

CITY OF MINNEAPOLIS

Proposed Residential Energy Disclosure Policies

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 - Time of sale energy disclosure
 - Multi-family benchmarking
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Background



Climate Action Plan

Baseline 2006

The Climate Action Plan is a roadmap to reducing our city's climate impact.

Minneapolis will meet its adopted targets, reducing citywide greenhouse gas emissions

15% by 2015

30% by 2025


80% by 2050

Business as usual 2025

Climate action 2025



Climate Action Plan – Residential Building Strategies

- “Help 75 percent of Minneapolis homeowners participate in whole-house efficiency retrofit programs by 2025, ensuring the distribution reflects the current percentage of low and moderate income home ownership in the city. “
 - “Help 75 percent of Minneapolis renters and rental property owners participate in efficiency retrofit programs by 2025, with a distribution that reflects the current percentage of low and moderate income rental housing in the city. “
 - “Create time-of-sale and time-of-rent energy label disclosure.”
- 

Energy disclosure is not new to Minneapolis

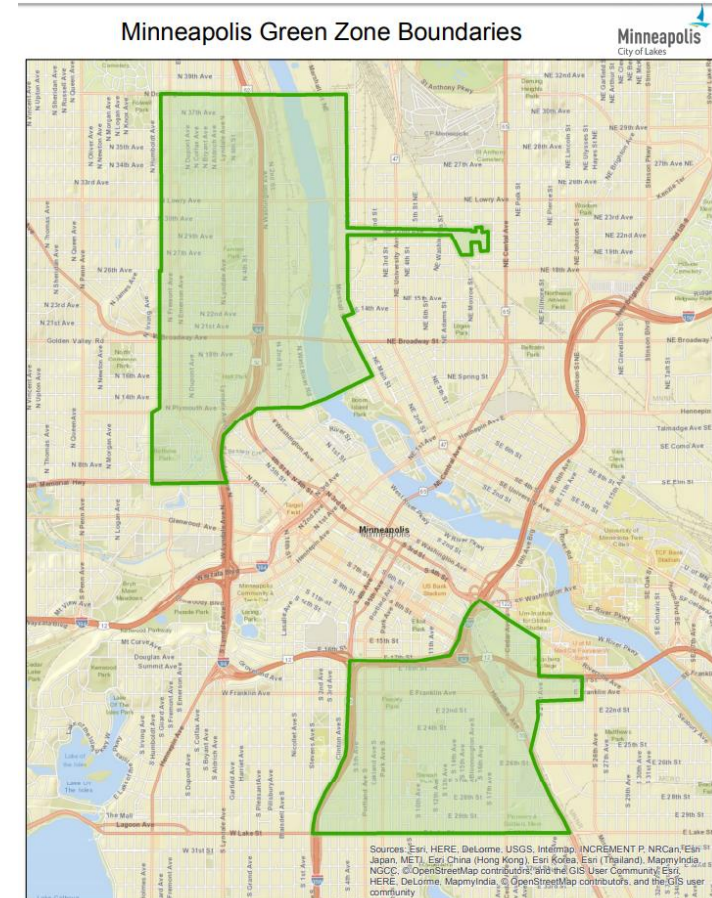
- Commercial Rating and Disclosure Policy was adopted in 2013
- Affects private commercial $\geq 50,000$ sq.ft.
- Public commercial $\geq 25,000$ sq.ft.

