



Northfield Sustainable Building Policy

As part of the Hennepin County Efficient Buildings Collaborative

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•• Background



- Climate Action Plan aims:
 - 100% carbon-free electricity by 2030
 - Being a 100% carbon-free community by 2040

•• Definition: What is a sustainable building policy?



Where triggered by funding or land use incentives, SBPs establish minimum sustainability criteria that go beyond existing state code for new construction or significantly renovated developments.

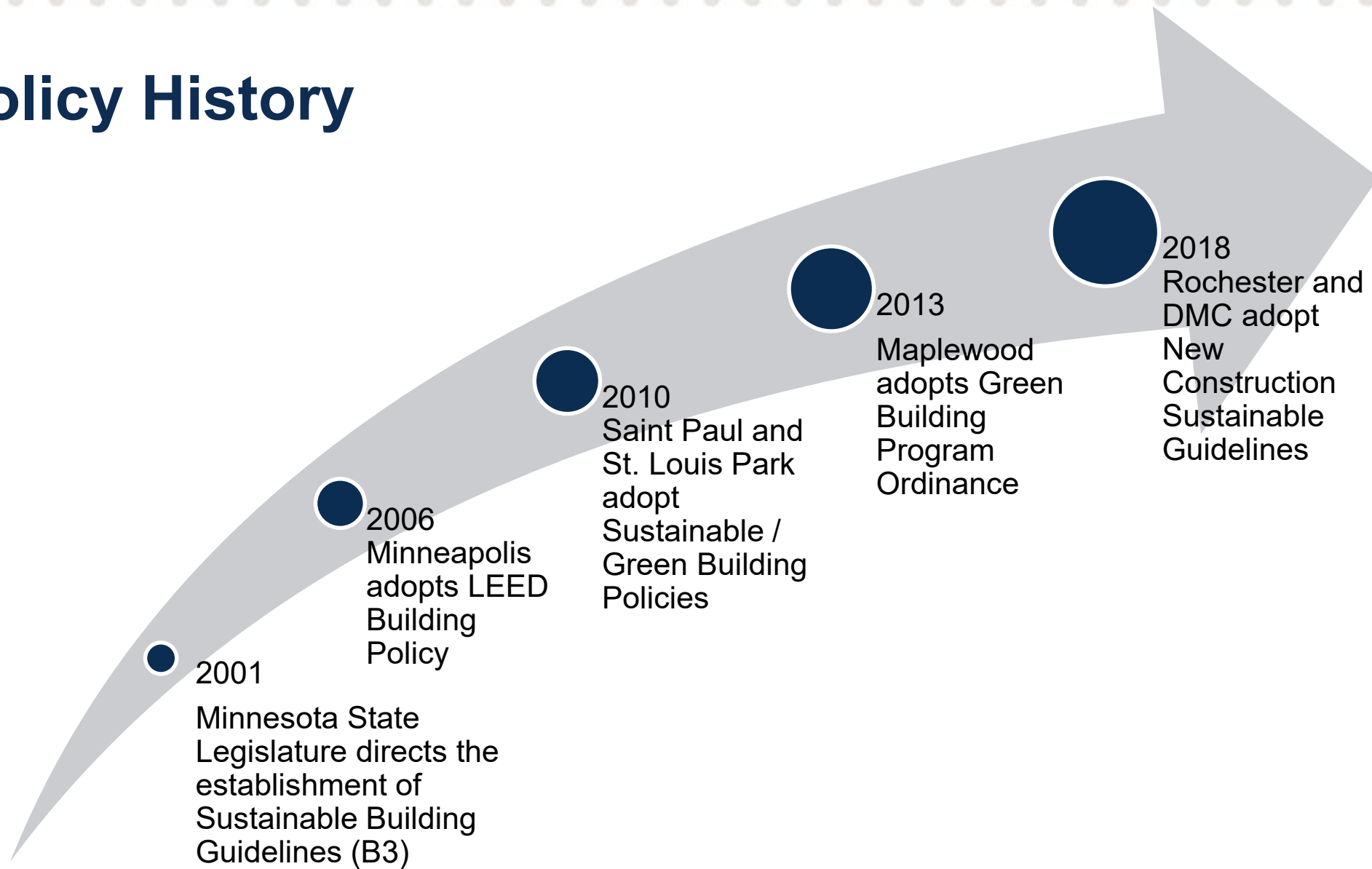


Included criteria typically target areas for pollution reduction and resource conservation.



