



City of Sunnyvale

Agenda Item

19-0395

Agenda Date: 3/25/2019

REPORT TO SUSTAINABILITY COMMISSION AND PLANNING COMMISSION

SUBJECT

Green Building Program Update: Forward a recommendation to the City Council to Adopt a Resolution to Update the Green Building Program for Residential Projects, Nonresidential Projects, and Public Facilities, and Find that the Action is Exempt from CEQA Pursuant to CEQA Guidelines Sections 15308, 15061(b)(3), and 15378(b).

REPORT IN BRIEF

The Sunnyvale green building program was originally adopted in 2009 and last updated in 2014, which was the third phase of the program. Originally, the program envisioned three phases, typically updated after the adoption of the newest version of the California Building Standards Code (commonly known as Building Code). The original vision was to require the highest level of the LEED and GreenPoint Rated (residential) certifications at Phase 3 as the minimum requirement for new construction and, therefore, eliminate the incentive program; both rating systems have modified their programs, increasing the requirements to achieve each level of certification which has resulted in more phases to Sunnyvale's green building program. It was also expected that the California Title 24 green code requirements (CALGreen) would catch up with Sunnyvale's higher energy efficiency standards; the CALGreen codes are progressively more prescriptive; however, Sunnyvale's standards continue to be higher.

After the 2014 update to the green building program, the State updated the California Building Standards (effective January 1, 2017). Those updates included increased energy efficiency requirements and other updates that help strengthen the State's commitment to reduce greenhouse gas (GHG) emissions in California. Greenhouse gas reduction was not a focus of the original Sunnyvale program which stressed a broader concept of "green" including decreasing energy use and demand. In addition to the State's effort to reduce GHG emissions, and local efforts made by the City through the existing Green Building Program, the City is also working on an update to the existing 2014 Climate Action Plan (CAP). A draft update to the CAP (commonly referred to as CAP 2.0) was recently released for public review.

After eight years of existence, it appears the green building program is working well. The use of standardized green building checklists (LEED and GreenPoint Rated), which are commonly used throughout the Bay Area, have been particularly successful. Over the past several years the popularity and availability of green construction products and techniques has increased greatly. Also, the community (residents and businesses) has focused on successful measures to reduce GHG emissions, which increases Sunnyvale's role as a leader in sustainability efforts. Staff is recommending continuing the aggressive efforts through adoption of the resolution in Attachment 2, which updates the green building program (detailed in Attachment 4 and summarized below). Attachment 5 provides an overview of the program since 2010.

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Residential Projects:

- All residential projects: Increase minimum points for new construction from 80 Green Point Rated points to **90 points**. Multi-family developments must be certified by Build It Green, the organization that supports/manages this program.
- Single-family and duplex homes: Voluntary incentives for 5% increased lot coverage, plus a new voluntary incentive that allows for an increase in the staff level design review threshold (up to 50% FAR or 4,000 square feet versus the existing thresholds of 45% or 3,600 square feet) by attaining **120 points or an all-electric home**.
- Single-family and duplex homes: Allow additions (including new and converted ADUs) to qualify for voluntary incentives. Points would be based on the existing home and additions.
- Multi-family residential: Established a list of “highly encouraged” measures.
- Multi-family residential: Increase thresholds to achieve the voluntary incentive to **120 points** and:
 - Provide all-electric appliances;
 - Include either a cool/green roof, or electric vehicle chargers, or greywater/recycled water and/or rain catchment basins.

Nonresidential Projects:

- Modify the threshold ranges so that smaller projects now have minimum green building standards:

FROM:	<5,000, 5,000-100,000 and >100,000 square feet
TO:	<5,000, 5,000-30,000 and >30,000 square feet
- Increase the minimum requirement for the middle tier (now 5,000 and 30,000 square feet) to LEED Gold, with verification; and,
- Require projects larger than 30,000 square feet to meet LEED Gold with the U.S. Green Building Council (USGBC) Certification with Design Phase Credits.
- Require non-Moffett Park projects that opt to take advantage of the voluntary incentives to obtain USGBC Certification with a minimum of 75 total points (including Design Phase Credits) and a requirement that the development would be all-electric.
- Moffett Park projects reaching the first tier of incentives must obtain USGBC Certification with 75 total points minimum (including Design Phase Credits), and be all-electric.
 - Moffett Park projects reaching the second tier of incentives must choose from two options. All projects, regardless of the option chosen, must be all-electric plus demonstration of additional features that provide community benefit.
 1. LEED Platinum with USGBC Certification (including Design Phase Credits);OR
 2. Zero Energy on the project site, certified by the International Living Future Institute (ILFI).

