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CALIFORNIA ASSOCIATION OF REALTORS®

March 1, 2017

California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95814

**RE: 2017 Climate Change Scoping Plan Update: The Proposed Strategy for Achieving California's 2030 Greenhouse Gas Target and Draft Environmental Analysis**

Dear Chair Nichols:

Thank you for the opportunity to provide comment on the draft 2017 Climate Change Scoping Plan Update (Proposed Plan). We have reviewed the Proposed Plan and respectfully submit the following comments highlighting our concerns and interests in the varying proposals. The California Association of REALTORS® (C.A.R.) seeks to be a valuable contributor to the development of a framework for California to achieve a 40 percent reduction in greenhouse gas emissions by 2030.

## Low Carbon Energy

### Efforts to Reduce Greenhouse Gases Pages: 91, Appendix B-2

The Proposed Plan acknowledges the implementation of AB 758 (Skinner, 2009) as an essential element in achieving GHG reductions through energy efficiency upgrades and retrofits. However, the Proposed Plan also recommends time of sale as the trigger for these retrofits. In the passage of both AB 758 (Skinner, 2009) and SB 407 (Padilla, 2009), the California Legislature recognized that placing the burden of retrofits and upgrades at time of sale does not effectively meet California's energy and water use efficiency goals in a timely manner. Housing turnover averages approximately every 22 years. Thus, these programs could take up to 100 years to fully reach a community. This is why the Legislature deliberately left time of sale out of both pieces of legislation.

To truly meet Greenhouse Gas (GHG) reduction goals, the Proposed Plan should not rely upon housing turnover as a trigger and instead should consider community-wide comprehensive programs that will reach all homes by a pre-determined date. Furthermore, a critical flaw of time of sale mandates is the idea that homeowners should wait for a home to sell to discover their energy efficiency status. Homeowners should learn the potential for increased savings and comfort while they are still living in the home, and choose the retrofits or upgrades that make sense for them and not for strangers.

For commercial buildings, California already requires energy use benchmarking. It should be highlighted that the nonresidential building energy use benchmarking and disclosure program under AB 1103 (Saldana, 2007), which was triggered when a building was sold, leased, financed or refinanced, was abandoned. Instead, a new statewide benchmarking program was created by AB 802 (Williams, 2015). Like AB 758 (Skinner, 2009) and SB 407 (Padilla, 2009), the replacement program avoided transactions as a trigger and instead made benchmarking a mandate for all buildings qualified by certain size and use parameters.

For both residential and commercial properties, C.A.R. recommends the Proposed Plan consider voluntary, systematic, and/or market-based programs to reduce greenhouse gas emissions. The Proposed Plan should also ensure that state and local governments offer a wide variety of options that can easily and favorably be adopted by an entire community without discriminating against properties involved in a transaction.

## Transportation Sustainability

**Restricting Growth/Urban Boundaries** *Pages: 108, 110, 114 Appendix B-2, Appendix C-2, C-3, EJAC Recommendations 20/24*

C.A.R. strongly opposes recommendations in the Proposed Plan for urban limit lines, urban growth boundaries, or restricted urban services areas as planning strategies. These lines and boundaries do not allow local planners the flexibility to accommodate population growth in a way that accommodates varying lifestyle preferences within a community. By denying housing variety within a delineated urban area the unmet development needs get pushed into neighboring communities and “leap frog” development occurs. Longer commutes result in increased GHG emissions and added pressure to infrastructure and the environment.

## Climate Action through Local Planning and Permitting

**Local Decisions Have Regional Effects** *Pages: 135-136*

We agree that “local land use decisions also play a particularly critical role in reducing GHG emissions associated with the transportation sector...”. In addressing GHG emissions through local planning, it is important that local governments are held to meeting their Regional Housing Needs Allocations for providing an adequate supply of housing for people at all income levels. Anti-growth activism is pushing unmet development needs into neighboring communities or forcing “leap frog” development and “super commuting”. Lack of adequate housing induces higher housing costs, longer commute times, increased GHG emissions, and added pressure to infrastructure and the environment, and not to mention families. The burden of commuting is often disproportionately borne by low to moderate income families who are priced out of urban low-growth/no-growth communities.

According to the recent Legislative Analyst’s Office Report *California’s High Housing Costs: Causes and Consequences* (2015) “Housing is more expensive in California than just about anywhere else. As of

early-2015, the typical California home costs \$437,000 more than double the typical U.S. home (\$179,000).” GHG reduction planning should also be considerate of potential effects on housing costs.

**Direct Investment in Local Building Retrofit Programs Pages: 136-137**

The upfront cost of retrofits and upgrades is often the largest limiting factor for property owners wanting to improve their energy and water use efficiency. The inability to substantially reduce or eliminate GHG emissions from a new project does offer opportunity to an existing community. C.A.R. agrees that direct investment into local building retrofit programs could help an entire community come into compliance with energy and water use efficiency standards while meeting regional GHG goals for new development.

