

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: March 11, 2024

CAO File No. 0220-06178-0000

Council File No. 22-1566

Council District: Citywide

To: The Council

From: *for* Matthew W. Szabo, City Administrative Officer 

Reference: Department of City Planning report dated April 26, 2023.

Subject: **REPORT BACK ON THE FISCAL IMPACT TO PREPARE AND ADOPT A CLIMATE ACTION AND ADAPTATION PLAN**

RECOMMENDATION

That the City Council note and file this report.

SUMMARY

On November 3, 2023, the City Council directed the City Administrative Officer (CAO), in consultation with the Chief Legislative Analyst (CLA), the Department of City Planning (DCP), the Board of Public Works Climate Emergency Mobilization Office (CEMO) and other departments as needed to report back on: (1) the cost estimates included in the DCP report dated April 26, 2023; (2) the availability of State (or Federal) grant funds, as indicated in the DCP report for consideration in the Fiscal Year 2024-25 budget; and (3) to clarify that the Climate Action and Adaptation Plan (CAAP) not to be contained within the General Plan, but that it be prepared and presented to the City Council for approval. This report includes an analysis of the cost estimate and grant funding included in the DCP report, and the fiscal impact to adopt a CAAP not contained within the General Plan.

BACKGROUND

On January 25, 2023, the City Council adopted a motion instructing the DCP, in consultation with the City Attorney, CEMO, and other departments as appropriate to report on the process, timing, costs, potential funding sources, and benefits of adopting a CAAP into the City's General Plan. The DCP report dated April 26, 2023 (DCP Report) provides a background on climate action and adaptation planning highlights in the City as well as examples from other jurisdictions, and an analysis of adopting a CAAP into the City's General Plan. The DCP Report outlined the efforts throughout the City that have been dedicated to address climate change adaptation and mitigation, including significant work in recent years to incorporate robust policies in the City's General Plan.

When the DCP Report was considered in the Planning and Land Use Management Committee (PLUM) on October 3, 2023, the PLUM Committee members recommended instructions for the CAO to report back on the cost estimate and funding sources provided in the DCP Report to City Council. On November 3, 2023, the City Council adopted Substitute Motion 1C (Yaroslavsky – Krekorian) instructing the CAO, in consultation with the CLA, DCP, CEMO, and other departments as needed to report back on: (1) the cost estimates included in the DCP report dated April 26, 2023; (2) the availability of State (or Federal) grant funds, as indicated in the DCP report for consideration in the Fiscal Year 2024-25 budget; and (3) to clarify that the Climate Action and Adaptation Plan (CAAP) not to be contained within the General Plan, but that it be prepared and presented to the City Council for approval.

DISCUSSION

This Office reviewed the DCP Report and consulted the DCP regarding the cost estimate breakdown and grant funding opportunities listed. The DCP clarified that the DCP Report reflects the costs for a CAAP contained within the General Plan. This report provides an analysis of: (1) the cost estimate and grant opportunities listed in the DCP Report for a CAAP contained within the General Plan, and (2) the proposed resources to prepare and present a CAAP not contained in the General Plan to City Council.

CAAP contained within the General Plan

The DCP Report outlines the costs and funding sources to adopt a CEQA Compliant CAAP and Non-CEQA Compliant CAAP within the General Plan. The costs assume DCP as the lead and reflect the resources for development and adoption. It does not consider the resources required for implementation. The DCP recommends a Non-CEQA Compliant CAAP due to the greater litigation risk and additional cost for a CEQA Compliant CAAP.

CEQA Compliant CAAP Cost Estimate

The DCP estimates it will take approximately three to four years to develop a CEQA Compliant CAAP within the General Plan. This timeline includes researching and preparing the CAAP, collaborating with other City Departments, integrating the Climate Vulnerability Assessment findings, conducting community outreach, developing a monitoring and reporting system, taking the plan through the adoption process, and processing additional CEQA clearance, including a more extensive Greenhouse Gas Emissions (GHG) inventory analysis. Table 1 shows the cost comparison between the DCP Report and CAO estimate to adopt a CEQA Compliant CAAP within the General Plan.