All proposed changes would be effective for projects with a planning application that is “deemed complete” on or after July 1, 2019 or, if no planning application is required, a building permit application submitted on or after July 1, 2019.

The Sustainability Commission is scheduled to consider this item on March 18, 2019.

The Planning Commission is scheduled to consider this item on March 25, 2019.

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The City Council is scheduled to consider this item on May 7, 2019.

BACKGROUND

The first green building program for Sunnyvale was adopted in 2004 and included public awareness policies and incentives for nonresidential development. That same year, green building requirements specific to Moffett Park were included as part of the Moffett Park Specific Plan (MSPS). The MPSP incentivizes the development of Class A office buildings through a streamlined process subject to the provision of the green building program.

In March 2009, the City Council approved a city-wide green building program that became effective January 1, 2010. This included minimum green standards for all new construction and major alterations/additions. The adopted ordinance set up a framework for residential and non-residential projects that could be modified over time to require higher levels of “green” achievement. The program was designed in three phases, with each phase increasing the level of green building required. The first phase was effective January 2010, the second phase was fully effective in October 2012 (the non-residential requirements were implemented earlier in October 2011), and the third phase was adopted in 2014. The comparison table of all the previous green building program updates, including the current staff proposal, can be found in Attachment 5. The comparison table describes requirements for new construction only.

The current green building program uses several green building codes/standards and requires various types of construction to meet specified levels. Although several sustainable design organizations and green building programs exist, and new ones are established every few years, Sunnyvale currently relies on three main programs. The following is a summary of each code/standard used in the current green building program:

CALGreen

CALGreen is the California Green Building Standards Code developed by the State of California and is a part of the building codes. This code sets standards for green construction in California. Initially, CALGreen was limited to new construction. However, the current version requires additions and many nonresidential alterations to existing buildings to meet CALGreen requirements for the area under construction.

The CALGreen regulations include voluntary standards that local jurisdictions may adopt. The Tier 2 and Tier 3 standards are not as flexible as the City adopted systems and staff has determined that they do not accomplish as much as the City green building program.

The 2016 Building and Energy Codes became effective on January 1, 2017. The 2016 CALGreen changes were related to requirements on electric vehicles (EV) and waste management. The new requirements introduced as part of the update included additional EV charging parking requirements for multi-family development, water conservation requirements for commercial kitchen equipment, requirements on universal waste, and recycling by occupant exception provision for qualifying rural jurisdictions. The next updates to the California Building and Fire Codes need to be adopted by all California jurisdictions to be effective by January 1, 2020. These updates are expected to require installation of solar panels on most new homes.

Build It Green (residential focus)

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Build It Green (BIG) is an independent nonprofit organization established in 2005 and committed to promoting green building originally focused on the Bay Area, California. The organization has developed the GreenPoint Rated Checklist, which is a point-based system providing options for a variety of green building techniques, allowing project designers and owners to select the items that are applicable or desirable for a specific project. The rating system is divided into categories for energy, indoor air quality, resource conservation, water conservation, and community connectivity, with a minimum number of points required in each category. The BIG checklist is often updated after the adoption of the latest version of the CALGreen code to continue to stay relevant and ahead of the minimum CALGreen requirements.

LEED

Leadership in Energy and Environmental Design (LEED) development began in 1993 by the National Defense Research Council; it is a rating system managed and now supported by the United States Green Building Council (USGBC) that provides credits for green building features and assigns a LEED level (Certified, Silver, Gold, or Platinum) based on the number of credits achieved in nine categories. Like the GreenPoint Rated Checklist, the LEED rating system includes categories for Location and Transportation, Sustainable Sites, Water Efficiency, Energy and Atmosphere, Materials and Resources, Indoor Environmental Quality, Innovation, and Regional Priorities. LEED programs have evolved to include a variety of project types and rating systems (e.g., new Design & Construction, Interior Design & Construction, Building Operations & Maintenance, Neighborhood Development, and Home Design and Construction).

