

October 17, 2024

Hon. Vanessa Delgado, Chair
South Coast Air Quality Management District Governing Board
21865 Copley Dr.
Diamond Bar, CA 91765

Dear Chair Delgado and Governing Board members –

We are reaching out on behalf of BizFed, the Los Angeles County Business Federation, an alliance of more than 200 business organizations representing more than 400,000 employers in Los Angeles County, including large and small businesses in a wide range of industries throughout the South Coast Air Basin (SCAB).

We are writing specifically regarding Proposed Amended Rule (PAR) 1111 and PAR 1121; many of the businesses we represent have or will be writing their own individual comment letters that specifically address the impacts to their industries. Our comments address the impacts on the business community as a whole and include overarching concerns of our diverse membership.

Recently BizFed has hosted SCAQMD staff and Governing Board members to demonstrate the impact of the proposed rulemaking on multifamily residential properties. These proposed rules, with their expedited implementation timelines, will be the highest cost for the lowest amount of NOx reduction in the agency's history. We are extremely concerned about the impact on the southern California economy and on an already overburdened and constrained housing market.

We have attached the presentation that was shared with SCAQMD staff and Governing Board members that illustrates the real-world costs of these proposed rules on multifamily residential properties. In each case a licensed professional HVAC/mechanical engineer was retained to develop a scope of work to implement the proposed rules for water and space heating at two separate residential properties. The scope was then provided to a licensed general contractor to obtain quotes to complete the work.

As you will see from the attached, the costs are astronomical. In the first case, the buildings will need to be retrofitted to eliminate the existing hydronic space heating system, which is common for larger multifamily buildings built since the late 1980's. In that case, the total retrofit cost exceeds \$37,000 per unit.

In the case of the older property which will require much more extensive site and electrical system updates to accommodate Proposed Amended Rules 1111 and 1121, the cost exceeds \$72,000 per unit. Properties similar to this exist throughout the South Coast Air

Basin and this example is reflective of the tremendous cost and detrimental impact these proposed rules will have if adopted as written.

It is our desire that these real- world costs and impacts be included in the record of this rulemaking should the Governing Board decide to move forward. However, we strongly recommend that the Governing Board conduct further due-diligence to better understand these significant costs and impacts to housing in southern California before moving forward. At the minimum, we recommend that the Board modify both PAR 1111 and 1121 to align implementation with the district's own Air Quality Management Plan which identifies 2029 as the implementation date for each proposed rulemaking.

Further, we appreciate that staff has somewhat recognized the significant challenge that implementing these rules will be for single family and multifamily owners by allowing for an extension of time for projects that will require construction and/or utility upgrades. We believe this a good first step but that the rule needs to go farther to address what could be devastating cost impacts to homeowners and renters. Specifically, there should be a further extension of time for implementation in buildings where the existing hydronic heating systems will need to be replaced. Additionally, homeowners facing costs of \$20,000 or more should be given additional time to secure financing and/or let the market mature to see implementation costs come down with new technologies.

Thank you for your attention to these critical issues. We look forward to continuing to collaborate with you to make these proposed rules less onerous and impactful to homeowners and renters in the South Coast Air Basin.

Thank you for your thoughtful consideration.

Sincerely,



Fran Inman
BizFed 2024 Chair
Majestic Realty



David Fleming
BizFed Founding Chair



Tracy Hernandez
BizFed Founding CEO
IMPOWER, Inc.



David Englin
BizFed President

BizFed Association Members

Action Apartment Association
Advanced Medical Technology Association
Alhambra Chamber
American Beverage Association
Antelope Valley Chamber formerly Lancaster Chamber of Commerce
Apartment Association of Greater Los Angeles
Apartment Association of Orange County
Apartment Association, CA Southern Cities, Inc .
Apartment Association of California
Arcadia Association of Realtors
AREAA North Los Angeles SFV SCV
Armenian American Business Association
Armenian Trade & Labor Association

Arts District Los Angeles
ASCM Inland Empire Chapter
Associated Builders & Contractors SoCal (ABC SoCal)
Associated General Contractors
Association of Independent Commercial Producers
AV Edge California
Azusa Chamber
Bell Chamber
Beverly Hills Chamber
BioCom
Black Business Association
Black Professional Network