Example 50,000 sq.ft. buildings: City of Lakes building (left), Uptown Lunds and Byerlys (right)

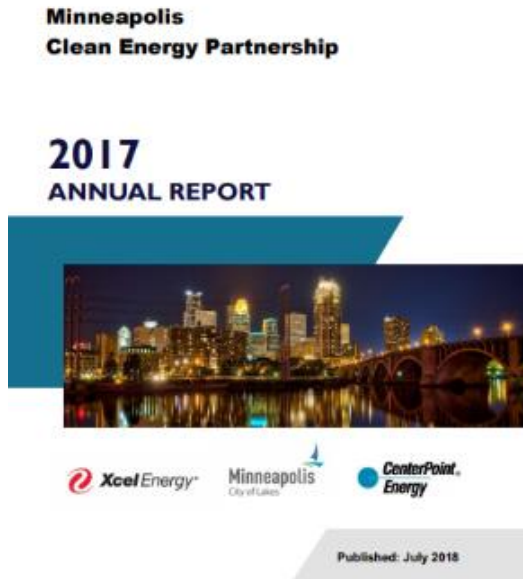


Equity

- In 2014, 52% of residents were renters
- Today, vacancy rates are less than 3%
- Renters represent about 3 out of 4 cost burdened and severely cost burdened households



Efficiency progress – not fast enough



- Housing stock
 - 1-4 unit buildings – 88,000
 - 5+ unit buildings – 2,500
- Voluntary energy efficiency program annual participation
 - Home Energy Squad: 600-1000 homes
 - Multi-Family Building Efficiency: 30 apartment buildings

Staff direction

- July 22, 2018 - Public Health, Environment, Civil Rights, and Engagement Committee Agenda

“Directing Sustainability staff to work with other departments, including Regulatory Services, Health, and Community Planning and Economic Development, on a comprehensive set of energy disclosure proposals for residential buildings in Minneapolis.”



Proposed Policies



Goals of Residential Energy Disclosure

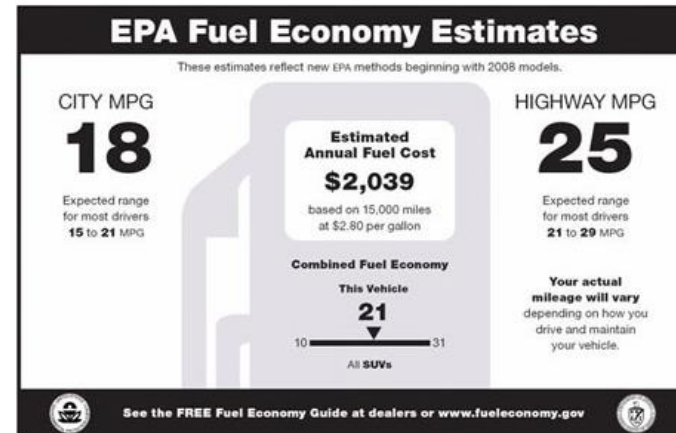
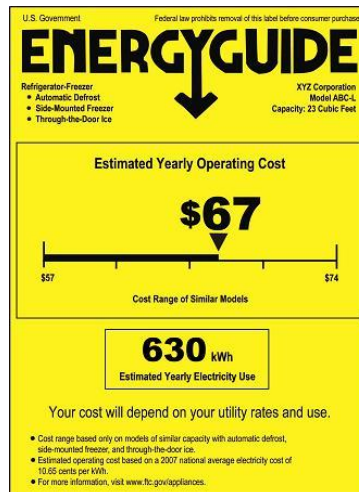
- Make building energy information as transparent in the marketplace as possible
- Create energy awareness for households
- Provide key information during housing decision-making
- Use information to incent the market to improve energy efficiency
- Improves buildings and reduces energy burden.



Disclosure is common in the marketplace



Nutrition Facts	
Serving Size 1 cup (228g)	
Servings per Container 2	
Amount Per Serving	
Calories 280	Calories from Fat 120
% Daily Value*	
Total Fat 13g	20%
Saturated Fat 5g	25%
Trans Fat 2g	
Cholesterol 2mg	10%
Sodium 660mg	28%
Total Carbohydrate 31g	10%
Dietary Fiber 3g	0%
Sugars 5g	
Protein 5g	
Vitamin A 4%	Vitamin C 2%
Calcium 15%	Iron 4%
Percent Daily Values are based on a 2,000-calorie diet. Your daily values may be higher or lower depending on your calorie needs.	
	Calories: 2,000 2,500
Total Fat	Less than 65g 80g
Sat Fat	Less than 20g 25g
Cholesterol	Less than 300mg 300mg
Sodium	Less than 2,400mg 2,400mg
Total Carbohydrate	300g 375g
Fiber	25g 30g
Calories per gram:	
Fat 9	Carbohydrate 4 Protein 4