EXISTING POLICY

General Plan

Chapter 2: Community Vision

Vision Statement (*portion*)

A regional leader in environmental sustainability ... advocating to reduce dependence on non-renewable resources by providing greater transportation options, reducing waste, protecting our natural resources, and promoting alternative energy usage and research. We take environmental preservation and protection seriously and consider how each action will affect Sunnyvale for future generations.

- **Goal III. Environmental Sustainability:** To promote environmental sustainability and remediation in the planning and development of the City, in the design and operation of public and private buildings, in the transportation system, in the use of potable water and in the recycling of waste.

Chapter 3: Land Use and Transportation Element (LUTE)

- **Goal LT-2: Environmentally Sustainable Land Use and Transportation Planning and Development** - Support the Sustainable Vision by Incorporating Sustainable Features into Land Use and Transportation Decisions and Practices.
 - Policy LT-2.1: Enhance the public's health and welfare by promoting the city's environmental and economic health through sustainable practices for the design, construction, maintenance, operation, and deconstruction of buildings, including measures in the Climate Action Plan.
 - Policy LT-2.2: Reduce greenhouse gas emissions that affect climate and the environment through land use and transportation planning and development.

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Chapter 5: Housing

- Policy HE-6.6: Encourage use of sustainable and green building design in new and existing housing.

Sunnyvale Municipal Code

Chapter 19.39 Green Building Regulations (Adopted 2004; updated 2009)

This chapter provides the purpose, applicability, and other procedural information for the Green Building Program. Section 19.39.040(h) describes provisions that the Green Building Program should include and Section 19.39.030 states that, “the city council shall establish by resolution, and shall periodically review and update as necessary, green building standards for compliance.”

Climate Action Plan

The City’s first Climate Action Plan, adopted in 2014, identifies strategies for reducing communitywide greenhouse gas (GHG) emissions and a workplan for creating a more sustainable, healthy, and livable Sunnyvale. This document includes approximately 130 actions that the City and community can take to reduce communitywide GHG emissions and meet the state’s target of establishing 1990 emission levels by 2020.

The City is currently updating the original CAP to further reduce GHG emissions to meet more recently established short-term and long-term state targets. The update to the CAP, known as CAP 2.0, will identify strategies, policies, and a workplan to achieve more reductions in GHG emissions to respond to the following statewide reduction targets:

- 40% below 1990 levels by 2030 (SB 32, 2016)
- 80% below 1990 levels by 2050 (Executive Order S-3-05, 2005)

City staff is currently developing the content and assessing resources needed for CAP 2.0. This document, called the draft “Climate Action Playbook”, was recently released for public review.

ENVIRONMENTAL REVIEW

The updates to the Green Building Program are exempt from environmental review under the Section 15308 of the CEQA Guidelines, which exempts actions taken by a regulatory agency as authorized by state law to assure the maintenance, restoration, and enhancement of the environment, where the regulatory process includes procedures for protection of the environment. The Green Building Program is designed to reduce the environmental impact of development projects. Furthermore, the City reviews the environmental effects of individual projects as required by CEQA. In addition, the updates are not a “project” within the meaning of CEQA under CEQA Guidelines, Sections 15061(b) (3) and 15378(b), because CEQA does not apply to general policy-making and adoption of procedures where there is no possibility that the activity in question will have a significant effect on the environment.

DISCUSSION

Current Green Building Program

The current green building program (Attachment 3) includes graduated requirements based on the scope of a project. The current green building program mandates different requirements for residential, nonresidential, and public facility projects. The minimum standards and incentive requirements are also differentiated between types of projects - new construction, major alterations,

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and addition/alterations/remodels. For projects within the Moffett Park Specific Plan (MPSP) area, there are additional incentives with more heightened green building requirements to achieve larger office/industrial buildings, within the maximum allowed development in the Moffett Park area.

Although originally cautious about the green building program and mandatory requirements, the structure of the current program has been well received by the development community and property owners. Staff has received positive feedback that the program requirements are clearly described and that the use of standardized green building checklists (LEED and GreenPoint Rated) is helpful.