Boyle Heights Chamber of Commerce
Bridge Compton Org
Building Industry Association - LA/Ventura Counties
Building Industry Association of Southern California
Building Industry Association- Baldyview
Building Owners & Managers Association of Greater Los Angeles
Burbank Association of Realtors
Burbank Chamber of Commerce
Business and Industry Council for Emergency Planning and Preparedness
Business Resource Group
CalAsian Chamber

CalChamber
 California African American Chamber of Commerce
 California Apartment Association- Los Angeles
 California Asphalt Pavement Association
 California Bankers Association
 California Black Chamber of Commerce
 California Business Properties
 California Business Roundtable
 California Cleaners Association
 California Contract Cities Association
 California Council for Environmental & Economic Balance (CCEEB)
 California Fuels & Convenience Alliance- Formerly California Independent Oil Marketers Association (CIOMA)
 California Gaming Association
 California Grocers Association
 California Hispanic Chamber
 California Hotel & Lodging Association
 California Independent Petroleum Association
 California Infrastructure Delivery Coalition
 California Life Sciences Association
 California Manufacturers & Technology Association
 California Metals Coalition
 California Natural Gas Producers Association
 California Restaurant Association
 California Retailers Association
 California Self Storage Association
 California Small Business Alliance
 California Travel Association (CalTravel)
 California Trucking Association
 Californians For Smarter Sustainability
 Carson Chamber of Commerce
 Carson Dominguez Employers Alliance
 Central City Association
 Century City Chamber of Commerce
 Chatsworth Porter Ranch Chamber of Commerce
 Citrus Valley Association of Realtors
 Civil Justice Association of California CJAC
 Claremont Chamber of Commerce
 Commerce Business Council formerly Commercial Industrial Council/Chamber of Commerce
 Compton Chamber of Commerce
 Compton Community Development Corporation
 Compton Entertainment Chamber of Commerce
 Construction Industry Air Quality Coalition
 Construction Industry Coalition on Water Quality
 Council of Infill Builders
 Crenshaw Chamber of Commerce
 Culver City Chamber of Commerce
 Downey Chamber of Commerce
 Downtown Alliance
 Downtown Long Beach Alliance
 DTLA Chamber of Commerce
 El Monte/South El Monte Chamber
 El Salvador Corridor Association
 El Segundo Chamber of Commerce
 Employers Group
 Energy Independence Now EIN
 Engineering Contractor's Association
 EXP The Opportunity Engine
 FastLink DTLA
 Filipino American Chamber of Commerce
 Friends of Hollywood Central Park
 FuturePorts
 Gardena Valley Chamber
 Gateway to LA
 Glendale Association of Realtors
 Glendale Chamber
 Glendora Chamber
 Greater Antelope Valley AOR
 Greater Bakersfield Chamber of Commerce
 Greater Coachella Valley Chamber of Commerce
 Greater Downey Association of REALTORS
 Greater Lakewood Chamber of Commerce
 Greater Leimert Park Crenshaw Corridor BID
 Greater Los Angeles African American Chamber
 Greater Los Angeles Association of Realtors
 Greater Los Angeles New Car Dealers Association
 Greater San Fernando Valley Chamber
 Harbor Association of Industry and Commerce
 Harbor Trucking Association
 Historic Core BID of Downtown Los Angeles
 Hollywood Chamber
 Hospital Association of Southern California
 Hotel Association of Los Angeles
 ICBWA- International Cannabis Women Business Association
 Independent Cities Association
 Independent Hospitality Coalition
 Industrial Environmental Association
 Industry Business Council
 Inglewood Board of Realtors
 Inland Empire Economic Partnership
 Irwindale Chamber of Commerce
 Kombucha Brewers International
 La Cañada Flintridge Chamber
 LA County Medical Association

