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December 3, 2013

Commissioner Karen Douglas, Presiding Member
Mary Dyas, Compliance Project Manager
Raoul Renaud, Hearing Officer
CALIFORNIA ENERGY COMMISSION
1516 Ninth Street, MS-14 (Dockets Unit)
Sacramento CA 95814-5512

RE: COUNTY OF RIVERSIDE COMMENTS ON THE SOCIOECONOMICS SECTION
OF THE STAFF ASSESSMENT FOR THE PROPOSED BLYTHE SOLAR POWER
PROJECT AMENDMENT (09-AFC-6C)

Dear Commissioner Douglas, Ms. Dyas, and Hearing Officer Renaud:

The County of Riverside ("County") appreciates the opportunity to provide comments and indicate necessary changes to the Socioeconomics section of the Staff Assessment ("SA") submitted by California Energy Commission ("CEC") staff for the Blythe Solar Power Project amendment ("BSPP" or "Project"). The County recognizes the following comments will not likely change the CEC's consideration or decision on the BSPP amendment since this is an amendment proceeding. However, the County would like to provide the CEC with these comments, as they may be beneficial to the CEC in its assessment of other and future solar power plant projects in eastern Riverside County. As explained in greater detail below, while BSPP is located on federal land and under the CEC's certification authority, the County is concerned about the socioeconomics impacts on the County.

In the Socioeconomics section, CEC staff finds that "added with other projects with overlapping construction schedules, the BSPP [Blythe Solar Power Project] would contribute to a shortage of local and regional lodging" (California Energy Commission, 2013, p. 4.8_33). Yet, in summarizing their findings, staff concludes, "No direct or indirect significant adverse socioeconomic impacts would occur as a result of the construction or operation of the modified project..." (p. 4.8_38). The County of Riverside finds several inconsistencies and omissions in CEC staff's documentation substantiating these findings and conclusions.

Consequently, the County is concerned these issues cause an understatement of the impact the BSPP may have on Riverside County's most economically fragile communities, and overlooks the potential for displacement of residents within the local and regional areas. In fairness to its constituents in the region, the County wishes for the administrative record on this issue to be accurate so the picture of the burden and potential economic risks placed on Riverside County is clear.

The County’s main findings and concerns with the Socioeconomics section are:

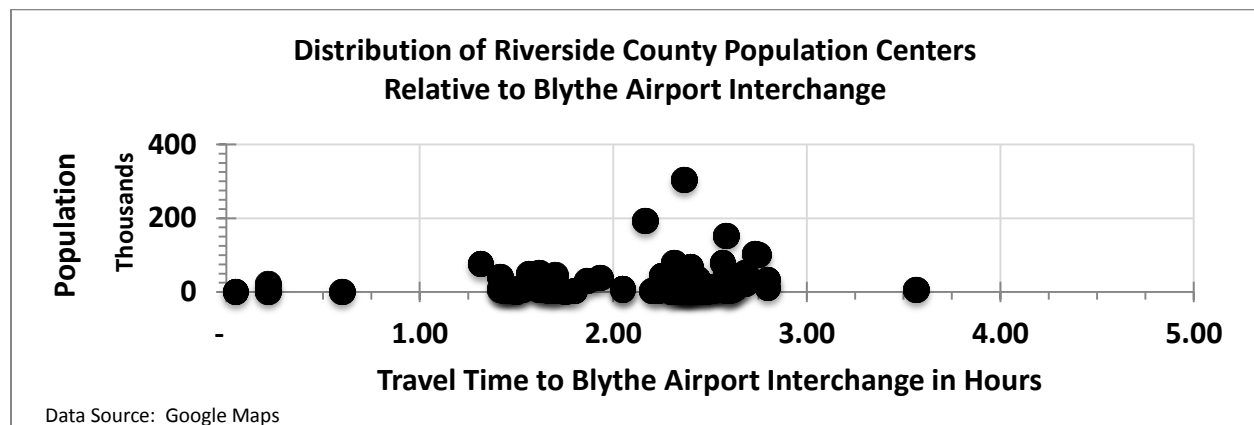
- 1) That the data in Socioeconomics Table 2 is overly broad and does not accurately reflect either the population or housing units actually within the regional study area;
- 2) That the six mile buffer typically used for air quality modeling is improper for analyzing the socioeconomics impacts of solar projects, particularly those in remote rural areas such as eastern Riverside County;
- 3) That seasonal fluctuations in occupancy are not adequately documented;
- 4) That the effect of the foreclosure crisis on the housing vacancies counted in the 2010 Census is not recognized;
- 5) That affordability of housing within the regional study area is not considered; and,
- 6) That the presence of and potential impact on County parks within the local study area is overlooked.

