

CALIFORNIA COASTAL COMMISSION

455 MARKET, SUITE 300
SAN FRANCISCO, CA 94105-2219
FAX (415) 904-5400
TDD (415) 597-5885



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TO: California Coastal Commissioners and Interested Public

FROM: Dr. Kate Huckelbridge, Executive Director
Shana Gray, Statewide Planning Deputy Director
Ashley Reineman, Federal Programs Manager
Erin Prahler, Statewide Planning Manager
Brittney Cozzolino, Statewide Planning Supervisor

SUBJECT: Final Draft of “Sustainability Principles: A Framework for Reducing Greenhouse Gas Emissions in the Coastal Zone” Recommended for Adoption

SUMMARY OF STAFF RECOMMENDATION

Staff is recommending **adoption** of new climate resiliency policy guidance titled “Sustainability Principles: A Framework for Reducing Greenhouse Gas Emissions in the Coastal Zone” (hereafter abbreviated to “Sustainability Principles”). A draft of the guidance document was released on March 8, 2023, followed by a 45-day public review period. Four public comment letters were received, including comments from Heal the Bay and other interested parties. In addition, Commission staff coordinated with and received comments and suggested edits from the California Department of Transportation (Caltrans) and the California State Lands Commission. Most comments fell into categories related to: (1) California Native American Tribal consultation and coordination, (2) environmental justice, (3) transportation and vehicle miles traveled reduction, (4) reduction of waste, (5) energy consumption, and (6) the role of the Commission and local governments in advancing statewide efforts to reduce greenhouse gases. A variety of edits were made to address these comments, as described in this staff report. Although various edits were made to clarify, correct, add context, and emphasize certain portions of the document, the proposed final draft of the Sustainability Principles does not fundamentally alter the content or recommendations of the prior draft that was presented to the Commission in March 2023. The recommended final draft version of the Sustainability Principles is attached as **Exhibit 1**.

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EXHIBITS

Exhibit 1 – Final “Sustainability Principles: A Framework for Reducing Greenhouse Gas Emissions in the Coastal Zone”

I. MOTION AND RESOLUTION

Motion:

I move that the Commission adopt the “Sustainability Principles: A Framework for Reducing Greenhouse Gas Emissions in the Coastal Zone” pursuant to the staff recommendation.

Staff Recommendation of Approval:

Staff recommends a **YES** vote. Passage of this motion will result in the adoption of the “Sustainability Principles: A Framework for Reducing Greenhouse Gas Emissions in the Coastal Zone” as interpretive guidelines. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution to Approve the Guidance:

The Commission hereby adopts the “Sustainability Principles: A Framework for Reducing Greenhouse Gas Emissions in the Coastal Zone” as interpretive guidelines pursuant to Public Resources Code section 30620.

II. BACKGROUND

As the climate crisis and sea level rise threaten the future of the California coast and its valuable resources, it is more important than ever to make land use policy and development decisions that minimize greenhouse gas emissions. The Sustainability Principles attached as **Exhibit 1** describe how greenhouse gas (GHG) emission reduction efforts interface with the Coastal Act and relate to the Coastal Commission's work on coastal resiliency, including guiding principles and future actions for the Coastal Commission.

As interpretive guidelines that are recommended for adoption pursuant to Coastal Act Section 30620(a)(3), these principles are intended to assist the Commission, local governments, and members of the public improve climate resiliency and minimize the effects of climate change through planning and permitting actions that reduce GHG emissions and improve land use sustainability. However, this document is not a regulatory document, and the principles in it are simply guidelines for how Coastal Act policies can and will be carried out. The document also sets forth a suite of potential future actions for the Coastal Commission to carry out in order to implement the guiding principles, as staff resources and funding allow.

A. Climate Change & the California Coastal Act

Climate change, driven largely by anthropogenic activities and associated GHG emissions, poses unprecedented challenges and will cause widespread impacts to our natural and built environments and their inhabitants. In California, climate change will affect our coastal environments and communities in many ways, such as through rising sea levels, ocean acidification, changing precipitation and temperature patterns, increased wildfire risks, extended periods of drought and limited water supplies, loss of or changes in species diversity and distribution, and more. These many manifestations of climate change are already causing extensive impacts on California's coastal resources, residents, economy, and infrastructure, with disproportionate burdens placed on the state's environmental justice communities.

While planning for adaptation to these new conditions is essential, so are actions to proactively reduce the GHG emissions that drive the current climate trajectories. California is an international leader on this front with the Global Warming Solutions Acts of 2006 (AB 32) and 2016 (SB 32), which set incremental GHG reduction targets out to 2050, as well as AB 1279 (2022), which sets a statewide target to achieve carbon neutrality by 2045.

