BOARD OF SUPERVISORS
AGENDA LETTER

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Department Name:	Planning and Development
Department No.:	053
For Agenda Of:	September 6, 2011
Placement:	Departmental
Estimated Tme:	1 hour
Continued Item:	No
If Yes, date from:	
Vote Required:	Majority

TO: Board of Supervisors

FROM: Department Director(s): Glenn Russell, Ph.D., Planning and Development Department (x2085)
Jeff Hunt, AICP, Director, Long Range Planning (x2072)
Contact Info: Heather Imgrund, Long Range Planning (x6836)

SUBJECT: **Climate Action Strategy – Phase 1 Climate Action Study**

County Counsel Concurrence
As to form: Yes

Auditor-Controller Concurrence
As to form: N/A

Other Concurrence: N/A

Recommended Actions:

That the Board of Supervisors:

1. Receive the Climate Action Study attached hereto as Attachment A; and,
2. Determine the Climate Action Study is exempt from CEQA pursuant to CEQA Guideline section 15262 and accept the Notice of Exemption included as Attachment B;
3. Direct staff to prepare the Climate Action Plan as contemplated in the 2011 – 2012 Annual Work Program and to seek funding, including grants, to offset general fund costs in developing and implementing the Climate Action Study through the development of a Climate Action Plan and associated building and energy codes.

Summary Text:

The Climate Action Study (Study) was developed pursuant to Board of Supervisor (BOS) direction under BOS Resolution 09-059 which adopted the County Climate Change Guiding Principles and directed staff to take immediate, cost effective and coordinate steps to reduce the County's collective GHG emissions.

The Study is the first phase of the Climate Action Strategy (CAS) which will seek to reduce the greenhouse gas (GHG) emissions in the County. The second phase of the CAS would be to develop a Climate Action Plan (CAP) based on the findings of the Study.

The Climate Action Study was presented to the County Planning Commission (PC) and Montecito Planning Commission (MPC) in May of 2011. Both the PC (vote 4-1) and MPC (vote 5-0) recommended that the BOS:

1) Accept the Climate Action Study and
2) Direct staff to implement the Climate Action Study through the development of a Climate Action Plan and associated building and energy codes.

Background:

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 and Board of Supervisors Resolution making dealing with climate change a top priority.

Table 1. Key Green House Gas Reduction Directions

Regulation	Summary
EO S-3-05 (2005)	• Reduce State GHG emissions to 1990 levels by 2020 and to 80% below 1990 levels by 2050.
AB 32 (2006)	• Reduce State GHG emissions to 1990 levels by 2020. • 2008 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)	• Requires that GHG emissions be analyzed under CEQA. • Allows for programmatic mitigation under CEQA through environmental review and adoption of a Climate Action Plan.
SB 375 (2008)	• Requires that Metropolitan Planning Organizations develop a Sustainable Communities Strategy to reduce passenger vehicle emissions. • SBCAG's adopted target is zero net increase in per capita emissions from passenger vehicles.
BOS Resolution 09-059 (2009)	• 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 2008 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. Many jurisdictions around the state have already adopted or currently working to develop a CAP including approximately 111 cities and 14 counties. The Climate Action Strategy (CAS) was initiated pursuant to the Board direction under Resolution 09-059.

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; and
- A recommendation to move forward including the development of a Climate Action Plan (CAP).

The second phase of the CAS would be the development of a CAP, as described in the 2011 – 2012 Annual Work Program approved by the Board on April 19, 2011. The CAP would:

- seek to reduce the County's GHG emissions through implementation of ERMs selected through a cost-benefit analysis with an approach to cost effectiveness;
- set a GHG reduction target to be selected by the Board;
- strive to prioritize incentive-based measures to the extent that they will achieve the target;
- be adopted as a separate plan, not as part of the General Plan, and make General Plan policy amendments as necessary for implementation;
- provide programmatic mitigation for GHG emissions under CEQA, alleviating the County and project applicants of having to develop new mitigation measures for each project;
- provide programmatic cumulative impact assessment for GHG emissions under CEQA, alleviating the County and project applicants of having to model cumulative emissions for each project; and
- establish the basis for subsequent "adaptation planning" that will address how the County responds to the effects of climate change such as sea level rise, wildfire increase, habitat impacts and shrinking water supplies.

The CAP will use the County GHG emissions inventory 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.

Because energy conservation would play such a large role in GHG reductions, the CAP may be titled as the Energy and Climate Action Plan or something similar.

GREENHOUSE GAS EMISSION INVENTORY AND FORECAST RESULTS

The Study presents the results of a GHG emissions inventory, which evaluates current (2007), historical (1990) and projected (2020 and 2035) 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 CO_2 equivalent (CO_2e) which is the unit that describes the amount of CO_2 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 CO_2e, based on 2007 data.

