



# STAFF REPORT – CITY COUNCIL MEETING

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December 06, 2023

**TO:** Honorable Mayor and City Council Members

**FROM:** Emily Sinkhorn, Director of Environmental Services

**PREPARER:** Emily Benvie, Dep. Director of Environmental Services-Com. Svcs.

**DATE:** October 24, 2023

**TITLE:** **Receive an Update on the Regional Climate Action Plan (CAP) and Support the County of Humboldt’s Revised Proposal for Completion of the CAP.**

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## **RECOMMENDATION:**

It is recommended that the Council:

- 1) Receive an Update on the Regional Climate Action Plan (CAP); and,
- 2) Support the County of Humboldt’s Revised Proposal for Completion of the CAP.

## **INTRODUCTION:**

The City has been working regionally on a Climate Action Plan (CAP), and a draft was completed in June 2022. In the Summer of 2022, Humboldt County entered into contract with Rincon Consultants, Inc., to begin work on the Environmental Impact Report.

During their review of the Draft CAP, Rincon identified concerns that the Draft CAP, as written, did not provide substantial evidence needed to demonstrate its ability to meet Greenhouse Gas (GHG) reduction targets to gain “Qualified” status by the state.

To continue to meet the identified goal of achieving a Qualified CAP, Rincon has proposed revising the Draft CAP. This staff report and its attachments describe the proposed strategies for revision, which the Humboldt County Board of Supervisors approved at its October 17, 2023, meeting. Staff is recommending that the Arcata City Council support the County in its actions to continue to meet the goal of achieving a Qualified CAP.

## **BACKGROUND:**

The City has been working with Humboldt County Planning, Redwood Coast Energy Authority (RCEA), and several jurisdictions in the region on a Climate Action Plan (CAP). The draft plan was completed on April 7, 2022, and on June 7, 2022 the Humboldt County Board of Supervisors approved the Draft CAP for use as the project description for preparation of the EIR. Humboldt County entered into a contract with Rincon Consultants, Inc. to begin work on the EIR in summer of 2022.

During their review of the draft CAP, Rincon identified limitations to existing strategies and concerns that the draft CAP, as written, did not provide substantial evidence needed to demonstrate

its ability to meet Greenhouse Gas (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.

To continue to meet the identified goal of achieving a Qualified CAP, Rincon has proposed completing a 2022 GHG inventory; updating the forecast and target analysis based on the most recent state recommended methodology and removing sectors that are not locally regulated; and revising implementation measures that can be supported by substantial evidence.

This work is proposed to be completed by re-allocating current Regional Early Action Program (REAP) grant funds administered by Humboldt County Association of Governments (HCAOG) that were originally intended for developed of the EIR of the previous draft CAP. Additional funds will be needed to complete the corresponding Environmental Review of the revised draft CAP.

On October 17, 2023, the Humboldt County Board of Supervisors:

1. Authorize[d] re-drafting of the Climate Action Plan [as outlined in Rincon’s proposal] such that it can be a Qualified Climate Action Plan; and
2. Allow[ed] funds provided by a REAP grant through Humboldt County Association of Governments (HCAOG) to be used for revision to the CAP rather than preparation of an EIR,

Staff is recommending that the Arcata City Council support the County in its October 17, 2023 actions.

#### **DISCUSSION:**

The City adopted its Greenhouse Gas Reduction Plan in August 2006. An initial greenhouse gas emission inventory was completed at this time and was then updated by RCEA based on available data in 2010 and 2015.

Since the Greenhouse Gas Reduction Plan was adopted, the state updated its goal for emissions reductions. In 2016, the California Global Warming Solutions Act (SB32) was passed into law. SB32 set into law a mandated greenhouse gas (GHG) reduction target of 40% less emissions than 1990 levels by 2030. To help meet this target, the City became a regional partner in the development of the Climate Action Plan (CAP). To develop the regional Climate Action Plan, the City has been working with Humboldt County Planning, RCEA, and several jurisdictions in the region. 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 is one that meets state greenhouse gas reduction goals so that future development projects requiring environmental review can streamline greenhouse gas (GHG) impact analyses by demonstrating consistency with the CAP. To meet the requirements of a Qualified CAP, implementation measures must demonstrate a 40% reduction of GHGs below 1990 levels by 2030.

The existing Draft CAP was completed in April 2022, and on June 7, 2022 the Humboldt County Board of Supervisors approved the Draft CAP for use as the project description for preparation of the EIR. Humboldt County entered into a contract with Rincon Consultants, Inc. to begin work on the EIR in summer of 2022.

