

**REVISED** MOTION BY SUPERVISOR KATHRYN BARGER

FEBRUARY 8, 2022

**PURSUING ZERO NET ENERGY (ZNE) DEVELOPMENT IN LOS ANGELES COUNTY**

The County of Los Angeles (County) faces a significant number of challenges today, including dueling crises of a lack of affordable housing as well as addressing the environmental and community impacts of climate change. While these challenges seem different on the surface, the two are inextricably linked.

The insufficient inventory of new housing along with growing energy and climate concerns are issues that can be jointly addressed to meet long term housing goals. In 2021, the California State Legislature and the Governor passed numerous bills aimed at increasing housing production in the state. The push for new housing will have an impact on the demand on energy infrastructure, as the US Energy Information Administration (EIA) projects that worldwide energy use will increase 50% by 2050.

As communities have begun finding ways to address these issues jointly, one approach that has emerged is net-zero or zero net energy (ZNE) development. The state defines zero net energy, on a source energy basis, as the actual annual consumed energy being less than or equal to on-site renewable generated energy.

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**MOTION**

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Locally, developers have begun taking a ZNE approach for some projects which address housing, energy, and climate concerns. The FivePoint Valencia project in Newhall Ranch will build more than 21,000 homes. The project will construct multi-family housing, single-family residences, as well as commercial development and park and open space. It will also be a ZNE development, which will reduce and mitigate its project and construction net greenhouse gas emissions.

Through a comprehensive approach, the development will deploy innovative neighborhood design, energy saving home construction, deployment of renewable energy sources including solar panels, electric transportation infrastructure, smart development patterns, and carbon offsets to reach their ZNE goals. Even with this innovative shift in development, FivePoint anticipates selling homes starting at \$400,000, a fairly moderate price for Los Angeles County.

The FivePoint model has illustrated that at scale, development of housing can be done in a sustainable manner. Given the size of the project, the development allows for economies of scale and to further utilize efficient building and construction methods to reduce costs and to develop sustainably.

The Tejon Ranch Company, whose Centennial development is comparable to FivePoint Valencia, is planning to construct more than 19,000 homes with a significant amount of commercial, industrial, and retail space and recently announced their intention to pursue ZNE. To further encourage ZNE development within the County, it is important to understand the feasibility of development at this scale.

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**I, THEREFORE, MOVE** that the Board of Supervisors direct the Director of Public Works (DPW), in coordination with the Department of Regional Planning, Los Angeles County Fire Department, the Chief Sustainability Officer and all other relevant County Departments to:

1. Study the feasibility of establishing Zero-Net Energy (ZNE) standards for major development projects and other large-scale development in unincorporated Los Angeles County, including:
  - a. As part of the study, the Director of Public Works should consult with relevant public agencies as well as private sector partners including the Building Industry Association, the Los Angeles and Orange County Building Trades, among others; and
  - b. Integrate the strategies identified in the Board of Supervisors' Motion regarding "Streamlining and expediting the County's permitting and development processes to support small businesses and the development of new housing" to incorporate ZNE standards into existing efforts; and
2. Report back in 120 days.

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