Comparison of Requirements to Other Jurisdictions

Staff researched green building requirements in other jurisdictions (Attachment 6). Many local jurisdictions rely only on the CALGreen mandatory measures and apply LEED requirements for major projects. Except for the streamlining permitting process provided as an incentive in Milpitas, none of the neighboring cities provide any incentives regarding the entitlement process timelines. Although some jurisdictions may have higher requirements for a specific project type and size, the overall program requirements in Sunnyvale's green building program go above and beyond most of the cities in the area.

Proposed Changes to the Green Building Program

In general, proposed updates increase minimum standards and voluntary incentive thresholds beyond the current green building program. Staff has aligned the proposed green building program with contemplated key strategies of the Climate Action Playbook (CAP 2.0) by promoting residential and nonresidential development that is all electric. Staff conducted multiple discussions with green building industry experts to gather information and collect input to ensure the proposed updates would not have any unforeseen negative impacts on the community. These discussions, along with outreach meetings with community members, help foster healthier and more sustainable development in the city while also proposing requirements that are feasible and implementable for the development community.

There was concern from some members of the development community (residential and non-residential) that requiring all-electric buildings and appliances could affect their business, especially with cooking facilities. To provide developers and business owners with an opportunity to progress towards the all-electric goal, staff is not recommending it as a requirement in all projects, but is recommending it for developments working towards incentives. This approach has worked well in the past green building program roll-outs while still encouraging that goal. Future green building program updates are expected to move towards requiring all-electric for all projects. This approach worked well with the initial program in Moffett Park when developers were uncertain of the LEED programs. The same developers have been major proponents of the LEED programs (and have frequently exceeded minimum requirements) and hired staff with the expertise to oversee green building programs. As office and residential tenants start to demand greener buildings there will be behavioral and market force changes that support all electric construction.

The staff-proposed updates to the green building program can be found in Attachment 4. The changes recommended are shown with underlined text below (and in the attachment).

Residential Projects

The proposed updates increase the minimum threshold for voluntary incentives for multi-family development projects. These valuable incentives have been well used and staff finds it is reasonable

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to expect more from the developer in return.

Staff recommends continued use of the generally accepted BIG GreenPoint Rated Checklist for residential construction. The GreenPoint Rated Checklist is commonly used throughout the Bay Area.

- ***Minimum Standards for Single-Family or Duplex Dwelling:***

Current	Proposed
- GreenPoint Rated Checklist with 80 points minimum and rater verification. - CALGreen Mandatory Measures.	- GreenPoint Rated Checklist with <u>90</u> points minimum and rater verification. - CALGreen Mandatory Measures.

The staff recommendation increases the minimum points required for the GreenPoint Rated Checklist from 80 points to 90 points. Applicants often submit checklists with more than the minimum points required and staff not aware of a hardship to achieving this minimum point standard.

- ***Incentives for Single-Family or Duplex Dwellings:***

Current	Proposed
- Incentive: increase lot coverage by 5%. - Requirement: 110 points minimum with verification.	- Incentive: Increase lot coverage by 5% <u>or qualify for staff level design review with a FAR up to 50% or 4,000 sq. ft. (whichever is less).</u> - Requirement: <u>120 points with Build It Green Certification; OR All-electric appliances for the entire home (no gas line connection).</u>

A new incentive is proposed for new single-family and duplex dwellings or additions to existing single-family and duplex dwellings that allows an applicant to qualify for a staff level Design Review for a project up to 50% FAR or 4,000 square feet (whichever is less) in exchange for: 120 BIG points with certification, or all-electric appliances for the house. This approach offers a property owner a shorter review time (no public hearing) for a slightly larger home and may encourage property owners to consider more green measures for their homes in exchange for a simpler application process.

The all-electric appliance option aligns with one of the key strategies of the Climate Action Playbook (Strategy 2: Decarbonizing Buildings), and was highly encouraged by the sustainability community and CAP 2.0 staff members. Since electrification of the entire home without gas line connection is a relatively new concept for the City, staff has included the measure as an incentive rather than a minimum standard for this version of the program. Per the recommended definition “all electric” will include the provision of heat pumps.

