



City of Ann Arbor

301 E. Huron St.
Ann Arbor, MI 48104
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Action Minutes

Energy Commission

Tuesday, January 15, 2019

6:00 PM

Larcom City Hall, 301 E Huron St,
Second floor, City Council workroom

Special Meeting of the Energy Commission: Energy Audit at Time of Marketing Ordinance

PREVIOUS MEETING RECAP

Present: John Mirsky, Wayne Appleyard, Brigit Macomber, Jack Eaton

TOM overview

Staff MacDonald summarized the objective of the Energy Audit at Time of Marketing ordinance, which will incentivize or require an energy inspector to provide a score based on an energy audit at time of market. This score will be included with other property information in listing services to enable comparing scores across properties and incentivize:

- (a) Purchasing homes with greater efficiency
- (b) Seller completing energy efficiency upgrades
- (c) Buyer completing energy efficiency funded via mortgage (Fannie Mae Energy Mortgage Loan) incorporating energy score

Disclosure program overview

Municipal Guide

Staff MacDonald identified four main tasks that will need to be completed, informed by the Home Energy Labeling: A Guide for State and Local Governments, informed by a similar program implemented in Portland, OR:

1. Writing Ordinance: Determine what language should be included, informed by already implemented programs and lessons learned from them. The ordinance will likely focus on time of marketing over time of sale.
2. Include Key Stakeholders: Address policy concerns of all stakeholders affected to reduce burdens and improve program efficacy.
3. Mechanics: Which scoring system to use and associated training. Between two established, reliable, and standardized labels (DOE Home Energy Score and RESNET Home Energy Rating System), HES is preferred for its lower cost and high accuracy.
4. Technical/IT: Uploading scores to MLS, etc. (Resource: Earth Advantage Green Building Registry)

THINGS FOR CONSIDERATION

The subcommittee discussed reviewing existing ordinances, and drafting an

ordinance for a mandatory energy audit at time of marketing for single family residential buildings based on that of Portland, OR, leveraging regional assets and resources.

Chair Appleyard discussed the Home Energy Score (HES), developed by DOE, which is an established tool that provides home owners, buyers, and renters directly comparable and credible information about a home's energy use. Wayne informed the committee that HES audits take under an hour and range in price from \$150 - \$250 per evaluation. HES Assessors must be certified by DOE. GreenHome Institute, a Grand Rapids-based nonprofit and official DOE Partner, may have interest training HES Assessors in Ann Arbor.

The committee discussed focusing on single-family residential buildings for the present ordinance. Rental properties result in a split incentive between the landlord and the renter. Commercial buildings are typically evaluated on historical energy use, which the 2030 District is focusing on encouraging voluntary disclosures leading to efficiency upgrades.

The committee discussed focusing on a mandatory route, due to inherent efficiency and likelihood that market forces would take over. John discussed a similar ordinance implemented in Austin, TX which found that energy efficiency improvements resulted in an increase in property value greater than the cost invested. Chair Appleyard discussed a similar ordinance implemented in Chicago which found that residences with energy audits sold faster than those without.

Staff MacDonald discussed determining methods to finance audits (Grand Rapids-based organization is looking for pilot locations) and energy improvements on buildings with an associated HES (via Fannie Mae HomeStyle Energy Mortgage Loan). The subcommittee discussed fine structures implemented in other programs, and justifying the cost to community of energy audits.

The committee selected the Portland, OR ordinance to use as a model, which uses the HES. Committee members will review the ordinance, comment and suggest language, and incorporate best practices from other ordinances. A clean draft will be shared with key stakeholders to discuss policy concerns and inform Mechanics and Technical/IT decisions. Council Member Eaton suggested that the City Attorney can help identify appropriate office, and to reach out through Council Member Eaton.

MacDonald suggested a timeline of 12 months for completing the ordinance. The subcommittee discussed implications for the City, including staffing level changes required. The subcommittee discussed additionally creating an informative handout and a companion document with additional information and/or administrative rules.

Participation

ITEMS FOR NEXT AGENDA

1. Include Ph.D. candidate in communications and as an optional attendee to subcommittee meetings for input from their research, including lessons

learned from programs executed in other cities

2. Create Google Drive for committee, including model ordinances
3. Create Google Doc of Portland, OR Ordinance for commenting

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City Clerk's Office
301 E. Huron St.
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