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Green Construction Standards Continue to 'Build' Momentum

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Green. Lately, the word seems to denote more than just a color. In the last few months alone, the *New York Times* ran an article about green weddings and another about dirt floors; the *Wall Street Journal's* Marketplace section ran a front-page article entitled "While Housing Withers, 'Green' Materials Bloom," and a recent Pacific Gas & Electric slogan asked, "What does green mean to you?" More and more local governments are requiring new buildings, both public and private, to meet certain energy-related building standards. Therefore, it is not surprising that developers are increasingly looking to include "green building" practices in their projects.

Background

Although established less than a decade ago, the LEED Green Building Rating System (LEED stands for Leadership in Energy and Environmental Design) is now effectively the national standard for green building projects. LEED certification is administered by the U.S. Green Building Council (USGBC), a nonprofit organization whose stated purpose is "to transform the building marketplace to sustainability." Buildings can receive LEED certification by obtaining "points" in five areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. Points may also be awarded for innovation in design. Buildings obtain points based on the materials used and processes implemented in their construction and ongoing operation. These points are then totaled to determine what level of LEED certification a project can receive; the certification levels include Platinum (the highest), Gold, Silver, and "Certified."

Although points are always used as the basis for certification, there are different LEED programs in place for different types of projects. For example, new commercial construction and major renovation projects have different standards and requirements to receive points than do projects that are seeking LEED certification in the existing building category. Discrete LEED programs also currently exist for projects related to commercial interiors, core and shell development, neighborhood development, and homes. There are LEED guidelines in place for multiple buildings and on-campus building projects, as well as for schools, and USGBC is in the process of developing specific LEED retail and healthcare standards.

Not Just Voluntary Anymore

Historically, developers have sought LEED certification strictly on a voluntary basis. Many entities have chosen to seek certification because they recognize the many benefits, and marketing advantages, that accompany a certified green building project. Commonly acknowledged benefits of green building include environmental benefits (such as reduction of waste streams and improvement of water and air quality), economic benefits (including reduced operating and maintenance costs, higher rents and sale prices, and increased occupant productivity), and social benefits (enhanced occupant health and happiness, and decreased impact on local infrastructure). One or more of these varied benefits and, sometimes, a desire to be more socially responsible, has led many large, mainstream companies to implement green building policies and practices, often with specific reference to LEED certification. For example, Bank of America recently announced that it will commit

\$1.4 billion to achieve LEED certification in all of its new construction facilities and banking centers.

While obtaining LEED certification is still primarily a voluntary option on the part of developers, cities are increasingly encouraging them to build green by providing certain incentives. For instance, San Francisco's Departments of Building Inspection, Public Works, and Planning have established a program that "fast-tracks" permit review for developers whose projects meet the requirements for LEED Gold-level certification.

Cities Take the Lead on Leed

Over the last few years, there has been a trend towards *mandating* LEED certification standards, both for public and private development. Indeed, many state and local governments have already committed to employing LEED standards, while others are moving toward that goal. In California, for example, all state-funded buildings must be constructed to LEED Silver standards. California is also considering a plan that would require achieving LEED Existing Building certification for existing government buildings that are larger than 50,000 square feet. On a local level, LEED certification is required for all new government buildings over 7,500 square feet in Los Angeles, and, in San Francisco, all new municipal construction projects over 5,000 square feet are required to meet LEED Silver standards.

In the private development arena, some cities already require certain "green" elements as part of their standard conditions of approval for private projects. For example, the City of Novato enacted one of the state's first mandatory residential green building ordinances. This is a trend that is likely to accelerate. Washington D.C. and Boston have just imposed requirements that public and private commercial construction over 50,000 square feet must meet certain LEED standards; indeed, Boston's zoning amendment goes further by requiring certain non-commercial development to comply with green building standards as well. In California, both Pleasanton and Livermore have requirements that impose LEED-based green building standards on private development. Further, the San Francisco Planning Department is currently contemplating imposing mandatory green building requirements on large, privately funded projects.

Because green, and specifically LEED-certified, building requirements are becoming increasingly common, it behooves developers to become familiar with this topic. Incorporating green building elements into a project benefits not only the developer and those who will occupy the building, but the larger environment as well.

Citations:

California Executive Order S-20-04

Press Release, "Mayor Newsom Announces Expedited Permit Processing For Green Buildings" (Sept. 28, 2006)

Patrick Hoge, "S.F. Joins The Green Trend: New Development: Many Companies Eager To Build In Environmentally Friendly Manner," *San Francisco Chronicle* (Feb. 4, 2007)