



COUNTY OF SAN DIEGO

LAND USE AGENDA ITEM

BOARD OF SUPERVISORS

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Fifth District

DATE: November 5, 2025

03

TO: Board of Supervisors

SUBJECT

ESTABLISH A MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF SAN DIEGO AND COUNTY OF LOS ANGELES TO IMPLEMENT THE EQUITABLE BUILDING DECARBONIZATION PROGRAM AND DELEGATE AUTHORITY FOR FUTURE CLIMATE ACTION PLAN IMPLEMENTATION AND CEQA EXEMPTION (DISTRICTS: ALL)

OVERVIEW

On September 11, 2024 (6), the County of San Diego (County) Board of Supervisors (Board) adopted the 2024 Climate Action Plan (CAP), which establishes actions the County will take to meet greenhouse gas (GHG) emissions reduction targets for 2030 and 2045 and achieve a goal of net zero emissions by 2045. The CAP directs the County to expand access to programs and services that will increase energy efficiency, energy resiliency, and electrification in the unincorporated area. These services help residents by reducing utility bills through reduced energy usage, improving public health through indoor air quality improvements, and increasing resiliency to climate impacts through home weatherization upgrades.

In August 2024, the California Energy Commission selected the County of Los Angeles to be the administrator of the State “Equitable Building Decarbonization Program Direct Install” (EBD Program). The purpose of the EBD Program is to decarbonize homes through the voluntary installation of energy-efficient appliances, measures, and related upgrades directly to low-income households in under resourced communities. The EBD Program will direct \$25 to \$30 million to support the decarbonization of eligible homes within selected community focus areas in the San Diego region, which includes the unincorporated area. By partnering with the County of Los Angeles and contributing an additional \$500,000 in funding to the EBD Program, the County of San Diego would expand its program’s reach to additional community focus areas in the unincorporated area to all eligible communities, such as the County’s Environmental Justice communities (e.g., Spring Valley, Sweetwater, North El Cajon, and North Lemon Grove) and be able to take GHG reduction credit for CAP implementation. This force multiplier partnership would also help the County of San Diego avoid administrative costs associated with developing and administering a separate program with similar goals, ensuring that County funding goes toward direct investments in the community.

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This is a request for the Board to authorize the Director of Planning & Development Services (PDS), or a designee, to enter into a Memorandum of Understanding with the County of Los Angeles to expand access to its EBD Program in the unincorporated area, and to adopt a Resolution authorizing PDS to enter into future Memorandums of Understanding to support CAP implementation.

RECOMMENDATION(S)
CHIEF ADMINISTRATIVE OFFICER

1. Find that the proposed action is exempt from review under the California Environmental Quality Act (CEQA) pursuant to Section 15061(b)(3) because it is not a project as defined in Section 15378(b)(4) and (b)(5) of the State CEQA Guidelines and because it can be seen with certainty that there is no possibility that the proposed Memorandum of Understanding would have a significant effect on the environment.
2. Approve a Memorandum of Understanding entitled: SOUTHERN CALIFORNIA EBD COALITION 2025 CEC EBD PROGRAM AS ADMINISTERED BY THE COUNTY OF LOS ANGELES IN THE SOUTHERN REGION, to be operative upon approval of both agencies, and authorize the Director, Department of Planning & Development Services, or their designee, to execute the Memorandum of Understanding and any extensions, amendments, and revisions thereof that do not materially impact or alter the program (Attachment A).
3. Adopt the Resolution entitled: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO RELATING TO ESTABLISHING AND EXECUTING MEMORANDUMS OF UNDERSTANDING FOR THE FURTHERANCE OF CLIMATE ACTION PLAN EFFORTS (Attachment B).

EQUITY IMPACT STATEMENT

This action supports the County's Equity and Sustainability Strategic Initiatives by advancing efforts that will ensure equal opportunity to energy efficiency programming. Similarly, this action would advance energy equity, or access to affordable reliable energy, and is integral to the achievement of Climate Action Plan (CAP) goals which include reducing greenhouse gas emissions while meeting equity-based outcomes. One of the main goals of the Equitable Building Decarbonization Program Direct Install (EBD Program) is to increase energy equity by providing services to low-income households in California. Eligibility for the program is dependent on both community and household characteristics. All households served by the program must be in an under-resourced community which is defined by geographic parameters such as disadvantaged communities under Senate Bill 535 and occupied by low-income households.

This action is informed by engagement with the County's Environmental Justice Workgroup on CAP-related building decarbonization programming in Summer 2025. This advisory body,

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facilitated by the Office of Sustainability and Environmental Justice, ensures representatives of communities systemically impacted by environmental injustices share in decision making around local governments' climate programs, services, and policies. Workgroup members emphasized the importance of prioritizing funding for multifamily homes, and communities that have been historically underinvested or have higher pollution metrics. This feedback informed the selection of additional community focus areas for the EBD Program (e.g., those with higher rates of heat-related deaths, or prevalence of asthma). Their input will continue to help guide the implementation of the EBD Program as well as outreach and marketing efforts locally.

