CITY OF PORTLAND OFFICE OF SUSTAINABLE DEVELOPMENT

City of Portland's Proposed High Performance Green Building Policy Fact Sheet

Climate change, rising energy prices and a fragile job market pose serious threats to Portland's ability to thrive, both today and in the future. Buildings are responsible for nearly half of Portland's greenhouse gas emissions, and Portland residents and businesses now spend $750 million each year to heat, cool and power our buildings. This figure has almost doubled over the past ten years and will likely continue to rise sharply, stretching already tight household and business budgets.

Because buildings last for many decades, today's decisions will affect Portland for the next century or more. Each building represents an opportunity to strengthen Portland's future—or weaken it.

For more than a decade, Portland contractors, developers, architects, engineers and others have been incorporating green building practices as a way to improve energy and water efficiency, stormwater management, indoor environmental quality and materials selection. The resulting buildings are delivering financial savings to their occupants and owners while enhancing workplace productivity and personal health. Unfortunately, however, green building practices are not yet standard practice in Portland. To reach the City's environmental and economic goals, new policies and actions must be implemented to accelerate the spread of high performance green building.

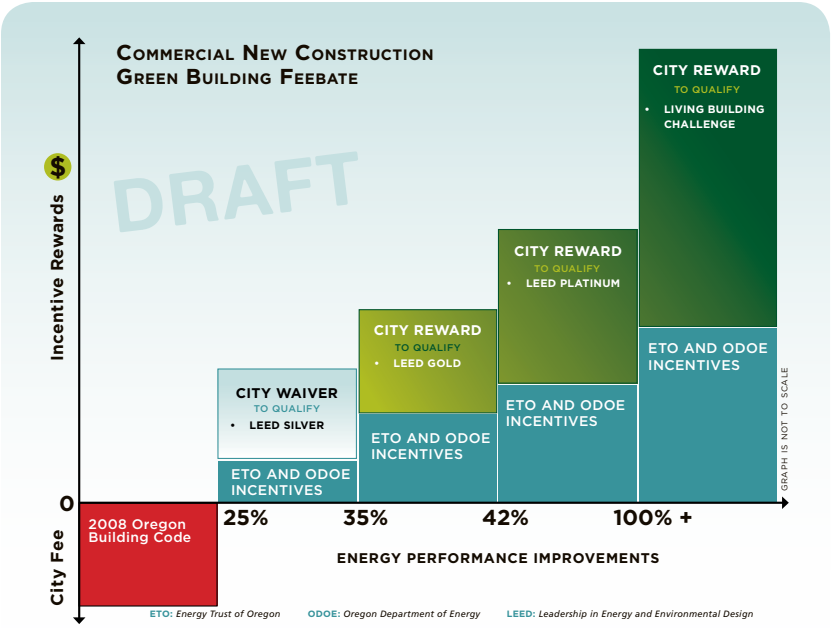
The City of Portland High Performance Green Building Policy provides incentives and resources to builders, developers, businesses and homeowners to help the city reduce total greenhouse gas emissions 80 percent by 2050.

The policy will also:

- Add nearly 100 local living-wage jobs every year.
- Provide significant energy cost savings to homeowners, renters, building owners and business tenants.
- Create healthy buildings for living, working and learning.
- Reduce stormwater runoff, water use and waste from building construction.

Incentives for new construction

For **new commercial and multifamily construction** projects, the policy proposes a green building "feebate"—a market-based instrument that combines a fee for conventional construction, a waiver option for moderate green building improvements and rewards for high performance green building projects.



Fees collected by the City of Portland will create self-sustaining funds to pay for green building rewards, technical assistance, project recognition and education programs. The green building funds may also support green affordable housing grants and additional financial or technical assistance with the permitting processes.

- Using LEED and Earth Advantage standards, construction will be evaluated through third-party verification of energy efficiency, site development, waste reduction, water conservation, sustainable material use and indoor environmental quality.
- Buildings that meet a high performance green building standard, such as LEED Gold or Platinum, will receive a one-time reward check from the City of Portland and be eligible for other incentives from the Energy Trust of Oregon and the Oregon Department of Energy.
- Buildings that meet a green building standard, such as LEED Silver, will qualify for a waiver from the City of Portland's fee and be eligible for incentives from the Energy Trust of Oregon and the Oregon Department of Energy.
- Buildings that do not meet the green building standards will pay a one-time fee for the projected greenhouse gas emissions for operating the building for 15 to 30 years.
- Affordable housing projects that meet the waiver requirements will receive a reward payment.

