

ORDINANCE NO. \_\_\_\_\_ (2022 SERIES)

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LUIS OBISPO, CALIFORNIA, AMENDING TITLE 17 (ZONING REGULATIONS) OF THE MUNICIPAL CODE IN SUPPORT OF THE CLEAN ENERGY PROGRAM FOR NEW BUILDINGS (PL-CODE-0286-2022)**

**WHEREAS**, greenhouse gas accumulation in the atmosphere as the result of human activity is the primary cause of the global climate crisis; and

**WHEREAS**, in California alone, the initial impacts of climate change have resulted in unprecedented disasters with tremendous human, economic, and environmental costs; and

**WHEREAS**, the Intergovernmental Panel on Climate Change estimates that global emissions need to be reduced by 45 percent from 2010 levels by 2030, and 100 percent by 2050 to prevent global catastrophe; and

**WHEREAS**, the State of California enacted Senate Bill (SB) 32 to require greenhouse gas emissions to be reduced to 40 percent below 1990 levels by 2030 and Governor Brown issued Executive Order B-55-18 establishing a statewide target of carbon neutrality by 2045; and

**WHEREAS**, City of San Luis Obispo residents and businesses have repeatedly identified climate action as a top community priority; and

**WHEREAS**, Resolution 11159 (2020 Series) adopts the City of San Luis Obispo Climate Action Plan for Community Recovery, which includes a communitywide goal of carbon neutrality by 2035 and sector specific goal of no net new building emissions from onsite energy use by 2020; and

**WHEREAS**, the inventoried greenhouse gas emissions in the City of San Luis Obispo come from a variety of sources, primarily transportation and energy use in buildings and facilities; and

**WHEREAS**, as of January 2020, the community has access to clean electricity procured by Central Coast Community Energy and as of January 2030, Central Coast Community Energy's electricity supply will be carbon neutral and procured through direct investments; and

**WHEREAS**, the remaining source of greenhouse gas emissions from energy use in buildings will come from the onsite combustion of fossil fuels, primarily natural gas; and

**WHEREAS**, the direct global warming impact of natural gas, which is primarily composed of methane, is 86 times higher carbon dioxide over a twenty-year period; and

**WHEREAS**, new natural gas connections pose substantial health and safety risks to the community by exacerbating climate change impacts, introducing natural gas infrastructure hazards, and generating indoor air pollution from natural gas combustion; and

**WHEREAS**, in order to mitigate these risks in support of public health and safety, new sources of greenhouse gas emissions need to be substantially reduced or eliminated; and

**WHEREAS**, Resolution No. 11133 (2020 Series) establishes a policy preference for all-electric buildings and Resolution No. 11159 (2020 Series) resolves that there shall be “no net new building emissions from onsite energy use by 2020”; and

**WHEREAS**, although all-electric buildings are common in the U.S., local and regional developers may be designing their first electric building; and

**WHEREAS**, highly efficient electric appliances may require mechanical equipment that projects in the building pipeline may not have planned for; and

**WHEREAS**, local and regional builders have expressed certain design standards as potential obstacles to designing and constructing all-electric buildings; and

**WHEREAS**, minor amendments within Municipal Code Section 17.70.095 (Incentives related to new all-electric buildings) would assist local and regional builders with constructing all-electric buildings that are in the building pipeline; and

**WHEREAS**, the requirements specified in this Ordinance were reviewed via public comment and through a publicly noticed public hearing process; and

**WHEREAS**, on February 1, 2022, the City Council held a study session and provided direction to City Staff to conduct further outreach and to develop code amendments; and

**WHEREAS**, on June 8, 2022, the Planning Commission received an informational presentation on the proposed ordinance and provided feedback; and

**WHEREAS**, on June 22, 2022, the Planning Commission adopted Resolution PC-1063-2022 recommending that the City Council adopt regulatory flexibility incentives; and

**WHEREAS**, on July 5, 2022, the City Council conducted a duly noticed Public Hearing to consider testimony and input on the proposed ordinance.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of San Luis Obispo as follows:

**SECTION 1. Findings.** Based upon all the evidence, the City Council makes the following findings:

1. The proposed amendments to Title 17 will not significantly alter the character of the City or cause significant health, safety, or welfare concerns, since the amendment is consistent with the General Plan and directly implement City goals and policies to facilitate All-Electric buildings and the Clean Energy Choice for New Buildings Program.
2. The proposed amendments to Title 17 are consistent with existing zoning practices by establishing reasonable regulations to authorize the Director of Community Development to act on certain applications on an administrative basis due to the minor nature of a proposed improvement, use of land, or allowed deviation from development standards.
3. The proposed amendment to the text of the Zoning Ordinance is consistent with the purpose of the Zoning Ordinance to promote the growth of the City in an orderly manner and to promote and protect the public health, safety, and general welfare in that the proposed allowances to development standards are minor in nature and will and otherwise maintain the existing policies, standards and regulations of the Zoning Ordinance.
4. Periodic amendments, updates, and corrections of the Municipal Code are consistent with General Plan Policy to maintain regulations which are effective in implementing policies consistent with the General Plan.
5. The amendment is temporary and includes a sunset date of December 31, 2025.

**SECTION 2. Environmental Determination.** The proposed code amendment has been assessed in accordance with the authority and criteria contained in the California Environmental Quality Act (CEQA), the State CEQA Guidelines, and the environmental regulations of the City. Specifically, the proposed amendment has been determined to be exempt from further environmental review pursuant to CEQA Guidelines Section 15061(b)(3) because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The ordinance additionally is categorically exempt from environmental review under the Class 3 exemptions for (1) construction and location of limited numbers of new, small facilities or structures, and (2) installation of small new equipment and facilities in small structures (§ 15303, CEQA Guidelines.) Specifically, the amendment to zoning regulations; 1) does not lead to physical improvements beyond those typically exempt; and 2) is not specifically listed as a categorical or statutory exemption but exhibits characteristics similar to one or more specific exemptions; and 3) provides allowances to specific development standards that are minor in nature in the area immediately surrounding and attached to approved structures and existing improvements and is not anticipated to have a significant effect on the environment.

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**SECTION 3. Action.** Title 17 (Zoning Regulations) of the Municipal Code is hereby amended to support the Clean Energy Program for New Buildings by providing temporary authority to the Community Development Director to grant incentives related to the standards set forth in various sections of Municipal Code Chapter 17.70 (Site Development and General Development Standards) and to refine the definition of “All-Electric Building” in Chapter 17.158 as set forth in Exhibit A. Be it further recommended that the Ordinance shall be effective for a limited term beginning January 1, 2023 and concluding December 31, 2025.

**INTRODUCED** on the \_\_\_\_ day of \_\_\_\_, 2022, **AND FINALLY ADOPTED** by the Council of the City of San Luis Obispo on the \_\_\_\_ day of \_\_\_\_, 2022, on the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Mayor Erica A. Stewart

ATTEST:

\_\_\_\_\_  
Teresa Purrington  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
J. Christine Dietrick  
City Attorney

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal of the City of San Luis Obispo, California, on \_\_\_\_\_.

\_\_\_\_\_  
Teresa Purrington  
City Clerk

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**Exhibit A**

**CHAPTER 17.70 SITE DEVELOPMENT AND GENERAL DEVELOPMENT STANDARDS**

Amend Section 17.70.095.A to read as follows:

- A. Purpose. The purpose of these regulations is to support the city's Clean Energy ~~Choice~~ for New Buildings Program by providing temporary incentives in the application of site development standards, for the provision of all-electric buildings.

Amend Section 17.70.095.C to read as follows:

- C. Standards. Site development standards included in this chapter for accessory structures; edge conditions; FAR; fences, walls and hedges; height measurement and exceptions; hillside development standards; lot coverage; mixed-use development; parking requirements; and setbacks may be exceeded to the minimum extent deemed necessary to allow for equipment installations or similar improvements to accommodate all-electric buildings.

Amend Section 17.70.095.E to read as follows:

- E. Term. The provisions in this section shall apply to building permits with an application date after July 1, 2020, and prior to December 31, ~~2022~~2025. (Ord. ~~4685XXXX~~ § 3 (Exh. A (part)), ~~2020~~2022)

**CHAPTER 17.158 GENERAL DEFINITIONS**

Amend Section 17.158.006 - A to read as follows:

ALL-ELECTRIC BUILDING" is a building that has no natural gas plumbing installed within the building and that uses electricity as the source of energy for all space heating, water heating, cooking appliances, and clothes drying appliances. ~~An All-Electric Building may be plumbed for the use of natural gas as fuel for appliances in a commercial kitchen.~~