Source: City Manager BB

Agenda Item No: REP 38-14

To: City Council
From: City Manager and Staff

Council Meeting Date: Apr 21, 2014

Re: Municipal programs and policies for encouragement of green building standards

EXECUTIVE SUMMARY:

Council has expressed interest in encouraging third party green building standards within Columbia. Existing policies and programs that encourage green building standards exist in multiple forms throughout the United States. This report will present these programs and policies and give examples of where they are in place.

DISCUSSION:

One of the most effective and more popular strategies to encourage green building is to incentivize the market through financial or structural incentives. Rewarding developers or homeowners who practice green building techniques could spur innovation and demand for green building technologies. These incentives could be structural, financial, or incentives in the form of technical and marketing assistance.

Structural Incentives: These incentives work by encouraging developers to practice green building through rewards such as additional density bonuses or expedited permitting processes. At low or no cost to the municipality, building green can be made a more attractive option to developers.

Examples of structural incentives include Expedited Review/Permitting Processes and Density and Height Bonuses.

- *Seattle, WA - Zoning legislation gives a height or density bonus to commercial or residential projects that achieve at least LEED Silver certification and contribute to affordable housing.*
- *Portsmouth, NH - City Council adopted density bonus for private projects downtown. Projects benefit from a 0.5 increase in Floor Area Ratio that meet appropriate open space requirements and that also build to a minimum of LEED Certified.*
- *Sarasota County, FL - Provides a fast-track building permit incentive and a 50% reduction in the cost of the building permit fees for private contractors who use LEED.*

Financial Incentives: Financial incentives are direct incentives in the form of tax credits or grants to developers who propose or build green buildings. These include Tax Credits, Fee Reduction/Waiver, Grants and Revolving Loan Funds.

- *Cleveland, OH - The City of Cleveland, in cooperation with the Cuyahoga County Auditor's Office, provides a 100% tax abatement for residential properties built to the Cleveland Green Building Standard. Tax abatements are available to both homeowners and developers. The abatement is for 10-15 years depending on the type of project and is for the portion of the increased property tax that results because of the improvement to the property.*
- *Portland, OR - Has a "feebate" structure whereby buildings built in a conventional manner pay a specified fee for their permits, buildings built to LEED Silver standard get the fees waived and get access to green building resources, and buildings built to LEED Gold or higher actually get a rebate from the government.*

- *Lincoln County,NC - Provides an incentive for the construction of certified green buildings in the commercial and industrial sector. Only newly constructed buildings are eligible, and they must have a minimum tax assessed value of $2,000,000.*

Other Incentives: These could include Technical Assistance and/or Marketing Assistance.

- *San Diego, CA - San Diego developed the Sustainable Building Expedite Program that uses LEED criteria and provides significant plan review and construction incentives. Private sector buildings registering for LEED certification may be eligible to receive technical green building training, support, and education.*

- *Oakland, CA - promotes the use of green building strategies in private sector development by offering free technical assistance, green building guidelines and public promotion for qualified projects.*

One of the primary considerations in regulating green is whether to incorporate a third party green building standard, like LEED, National Association of Home Builders Green, Green Globes, etc. into the regulations. In addition to determining whether to include a third party standard, regulators must also consider which standard to use and whether to mandate certification.

FISCAL IMPACT:

This report is for informational purposes.

VISION IMPACT:
http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php

SUGGESTED COUNCIL ACTIONS:

No action suggested. Report is for informational purposes.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		**Program Impact**		**Mandates**	
City's current net FY cost	$0.00	New Program/ Agency?		Federal or State mandated?	
Amount of funds already appropriated	$0.00	Duplicates/Expands an existing program?		**Vision Implementation impact**	
Amount of budget amendment needed	$0.00	Fiscal Impact on any local political subdivision?		Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		**Resources Required**		Vision Impact?	
One Time	$0.00	Requires add'l FTE Personnel?		Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing	$0.00	Requires add'l facilities?		Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?		Fiscal year implementation Task #	