Also known as: green building policies, green building standards

Policy History



•• What's involved

What it takes

- 1-3% first-cost increase on average
- Integrative building design

What are the goals

- Move the market
- 80% greenhouse gas emission reductions
- Reduced energy and water usage
- Lower operating costs
- Less construction waste
- Reduced liability
- More durable buildings
- Greater resale value
- Improved indoor air quality
- Increased employee productivity
- Better public image



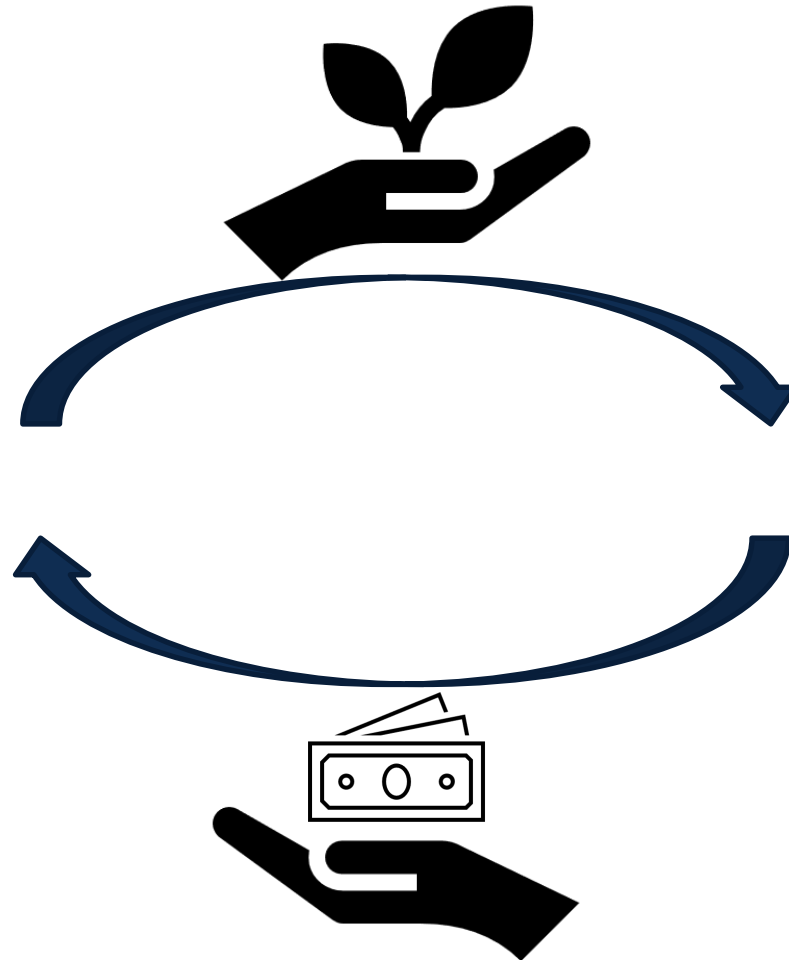
Proposed Sustainable Building Policy



• New sustainability requirements for city subsidized developments



Development



City Of
Northfield
Minnesota

Recent Development Incentives

Incentive Type	Year	Project	District	Amount
TIF	2017	Crossings	Redevelopment	\$ 987,500
	2018	Aurora	Economic	\$ 169,939
	2018	Maple Brook	Housing	\$ 435,500
	2019	5th & Washington	Redevelopment	\$ 1,800,000
	2020	Spring Creek II	Housing	\$ 706,000
HRA Assistance	2021	CAC Project		\$ 250,000
	2021	Spring Creek II Land contribution		4.5 acres
EDA Loan (awarded)	2021	25 Bridge Square		\$ 10,000
	2021	300 Division St. S.		\$ 10,000
	2021	309-311 Water St. S.		\$ 10,000
	2021	308 Water St. S		\$ 10,000
	2021	312 Division St.		\$ 10,000
	2021	314 Division St.		\$ 10,000
	2021	315-317 Division St.		\$ 10,000
	2021	329 Division St.		\$ 10,000
	2021	504 Division St.		\$ 7,505
	2021	506 Division St.		\$ 7,592
