

**NOTICE OF PUBLIC HEARINGS AND NOTICE OF PROPOSED AMENDMENT OF REGULATIONS
IMPLEMENTING THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

NOTICE IS HEREBY GIVEN that the California Natural Resources Agency (“Resources Agency”) proposes to adopt and amend regulations implementing Division 13 of the Public Resources Code, the California Environmental Quality Act (CEQA), for the mitigation of greenhouse gas emissions and the effects of greenhouse gas emissions.

STATUTORY AUTHORITY AND REFERENCE

Public Resources Code section 21083.05 requires the Office of Planning and Research to develop, and the Resources Agency to adopt and certify, “guidelines for the mitigation of greenhouse gas emissions or the effects of greenhouse gas emissions[.]” Section 21083 of the Public Resources Code further generally mandates adoption of regulations (CEQA Guidelines) implementing CEQA, and requires the Resources Agency, in consultation with the Office of Planning and Research, to certify amendments to the CEQA Guidelines at least once every two years. The proposed action would implement, interpret and make specific the following: Sections 65088.4, 65453, Government Code; Section 38505(g), Health and Safety Code; Sections 21001, 21002, 21003, 21060, 21061, 21064.5, 21065, 21068, 21068.5, 21080, 21081, 21081.6, 21082, 21082.1, 21082.2, 21083, 21083.05, 21083.3, 21093, 21094, 21100, 21151, 21155, 21155.2, 21156, 21157, 21157.1, 21157.5, 21157.6, 21158, 21158.5, and 21159.28, Public Resources Code. The particular code sections and other provisions of law that would be implemented, interpreted and made specific by each section of this proposed action are described in the Informative Digest, below.

PROPOSED REGULATORY ACTION

The proposed action is intended to adopt and amend portions of the CEQA Guidelines to explain and implement the requirements of CEQA, and in particular the requirements to analyze and mitigate, if necessary, the effects of greenhouse gas emissions. The Resources Agency proposes to amend and add the following sections of Title 14, CCR:

Add sections 15064.4, 15183.5 and 15364.5

Amend sections 15064, 15064.7, 15065, 15086, 15093, 15125, 15126.2, 15126.4, 15130, 15150, 15183, Appendix F and Appendix G.

PUBLIC HEARING

The Resources Agency will hold two public hearings, consistent with the requirements of the California Administrative Procedure Act, to receive comments, objections, and recommendations. The first hearing will begin at 1:00pm on August 18, 2009, at the Natural Resources Agency 1st floor auditorium located at 1416 Ninth Street, Sacramento, California, 95814. The second hearing shall begin at 1:00pm on August 20, 2009, at the Ronald Reagan State Building 1st floor auditorium located at 300 South Spring Street, Los Angeles, California, 90013. Both auditoriums are wheelchair accessible. At the hearings, any person may present comments orally or in writing, or both, relevant to the proposed action. The hearing will be closed when all persons present have had an opportunity to comment on the proposed action. Time limits may be placed on oral comments to ensure that all persons wishing to comment have an opportunity within the available time for the hearing. The Agency requests but does not require that persons who make oral comments at the hearing also submit a written copy of their testimony at the hearing.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action of the Agency. The Resources Agency must receive written comments no later than 5:00pm on August 20, 2009, in order to be considered by the Resources Agency. Written comments may be delivered, mailed or transmitted by facsimile or electronic mail. Written comments should be addressed as follows:

Christopher Calfee, Special Counsel
ATTN: CEQA Guidelines
California Resources Agency
1017 L Street, #2223
Sacramento, CA 95814
Facsimile: (916) 653-8102
CEQA.Rulemaking@resources.ca.gov

Comments may be delivered to 1416 Ninth Street, Suite 1311, Sacramento, California, 95814. Pursuant to Government Code section 11346.9(a)(3), the Resources Agency shall in a final statement of reasons respond to comments submitted during the comment period containing objections and/or recommendations specifically directed at the Resources Agency's proposed action or to the procedures followed by the Resources Agency in proposing or adopting the proposed action.

INQUIRIES AND ADDITIONAL INFORMATION

Inquiries relating to the proposed administrative action may be directed to Christopher Calfee or, if he is unavailable, to Ian Peterson at (916) 653-5656.

