County of San Diego

# Planning Commission Hearing Report

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| **Date:** | January 18, 2018 | **Case/File No.:** | Climate Action Plan; POD 15-002, PDS2016-GPA-16-007, LOG NO. PDS2016-ER-16-00-003 |
| **Place:** | County Conference Center<br>5520 Overland Avenue<br>San Diego, CA 92123 | **Project:** | Climate Action Plan and Related Actions |
| **Time:** | 9:00 a.m. | **Location:** | Districts All |
| **Agenda Item:** | # 1 | **General Plan:** | Various |
| **Appeal Status:** | Board of Supervisors is the final decision-maker | **Zoning:** | N/A |
| **Applicant/Owner:** | County of San Diego | **Community:** | All |
| **Environmental:** | Supplemental Environmental Impact Report | **APNs:** | Various |

## A. EXECUTIVE SUMMARY

The State of California has taken a prominent role in reducing greenhouse gas (GHG) emissions and the associated weather changes that can affect sea-level rise, wildfires, water supply, and other risks. In 2005, the State set a goal to reduce statewide emissions to 80% below 1990 GHG emissions levels by 2050. Since then, two sets of legislation codified statewide GHG reduction targets to reduce emissions to 1990 levels by 2020 and 40% below 1990 levels by 2030.

In addition to the State mandate, in its 2011 General Plan Update (2011 GPU), the County of San Diego (County) included a mitigation measure to develop a Climate Action Plan (CAP) to reduce GHGs consistent with State targets. The initial CAP approved by the County Board of Supervisors (Board) on June 20, 2012 (2012 CAP) was subsequently challenged in court and invalidated. After litigation concluded, the Board rescinded the 2012 CAP and staff began preparing an entirely new CAP in April 2015.

To meet State targets, the County must reduce total emissions by approximately 520,000 metric tons of carbon dioxide equivalent ($MTCO_2e$) in 2020 and 1.8 million $MTCO_2e$ in 2030. The County is on track to meet its 2020 target. State legislation and actions will help reduce emissions locally by 899,547 $MTCO_2e$ to meet the 2030 target, leaving the County responsible for reducing another 897,145 $MTCO_2e$ by 2030.

On August 10, 2017, the County released a draft CAP (August 2017 CAP) and Draft Supplemental Environmental Impact Report for public review. The August 2017 CAP identified GHG emissions, projections, and reduction targets in the county's unincorporated areas and from County operations,

and included reduction strategies and measures to ensure the County meets the State targets by 2020 and 2030.

Based on comments received during the public review period, at informational meetings held throughout the county, and at Planning Commission meetings, staff have revised the August 2017 CAP to create a draft Final Climate Action Plan (draft Final CAP) (Attachment A). The draft Final CAP includes strategies and measures that address opportunities and constraints of the unincorporated county's diverse landscape of open spaces, rural villages, and agricultural lands. It is structured to advance and build upon the 2011 GPU's vision and guiding principles to promote health, sustainability, environmental stewardship, vitality of the local economy, and individual character of existing communities. It also reinforces the County's plans and programs, such as the Multiple Species Conservation Program and the County's Strategic Energy Plan, to reduce GHGs.

In addition to the staff recommendation, three alternative policy options are included for consideration. The options, based on stakeholder input, focus on renewable energy, housing affordability, and residential and non-residential development. This report also summarizes the implementation costs associated with (Attachment H-1) and cost-effectiveness of (Attachment H-2) the draft Final CAP.

## B. REQUESTED ACTIONS

This is a request for the Planning Commission (Commission) to consider the draft Final Climate Action Plan and related information, and the draft Final Supplemental Environmental Impact Report (draft Final SEIR). If the required findings can be made, staff recommends the Commission recommend the Board of Supervisors:

1. Adopt the California Environmental Quality Act (CEQA) Findings which include the certification and findings regarding significant effects of the project, the mitigation and monitoring program, the Statement of Overriding Considerations, and the recirculation statement prepared pursuant to CEQA Guidelines Sections 15088.5, 15090, 15091, 15093, and 15097 (Attachment K) and Certify the Final Supplemental Environmental Impact Report (Attachment J).

2. Adopt the Guidelines for Determining Significance for Climate Change, dated January 2018 (Attachment D).

3. Adopt the Greenhouse Gas Threshold of Significance, dated January 2018 (Attachment D).

4. Adopt the revised Climate Action Plan (Attachment A), which includes modifications consistent with the Final SEIR "Increased Solid Waste Diversion Alternative", and also modifications to include one new reduction measure and three increased measures.

5. Adopt the Climate Action Plan Consistency Review Checklist, dated January 2018 (Attachment B).

6. Adopt the Report Format and Content Requirements for Climate Change, dated January 2018 (Attachment E).

7. Adopt the RESOLUTION OF THE COUNTY OF SAN DIEGO BOARD OF SUPERVISORS UPDATING THE 2011 GENERAL PLAN UPDATE PROGRAM ENVIRONMENTAL IMPACT REPORT MITIGATION MEASURE CC-1.2, CC-1.7, AND CC-1.8 (Attachment F-1).

8. Adopt the RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS ADOPTING THE GENERAL PLAN AMENDMENT PDS2016-GPA-16-007, AMENDING THE 2011 GENERAL PLAN UPDATE GOAL COS-20 AND POLICY COS-20.1 (Attachment F-2).

## C. BACKGROUND

### 1. State Legislation and Legal Context

In 2005, then Governor Schwarzenegger issued Executive Order (EO) S-3-05, which set a greenhouse gas (GHG) reduction goal to reduce statewide emissions to 80% below 1990 emissions levels by 2050. Thereafter, Governor Schwarzenegger signed 2006 Assembly Bill 32 (AB 32) to reduce emissions to 1990 levels by 2020, and Governor Brown signed 2014 Senate Bill 32 (SB 32) to reduce emissions to 40% below 1990 levels by 2030.

