

**TO: Minnesota Public Utilities Commission**

121 7th Place E., Suite 350  
St. Paul, MN 55101

February 4th, 2022

**FOR: Docket No. G-008/M-21-377**

To the Public Utilities Commission -

We submit the following comments and recommendations as members of the Peer Learning Energy Efficiency Energy Cohort in docket #21-377.

**The Energy Cohort - Who We Are:**

The Cohort is more than a dozen community-based organizations and individuals across the Twin Cities metro gathering to discuss the intersections between energy and each of our daily work in our respective communities - on tenants rights and housing stability, workers rights, water and energy, neighborhood-specific needs, immigration and migration, environmental justice, art, and culture/language-focused services. Since 2018, community-based organizations and individuals have learned together about existing energy efficiency programs, developed a shared analysis of the needs of the metro-area communities, and studied effective tools and programs nationally. Now we are designing a model for health and energy efficiency programs that would address gaps in existing efficiency programs that we witness directly from our work and with a clear-eyed understanding of the role race and class plays in any system in this country and Minnesota.

Geographies of current Cohort membership: Maplewood; Midway/Frogtown St. Paul; Eastside St. Paul; Eagan; Northside Minneapolis; Southside Minneapolis; Brooklyn Park. Languages represented across current membership: English, Spanish, Lao, Hmong, and Oromo.

The Cohort's strength in analysis is grounded in the issues listed above first and foremost and energy overlaid on top. Several group members before the Cohort have also participated in localized studies about renter and landlord access to energy efficiency. Two members co-conducted the Minneapolis Renters Coalition "Renter Efficiency Study" in 2017, which surveyed over 209 renters and 41 landlords in three neighborhoods of Minneapolis. Of survey respondents, 28% as Latino/Hispanic, 23% self-identified as African American, 7% East African, 6% Native American, and 1% Multi-Racial. Another member conducted the "North Minneapolis Renter Efficiency" study, which reached 82% renters, 17% homeowners, and 1% landlords. As a follow up to this work, it became clear that more engagement with landlords was needed, and a

landlord-specific study was done, which original group members - though not directly involved - learned about afterward with interest. All three are attached for reference and contribute meaningful context about the scope and scale of interest and the barriers facing renters, homeowners, and landlords alike across current offerings.

Through the Cohort space, we created a set of principles arrived at through a consensus process to evaluate and design energy efficiency programs that meet community needs.

<b><u>Overarching Principle:</u></b> <b>Actively works to dismantle the system of white supremacy creating stability and acting with justice within communities</b>		
Stabilizes housing for participants	Addresses systemic racism in energy programming	Designed from a shared environmental justice analysis

Underneath these overarching, core principles we deepened the specificity of how programs would operate in communities from the outreach, to the delivery method, to the funding:

1. GUARANTEES measurable energy and cost savings for many	2. REACHES all income levels with no required upfront cost from individual	3. CREATES authentic, inclusive engagement for all communities	4. GROWS long term resilience and community stability in an equitable way	5. USES plain and relevant language for communications, marketing and outreach	6. INCORPORATES many non-energy metrics in order to achieve optimal and transparent outcomes	7. BUILDS open door to universally-accessible energy savings program	8. SOURCES a variety of funding that is streamlined	9. DEVELOPS local economy and creates jobs
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### **Tariffed-On-Bill As A Tool**

Among the multiple tools we studied, we discussed Inclusive Financing in depth and chose it through a consensus process as a strategy to pursue that can help address the substantial barriers that limit participation from existing program options particularly for the communities we are connected to. While we do not believe it is a cure-all for the challenges of meeting community energy needs, let alone addressing inequities and inaccessibility of our energy and economic system, we believe that an Inclusive Financing program - modeled after the Pay-As-You-Save program - can overcome many of the key limitations of existing programs available for energy efficiency improvements for households in our communities. It also aligns with our principles #1, 2, 4, 6, 7, 8, 9, while leaving #3, #5 dependent on outreach implementation and to some degree #6 and #9 which require larger policy and economic momentum.

Inclusive Financing / Tariffed On-Bill has strong consumer protections built in, including: guaranteed cost savings using the “80-20” rule for savings; home-specific energy modeling; no personal debt, lien, or mortgage obligations; contractor accountability for the duration of the life of the improvement enforced by the program operator and backed up by the utility; no requirements to share immigration status or income information; and enables access to institutional rates (between 0.5% and 4%) to pay for the upfront costs at below-market rate or at a minimum lower than most individuals could secure on their own.

In other states, there have been no registered instances of disconnection for nonpayment, and participation rates have exceeded other non income-eligible options like on-bill loans by large margins. Areas with Tariffed On-Bill programs that have not been restricted by artificial caps in funding have seen participation rates of 23-90% among those who receive an offer.<sup>1</sup> Furthermore, current program operators have also achieved and prioritized workforce diversity levels at the energy audit/scoping stage between a 60-75% “diverse workforce,” in large part because of what the tool requires in data collection for accountability to net savings.

