



County of Monterey

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Board Report

File #: 13-0064, **Version:** 1

Public hearing (continued from January 15, 2013) to: Consider adoption of an ordinance amending Chapter 18.12 of the Monterey County Code to adopt the 2010 California Green Building Standards Code by reference and add requirements and incentives for incorporating “green” building principles and practices into new development in the unincorporated area of Monterey County.
(Green Building Ordinance - REF110058/County-wide)

PROJECT INFORMATION:

Planning File Number: REF110058

Owner: N/A

Project Location: County-wide

APN: N/A

Agent: N/A

Plan Area: County-wide

Flagged and Staked: N/A

CEQA Action: Categorically Exempt per Section 15307

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt the ordinance amending Chapter 18.12 of the Monterey County Code (Attachment A).

SUMMARY:

On October 9, 2012, the Board of Supervisors introduced the draft Green Building Ordinance, waived reading, and set a public hearing for November 6, 2012 to consider adoption of the ordinance. On November 6, 2012, the Board continued the hearing on the ordinance to January 15, 2013. On January 15, 2013, the Board considered the draft Green Building Ordinance, provided direction to staff to change the permit valuation amount within the definition “Major Remodel”, and to specifically exempt the Monterey County Government Center East and West Wings renovation from the requirement to comply with CalGreen Tier 1 or its equivalent. The Board also requested more clarification and details on the financial impact of the incentive rebates offered within the ordinance. The hearing was continued to January 29, 2013 to address these items and bring back the ordinance, as revised, for the Board’s adoption.

DISCUSSION:

Changes requested by the Board have been incorporated in the revised ordinance. Criteria 1, the permit valuation within the definition of a “Major Remodel”, has been modified from \$100,000 to \$500,000. The Monterey County Government Center (MCGC) East and West wings renovation project has been specifically exempted from the minimum mandatory requirements for County-owned projects. The reasons for exempting this project are listed within the ordinance as:

1. Planning for this project was underway prior to adoption of the 2010 General Plan and this ordinance;
2. The MCGC East and West Wings are on the National Register of Historic Places and green building techniques could interfere with historic preservation and raise costs considerably; and

3. Other methods of achieving the purpose of the Green Building Ordinance will be considered as part of the MCGC East and West Wings renovation.

Staff has also revisited the financial impacts of the incentive program. Incentives offered for voluntary compliance with Green Building standards will include construction permit fee rebates at an amount set by resolution of the Board at a separate public hearing. For the purposes of this analysis, a step 1 rebate is assumed to be \$750 and a step 2 rebate is assumed to be at \$1,000. A range of between 150 permits in a slow year (FY 2011/12) and 350 permits in a busy year (FY 2005/6) were issued for projects that could qualify for an incentive if they were designed and built to the standards described in the ordinance. Staff estimates that only a portion of new construction will choose to design projects to achieve incentive levels. Based on a 60/30/10 split (60 percent of applications will meet only the minimum standards, 30 percent will meet the step 1 standards, and 10 percent will meet the step 2 standards) staff estimates that there could be a reduction in Construction Permit fees (revenue) of between **\$50,000 and \$100,000** however, this may be offset to some extent by increased permit fees associated with the higher improvement values expected to be associated with such projects. Actual reductions in revenue will be tracked and reported to the Board in one year from the effective date of the ordinance.

Although providing the rebate could mean that the Building Department would receive less revenue from Construction Permit fees, it is anticipated that Building Services will absorb costs associated with reduced fees in the coming fiscal year (FY14). If, during the first year of tracking, it becomes clear that the costs cannot continue to be absorbed, this issue will be reported to the Board's Budget Committee along with potential mitigation alternatives in advance of the budget development process for the following fiscal year (FY 15).

This ordinance is categorically exempt pursuant to Section 15307 of the California Environmental Quality Act (CEQA), which exempts actions taken by regulatory agencies to assure the maintenance, restoration, or enhancement of a natural resource where the regulatory process involves procedures for protection of the environment. The CALGreen code, with the proposed local amendments, will protect resources by minimizing reliance on non-renewable energy sources, encouraging water conservation, and minimizing Greenhouse Gas emissions which lead to climate change. All future discretionary development projects will continue to be evaluated pursuant to the requirements of CEQA irrespective of this ordinance.

OTHER AGENCY INVOLVEMENT:

This ordinance has been prepared in consultation with the RMA-Building Services, Public Works, and County Counsel. County Counsel has approved the ordinance as to legal form.

FINANCING:

Adoption of this ordinance would have multiple effects on the RMA-Building Services General Fund budget, as described in the analysis prepared for the ordinance. The ordinance is estimated to have the following financial impacts: 1) Due to the Building Permit fee rebate incentive, there will be an estimated reduction in Building Permit fees of between \$50,000 and \$100,000 annually; 2) Due to the Building Permit process coordinator incentive, there will be an estimated increase in duties and responsibilities of RMA - Building Services staff of approximately 400 hours per year or 0.2 FTE; 3) Due to the requirement for newly constructed County-owned buildings to meet or exceed CALGreen Tier 1 standards, it is estimated that the County will save an unknown amount of money due to reduced utility and maintenance costs over the life of the project; 4) Due to the requirement for Major Remodels to be constructed to meet or exceed CALGreen Tier 1 standards, there will be an unknown increase in construction costs of Major Remodel projects balanced by a long-term savings due to reduced utility and maintenance costs over the life of the project; and 5) Due to the requirement

for the County to provide on-site renewable energy generation in connection with new County-owned buildings, there will be an increase in project costs for construction with a payback over the life of the project, through reduced utility expenses, that is expected to recover approximately 75% of this additional cost.

Prepared by: Craig Spencer, Associate Planner ext. 5233
Approved by: Mike Novo, Director, RMA-Planning, ext. 5192
Benny J. Young, Director Resource Management Agency

This report was prepared with assistance by Karen Riley-Olms, Interim Management Analyst II and reviewed by Jacqueline R. Onciano.

cc: Front Counter Copy; California Coastal Commission; Mike Novo; Jacqueline R. Onciano, Planning Services Manager; Michael Weaver; The Open Monterey Project; LandWatch; Project File REF110058

The following documents are attached and are on file with the Clerk of the Board:

Attachment A Draft Ordinance Amending MCC Section 18.12 (clean version)
Attachment B Draft Ordinance Amending MCC Section 18.12 (redline version)