- ***Minimum Standards for Multi-Family Residential Development:***

Current	Proposed
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- GreenPoint Rated Checklist with 80 points minimum and verification. - CALGreen Mandatory Measures.	- GreenPoint Rated Checklist with <u>90</u> points minimum and <u>Build It Green Certification</u> . - <u>Highly encouraged to include any combination of the following items:</u> ▪ <u>All-electric appliances in every unit (no gas line connection for the project);</u> ▪ <u>Cool roof or green roof;</u> ▪ <u>Install EV chargers; or</u> ▪ <u>Greywater, recycled water, and/or rainwater catchment system.</u> - CALGreen Mandatory Measures.
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Staff proposes increasing the minimum points for the BIG GreenPoint Rated Checklist to 90 points to match the recommendation for single-family and duplex dwellings as a minimum requirement, and adds the BIG Certification component for multi-family development projects. Requiring the BIG Certification ensures that the project will meet the minimum BIG point threshold that is required.

Staff has also added a list of “highly encouraged” measures that are aligned with the CAP 2.0 concepts. This list of measures aids the City in reducing GHG emissions, and would also qualify for BIG points, these measures are not required under the minimum standard threshold.

• ***Incentives for Multi-Family Residential Development:***

Current	Proposed
- Incentive: Increase building height by 5 feet, lot coverage by 5%, or receive a 5% density bonus. - Requirement: 110 points minimum with verification.	- Incentive: Increase building height by 5 feet, lot coverage by 5%, or receive a 5% density bonus (<i>no change</i>). - Requirement: <u>120</u> points with <u>Build It Green Certification</u> , AND <u>All-electric appliances for the entire home (no gas line connection), AND Provide one (or more) of the following items:</u> ▪ <u>A cool roof or green roof, or</u> ▪ <u>EV chargers, or</u> ▪ <u>Greywater, recycled water, and/or rainwater catchment system(s).</u>

The potential incentives remain the same as offered in the current green building program; however, the threshold to achieve the incentives is increased and requires all-electric development, BIG points and certification, and the choice of one (or more) items that are discussed in the CAP. The same definition for “all electric” would apply, meaning that heat pumps are included.

Staff received a few comments at the outreach meetings from the development community who expressed concerns that the all-electric option may have on the leasing of multi-family housing units due to some tenant’s desire for a gas range. However, since the incentive

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results in a density bonus or additional height for the project, staff has included this component in the incentive program because it is an option for the developer, not a requirement, and furthers the City's goals expressed in the CAP.

- **Minimum Standards for Additions, Remodels, and Alterations - Multi-family Residential:**
The only change proposed to this section is to clarify that Accessory Dwelling Units (ADUs) would be considered an addition and are required to meet the minimum standard of CALGreen Mandatory Measures.

Nonresidential Projects

The proposed changes for nonresidential projects include modifying the minimum size thresholds, increasing minimum and voluntary incentives throughout, introducing the all-electric option, and the addition of a zero-energy building option. The staff recommendation also includes the removal of the over 10,000 square foot size threshold for the Major Alterations, and requires LEED Silver with LEED AP verification. LEED AP is the USGBC advanced professional certification program signifying expertise in green building and a LEED rating system. It requires passing an exam offered by USGBC with ongoing certification maintenance requirements.

The City utilizes the USGBC's LEED standards for nonresidential projects, which is a national program that is updated periodically. The most recent update went into effect in November 2013, and is commonly known as LEED v4.

- **Modifications on the Size Thresholds:**

Current	Proposed
≤ 5,000 sq. ft.	≤ 5,000 sq. ft.
>5,000 sq. ft. - 100,000 sq. ft.	>5,000 sq. ft. - <u>30,000</u> sq. ft.
> 100,000 sq. ft.	> <u>30,000</u> sq. ft.

The current green building program divides nonresidential projects into three different categories: projects that are 5,000 square feet in size or smaller, projects that are over 5,000 square feet up to 100,000 square feet, and projects larger than 100,000 square feet. The proposed modifications would modify these thresholds from 100,000 square feet to 30,000 square feet which would expand the number of buildings that would be required to meet higher minimum LEED standards.

- **Minimum Standards for New Construction/Initial Tenant Improvements for projects with 5,000 square feet in size or smaller:**
For nonresidential projects 5,000 square feet or smaller no changes are proposed. Staff is recommending no change to these development projects as they are small-scale and it may not be possible to achieve an adequate number of LEED points when at this scale.
- **Minimum Standards for New Construction/Initial Tenant Improvements for projects between 5,000 square feet and 30,000 square feet:**

Current	Proposed
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- LEED Silver Level with verification by a LEED AP. - CALGreen Mandatory Measures.	- LEED <u>Gold</u> Level with verification by a LEED AP. - CALGreen Mandatory Measures.
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For projects of this size range, staff recommends increasing the minimum standard to LEED Gold Level with a LEED AP verification.

