2024 GBIP Update Engagement Summary

November 2024

Program Background

Arlington County's <u>Green Building Incentive Policy (GBIP)</u> is a voluntary program that has historically awarded participating building developers with bonus density, allowing them to build additional amounts of square footage according to the level of green building actions they undertake. The bonus density awarded is consistent with Section 15.5.7.A.1 of Arlington County's Zoning Ordinance upon evaluation and approval of a project's site plan. This policy applies to new construction of three building use types: multifamily housing, office buildings and hotels. Over the decades of the GBIP's existence, the key green building action required of voluntary participants has been green building certification achieved under the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) rating system for new construction.

Proposed Updates to the GBIP

The GBIP will continue to offer the LEED-oriented pathway for new construction, to be designated as the "Traditional Pathway" to distinguish it from the three new pathways. The proposed 2024 GBIP will thus include the following four incentive pathways:

- The **Traditional Pathway**, with tiered incentives for bonus density at the .25, .35, .45, and .55 FAR (Floor Area Ratio, the ratio of floor area to lot area) levels, will require LEED Gold or above certification at the .25 and .35 FAR levels, and the more stringent International Living Futures Institute's (ILFI) certifications at higher levels. In addition, projects must fulfill the County's updated list of Baseline Prerequisites and, as applicable, Extra List items.
- The new Climate Adaptation Pathway would require buildings to fulfill requirements for green infrastructure, tree canopy equity, bird-friendly construction, light pollution reduction, and achievement of the PHIUS (Passive House International U.S.) performance-based certification. Incentives include financial incentives based on project size as well as .25 FAR bonus density. The County's Baseline Prerequisites are not part of this pathway, since PHIUS certification and the short list of other requirements equal or exceed the prerequisite thresholds.
- The new Adaptive Reuse Pathway incentivizes the conversion of office buildings to housing.
 This new pathway will require developers to retain 50% of the office building's floor area or
 structure when converting its use to housing or affordable housing. Projects must earn LEED
 new construction certification at the Silver or above level and fulfill the County's updated list of
 Baseline Prerequisites.
- The new Existing Buildings Pathway incentivizes building owners to undertake energy- and carbon-saving retrofits by offering financial incentives as a reward for earning the performancebased ENERGY STAR certification.

The proposed re-envisioned and redesigned GBIP will benefit the Arlington community through increased climate resilience and less climate risk; improved responses to local vulnerabilities (such as urban heat island and flooding); healthier and greener outdoor and indoor environments; and social and economic revitalization of neighborhoods.

Goals and Basis for the GBIP Update

Arlington County is updating its GBIP to adapt to changing market conditions and the need to better respond to local environmental, social and economic vulnerabilities. The new pathways, with emphasis on performance and local conditions, will offer better environmental, social and economic outcomes for Arlington County. The proposal will also continue to mark Arlington County as a leader in incentivizing actions for climate resilience and reduced climate risk in our built environment. As a green building rating system, the USGBC LEED rating system is a prescriptive green building certification and therefore does not result in performance-based outcomes. Notably, Arlington's 2024 GBIP proposes expanding beyond the LEED rubric.

Recently, local jurisdictions in Massachusetts have adopted the Commonwealth of Massachusetts' Stretch Energy Code that enforces Passive House Institute U.S. (PHIUS), a non-profit organization that promotes and certifies high-performance passive building projects and has a mission to decarbonize the built environment. Similarly, in New York, the NYStretch 2020 Energy Code includes PHIUS standards. As the PHIUS standard becomes more recognized in our wider region, we believe that if developers respond to County incentives and pursue PHIUS certification, performance-based outcomes will improve. In addition, and in relation to performance-based outcomes, the County's Green Building Staff proposes that the Green Building Policy include an existing buildings and adaptive reuse/conversion pathway. The County's existing building stock has a key role to play in assisting Arlington County in meeting its carbon neutrality goals. Whether achieved through building retrofits, or adaptive reuse of offices to become housing, improved energy efficiency and carbon reduction in the existing buildings sector will be necessary in lowering the County's greenhouse gas (GHG) emissions.

