A BETTER BUILDING CODE: RECOMMENDATIONS FOR INCREASING HOUSING RESILIENCE & RACIAL EQUITY FOR MINNESOTA RENTERS

In 2021, HF831/SF2077, known as the Better Building Code, was introduced at the Minnesota legislature. The legislation would require new commercial buildings, including multifamily buildings four stories or greater, to have increasingly higher standards for energy efficiency until reaching net zero energy by 2036. Increased energy performance results in healthier homes and higher quality of life, reduced utility costs for residents, and reduced costs for thousands of Minnesota business owners.

We examined data for 4+ story multifamily buildings and interviewed with renters and property owners, developers and managers to determine housing impacts and develop recommendations.

Top Takeaways



The Better Building Code will decrease energy burden and increase livability to meet equity expectations for multifamily 4+ story residential homes. Affordable homes, as well as market rate ones, deserve this increase in quality.



Energy efficient housing is a right that must be paired with sufficient regulatory, compliance, and enforcement resources.



An ecosystem approach is needed coordinating resources, education, and expertise among developers, architects, contractors, and residents.



Accelerated energy codes require **intentional inclusion strategies for construction and design industries,** ensuring business development and growth opportunities are targeted to Black, Indigenous, people of color, and women entrepreneurs and workforce.



Affordable properties that require major retrofits should be an area of particular policy focus, with goals of preserving homes and retaining affordable rents.

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Recommendations

Invest in energy-efficient affordable multifamily buildings.

Don't leave affordable homes behind! Options for matching affordability resources to costs include state and local grant and loan programs, property tax relief, project-based rental assistance, utility provider incentive programs, and existing tools.

Utilize an accelerated cohort or phased implementation.

Utilize a cohort of properties to be first implementors of an advanced building code, able to test new systems, and assess performance, maintenance, and replacement costs of construction strategies and building systems.

Quantify co-benefits as part of policy justification.

The Departments of Commerce and Labor and Industry should engage the Department of Health, Minnesota Housing, and others to quantify impacts on health, cost savings over the life cycle of buildings, reductions to energy burden, and improved weather resiliency.

Develop an "ecosystem" approach to education, training, and engagement opportunities.

Coordinating resources, education, and expertise among developers, contractors, and residents will build an ecosystem of support. Examples include reducing barriers to new technology for building maintenance, prioritizing opportunities for BIPOC-owned businesses, training for building officials, and education and resources for renters and community members.

Stimulate Black, Indigenous, Asian, and Latino business ownership and growth in energy efficiency industries.

Set goals for BIPOC business and workforce participation and provide business growth incentives. Direct benefits from new investments to communities surrounding large multifamily buildings.

Identify targeted strategies to retain affordable rents for older high-rise buildings.

Older buildings risk conversion to higher market rents to meet renovations - resulting in displacement. Minnesota Housing, with the Department of Commerce, should develop a focused program for the preservation of high-rise multifamily properties.

System Recommendations

PARTICIPANTS IDENTIFIED THESE RECOMMENDATIONS AS IMPORTANT TO SYSTEMS CHANGE ALONGSIDE THE BETTER BUILDING CODE:

- **Use a rights frame for energy efficiency.**
- **Ensure impacted communities are equitably represented within decision-making structures.**
- **Apply efficiency standards to *all* homes.**
- **Invest in training, compliance and enforcement.**

REPORT CONTRIBUTORS

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