STUDY SESSION

6 p.m. Communications (no written report)
6:10 p.m. Elections (no written report)
6:30 p.m. Efficient buildings ordinance
            [Note: Environment and Sustainability Commission attending presentation]
7 p.m. New housing policies and programs overview, including fair housing update
8 p.m. Adjourn

If you cannot attend the meeting, please call the Community Development Office, 952.924.2575.

Auxiliary aids for individuals with disabilities are available upon request. To make arrangements, please call 952.928.2840 at least 96 hours in advance of meeting.
3. Discussion: Efficient Buildings Program (benchmarking ordinance)

Summary: The city will be utilizing energy benchmarking as an important step to help implement the Climate Action Plan. City staff’s work with partners in the Hennepin County Efficient Buildings Collaborative resulted in a draft program outline for the city. While the above program and ordinance does not related directly to zoning, climate action is one of the strategic priorities of the St. Louis Park 2040 comprehensive plan.

Katie Jones with the Center for Energy and Environment and Brian Hoffman will be presenting to planning commission the program details and experiences from other cities adopting a benchmarking program during the meeting discussion. The city council indicated strong support for the program at its July 8, 2019 study session.

Adopting an ordinance to establish the Efficient Building Program will require resources to administer in future years. Participating in the Hennepin County Efficient Buildings Collaborative and contracting for the services provided by Overly Consulting would result in a $30,500 budget expense in 2020. Once the program is operating and the newly created Sustainability Division in the Building and Energy department (formerly Inspections Department), staff would review the option to maintaining the program within the city.

This presentation is for planning commissioners’ information, and to provide important context to the city’s strategic implementation of the ambitious climate action plan goals. There will be a little time for questions following the presentation.

To make efficient use of the consultant’s time, the Environment and Sustainability Commission (ESC) will be attending the planning commission meeting to listen to the presentation and planning commission’s questions and comments, then ESC will depart to hold their regularly scheduled meeting and continue with their questions and comments regarding the new program.

Attachments: Background, Benchmarking handout

Prepared by: Brian Hoffman, Director of Building and Energy
Sean Walther, Planning and Zoning Supervisor
Discussion

Background: The city’s Climate Action Plan (CAP) includes goals to reduce energy consumption across different kinds of buildings, including commercial and residential. One method to increase awareness and encourage investment in energy efficiency is implementing an energy consumption benchmarking program for larger buildings. Several cities have implemented benchmarking requirements and are observing reduced energy consumption as a result.

The city’s sustainability coordinator was part of a working group comprised from several cities that helped further develop a county wide benchmarking program over the past year. The Hennepin County’s Efficient Buildings Collaborative has the goal of providing the same methodology and technical support for benchmarking programs across cities. Creating uniformity in program reporting will assist commercial property owners that have buildings in various cities. Additionally, the collaborative offers staffing resources to help develop and administer a benchmarking program.

With the city’s participation on the Hennepin County Efficient Buildings Collaborative framework we are considered a pilot city, and are able to receive free consulting to help develop a program and ordinance at this time. A future discounted rate will apply for having the cooperative manage implementation and operation the program. During the past months, staff from several departments engaged in three workshops with consultants from the Center for Energy and Environment (CEE), a partner in the Hennepin County Efficient Buildings Collaborative. The proposed program being presented is tailored for the city within the parameters of the collaborative.

Present Considerations: The proposed Efficient Buildings Program would require annual whole-building energy (electric and gas) and water consumption reporting for benchmarking large commercial, multifamily, and public buildings. In addition, the proposed program would have the benchmarking results be transparent and publicly available beginning the following year.

Buildings over 25,000 square feet, including commercial, business, industrial, multifamily, and municipal buildings are proposed to be included. Industrial facilities where significant energy consumption is used for production would be exempt to avoid distorting the comparative results. This criteria would presently result in 264 buildings being included in the program and that is a manageable number. While representing less than 2% of the city’s total building count, it would create benchmarking for approximately 52% of the total building area in the city. Contracting costs for program management are stepped based on total number of buildings and would increase if the city program included over 300 buildings for benchmarking.

The annual work or cost for building owners and managers participating is intended to be minimal. Only entering their building data and gas, electric, and water consumption from the previous calendar year using the EPA’s ENERGY STAR Portfolio Manager by June 1 each year would be required. This date is being recommended for consistency with surrounding cities.
Staff will be working with the utility providers to simplify reporting of annual energy and water consumption data to facilitate ease of entry.

Collective results of collected data would then be available and could be utilized by building owners to compare their energy usage with buildings of similar types. Buildings with higher usage could be identified for education outreach or incentive programs to assist with reducing the carbon footprint.

**Next Steps:** CEE is available to assist the city with public outreach and engagement by creating information and presenting the proposed program to affected property owners at public meetings. An ordinance establishing the Efficient Building Program beginning in 2020 could be presented to council by the fall of 2019.

