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December 15, 2020

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South Pasadena City Hall
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South Pasadena, CA 91030

Re: BIA-LAV Comment Letter – South Pasadena Draft Climate Action Plan (CAP) – Oppose Unless Amended

Dear Chair & Commissioners,

The Los Angeles/Ventura Chapter of the Building Industry Association of Southern California, Inc. (BIA-LAV), is a non-profit trade association focused on building housing for all. On behalf of our membership, we are submitting this letter that outlines our comments on the City's "Draft Climate Action Plan" (CAP). We hope that our feedback is evaluated and considered in the Final CAP. As we requested at the Natural Resources and Environmental Commission (NREC) meeting in August, **we, again, are asking that the CAP not be adopted until the goals and methodology are reevaluated to assess the impacts of COVID-19, that there be a housing production analysis, and that the cost effectiveness studies and planning strategies (included in the document) take place ahead of CAP action implementation.**

The staff report on this item does not reflect BIA-LAV as having submitting comments, which was done during the (NREC). This letter echoes the same concerns we included in our first letter and in our testimony to the Commission. BIA-LAV and our members have been ardent supporters of the sustainability goals described in the Draft CAP. In fact, new construction has led the way in the adoption of natural resource resiliency, and energy efficiency. Particularly, California and Los Angeles County have some of the highest environmental standards in the Country; CALGreen is the first-in-the-nation mandatory green



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building standards code and the Building Energy Efficiency Standards, Title 24, Part 6 & Part 11 update (Energy Standards) include mandated solar for all new housing construction. Additionally, according to the California Energy Commission, the Energy Standards are a unique California asset that have placed the State at the forefront of energy efficiency, sustainability, energy independence, and climate change issues, and have provided a template for national standards within the United States, as well as for other countries around the globe. LA County not only exceeds State standards, but we go far and above them. It is our goal to work with staff and City officials in striking the right balance of environmentally sustainable practices that also allows for the fair production of housing. Below, we have bifurcated our comments between general “Considerations” when creating this CAP and specific “Concerns & Suggestions” on actions within the CAP:

Considerations

- 1. COVID-19:** Ahead of sharing our comments, we ask that the City reevaluate the actions and recommendations made in the Draft Plan based on COVID-19 realities. While we appreciate the mention of the pandemic within the Plan and as a sidetone in the funding strategies, we remain concerned that the Draft CAP actions and suggestions were prepared without the considerations of COVID-19 on current conditions. We do not yet know the full extent of the pandemic’s reach on the Plan’s strategies and methodologies. Examples, such as, telecommuting and office space reduction change the greenhouse gas (GHG) assumptions that went into forecasting and evaluating the needs of the City to reach its goals. The methodology shown on pages 26, 28 and 29 can no longer be described as “business as usual”, these calculations will be significantly impacted, and other examples are found throughout the document. We do not believe that the City should adopt a policy that stands to have a long-lasting impact on the community without considering the effects of the pandemic on this Plan.
- 2. Housing Crisis:** We cannot lose sight that the State and the region are experiencing a housing and homelessness crisis. As the City evaluates the CAP, there should be a focus on strategies that allow for the development of residential building. According to the Southern California Association of Governments (SCAG) the City will be responsible for the creation of over 2,100 home as a part of their Regional Housing Needs Assessment (RHNA) allocation to meet the housing shortfall. In tandem with the CAP, the City should also be working on efforts to increase home ownership attainability, housing affordability and stopping rising homelessness. If the policies within the CAP make it harder to build housing or more costly to provide housing opportunities, those actions should be reevaluated within this scope to ensure that the City’s housing needs are still being met.



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We suggest the application of a housing feasibility/impact analysis or study when evaluating the goals affecting housing construction. The consideration of the housing crisis is connected to our third consideration related to funding, found below.

