

CITY OF OAKLAND
CITY COUNCIL AGENDA REPORT

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OFFICE OF THE CITY CLERK
OAKLAND

02 MAY -9 PM 1:54

TO: Office of the City Manager
ATTN: Robert C. Bobb
FROM: Community and Economic Development Agency
DATE: May 21, 2002

RE: INFORMATIONAL REPORT REGARDING SUSTAINABLE
DEVELOPMENT PROJECT PROFILE WITH PERFORMANCE MEASURES
AND OTHER PROJECTS OF THE SUSTAINABLE DEVELOPMENT
INITIATIVE

SUMMARY

The City Council adopted the Sustainable Development Initiative by City Resolution 74678-98 in December 1998. In late 2000, the City Council adopted thirteen priority areas for staff to focus on relative to implementation of the Sustainable Development Initiative. This report summarizes progress made on priority number 5: *"Develop and apply a metric to assess economy/jobs/environmental dimensions of economic development activities."* Throughout this report, the metric is referred to as the 3Es Sustainable Development Project Profile (Economy, Environment, Equity). The purpose of this profile is to provide a consistent sustainability metric that all CEDA staff can use to identify sustainability features of development and redevelopment projects, and to promote feasible environmental, economic and social equity enhancements.

A current draft of the 3Es Sustainable Development Project Profile is attached. The Profile is in draft form and is still being developed, tested, and reviewed by City staff. We intend to have a final version that can be used throughout the City by early summer 2002.

In addition to the Sustainable Development Project Profile, other Sustainable Development initiatives underway or recently completed are highlighted in this report, including the very successful Greening of Multifamily Housing in Oakland conference in December 2001, the successful Energy Efficiency Design Assistance (EEDA) program that has just been completed and is being followed by an even larger grant from the CPUC (\$6 million) that has a strong emphasis on energy efficiency, including a continuation of the EEDA, and the hiring of an interim Sustainable Development Coordinator.

Item No. B
Community & Economic Development Committee
May 21, 2002

FISCAL IMPACTS

This is an informational status report on progress to date on the development and application of the 3Es Sustainable Development Project Profile specifically, and the Sustainable Development Initiative in general. There is no fiscal impact.

BACKGROUND

In late 2000, the City Council adopted thirteen priority areas on which staff should focus for effective implementation of the Sustainable Development Initiative. Priority number 5 calls on CEDA staff to develop a "sustainability yardstick" whereby the "3Es" of Sustainable Development (Economy, Environment, Equity) could be applied to large or publicly assisted development projects in order to provide a "sustainability profile" about the project to the City and the developer of the project.

Purposes of the Sustainability Profile

- (1) Clearly define what sustainable development means when applied to a specific development project or a new program;
- (2) Provide Council with meaningful information as to what aspects of a project represent sustainable development by including this information in the sustainable development section of Council reports; and,
- (3) Educate staff, developers, outside agencies, etc. about sustainable development by giving them a set of measurements early in the process, and providing them with references and technical assistance as to where to find more detailed information, so they can incorporate sustainable development concepts in their projects from the beginning of project development.

Description of the Sustainability Profile

The Profile is broken into three key areas: **Environmental Features**, **Social Equity Features**, and **Economic Features**. Under each of the three areas, questions are posed that help staff and project developers understand key concepts to consider for potential application to the project. Examples of the types of information solicited through questions in this Profile, for each of the three key areas, follow.

Environmental Features

- Is the site within ¼ mile of a BART station or a bus stop?
- Does the project use recycled water, low-water fixtures and water conserving landscaping?

- Does the project better Title 24 by 10%?
- Are materials made of 25% or greater renewable or recycled content?
- Will Construction Debris & Demolition plan exceed City guidelines?

Social Equity Features

- Are there identifiable employment opportunities for Oakland residents?
- Has relocation assistance been offered for pre-development site occupants?
- Are facilities provided for physical exercise?
- Are there continuing education activities or facilities on-site?
- Is there sponsorship of public art and/or cultural activities?

Economic Features

- What are the estimated construction wages?
- What are the estimated business & sales tax revenues generated for the City?
- What are the estimated property tax revenues generated for the City?
- Is there a focus on local purchasing of materials and services?