Incongruent Data in Socioeconomics Table 2

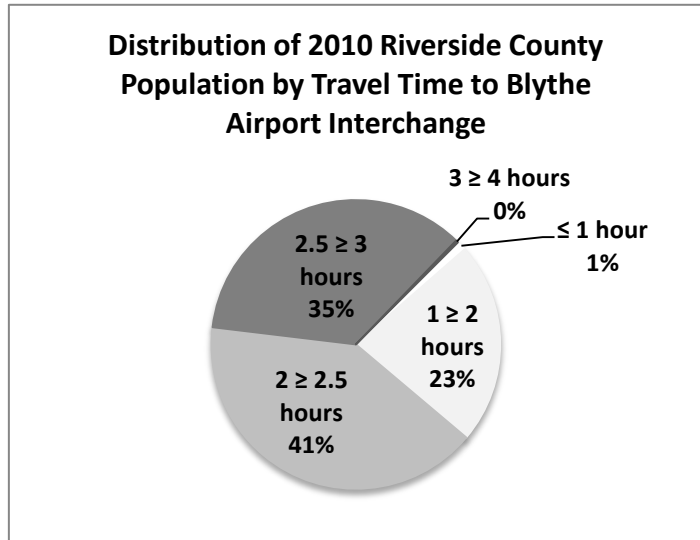
CEC staff states that “For the purposes of assessing project impacts during construction, staff defines the regional study area as within a two-hour commute of the project” (p. 4.8_4 emphasis added). Staff concludes that “The regional study [area] (*sic*) contains a high number of housing units, with San Bernardino and Riverside counties contributing the largest number of vacant units in the BSPP study area” (p. 4.8_4).

However, Socioeconomics Table 2 on which this conclusion is based includes population and housing data for the entire jurisdictional areas of the counties listed, not just the population and housing units within the defined regional study area, as indicated by staff. Consequently, the staff report paints a skewed picture of both prospective workforce distribution and housing availability within the regional study area.

