

H-1

CORRESPONDENCE - Sandy Sanchez

Southern California
Los Angeles and Ventura
Counties Chapter

November 5, 2013

Mr. Bob Foster, Mayor
Mr. Robert Garcia, District 1
Ms. Suja Lowenthal, District 2
Mr. Gary DeLong, District 3
Mr. Patrick O'Donnell, District 4
Ms. Gerrie Schipske, District 5
Ms. Dee Andrews, District 6
Mr. James Johnson, District 7
Mr. Al Austin, District 8
Mr. Steven Neal, District 9
City of Long Beach City Council
333 West Ocean Blvd., 14th Fl
Long Beach, CA 90802

Via Fax: (562) 570-6538

**RE: November 5, 2013 Council Agenda File #13-0944
Concerns regarding Sub-metering**

Dear Honorable Members of the Long Beach City Council,

On behalf of the Building Industry Association of Southern California, Los Angeles-Ventura Counties Chapter (BIA), a non-profit trade association representing approximately 1,000 member companies and their respective employs involved all aspects of home building, I wanted to submit comment on Agenda Item 13-0944. Our mission is to champion housing as the foundation of vibrant and sustainable communities.

As I am not able to attend this evening, I am writing to comment on the proposed changes to Chapter 18.76 to mandate water sub-meters to Title 18 as part of the triennial building code update. The BIA agrees that all efforts should be made to help regulate and encourage water conservation in all housing types, especially multi-family dwelling units and mixed-use buildings.

The construction industry, especially homebuilding has been plagued with the Great Recession, and is just coming out of the long slumber. Requiring water- submetering on new multi-family dwellings and mixed-use dwellings will increase construction costs and further delay new development and construction jobs. The emphasis of this city council should be to look for opportunities for educating and modifying consumer behavior vs.

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implementing requirements that could delay or prevent new development from moving forward.

We understand that the proposed intent of requiring water sub-meters is to encourage conservation. The BIA and its members support efforts for conservation and sustainability when they are thoughtfully considered and addressed as to not burden the cost of residential construction and impact homeownership.

The state is already considering laws and regulations associated with sub-metering. California has 500 city and county building departments, and California statute requires all of these local jurisdictions to implement the minimum provisions established and maintained in the California Plumbing Code. The BIA encourages the utilization of State policy, building and plumbing codes, etc. to enable builders and stakeholders to manage expectations through consistency with appropriate codes cycle updates.

As the City of Long Beach considers future regulations for water sub-metering, we ask that you carefully assess the state process and consider the following:

- Prior to any regulation adoption, the City should address if the sub-meter be installed on the inside or outside of each dwelling? Will there be any specific limitation(s) regarding allowable location? Flexibility is key.
- What type of physical access (if any) will be required? For example, can it be installed in a concealed wall space or does it need to be readily accessible to the occupants, apartment managers, etc.? Again, location should be flexible and staff should be allowed to waive "design guidelines" to enable building appropriate locations.
- Is there any limitation on, or product specification for, allowable sub-meters? Put differently, are all sub-meters on the market approved for use or will there be minimum testing and certification requirements at the state and local level (as is the case for all other water meters)?
- How will a designer/architect who is based in San Diego determine what the design requirement is for sub-meters in Long Beach? Given the 10,000 water purveyors throughout the state, where do designers, subcontractors and site-superintendents go for compliance interpretation/guidance? For all other provisions of the California Plumbing Code, all of these individuals go to the local building official or the Department of Housing & Community Development.
- How will the logistics of plan check and inspection be coordinated between the local building department and the water purveyor? The city should streamline all aspects of

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- the building process and eliminate duplicative efforts that delay projects and increase costs for the city and the developer.
- **Most importantly, and both city staff and water agency have confirmed that no additional connection fees will be charged to a developer of a multi-family building. The city/water purveyor will recognize "the project" as one (1) building and pay connection fees for one (1) building and not to individual units.** The City/water purveyor should not charge individual fees to owners of a structure that is subject to building standards fee, for the installation, approval, connection, or use of a sub-meter that is installed by the owner.

I hope this council will recognize that many issues still need to be addressed and that sub-metering should be evaluated carefully. I thank you for your consideration and again apologize that I am unable to be at the hearing this evening.