**Barriers Across Existing Ratepayer-Funded and Assistance-based Energy Efficiency Programs that must be addressed in tandem with any new tools for access like TOB**

Our Cohort sees several problems across currently available program options that the right set of funding, assistance, or financing mechanisms alone cannot address:

- **Overcomplexity, Lack of Single Point of Connection and Accountability:** Simplification and connecting across programs is essential to reduce confusion, frustration among all involved, but particularly participants. This work of making options easily understandable should be done by utilities, state and local government, and program operators instead of the current practices of putting it on interested individuals or the frontline workforce.

Exclusive reliance on means-testing programs with different qualifications and the accompanying application requirements (whether credit or income) make current programs burdensome, underused, and requires additional costs to employ processing personnel. Our communities need trusted energy navigators and a singular point of entry. These navigators should be accountable for helping the individual or community group complete the entire process and provide consistent support, referrals, and follow-up.

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<sup>1</sup> [http://www.eeivt.com/wp-content/uploads/2021/12/2021-PAYS-Status-Update\\_12.30.21rev.pdf](http://www.eeivt.com/wp-content/uploads/2021/12/2021-PAYS-Status-Update_12.30.21rev.pdf)

- **Lack of Cultural Accessibility and Outreach:** Unfortunately for current programs and specifically in this pilot project, there is not enough funding for the depth of engagement needed nor ensuring that outreach and labor workforces are representative of the diversity of language and culture. Even with strong funding, the most trusted outreach worker cannot make up for marketing materials that are jargon-filled, untranslated, or lack cultural/linguistic representation, or too many hand-offs to outside programs.

More dedicated funding and transformation of materials and process would allow community groups that receive outreach funding to dedicate their time to broadening our community's understanding of the issues and systems affecting energy efficiency and crucially, be involved in the follow-up, accountability and improvement work rather than on trying to make do with the overly complex systems that are designed largely within white, English-speaking, professionalized spaces. Community members representative of Minnesotans need to be included in decision-making and design.

- **Workforce to Meet Demand:** More clear, intentional, supported pathways into energy efficiency work - in particular for communities most marginalized from economic opportunity - are sorely needed. This is simultaneously needed to: meet the demand for energy efficiency, hold the trust and communicate well with participants, and remove barriers to inclusion for our communities in this growing industry.

**Barriers Across Existing Ratepayer-Funded and Assistance-based Energy Efficiency Programs that can be meaningfully addressed by a well-implemented Inclusive Financing Program**

- **Inadequate Scale:** A program with an expanded scope that is open to all households is needed in order to meet growing needs and make significant progress toward our goals. On top of the very high desire<sup>2</sup> to reduce energy use for concern of the detrimental effects of energy extraction, and energy use on climate change in our communities, there are mounting economic pressures on households worsened by increasingly expensive and volatile energy costs. We all understand that dramatically reducing our contributions to carbon emissions and pollutants produced by energy generation and transmission must include reducing energy use by making improvements to our homes as quickly as possible and avoiding building more energy we didn't need in the first place. Relative to need, current programs are severely limited in their scope and potential. The limitations in funding of current programs such as CIP and WAP have resulted in a low use of those programs compared to need (for example: 9% of eligible households since 2005 for WAP ). While we are encouraged by recent expansions of

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<sup>2</sup> See localized study from Neighborhood Hub and the Minneapolis Renters Coalition

requirements and utilities spending over the minimum, they will still miss most people because the mechanism to deliver those public dollars still excludes most. The overall spending is still a drop in the bucket compared to what's needed to serve everyone. We believe TOB provides a meaningful, scalable solution to add to resources needed and allow everyone to participate.

- **Means Testing and Bureaucratic Burdens:** The income limitations and application restrictions of current programs such as are credit and income dependent either dependent on personal loan and rebate options or assistance and a complicated network of intermediary organizations to navigate the application process are major limitations for our communities to get the energy improvements that they need. An IF/TOB program that would be available to the 'missing middle' and people of all incomes that is accessed through one program operator would be used by many more households in our community. This kind of program is necessary to complement CIP and WAP programs for many households that do not meet the income or documentation guidelines, or that have unstable incomes that can cause them to fall out of the low-income programs during the process. We believe TOB provides a meaningful, scalable solution to meet the needs of non-income qualified households and/or those who do not wish to disclose that information to wait for funding or to be prioritized.
- **Immediate Savings with no Upfront Cost Except Optional Co-pay:** This is a fundamental one. If there is a financial barrier to accessing the initial information about what to do, let alone a large upfront sum of money needed to proceed, this will stop most in their tracks. Even property owners may not be able to find funds or prioritize spending the funds on efficiency (compared to a roof, medical bills, education debt), and households without that ownership are put in a experiencing high bills with no recourse if they or half or more of their neighbors aren't income-eligible to get WAP/LI-CIP help, and their landlords can't or won't get take action if it's not free or with no upfront outlay or debt obligation.