	2021	523 Division St.		\$ 10,000

Expectations



IMPACT 1-3 DEVELOPMENTS PER
YEAR



MOSTLY IMPACT LARGER
COMMERCIAL AND MULTIFAMILY
DEVELOPMENTS

•• Policy Trigger – Financial Incentive

- Amount
 - Tier 1: \$150,000-\$300,000 – prove unfeasibility
 - Tier 2: >\$300,000 – required
- Type
 - 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)

•• Note on Tier 1: Proving Unfeasibility



Projects must develop pro forma as if working toward compliance



Developments negotiate with the City on financial assistance



Ultimately, it will be the City's decision to:

- A. Provide greater funding to ensure with compliance
- B. Relax certain sustainability criteria based on available funding

Terms



•• Rating Systems – Things to Note



Provide third-party verification



Some certifications cannot be given until 12 months *after* a development is constructed



Third party verification is relatively easy to operationalize for a city

Rating System Options (Holistic sustainability criteria)

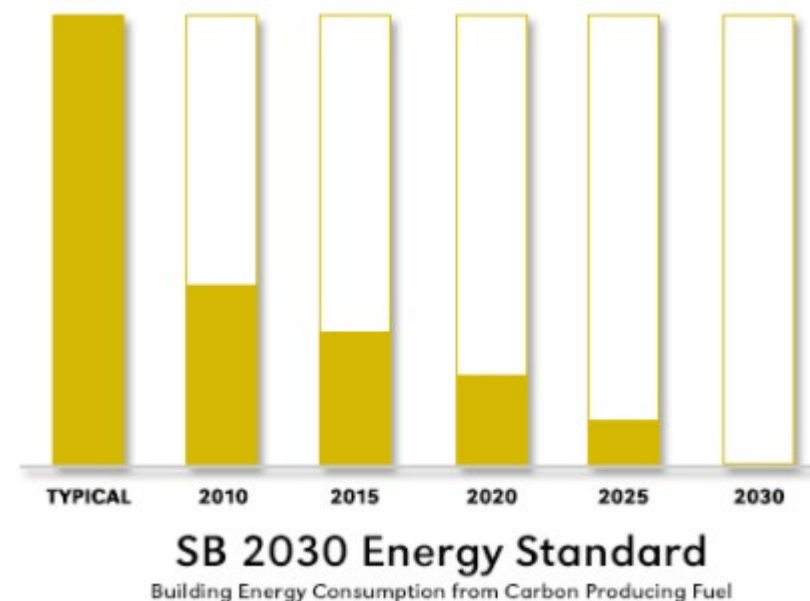


- B3
- LEED
- Green Communities
- ParkSmart
- Other rating systems as approved

• Northfield Green Requirements (NGR)



- Required regardless of rating system selected
- Energy Efficiency
 - Meet SB 2030 Energy Standard through design and operation; for 1-3-unit buildings, meet DOE's Zero Energy Ready Homes standard.
- Renewable Energy
 - Evaluate 2% of on-site renewables; install if cost-effective using B3 guidance.





