Tucson Poverty Project, Spring 2025

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Authors' Notes and Acknowledgements

This report was created based on the scholarly work of three undergraduate Poverty Policy Research Fellows in the spring semester of 2025. Their work has been included as appendices to this brief.

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A Case Study of Renter Energy Equity Programs Across the United States

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Introduction

Renter energy equity refers to the fair distribution of energy access, affordability, and efficiency benefits among renters, who often face unique barriers to energy-saving opportunities. According to the American Council for an Energy-Efficient Economy (ACEEE), renters—especially those with low incomes—are disproportionately burdened by high energy costs due to limited control over their homes' energy systems and a lack of investment in energy-efficient upgrades by property owners. [i] With some 33% of all American Households and close to 50% of all households in Tucson currently renting their homes,[ii] finding solutions to empower renters to participate in opportunities to reduce energy costs is essential.

This report explores the structural challenges contributing to renter energy inequity, evaluates current policy efforts, and identifies actionable solutions to ensure renters are not left behind in the transition to a more sustainable and equitable energy future.

Unequal Energy Burdens

Low-income households often pay disproportionately higher rates for utilities, not necessarily because of higher usage, but due to the inefficiency of their homes and the structure of utility pricing.[iii] These households frequently live in older, poorly insulated buildings with outdated appliances and heating or cooling systems, which consume more energy to provide the same level of comfort as newer, more efficient homes. Additionally, utility rates are typically regressive, meaning that lower-income families spend a larger percentage of their income on energy bills compared to higher-income households. According to the ACEEE, this "energy burden" can be three times higher for low-income households, exacerbating financial stress and limiting resources for other essential needs like food, healthcare, and education.[iv]

Rising Utility Costs in Tucson

According to the University of Arizona's Making Action Possible Dashboard, the average electrical bill across the state in 2023 was nearly 12 percentage points higher than the average electrical bill nationally. That year, the state of Arizona posted the second-highest average monthly electricity bill in the Southwest at $148.40 a month.[v] According to the *Tucson Daily Star*, "figures provided to the Star by TEP show its residential rates have risen as fast in the past four years as they had in the decade from 2010 to 2020." [vi] As summers continue to get hotter, increased demand for more and more cooling is likely to continue to push utility costs higher.

In the 2024 Workshop study, we observed that the average cost of monthly utilities, including but not limited to electrical, was $292 a month. Furthermore, over half of our respondents reported that they were paying more for utilities in 2024 than they had in previous years (Mayer and Pierson 2025). [vii] When asked how they could remain cool during the hot summer, participants in the Workshop reported relied on various strategies, including using fans, closing curtains, taking cold showers, and leaving the house to escape the heat.

A handful of respondents mentioned the poor quality of insulation who remedied this by installing foils on their windows. When A/C units were broken or ineffective, people turned to more drastic measures to say cool, including buying portable air conditioners and making formal complaints against their landlord (Mayer and Pierson 2025).

While the Inflation Reduction Act had promised significant funding towards clean energy transitions and some attention to the needs of renters, the future of renter energy equity programs today remains uncertain. It is likely that many pilot programs were initiated with IRA fundings and potentially put on hold in 2025. The three case studies we share here are examples of distinct approaches to addressing the needs of renters' energy needs based on various levels of necessary funding and mechanisms to encourage landlords to participate.

Case Studies

Alachua County, FL

Alachua County, Fl, created the Alachua County Energy Efficiency Program (ACEEP) to reduce utility costs for low-income and vulnerable renters without placing the burden on landlords. ACEEP grants up to $15,000 to qualifying tenants coupled with participating landlords, who each must agree and comply with upgrades to a rental unit. Upgrades range from replacing household appliances, windows, and water heaters to installing HVAC systems, piping systems, and insulation.