For **new single-family residential construction**, the policy requires a performance target for the percentage of homes that are built to green building standards. If the industry target is met over the next three years, no new regulations will take effect; if the target is not met, a feebate similar to that for new commercial construction will come into effect.

Performance ratings for existing buildings

For **existing commercial buildings**, the policy proposes disclosure of building performance in the areas of greenhouse gas emissions, energy usage, water usage and stormwater management. This data would help identify buildings that have the greatest potential to improve performance.

Disclosure of building performance measures was also considered for **existing single-family residential buildings**, but a stakeholder process highlighted the need to develop much better financing options for homeowners than are currently available. As a result, no requirements are proposed for existing homes at this time, and instead the Office of Sustainable Development is developing options for an investment fund to accelerate green building upgrades to existing buildings.

Technical assistance for builders and owners

To support implementation of the policy, the City will expand existing green building technical assistance programs and support new programs including:

- Green building specialists in the Development Services Center to assist permit applicants.
- Training on LEED and Earth Advantage certification.
- Workshops to assist owners and managers of existing buildings with building performance reporting.
- Assistance from Bureau of Environmental Services Clean River Rewards program in registering for the stormwater discount incentive.

The City will also work with buyers, tenants, developers, builders, financial and real estate professionals, trade unions, appraisers, other building industry professionals and City specialists to significantly expand awareness of project requirements, green building benefits, and continuous management of building environmental performance.

Green Building Benefits: Environment, Economy, Jobs and Health

Environment: The policy would reduce greenhouse gas emissions, stormwater runoff, water consumption and construction waste.

High performance green building reduces greenhouse gas emissions by increasing the energy efficiency of the building envelope, lighting and mechanical systems. As an example, Portland's Henry Condominiums (certified LEED Gold) cut energy use and associated greenhouse gas emissions by 57 percent through advanced green building design and construction.

Earning a green building waiver or reward would require buildings to meet a green building standard that includes measures to reduce energy use, stormwater runoff, water consumption and waste.

Economy: The policy would deliver financial benefits to building owners and tenants.

Earth Advantage homes are 15 percent more efficient than those built to minimum code requirements, and the energy savings reduces monthly bills. A 2006 Oregon Department of Transportation analysis of a new LEED Gold office building concludes that increased productivity and reduced energy bills would save taxpayers $61 million over 20 years compared to a conventional building.

The initial investment pays back quickly in reduced energy, water and sewer costs, improved comfort and healthier air quality. Buyers and renters are increasingly making decisions on energy-efficient features and design, and this demand will only expand in coming years, as energy prices rise.

Jobs: The policy would increase local, living-wage jobs.

Portland's early advances in green building have created demand for local green building experts across the country. In fact, many new green condominium projects in Los Angeles were designed and engineered by Portland firms. We need to expand similar demand right here in Portland, and the policy would help create these new local jobs.

Portland's growing pool of skilled green building designers, consultants, engineers and building performance evaluators will be ready to win jobs both in Portland and around the world. An ECONorthwest analysis of the policy found that the mid-range scenario would result in a net addition of almost 100 jobs in Oregon for every year the policy is in place, with more than 80 of those jobs in Multnomah County.

Health: The policy would improve the health of workers, students and residents.

Green buildings have better air quality, release fewer toxics and improve the health of residents and workers. Research shows that children in green schools perform better on tests and workers in green buildings are more productive, are sick less frequently and have higher morale.

Green Building Policy Implementation

The Office of Sustainable Development is seeking additional public comment on the proposed green building policy prior to City Council consideration in 2009. If Council approves the policy, green building rewards and fees would begin in 2010 for some new buildings.

Comments received by January 20, 2009 will be considered before the policy is submitted to City Council. Please visit the Web site below to provide comment.

For more information:

- Visit www.portlandonline.com/osd/gbpolicy for a list of Q&A or to read the full policy.
- Invite City staff to a business or community meeting.
- Contact OSD at 503-823-3246 or gbpolicy@ci.portland.or.us.

CITY OF PORTLAND
OFFICE OF SUSTAINABLE DEVELOPMENT
A BETTER FUTURE. A BETTER NOW.
DAN SALTZMAN, COMMISSIONER
SUSAN ANDERSON, DIRECTOR