- ***Minimum Standards for New Construction/Initial Tenant Improvements for projects larger than 30,000 square feet:***

Current	Proposed
- LEED Gold Level with verification by a LEED AP. - CALGreen Mandatory Measures.	- LEED <u>Gold</u> Level with <u>USGBC Certification, including Design Phase Credits reviewed and approved by USGBC.</u> - CALGreen Mandatory Measures.

The USGBC Certification is commonly issued after a development project is completed; however, there is a LEED process called the Design Phase Credits where design plans are reviewed by the USGBC during the construction phase. This step addresses the concern about projects that were granted an incentive (additional square footage) but then not able to meet the required LEED points to attain that level. While that has not been an issue to date, the program provides assurance the appropriate LEED level will be achieved because USGBC reviews the plans during the construction phase before a certificate of occupancy is issued. Currently staff requires the project's LEED AP to submit documentation that the building is built correctly to obtain the correct LEED threshold; however, the Design Phase Credit intermediate step will formalize this process. In addition, staff has modified the minimum threshold to require USGBC Certification of the project.

- ***Incentives for Citywide (excluding Moffett Park):***

Current	Proposed
- Incentive: Increase FAR by 10% or increase height by 10 feet. - Requirement: LEED Gold Level with USGBC Certification.	- Incentive: Increase FAR by 10% or increase height by 10 feet. - Requirement: ▪ LEED Gold Level with USGBC Certification <u>with at least 75 total points with Design Phase Credits reviewed and approved by USGBC, AND</u> ▪ <u>All-electric (no gas line connection).</u>

Staff increasing the minimum LEED points to a minimum of 75 total points (informally referred to as Gold Plus) along with the requirement for LEED Gold Level Certification. Additionally, projects taking advantage of these incentives would also be required to be all-electric.

Staff received several comment letters (Attachment 7) from the development community with concerns with the all-electric option mainly because most developers go through the

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entitlement phase without a tenant in mind. However, since the additional FAR incentive results in more square footage, staff recommends including this component in the incentive program and not in the minimum standards.

- Incentives for Moffett Park:**

MP-I = Moffett Park-Industrial zoning district

MP-TOD = Moffett Park-Transit Oriented Development zoning district

Current	Proposed
- Incentive: Increase FAR by 15% in MP-I or 20% in MP-TOD. - Requirement: LEED Gold level with USGBC Certification.	- Incentive: Increase FAR by 15% in MP-I or 20% in MP-TOD. - Requirement: LEED Gold level with USGBC Certification. ▪ <u>LEED Gold Level with USGBC Certification with at least 75 total points with Design Phase Credits reviewed and approved by USGBC, AND</u> ▪ <u>All-electric (no gas line connection).</u>
- Incentive: Additional 10% FAR. - Requirement: ▪ LEED Gold Level with USGBC Certification, AND ▪ Major Moffett Park Special Development Permit (reviewed by City Council) demonstrating additional green/sustainable development features.	- Incentive: Additional 10% FAR. - Requirement: ▪ <u>LEED Platinum Level with USGBC Certification, including Design Phase Credits reviewed and approved by USGBC, OR Zero Energy on the project site, certified by ILFI, AND</u> ▪ <u>All-electric (no gas line connection), AND</u> ▪ <u>Demonstration of additional features that provide community benefit.</u>

The requirements for the first tier: (additional 15% FAR for MP-I or 20% FAR for MP-TOD), and common concerns, are the same as the citywide incentive program requirements described above.

The second tier for projects in the Moffett Park Specific Plan area (MPSP) allows developers to increase FAR above the first-tier thresholds by another 10%, but also requires the highest requirements in exchange. Staff has introduced a new Zero Energy option within this threshold where applicants would need to be certified by the International Living Future Institute (ILFI).

The ILFI is a nonprofit organization that has developed a sustainable building certificate program that promotes the most advanced measurement of sustainability in the built environment, including zero energy and zero carbon buildings. ILFI's certificate program includes different types of certifications: Living Building Certification, Petal Certification, Zero Energy Certification, Zero Carbon Certification and has been certifying buildings since 2006. Additionally, a developer could opt to meet the LEED Platinum standard instead of Zero Energy, but must also build an all-electric building (in either scenario) and demonstrate additional features that provide community benefit.

