

Date of Hearing: June 7, 2023

ASSEMBLY COMMITTEE ON ACCOUNTABILITY AND ADMINISTRATIVE REVIEW

Cottie Petrie-Norris, Chair

SB 416 (Laird) – As Amended May 18, 2023

**SENATE VOTE:** 36-0

**SUBJECT:** State agencies: building and renovation projects: LEED certification

**SUMMARY:** This bill requires any new building or major renovation project undertaken by a state agency to obtain the Leadership in Energy and Environmental Design (LEED) Gold or higher certification and to meet minimum rainwater management standards, as specified.

Specifically, **this bill:**

- 1) Requires all new building and major renovation projects larger than 10,000 gross square feet undertaken by state agencies to obtain LEED Gold or higher certification, as specified. Certification to an alternative equivalent or higher rating system or standard, if any, is only acceptable when approved by the Director of General Services.
- 2) Requires those same building or major renovation projects to qualify for at least the minimum number of possible LEED points achievable for rainwater management under the version of LEED that is in effect at the time the project schematic design documents are initiated by the state agency. Inclusion of an alternative rainwater management system is acceptable only if it will be at least equally effective and is approved by the Director of General Services.
- 3) Provides that the provisions of this bill are only applicable to projects for which the schematic design documents are initiated by the state agency on or after January 1, 2024.
- 4) Defines “LEED” to mean the Leadership in Energy and Environmental Design building certification program under the auspices of the United States Green Building Council (USGBC).
- 5) Exempts district agricultural associations (DAA), as described in Part 3 (commencing with Section 3801) of Division 3 of the Food and Agricultural Code, from the provisions of this bill.

**EXISTING LAW:**

- 1) Governs, pursuant to the State Contract Act, Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code, the bidding and awarding of public works contracts by specific state departments and requires an awarding department, before entering into any contract for a project, to prepare a full, complete, and accurate plan with specifications and cost estimates. (Public Contract Code Sec. 10120)
- 2) Designates, pursuant to the California Global Warming Solutions Act of 2006, Part 1 (commencing with Section 38500) of Division 25.5 of the Health and Safety Code, the State Air Resources Board (ARB) as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases (GHGs) and requires all state agencies to consider

and implement strategies to reduce their GHG emissions. (Health and Safety Code Sec. 38510 and 38592)

**FISCAL EFFECT:** The Legislative Counsel has keyed this bill as Fiscal.

**COMMENTS:**

*1) According to the Author:*

“California is a leader in the fight against climate change. Our state has some of the most ambitious climate goals in the nation, and it is both the role and obligation of the State to help meet these goals.

The energy used in buildings is the second largest contributor to greenhouse gas emissions in California. Under Senate Bill 416, all new State buildings and major renovations undertaken by State agencies are required to be certified LEED Gold or above. Already, 32% of LEED certified State buildings are certified LEED Gold or above. This includes our very own Capitol Annex Swing Space, which is owned by the Department of General Services and is certified LEED Platinum. This bill ensures State buildings continue to meet the highest standards of sustainability to tackle this major source of greenhouse gas emissions, and that the State does its part to meet our ambitious climate goals.”

*2) What is LEED Certification?*

Created by the USGBC, LEED is the most widely used green building rating system in the world. LEED certification is an industry recognized certification for healthy, efficient, cost-saving buildings. To achieve LEED certification, a project earns points by adhering to prerequisites and credits that promote best practices in carbon, energy, water, waste, transportation, materials, health, and indoor environmental quality. These points correspond to a level of LEED certification: “Certified” (40-49 points), “Silver” (50-59 points), “Gold” (60-79 points) and “Platinum” (80+ points), with the lowest certification being LEED Certified, and the highest being LEED Platinum.

*3) State’s Green Building Efforts.*

The California Global Warming Solutions Act of 2006 directs the ARB as the state agency charged with monitoring and regulating sources of emissions of GHGs and requires all state agencies to consider and implement strategies to reduce their GHG emissions. AB 1279 (Muratsuchi), Chapter 337, Statutes of 2022, accelerated targeted GHGs reductions to 85% below 1990 GHGs levels by 2045, and to require carbon neutrality by 2045.

In 2012, Governor Brown issued Executive Order (EO) B-18-12, which requires new state or major renovated buildings and build-to-suit leases larger than 10,000 square feet to obtain LEED Silver Certification or higher. According to the Department of General Services (DGS), the state currently has 273 LEED certified buildings, 32 % of which are already certified LEED Gold or higher. This includes the Legislative Swing Space (1021 O Street) which is certified LEED Platinum.

SB 416 codifies EO B-18-12, which already requires state buildings and major renovations attain LEED certification but requires certification at the LEED Gold level and qualify for at least the minimum number of possible LEED points achievable for rainwater management.

4) *District Agricultural Association Exemption.*

Fairs in California began in 1854 and have since grown to encompass 78 fairs statewide. The network of California fairs is composed of 52 district agricultural associations (DAA), 23 county fairs, two citrus fruit fairs, and the California Exposition and State Fair (Cal Expo). DAAs are state government entities governed by nine-member gubernatorial appointed boards of directors. In contrast, county fairs are either directly operated by counties or not-for-profit organizations and citrus fruit fairs are not-for-profit organizations. Cal Expo is a state agency.

The Division of Fairs and Expositions within the California Department of Food and Agriculture (CDFA) provides fiscal and policy oversight for the network of California fairs, and DGS provides oversight for use of state property, procurement, and services contracts. In 2019, CDFA conducted an infrastructure survey of the network of California fairs. Approximately 108 buildings that are 10,000 square feet or larger are within the 52 DAA fairgrounds and Cal Expo. The survey asked each fair to identify their five most urgent and critical deferred maintenance needs and deficiencies. The total estimated costs identified in the study was \$227 million.

The Budget Act of 2011 eliminated the General Fund appropriation for DAAs, requiring DAAs and all other designated fairs to become financially self-sufficient as of January 1, 2012. Given their limited financial resources and backlog of deferred maintenance, this exempts DAAs from the provisions of this bill.

5) *Arguments in Support.*

In support of the bill, the State Building and Construction Trades Council of California writes:

“With extreme weather conditions becoming more frequent, California is seeing drought conditions more frequently, resulting in water scarcity and a rise in catastrophic wildfires. Additionally, atmospheric rivers have brought about flooding in every corner of the state. Without a doubt, climate change is upending the norms as it relates to our way of life as Californians. Responding to the global climate emergency requires strategic responses in everything we do.”

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

State Building and Construction Trades Council of California (Sponsor)  
American Subcontractors Association-California  
California State Association of Electrical Workers  
California State Pipe Trades Council  
Coalition of California Utility Employees  
U.S. Green Building Council

Western Fairs Association  
Western States Council Sheet Metal, Air, Rail and Transportation

**Opposition**

None on file.

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