In 2011, the Board of Supervisors (Board) adopted a comprehensive update of the County of San Diego (County) General Plan (2011 GPU). The 2011 GPU provides a framework for future growth and development in the unincorporated areas that balances the need for infrastructure, housing, and economic vitality, while maintaining and preserving the county's unique and diverse communities, agricultural areas, and open space.

Conservation and Open Space (COS) Policy COS-20.1 in the 2011 GPU and Climate Change (CC) Mitigation Measure CC-1.2 in the 2011 GPU Program Environmental Impact Report required the preparation of a Climate Action Plan (CAP) to reduce GHG emissions consistent with State legislation.

The Board adopted a CAP on June 20, 2012 (2012 CAP), which was subsequently challenged in court and invalidated. After litigation concluded, the Board rescinded the 2012 CAP on April 8, 2015. A new CAP must be considered by the Board by winter 2018.

### 2. Climate Action Plan Methodology

Greenhouse Gas Emissions Inventory

The County developed reduction targets based on the per-capita targets relative to the State's 1990 base year, using a 2014 GHG emissions inventory. The use of the most recent inventory available is consistent with guidance from the California Air Resources Board (CARB) and recommended methodologies.

The 2014 GHG emissions inventory identified and quantified GHG emissions from activities within the unincorporated county and from County operations across nine sectors: On-Road Transportation; Off-Road Transportation; Electricity; Natural Gas; Propane; Solid Waste; Agriculture; Water; and Wastewater. The inventory identified emissions that can be readily estimated, monitored, and reduced, and provided the base that was used to calculate emission projections, establish reduction targets, and develop reduction measures.

The 2014 GHG emissions in the unincorporated county and from County operations were 3,211,505 metric tons of carbon dioxide equivalent ($MTCO_2e$). The On-Road Transportation sector was the largest source of emissions, contributing 45% of the total GHG emissions for 2014.

Electricity (24%) and Solid Waste (11%) were the next largest emitters, followed by Natural Gas (9%) and Agriculture (5%).

Projections

GHG projections estimate future emission levels based on a continuation of current trends in activity, population growth, and known legislative actions that could affect emissions in the future. The projections demonstrate the expected growth in GHG emissions if no reduction actions are taken by the State or at the local level and represent anticipated population, housing, employment, and transportation activity growth over time based on the build-out of the County's General Plan. For 2020, the projected emissions are 3,407,168 $MTCO_2e$; for 2030 they are 3,723,596 $MTCO_2e$; and for 2050 they are 4,220,560 $MTCO_2e$.

Targets

AB 32, SB 32, and EOs B-30-15 and S-3-05 use 1990 as a base year to identify statewide GHG reduction targets. Reductions for the 2020 and 2030 targets and the 2050 goal in the County's draft Final Climate Action Plan (draft Final CAP) (Attachment A) were developed based on current guidance from CARB in "California's 2017 Climate Change Scoping Plan" (CARB 2017). At the community-level, CARB recommends a reduction target for local CAPs of six $MTCO_2e$ per capita for 2030 and two $MTCO_2e$ per capita for 2050. According to CARB, these per-capita goals are consistent with the State's 1990 emissions limits established under AB 32.

The County's 2020 and 2030 reduction targets and 2050 goal are: two percent below 2014 levels by 2020; 40% below 2014 levels by 2030; and 77% below 2014 levels by 2050. To meet the targets, total emissions must be equal to or less than 3,147,275 $MTCO_2e$ in 2020 and 1,926,903 $MTCO_2e$ in 2030. To meet the goal set for 2050, total emissions must be equal to or less than 738,646 $MTCO_2e$.

The County is on track to meet the 2020 target. For the 2030 target, State legislation and actions will help reduce emissions locally by 899,547 $MTCO_2e$ and the County will need to reduce emissions by an additional 897,145 $MTCO_2e$, totaling 1,796,692 $MTCO_2e$ in reductions from the 2030 projection to achieve the 2030 target emissions level.

County Planning Context and Strategic Planning

The County has prepared a draft Final CAP that reflects the geographic setting and planned future land use patterns established in the 2011 GPU. The unincorporated county encompasses approximately 2.3 million acres, or 3,570 square miles and had a population of 454,599 in 2014. Only 35% of the land area is privately owned. The San Diego region is recognized as one of the most biologically important and diverse areas in the U.S. and ranks among the top 10 agricultural counties in California. The county includes 26 distinct communities that vary from suburban densities and scales to lower density rural communities. The pattern of development is generally low density and General Plan policies direct growth to rural villages. Bus and light rail transit services are provided by other entities and are very limited within the unincorporated area. Transit services are also constrained by funding resources with competitive regional priorities.

The County's 2018-2023 Strategic Plan includes a vision to be a region that is building better health, living safely, and thriving. The County has an extensive portfolio of plans, programs and

initiatives that are aligned with and contribute to the draft Final CAP. These programs include the following:

a. *Live Well San Diego* vision that seeks to help communities with building better health, living safely, and thriving;

b. *Live Well San Diego Food System Initiative* that supports a robust and resilient local food system that builds healthy communities, supports the economy, and enhances the environment;

c. Comprehensive Renewable Energy Plan Phase One Report that presents options to increase renewable energy use;

d. Purchase of Agriculture Conservation Easement program that promotes the long-term preservation of agriculture;

e. Multiple Species Conservation Program that ensures the long-term survival of the region's sensitive plant and animal species, including endangered species;

f. 2015-2020 Strategic Plan to Reduce Waste diversion programs and policies that achieve 75% diversion and implement strategies targeting Zero Waste including waste prevention, reuse, repair, recycling, and composting;

g. Strategic Energy Plan (SEP) that ensures sustainability practices are integrated into the County's operations and to minimize water and energy consumption costs;

h. 2016 Green Fleet Action Plan Implementation Strategy that implements the SEP's Transportation Strategy and achieve GHG reductions from the County's vehicle fleet;

i. Green Building Incentive Program that promotes the use of efficient construction materials, water conservation, and energy efficiency in new and remodeled residential and commercial buildings; and

j. Solar Photovoltaic Fee Waiver Program that waives building permit fees for residential solar installations.

