2024-25 Green Building Incentive Policy

**Public Briefing Deck** 

DES – Office of Sustainability and Environmental Management/AIRE October 7, 2024







### Agenda: GBIP 2024-25 Updates

### 1. Arlington Community Context and Goals

- a. Fast Facts
- b. The Community Energy Plan (CEP)
- c. Local and Environmental Health Vulnerabilities
- 2. History and Evolution of the GBIP and Industry Standards
- 3. 2024-25 GBIP Updates Proposal and Reasoning
  - a. Summary of New and Updated Pathways
  - b. Pathway Requirements, Purpose and Financial Incentives
  - c. Community Benefits
- 4. Next Steps and Discussion



**Arlington Community Context and Goals** 

### Arlington Community – Fast Facts Profile 2024

#### Location

Arlington is an urban county of about 26 square miles located directly across the Potomac River from Washington, DC.



#### People



63% of Arlington's population live in planning corridors, which are 4-times more dense than the noncorridor areas (map on page 2).



Arlington is one of the most highly educated localities in the Nation, with 78% holding a bachelor's degree or higher.



An estimated 27% of Arlington's population work at home.

#### Development

With 43.9 million square feet of rentable building area, Arlington has more private office space than the Central Business Districts of Charlotte, Dallas, Denver, and Seattle, and the Downtowns of Atlanta, Miami, and Nashville.



#### Housing



There are 123,700 housing units in the County, 72% of which are multifamily units.

#### Households

Since 1980, the majority of Arlington households consist of a single person or unrelated individuals.



#### **Multi-Modal Transportation**



Almost 5 million passenger miles were traveled on Arlington's 16 ART Bus routes.



Arlington has 11 Metrorail stations. In 2023, entries and exits increased by 50% compared to the previous year.

#### Students



The diverse student body of Arlington Public Schools hail from 149 countries.

#### **Employment**



An estimated 57,528 residents live and work in Arlington.

#### **Parks**

99% of residents live within a (10-minute walk to a park.

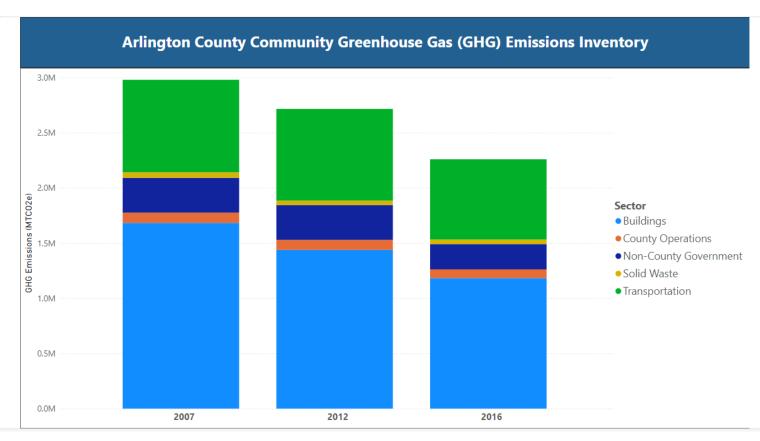


# Arlington's Community Energy Plan (CEP)

- Carbon neutrality target year: 2050
- Address energy efficiency, building performance, and the "carbon sinks" of existing buildings
- Encourage private buildings that are being renovated to improve energy efficiency by 30 - 40% by 2050 and conserve embodied energy during the construction process
- Practical upshot: New buildings must be 50% more efficient than VA code

