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## NEWS

### It's Still Not Easy Being Green

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#### *Some Protest New CRA Environmental Standards, Saying They Will Increase Building Costs*

by **Anna Scott**

Published: Thursday, July 2, 2009 4:36 PM PDT

DOWNTOWN LOS ANGELES - One year after creating strict new environmental standards for large development projects, city officials are raising the bar again. The effort, spurred by the Community Redevelopment Agency, is generating concern from some housing developers, including nonprofit organizations.

Mayor Antonio Villaraigosa last year signed into law the Green Building Program, which requires developers of large projects throughout the city to meet standards estimated to cut energy usage by 15%. The program was rolled out gradually.

Last week, the CRA board voted to set even more stringent requirements. The measure, which still requires City Council approval, would mandate that developers who receive \$1 million or more in agency funding meet higher environmental standards than the Green Building Program calls for through water- and energy-saving systems, recycled building materials and other strategies.

While many in the development community praise the goal of sustainable development, they question the CRA's timing.

"At this junction, we should let the market catch up a bit," said Jim Atkins, formerly of the developer South Group, which created a trio of eco-friendly high-rises in South Park. "The city's Green Building Ordinance just got passed. At the same time we've had a significant slowdown in construction activity.... This is the wrong time to be putting another ordinance in place making it more difficult for the CRA to participate in projects."

CRA Assistant Project Manager Nick Saponara, who spearheaded the new policy, said any cost increases would be offset by the agency's investment. Developments that the CRA invests in also often use other public funds, such as state money, that require meeting high environmental standards, he said.

"The nature of funding these projects with resources outside of the CRA already brings the projects to a level of sustainability that makes it very easy to meet the new standards," he said. "The benefits are believed to outweigh the costs."

#### Follow the LEED-er

The CRA's new effort is based on the nonprofit U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) system, which assigns points to projects for criteria such as water and energy consumption, landscaping, indoor air quality and other measures. Scores translate into



The South Group's Evo high-rise in South Park exemplifies the type of development that the Community Redevelopment Agency hopes to encourage with a new green building policy. However, a former South Group official questions the timing of the effort. *Photo by Gary Leonard.*

one of four LEED levels: Certified, Silver, Gold or Platinum.

Under the new CRA policy, projects that receive \$1 million or more in agency funding would have to obtain at least LEED Silver certification. Developments with less than 50 residential units or smaller than 50,000 square feet would be exempt.

The city's Green Building Program also impacts new buildings with 50 or more residential units or larger than 50,000 square feet, even if privately funded. The city only requires projects to meet LEED Certified standards, and they do not have to obtain certification.

Some in the business community say the city should allow more time for developers to adjust to the Green Building Program before adopting the CRA's policy.

"Why would you implement a more strenuous requirement in the worst economy in 70 years, when the city has established a standard that hasn't even had a chance to work yet?" said Carol Schatz, president of the Central City Association.

CRA officials contend that they have allowed enough time to pass. Saponara said the agency always planned to include the new requirements in its Healthy Neighborhoods Policy, adopted last January, but deliberately waited more than a year.

"When we adopted the Healthy Neighborhoods Policy, we were very deliberate in holding off, knowing that the city's green building ordinance would be coming down the pike," said Saponara. "We were sensitive to the fact that people would need to adjust to that."

### **Costs and Benefits**

The nonprofit Skid Row Housing Trust's New Genesis Apartments, a 106-unit affordable housing complex expected to break ground at Fifth and Main streets by the end of the year, is one project that would be subject to the new rules. The organization has reservations about the time and cost involved in obtaining LEED Silver certification, said SRHT Director of Special Projects Molly Rysman.

"We've used a lot of green building techniques in our prior projects, but we haven't gone through the certification process, and I think that's where there's a lot of questions," said Rysman. "What would be ideal would be to have some projects go through the process as pilots before it becomes official — but of course, that could take years."

Other affordable housing developers say that the potentially higher short-term costs of getting LEED certification would be outweighed in the long run.

"We're estimating that it will add about 5% to our development costs for affordable housing projects," mostly because of more expensive building materials, said Ronald Fong, planning director for the nonprofit Little Tokyo Service Center. The developer, which built Downtown's Casa Heiwa affordable apartment complex on Third Street, is in the early stage of planning the mixed-use (and mixed-income) Nikkei Center at Second Street and Central Avenue.

"It's not fatal to the projects, and in the long run it certainly would save on operating expenses," he said. "We think it's a good policy to have."

Schatz said that only developers who hold on to their properties for a long time would reap the benefits.

"The developers most of the time sell the building," she said. "Why would you add to your cost if you're not getting anything that offsets it?"

The cost of building to LEED Silver standards can vary greatly depending on how developers decide to earn points, experts say. The LEED system is also constantly changing, with a new version in the works, said Lance Williams, executive director of USGBC's Los Angeles chapter.

"The idea is to have a product that's very diverse, very flexible," he said. "There are some things that developers could do where they emphasize certain practices and de-emphasize others so there are

more cost savings.”

Williams said developers can earn points by doing something as simple as orienting a building so that it gets maximum sunlight, or even instituting a recycling program.

To spur buy-in, the CRA offers developers with projects in designated redevelopment areas one free LEED consultation with an industry expert.

“The goal is to identify cost-effective ways to meet LEED thresholds,” said CRA Assistant Planner Jason Neville. “In everything that we do, we go above and beyond what the city is ordinarily doing. That’s the reason for having redevelopment project areas.”

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