### **Our Cohort's Conclusions on Centerpoint's Specific Pilot Proposal:**

### **We Recommend Approval with the Following Caveats and Requests for Improvements:**

1. **Source of Capital:** Remove CenterPoint's rate of return requirement or require CenterPoint to seek a lower-cost third-party capital (e.g. impact investment, federal dollars, foundation). The rate of return for CenterPoint, as currently included in the pilot, is too high and doesn't match the demonstrated risk the Company is taking.

2. **No Yearly Cap on Program:** Remove the yearly cap on the program of \$5 million so that there is not a choppy start/stop of outreach, work for contractors, and communications to interested participants. The \$15 million total is the only needed cap.
3. **Require Stakeholder Participation in Program Materials Development:** Through focus groups, 1-1s, or other methods to ensure language including outreach and agreements materials are relevant to local communities. Must include evaluation and program oversight by local stakeholders representing the cultural and linguistic communities in Centerpoint territory.
4. **Clear Partnerships and Funding to Match with Income-Eligible Programs (WAP, LI-CIP):** Program Operator must partner with income-eligible program operators and offer referrals and information sharing with all households about income-qualified energy efficiency and weatherization programs that they may be eligible for, and Centerpoint must increase funding to its income-eligible programs in order for those referrals to be followed up and followed through on, and support their utility peers to do so as well.
5. **Remove Upfront Cost for Audit:** Remove all up-front costs to receive energy audit for participation in the program. The petition, as written, includes a \$100 fee, which in all other inclusive financing programs is rolled into the participant's charges, and will block access to information.

Our Cohort knows there is the need and the demand for energy efficiency improvements that require better community engagement, pathways into a workforce to meet the demand, and mechanisms that are accessible to everyone. Tariffed-On-Bill provides a much needed mechanism that has been seeing unprecedented success across the country in participation, access, and workforce diversity. The local demand, need, and savings are there - the academic and technical studies about barriers need to be aligned with community realities.

We ask that you approve this pilot program with the above changes AND because the mechanism itself is only one piece that does not address cultural relevance of outreach or workforce barriers, we strongly recommend that the other contextual pieces that act as barriers to participation are addressed in tandem. This means funding: 1) culturally-relevant and community-based engagement, 2) equitable pathways to workforce opportunities so that the workforce meets demand and represents the community, 3) dramatically expanding income-eligible resources like WAP and LI-CIP.

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**Peer-Learning Energy Efficiency Cohort Members**

### **Nokomis East Neighborhood Association**

/s/ Becky Timm

*The Nokomis East Neighborhood Association (NENA), a 501(c)3 nonprofit organization, serves the four southeast Minneapolis neighborhoods of Keewaydin, Minnehaha, Morris Park and Wenonah. NENA invests in neighborhood improvement, builds community connections, encourages citizen participation and advocates for the interests of the Nokomis East neighborhood. Tracing our beginnings back to the mid-1980's, NENA was incorporated in 1997 with the goals of promoting neighborhood improvement and revitalization, and encouraging citizen participation in civic affairs.*

### **Unidos/Navigate Minnesota**

/s/ Jose Alvillar and Daisy Hernandez

*Unidos MN is a grassroots organization that builds power for Minnesota's working families to advance social, gender, racial and economic justice for all. Our lived experiences as immigrants mean that immigration, education, and climate justice are at the core of our campaigns and programs. Our intersectional realities center the lives of immigrant and first-generation youth, mixed-status Latinx families, LGBTQ+, and differently-abled folks. We are an intersectional, intergenerational, women, queer, Latinx-led organization committed to social justice.*

### **Community Stabilization Project**

/s/ Carolyn Brown

*CSP is a non-profit that supports renters in the 7 metro counties. This is important that families do not have to choose between paying rent vs utilities. Our mission is to build Tenant Stability That Will Lead To Community by: informing, educating, advocating for and organizing tenants to take action to preserve and increase the supply of healthy, safe and affordable housing in the City of Saint Paul. Our goals are to work with tenants, landlords and community stakeholders to:*  
*1) Prevent rental property condemnation/foreclosures and tenant evictions; 2) Prevent homelessness for tenants affected by condemnation, foreclosures, and evictions; 3) Increase awareness of tenant/ landlord responsibilities and rights to ensure housing stability 4) Strengthen relationships between tenants and landlords.*

### **Eastside Freedom Library**

/s/ Ben Werner

*ESFL is a nonprofit labor library and space for the community to gather. This work matters as it relates to the housing justice work we've undertaken, as energy costs are the second highest cost for our community after rent. It matters because it advances energy justice for our community.*

