

REDEVELOPMENT AGENCY OF SALT LAKE CITY

RESOLUTION NO. _____

Sustainable Development Policy

RESOLUTION OF THE BOARD OF DIRECTORS OF THE REDEVELOPMENT AGENCY OF SALT LAKE CITY ADOPTING A SUSTAINABLE DEVELOPMENT POLICY

WHEREAS, Salt Lake City adopted a joint resolution establishing renewable energy and carbon emission reduction goals for Salt Lake City (“Joint Resolution”). The Joint Resolution details the negative effects of climate change and commits to the reduction of community greenhouse gas emissions by at least 50% by 2030 and at least 80% by 2040 relative to the 2009 community emissions baseline (“Sustainability Goals”).

WHEREAS, the Redevelopment Agency of Salt Lake City (“RDA”) recognizes the great impact development has on increased greenhouse gas emissions and local air quality.

WHEREAS, in an effort to reduce emissions and help achieve the Salt Lake City’s Sustainability Goals, the Board of Directors of the Redevelopment Agency of Salt Lake City (“Board”) desires to formalize a policy to promote environmentally sustainable development projects.

WHEREAS, this Sustainable Development Policy is intended to modify existing RDA policies including the Loan Program Policy, the Tax Increment Reimbursement Program Policy, and the Real Property Disposition Policy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Redevelopment Agency of Salt Lake City shall adopt the following Sustainable Development Policy:

1. PURPOSE

The purpose of the RDA Sustainable Development Policy is to promote a built environment that incorporates sustainable building practices and technologies to reduce building-related greenhouse gas emissions, improve local air quality, preserve natural resources and enhance community resiliency. As detailed below, certain RDA projects must meet the Threshold Requirements (as detailed in Section 3) as well as the applicable Program-Specific Sustainability Measures (as detailed in Section 4).

2. APPLICATION OF POLICY

The Threshold Requirements must be met by all projects that submit an application to the RDA after the adoption of this policy that anticipate receiving a building permit on or after

January 1, 2023. Projects receiving a loan that meet the Threshold Requirements and obtain a building permit before January 1, 2023 shall be eligible to earn a 1% interest rate reduction. The Program-Specific Sustainability Measures (requirements and incentives that include meeting Threshold Requirements) shall be effective immediately.

3. THRESHOLD REQUIREMENTS

The Threshold Requirements are as follows:

- a. **Enhanced Energy Performance** - All new construction building projects (including site acquisition) and building projects that receive, or are anticipated to receive, two hundred thousand dollars (\$200,000) or more in RDA funding shall be designed to achieve a “Designed to Earn ENERGY STAR” score of 90 or higher or a Design Target Site Energy Use Intensity (EUI) value corresponding with such a score that is generated by the Designed to Earn ENERGY STAR tool *and* participate in the City Sustainability Department’s Elevate Buildings Program. The EUI target shall be based on the Designed to Earn ENERGY STAR tool or comparable source.¹
- b. **Emission-Free Building Operation** - In addition to meeting the Threshold Requirement for enhanced energy performance, all new construction building projects (including site acquisition) and building projects that receive, or are anticipated to receive, nine hundred thousand dollars (\$900,000) or more in RDA funding shall also be designed to operate without on-site fossil fuel combustion (i.e., propane, natural gas).²

4. PROGRAM-SPECIFIC SUSTAINABILITY MEASURES

In addition to the Threshold Requirements, Program-Specific Sustainability Measures are required or incentivized as determined by the applicable program type listed in Table 1. If an RDA program type is not listed, no further sustainability measures will be required beyond the Threshold Requirements.

TABLE 1: Program-Specific Sustainability Measures

Program Type	Sustainability Measures – Requirement or Incentive as Indicated
Tax Increment Reimbursement Program (TIR) over \$500,000	<ul style="list-style-type: none"> • On-Site Net Zero building status is required
Land Dispositions	<ul style="list-style-type: none"> • Off-Site Net Zero is required • On-Site Net Zero will receive higher rankings for competitively marketed projects

¹See ‘Designed to Earn ENERGY STAR’ program: https://www.energystar.gov/buildings/resources_topic/commercial_new_construction/achieve_designed_earn_energy_star

² Projects may utilize the All-Electric provisions of the New Building Institute’s Building Decarbonization Code or comparable standard. See: <https://newbuildings.org/resource/building-decarbonization-code/>

RDA Loan Programs – applicable to any RDA loan*	<ul style="list-style-type: none"> • Off-Site Net Zero will be eligible to receive interest rate reduction of 1% • On-Site Net Zero will be eligible to receive interest rate reduction of 2%
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* Projects are eligible for one sustainability-related interest rate reduction, with the ability to reduce the interest rate to a minimum of 1%. Interest rates are subject to an adjustment, of up to a 1% deviation, based on project cash flow and debt coverage ratio calculated at time of application and underwriting.

a. Net Zero Building Standards –

Projects must meet the 2021 IECC Zero Energy Appendix standards or obtain a third-party certification to achieve Off-Site or On-Site Net Zero status.

