

# Northfield Proposed Sustainable Building Policy FAQ – 9/16/2021

## **1. What developments will this policy apply to?**

This policy will apply to new construction and significant renovations and additions in municipal developments and developments seeking a financial assistance in the form of:

- Housing & Redevelopment Funds
- Tax Increment Financing (TIF)
- EDA – only grants and forgivable loans
- Land write downs
- Bonds
- Tax abatement
- Low-income housing tax credit
- MIF
- Conduit financing
- All projects with state and federal funding requiring approvals by the City (i.e. ARP)

Significant renovations and additions are defined as those that are of 10,000 square feet and greater and replacing or installing HVAC equipment.

## **2. Why use a third-party rating system? Will this increase the cost of development?**

Using a third-party rating system, such as LEED or MN Green Communities, ensures that buildings are meeting sustainability requirements that are widely recognized as best practices. Doing so also clarifies liability and also allows for more certainty for the design team in knowing the policy requirements will be met. The cost for engaging the third-party rater is typically less than one percent of the cost of a project and when examined early in the design process, studies show that utilizing sustainability practices contributes 1-3% to total costs on average.

## **3. How does the City have the authority to do this policy? Is this a code?**

Cities have the authority to add conditions when granting financial assistance. The proposed Sustainable Building Policy is a set of requirements ONLY for buildings requesting financial assistance through the City. Buildings not receiving financial assistance would not be subject to the requirements. Because of that and that the State establishes the building code, this policy is not a code.

#### 4. How were the listed rating systems selected?

The proposed policy aims to cover a broad spectrum of sustainability areas including energy, water, waste, and materials. The listed rating systems were selected because they achieve that aim and because they are used in similar policies by other cities in the region. Creating regional consistency helps to improve implementation efficiency and lower costs. As rating systems are constantly evolving, the policy is designed for flexibility with other equivalent rating systems being allowed as approved by the City for an individual development. Below are two tables describing the rating systems and Northfield Green Requirements (NGR) standards:

Rating System	Applicable Developments	Certification Body	Description
<a href="#">B3</a>	Commercial, multifamily	University of Minnesota Center for Sustainable Building Research (CSBR)	MN-specific rating system. Developed originally for State of MN bonded projects. Is available now for all developments for a fee. Categorizes requirements by: Performance Management Site and Water Energy and Atmosphere Indoor Environmental Quality Materials and Waste
<a href="#">LEED</a>	Commercial, multifamily, single family	US Green Building Council	Globally recognized rating system. Is available for all developments for a fee. Categorizes requirements by: Location and Transportation Sustainable Sites Materials and Resources Indoor Environmental Quality Water efficiency Energy and Atmosphere
Green Communities	Multifamily	<a href="#">MN Housing</a> for projects receiving their funding; otherwise <a href="#">Enterprise</a>	Enterprise Green Communities is a national rating system targeted at multifamily. Is available for multifamily developments for a fee. MN Housing requires implementation of and provides technical resources for the MN version of that standard for projects it funds. Categorizes requirements by: Integrative Design Location + Neighborhood Fabric Site Improvement Water Operating Energy Materials Healthy Living Environment Operations, Maintenance, Resident Engagement
<a href="#">ParkSmart</a>	Parking structures	Green Business Certification	Globally deployed rating system. Is available for parking developments for a fee. Categorizes requirements by: Management

			Programs Technology and Structure Design Innovation
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NGR Requirement	Standard	Applicable Developments	Certification Body	Description
Energy Efficiency	<a href="#">Sustainable Buildings 2030 (SB2030)</a>	Commercial, Multifamily	University of Minnesota Center for Sustainable Building Research (CSBR)	MN-specific performance standard following the Architecture 2030 model that seeks net zero energy construction by the year 2030. In 2021, the standard is 80% more efficient than the same building built to code in 2006. Prescriptive path is available.
Energy Efficiency	<a href="#">Zero Energy Ready Homes</a>	1-3 unit residential	DOE	National standard targeting small residential with both prescriptive and performance based paths.
Renewable Energy	<a href="#">B3 Guideline E.2</a>	Commercial, multifamily, single family	US Green Building Council	Evaluate the feasibility of sourcing 2% of energy load with on-site renewables. Install if cost-effective per B3 guideline.

**5. How will this policy relate to the ever-evolving rating system versions and energy code?**

The policy will require compliance with the most recent rating system version in existence at the time of development application. Where elements of the selected rating system and energy code differ, the policy will require adherence to the most stringent.

**6. How many projects would this apply to?**

Looking back five years, this policy would have applied to seven developments. If historical development patterns continue, we'd anticipate about 1-3 projects per year would be subject to the sustainable building policy.

**7. What happens if a developer chooses not to follow the policy? What happens if the project doesn't certify under the chosen requirements?**

Developers who request funding from the City of Northfield will be notified of the sustainable building policy. If the developer chooses not to follow the policy, the City can withhold granting the funding request. Once the project is complete but chooses not to certify under the chosen sustainability standard, the City has the option to rescind the funding incentives provided.

**8. Can the City reduce taxes for homeowners if they choose to do this type of building?**

This is not part of the proposed policy at this time.

**9. What if a project can't meet some requirements due to factors that are outside of project control (for example Green Communities requires public transportation locations nearby)?**

Compliance will be based on specific context of developments. Because most publicly funded developments involve negotiations with the City, such elements will be addressed in that process.

**10. Is the City considering specific incentives for the sustainable building policy?**

No, not at this time.