**Northside Residents Redevelopment Council**

/s/ Martine Smaller

*NRRC is the neighborhood organization for the Willard Hay and Near North neighborhoods in North Minneapolis. NRRC informs, engages and facilitates the residents of the Near North and Willard Hay neighborhoods in Minneapolis to be primary agents for improving the social, economic, environmental, and livability conditions in their community. Residents in our community are deeply affected by energy costs.*

**/s/ Eduardo Cardenas**

*Resident of Corcoran neighborhood in Minneapolis; board member of the Building Dignity and Respect Standards Council working to improve labor standards in the construction industry. A former staff member and board member of the Central Area Neighborhood Development Organization.*

**Cohort Contact:**

Eduardo Cardenas

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## Key Elements or Principles for an Effective, Accessible Energy Efficiency Program That Reaches Communities

<b>Overarching Principle:</b> <b>Actively works to dismantle the system of white supremacy creating stability and acting with justice within communities</b>		
Stabilizes housing for participants	Addresses systemic racism in energy programming	Designed from a shared environmental justice analysis

<b>GUARANTEES</b> measurable energy and cost savings for many	<b>REACHES</b> all income levels with no required upfront cost from individual	<b>CREATES</b> authentic, inclusive engagement for all communities	<b>GROWS</b> long term resilience and community stability in an equitable way	<b>USES</b> plain and relevant language for communications, marketing and outreach	<b>INCORPORATES</b> many non-energy metrics in order to achieve optimal and transparent outcomes	<b>BUILDS</b> open door to universally-accessible energy savings program	<b>SOURCES</b> a variety of funding that is streamlined	<b>DEVELOPS</b> local economy and creates jobs
Tangible Savings	Accessible to all incomes	Cultural and linguistic awareness and adaptativeness	Prioritizing upgrades for underresourced communities	Simple, clear language	Outcomes are transparent to participants	One universal program	Many sources of capital but easy, single process	Builds local economy (labor, production of materials, wealth)
High impact with many people + savings	Inclusive income-based programs that reflects reality	Clear engagement plans of how to get resources to people	Proactive, preventive program, not emergency assistance only	Communications that speak to communities	Increases health of home	Easy for everyone to access what they need with less work and paperwork	Variety of sources of money: energy company, state funding, federal funding, philanthropy	Good partnerships with trusted companies, non-profits
Effectiveness based on energy savings	No upfront cost required from individual in order to get savings	Multiple avenues of promotion: radio, newspaper, social media, community based organizations, flyers, word of mouth	Builds community stability in short, medium and longterm (e.g. cost savings for household budgets; health improvements; local job creation; increased connectedness)	Inclusive, accessible marketing	Follow through, monitoring, and follow up to check on household and upgrade	No restrictions on who uses and it is inclusive of all (e.g. renters vs landlord)	Shared cost: city, renter, landlord	Local hiring + new employment opportunities for community
Savings = big costs = low	Day 1 savings	Required energy savings and information for renters upon move in		Streamlined, easy to navigate options and process	Usage and efficiency are tracked for transparency	Options and process are flexible and customizable	Utility bill as streamlined point of energy transaction	
Targets the least efficient properties	Balanced participation: high and low income; renters and homeowners	Community liason for outreach						
	People most affected do not pay	Youth education and involvement						

**City of Minneapolis Community Engagement for Energy Efficiency Pilot Project 2016-2017**  
**Final Report**  
**November 8, 2017**

**Name of Organization:** Minneapolis Renters Coalition (Community Power (CP), Corcoran Neighborhood Organization (CNO), Holland Neighborhood Improvement Association (HNIA), Nokomis East Neighborhood Association (NENA))

**Contact Name:** Becky Timm, Nokomis East Neighborhood Association

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**A. Project Summary (3-4 pages)**

**1. Please provide a summary of findings from the project. What were the key themes and lessons learned? Please try to provide details for each phase of the project, including activities related to:**

**a. Phase 1. Assess targeted community's current knowledge, interest and barriers to participating in current energy efficiency programs.**

**i. Define your community (from application)**

The geographic areas for our project were in the three Minneapolis neighborhoods of 1) the Bossen area of the Wenonah neighborhood (north of Hwy 62 and west of 34<sup>th</sup> Ave.); 2) Corcoran neighborhood (south of Lake St. and west of Hiawatha Ave.); and 3) Holland neighborhood (west of Central Ave. and south of 27<sup>th</sup> St.).

<b>Demographics</b>	<b>Bossen Area (NENA)</b>	<b>Corcoran</b>	<b>Holland</b>
Total Population	1,247	4,178	5,089
Race and Identity - Of Color - Total	88.3%	49.3%	53.7%
Renter Occupied Housing	93%	38.6%	57.5%
Workers by Earnings - \$15k or less	28.3%	20.1%	20.9%
Workers by Earnings - \$15k - \$40k	33.2%	36.6%	41.0%
Cost-Burdened Renter Households	60.3%	49.8%	66.2%
Language Other Than English	N/A	20.2%	30.8%

\*Minnesota Compass Report – Neighborhood Profiles

**Identifying Multi-Family Rental Buildings**

To launch Phase I, project partners used several resources to identify the multi-family buildings in the focus areas, contact information, and if the properties were classified as “low-income” or “market-rate.” NENA and CNO have extensive experience working with renters in our

communities and were familiar with the locations of buildings. This was a new outreach focus for HNIA.