Time of Sale Energy Disclosure



Opportunity

- ~7,000 home sales per year
- 90% of the Minneapolis housing stock was built before an energy code was adopted (1980)

Year Built	Number of Homes	Energy Saved (Therms)*	Dollars Saved	CO2e Reduction (tons)
<1940	52,010	7,356,971	\$5,885,576	38,992
1940-1959	17,106	2,060,161	\$1,648,129	10,919
1960-1979	2,873	292,786	\$234,229	1,552
>1980	4,372	78,717	\$62,974	417
Total	76,361	9,788,634	\$7,830,907	51,880

*Potential 1st year savings from insulation improvements

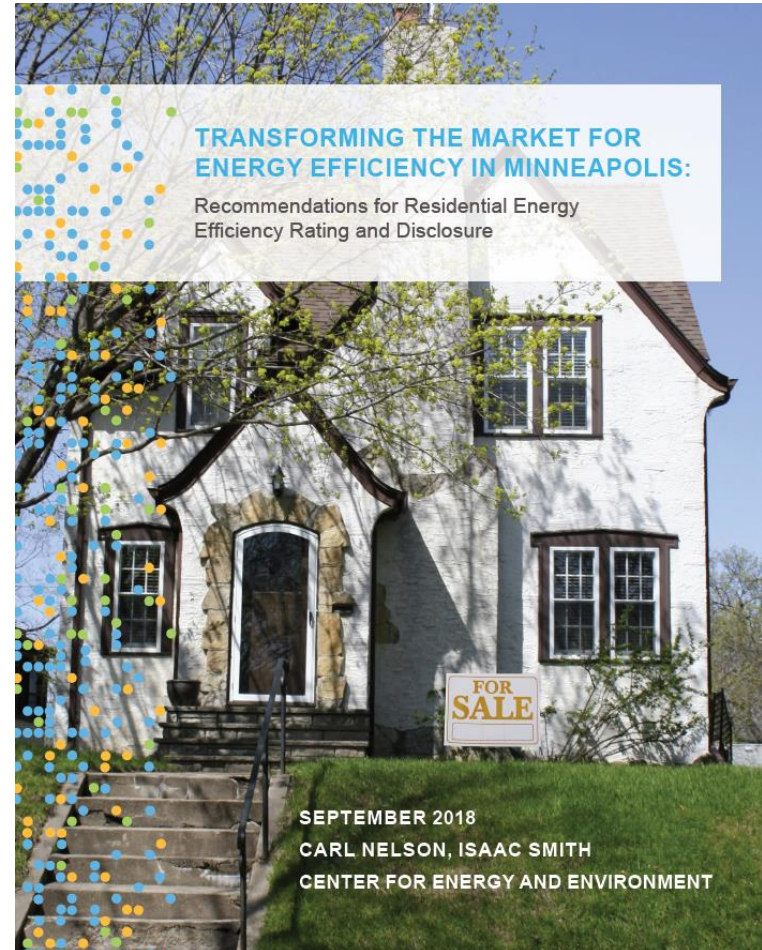
Energy Costs

- Ave MN Household - \$1,860 per year
- Reduce by 30% with home improvements
- Show a path to improvements



Research

- Paper on energy disclosure
 - Evaluated options and effectiveness
 - Overview of other city policies
- Energy disclosure pilot
 - Feasibility study of adding energy disclosure to TISH



Findings

- Asset rating is the most effective
 - Outline next steps
- Rating grounded in cost effective improvements
- Separate energy report
 - Visible and easy to understand
- Link to utility programs and city funding
 - Energy advisor service for questions