**3. August 2017 CAP and Public Outreach**

On August 10, 2017, a draft CAP was released for public review (August 2017 CAP). The August 2017 CAP was developed through local and statewide best practices research, and extensive stakeholder input. The County Public Outreach and Engagement Plan included a comprehensive approach to engage diverse audiences and collect stakeholder input prior to the release of the August 2017 CAP and Draft Supplemental Environmental Impact Report (Draft SEIR).

Staff solicited input from more than 50 stakeholder groups in the environmental, business, and community sectors, through more than 100 public events. A workshop on CAP development was held for the Community Planning Group (CPG) and Community Sponsor Group (CSG) Chairs on April 16, 2016. CPG and CSG members were invited to the public meetings and have been engaged throughout the process; individual CPG and CSG meetings were not held.

A County Internal Working Group was established to engage 11 County departments involved with the CAP to develop the August 2017 CAP. In February 2017, the Board formally transitioned the Internal Working Group into a Sustainability Task Force to implement energy efficiency, renewable energy, and sustainability plans, policies, and programs. Upon adoption of the draft Final CAP, the Sustainability Task Force will oversee CAP implementation.

The August 2017 CAP included 11 strategies, 29 measures, and various supporting efforts to meet 2030 GHG reduction targets with an overall reduction of 897,145 $MTCO_2e$. Strategies were organized into five emission categories: Built Environment and Transportation, Energy, Solid Waste, Water and Wastewater, and Agriculture and Conservation. Measures described the programs, actions, timeframes, GHG reductions, and incentives necessary to achieve the GHG reductions.

The August 2017 CAP and Draft SEIR were released for public review from August 10, through September 25, 2017. Comments received centered on several key strategies:

a. Increasing County initiatives relating to CAP reductions;

b. Reducing emissions from the transportation sector;

c. Feasibility of the local direct investment program;

d. Improving energy efficiency and generation of renewable energy; and

e. Costs associated with the CAP.

Staff provided periodic CAP progress updates to the Planning Commission (Commission) in April and November 2016 and June 2017. On October 20, 2017, a public informational meeting with the Commission was held to review the August 2017 CAP in detail. In general, Commission comments focused on:

a. Are there more opportunities to increase GHG reductions in the transportation sector?

b. What CAP requirements go beyond State requirements and what are the alternatives?

c. How will the CAP impact development costs and housing affordability, and how can these costs be reduced?

d. What are the potential CAP implementation costs to the County, taxpayers, residents, and businesses?

## D. DRAFT FINAL CLIMATE ACTION PLAN

This section of the report describes the draft Final Climate Action Plan (draft Final CAP) (Attachment A), with sub-sections that describe revisions made to the August 2017 CAP and detail two measures that achieve a significant reduction in GHGs and require the County develop new programs: the Local Direct Investment Program and the Renewable Energy Program.

The draft Final CAP is responsive to many of the questions and comments received from the public and Planning Commission. It includes five emission categories with 11 strategies, 30 measures, and

various supporting efforts that identify programs and policy actions the County of San Diego (County) will carry out to achieve greenhouse gas (GHG) reductions. Each measure is achievable, measurable, and enforceable under County jurisdiction, and has an implementation timeframe, associated cost, funding mechanism, and responsible party. Table D-1 shows the distribution of GHG reductions by measure for the draft Final CAP.

The measures in the draft Final CAP that will reduce the greatest number of GHG emissions locally include: installing solar photovoltaics in existing homes; increasing renewable electricity; implementing local direct investments; increasing solid waste diversion; and improving building energy efficiency in new development.

Since the largest source of emissions is the On-Road Transportation sector, the draft Final CAP proposes several measures under the "Built Environment and Transportation" category to reduce the number and length of vehicle trips. These measures include a proposal to update 10 community plans by 2030 to facilitate village development, and another to acquire open space lands, together supporting implementation of General Plan recommendations for targeted growth and conservation. The County has limited options under its control for implementing transportation-based strategies and relies heavily on energy-based solutions to meet the County's commitments.

**Table D-1: Summary of Draft Final CAP Measures**

| | | Measure Name | Type[1] | Status | 2030 Reductions ($MTCO_2e$) |
|---|---|---|---|---|---|
| 1. | T-1.1 | Acquire Open Space Conservation Land | CI | Existing | 5,771 |
| 2. | T-1.2 | Acquire Agricultural Easements | CI | Expanded | 2,330 |
| 3. | T-1.3 | Update Community Plans | CI | Expanded | 13,949 |
| 4. | T-2.1 | Improve Roadway Segments as Multi-Modal | CI | Existing | 604 |
| 5. | T-2.2 | Reduce New Non-Residential Development Vehicle Miles Traveled | R | New | 2,180 |
| 6. | T-2.3 | Reduce County Employee Vehicle Miles Traveled | CI | Expanded | 7,473 |
| 7. | T-2.4 | Shared and Reduced Parking in New Non-Residential Development | R | New | 1,392 |
| 8. | T-3.1 | Use Alternative Fuels in New Residential and Non-Residential Construction Projects | R | New | 2,213 |
| 9. | T-3.2 | Use Alternative Fuels in County Projects | CI | Existing | 364 |
| 10. | T-3.3 | Develop a Local Vehicle Retirement Program | I | New | 446 |
| 11. | T-3.4 | Reduce the County's Fleet Emissions | CI | Existing | 3,673 |
| 12. | T-3.5 | Install Electric Vehicle Charging Stations | CI | New | 11,987 |
| 13. | T-4.1 | Establish a Local Direct Investment Program | CI | New | 175,460 |
| 14. | E-1.1 | Improve Building Energy Efficiency in New Development | R | New | 38,708 |
| 15. | E-1.2 | Use Alternatively-powered Water Heaters in Residential Development | R | New | 19,176 |
| 16. | E-1.3 | Improve Building Energy Efficiency in Existing Development | R | New | 3,694 |
| 17. | E-1.4 | Reduce Energy Use Intensity at County Facilities | CI | Existing | 10,702 |
| 18. | E-2.1 | Increase Renewable Electricity | CI | New | 229,852 |

