



MEMO

To: Bill King, Principal Planner
CITY OF MERCED

From: Jennifer Venema

Cc: Tammy Seale and Nora De Cuir, PMC

Date: December 12, 2014

Re: Merced Programmatic CAP Focus Group Meeting Minutes, December 8, 2014

The purpose of this memo is to summarize the third Focus Group meeting, held on December 8, 2014. The PMC team facilitated the meeting for the City's Programmatic Climate Action Plan project.

The City of Merced Programmatic Climate Action Plan (PCAP) project implements the City's Climate Action Plan (CAP), adopted by the City Council in 2012. The project's goal is to provide tools to support and implement the CAP. Key objectives include achieving the City's adopted greenhouse gas (GHG) emissions reduction targets while streamlining and simplifying the review of new development. The project will result in an action plan, tools to track and analyze the cost benefit of strategies, and design guidance.

FOCUS GROUP

The Focus Group for the PCAP project is an ad hoc committee of key stakeholders representing different organizations and interests in the community. Members of the Focus Group include representatives from businesses, local green industry, the Greater Merced Chamber of Commerce, and community groups, along with representatives from the Planning Commission, City Council, and City departments. The Focus Group convenes on a regular basis to offer recommendations and feedback to City staff and decision-makers during the development of project materials. The Focus Group has reviewed draft GHG reduction strategies and implementation tools. In early 2015, the Focus Group will convene during two more meetings to provide input and recommendations for the preparation of design guidance and the CAP work plan.

FOCUS GROUP MEETING #3

The third Focus Group meeting was held from 1:30 to 3:30 p.m. in the Sam Pipes Room in the Merced Civic Center. In attendance were nine members of the Focus Group, eight members of the public, and City staff. The purpose was to review updated CAP measures and options for prioritization of implementation strategies.

MEETING APPROACH

PMC staff presented information to the Focus Group and facilitated a discussion with Focus Group members. The following issues were addressed:

- **Welcome and Introductions:** The project team, including City staff and the consultant team, reiterated the purpose of the CAP, emphasizing that the project's primary goal is to implement the CAP and meet the 2020 emissions target (equal to 1990 GHG emissions levels, or 15% below 2008 levels). After the Focus Group's analysis of measures at the September 10 meeting, the project team sought input on implementation. The Focus Group was given an overview of regulations guiding the development of the CAP, including state and regional guidance such as AB 32 and CEQA and from the SJVAPCD and the City of Merced, all of which require GHG reductions. The objective of the CAP project is to streamline regulations for new development, meet community values and economic priorities, and create a user-friendly mechanism for reducing GHGs.
- **Emissions Forecast Update:** Project staff presented changes to electricity emissions made since the September 10 meeting. Changes to the inventory more accurately account for baseline energy sources of the Merced Irrigation District (MID), which altered emissions factors and ultimately captured additional emissions credits from the impact of regulations on emissions from electricity use. MID provided 44% of community electricity in 2008. The forecast and goals have been updated as a result of this clarification to fairly and accurately allow the City to reach the target of 15% below the 2008 baseline.
- **Measures and Performance-Based Approach:** Some minor language and metric updates have been made to measures. In the September 10 meeting, the Focus Group emphasized the need to include flexibility and options on how to contribute to the target while still establishing clear expectations. Discussion at the meeting summarized methods for the performance-based approach to close the gap with new development, which would facilitate a 29% reduction below business as usual (BAU) for emissions from new development. This approach would provide flexibility and options for new development to mitigate GHG emissions consistent with state guidance.
- **Feasibility Analysis:** The project team summarized the tools prepared to analyze feasibility and prioritization of measures. The presentation reviewed options for weighting factors to rank CAP measures for implementation. Factors discussed included partnerships and programs, net financial impact to the community, and net financial impact to City. Approaches to monitor progress were also vetted and discussed.
- **Focus Group Discussion:** The project team facilitated a discussion with guided questions for the Focus Group. This activity is detailed below.

DISCUSSION

As part of the Focus Group meeting, committee members were asked to participate in a live electronic polling exercise to identify their priorities for implementation and measure evaluation. Members of the public in attendance did not cast votes. This polling activity was integrated into the presentation given by City staff members and consultants. Focus Group members were able to use the TurningPoint electronic polling technology to provide their feedback. Results were displayed to committee members immediately following each question. The tables below show the responses gathered from each question asked of the Focus Group.

Nine Focus Group members participated in the activity. Multiple answers were provided for each question, with one response per participant.