We first reviewed the City of Minneapolis rental property information lists, which include property owner and caretaker names, property address, property owner mailing address, phone number, email (if available) and number of units. Some data was out of date with former property owner information or non-working phone numbers. This incorrect information prevented neighborhoods from reaching some property owners.

Secondly, we partnered with the Center for Urban and Regional Affairs (CURA) at the University of Minnesota to provide maps of focus areas to identify multi-family buildings. The group used the maps and rental property lists to develop our Action Plans.

Lastly, we reviewed the Low Income Renter Certification (LIRC) list. There were seven LIRC properties in the focus areas, including four newer buildings in Corcoran and Holland, and in the Bossen area, there were two older buildings and the townhome complex of Diamond Hill. The Diamond Hill complex was also on the HUD Weatherization Assistance Program (WAP) list.

The seven properties listed above qualify for “low-income” energy efficiency programs. We assumed the newer buildings in Corcoran and Holland were built with energy efficiency design in mind. The two older buildings in Bossen completed the Multi-Family Energy Savings Program in 2016. The townhome complex was remodeled in 2015 with energy efficiency upgrades and NENA completed the landlord survey with the property manager.

We determined the majority of multi-family buildings in the neighborhoods were only eligible for “market-rate” energy efficiency programs and rebates.

#### **Completed Surveys with Landlords**

<b>Type of Building</b>	<b>Number of Buildings</b>	<b>Low Income</b>	<b>Market-Rate</b>
Duplex	14		14
Triplex	5		5
Fourplex	9		9
5+ Units	32	11 (Diamond Hills Townhomes)	21

#### **ii. Describe how you reached residents and stakeholders in the community, and who you were able to reach. Of these contacts, how many were:**

- **Homeowners** – N/A – the project targeted renters
- **Renters** – 209 – The three neighborhoods, along with support from CP staff, used several outreach techniques to reach a diverse representation of renters. The goal of each interaction was to complete a renter survey and to share information about the Home Energy Squad. The neighborhoods scheduled outreach outings at different times of the day and on weekdays and weekends.

#### **Who Took the Survey?**

African American – 23%      Caucasian/White – 27%      East African – 7% Latino/Hispanic – 28%  
Native American – 6%      Two or More – 1%

Did Not Share – 6%

Outreach efforts included:

- **Door-Knocking** – About half of the renter surveys were completed during visits to multi-family buildings. Staff usually went out in pairs and tried to have at least one bilingual person for outings. After the first visit to the building, teams often secured a resident contact to let the team back into the building for future visits. This allowed the teams to catch other residents not at home during the first visit.
- **In the Community** – Each neighborhood spent time in areas frequented by renters such as nearby parks, gathering spaces and bus stops (Metro Transit and school buses). This proved to be the second best way to gather surveys.
- **Hosting Events and/or Participating in Events Already Scheduled** – NENA hosted the well-attended Bossen Renters Party on July 8, 2017. CP staff worked the event and gathered over 30 renter surveys. CNO organized smaller renter-focused events to gather surveys with less success. Each neighborhood also participated in events not organized by themselves, such as Open Streets on Central Avenue and Minneapolis Park and Recreation Board events at local parks. At these events, it proved difficult to identify renters vs homeowners.
- **Focus Groups** – As listed in the application, neighborhoods planned to organize focus groups for renters. CNO organized an event with no turn out and switched efforts to plan a more social event for renters. In previous outreach projects, NENA and CNO have had difficulty in organizing focus group type meetings with renters and had similar results for this project.

● **Landlords – Contact Steps:**

	<b># of Landlords Contacted</b> (Letters, voicemails and emails)	<b># of Surveys Completed</b>	<b>% of Completion</b>
<b>Total</b>	108	41	40%

**Introductory Letter** - All three neighborhoods mailed an initial informational letter to property owners announcing the project concepts. These letters also let landlords know the neighborhood organization would be calling to complete a survey. We used rental property lists from the City of Minneapolis for the mailing addresses. Neighborhoods did not report responses from these letters, but several landlords said they had received the letter when reached by phone.

In its letter, NENA invited property owners to a meeting on March 17, 2017. Five properties attended and expressed interest. NENA was able to speak to 100% of these participating landlords in follow-up calls to complete the survey.