Criteria that Would Trigger use of the Profile

It is anticipated that the Profile would be provided as an educational tool to all representatives of development projects in the City, including City staff working on City construction projects. However, CEDA would only dedicate staff time to work directly with the City staff person or developer in completing the Sustainability Profile on major projects, defined by the following criteria:

- City Construction Projects > \$100,000
- Projects with > \$100,000 in City Financial Assistance Resources
- Private Development Projects with > 50 housing units or > 50,000 square feet
- Projects where the City executes a Development and Disposition Agreement for sale of land for development purposes

It is envisioned that the City staff person assigned to the project would fill out the profile with assistance from the Sustainable Development Coordinator. The profile would be shared with the project manager in order to educate them about sustainable development and technical resources available. The profile would be the basis for staff completing the Sustainable Opportunities section of City Council reports.

KEY ISSUES AND IMPACTS

Application of the Profile to Recent Projects

In the fall of 2001, Jeanne Clinton, then serving as the Sustainable Development Coordinator, developed the draft profile. She also "beta-tested" the 3Es Profile on two large projects: **Best Buy Retail Store** (45,000 sq. ft. retail store) at Yerba Buena and Mandela, and **Cox Cadillac Mixed Use**, Avalon Bay Communities (176 residential units, 11,500 sq. ft. commercial, and renovation of Cadillac showroom) at 230 Bay Place. Here is what the profile would have measured about those and other recent projects.

Best Buy Retail Store: This retail store project is located at the East Bay Bridge shopping center near the Emeryville/Oakland border. Because CEDA staff time was dedicated to assisting the developer in completing the Sustainable Development Project Profile, the developer was provided with numerous informational sources on sustainability related issues including Energy Efficiency Design Assistance, green building guidelines, recycling assistance, and the Enterprise Zone benefits of hiring Oakland employees.

In addition, the following sustainability related elements were uncovered as a result of completing the Sustainability Profile with the developer.

Environmental

- building operators will recycle cardboard and Styrofoam;
- an electronic recycling program will be offered to recover, dismantle and decommission old electronics equipment;
- Energy Star appliances will be sold at the store;
- Energy Star training will be offered to employees;
- employee car-pooling will be encouraged.

Economic

- the project will hire up to 150 employees;
- over \$400,000 in local sales tax will be generated,

Equity

- Best Buy's corporate philosophy is to become part of the community where a store is opened;
- 3% of net profits are donated to charitable organizations such as Special Olympics of Northern California and Junior Achievement.

Cox Cadillac: (Avalon Bay) This is a mixed use project with 176 residential units and commercial space near Harrison St. and 27th St. Some of the sustainability related elements uncovered as a result of using the Sustainability Profile include: in-fill of existing commercial property, near public transportation, and some opportunity for neighborhood involvement. As a result of the completion of the Profile, the Council report about this project would also have noted the potential for local construction jobs, and the increase in the property tax base.

Fire Station 8: This is a City project that entails demolishing the existing 4000 sq. ft. building and replacing it with an 8000 sq. ft. two story structure. The building is scheduled for occupancy in late 2002 or early 2003. It is one of three City projects being used as a "Beta-test" site for application of the City of Oakland's Sustainable Design guidelines (attached) (www.develop.csbr.umn.edu/oakland), and therefore is incorporating numerous Green Building attributes which could be highlighted using the Sustainability Profile. Such environmental attributes include: reducing construction and demolition waste by 65%; on-site recycling; numerous energy and water efficiency applications; use of recycled plastic lumber; zero-VOC paint; light pollution prevention; and use of 30% fly ash in concrete. The production and use of concrete is a significant source of greenhouse gases, and fly ash is a waste product from coal fired power plants, so using this waste product, which would otherwise be land filled, in place of concrete provides a number of environmental benefits. It not only reduces waste to landfills, but reduces greenhouse gas production as well.

City Center, 555 12th St.; Shorenstein Realty Investors: This large mixed-use development project in the heart of downtown Oakland includes substantial commercial and retail. As a condition of the Development and Disposition Agreement for this project, it was built to adhere to Leadership in Energy and Environmental Design (LEED) guidelines, a U.S. Green Building Council rating system. Initiatives undertaken at the City Center to meet the Bronze LEED rating, which would have been documented through the completion of the Profile, include the fact that this project is the first high-rise in the Bay area to be fitted with a dual plumbing system. This system will use recycled water for flushing its toilets and other non-potable uses. Other features that would be highlighted through the use of the Profile include the fact that this is an example of in-fill development near public transit.

Preservation Park Housing: Had the Profile been applied to this residential townhouse project at 11th and MLK, some of the environmental and social equity features that would have been identified include: recycling of jobsite waste, drip irrigation for landscaping, the inclusion of bike racks and car-share parking spaces, and energy efficiency upgrades. In addition, the Profile report would have noted that this is an in-fill housing project. By developing on existing urban land, green space and agricultural lands at the edge of urbanized areas are not impacted or converted.