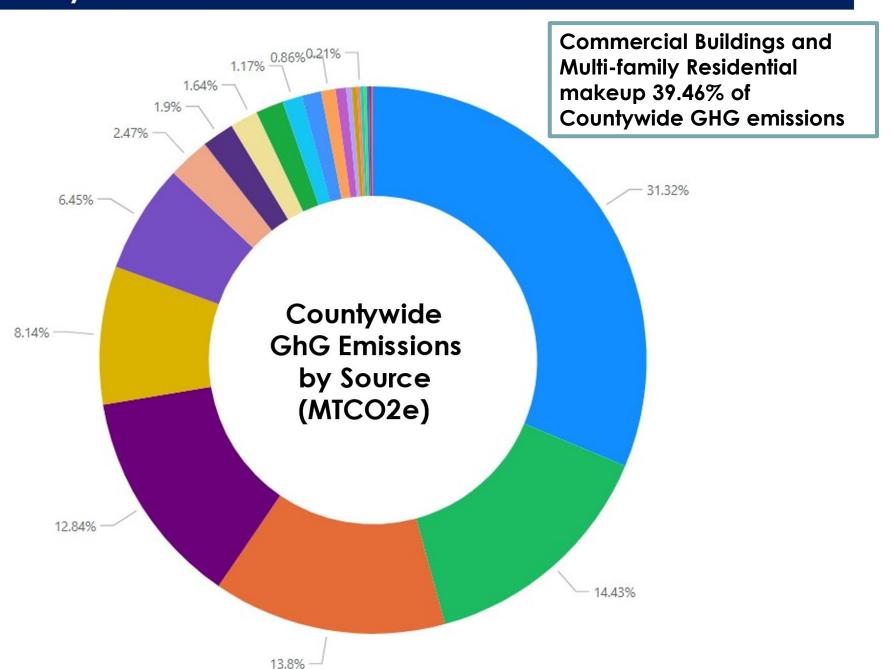


# 2016 GHG Emissions Inventory



| Se  | ctor                                   | Total Emissions (MTCO2e) |
|-----|----------------------------------------|--------------------------|
| ⊟   | Buildings                              | 1,181,978                |
|     | Commercial Buildings                   | 707,817                  |
|     | Single-family Residential Buildings    | 290,177                  |
|     | Multi-family Residential Buildings     | 183,984                  |
| ⊟   | Transportation                         | 727,156                  |
|     | Passenger Cars & Motorcycles           | 326,148                  |
|     | Light Trucks & SUVs                    | 311,971                  |
|     | Heavy Duty Trucks                      | 55,926                   |
|     | Metrorail                              | 25,839                   |
|     | Metrobus                               | 6,954                    |
|     | University Shuttles                    | 319                      |
| = = | Non-County Government                  | 228,854                  |
|     | Federal Buildings                      | 145,801                  |
|     | DCA Airport Buildings                  | 42,917                   |
|     | Other Non-County Government Facilities | 37,134                   |
|     | DCA Airport Service Equipment          | 3,003                    |
| ⊟   | County Operations                      | 80,213                   |
|     | Public School Buildings                | 26,499                   |
|     | Government Buildings                   | 19,356                   |
|     | Water & Wastewater Utilities           | 14,117                   |
|     | County Vehicles                        | 7,222                    |
|     | ART Buses                              | 4,642                    |
|     | Streetlights & Traffic Signals         | 4,244                    |
|     | School Buses                           | 3,142                    |
|     | Park & Field Lighting                  | 990                      |
|     | Total                                  | 2,260,001                |

### **Countywide GhG Emissions**



#### Source (GhG Emissions)

Commercial Buildings (31.32%)

Passenger Cars & Motorcycles (14.43%)

Light Trucks and SU Vs (13.80%)

Single-family Residential (12.84%)

Multifamily Residential (8.14%)

Federal Buildings (6.45%)

Heavy Duty Trucks (2.47%)

DCA Airport Buildings (1.90%)

Other Non-County Government Facilities (1.64%)

Waste to Energy Plant (1.17%)

Public School Buildings\* (0.86%)

M et rorail

Government Buildings\*

Water & Wastewater Utilities\*

County Fleet (non-school)\*

Metro Bus

ART Buses\*

Streetlights & Traffic Signals\*

Landfills

School Bus Fleet\*

DCA Airport Service Equipment

Park & Field Lighting\*

Waste Collection & Transportation Vehicles

University Shuttles

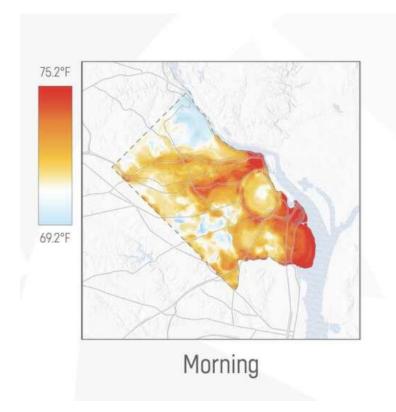
Taxis

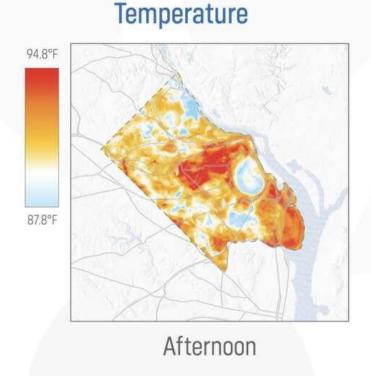
### Local Environmental and Health Vulnerabilities