As part of the requirements for the program, landlords must agree to an affordability commitment in which landlords agree to not raise their rent above the amount of inflation for a length of time corresponding to the amount of funding they receive. In addition, small business owners may enroll unoccupied units into the program, if those units are brought into the affordable housing market in a timely manner and if the first tenants are Section 8 Voucher holders.

After a two-year pilot, ACEEP was approved to move into a full program in November 2024. In addition to working with existing residents, the program also allows small business owner landlords to bring new units onto the market with energy upgrades obtained through ACEEP, helping to create new, energy-efficient affordable housing options locally.

Denver, CO

The City of Denver has emerged as a leader in clean energy through a combination of ambitious policy commitments, innovative programs, and community-focused initiatives. As part of a broader and nationally ambitious Climate Action Plan, Denver is focusing on meeting commitments to transitions to clean power from 100% renewable energy sources by 2030. As part of this commitment, the City of Denver is working to reduce greenhouse gas emissions from residential and commercial buildings, including large multifamily rental units, through the Energize Denver initiative.

Denver's Energy Equity Building Program is designed to assist buildings serving climate-vulnerable communities in meeting energy efficiency standards. This program offers tailored support to ensure that these buildings can comply with Denver's Building Performance Standards and contribute to a more sustainable and equitable urban environment. These Equity Priority Buildings receive assistance to conduct energy audits, engage with residents, and have access to financial incentives and rebates to help improve energy efficiencies.

The City of Denver reports substantial success through this program, linked into broader climate efforts and changes to city ordinances requiring some baseline levels of improvements to energy use and habitability. Combined with fees and penalties, the incentives offered to larger multifamily units serving affordable housing needs are leading to many units participating in the program to install a variety of upgrades to reduce energy usage.

Minneapolis, MN

Unlike the efforts in Alachua County or the City of Denver, our third case study from the City of Minneapolis attempts to address the split incentive between renters and landlords around energy efficiencies by intervening directly in the rental marker. The Minneapolis Renter Energy Disclosure ordinance addresses the lack of transparency regarding energy costs in rental properties by requiring landlords to disclose estimated energy costs to prospective tenants.

This energy disclosure gives renters a greater understanding of the total cost of renting a unit. This ordinance, in turn, enables renters to make financially informed decisions when applying to rent. The rental energy disclosure has the potential to create a market incentive for landlords to invest in energy efficiency improvements, as lower energy costs could make properties more attractive to prospective renters.

Through a partnership with the energy utility for Minneapolis, Xcel Energy, the City of Minneapolis is able to track and share energy use statistics for both electricity and natural gas. Multifamily unit landlords are required to disclose this information to potential tenants during the application process. This program empowers renters with the knowledge to assess potential energy costs, fostering more sustainable and cost-effective living choices in Minneapolis.

Conclusions

Developing programs to support renters with energy equity is essential because nearly 30% of all U.S. households rent their homes, yet they often face barriers to accessing clean, affordable energy solutions. Renters typically have little control over the energy efficiency of their homes, as improvements like insulation, upgraded appliances, or solar panels are often in the hands of property owners. This dynamic can lead to higher energy costs for renters, exacerbating financial burdens and contributing to broader social inequities. By creating targeted programs that address these challenges—such as incentives for landlords to upgrade properties or community-based renewable energy options—we can ensure that all households, regardless of ownership status, benefit from the transition to a cleaner, more equitable energy future.

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[vi] Davis, Tony. 2024. "Rate Increases for TEP, APS accelerated in Recent Years." *Tucson Daily Star* October 26.