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- **Major Alterations (non-residential, citywide):**

Current	Proposed
- Threshold: ≤ 10,000 - Requirement: None	- Threshold: <u>All Major Alterations</u> - Requirement: ▪ LEED Silver Level with verification by a LEED AP. ▪ CALGreen Mandatory Measures
- Threshold: > 10,000 - Requirement: ▪ LEED Silver Level with verification by a LEED AP. ▪ CALGreen Mandatory Measures	-

The proposal merges the two tiers into one, using the same green requirement as the current “over 10,000 square foot” requirement.

Public Facilities

Historically, the requirements for public facilities have roughly mirrored green building requirements for private development. The proposed changes match the proposed requirements for private development. As is the case for private nonresidential development, staff recommends continuing to utilize the USGBC’s LEED standard for public facilities as well.

- **Minimum Standards for New Construction for Public Facilities with 5,000 square feet in size or smaller:**

For public projects 5,000 square feet or smaller no changes are proposed (CALGreen Mandatory Measures). Staff is recommending no change to these development projects as they are small-scale and it may not be possible to achieve an adequate number of LEED points when at this scale.

- **Minimum Standards for New Construction for Public Facilities with over 5,000 square feet in size:**

Current	Proposed
- LEED Gold Level with verification by a LEED AP - CALGreen Mandatory Measures	- LEED Gold Level with verification by a LEED AP - CALGreen Mandatory Measures

For projects of this size range, staff recommends keeping the LEED Gold level with a LEED AP verification, consistent with the recommended new private development minimum standard. In addition, a note has been added to the resolution that the City Council may provide direction on any new public facility as to the desired green building standards to meet.

- **Major Alterations (Public Facilities):**

Current	Proposed
- Threshold: ≤ 10,000 - Requirement: ▪ LEED Certified Level with verification by a LEED AP ▪ CALGreen Mandatory Measures	- Threshold: <u>All Major Alterations</u> - Requirement: ▪ LEED Silver Level with verification by a LEED AP ▪ CALGreen Mandatory Measures

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- Threshold: > 10,000 - Requirement: ▪ LEED Silver Level with verification by a LEED AP ▪ CALGreen Mandatory Measures	
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The proposal merges the two tiers into one, using the same green requirement as the current “over 10,000 square foot” requirement. These proposed changes are consistent with the Major Alteration requirements for private development.

FISCAL IMPACT

The staff recommended changes to the Green Building Program would not have a direct fiscal impact. Review of projects with green building requirements would be absorbed into the existing Community Development Department budget as is currently the practice.

PUBLIC CONTACT

Public contact regarding this item was made through the following ways:

1. Posting the Agenda for Planning Commission on the City’s official-notice bulletin board outside City Hall and by making the agenda and report available at the Sunnyvale Public Library and on the City’s website;
2. Publication in the Sun newspaper, at least 10 days prior to the hearing;
3. E-mail notification of the hearing dates sent to all interested parties and neighborhood associations;
4. Four community outreach meetings on August 21, 2018 (2:00 p.m. and 6:00 p.m.) and October 15, 2018 (9:00 a.m. and 6:30 p.m.);
5. One Study Session with the Sustainability Commission on September 19, 2016; and
6. Sustainability Commission hearing on March 18, 2019.

Community Outreach Meetings

Staff conducted a total of four community outreach meetings to solicit comments and input on the proposed staff recommendations. The first two meetings were held during the day and in the evening on August 21, 2018 and staff received numerous comments from community members and the development community. Comments included increasing the voluntary incentives to align more closely with the goals and targets being developed for the Climate Action Playbook (i.e., all-electric). After the outreach meetings, staff considered changes to the proposed green building program and revised some recommendations and held two additional outreach meetings during the afternoon and evening on October 15, 2018. The changes appeared to be well received from the sustainability community, but concerns were raised by some of the development community.

