



Planning Commission Staff Report

September 29, 2010
Item 6.a.

- SUBJECT:** PRZ-55
- APPLICANT:** City of Pleasanton
- PURPOSE:** Amendment of the Pleasanton Municipal Code to Reference the California Green Building Standards (CALGreen) Code with Local Amendments to address specific green building issues and Other Related Green Building Amendments.
- GENERAL PLAN:** City Wide
- ZONING:** City Wide
- LOCATION:** City Wide
- EXHIBITS:**
- A. Draft Ordinance (Including the Proposed Amendments and Findings)
 - B. Minutes and Notes of Stakeholder Meetings
 - C. Cost Analysis
 - D. Sample CALGreen Checklist and Mandatory Measures Handout
 - E. Planning Commission Work Session Staff Report dated September 22, 2010
 - F. General Plan Conformity

I. SUMMARY

The overarching purpose of the proposed amendments is to harmonize the City's existing green building requirements with the state's new green building requirements. Starting January 1, 2010 the City is required to implement the state's new minimum requirements. If a code amendment is not adopted, on January 1, 2010 both green building codes (the City's and the State's) will be in effect in Pleasanton. While the two codes are similar, without an amendment developers would be required to show compliance with two sets of regulations instead of one leading to longer review and compliance checks.

Staff believes implementation of the "state-wide" approach to green building is likely to save time and money for professionals working on construction drawings. The measures required by CALGreen Tier 1 are substantially similar to the City's existing

green building ordinance. The cost impact of CALGreen Tier 1 is equivalent to the City's existing green building ordinance. For these reasons, staff is recommending the adoption of CALGreen Tier 1 with local amendments to provide greater consistency, to the extent feasible, under the new state law with the City's existing requirements.

It is anticipated that the green building requirements may need to be amended again (later next year) as part of the Climate Action Plan process. The scope of work for the Climate Action Plan includes the exploration of "incentives" for additional green building measures.

II. BACKGROUND

Green building is a whole systems approach to the design, construction and operation of buildings. Development of green buildings reflects an interest in conservation of energy, water and other natural resources, while simultaneously creating more healthful environments for the building occupants.

In 2002, after significant public outreach, Pleasanton adopted green building requirements for new commercial buildings of 20,000 square feet or larger, commercial additions of 20,000 square feet or larger¹, and civic buildings. Such projects are required to meet the Leadership in Energy and Environmental Design (LEED)TM "certified" rating, which is a point-system process verified by U.S. Green Building Council-accredited City staff.

In 2004, Gov. Schwarzenegger signed Executive Order S-20-04, known as the "Green Building Initiative." This order requires State buildings to be 20% more energy efficient by 2015, and encouraged the private sector to do the same.

In 2006, more stakeholders provided input before Pleasanton² expanded its green building requirements to new single-family residential projects of 2,000 square feet or larger³, additions of any size to homes built within the last five (5) years, and all multi-family residential projects. These projects are required to achieve fifty (50) Build It GreenTM (BIG) points (awarded for design considerations, energy efficient appliances, drought tolerant landscaping, wiring for photovoltaic, etc.).

¹ Pleasanton's green building threshold of 20,000 s.f. or larger for only new commercial projects was based on consideration that it would be relatively easier for larger projects achieve green building points due to factors such as economies of scale.

² As of 2008, the California Attorney General's survey found that about 40 cities and counties in the State had adopted green building ordinance.

³ Pleasanton's green building threshold of 2,000 s.f. or larger for residential construction was based on consideration that it would be relatively easier for larger projects achieve green building points due to factors such as economies of scale, and use of large construction firms.

In 2008, the California Building Standards Commission⁴ (CBSC) adopted a voluntary green building code. Because Pleasanton already had its own green building standards, the City did not adopt this voluntary code.

In 2010, the CBSC unanimously adopted the first-in-the-nation mandatory Green Building Standards Code (CALGreen) requiring all new buildings in the state to be more energy efficient and environmentally responsible. The final version of CALGreen was published in July 2010, and *will automatically go into effect state-wide on January 1, 2011*. Local agencies, if they take no action, will have CALGreen's basic mandatory provisions in effect in their jurisdictions. Pleasanton has historically formally adopted California building codes, with local amendments, and staff recommends a similar approach for CALGreen.

III. PROJECT DESCRIPTION

This item came before the Commission on September 22, 2010 as a work session and is now being returned for review and consideration as a public hearing item.

The current Green Building Code (PMC 17.50) requires commercial, civic, and residential projects that meet the definition of a "Covered Project" to be built to a "green" standard, and relies on the applicant to produce an appropriate level of information to show compliance with the established standards, as verified by trained City staff.

