



CITY COUNCIL AGENDA REPORT

MEETING DATE: SEPTEMBER 4, 2007

ITEM NUMBER:

SUBJECT: BUILD GREEN INCENTIVE PROGRAM

DATE: AUGUST 22, 2007

FROM: DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: KHANH NGUYEN, CBO, BUILDING OFFICIAL

FOR FURTHER INFORMATION CONTACT: KHANH NGUYEN (714) 754-5277

RECOMMENDATION

Authorize the implementation of a 9-month Build Green Incentive Program effective from September 5, 2007 to June 30, 2008, by the adoption of Resolution No. 07-__.

BACKGROUND

City Council has expressed considerable interest in adopting incentives to encourage sustainable development and "green building" construction in Costa Mesa. Staff was directed to work with residents and the development community to create a Green Building program and return to Council for formal adoption.

City staff, residents, and major stakeholders, also known as the Green Team, collaborated in recent months to formulate a comprehensive Sustainable City Building Policy and a Build Green Incentive Program for private development. A Sustainable Municipal Green Policy is also being submitted to City Council for adoption.

The Green Team is pleased to present a Build Green Incentive Program for your consideration. The intent of the program is to encourage residents and businesses to think and build green.

There are many benefits to building green. In general, to build green is to save operating costs, save energy, be water efficient, save natural resources, improve indoor air quality, and to save the environment. In general, a green certified building (i.e. LEED Gold) has 50% less negative impact on the environment than a standard building.

Under the umbrella of the green building program, City Departments are already enforcing various local policies and programs in working towards a common goal to minimize impacts to the environment and improve quality of life. Examples of the programs include the Energy Star Program implemented since October 2002 (Council Policy 500-14), enforcing the 3rd term NPDES permit, General Plan (land use, open space, transportation, and conservation elements), Zoning (parking, refuse enclosures,

and bicycle storage), current California Energy Code, 50% construction debris and waste discharge permit, and energy conservation best practices.

Recent green practices include:

- Construction of the police building expansion under the Energy Star program (15% above Energy Code).
- Retrofit of City Hall, Neighborhood Community Center, and Corporate Yards A & B with waterless urinals saving over 500,000 gallons of water annually.
- Annually recycling over 26,000 pounds of office paper.

ANALYSIS

The features listed below for the Build Green Incentive Program include:

- A 9-month incentive program for maximum participation and to allow ample time for the incorporation of Green Building elements in the project design.
- All or a portion of plan check and inspection fees will be waived for green installation such as adding solar panels, skylights; or green certification.
- Express Planning and Building plan checks will be offered. As such, build green plans will be given first priority over all other plans in processing.
- Preferred morning or afternoon inspections will be offered.

Sample fee waiver for various green installations or certifications:

▪ Single Family Dwelling (SFD) tube shape skylight	= \$40
▪ SFD skylight	= \$45
▪ SFD tankless water heater	= \$50
▪ SFD Energy Star windows/doors	= \$150
▪ SFD reroof using radiant barrier "Cool Roof"	= \$250
▪ SFD reroof using class A roofing assembly	= \$250
▪ SFD solar water heater	= \$300
▪ SFD photo voltaic system (3kW)	= \$750
▪ SFD certification by Energy Star	= \$800
▪ SFD certification by GreenPoint Rated	= \$1,500
▪ SFD certification by LEED	= \$4,200
▪ Commercial green roof	= \$1,100
▪ Commercial/residential grey water system	= \$1,400
▪ Commercial solar system (30kW)	= \$3,500
▪ Cogeneration fuel cell (200kW)	= \$3,600
▪ Nonresidential, multifamily or tract (30 units) Certification by Energy Star	= \$15,000
▪ Nonresidential, multifamily or tract (30 units) Certification by GreenPoint Rated	= \$19,000

- Nonresidential, multifamily or tract (30 units)
Certification by LEED = \$30,000

FISCAL REVIEW

- Direct cost such as system programming, publications, marketing, and contract staff support = \$68,000
 - Fee waiver incentive = \$307,000
- Total = \$375,000 (\$42,000/mo.)

It is anticipated the Build Green Incentive Program would be implemented at the same time as the Residential Remodeling Incentive Program (RRIP3). This would allow for some cost sharing in start up costs, and since most of the green home improvements would fall under RRIP3, the cost of the Build Green program would be reduced to \$255,000 or \$28,000 per month.

LEGAL REVIEW

The City Attorney's Office has reviewed the attached fee waiver resolution and approved it as to form.

ALTERNATIVES CONSIDERED

Council may reject the program or delay the program until early next year to allow more time to promote the program.

CONCLUSION

This Build Green Incentive Program implements City Council's desire to encourage sustainable development in Costa Mesa.


KHANH Q. NGUYEN, BO
Building Official


DONALD D. LAMM, AICP
Deputy City Mgr.- Dev. Services Dir.


MARC PUCKETT
Finance Director

ATTACHMENT: Resolution no. 07-___

DISTRIBUTION: City Manager
Assistant City Manager
City Attorney
Public Services Director
City Clerk (2)
Staff (4)
File (2)

File: 090407BuildGreen	Date: 082307	Time: 8:40 a.m.
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WHEREAS, the City Council hereby desires to establish and promote a Green Building program known as the "Build Green" program to encourage green and sustainable developments above and beyond applicable requirements of the Costa Mesa Building Codes and Development Ordinances, and to waive collection of the building and construction fees for such work as described in Section 1 below of this Resolution; and

WHEREAS, the City Council hereby finds and determines that it is in the public's interest and general welfare to establish said Build Green program as hereinafter set forth.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Costa Mesa as follows:

1. That Resolution No. 07-__ is amended to waive any building and construction permit fees imposed and required hereunder:

- a. for certain home and business construction improvements requiring building permits for installing cool roofs, green roofs, insulation above minimum energy code standards, renewable energy systems, photovoltaic, skylights, tankless domestic water heaters, waterless urinals, high performance windows and doors, high efficiency HVAC systems, and other green installations or innovations as approved by the Building Official.
- b. not to exceed the lesser cost of the building and construction fees versus the cost of green certification per project, during the effective period of the Build Green program, for "green and sustainable developments."

"Green and sustainable developments" include any developments that achieved LEED certification by the U.S. Green Building Council, green certification by Build It Green, green certification by CA Green Builder, or green certification by other statewide green organization.

2. That the effective period of the Build Green program, including the waiver of the fees specified in Section 1 of the Resolution, shall apply to any complete permit applications received by, or permits issued by, the Building Division of the Development Services Department, on or after September 5, 2007, until June 30, 2008.

3. Except as expressly set forth herein, nothing contained in this Resolution shall be deemed to waive any fees otherwise required by any other provision of law (including but not limited to fees for City zoning entitlements, and/or fees collected by the City on behalf of any other public agency or entity), nor otherwise waive compliance with any other applicable provisions of the Costa Mesa Building Codes, Grading Ordinances, Development Ordinances, or the Costa Mesa Zoning Code.

PASSED AND ADOPTED THIS 4th DAY OF SEPTEMBER, 2007.

ATTEST:

City Clerk of the City of
Costa Mesa

Mayor

APPROVED AS TO FORM

City Attorney