SUSTAINABILITY IMPACT STATEMENT

The proposed actions advance the County Sustainability Goal 3: Transition to a green, carbon free economy, reduce greenhouse gas emissions, support green job creation and workforce development, and prepare for impacts of a changing climate by supporting energy efficiency and electrification efforts that reduce greenhouse gas emissions and improve air quality. Another main goal of the Equitable Building Decarbonization Program Direct Install (EBD Program) is to reduce greenhouse gas emissions associated with household energy use. By improving household energy efficiency, the EBD Program will reduce the amount of energy needed to power households resulting in cost savings. Increasing energy efficiency and electrification of existing buildings is one of the most impactful actions within the County's Climate Action Plan and will result in significant greenhouse gas emissions reductions and support the County's efforts to mitigate climate change.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year (FY) 2025-26 Operational Plan in Planning & Development Services (PDS) for the implementation of the County's Climate Action Plan (CAP). If approved, this request will result in costs and revenue of \$500,000 to expand access to the Equitable Building Decarbonization Program Direct Install in the unincorporated area. The funding source is existing General Purpose Revenue in PDS. There will be no change in net General Fund cost and no additional staff years.

BUSINESS IMPACT STATEMENT

The Equitable Building Decarbonization Program Direct Install (EBD Program) has green economy goals related to supporting the local workforce and providing high-quality jobs, as identified by the State. As a result, the EBD Program requires that projects be performed by workers who pay prevailing wages where possible and prioritize hiring workers from local communities. Local implementation of the EBD Program and today's action will result in direct economic benefits for contractors working on building decarbonization who pay prevailing wages to the local workforce.

ADVISORY BOARD STATEMENT

N/A

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BACKGROUND

On September 11, 2024 (6), the County of San Diego (County) Board of Supervisors (Board) adopted the 2024 Climate Action Plan (CAP), which establishes actions the County will take to meet greenhouse gas (GHG) emissions reduction targets for 2030 and 2045 and achieve a goal of net zero emissions by 2045. The CAP identifies 21 measures with 70 actions to reduce GHG emissions produced from existing and new development in the unincorporated areas of the county, as well as from County facilities and operations regardless of their location.

Within the CAP, the Energy sector has the greatest potential to reduce GHG emissions, accounting for approximately 50% of reductions toward the CAP's 2030 reduction targets. To achieve these reductions, the CAP directs the County to expand access to programs and services that will increase energy efficiency, renewable energy, energy resiliency, and electrification. Specifically, the CAP includes an action to develop a program to incentivize existing building electrification and energy efficiency in the unincorporated area. This CAP action has the potential to achieve equity-based outcomes like reduced utility bills, improved air quality, and increased resiliency to climate impacts and is responsive to community input that supported the creation of electrification and energy efficiency incentives for unincorporated area residents.

In September 2022, Assembly Bill 209 (AB 209) directed the California Energy Commission (CEC) to establish the Equitable Building Decarbonization Program Direct Install (EBD Program) to advance energy equity and reduce GHG emissions associated with existing buildings by providing voluntary energy efficiency and electrification improvements to low-income households. Energy equity ensures that the benefits and burdens of energy policies, programs, and technologies are fairly distributed and that the processes used to develop and implement them are inclusive and accessible.

In August 2024, the CEC selected the County of Los Angeles to be the administrator of the State EBD Program for the Southern California Region, which includes San Diego region and the unincorporated area. The EBD Program is scheduled to open to eligible households in Southern California in Fall 2025 and will provide several options for building retrofits to meet program goals and improve climate and health resiliency. All retrofits will, at a minimum, include replacing gas-fired heating and cooling equipment and water heaters with heat pumps and require at least two end uses to be electrified e.g., cooking and clothes drying. In total, the program offers 17 eligible measures that can collectively result in full building electrification. Some measures, such as insulation and solar window film, help maintain indoor temperatures, thereby reducing the need for energy to power heating, ventilation, and air conditioning systems. Cooking and laundry measures reduce reliance on natural gas within households which leads to improved indoor air quality and more positive health outcomes. And various electric-powered heating and cooling measures enable households to be more resilient in the face of climate impacts such as extreme heat by equipping homes with the appropriate appliances for cooling. Additionally, these measures

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have the potential to reduce household usage of energy and electricity thereby resulting in reduced energy bills.

The total budget for the EBD Program for the San Diego region is approximately \$25 to \$30 million through Fiscal Year 2026-27. This funding will cover the cost of energy retrofit measures for eligible households in the San Diego region and includes \$1.4 million in funding for San Diego Community Power (SDCP) to conduct community engagement and marketing of the program to ensure eligible households are aware of and able to access the program. Eligibility for the program is defined by the CEC and is two-fold: community and household/property. To be eligible for the EBD Program, communities must be in or within one half mile of State-defined underresourced geographies. Underresourced geographic areas can be defined as one or more of the following: disadvantaged communities designated by Senate Bill 535, census tracts with median household incomes at or below 80 percent of the statewide median income, and/or census tracts with median household incomes at or below the low-income threshold designated by the Department of Housing and Community Development. Household/property eligibility is limited to residential buildings constructed before January 1, 2020, and includes these building types: single-family homes, multifamily homes, townhouses and condominiums, farmworkers housing, residential buildings such as assisted living facilities, mixed-use buildings that include residential units, and manufactured homes such as mobile homes. Households/property eligibility is determined by income. Both single-family and multifamily homes can be eligible depending on their occupants. Occupants can demonstrate they meet income eligibility requirements through a variety of methods, including but not limited to, federal tax returns, pay stubs, or proof of enrollment in other income-qualified programs.

