

Please Note: SCAG's new office address indicated below. Please visit SCAG's website for Maps/Driving Directions; Parking Information and allow extra time for security check-in.



SOUTHERN CALIFORNIA
ASSOCIATION OF GOVERNMENTS
900 Wilshire Blvd., Ste. 1700
Los Angeles, CA 90017
T: (213) 236-1800
www.scag.ca.gov

REGIONAL COUNCIL OFFICERS

President
Margaret E. Finlay, Duarte

First Vice President
Alan D. Wapner, Ontario

Second Vice President
Bill Jahn, Big Bear Lake

Immediate Past President
Michele Martinez, Santa Ana

COMMITTEE CHAIRS

Executive/Administration
Margaret E. Finlay, Duarte

Community, Economic &
Human Development
Rex Richardson, Long Beach

Energy & Environment
Carmen Ramirez, Oxnard

Transportation
Curt Hagman, San Bernardino County

REGULAR MEETING

ENERGY & ENVIRONMENT COMMITTEE

Thursday, March 1, 2018
10:00 a.m. – 12:00 p.m.

Please Note NEW Address

SCAG MAIN OFFICE

900 Wilshire Blvd., Ste. 1700

Policy Room A

Los Angeles, CA 90017

(213) 236-1800

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Tess Rey-Chaput at (213) 236-1908 or via email at REY@scag.ca.gov. Agendas & Minutes for the Energy & Environment Committee are also available at: www.scag.ca.gov/committees

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1908. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.

This Page Intentionally Left Blank



**Energy and Environment Committee
Members – March 2018**

Members

Representing

Chair*	1. Hon. Carmen Ramirez	<i>Oxnard</i>	District 45
Vice-Chair*	2. Sup. Linda Parks		Ventura County
	3. Hon. Ana Beltran	<i>Westmorland</i>	ICTC
	* 4. Hon. Margaret Clark	<i>Rosemead</i>	District 32
	5. Hon. Ned Davis	<i>Westlake Village</i>	LVMCOG
	* 6. Hon. Peggy Delach	<i>Covina</i>	SGVCOG
	7. Hon. Paula Devine	<i>Glendale</i>	AVCJPA
	8. Hon. Jordan Ehrenkranz	<i>Canyon Lake</i>	WRCOG
	* 9. Hon. Mitchell Englander	<i>Los Angeles</i>	District 59
	10. Hon. Larry Forester	<i>Signal Hill</i>	GCCOG
	11. Hon. Mike Gardner	<i>Riverside</i>	WRCOG
	12. Hon. Sandra Genis	<i>Costa Mesa</i>	OCCOG
	13. Hon. Jon Harrison	<i>Redlands</i>	SANBAG
	14. Hon. Shari Horne	<i>Laguna Woods</i>	OCCOG
	15. Hon. Diana Mahmud	<i>South Pasadena</i>	SGVCOG
	* 16. Hon. Judy Mitchell	<i>Rolling Hills Estates</i>	District 40
	17. Hon. Cynthia Moran	<i>Chino Hills</i>	SBCTA
	18. Hon. Judy Nelson	<i>Glendora</i>	SGVCOG
	19. Hon. Jim Osborne	<i>Lawndale</i>	SBCCOG
	* 20. Sup. Luis Plancarte		Imperial County
	21. Hon. David Pollock	<i>Moorpark</i>	VCOG
	* 22. Hon. Deborah Robertson	<i>Rialto</i>	District 8
	* 23. Hon. Laura Rosenthal	<i>Malibu</i>	District 44
	24. Hon. Meghan Sahli-Wells	<i>Culver City</i>	WCCOG
	25. Hon. Betty Sanchez	<i>Coachella</i>	CVAG
	26. Hon. Emma Sharif	<i>Compton</i>	GCCOG
	27. Hon. Diane Williams	<i>Rancho Cucamonga</i>	SANBAG
	28. Hon. Edward H.J. Wilson	<i>Signal Hill</i>	GCCOG
	29. Hon. Bonnie Wright	<i>Hemet</i>	WRCOG
	30. VACANT	<i>Building Industry Association of Southern California (BIASC)</i>	Ex-Officio Member

* Regional Council Member

This Page Intentionally Left Blank



ENERGY AND ENVIRONMENT COMMITTEE
AGENDA

Southern California Association of Governments
Wilshire Grand Center, 900 Wilshire Boulevard, Suite 1700
Los Angeles, California 90017
Thursday, March 1, 2018
10:00 a.m. to 12:00 p.m.

The Energy and Environment Committee (EEC) may consider and act upon any of the items listed on the agenda regardless of whether they are listed as Information or Action Items.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

(The Honorable Carmen Ramirez, Chair)

PUBLIC COMMENT PERIOD

Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Committee, must fill out and present a Public Comment Card to the committee staff prior to speaking. Comments will be limited to three (3) minutes per speaker. The Chair has the discretion to reduce the time limit based upon the number of speakers and may limit the total time for all public comments to twenty (20) minutes.

REVIEW AND PRIORITIZE AGENDA ITEMS

CONSENT CALENDAR

Time

Page No.

Approval Item

- | | | |
|--|--|---|
| 1. Minutes of the February 1, 2018 Meeting | | 1 |
|--|--|---|

INFORMATION ITEMS

- | | | |
|--|----------|----|
| 2. Sea-Level Rise Guidance Update
<i>(Jenn Eckerle, Deputy Director, CA Ocean Protection Council,
Natural Resources Agency)</i> | 45 mins. | 7 |
| 3. Salton Sea Update
<i>(Bruce Wilcox, Assistant Secretary, CA Natural Resources
Agency)</i> | 45 mins. | 9 |
| 4. Governor’s Office of Planning and Research (OPR) Proposed
Updates to the CEQA Guidelines
<i>(Roland Ok, SCAG Staff)</i> | 15 mins. | 23 |



INFORMATION ITEMS - continued

	<u>Time</u>	<u>Page No.</u>
5. Governor's Office of Planning and Research (OPR) Proposed SB 743 Implementation Guidelines and Technical Advisory <i>(Mike Gainor, SCAG Staff)</i>	15 mins.	40

CHAIR'S REPORT

(The Honorable Carmen Ramirez)

STAFF REPORT

FUTURE AGENDA ITEM/S

ANNOUNCEMENT/S

ADJOURNMENT

The next regular meeting of the EEC is scheduled for Thursday, April 5, 2018 at the Wilshire Grand Center, 900 Wilshire Boulevard, Suite 1700, Los Angeles, CA 90017.



Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017
EEC Agenda Item No. 1
March 1, 2018

ENERGY AND ENVIRONMENT COMMITTEE
MINUTES OF THE MEETING
THURSDAY, FEBRUARY 1, 2018

THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE ENERGY AND ENVIRONMENT COMMITTEE. A DIGITAL RECORDING OF THE ACTUAL MEETING IS AVAILABLE IN SCAG'S LOS ANGELES OFFICE.

Members Present

- | | |
|---|--------------------------------|
| 1. Hon. Carmen Ramirez, Oxnard (Chair) | District 45 |
| 2. Sup. Linda Parks (Vice Chair) | Ventura County |
| 3. Hon. Ana Beltran, Westmoreland | ICTC |
| 4. Hon. Margaret Clark, Rosemead | District 32 |
| 5. Hon. Paula Devine, Glendale | Arroyo Verdugo Communities JPA |
| 6. Hon. Jordan Ehrenkranz, Canyon Lake | WRCOG |
| 7. Hon. Larry Forester, Signal Hill | GCCOG |
| 8. Hon. Mike Gardner, Riverside | WRCOG |
| 9. Hon. Sandra Genis, Costa Mesa | OCCOG |
| 10. Hon. Shari Horne, Laguna Woods | OCCOG |
| 11. Hon. Judy Mitchell, Rolling Hills Estates | District 40 |
| 12. Sup. Luis Plancarte, Imperial County | ICTC |
| 13. Hon. David Pollock, Moorpark | VCOG |
| 14. Hon. Meghan Sahli Wells, Culver City | WCCOG |
| 15. Hon. Betty Sanchez, Coachella Valley | CVAG |
| 16. Hon. Emma Sharif, Compton | GCCOG |
| 17. Hon. Diane Williams, Rancho Cucamonga | SBCTA |
| 18. Hon. Edward HJ Wilson, Signal Hill | Gateway Cities COG |
| 19. Hon. Bonnie Wright, Hemet | WRCOG |

Members Not Present

- | | |
|--|-------------|
| 20. Hon. Ned Davis, Westlake Village | LVMCOG |
| 21. Hon. Peggy Delach, Covina | District 33 |
| 22. Hon. Mitchell Englander, Los Angeles | District 59 |
| 23. Hon. Jon Harrison, Redlands | SBCTA |
| 24. Hon. Diana Mahmud, South Pasadena | SGVCOG |
| 25. Hon. Judy Nelson, Glendora | SGVCOG |
| 26. Hon. Jim Osborne, Lawndale | SBCCOG |
| 27. Hon. Deborah Robertson, Rialto | District 8 |
| 28. Hon. Laura Rosenthal, Malibu | District 44 |

The Energy and Environment Committee (EEC) held its meeting at 900 Wilshire Boulevard, Suite 1700, Los Angeles, CA 90017. A quorum was present.

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

The Honorable Carmen Ramirez, Chair, called the meeting to order at 10:05 a.m. and asked Grieg Asher to lead the Pledge of Allegiance.

PUBLIC COMMENT PERIOD

There were no public comment speakers.

REVIEW AND PRIORITIZE AGENDA ITEMS

There was no reprioritization of the agenda.

ACTION/DISCUSSION ITEMS

1. Authorization to Accept Grant for SCAG 2017 Disadvantaged Communities Planning Initiative and Approve Notice of Exemption.

Chair Carmen Ramirez introduced the item and asked Alan Thompson, SCAG staff, to provide background information.

A MOTION was made (Forester) to approve Item No. 1, as amended, to include the County of Riverside. Motion was SECONDED (Sanchez) and passed by the following votes:

AYE/S: Beltran, Clark, Devine, Ehrenkranz, Forester, Gardner, Genis, Horne, Mitchell, Moran, Parks, Plancarte, Pollock, Ramirez, Sahli-Wells, Sanchez, Sharif, Williams and Wright (19).

NOE/S: None (0).

ABSTAIN: None (0).

2. Authorization to Accept Grant for Exposition Park Active Transportation Plan and to Approve Notice of Exemption.
3. Authorization to Accept Grant for SCAG 2017 Local Active Transportation Planning Initiative and Approve Notice of Exemption.
4. Authorization to Manage Grant for SCAG 2017 Safety and Encouragement Campaign (Phase 2), and Approve Notice of Exemption.

A MOTION was made (Pollock) to approve Item Nos. 2, 3, and 4. Motion was SECONDED (Moran) and passed by the following votes:

AYE/S: Beltran, Clark, Devine, Ehrenkranz, Forester, Gardner, Genis, Horne, Mitchell, Moran, Parks, Plancarte, Pollock, Ramirez, Sahli-Wells, Sanchez, Sharif, Williams and Wright (19).

NOE/S: None (0).

ABSTAIN: None (0).

CONSENT CALENDAR

Approval Items

5. Minutes of the December 1, 2017 Meeting

Receive and File

6. Updated California Air Resources Board Pollution Mapping Tool

7. Summary of the Department of Finance's 2017 Population Growth Estimates for the SCAG Region

A MOTION was made (Forester) to approve the Consent Calendar. Motion was SECONDED (Mitchell) and passed by the following votes:

AYE/S: Beltran, Clark, Devine, Ehrenkranz, Forester, Gardner, Genis, Mitchell, Moran, Parks, Plancarte, Pollock, Ramirez, Sahli-Wells, Sharif, Williams and Wright (17).

