

DATE ISSUED: October 10, 2002

REPORT NO. 02-235

ATTENTION: Committee on Rules, Finance, and Intergovernmental Relations  
Agenda of October 16, 2002

SUBJECT: SUSTAINABLE BUILDINGS EXPEDITE PROGRAM

REFERENCE: Council Policy 900-14 and Manager's Report 02-085 "Affordable/In-Fill Housing Expedite Program"

### SUMMARY

Issue - Should the Committee on Rules, Finance, and Intergovernmental Relations of the City of San Diego City Council recommend to the City Council a sustainable buildings expedite program be implemented?

#### Manager's Recommendation -

1. Recommend that the City Council adopt a program to expedite sustainable buildings through the discretionary and ministerial permit process as stated in this report.
2. Recommend that the City Council add the sustainable buildings expedite program to the "Affordable/In-Fill Housing Expedite Program" after the fees have been determined by a separate action later this year; and
3. Direct the City Manager to prepare revisions to Council Policy 900-14 as stated in this report for City Council consideration.

Other Recommendations – None.

Environmental Impact - None with this action.

Fiscal Impact - Implementation of this program will come under the Program Manager previously approved in the CMR 02-085, "Affordable/In-Fill Housing Expedite Program" in the FY 2003 budget. Additional staff will be needed for the sustainable buildings expedite program and will be fully cost recoverable through permit fees which will be included in the department's comprehensive fee study by a separate action later this year.

Code Enforcement Impact – None with this action.

### BACKGROUND

Council Policy (CP) 900-14 currently provides incentives to developers and builders who build projects that exceed the State of California Title 24 energy requirements by 30% for residential

projects and 15% for commercial projects. One of the incentives includes expediting the ministerial permit process for projects that meet these criteria.

Certain developers are designing residential and commercial buildings utilizing technologies such as photo voltaic and fuel cells that generate electricity back into SDG&E electric grid. At the Rules Committee meeting of July 10, 2002, Mr. Michael Turk; a builder of sustainable buildings, Mr. Scott Anders of the San Diego Regional Energy Office, and Mr. Scott Whitley; a lead member of alternative energy systems proposed the establishment of a special development team to handle expediting the discretionary and ministerial permit process for commercial, industrial, and residential projects which meet certain energy generation requirements. The Rules Committee directed the City Manager to respond to the proposal and report back to the Rules Committee with recommendations. Mr. Turk's proposal is included as Attachment 1. More specifically, Mr. Turk's proposal is listed in *italics* with staff's recommendations provided below:

*Creation of a City ordinance to specifically expedite the processing time of planning, engineering, and building permits for sustainable buildings:* Council approval of this report will make changes to the City's expedite program policy that will accomplish this goal. Therefore an ordinance is not necessary.

*Designate row homes and town homes with assumed property lines as single family residences so they would qualify for energy credits from the State of California Energy Commission and SDG&E:* This issue has been referred to the department's Chief Building Official, Isam Hasenin, P.E. Mr. Hasenin is addressing this issue in conjunction with the Technical Advisory Committee. In addition, staff is pursuing the adoption of statewide legislation to allow local jurisdictions to adopt more favorable alternate building code regulations for row homes.

*Reduce Development Services' deposit fee accounts by 50% for sustainable building:* Since Development Services is an enterprise fund, all its services must be cost recoverable and the City cannot extend credit to any developer for this service. As such, reducing deposit fees by 50% is not an appropriate action for the City to take.

*Provide public access computer terminals where the City data on the SANGIS and Cabrillo systems is available to identify possible issues on a project:* SANGIS is the City provider of all geographic information to the public. They do provide a public information terminal where GIS maps may be viewed and copies can be requested for a fee. In addition, Development Services provides, without charge, appointments where parcel specific information can be obtained from City staff.

On July 17, 2002, staff met with Mr. Turk, Mr. Anders, Mr. Whitley, and members of the building industry. After soliciting input and feedback, staff recommends adding the projects covered by this proposed program to the "Affordable/In-Fill Housing Expedite Program."

## DISCUSSION

Currently, approximately 30-40% of the discretionary permit applications are expedited. Council Policies 900-14, 900-12, 600-27, and 100-11 establish the criteria to determine if a project qualifies for an expedite status.

On August 6, 2002, the Mayor and City Council approved the Manager's recommendations to create a special team to review and manage affordable/in-fill housing projects. This new program provides shortened review time and aggressive hearing schedules for the discretionary process. Essentially, all residential projects in the Central Urbanized Area (CUA) of 10 units or more will be expedited and processed by the special team. In addition, all projects located throughout the City that provide affordable housing unit(s) will qualify for the expedite status under the new policy.

If the City Council approves the staff recommendations in this report, sustainable building projects will be combined with the expedite program of "Affordable/In-Fill Housing Expedite Program" for the discretionary review process as stated in CMR 02-085. Therefore, staff recommends a limited expansion of the special team's responsibility to only include the discretionary process for new commercial and industrial projects which provide 30% or more of their projected total energy use utilizing renewable energy resources such as photo voltaic and fuel cells.

In addition, staff recommends expediting the ministerial process of all projects including residential, commercial, and industrial projects that meet the following criteria. This portion of the expedite process will be managed under the responsibility of the Development Services Manager:

Residential projects that provide 50% of their projected total energy use utilizing renewable energy resources.

Commercial and industrial projects that provide 30% of their projected total energy use utilizing renewable energy resources.

Residential and commercial and industrial projects that exceed the State of California Title 24 energy requirements by 15% and 5% respectively.

It is estimated that less than 1 percent or 60 of the units that were built last year would have benefitted from this proposed program if it were implemented in 2001.

In order for a project to qualify for the program, the applicant must provide energy use calculations and a statement signed by a State of California registered electrical or mechanical engineer stating that the proposed project will meet these standards. Projects that qualify for this program will benefit from the reduced timelines under the "Affordable/In-Fill Housing Expedite Program."

The renewable energy system will be a condition of the permit. If the applicant decides not to install the renewable energy system on their project after the permit has been expedited and approved, the applicant must repeat the permit process and the amendment must be approved by

the original decision maker. The permit amendment to remove the requirement for a renewable energy system will not be processed on an expedite status.

CONCLUSION

The recommendations contained in this report will simplify and expedite the review process for sustainable building projects. In addition, the program will also provide incentives to the building industry to construct a wider range of building types that provide renewable energy resources in the City of San Diego. As such, the City Manager recommends the proposed changes to CP 900-14, the related fees, and the addition of these project types to the City expedite program be prepared for City Council consideration.

Respectfully submitted,

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Tina P. Christiansen, A.I.A.....  
Development Services Director.....

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Approved: P. Lamont Ewell  
Assistant City Manager

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Attachment: 1. Michael E. Turk's proposal