3. **Funding:** When new regulations for housing production are introduced, like this Plan, we advocate for the use of incentives and existing revenue streams to act as funding sources to meet the goals of a plan or ordinance. We are encouraged to see that the Plan recognizes the need to keep updating the CAP as new technologies and regulations are adopted for different sectors and industries, as outlined on page 34. This helps to eliminate costly and unnecessary duplication with regional, state and federal regulations. Also, page 34 and 37, 70 and 71 include language that supports City government in providing permit incentives and grant opportunities to meet its CAP goals. The BIA emphatically supports this suggestion. On the other hand, often times mandates move more quickly than what technology or existing infrastructures are prepared to absorb. One of the CAP's goals is to adopt an Electric Vehicle Readiness Reach Code, requiring new commercial construction to provide the minimum number of EV capable spaces to meet Tier 2 requirements. In the same Plan, there is a suggestion to Develop an EV Readiness Plan to establish a path forward to increase EV infrastructure within the City and promote mode shift to EVs. The latter should be worked out first in order to inform the feasibility of the goals described in the former. The CAP should be adopted in phases to ensure that the most current information is gathered and studied before solutions and actions are adopted. There is mention of conducting cost effectiveness studies within the Plan, this is a prudent step and should be considered in tandem with our suggested housing impact study.

In addition to, and with the above considerations in mind, below are specific comments on the CAP document actions otherwise described as "Plays and Moves" for the City to incorporate when deliberating the final CAP:

Concerns & Suggestions

1. **Page 40: E.2 Require electrification of 100% of newly constructed buildings (Also applicable to all references and strategies related to private building electrification found on pages 33, 40 -43, 69, 71-74 and all the Plays: E.2.a – E.2.f)**

Page 52: W.1.f Implement 100% renewable power for all pumping and treatment of water.



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California has already adopted aggressive greenhouse gas emission reduction targets. This includes returning to 1990 levels by 2020, 40% below 1990 by 2030, and carbon neutrality by 2045. Buildings already have to be in compliance with the CALGreen building code. In January of this year, the State adopted its most recent triannual building code updates. The California Energy Commission states that the latest codes, cut energy use in new homes by more than 50 percent and we are the first in the nation to require solar photovoltaic systems. As a result of these actions, the CEC equates the reduction of GHG emissions to taking 115,000 fossil fuel cars off the road. New construction is leading the way in decreasing carbon emissions and is already on track to meet the State's aggressive goals. Trying to move above and beyond these standards without the readiness of technology or infrastructure would be unproductive. Instead of a blanket mandate, we would prefer to see this goal begin as a voluntary, incentive-based approach.

We are glad to see that Play E.2.f provides for minor allowances for certain site development standards when there's no practical ways to design a project to be all electric. When reviewing the Plays as a part of Move E.2 implementation, Play E.2.e - Adopt an Electrification Readiness reach code for all new buildings and accessory dwelling units which bans the piping of natural gas, is the most extreme and very restrictive (particularly when applied to Accessory Dwelling Units (ADU), which have been proven to be a cost-effective way to provide affordable housing across the State). On page 74, Move E.4j* instructs the City to work with Southern California Edison (SCE) and the Clean Power Alliance (CPA) to develop a program timeline for increasing resilience to power losses, including Public Safety Power (PSPS), and climate-driven extreme weather events for low-income, medically dependent, and elderly populations through installation of renewable energy and onsite energy storage with islanding capabilities, following appropriate project-level environmental review. As described under point 2. Funding in our Considerations comments, this action should be taken before decarbonization or other electrification initiatives take effect within the City. This will equip decision makers with a full understanding of what it will take to implement these type of reach codes. Currently, we depend on the availability of natural and renewable gas to provide Californians with energy affordability, choice, and reliability through diversified energy options. With our recent power outages, our energy reliability is not providing an example of confidence to consumers purchasing and renting homes with one energy source.

- 2. Page 40: E.3 Electrify 5% of existing buildings by 2030 and 80% by 2045. (Also applicable to all references and strategies related to private building electrification found on pages 33, 40-43, 72 and all the Plays: E.3.a – E.3.j)**



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According to a 2018 study conducted by BIA-LAV's State arm, the California Building Industry Association (CBIA), switching to all-electric appliances would cost California consumers over \$7,200 upfront, with an estimated total annual increase of \$877 in appliance and energy costs. In homes with natural gas appliances, this would include swapping those appliances for all electric alternatives and upgrading wiring and electrical panels. This, along with higher electricity bills, could increase energy costs for households across Southern California's 7 million single-family homes. Before this type of action takes place it's important that Play E.3.f - Perform an existing buildings analysis in order to understand the potential for electrification retrofitting in South Pasadena and establish a roadmap for eliminating natural gas from existing buildings, should be enacted. This would provide a fuller scope of the potential impacts due to Move E.3.