The Resources Agency has prepared an Initial Statement of Reasons for the proposed action that provides an explanation of the purpose and justification for the proposed rulemaking. Anyone may view and print a copy of the statement or the text of the proposed revisions by accessing the following page on the Resources Agency's Internet website: <http://ceres.ca.gov/ceqa/guidelines/>. Copies of the initial statement of reasons and text of the regulations are also available upon request from Christopher Calfee or Ian Peterson at (916) 653-5656. The entire rulemaking file is available for public inspection at 1416 Ninth Street, Suite 1311, Sacramento, California, 95814.

The Resources Agency will post the Final Statement of Reasons and any future notices related to the proposed action on the Resources Agency's website. Anyone wishing to receive future notices related to the proposed action and/or receive a copy of the Final Statement of Reasons once it has been prepared should submit a written request containing her or his postal mailing address to Christopher Calfee, Natural Resources Agency, State of California, 1416 Ninth Street, Suite 1311, Sacramento, California 95814. These requests can also be submitted by facsimile at (916) 653-8102.

INFORMATIVE DIGEST

The California Environmental Quality Act (Public Resources Code section 21000 et seq.) (CEQA) requires public agencies to identify potential adverse environmental effects of activities that they propose to carry out, fund, or approve, and to consider feasible alternatives and mitigation measures that would substantially reduce significant adverse environmental effects that are identified. CEQA compliance usually involves preparation by a public agency of either a negative declaration, mitigated negative declaration, or an environmental impact report. CEQA requires the Secretary for the Natural Resources Agency, in consultation with the Governor's Office of Planning and Research (OPR), to periodically adopt, amend and repeal the CEQA Guidelines. In addition, Public Resources Code section 21083.05 requires the Office of Planning and Research to develop, and the Resources Agency to adopt and certify, "guidelines for the mitigation of greenhouse gas emissions or the effects of greenhouse gas emissions[.]" Fourteen sections have been identified for adoption or amendment during this rulemaking process. The Secretary of the Natural Resources Agency intends that the proposed revisions provide guidance on the analysis and mitigation of greenhouse gas emissions, clarify certain portions of the existing Guidelines, and update the Guidelines consistent with recent court decisions.

The following summaries describe existing laws and regulations related to the proposed action and explain the effect of the proposed revisions. Also include, where appropriate, are the specific objectives of the revisions and additions:

15064. Determining the Significance of the Environmental Effects Caused by a Project

Public Resources Code section 21082.2 requires lead agencies to “determine whether a project may have a significant effect on the environment[.]” Further, a lead agency must determine whether a project’s effects will be cumulatively considerable. (Pub. Resource Code, § 21083(b).) Section 21003(d) provides that information in existing environmental documents may be used in future environmental analysis in order to reduce delay and duplication. In considering whether a project’s incremental contribution to an effect is cumulatively considerable, existing CEQA Guidelines section 15064(h)(3) allows a lead agency to consider whether the project is consistent with plans or regulations that will ensure that the project’s incremental contribution to cumulative impacts are not cumulatively considerable. (*Communities for a Better Environment v. Cal. Resources Agency* (2002) 103 Cal. App. 4th 98, 115 (upholding substance of current Guidelines section 16064(h)(3)).) Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions.

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21003(d), 21082.2, and 21083 of the Public Resources Code. The proposed amendments to section 15064(h)(3) include the addition of several plans to the list of plans on which a lead agency may rely in a cumulative impacts analysis. The proposed amendments also include a clarification that, when relying on consistency with a plan to determine that a project’s impacts are not cumulatively considerable, the lead agency should explain how the requirements in the plan reduce the project’s incremental contribution to the cumulative effect.

The proposed amendments to this section also include a non-substantive correction in subdivision (f)(5).

15064.4. Determining the Significance of Impacts from Greenhouse Gas Emissions

Section 21083.05 of the Public Resources Code mandates the development of regulations on the analysis of the effects of greenhouse gas emissions. Public Resources Code section 21082.2 requires lead agencies to “determine whether a project may have a significant effect on the environment[.]” (See also Pub. Resources Code, § 21002.) Existing law further provides that the analysis used to determine whether impacts are significant should include both quantitative and qualitative elements. (Pub. Resources Code, § 21001(g); *Berkeley Keep Jets Over the Bay Comm. v. Bd. of Port Comm’rs* (2001) 91 Cal. App. 4th 1344, 1380-1382; see also CEQA Guidelines, § 15142.)

