

Insulation as a Requirement of the Minimum Housing Code

History and Benchmarking

Item #050761

Date 10/28/10



Agenda

- History
- Available conservation tools
- Sample programs from around the country



Legislative History

- **May 2005** – Ad Hoc Affordable Housing Committee Report to City Commission
- **December 12, 2005** – Commission referral to the Community Development Committee:
 - 1) Energy Efficiency standards for landlords for rental units as part of the qualifications for Section 8 reimbursements
 - 2) investigate incorporating energy requirements as part of the City of Gainesville minimum housing code.



Legislative History

- **September 18, 2006** - Community Development Committee heard a presentation from staff on incorporating energy requirements as part of the City of Gainesville's Minimum Housing Code (discussions continued over numerous meetings)
- **April 5, 2007** – CDC recommendation to ask City Commission to direct staff to draft and the Clerk to advertise changes to the Minimum Housing Code (Chapter 13, Article 2, Code of Ordinances) to incorporate R-19 insulation as a minimum requirement
- **July 23, 2007** – City Commission approved CDC recommendation



Legislative History

- **January 28, 2008** – City Commission did not approve - voted to send the item back to the Community Development Committee for additional discussion
- **November 16, 2009** - CDC approved the non-regulatory proposals in the recommendation and refer them to the City Commission, and asked staff to return with a proposal on the regulatory items for the Committee to consider further
- **August 19, 2010** – CDC recommendations to City Commission



What We Learned on our Benchmarking Trips

2006



There are Four Basic Tools for Energy Efficiency

1. Incentives/ rebates to gain market acceptance
 - GRU has spent over \$22 million
 - Customers have spent \$46,950,726.
2. Rates
 - Tiered rates for both electric and water – the more you use the more you pay
3. Education – in schools, speaker's bureau, bill insert, advertising, direct mail
4. Regulation
 - Nothing local yet



Current Incentives

- High efficiency air conditioner
- High efficiency room air conditioner
- Home performance with Energy Star
- Added Insulation
- Duct Leak Repair
- Energy Star for Affordable Housing
- Pool Pump
- Refrigerator Buyback and Recycling
- Gas Water Heater
- Gas Central Heat
- Gas Range
- Gas Dryer
- Solar Water Heater
- Solar PV
- Irrigation System Maintenance and Rain Sensor
- Custom Business
- Smart Vend



Other Incentives

- Weatherization
 - Community Weatherization Coalition – a community coalition focused on improving weatherization and energy efficiency for those in need through education and volunteer work projects (GRU provides funding up to \$300 per home or up to \$30,000 annually)
 - Central Florida Community Action Agency - weatherization assistance program in Alachua, Levy and Marion Counties (funding from federal government)



Why don't these incentives work for rental properties?

- Students look for location, social opportunities and high speed internet
- Low income customers look for price and location
- Owners or facilities maintenance folks respond differently than owner occupied
 - Very reactive – when something breaks they fix it
 - Lack of understanding as to the options and the benefits of various options
 - Usually no direct Return on Investment – benefit goes to renter (bill payer) not to owner



Rates

- Residential Electric
 - \$.032 first 250 kWh
 - \$.068 251-750 kWh
 - \$0.102 Over 750 kWh
- Residential water
 - \$1.99 First 9 kgal
 - \$3.65 >9 kg <25 kgal
 - \$6.00 >25 kgal



Education

- Drive awareness of energy efficiency by showing the energy usage of rental properties as compared to others (contract with Gainesville Green) to be completed fall 2010
- Inform apartment complex facility managers about rebates and efficiency
- Create a section on the GRU website for tenants and landlords to include conservation program eligibility
- Clarify the availability and steps necessary for multi-family units to obtain a customized business rebate



