



Legislation Text

File #: 23-1637, **Version:** 1

Resolution to Measure the Impact of the Home Energy Rating Disclosure and Annually Report on Results to City Council

In September of 2023, Ann Arbor City Council voted to adopt the Home Energy Rating Disclosure, thereby requiring that home sellers receive and disclose a U.S. Department of Energy Home Energy Score (HES) to prospective buyers.

In discussing this ordinance, Council raised concerns about potential inequitable outcomes that could result from the real estate process, especially to low-income households and communities of color. While no community that has a home energy rating disclosure requirement has found disproportionate impacts to-date, the City Council wants to ensure that Ann Arbor's Ordinance does not inadvertently cause harm, especially to low income and communities of color.

Staff have already begun working on an engagement strategy focused on getting residents access to Home Energy Scores as well as investigating what metrics could be tracked to gauge impact (or not) of the HERD ordinance. More work is needed to confirm precisely what can be collected and at what interval to understand, to the fullest extent possible, the impacts HERD is having on the marketplace.

Budget or Fiscal Impact: There is likely little to no budget impact associated with this resolution.

Prepared by: Missy Stults, Sustainability and Innovations Director

Reviewed by: Sam Firke, Data Analyst in Information Technology

Approved by: Milton Dohoney, Jr., City Administrator

Whereas, The City of Ann Arbor has set aggressive climate and energy goals, including the goal of achieving a just transition to community-wide carbon neutrality by the year 2030;

Whereas, It is well-established that those who are low-income or with other marginalized identities are disproportionately impacted by the consequences of climate change;

Whereas, On September 5, 2023 Ann Arbor City Council formally adopted a Home Energy Rating Disclosure ordinance requiring that sellers disclose a U.S. Department of Energy Home Energy Score during the sale process to all prospective home buyers;

Whereas, This disclosure is meant to be a consumer protection, ensuring that all prospective home buyers have targeted information about the energy performance of a future home;

Whereas, City Council has a deep commitment to equity, as outlined in the A²ZERO Plan, and wants to ensure that policies and programs created advance equitable outcomes and not increase disparities;

Whereas, Concerns have been raised the ordinances such as HERD could cause disproportionate impacts on the housing market;

Whereas, The City Council and City staff are committed to measuring programmatic impacts and transparently reporting findings;

Whereas, The City has a robust information technology system that can help collect, analyze, and report data to the public;

Whereas, City staff are working to provide the Home Energy Score assessment for free to anyone desiring it, with a priority of ensuring low-income households get a Home Energy Score and the associated Home Energy Report outlining energy improvement opportunities;

RESOLVED, Ann Arbor City Council directs the City Administrator to create a strategy for proactively targeting residents who are low-income to encourage them to get free Home Energy Scores, regardless of if their home is being prepared for sale;

RESOLVED, Ann Arbor City Council directs the City Administrator to create a process for ensuring low-income households are prioritized to receive services from the Home Energy Advisor program and the Home Energy Rebates that are slated to both be launched in early 2024;

RESOLVED, Ann Arbor City Council directs the City Administrator to identify the key data points that can be regularly tracked, the intervals for tracking the data, and the best medium to deliver data related to the impact of the Home Energy Rating Disclosure as well as the impact of free Home Energy Scores;

RESOLVED, Ann Arbor City Council requests information be provided, at least annually, to City Council, starting one full year after the enforcement date outlined in the HERD Ordinance;

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this resolution.

Sponsored by: Councilmembers Ghazi Edwin, Briggs, Harrison, Radina, and Disch