green Building measures encourage green building practices including: creating incentives through permit streamlining, encouraging drought tolerant landscaping, the use of materials and equipment which exceed Title 24 requirements, promoting the use of alternative construction types, and the adoption of a green building ordinance.

The last category, Resource Conservation, has seven total ERMs with four incentive ERMs and three regulatory ERMs. These ERMs are focused on carbon sequestration, the removal and storage of carbon from the atmosphere; protecting natural environments; development of an urban forest; promoting the use of responsible agricultural practices; and recycling programs.

5.4 Implementation

The primary implementation component of the Study is the development of a CAP in compliance with the guidelines for a CAP in SB 97. SB 97 allows for public agencies to analyze and mitigate the significant effect of greenhouse gas emissions at a programmatic level through adoption of a CAP. Once adopted, later project-specific environmental review documents may tier from and/or incorporate that existing environmental review for the analysis of cumulative impacts related to GHG emissions. The benefit of a local jurisdiction adopting a CAP consistent with these guidelines is that it removes the burden and cost of quantifying and analyzing GHG emissions under CEQA on a project-specific basis for project applicants. The CAP would become a component of the County of Santa Barbara Comprehensive Plan.

The County has secured grant funding from Southern California Edison to develop enhanced building and energy codes. Using these grant funds, the Planning and Development Department could work to pursue the development and adoption of an energy reach code, which could exceed current Title 24 requirements, and green building standards. A reach code is a code adopted by a local jurisdiction which sets standards higher than those required by Title 24. Development and adoption of both an energy reach code and green building standards would seek to achieve many of the emission reductions opportunities outlined in the Green Building ERM in this Study. Both programs could be achieved through the adoption of CALGreen, California's Green Building Standards Code, which became mandatory on January 1, 2011. Currently various elements of CALGreen are mandatory while others are voluntary. CALGreen provides minimum standards for all new development projects with increased voluntary standards at Tier 1 and Tier 2. If the County pursued adoption of CALGreen with additional requirements pulled from Tier 1 (i.e. making at least part of Tier 1 mandatory), both the goal of setting green building standards and an energy reach code could be obtained. Tier 1 requires that the energy component of the building be designed 15% above the baseline threshold. Incentives could be provided for Tier 2 and a County-specific Tier 3, to be created by the County, through expansion of the IBRP. All tiers and the prerequisites address the following areas of development and building design: planning and design (site development), energy efficiency, water efficiency and conservation, material conservation and resource efficiency, environmental quality, and environmental comfort. Prior to adoption of either energy reach code or green building standards, the Planning and Development Department would model the additional costs and savings if these new requirements were to be adopted; and provide information to the Board for their consideration. Additionally, IBRP would be expanded to include linkages to emPowerSBC. This connection would provide the community with a forum to receive advice from local experts and makes the transition towards energy efficient and sustainable development smoother.

6.0 PROJECT ANALYSIS

6.1 Environmental Review

The Study is a planning study that provides baseline information, including the GHG emissions inventory and forecast, a list of current GHG reducing activities, and possible actions the County could take in the future to reduce GHG emissions. The Study does not adopt any policy nor put in place any action which would have an impact on the environment. The Study is

consistent with the statutory exemption for feasibility and planning studies pursuant to CEQA Guidelines Section 15262.

6.2 Public Participation

Staff held a public workshop on April 26, 2011 to receive public comment and answer any questions about the Study. Table 3 lists the comments which were received that will be responded to with a modification to the draft Study prior to the BOS hearing date.

Table 3. Comments Received at the Public Workshop

Comment/Question	Response
The Study lacks a discussion of economic impact of implementation. Economic analysis of implementation	Staff will qualitatively address potential costs associated with developing and implementing a CAP. If a CAP is pursued, each ERM included in the study will include a quantitative analysis of associated costs or financial benefits of implementation.
There are many success stories in the County which are not recognized. The Study should highlight all the accomplishments which have already been made.	The Study provides a list of programs being implemented by the County, but is lacking individual accomplishment already achieved by individuals and business in the community. Staff will add an Appendix to the Study which will showcase a few success stories.
What is the role which the Air Pollution Control District (APCD), SBCAG, and the local cities play?	A discussion of the role of each agency will be added to the Study as well as any progress that is known.
The growth forecast for jobs and employment appear to be inaccurate given the state of the economy.	The forecasts for GHG emissions are based on SBCAG's Regional Growth Forecast for 2005 – 2040 and incorporates information from other sources such as Census 2000 data, California Department of Finance data, and Employment Development Department data. Staff will revise the Study to discuss the data and assumptions used to create the forecast.
The Study should discuss what the potential ramifications of not pursuing a CAP are.	The Study does outline the benefits to developing and implementing a CAP but does not discuss any potential implications to taking no action. Staff will add in a discussion of potential implications of taking no action.

7.0 CONCLUSION

The Study is the first phase of the overarching CAS and provides the County with framework and information needed to move forward to the second phase of the project with the development of a CAP. Staff requests that the Montecito/County Planning Commission provide comment on the Study and provide recommendations for the development of a CAP and associated enhanced building and energy codes.

ATTACHMENTS

- A. Draft Climate Action
- B. CEQA Notice of Exemption