| | | Measure Name | Type[1] | Status | 2030 Reductions ($MTCO_2e$) |
|---|---|---|---|---|---|
| 19. | E-2.2 | Increase Renewable Electricity in Non-Residential Development | R | New | 13,444 |
| 20. | E-2.3 | Install Solar Photovoltaics in Existing Homes | I | Existing | 260,322 |
| 21. | E-2.4 | Increase On-Site Renewable Electricity Generation for County Operations | CI | Existing | 5,417 |
| 22. | SW-1.1 | Increase Solid Waste Diversion | CI | Existing | 57,103 |
| 23. | W-1.1 | Increase Water Efficiency in New Residential Development | R | New | 87 |
| 24. | W-1.2 | Reduce Outdoor Water Use | R | New | 17,535 |
| 25. | W-1.3 | Reduce Potable Water Consumption at County Facilities | CI | Existing | 276 |
| 26. | W-2.1 | Increase Rain Barrel Installations | I | Existing | 23 |
| 27. | A-1.1 | Convert Farm Equipment to Electric | I | New | 6,737 |
| 28. | A-1.2 | Convert Stationary Irrigation Pumps to Electric | I | New | 3,249 |
| 29. | A-2.1 | Increase Residential Tree Planting | R | New | 1,244 |
| 30. | A-2.2 | Increase County Tree Planting | CI | Expanded | 1,735 |
| | | | | Total | 897,145[2] |

[1]County Initiative (CI); Requirement (R); or Incentive (I)
[2]Total is not exact due to rounding.

## 1. Revisions to the August 2017 CAP

The revisions to the August 2017 CAP are consistent with the General Plan goals and policies, and include:

a. Measure T-3.1: Alternative Fuel in Construction Equipment – An increase of the 2030 target from 10% to 25% to require new residential and non-residential construction projects in the unincorporated county to use alternative fuels in 25% of construction equipment. This addresses public comments about reducing emissions from the transportation sector;

b. Measure T-3.3: Local Vehicle Retirement Program – An increase of the 2030 target from 800 vehicles to 1,600 vehicles to retire 1,600 late-model vehicles (model year 1996 or older) in the unincorporated county by 2030. This addresses public comments about reducing emissions from the transportation sector;

c. Measure E-1.4: Energy Use Intensity at County Facilities – An increase of the 2030 target from 15% to 20% to reduce energy use intensity at County facilities by 20% below 2014 levels by 2030. This addresses public comments about increasing County initiatives relating to CAP reductions and improving energy efficiency; and

d. Measure T-3.5: Install Electric Vehicle Charging Stations – A new measure to install 2,040 Level 2 electric vehicle charging stations through public-private partnerships at priority locations in the unincorporated county by 2030. This addresses public comments about reducing emissions from the transportation sector.

**2. Local Direct Investment Program**

Measure T-4.1 requires the County to establish a local direct investment program by 2020 to implement multiple projects throughout the unincorporated county that reduce GHGs. The County's consultant, Ramboll Inc., provided a detailed Preliminary Assessment of the County of San Diego Local Direct Investment Program (Preliminary Assessment) (Attachment H-3). The Preliminary Assessment identified how this measure can achieve a range of reductions through local direct investment protocols (50,100 $MTCO_2e$ to 198,800 $MTCO_2e$) and confirms the analysis provided in the Draft SEIR, which assumed a 190,262 $MTCO_2e$ reduction from this measure.

Ramboll Inc. reviewed protocols from four California Air Resources Board approved or acknowledged GHG offset registries to determine applicability to the County and the possible GHG reductions and costs associated with implementing each of the direct investment projects. The Preliminary Assessment identified 51 project types that are available for the County to consider, as they can be sourced in the unincorporated county. Other California jurisdiction's CAPs contain actions similar to the project types identified (Attachment H-4); however, none have bundled the projects into a single measure.

The Preliminary Assessment also evaluated direct costs (i.e., capital costs, operation and maintenance costs) of the local direct investment projects; costs associated with listing the projects and associated offsets in registries (which range from $56,000 to $218,000 per project), and administrative costs for creating, managing, and developing a local direct investment program. Actual costs will depend on the types of projects prioritized for implementation in the program to be developed for the Board of Supervisor's (Board) consideration in 2020; however, a survey of the direct cost for each of the methodologies shows a range of $14 million to $55 million for a maximum reduction of 198,800 $MTCO_2e$.

**3. Renewable Energy Program**

Measure E-2.1 establishes a County Renewable Energy Program to achieve 90% renewable electricity for the unincorporated county by 2030 to lower GHG emissions by relying on cleaner electricity. This applies to the electricity transmitted through the grid and does not include electricity generated by individual sources, such as a home with rooftop solar photovoltaic.

This target will be achieved through the establishment of a Renewable Energy Program, which could include a partnership with a public utility, forming a new Community Choice Aggregation (CCA) or joining an existing CCA, or expanding the direct access program. A comparative analysis of the viable options will consider how electricity is supplied and delivered, how rates are set, impacts on customers, and overall costs for the County. When completed, the comparative analysis, which will include a status update on CCA feasibility studies, will be brought to the Board for consideration, as directed on February 15, 2017.