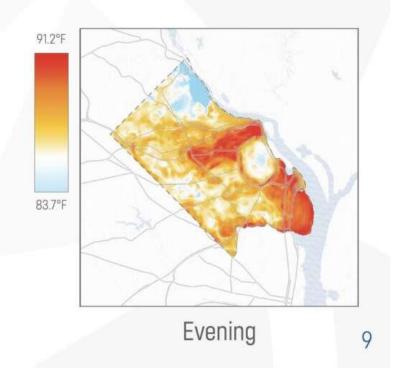
- Urban heat island
  - o >14 "Extreme heat days"
- Warmer winters
- Intense rainfall / pluvial flooding
- 1.1+ million people in the

Commonwealth of Virginia with asthma or chronic respiratory disease

 Cardiovascular disease, stroke, mental and neurological disorders, and other chronic conditions







### Need to Revitalize Under-Performing and Vacant **Buildings**



### **COMMERCIAL MARKET RESILIENCY INITIATIVE 2.0** FACT SHEET

#### What is CMRI 2.0?

#### Removing Regulatory Barriers to Market-Based Solutions

The Commercial Market Resiliency Initiative is a strategy to modernize Arlington's regulations, practices, and processes to ensure a more nimble response to economic shifts. The County seeks to remove regulatory barriers and constraints to achieve market-based commercial solutions and address building supply, specifically the repositioning and converting obsolete commercial inventory.



#### WHAT'S GOING ON WITH **OFFICE?**



2014

Vacancy Rate: 20.1% Share of Tax Base: 49.4%



2019

Vacancy Rate: 15.4% Share of Tax Base: 48.5%



2023

Vacancy Rate: 21.7% Share of Tax Base: 45.4%

#### Arlington has ...

- Changed the way we use commercial space, expanding allowed uses
- Continued to attract and retain tenants through the efforts of Arlington Economic Development
- Improved the permitting process and shifted online with Permit Arlington
- Streamlined approach for outdoor dining







### **Shifting Trends**

- · The COVID-19 pandemic resulted in a new hybrid work model that created a wholesale shift in how office space is used.
- · More companies are letting leases expire or downsizing their footprint/square footage.
- · People and businesses are changing the way they work, and Arlington must be prepared to meet that change.

#### WHY IT MATTERS



50/50

Historically, Arlington had close to an even split between its residential and commercial tax bases.



Taxes

A decrease in commercial property tax revenue shifts more burden to residential tax revenue.



When these revenues

Services

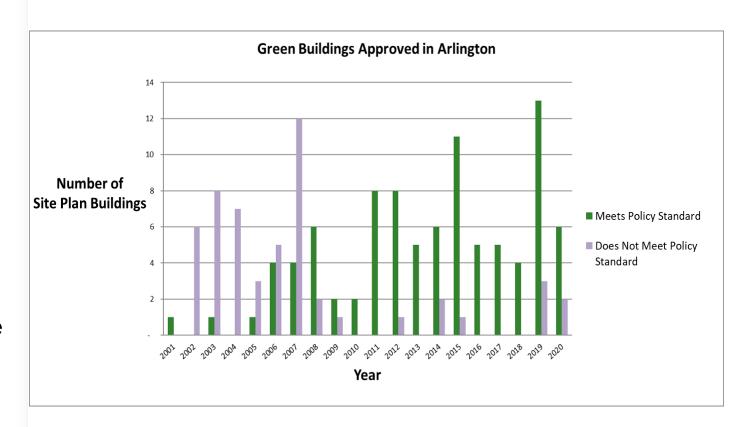
decrease, services and programs that benefit all residents are impacted.