Public and Stakeholder Engagement

Stakeholder engagement has included presentations to County commissions and associations (including C2E2, the County's Housing Commission, the Long Range Planning Commission, NAIOP and others), conversations with institutional representatives (the Northern Virginia Chapters of the Bird Alliance, Dark Sky International, Sierra Club and Southern Environmental Law Center), outreach to internal County staff and individual conversations with developers.

Public feedback was received online through a question and response feedback form as well as through comments on the proposed 2024 Draft Policy. The online feedback form for the proposed 2024 GBIP Update had 36 participants and 72 responses to the questions, with the Draft Policy document receiving 120 comments from 11 constituents.

Engagement Summary and What We Heard

The opinions of County stakeholders vary depending on their affiliation, with lines drawn on issues of green building certification stringency and the desirability of requiring electrification. Advocates of public and environmental organizations applaud the new pathways as being potentially transformative, while arguing strongly for mandatory electrification in all Pathways, not just in the Climate Adaptation Pathway, where it is required. The developer community has opposed mandatory electrification on the basis of cost and, for the existing buildings sector, the difficulty in retrofitting the infrastructure required for mechanical systems, also observing in one case that a reliance on electricity in our eGrid region, as largely derived from fossil fuels, would likely result in an increase rather than decrease in carbon emissions. Like-minded organizations have commented that the increased performance standards suggested in the original draft – for example, in terms of thresholds for ENERGY STAR and LEED certification – do not go far enough, while the developer community argues that they go too far: for example, for projects in the Traditional Pathway pursuing LEED version 4, which was released over 11 years ago as of 2023, the County team proposed a goal of LEED Platinum rather than Gold achievement. Environmentally-minded community members favor increased stringency for Baseline Prerequisites; the developer community argues against the need for Baseline Prerequisites.

Despite their unfamiliarity with Passive House International U.S. (PHIUS), some members of the development community were open to including PHIUS certification as a cornerstone of the Climate Adaptation Pathway, as revealed during our one-on-one conversations with developers. Market-rate housing developers, even when acknowledging the difficulty of achieving the stringency that PHIUS requires on large projects, suggested that a focus on the building envelope was a productive way forward. The affordable housing developers were more receptive to PHIUS, particularly because they continue to operate their buildings for years to come; because they are unable to raise rents in line with market-rate examples, they understand the impact of the magnitude of energy savings and the human and maintenance benefits of excellent indoor environmental quality that PHIUS can bring. Affordable housing developers were particularly encouraged by the financial incentives proposed for the Climate Adaptation and Existing Buildings pathways, and so were many of the market rate developers, though these pointed out that most (but not all) of the financial incentives would be awarded at the end of construction rather than earlier in the process (although there are financial incentives for undertaking modeling and feasibility studies).

Many County stakeholders provided detailed and constructive feedback on the Draft Policy showing the proposed GBIP changes. Each of these specific comments, posted in notes through the online interface, received a specific answer from County Green Building staff and are included in the Appendix on the project page. The comment process resulted in edits to the original draft of the updated GBIP on points large and also specific.

Comments on the Draft Language of the 2024 GBIP

Below is a summary account of feedback and public comments on the draft language of the 2024 GBIP update, many of which were constructive suggestions and helpful in their specificity. The Draft Policy received 120 comments from 11 participants. The full responses can be found in the Appendix on the project page.

Traditional Pathway

Suggestions included: add more EV Charging stations; align the GBIP with other certification programs such as LEED and ILFI; reduce carbon and waste; encourage maximum energy performance; add public access to sustainability discussions; update lighting standards; support all-electric buildings; promote bike parking and walkability; advance energy metering and grid harmonization; and consider charging capacity at retail and restaurant locations.

Existing Buildings Pathway

Suggestions included: allow site Energy Use Intensity (EUI) reduction as an alternative to ENERGY STAR certification; include electric heat pump system technologies; differentiate requirements between whole buildings and individual floors; set more ambitious targets aligned with the County's CEP; clarify eligibility for optimization measures and documentation requirements for energy audits; increase the EUI reduction threshold; expand site EUI reduction award pathway; award electrification; and include lighting standards from 2024 Draft Policy Appendix 1.

