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# LA County Building Decarbonization Stakeholder Feedback

Additional submitted attachment is included below.

# **Building Decarbonization Stakeholder Feedback**

City of LA, Santa Monica, and West Hollywood

## <u>Overview</u>

A number of state and local community outreach efforts are taking place focused on building decarbonization policy development. The cities of LA, Santa Monica, and West Hollywood are all exploring creating a Building Performance Standard (BPS) and have conducted both broad and targeted workshops in the lead up to staff recommendations. The following provides a consolidated summary of those comments broken out by topic area.

#### Compliance Pathways

- Performance pathways were ranked highest among the various pathway options. It was viewed as the easiest to understand, flexible, and allows for both electrification and energy efficiency measures to meet the target.
- If the focus is on GHG reductions, it's important to also have prescriptive pathways as a compliance pathway to ensure energy efficiency improvements take place.
- Chosen metric should include information about cost effectiveness for building owners, and reporting should be simple, incentivize data accuracy, and align with the State's benchmarking requirements.

## Enforcement/Non-Compliance Penalties

- Generally, respondents prefer a penalty for non-compliance that is dependent on the magnitude of non-compliance or the length of time the building has failed to report. This rewards a building owner for being close to the target, even if it's not met and was seen as most equitable.
  - This is the Denver, CO approach.
- Respondents were split on whether additional enforcement mechanism should be put into place like building permit limitations or a building lien.
- Fines should be more than the cost of compliance and should not be arbitrary.
- Tenants should also be incentivized to participate, perhaps by allowing some amount of pass-through for non-compliance.

#### <u>Equity</u>

- Low-income communities and communities of color are heavily burdened by air pollution and energy bills. Any building decarbonization policy should take a holistic approach to tackling those burdens while not exacerbating them.
- A BPS could negatively impact affordable housing by requiring costly building upgrades or potentially displacing tenants.
- Current regulations do not do enough to prevent landlords from passing on expensive decarbonization upgrades to tenants and may provide grounds for eviction.

- A BPS is likely to results in a more building renovations jobs and opportunities. Supporting good paying, local jobs should be prioritized potentially through public agency-led direct install programs.
- Rent Stabilized tenants who responded to a survey said they were interested in building decarb upgrades but only with financial incentives supporting that (split on whether they were willing to contribute financially or not).
  - Most interested in building envelope improvements (windows and insulation) and least interested in electric cooktops.
- Survey respondents felt larger buildings versus "mom and pop" small buildings should be subject to more stringent rules since they have a larger energy use and GHG footprint.

#### Exemptions and Additional Support

- A closer examination of how a BPS might negatively impact specific building types and identification of methods to reduce hardships is needed before implementation. Specific building types that should be examined include affordable housing, rent controlled buildings, and hospitals/other "healthcare" buildings.
- Buildings that are in financial distress are likely unable to perform any building upgrades and should be considered for alternative methods or timelines to comply.
- In surveys of residents and building owners, financial costs were identified as the biggest barrier, and they stressed the need for funding to support improvements.
  - Incentives could include financial and non-financial such as streamlined permitting or reduced permitting fees.
- Exemptions might create their own inequitable outcomes. Alternatives to exemptions might include, providing a temporary (e.g. five-year) extension of time, co-creating an alternative compliance path for mission-based affordable housing providers, accelerating public financing for mission-based affordable housing, and dedicating funding to the preservation of mission-based affordable housing.
- Identifying a dedicated staff person to field calls on a BPS and potentially support mediation between landlords and tenants on implementation would be helpful.
  - WeHo's Green Business Program was also identified as a supportive approach that worked well with direct outreach and engagement.
- Providing information to renters about their role in building decarbonization would be helpful.
- Most building owner survey respondents had already implemented improvements like lighting upgrades and Energy Star appliances but may need more support/knowledge around installing solar or cool roofs or envelope changes like insulation and window treatments. Education on energy efficiency improvements should be for both tenants and building owners not one or the other.