



Climate and Health Standards for Existing Buildings

Draft Policy Concept

March 3, 2022

Imagine vision of climate justice

Imagine a Portland where...

- being a tenant of an apartment building is a safer, efficient, healthier, affordable, and more joyful living experience.
- improving a building for energy efficiency and health doesn't threaten tenants with rent increases that lead to displacement.
- older downtown office buildings and high-rise apartments become energy-efficient, renewably powered, and regenerative.
- local government, business, community members, tenants, and climate advocates collaborate to design a policy that improves the quality of our building stock, advances racial equity, delivers measurable benefits to Black, Indigenous, and people of color communities, and lowers our collective carbon footprint.

Achieving this vision of climate justice will take all of us.

Climate and health standards for existing buildings can help achieve this vision

Climate change is an urgent, present-day crisis. The climate crisis is stacked on top of ongoing crises experienced by many Portlanders: a high cost of living and substandard housing that contributes to health problems and is expensive to heat and cool.

Everyone must be a part of the solution and those who are most heavily impacted by these crises must benefit from the solutions created – especially our Black, Indigenous and People of Color (BIPOC) and low-income communities who are disproportionately impacted by climate change and have largely been left out of climate policy development. **Bold action must be centered around a common understanding that those on the front lines of climate change deserve targeted support to weather the crises, while improving the affordability, health and safety of their housing.**

Heating and powering Portland's existing buildings accounts for 43 percent of the carbon emissions we produce locally. Carbon emissions from our homes have plateaued since 2012. Commercial building emissions went up 8% between 2018 to 2019. We must decarbonize our entire buildings sector to reach Portland's adopted carbon emissions reduction targets: 50% or more below 1990 levels by 2030, and zero emissions by 2050.

City Council declared a climate emergency in 2020. This means we must pull every lever we can to reduce local carbon emissions more than 30% by 2030. Climate and health standards are one of the key levers local governments possess to decarbonize buildings. These standards can cut Portland's carbon footprint from the building sector in half by 2050.

What are climate and health standards for existing buildings?

Climate and health standards for existing buildings are requirements. Sometimes this policy tool is referred to in other cities as “building performance standards.” Boston, Denver, New York, St. Louis, Washington DC, and the state of Washington, have building performance standards in place already.

We have chosen to use the term “climate and health standards” to indicate that this policy effort addresses more than just greenhouse gas emissions, in keeping with BIPOC community priorities.

Buildings that are covered by the policy would have to meet performance standards related to **carbon emissions, indoor air quality, and indoor temperature by certain dates.**

Some examples of climate and health standards for buildings include:

- o Requiring **natural gas stove ventilation** to improve indoor air quality;
- o Requiring increased ventilation standards to reduce the **incidence of airborne diseases**;
- o Limiting carbon emissions by improving **energy efficiency or increasing renewable energy supply**;
- o Making buildings and communities more **resilient to wildfire smoke and power outages**;
- o Setting **maximum indoor temperature** for heat wave resilience.

These are examples to illustrate the breadth of what climate and health standards can address. Not all of these performance standards will apply to every building type under consideration for this policy, but all of the standards must be considered for rental apartment buildings.

What buildings would the performance standards apply to?

The policy would apply to:

- Rental apartments. Stakeholder engagement will determine the minimum size threshold, but we expect to consider buildings that have more than three units. **See below for a fuller discussion of HEART standards, which are aimed at these buildings.**
- Large commercial buildings. The City of Portland already regulates commercial buildings 20,000 square feet and larger through the Portland Energy Performance Reporting program (Ordinance No. 187095). We propose this size as a starting point for stakeholder discussions.
- Large multifamily buildings. Stakeholder engagement will determine the specific size thresholds for these buildings but generally this refers to mid- and high-rise multifamily buildings.
- Regulated affordable housing. Stakeholder engagement followed by a focused meeting with regulated affordable housing developers and providers to determine the applicability of standards.

This policy would **not** impact:

- new construction;
- existing single-family owner-occupied homes;
- existing single-family rentals.

The benefits of establishing performance standards

Unlike prescriptive approaches that tell building owners what to do in a top-down manner, **performance standards are flexible and customizable**. Not a one-size-fits-all approach, performance standards allow building owners the autonomy and flexibility to meet compliance targets in the best way for them. Each decision-maker can follow the **pathways that are the most cost-effective and technically appropriate** for the type of building in question (e.g., multifamily residential, hotel, office building) and building context (e.g., age, type of infrastructure, ownership.)

Another benefit of standards is that they **don't go into effect all at once**. Building performance ordinances typically have very long timelines for compliance, with interim compliance dates (every five years, for example.) A **25-year compliance timeline** allows buildings, for example, to plan and align investments with upgrades that are more than likely to be needed within this planning horizon. The policy will provide building owners with **clear guidance and ample time** to comply.