Climate Adaptation Pathway

Suggestions included: remove overlapping green infrastructure requirements; include and extend international Futures Living certifications and PHIUS to retrofits and adaptive reuse; ensure properties have stormwater management; set a minimum for tree-canopy converge; expand site vegetation; conduct a cost-benefit analysis on bird friendly requirements; conduct life-cycle assessments; review terms; and reduce light pollution.

Adaptive Reuse Pathway

Questions included clarifying the following terms: baseline EUI reduction, façade changes, adaptive reuse density and building conversion eligibility. Suggestions included: adjust baseline requirements, incentivize energy performance and electrification, consider alternatives to LEED, increase affordable housing incentives, collaborate with code officials, and change program terminology to "Platinum."

These pathway suggestions and questions will be further detailed in the Appendix on the project page.

Summary of Responses to the Online Feedback Form Questions

Four general questions were set for commenters to respond to prior to commenting on the proposed 2024 GBIP Update. The answers to these questions were helpful in providing the Green Building Program staff with an understanding of community knowledge and opinions about green buildings and built environment climate vulnerability. The online feedback form for the proposed 2024 GBIP Update

had 36 participants and 72 responses. The full summaries are included in the Appendix on the project page, along with the actual responses and identified themes, and provide valuable insights into the community's perspectives on green or sustainable buildings.

Question 1: How would you define a green or sustainable building?

Purpose: This question aimed to help the Green Building Program Manager and team identify common themes in the understanding of green or sustainable buildings.

Summary: Most definitions focused on carbon, energy, and resource efficiency. Feedback from this question was used to guide changes made to the Draft Policy.

Question 2: How do you think Arlington's buildings and infrastructure will be vulnerable to climate change? How have you been affected by climate change?

Purpose: This question allowed respondents to share personal stories, highlighting local vulnerabilities to climate change.

Summary: Commonly cited vulnerabilities included extreme heat, flooding and potential power outages. Feedback from these responses was used to review and ensure the pathways included relevant vulnerabilities.

Question 3: What would your top suggestion be for making Arlington County's buildings and infrastructure greener or more sustainable?

Purpose: This was seeking public input to enhance the sustainability and resilience of Arlington County's built environment.

Summary: This question elicited diverse responses. Suggestions included required electrification, 100% renewable energy, meaningful incentives, reduction in street parking, elimination of parking minimums and increased EV infrastructure. Any additional ideas not already included in the GBIP Update draft were considered.

Question 4: Please leave any additional comments you have here.

Purpose: This open-ended question provided the community with an opportunity to offer additional comments about the GBIP Update or the previous questions.

Summary: The responses were diverse and are linked in the summary for further review. This feedback served as a catch-all for any other comments.

Letters from Organizations and Advocates

The following organizations wrote letters to Arlington County directly related to the Draft Policy:

- Northern Virginia Bird Alliance (NVBA)
- Southern Environmental Law Center (SELC)
- Sierra Club Potomac River Group
- Climate Change, Energy and Environment (C2E2) Commission

- NAIOP National Association of Industrial and Office Parks, which is now known as the Commercial Real Estate Development Association
- DarkSky Virginia

These letters were submitted in response to the proposed 2024 GBIP Update, separately from the online feedback form. View the full letters in the Appendix on the project page.

Next Steps

As noted above, many County stakeholders provided detailed and constructive feedback on the draft policy. Each of these specific comments, posted throughout the draft, received a specific answer from County Green Building staff and are included in the Appendix on the project page. The comment process resulted in edits to the original draft of the updated GBIP.

After including revisions and finalizing the draft, we anticipate circulating the updated draft GBIP to the County Board in the first quarter of 2025 for their consideration. If adopted, the updated GBIP will go into effect after we deliver a means-and-methods educational program for building owners, contractors, subcontractors, and any others who wish to participate. This will be the final public checkpoint.

More Information

Project Contact

Paul Roman, Green Building Program Manager <u>Proman@arlingtonva.us</u>

Project Page: Green Building Incentive Policy – Official Website of Arlington County Virginia Government

Appendix: Documents can be found on the GBIP project page linked above.

- A. Draft Policy Comments
 - a. Traditional Pathway Responses
 - b. Climate Adaptation Pathway Responses
 - c. Existing Buildings Pathway Responses
 - d. Adaptive Reuse Pathway Responses
- B. Online Feedback Form Questions, Summaries and Responses
- C. Letters from Organizations