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Appendix A: Alachua County, FL

Kaya Pyle

EXECUTIVE SUMMARY

In response to an affordable housing crisis and severe energy burdens in Alachua County, Fl, the county implemented several housing initiatives including the Alachua County Energy Efficiency Program (ACEEP). The program is aimed at greatly reducing utility costs for low-income and vulnerable renters without placing the burden on the landlords. To do so, the program grants up to $15,000 to qualifying tenants coupled with participating landlords, who each must agree and comply with the conditions of the program, for a large variety of possible utility and energy-related upgrades to a rental unit. Such upgrades range from replacing household appliances, windows, and water heaters to installing HVAC systems, piping systems, and insulation. As part of the requirements for the program, landlords must agree to an affordability commitment in which landlords agree to not raise their rent above the amount of inflation for a length of time corresponding to the amount of funding they receive. For example, a grant between $5,000 and $10,000 requires a commitment of 5 years at the same rent price. In addition, small business owners may enroll unoccupied units into the program, if those units are brought into the affordable housing market in a timely manner and if the first tenants are Section 8 Voucher holders.

Alachua County found itself in a unique position to implement such a program. With the aid of existing program components, Alachua county was able to connect these individual pieces under one program. One important element is the Community Weatherization Coalition, a longstanding, volunteer program that assists homeowners with free utility and energy education and free comprehensive surveys of a home, accompanied by home energy tune-ups. Another vital component is Rebuilding Together North Central Florida, a community volunteer effort, in partnership with contractors, to upgrade homes in the Alachua Ct area. These volunteer organizations and their willingness to be involved with ACEEP have been critical to the possibility and success of the Energy Efficiency Program, allowing for money to be saved in labor costs.

BACKGROUND AND ORIGIN

The Problem

The map shows the energy burden within Alachua Ct by Census Tract. Each neighborhood is compared with other neighborhoods nationally. As can be seen, the darker counties are paying more, as a percentage of their income, towards energy costs. The darkest squares pay 86% - 99% more of their income when compared to the rest of the country (Riley 2025).

Residents facing such energy burdens might choose to turn off their A/C in order to afford other expenses like rent, creating undeniably dangerous circumstances where residents risk perishing in their homes. Renters, specifically, can be difficult to provide energy aid or assistance to because organizations must go through their landlords (Riley 2025).

Such an issue, coupled with an affordable housing crisis in Alachua Ct created unique challenges for the safety of residents and County leaders (Lowery 2024). The effect of COVID-19 drastically raised housing costs in Alachua County:

- Some rents raised 60% in the span of a few years
- Some housing prices increased by 100%
- Short term rental units (airbnb) raised 36.4% from 2022-2024
- (Friedman 2023)

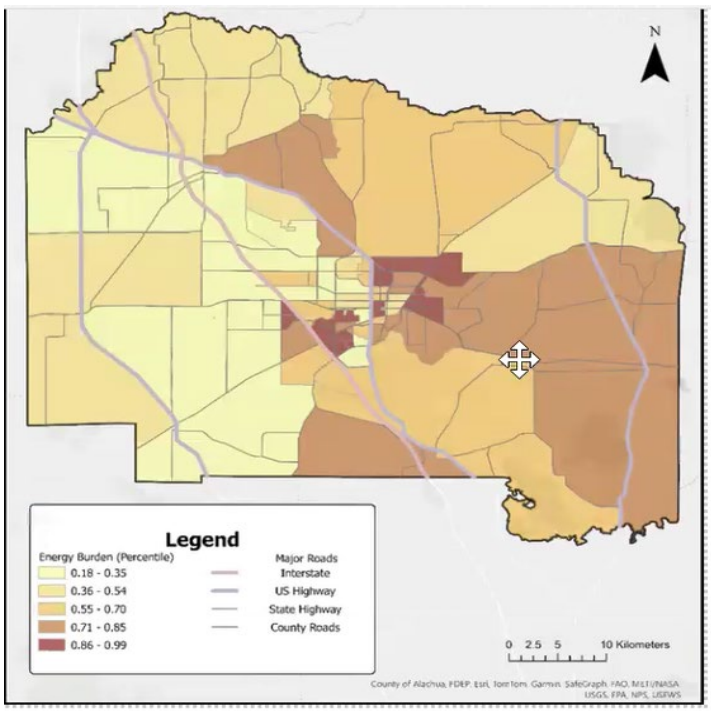

Figure 2.3: Energy burden by Census Tract, Alachua County, FL. Energy burdened percentile is relative to other Census Tracts nationally.