Housewives Market Site Housing: Aspects of this residential project that would have been identified through the completion of the Profile include that it is an infill housing project located near public transit; and that some parking spaces are devoted to the City-sponsored car-sharing program.

Challenges and Opportunities Identified in Applying the Profile

Observations about the applicability of this Profile tool, and remaining challenges to its widespread use, are summarized below.

- 1. Confusion about Differences Between Compliance and Sustainability:** Jeanne Clinton found that neither of the two developers would have filled out the 3Es Profile correctly if they had attempted to complete it themselves. That's primarily because both would have assumed that if they were meeting minimum legal standards such as Title 24 relative to energy requirements and other minimum building requirements, they would have qualified as "sustainable." However, the 3Es Sustainable Development Profile is intended to feature and foster best practices that go above and beyond legal compliance and regulatory requirements. Education for developers about the differences between compliance and sustainability may be required.
- 2. CEDA Staff Training Needed:** Filling out the Profile will take patience and guidance. A training session for CEDA staff about how to identify projects that would be subject to the Profile, and how to gain the necessary information from the client, will be required.
- 3. Developers Need Resources and Technical Assistance on how to Build More Sustainably:** Jeanne found that there is a lack of basic understanding about what it means to build sustainably, and recommends providing technical assistance and resources in this area to expedite the understanding, completion and use of the Sustainable Development Profile. One way to deliver such assistance would be in the form of a Sustainability "guidebook" that could include the following resources: green building case examples; sources of technical information, incentives, and assistance programs such as energy rebates, water conservation incentives, and Enterprise Zone incentives; construction and operating cost savings; materials that match sustainable design considerations to the stage of development; availability of State tax credits for hiring local workers; and other assistance that would help a developer incorporate sustainability features into their project.

4. **Completing the Profile Spans the Life of the Project and Project Expertise:** Different information required to complete the Profile becomes available over the 2-3 year life of development projects. Thus, the Profile needs to be re-visited periodically throughout the time of the project, as additional information becomes available. The information sought in the Profile also spans a wide array of expertise including building details, budgets, hiring plans, corporate policies, etc. Multiple individuals representing the developer will need to be interviewed to complete the Profile. In some cases the City's role is completed after the project is approved, and the City may not have control over certain issues—for example, local hiring, recycling of shipping materials, purchasing supplies with recycled content, etc.
5. **Ensuring that Reality Matches Plans:** A monitoring process will need to be developed and implemented in order to ensure that what actually gets built matches the plans and project descriptions articulated in the Profile.
6. **Level of Complexity:** The Profile may need to be simplified, although it is unclear which items would be eliminated. The profile will need to be tested over the course of the first year of use, and revised and edited as warranted to make it user-friendly and meaningful.

Other Recent Sustainable Development Efforts and Successes

Development of City of Oakland Sustainable Design Guidelines: Through CEDA and the Public Works Department, the City of Oakland has developed a set of Green Building guidelines adapted specifically to the City of Oakland. These guidelines, which can be found at www.develop.csbr.umn.edu/oakland, are correlated closely with the Leadership in Energy and Environmental Design (LEED) standards. LEED is a green building rating system that has been developed by the U.S. Green Building Council and is accepted nation-wide as a definitive standard for what constitutes a Green building. The City of Oakland's guidelines, while based on the LEED standards, provide substantially more assistance than LEED does on specific steps that can be taken to achieve the energy, water and materials efficiencies that are promoted by LEED. All private developers have access to this assistance and can use it to achieve their LEED ratings.

Greening Multifamily Housing Conference: On December 5, 2001 a forum for developers, designers and builders was held in the Oakland Asian Cultural Center entitled *Greening Multi-Family Housing in Oakland*. Attendance at this conference exceeded all expectations and, at 200 participants, was standing room only. Planning and Zoning Director Leslie Gould welcomed participants and Mayor Jerry Brown articulated his vision for the City. David Johnston, President of What's Working, a Colorado based sustainable housing consulting firm, and consultant to Alameda County in the development of residential green building guidelines,

highlighted the attributes and benefits of Green Building. Other highlights of the day included an examination of incentives and technical assistance available to developers and builders in the area of green building, and sources of "green" construction materials.

