Legislation Details (With Text)

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Title: An Ordinance to Add Chapter 102 (Home Energy Rating Disclosure) to Title VIII (Building Regulations) of the Code of the City of Ann Arbor (ORD-23-26)

Sponsors:

Indexes:

Code sections:

Attachments: 1. ORD-23-26 Briefed and Approved with new Chapter 102.pdf, 2. ORD-23-26 Substitute Ordinance as Amended on 082123 Briefed and Approved.pdf, 3. ORD-23-26 Substitute Ordinance as Amended on 082123 Briefed.pdf, 4. ORD-23-26 Substitute Ordinance as Amended on 082123.pdf, 5. HERD Ordinance_8-1-23.pdf, 6. HERD Ordinance Proposed Substitute Ordinance.pdf, 7. ORD-23-26 Approval Notice.pdf, 8. WLN clipping ORD-23-26 HERD Ordinance - Public Hearing Notice.pdf, 9. WLN clipping ORD-23-26 HERD Ordinance continued - Public Hearing Notice.pdf

Date	Ver.	Action By	Action	Result
9/5/2023	1	City Council	Held and Closed	
9/5/2023	1	City Council	Adopted on Second Reading	Pass
8/21/2023	1	City Council	Held and Closed	
8/21/2023	1	City Council		
8/21/2023	1	City Council	Amended	
8/21/2023	1	City Council	Amended	
8/21/2023	1	City Council	Amended	
8/21/2023	1	City Council	Postponed at First Reading	Fail
8/21/2023	1	City Council	Approved as Amended on First Reading	Pass
8/7/2023	1	City Council	Approved on First Reading	Pass

An Ordinance to Add Chapter 102 (Home Energy Rating Disclosure) to Title VIII (Building Regulations) of the Code of the City of Ann Arbor (ORD-23-26)

In November 2019, Ann Arbor City Council unanimously adopted a Climate Emergency Declaration committing to charting a path for how the entire Ann Arbor community could achieve carbon neutrality by the year 2030. In June 2020, City Council unanimously adopted the A^{2}ZERO Carbon Neutrality Plan, a document created with input from thousands of Ann Arborites to lay out seven strategies for our community to achieve carbon neutrality.

The A^{2}ZERO Plan seeks to ensure that buildings in Ann Arbor-which account for 65% of total community-wide greenhouse gas emissions-are as energy and water efficient as possible. The Office of Sustainability & Innovations continues to advance initiatives to reduce building-related carbon emissions. The latest initiative focuses on single family residential homes.

The current home buying process in Ann Arbor leaves prospective buyers largely in the dark in regard to the specific energy consumption data of the homes available on the market. This is due in part to the fact that, in Ann Arbor, there is not yet a standardized means of collecting and relaying a home's energy consumption data. Furthermore, the process of obtaining or sharing such data is purely voluntary, so many sellers are either unaware or choose to forego making the information available. However, the need exists for Ann Arbor to make residential energy consumption easily accessible to home buyers through a Home Energy Rating Disclosure ("HERD"), as well as the tools and resources to make it happen.

According to the American Council for an Energy Efficient Economy (ACEEE), 25% of all U.S. households face a high energy burden (>6% income goes to energy bills) and 13% of households face a severe energy burden (>10% income to energy bills). These numbers are drastically and disproportionately higher for low-income populations and BIPOC populations. From an equity standpoint, it is important that Ann Arbor help make homeownership accessible and realistic for all populations by empowering homebuyers with energy consumption data so they may make informed buying decisions.

A HERD ordinance can encourage safer, healthier, and more comfortable homes in Ann Arbor. Nearly 30% of a home's heating and cooling energy is wasted due to inefficiencies in the home's envelope (the physical barrier between the home's conditioned environment and the unconditioned exterior). That means we pay, on average, 30% more on our utility bills than we need to in order to keep the home comfortable. Identifying opportunities to improve building envelopes can also decrease several other potential problems and health concerns including transfer of moisture, light, allergens, and noise.

Home energy rating disclosures can also support Ann Arbor's work toward carbon neutrality; Strategy 3 of the A^2ZERO plan specifically identifies the improvement of energy efficiency in our homes and other buildings as a means of reducing community carbon emissions. The HERD ordinance will help new homeowners understand their energy consumption before they buy and make informed decisions about which projects to prioritize and/or influence how the projects are completed to improve efficiency.

Luckily, when it comes to a successful HERD ordinance in Ann Arbor, there is already a simple and quick way to educate the homeowner and home buyer population using existing tools generated by the U.S. DOE. Like a miles-per-gallon or miles-per-charge rating for a vehicle - a ubiquitous and standard data point for all vehicles - the Home Energy Score (HES) generates directly comparable and credible information about the energy consumption of a home. Trainings to become HES certified are affordable and accessible to local contractors, and for real estate agents, importing HES data into the MLS is streamlined for simplicity.

*The ordinance chapter was administratively corrected from Chapter 106 to Chapter 102 on October 31, 2023 to reflect the appropriate placing in Title VIII of the City Code.
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Reviewed by: Jennifer A. Richards, Assistant City Attorney
Approved by: Milton Dohoney Jr., City Administrator
(See Attached Ordinance as Amended at First Reading on August 21, 2023.)