**Phone Calls** – Neighborhoods called each property owner one time each month from May through September. Interested property owners were more likely to return our calls or to pick up their phones when we called. The initial rounds of calls or emails generated the largest

number of surveys. As time passed, the neighborhoods continued to call and leave messages but the likelihood of a call back was minimal.

**Information Sharing** – Neighborhoods emailed information to landlords if they showed interest in energy efficiency programs or rebates. This information included the program leave behind materials (PDFs) and/or links to program websites.

**Landlord Survey #2** – In September and October, neighborhoods called back property owners who received program information. CNO mailed out these surveys. The teams could not reach the property owners and were unable to complete the second surveys.

**iii. Describe the tool or methods for collecting information from community (attach survey tools)**

We used three surveys to collect data from residents and property owners. The surveys were reviewed and approved by MCEP staff.

**Renter Survey**

- Available in English and Spanish.
- Administered by a staff member, not handed to the respondent to complete.
- Pacing of the survey was meant to allow for conversation with the respondent.
- The first question was open-ended and asked about the current condition of the renter's unit. This proved to be an effective way to introduce the survey's purpose, the staff person and to establish that the neighborhood organization is interested in its residents.
- Included a color photo of the Home Energy Squad (HES) van to determine familiarity with the program. Included photos of LED and CFL lightbulbs.
- Included list of HES program benefits such as new lightbulbs, aerators, programmable thermostat, etc. Staff found it challenging to explain some of these products to renters, especially in languages other than English.

**Landlord Survey #1**

- Available in English only. Did not require interpretation support for conversations.
- Administered by a staff member, not given to the respondent to complete. Three surveys were given in face-to-face meetings with the property owner and the rest by phone.
- Challenging for our group to understand which kind of properties qualify for which energy efficiency programs. Created a key for staff to only speak about the correct programs.
- Challenging for our group when property owners asked specific questions about the programs, rebates, financing or their specific needs. Made referrals to the correct programs, but likely lost some interest from property owners.

**Landlord Survey #2**

- Five questions to determine if property owners who showed interest in programs/ rebates and received materials contacted the programs/utility and any barriers to participation.
- Unable to complete any surveys.

**b. Phase 2. Develop an action plan based on information collected in Phase I for engaging the specific community to participate in current energy efficiency programs.**

i. Action Plan (See attached Action Plans 1 & 2)

**c. Phase 3. Implementation of the action plan, including evaluation of process and outcomes.**

**Key Findings:** Landlord and Renters Survey Response Summaries (See attached summaries)

**i. What are the most effective ways to reach this community?**

**1) Renters** - By far the best way to reach renters is to meet them where they are at. We directed most of our outreach efforts to door-knocking in multi-family buildings and surveying in public areas where the target community was likely to be. The neighborhoods spent significant time (e.g. - different times of day and days of the week) at bus stops or parks near apartment buildings. We had some success organizing events that renters would be interested in attending (CNO and NENA hosted renters parties).

Only a small number of respondents indicated they read bill inserts or mailers (especially English-only materials). Most respondents did not indicate they use social media or websites to seek out information on energy efficiency and programs.

**2) Landlords** - Phone calls to property owners was sufficient to reach our survey target numbers. Neighborhoods also used a mailed letter, voicemail messages and emails to inform the landlords that we would be calling with a survey.

**ii. What barriers to participation in energy efficiency programs did you encounter? Was there one or two key barriers or was there a broad range of barriers with no common themes?**

**Renter Participation:** The surveys clearly identified two main barriers to participation:

**1) Programs that Meet the Needs and Interests of Renters** – The Home Energy Squad (HES) is the only program available for renters.

Property owners, not tenants, can make changes to units, so the value of a HES visit is extremely limited from the perspective of most renters surveyed. We heard over and over again, “Why would I be interested in this program if I can’t make any of the changes?”

Residents in duplexes and triplexes may find more value in an HES visit, since most program benefits are designed for free standing structures, not larger apartment buildings.

The HES program is not meeting the needs and interests of **renters in 4 or more unit buildings**. The majority of these tenants do not pay a water bill and will not see benefits from using aerators/showerheads. Compounding the barriers to participation, many other HES program benefits are useless for these tenants such as blower test, thermal testing weather stripping and energy audit.

Most survey respondents were familiar with LED or CFL lightbulbs and were interested in receiving lights. Many of the respondents would qualify for a free HES visit, but did

not indicate this would be a strong enough incentive to participate. Lastly, several landlords expressed concern about programmable thermostats and prefer to keep control of the heating system in larger buildings.

On a related note, during monthly meetings of the project group we often talked about energy efficiency and cost savings as part of larger livability issues for renters. During the summer, some tenants shared that their wall a/c units were not working and their apartment temperature was extremely uncomfortable.

During outings in September and October, some renters expressed concern about when the heat would be turned on. We collected stories of tenants who use their ovens or space heaters to warm the unit. In addition to the safety concerns, use of the stove or heaters increases the electricity bill - most landlords surveyed said the stoves are electric. Lastly, many tenants are not provided a cover for the wall a/c unit and cold air enters the unit throughout the cold months.