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21001,

21002, and 21083.05, as well as 21003, 21065, 21068, 21080, 21082, 21082.1, 21082.2, and 21100 of the Public Resources Code. The proposed addition of section 15064.4 interprets existing CEQA requirements for the analysis and determination of potential impacts and makes those requirements specific to the effects of greenhouse gas emissions. Specifically, proposed section 15064.4 provides that a lead agency must use its best efforts to calculate or estimate the greenhouse gas emissions resulting from a project. In estimating the emissions resulting from a project, a lead agency would have the discretion to perform a quantitative or a qualitative analysis based on the circumstances surrounding the project. In addition to a quantitative or qualitative analysis, a lead agency should also consider several factors, including whether the project will result in a net increase or decrease in greenhouse gas emissions compared to the existing baseline, whether the project's emissions exceed an applicable threshold, and whether the project will comply with the requirements in a plan designed to reduce greenhouse gas emissions.

15064.7. Thresholds of Significance

Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. Sections 21082 and 21083 of the Public Resources Code call for the development and adoption by all lead agencies of procedures to implement the California Environmental Quality Act. Existing law supports reliance on thresholds of significance to assist in the determination of whether a project may result in a significant adverse environmental impact. (Pub. Resources Code, § 21000(d); *Protect the Historic Amador Waterways v. Amador Water Agency* (2004) 116 Cal. App. 4th 1099, 1106-09.) A threshold of significance is a level below which impacts will normally be less than significant. Existing law encourages lead agencies to develop thresholds of significance to be applied within their jurisdiction as part of their CEQA analyses. (*Id.*; see also Pub. Resources Code, §§ 21082, 21083.)

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21003(d), 21082 and 21083 of the Public Resources Code. The proposed amendment to section 15064.7 clarifies that in adopting a threshold, a lead agency may consider thresholds developed by experts or other agencies, provided that the proposed threshold is supported with substantial evidence.

15065. Mandatory Findings of Significance

Section 21083 of the Public Resources Code calls for the development of procedures to implement the California Environmental Quality Act. Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. The existing CEQA Guidelines provide for a period of "preliminary" review of a project to determine whether the project may qualify for an exemption, or will require preparation of a negative declaration or environmental impact report. (Pub. Resources Code, § 21160; see also CEQA Guidelines, § 15060.) Public Resources Code section 21083 specifies several instances in which a

finding of significance must be made. (See also CEQA Guidelines, § 15065.) Public Resources Code section 21064.5 also provides that where a project proponent agrees to alter the project or impose mitigation measures prior to public review of the project, a lead agency may prepare a mitigated negative declaration.

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific section 21083 of the Public Resources Code. The proposed amendment to section 15065 clarifies that mitigation measures could be agreed to prior to “public” review, rather than “preliminary” review.

15086. Consultation Concerning Draft EIR

The proposed amendment to section 15086 is a non-substantive correction.

15093. Statement of Overriding Considerations

Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. Existing law provides that a lead agency may approve a project with significant adverse effects only after all feasible mitigation and alternatives have been imposed on the project and the lead agency has adopted a statement of overriding considerations. (Pub. Resources Code, §§ 21002, 21081.) A statement of overriding considerations sets forth the lead agency’s determination that the benefits of the proposed project outweigh its adverse environmental impacts.

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21002 and 21081 of the Public Resources Code. The proposed amendment to section 15093 would clarify that a lead agency may consider statewide and region-wide environmental benefits of a project when making its statement of overriding considerations.

15125. Environmental Setting

Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. Existing law requires a lead agency to describe the project’s environmental setting as part of its environmental analysis of the project. (Pub. Resources Code, §§ 21060.5, 21061, 21100.) Existing law also requires a lead agency to discuss inconsistencies with various plans. (CEQA Guidelines, § 15125(d).)

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21060.5, 21061 and 21100 of the Public Resources Code. The proposed amendments to section 15125 would add to the list of plans that a lead agency should consider for potential inconsistencies. The added plans are likely to include information relating to a jurisdiction or region’s greenhouse gas emissions.