Examples

1. Developer of a commercial building chooses to do LEED. Must also meet SB2030 energy efficiency standard and evaluate for 2% renewables.
2. Developer of a commercial building chooses to do B3. This system already incorporates SB2030 and the 2% renewable evaluation requirement.
3. Developer of townhomes chooses GreenCommunities. Must also meet DOE Zero Energy Ready Homes and evaluate for 2% renewables.

•• Triggers for Renovations/Additions

Private renovations

- a financial incentive
- at least 10,000 sq ft
- HVAC impact

Private additions

- a financial incentive
- at least 10,000 sq ft (the addition itself is 10k)
- HVAC impact

Municipal buildings

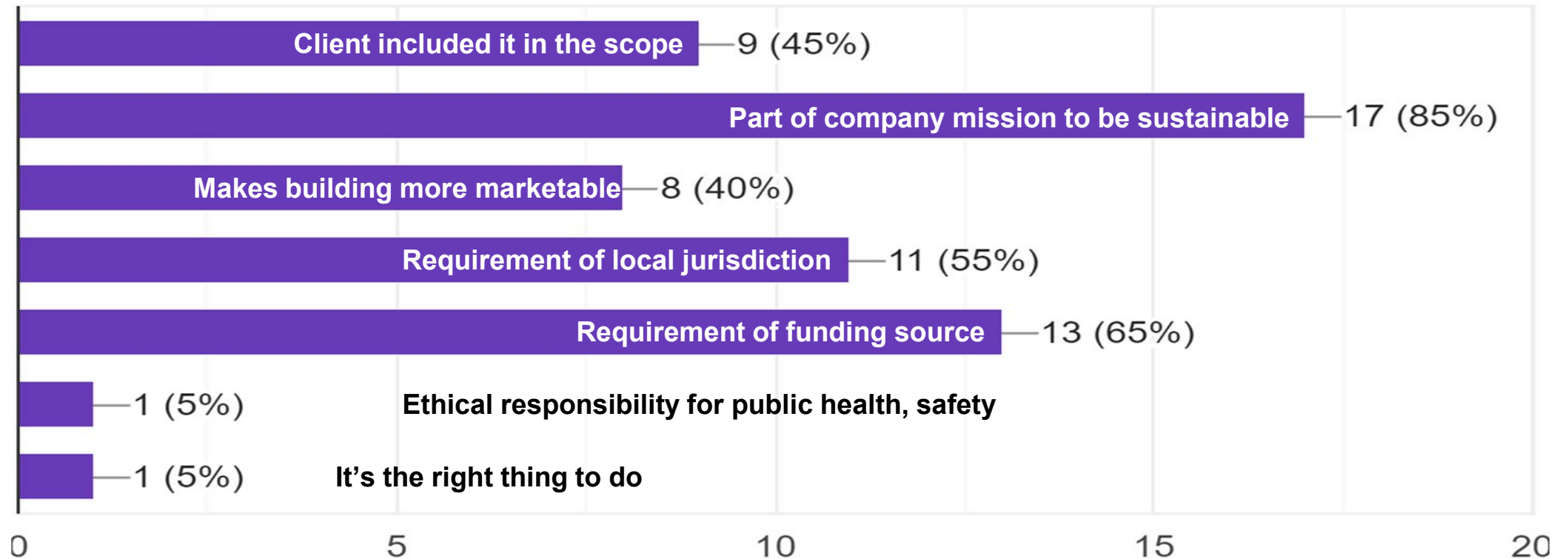
- any size
- HVAC impact



Feedback to date



Many developers/architects already incorporate sustainable elements



Common Themes from Developer Survey

Barriers / Concerns

- Compliance
 - Unclear decision maker
- Expertise
 - Lack of technical expertise at different points in process
- Cost
 - Higher standards result in more time and costs
 - Most funding sources don't identify additional expense as "eligible"
- Consistency
 - Evolving policies and Rating system versions

Solutions / Benefits

- Compliance
 - Single point of contact for questions and clear decision maker
- Expertise
 - EBC technical expert for guidelines and overlays early on in process
 - Idea: Develop educational program for builders to see how they can make this work for their customers
- Cost
 - Grants or incentives to help achieve goal
 - Streamlining process to avoid construction and permit delays
- Consistency
 - Standardization with other cities; clear guidance on Rating system versions