**2) Awareness of Programs** – Only 28% of renter respondents were familiar with the HES and only 40% of those could identify what the HES does.

**Landlord Participation:** The surveys identified several potential barriers for property owners.

### **1) Types of Property Owners:**

**Informed & Completed** - The buildings which qualify for low-income energy efficiency programs have already completed upgrades or were built with energy efficiency in mind.

Market-rate property owners who are interested in energy efficiency and cost savings are likely to have already completed some upgrades. Several only have a few more items to complete such as the need to swap out old appliances (e.g. a/c units, refrigerators and stoves) with more energy efficient models. Many furnaces/ boilers and water heaters have been replaced within the last few years. These property owners have also replaced lightbulbs in common areas with LED or CFL lightbulbs.

**Uninformed & Uninterested** – The majority of market-rate property owners may have indicated an interest in energy efficiency and cost savings, but have not taken steps to increase knowledge of or improvements toward energy efficient buildings. Many of these properties have a piecemeal approach to operations and only replace appliances when a repair cannot be made. Property owners often value low cost over energy efficiency for appliance selection criteria. Renters, not landlords, pay the electricity bill for the use of refrigerators, stoves, a/c units and lighting.

Several property owners shared they are not interested in investing in the property, but only plan to keep it operational. In 4+ unit buildings, landlords are generally responsible for the water bill and may be interested in program benefits to reduce water use in the units, such as aerators/showerheads.

**2) Communications** – Property owners did not indicate a strong preference for specific communication methods to receive information. It was not clear from surveys how they get information about maintaining and operating their buildings. Several said, “I have been doing this a

long time and know most things.” Buildings with professional management staff, as opposed to a hands-on property owner, seem much more informed and more likely to be aware of the importance of energy efficiency and resources.

- 3) Financing** – The upfront costs of enrolling in a program or waiting for rebates is a barrier to many property owners. Most market-rate properties have limited resources to invest in a “complete building” project and tend to use a piecemeal approach for repairs and replacements. Easy-to-understand financing materials and programs may be an incentive to some.

**iii. What are the potential strategies to overcome the barriers to participation for this community?**

See above

**Communications**

- Different messaging for tenants in duplexes and triplexes vs 4+ unit buildings.
- Focus on saving money, as opposed to saving energy.
- Many of the respondents still receive bills and do not pay bills online. Inserts are may still be relevant if tailored to target audience.
- Not many respondents indicated that they receive information from social media.
- Materials in multiple languages.

**Other**

- Several respondents work with social service agencies, housing agencies or are in energy assistance programs. These respondents get information from case workers. Program promotion through the agencies may be helpful.
- Work with the City of Minneapolis Housing and Fire Inspections to share program/rebate information with property owners as they renew the annual rental license.
- Enlist contractors to promote program/rebate information. A few property owners said they have participated in rebate programs on the advice of a contractor.

**2. For phases 1 and 3 of the project, please describe what worked well and why.**

- **Persistence** – Each neighborhood allocated staff outreach time from March through October to engage with renters and property owners. This work was slow and at times frustrating. Each neighborhood reported outings that resulted in no renter surveys. By spreading the work over months and dedicating time each week to go out or to organize events, the team completed 209 renters surveys.
- **Working as a collaborative group** – With three geographic areas, the teams were able to reach different types of buildings to collect data (e.g. - duplexes, triplexes, fourplexes and buildings with up to 55 units). We also talked to many property owners with different management styles and levels of interest/knowledge of energy efficiency.

The team met monthly and supported each other with individual surveying outings. The outreach staff members trained each other and adjusted tactics based on conversations with other team members. During this same time period, community organizers from the three neighborhoods and

other organizations established bi-monthly meetings to gather to discuss their work as a peer network.

Community Power staff provided invaluable support to the team with training and by joining the neighborhoods for surveying outings and working events, and data entry. Neighborhoods used contract interpreters for surveying outings.

For future outreach projects, MCEP staff should gather outreach contractors to meet on a regular basis to share ideas and experiences.

- **Incentives** – The availability of LED lightbulbs (Xcel Energy) led to a marked increase in interest in taking resident surveys. Neighborhoods used signs when tabling at events to attract attention, “See me for a free LED lightbulb!” HNIA used treats to start conversations with families at its local park. Early in the project, NENA used bus passes as incentives before the lightbulbs were available.
- **Connections** – Each neighborhood benefited from meeting renters and property owners, all of which are members of our associations. In particular, this project gave neighborhoods the opportunity to contact landlords with information on beneficial programs, which made the initial conversations much easier.