As in E.2, when E.3 is deliberated, we would prefer to see an incentive-based approach, instead of a mandate. Voluntary, incentive processes have been proven to work for the production of specific housing goals. Recently, the City of Los Angeles provided a report that detailed the affordable housing produced through their Transit Oriented Communities (TOC) program, the voluntary, incentive-based component of Measure JJJ. While housing is being stifled by the mandatory component the voluntary arm is thriving. According to the report, since TOC started in late 2017, more than 27,000 new housing units have been permitted, and affordable housing units proposed are up 160%. The incentives are based on a tiered system that increase with the amount of affordable housing dedicated to the project. In this incentive example, the City was facing a deficit of affordable housing units and used a targeted system to try to meet the shortfall by giving home builders a carrot instead of a stick. The City found this approach to be more effective in meeting their housing goals. This successful outcome can be applied to the City of South Pasadena's interest in Electrifying 5% of existing buildings by 2030 and 80% by 2045, instead of a using a mandated system.

If Move E.3 was a mandated system it would require higher costs, and more hurdles in the permitting process if residents tried to renovate their homes. However, if it were a voluntary, incentive driven processes it would promote the equity described throughout the CAP document. This would limit the imposition of new costs on the segments of the community that have the least ability to shoulder increased cost, as outlined on page 70. Actions to reduce costs on residents such as Play E.3.b and E.3.d are imperative to this mission. These Plays would require that the City keep an updated list of rebates and incentives available to residents who convert their buildings to electric power and provide



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rebates for residential replacement of natural gas-powered air and water heating appliances with electric-powered.

- 3. Page 40: E.4 Develop and promote reduced reliance on natural gas through increased clean energy systems that build off of renewable energy development, production, and storage (Also applicable to all references and strategies related to reduced reliance on natural gas found on pages 33, 40, 44, 45, 73 and 74 and all the Plays: E.4.a – E.4.j*)**

Our concerns of the accelerated reduction of natural gas have been presented under "Concerns & Suggestions" in points 1. and 2., above. Also described in point 3. Under "Considerations", before the E.4 Move is enacted, Plays E.4.a and E.4.c should be assessed to carry out E.4. E.4.a calls for a Feasibility Study to assess cost and applicable locations for installation of battery back-up systems or generators throughout the City in support of the General Plan, and E.4.c asks that a "micro-grid" Feasibility/Pilot Study be conducted. The results of these studies will help establish what actions are realistically able to be adopted before moving forward with Move E.4, and also could help inform E.2. and E.3. actions.

Again, the City is trying to develop reach codes that go far beyond what has been negotiated by all stakeholders at the state level during the State's regularly scheduled triannual building code updates. Play E.4.d is trying to expedite a Solar Action Plan with a goal of meeting 50% of South Pasadena's power demand through solar by 2040. While Play E.4.f would enact the creation of a PV (Solar) Ordinance requiring newly constructed and majorly renovated multi-family and commercial buildings to install PV systems with an annual output greater or equal to 25% of buildings electricity demand and Play E.4.g requires all new structures or major retrofits to be pre-wired for solar panel. If South Pasadena adopts these Plays, this would put them at a disadvantage in attracting much needed multifamily housing when compared to neighboring jurisdictions. We again would encourage a voluntary, incentive-based approach instead of the suggested mandated ordinances to reach the City's renewable energy goals. Included in these goals we are glad to see the City looking for solutions to energy storage described in E.4.b to promote the installation of storage technology in concert with renewable energy infrastructure. This should be considered ahead of the aforementioned actions.

- 4. (Page 55): T.1.b Adopt an EV Charging Retrofits in Existing Commercial and Multifamily Buildings reach code requiring major retrofits, with either a permit value over \$200,000 or including modification of parking surfaces or electric panels, to meet CalGreen requirements for "EV Ready" charging spaces and infrastructure.**



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(Page 56): T.1.f Adopt an EV Readiness Reach Code requiring new commercial construction to provide the minimum number of EV capable spaces to meet Tier 2 requirements (20% of total).