Funding and Program Origin

The original Energy Efficiency and Affordable Housing Program was designed as a requirement for landlords. State legislation rejected this approach, and the program was adapted to become optional, using direct funds as an incentive to landlords, deriving money from ARPA Funds during COVID-19 (Riley 2025).

- June 2021 - American Rescue Plan - ARPA (Federal COVID-19 Relief)
  - Alachua County has $3 million in ARPA funding budgeted for this program
- The Pilot Program was conducted from January 2023 to September 2023. A second, fully implemented program has been running from September 2023 to present.
  - The second, full program received ACEEE approval and funding.
- Modeled off of the Florida State Housing Initiatives Partnership (SHIP).

Initial Challenges

- Conducting outreach and marketing to inform landlords and renters of the program.
  - Two outreach efforts:
    - Renters - great interest from renters in the program, however landlords were absent, especially in neighborhoods of the greatest need.
    - Landlords - get a hold of landlords directly, mostly successfully through word of mouth between landlords.
  - Landlords who are property managers had little incentive to focus on renter energy equity, especially because they would be required to freeze rent, which was often a percentage of their income.
- Determining which department to absorb and supervise the program
  - Ongoing issue: debates to move the program to the Housing Division or the Resiliency Office, which are currently unrealized
    - Currently in the hands of Betsy Riley, Sustainability Manager

NATURE OF PROGRAM

Eligibility

- Tenant must be paying the utilities for the unit
- Tenant must qualify for <u>one</u> of the following:
  - Section 8 housing vouchers (automatic qualification)
  - Household income is 50% or less than Alachua Ct median income
  - Enrolled in: Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Programs (SNAP), Free- and Reduced-Price Lunch (NSLP) and/or School Breakfast (SBP) programs, Medicare Part D Low-Income Subsidies, Supplemental Security Income (SSI), Head Start and/or Early Head Start, Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), Low-Income Home Energy Assistance Program (LIHEAP), or Pell Grants
- Property must not: have structural or life-safety issues, have a leaking roof, require significant wiring or electrical panel upgrades, be homesteaded, have a non-mortgage lien
- Property must have a functioning sewer or septic system
- Unit cannot be owner-occupied

- Landlord agrees to affordability commitment
- Manufactured, mobile, and modular homes are eligible

Small Business Owners

- Small business owners may enroll unoccupied units into the program, if those units are brought into the affordable housing market in a timely manner.
- Qualifying criteria
  - Own a house or a unit which will be made available on the housing market within 3 months
  - Ensure the first tenants to occupy the unit are Section 8 Voucher holders

Affordability Commitment

Participating landlords must agree to not raise their rent above the amount of inflation for a length of time corresponding to the amount of funding they receive

Award Level	Affordability Commitment
Up to $5,000	3 years
$5,001 to $10,000	5 years
$10,001 to $15,000	7 years

- Reasonable justification clause: should a property owner feel they must raise their rent beyond the amount of inflation may select an amount they feel is in line with current affordable housing prices, as long as they can justify the amount by providing evidence based upon other rentals in the geographic area.
- Requires a Land Use Restriction Agreement, which places a formal lien on the property for the duration of the affordability commitment

The Process

- Both the renter and landlord must read and complete qualifying paperwork

- Rebuilding Together North Central Florida evaluates the property and determines what energy efficiency improvements will make the biggest impact on utility bills.
  - Renter works with program staff to agree upon a date and time for pre-assessment tuneup
    - Installs first-level energy and water efficiency upgrades and provides energy and utility bill education
- Rebuilding Together works with local contractors to develop a series of quotes detailing the costs of various upgrades
  - Work directly with the landlords to determine which upgrades are wanted at the quoted costs.
- Rebuilding Together then comprises a work order with the landlord's agreed-upon upgrades
- Rebuilding Together bills ACEEP with upgrade costs, and ACEEP writes a check back to Rebuilding Together
  - Cash is never given to the landlords
  - Payment is only given after the upgrades have been completed
- Following the upgrades, the county will keep in touch with the renter to determine the energy impacts by reviewing the energy bills

Possible Upgrades

- Between $5,000 and $15,000 is allowed per unit

<u>Envelope Upgrades</u>

Wall insulation.
Attic/Roof/Ceiling insulation.
Underfloor insulation.
Solar film.
Window replacement.
Exterior door replacement.