NOE/S: None (0).

ABSTAIN: Sanchez (1).

INFORMATION ITEMS

8. Status Update on Implementation of AB 617 in the South Coast Region

Kome Ajise, Director of Planning, introduced the item and welcomed Dr. Philip Fine, Deputy Executive Officer, South Coast Air Quality Management District (SCAQMD) to provide a presentation.

Dr. Philip Fine provided an overview of AB 617 requirements including a status update on the implementation of the bill in the South Coast Region. Illustrating using a PowerPoint presentation, Dr. Fine discussed the following: key components of AB 617; timeline associated from monitoring through emissions reporting; key implementation issues for SCAQMD; community identification; statewide monitoring plan; emission reduction plans; Best Available Retrofit Control Technology (BARCT); and SCAQMD's approach in implementing AB 617 in the South Coast Basin through close coordination with the California Air Resources Board (ARB). In closing, Dr. Fine encouraged the committee members to contact him for questions or additional information relative to AB 617 requirements.

On behalf of the Energy and Environment Committee, Chair Ramirez thanked Dr. Philip Fine for his presentation.

9. Governor's Office of Planning and Research (OPR) Proposed Updates to the CEQA Guidelines

Chair Ramirez introduced the item and asked Roland Ok, SCAG staff, to provide background information.

Roland Ok, SCAG staff, reported that the OPR transmitted the final proposed amendments to the Guidelines implementing the California Environmental Quality Act (CEQA) to the California Natural Resources Agency in November 2017. He discussed the changes and/or additions to facilitate the environmental review process including the proposed SB 743 Implementation Guidelines. He also provided an overview of proposed updates to the CEQA guidelines, including key updates on efficiency, substantive and technical improvements. Lastly, he provided a status update of the staff review and careful evaluation of the environmental baseline, proposed language on tiering, use of existing regulatory standards in the CEQA process, discussion of energy-based impacts, proposed changes to greenhouse gas impact analysis and project benefits. In closing, Roland Ok provided an update on the public review process; next steps; and encouraged the members to visit the following websites for more information on the Proposed Update to the CEQA Guidelines at: <http://opr.ca.gov/ceqa/updates/guidelines/> and California Natural Resources Agency's website at: <http://resources.ca.gov/ceqa/guidelines>

On behalf of the Energy and Environment Committee, Chair Ramirez thanked Roland Ok for his presentation.

10. Governor's Office of Planning and Research (OPR) Proposed SB 743 Implementation Guidelines and Technical Advisory

Chair Ramirez introduced the item and asked Mike Gainor, SCAG staff, to provide background information.

Mike Gainor, SCAG staff, reported the OPR transmitted the final proposed SB 743 Implementation Guidelines to the California Natural Resources Agency for final rulemaking in November 2017 and stated the process will provide an opportunity for public review and comment. He stated that at the time the staff report was written, the Natural Resources Agency had not yet announced the details regarding the public review period. Mike Gainor also provided background information regarding the key dates in the SB 743 Implementation Guidelines development process. He discussed the proposed updates to SB 743 and the final proposed implementation guidelines that include several key revisions to CEQA guidelines which include the transportation impact analysis and vehicle miles travelled (VMT) implementation changes. In closing, Mike Gainor provided an update on the status of staff review; public review, next steps; and encouraged the members to visit the following websites for more information on the Proposed Update to the CEQA Guidelines at: <http://opr.ca.gov/ceqa/updates/guidelines/> and California Natural Resources Agency's website at: <http://resources.ca.gov/ceqa/guidelines>

On behalf of the Energy and Environment Committee, Chair Ramirez thanked Mike Gainor for his presentation.

CHAIR'S REPORT

Chair Carmen Ramirez asked that a future discussion be provided relative to the Trump administration's policy changes in energy and environment and how this will impact the SCAG region. She also stated that the California Energy Commission (CEC) did not approve the proposal to build a fourth power plant in the city of Oxnard and stated that a project involving solar and battery storage will now depend on a process headed by Southern California Edison. Additionally, Vice Chair Linda Parks stated the County of Ventura joined the Clean Power Alliance, a community choice aggregation Joint Powers Authority designed to help cities establish an alternative energy provider.

STAFF REPORT

A report was not provided.

FUTURE AGENDA ITEM/S

There were no future agenda items.

ANNOUNCEMENT/S

Chair Carmen Ramirez announced and introduced new EEC Member Cynthia Moran, Chino Hills, representing SBCTA.

Hasan Ikhata, Executive Director, welcomed the members to the new SCAG headquarters office. He also invited the members to stay for lunch after the EEC meeting to hear a presentation from City of Los Angeles Mayor Eric Garcetti regarding LA2028 during the first portion of the Regional Council meeting.

ADJOURNMENT

There being no further business, Chair Carmen Ramirez adjourned the meeting at 12:10 p.m.

[MINUTES ARE UNOFFICIAL UNTIL APPROVED BY THE ENERGY AND ENVIRONMENT COMMITTEE]

Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

Agenda Item No. 2
March 1, 2018

To: Energy & Environment Committee

EXECUTIVE DIRECTOR'S
APPROVAL

From: Grieg Asher, Green Region Program Manager,
(213) 236-1869, asher@scag.ca.gov



Subject: Sea-Level Rise Guidance Update

RECOMMENDED ACTION:

For Information Only - No Action Required

EXECUTIVE SUMMARY:

The California Natural Resource Agency and California Ocean Protection Council have updated the California Sea-Level Rise Guidance document. This guidance document was last updated in 2013. The updated guidance focuses on the needs of State agencies and local governments, and will help cities and counties as they comply with new requirements to incorporate climate change into their planning efforts. The presentation by Jenn Eckerle, Deputy Director, California Natural Resources Agency, will provide a background on current sea-level rise science, and how sea-level rise will impact water supply, flood plain management, and transportation infrastructure in the coming decades.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians; and Goal 4: Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

BACKGROUND:

Jenn Eckerle, Deputy Director, California Ocean Protection Council, California Natural Resources Agency, will brief the Committee on the recently updated Sea-level Rise Policy Guidance document. This guidance document was last updated in 2013. The updated guidance focuses on the needs of State agencies and local governments, and will help cities and counties as they comply with new requirements to incorporate climate change into their planning efforts. California also has the nation's largest ocean economy, valued at over \$44 billion/year, with the great majority of it connected to coastal recreation and tourism, as well as ports and shipping. Many of the facilities and much of the infrastructure that support this ocean economy, as well as the State's many miles of public beaches, lie within a few feet of present high tide. The presentation by Jenn Eckerle, Deputy Director, California Natural Resources Agency, will provide a background on current sea-level rise

science, and how sea-level rise will impact water supply, flood plain management, transportation infrastructure, and the ocean economy in the coming decades.

FISCAL IMPACT:

No Fiscal Impact; not a SCAG-funded project.

ATTACHMENT/S:

None

Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

Agenda Item No. 3
March 1, 2018

To: Energy & Environment Committee

**EXECUTIVE DIRECTOR'S
APPROVAL**

From: Grieg Asher, Green Region Program Manager,
(213) 236-1869, asher@scag.ca.gov



Subject: Salton Sea Update

RECOMMENDED ACTION:

For Information Only - No Action Required

EXECUTIVE SUMMARY:

The California Natural Resource Agency has developed a Salton Sea Management Program for managing a smaller, but sustainable Salton Sea. The current 10-year phase of the plan includes annual goals as stipulated in the recent Water Board Order and plans for the development of wildlife habitat and dust suppression. The 10-year plan also includes the development of a longer range plan for managing the Salton Sea. The presentation by Bruce Wilcox, Assistant Secretary, California Natural Resources Agency, will provide a background on the Salton Sea, some of the management constraints, a status report on the development and process for developing the long range plan.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians; and Goal 4: Provide innovative information and value-added services to enhance member agencies' planning and operations and promote regional collaboration.

BACKGROUND:

Bruce Wilcox, Assistant Secretary, California Natural Resources Agency, will brief the Committee on the Salton Sea Management Program. The presentation will provide a background on the Salton Sea, and the development of the Salton Sea Management Program for managing a smaller, but sustainable Salton Sea, including the management constraints of developing a long range plan.

The current 10-year phase of the plan, developed by the California Natural Resource Agency, includes annual goals as stipulated in the recent Water Board Order and plans for the development of wildlife habitat and dust suppression. The 10-year plan also includes the development of a longer range plan for managing the Salton Sea. The presentation by Mr. Wilcox will provide a status report on the development and process for developing the long range plan.

FISCAL IMPACT:

No Fiscal Impact. This is not a SCAG funded project.

ATTACHMENT/S:

PowerPoint Presentation

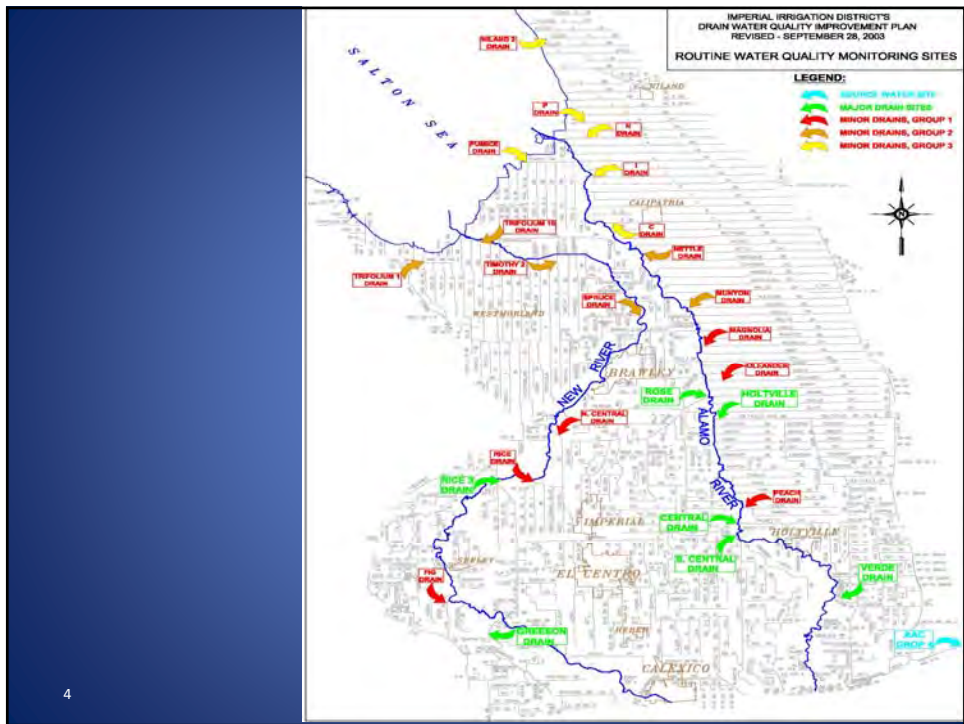
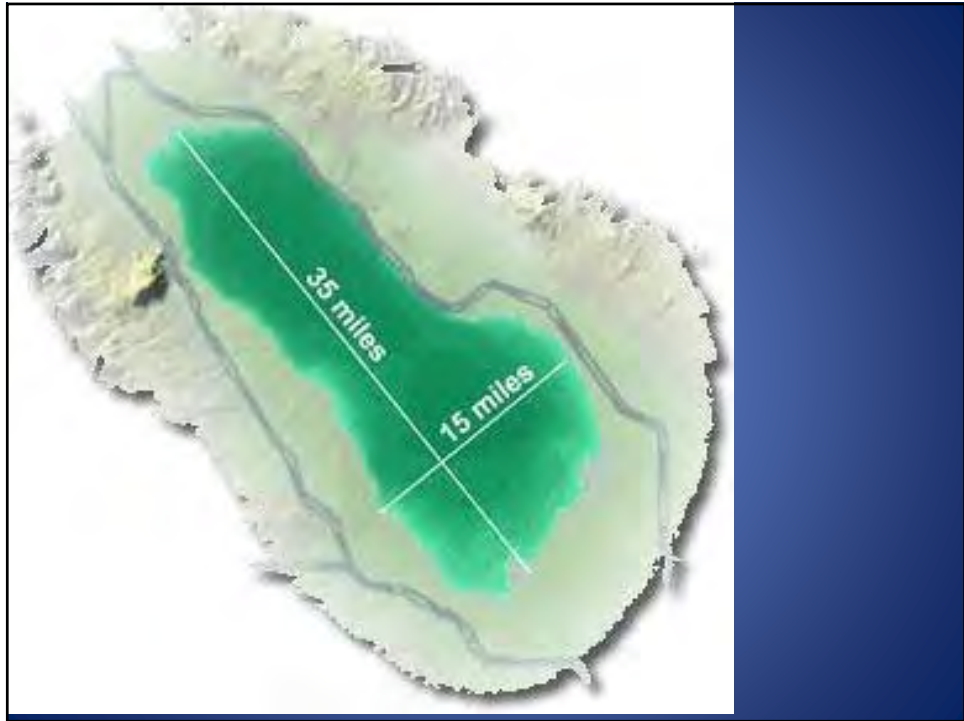
This Page Intentionally Left Blank

