



City of Watsonville

CARBON OFFSET
PROGRAM



Where is
Watsonville?

Major Industry

Historic Industry:

Agriculturally oriented

- Growing, processing, canning, cold storage

Current industry:

Fox Shox

Granite Rock

Granite Construction

Nordic naturals

Driscoll's

Processing, cold storage





Demographics

80% Latino

Young population

High housing costs

Low educational attainment

Economically disadvantaged

In short...

No extra money to spend on Climate Change Measures

History of the Carbon Fund

2012-2013- SB 32 Sustainable Communities Grant received to undertake a Climate Action Plan and Carbon Offset Program

2013- Consultant Team hired

- KEMA
- EcoShift

2013- Technical Advisory Committee formed and work began!

February, 2015- Council adoption of Climate Action Plan and Carbon Fund Ordinance



Carbon Fund Overview

Original vision for fund:

- Make progress toward Climate Action Plan goals
- Attract investment, economic development
- Support sustainability programs and natural resources
- Replicable, manageable model for other jurisdictions

Program Design Options: Factors to Consider

The Carbon Fund Program Must:

Be easy to operate/manage

Have a high likelihood of success

Have an impact on greenhouse gas reductions

Types of Fund Structures Considered

Carbon Fund in
Southampton, England

Contribution Fund-
Monterey Bay Carbon
Fund, Offset Project

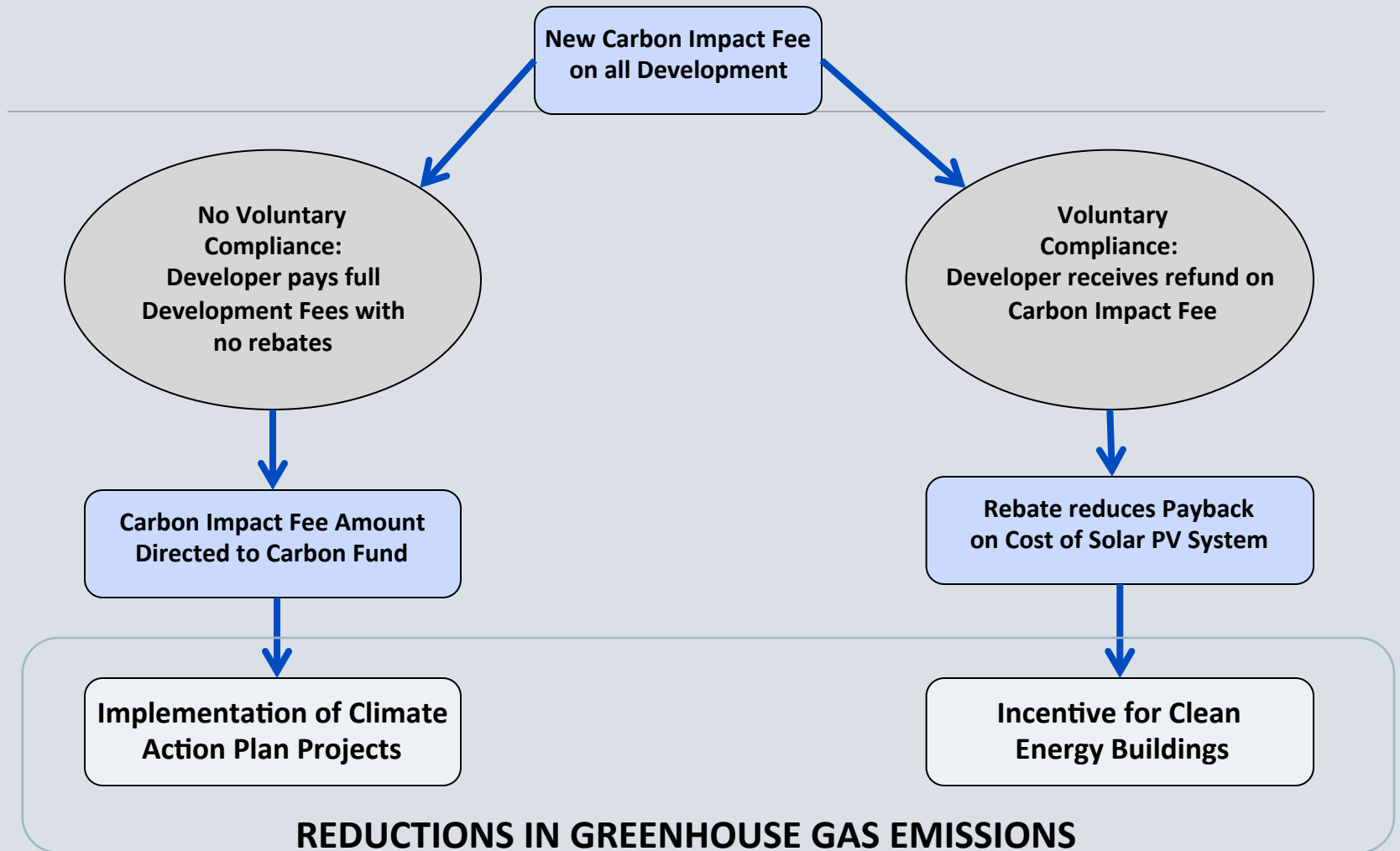
Revolving Fund- loans
repaid through a surcharge
on water bills