Table 1: CEQA Compliant CAAP Cost Comparison		
Item	DCP Report	CAO Estimate*
Staff costs	\$2,036,172 - \$2,714,896	\$1,263,000 - \$1,718,000
Environmental consultant costs	\$1,100,000	\$1,100,000
Outreach consultant costs	\$225,000	\$225,000
Total	\$3,361,172 - \$4,039,896	\$2,588,000 - \$3,043,000

* The CAO estimate assumes 9-months funding in Year 1 and 12-months funding in subsequent years for one City Planner and two City Planning Associates. It is based on FY 24-25 salary costs, eight percent salary savings rate, and FY 24-25 add/delete rate. It does not consider pending labor negotiations, which may increase the direct and related costs.

The DCP Report proposes four positions consisting of one Senior City Planner, one City Planner, and two City Planning Associates to lead the preparation and adoption of a CAAP. It does not include CAAP monitoring and implementation. The DCP clarified the following position responsibilities.

- **Senior City Planner:** Oversee the CAAP work program, including managing, assigning, and reviewing staff work. Maintain project timetables, budgets, and regularly present before the City Planning Commission and City Council.
- **City Planner:** Directly supervise the City Planning Associates. Review, coordinate, guide and evaluate City Planning Associate work. Review written reports and prepare verbal presentations to the public.
- **City Planning Associate:** Draft initial policies, ordinances, and monitor programs. Initiate the CEQA review process and create an outreach plan.

In addition to the staffing resources, the DCP Report proposes contractual services funding for environmental and outreach consultants. The environmental consultant cost includes additional GHG inventory work associated with CEQA compliance. The environmental consultant cost and outreach consultant cost are based on past City contracts and research from other jurisdictions.

This Office reviewed the DCP Report's proposed staffing and consultant resources for a DCP led CEQA Compliant CAAP within the General Plan. After consideration of existing resources, it appears the existing Senior City Planner in the General Plan Health Element and Environmental Justice Group can oversee this work. The CAO Estimate Staff costs provided in Table 1 reflect one City Planner and two City Planning Associates based on fiscal year 2024-25 wages and related costs as of February 1, 2024. The range assumes a three to four year timeline to adoption. It does not consider pending labor negotiations, which may increase the cost in subsequent years. This Office concurs with the DCP's estimated environmental and outreach consultant costs.

Non-CEQA Compliant CAAP Cost Estimate

The DCP estimates that a Non-CEQA Compliant CAAP within the General Plan will also take approximately three to four years. This timeline includes researching and preparing the CAAP, collaborating with other City Departments, integrating the Climate Vulnerability Assessment

findings, conducting community outreach, developing a monitoring and reporting system, and taking the plan through the adoption process. A Non-CEQA Compliant CAAP would still require the preparation of CEQA analysis to support the development of a policy document and ordinance. Table 2 shows the cost comparison between the DCP Report and CAO estimate to adopt a Non-CEQA Compliant CAAP within the General Plan.

Table 2: Non-CEQA Compliant CAAP Cost Comparison		
Item	DCP Report	CAO Estimate*
Staff costs	\$2,036,172 - \$2,714,896	\$1,263,000 - \$1,718,000
Environmental consultant costs	\$300,000	\$300,000
Outreach consultant costs	\$225,000	\$225,000
Total	\$2,561,172 - \$3,239,896	\$1,788,000 - \$2,243,000

**The CAO estimate assumes 9-months funding in Year 1 and 12-months funding in subsequent years for one City Planner and two City Planning Associates. It is based on FY 24-25 salary costs, eight percent salary savings rate, and FY 24-25 add/delete rate. It does not consider pending labor negotiations, which may increase the direct and related costs.*

The DCP Report proposes the same level of staffing resources as indicated in the CEQA Compliant CAAP. The DCP states the tasks to adopt a Non-CEQA Compliant CAAP are the same as the CEQA Compliant CAAP with the exception of a reduced GHG inventory analysis. This reduction in required GHG inventory analysis results in an \$800,000 reduction to the environmental consultant costs.

