

Memorandum


TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Kerrie Romanow
Rosalynn Hughey

SUBJECT: SEE BELOW

DATE: January 9, 2020

Approved



Date

1/9/20

INFORMATION

SUBJECT: ANALYSIS OF MID- AND HIGH-RISE NATURAL GAS PROHIBITION

At its September 17, 2019, meeting (item 7.2), City Council requested that staff 1) return to Council by October 2019 with an ordinance prohibiting natural gas infrastructure in new detached accessory dwelling units (ADUs), single-family, and low-rise (meaning up to three stories) multi-family buildings starting January 1, 2020 and 2) return to Council by January 2020 with an analysis as to whether or not the City should require electrification for all wood-frame construction up to seven stories. Staff returned to City Council on October 29, 2019 and City Council adopted the natural gas infrastructure prohibition for new detached accessory dwelling units (ADUs), single-family, and low-rise multi-family buildings starting January 1, 2020.

To analyze the concept of applying a natural gas infrastructure ban to new buildings over three stories, staff will work with New Buildings Institute (NBI), a policy expert and partner through the American Cities Climate Challenge who provided policy guidance throughout the development of the City's reach code, to evaluate the technical feasibility of all-electric buildings above three stories. Staff will work with NBI to produce a draft report in early February that summarizes the key findings from three sources: 1) technical workshop discussions, 2) the State's Cost Effectiveness Study for new mid- and high-rise residential buildings commissioned by the California Energy Commission, and 3) technical research and analysis completed by NBI.

To inform NBI's report, City staff hosted a technical workshop on December 16, 2019, to discuss the challenges and market barriers with developing all-electric new construction. Invitees included building developers, architects, engineers, manufacturers, real estate investors, electric vehicle charging companies, business associations, affordable housing developers, and City staff. The workshop included presentations on all-electric low- and mid-rise residential and commercial office buildings, as well as facilitated break-out groups to discuss some of the common technical challenges with all-electric designs.

The California Codes and Standards Reach Codes Program provides technical support, such as cost effectiveness studies, to jurisdictions that wish to adopt building reach codes. Program staff

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previously released the residential new construction and nonresidential new construction cost effectiveness studies which were used to support the City's adoption of its reach code. City staff is anticipating that this Program will release cost effectiveness studies that cover new mid-rise residential construction in early January 2020 and one for new high-rise residential buildings within two to three months following that. These studies will provide additional insights into both upfront construction costs and operationally, specifically for these types of buildings.

Based on the timing of the workshop, follow-up report, and cost effectiveness studies, City staff provides this informational memorandum as a report to Council on progress. Although Council requested staff return by January 2020, additional time is required to thoroughly assess the issue and provide recommendations. Staff anticipates this work will be complete by April 2020. This will allow staff time to thoroughly assess the issue and then provide Council with an update and any further recommendations.

/s/

ROSALYNN HUGHEY

Director, Planning, Building, and Code Enforcement

/s/

KERRIE ROMANOW

Director, Environmental Services

For questions, please contact Ken Davies, Deputy Director, at (408) 975-2587.