Forecasts to 2020 and 2035 project a 7.3% increase from 2007 to 2020 with emissions increasing to 1.92 million metric tons of CO_2e. Further growth in emissions is forecast to 2035, with a 24.4% increase and emissions totaling 2.23 million metric tons of CO_2e 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. The growth forecasts will be updated as new data becomes available.

EMISSION REDUCTION TARGET

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 California Air Resources Board in the 2008 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 2008 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	1,919,439	1,543,229	376,210	19.6%
15% < 2007 by 2020	1,780,565	1,919,439	1,513,480	405,959	21.1%
20% < 2007 by 2020	1,780,565	1,919,439	1,424,452	494,987	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 2008 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. Similar to the growth forecast in emissions, the reduction achievements will be updated routinely, including in the CAP.

Staff completed the analysis above using the emission reduction estimates and the 2020 forecast provided in the 2008 AB 32 Scoping Plan. In July of 2011, CARB published a new 2020 forecast for the State and has begun to update the estimated reductions from that forecast in consideration of the economic recession. It's unclear how this updated forecast and estimated reductions will impact the above analysis. Staff will revisit the State's contribution to GHG reductions within the County during the development of a CAP if directed by the BOS. This is an example of how the CAP will need routine updating as new information arises.

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 vehicle trip reductions, alternative fuel vehicles, 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.

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 requires that public agencies analyze and mitigate the significant effect of greenhouse gas emissions. SB 97 allows agencies the option of adopting such measures at a programmatic level through adoption of a CAP and through environmental review. 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 if that project is within the scope of the CAP. The benefit of a local jurisdiction adopting a CAP consistent with these guidelines is that it can remove the burden and cost of quantifying and analyzing GHG emissions under CEQA on a project-specific basis for project applicants. The inclusion of such measures could reduce the County's exposure to legal challenges under CEQA.

The County has secured grant funding from Southern California Edison to develop the CAP along with 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 ERMs in this Study. Currently, various elements of CALGreen, California's Green Building Standards Code 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. Incentives could be provided for Tier 2 and a County-specific Tier 3, to be created by the County, through expansion of the Innovative Building Review Program (IBRP). Prior to adoption of either energy reach code or green building

standards, the Planning and Development Department would analyze 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 make the transition towards energy efficient and sustainable development smoother.

PUBLIC PARTICIPATION

The County of Santa Barbara recognizes the importance of public participation when developing planning and policy documents for Board consideration. Staff conducted focused outreach to approximately 30 different organizations in the summer of 2010. Many of the proposed ERMs have been modified based on input received during this effort. Additionally, staff held a public workshop on April 26, 2011 prior to Planning Commission hearings to receive public comment and answer any questions about the Study. A summary of public comment and the County response is provided in Attachment C. Many of the comments received during the public workshop, during the PC and MPC hearings, and via written comment letters revolve around various metrics and assumptions related the emissions forecast and proposed emissions reduction measures. Many of these topics will be addressed in the CAP because the Study only provides the baseline and framework to develop a CAP. The CAP will include a cost-benefit analysis of each emission reduction measure chosen for implementation and a plan and timeline for implementation. Additionally, the GHG emissions forecast can be updated with new socioeconomic data if the SBCAG Regional Growth Forecast is completed at that time.

Fiscal and Facilities Impacts: *

Budgeted: Yes

Fiscal Analysis: *

Funding of $223,160 is provided by the SCE Grant to complete the development of a CAP and associated building and energy codes. The SCE Grant has offset General Fund expenditures in FY 2011-12 for this project by $158,141. For FY 2011 – 2012 the amount of $48,603 has been allocated in General Fund for the completion of the CAP. For the FY 2012-13 the amount of $65,019 is available from the SCE grant offsetting General Fund expenditures of $63,861. This grant funding represents a total of approximately 0.77 FTEs in FY 2011-12 and 0.50 FTEs in FY 2012-13. These allocations are based on the 2011-2012 Work Program.

As noted above, cost savings would be realized by project applicants due to the CEQA programmatic mitigation provided by the CAP and associated environmental review. Indirect economic benefits would result to the County by establishing the basis for subsequent adaptation planning that will reduce the costs of responding to the effects of climate change. Finally, indirect economic benefits could result to the County should the State mandate future GHG reductions, because the County would have already achieved some reductions.

Staffing Impacts: *

Legal Positions:	FTEs:

Special Instructions: *

The Clerk of the Board shall forward a copy of the Minute Order to Planning & Development, Attention: David Villalobos, Hearing Support.

Attachments:

Attachment A – Climate Action Study

www.sbcountyplanning.org/climate

Attachment B – CEQA Exemption

Attachment C – Public Participation

Authored by:

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