In addition to the enthusiastic interest and response to this conference, there is another key reason that a focus on greening multi-family housing projects should continue as part of the City of Oakland's Sustainable Development Initiative. First of all, one of the barriers often cited to incorporating Green Building attributes into a project is that the developer is unwilling to pay the 5-15% higher "first costs" often associated with doing so because he/she will not be the beneficiary of the substantial savings that will accrue to the owner/operator of the building throughout the life of the building, primarily through decreased utility costs. Since the owner/occupier and the developer of many multi-family and affordable housing projects are often one and the same, that barrier is not a disincentive to building green.

Energy Efficiency Design Assistance Program Success: In February 2001, the City of Oakland obtained CUPC Energy Efficiency Initiative funds and began sponsoring the energy Efficiency Design Assistance Program (EEDA). By all measures, this program has been a great success. The program provided free technical assistance services to property owners, designers, developers and contractors involved with new and existing commercial buildings and multifamily housing in Oakland relative to incorporating energy efficiency measures. The program served 23 projects representing over 4.5 million square feet of building space and over 800 housing units, and the results are impressive: 235% of the program goals were achieved, representing 3.2 million in annual kWh savings.

Due in part to the success of this initial program, the City was notified in early April 2002 that an additional \$6 million from the California Public Utilities Commission had been approved for, among other components, energy efficiency related work including the development of Energy Management Plans for medium and large commercial buildings, a continuation of the EEDA program, and Street and Area Lighting Demonstrations.

New Part-Time Sustainable Development Coordinator: In early April 2002, Carol Misseldine was hired on a 20 hour/week consulting basis as the City's interim Sustainable Development Coordinator to replace Jeanne Clinton, who left the position in November 2001. Misseldine's immediate tasks include beta-testing and further refining the 3Es Sustainable Development Project Profile, assisting with the implementation of the new energy efficiency grant, assisting in the beta-testing of the City of Oakland's Sustainable Design Guidelines, and conducting interagency and community outreach to enhance the general understanding and application of sustainability principles in the City of Oakland.

SUSTAINABLE DEVELOPMENT OPPORTUNITIES

The use of this Sustainable Development Profile will allow the Council to consider all the environmental, equity, and economic aspects of projects and determine if sustainable development features are included in projects where City financial resources are involved. It will also serve as an important sustainability educational tool in that as the Project manager or Sustainable Development Coordinator assists the developer in the completion of the Profile, informational resources such as case examples, and energy, water and materials efficiency resources can be provided.

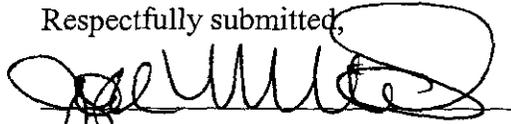
DISABILITY AND SENIOR CITIZEN ACCESS

This use of the sustainable Development Profile could highlight aspects of projects that benefit access for seniors and the disabled.

ACTION REQUESTED OF THE CITY COUNCIL

Staff recommends that the City Council accept this informational report, and direct staff to proceed with testing and use of the 3 E's Sustainable Development Project Profile. City Council members may also wish to offer comments on the measures included in the Sustainable Development Profile.

Respectfully submitted,



WILLIAM E. CLAGGETT

Executive Director

Prepared by:

Leslie Gould, Director of Planning and Zoning
Carol Misseldine,
Sustainable Development Consultant

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE


OFFICE OF THE CITY MANAGER

ATTACHMENTS: A. 3Es Sustainable Development Project Profile
 B. City of Oakland Sustainable Design Guidelines