Salton Sea Management Program

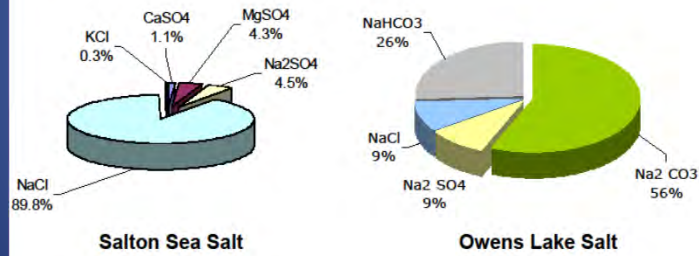
Southern California Association of Governments
Energy and Environmental Committee

01 March, 2018





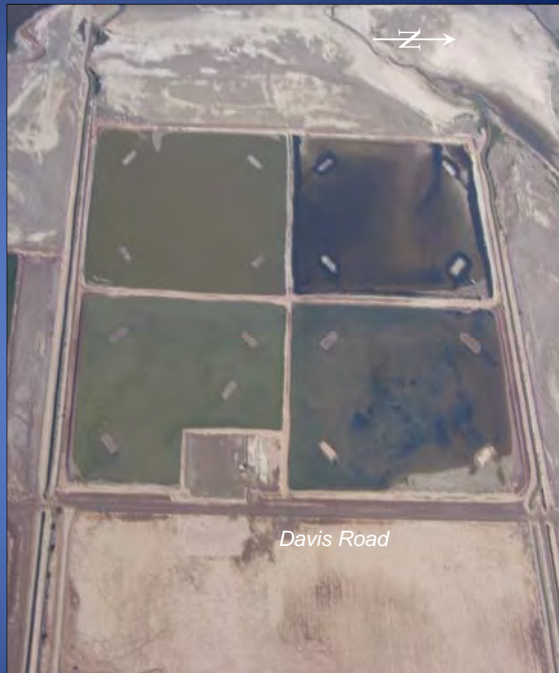
- Salts are from a different source: from the Colorado River vs. from closed basins.
- Salt chemistry is dramatically different

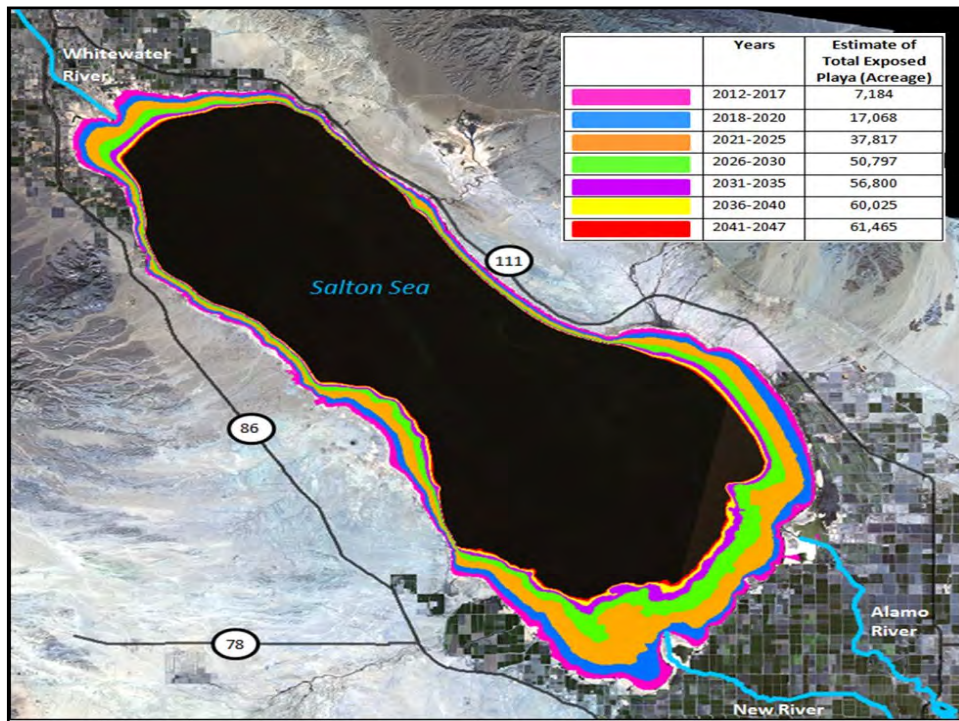
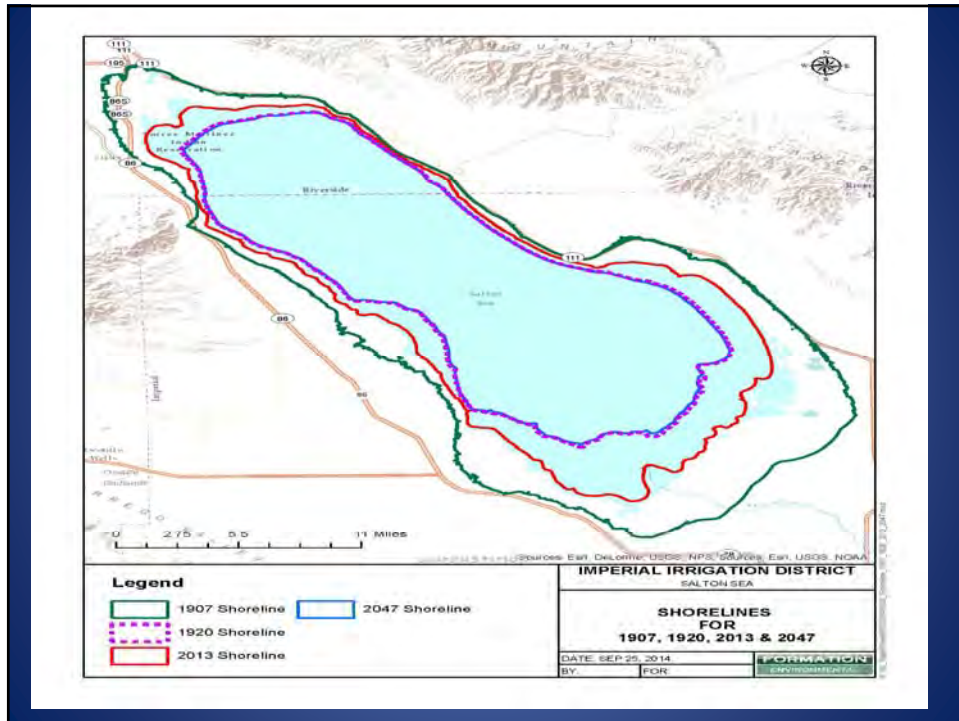


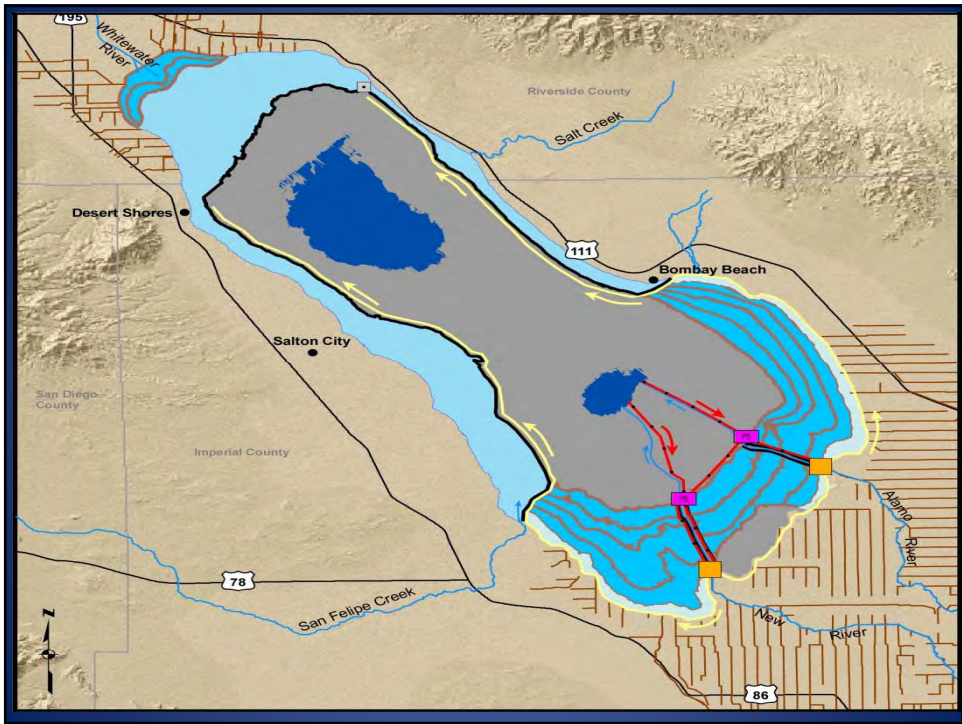
5

Success Story

USGS/Reclamation Shallow Habitat Project Site at southern end of Sea
Aerial photo November 2007







