



CITY COUNCIL AGENDA REPORT

DATE: October 10, 2005

AGENDA OF: October 25, 2005

DEPARTMENT: Planning and Community Development

SUBJECT: **Green Building Ordinance**

RECOMMENDATION: That the City Council (1) introduce for publication an ordinance of the City of Santa Cruz amending Title 24 of the Santa Cruz Municipal Code by adding Section 24.15, Green Building Regulations, creating Green Building Regulations for all new and substantially remodeled buildings and additions thereto; (2) by motion adopt the “City of Santa Cruz Green Building Program – Standards for Compliance” as a reference document for the Green Building Regulations; and (3) by motion sunset the Green Building Working Group and direct the Mayor to express appreciation to the members for their service.

BACKGROUND

On September 26, 2002, the Planning Commission, in response to direction from the City Council, established a Green Building Working Group (GBWG) to develop a green building policy and regulatory framework for the City of Santa Cruz. Over the next two years, the fifteen-member committee reviewed policies and programs from a variety of sources and held two well-attended public workshops. The GBWG presented a draft plan to the Planning Commission in August 2004 and to the City Council two months later.

The plan proposed at that time received generally positive comments from the Commission and Council but had several components that were seen as problematic:

1. A negative incentive in the form of a “brown fee” charged for not building “green.”
2. A positive incentive of reduced or deferred permit fees, resulting in loss of revenue to the City.
3. The cost of creating a new staff position, the Green Building Coordinator.

The Council directed the GBWG to rethink its proposed plan with the objective of producing a workable program that would involve minimal expense to the City. On September 15, 2005, the GBWG’s revised program was presented to the Planning Commission, which unanimously recommended approval to the City Council. Following is a summary of both the original and the revised plans.

DISCUSSION

Original Proposal

Point System. The program proposed a point system based upon the Alameda County green building program for residential structures and the U.S. Green Building Council's "Leadership in Energy and Environmental Design" (LEED) program for all non-residential structures. The program would apply to all new construction, additions and remodels, with exclusions for minor projects. After a trial period of voluntary compliance and participation, there would be increasing requirements for participation until 100% mandatory participation is achieved within two years of plan implementation.

Incentives. All development applications would require submission of a checklist identifying the green building practices which would qualify the project for points as specified in the program. Projects that failed to meet a minimum point threshold (or that opt out of participation) would be subject to a "brown" fee for not building "green." Projects that met specified thresholds would qualify for four incentives:

1. Waiver of the "brown" fee
2. Priority permit processing
3. Reduction or deferral of planning and building permit fees
4. Public recognition and awards

City Participation. Projects undertaken by the City or that receive funding from the City or Redevelopment Agency would be required to achieve points equivalent to the LEED Silver standard.

Program Coordination. A "Green Building Coordinator" position would be created to oversee program compliance and implementation.

Staff concerns. At the presentations to the Planning Commission and City Council last fall, staff identified several concerns:

1. The legality of collecting a "brown fee."
2. The added staff workload of verifying compliance with claimed "points."
3. What to do with deconstructed materials, as our landfills are unprepared to accept them.
4. Providing priority processing in a reduced staffing environment.
5. Reduction of fees, with resulting loss of revenue to support staffing.
6. Applying the program to the existing building stock, especially historic buildings.

Revised Proposal

In rethinking its proposed plan, the GBWG concluded that an incentive-based voluntary program as the initial phase is not feasible, given the difficulties posed by the incentives. Instead, the GBWG recommends implementation of a mandatory program for all new and substantially modified buildings, with a one-year, no-penalty trial period for testing the process and ironing out any problems.

Point System. All development applications will still require submission of a checklist identifying the green building practices which would qualify the project for points as specified in the program. Projects that fail to meet a minimum point threshold will simply not be issued a building permit. While this provision might conceivably result in construction without permits and thus the need for increased code enforcement activity, the compliance limit is set very low to encourage participation. It can be raised in the future as the program matures.