<u>Appliance Upgrades</u>

Clothes washer.
Clothes dryer.
Refrigerator and freezer.
Ovens and stoves.
Dishwashers.
Room air conditioners.
Advanced power strip.
Appliance recycling.

<u>Lighting Upgrades</u>

LED Lighting.

<u>HVAC Upgrades</u>

Central Air Conditioning.
Mini-split Air Conditioning.
Packaged Terminal Air Conditioner (PTAC) or Packaged Terminal Heat Pump (PTHP).
Ground Source Heat Pump.
Furnace Blower Motor (ECM).
Smart Thermostat.
Duct Sealing.

<u>Domestic Hot Water Upgrades</u>

Low-flow water fixtures – Shower.
Low-flow water fixtures – Faucet.
Pipe Insulation.
Water Heater.

<u>Other Upgrades</u>

Water-Efficient Toilet.
Radon remediation.

ORGANIZATION

Website Contact
aceep@rebuildingtogetherncf.org
(352) 450-4965
Betsy Riley, Sustainability Manager
(352)-264-6908
briley@alachuacounty.us

FUNDING

- Initial funding from State and Local Fiscal Revenue Recovery Funds Fiscal Consideration: $26 million has been received from the U.S. Treasury
  - Alachua Ct received $3 million in American Rescue Plan (ARPA) funding budgeted for this program
- Secondary funding from ACEEE technical assistance grant for program implementation of energy efficiency policy
  - Details of ACEEE Assistance Grant are unknown
- Future funding is currently brainstorming.
  - Allocate funds from tourism, especially large sport events, for carbon reduction efforts, including ACEEP

PROGRAM RESULTS/ OUTCOMES/ LESSONS LEARNED

Landlord Incentives

- Despite initial fear regarding the Affordability Commitment, the tier system allowed for compromise between landlords and the County, with a minimum agreement to three years for $5,000 in upgrades.
  - Zero landlords have opted for the three-year option. Most agree to the seven-year option in return for the maximum amount of upgrades worth $15,000.
    - Landlords find that the upgrades are extensive and important enough for their units to agree to the seven-year affordability commitment.
    - Following the free energy tune up, landlords understood that with older appliances, energy costs would have been just as, if not more, expensive than the rent that would be lost in compliance with the program.
    - Landlords understand that they would rather seize this opportunity than undergo HVAC repairs themselves, potentially during the middle of the summer when their old appliances would break down from overuse.

- More loyal, longer-term tenants: lower utility bills help alleviate financial stress for tenants, and could entice them to stay longer, meaning fewer months with no tenants.
- Safer home for tenants.
- Less maintenance issues and emergency maintenance issues that the landlord would otherwise have to schedule and pay for themselves.
  - Program identifies, schedules, and pays the contractors for the landlord

Current Program Results

- Currently, 13 units have undergone the complete program
  - 30-40 in-progress
- Affordable, quality housing in Alachua County has increased.
  - Landlords have been easily compliant with the affordability commitment
- Multiple landlords have returned to the program for upgrades on more of their units and express positive reviews of the program.