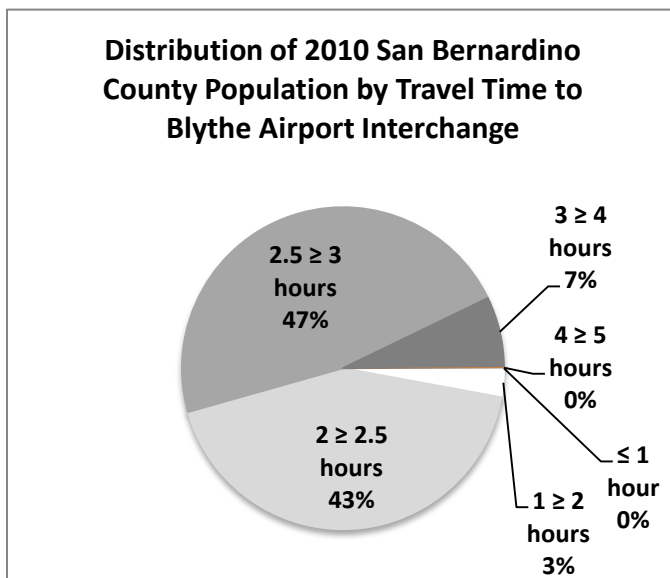
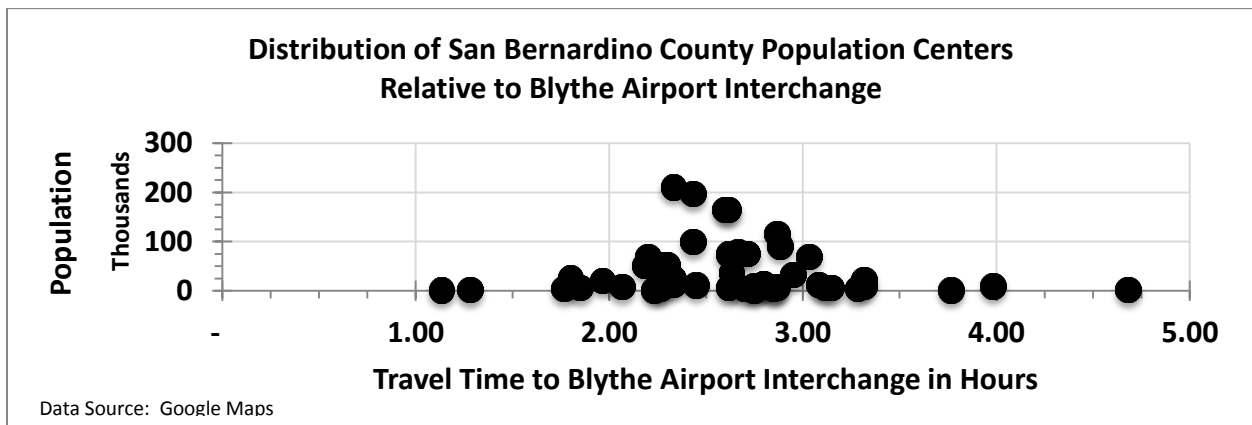
The underlying 2010 Census redistricting summary data for the incorporated cities and census designated places (CDP) within Riverside and San Bernardino counties (U.S. Census Bureau, 2011) reveal much of the population of these two counties is beyond the two-hour boundary of the regional study area defined by staff. Charting population by the travel times from the Blythe Airport interchange for the cities and CDP listed in the census tables reveals this distribution:



As seen in the chart at right, only 1 percent of Riverside County's population resides within one hour's drive of the project, and 23 percent resides with one to two hours' drive. Over three quarters of Riverside County's population, 76 percent, reside between two to three hours' drive from the project. In addition, the populous areas of both San Bernardino and Maricopa counties are entirely beyond the two-hour boundary.



As seen in the charts below, the area of San Bernardino County within the regional study area is very sparsely populated, with no inhabitants within one hour's drive, and only 3 percent within one to two hours' drive. A majority of San Bernardino County's population, 90 percent, resides within two to three hours' drive (with 47 percent residing between two and half to three hours away), while 7 percent of that county's population resides between three to four and a half hours' drive from the project site.



These facts are born out in staff's evaluation of the more immediate area near the project site. Regarding the local study area staff states that "An analysis at a local level presents a challenge because the proposed BSPP is in a sparsely populated area, with the largest urban center being the city of Riverside, located approximately 100 west of the site" (p. 4.8_5).

Actually, the City of Riverside is 166 miles west of the project and in between are all the desert cities of the Coachella

Valley. It is these desert cities and the surrounding rural communities that, along with the area in and around the City of Blythe, are most likely to bear the burden of a potential population influx resulting from large-scale solar development.

From their analyses of the regional study area staff concludes, “there is more than adequate local availability of construction workforce within the Riverside/San Bernardino MSA for the approved project...” (p. 4.8_12). In addition, “staff assumed that up to 15 percent of construction workers would seek local lodging during the workweek, and up to 85 percent would commute daily....Therefore for the modified project peak construction, approximately 75 workers may temporarily relocate closer to the project site...” (p. 4.8_12).

However, the census data cited above demonstrates the aggregate county-level statistics in Socioeconomic Table 2 on which staff ground their conclusions includes population centers beyond the two-hour regional study area. Therefore, the data in Socioeconomic Table 2 does not accurately represent either the actual population or number of housing units within the regional study area alone. Consequently, the findings and conclusions grounded on the figures in Socioeconomic Table 2 are not sound.

Analysis of more granular population data in relation to the regional study area finds the available labor force from the populous areas of the Riverside/San Bernardino/Ontario MSA – the majority of which are well beyond the two-hour drive time threshold that defines the regional study area – may have little choice but to relocate, at least temporarily. Workers who do not relocate would likely face round-trip commutes of five to six hours a day or more, which strains credibility.