The exact start date of the policy will be a subject of discussion among stakeholders. **But we know that the policy end date is 2050 and that the target for carbon emissions from covered buildings by that date is zero.**

What about the costs?

Climate justice means that those who are on the frontlines of climate change should not bear the burden of averting it. **Those who have contributed least to the problem should not be responsible for paying to fix it.**

The costs of mitigating climate change should be a shared responsibility among those with greater resources and privilege. This means that the public, private, nonprofit, and philanthropic sectors must come together to bear the burden collectively.

We understand costs will be a primary concern for building owners. **The City intends to collaborate with the private and nonprofit sectors to find and expand resources**, like the Energy Trust of Oregon, to help offset costs of policy compliance. The City is also exploring the use of federal infrastructure dollars and State programs. The Portland Clean Energy Community Benefits Fund may be an option for providing resources to community-led projects that upgrade rental apartments to meet the new standards.

Several other cities have incorporated resource hubs into their building standards program design. The purpose of a resource hub is to support property owners with compliance and to support rental housing tenants who live in buildings subject to the policy. City staff will be looking to hear from stakeholders about the kinds of resources and support that would be most beneficial to consider.

Ultimately, the costs of compliance will be determined through policy design, which will be informed by stakeholders.

HEART standards for rental apartments

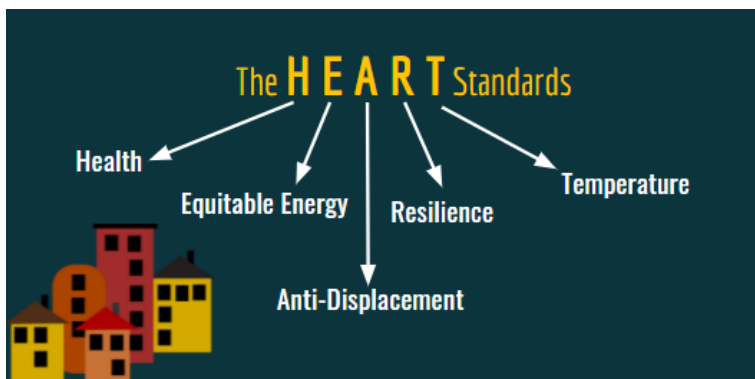
Since 2019, the Bureau of Planning and Sustainability has worked with Build/Shift: Building Community/Shifting Power (also known as the Build/Shift Collective) to elevate the voices of BIPOC communities and identify their priorities that intersect with reducing building carbon emissions.

While reducing greenhouse gases from all buildings must be considered to mitigate the climate crisis, prioritizing rental apartments is vital to addressing justice in the transition away from fossil fuels. Rental apartments tend to be less energy-efficient than other housing, leaving tenants with high bills.

The result of our collaboration with the Build/Shift Collective is a proposal to establish minimum requirements for existing rental apartments that address:

- **Healthy housing**
 - Ex: Require natural gas stove ventilation to improve indoor air quality
- **Equitable energy**
 - Ex: Limit carbon emissions for apartments, condos and commercial buildings by improving energy efficiency or increasing renewable energy supply.
 - Ex: Reduce energy cost burden for low-income tenants
- **Anti-displacement**
 - Ex: Prevent risk of displacement when improvements are made.
- **Resilience**
 - Ex: Make buildings and communities resilient to power outages.
- **Temperature**
 - Ex: Set maximum indoor temperature for heat wave resilience.

We call these HEART Standards.



Preventing displacement of low-income tenants is a key component of the proposed building standards. Knowing that the cost of compliance could potentially be passed through to tenants as higher rent, the City will work with stakeholders to develop financial incentives and financing options to mitigate the cost of investments. But a goal of the building standards is to improve energy efficiency, so that tenants have lower utility bills, especially winter heating bills that can be unaffordable for low-income tenants. And this could help offset potential rent increases.

What's next

The Bureau of Planning and Sustainability (BPS) will convene two stakeholder working groups throughout **April and May 2022**:

1. A Building Working Group focused on impacted property owners.
April 13, April 27, May 11 and May 25
2. A Tenant Working Group focused on renter priorities.
April 20, May 4, May 18 and June 1

Each group will meet four times every other week on Wednesdays from 12-2:30 p.m.

These working groups will inform key decisions, such as:

- applicable size thresholds for various building types;
- minimum health standards or building systems required to improve occupant health and safety;
and
- options for compliance pathways.

After the working groups have discussed key decision points for the policy, BPS will prepare a draft ordinance for public comment. The timeline for taking an ordinance to Council will be determined after stakeholder engagement and public review.

Please email Michelle DePass/ BPS at michelle.depass@portlandoregon.gov if you would like to recommend a representative from your organization to serve on a working group. **Stipends will be available to community-based organizations for participation in the working groups.**