



# Facility-Based Mobile Source Measures: New Development and Redevelopment Projects (EGM-01)



6<sup>th</sup> Working Group Meeting  
November 30, 2018

# Working Group Meeting #6

## Agenda

---

- Background
- Approach to Future Working Group Process
- Overview of RFP Survey
- Summary of RFP Survey Responses
- Approach to the RFP
- Next Steps

# Background – Governing Board Direction

---

- On May 4, 2018, the Governing Board directed staff to continue to develop details on concepts, timelines and preliminary cost and benefit estimates for a rule affecting new and redevelopment projects
- The Governing Board expressed key concerns about:
  - Types of projects affected (e.g. affordable housing projects)
  - Effects on real-estate prices
  - Job and economic impacts

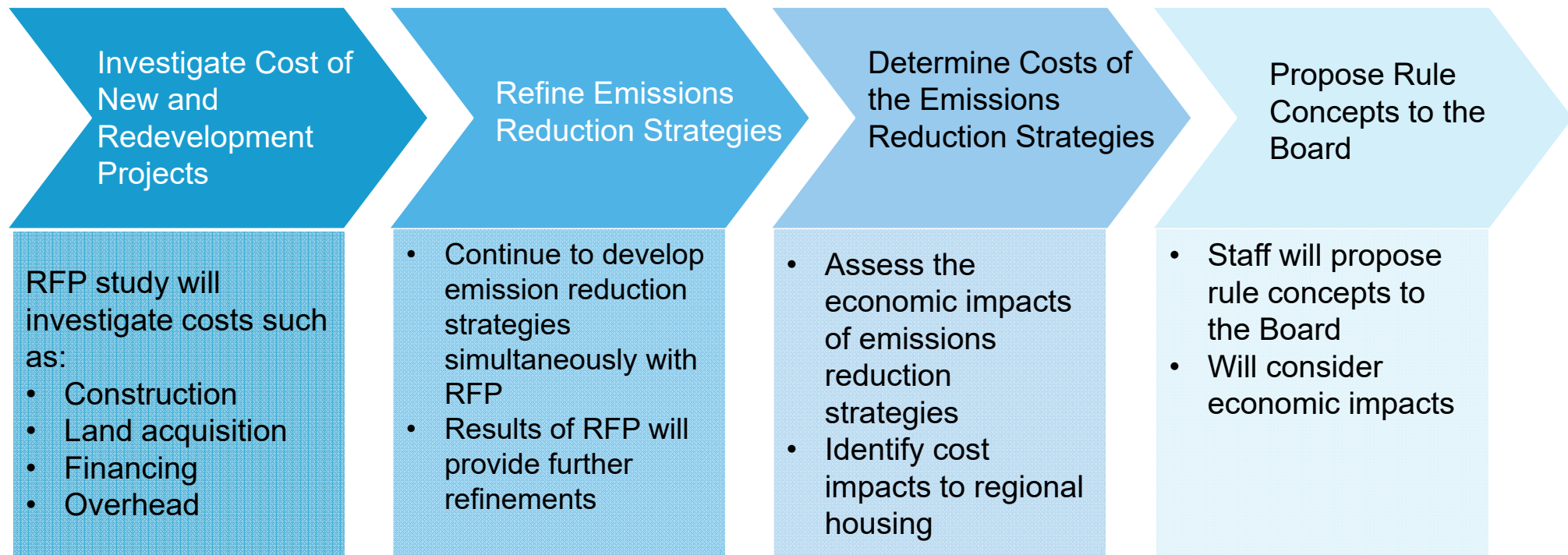
# Approach to Future Working Group Process

---

- Investigate the cost of new and redevelopment projects
- Refine emission reduction strategies for new development and redevelopment projects
- Determine the cost impacts of emission reduction strategies
- Propose rule concepts to the Board

# Approach to Future Working Group Process *(Continued)*

---



# Cost Investigation - RFP

---

- Staff is pursuing a request for proposal (RFP) to assist with analyzing the economic impacts of a new development and redevelopment indirect source rule
- On October 12, 2018, SCAQMD staff sent a survey to Working Group members seeking input on the RFP
  - The survey was designed with four (4) questions about potential areas of study for the RFP
  - SCAQMD staff provided Working Group members a 10-day response period to the survey
  - Staff received five (5) written responses

# RFP Survey Questions

---

## Question #1

Prioritize the potential areas of study listed below:

- Effects on residential and commercial real-estate prices
- Overall regional job and economic impacts
- Effects on the cost of new construction
- Effects on affordable housing

## Question #2

Identify up to three (3) additional areas of study the RFP should focus on

## Question #3

Identify any new incentive opportunities that do not currently exist

## Question #4

List any other ideas or suggestions for inclusion in the RFP

# Response #1: Prioritize Potential Areas of Study

- SCAQMD staff ranked the survey results to Question 1 using a point based metric
  - Four (4) points for responses rated as highest priority
  - One (1) point for responses rated as lowest priority
- The two highest ranking areas of study based on the survey results were:
  - Effects on affordable housing
  - Effects on the cost of new construction