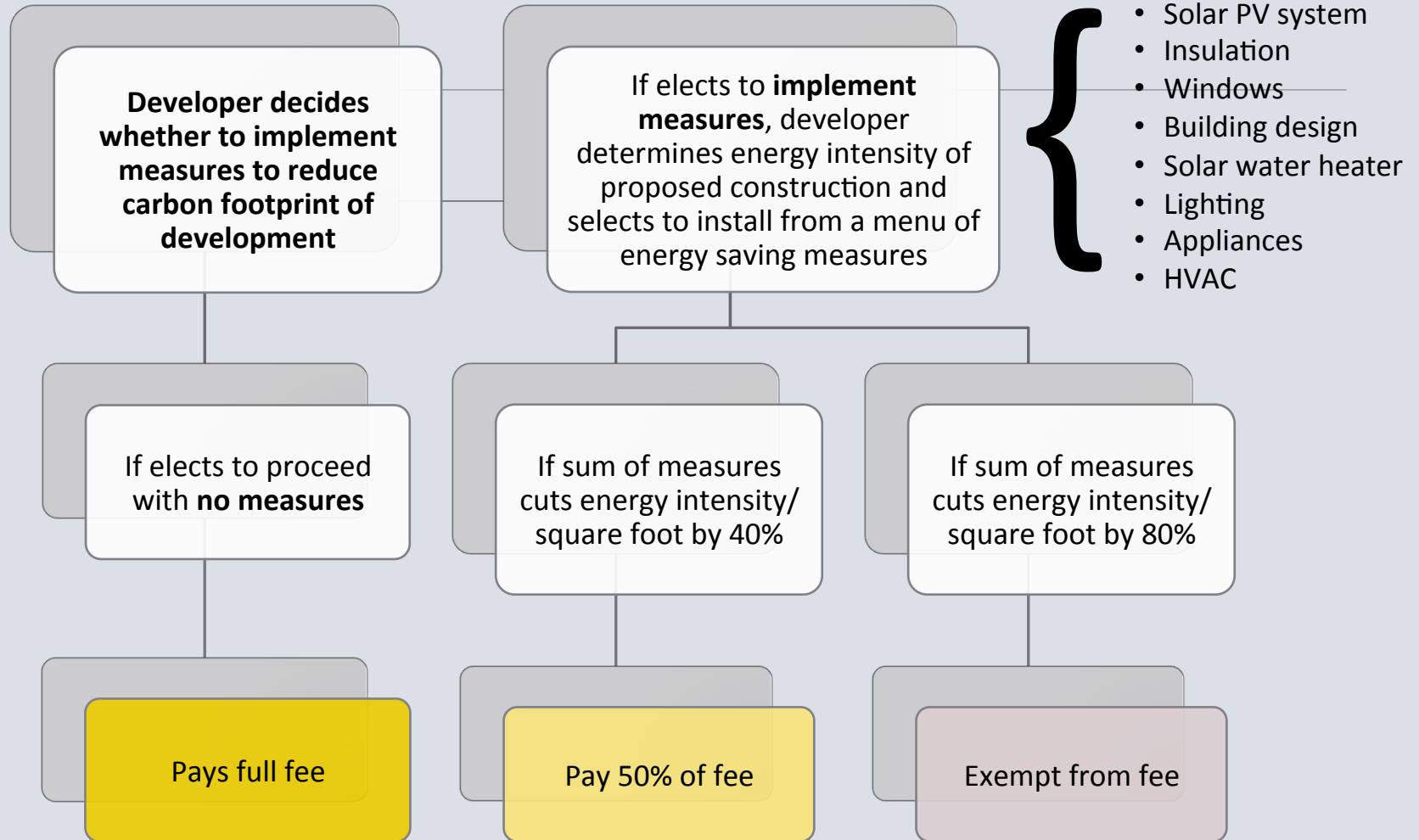
How Should Fee be Structured?

1. All or Nothing
2. Simple Tiers
 - Net zero (no fee)
 - Combination of actions from checklist to:
 - reach over 50% of net zero (half fee)
 - No action (full fee)
3. Calculated (sliding scale)

Overview



Tiered Approach



What Does Fee Apply To?

- (1) New residential and nonresidential construction.
- (2) Multifamily residential and nonresidential additions and/or alterations.
- (3) Single-family residential additions over five hundred (500) square feet in area.

Exempt Projects:

- (1) Single-family residential alterations.
- (2) Temporary buildings (such as construction trailers).
- (3) Building area which is not or is not intended to be conditioned space.

How is the Carbon Fund Used?

Projects proposed by Public Works, Planning, and other departments are eligible to use funds

Projects proposed must have a direct or indirect greenhouse gas emissions reduction identified

Projects proposed should be aligned with the priorities identified in the Climate Action Plan

How are Funds Dispersed for Projects?

Projects proposed at end of year to utilize fees collected in previous year

Projects are approved by collaborative deliberation between departments and agreement by department heads

Sum of approved projects' costs cannot exceed 75% of the previous year's fund size to ensure adequate reserves to reimburse developers who comply with voluntary ordinance in current year

Review of Carbon Fund



Fee began to be collected in October, 2015

Total fees collected to date:
approximately \$41,000

What would we do differently next time?

Get earlier and more input from solar contractors

Consider allowing staff time to be used as part of Carbon Fund activity

Check back next year!