15126.2. Consideration and Discussion of Significant Environmental Impacts.

The proposed amendment to section 15126.2 is a non-substantive cross-reference.

15126.4. Consideration and Discussion of Mitigation Measures Proposed to Minimize Significant Effects.

Public Resources Code section 21083.05 requires the development of guidelines on the mitigation of greenhouse gas emissions. Public Resources Code section 21002 requires lead agencies to impose feasible mitigation to reduce a project's significant adverse environmental impacts.

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21002 and 21083.05 of the Public Resources Code. The proposed amendments to section 15126.4 provide a non-exclusive list of categories of mitigation strategies that a lead agency may consider implementing to reduce a project's greenhouse gas emissions. The proposed addition also clarifies that existing standards regarding the adequacy of mitigation apply equally to mitigation to reduce greenhouse gas emissions.

15130. Discussion of Cumulative Impacts

Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. Existing law requires lead agencies to consider whether a project's effects may be individually limited but cumulatively considerable. (Pub. Resources Code, §§ 21083, 21100.)

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21083 and 21100 of the Public Resources Code. The proposed amendments to section 15130 would add to the list of plans that may contain relevant projections for use in a cumulative impacts analysis. The amendments would also clarify that projections may be contained in modeling programs used to support various land use plans. Finally, the amendments clarify that a lead agency must analyze a project's cumulative greenhouse gas impacts when the project's incremental contribution of greenhouse gases is cumulatively considerable.

15150. Incorporation by Reference

Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. Public Resources Code section 21003 encourages lead agencies to avoid duplication and conserve resources by incorporating existing environmental information developed for other environmental analyses or plans into the environmental document for a proposed project. Section 21061 defines environmental impact report to include information that is incorporated therein by reference.

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21003, 21061 and 21083.05 of the Public Resources Code. The proposed amendment to section 15150 would allow a description of the effects of greenhouse gas emissions to be incorporated by reference.

15183. Projects Consistent with a Community Plan or Zoning

Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. Public Resources Code section 21083.3 provides for streamlining environmental review for projects that are consistent with a general plan, community plan or zoning for which an EIR was certified. A project that is consistent with such a plan or zoning would only have to analyze effects that are peculiar to the project or the project site. An effect will not be considered peculiar to the project or project site where uniformly applied development standards will substantially mitigate the effects of future projects.

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21083.05 and 21083.3 of the Public Resources Code. The proposed amendment to section 15183 would add requirements for the reduction of greenhouse gas emissions to the list of examples of uniformly applied development standards.

15183.5 Tiering and Streamlining the Analysis of Greenhouse Gas Emissions

Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. Public Resources Code sections 21003 and 21093 encourage lead agencies to tier environmental documents wherever feasible. Specific forms of tiering and streamlining are provided in Public Resources Code sections 21083.3, 21155.2, 21157, 21157.1, and 21159.28, among others.

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific section 65453 of the Government Code, and sections 21003, 21061, 21068.5, 21081(a)(2), 21083.05, 21083.3, 21081.6, 21093, 21094, 21100, 21151, 21155, 21155.2, 21156, 21157, 21157.1, 21157.5, 21157.6, 21158, 21158.5, 21159.28 of the Public Resources Code. The proposed section 15183.5 would provide examples of tiering and streamlining provisions that may be used in the context of greenhouse gas emissions. The proposed added section would also provide criteria for greenhouse gas reduction plans that a lead agency may consider in determining whether such a plan may be used in a project's cumulative impacts analysis. Finally, the proposed added section would clarify the requirements for review of greenhouse gas emissions from certain mixed-use and transit priority projects.

15364.5. Greenhouse Gas

Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. Health and Safety Code section 38505(g) defines “greenhouse gases” for the purposes of regulatory actions by the California Air Resources Board.

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific section 38505(f) of the Health and Safety Code and section 21083.05 of the Public Resources Code. The proposed added section 15364.5 would state that for CEQA purposes, greenhouse gas emissions include, but are not limited to, the same greenhouse gases that will be regulated by the Air Resources Board.