The EBD Program has identified initial community focus areas that meet the CEC's community eligibility requirements in the San Diego region, including unincorporated communities in Ramona, Lakeside, North Mountain, and North County Metro, among others (Attachment A, Table 1). By partnering with the County of Los Angeles, the County can use Fiscal Year 2025-26 funding (\$500,000) designated for CAP implementation to expand the EBD Program's reach to all unincorporated area communities that meet the CEC's community eligibility requirements (Attachment A, Table 2). This would include the County's Environmental Justice communities (e.g., Spring Valley, Sweetwater, North El Cajon, and North Lemon Grove), as well as additional communities in Otay, Jamul, and Borrego Springs, among others. Implementation of these efforts can occur as soon as today's Memorandum of Understanding is signed by all parties.

This partnership and addition of funds (\$500,000) would result in the County being able to take GHG reduction credit from EBD Program implementation under the CAP and would help the County avoid the administrative costs associated with developing and administering a separate program with similar goals. This ensures that County funding goes towards direct investments in the community through implementation of the EBD Program. By expanding access to direct install resources to additional low-income households in the unincorporated area, the County is increasing

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the number of homes that are more resilient to climate change impacts like extreme heat events and establishing itself as a leader in energy equity.

In addition to increasing the number of eligible communities in the initial phase, County staff will do intensive outreach and marketing of the EBD Program to unincorporated area residents. County staff will consult with the Environmental Justice Workgroup, which is made up of individuals with lived experience with environmental injustices, members of local tribes, youth, and/or leaders from community-based organizations working on equity and environmental justice, on best practices for outreach and marketing with low-income households and how to leverage members' networks. Additionally, County staff will work closely with SDCP and their Power Network (a coalition of 37 nonprofit organizations) to inform unincorporated area residents of the EBD Program opportunities. Concerted outreach will be focused on communities like the environmental justice communities and other communities with potential for climate and health impacts, such as those who have higher risk of extreme heat or drought. Progress made on these efforts will be communicated to the Board of Supervisors as part of the CAP annual report memo.

A partnership with the County of Los Angeles will support the County's various efforts to promote energy efficiency, improve public health, and increase resiliency to climate impacts. In addition to implementing the CAP, today's Board action aligns with the Regional Decarbonization Framework (RDF) and the San Diego Regional Energy Network's (SDREN) programming, which was approved by the Board on December 11, 2024 (5). The RDF foundational reports, including the *Let's Get There Playbook*, identify opportunities to decarbonize existing buildings through increased energy efficiency, electrification of appliances and buildings, and limiting the use of low-carbon fuels in buildings. Similarly, SDREN, which is co-administered by SDCP and the County, will offer 10 programs, including supporting residents in accessing funding for household energy efficiency efforts. These coordinated efforts will collectively lead to increased climate and health resiliency for unincorporated area residents. A Resolution to support the adoption of future Memorandums of Understanding for funded CAP actions would further support CAP implementation.

ENVIRONMENTAL STATEMENT

The request for delegation of authority to enter into a memorandum of understanding is exempt from the California Environmental Quality Act (CEQA) under Section 15378(b)5 of the State CEQA Guidelines because the proposed action is not a project and because it can be seen with certainty that there is no possibility that the proposed Memorandum of Understanding would have a significant effect on the environment.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

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Today's proposed action to approve a Memorandum of Understanding between the County of San Diego and the County of Los Angeles supports the Sustainability (Economy, Climate, Resiliency), Equity (Economic Opportunity), Community (Engagement, Partnership), and Justice (Environmental) Strategic Initiatives in the County of San Diego's 2025-2030 Strategic Plan. The Equitable Building Decarbonization Program Direct Install provides energy efficiency programming that focuses on the energy needs and challenges of populations who are more vulnerable to the effects of climate change. These programs are designed to support communities from being left behind in our regional transition to a clean energy future.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Dahvia Lynch', with a stylized flourish extending to the right.

DAHVIA LYNCH
Deputy Chief Administrative Officer

ATTACHMENT(S)

Attachment A – Southern California EBD Coalition 2025 CEC EBD Program as Administered by the County of Los Angeles in the Southern Region

Attachment B – A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF SAN DIEGO RELATING TO ESTABLISHING AND EXECUTING MEMORANDUMS OF UNDERSTANDING FOR THE FURTHERANCE OF CLIMATE ACTION PLAN EFFORTS