



## AGENDA SUMMARY EUREKA CITY COUNCIL

**TITLE:** Humboldt Regional Climate Action Plan Update

**DEPARTMENT:** Development Services

**PREPARED BY:** Cristin Kenyon, AICP, Director of Development Services

**PRESENTED FOR:**  Action  Information only  Discussion

### **RECOMMENDATION**

Receive report and provide comment

### **FISCAL IMPACT**

No Fiscal Impact  Included in Budget  Additional Appropriation

### **COUNCIL GOALS/STRATEGIC VISION**

- 2023-24 Strategic Vision Two-Year Goal: Adopt the Climate Action Plan
- 2040 General Plan Policy AQ-1.2: **GHG Reduction**. Continue to work with Redwood Coast Energy Authority to implement appropriate measures to reduce regional greenhouse gas emissions in Eureka, such as incentivizing the use of alternative energy sources, and periodically update the City's greenhouse gas inventory and reduction plan, consistent with State reduction targets and regulations.

### **DISCUSSION**

The County of Humboldt, in coordination with the seven incorporated cities, Redwood Coast Energy Authority, and Humboldt County Association of Governments (HCAOG) is developing a Climate Action Plan (CAP) to reduce greenhouse gas (GHG) emissions Countywide. In late April 2022, the County released a public review draft of the CAP, which outlines strategies to be implemented to reduce Countywide GHG emissions to 40% below 1990 levels by 2030 and make progress toward the State's goal of zero net emissions by 2045.

In the summer of 2022, the County entered into contract with Rincon Consultants, Inc. to begin work on an Environmental Impact Report to analyze the environmental impacts of the draft CAP under the California Environmental Quality Act (CEQA). During their review of the draft CAP, Rincon identified concerns with the document and has proposed revisions necessary to gain "qualified" status by the State.

This staff report describes the proposed strategies for revision, which Humboldt County Board of Supervisors approved at their October 17, 2023 meeting. Staff is recommending that the Eureka City Council support the County in its actions to continue to meet the goal of achieving a qualified CAP.

### **What is a Qualified CAP and Why is it Important?**

To be considered a “qualified” GHG reduction plan per CEQA Guidelines Section 15183.5(b), the CAP must:

1. Quantify existing and projected GHG emissions over a specified time period within a defined geographic area;
2. Establish locally and regionally appropriate reduction targets that are at least consistent with the State targets;
3. Identify and analyze sector-specific GHG emissions from categories of actions within the geographic area;
4. Specify measures/actions including performance standards that are supported by substantial evidence that would on a project-by-project basis collectively achieve the specified emissions level;
5. establish a mechanism to monitor progress and amend the plan if the specified emission targets are not achieved; and
6. be adopted in a public process following environmental review (CEQA).

As a result of the community outreach process, local decision-makers directed staff to develop a CAP that would be considered “qualified” by the State. A qualified CAP allows for CEQA streamlining of future development projects. As part of CEQA review for a future development project, the applicant would fill out a checklist to show their project is consistent with the qualified CAP rather than having to perform a detailed project-level GHG emissions analysis and develop independent mitigation measures for their impacts. This reduces the time and cost of environmental review and results in a more consistent implementation of GHG reduction objectives.

A qualified CAP is more effective than a CAP that is not qualified because it not only meets state objectives, but has regulatory leverage to require new development and activities to comply with the CAP. An unqualified CAP does not have the same authority over new development projects and would not provide the same effectiveness in GHG emissions reductions in the region. A qualified CAP also improves opportunities for localities to obtain grant funding to implement climate adaptation strategies.

To achieve “qualified” status, the CAP itself must undergo CEQA environmental review prior to adoption. In the late summer of 2022, the County secured \$150,000 in Regional Early Action Planning (REAP) grant funding administered by HCAOG to pay for a consultant to prepare a CEQA Environmental Impact Report (EIR) for the CAP. The justification for using REAP funding was to facilitate and expedite the development of housing in Humboldt County with the rationale that a qualified CAP would streamline

CEQA review for future residential projects. If the CAP is not qualified, the REAP funding can no longer be used towards the CAP.

### **Vulnerabilities with the Current Draft CAP and Rincon's Proposal**

During their review of the draft CAP, the EIR consultant Rincon identified limitations to existing reduction strategies and concerns that the draft CAP, as written, did not provide substantial evidence needed to demonstrate its ability to meet GHG reduction targets to gain “qualified” status by the state. “Substantial evidence” is a term in CEQA that establishes the minimum necessary evidence to legitimately make the environmental determination. In short, a jurisdiction cannot simply state that a CAP measure will meet the GHG reduction targets without also demonstrating reasonably that the measure can be fully implemented.

For example, the draft CAP counts on the electrification of passenger vehicles (i.e., Humboldt County residents purchasing electric cars) accounting for approximately 39% of quantified emissions reductions. The draft CAP's target is 18,301 electric vehicles sold Countywide by 2030; this represents growth of electric vehicle adoption from 1% of vehicle sales in 2020 to 34% by 2030. This is overly ambitious since the goal is not enforceable and existing and proposed programs are not scaled to fully implement the measure.

To continue to meet the goal of achieving a qualified CAP, Rincon proposes to work with the County and local municipalities to:

1. Revise existing measures such that the goals are well supported with the developed actions;
2. Assess any policy or program gaps and identify additional opportunities for emission reductions and new measure development;
3. Develop targeted approaches that are differentiated specifically for municipal and rural areas of the county; and
4. Quantify the GHG reduction potential of the revised and new measures and provide documentation of the substantial evidence supporting the measures.

To continue to drive the region's GHG reduction goals, City staff remain committed to being ambitious with reduction measures and including measures regardless of whether the necessary quantification and substantial evidence can be provided to make the measures qualifying aspects of the CAP at this time.

The CAP includes a 1990 baseline GHG emissions inventory for Humboldt County, as well as a current day inventory, and a 2030 forecast to determine the GHG reduction amount needed to achieve the CAP's goal of 40% below 1990 emissions levels by 2030. The existing draft CAP includes a 2015 GHG emissions inventory to represent present day conditions; Rincon recommends preparing an updated 2022 inventory to

represent current emissions, as well as an updated 1990 baseline inventory and 2030 forecast that are all consistent with the most recent State-recommended methodology.

State guidance recommends focusing the inventory, forecasting and target setting on emission sources a jurisdiction has influence over and the State has adopted guidance for quantifying. Therefore, Rincon recommends leaving point-sources out of the equation (because of lack of local influence/control), as well as agricultural emissions (because of a lack of adopted guidance on quantifying GHG emission reduction strategies in the agricultural sector or providing the necessary substantial evidence for those strategies).

Rincon's proposal for revisions to the CAP is attached (Attachment 1), as well as a sample of Rincon's analysis of the current CAP emission reduction strategies (Attachment 2).

### **Funding and Timeline for the Proposed CAP Revisions**

The newly proposed revisions to the CAP are anticipated to take approximately four to six months and cost up to \$127,000. In order to pay for the additional work, at their October 17, 2023 meeting, the Humboldt County Board of Supervisors authorized the reallocation of the REAP grant funds to redraft the CAP rather than prepare the EIR for the current draft. Additional funds will now be needed to complete the corresponding environmental review of the revised CAP.

Staff is recommending that the Eureka City Council support the County in its October 17, 2023 action, and work with the County to establish and maintain a clear and ambitious CAP adoption timeline moving forward.