The Commission is in a unique position to influence policies that mitigate the impacts of climate change and bolster statewide mandates for GHG emissions reductions in the coastal zone. The Coastal Act facilitates this through a number of forward-looking provisions that support GHG emission reductions. In particular, Section 30250 generally requires new development to be concentrated in existing developed areas; Section 30252 facilitates the provision of public transit services and non-automobile circulation

in new development projects; and Section 30253 requires new development to minimize energy consumption and vehicle miles traveled (VMT) and to meet air pollution control requirements. Other policies protecting the marine environment, sensitive habitat areas, coastal waters, agricultural lands, and timberlands not only protect coastal ecosystems, but also help preserve the carbon sequestration benefits those ecosystems provide (e.g., Sections 30230, 30231, 30233, 30240, 30241, 30243).

In addition, the Coastal Act was recently amended to explicitly require the Commission to “take into account the effects of sea level rise in coastal resources planning and management policies and activities in order to identify, assess, and, to the extent feasible, avoid and mitigate the adverse effects of sea level rise” (Section 30270). Without effective and collective efforts to reduce GHG emissions and minimize climate change, California will increasingly experience the consequences of sea level rise, including direct loss of or impacts to public beach access, coastal recreation areas, coastal development and infrastructure, and myriad coastal habitats and resources.

The Coastal Act also states that the Commission may consider environmental justice and the equitable distribution of environmental benefits statewide in permit actions (Section 30604(h)) and that the Act shall be applied in a manner that advances environmental justice and equity (Section 30013). Finally, the Coastal Act states that the Commission shall encourage and protect housing opportunities for persons of low and moderate income (Section 30604(f) and (g)).

Together, these Coastal Act sections provide the Commission with the authority and the duty to consider and address the climate-related impacts of land use policy and development decisions. This includes the consideration and minimization of GHG emissions. Reducing GHG emissions through sustainable land use planning and development practices is necessary for building more resilient coastal communities, mitigating for impacts of development, and protecting coastal resources over the long term. Such sustainable planning strategies are presented in and supported by the Sustainability Principles.

B. Project Background

The final draft Sustainability Principles document was developed using federal financial assistance provided by the Coastal Zone Management Act, as amended, under award NA22NOS4190073, administered by the Office for Coastal Management, National Oceanic and Atmospheric Administration, U.S. Department of Commerce. This project is a part of Strategy 1, Building Resilient and Sustainable Communities pursuant to the Commission’s approved 2021-2025 Assessment and Strategy under the Coastal Zone Management Act’s Section 309 Enhancement Grant Program. This strategy and its associated grant deliverables focus on developing guidance, memorandums, and informational products for the Commission, local governments, and the public on how to enhance climate resiliency and minimize the effects of climate change throughout the coastal zone through planning and permitting actions that reduce GHG emissions and improve sustainable land use practices.

The Sustainability Principles document aligns with and helps carry out the Commission's [2021 to 2025 Strategic Plan](#), particularly with respect to Objective 4.5, which calls for Commission actions to protect coastal resources and enhance coastal resiliency to climate change through GHG reduction measures in Local Coastal Programs (LCPs), coastal development permits (CDPs), and other efforts. The Principles also align with the state's goal of carbon neutrality by 2045 and related statewide climate strategies including but not limited to those presented in the California Air Resources Board's *Climate Change Scoping Plan*, the California Natural Resource Agency's *California Climate Adaptation Strategy*, the California State Transportation Agency's *Climate Action Plan for Transportation Infrastructure*, and the Office of Planning and Research's *Planning and Investing for a Resilient California*.

III. SUMMARY OF SUSTAINABILITY PRINCIPLES

The Sustainability Principles (Exhibit 1) describe how GHG reduction efforts relate to the Coastal Commission's work on coastal resiliency and provide guiding principles and future actions for the Coastal Commission. The guiding principles and action steps are listed below, but more details and discussion can be found in the full document.

A. Guiding Principles

The Sustainability Principles document provides the following principles to guide the Coastal Commission and local governments in their climate change resiliency and adaptation work under the Coastal Act:

1. Collective, momentous action is necessary to achieve the statewide goal of carbon neutrality by 2045.
2. Coastal Act decisions must reflect meaningful tribal consultation to improve the implementation of sustainable land use practices and the outcome of climate resiliency projects.
3. Coastal Act decisions must advance environmental justice, including by considering sustainability and GHG emission reductions.
4. Coastal Act decisions must utilize the best available climate change science to inform actions that lead to reduced GHG emissions and improved climate resiliency throughout the coastal zone.
5. Protecting, restoring, and managing coastal habitats and agricultural lands results in GHG reductions, improved climate resiliency, and enhanced sustainable land use planning.
6. Interagency and intra-agency efforts to "cut green tape" facilitate climate resiliency projects and help achieve statewide GHG emission reduction goals.
7. The Commission encourages innovative sea level rise adaptation strategies, particularly those that have multiple benefits in protecting coastal resources and improving climate change resiliency.