This Office reviewed the proposed staffing and consultant resources for a DCP led Non-CEQA Compliant CAAP and concurs the same level of resources as the CEQA Compliant CAAP is required. The CAO Estimate Staff costs provided in Table 1 reflects one City Planner, and two City Planning Associates based on fiscal year 2024-25 wages and related costs as of February 1, 2024. The range assumes a three to four year timeline to adoption. It does not consider pending labor negotiations, which may increase the cost in subsequent years. This Office concurs with the DCP's estimated environmental and outreach consultant costs.

Grant Opportunities

The DCP Report provides an overview of a few potential State grant opportunities to fund a CAAP under the Integrated Climate Adaptation and Resiliency Program (ICARP). The Governor's Office of Planning and Research houses ICARP. The three ICARP grant opportunities listed in the DCP Report are the (1) Adaptation Planning Grant Program, (2) Regional Resilience Planning and Implementation Grant Program, and (3) Extreme Heat and Community Resilience Grant Program. From these programs, the potential grant funding available in Fiscal Year 2024-25 are the Adaptation Planning Grant Program Round Two funding and Extreme Heat and Community Resilience Grant Program Round One funding. Currently, the DCP has no plans to apply for these grant funds. Table 3 provides details on these grant programs.

Table 3: ICARP Grant Programs				
Program Name	Description	Application Deadline	Potential Award Amount	Fund Availability
Adaptation Planning	Provides funding to help fill local, regional, and tribal planning needs, provides communities the resources to identify climate resilience priorities, and supports the development of a pipeline of climate resilient infrastructure across the state.	<u>Round 1:</u> Awarded May 2023 <u>Round 2:</u> Feb. 12 - May 13, 2024	<u>Round 1:</u> \$150,000 - \$650,000 <u>Round 2:</u> \$100,000 - \$650,000	<u>Round 2:</u> Anticipated Grant Start is Jan. 1, 2025
Regional Resilience Planning and Implementation	Funds regional climate resilience efforts, including identifying climate resilience priorities, building capacity, and implementing projects, that response to a region's greatest climate risks.	<u>Round 1:</u> Awarded Dec. 2023 <u>Round 2:</u> TBD	<u>Round 1: Planning Projects</u> is \$150,000 - \$650,000, <u>Round 2:</u> TBD	<u>Round 1:</u> Anticipated Grant Start is Winter/Spring 2024 <u>Round 2:</u> TBD
Extreme Heat and Community Resilience	Funds and supports local, regional, and tribal efforts to reduce the impacts of extreme heat. The Extreme Heat and Community Resilience Program coordinates the state's efforts to address extreme heat and the urban heat island effect.	<u>Round 1:</u> Pre-Application Form due between Jan. 29, 2024 to Apr. 23, 2024	<u>Round 1: Small Planning Grant</u> is \$100,000 - \$250,000, <u>Large Planning Grant</u> is \$300,000 - \$750,000,	<u>Round 1:</u> TBD, Anticipated Award Announcement is Summer 2024

CAAP not contained in the General Plan

The DCP Report provides key highlights of several City Departments continuing or launching new initiatives to help the City meet its climate action and adaptation goals. The existing plan providing targets and strategies to reduce GHG emissions is the [LA's New Green Deal: Sustainable City Plan](#) (Green New Deal). The Green New Deal was developed using the C40 Climate Action Planning Framework which requires an update at least once every five years or when conditions change significantly. The C40 is a global network of nearly 100 mayors of leading cities around the world. The C40 Climate Action Planning Framework was created to support cities in developing climate action plans aligned with the objectives of the Paris Agreement. The Green New Deal includes acknowledgement and measures for some adaptation and resilience. In addition to the Green New Deal, the City developed the [Resilient Los Angeles Strategy](#) and [Local Hazard Mitigation Plan](#). Both documents reference climate change and adaptation.