Locally, the City of San Diego (City) received a partnership proposal from San Diego Gas & Electric (SDG&E) in October 2017, outlining a possible framework to achieve 100% renewable energy for City residents. SDG&E proposes a mutual decision-to-proceed checkpoint in early 2019 to consider potential program impacts from legislative and market changes. The program would require California Public Utilities Commission (CPUC) approval.

Currently, the CPUC is evaluating exit fees that would be applied to customers who leave an investor owned utility to purchase electricity from an alternative supplier, which could impact potential customer rates. A preliminary decision is expected in summer 2018. Staff will continue monitoring other jurisdictions' efforts and State regulations that will inform the County's Renewable Energy Program.

## E. IMPLEMENTATION COSTS

Two cost studies were conducted by the Energy Policy Initiatives Center (EPIC) to identify County of San Diego (County) implementation costs and the cost-effectiveness of measures. The implementation cost report classifies and estimates implementation costs to the County for the activities in the draft Final Climate Action Plan (draft Final CAP) (Attachment A). The cost-effectiveness analysis estimates the cost of each measure to reduce a unit of greenhouse gas (GHG) emissions, and identifies the benefits received and costs incurred by home and business owners.

### 1. Implementation Cost Report

The Climate Action Plan Implementation Cost Report (Report) (Attachment H-1) identifies a total cost of $236.4 million to implement the draft Final CAP in the first six years (FY 2017-18 to FY 2022-23). Ninety percent (90%) of the costs ($212.1 million) are associated with existing and funded activities and programs that are currently operational and contribute toward CAP goals. The new and expanded activities and programs, estimated at $24.3 million, are 10% of the total cost to implement the draft Final CAP in the first six years. Key findings from the analysis include:

a. Total implementation costs are steady over the six-year period;

b. Existing programs account for a significant portion of implementation costs;

c. Incremental implementation costs are comparatively low;

d. A limited number of incremental programs are unfunded; and

e. Current staffing levels are sufficient to cover most of the implementation activities.

The Report estimates the County costs over a six-year period from FY 2017-18 through FY 2022-23, and identifies the potential budget impacts in the first years of CAP implementation. The costs will be reflected in the County's Operational Plan for FY 2018-19 and FY 2019-20. Through implementation and monitoring, including the five-year CAP updates and annual progress reporting, the County will track implementation efforts and reassess costs to synchronize with the budget process. The County will also monitor funding opportunities and mechanisms to leverage other financing sources.

### 2. Cost-Effectiveness Analysis

In addition to estimating implementation costs for the County, EPIC analyzed the cost effectiveness of the CAP measures and to determine the financial impact on home and business owners in the unincorporated area. The Climate Action Plan Cost-Effectiveness Analysis (Analysis) (Attachment H-2) identified, for each measure, the cost to reduce one ton of carbon dioxide equivalent to compare the cost-effectiveness of 29 of the 30 measures, excluding Measure T-4.1, relative to

each other. Costs associated with Measure T-4.1 are analyzed in the Preliminary Assessment of the County of San Diego Local Direct Investment Program (Attachment H-3).

The cost to reduce one ton of carbon dioxide equivalent (i.e., dollars per metric ton) includes costs to the County, residents, businesses, and any related subsidies, rebates, and incentives. The cost-effectiveness analysis was performed for the near-term target year of 2020 and for the interim year of 2023, which aligns with the County's budget forecast. The Analysis considered the effectiveness for existing activities and for new and expanded activities.

Existing Activities

The County has existing programs and initiatives that are funded, currently operational, and contribute towards CAP goals. A co-benefit of these programs is GHG reduction. For example, the County's Strategic Plan to Reduce Waste primary goals are to extend local landfill capacity and increase recycling and composting. Measure SW-1.1: Increase Solid Waste Diversion, achieves reductions as this program is implemented. The net cost to reduce one metric ton of GHG is $99, however GHG reduction is a secondary goal for this Plan.

In contrast, Measure W-2.1: Increase Rain Barrel Installations is an existing County program that connects unincorporated county residents with the County Water Authority and Metropolitan Water District of Southern California for rain barrel rebates. This measure is cost-effective at reducing GHG emissions with a net benefit of $1,292 per metric ton reduced; however, the emissions reductions achieved by this measure are relatively low compared to the other 29 measures.

New and Expanded Activities

New and expanded activities that are the most cost-effective in reducing GHG emissions include Measure T-1.3: Community Plan Updates, which is an expanded activity, and Measure W-1.2: Reduce Outdoor Water Use, which is a new requirement that would reduce potable outdoor water use for landscaping. These measures achieve relatively high GHG reductions at a relatively low cost when compared to the other measures, making them the most cost-effective at reducing GHG emissions.

Measure T-3.3: Develop a Local Vehicle Retirement Program is a less cost-effective measure; however, it is funded through existing San Diego Air Pollution Control District mobile source incentive funds and provides an incentive to participants. This new County program would provide a cash incentive to residents or businesses to retire passenger vehicles or light-duty trucks model year 1996 or older. Participants have the choice to replace their vehicle and could use this incentive towards a newer, more fuel-efficient model.

Upfront Costs for Homeowners and Businesses to Comply

The Analysis also considered the upfront financial impacts to participants, such as homeowners and businesses, through 2023. This includes anticipated upfront costs to comply with the draft Final CAP for both new and existing residential and non-residential development and estimates the net benefit or net cost of each new requirement over the lifetime of implementation, after accounting for related rebates or other incentives.

For example, by 2023, the average new home will incur an incremental cost of approximately $15,000 to comply with the draft Final CAP. However, over the lifetime of the installation of these improvements from new requirements, such as increasing water efficiency and reducing potable outdoor water use, the net benefit is more than $5,700 per home.

The upfront cost to comply with new requirements for commercial development is estimated to be approximately $52 per square foot, but over the lifetime of the improvements there is a net benefit of approximately $20 per square foot. These benefits are achieved through energy savings from building energy efficiency improvements and reducing outdoor landscaping water use.