Incentives. Since participation after the trial period will be mandatory, the “brown fee” and fee reduction incentives for voluntary participation have been dropped. However, the incentive of accelerated processing has been retained for projects that substantially exceed the minimum point threshold, and a public recognition program is proposed for projects achieving the highest level of participation.

City Participation. The City of Santa Cruz will be expected to lead by example in all of its construction projects and any private projects funded with public money. Projects undertaken by the City or that receive funding from the City or Redevelopment Agency would be required to achieve points equivalent to the LEED certified standard for non-residential projects and equivalent to the points necessary for accelerated processing for residential projects.

Program Coordination. The revised plan is designed to be administered by existing staff without hiring additional personnel to coordinate the program, at least initially. The Department of Planning and Community Development will implement the program in conjunction with its existing building and zoning permit programs, with Inspection Services staff having primary responsibility. Program implementation will involve modification of current permit review procedures to incorporate green building program requirements, development of monitoring tools, and creation and maintenance of education and outreach efforts. If the program is adopted, the department will propose upgrading one of its Senior Building Inspector positions to a management position with these added responsibilities.

Education of the public and the building community is critical to the success of this program. Green building requires a fundamental rethinking of construction techniques to incorporate sustainable measures. As demand for sustainable measures has grown, local suppliers have begun to stock more and more “green materials” and the materials are finding their way into many homes and businesses. One of the most important factors in increased demand is increased awareness on the part of consumers. To that end, the City’s program should provide regular educational opportunities that can be attended at little or no cost by the public and City staff.

To accomplish this goal a small fee has been built into the program that will be used to fund educational opportunities and offset staff costs for program coordination. Education and outreach efforts would include bringing in experts to lead seminars on green building; purchasing green building resource materials such as brochures, workbooks and other handouts; advertisement of program offerings; and funding of a plaque program for exceptional projects, similar to that already in place for historical buildings.

Staff concerns. Most of staff’s earlier concerns have been addressed in the program revisions. The implications of those that remain, such as the provision for accelerated processing, can be

assessed during the one-year trial period and brought back for consideration of program adjustments as appropriate.

Program Regulatory Components

- Zoning Ordinance Section 24.15 (added): Establishes the basic program requirements and standards for compliance; provides criteria for accelerated processing and recognition for exceptional design; establishes Green Building Educational Resource Fund.
- City of Santa Cruz Green Building Program: Standards for Compliance: Explains the point system and the categories into which green building opportunities and techniques are grouped; includes as appendices the points checklists for residential and non-residential buildings; provides for program implementation and phasing.

SUMMARY

The Green Building Working Group has developed a green building regulatory framework for the City of Santa Cruz that provides for minimum mandatory measures as well as incentives for fuller participation. The program is designed for easy compliance without adding a significant burden to design and/or construction costs. By keeping the program flexible, it can be easily updated to reflect current practices and updated technologies without interfering with normal code adoption or creating an excessive work load for staff. Upon adoption of the program, it is recommended that the Council sunset the GBWG with appreciation for their work. It is further recommended that staff report to the City Council on their experience with program implementation prior to the end of the trial period.

FISCAL IMPACT

Implementation of the proposed Green Building Program will require additional staff time to handle increased plan checking and inspection/monitoring requirements. As building and construction standards are the core of the program, it is recommended that a senior building inspector position be upgraded with responsibility for program implementation and monitoring. City building construction projects could incur greater up-front costs that would be offset by long-term savings in operating costs. Revenue generated by the proposed education resource fund is expected to fully offset costs associated with program management, public education and outreach programs.

Submitted by:

Approved by:

Eugene O. Arner, Director of
Planning and Community Development

Richard C. Wilson
City Manager

Attachments:

- ~ Standards for Compliance: Appendices A, B, C and D
- ~ Green Building Ordinance