



## Council Agenda Report

Item 6d

**Department:** Administration  
**Cost Center:** 4006  
**For Agenda of:** 7/19/2022  
**Placement:** Consent  
**Estimated Time:** N/A

**FROM:** Greg Hermann, Deputy City Manager  
Michael Codron, Community Development Director  
**Prepared By:** Chris Read, Sustainability Manager; Lucia Pohlman, Sustainability and Natural Resources Analyst

**SUBJECT:** SECOND READING OF ORDINANCE NO. 1717 AND 1718 (2022 SERIES) INTRODUCED BY THE CITY COUNCIL ON JULY 5, 2022, TO ADD CHAPTER 8.10 TO THE MUNICIPAL CODE TO REQUIRE ALL-ELECTRIC NEW BUILDINGS AND TO AMEND TITLE 17 TO PROVIDE LIMITED TERM REGULATORY FLEXIBILITY

### RECOMMENDATION

1. Adopt Ordinance No. 1717 (2022 Series) entitled, "An Ordinance of the City Council of the City of San Luis Obispo, California, amending Title 8 (Health and Safety) of the San Luis Obispo Municipal Code by adding Chapter 8.10 requiring all-electric new buildings"; and
2. Adopt Ordinance No. 1718 (2022 Series) entitled, "An Ordinance of the City Council of the City of San Luis Obispo, California, amending Title 17 (Zoning Regulations) of the Municipal Code supporting the Clean Energy for New Buildings Program (PL-CODE-0286-2022)" to provide regulatory flexibility through December 31, 2025 in support of the Clean Energy for New Buildings Incentive Program.

### POLICY CONTEXT

1. Resolution [11159 \(2020 Series\)](#) adopts the Climate Action Plan for Community Recovery, includes the goal of carbon neutrality by 2035, and includes a building sector goal of zero operational greenhouse gas (GHG) emissions from new buildings.
2. Resolution [11133 \(2020 Series\)](#) states that, "it is the Policy of the City that new buildings should be all-electric."

### DISCUSSION

On July 5, 2022, the City Council voted 4 - 0 (Council Member Pease recused) to introduce Ordinance No. 1717 (2022 Series) and Ordinance No. 1718 (2022 Series). Ordinance No. 1717 amends Title 8 of the San Luis Obispo Municipal Code by adding new Chapter 8.10 (All-Electric New Buildings) to require all-electric new buildings with certain exemptions (Attachment A).

Ordinance No. 1718 amends Title 17 of the San Luis Obispo Municipal Code in order to provide limited term regulatory flexibility for all-electric new buildings (Attachment B). The two ordinances are the core of the Clean Energy Program for New Buildings, which also includes additional technical assistance, trainings, and ongoing support for access to incentives. Should Council adopt the ordinances, they would go into effect starting January 1, 2023.

**Public Engagement**

The City conducted a thorough engagement process, as outlined in the [July 5, 2022 Council Agenda Report](#).

**CONCURRENCE**

City Administration and Community Development concur on the contents of this report.

**ENVIRONMENTAL REVIEW**

Staff's recommendations are found to be exempt from CEQA under the general rule, 15061(b)(3), because it can be seen with certainty that the provisions contained herein would not have the potential for causing a significant effect on the environment. Further, this ordinance is also exempt from CEQA under the categorical exemptions in Sections 15307 and 15308 of the CEQA Guidelines in that the proposed ordinance would institute regulatory requirements intended to protect the environment and natural resources.

**FISCAL IMPACT**

Budgeted: Yes

Budget Year: 2022-23

Funding Identified: Yes

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
General Fund	\$59,442	\$	\$	\$
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$59,442</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

The two ordinances will be implemented through the development review and/or building permit review process. The staff time to review projects is already budgeted and is a core work task of the Community Development Department. The technical assistance component of the Program is already funded through the end of Fiscal Year 2022-23 with a total available budget of \$59,442. Capacity building trainings and convenings are available through 3C-REN and staff have already initiated requests for these events, which will occur at no direct cost to the City.

## ALTERNATIVES

1. **No Action.** The City Council could decide to take no action on the proposed ordinances that implement the Clean Energy Program for New Buildings. This action is not recommended because it would prevent the program from going into effect.
2. **Continue Discussion.** The City Council could continue consideration of this item to a future date. If the Council chooses this option, direction should be provided to staff regarding the additional information needed to make a decision on the item.

## ATTACHMENTS

- A - Ordinance No. 1717 (2022 Series)
- B - Ordinance No. 1718 (2022 Series)