Existing residential and commercial units may incur upfront costs if an action is taken that triggers the need for compliance. For example, Measure E-1.2: Use Alternatively-powered Water Heaters in Residential Development requires new and replacement water heaters in residential units to be either solar, electrically powered, or tankless gas. Existing residential units would not need to comply with this requirement until their water heater needs replacement (the average life span of a water heater is 13 years).

## F. DRAFT FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT

### 1. Project Description

The draft Final Supplemental Environmental Impact Report (draft Final SEIR) (Attachment J) identifies the potential impacts that could result from implementation of the Project. The following proposed actions constitute the Project analyzed in the draft Final SEIR:

a. Draft Final Climate Action Plan (draft Final CAP) (Attachment A) – Includes strategies and measures to reduce greenhouse gas (GHG) emissions from the unincorporated county and County of San Diego (County) operations;

b. General Plan Update (GPA) (Attachment C) – Updates General Plan Conservation and Open Space (COS) Element Goal COS-20 and Policy COS-20.1;

c. 2011 General Plan Update (2011 GPU) Program EIR (PEIR) Mitigation Measure (MM) Amendment (Attachment C) – Updates the 2011 GPU PEIR, including revised mitigation measures and a revised Mitigation, Monitoring, and Reporting Program, specifically Climate Change (CC) MM CC-1.2, CC-1.7 and CC-1.8;

d. Guidelines for Determining Significance for Climate Change (Guidelines) (Attachment D) – Developed pursuant to the updated MM CC-1.7 and CC-1.8 of the 2011 GPU PEIR. County staff will use this document as part of the environmental review process to evaluate GHG emissions for future individual discretionary projects;

e. GHG Threshold of Significance (2011 GPU PEIR Update) (Attachment D) – Incorporates a "threshold of significance" in accordance with the 2011 GPU PEIR MM CC-1.7 (as updated) for general use as part of the County's environmental review process to be separately adopted by the Board of Supervisors (Board):

> "A proposed project would have a less than significant cumulatively considerable contribution to climate change impacts if it is found to be consistent with the County's

Climate Action Plan; and, would normally have a cumulatively considerable contribution to climate change impacts if it is found to be inconsistent with the County's Climate Action Plan."

f. CAP Consistency Review Checklist (Checklist) (Attachment B) – Implements GHG reduction measures from the draft Final CAP that apply to new development projects that require environmental review; and

g. Report Format and Content Requirements for Climate Change (Attachment E) – Provides guidance on the proper format and required content of GHG technical reports for discretionary projects.

The draft Final SEIR identifies mitigation measures that would reduce potentially significant impacts to the extent feasible. The draft Final SEIR also functions as a PEIR under California Environmental Quality Act (CEQA) Guidelines Section 15168 for streamlining future projects. The draft Final CAP supports future project-specific GHG emissions analyses consistent with the tiering and streamlining provisions of CEQA. The draft Final SEIR provides the appropriate level of environmental review to allow future projects to tier from and streamline analysis of GHG emissions. The draft Final SEIR does not provide project-level review of any specific development projects within the unincorporated county.

**2. Potentially Significant Environmental Impacts**

The County has determined that the Project could potentially result in one or more new significant effects that were not previously evaluated in the 2011 GPU PEIR. The County prepared a Supplement to the 2011 GPU PEIR consistent with the requirements of CEQA Guidelines Section 15163.

Table S-1 in the draft Final SEIR (Attachment J), Summary of Significant Impacts and Mitigation Measures, summarizes the results of the environmental analysis completed for the project. Table S-1 also includes mitigation measures proposed to reduce or avoid the environmental effects of the CAP measures, with a conclusion as to whether the impact has been mitigated to below a level of significance. Detailed analyses of significant environmental impacts are discussed in Chapter 2.0 of the draft Final SEIR, and effects found not to be significant during preparation of the draft Final SEIR are found in Chapter 3.0. The Final SEIR evaluated potentially significant effects for the following environmental areas of potential concern: Aesthetics; Agricultural and Forestry Resources; Air Quality; Biological Resources; Cultural and Historical Resources; Greenhouse Gas Emissions; Hazards and Hazardous Materials; Hydrology and Water Quality; Land Use and Planning; Noise; Transportation and Traffic; and Tribal Cultural Resources.

**3. Project Alternatives**

Alternatives are developed to avoid or substantially lessen significant or potentially significant adverse environmental effects identified because of the implementation of the project, while still attaining most of the basic project objectives.

No Project Alternative

CEQA Guidelines require that an EIR evaluate and analyze the environmental impacts of the "No Project Alternative" to examine and compare potential environmental consequences associated with not approving the draft Final CAP, GPA, GHG Threshold of Significance, and Guidelines. This alternative assumes that development would occur under the existing 2011 GPU as adopted, but without a qualified CAP.

Under the "No Project Alternative," the County would not have a program in place to meet the State targets. In addition, without a CAP in place, the "No Project Alternative" would not achieve any of the draft Final SEIR's project objectives and would not provide a streamlining mechanism for future development projects to evaluate their GHG impacts.

Enhanced Direct Investment Program Alternative

This alternative would pursue a greater level of local direct investment projects in exchange for eliminating the renewable energy program component of Measure E-2.1: Increase Renewable Electricity. By eliminating the renewable energy program component, this alternative would eliminate the induced demand for potentially larger and a greater number of large-scale renewable energy systems. While large-scale renewable energy systems could still be developed and their associated impacts could occur, this alternative would eliminate the induced demand for these systems; thereby reducing the total number of systems that would occur within the unincorporated county. As discussed in the Findings and Statement of Overriding Considerations (Attachment K), this alternative was determined to no longer be feasible.

100% Renewable Energy Alternative

This alternative would increase the use of renewable energy from 90% proposed under the project to 100% by 2030. This would be achieved in the same manner as the draft Final CAP, with increased reliance on large-scale solar photovoltaic, wind, and geothermal facilities, and small-scale residential wind and solar sources.

