

# STAFF REPORT

## City of Lancaster

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MVB

Date: December 9, 2014

To: Mayor Parris and City Council Members

From: Brian S. Ludicke, Planning Director

Subject: **Better Built Home Program**

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### **Recommendation:**

Adopt **Resolution No. 14-76**, authorizing the implementation of the Better Built Home Program for new home construction and authorize the City Manager or his designee to execute all related documents.

### **Fiscal Impact:**

The City has successfully used various incentives to encourage building activity. Between 2010 and 2014, these incentives have played a role in the City issuing of an annual average of 180 new single-family residential permits. During that same period of time in contrast, the average annual issuance of single-family residential permits in neighboring Palmdale was approximately 90.

Staff is projecting that the value of the incentives to the builder per unit is between \$9,000.00 and \$12,000.00, with the impact fee reduction constituting approximately \$3,000.00 of the value. Therefore, while it is estimated that the impact fee reduction over the two-year life of the program could total \$500,000.00, staff believes that the increased amount of construction activity will create economic benefits that offset this total.

### **Background:**

City Council tasked the Planning Commission to find ways to improve the sustainability of the community through mandates and/or incentives, such as a mandatory LED lighting requirement on all new development. The Planning Commission received input on a proposed ordinance that mandated the LED lighting requirement on all new development. Because of concerns raised (program too narrow in scope, hurts a struggling business sector, etc.), the Planning Commission set up a working group to explore viable ways to improve the community's sustainability. The Better Built Home Program is part of the long-term strategy envisioned by the working group and the Planning Commission that will ultimately lead our City to become a true net-zero community.

Based in part from previous successful implementation of the Home of the Future and the Residential Solar Mandate; the ongoing City-led efforts, such as the Community Choice Aggregation; and input received from the working group, participants that include the Building Industry Association and Lancaster's leading home builder, KB Home, the long-term strategy is accomplished through a series of progressive changes. The Better Built Home Program, like the Home of the Future, is an incentivized first step to acquaint and familiarize builders with

environmentally smart features that can be used in home construction with little to no risk on the builder's part. It allows the marketplace to be creative and resourceful. Although somewhat premature to say, future steps may involve mandates as well as incentives, may apply to existing as well as new development, and may take advantage of ongoing City efforts as they are firmly established.

The Better Built Home Program offers builders of new homes a 25% discount on City imposed impact fees, if they choose to incorporate certain environmental features in their homes. In addition, rear yard landscaping is not required, and recycled water is made available to the builder for dust control purposes without charge. The estimated value of the incentives is between \$9,000.00 and \$12,000.00 per dwelling unit. To obtain the incentive, a builder must incorporate a minimum number of smart features from an approved list. Eligible features include LED lighting, Water Sense fixtures, grey water systems, vehicle charging stations, home energy storage systems, Energy Star appliances, recycling of construction wastes, and smog eating roof tile.

The program is completely voluntary, and would be available for residential building permit applications submitted between January 1, 2015, and December 31, 2016.

BSL/jr

**Attachment:**

Resolution No. 14-76

Better Built Home Program Handout