1. What is your current status? (multiple choice)

Responses	Percentage	Count
Awake	50%	4
Getting sleepy	25%	2
Avidly engaged	12.5%	1
Dazed and confused	12.5%	1
None of the above	0%	0
Total	100%	8

2. What level of reduction is appropriate for new development? (multiple choice)

Responses	Percentage	Count
31%, consistent with outstanding gap to achieve the target	22.2%	2
29%, consistent with SJVAPCD guidance	55.6%	5
16%, consistent with statewide Scoping Plan forecasts	22.2%	2
Unsure	0.00%	0
None of the above	0.00%	0
Total	100%	9

3. What is the most appropriate strategy to close the gap and achieve the target? (multiple choice)

Responses	Percentage	Count
Provide prescriptive standards	44.4%	4
Recommend the City commit to other voluntary or incentive-based programs	44.4%	4
Other	11.1%	1
Total	100%	9

- Question/comment: Project staff explained that prescriptive standards are specific choices available for CEQA streamlining. The team is trying to avoid new regulations and standards while still finding the best approach.

4. What is the preferred approach to close any remaining gap [to achieve the CAP target]? (multiple choice)

Responses	Percentage	Count
Provide greater incentives for on-site solar energy	33.3%	3
Increase retrofits of existing homes and businesses	0.00%	0
Promote greater adoption of alternative modes of transportation for local businesses	11.1%	1
Focus more development in higher-density locations	33.3%	3
Improve recycling and waste minimization efforts	22.2%	2
Other	0%	0
Total	100%	9

- Question/comment: Project staff provided clarification of the first and fourth options.
 - *Provide greater incentives for on-site solar energy* means that if a project adds a solar unit to meet the standard, all they would have to do is meet the regulation of the CAP.
 - *Focus more development in higher-density locations* refers to efficient use of land that is connected, such as student housing.

5. What is the most important issue for measure implementation? (multiple choice)

Responses	Percentage	Count
GHG reductions	25%	2
Available partners and programs	12.5%	1
Consistency with CAP values	25%	2
Fiscal impact to community	37.5%	3
Fiscal impact to City	0%	0
Total	100%	8

6. To prioritize measures for next steps, should we weight any of the issues more highly than others? (i.e., assign measures a higher score when they meet the priority criteria versus other criteria) (multiple choice)

Responses	Percentage	Count
Yes	55.6%	5
No	22.2%	2
Unsure	22.2%	2
Total	100%	9

Following the polling activity, the project team demonstrated the prioritization tool. Based on Focus Group suggestions, the team weighted implementation factors to demonstrate the impact on prioritization.

- Question and discussion regarding the use the prioritization tool.
 - Response: Staff will use the information to guide decision-making and assist staff with developing recommendations for implementation. As resources change, weighting and prioritization factors can be adjusted
- Question and discussion: Does the criteria presented today reflect the most important issues for prioritizing the CAP?
 - Air quality is important and that should be included as a prioritization factor.
 - Discussion regarding the term “community,” and acknowledgement that building owners and homeowners often have more direct incentive to participate in measures, but measures also target renters.
- Discussion regarding intent of the plan to provide streamlining to new development and simplify existing regulations.

7. What cost-benefit information is the most useful? (multiple choice)

Responses	Percentage	Count
City staff FTE	0%	0
City costs and savings	0%	0
Total community costs and savings	11.1%	1
Average costs and savings per participant	22.2%	2
Cost per MTCO ₂ e of GHG emissions	66.7%	6
Total	100%	9

8. What is the most important issue for measure implementation? (multiple choice)

Responses	Percentage	Count
GHG reductions	22.22%	2
Available partners and programs	0.00%	0
Consistency with CAP values	22.22%	2
Fiscal impact to community	55.56%	5
Fiscal impact to City	0.00%	0
Total	100%	9

- Question/comment: What happens if the state does realize its targets? Does that responsibility then fall to the City?
 - *Response:* There is recognition that the state has a unique role to address certain sectors. The City still has a role to play, but would be unable to close the gap if the state does not follow-through on statewide regulations and programs. The CAP also qualifies the City for competitive grant funding provided by the state. The current PCAP effort is funded by competitive state grant funds.
- Question/comment: Discussion and questions regarding changes to the baseline inventory and forecast. Why are the numbers different from the last meeting?
 - *Response:* A member of the consultant team explained that the numbers presented at the last meeting do not reflect the adjustments and fine-tuning completed since then based on discussion during that meeting. Since the last meeting, the project team updated the inventory to account for MID electricity sources. Reduction measures were also updated to reflect Focus Group input.
- Question/comment: It would appear that the future actions are driven by growth. Are we creating numbers or goals based on growth far more significant that we can achieve? One Focus Group member commented that the General Plan has unrealistic growth expectations and places too much burden on new development, posing unnecessary expenses for new development. Comments acknowledged support for the idea of streamlining, but concern with costs.
 - *Response/discussion:* A member of the consultant team explained the protocol for developing climate action plans in a manner that is consistent with adopted planning documents, providing a stronger, more conservative basis for new development. New projects subject to CEQA must analyze GHG emissions. This process seeks to consolidate requirements from the San Joaquin Valley Air Pollution Control District and existing codes to simplify measures for new development. The CAP will serve as a sort of clearinghouse, providing flexibility and options for new development to achieve CAP reductions. Discussion also highlighted the role of incentives that provide benefits for businesses or developers to take voluntary actions that reduce GHGs while supporting operations.