Increased Solid Waste Diversion Alternative

This alternative would implement a GHG reduction measure that would increase solid waste diversion from 75% in 2030 proposed under the project to 80% by 2030. Currently, Measure SW-1.1: Increase Solid Waste Diversion would result in 57,103 metric tons of carbon dioxide equivalent ($MTCO_2e$) in GHG reductions by 2030. This alternative assumes that the County would achieve a 5% increase in the diversion rate of solid waste countywide by 2030 and would further accelerate the reduction that would occur over the life of the project to provide 21,950 $MTCO_2e$ in additional GHG reductions by 2030. To achieve this increased diversion rate would require the expansion of existing facilities or the construction of new facilities.

## G. STAFF RECOMMENDATION AND OPTIONS

This section of the report summarizes the staff recommendation and options that have been prepared in response to public comments.

## 1. Staff Recommendation

Staff recommends adoption of the draft Final Climate Action Plan (draft Final CAP) (Attachment A) with the addition of the "Increased Solid Waste Diversion Alternative" described in the draft Final Supplemental Environmental Impact Report (draft Final SEIR) (Attachment J). All modifications are consistent with draft Final SEIR. The measures will collectively reduce greenhouse gas (GHG) emissions by 897,145 metric tons of carbon dioxide equivalent ($MTCO_2e$).

The draft Final SEIR "Increased Solid Waste Diversion Alternative" would increase the target for Measure SW-1.1 from 75% waste diversion by 2030 to 80% waste diversion by 2030. If adopted, reductions associated with Measure SW-1.1 would increase by 21,950 $MTCO_2e$ to 79,052 $MTCO_2e$ and reductions associated with the Local Direct Investment Program, Measure T-4.1, would be reduced to 153,511 $MTCO_2e$.

## 2. Climate Action Plan Options

Staff developed three options that can be considered to modify the staff recommendation to respond to concerns raised by stakeholders. These changes are covered by the analysis of the draft Final SEIR and Alternatives and either increase or decrease local direct investments to allow for the removal of specific measures to meet the 2030 target, none of which would result in any new significant environmental impacts.

The staff recommendation, which includes the draft Final CAP with the draft Final SEIR "Increased Solid Waste Diversion Alternative," is the starting point for each option. Each option assumes the staff recommendation with the modifications outlined in the following sections.

If approved by the County of San Diego (County) Board of Supervisors (Board), the necessary revisions to the draft Final CAP are included in Attachments M, N, and O. The options detailed in the following sections would not result in any new significant environmental impacts and the associated increases to Measure T-4.1 have been sufficiently analyzed within the draft Final SEIR (Attachment J, Chapter 2.7 and Appendix B). In addition, the draft Final SEIR "100% Renewable Energy Alternative" has been analyzed to a level of specificity that would allow the Board to select the alternative for inclusion in the Final CAP to achieve additional reductions.

<u>Option 1 – Renewable Energy</u>

The Renewable Energy option is in response to comments related to increasing Measure E-2.1: Increase Renewable Electricity from 90% to 100% renewable electricity by 2030. As shown in Attachment M-2, increasing the renewable electricity target in Measure E-2.1 would result in an additional reduction of 52,701 $MTCO_2e$, reducing the reductions needed from Measure T-4.1 to 100,294 $MTCO_2e$.

There are no additional County implementation costs associated with increasing the measure to 100% renewable energy within the first six fiscal years, as detailed in the Implementation Cost Report (Attachment H-1). Evaluation of additional implementation costs would occur during the development of the Renewable Energy Program.

Option 2 – Housing Affordability

The Housing Affordability option is in response to concerns related to potential increases to housing costs. This option removes three measures, or portions thereof, that go beyond State requirements and affect new and existing residential development:

a. T-3.1: Use Alternative Fuels in New Residential and Non-residential Construction Projects (would only remove the requirement for residential);

b. E-1.1: Improve Building Energy Efficiency in New Development (would only remove the requirement for residential); and

c. E-1.3: Improve Building Energy Efficiency in Existing Development.

Option 2 supports housing affordability by eliminating requirements associated with new residential development, substantial remodels and renovations, and home sales in an effort to avoid costs that could affect housing affordability. As shown in Attachment N-2, removal of the residential portions of these three measures would require reductions from Measure T-4.1 to increase to 179,090 $MTCO_2e$ to achieve the 2030 target. Under this option, upfront costs associated with housing would decrease from $15,000 to $1,500 per home with a net benefit of $10,000 per home. County costs would increase due to increased reliance on local direct investments.

Option 3 – Residential and Non-residential Development

The Residential and Non-residential Development option is in response to concerns related to the cost to new development and housing affordability, and relies on the draft Final SEIR "100% Renewable Energy Alternative" to meet reduction targets. This option, which includes the draft Final SEIR "100% Renewable Energy Alternative," removes in their entirety the three measures noted in Option 2, and removes two additional measures:

a. E-2.2: Increase Renewable Energy in Non-residential Development; and

b. W-1.2: Reduce Outdoor Water Use.

Option 3 eliminates requirements associated with new residential and non-residential development; substantial remodels and renovations; home sales; and new and existing landscaping to avoid costs that could affect new development and housing affordability. As shown in Attachment O-2, removal of the five measures would require inclusion of the draft Final SEIR "100% Renewable Energy Alternative" (increase of 85,901 $MTCO_2e$ in reductions) and reductions from Measure T-4.1 to increase to 142,687 $MTCO_2e$ to achieve the 2030 GHG reductions.

Under Option 3, upfront costs associated with new residential development would be $1,200 a home with a net benefit of $300, and there would be no upfront costs for new non-residential development. County costs would increase due to increased reliance on local direct investments. The costs associated with increasing the renewable energy target from 90% to 100% by 2030 would not cause an increase in County implementation costs within the first six fiscal years and evaluation of additional costs would occur during the development of the Renewable Energy Program.