The County therefore respectfully suggests that, consistent with other data presented, the data in Socioeconomic Table 2 be revised to include only the census data relevant to the regional study area, not the entire areas of the counties referenced.¹ Flowing from that, the County further suggests CEC staff revisit their assumption that only 15 of the project’s workforce would relocate, and revisit all other conclusions that flow from the data in Socioeconomic Table 2 regarding impact on housing, schools, parks, etc.

Application of Six-mile Buffer for Assessment of Socioeconomics Impacts

The Executive Summary of the SA outlines the following framework regarding environmental justice:

Environmental justice communities are commonly identified as those where residents are predominantly minorities or low-income; where residents have been excluded from the environmental policy setting or decision-making process; where they are subject to a disproportionate impact from one or more environmental hazards; and where residents experience disparate implementation of environmental regulations, requirements, practices, and activities in their

¹ To put this in context, the County of Riverside is approximately 181 miles long and 45 mile wide, and covers 7,303 square miles, which is larger than each of the states of Rhode Island, Delaware, and Connecticut. The County of San Bernardino, which sits directly north of Riverside County, is approximately 191 miles long and 121 miles wide, and covers 20,105 square miles. Combined, these two counties cover an area larger than the entire states of West Virginia and Delaware together.

communities. Environmental justice efforts attempt to address the inequities of environmental protection in these communities.

An environmental justice analysis is composed of three parts:

1. identification of **areas potentially affected by** various emissions or **impacts** from a proposed project;
2. a determination of whether there is a significant population of minority persons or persons below the poverty level living in **an area potentially affected** by the proposed project; and
3. a determination of whether there may be a **significant adverse impact** on a population of minority persons or persons below the poverty level caused by the proposed project alone, or in combination with other existing and/or planned projects in the area. (p. 1_4 emphasis added).

In the Socioeconomics section the SA states:

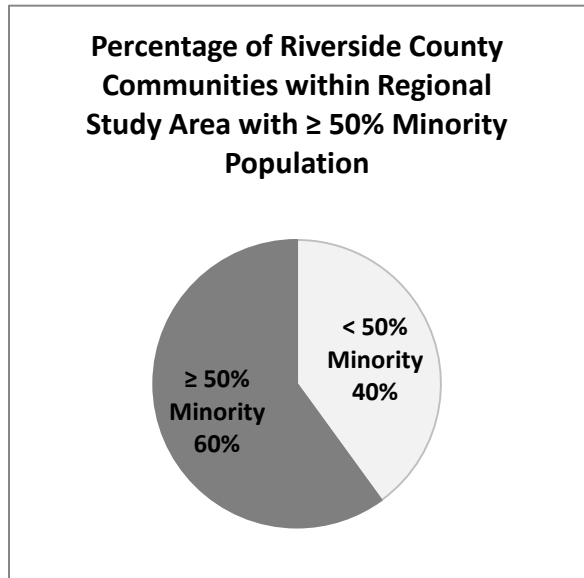
Staff's demographic screening is based on information contained in two documents: *Environmental Justice: Guidance Under the National Environmental Policy Act* (CEQ 1997) and *Final Guidance for Incorporating Environmental Justice Concerns in EPA's Compliance Analyses* (US EPA 1998). The intention is to identify potentially sensitive populations, which could be disproportionately impacted by the proposed action. ...

Staff's demographic screening is designed to identify the presence of minority and below-poverty-level populations within a six-mile area of the proposed project site. The six-mile buffer is based on air quality modeling, which shows that project-related impacts from pollutants decrease to less than significant within six miles of the emission site. **Staff uses the six-mile buffer to determine the area of potential project impacts** and obtain data to gain a better understanding of the demographic makeup of the communities potentially impacted by the project. Once Socioeconomics staff identifies the presence of an environmental justice population, staff from the thirteen affected technical areas evaluates the project for potential disproportionate impacts on the environmental justice population (p. 4.8_7 emphasis added).