This Office compared the cost and funding used to develop Climate Action Plans (CAP) and CAAPs in other jurisdictions including Los Angeles County, the City and County of San Francisco, and the City of Long Beach. This analysis does not include the cost to implement and ongoing maintenance of a CAAP. Attachment 1 provides a breakdown of this information, which provides a comparative analysis of the cost and funding to adopt a CAAP not contained in the General Plan.

In addition to the jurisdiction cost comparison, this Office obtained DCP and CEMO proposed resources to support the development of a CAAP not contained in the General Plan. The DCP and CEMO propose the following resources to support the CAAP development. The proposed resources assume a supporting role and leadership by a different Department or Office.

DCP Proposed Resources – Estimated Total Cost is \$698,090.

- **One City Planner:** This position would provide technical support and expertise on the Climate Vulnerability Assessment work, environmental review CEQA, and adoption processes. The proposal is one full time equivalent (FTE) for CAAP development from start to finish of CAAP development.

CEMO Proposed Resources – Estimated Total Cost is \$512,803 for the required partial FTEs. The full cost for three FTEs is substantially higher if other work is not available for the project duration.

- **One Environmental Supervisor II:** This position would provide support and expertise in regulatory framework, environmental laws, inter-agency coordination, stakeholder engagement, CEQA reviews, scientific research, and technical writing. The proposal is 0.25 FTE in year two of development and 0.50 FTE in years three and four of development.
- **One Senior Management Analyst II or Principal Project Coordinator:** This position would provide expertise and a high level of coordination with Departments on plan development and governmental policy. The proposal is 0.25 FTE in years two, three, and four of development.
- **One Geographic Information Specialist:** This position would provide recommendations for data mapping, analysis, and tracking. The proposal is 0.15 FTE in year two, and 0.25 FTE in years three and four of development.

In discussions with DCP and CEMO, this Office was informed the Mayor's Office is actively working with C40 to update the Green New Deal. The Mayor's Office intends to develop a CAAP under the updated C40 Climate Action Planning Framework. The specific timeline is unknown at this time.

FISCAL IMPACT STATEMENT

There is no fiscal impact as a result of this report's recommendation.

FINANCIAL POLICIES STATEMENT

The recommendation in this report complies with the City's Financial Policies.

MWS:YC:VES:KHO:02240062

Attachment: CAP/CAAP Development Jurisdiction Cost/Funding Comparison

**Climate Action Plan/Climate Action and Adaptation Plan Development
Jurisdiction Cost/Funding Comparison**

Jurisdiction	Lead Agency	Status	Duration (Start to Adoption)	Plan Type (Climate Action Plan/ Climate Action & Adaptation Plan)	Included in the General Plan	RESOURCES			Grant Funding
						Staffing (Position Type & Quantity)	Consultant	Other	
Los Angeles County	LA County Planning, Environmental Planning and Sustainability Section & Chief Sustainability Office	In progress	TBD (2018-present)	Climate Action Plan	Yes	1 Senior Planner, 2 Planners	Environmental and Outreach: \$971,000	Information Not Available	SCAG: \$300,000
City and County of San Francisco	San Francisco Environment Department	Released December 2021; Implementation strategy released November 2022	Information Not Available	Climate Action Plan	No	Information Not Available	Environmental: \$40,000 - \$50,000	Environmental Impact Report: \$210,000	Information Not Available
City of Long Beach	Development Services Department, Planning Bureau	Adopted August 2022	Approximately 5 years (2017 - 2022)	Climate Action & Adaptation Plan	Yes	1 Senior Planner, 1 Planner	Environmental and Outreach: \$1.3 million	One-Time CEQA for climate compliance: \$100,000	Information Not Available