How – Incorporate into TISH

- Additional energy data collection during TISH inspection
 - Most cities with similar policies require a separate energy visit
- Same disclosure requirements as TISH
 - Energy report displayed at open houses, reviewed at closing, etc.
- No required energy improvements
 - Designed to inform the market



Goals

- A more informed market
 - Information on status of energy assets and how to improve them
- Reward homeowners that have completed energy upgrades
- Spur investment in energy improvements
 - City currently offers 0% financing to residents that complete upgrades
 - Utility rebates are also available for improvements



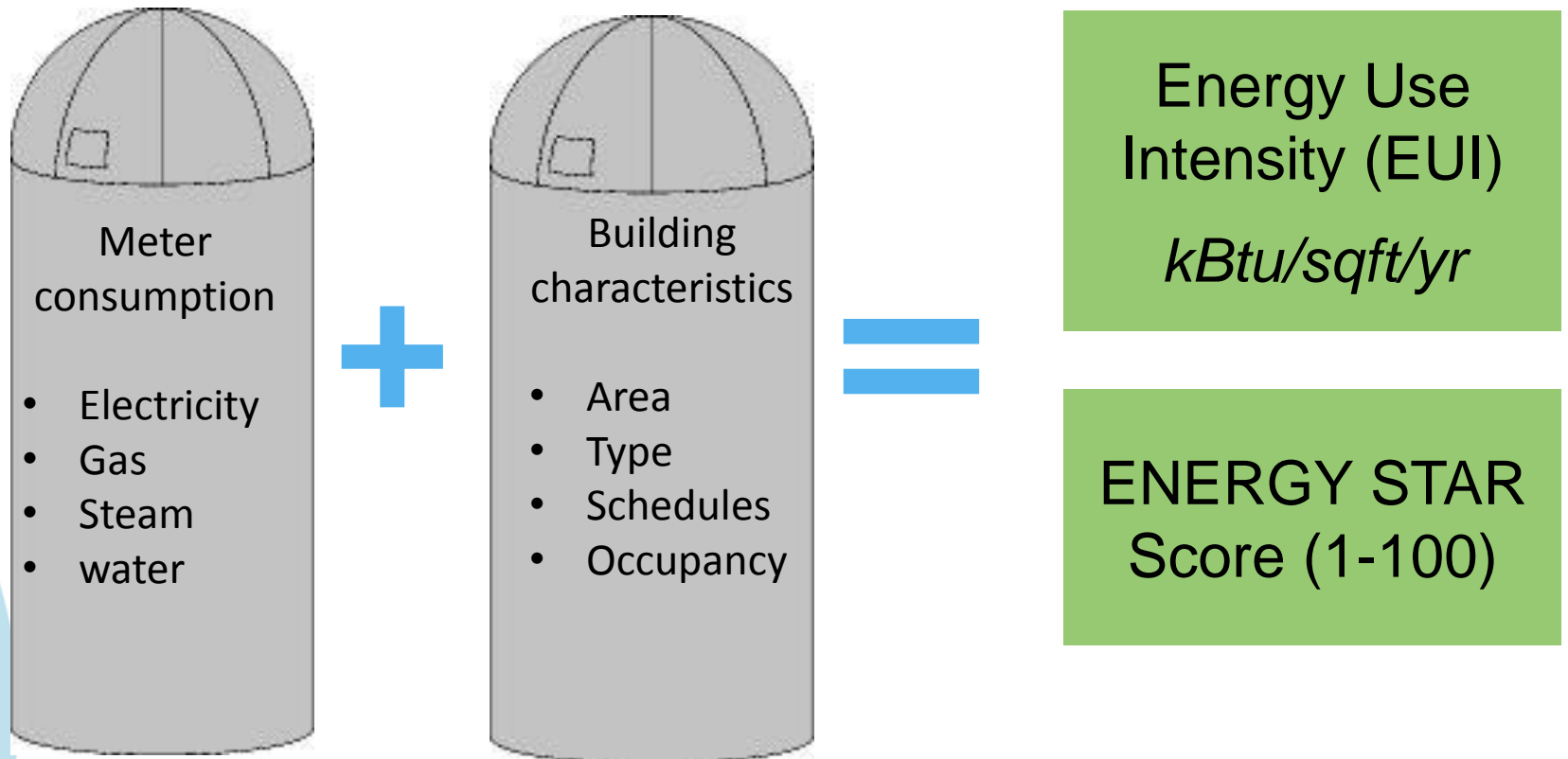
Multi-family Benchmarking



Energy benchmarking

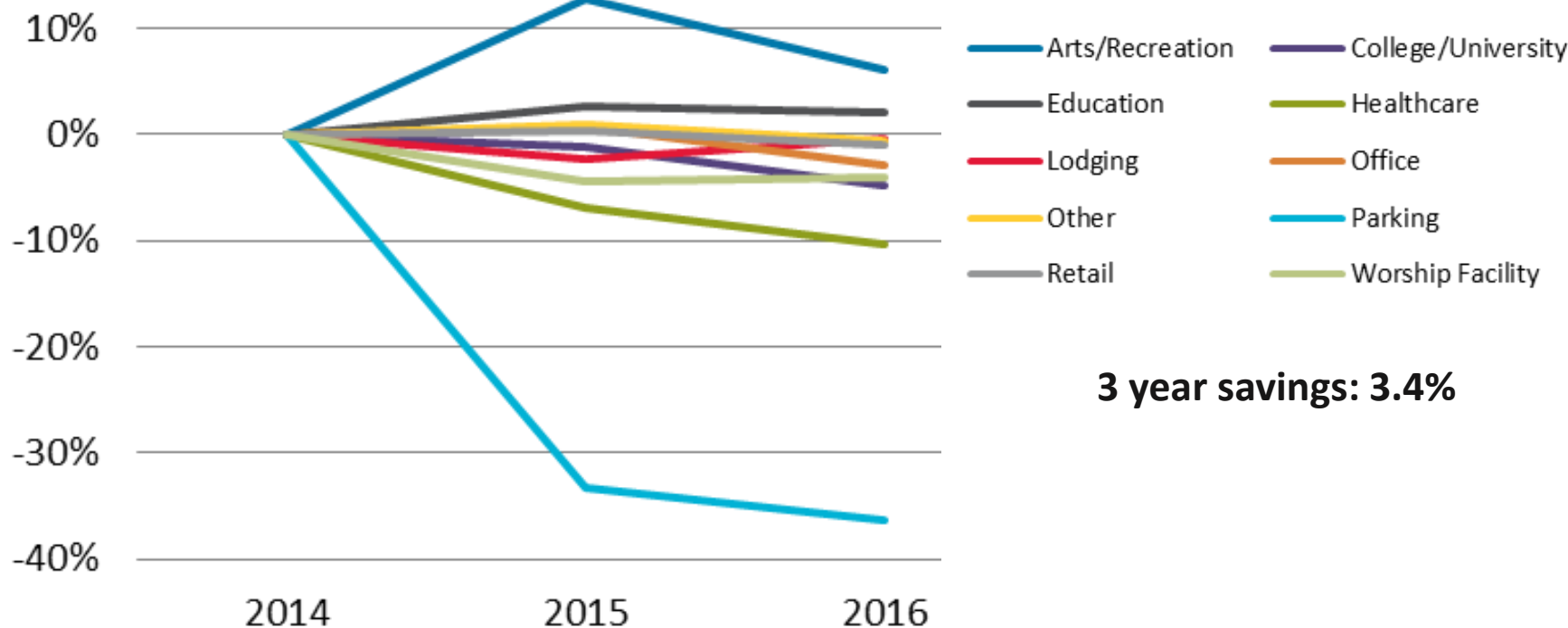


Energy benchmarking



Benchmarking is showing results in the commercial building sector

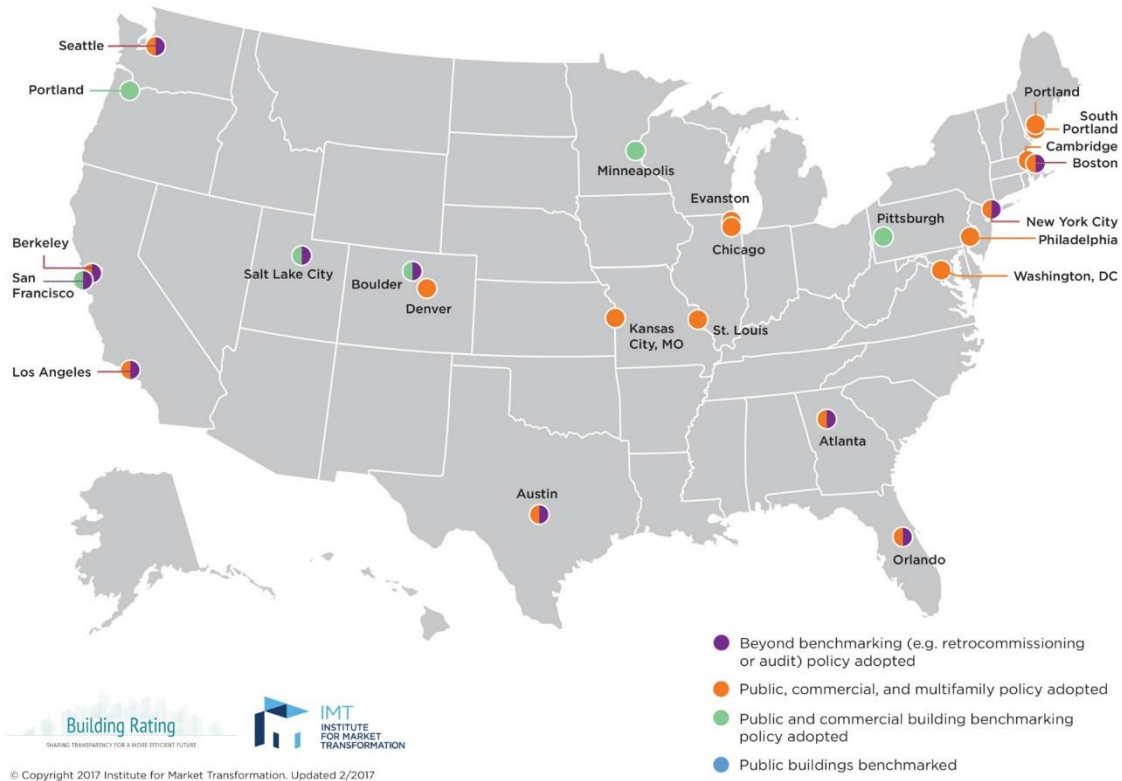
Weather-normalized EUI Trends



*Includes only consistently benchmarked buildings from 2014-2016.

18 cities have residential benchmarking

U.S. City Policies: Building Benchmarking, Transparency, and Beyond



Proposed policy

- Extend the current Rating and Disclosure ordinance to large (50,000 +sqft) multi-family buildings
- Approx. 440 condo, apartment, and senior housing buildings
- Includes an energy evaluation component
- Phase-in process:

Property size	Initial compliance	Initial public disclosure
100,000+ sqft.	2019	2020
50,000-99,999 sqft.	2020	2021