LA Fashion District BID
 LA South Chamber of Commerce
 Larchmont Boulevard Association
 Latin Business Association
 Latino Food Industry Association
 Latino Golfers Association
 Latino Restaurant Association
 LAX Coastal Area Chamber
 Licensed Adult Residential Care Association-LARCA
 Long Beach Area Chamber
 Long Beach Economic Partnership
 Long Beach Major Arts Consortium
 Los Angeles Area Chamber
 Los Angeles Economic Development Center
 Los Angeles Gateway Chamber of Commerce
 Los Angeles Latino Chamber
 Los Angeles LGBTQ Chamber of Commerce
 Los Angeles Parking Association
 Los Angeles Regional Food Bank
 MADIA Tech Launch
 Malibu Chamber of Commerce
 Manhattan Beach Chamber of Commerce
 Manhattan Beach Downtown Business & Professional Association
 Marina Del Rey Lessees Association
 Marketplace Industry Association
 Monrovia Chamber
 Motion Picture Association of America, Inc.
 MoveLA
 MultiCultural Business Alliance
 NAIOP Southern California Chapter
 NAREIT
 National Association of Minority Contractors
 National Association of Theatre Owners
 CA/Nevada
 National Association of Women Business Owners
 National Association of Women Business Owners - LA
 National Association of Women Business Owners-California
 National Federation of Independent Business Owners California
 National Hookah
 National Latina Business Women's Association
 Norwegian American Chamber of Commerce
 Ofiso Community Foundation
 Orange County Business Council
 Orange County Hispanic Chamber of Commerce
 Pacific Merchant Shipping Association
 Panorama City Chamber of Commerce
 Paramount Chamber of Commerce
 Pasadena Chamber
 Pasadena Foothills Association of Realtors
 PGA
 Pharmaceutical Care Management Association
 PhRMA
 Pico Rivera Chamber of Commerce
 Pomona Chamber
 Rancho Southeast REALTORS
 ReadyNation California
 Recording Industry Association of America
 Regional CAL Black Chamber, SVF
 Regional Hispanic Chambers
 San Gabriel Valley Economic Partnership
 San Pedro Peninsula Chamber of Commerce
 Santa Clarita Valley Chamber
 Santa Clarita Valley Economic Development Corp.
 Santa Monica Chamber of Commerce
 Secure Water Alliance
 Sherman Oaks Chamber
 Signal Hill Chamber
 South Bay Association of Chambers
 South Bay Association of Realtors
 South Gate Chamber of Commerce
 Southern California Contractors Association
 Southern California Golf Association
 Southern California Grantmakers
 Southern California KFC Franchise
 Southern California Leadership Council
 Southern California Minority Suppliers Development Council Inc.
 Southern California Water Coalition
 Southland Regional Association of Realtors
 Specialty Equipment Market Association
 Structural Engineers Association of Southern California
 Sunland/Tujunga Chamber
 Sunset Strip Business Improvement District
 Swiss American Chamber of Commerce
 Thai American Chamber of Commerce
 The Bridge Network
 The LA Coalition for the Economy & Jobs
 The Los Angeles Taxpayers Association
 The Two Hundred for Homeownership
 Torrance Area Chamber
 Tri-Counties Association of Realtors
 United Chambers – San Fernando Valley & Region
 United Contractors
 United States-Mexico Chamber

Unmanned Autonomous Vehicle Systems Association
 Urban Business Council
 US Green Building Council
 US Resiliency Council
 Valley Economic Alliance, The
 Valley Industry & Commerce Association
 Venice Chamber of Commerce
 Vermont Slauson Economic Development Corporation
 Veterans in Business
 Vietnamese American Chamber
 Village of Sherman Oaks BID
 Warner Center Association
 West Covina Chamber
 West Hollywood Chamber
 West Hollywood Design District
 West Los Angeles Chamber
 West San Gabriel Valley Association of Realtors
 West Valley/Warner Center Chamber
 Westchester BID
 Western Electrical Contractors Association
 Western Manufactured Housing Association
 Western Propane Gas Association
 Western States Petroleum Association
 Westside Council of Chambers
 Westwood Community Council
 Whittier Chamber of Commerce
 Wilmington Chamber
 World Trade Center
 Yes in My Backyard
 7-Eleven Franchise Owners Association of Southern California