



Department Source: Sustainability

To: City Council

From: City Manager & Staff

Council Meeting Date: July 5, 2022

Re: Staff report on rental energy efficiency policy development process.

## Executive Summary

Staff is seeking Council authorization to plan and implement a process to develop an ordinance or policy that establishes a date by which rental housing will meet basic energy efficiency standards and defines those standards.

## Discussion

Staff is pleased to provide perspective on the development of rental energy efficiency policy for the City of Columbia. Between the past two comprehensive reports presented to Council (2017 and 2022), the national policy landscape of rental energy efficiency and equitable engagement has advanced significantly.

It is staff's position that the overall goal for work related to rental energy efficiency should support Action H-1.1.3 of the Climate Action and Adaptation Plan: Establish a date by which all rental housing will be required to meet basic energy efficiency standards at license renewal.

Staff from the Office of Neighborhood Services, the Utility Services Division and the Office of Sustainability have participated in a number of workshops, training and peer exchanges with several municipalities at various stages in their development of rental energy efficiency policy tools. Through this, staff has an improved understanding of the evolving best practices for rental energy efficiency policy, available resources and the importance of effective engagement.

A rental energy efficiency policy has the potential to affect a range of important issues in the community, including but not limited to the following: improved housing affordability, lower energy costs, better indoor air quality, lower greenhouse gas emissions and reduced demand for utility assistance. An improved standard of living with more stable and affordable rental housing may also benefit the business of renting property.

Because policy actions may also result in unintended and undesirable impacts to these areas, successful policy will be informed by input from and the experiences of people who rent their homes; people who manage or own rental properties, and an analysis of rental housing and energy trends in Columbia. Staff favors a City-led, structured community and stakeholder engagement policy development process. The Office of Sustainability has requested \$50,000 in funding for FY23 to procure technical assistance and engagement support as needed for this work.



The policy development process could be marked by check-in points through which community and stakeholder input can be received and used to refine the existing work and guide next steps.

Proposed check-in points could include:

- Prioritization of beneficial outcomes (energy burden, health, rental market stability, emissions reduction, etc.)
- Evaluation of residential rental stock, (Age, condition, efficiency) and potential metrics. (energy use intensity, energy burden, housing cost burden, total cost of occupancy,
- Comparison of implementation pathways, use of incentives, compliance timelines.

Staff is currently reviewing the details of engagement models used in other municipalities for rental energy efficiency policy development and plans to evaluate the feasibility of these methods in Columbia to inform a community and stakeholder engagement strategy.

As the funding to conduct an analysis of market and energy trends and provide engagement support is requested for FY23, these activities will commence as soon thereafter as practicable. In the interim, staff will continue developing community and stakeholder engagement roadmaps; improve community partnerships; and consult with interested groups.

### Fiscal Impact

Short-Term Impact: \$50,000

Long-Term Impact: NA

### Strategic & Comprehensive Plan Impact

[Strategic Plan Impacts:](#)

Primary Impact: Reliable Infrastructure, Secondary Impact: Resilient Economy, Tertiary Impact: Tertiary

[Comprehensive Plan Impacts:](#)

Primary Impact: Livable & Sustainable Communities, Secondary Impact: Secondary, Tertiary Impact: Tertiary

### Legislative History

Date	Action
06/21/2022	Communication to City Council from the Climate and Environment Commission regarding Rental Energy Efficiency.
10/18/2021	Report to Council from the Climate and Environment Commission regarding increasing the accessibility of Home Energy Scores.



# City of Columbia

701 East Broadway, Columbia, Missouri 65201

02/05/2020	Presentation to the Water and Light Advisory Board of a Case Study of the Home Performance with Energy Star Program in rental units by the Utility Services Department.
06/17/2019	Adoption of the Climate Action and Adaptation Plan which includes rental energy efficiency goals.
06/19/2017	Presentation to Council of the Staff Response to the Rental Energy Efficiency Report.
02/20/2017	Presentation to Council of the Rental Energy Efficiency Report from the Environment and Energy Commission.
04/21/2014	Council approves PR 62-14 A, approving a utility information and data policy for residential rental properties to provide on the City website a month by month City combined utility statement for City account service
07/17/2012	Presentation to the Environment and Energy Commission of the Capstone project on rental energy efficiency from students at the Truman School of Public Affairs.
02/14/2011	Council hears a report suggesting a pilot program to collect non-City utility information on participating rental properties and display the data on a map on the City website.

## Suggested Council Action

If Council concurs, staff will return with legislation and/or a policy that authorizes the process of establishing a date by which all rental housing will be required to meet basic energy efficiency standards and define those standards.