History and Evolution of the GBIP and Industry Standards

### History of Arlington's GBIP

- Since the late 1990s, Arlington's voluntary Green Building Incentive Program (GBIP) has offered developers a small amount of bonus density in exchange for energy efficiency and sustainability components
- The policy was first created in 1999, updated in 2014 (with a minor amendment in 2019), and most recently updated in 2020, to increase energy efficiency and carbon savings in design and construction and in ongoing energy performance



### **Trending Industry Standards**



Performance-based certifications



Accountability and performance standards



Design focus on passive strategies instead of technological approaches (avoided energy use)



Decarbonization emphasis

Adaptive reuse
Existing building retrofits

### Climate Challenges, Needs, and Changing Markets

- GBIP is the primary vehicle for building-based energy efficiency and emissions reductions in the private sector (commercial/multifamily = 39% of all community GHG emissions)
- Emphasis on LEED® ignores large gaps between LEED energy modeling and actual performance (intrinsic shortfalls in energy efficiency and GHG reductions)
- GBIP has not addressed energy inefficiency and carbon sinks in the large inventory of existing buildings
- Office to housing conversions are an urgent need
- Interest rates for real estate lending have increased, and as an incentive bonus density prolongs profitability timelines



2024-25 GBIP Updates, Proposal and Reasoning

# What is New in the GBIP 2024 Proposal: Streamlining, Strategy and Structural Flexibility

- Evolution of the Program for climate, innovation and leadership, broader application, and economic stimulus
- Streamlines LEED® Options
- Focus on PHIUS (Climate Adaptation Model) certified, not modeled, performance
- Introduction of Existing Buildings Pathway
- Introduction of an Adaptive Reuse Pathway
- Tiered financial incentives managing mechanisms (e.g., caps, limited terms)
- Pre-Launch Education-Training Program for developers, building owners, contractors, architects, etc.
- Modular, Flexible Program Structure can be rolled out sequentially or bundled, rather than all elements simultaneously
- Grant-Project Structure with ability to cap annual funds available for incentive-qualifying projects

| Type of construction                                                                                                                       | Pathway<br>designation                               | Green<br>building<br>certifications<br>required                                         | GBIP Baseline<br>Prerequisites<br>required? | Incentive proposed                                                                                                                                                         | Incentive duration                                                                               | Reasoning                                                                                                                                                                                                                                                                                                    |  |
|--------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
|                                                                                                                                            | Traditional<br>Pathway                               | LEED BD+C<br>v4 Platinum<br>or v5 Gold                                                  | Yes                                         | Bonus density (.25, .35, .45, or .55 FAR)                                                                                                                                  | N/A                                                                                              | Market familiarity: builds on and advances the carbon-reduction goals of the 2020 GBIP                                                                                                                                                                                                                       |  |
| New construction                                                                                                                           | Climate<br>Adaptation<br>Pathway                     | PHIUS ZERO +<br>County<br>green<br>infrastructure<br>requirements                       | No                                          | .25 FAR bonus density + funding for initial feasibility study (\$5k) and PHIUS modeling (\$20k) + \$2 per SF award upon project certification                              | N/A                                                                                              | Proven performance in carbon reduction, energy efficiency, indoor environmental quality, and sound attenuation; local green infrastructure requirements target County vulnerabilities; gaining ground as more stringent "reach option" vs. LEED (Boston now requires PHIUS for all multifamily construction) |  |
| Existing buildings<br>(projects at least 5<br>years after receipt<br>of final CoO that<br>undertake<br>upgrades/retrofits<br>are eligible) | Existing<br>Buildings<br>Pathway:<br>ENERGY STAR     | ENERGY STAR certification or 10% reduction in EUI, whichever yields the higher ES score | No                                          | 75 cents per SF of<br>GFA without<br>parking for<br>buildings up to<br>250,000 GFA; 50<br>cents per SF of GFA<br>without parking for<br>buildings up to<br>500,000 GFA cap | 1 year; renewable for up to 5 years<br>subject to annual energy efficiency<br>performance review | Focuses on unprecedented carbon reduction potential in existing buildings, the most numerous in our built environment; rewards actual performance in reducing energy use intensity; puts Arlington on par with other local jurisdictions with incentives for existing building efficiency                    |  |
| Conversion/ Adaptive Reuse (projects retain at least 50% of existing building structure/ infra-structure)                                  | Adaptive<br>Reuse for<br>Housing*<br>LEED<br>Pathway | LEED BD+C<br>v4 Gold or v5<br>Silver + 25%<br>modeled EUI<br>reduction                  | Yes                                         | Two options: \$1500 OR \$2000 market- rate award per unit or \$2000 OR \$2500 affordable award per unit upon project certification                                         | N/A                                                                                              | Carbon savings from building reuse + carbon reduction in continuing operations; adaptive reuse will have shorter and less expensive construction timelines; LEED option familiar to most builders                                                                                                            |  |