Appendix F – Energy Conservation

Section 21083.05 of the Public Resources Code mandates the development of regulations on the analysis and mitigation of the effects of greenhouse gas emissions, “including but not limited to, effects associated with ... energy consumption.” Public Resources Code section 21100(b)(3) requires an environmental impact report to analyze a project’s impact on energy resources and to include mitigation measures to reduce those impacts. (*People v. County of Kern* (1976) 62 Cal.App.3d 761, 774.)

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21083.05 and 21100 of the Public Resources Code. The proposed amendments to Appendix F would clarify that a lead agency must conduct an analysis of a project’s impacts on energy resources. The proposed amendments would also remove a vague term from Appendix F to reduce confusion about the scope and extent of the required analysis. The proposed amendments would also add types of energy use that could be reduced as mitigation.

Appendix G – Environmental Checklist

Public Resources Code section 21083.05 requires the development of guidelines on the analysis of greenhouse gas emissions. Public Resources Code section 21080(c) requires the preparation of an initial study to support a lead agency’s determination that a project will have no significant adverse impacts. An initial study may also be prepared to assist a lead agency in preparing an environmental impact report. Appendix G of the existing CEQA Guidelines contains a sample checklist form that lead agencies may use in the preparation of an initial study.

The authorities for the proposed amendments are 21083 and 21083.05 of the Public Resources Code. This amendment implements, interprets, and makes specific sections 21080 and 21083.05 of the Public Resources Code. The proposed amendments to Appendix G would add several questions to the environmental checklist form related to forestry resources and greenhouse gas emissions. The proposed amendments would also revise questions related to

transportation and traffic. Finally, the proposed amendments would add a note to the beginning of Appendix G to clarify, consistent with recent case law, that the form provided is only a sample. The form can be tailored to a lead agency's individual circumstances and should not be used to avoid examination of potential impacts that may not be listed in the form.

Policy Objectives

The broad objective of the Proposed Amendments is to implement the Legislative directive in SB97, which requires the development of "guidelines for the mitigation of greenhouse gas emissions or the effects of greenhouse gas emissions as required by this division, including, but not limited to, effects associated with transportation or energy consumption." (Pub. Resources Code, § 21083.05 (codifying SB97).) The phrase "as required by this division" indicates that the Legislature's intent that while greenhouse gas emissions must be analyzed, the analysis must follow traditional rules governing CEQA analysis. Specific objectives are described below.

Lead Agencies Retain Traditional Discretion

A lead agency must prepare an EIR wherever substantial evidence supports a fair argument that a project may cause adverse environmental impacts. Once a lead agency determines to prepare an EIR, however, CEQA leaves lead agencies wide discretion to, for example, choose the appropriate methodology to analyze specific impacts, evaluate evidence regarding the significance of an impact, and choose appropriate mitigation for impacts identified as significant. Nothing in SB97 indicates that the Legislature intended to in any way limit a lead agency's traditional discretion. Therefore, the Proposed Amendments differ to that discretion where permitted by CEQA.

Greenhouse Gas Emissions Should be Analyzed as a Cumulative Impact

While the Proposed Amendments do not foreclose the possibility that a single project may result in greenhouse gas emissions with a direct impact on the environment, the evidence before the Resources Agency indicates that in most cases, the impact will be cumulative. Therefore, the Proposed Amendments emphasize that the analysis of greenhouse gas emissions should center on whether a project's incremental contribution of greenhouse gas emissions is cumulatively considerable.

Analysis of Greenhouse Gas Emissions Should be Tiered Wherever Possible

Because greenhouse gas emissions are largely a cumulative issue, such emissions may be best addressed at a programmatic level to permit a thorough analysis of all sources and coordinated mitigation to reduce emissions across a broad area. Such an analysis of greenhouse gas emissions could then be tiered for use in later environmental documents on a project-specific basis. The Legislature has enacted various tiering and streamlining mechanisms that would be appropriately applied in a greenhouse gas emissions context. Therefore, these

Proposed Amendments encourage the use of existing greenhouse gas emissions analyses to the extent possible.