Examples of code-based and third-party certifications for net zero buildings are included in Table 2. Alternative code-based or third-party certifications not listed in Table 2 will be considered by RDA staff on a case-by-case basis.

i. **Off-Site Net Zero** – To be eligible to purchase RDA-controlled property or receive an RDA loan sustainability-related interest rate reduction, projects must meet the Threshold Requirements *and* source 100% of the project’s total estimated annual electricity consumption by participating in a utility-sponsored renewable electricity program/tariff such as the Blue Sky or Subscriber Solar programs.

ii. **On-Site Net Zero** – To be eligible to receive the benefits of a TIR, purchase RDA-controlled property, or receive an RDA loan sustainability-related interest rate reduction, projects must meet the Threshold Requirements *and* supply 100% of the building’s electricity needs with renewable energy. Renewable energy must include on-site renewable energy that:

- 1) Supplies at least 50% of the project’s total estimated annual electricity consumption (measured as kWh/year); *or*,
- 2) Utilizes at least 50% of the project’s available roof space for on-site renewable energy generation.³

Any remaining renewable energy generation that can’t be accommodated on site must be procured through off-site renewable

³ “Available roof space” means roof spaces that are flat or face South, East, or West, are not shaded by trees or structures, or not obstructed by building architectural features. This requirement can be met through installation of an equivalently size solar array on another structure on the property (carport, ground mount, etc.). Roof space is exempt from being considered part of the “available roof space” if it is so shaded that solar panels would produce less than 70% of the energy they would generate without shading. For example, if 20% of a project’s roof is so shaded that solar panels would generate less than 70% of their intended output, then a project can still meet the requirement by installing solar on half of the other 80% that is suitable for solar, i.e. 40% of the roof total.

energy generation, including utility-sponsored renewable electricity programs or tariffs.

TABLE 2: Examples of Code-Based or Third-Party Certifications for Net Zero Buildings

CODE COMPLIANCE/ CERTIFICATION OPTIONS	OFF-SITE NET ZERO	ON-SITE NET ZERO	BUILDING TYPE	INTENT
Code-Based Pathway to meet Net Zero Building Standards				
2021 IECC Appendix CC Zero Energy Commercial Building Provisions (LINK)	Meets required EUI targets and 100% of renewable electricity is supplied by <i>offsite</i> sources approved in the 2021 IECC Appendix CC.	Meets required EUI targets and includes as much <i>onsite</i> solar as defined in Section 4(a)(ii), with the remaining renewable electricity supplied by offsite sources approved in the 2021 IECC Appendix CC.	Any building subject to the IECC Commercial provision (generally 4+ stories).	This is a code-based performance approach to achieving net zero energy in a project that is determined through compliance with the Zero Energy Commercial code language rather than a third-party certification.
Third-Party Certification Pathways to meet Net Zero Building Standards				
Passive House (LINK)	Passive House with 100% <i>offsite</i> renewable energy.	Passive House with as much <i>onsite</i> solar as defined in Section 4(a)(ii), with the remaining renewable electricity supplied by offsite sources approved in the 2021 IECC Appendix CC.	Any building type.	This approach adds a renewable energy requirement to a project that uses Passive House strategies for ultra-low energy use.
Enterprise Green Communities Certification Plus 2020 (LINK)	EGC Standards 5.4 (Zero Energy) with <i>offsite</i> and 5.5b (Zero Carbon).	EGC Standards 5.4 (Zero Energy) and -5.5b (Zero Carbon). Projects must include as much <i>onsite</i> solar as defined in Section 4(a)(ii),	Any affordable housing project.	Enterprise Green Communities is a state- and nationally-recognized affordable housing sustainability certification. The 2020 criteria awards increased points for