New Construction – Traditional Pathway, Updated



# New Construction: Traditional (LEED) Pathway Updates

- Bonus density tiers at .25/.35/.45/.55 FAR remain
  - .7 FAR option removed due to lack of market uptake
- Upgrade to LEED v4 Platinum, or LEED v5 Gold (Automatic Update) at 0.25 and 0.35 FAR
- Removal of LEED Certification at 0.45 and 0.55 FAR.
  - Replaced with the following two options; ILFI Zero Energy or ILFI Zero Carbon
- Updated and new Baseline Prerequisites (for example, for whole building life-cycle assessment)
- New Extra List Items (for example, for building electrification)

### Current (2020) GBIP

| 0.25 FAR                                                                                                                                                                                                  | 0.35 FAR                                                                                                                                                                                                                                  | 0.45 FAR                                                                                                                                                                                                                                                                                                                                                              | 0.55 FAR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 0.70 FAR                                                                                                                                                                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul> <li>LEED Gold v4 or v4.1</li> <li>Energy Optimization Performance Improvement</li> <li>Baseline Prerequisites</li> <li>ENERGY STAR Score 75 – or – LEED site EUI performance verification</li> </ul> | <ul> <li>LEED Gold v4 or 4.1</li> <li>Energy Optimization Performance Improvement</li> <li>Baseline Prerequisites</li> <li>ENERGY STAR Score 80 – or – LEED site EUI performance verification</li> <li>3 Items from Extra List</li> </ul> | <ul> <li>Option 1:</li> <li>LEED Gold Platinum v4 or 4.1</li> <li>Energy Optimization Performance Improvement</li> <li>Baseline Prerequisites</li> <li>ENERGY STAR Score 85 – or - LEED site EUI performance verification</li> <li>4 Items from Extra List</li> <li>Option 2:</li> <li>Baseline Prerequisites</li> <li>Passive House (PHIUS) certification</li> </ul> | <ul> <li>Option 1:</li> <li>LEED Gold Platinum v4 or 4.1</li> <li>Energy Optimization Performance Improvement</li> <li>Baseline Prerequisites</li> <li>ENERGY STAR Score 90 - or - LEED site EUI performance verification</li> <li>6 Items from Extra List including:         <ul> <li>Energy Optimization</li> <li>Renewable Energy plus Storage</li> <li>Carbon Offsets (IFLI reference)</li> </ul> </li> <li>Option 2:</li> <li>Baseline Prerequisites</li> <li>Passive House (PHIUS Certification)</li> <li>Carbon Offsets (IFLI reference)</li> <li>Renewable Energy plus Storage from Extra List</li> </ul> | <ul> <li>LEED Gold 4 or 4.1</li> <li>Energy Optimization</li> <li>Performance</li> <li>Improvement</li> <li>Baseline Prerequisites</li> <li>Zero Energy – or – Zero Carbon certification</li> </ul> |

### **Proposed Traditional Pathway**

| 0.25 FAR                                                                                                                                                                                                                                          | 0.35 FAR                                                                                                                                                                                                                                          | 0.45 FAR                                                                                                                                                                                            | 0.55 FAR                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul> <li>LEED Platinum v4 or v5 Gold</li> <li>Energy Optimization Performance Improvement</li> <li>Baseline Prerequisites</li> <li>ENERGY STAR Score 75 – or – LEED site EUI performance verification</li> <li>2 Items from Extra List</li> </ul> | <ul> <li>LEED Platinum v4 or v5 Gold</li> <li>Energy Optimization Performance Improvement</li> <li>Baseline Prerequisites</li> <li>ENERGY STAR Score 80 – or – LEED site EUI performance verification</li> <li>3 Items from Extra List</li> </ul> | <ul> <li>ILFI ZERO Energy - or - ILFI ZERO Carbon</li> <li>Baseline Prerequisites</li> <li>ENERGY STAR Score 85</li> <li>Post-occupancy recommissioning</li> <li>4 Items from Extra List</li> </ul> | <ul> <li>ILFI ZERO Energy - or -<br/>ILFI ZERO Carbon</li> <li>Baseline Prerequisites</li> <li>ENERGY STAR Score 90</li> <li>Post-occupancy<br/>recommissioning</li> <li>5 Items from Extra List<br/>including:         <ul> <li>Renewable<br/>Energy plus<br/>Storage</li> </ul> </li> </ul> |