Approximately 30 people attended the two rounds of community outreach meetings and represented the public and the development community. Electrification was a focus of the outreach meetings, with the key concern raised by residential developers being that end users (buyers or renters) preferred gas cooktops, and including only electric cooktops could affect the sale or lease potential of their properties. The user perception of electric cooktops is strongly tied to the negative user experience of traditional electric cooktops, which is perceived by some to be slower and inefficient to cook on. Changes in electric cooktops have occurred and results in more efficient induction cooktops powered by electricity exists today, although additional marketing and education is needed for broader uptake.

Following these outreach meetings, staff worked internally with other City departments to come up

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with the current staff recommendations. Discussions with the Building Official and Environmental Services Department have fostered the belief that while it may be somewhat difficult for some developments to meet the voluntary requirements they are receiving a valuable incentive that will further help align the project with the City's climate action efforts. Specifically, one of the six main strategies of the Climate Action Playbook is Decarbonizing Buildings (Strategy 2), of which electrification will be a key component. Therefore, all-electric has been maintained at the voluntary incentive threshold.

In addition to the electrification, there were other discussions on zero energy requirements, providing more than one option to achieve incentives for all types of development, and how the upcoming Building Code update has been considered along with the proposed Green Building Program Update.

Study Session at the Sustainability Commission

Staff provided a presentation at the Sustainability Commission on September 19, 2016. The presentation included discussion on what the Sustainability Commission hoped to see in the update to the Green Building Program. The Commission members asked questions about the requirements for different types of projects, how inspections are conducted, and the green building program's incentives program. Staff clarified that the green building codes and standards the green building program utilizes (e.g., LEED and GreenPoint Rated Checklist) are periodically updated in response to each CALGreen Code update. The Commission urged that the update for the green building program emphasize energy efficiency.

Public Comments

Staff has received 23 comment letters on the Green Building Program Update (Attachment 7). The comment letters include similar content to what was received at the public outreach meetings. Most comments are related to electrification on both sides of the table - urging for electrification and expressing concern over electrification. Additionally, some concerns have been expressed that the increased threshold levels for the minimum standards and voluntary incentives, as well as concerns related to zero energy requirements and implementation may be difficult to achieve.

ALTERNATIVES

1. Forward a recommendation to the City Council to Adopt a Resolution (Attachment 2 to the report) to Update the Green Building Program for Residential Projects, Nonresidential Projects, and Public Facilities and Find that the Action is Exempt from CEQA Pursuant to CEQA Guidelines Sections 15308, 15061(b)(3), and 15378(b).
2. Forward a recommendation to the City Council to Adopt a Resolution to Update the Green Building Program for Residential Projects, Nonresidential Projects, and Public Facilities and Find that the Action is Exempt from CEQA Pursuant to CEQA Guidelines Sections 15308, 15061(b)(3), and 15378(b), with modifications.
3. Take no action and give staff direction on what should be included in the Green Building Program Update.

STAFF RECOMMENDATION

Staff recommends Alternative 1: Forward a recommendation to the City Council to Adopt a Resolution (Attachment 2 to the report) to Update the Green Building Program for Residential Projects, Nonresidential Projects, and Public Facilities and Find that the Action is Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Sections 15308, 15061(b)(3), and 15378(b).

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Sunnyvale has been a leader in green building and sustainable development since the adoption of its first green building program in 2004. As State Building Code and Energy Code requirements are increased with every Code update; the City continues to look for ways to promote higher sustainability standards by requiring more from developers through the Green Building Program. The use of incentives to gain higher sustainable elements has been successful and well-used, and staff recommends continuing that feature in the program.

The recommended increase in green building requirements for all residential and nonresidential projects will encourage, promote and result in more sustainable development in the City and reduced greenhouse gas emissions. The proposed staff recommendations align with the City's efforts to reduce greenhouse gas emissions and the vision and ideals of the existing CAP and future CAP 2.0. Additionally, the sustainability efforts through the Green Building Program are in keeping with the City's General Plan Policies and community ideals.

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Reviewed by: Nupur Hiremath, Environmental Programs Manager

Reviewed by: Andrew Miner, Assistant Director of Community Development

Reviewed by: Trudi Ryan, Director of Community Development

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Reserved for Report to Council
2. Draft Resolution
3. Current Green Building Program
4. Staff Proposed Green Building Program
5. Sunnyvale Green Building Program Comparison Table
6. Green Building Program in Other Jurisdictions
7. Public Comments

Additional Attachments After Sustainability Commission (3/18/19)

8. Additional Public Comments After 3/18/19