The proposed Code amendments would provide a process for "Covered Projects" to continue the equivalent green building standards (described, below, as Tier 1) and would follow a process similar to the existing procedures, but would rely mainly on the State mandated CALGreen program, rather than those of the outside organizations currently referenced⁵. This amendment provides for greater uniformity with the state-wide code, rather than a Pleasanton specific requirement.

In addition, new construction that is smaller in size⁶ than a "Covered Project" would be required to meet CALGreen's minimum mandatory green building standards (known as the CALGreen basic measures). These basic measures are the new state-wide standards for energy efficiency and water conservation. The proposed Code amendment would clarify that historic buildings would continue to be exempt from the CALGreen requirements.

⁴ This State Commission includes representatives from governmental agencies, the building industry, housing developers, and manufacturers.

⁵ These outside organizations are the US Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) and the Alameda County Waste Management Authority (ACWMA) program, which is now managed by Build It Green (BIG). Both the USGBC and BIG are non-profit organizations which update their requirements based on their own schedules, without public notice or comment; which has been a criticism of these programs by property owners and developers, as well as a concern of staff.

⁶ Residential structures less than 2,000 square feet or commercial structures less than 20,000 square feet.

Work Plan & Timeline

In an effort to reduce any confusion in the development community with the advent of CALGreen and its interface with the City's existing green building requirements, staff is proposing an adoption of CALGreen which will have local amendments that harmonize with Pleasanton's existing Green Building ordinance. The goal is to create uniformity with the State's standards and forms, while preserving Pleasanton's existing green building provisions. Since CALGreen contains its own checklists, staff is working to ensure that existing City requirements for LEED™ and Build It Green™ points are still achieved for "Covered Projects", but require builders to adhere only to the checklist that is modeled after the CALGreen measures (rather than multiple checklists and point sheets).

Based on staff's initial analysis and input from stakeholders (Exhibit B), staff has prepared the Draft Ordinance (Exhibit A). Staff's goal is to present the proposed ordinance to the City Council, and have CALGreen adopted with local amendments, as well as the other related municipal code amendments, prior to the state-wide effective date for CALGreen (January 1, 2011). Additional information regarding the work plan for this process is in Exhibit E.

IV. ANALYSIS

Based on research and internal discussions, staff has formulated an initial recommendation for adoption of CALGreen with local amendments, to maintain the City's existing green building requirements, construction and demolition debris mandates, and other policies of the General Plan. Additional background information regarding CALGreen is provided in Exhibit E. The proposed amendment conforms to the General Plan (see Exhibit F for more information). The following is a summary of Exhibit A (Draft Ordinance):

1. Adopt CALGreen Tier 1 for those "Covered Projects" currently subject to the Pleasanton Green Building Ordinance.

This would result in the CALGreen "voluntary" Tier 1 measures⁷ becoming required measures for such "Covered Projects", which recommendation is based on staff research that Tier 1 is substantially similar to the points required by Pleasanton's current green building standard, and new policies in the General Plan.

⁷ For example, as discussed above, CALGreen's basic requirements are that beginning July 1, 2011, baseline water usage be reduced by 20%. To achieve the Tier 1 level for indoor water use in a new residence, the kitchen sink faucet cannot flow more than 1.5 gallons per minute. Such water use reduction earns a "point" under the Build It Green™ system currently in effect, and similarly meets the CALGreen Tier 1 recommendation.

2. Amend the Pleasanton Municipal Code to adopt a modified CALGreen, as appropriate, to incorporate basic green building design in new Downtown buildings, and in new buildings not located in Downtown which are currently exempt from the City's Green Building Ordinance.

This would be consistent with state law as CALGreen is intended to set mandatory minimum standards for all new construction. The CALGreen basic measures are the minimum standard required by the state. Downtown Pleasanton is currently exempt from the Pleasanton Green Building Ordinance as are commercial buildings smaller than 20,000 square feet in size and residential structures smaller than 2,000 square feet in size.

3. Amend the Pleasanton Municipal Code to adopt a modified CALGreen, as appropriate, to incorporate the current regulations on additions, and to continue to exempt historic structures.⁸

This would provide consistency with our current green building standards and be consistent with local historic preservation interests. Additions are exempt from CALGreen, whereas larger additions (e.g., residential additions greater than 2,000 square feet in size⁹ or commercial additions larger than 20,000 square feet in size) are subject to Pleasanton's Green Building Ordinance.

4. Amend the Pleasanton Municipal Code to incorporate CALGreen as the reference standard and repeal the current Green Building Ordinance (PMC 17.50).