# Updated and New Baseline Prerequisites and Extra List Items

### **Updated Baseline Prerequisites**

- Electric Vehicle Charging Infrastructure
- Equity, Diversity and Inclusion Program

### New Baseline Prerequisites

- Whole-Building Life Cycle Assessment (LCA)
- Construction Waste Management
- Integrative Process Workshop with Arlington County Staff

#### **New Extra List Items**

- Building Electrification
- Whole-Building Life Cycle Assessment (LCA), 10% Reduction
- Fitwel Certification, One-Star



New Construction – Climate Adaptation Pathway

### New Construction – Climate Adaptation Pathway

- Two basic parts:
  - Achieve PHIUS ZERO certification
  - Meet the County's green infrastructure requirements
- NO County Baseline Requirements (contrast with Traditional Pathway)
- Incentives, pre- and post-construction:
  - .25 FAR bonus density + funding for initial feasibility study (\$5k) and PHIUS modeling (\$20k)
  - \$2 per SF award upon project certification

|                                             | Climate Adaptation Pathway INCENTIVES |                                       |            |                    |                                                                                                                                      |
|---------------------------------------------|---------------------------------------|---------------------------------------|------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Example Project<br>Name                     | Address                               | Property<br>GFA<br>without<br>parking | Parking SF | Number<br>of Units | .25 FAR bonus density<br>+ feasibility study<br>(\$5k) grant & PHIUS<br>modeling (\$20k)<br>grant; \$2 per SF<br>certification award |
| Gables Pointe 14                            | 1307 N Rolfe St                       | 374869                                | 60000      | 370                | \$774,738.00                                                                                                                         |
| The Latitude<br>Apartments                  | 3601 Fairfax Dr                       | 269704                                | 45370      | 279                | \$564,408.00                                                                                                                         |
| The Bartlett                                | 520 12th St S                         | 752464                                | 342798     | 699                | \$1,529,928.00                                                                                                                       |
| Gilliam Place<br>Apartments<br>(affordable) | 918 S. Lincoln St.                    | 164309                                | 82310      | 173                | \$353,618.00                                                                                                                         |

TOTALS \$3,222,692.00

**New Construction --**

### Why a Climate Adaptation Pathway?

- More rigor than the Traditional (LEED) GBIP Pathways, but simpler
  - Fewer discrete actions required; responds to market critique of Traditional Pathway as a grab bag of actions
  - Integrates equity in green infrastructure provision and process
- Addresses Arlington County local vulnerabilities
  - Pluvial flooding intensified by impervious surfaces
  - Urban heat island
  - Air pollution
  - Energy grid disruptions and power outages (passive design improves indoor climate stability)
  - Noise and impacts of automotive corridors
  - Uneven green development (tree canopy inequity)



### Climate Adaptation Pathway PHIUS ZERO certification

- Focus on reducing heating and cooling energy through passive measures (overall limit on energy use features limits on heating and cooling energy in annual-total and/or peakpower)
- Targets for heating and cooling loads are climate-zonespecific and prioritized for cost-effectiveness as well as performance.
- Prohibits fossil-fueled combustion onsite
- Adjusted renewable energy must be equal to or greater than the modeled energy use of the building
- Requirements for fenestration performance, moisture design, air sealing, ventilation, ENERGY STAR equipment and electric vehicle charging station requirements.