Best Practices/Lessons Learned

- Focus on contacting and working with the landlords
  - Tenants are eager and willing to commit, landlords are difficult to contact
- Work with public housing authorities
  - Help contact landlords committed to low-income housing
- Verify tenant low-income qualifications only <u>once</u>
  - Program goal is to move tenants out of poverty, thus if the program works and tenants gain wealth, annual verification could force tenants out of their affordable homes
- Placing legal liens on the property to ensure compliance with the Affordability Commitment in form of land-use restriction agreements
  - Eligible for county funding (that cannot be loaned)
  - Lien remains on the property, even if property ownership changes
- Work with non-profit contractor entities
  - The jobs that the program requires are often not big enough for for-profit contractors
- Advertise the program as much as possible
  - Videos showing process and results

Alachua County Community Weatherization Coalition

- The CWC Home Energy Tune-up Program works with homeowners and renters throughout Alachua County to perform free Home Energy Tune-ups.
- Since 2008

- Professionally trained volunteers perform a comprehensive survey of the home & educate residents on energy processes, energy bills, and energy efficiency
    - Install energy efficient light bulbs, water-saving shower heads, and pipe insulation for water and A/C units
- (Community Weatherization Coalition 2025)

Rebuilding Together North Central Florida

- A program designed to repair homes and create safe communities
- A 501c3 non-profit
- A mix of community volunteers and program contractors and coordinators
- Existent since 2005, joined national Rebuilding Together Organization in 2008
- Homes undergo an application process. If chosen, they are assessed and then rebuilt.
- (Rebuilding Together North Central Florida)

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APPENDIX B: Denver, CO

Chloe Fuller

Summary

The city of Denver offers an abundance of programs to help cut down on greenhouse gas emissions. Denver hopes to get rid of all carbon emissions by 2050. Denver city officials determined that one of the main contributors of greenhouse gas emissions in Denver is big buildings. In order to reach their goal, Denver passed the Energize Denver program. Energize Denver is a building ordinance passed in November of 2021. The main goal of this policy is to reduce Denver buildings "energy use intensity" by 30% by 2030, and to have a net zero on carbon from buildings by 2040. The policy sets performance standards that buildings need to implement and reach by a certain time. Building owners must keep track of, and report their energy use each year. Failure to do so results in fines implemented by the city government onto building owners. Buildings 25,000 sq feet and bigger must submit annual benchmarking checks and meet specific energy requirements. Buildings 5,000-25,000 sq ft must meet renewable energy requirements.

All of the energy benchmark performances are public information in order to drive change. This policy applies to all commercial and multifamily buildings. Energize Denver allows for buildings to move towards a more sustainable future through electrification and other forms of renewable energy. Existing buildings can qualify for rebates on heat pumps, rebates on electrification feasibility reports, and receive a steam to electric incentive. The city of Denver offers many resources to help building owners and tenants through this change. There is a 24/7 help desk that can answer any questions owners may have. Energize Denver also has a special program developed to help underserved communities. This program is the Energy Equity Building Program. This program targets buildings that house lower-income residents and aids them with the switch to green energy.

Background and Origin

Denver has always maintained a commitment to be as eco-friendly as possible, so in 2016, the city put together a diverse task force to develop recommendations for the city to make. In 2018, Denver found that 80% of building CO2 emissions came from commercial and multifamily buildings, so in order to reach their goal of 0 carbon emissions by 2040, Denver came up with the Energize Denver building requirements. Denver also started the Climate Protection Fund, which was passed in 2020. The Climate Protection fund raises $40 million annually to support Denver's

Climate goals. The money from this fund comes from raising the local sales and use tax by 0.25%. Citizens of Denver are exempt from paying this tax, instead it is passed onto non-Denver residents.