To continue utilizing the collaborative for implementation and operation, the city would need to enter into a joint powers agreement with Hennepin County and contract with Overlay Consulting. This relationship would provide technical assistance to property owners, manage data, and give additional support to the city.
Unlocking Energy Savings Potential

Over $66 million is spent annually on electricity and natural gas in St. Louis Park buildings. Meanwhile, the U.S. Environmental Protection Agency estimates that the average building wastes 30 percent of the energy it consumes due to inefficiencies. Increasing energy efficiency in St. Louis Park’s large buildings can help drastically reduce the city’s carbon footprint while cutting owner and tenant energy bills.

To support community goals and building investment, the City of St. Louis Park is proposing the Efficient Buildings Program.

As fuel mileage is for cars, energy benchmarking is for buildings

Benchmarking is the ongoing review of a building’s energy and water performance to ensure a building is using energy and water as anticipated—over time and relative to peers. Just as fuel mileage helps drivers understand vehicle efficiency, benchmarking and energy saving assessments give owners and occupants insight into their building’s energy performance and helps identify opportunities to reduce cost and waste. Public sharing of the benchmarking data drives the market towards more efficient buildings. Energy is the largest controllable cost for most commercial real estate. In addition, energy efficient buildings are highly valued in the market place. Managing energy allows property owners and managers to better control their building’s energy and operational efficiency and reduce risk.

What are the Benefits?

- Helps building owners track energy performance, control costs, and identify options to improve efficiency.
- Allows for building peer comparison.
- Promotes better energy decisions and greater demand for energy efficiency in the market
- Supports the City’s climate action goal to ultimately reach carbon neutrality by 2040.

Figure 1. An EPA study of benchmarking buildings showed an average 7 percent savings over three years.
Proposed Framework and Stakeholder Engagement

The proposed benchmarking and energy saving assessment policy would apply to between 250 and 320 large commercial and multifamily buildings. The main components of the policy – benchmarking reporting and benchmarking transparency would be phased in over a few years.

Resources through Hennepin County

St. Louis Park is a pilot City in the Hennepin County Benchmarking Collaborative, which provides guidance, best practices, and technical support on benchmarking programs. The Collaborative also provides in-person and helpline training via phone, email, and online meetings to building owners and managers to make benchmarking easy and the results valuable.

Joining Energy and Climate Leaders

Over 25 cities, including mid-size cities like Evanston, Illinois, are showing that the building market thrives on information. Total building energy use in cities with benchmarking policies has dropped 1-3 percent annually. In Minnesota, the City of Minneapolis’ commercial benchmarking policy has benchmarked over 400 buildings since 2013 and in early 2019 expanded to include multifamily buildings and an energy evaluation requirement and Edina recently passed a similar policy. Other cities including St. Paul are actively exploring benchmarking policies as well.

How It Works

Benchmarking

- Is a relatively fast and easy process, taking an average of a few hours annually.
- Requires no out-of-pocket expense as the City’s chosen reporting tool, the web-based ENERGY STAR Portfolio Manager, is free. ENERGY STAR Portfolio Manager is the nationally-preferred tool to measure and track building energy and water use.
- Is more convenient today, as Xcel Energy and CenterPoint Energy allows customer’s consumption data to be automatically upload into Portfolio Manager.
- The City will provide access to trainings and a help desk for entering data and understanding a building’s score.

Energy saving assessments

- Are easily accessible through utility rebate programs.
- Are reviews of a buildings equipment and operation.
- Identify and recommend changes in operating practices or energy consuming equipment that will effectively save on energy bills.

Energy and Climate Leaders

Over 25 cities, including mid-size cities like Evanston, Illinois, are showing that the building market thrives on information. Total building energy use in cities with benchmarking policies has dropped 1-3 percent annually. In Minnesota, the City of Minneapolis’ commercial benchmarking policy has benchmarked over 400 buildings since 2013 and in early 2019 expanded to include multifamily buildings and an energy evaluation requirement and Edina recently passed a similar policy. Other cities including St. Paul are actively exploring benchmarking policies as well.

Realized Annual Energy Savings in Cities with Benchmarking Policies

1-3%
4. Fair housing policy and new housing policies and programs

**Recommended Action:** None at this time. This item is for information and discussion purposes only.

**Fair Housing Policy:** In order to draw down Livable Community Grant funds in the future the Metropolitan Council is requiring cities to adopt a fair housing policy. A draft of the fair housing policy is attached. The policy’s purpose is to outline St. Louis Park’s response to fair housing which includes a fair housing officer, referrals, and resources. Housing staff will review the policy with the planning commission and answer any questions. After receiving input from the planning commission and other boards and commissions the policy will be presented to city council for approval.

