October 7, 2025

RE: Climate Advisory Board Recommendations

To:

Mayor Todd Gloria
Council President Joe LaCava
Environment Committee Chair Sean Elo-Rivera
Randy Wilde, Mayoral Senior Policy Advisor
Brian Elliott, D1 Deputy Chief of Staff
Rosa Olascoaga, D9 Deputy Chief of Strategic Initiatives
Heidi Vonblum, City Planning Director
Andrew Martin, Climate Action Program Manager
Heather Werner, Deputy Director of Energy

In alignment with the City of San Diego Climate Advisory Board's role to support the City in 'implementing the Climate Action Plan and attaining the City's stated goals in these areas', the board respectfully submits several recommendations.

These recommendations incorporate staff responses to questions discussed at the July 1 and August 12 board meetings. A copy of the questions, and notes taken by the board are available.

Recommendations:

1. 2022 CAP Implementation Plan Update

Staff have informed the board that the 2022 CAP Implementation Plan will be updated by the end of the year. Recently reported <u>2023 Total City-wide Greenhouse Gas Emissions</u> show an <u>increase</u> from 2022, so it is critical the city take <u>swift action to course correct</u>.

We recommend that the proposed 2022 CAP Implementation Plan be made available <u>with sufficient time</u> for our board, related boards, the Climate Equity Working Group and the community <u>to provide feedback</u>, which can then be considered for a revised version to present to the City Council.

We recommend that the associated <u>stakeholder workshop</u> be held in person in a community location near public transit, in the early evening, and provide refreshments. We also recommend that this be a hybrid meeting to allow remote attendance.

2. SB1221 Neighborhood Decarbonization Pilots

We would like to thank the city for responding to our 7/1/25 recommendation with their supportive public comments at the recent CPUC SB 1221 Neighborhood Decarbonization Pilots Public Participation Hearing. These pilots redirect utility funds from aging gas pipeline replacements toward community-approved electrification projects. This is a cost-effective way to advance 2022 CAP Measure BE-1.1 "Decarbonize Existing Buildings".

We recommend the 2022 CAP Implementation Plan Update include a new implementation pathway to request SDG&E submit at least 5 pilot sites located within the City of San Diego for the SB 1221 program (with at least two in flood zone areas impacted by heavy storms in January 2024), implemented utilizing a skilled and trained local workforce.

3. Reach Codes

Reach codes are a critical policy tool for the city to advance 2022 CAP Measures <u>BE-1.2</u> "Decarbonize New Building Development" and <u>BE-1.1</u> "Decarbonize Existing Buildings"

We recommend a prompt city attorney <u>analysis</u> of AB130, to confirm that the city is permitted to pass a residential reach code, since it will align with the city's General Plan

We recommend the 2022 CAP Implementation Plan Update include a new implementation pathway to develop cost-effective reach codes for additions and alternations to existing buildings, specifically <u>Single-Family AC to Heat Pump Replacements</u> and <u>Nonresidential Alterations</u>, and others as they become available. <u>Five cities</u> have already passed these reach codes.

We recommend that the <u>City Planning Work Program FY26</u>, page 28 "Enhanced Green Building Standards for <u>New</u> Buildings" include alterations and additions to existing buildings in its scope.

4. Benchmarking & Building Performance Standards (BPS)

Benchmarking & BPS ordinances are critical policy tools for the city to advance 2022 CAP Measure BE-1.1 "Decarbonize Existing Buildings". Two CAP actions specifically address this:

- <u>BE-1.1SA-2</u> Update the Building Energy Benchmarking Ordinance to expand enforcement and compliance.
- BE-1.1b "Develop a Building Performance Standards (BPS) policy."

In 2019, the city adopted a <u>Building Energy Benchmarking Ordinance</u>, which requires certain existing buildings over 50,000 square feet to annually submit energy data to the City of San Diego. To date, the city has been focused on education and has not assessed fines for non-compliance.

In 2022, the city joined the White House's <u>Building Performance Standards Coalition</u>. As part of this commitment, the city established a Building Performance Standards Working Group, hosted by the World Economic Forum. Several board members were part of this working group which concluded in April 2024 with a recommended draft BPS ordinance and updates to the existing Benchmarking ordinance. We understand progress on this has been delayed, due to the need to hire additional staff to implement the BPS ordinance

We recommend immediately <u>establishing and collecting fines for non-compliance</u> with the Benchmarking ordinance

- Property owners have had since 2019 to comply with this ordinance
- Based on analysis of publicly available information, it appears that only about half of the currently covered 2500 buildings are reporting
- Other cities typically assess fines between \$1000-\$2000 for non-compliance to Benchmarking requirements.
- Establishing fines would increase compliance and generate revenue that could be used to meet staffing needs, e.g. \$1000*1000 buildings = \$1M

We recommend that the 2022 CAP Implementation Plan Update <u>update the Benchmarking</u> ordinance this fiscal year, without tying it to progress on the BPS ordinance.

We recommend that the <u>BPS "policy framework"</u> referenced in the <u>City Planning Work Program FY26</u>, page 27 "Existing Building Performance Standards Policy" be <u>a draft ordinance</u> based on the work of the Building Performance Standards Working Group, and that the city hold a public hearing for community feedback.

We recommend <u>funding</u> the staff required to implement a BPS ordinance in the FY27 budget, supplemented by fines and alternate compliance payments.

5. Potential CAP 2027 update

The 2022 CAP mentions that the city plans to release an updated CAP in 2027. Staff have indicated that significant resources are needed for this update, and they have applied for a \$400K SANDAG grant to fund these activities.

The 2022 CAP has barely begun implementation, with only 14% of its actions <u>completed</u>. The 2022 CAP is a rich source of implementation-ready actions that the city should prioritize over updating the documentation.

We recommend that the <u>CAP update be delayed for one year to 2028</u>, to prioritize resources towards implementing the 2022 CAP. If the \$400K SANDAG grant is secured, it should be expended to align with this timeframe.

We recommend that when the CAP is updated, that major changes to the Net-Zero Target Dates and Strategies be presented to our board and the Environment Committee well in advance of developing the measures and actions, to allow public & Committee feedback to be incorporated.

In closing, we look forward to the city adopting these recommendations to advance its Climate Action goals.

Respectfully,

City of San Diego Climate Advisory Board