Nature of Program

Buildings 25,000 sq ft or larger:

- Must reach their own personal Energy Use Intensity (EUI) by 2030
- Must benchmark their energy usage every year using ENERGY STAR by June 1
- Must keep track of all of their energy usage

Buildings 5,000-24,999 sq ft

- These buildings do not need to send in annual benchmarking reports
- They must improve lighting (minimum of 90% of buildings lights are LED)
- Or Improve energy source: use on or off site renewable energy source to meet a minimum of 20% of the buildings annual energy usage

Energy Equity Priority Building Program

- This program offers benchmarking assistance to larger buildings:
- Rebate program
- Help with energy audits
- Assistance with implementation of energy efficiency
- There are varying levels of support Energy Equity Buildings get, it all depends on their Equity Index

To qualify as an Energy Equity Building, one of these criteria just be met:

- **Multifamily Affordable Housing:** at least ⅔ of units are classified as deed-restricted affordable housing
- **Affordable Apartment Buildings:** at least 23 of residential units have rents at or below 80% AMI rent limit
- **Income Qualified Residential Condominiums:** at least ⅔ of unit owners either have a household income at or below 80% of Denver's median income OR are enrolled in a public assistance program
- **Limited Revenue Commercial Buildings:** operating revenues under $800,000 annually
- **Nonprofit Organizations: critical services in the City of Denver**

Organization

This program is run by the Office of Climate Action, Sustainability, and Resiliency.
https://denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-and-Resiliency

Funding

Denver's Office of Climate Action, Sustainability, and Resiliency is funded by the Climate Action Protection Fund. This fund generates money from a 0.25% sales tax on non-Denver residents who buy goods. The Climate Action Protection fund generates about $40 million annually.

Relationship between Tenants and Owners

The nature of the program forces building owner's to adhere to the guidelines of the Energize Denver Program. Potential tenants have the ability to view building's energy efficiency because it is a tenant driven market. Failure to comply with this program results in hefty fines implemented to building owners. Tenants are also encouraged to submeter their apartment/spaces in order to determine their personal energy usage.

Lessons Learned

Since the adoption of this policy, Denver has identified changes that need to be made to ease this process. Denver found that it was increasingly hard for buildings to make these changes in the required timeline, so the city put together a task force of building owners, tenants, government officials, and service providers to make appropriate recommendations for change. These changes are more aimed at buildings 25,000 sq ft and over. Some changes that have been made to the original program:

- Timelines have been extended for buildings 25,000 sq ft and over until 2032. There is some more leniency for other reasons.
- Compliance Holds
- Adjustments for Condos and HOA's
- HVAC System Flexibility (if a buildings HVAC is still useful, they have more flexibility in changing it)
- Penalty Charges are not as much
- Expanding Renewable Credits

According to Denver's Climate Office, more than 25% of larger buildings have already met their 2030 targets, while 5% of smaller buildings have confirmed their compliance.

Energy Equity Priority Building Program Outcomes:

- 283 buildings have enrolled as Energy Equity Buildings
- 80 have received free audits
- 70% of the 283 are recognized as affordable housing
- This program has helped influence other jurisdictions into doing the same thing (Boulder, CO)

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APPENDIX C: Minneapolis, MN

Jenessa Ricklefs

The Minneapolis Renter Energy Disclosure ordinance addresses the lack of transparency regarding energy costs in rental properties. By requiring landlords to disclose estimated energy costs to prospective tenants, the renter energy disclosure gives renters a greater understanding of the total cost of renting a unit. This, in turn, enables renters to make financially informed decisions when applying to rent. The rental energy disclosure has the potential to create a market incentive for landlords to invest in energy efficiency improvements, as lower energy costs could make properties more attractive to prospective renters.

Summary

The Minneapolis Renter Energy Disclosure is a city ordinance that requires rental property owners to disclose the energy use of their properties to prospective tenants during the rental application process. Minneapolis has three categories based on the number of units per rental property. For rental properties with 1-4 units, landlords must direct prospective tenants, in writing, to the energy disclosure dashboard when the rental application is given. The dashboard allows for tenants to see the estimated yearly or monthly cost of gas and electric at the rental property. Rental properties with 5 or more units, but less than 50,000 sq ft, must provide two reports (if applicable): one estimating the monthly electric cost and one for gas. For larger rental properties greater than 50,000 sq ft landlords must direct tenants to the City Health Department website, and an ENERGY Star score is used to determine the efficiency of the building (Minneapolis, 2024). The Rental Energy Disclosure assists tenants in knowing the total cost of the rental before they apply. This could create market incentive for rental property owners to invest in energy efficiency in their units.