Tools for Tenants



Education

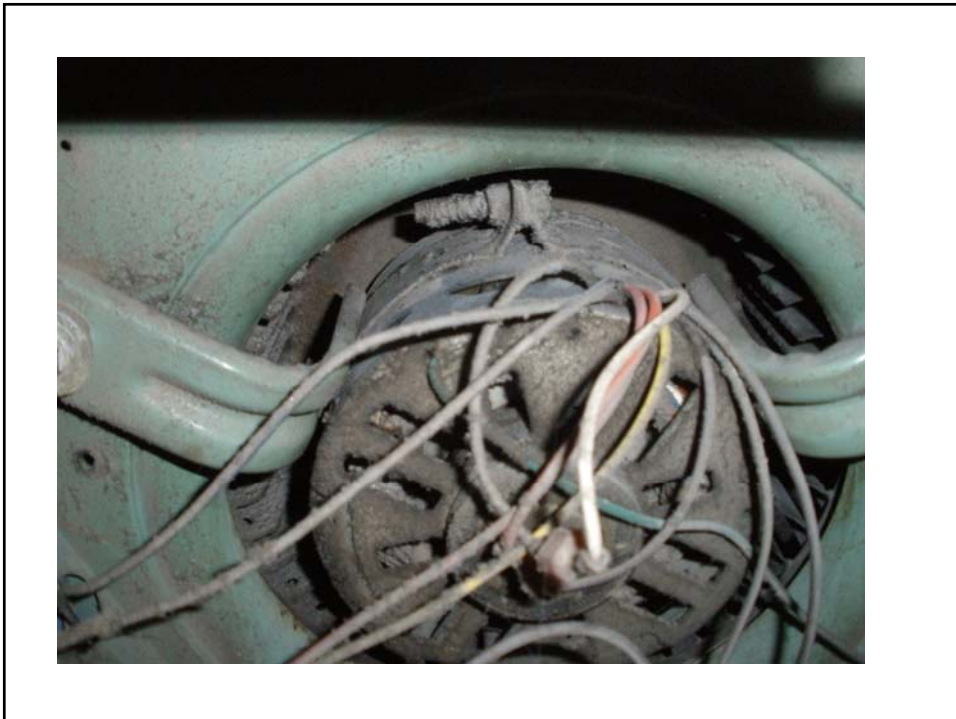
- Recognize properties that have been recently upgraded for energy efficiency (Gainesville Green)
- Complete bill re-design that will provide more information on usage (fall 2010)
- Continue Home Energy Reports



Regulation

- The Florida Energy Code
 - Does a fair job but only on new construction
 - Also, cannot exceed code without a long drawn out process
- Larger problem is with existing housing stock
 - Both single and multi family rentals are a concern





What's being done in other states/ cities on the regulatory side?



Minimum Energy Efficiency Standards for Rental Property Ordinance (Iowa)

- Applies to all rental properties including single and multi-family dwellings and residential hotels
- Certificate of Compliance
 - 3 year grace period
 - 5 year inspection cycle
- Upgrades not required if payback > 7 years
- All rentals will be phased in over time
- \$100-\$500 fine for violation depending on number of units



Maine's Energy Efficiency Disclosure Form

- Became law in 2006
- "This rental unit meets/ does not meet/ partially meets the minimum energy efficiency guidelines suggested below for rental units"
 - Heating systems
 - Water heater
 - Insulation
 - Windows and doors
 - Appliances
- Requires landlord and tenant signature, date
- No enforcement and no penalty



Clean Energy Assessment Districts (Vermont)

- Vermont communities (Act 45) can establish "clean energy assessment districts" to make it easier for building owners to invest in energy efficiency and/or renewable energy projects in existing homes and businesses.
 - Burlington POWER Program
 - property owners can choose to opt in to a special tax assessment district created by the City
 - The municipality funds the district through bonds or any other appropriate financing mechanisms
 - Provides for payback period to be less than life cycle of the measure installed



City of Burlington's Minimum Rental Housing Time of Sale Energy Efficiency Standards Ordinance (1997)

- To improve rental dwellings within the City that lack adequate insulation and other thermal performance characteristics which cause the inefficient use of energy to heat the dwellings
- Applicable at time of sale
- Seller and Buyer negotiate who is responsible
- Program administrator provides technical assistance and coordination with all available energy programs



Discussion

- Where do we go from here?



Thank You

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