



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 15

Proposed CEQA Thresholds for Evaluating the Significance of Climate Impacts From Land Use Projects and Plans

**Board of Directors Meeting
April 20, 2022**

**Henry Hilken
Director, Planning & Climate Protection**

hhilken@baaqmd.gov

Presentation Outcome



Staff requests Board of Directors adoption of the proposed California Environmental Quality Act (CEQA) Thresholds of Significance for Climate Impacts and associated Justification Report, and to authorize staff to file a CEQA Notice of Exemption

Presentation Outline



- Background and context for the thresholds update
- Proposal for updated thresholds of significance
- Stakeholder feedback
- Requested action

Presentation Requested Action



Staff requests Board of Directors adoption of the proposed California Environmental Quality Act (CEQA) Thresholds of Significance for Climate Impacts and associated Justification Report, and to authorize staff to file a CEQA Notice of Exemption

Background and Context



The Air District's Role in CEQA:

- **Lead agency** when it has the primary authority to implement or approve a project
- **Responsible agency** when it has limited discretionary authority over a portion of a project
- **Commenting agency** when it has concerns about the air quality or greenhouse gas impacts of a proposed project

Background and Context (cont.)



The Air District supports lead agencies with CEQA by:

- Establishing recommended **thresholds** of significance for air quality and greenhouse gases
- Providing **guidance** on methodology and best practices
- Developing **data and tools** to assist practitioners with the analysis

Background and Context (cont.)



The Air District encourages local jurisdictions to:

- Build mixed-use, infill, transit-oriented development
- Provide adequate levels of housing and minimize automobile use
- Support Air District goals for air quality and climate
- Support Plan Bay Area goals for housing and transportation
- Align with aggressive statewide goals for reducing GHG emissions

Background and Context (cont.)



What is driving this CEQA thresholds update?

- New State GHG Targets
 - AB 32's 2020 targets replaced by SB 32 target for 2030
 - 2017 Scoping Plan sets 2030 targets
- Executive Order B-55-18:
Carbon neutrality as soon as possible; no later than 2045
- Evolving case law
- Local governments are asking us to update our GHG thresholds to support their planning

Proposed Thresholds: Land Use Developments



Buildings & Transportation



Proposed Thresholds: Land Use Developments (cont.)



Must include A or B:

A. Projects must include, at a minimum, the following project design elements:

1) Buildings

- a) The project will not include natural gas appliances or natural gas plumbing (in both residential and nonresidential development).
- b) The project will not result in any wasteful, inefficient, or unnecessary energy usage as determined by the analysis required under CEQA Section 21100(b)(3) and Section 15126.2(b) of the State CEQA Guidelines.

B. Projects must be consistent with a local GHG Reduction Strategy that meets the criteria under the CEQA Guidelines section 15183.5(b)

Proposed Thresholds: Land Use Developments (cont.)



Must include A or B (continued):

A. Projects must include, at a minimum, the following project design elements

2) Transportation

- a) Achieve a reduction in project-generated vehicle miles traveled (VMT) below the regional average consistent with the current California Climate Change Scoping Plan (currently 15 percent) or meet a locally adopted SB 743 VMT target:
 - i. Residential projects: 15 percent below the existing VMT per capita
 - ii. Office projects: 15 percent below the existing VMT per employee
 - iii. Retail projects: no net increase in existing VMT
- b) Achieve compliance with electric vehicle charging requirements in the most recently adopted version of CALGreen Tier 2

B. Be consistent with a local GHG Reduction Strategy that meets the criteria under the CEQA Guidelines section 15183.5(b)

Proposed Thresholds: Long-range Plans



Must include A or B:

- A. Meets State's goals to reduce emissions to 40% below 1990 levels by 2030 and carbon neutrality by 2045.

- B. Is consistent with a local GHG reduction strategy that meets the criteria under State CEQA Guidelines Section 15183.5(b).



Justification Report



- Provides rationale and evidence to support the use of the CEQA thresholds by the Air District and other Lead Agencies
- In order to have a less than significant climate impact:
 - Land use projects must be built so they can be carbon neutral by 2045
 - Community-wide plans guide community to being carbon neutral by 2045
- Land use projects
 - How to determine a project's "Fair Share" in achieving State's climate goals
 - How the design elements connect to the State's 2030 and 2045 climate goals
- Community-wide plans
 - Reinforce need for local climate action plans aligned with State goals

Stakeholder Engagement



- Nine Focus Groups (August – November, 2021)
 - Local government planning staff
 - CEQA practitioners
 - Environmental Justice and Equity groups
- Two Public Workshops (December 2021 and March 2022)
 - Public comment period on draft justification report – February 16 to March 18, 2022
- Board presentations
 - Mobile Source and Climate Impacts Committee – September 23, 2021
 - Mobile Source and Climate Impacts Committee – March 24, 2022
 - Committee recommends Board adoption

Stakeholder Input



- Overall support for the approach
 - General support for the qualitative approach and the design elements
 - Appreciate the alignment with state policy, codes and standards
 - Many good suggestions made about helpful strategies and information that could be included in the Guidance
- Some concerns expressed
 - Certain projects may include special uses with limited alternatives to natural gas
 - Difficult for local CAPs to demonstrate carbon neutrality
 - Rural communities can have difficulty meeting State SB743 VMT reductions

Feedback Requested/Prompt



Staff requests, and the Mobile Source and Climate Impacts Committee recommends, Board of Directors adoption of the proposed California Environmental Quality Act (CEQA) Thresholds of Significance for Climate Impacts and associated Justification Report, and authorize staff to file a CEQA Notice of Exemption