Item No. **B**
Community & Economic Development Committee
May 21, 2002

ATTACHMENT A

OAKLAND SUSTAINABLE DESIGN GUIDE						
DRAFT SCORING SHEET FOR CITY CONSTRUCTION PROJECTS						
DATE: 10.30.00						
PROJECT:	STRATEGY	PREDESIGN		DESIGN		FINAL
		Points Possible	Target Points	Schem. Design	Design Dev.	Const. Docs.
1.1	Encourage Development on Sites with Existing Municipal Services	2				
1.2	Maintain and Enhance the Biodiversity and Ecology of the Site	3				
1.3	Use Microclimate and Environmentally Responsive Site Design Strategies	3				
1.4	Use Native or Mediterranean Trees, Shrub, and Plants	2				
1.5	Manage Site Water	3				
	SITE STRATEGIES TOTAL	13				
2.1	Use Recycled Water Systems	3				
2.2	Conserve Building Water Consumption	2				
2.3	Conserve Cooling Tower Water Consumption	3				
	WATER STRATEGIES TOTAL	8				
REDUCE LOADS						
3.1	Optimize Building Placement and Configuration for Energy Performance	1				
3.2	Optimize Building Envelope Thermal Performance	3				
3.3	Provide Daylighting Integrated with Electric Lighting Controls	2				
DESIGN EFFICIENT SYSTEMS						
3.4	Provide Efficient Electric Lighting Systems and Controls	4				
3.5	Maximize Mechanical System Performance	5				
3.6	Use Efficient Equipment and Appliances	1				
USE ENERGY SOURCES WITH LOW ENVIRONMENTAL IMPACT						
3.7	Use Renewable or Other Alternative Energy Sources	3				
SIMULATE TOTAL BUILDING ENERGY USE						
3.8	Integrate All Systems and Reduce Total Energy Use	4				
	ENERGY STRATEGIES TOTAL	23				
INDOOR AIR QUALITY						
4.1	Control and Isolate Source of Pollutants	3				
4.2	Use Low VOC-emitting Materials	1				
4.3	Control Moisture to Prevent Microbial Contamination	2				
4.4	Provide Ample Ventilation for Pollutant Control	3				
HUMAN FACTORS						
4.5	Provide Appropriate Thermal Conditions	2				
4.6	Provide Effective Lighting	3				
4.7	Provide Appropriate Building Acoustic and Vibration Conditions	3				
4.8	Provide Views, Viewspace and Contact with the Natural Environment	3				
	INTERIOR ENVIRONMENTAL QUALITY STRATEGIES TOTAL	20				
RAW MATERIAL EXTRACTION						
5.1	Use Materials with Low Impact During Their Life Cycle	3				
PRODUCTION						
5.2	Use Salvaged and Remanufactured Materials	1				
5.3	Use Recycled Content Products and Materials	4				
5.4	Use Materials from Renewable Sources	2				
DISTRIBUTION						
5.5	Use Locally Manufactured Materials	2				
USE						
5.6	Use Durable Materials	2				
EVENTUAL REUSE OR RECYCLING						
5.7	Use Materials that are Reusable, Recyclable or Biodegradable	1				
	MATERIALS STRATEGIES TOTAL	15				
CONSERVING RESOURCES						
6.1	Reuse Existing Buildings	2				
6.2	Design for Less Material Use	2				
6.3	Design Buildings for Adaptability	2				
6.4	Design Buildings for Disassembly	1				
WASTE MANAGEMENT						
6.5	Salvage and Recycle Demolition Waste	2				
6.6	Reduce and Recycle Construction Waste	1				
6.7	Reduce and Recycle Packaging Waste	1				
6.8	Design Recycling Systems for Occupant Waste	1				
6.9	Reduce and Properly Dispose of Hazardous Waste	1				
	WASTE STRATEGIES TOTAL	13				
7.1	Design to Support Mass Transit	2				
7.2	Design to Support Bicycle Use and Walking to Commute	2				
7.3	Design to Support Carpooling and Alternative Powered Vehicles	4				
	TRANSPORTATION STRATEGIES TOTAL	8				
	GRAND TOTAL	100				

Sustainable Development Project Profile

Proposed Project: _____

Project Address: _____

Applicant: _____

City Staff Contact: _____

(See the pamphlet "Guide to Sustainable Development in Oakland" for sources of technical information or advice on each topic.)

Elements of Sustainable Development	Included or Achieved	Not Applicable	Considered & Rejected	Not Considered	Comments or Reasons
ENVIRONMENTAL FEATURES					
1. Project Design/Construction (e.g. Oak. Sustainable Design Guidelines or LEED)					
• <i>Site:</i> Is the site optimized to the natural & urban environment?					
• <i>Transportation:</i> Is site within ¼ mile of BART or a bus stop? Are alternative fuel vehicles & ride sharing promoted?					
• <i>Water:</i> Does project use recycled water, low-water plumbing fixtures, and water-conserving landscape?					
• <i>Energy:</i> Does project better energy code by 10%+?					
• <i>Indoor air quality:</i> Does project use low VOC paints & carpets, and minimize poor indoor air quality?					
• <i>Materials:</i> Are 25%+ of materials renewable or recycled content?					
• <i>Waste:</i> Will Construction Debris & Demolition plan exceed City guidelines?					
"Green Operations" by Site Occupants					
Resource conservation: plan for waste recycling & water conservation?					
Green-business: proportion of business occupants with green-business certification?					
Transportation Demand-Management					
Property promotes transit, bicycles, pedestrian access, alternative fuel vehicles					
Property supports TDM via car pools, car-sharing, telecommuting					

ATTACHMENT B

MAY 21 2012

FINANCE & MANAGEMENT CMTE.