Sincerely,



Sandy Sanchez
Director, Government Affairs

C: Truong Huynh, Engineering Officer, City of Long Beach

Enclosure: BIA Policy Statement –Code Implementation Standard
BIA Policy Statement – Fees



2013 BIA of Southern California Code Implementation Standard- Policy Statement

Background

Presently, new editions of the state building code are published and become effective on a regular 36-month “triennial” schedule with an interim, 18-month update taking effect halfway through the 36-month cycle. This provides a fairly reasonable and ambitious planning and scheduling template for both industry and enforcement staff to follow. Unfortunately, this 18 month code cycle does not currently apply to local jurisdictions. When municipalities or county governments make changes to their building codes which are more stringent than current state standards, they are required to complete analysis that concludes and reflects that the need for this augmentation is due to topological, geological, or climate reasons [CA State Health & Safety Code: 17958.7] This requirement, however, does not help with complications arising from changes to local codes which can take effect at random time intervals.

Basic Tenet

The most common housing construction in California is most often “phased production style” projects, which can roll out over a varied timeline, especially during the current economic paradigm. Mid-project redesign can be very costly and even cost prohibitive to later phases, if local code changes are implemented by cities and counties during the course of final housing project rollout. While many jurisdictions statewide have been sympathetic to the uncertainty that this type of varied building code introduction creates, many others have not, creating a void that BIASC is seeking to fill. Simply stated, BIASC advocates for the primacy of the state triennial building code schedule for new additions or updates to local codes.

Guiding Principles

- Local code implementation should not be detrimental to phased housing projects by requiring code augmentations applicable to separate phases of previously approved projects.

We support:

- Accountability on city, county, agency and jurisdiction budgets to ensure monies collected through fees on new construction and development are spent for their stated purpose in a timely fashion.
- Efforts on behalf of cities, counties, agencies and jurisdictions to defer collection of fees until Certificate of Occupancy or as close to occupancy as practicable.
- Review of public services provided by government and restructuring where possible to ensure greater efficiency.
- Majority vote approval of tax increases for community infrastructure improvements, coupled with oversight and cost-containment.
- Clear distinctions between taxes and fees as well as a direct nexus for fees allocated to administrative cost or provision of an actual public service.
- Streamlined and expedited processes – approval, administrative, etc. – for which fees are paid.
- Earliest possible notice to the building industry – not less than 60 days – before a hearing on any new fees or the re-evaluation of existing fees.



2013 BIA of Southern California Fees Policy Statement

Basic Tenet

The California home building industry recognizes that many government agencies rely on fees levied on new development to pay for infrastructure and other services required to provide service to new development. Since the 1970s, California home builders and developers have funded new schools, new parks, new fire stations, and new roads, among other needs, through fees and exactions. California home builders believe in paying their fair share, but that a clear nexus must exist between fees and the costs directly attributable to new housing or development. New homes should not fund existing deficiencies in a community, nor should they be asked to pay for infrastructure needs or services required by the entire community.

Guiding Principles:

- Cities, counties, agencies and other jurisdictions should follow the spirit and intent of nexus laws so their fee analyses are fair and balanced and properly justify any fee charged.
- Cities, counties, agencies and other jurisdictions should seek, where possible, greater consistency in fee analysis/nexus process in order to avoid arbitrary differences in fee constructs.
- Cities, counties, agencies and other jurisdictions should calculate user fees based on current needs and proportionality of use.
- Just as builders are accountable for mitigating the impact of their developments, cities, counties and agencies and jurisdictions should be accountable for ensuring that resources are accurately assessed and spent in a timely fashion for their intended purpose.
- Cities, counties, agencies and other jurisdictions should not use fees to pay for existing deficiencies.
- Local, state and federal governments should adopt balanced budgets that reduce spending without shifting costs to or imposing mandates upon other levels of government.
- The Building industry welcomes the opportunity to collaborate with Cities, counties, agencies and other jurisdictions when they begin their processes for developing new or re-evaluating existing fees.

- The current economic environment already makes home construction planning including cost feasibility analysis difficult. Mid-phase building code implementations will often unduly render later phases of an existing project cost ineffective.
- The current economic setting and down turn in the California housing economy, provides an opportunity to make strong arguments for an interim exemption from “mid-phase” building code updates applicable to already approved phased housing projects.
- An interim building code exemption for phased housing projects would be consistent with the economic arguments that have successfully been made by the housing industry in many jurisdictions regarding DIF moratoriums and TUMF deferrals.

We support:

- Cities and Counties introduction of building code updates on a schedule consistent with the current state 18-month standard.
- All local jurisdictions’ adoption of ordinances aligning their code modification schedules consistent with the current state code update cycle.
- Exemptions from compliance with local building code updates for previously approved phased-housing construction projects that have started construction after the effective date of the local modification to the state code.

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