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Subject: Consistency of the Proposed Newbridge Project with SMAQMD's GHG Thresholds

Ms. Steward:

Raney has reviewed the consistency of the Newbridge Project with SMAQMD's recently updated GHG Thresholds.¹ The results of Raney's analysis are presented below.

Overview of SMAQMD's Updated Thresholds

At the time of preparation of this memorandum, SMAQMD had recently adopted updated GHG thresholds for use in analyzing potential impacts related to climate change and GHG emissions of proposed projects.

SMAQMD's previous thresholds were originally adopted in October of 2014, and included emissions thresholds for operation and construction of proposed land uses. SMAQMD is not currently proposing changes to SMAQMD's construction emissions thresholds; however, SMAQMD's updated thresholds represent a different approach to the analysis of GHG emissions that seeks to ensure compliance with all relevant statewide and regional GHG reduction goals.

To accomplish consistency with statewide and regional GHG reduction goals, SMAQMD has prepared a two-tiered framework of analysis for new projects.

Tier 1

All projects within SMAQMD's jurisdiction would be required to comply with the Best Management Practices (BMPs) included in Tier 1. The proposed Tier 1 BMPs are as follows:

- BMP 1: No natural gas: Projects shall be designed and constructed without natural gas infrastructure.
- BMP 2: Electric vehicle (EV) ready: Projects shall meet the current California Green Building Code (CalGreen) Tier 2 standards, except all EV Capable spaces shall instead be EV Ready.

If a project would not comply with both of the foregoing BMPs, the project would be required to include features that would achieve an equivalent level of GHG emissions reductions. For instance, a project that includes natural gas infrastructure may include pre-wiring to allow for the future retrofit of all natural gas appliances with all-electric appliances. Furthermore, projects that are below the Governor's Office of Planning and Research's *de minimis* vehicle miles travelled (VMT) criteria, and/or projects that emit less than 1,100 metric tons of carbon dioxide equivalence units per year (MTCO_{2e}/yr) prior to implementation of BMP 1 and BMP 2 would be considered

¹ Sacramento Metropolitan Air Quality Management District. *Guide to Air Quality Assessment in Sacramento County*. Published December 2009, revised April 2020.

sufficiently small to screen out of further requirements, and would be assumed to result in a less-than-significant impact related to GHG emissions and climate change.

Projects that are not small enough to screen out of further review, including the proposed Newbridge Project, are subject to review under Tier 2 of SMAQMD's updated Thresholds.

Tier 2

The second tier of SMAQMD's updated thresholds includes the following BMP:

- BMP 3: As described in more detail in Section 4.3.1, residential projects shall achieve a 15 percent reduction in VMT per resident, and office projects should achieve a 15 percent reduction in VMT per worker compared to existing average VMT per capita for the county, or for the city if a more local SB 743 target has been established. Retail projects should achieve no net increase in total VMT, as required to show consistency with SB 743. These reductions can be achieved by many strategies, such as:
 - Locate in an area that already has low VMT due to location, transit service, etc.;
 - Adopt CAPCOA measures;
 - Adopt measures noted in Sacramento's CAP checklist;
 - Join a Transportation Management Association;
 - Incorporate traffic calming measures;
 - Incorporate pedestrian facilities and connections to public transportation; and/or
 - Promote electric bicycle or other micro-mobility options.

If a project cannot incorporate the foregoing BMPs, other reductions or purchasing and retiring of GHG/carbon offsets can be used as an alternative method of compliance.

Project Consistency with SMAQMD's Updated GHG Thresholds

Although the project is under the jurisdiction of Sacramento County, and, thus, is subject to the County's thresholds of significance for GHG emissions, considering the recent adoption of the updated GHG Thresholds by SMAQMD's board, the consistency of the Newbridge Project with SMAQMD's updated Thresholds has been analyzed for informational purposes.

Tier 1

Features of a structure's envelope that use natural gas, such as water heaters and space heaters, as well as appliances that use natural gas, such as cooking equipment and clothes dryers, have been prohibited within the residential portions of the proposed project by Conditions of Approval from Sacramento County. As a result, all proposed residential uses within the project site would be developed using all-electric appliances, and the residential portion of the proposed project would comply with BMP 1. However, the proposed non-residential land uses (i.e., commercial, office, school, and fire station) may be designed with the inclusion of natural gas infrastructure. Therefore, the non-residential portion of the project would not comply with BMP 1.

A Greenhouse Gas Reduction Plan (GHGRP) has been prepared for the proposed project in compliance with SMAQMD's most recent *Recommended guidance for Land Use Emissions Reductions*.² The GHGRP includes mitigation measures sufficient to ensure that the proposed project would comply with the County's draft GHG emissions thresholds. One such mitigation measure is the requirement that all future development within the Newbridge Project include installation of EV ready charging infrastructure in compliance with the Tier 2 standards for EV

² SMAQMD. *Recommended guidance for Land Use Emissions Reductions, Version 4*. November 30, 2017.



Capable spaces of the CalGreen Code. Therefore, the proposed project would comply with BMP 2 of SMAQMD's updated Thresholds.

Considering the above, the residential portion of the proposed Newbridge Project would comply with both BMPs within Tier 1 of SMAQMD's updated Thresholds, but the non-residential portion of the proposed project would not comply with BMP 1. Pursuant to the SMAQMD guidance, alternative GHG reduction measures may be proposed to offer the same level of GHG reductions as BMPs 1 or 2. Alternative GHG reduction measures to off-set the inclusion of natural gas infrastructure within the commercial portions of the proposed project are not proposed at this time, and, thus, the non-residential portion of the proposed project remains in conflict with BMP 1.

Tier 2

Although a project-wide estimate of VMT has been prepared for the Newbridge Project, the project includes a variety of land uses, including residential, commercial, office, and educational, and a detailed analysis of VMT generation per land use has not been prepared. As such, the project's compliance with the 15 percent reduction in VMT per resident, office worker, or retail development cannot be directly assessed at this time.

Nevertheless, it is important to note that the project includes a variety of measures and site design features that would result in reductions in VMT. For instance, the proposed project is required to join or create a permanent Transportation Management Association. Furthermore, project design has incorporated traffic calming measures, anti-idling measures, pedestrian infrastructure, bicycle infrastructure, and transit infrastructure. Connections to public transportation would be provided within the project site, and the variety of uses within the project site would encourage future residents and employees to walk, bicycle, or take transit. Thus, the project would comply with the majority of the strategies identified by SMAQMD to reduce VMT.

Despite the incorporation of VMT reducing measures, due to the absence of a VMT analysis broken out by land use as required by SMAQMD to demonstrate compliance with Tier 2, the project's compliance with BMP 3 cannot be determined at this time.

Conclusion

Considering the above, the residential portion of the Newbridge Project would be considered to substantively comply with BMP 1 and 2 of SMAQMD's updated GHG Thresholds. The non-residential portions of the proposed project would comply with BMP 2, but would not comply with BMP 1. Due to the absence of a VMT analysis by land use type, consistency with BMP 3 cannot be determine at this time Therefore, the proposed project would not be consistent with SMAQMD's updated GHG Thresholds at this time.

If you have any questions regarding the contents of this document, please do not hesitate to contact me at (916) 372-6100, or via email at rods@raneymanagement.com.

Sincerely,

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