## Water

**New Water Use Targets and Conservation Page: 129**

In 2009, SB 407 (Padilla) was signed into law. That law requires all residential and commercial properties to be equipped with specific water-conserving plumbing fixtures on or before January 1, 2017. Disclosure of whether the property includes any noncompliant plumbing fixtures are required by sellers as of January 1, 2017.

C.A.R. recommends that any changes to current requirements take into consideration existing statutes so that property owners are not subject to conflicting compliance standards and are still able to comply with disclosure requirements.

## Local Action

**Elimination of Green Landscape Requirements by Home Owner Associations Page: Appendix B-5**

C.A.R. supports the elimination of green landscape requirements. In 2014, C.A.R. supported AB 2104 (Gonzalez) which prohibited Common Interest Developments from fining members when a local government declares a water shortage. We also supported AB 2100 (Campos, 2014) which prohibited a home owner association (HOA) from imposing a fine or assessment against a member of a separate interest for reducing or eliminating watering of vegetation or lawns during any period for which the Governor has declared a state of emergency, or a local government has declared a local emergency, due to drought. Similarly, we supported SB 992 (Nielsen, 2014) which made void and unenforceable any HOA governing documents that required pressure washing the exterior of a separate interest and any exclusive use common area appurtenant to the separate interest during a state or local government declared drought emergency. These bills were signed into law but are only enforceable during droughts.

One bill we supported which was not signed into law is still a good idea. AB 1636 (Brown, 2014) would have prohibited a city or county, during a drought emergency declared by the Governor, from enforcing a law or ordinance requiring a resident to water his or her lawn.

**Woodburning Stove and Fireplace Retrofits** *Page: Appendix B-6*

We agree with the recommendation that incentives be provided to “reduce wood smoke by changing out uncertified wood heating devices to gas, electric, or pellet devices”. Local REALTOR® associations around California have been working constructively in their communities and with their air districts on wood stove replacement programs. As is noted in the *Revised Proposed Short-Lived Climate Pollutant Reduction Strategy* report (CARB, November 2016), “monetary incentives to stimulate removal of old wood burning devices are popular and can achieve significant emission reductions”. The \$5 million allocated to these programs from the Cap-and-Trade program should help continued efforts, however to reach all regions of California additional funding sources will need to be identified.

Due to the high level of success of incentive-based replacement programs, we respectfully encourage the continued use of incentives and voluntary replacement strategies.

**Third-Party Certification Requirement** *Page: Appendix B-8*

We are very concerned with the recommendation to “require new construction, including municipal building construction, to achieve third-party green building certifications, such as GreenPoint Rated program or the LEED rating system.” As participants in the development of the original CALGreen building standards we know that careful consideration was given to the idea of tailoring building standards to a pre-established privately-owned rating system, or to requiring third-party certifications. Ultimately, CALGreen was written and published by the Building Standards Commission in a way that ensured “green” construction standards without awarding any proprietary benefit to an individual third-party rating system. If a building is built to standards, it presumably is a “green” building. Creating a captive market for one or more private rating company will not make buildings any “greener”, it will only make those companies richer. California already has some of the highest housing costs in the nation, this recommendation will exacerbate the affordability problem without reducing GHGs.

## Pathways Modeling

**Incentive Programs for Early Replacement** *Page: Appendix D-7*

C.A.R. tentatively agrees with the Proposed Plan’s suggestion that early retirement of household equipment, such as HVAC units is best done through incentive programs. The Proposed Plan should take into consideration that this proposal may also have some unintended consequences. What, if any consideration has the Proposed Plan given to incentivizing a program which promotes a throw-away society and an increase in landfilling. Additionally, the Proposed Plan should consider that early retirement may conflict with return on investment projections for fixtures and appliances. For many households, these amenities could have been paid for through financing that is tied to the projected life of the equipment. Early replacement could deem some equipment not cost effective or simply unaffordable.

Additionally, C.A.R. also requests that the Proposed Plan and Appendices B and D include language regarding the necessity for the proper installation of energy efficient fixtures in buildings. In the AB 758 Action Plan Update proceedings at the California Energy Commission, it was estimated that over half of all energy efficient installation and retrofits are installed incorrectly or are underperforming. Proper installation and operation should be considered just as important as a factory rating.

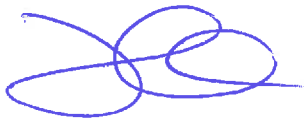
## Environmental Justice Advisory Committee

### Renters and Retrofits Page: *EJAC Recommendations 11/24*

Since tenants do not own the units they rent, they must obtain the permission of the property owner prior to initiating any property improvement, including some financing and retrofits. The landlord/tenant relationship, especially in residential properties, is very complex. Creating programs that allow a tenant to enter into an agreement to create a financial obligation on a property they do not own is simply not workable. The Proposed Plan should consider the creation of programs that assist renters without inadvertently creating liability against the renter.

C.A.R. seeks to be a valuable partner to the ARB and its staff in the development of strategies to reduce greenhouse gas emissions in California. We would be happy to discuss any of our comments or provide any other information that may assist this process.

Thank you,



Jeli Gavric

Legislative Advocate