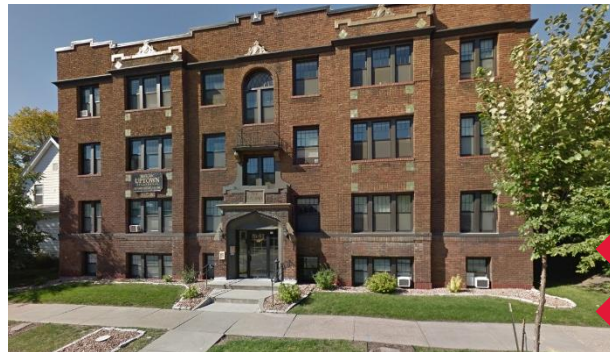
Included properties



31st and Lyndale Ave S
Redeemer Residence, 105,000
sqft



1700 22nd St E
Each building is 63,000 sqft



44th and Nicollet Ave S
28,000 sqft



Evaluation component

- Proof of ASHRAE Level 1 evaluation within 3 years and every 5 years thereafter
- For commercial and multi-family benchmarked buildings
- ONLY if there is a free evaluation option available
- For buildings with low performance



Time of Rent Energy Disclosure



What is time of rent disclosure?

- Residential property owners disclose a short report on energy costs
 - only includes the utilities, for which tenants are responsible to pay
- Report will average energy costs over all housing units by month



Proposed process

- Utilities develop an online platform
- Owners of buildings <50,000 sqft. download energy report from platform
- Owners of buildings >50,000 sqft. buildings to disclose benchmarking data
- Anticipated start: 2021

Example report

Time of Lease Energy Disclosure Report

Minneapolis
City of Lakes

LOCATION
1234 Sample Boulevard
Minneapolis, MN 55409

This report's purpose is to lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras quis neque pharetra, rhoncus lectus sit amet, placerat metus. Suspendisse potenti. Curabitur...

Tenants in this building are responsible for paying monthly natural gas and electricity bills, which are in addition to the cost of rent. Energy costs are averaged over all units in the building.

Monthly Average Energy Cost
\$70

Natural Gas \$46 **Electricity \$24**

Calculate Your Cost of Housing

The total monthly cost of your housing includes rent, energy, and other utilities (water, trash, internet, etc.) that you are responsible for paying. Fill in the blanks to calculate your total monthly cost of housing.

\$ _____ + \$ 70 + \$ _____ = \$ _____
Rent Energy Other Utilities Monthly Cost of Housing

Ways to Save on Energy

- Windows:** Seal air leaks with plastic film lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras quis neque pharetra, rhoncus lectus sit amet, placerat metus. Suspendisse potenti. Curabitur
- Temperature:** If you can control temperature in your unit, lorem ipsum dolor sit amet, consectetur adipiscing elit. Cras quis neque pharetra, rhoncus lectus sit amet, placerat metus. Suspendisse potenti. Curabitur

Need help? Get Started Today
Lorem ipsum dolor sit amet, consectetur adipiscing elit. Vivamus vulputate pretium turpis id suscipit. Morbi ultricies

emailaddress@url.org
612-000-0000

For reasonable accommodations or alternative formats please contact (department, contact person, phone and email). People who are deaf or hard of hearing can use a relay service to call 311 at 612-673-3000. TTY users can call 612-673-2157 or 612-673-2626. Para asistencia 612-673-2700, Yeg xav tau kev pab, hu 612-673-2800, Hadli aad Caawimaad u baahantahay 612-673-3500.

Summary

Policy	Buildings affected	Goal	Requirements	Initial Implementation
Time of Sale Energy Disclosure	One and two-unit properties	Inform market via an energy asset rating - similar to MPG for cars.	TISH evaluators collect data collection during inspection and the energy report becomes part of the TISH report.	2020
Time of Rent Energy Disclosure	< 50,000 ft ² (1 to approx. 50 units)	Inform renters of energy costs; total cost of renting.	Landlord provides link to energy portal or printed report from the portal at time of rent.	2021
	> 50,000 ft ² (approx. 50 units)	Inform renters of energy costs; total cost of renting.	Landlord provides access to benchmarking results virtually or printed benchmarking results at time of rent.	2021
Multi-Family Energy Benchmarking	> 50,000 ft ² (approx. 50 units)	Create efficiency awareness of property owner and inform the market of building energy performance.	Property owner submits whole building energy performance through Portfolio Manager and low performers complete energy evaluation.	June 2019 – benchmarking June 2020 - evaluations