Solis Building, Seattle

# Climate Adaptation Pathway Requirements and Focus on Green Infrastructure

- Accessible vegetated roofs and/or landscaped areas and/or vertical or canopy walls equal to or greater than 30% of the lot area
- Use of native and/or pollinator species for at least 95% of site vegetation, with avoidance of invasive species
- As appropriate to land use, urban density, and available planting area, tree canopy coverage for a percentage
  of the lot area
- Implementation of ecological amenities or increased tree canopy coverage for an ecologically needy Arlington site identified as lacking in tree canopy and/or green infrastructure through a contribution to the <u>Tree Canopy</u> <u>Fund</u>, administered by EcoAction Arlington
- Through bioretention measures, permeable pavement, and/or rainwater harvesting and reuse, onsite management of 80% of stormwater runoff from regional/local rainfall events using primarily non-manufactured strategies
- In lighting plans, incorporation of the International Dark Skies Association's Five Principles for Responsible Outdoor Lighting, with all exterior fixtures to be fully shielded with a color temperature not greater than 3000 Kelvin
- An exterior wall envelope constructed with bird friendly materials to a height of 100 feet above grade

### Incremental costs of PHIUS compared with LEED

- Weinberg Commons in Washington, DC, retrofitted to PHIUS standards in the early 2010s in an era of little to no market familiarity with PHIUS construction methods, incurred a cost premium of around 8% over a conventional building
- For designers with PHIUS experience, for a new 2022 large multifamily building in our climate zone (New York City) the cost premium was in the range of 3-5% above conventional construction, with \$200,000 cited as a figure for soft costs for engaging PHIUS specialists
- In a February 2022 <u>presentation</u> the Massachusetts Clean Energy Center cited the incremental cost of PHIUS as an average of 2.4% over conventional construction. "Cost centers" were ultra-insulating windows and doors, efforts to reduce thermal bridging, meeting the bar for improved ventilation, and the cost of PHIUS construction verification.
- Compare with LEED incremental costs, which a recent analysis found to be 7.43% for LEED Gold certification and 9.43% for LEED Platinum certification, with soft costs comprising between .84 to 1.31% of this total



Weinberg Commons PHIUS retrofit: image courtesy of local consultants Passive to Positive

#### Benchmarking Affordable Passive House Buildings in Philadelphia

## PHIUS's Proven Performance

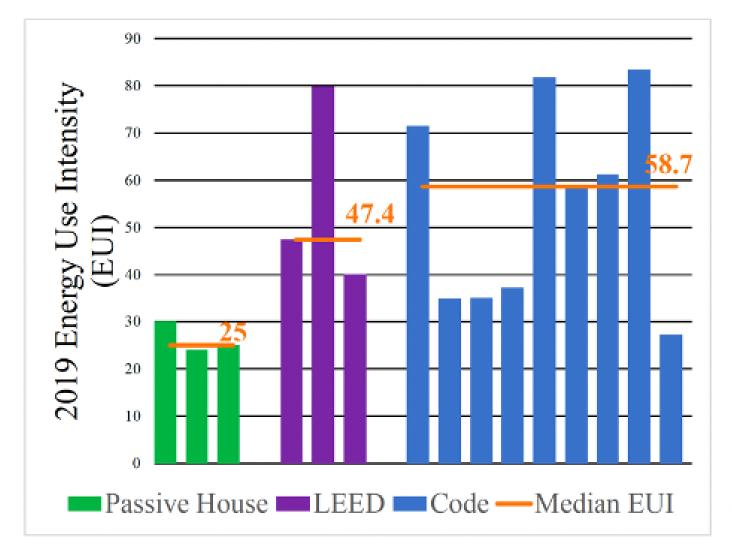


Figure 5. 2019 actual energy use intensity in kBtu per square foot per year (kBtu/sf/yr) for deed-restricted low-income multifamily buildings in Philadelphia, PA (City of Philadelphia 2022). Categorized by voluntary standards achieved. Source: Green Building United



## Adaptive Reuse Pathway

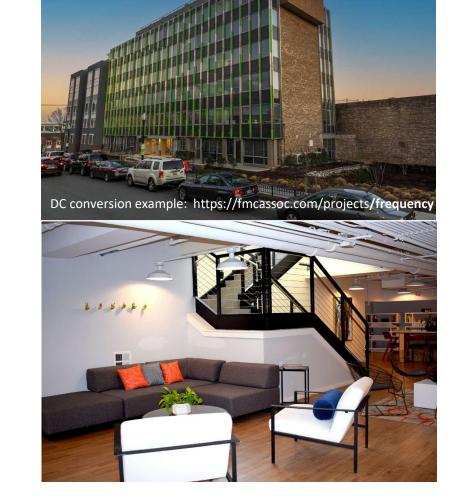
### Adaptive Reuse and Office-to-Housing\* Conversion

**Benefits of adaptive reuse:** less vacancy and more social and economic street life, much lower embodied carbon and avoided concrete use, less waste and construction phase contamination, shorter and less costly construction process, less disruption to humans and other species in maintaining an existing sense of place.