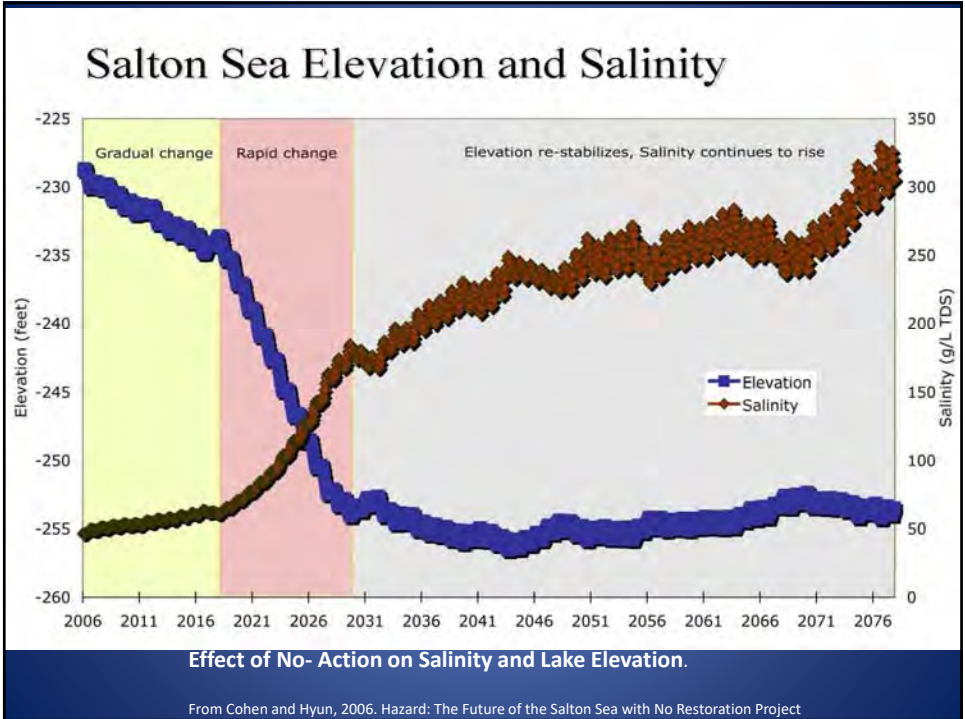


Air Quality



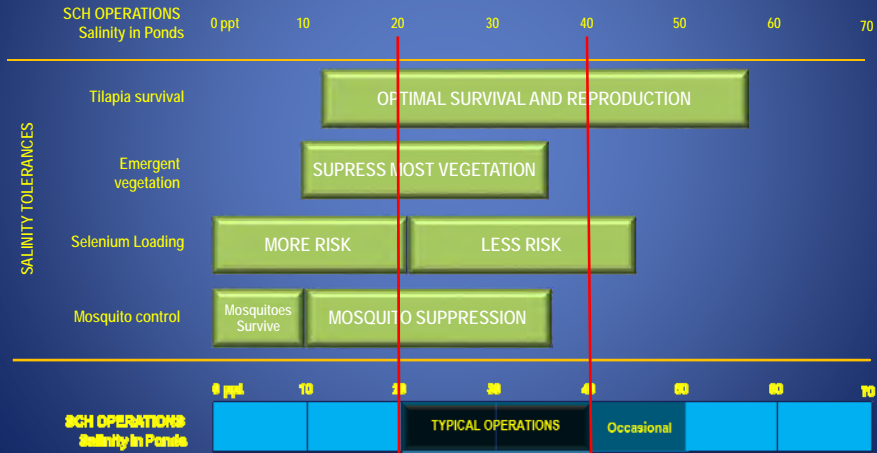
- **Obligations:**
 - QSA JPA
 - Contractual obligation under the QSA
- **Dust mitigation projects in coordination with partners**
 - Waterless and water dependent measures
 - Planning and Implementation
- **East and West shores of the Salton Sea in 2018**

Air Quality – Current JPA efforts



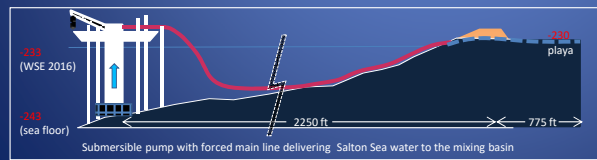
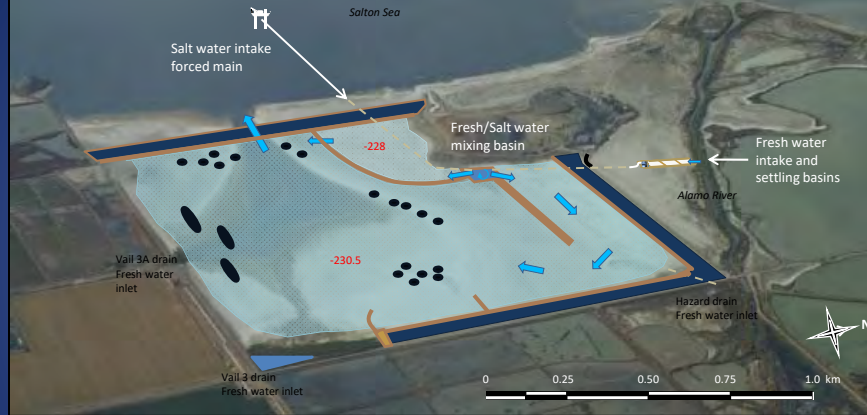
Salinity Constraints and Thresholds

California Department of Water Resources



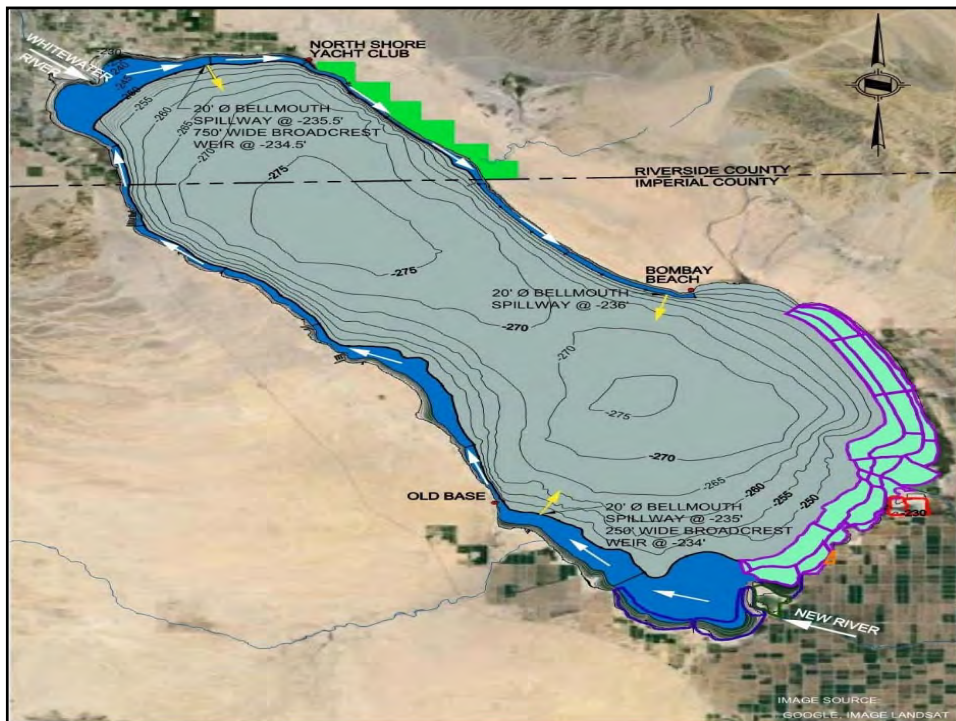
Red Hill Bay Habitat Improvement Project

Conceptual Design

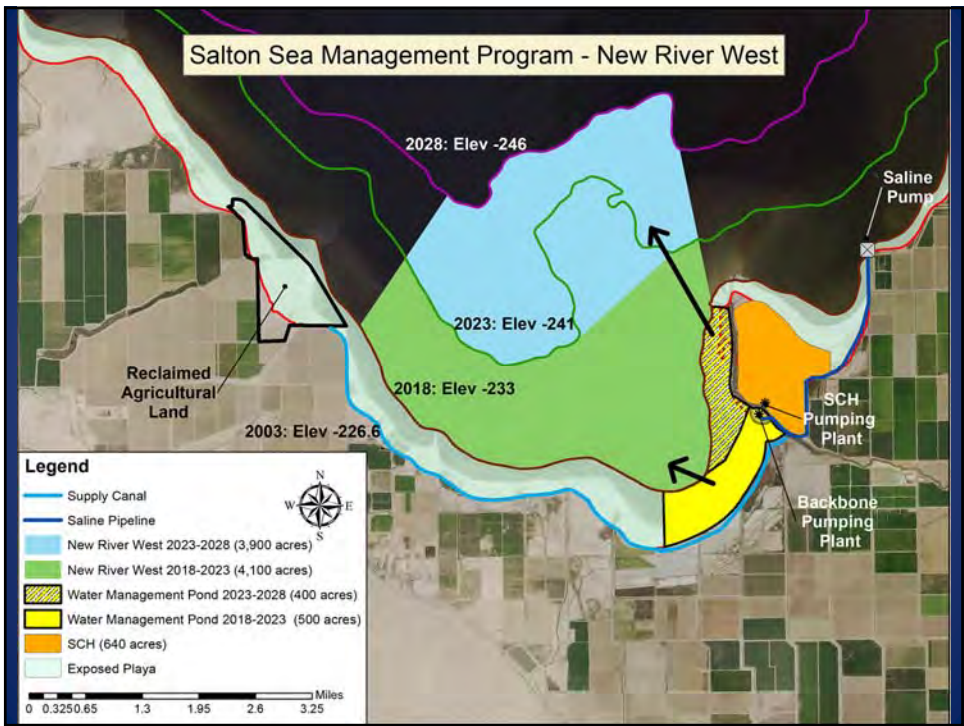


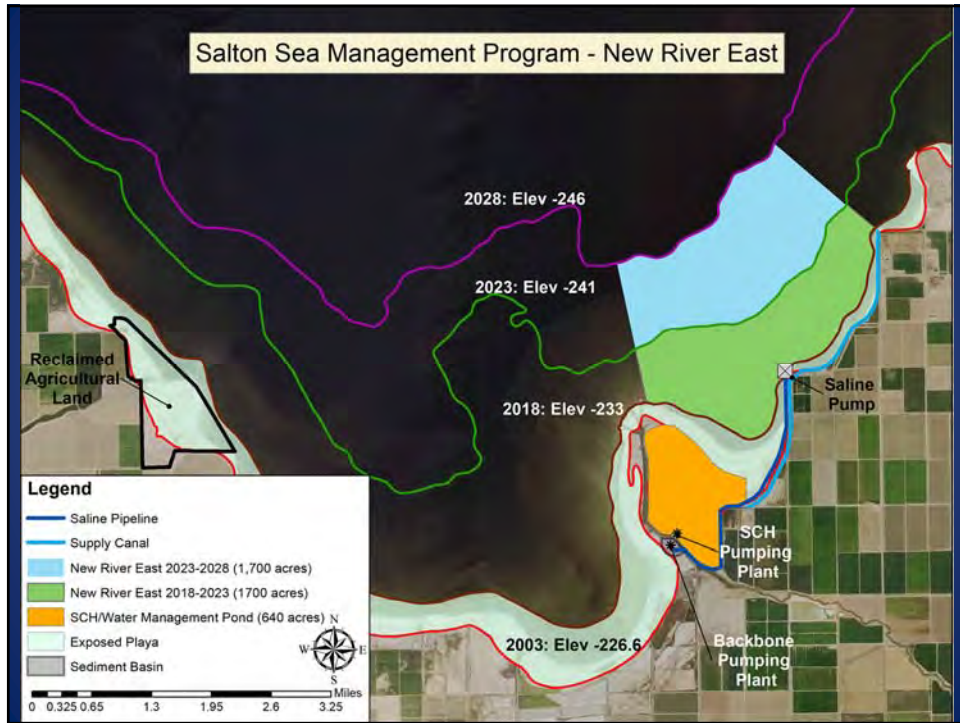
- Geothermal access
- Buried water pipeline
- Berms (of various size)
- Water surface elevation
- Water movement
- Island