8. The Commission can help facilitate the transition from carbon-based energy sources to renewable energy sources by supporting renewable energy projects and expediting decommissioning of onshore and offshore oil and gas facilities.
9. Coastal Act decisions must reduce vehicular travel, cut transportation-related GHG emissions, and enhance non-vehicular transit alternatives.
10. The Commission supports policies and practices that lead to decarbonizing existing development and constructing new carbon-neutral development.

B. Future Actions

The Sustainability Principles document presents the following future actions for the Coastal Commission to carry out in order to implement the guiding principles, as staff resources and funding allow:

1. Continue working with local governments and other stakeholders to address climate resiliency and mitigation, including strategies for GHG reductions and sustainable land use practices.
2. Support research that furthers the Commission's understanding of climate change impacts and mitigation strategies specific to the California coastal zone.
3. Continue to coordinate with state, regional, and local partners to meet statewide GHG reduction goals.
4. Review and consider updates to the Commission's regulations for opportunities to facilitate or incentivize sustainability projects.
5. Develop policy guidance on specific sustainability topics for Commission and local government use during LCP updates and CDP reviews.
6. Continue to support existing and new legislation that advances climate change mitigation.
7. Continue reducing the carbon footprint of the Commission's business operations.

IV. RESPONSE TO COMMENTS

The Commission received four comment letters during the public comment period, which are included in the Correspondence for this item. Commission staff also coordinated with and received comments and suggested edits on the draft Sustainability Principles from Caltrans and the State Lands Commission. In addition, Commission staff sent 169 letters to California Native American Tribes and received four responses, only one of which included a request to be notified of the progression of this document. No responses requesting further consultation or coordination were received.

Comments generally fell into the following categories: (1) California Native American Tribal consultation and coordination, (2) environmental justice, (3) transportation and VMT reduction, (4) waste reduction, (5) energy consumption, and (6) the role of both the Commission and local governments in advancing statewide efforts to reduce GHGs.

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Changes to the draft guidance related to these topics are discussed in the relevant sections below, along with broader responses to the questions, concerns, or other recommendations raised in the comment letters. In addition to changes made in response to comments, some minor revisions were made to address legislative changes, clarify terminology and intent, or otherwise make the document more user friendly. Overall, none of the changes fundamentally alter the content or recommendations of the prior draft that was presented to the Commission in March 2023.

California Native American Tribal Coordination

One commentor expressed their general support for Principle #2, which calls for meaningful tribal engagement to improve the implementation of sustainable land use practices and climate resiliency projects. The commentor recommended additional emphasis on this principle, however, to highlight the prolonged impacts of the legacy of colonization and the importance of early and active collaboration, not only consultation, with California Native American Tribes. Revisions to address these recommendations were made to Principle #2.

Environmental Justice

Several commentors recommended strengthening the connection between sustainable land use planning and Coastal Act provisions that aim to advance environmental justice, reduce VMT, concentrate development, encourage lower income housing opportunities, and maximize coastal access opportunities. In particular, one commentor noted that Coastal Act Sections 30013 and 30604(h) related to consideration of environmental justice and Sections 30604(f) and (g) related to support for affordable housing are directly applicable to the sustainable land use practice concepts promoted by the Sustainability Principles. References to these Coastal Act sections were added to the introduction highlighting them as part of the overall framework for the Commission's authority and role in reducing GHG emissions in the coastal zone.

Further, commentors noted that, in line with these Coastal Act provisions and the strategies presented in CARB's 2022 Scoping Plan, facilitating affordable infill housing development is crucial to addressing climate change and environmental justice and equity issues. While this concept was already supported by the draft Sustainability Principles, additional emphasis was added to Principle #9 and Future Action #4.

In addition to the housing related comments, additional comments provided recommendations for how the Sustainability Principles could better emphasize environmental justice concerns in the realm of sustainable land use planning and development. Such recommendations included the need for emphasis on the Coastal Act provision to consider the equitable distribution of environmental benefits; the importance of meaningful engagement with environmental justice communities on climate resiliency and mitigation projects; the potential for such projects to have both positive and negative impacts on environmental justice communities; the need for direct

financial support for underserved communities that lack resources to effectively combat the climate and housing crises; and acknowledgement of the unique impacts that industrial port areas can have on the public and environmental justice communities in particular. Revisions to address these recommendations are concentrated in Principle #3 and #8.