## H. RECOMMENDATIONS

Staff recommends that the Planning Commission recommend the Board:

a. Adopt the California Environmental Quality Act (CEQA) Findings which include the certification and findings regarding significant effects of the project, the mitigation and monitoring program, the Statement of Overriding Considerations, and the recirculation statement prepared pursuant to CEQA Guidelines Sections 15088.5, 15090, 15091, 15093, and 15097 (Attachment K) and Certify the Final Supplemental Environmental Impact Report (Final SEIR) (Attachment J).

b. Adopt the Guidelines for Determining Significance for Climate Change, dated January 2018 (Attachment D).

c. Adopt the Greenhouse Gas Threshold of Significance, dated January 2018 (Attachment D).

d. Adopt the revised Climate Action Plan (Attachment A), which includes modifications consistent with the Final SEIR "Increased Solid Waste Diversion Alternative", and also modifications to include one new reduction measure and three increased measures.

e. Adopt the Climate Action Plan Consistency Review Checklist, dated January 2018 (Attachment B).

f. Adopt the Report Format and Content Requirements for Climate Change, dated January 2018 (Attachment E).

g. Adopt the RESOLUTION OF THE COUNTY OF SAN DIEGO BOARD OF SUPERVISORS UPDATING THE 2011 GENERAL PLAN UPDATE PROGRAM ENVIRONMENTAL IMPACT REPORT MITIGATION MEASURE CC-1.2, CC-1.7, AND CC-1.8 (Attachment F-1).

h. Adopt the RESOLUTION OF THE SAN DIEGO COUNTY BOARD OF SUPERVISORS ADOPTING THE GENERAL PLAN AMENDMENT PDS2016-GPA-16-007, AMENDING THE 2011 GENERAL PLAN UPDATE GOAL COS-20 AND POLICY COS-20.1 (Attachment F-2).

| ***Report Prepared By***: | ***Report Approved By:*** |
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**ATTACHMENTS**:
Volume I through Volume III constitute the Project; Volume IV contains supplemental information related to the options presented in this Report.
**Disclaimer:** all attachments are pre-decision and deliberative and will not be included in the Planning Commission Report attachment within the Board of Supervisors Letter to avoid duplication.

Volume I – Climate Action Plan Documents

Attachment A – Draft Final Climate Action Plan
- A-1 – Draft Final Climate Action Plan Appendix A
- A-2 – Draft Final Climate Action Plan Appendix B
- A-3 – Draft Final Climate Action Plan Appendix C
- A-4 – Draft Final Climate Action Plan Appendix D
- A-5 – Draft Final Climate Action Plan Appendix E
- A-6 – Draft Final Climate Action Plan Appendix F

Volume II – Related Project Documents

Attachment B – Climate Action Plan Consistency Review Checklist

Attachment C – General Plan Amendment for the Climate Action Plan

Attachment D – Guidelines for Determining Significance for Climate Change

Attachment E – Report Format and Content Requirements for Climate Change

Attachment F – Draft Resolutions
- F-1 – Resolution of the County of San Diego Board of Supervisors Updating the 2011 General Plan Update Program Environmental Impact Report Mitigation Measure CC-1.2, CC-1.7, and CC-1.8
- F-2 – Resolution of the County of San Diego Board of Supervisors Adopting the General Plan Amendment PDS2016-GPA-16-007, Amending the 2011 General Plan Update Goal COS-20 And Policy COS-20.1
- F-3 – Resolution of the County of San Diego Board of Supervisors to Apply for and Accept Grant Funding to Support the Climate Action Plan

Attachment G – Staff Recommendation Documents
- G-1 – Staff Recommendation Climate Action Plan Modifications
- G-2 – Staff Recommendation Measure Quantification Table
- G-3 – Staff Recommendation Gap Analysis

Attachment H – Technical Reports
- H-1 – Climate Action Plan Implementation Cost Report
- H-2 – Climate Action Plan Cost-Effectiveness Analysis
- H-3 – Preliminary Assessment of the County of San Diego Local Direct Investment Program
- H-4 – Direct Investment Examples

Attachment I – Minute Orders from Board Hearings
- I-1 – 2011 General Plan Update Minute Order
- I-2 – 2012 Climate Action Plan Adoption Minute Order
- I-3 – 2012 Climate Action Plan Rescission Minute Order

Volume III – Supplemental Environmental Impact Report Documents

Attachment J – Final Supplemental Environmental Impact Report

- J-1 – Final Supplemental Environmental Impact Report Sections
- J-2 – Letters of Comment and Responses
- J-3 – Final Supplemental Environmental Impact Report Appendices

Attachment K – Findings and Statement of Overriding Considerations

Attachment L – Mitigation Monitoring and Reporting Program

Volume IV – Options Attachments

Attachment M – Option 1: Renewable Energy

- M-1 – Renewable Energy Option Climate Action Plan Modifications
- M-2 – Renewable Energy Option Measure Quantification Table
- M-3 – Renewable Energy Option Gap Analysis
- M-4 – Renewable Energy Option Draft Final Findings and Statement of Overriding Considerations

Attachment N – Option 2: Housing Affordability

- N-1 – Housing Affordability Option Climate Action Plan Modifications
- N-2 – Housing Affordability Option Measure Quantification Table
- N-3 – Housing Affordability Option Gap Analysis
- N-4 – Housing Affordability Option Draft Final Findings and Statement of Overriding Considerations

Attachment O – Option 3: Residential and Non-residential Development

- O-1 – Residential and Non-residential Development Option Climate Action Plan Modifications
- O-2 – Residential and Non-residential Development Option Measure Quantification Table
- O-3 – Residential and Non-residential Development Option Gap Analysis
- O-4 – Residential and Non-residential Development Option Draft Final Findings and Statement of Overriding Considerations