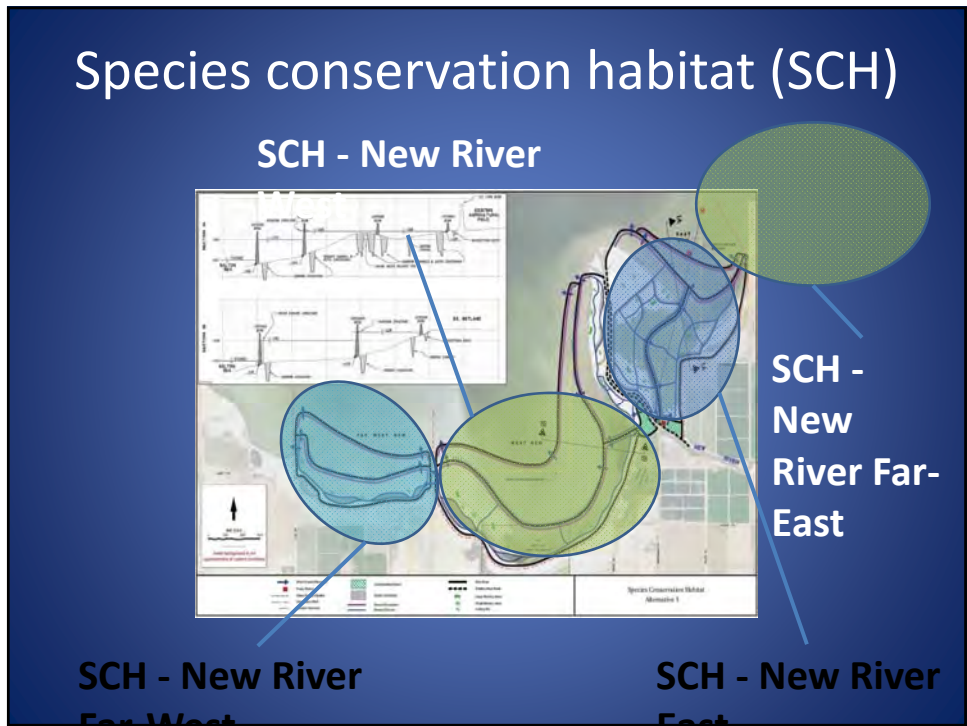
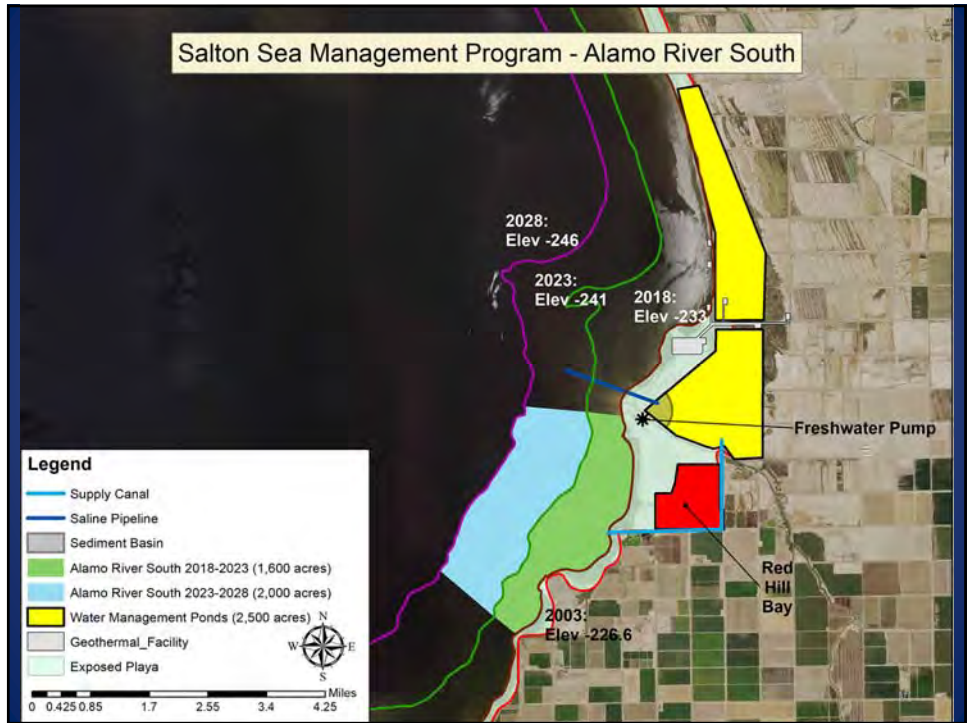
Torres Martinez Wetland Project



SSMP Plan – projects general location







Financial Assistance Program (FAP)



This Page Intentionally Left Blank

Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

Agenda Item No. 4
March 1, 2018

To: Energy and Environment Committee (EEC)
Community, Economic and Human Development (CEHD)
Transportation Committee (TC)
Regional Council (RC)

**EXECUTIVE DIRECTOR'S
APPROVAL**



From: Roland Ok, Senior Regional Planner, 213-236-1839,
ok@scag.ca.gov

Subject: Governor's Office of Planning and Research (OPR) Proposed
Updates to the CEQA Guidelines

RECOMMENDED ACTION FOR EEC:

For Information Only - No Action Required

RECOMMENDED ACTION FOR CEHD, TC and RC:

Receive and File.

EXECUTIVE SUMMARY:

On November 27, 2017, the Governor's Office of Planning and Research (OPR) transmitted the final proposed amendments to the Guidelines implementing the California Environmental Quality Act (CEQA) to the California Natural Resources Agency. OPR's comprehensive package contains a complete set of updates to the CEQA Guidelines. Proposed updates are aimed towards improving efficiency, substantive analysis, and technical analysis. Updates also include the proposed SB743 Implementation Guidelines (For further details please refer to a separate February 2018 Staff Report titled: Governor's Office of Planning and Research (OPR) Proposed SB743 Implementation Guidelines).

The final rulemaking process now being conducted by the California Natural Resources Agency allows for an additional opportunity for public review and comment. The Natural Resources Agency has established a public comment period which will end on March 15, 2018. SCAG is in the process of drafting a comment letter in response to the proposed updates to the CEQA guidelines.

To provide information to our local stakeholders, SCAG hosted a CEQA Guidelines and SB 743 Workshop on January 31, 2018 at the Caltrans District 7 offices. Comments and feedback received at the workshop have been incorporated into the SCAG's draft comment letter, as appropriate. SCAG has also requested local jurisdictions and stakeholders to provide us comments by February 28, 2018, and will incorporate their input into the comment letter, as appropriate.

A public hearing for the proposed updates to the CEQA guidelines will be held on March 14, 2018, from 1:30 to 4:30 PM at the California Science Center (Annenberg Building-Muses Room), located

at: 700 Exposition Park Dr., Los Angeles, CA 90037. For more information on the rule making process and public comment period, please visit:

<http://resources.ca.gov/ceqa/docs/update2018/notice-of-proposed-rulemaking.pdf>

For more information on the contents of the proposed updates to the CEQA Guidelines, please visit OPR's website at: <http://opr.ca.gov/ceqa/updates/guidelines/> and California Natural Resources Agency's website at: <http://resources.ca.gov/ceqa/guidelines/>

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

BACKGROUND:

On November 27, 2017, the Governor's Office of Planning and Research (OPR) transmitted the final proposed amendments to the Guidelines implementing the California Environmental Quality Act (CEQA) to the California Natural Resources Agency for final rulemaking. CEQA requires public agencies, as part of the project approval decision-making process, to evaluate and mitigate a project's potential environmental impacts. OPR is charged with developing the administrative regulations to implement CEQA, and the Natural Resources Agency adopts those regulations following a formal rulemaking process. The implementation regulations, commonly referred to as the CEQA Guidelines, are required to be updated on a regular basis. The last comprehensive update to the CEQA Guidelines was completed in the late 1990s.

OVERVIEW OF PROPOSED UPDATES TO THE CEQA GUIDELINES

OPR has crafted a comprehensive package of updates to the CEQA guidelines that reflects input obtained through numerous public comment periods and feedback received during informal stakeholder meetings, conferences, and other venues. The OPR proposal contains changes or additions involving nearly thirty different sections, including steps to facilitate and streamline the environmental review process.

Key updates to the CEQA Guidelines include the following:

Efficiency Improvements

Regulatory Standards: Promotes the use of existing regulatory standards in the CEQA process. Using standards as "thresholds of significance" creates a predictable starting point for analysis and allows lead agencies to rely on the expertise of other regulatory bodies without foreclosing the consideration of any potential project-specific effects.

Updates to the Environmental Checklist: The OPR package proposes to update the environmental checklist that most agencies use to conduct their environmental review. Redundant questions in the existing checklist are eliminated and some questions are updated to address contemporary topics. The checklist has also been updated with several new questions related to transportation

impacts and wildfire risk, pursuant to Senate Bill 743 (Steinberg, 2013), and Senate Bill 1241 (Kehoe, 2012), respectively. It also relocates questions related to paleontological resources as directed by Assembly Bill 52 (Gatto, 2014).

Tiering: The OPR package includes several changes to make the existing programmatic environmental review process easier to use for subsequent projects. Specifically, it clarifies the rules on tiering and provides additional guidance on when a later project may be considered within the scope of a program EIR, thereby obviating the need for additional environmental review.

Exemptions: The OPR package enhances several existing CEQA exemptions. For example, consistent with Senate Bill 743 (Steinberg, 2013), it expands upon an existing exemption for projects implementing a specific plan to include not just residential, but also commercial and mixed-use projects that are located near transit. It also clarifies exemption rules for changes to existing facilities so that vacant buildings can more easily be redeveloped. Changes to that same exemption would also promote pedestrian, bicycle, and streetscape improvements within an existing right of way.

Substantive Improvements

Energy Impacts Analysis: The OPR package provides new guidance regarding energy impact analysis. Specifically, it requires an EIR to include an analysis of a project's energy impacts that addresses not just building design, but also transportation, equipment use, location, and other relevant factors.

Water Supply Impact Analysis: The OPR package proposes guidance on the analysis of water supply impacts. The guidance is built upon the California Supreme Court decision in *Vineyard Area Citizens for Responsible Growth v. City of Rancho Cordova* (2007) 40 Cal.4th 412 (*Vineyard*). The new provision requires analysis of a proposed project's possible sources of water supply over the life of the project and the environmental impacts of supplying that water to the project. The analysis must consider any uncertainties in supply, as well as potential alternatives.

Greenhouse Gas Emissions Analysis: The OPR package includes proposed updates related to the analysis of impacts from greenhouse gas emissions. The proposed changes reflect current appellate case law, including *Center for Biological Diversity v. Dept. of Fish & Wildlife* (2015) 62 Cal.4th 204; and *Cleveland National Forest Foundation v. San Diego Assn. of Governments* (2017) 3 Cal.5th 497.

Transportation Impact Analysis: Please refer to a separate March 2018 Staff Report titled: Governor's Office of Planning and Research (OPR) Proposed SB743 Implementation Guidelines)

Technical Improvements

Evaluation of Hazards: The OPR package includes changes related to the evaluation of hazards as mandated by the California Supreme Court in *CBIA v. BAAQMD* (2015) 62 Cal.4th 369.

Environmental Baseline: The OPR package clarifies when it may be appropriate to use projected future conditions as the environmental baseline.

Mitigation Measures: The OPR package clarifies when agencies may defer specific details of mitigation measures until after project approval.

Responses to Comments: The OPR package proposes a set of changes related to the duty of lead agencies to provide detailed responses to comments on a project. The changes clarify that a general response may be appropriate when a comment submits voluminous data and information without explaining its relevance to the project.

