



## Legislation Text

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**File #:** 21-1645, **Version:** 1

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Resolution in Support of Establishing A New Chapter in the Ann Arbor Building Code Entitled Chapter XXX Home Energy Labeling, Which Will Establish a Home Energy Score Requirement for Residential Buildings at Time of Sale.

The current homebuying process in Ann Arbor leaves prospective buyers largely in the dark regarding 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 in place a standardized means of collecting and relaying a home's energy data, and 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 homebuyers through a Home Energy Labeling Program (HELP), as do the tools & 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 HELP ordinance can encourage safer, healthier, and more comfortable homes to live in. 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 transfer of moisture, light, allergens, and noise.

Additionally, HELP also furthers Ann Arbor's work toward carbon neutrality. Strategy 3 of the A<sup>2</sup> ZERO plan focuses on improving the energy efficiency in our homes and other buildings. The HELP ordinance will be critical to helping homeowners understand where their home needs improvement to reduce energy consumption. Because most major project decisions for new homeowners are made within the first year of homeownership, HELP can help homeowners make informed decisions about which projects to prioritize and/or influence how the projects are completed.

When it comes to a successful HELP ordinance in Ann Arbor, there is already a simple and quick way to educate the homeowner & homebuyer population using existing tools generated by the US Department of Energy (DOE). Like a miles-per-gallon rating on an internal combustion engine vehicle, the Home Energy Score (HES) generates directly comparable and credible information about the energy consumption of a home. Training 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.

**Budget Impact:** This item is budgeted in the OSI FY22 adopted budget.

**WHEREAS**, The City intends to raise awareness of energy performance through data information and transparency, with the goal of unlocking energy and cost savings opportunities, increased comfort, and health benefits for residents; and

**WHEREAS**, Data shows that improvements to energy efficiency will spur economic investment through reduced operating costs and increased asset values; and

**WHEREAS**, Buildings are the single largest source of greenhouse gas emissions in Ann Arbor and energy efficient buildings will consume less energy, resulting in fewer greenhouse gas emissions and improved air quality; and

**WHEREAS**, Reduced energy costs will create an efficient building stock and maintain affordability for residents;

**WHEREAS**, Benchmarking and disclosing energy usage across the community was an action identified in the unanimously adopted A<sup>2</sup>ZERO plan;

**RESOLVED**, The Ann Arbor Energy Commission supports the 2021 Home Energy Labeling Ordinance;

**RESOLVED**, The Energy Commission encourages City Council to adopt the 2021 Home Energy Labeling Ordinance and begin implementation as soon as possible.