Transportation and VMT Reduction

Several commentors recommended a stronger emphasis on VMT reduction strategies that lead to GHG emission reductions. In particular, commentors highlighted that reducing vehicle parking can reduce vehicle dependency and development costs for housing production, which can in turn lead to advancement of environmental justice and equitable distribution of environmental benefits. Relatedly, commentors recommended a stronger emphasis on facilitating and concentrating new housing development, especially multi-family and affordable housing, in already urbanized areas to address both the housing and the climate crisis in alignment with CARB's 2022 Scoping Plan. As noted by commentors, infill housing at a range of affordability levels can create more vibrant and economically viable communities, advance environmental justice, and reduce VMT and associated GHG emissions. These outcomes directly align with pillar Coastal Act mandates as well.

To address these comments in conjunction with AB 2097, which went into effect January 1, 2023 and prohibits public agencies from imposing minimum vehicle parking requirements on most new development projects located within one-half mile of a major transit stop, a new paragraph was added to Principle #9. This paragraph emphasizes the concepts already covered in the draft version of Principle #9 regarding Commission support for sustainable transportation and land use planning and projects that reduce VMT and associated GHG emissions while maximizing coastal access. The newly added language includes more detail on what those strategies could look like in the absence of minimum parking requirements. While the Commission cannot encourage a blanket elimination of vehicle parking requirements as suggested by some commentors due to the Coastal Act mandate for maximizing coastal access opportunities and the important role that private vehicles continue to play in that access, the Commission can work with local governments and project applicants on context-specific transportation and parking solutions that harmonize Coastal Act goals with housing and climate mitigation efforts. As such, the new paragraph reiterates the importance of local governments updating their LCPs to harmonize Coastal Act mandates for reducing VMT and maximizing coastal access opportunities with new state laws aimed at smart growth and climate mitigation like AB 2097.

Commentors also provided the following recommendations related to transportation and VMT reduction that were already adequately addressed in the draft Sustainability Principles and did not necessitate additional changes:

- Commitment to “cutting green tape” to facilitate electric vehicle charging infrastructure: addressed in Principle #6.

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- Acknowledgement of common challenges with balancing Coastal Act mandates for maximizing coastal access, reducing VMT, and protecting coastal resources: addressed in Principle #9.
- Commitment to regulation changes or categorical exclusion orders that will facilitate infill multi-family housing production: addressed in Future Action #4.
- Commitment to advocate for legislative changes that will facilitate infill multi-family housing production and VMT reduction: addressed in Future Action #6.

Waste Reduction

One commentor expressed their support for the draft Sustainability Principles' promotion of plastic waste reduction in hospitality operations, but noted that this language did not sufficiently address greater waste reduction concerns. The commentor recommended a separate principle on this topic; however, the Commission is concurrently developing a marine debris reduction measures program under a separate federal grant project. Thus, marine debris and plastic pollution reduction is supported by, but is not an area of emphasis for, the Sustainability Principles. A footnote was added to Principle #10 to this effect, as well as additional language on the Commission's general support for local programs and regulations (e.g., LCP and non-LCP related efforts) that improve waste management and aim to reduce overall waste.

Energy Consumption

One commentor generally supported the promotion of renewable energy and reduction of fossil fuels in the draft Sustainability Principles, but expressed the need for caution in supporting projects that rely solely on carbon trading and offsets. It is important to note that CARB is the state agency responsible for managing the Cap-and-Trade program and the Commission does not have any jurisdiction over what projects can or cannot be eligible for the program. However, it is in the Commission's purview to support and assess options for reducing a project's construction and operations-related GHG emissions, whether or not that project is participating in Cap-and-Trade. Revisions to Principle #10 were made to address this comment.

Role of Commission and Local Governments

Commentors noted the need for additional emphasis in the role that local governments play in sustainable land use planning in the coastal zone. While the Commission has purview over land use policies and regulations that are proposed to be part of a certified LCP as well as development projects in coastal jurisdictions without a certified LCP, local governments are ultimately responsible for planning for and investing in climate change resiliency and mitigation strategies for their communities. Various revisions were made to address this theme, including reframing the titles and content of several principles to focus on Coastal Act decision-makers rather than the Commission alone. In particular, edits were made to Principle #9 to further emphasize the importance of local governments updating their LCPs with policies that provide for multi-modal transportation, infill housing, and maximized coastal access opportunities in light of the state's housing and climate crises and related Coastal Act goals.

Commentors also noted the need for more coordination efforts between the federal, state and local governments to identify and funnel available grant funding into the plans and projects that aim to advance statewide climate goals. A revision was made to Future Action #3 to address this.