Other Changes: Other proposed updates address a range of topics such as selecting the lead agency, posting notices with county clerks, clarifying the definition of “discretionary,” and others. The package includes technical changes to Appendices D and E to reflect recent statutory requirements and previously adopted amendments to the CEQA Guidelines, and to correct typographical errors. Additional technical improvements include those related to pre-approval agreements, lead agency by agreement, common sense exemption, preparation of the initial study, consultation with transit agencies, citations in environmental documents, time limits for negative declarations, project benefits, joint NEPA/CEQA documents, use of the emergency exemption, discretionary projects, use of conservation easements as mitigation, and Appendices C and M to the CEQA Guidelines.

STATUS OF STAFF REVIEW

SCAG is appreciative of the considerations OPR has made in response to our concerns and those of the local stakeholders. SCAG staff has reviewed the proposed update to the CEQA guidelines and are mostly supportive of the proposed changes as they would facilitate the environmental review process in an efficient manner. Nevertheless, SCAG staff is in the process of drafting a comment letter in support of key topics but also asking for clarification on others (For further details, please refer to Attachment 1, Preliminary SCAG Staff Comments on Updates to CEQA Guidelines). Key topics considered for commenting are as follows:

1. Environmental baseline (Proposed amendments to Section 15125)
2. Proposed language on tiering
3. Promoting the use of existing regulatory standards in the CEQA process
4. Discussion of energy based impacts under Appendix G
5. Evaluating greenhouse gas impacts (Proposed amendments to Section 15064.4)
6. Discussion of project benefits (Proposed amendments to Section 15124)
7. Discussion of Wildfire Impacts under Appendix G

PUBLIC REVIEW AND NEXT STEPS

As part of its final rulemaking process, the California Natural Resources Agency has initiated a public review period for the proposed SB 743 Implementation Guidelines. The public comment period will conclude on March 15, 2018.

After the public review period was initiated, SCAG hosted a CEQA Guidelines and SB 743 Workshop on January 31, 2018 at the Caltrans District 7 offices. OPR staff provided information and answered questions regarding these regulatory modifications (For a copy of the Workshop presentation materials, please visit: <http://scag.ca.gov/NewsAndMedia/Pages/Presentations.aspx>). The Workshop was attended by approximately 120 participants.

SCAG will be drafting a comment letter in response to the proposed CEQA Guidelines. The comment letter will incorporate comments from SCAG staff and input received at the Workshop, as appropriate. SCAG has also requested local jurisdictions and stakeholders to provide us comments by February 28, 2018, and will incorporate their input into the comment letter, as appropriate. In addition, public hearings will be held in Los Angeles in accordance with the requirements set forth in Government Code section 11346.8. The hearing details are as follows:

Date: March 14, 2018
Time: 1:30 – 4:30 PM
Location: California Science Center
Annenberg Building
Muses Room
700 Exposition Park Dr, Los Angeles, CA 90037

For more information on the rule making process and public comment period, please visit: <http://resources.ca.gov/ceqa/docs/update2018/notice-of-proposed-rulemaking.pdf>

For more information on the contents of the Proposed Update to the CEQA Guidelines, please visit OPR's website at: <http://opr.ca.gov/ceqa/updates/guidelines/> and California Natural Resources Agency's website at: <http://resources.ca.gov/ceqa/guidelines/>

FISCAL IMPACT:

Work associated with this item is included in the Fiscal Year 17/18 Overall Work Program (080.SCG00153.04: Regional Assessment).

ATTACHMENT/S:

1. Preliminary SCAG Staff Comments on Updates to CEQA Guidelines
2. PowerPoint Presentation on Preliminary SCAG Staff Comments on Updates to CEQA Guidelines

Proposed Updates to CEQA Guidelines

Preliminary Staff Comments for Discussion and Input Only (2/13/18)

1. Clarification on Environmental Baseline (Proposed Amendments to Section 15125)

OPR's package proposes to amend subdivision (a) of section 15125 regarding the environmental setting. Specifically, OPR's package proposes to add a statement of purpose and three subdivisions to subdivision (a).

In the body of subdivision (a), OPR proposes to add a sentence stating that the purpose of defining the environmental setting is to give decision-makers and the public an accurate picture of the project's likely impacts, both near-term and long-term. The purpose of adding this sentence to subdivision (a) is to guide lead agencies in the choice between alternative baselines. When in doubt, lead agencies should choose the baseline that most meaningfully informs decision-makers and the public of the project's possible impacts (Page 98).

In the body of subdivision (a)(1), OPR's package sets forth a general rule: "normally, conditions existing at the time of the environmental review should be considered the baseline." However it further states that "the lead agency may describe both existing conditions as well as future conditions" (Page 99).

In the body of subdivision (a)(2), OPR's package sets forth the exception to the general rule and the conditions allowing lead agencies to use an alternative baseline. Subdivision (a)(2) explains that existing conditions may be omitted in favor of an alternate baseline where "use of existing conditions would be either misleading or without informative value to decision-makers and the public" (Page 99). It further clarifies that if future conditions are to be used, "they must be based on reliable projections grounded in substantial evidence" (Page 100).

In the body of subdivision (a)(3) OPR's package specifies that hypothetical conditions may not be used as a baseline. Specifically, the subdivision states that "lead agencies may not measure project impacts against conditions that are neither existing nor historic, such as those that might be allowed under permits or plans" (Page 100).

SCAG appreciates OPR's efforts on providing additional language with regard to baseline and base year existing conditions. There has been an on-going debate as to how agencies should properly evaluate long range plans. The updated guidelines appear to give the lead agency the freedom to choose either setting for assessing existing conditions, as appropriate.

However, further clarifications are needed for the following questions:

- If the lead agency decides to describe both existing and future conditions, and if future conditions resulted in less than significant impacts, whereas existing conditions resulted in significant impacts, could the lead agency override the significant impact determination under existing conditions and conclude that overall impacts would be less than significant,

as long as they provided substantial evidence and data (i.e., regulations, modeling and emerging technology), to justify their statement?

- Additionally, is the lead agency required to mitigate for impacts under existing conditions, even though they would be unnecessary for future conditions?

2. Clarification on Tiering

OPR's package proposes to amend section 15152(h) to further assist lead agencies to determine if tiering is appropriate for a given project. OPR proposes to rewrite this section that tiering is only "one of several streamlining mechanisms that can simplify the environmental review process" (Page 25). The proposed amendment states: "The rules in this section govern tiering generally. Several other methods to streamline the environmental review process exist, which are governed by the more specific rules of those provisions. Where other methods have more specific provisions, those provisions shall apply, rather than the provisions in this section. Where multiple methods may apply, lead agencies have discretion regarding which to use" (Page 27). Additionally, proposed amendments under section 15152(h) now include "infill projects (Section 15183.3)" for potential projects qualified for tiering (Page 28).

SCAG appreciates OPR including "infill projects" as potential projects qualified for tiering. Local jurisdictions who wish to tier off of their Specific Plan PEIRs or gain CEQA exemptions for Transit Oriented Development projects would highly benefit from this addition.

OPR's efforts on providing clarification for tiering and CEQA streamlining is much appreciated. Redundancy has become a major issue when conducting environmental analysis. However, it would be helpful if the CEQA guidelines were revised to describe all CEQA streamlining options under one unified section. Currently, CEQA streamlining and tiering is described under Section 15152, 15183, Appendix M and other sections throughout the CEQA guidelines. Streamlining the Guidelines itself would provide clarity to a project applicant.

While not applicable to the CEQA guidelines itself, it would be helpful if OPR hosted workshops with respect to CEQA streamlining and providing materials (i.e., examples, flowcharts) to lead agencies. Educating lead agencies and CEQA practitioners would facilitate the environmental review process.

3. Promoting the use of existing regulatory standards in the CEQA process

OPR's package promotes the use of existing regulatory standards in the CEQA process. OPR proposes to update sections 15064 and 15064.7 to expressively provide that lead agencies may use thresholds of significance in determining significance, and that some regulatory standards may be appropriately used as thresholds of significance.

SCAG has been a proponent of using existing regulatory standards in the CEQA process and has done so for the 2016 RTP/SCS Programmatic Environmental Impact Report. We believe that using regulatory standards for determining significance would bring cohesiveness and consistency throughout the region. By doing so, not only are we able to reach statewide goals together but are able appropriately assess statewide impacts from a macro (program level) to micro (project

level) scale with ease. However, when using existing regulatory standards, it is not simply enough to state a standard and determine that a project would result in less than significant impacts, should it fall within or below the standard. The usage of regulatory standards to determine a level of significance should be fully explained and supported by adopted policies and scientific evidence within the CEQA document.

4. Discussion of energy based impacts under Appendix G

OPR's package proposes to amend Section 15126.2 to discuss energy based impacts under Appendix G.

SCAG appreciates OPR's effort into integrating energy based impact discussion under Appendix G. Appendix F of the CEQA guidelines has contained guidance on energy analysis for decades but was often overlooked. Even though Appendix F was revised in 2009 to clarify that analysis is mandatory, the discussion of energy impacts was limited. SCAG believes that in order to reach our greenhouse gas emissions reduction targets for the future, it is important that we identify any wasteful energy use and identify appropriate mitigation measures to reduce emissions and to promote sustainable features for any given project.

5. Updates to evaluating greenhouse gas impacts (Proposed Amendments to Section 15064.4)

OPR's package proposes to amend Section 15064.4. First, the proposed amendments clarify that a project must make a good faith effort to estimate or describe a project's greenhouse gas emissions. More importantly, the focus of the lead agency's analysis should be on the project's effect on climate change (Page 87). This clarification is necessary to avoid an incorrect focus on the quantity of emissions, and in particular how that quantity of emissions compare to global emissions (Page 88). OPR's package further clarifies that lead agencies should consider the reasonably foreseeable incremental contribution of the project's emissions to the effects of climate change (Page 88). Second, the proposed amendments clarify that lead agencies should consider a timeframe for the analysis that is appropriate for the project, due to the fact that in some cases, it would be appropriate for agencies to consider a project's long-term greenhouse gas impacts, such as for projects with long time horizons for implementations (Page 88). Third, the proposed amendments clarify that an agency's analysis must reasonably reflect evolving scientific knowledge and state regulatory schemes (Page 88). Fourth, the proposed amendments clarify that an agency's analysis may consider a project's consistency with the State's long-term climate goals or strategies, provided that substantial evidence supports the agency's analysis of how those goals or strategies address the project's incremental contribution to climate change (Page 89).

SCAG supports OPR's proposed amendments on evaluating greenhouse gas impacts. As mentioned previously, it is important that we work towards reducing emissions. In the past, when greenhouse gas emissions were evaluated, emissions were often analyzed with little or no mention of climate change. Proposed changes would ensure that we focus on a projects contribution (or no contribution) to climate change, thereby allowing us to quantify our distance to the region's greenhouse gas emissions target goals. SCAG agrees that an appropriate

timeframe setting is important when evaluating greenhouse gas emissions. Projects that have significant development or operational periods and have potential to emit significant amount of greenhouse gas emissions, should have a level of analysis that captures a longer timeframe as it allows us to determine if we can achieve long term State targets in reducing greenhouse gas emissions.

SCAG also agrees that an agency's analysis must reasonably reflect evolving scientific knowledge and state regulatory schemes. The purpose of a CEQA document is to fully inform the public and decision makers on a project's potential impacts. Therefore, it is important that when conducting CEQA documentation, agencies should make the best effort to use the best data and modeling tools available. This is highly critical as scientific research and knowledge is a dynamic process, which is continuously evolving rather than a static one. It is also important that discussion and analysis revolves around existing and new regulatory standards that are and were codified during the preparation of the environmental document. As referenced before, should an agency decide to use regulatory standards as a threshold for significance, standards should be fully explained and supported by adopted polices and scientific evidence within the CEQA document.