Arlington Economic Development has identified buildings compatible for conversion to residential.

The GBIP recognizes and incentivizes adaptive reuse development as a form of new construction, requiring projects to retain 50% of their existing building floor area to be eligible for incentives.

- Adaptive reuse projects will seek LEED BD+C certification (v4 Gold or v5 Silver) with 25% modeled EUI reduction and fulfill GBIP Prerequisites.
- Adaptive Reuse will be part of the Education Curriculum but, in addition:
  - Recommendation to consider model developed with the WPI Adaptive Reuse Cohort



\*office-to-housing, affordable housing or short-term housing



## **Existing Buildings Pathway**

### **Existing Buildings Pathway Requirements**

Eligibility (for grant model incentives): buildings that are five years or more beyond their final certificate of occupancy that have:

- Undertaken energy upgrades or retrofits
  - Arlington County will provide a definition of eligible upgrades and retrofits
  - Achieved ENERGY STAR certification or (if already a high performer) 10% reduction in EUI, whichever yields the higher ENERGY STAR score
    - ENERGY STAR certification is valid for one year. Incentives are renewable for up to five years with documentation of new certification.



# **Summary of Incentives**

### **Incentives Compared**

- New Construction LEED (Traditional) Pathway Bonus Density incentive only
  - New Construction Climate Adaptation Pathway also includes bonus density (.25 FAR)
- Financial incentives for New Pathways: grant program structure
  - New Construction Climate Adaptation Pathway
    - Nominal incentives toward feasibility studies and modeling up to \$25,000
    - Payable one-time incentive at completion and certification of Project
  - Existing Buildings ENERGY STAR upon certification, incentives paid annually for up to 5 years, contingent on certification
  - Adaptive Reuse one-time incentive paid upon certification of Project
  - Initial Project Incentive is not payable until competition and certification of Project
  - Best-effort / experienced projection for the GBIP Innovation Pilot (2025-2029 combined)
    - Two PHIUS New Construction Projects 2025-2029
    - Five (5) Existing Buildings Projects 2025-2029
    - Three (3) Adaptive Reuse Projects 2025-2029

### **Community Benefits**

This model is proposed as a 5-year landmark pilot that will update the conventional model. **The update serves multiple priorities**.

- Replaces "modeled" savings with verified performance
- Incentivizes existing buildings to retrofit for better performance and quality of life
- Advances climate and affordable housing goals
  - The Climate Adaptation Pathway will provide literally greener buildings (through green infrastructure and green space) and cut energy bills for tenants
- Leverages the economic and environmental timeliness of revitalizing distressed building assets

### In addition, the proposal:

- Allows for a 6-month tolling period during which a dynamic education and engagement program will be promoted for developers, building owners, designers, architects and contractors that informs new buildings and retrofits from inception.
- Introduces financial incentives that in the main will not be payable until ~CY 2028, allows for caps, and promotes recoupment of incentives through enhanced property values.



## **Next Steps and Discussion**

### Public Engagement Plan

#### **Internal Engagement includes:**

- CPHD Monthly Department Meeting
- AED
- Engineering Bureau (for Sustainable Facilities comparison)
- FDC and FMB (for Sustainable Facilities comparison)
- CAO and DREA
- Zoning and Permitting (coordination with CMRI 2.0)

### **Extensive Public Engagement**

- Commissions (C2E2, EDC, UFC, PRC, LRPC)
- NAIOP (working group and Arlington committee)
- Private developers
- Advisory Group (Energy Consultants, Engineers, Architects)
- Chamber of Commerce, Washington Gas, Dominion Energy
- Environmental Groups (EcoAction Arlington, Faith Alliance for Climate Solutions, citizens with environmental focus)
- Online public comment period through Public Input/Konveio engagement



## Q&A Discussion

### **Additional Questions?**

Please contact us at: energy@arlingtonva.us