		with the remaining renewable electricity supplied by offsite sources approved in the 2021 IECC Appendix CC.		projects that achieve energy-related innovations, including Zero Energy status (100% on or off-site) and Zero Carbon status (all-electric). Enterprise Green Communities is recognized in the Utah Housing Corporation's Qualified Allocation Plan for Low Income Housing Tax Credits.
U.S. Green Building Council LEED Zero (LINK)	LEED Zero Energy certification (building with 100% of source energy supplied or offset with renewable energy over 12-month period (LEED Zero Carbon also qualifies).	LEED Zero Energy certification (building with 100% of source energy supplied or offset with renewable energy over 12-month period – with <i>at least 50% of renewable energy being located on-site</i>) (LEED Zero Carbon also qualifies).	Any building with LEED New Construction (NC) or Existing Buildings (EB) certification, or seeking these certifications.	This approach utilizes the U.S. Green Building Council's LEED Zero program for projects already certified as LEED or seeking LEED certification.
International Living Future Institute	N/A	Zero Energy certification. (LINK)	Any building type.	This standard requires the elimination of on-site combustion and 100% on-site renewable energy.
		Zero Carbon certification. (LINK)	Any building type.	This standard allows off-site renewable energy in certain situations.

5. COMPLIANCE

All projects must verify compliance with Threshold Requirements and Program-Specific Sustainability Measures as follows:

a. Threshold Requirements

- i. **Enhanced Energy Performance** – A Statement of Energy Design Intent (SEDI)⁴ verifying that the project has been designed to meet a Designed to Earn ENERGY STAR target of 90 or higher or a corresponding EUI target must be submitted to the RDA. A year after the building has received a certificate of occupancy (C of O), the project must submit building operations data on an annual basis to the RDA and the City’s Sustainability Department similar to the benchmark reporting requirements in the City Sustainability Department’s Elevate Buildings Program⁵. If the project does not meet an ENERGY STAR score within five (5) points of what was originally projected within two (2) years of receiving C of O, building updates will be required aimed at achieving the target score.
- ii. **Emission-Free Building Operation** – A letter from a licensed architect or engineer verifying that the project has been designed and constructed without on-site fossil fuel combustion and describing the energy system(s) utilized must be submitted to the RDA.

b. Program-Specific Sustainability Measures

- i. **Net Zero Building Standards** – Projects must meet the 2021 IECC Zero Energy Appendix standards (verified in a letter by a licensed architect or engineer) or obtain a third-party certification to submit to the RDA as indicated within Table 2. Where certifications are not issued until after the building has been put into service, a letter from a licensed architect or engineer verifying that the building has been

⁴ An [ENERGY STAR Statement of Energy Design Intent](https://www.energystar.gov/sites/default/files/tools/SEDI_Sample%281%29.pdf?f4b0-a781) (SEDI) document includes the Design Target ENERGY STAR Score and the Design Target Site EUI. Energy modeling will be necessary to estimate the annual energy consumption of a building, which is required to input into the ENERGY STAR Portfolio Manager and complete the SEDI. An example SEDI document can be accessed here: https://www.energystar.gov/sites/default/files/tools/SEDI_Sample%281%29.pdf?f4b0-a781

⁵ See ‘Elevate Buildings’ Program: <https://www.slc.gov/sustainability/elevate-buildings/>

designed to meet certification standards and noting the anticipated certification date must be submitted to the RDA. The completed certification checklist must also be attached to the letter.

- ii. **Off-Site Net Zero** – An energy bill verifying participation in an available renewable energy utility tariff program must be submitted to the RDA within three (3) months of receiving a C of O.
 - iii. **On-Site Net Zero** – A letter from a certified renewable energy system designer illustrating that the project meets at least one of the On-Site Net Zero renewable energy generation requirements (from 4(a)(ii)) must be submitted for RDA approval.
- c. **Noncompliance** – Projects that are not in compliance with applicable Threshold Requirements and Project-Specific Sustainability Measures may either be in default, be required to repay the RDA incentive that was granted, or provide any other remedy as detailed in the specific terms of the agreement between the RDA and the beneficiary (including, but not limited to, damages).

6. EXCEPTIONS

The RDA Board of Directors, by a majority vote of those present, may waive requirements or make exceptions to the foregoing criteria and procedures with a finding that the RDA's mission and values will be furthered by such waiver or exception. RDA staff will prepare a written recommendation and statement regarding the waiver or exception. The statement will be placed in the project file.

Passed by the Board of Directors of the Redevelopment Agency of Salt Lake City, this _____ day of _____, 202____.

Ana Valdemoros, Chair

Approved as to form: _____
Salt Lake City Attorney's Office
Allison Parks
Date: _____

The Executive Director:

_____ does not request reconsideration
_____ requests reconsideration at the next regular Agency meeting.

Erin Mendenhall, Executive Director

Attest:

City Recorder