While the County understands the use of a six-mile radial buffer for air quality modeling for assessing effects on communities of air borne pollutants from an emission site, particularly in urban areas, the County questions the validity of applying this approach to analyzing the socioeconomics impacts of solar projects, particularly those in remote rural areas such as eastern Riverside County. As the County commented with the Palen Solar Power Project (09-AFC-07) and Rio Mesa Solar Electric Generating Facility Project (11-AFC-04), the six-mile buffer is not a convincing methodology as environmental justice impacts can permeate into a population, with greater long-term impacts, at a distance greater than six miles. In addition, this approach appears to be in conflict with both the methodology outlined on (p. 1_4) of the Executive Summary, quoted elsewhere above, and the method for establishing the study areas outlined on (p. 4.8_4) of

the Socioeconomics section.

As illustrated in the chart at right, breaking out the demographics in the 2010 Census population data cited above, the County finds that 18 out of the 30 cities and CDP within the regional study area, or 60 percent, have populations that were greater than or equal to 50 percent minority, a ratio echoed countywide. Further, a large number of the communities within the regional study area are significantly more than 50 percent minority, with several communities being of almost entirely minority composition, such as the communities of Ripley, Thermal, Mecca, North Shore, and Oasis and the City of Coachella. Given the demographic makeup of eastern Riverside County, it is probable that the socioeconomics impact on minority and low-income populations in the regional study area, just beyond the six-mile buffer, are being overlooked.



Measuring environmental justice impacts within a six-mile radial buffer based on urban air quality modeling methods is not a valid means of analyzing the overall socioeconomics impacts of a solar power plant in a remote rural setting. This is particularly so in cases such as this, where the nearest inhabited community is just outside the buffer, the average commute time necessary to reach the project site is gauged in the SA by hours, and a significant percentage of the existing population of the region fits the minority and poverty level criteria.

Hotel and Motel Accommodations

In Socioeconomics Table 7 on (p. 4.8_12), CEC staff provides data regarding the supply of hotel and motel units within the regional and local study areas, citing a total of 12,962 rooms. However, the number of units alone does not present a complete picture of availability. To be truly available to the prospective workforce, the accommodations must also be affordable to that workforce. A quick sampling of AAA lodgings data illustrates the wide range in room rates among the cities listed in Socioeconomics Table 7 (AAA of Southern California, 2012). A summary of the County’s sampling is shown in the table below, which includes the City of La Quinta, not included by staff in Socioeconomics Table 7.

Sampling of Hotel/Motel Nightly Room Rates

City/CDP	Min Rate	Max Rate	# of Rooms	Sample Size
Blythe	\$79	\$189	233	4
Cathedral City	\$79	\$349	256	2
Indian Wells	\$81	\$499	1460	4
Indio	\$70	\$451	428	3
La Quinta	\$79	\$539	808	3
Palm Desert	\$67	\$449	2324	13
Palm Springs	\$49	\$595	1799	16
Rancho Mirage	\$79	\$1,499	1368	5
	\$49	\$1,499	8,676	50

The lowest nightly room rates range from \$49 to \$81 per night, and the

highest in the sampling range from \$189 to \$1,499 per night. As noted elsewhere in these comments, availability of lodgings – as well as prices – will vary greatly throughout the year. These resort communities are snowbird destinations in the winter, draw tourists from across the globe, and host a number of events with worldwide reach such as the Palm Springs International Film Festival, the Coachella Valley Arts and Music Festival, Stagecoach Country Music Festival, various prestigious golf and tennis tournaments, equestrian events, spring break, and of course conventions. Looking only at the number of rooms present without considering the unique character of the Coachella Valley, the picture of hotel and motel room availability in this area is not complete.

Housing Availability

With regard to housing vacancies in Socioeconomics Tables 8a and 8b (pp. 4.8_1 - 4.8_14), in addition to issues with the demographic data and environmental justice outlined above, there are three other factors not adequately taken into account: 1) high seasonal variability in housing occupancy in the Coachella and Colorado River valleys; 2) skewing due to the ongoing foreclosure crisis; and 3) affordability. Unlike many urban areas that have reasonably stable resident populations even with tourism factored in, due to the high number of second homes and tourist rentals in the Coachella and Colorado River valleys there are significant fluctuations in occupancy throughout the year.

