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TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator

CC: Derek Delacourt, Community Services Area Administrator  
Marti Praschan, CFO  
Missy Stults, Office of Sustainability & Innovations Director

SUBJECT: Response to R-23-388 Resolution for Evaluation of Integration of Home Energy Score (HES) Assessments in Residential Inspection Process

DATE: June 26, 2024

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Pursuant to [R-23-388](#), which reads as follows:

*RESOLVED, The City Administrator shall collaborate with the Building and Code Compliance Officials to explore comprehensive training of City-employed housing inspectors, enabling them to function competently as Home Energy Score Assessors,*

*RESOLVED, The City Administrator is directed to identify pathways for individuals to indicate interest in a voluntary Home Energy Scores (HES) during the permit application process;*

*RESOLVED, That the City Administrator is directed to investigate how data collected as part of an HES assessment can be utilized for the launch of precision-targeted energy usage campaigns, gathering insights on energy usage trends post-renovations and new constructions, and to develop and enhance financial assistance programs; and*

*RESOLVED, Within six months after passage of this Resolution, the City Administrator is directed to advise City Council on the expected staffing, funding, or other needs necessary to integrate a voluntary HES program, including data collection, into the City's permitting and inspection process.*

## **Comprehensive Training**

To become a certified Home Energy Score assessor, an individual must hold at least of existing building science credential such as the Building Science Principles Certification or Building Analyst Certification. According to the U.S. Department of Energy, having a pre-existing credential ensures the candidate Assessor “understands the basics of a home’s functions.”<sup>1</sup> Once pre-requisites are met, candidates must work with a local partner (aka, a sponsoring institution) to receive Home Energy Score Simulation Training and testing. Candidates must then pass a series of exams and work with a mentor to begin scoring homes. If all of these requirements are met and the sponsoring institution believes the candidate is ready, they are granted permission to begin providing Home Energy Score assessments.

## **Assessment Requirements:**

Each assessment takes about an hour and a half (90 minutes) to complete for a single-family home; based on the square footage or units to be assessed, multi-family homes or businesses would require significantly more time.

Persons who are qualified to perform the assessment must be trained and certified specifically for energy assessments (see above).

- Training cost and timing for certification:
  - \$2500 per certification; there are two to obtain. (\$5,000 Total)

## **Integrating Voluntary HES Program into the City’s Permitting and Inspection**

### **Process:**

Staff investigated two options, (one potentially viable), to have building and rental inspectors perform energy assessments for the City of Ann Arbor:

### **Option One: (Not Recommended as Viable)**

Integrating the energy assessments into the current building and rental inspection process. The capacity of the current building and rental inspectors is already stretched to the point of needing outside consultant assistance to keep up with demand. Training these inspectors in an additional discipline, further stretching their responsibilities would lessen staff’s ability to provide the type of customer service expected, unreasonably delaying the completion of projects citywide. Also, the cost of this option far exceeds what was necessary for option two.

### **Option two:**

Create a separate segment of assessors within building and rental general fund. This option would include:

- Hiring two or more non-union assessors based on demand. (Assessor Cost: 2 @ \$100,218 = **\$200,436** recurring)

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<sup>1</sup> U.S. DOE Becoming an Assessor website: <https://betterbuildingssolutioncenter.energy.gov/home-energy-score/become-assessor>

- Provide two City vehicles. (Vehicle Cost: 2 @ \$47,570 = **\$95,140** non-recurring & 2 @ \$7,570 = **\$15,140** recurring fleet charge)
- Provide training for certifications and recurring costs for training to maintain certifications. (2 @ \$5,000 = **\$10,000** recurring)
- Hire one additional administrative staff to schedule assessments, manage appointment coordination, and manage data. (Admin Cost: 1 @ **\$75,211** recurring)

**Total Cost:**

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**Recurring**

3 FTE's	<b>\$275,647</b>
Part time support, IT, misc.	<b>\$35,000</b>
<b>Vehicle Fleet Costs</b>	<b>\$ 15,140</b>
<b>Training</b>	<b>\$10,000</b>
<b>Non-recurring</b>	
2 Vehicles (One Time)	<b>\$95,140</b>

Each assessor can expect to complete three single-family assessments daily in a seven-hour work shift using iPads in the field, and IG inspection checklist developed in our permitting software, EnerGov. They would also need time in the Office to complete all of the paperwork necessary to file the Home Energy Score report.

Note: If this change were made, the Office of Sustainability and Innovations would need to re-evaluate its staffing to determine if the current two FTE's and outside contractors helping to support the Home Energy Rating Disclosure are still required. If not, OSI would redirect potentially one of those staff to working on commercial decarbonization programs and offerings.

**Voluntary Home Energy Score Assessments:**

The Office of Sustainability and Innovations has created a process by which individuals can sign up to receive Home Energy Scores, even if they are not selling their homes. All individuals must do is register to receive an HES at this [website](#). Priority is given to those selling their home with others being granted assessment times based on availability.

**Precision-Targeted Energy Usage Campaign**

The Office of Sustainability and Innovations is starting to look across assessments completed to-date to identify commonalities and areas to help homeowners make energy efficiency-related improvements. The launch of the new Home Energy Advisor and the soon to be launched Home Energy Rebate program are all initiatives that will support residents with making improvements identified in their Home Energy Score. In addition, the Office of Sustainability and Innovations will continue to monitor data collected through HES assessments to see if new programs and initiatives are warranted to improve residential energy performance.