This would eliminate the references to the standards of the Build It Green™ Guidelines and the LEED™ programs; and requires projects subject to green building to adhere to only one checklist. However, the proposed amendment still allows an applicant to use of LEED™ or BIG™ rating programs to meet the proposed new standard (see number 5 below).

5. Adopt an alternative compliance option for an applicant to pay a verified third party rater for LEED/BIG certification (equivalent to or "greener" than CALGreen Tier 1) and be allowed to pursue the outside certification process as a substitute to the City's green building plan check review process and provide the City with proof of completion.

Staff believes that certification through a third party rater (Build It Green™ Guidelines, the LEED™ programs, or another approved program) would provide an acceptable level of confidence that the structure is achieving CALGreen Tier 1 or greener standards. Applicants may choose this option if

⁸ Historic structures are allowed to be exempt according to the State's Health and Safety Code.

⁹ Residential additions of any size to a home that was built within the last five (5) years is also subject the current Green Building Ordinance.

they desire a marketable green label, are applying for grant funding of some kind that requires the use of a third party rating system, or are in pursuit of some other form of financial or public recognition with third party rating system certification requirements.

Additionally, the code amendment would no longer require the formal green building pre-permitting review. Staff believes an initial discussion with applicants about the green building requirements will be as effective as a formal pre-review process. In staff's experience, initial plans often lack sufficient details for a formal review since energy, plumbing, and irrigation plans are not submitted as part of the initial review plans, but are submitted later at building permit.

V. Stakeholder Meetings and Comments

Planning staff has been coordinating the evaluation of the proposed changes with the other City Divisions to ensure that the transition is smooth for the public. Additionally, staff has taken the proposed changes to the local stakeholders for review and comment. This proposal has been reviewed by the Chamber of Commerce- Pleasanton 2015 Forum; a subcommittee of and the full Economic Vitality Commission; the Committee on Energy and Environment; Pleasanton Downtown Association; and the Hacienda Business Park Owners Association. A summary of the stakeholder comments for the Commission's consideration are in Exhibit B. The comments generally relate to the practice of requiring "additional" green building measures above and beyond the City's Green Building ordinance during a given project's discretionary review process and the costs associated with those "additional" measures; costs associated with building to a green standards as a whole, incentives, outreach and education; and comparison to the surrounding jurisdictions.

Staff has provided an opportunity for the Commission to respond to the comments regarding the practice or requiring the "additional" measures. In regards to the cost impacts of those "additional" measures, staff can only state that depending on the measures required, the costs can be minimal or substantial.

In response to the stakeholders' requests for a general cost analysis staff has prepared a cost analysis for a residential project (provided in Exhibit C). The cost impacts of CALGreen Tier 1 are equivalent to the City's existing green building ordinance. Additionally, staff also has provided information on payback projections, outside incentive programs, tax credit programs, and rebates available for various green building measures (Exhibit C).

Through the stakeholder outreach process staff has addressed the requests for information on the directions of the surrounding jurisdictions. At each stakeholder meeting staff provided information on the existing green building requirements of the surrounding jurisdictions, summaries of their proposed response to the upcoming CALGreen implementation, and updates on any changes to those approaches.

VI. FINDINGS

State law requires the City to adopt specific findings about our community's local climatic, geological or topographic conditions to support any amendments to state building standards codes, such as CALGreen. The amendments proposed to CALGreen, to incorporate Pleasanton's existing Green Building requirements and exemptions, and harmonize with our specific stormwater permit and local solid waste reduction mandates, are supported by the findings set forth in Exhibit A (proposed draft ordinance, Findings exhibit).

VII. ENVIRONMENTAL ASSESSMENT

This project is categorically exempt from environmental review pursuant to California Environmental Quality Act Guidelines, Section 15308, Actions by Regulatory Agencies for Protection of the Environment (Class 8).

Therefore, no environmental document accompanies this report.

VIII. CONCLUSION

To further the goals of the original Green Building ordinance, as well as the policies of the General Plan's Conservation and Open Space, Water, Air Quality and Climate Change, and Energy Elements, staff recommends that the Commission considers staff's analysis and recommendation to repeal the current Green Building Ordinance (PMC 17.50) and amend the Municipal Code to adopt CALGreen, with local amendments, as described on pages 5 and 6 and provide a positive recommendation for City Council's consideration.

IX. STAFF RECOMMENDATION

Staff recommends that the Planning Commission conduct the public hearing and take the following actions:

1. Find that the proposed amendments to the Municipal Code are statutorily exempt from CEQA; and
2. Adopt a resolution recommending approval of PRZ-55 to the City Council as shown in Exhibit A, amending 17.50 and 20.26 to reference CALGreen with local amendments, based on the listed findings.

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