Proposed Resources



•• Hennepin County Efficient Buildings Collaborative

- Recognition that small- to mid-sized cities often lack
 - Capacity
 - Technical expertise
 - Funding
- Purpose: expand resources for cities to be able to develop and implement sustainability policies and programs
- Open-source resources inside and outside of the county through use of JPAs

•• Efficient Buildings Collaborative



Standardized process for sustainability policies



Shared resources



Tools for implementation



Economically feasible



Basic uniformity across cities benefits building owners, developers, etc.

• Sustainable Building Policy Activities



POLICY
REQUIREMENT
EDUCATION



TECHNICAL
ASSISTANCE FOR
DEVELOPER

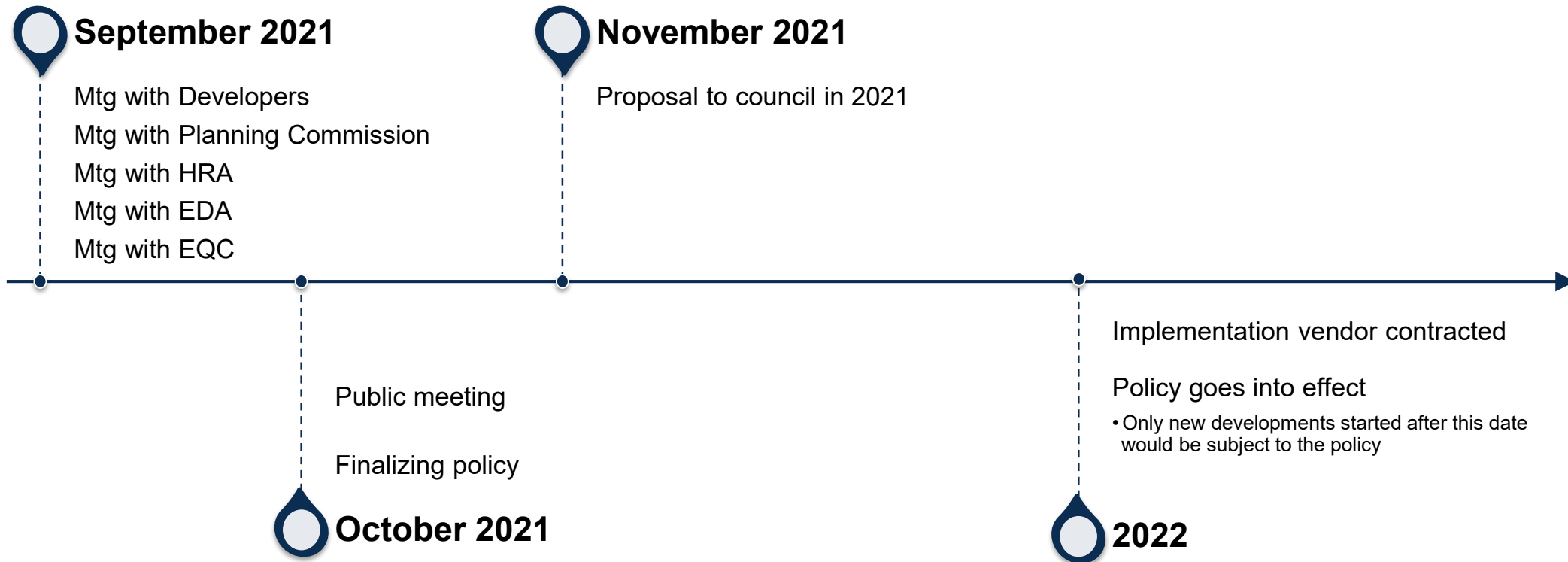


COMPLIANCE
TRACKING AND
CERTIFICATION



REPORTING

Timeline





Q&A





THANK
you