Regarding seasonal fluctuations in lodging availability, CEC staff cites Mr. Bill Perez, of the San Bernardino Building and Construction Trades Council (p. 4.8_15) as indicating that the only times there is increased demand for lodging in the Blythe areas is during the Quartzite gem show in January and the dove hunting season in September. However, this overlooks the fact that the Colorado River Valley is a watersport haven that draws boaters from around Southern California on major weekends throughout the year, as recognized elsewhere by staff regarding high occupancy during the summer.

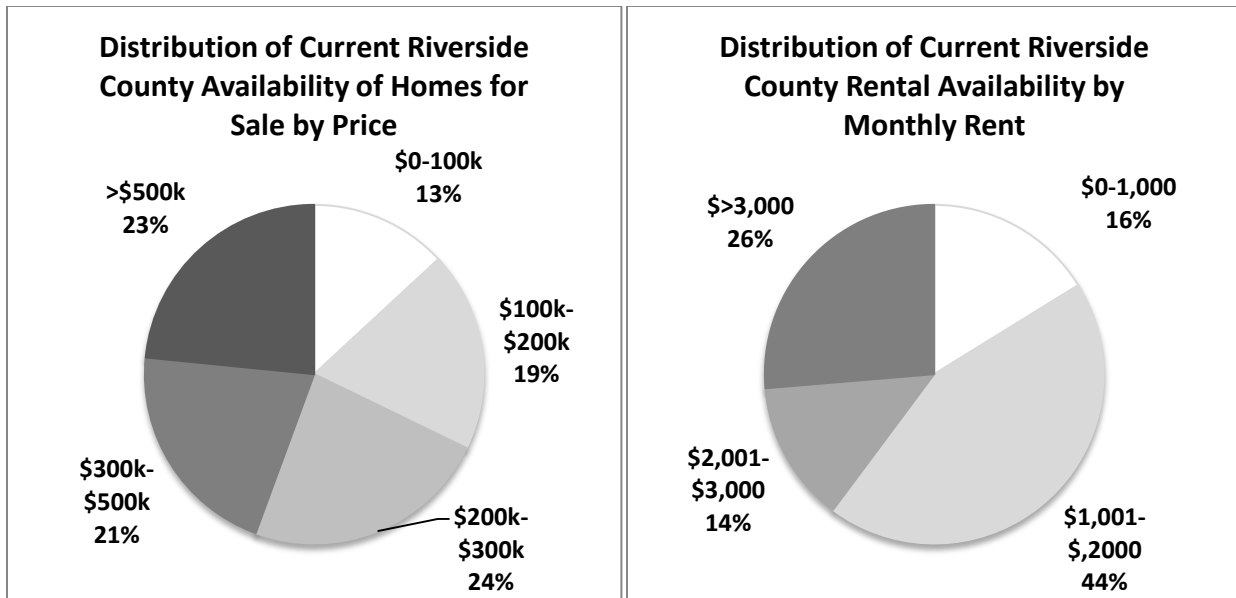
It also overlooks the fact that the cities of the Coachella Valley contain a high number of winter homes, and are international tourist destinations that host an ongoing ebb and flow of festivals, tournaments, concerts, conventions and other events that draw significant numbers of visitors throughout the year, particularly in the winter and spring.

The second factor not acknowledged in staff's analysis of availability is the effect the foreclosure crisis had on the vacancies counted in the 2010 Census housing figures. It should be recognized that, with Riverside County unfortunately noted nationally as one of a few "ground zeros" of the real estate crash, the 2010 vacancy rates include an anomalous number of distressed properties not representative of the natural vacancy rates that will bear out long-term during the life of the project as the foreclosure inventory is cleared.