During their review of the draft CAP, Rincon identified limitations to existing strategies and concerns that the draft CAP, as written, did not include provide substantial evidence needed to

demonstrate its ability to meet Greenhouse Gas (GHG) reduction targets to gain “Qualified” status by the state.

The existing draft CAP includes the 2015 inventory of GHG emissions for the region and developed a 1990 inventory from available historical data to set reduction targets. During Rincon’s review, they noted that the 2015 and 1990 inventories included several GHG sources that the local jurisdictions do not have substantial influence or jurisdictional control over; for example, agricultural sectors and point source emissions. Additionally, the forecasts did not appear to include the appropriate state policies or consistent methodologies for activity data in certain sectors. Furthermore, since 2015 there have been several updates to modeling tools for emissions as well as methodological updates.

Rincon is recommending preparation of a 2022 inventory that utilizes the most recent state recommended best practices and will serve as a better representation of current day emissions compared with 2015. Rincon is also recommending back-casting the 2022 inventory to represent 1990 levels using consistent methodology for both inventories. Because 1990 historical data is often found to be incomplete and methodologies have been updated, it is generally best practice to back-cast to 1990 levels utilizing a current GHG inventory as a means to set reduction targets. Finally, Rincon is recommending removing sectors that are not locally controlled from both 2022 and 1990 inventories.

After completion of the 2022 and 1990 inventories and target-setting, Rincon is prepared to revise the GHG reduction implementation measures such that they are defensible and will result in a Qualified CAP. The GHG reduction model included in the Draft CAP was developed by consultants EIAS hired by the County, which was taking the lead on the CAP development. Since 2020, staff worked with EIAS and jurisdictions throughout the County to develop specific GHG reduction implementation measures based on the community priorities that were identified during 2019 community workshops. The measures were vetted over months of review by several staff members. The objective was to provide ambitious but realistic measures that would provide the GHG reductions necessary to meet the targets. During review, staff identified the several concerns about meeting the required targets based on the GHG reduction model given the very ambitious measures it included. As Rincon has undertaken CEQA analysis, they have expressed concerns that the existing Draft CAP implementation measures do not have substantial evidence demonstrating that they are achievable to the extent needed to meet the requirements of a Qualified CAP. Rincon identified that some of the measures, such as EV adoption which the CAP anticipates will grow from 1% of vehicle sales in 2020 to 34% by 2023, are overly ambitious since the goals are not enforceable and existing and proposed programs are not scaled to fully implement the programs. Another example is the all-electric ordinance, which due to the court ruling in the *CRA v Berkeley* cannot be implemented but was relied on to meet the reduction targets. To continue to meet the goal of achieving a Qualified CAP, Rincon will work with the County and regional municipalities to revise existing measures such that the goals are well supported with developed actions, quantify the GHG reduction potential of the revised and new measures, and provide documentation of the substantial evidence supporting the strategy. To continue to drive the region’s GHG reduction goals, City staff remain committed to retaining the more ambitious implementation measures as initially drafted in the CAP, though acknowledge these measures would not be necessary as qualifying aspects of the CAP if substantial evidence cannot be provided.

It is anticipated that it will take 4-6 months to complete the additional work and community engagement needed to revise the existing Draft CAP such that it will meet the stated goal of obtaining a Qualified CAP.

**POLICY IMPLICATIONS:**

Climate Action Plans may provide California Environmental Quality Act (CEQA) streamlining for projects that comply with a qualified Plan. At a minimum, the benefits of updating the Greenhouse Gas Reduction plan with the Climate Action Plan will provide guidance on future projects, even if they do not provide streamlining.

Based, in part, on public input received at previous City Council meetings, staff endeavored to develop a Climate Action Plan that could meet the requirements of a qualified Plan.

If the Climate Action Plan defensibly demonstrates that SB32 targets can be met, the Plan would become a qualified Plan after CEQA review and upon adoption.

**ENVIRONMENTAL REVIEW (CEQA):**

The CAP will undergo CEQA analysis prior to adoption.

**BUDGET/FISCAL IMPACT:**

This work is proposed to be completed by re-allocating current Regional Early Action Program (REAP) grant funds administered by Humboldt County Association of Governments (HCAOG) that were originally intended for developed of the EIR of the previous draft CAP. Additional funds will be needed to complete the corresponding Environmental Review of the revised draft CAP.

**ATTACHMENTS:**

Rincon Analysis and Proposal (PDF)