Since the enactment of Executive Orders B-16-2012, B-30-15, S-3-04, Assembly Bill 32 and the codification of Senate Bill 32, there has been an on-going debate as to how to appropriately analyze greenhouse gas emission impacts, particularly cumulative impacts. Greenhouse gas emissions by nature are "global", as opposed to localized with respect to cumulative impacts. To clarify, greenhouse gas emission impacts are not confined within the boundaries of a project area, a city or even a state, but contribute to a global inventory by nature, thus making it difficult to analyze within CEQA as it hard to bridge the gap of analysis for a local project (i.e. manufacturing factory, small refinery, or retail projects) and it's impacts on the state or the entire world. SCAG requests that OPR work with MPOs and local jurisdictions to develop a sound roadmap as to how to properly analyze cumulative greenhouse gas emission impacts, in an effort to facilitate the CEQA process, minimize litigation and to achieve statewide targets.

6. Discussion of Project Benefits (Proposed Amendments to Section 15124)

OPR's package proposes to amend subdivision (b) of Section 15124. Currently, subdivision (b) states that a project description shall include a statement of objectives sought by the project. The proposed language has been revised to state: "The statement of objectives should include the underlying purpose of the project and may discuss the project benefits" (Page 152).

SCAG supports the proposed amendments to Section 15124. Allowing a discussion of project benefits within the project description would be beneficial to lead agencies. Previously, project benefits have been discussed solely within the Findings of Facts and Statement of Overriding Considerations Section within the Final Environmental Impact Report. Unfortunately, this section is highly overlooked from the general public. As such, readers often do not understand as to why a certain project is being developed and will often focus on the environmental impacts, thus creating a negative bias. By describing the project benefits up front, the reader will be offered a more balanced perspective, prior to making their decision.

7. Discussion of Wildfire Impacts under Appendix G

OPR's package proposes to amend Appendix G by adding the discussion of wildfires as one of its primary environmental topics.

SCAG supports proposed amendments to Appendix G, allowing for a discussion of wildfire impacts. Over the past decades, the State of California has experienced a multitude of wildfires. The wildfires of 2017 were considered the most destructive fire events in California's history. According to the California Department of Forestry and Fire Protection, a total of 9,133 fires burned through 1,381,405 acres, which resulted in an economic toll of at least \$180 billion. As such, it is clear that a discussion revolving around wildfire impacts is greatly needed. The discussion of wildfire impacts will be beneficial, as it will potentially inform the general public about potential wildfire risks. Additionally, should any potential risks or impacts be identified, appropriate mitigation measures to minimize such hazards would be developed.

Proposed Updates to the State CEQA Guidelines

Preliminary Staff Comments for Discussion

SCAG Energy and Environment Committee
March 1, 2018

Roland Ok
Senior Regional Planner
Southern California Association of Governments



Proposed Updates to the State CEQA Guidelines

- OPR transmitted the proposed CEQA Amendments to the California Natural Resources Agency (November 27, 2017)
- Key updates focus on Efficiency, Substantive and Technical Improvements
- SCAG will be drafting a comment letter in response to the proposed updates to the State CEQA Guidelines
- We encourage your input into the content & focus of the letter

Overview of Updates

- **Efficiency**
 - *Regulatory Standards, Updates to Appendix G, Tiering and CEQA exemptions*
- **Substantive**
 - *Energy, Water Supply, Transportation, and Greenhouse Gas Emissions Analysis*
- **Technical**
 - *Evaluation of Hazards, Environmental Baseline, Mitigation Measures*

Status of Staff Review

- SCAG hosted a CEQA Guidelines Update/SB 743 Workshop on January 31st at Caltrans District 7, attended by about 120 participants
- Comments & feedback received at the Workshop will be incorporated into SCAG comment letter, as appropriate
- SCAG has assembled a preliminary list of staff comments for discussion & input
- We seek the counsel & feedback of this committee on these initial comments
- Our final comment letter will be submitted to the Natural Resources Agency following their Public Hearing on March 14th

Preliminary Staff Comments

- **Clarification on Environmental Baseline**
 - The proposed update clarifies when it may be appropriate to use project future conditions as the environmental baseline.
- **SCAG's preliminary response**
 - SCAG appreciates OPR's effort's on providing additional language with regards to baseline and base year existing conditions.
 - If the lead agency decides to describe both existing and future conditions, but each scenario resulted in opposite impacts, could the lead agency override the significant impact determination under existing conditions and conclude that overall impacts would be less than significant?

5

Preliminary Staff Comments

- **Clarification on Tiering**
 - The proposed update includes several changes to clarify the rules on tiering and includes several changes to make the existing programmatic environmental review process easier for lead agencies. Also includes "infill projects" for projects potential projects qualified for tiering.
- **SCAG's preliminary response**
 - SCAG is appreciative with OPR's efforts on providing clarification for tiering and CEQA streamlining in general.
 - However, it would be helpful if the CEQA guidelines itself were revised to describe all CEQA streamlining options under one unified section.
 - It would also be helpful if OPR hosted workshops with respect to CEQA streamlining.

Preliminary Staff Comments

- **Promoting the use of existing regulatory standards in the CEQA Process**
 - The proposed update promotes the use of existing regulatory standards as a threshold for determining significance.
- **SCAG's preliminary response**
 - SCAG is a proponent of using existing regulatory standards in the CEQA process and has done so for the 2016 RTP/SCS PEIR.
 - Usage of regulatory standards should be fully explained and supported by adopted policies and scientific evidence.

Preliminary Staff Comments

- **Discussion of energy based impacts under Appendix G**
 - The proposed update proposes to amend Section 15126.2 to discuss energy based impacts under Appendix G
- **SCAG's preliminary response**
 - SCAG supports OPR's effort into integrating energy based impact discussion under Appendix G.
 - In the past, the discussion of energy based impacts was under Appendix F, and while mandatory, was often overlooked.

Preliminary Staff Comments

- **Discussion of energy based impacts under Appendix G**
 - The proposed update includes updates related to the analysis of impacts from greenhouse gas emissions and clarifies that the lead agency's analysis should focus on the project's effect on climate change.
- **SCAG's preliminary response**
 - SCAG agrees that the analysis should focus on a project's effect on climate change, in an effort to provide context.
 - SCAG requests that OPR work with MPOs and local jurisdictions to develop a sound roadmap as to how to properly analyze cumulative greenhouse gas emission impacts, in an effort to facilitate the CEQA process, minimize litigation and to achieve statewide targets.

Preliminary Staff Comments

- **Discussion of Project Benefits**
 - The proposed update revises language under Section 15124 to state "The statement of objectives should include the underlying purpose of the project and may discuss project benefits".
- **SCAG's preliminary response**
 - SCAG supports the proposed amendments. Allowing a discussion of project benefits within the project description would be beneficial to lead agencies. Previously, project benefits have been discussed solely towards the end of the PEIR (Findings of Facts and Statement of Overriding Considerations), and are often overlooked.
 - A discussion of benefits up front, will give the reader a balanced perspective.

Preliminary Staff Comments

- **Discussion of Wildfire Impacts under Appendix G**
 - OPR's package proposes to amend Appendix G by adding the discussion of wildfires as one of its primary environmental topics.
- **SCAG's preliminary response**
 - SCAG supports proposed amendments to Appendix G, allowing for a discussion of wildfire impacts.
 - In 2017, a total of 9,133 fires burned through 1,381,405 acres, which resulted in an economic toll of at least \$180 billion.
 - The discussion of wildfire impacts will be beneficial, as it will potentially inform the general public about potential wildfire risks. Additionally, should any potential risks or impacts be identified, appropriate mitigation measures to minimize such hazards would be developed.

Next Steps

- SCAG encourages local jurisdictions to submit your own comment letters to the Natural Resources Agency to express concerns specific to your community.
- The California Natural Resources Agency will be conducting a Public Hearing at the California Science Center on Wednesday, March 14th from 1:30-4:30pm.
- The Public Hearing provides a valuable opportunity to express concerns & questions directly to the agency responsible for finalizing the rule.
- Once the Natural Resources Agency reviews comments received & makes any changes (if necessary), the proposal goes to the Office of Administrative Law for final adoption.

7

Thank you!

<http://opr.ca.gov/ceqa/updates/guidelines/>

Roland Ok
(213) 236-1819
ok@scag.ca.gov



This Page Intentionally Left Blank

Southern California Association of Governments
900 Wilshire Blvd., Suite 1700, Los Angeles, CA 90017

Agenda Item No. 5
March 1, 2018

To: Energy and Environment Committee (EEC)
Community, Economic and Human Development (CEHD)
Transportation Committee (TC)
Regional Council (RC)

**EXECUTIVE DIRECTOR'S
APPROVAL**



From: Mike Gainor, Senior Regional Planner, 213-236-1822,
gainor@scag.ca.gov

Subject: Office of Planning and Research Proposed
SB 743 Implementation Guidelines

RECOMMENDED ACTION FOR CEHD, EEC & TC:

For Information Only - No Action Required

RECOMMENDED ACTION FOR RC:

Receive and File.

EXECUTIVE SUMMARY:

On November 27, 2017, the Governor's Office of Planning and Research (OPR) transmitted the final proposed Senate Bill 743 (SB 743) Implementation Guidelines to the California Natural Resources Agency for final rulemaking. OPR's final proposal reflects and incorporates substantial input provided by a wide array of statewide stakeholders, including metropolitan planning organizations (MPOs), County Transportation Commissions, local implementation agencies, and environmental advocacy organizations. Since the time SB 743 was signed by the Governor in 2013, OPR has provided multiple forums for stakeholder discussion and various opportunities for input and comment into how the new law should be implemented. SCAG has worked closely and cooperatively with OPR throughout this process.

The final rulemaking process now being conducted by the California Natural Resources Agency allows for an additional opportunity for public review and comment. The Natural Resources Agency has established a public comment period which will end on March 15, 2018. SCAG will be drafting a comment letter in response to the proposed SB 743 Implementation Guidelines. We encourage input from our local jurisdictions and stakeholders as to the letter's final content and focus.

To provide current information to our local stakeholders, SCAG hosted a CEQA Guidelines and SB 743 Workshop on January 31, 2018 at the Caltrans District 7 offices. Comments and feedback received at the Workshop will be incorporated into SCAG's draft comment letter, as appropriate.

STRATEGIC PLAN:

This item supports SCAG's Strategic Plan Goal 2: Advance Southern California's policy interests and planning priorities through regional, statewide, and national engagement and advocacy.

BACKGROUND:

The California Environmental Quality Act (CEQA) requires public agencies, as part of the project approval decision-making process, to evaluate and mitigate (as needed) a project's potential environmental impacts. OPR is charged with developing the administrative regulations to implement CEQA, and the Natural Resources Agency adopts those regulations following a formal rulemaking process. Among the analyses required by CEQA is a transportation impact analysis.

In response to the passage of SB 743, OPR initiated a process to update the transportation impact analysis language in the CEQA Guidelines and to develop a corresponding 'Technical Advisory' to provide methodological assistance and implementation recommendations for local agencies. Last November, OPR transmitted its final proposed SB 743 Implementation Guidelines to the California Natural Resources Agency for final rulemaking.