California's Green Building Standards (CALGreen) Code already requires new multifamily housing developments with 17 units or more to install EV charging infrastructure in at least 3 percent of total parking spaces, which has been recommended for increase at a lower level than described here. Instead of adopting a reach code to move past this, the City should incentivize the modifications listed in Play T.1.b by using Play T.1.c. This would encourage the development of multifamily EV charging stations by streamlining the permit processes (city, county, state, utility) for electric vehicle charging infrastructure and alternative fuel stations. As described above, before these actions are carried out the City should first enact T.1.a on (Page 74). This would develop an EV Readiness Plan to establish a path forward to increase EV and conduct a community EV Feasibility Study to assess infrastructure needs and challenges. This should be done before Plays T.1.b and T.1.f are adopted.

5. **(Page 56): T.2. Implement programs for public and shared transit that decrease passenger car vehicle miles traveled 2% by 2030 and 4% by 2045.**

(Page 57): T.D.2 Adopt a Transportation Demand Management (TDM) Plan for the City that includes a transit system focus. Provide incentives for implementation of TDM measures at local businesses and new developments.

(Page 57): T.3 Develop and implement an Active Transportation Plan to shift 3% of passenger car vehicle miles traveled to active transportation by 2030, and 6% by 2045.

(Page 76 Funding): T.3.b Conduct a Street/Intersection Study to identify streets and intersections that can be improved for pedestrians and bicyclists through traffic calming measures and/or where multi-use pathway opportunities exist to increase active transportation.

According to CalTrans (California Transportation Department), implementing Senate Bill 743 (SB 743) requires new metrics and new considerations for transportation impact analysis under California's Environmental Quality Act (CEQA) called Vehicle Miles Traveled (VMT). This new transportation impact analysis is being applied to eligible new construction calculated by multiplying the number of vehicle trips that a proposed



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development will generate by the estimated number of miles driven per trip. The Plays and strategies enumerated above should be counted toward mitigation efforts for development required to do a VMT analysis.

- 6. (Page 58 and 76): T.3.e Conduct a nexus study and develop an ordinance requiring payment of fees from development projects to implement safe active transportation routes and infrastructure citywide.**

Unlike other development types, residential development is uniquely subject to a variety of community benefit fees such as; school district, park and recreation fees, and property and parcel taxes, A portion of these fees are often used to provide city infrastructure maintenance and park improvements. Any extra fee added to the cost of producing housing will drive up the cost of housing for those that already can't afford it. This will only exacerbate the affordability issues associated with housing. We are opposed to this action.

- 7. Page 56: SW.2.e Adopt an ordinance requiring compliance with Sections 4.410.2, 5.410.1, 4.408.1, and 5.408.1 of the California Green Building Standards Code related to construction of buildings with adequate space for recycling containers and construction and demolition (C&D) recycling.**

Page 56 & 79: SW.2.f Implement the City General Plan, requiring construction sites to separate waste for proper diversion and reuse or recycling.

Page 58 and 80: CS.1.b Adopt a Greenscaping Ordinance that has a street tree requirement for all zoning districts, has a shade tree requirement for new development, requires greening of parking lots, and increases permeable surfaces in new development.

Currently, the California Green Building Standards Code address both recycling and demolition for construction, and tree requirements. Related to tree requirements many of these stipulations are already captured in developer agreements and other planning procedures required by the City. As both State and local governments move to address updated climate and sustainability targets, builders need clarity and certainty when new regulations are changed or introduced, especially when existing investments and current projects are impacted. The adoption of added regulations in a City CAP should ensure that the protocols are not duplicative in costs and regulatory efforts, are not in conflict with one another, and don't contradict similar laws and goals. This point is imperative when



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finalizing this document.

As a conclusion to this comment letter, we want to harken back to focusing on the current housing shortfall. California ranks top in the United States for poverty and homelessness – both of which are largely attributable to the housing supply shortage and sky-high housing prices that are nearly three times above the national average. Balancing the need to address sustainability efforts should not negatively impact housing when achieving this goal. For those reasons, we are requesting that staff reevaluate the Draft CAP to assess the impact of COVID-19, and incorporate our comments and suggestions, above. BIA-LAV believes that this list of priorities will provide balance to the current CAP Draft.

There will be ample opportunity ahead for the City to reshape the proposed Plan into a functional, meaningful tool by which to address GHG goals. Unfortunately, the current Draft is not workable solution – especially not for this moment. Should you have any questions, please contact BIA-LAV Vice President, Diana Coronado, at dcoronado@bialav.org.

Sincerely,

Diana Victoria Coronado
Vice President
BIA - Los Angeles/Ventura

Sent via e-mail

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