Background

This ordinance was proposed in 2019 and approved in 2020 as part of the city's climate action goals to reduce energy use, meet sustainability targets, and increase transparency for renters about the energy efficiency of their homes. In 2021, initial communications with landlords began. The city offered multiple forms of training and educational resources, including free webinars to explain the ordinance to landlords, with a focus on outreach to smaller, individual landlords. On January 1, 2023, official implementation of the ordinance began, and landlords were required to be in compliance on this date (Minneapolis, 2025).

Nature of Program/ Organization/ Workforce

The Rental Energy Disclosure is enabled through a partnership with the two private utilities that provide gas and electric in Minneapolis: Xcel Energy (electric) and CenterPoint Energy (gas). For the properties with less than 4 units, both utilities input the energy usage into the energy disclosure dashboard. For properties with 5 or more units but less than 50,000 sq ft, both utilities input data into portals, which generate reports for property owners to share with prospective tenants, either by printing them out or providing a link to view online, when applications are given (Minneapolis, 2024). Minneapolis has had a working partnership, the Clean Energy Partnership, with both utilities since 2014 (Community Power n.d.). The rental energy disclosure ordinance is supported by the city's rental license program and rental registry, which have been in place since 1991. Rental property owners must obtain a rental license from the Minneapolis Department of Regulatory Services to legally rent their properties. The license requires annual renewal on March 1st, with notice sent out in January to remind landlords to renew. When renewing the rental license, the city requires inspections to ensure rental properties meet housing codes and safety standards (Minneapolis, 1991). The inspectors ensure tenants have received the Rental Energy disclosure. If a landlord fails to provide the rental energy disclosure, they can be issued violation notices with deadlines to comply, followed by fines. If a landlord has repeated violations, their rental license may be revoked (Minneapolis, 2025). Tenants can also report landlord noncompliance to 311. 311 is managed by the City Coordinator's Office. Energy disclosure is not new to Minneapolis. Commercial energy disclosure has been in place since 2013 (Minneaopolis, 2024).

Funding

The rental energy dashboard, the inspectors who work under the Minneapolis Department of Regulatory Services, and 311, which is managed by the City Coordinator's Office, are all funded through the city's General Fund. This fund is comprised of property taxes, rental license fees, rental property owner violation fines, fines for vacant or unoccupied rentals, and other municipal revenues (Minneapolis, n.d.).

Landlord/Tenant Relationship

This initiative could create market incentive for landlords to improve energy efficiency for their units. The energy disclosure dashboard even provides links for property owners "looking to increase energy efficiency and lower energy costs" (Minneapolis, n.d.). However, there is missing and incomplete data on the energy disclosure dashboard for smaller units. And current rental listings in Minneapolis, across multiple platforms, don't report energy efficiency in the listing.

Lessons Learned

While the rental energy disclosure has only been in place since 2023, there are gaps in data reporting on the rental energy disclosure dashboard, particularly for smaller rental units, which raises concerns about the completeness and accuracy of the information available to tenants. The utility companies are responsible for inputting rental energy usage data into the rental energy disclosure dashboard. However, there does not appear to be a specified timeline or tracker for the progress the utilities have made inputting data. Additionally, while the disclosure provides a valuable resource, its impact on the rental market remains uncertain, as a search of current Minneapolis rentals shows that landlords do not advertise energy efficiency as a selling point in their rental listings. Minneapolis has a strong regulatory framework supporting rental property oversight. With enforcement mechanisms in place, including potential fines and rental license revocation for noncompliance, the city is positioned to push for greater energy transparency for its renters. However, ensuring that landlords recognize and act upon the long-term benefits of energy efficiency remains a challenge.

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