Third is the issue of affordability. Due to the nature of Riverside County's desert communities, there is a dramatic range in asking prices for both rents and real estate sales. A quick, informal check of housing listings on Zillow (Yahoo!-Zillow Real Estate Network, 2013) yields current listings with a highly varied range of prices, both for sale and rental. The extremely high prices in some of the Coachella Valley's elite enclaves and rural estates place a considerable number of the available housing units outside the reach of average construction workers, even if they pool

resources and share rent. The charts below illustrate the wide range of housing costs within the Riverside County portion of the regional study area. It should be noted that in many cases the monthly rental rates ranged into five figures, and some home sale prices ranged into seven or eight figures.

Consequently, while from the 2010 Census housing data it may appear there will be an ample supply of unoccupied units available within the regional study area, in reality a significant number of those units unoccupied on April 1, 2010, are winter homes, were distressed foreclosures that may no longer be unoccupied, are rented only on a seasonal basis, or are in a very high price range. As a result, the actual number of affordable housing units likely to be available over the duration of the BSPP may be notably less than CEC staff assume.



Finally, as stated above, several Riverside County communities across the BSPP regional study area comprise populations that fall within the environmental justice criteria. Further, several of Riverside County’s most economically fragile populations are within both the local and regional BSPP study areas. These very low-income populations face chronic, long-standing difficulty finding decent, livable housing at prices they can afford. The County is concerned that the SA does not adequately examine the potential housing displacement impacts on these communities.

Parks and Recreation

With respect to the impact on park and recreation facilities, the staff report states “The nearest park facilities to the BSPP site are located within the city of Blythe” (p. 4.8_21). Staff assumes there will be minimal in-migration as a result of the construction of this project, so:

Therefore, staff concludes that as a result of the modified project, construction employment, like the approved project, would not require new or expanded recreational facilities or staff levels within the BSPP regional or local study areas. (p. 4.8_21)

While the parks within the city boundaries of Blythe may indeed be the nearest, they are not the only parks in the area. The County of Riverside maintains several county parks in and around the City of Blythe, chief among which is Collis Mayflower County Park, located 12.5 miles due east of the BSPP on the west bank of the Colorado River. Mayflower Park offers long-term riverfront camping on a monthly fee basis, and accommodates recreational vehicles at its campgrounds with full hook-ups, picnic areas, restrooms, and shower facilities. Due to its close proximity to the BSPP and the affordability of monthly campsites relative to motel rates in the study areas, the County anticipates some solar workers may find long-term RV camping at Mayflower Park an attractive, low-cost option to meet their temporary housing needs. This needs to be evaluated and potentially mitigated.

Furthermore, the County believes CEC staff's assumptions regarding in-migration to be in error, and therefore that in-migration is likely to be much higher than staff calculates.

CONCLUSION

The County looks forward to drawing skilled jobs to the solar developments within eastern Riverside County, and recognizes the economic benefits this will bring County residents and businesses. At the same time, the County of Riverside has an interest in assuring that those residents, particularly our most economically vulnerable, do not become displaced by a "gold rush" effect. For sound public policy-making to occur, it is therefore important that the facts be presented as accurately and completely as possible.


Consequently, the County respectfully asks the CEC to:

- 1) Revise Socioeconomics Table 2 to include only population data within the defined regional study area, revise the calculation of probable in-migration grounded on it, and revise the findings based on those calculations and assumptions;
- 2) Use the regional study area as the basis for the environmental justice analysis, rather than a separate, six-mile buffer;
- 3) Provide more relevant assessment of seasonal fluctuations in occupancy within both the local and regional study areas;
- 4) Give consideration and acknowledgement of the effect the foreclosure crisis may have had on the figures in the housing data;
- 5) Give consideration to affordability when determining availability of both lodgings and housing availability; and,
- 6) Recognize potential impacts on the County parks within both the local and regional study areas, and consider the need to mitigate the potential impacts of in-migration on those parks.

Thank you, again, for the opportunity to provide comments on amendment of this Project, which will have a lasting, irreversible impact on the County of Riverside. Should need further information from the County concerning the comments set forth in this letter, please contact me at (951) 955-6300 or Principal Management Analyst Denise Harden at (951) 955-1110.

Sincerely,

PAMELA J. WALLS
County Counsel

A handwritten signature in black ink, appearing to read "Tiffany N. North", followed by a large, stylized circular flourish.

Tiffany N. North
Supervising Deputy County Counsel

References

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