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PREMISE: Given that the State of California has set ambitious greenhouse gas *(GhG)* reduction goals to protect public health and the environment and that AB 32 requires that the state reduce GhG emissions to 1990 levels by 2020 as well as Executive Order S-3-05 that requires a level of 80% below 1990 levels by the year 2050, the City of San Diego should embark upon an aggressive strategy to comply with these policy directives. In addition to G*h*G reduction goals, the state has adopted energy efficiency goals for new and existing buildings as a means to reduce GhG emissions. The State's Long-Term Energy Efficiency Strategic Plan states that all new residential buildings be zero net energy by the year 2020 and all new *non-residential* development be net-zero energy by the year 2030. The City of San Diego's General Plan mirrors the state law and also requires net-zero energy for new residential buildings by the year 2020 and new commercial development by the year 2030. In order to reach these goals, the City of San Diego is adopting phased-in building requirements for new construction and major remodels of residential and *non-residential* buildings.

- 1) The intent of this updated policy will be to begin as an incentive-based expedite program as updated below. The purpose of future updates to this program will be to move towards the mandates prescribed in both State Law and the City of San Diego General plan for 2020 net-zero construction and it is anticipated that with each update, many of the thresholds for gualification in the program may evolve into mandatory items through the updating of Federal, State and local green building programs and mandates in anticipation of the 2020 goals. The City of San Diego will update this Sustainable Expedite policy within 6 months of the adoption of any new version of CalGreen and the City will examine the new energy and water use reduction requirements contained in any new version of CalGreen and compare those to the current incentives and where appropriate, expand or strengthen the thresholds for entry into the Expedite program based on the updated code and in preparation of the goals as outlined in State laws and the City's General Plan for future energy policy and goals.
- 2) This program will be evaluated each year for the first two years of implementation to assess the percentage of projects participating and utilizing the incentives as well as the percentage of energy reduction being achieved through the enrollment in this voluntary incentive program. Currently, it is estimated that approximately 10% of all discretionary projects utilize the Sustainable Expedite program and the intention of the revised incentive program and subsequent monitoring to increase participation by at least 10% each year.
- 3) In addition, the city will work with SDG&E in a partnership agreement to fund a bench-marking and *sustainable performance* tracking database so that progress and success of the program may be tracked and analyzed.

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- 4) The City of San Diego in partnership with stakeholder groups, shall embark upon an aggressive outreach program to improve the public's knowledge and potential enrollment into the program. This should include improved DSD web visibility, aggressive marketing through DSD permitting to notify the public of the opportunity of the Sustainable Expedite program as well as the upcoming 2020 standards to encourage participation and advanced green building practices
- 5) The City of San Diego staff, in conjunction with stakeholder groups shall endeavor to continue to modify, refine and update this policy with an emphasis on ways to include more incentives and policies to provide a greater enrollment into the program for the widest variety of project types as possible including existing buildings and retrofit projects. The City shall also continue to examine a proper implementation for the 6 identified future incentives and a proper manner to include those in future updates of this expedite program.

The proposed Incentive based Expedite program qualification language shall be revised as follows:

1.) SIGNATURE GREEN (LEVEL 1) -

QUALIFICATION METHOD #1: Projects that meet CalGreen Tier 2 and commit to meeting the requirements of the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) rating system certification at the Gold level or equivalent.

QUALIFICATION METHOD #2: Projects that achieve 50% energy savings and 50% water savings and provide on-site photovoltaic generation for Residential Projects of a minimum of 50% of anticipated annual consumption and on-site generation of a minimum of 20% of anticipated annual consumption for Non-residential projects. In addition, the project shall provide site and material improvements and promote a comprehensive approach to sustainable development.

2.) HIGH PERFORMANCE GREEN (LEVEL 2)

QUALIFICATION METHOD #1: Projects that meet CalGreen Tier 2 or commit to meeting the requirements of the USGBC LEED rating system certification at the Silver level <u>or</u> equivalent with a minimum of 30% energy savings and 40% water use reduction.

QUALIFICATION METHOD #2 - Residential projects that achieve 30% energy savings and 30% water savings and provide on-site photovoltaic generation for a minimum of 50% of anticipated annual consumption. For the purposes of this qualification method, Residential projects shall include

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Single Family Homes and low-rise (3 stories and under) multi-family projects.

Non-residential projects that achieve 30% energy savings and 35% water savings and with on-site generation of a minimum of 20% of anticipated annual consumption.

All projects in High-Performance Green Qualification Method #2 shall provide site and material improvements and promote a comprehensive approach to sustainable development.

 GREEN (LEVEL 3) – CalGreen Tier 1 projects that achieve 15% energy savings and 30% water savings in addition to site and material improvements.

Further, a section for incentivizing sustainable design for existing home remodels shall be included:

In an effort to reduce GHG emissions and improve energy efficiency in the City of San Diego, the city is providing an incentive program for existing single family dwellings in addition to the incentives provided by SDG&E. This program will reduce building plan check and permit fees by 25% for projects that qualify as <u>GREEN</u> and 50% for those that qualify as HIGH PERFORMANCE GREEN. This incentive will remain in effect until all funds designated for this program are exhausted and without any further notice.

GREEN: Remodels and additions that exceed current Title 24 by 15% for energy, and include 20% interior water saving (utilizing either of the methods outlined in Cal Green), reduce outdoor water use per CalGreen requirements for Tier1, and install a weather based irrigation controller.

HIGH PERFORMANCE GREEN: Home which in addition to complying with the Green requirements stated above, and provides for onsite generation of a minimum of 50% of anticipated annual consumption.