



August 9, 2019

City Council
City of San Luis Obispo
990 Palm St., San Luis Obispo, CA 93401

Subject: Draft Local Amendments to the 2019 California Building Code

Dear Mayor Harmon and Council Members,

We would like to take this opportunity to share our comments regarding the proposed code amendments developed by SLO Chamber volunteers with extensive experience and expertise in green building, land use planning, and architecture.

We first want to commend your ambitious target of being Carbon Neutral by 2035 and direction to staff to encourage carbon neutral new buildings as part of that effort.

As outlined in our economic vision, Imagine SLO, we know that moving towards a carbon free future makes environmental and economic sense. Now more than ever, our collective future depends on furthering sustainable solutions that support healthy economic growth and ensure community resiliency. Our opportunity lies in careful stewardship of our resources so that we sustain and enhance our quality of life for generations to come.

More than just lessening the growth of carbon emissions, we need to focus on solutions that will reduce our net emissions. To achieve the City and Chamber's shared goal of becoming a net-zero city, policies need to be **effective** (achieves substantial GHG reduction), **clear** (easy to understand and implement) and **inspirational** (encourages creativity and going beyond the bare minimum to reduce GHG's). Our taskforce used these criteria to develop the following recommendations:

Overarching

- We can't fight battles on all fronts in simultaneity. Focus staff time on the issues that have the largest impact GHG reduction impacts. The primary source of GHG in our area is through transportation (commuter and passthrough) emissions. The primary mechanism to address GHG reductions and a fossil free future is to:
 - Provide housing options within walking/biking distance to where people work, go to school, and recreate or, at the very least, shorten commutes. The increase in the housing stock and elimination of commute trips reduces CO2 by about 7,500 pounds per year (as validated by the APCD in February.) By comparison, the elimination of a gas range and gas dryer are 192 and 427 pounds of CO2 respectively.
 - Improve transit options
 - Electrify transportation

- Building affordably within the city limits is already seen as cost prohibitive to building workforce appropriate housing. Any cost premium added to housing within the city should be avoided so as not to push affordable housing outside reasonable ped/bike commuting distances or to an unaffordable by design scale.
- Work with SLO County and Cal Poly to reduce our regional carbon emissions. To transform the marketplace, the scale needs to get bigger. Partnering regionally allows us to more impactfully leverage available funding and avoid unintended commute consequences regarding where and if housing is built.
- Architecture2030 has done the legwork for you. We would recommend adopting the ZERO Code model. It is working towards the same end goal, and has the code language crafted along with the technical support document. Palo Alto has completed the cost effectiveness study.
- Education and workforce development are key.

Code

- When it comes to prescriptive pathway, simple is better. Instead of the complicated mix of disincentives, legislate a Zero Net Carbon code that gives both flexibility and clarity in expectations. For example, in the [ZERO Code model](#) you just oversize your solar to compensate for your carbon usage (flexibility and fiscal incentive to design a very efficient electrified building). This provides a highly simplified mechanism to incentivize a move towards carbon free fuel sources while also rewarding creativity and innovation in building materials, design and construction. Today, this approach is being successfully implemented in countries around the world.
- The state's energy code is moving incrementally towards similar goals (ZNE and ZNC), in three-year increments. ZNE in 2020 for residential and 2030 for commercial. Incremental code updates are expected to similarly move towards ZNC to achieve legislated state fossil fuel free goals. Any reach code amendments should follow that path and not embark on a tangent that will require course correction or overlapping regulations down the road.
- Establish a regulatory structure that makes smaller units feasible to build. Additional complexity adds time and money to building, a cost that is felt most acutely by small projects and affordable by design units.

Incentives

- As stated in your direction to staff, the City has the opportunity to encourage the construction of buildings that help us achieve our Net Zero goal. The code, as currently proposed, instead takes a disincentive/discourage approach that will likely result in other more damaging outcomes. Integrating incentives and education is something to tackle immediately. Instead of a carbon offset fee, inspire, encourage and incentivize the performance and electric pathways. We specifically recommend looking for incentives that address multiple barriers to carbon neutrality in simultaneity such as energy efficiency and fuel source, energy use and commuting behavior, etc.

- In offering incentives, make sure they are true incentives (instead of fallacy or disincentives) for those projects that achieve the standards, such as fossil free new construction that helpful offset any additional costs associated with this approach. Some “true” incentives could include:
 - Free energy modeling services (rebate program) for fossil free residential and non-residential projects – design and compliance modeling
 - Free induction ranges or electric water heaters
 - Reduced minimum parking standards
 - Up-zoning or density bonuses of parcels
 - Reduced energy rates for fossil free projects through Monterey Bay Community Power
 - A meaningful guaranteed fast-track with specific turnaround times through the permitting process (i.e. 5-7 day turnaround)

Funding

- Leverage regional, state and federal grants to make the reduction of GHG’s in our built environment as enticing, beneficial and easy as possible. This is part of a Major City Goal and, instead of being used to generate funds, should be an investment priority.
- Our community’s participation in Monterey Bay Community Power is a tipping point to address not only the fuel source but usage as well. Set it up to fund retrofits straight out of the gate.
- Leveraging 3C-REN <https://www.slocounty.ca.gov/Departments/Planning-Building/Department-News-Announcements/STATE-APPROVES-TRI-COUNTY-REGIONAL-ENERGY-NETWORK.aspx>
- Energy Efficiency and Conservation Block Grant (EECBG) Program
- HUD Home Funds

Our community has time and time again been a small but mighty leader on topics ranging from public art and open space to community health and wellbeing. When it comes to decarbonizing our region, we once again have an opportunity to lead by example and create a regulatory environment that is effective, clear and inspirational.

Thank you for your continued efforts to include the business community, we look forward to working with you and your team throughout this process.

Sincerely,



Jim Dantona
President/CEO
San Luis Obispo Chamber of Commerce