**New and updated housing policies and programs:** Several housing policies and programs have been adopted or updated in the last year. Staff will review the policies and answer planning commissioners’ questions related to the following policies and programs:

- Inclusionary Housing Policy
- Tenant Protection Ordinance
- Local Housing Trust Fund
- 4d affordable housing incentive program
- Multifamily rental rehab program
- Kids in the Park rent assistance program
- New vouchers awarded to St. Louis Park Housing Authority
- Down Payment Assistance Program

**Attachments:** Draft Fair Housing Policy

**Prepared by:** Marney Olson, Assistant Housing Supervisor

**Reviewed by:** Sean Walther, Planning and Zoning Supervisor
Fair Housing Policy Draft

1. Purpose and Vision

Title VIII of the Civil Rights Act establishes federal policy for providing fair housing throughout the United States. The intent of Title VIII is to assure equal housing opportunities for all citizens. Furthermore, the City of St. Louis Park, as a recipient of federal community development funds under Title I of the Housing and Community Development Act of 1974, is obligated to certify that it will affirmatively further fair housing.

The City of St. Louis Park strives to advance its commitment to inclusion and equity by developing this Fair Housing Policy to further the goal of creating a thriving, safe, and healthy community where all residents will flourish. This policy’s purpose is to outline St. Louis Park’s dedication and response to fair housing issues which includes a fair housing officer, referrals, and resources.

2. Fair Housing Policy Statement

It is the policy and commitment of the City of St. Louis Park to ensure that fair and equal housing opportunities are available to all persons in all housing opportunities and development activities funded by the city regardless of race, color, religion, sex, sexual orientation, marital status, status with regard to public assistance, creed, familial status, national origin, or disability. This is done through external policies to provide meaningful access to all constituents as well as fair housing information and referral services; and through internal practices and procedures that promote fair housing and support the city’s equity and inclusion goals.

3. External Practices

a. Fair Housing Officer

The City of St. Louis Park has designated the Fair Housing Officer to be the Community Organizer of the city as the responsible authority for the intake and referral of all fair housing complaints. At a minimum the Fair Housing Officer will be trained on the complaint process for filing discrimination complaints, and the state and federal agencies that handle complaints.

Fair Housing Officer will work closely with the Housing Department for additional support and with organizations in the community. The date, time and nature of the fair housing complaint and the referrals and information given will be fully documented. The Fair Housing Officer will inform the Housing Department of trends, when appropriate, arising from the recording keeping of fair housing complaints brought to the city.

b. Meaningful Access

i. Online Information. The City of St. Louis Park will continuously have a space designated for fair housing policy with additional resources and information on the city website. The website will include links to various fair housing resources, including:

1. The Department of Housing and Urban Development
2. Minnesota Department of Human Rights
3. Mid-Minnesota Legal Aid
4. State of Minnesota’s Olmstead Plan
5. Americans with Disabilities Act (ADA) Policy
   ii. **In-Person Information.** The City of St. Louis Park will provide in-person fair housing information including:
       1. A list of fair housing enforcement agencies;
       2. Frequently asked questions regarding fair housing law; and
       3. Fair housing complaint forms for enforcement agencies
   c. **Languages**
      The City of St. Louis Park is committed to being a connected and engaged community. To provide information in the native language of its residents and better serve our increasingly diverse population, the city contracts with a service that provides interpretation via telephone. The city will utilize other avenues as needed to provide interpretation services to its residents.
4. **Internal Practices**
   a. **Staff and Officials Training.** The city will train its staff and officials on fair housing considerations.
   b. **Housing Analysis.** The city will prepare its housing activity report annually and conduct a market housing analysis approximately every five years to examine the affordability of both rental and owner-occupied housing to inform future city actions.
   c. **Code Analysis.** The city will review its municipal code at least every 10 years, with specific focus on ordinances related to zoning, building, and occupancy standards, to identify any potential for disparate impact or treatment.
   d. **Project Planning and Analysis.** City planning functions and review of development will examine fair housing impact of development, including whether potential projects may perpetuate segregation or lead to displacement of protected classes.
   e. **Community Engagement.** The city is committed to providing resources and referrals to tenants on fair housing and tenant rights. The city will also educate rental property owners and managers on fair housing practices and policies. The city is committed to community engagement and public process and seek to gain an understanding of fair housing concerns from impacted residents. Additional conversations regarding fair housing development, zoning and land use changes may be facilitated by the city.
   f. **Affirmatively Furthering Fair Housing.** As a recipient of federal funds, the city agrees to participate in the Regional Analysis of Impediments, as organized by the regional Fair Housing Implementation Council (FHIC), an ad hoc coalition of Community Development Block Grant (CDBG) entitlement jurisdictions and others working together to affirmatively further fair housing. The City will review the recommendations from the analysis for potential integration into City planning documents, including the Consolidated Plan, the Comprehensive Plan, and other related documents.