PROPOSED UPDATES TO THE SB 743 IMPLEMENTATION GUIDELINES

SB 743 charged OPR with the task of updating the CEQA Guidelines to emphasize current State planning priorities, including the reduction of greenhouse gas (GHG) emissions, streamlining infill and mixed-use transit-oriented development, and facilitating active transportation and transit improvement projects. The final OPR proposal contains several key revisions from the previous draft CEQA Guidelines and Technical Advisory proposal released in January, 2016.

The final proposed SB 743 Implementation Guidelines include several key revisions to the CEQA Guidelines:

Transportation Impact Analysis: The proposed final SB 743 Implementation Guidelines includes significant changes related to the analysis of CEQA transportation impacts. SB 743 required OPR to develop an alternative methodology to replace the existing 'Level of Service' (LOS) analysis for evaluating CEQA transportation impacts. The proposed OPR update designates vehicle miles travelled (VMT) as the most appropriate metric for evaluating transportation impacts for most projects. VMT was selected by OPR as the preferred methodology to replace LOS because of its potential value in facilitating transit-oriented projects in existing urbanized areas and for encouraging bicycle and pedestrian improvements in mixed use urban centers.

Among the guiding principles of SB 743 were to encourage infill development, facilitate the use of active transportation, and reduce greenhouse gas (GHG) emissions. The adoption of a VMT-based metric eliminates the exclusive focus on automobile delay as the primary parameter for evaluating CEQA transportation impacts as was the focus of LOS analysis. Transportation impact analysis based on VMT will improve the viability of infill and transit-oriented development projects, as well as other projects that serve to reduce GHG emissions through decreased dependency on single occupancy vehicles and increased use of active transportation and transit options.

VMT Implementation Changes: The final version of the proposed SB 743 Implementation Guidelines includes some significant revisions from the previous draft proposal released by OPR in January, 2016. These modifications are primarily related to implementation of the VMT methodology and were developed largely in response to concerns expressed by local implementation agencies and other statewide stakeholders. These proposed implementation changes include:

- Use of the VMT methodology for evaluating CEQA transportation impacts is now optional for highway capacity projects.
- Analysis of freight VMT is no longer required.
- Only the number of residential units prescribed in the Sustainable Communities Strategy (SCS) may be used to reference the average VMT for a city.
- Mixed-use development projects may limit VMT-based transportation impact analysis only to the predominant land use.

STATUS OF STAFF REVIEW

SCAG staff has reviewed the proposed final SB 743 Implementation Guidelines and Technical Advisory, and are appreciative of the considerations OPR has made in response to our concerns and those of our local stakeholders, most notably for the provision for added flexibility in the use of VMT analysis for transportation capacity improvement projects. Staff will continue its review and will also consider comments received at the workshop described further below. Throughout the more than four years since the passage of SB 743, OPR has collaborated closely with SCAG and the other state MPOs to ensure that implementation of this ground-breaking new law will be implemented with minimal added burden to our local jurisdictions. Please refer to Attachment #1 for a preliminary draft list of SCAG staff comments regarding the proposed SB 743 implementation guidelines.

PUBLIC REVIEW AND NEXT STEPS

As part of its final rulemaking process, the California Natural Resources Agency has initiated a public review period for the proposed SB 743 Implementation Guidelines. The public comment period will conclude on March 15, 2018.

To provide information to our regional stakeholders in regard to this important rulemaking, SCAG hosted a CEQA Guidelines and SB 743 Workshop on January 31, 2018 at the Caltrans District 7 offices. OPR staff provided information and answered questions regarding the proposed regulatory modifications. The Workshop was attended by approximately 120 participants.

For a copy of the CEQA Guidelines/SB 743 Workshop presentation materials, please visit:

<http://scag.ca.gov/NewsAndMedia/Pages/Presentations.aspx>

SCAG will be drafting a comment letter in response to the proposed SB 743 implementation guidelines. The comment letter will incorporate comments from SCAG staff and input received at the Workshop, as appropriate. SCAG has also requested local jurisdictions and regional stakeholders to

provide comments to us by February 28, 2018. Comments received by that date will be incorporated into the SCAG comment letter, as appropriate.

The California Natural Resources Agency will be conducting a public hearing in Los Angeles on March 14th at the following time and location:

Date: Wednesday, March 14, 2018
Time: 1:30 – 4:30 PM
Location: California Science Center
Annenberg Building
Muses Room
700 Exposition Park Drive, Los Angeles, CA 90037

For more information on the rule-making process and public comment period, please visit: <http://resources.ca.gov/ceqa/docs/update2018/notice-of-proposed-rulemaking.pdf>

FISCAL IMPACT:

Work associated with this item is included in the Fiscal Year 17/18 Overall Work Program (080.SCG00153.04: Regional Assessment).

ATTACHMENT/S:

1. Draft SCAG Comments Regarding Proposed SB 743 Implementation Guidelines
2. Powerpoint Presentation

Proposed SB 743 Implementation Guidelines

Preliminary Staff Comments for Discussion & Input Only (2/15/18)

1. SCAG appreciates the efforts that the Office of Planning and Research (OPR) staff have made over the past four years to ensure that the process of guidelines development for the implementation of SB 743 are as inclusive and participatory as possible. On numerous occasions, OPR staff have reached out, in a meaningful manner, to obtain feedback and input from stakeholders throughout the state. In collaboration with OPR staff, SCAG has hosted six stakeholder workshops during the guidelines development process to receive input.
2. It is clear that this ground-breaking legislative initiative will have far-reaching impacts on the way land use and transportation planning is conducted throughout California, and it has been critical that the concerns and feedback of our regional partners and implementing agencies be heard and addressed throughout this extended process. OPR has demonstrated generosity of their staff time and resources to ensure that the implementation of these new regulations are successful, without placing an undue burden on implementing agencies.
3. One major modification provided by OPR in its final proposal was to make VMT analysis for highway capacity projects optional rather than required. This significant accommodation was made in direct response to the expressed concerns of many of our regional stakeholders. Highway capacity improvement projects that are already included in the adopted SCAG RTP/SCS are critical to our region's long-term mobility objectives, and collectively contribute to the Plan's overall regional sustainability and climate goals.
4. The proposed VMT-based analysis for the assessment of potential transportation impacts pursuant to SB 743 is of great interest to SCAG and to our local jurisdictions and stakeholders. SCAG believes that the proposed methodological change, from the previously used 'Level of Service' (LOS) analysis, will ultimately serve to enhance the ability of our state and our region to achieve our GHG reduction goals, while still preserving our critically needed regional mobility investments.
5. It is critical that lead agencies be provided sufficient time to adequately prepare for the methodological changes that will be required through implementation of SB 743. The currently targeted implementation date of January 1, 2020, as prescribed in the proposed new Guidelines Section 15064.3 (c) entitled 'Applicability', should be revised to allow for a full two-year implementation opt-in period from the effective date of the final rule-making.
6. The proposed regulatory text provided on the California Natural Resources website indicates a statewide implementation effective date of July 1, 2019 (page 11, Section (c) entitled, 'Applicability'). This inconsistency should be corrected.

7. Since these regulations represent a substantial change in methodology from previously used CEQA transportation impact analysis processes, it is critical that, after rule adoption, the state provide additional implementation assistance and guidance opportunities to our local jurisdictions for enacting the new procedures at the local level. The establishment of a set of best practices for implementation of the new methodology over a variety of settings and project types will assist lead agencies to evaluate and anticipate potential impacts of their planned projects. SCAG has already engaged with other MPOs in this direction and looks forward to assisting OPR in this effort.

8. The Technical Advisory states that if a local jurisdiction uses city VMT per capita, the "Proposed development referencing city VMT per capita must not cumulatively exceed the number of units specified in the SCS for that city, and must be consistent with the SCS." (Technical Advisory, Page 12, 'Recommended Numeric Thresholds for Residential, Office, and Retail Projects', November, 2017). Since total number of housing units is not a variable in SCAG's growth forecasts, it is not included in the adopted SCS. SCAG uses the variable of "households", or occupied housing units, which is a slightly smaller subset of housing units, depending upon the vacancy factor. Therefore, there is no number of units inventory for a local jurisdiction in SCAG's SCS from which to make a determination as to whether or not a proposed project exceeds the number of units specified in the SCS. We request that OPR clarify this methodological ambiguity in the SB 743 guidelines.

Proposed SB 743 Implementation Guidelines

Preliminary Staff Comments for Discussion

SCAG Regional Council Committees
March 1, 2018

Mike Gainor
Senior Regional Planner
Southern California Association of Governments



Proposed SB 743 Implementation Guidelines

- OPR has transmitted its final proposed SB 743 Implementation Guidelines to the Natural Resources Agency for final rulemaking
- The final OPR proposal reflects & incorporates substantial input provided by a wide array of stakeholders, including SCAG
- A public comment period, now underway, will conclude on March 15th
- SCAG will be drafting a comment letter in response to the proposed SB 743 Implementation Guidelines
- We encourage your input into the content & focus of the letter

Proposed SB 743 Implementation Guidelines

- SCAG hosted a CEQA Guidelines Update/SB 743 Workshop on January 31st at Caltrans District 7, attended by about 120 participants
- Comments & feedback received at the Workshop will be incorporated into SCAG comment letter, as appropriate
- SCAG has assembled a preliminary list of staff comments for discussion & input
- We seek the counsel & feedback of this committee on these initial comments
- Our final comment letter will be submitted to the Natural Resources Agency following their Public Hearing on March 14th

3

Preliminary Staff Comments

- SCAG appreciates the efforts OPR staff have made over the past 4 years to ensure that the SB 743 implementation guidelines development process was as inclusive & participatory as possible.
- OPR staff have reached out, on numerous occasions & in various formats, to obtain feedback & input from statewide & regional stakeholders.
- SCAG has collaborated with OPR staff to host 6 stakeholder workshops during the guidelines development process to receive input.
- SB 743 will have far-reaching impacts on how land use & transportation planning is conducted in California & it was critical that the concerns of our region were heard & addressed throughout the development process.

4

Preliminary Staff Comments

- One major modification provided by OPR in its final proposal was to make VMT analysis for highway capacity projects optional rather than required.
- This important accommodation was made in response to the expressed concerns of many of our regional stakeholders.
- Highway capacity projects already included in the adopted SCAG RTP/SCS are critical to our region's long-term mobility objectives, & collectively contribute to the Plan's overall regional sustainability & climate goals.
- The revised OPR proposal will serve to enhance the ability of our state & our region to achieve our GHG reduction goals, while still preserving our critically needed regional mobility investments.

5

Preliminary Staff Comments

- It is critical that lead agencies be provided sufficient time to adequately prepare for the significant methodological changes that will be required through implementation of SB 743.
- The currently targeted implementation date of January 1, 2020 should be modified to allow for a full two-year implementation opt-in period from the effective date of the final rule-making.
- Since these regulations represent a substantial change in methodology from previously used analytical processes, it is critical that, after rule adoption, the state provide additional implementation assistance to our local jurisdictions for enacting the new procedures at the local level.

6

Next Steps

- SCAG encourages local jurisdictions to submit your own comment letters to the Natural Resources Agency to express concerns specific to your community.
- The California Natural Resources Agency will be conducting a Public Hearing at the California Science Center on Wednesday, March 14th from 1:30-4:30pm.
- The Public Hearing provides a valuable opportunity to express concerns & questions directly to the agency responsible for finalizing the rule.
- Once the Natural Resources Agency reviews comments received & makes any changes (if necessary), the proposal goes to the Office of Administrative Law for final adoption.

7

Thank you!

<http://opr.ca.gov/ceqa/updates/guidelines/>

Mike Gainor
(213) 236-1822
gainor@scag.ca.gov