Relationship to Federal Law

The Proposed Amendments contain revisions and additions to the State CEQA Guidelines. Those Guidelines assist lead agencies in complying with the California Environmental Quality Act. CEQA is a state law that governs state agencies. The Proposed Amendments do not duplicate or conflict with any federal statutes or regulations. CEQA is similar in some respects to the National Environmental Policy Act (“NEPA”), 42 U.S.C. sections 4321-4343. However, NEPA requires environmental review of federal actions by federal agencies while CEQA requires environmental review of state and local projects by state and local agencies in California. Moreover, although both NEPA and CEQA require an analysis of environmental impacts, the substantive and procedural requirements of the two statutes differ. Most significantly, CEQA requires feasible mitigation of environmental impacts, while NEPA does not require mitigation. A state or local agency must complete a CEQA review even for those projects for which NEPA review is also applicable, although Guidelines sections 15220-15229 allow state, local and federal agencies to coordinate a review when projects are subject to both CEQA and NEPA. Because a state or local agency cannot avoid CEQA review, and because CEQA and NEPA are not identical, guidelines for CEQA are necessary and do not duplicate the Code of Federal Regulations.

NEPA requires analysis of greenhouse gas emissions. (*See, e.g., Ctr. for Biological Diversity v. Nat'l Highway Traffic Safety Ad.*, 538 F.3d 1172, 1215-1217 (9th Cir. 2008).) The Proposed Amendments approach that analysis similarly to the requirements of federal law. However, as noted above, a primary difference between CEQA and NEPA is that the former requires the imposition of mitigation where an impact is determined to be significant.

DISCLOSURES REGARDING THE PROPOSED ACTION

The Resources Agency has made the following determinations regarding the proposed changes to the Guidelines:

Mandates on Local Agencies and School Districts

The Resources Agency has determined that the proposed revisions to the CEQA Guidelines will not impose a mandate on local agencies or school districts.

Costs or Savings to Local Agencies and School Districts or Federal Funding to the State

No costs or savings have been identified from the proposed action for any state agency, local agency, or school district. No reimbursable costs or savings under Part 7 (commencing with Section 17500) of Division 4 of the Government Code to local agencies or school districts,

no nondiscretionary costs or savings to local agencies or school districts, and no costs or savings in federal funding to the State will result from the proposed action.

Housing Costs

The proposed amendments will not affect housing costs because the revisions will interpret and make specific certain existing CEQA requirements affecting the way public agencies administer the CEQA process.

Significant Adverse Economic Impacts on Business

The Resources Agency has initially determined that the proposed action will not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The factual basis for this conclusion is that the revisions will interpret and make specific existing analysis and mitigation requirements imposed by statute and judicial decisions interpreting the CEQA statute.

Effect on California Business Enterprises and Individuals

The Resources Agency has assessed the potential for the proposed action to adversely affect California business enterprises and individuals, including whether it will affect the creation, elimination or expansion of businesses, as required by subdivision (b) of Government Code Section 11346.3. The proposed action is not expected to have a positive or adverse effect on the creation or elimination of jobs or businesses within California. The Resources Agency has also concluded that the proposed amendments will not affect the expansion of businesses currently doing business within the state.

The Resources Agency's complete Economic and Fiscal Impact Statement (Form Std 399) for the proposed action is part of the rulemaking file, and is available from the agency contact person named in this notice.

Cost Impacts on a Representative Person or Business

The Resources Agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Effect on Small Business

The proposed amendments will not affect small business because the revisions will interpret and make specific certain existing CEQA requirements affecting the way public agencies administer the CEQA process.

CONSIDERATION OF ALTERNATIVES

In accordance with subsection 11346.5(a)(13) of the Government Code, the Resources Agency must determine that no reasonable alternative considered by the Resources Agency or otherwise identified and brought to the Resources Agency's attention would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

The Resources Agency will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its office at the above address. As of the date of this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, the initial statement of reasons, and supporting information. Copies may be obtained by contacting Christopher Calfee or Ian Peterson at the address and/or phone number listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the hearings and consideration of all timely and relevant comments received, the Resources Agency may adopt the proposed regulations substantially as described in this notice. If the Resources Agency makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Resources Agency adopts the regulations as revised. Any requests for copies of any modified regulations should be directed to the attention of Ian Peterson at the address indicated above following publication of the modified text. If the Resources Agency modifies the originally proposed text, the Resources Agency will accept written comments on the modified regulations for 15 days after the date on which the modifications are made available.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Ian Peterson at the above address.