Survey Results for Question #1	Total Points
Effects on affordable housing	13
Effects on the cost of new construction	13
Overall regional job and economic impacts	8
Effects on residential and commercial real-estate prices (excluding warehouses)	6



# Response #2: Identify and Prioritize Additional Areas of Study

---

- Working Group members prioritized the following:
  - Exemptions for new residential developments
  - Number of passenger miles traveled
  - Other effects on the housing market
  - Effects of regulating developers vs. construction equipment operators/owners
  - Strategies with lowest cost and greatest emissions reductions

# Response #3: Identify New Incentive Opportunities

---

- Incentives to help make up for the loss of the federal Solar Investment Tax Credit for new commercial and residential developments
- Direct partnerships with local governments to more easily facilitate vehicle turnover, especially for cities developing climate action plans
- Freight corridor plans with readily available funds for areas that are highly impacted by the plans or by public facilities with high emissions

# Response #4: List Other Ideas or Suggestions

---

- Impacts of previous attempts by air districts that required construction equipment emissions standards stricter than CA standards
- Identify options to simplify and streamline various rebates for construction and development firms of different sizes
- Consider cumulative mitigation within Regional Transportation Plans and other freight plans

# Approach to the RFP

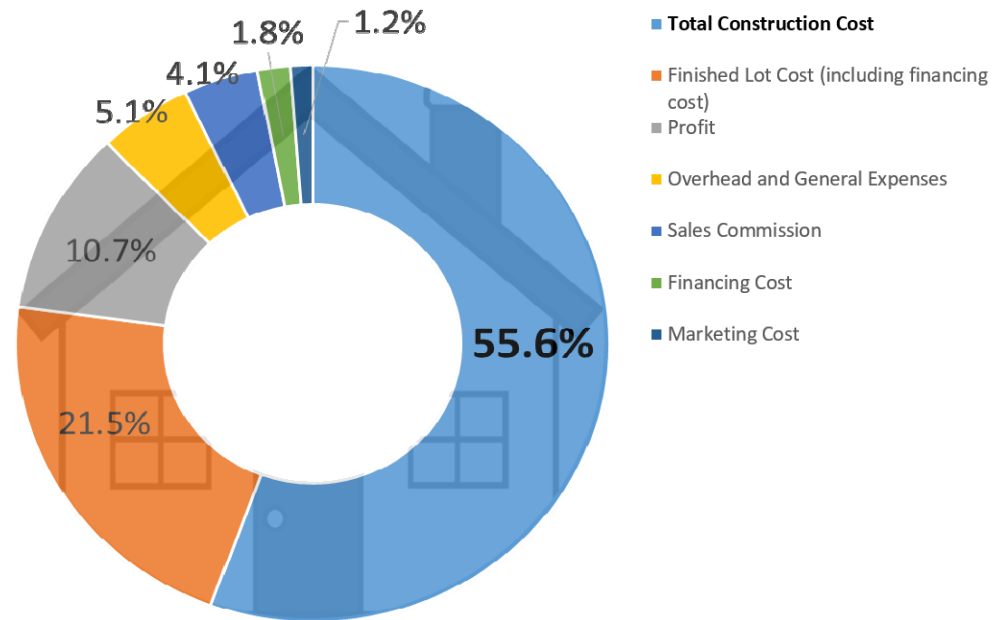
---

- Based on the survey results, staff will seek to obtain region-specific cost information for new development and redevelopment projects through the RFP study
- Nation-wide costs for building single family residences is available and provides an example of the cost information needed at a regional level

# Approach to the RFP (continued)

- Building cost components
  - Total Construction Cost
  - Finished Lot Cost (including financing cost)
  - Overhead and General Expenses
  - Sales Commission
  - Financing Cost
  - Marketing Cost

**National Cost Breakdown for a Single Family Home in 2017**



*\*Data above based on information from Ford, Carmel. "Cost of Constructing a Home." National Association of Home Builders, Dec. 2017*

# Approach to the RFP *(continued)*

---

- Staff would use regional cost data acquired from RFP study to refine potential emission reduction strategies
- The RFP approach may acquire regional cost data by examining construction costs in cities within SCAQMD's jurisdiction that vary in:
  - Population
  - Land mass
  - Development patterns

# Next Steps

---

- Develop RFP and update Mobile Source Committee in the beginning of the 1<sup>st</sup> quarter of 2019
- Release RFP by the end of the 1<sup>st</sup> quarter of 2019
- Working Group #7 in March of 2019

# Staff Contacts

---

Yunnie Osias  
(909)396-3219  
[yosias@aqmd.gov](mailto:yosias@aqmd.gov)

Dan Garcia  
(909)396-3304  
[dgarcia@aqmd.gov](mailto:dgarcia@aqmd.gov)