In addition to the surveys, staff talked with renters and property owners about other initiatives in the neighborhood – such as HNIA offering free HES visits. The teams facilitated connections for renters and landlords to government agencies and nonprofit organizations (e.g. - Minneapolis Police Department Crime Prevention Specialists; Minneapolis Health Department; Community Action Partnership of Suburban Hennepin; HOME Line; and the Immigration Law Center).

### **3. For phases 1 and 3 of the project, please describe challenges, ways you overcome them or ideas for the future.**

- **Training** – The level of knowledge of energy efficiency and utility programs of our group members was low, but increased over the project period. There is a steep learning curve for the materials.

**Example of Excellent Training to Prepare Outreach Groups** - CNO and NENA participated in Metro Transit’s Better Bus Stop outreach project in 2016. Outreach groups were contracted to work in specific geographic areas to collect data from transit users on placement of bus stops and shelters.

CNO and NENA staff attended a full day of training and each Metro Transit department involved in bus stops provided training (e.g. - rationale for placement on the street, shelter design, snow removal, etc.). Metro Transit provided an extensive online library of training resources (e.g. - where each stop is located in the geographic area, ridership data for each stop, leave-behinds, etc.) Also, Metro Transit provided project tools, such as a survey template and bus stop placement game, which each organization could modify to meet its needs. Lastly, many of the important documents were translated into multiple languages. CNO and NENA agree that we

felt much more prepared to start this project and comfortable with bus stop materials compared to our level of preparedness on energy efficiency and programs.

Team members are willing to work with MCEP staff to provide training and preparation guidance for the next rounds of outreach projects. Our experience and expertise could be helpful in improving the training for future outreach groups to be much more familiar with energy efficiency and the programs in a shorter amount of time.

- **Data Entry** – Although we thought we developed shorter surveys, the teams collected a large amount of data. We had underestimated the amount of staff time it took to enter the renter and landlord survey data into the spreadsheet. It took about 3-5 minutes per renter survey and about 5-11 minutes per landlord survey. In addition, it took time to follow-up with interested landlords to email the energy efficiency program materials.

#### **4. Are there additional lessons you learned?**

Group members were asked to individually respond to this question:

- Renters are focused on more pressing matters, such as their rents rising.
- The core conclusions were apparent from the start and were reinforced throughout this outreach:
  - Renters are barred from participating without landlord interest/action.
  - Landlords are unlikely to participate because there are very low incentives - the programs are complex, they have to front money or take out a loan, they don't pay energy costs or are passing them along to renters so there is not direct incentive either.
  - Renters do not wish to invest in a property that is not theirs and/or in which the landlord does not care for.
  - Views expressed by some landlords that renters are transient & irresponsible making some landlords less willing to invest in their buildings.
  - Asking residents who are scraping by economically to "invest" money to save money is not a useful (or logical) strategy - we need to increase landlord "yes's" either by carrot or stick, and create real incentives by removing upfront cost and credit barriers.
  - If the program worked for people, word of mouth would help spread the program.
- Other things learned:
  - Collaboration (where uniqueness & independence is still maintained) across neighborhoods is great for info-sharing, cost-savings, and a stronger outreach strategy
  - Door-knocking can have inconsistent results and has more success when paired with multiple reasons for the door-knock.
  - Social gatherings (extremely local & highly visible) are great outreach tool - e.g. Bossen Renters Party.
  - Meeting people in public spaces is another good strategy, though again, useful when paired with multiple reasons for being there (e.g. invitation to party, energy survey, renters' health & safety, public art project).
  - It changes the project smoothness/results/success hugely by having a product that people already want, and having adequate training & materials & ongoing support at the start.
- Landlords weren't invested in energy efficiency, but were interested in cost savings.

- A handful of tenants in multifamily buildings have referenced Lutheran Social Services (<http://www.lssmn.org/services/>) and St. Stephen's Human Services (they have a manual which lists different community resources/programs). Case Managers or ARMHS Workers. These people seem to rely on these individuals to learn about resources like HES (and generally have caregivers or independent living skills coaches to help the tenant set up these appointments).
- Landlords seem interested in the prospect of financing options to fund efficiency projects as long as it was simple to set up/sign up. These are generally landlords who pay for heating in the building. They are particularly interested if energy savings outweigh the cost of improvement.
- I have been getting a lot of inquiries about rebates or subsidies for individual wall/window a/c units.
- Letters do not seem to be an effective way to get a hold of landlords.
- If you cannot find the list of rental property (with contact information for landlords) in your neighborhood, contact your councilmember at the City.
- Many tenants do not feel they had the authority to let a service like the HES make improvements in their apartment.
- Most wall a/c units in multi-family buildings do not have covers. During the winter, tenants generally cover them with blankets or do not cover them at all.
- During the winter, tenants in multi-family buildings regularly report using other means to heat or cool the space (space heaters, open windows, turn on the oven.) This is especially common in buildings that are not owner occupied.
- Having free food has been helpful for drawing people in to talk -- When I am at a park, I approach parents and ask if I can give their child ice cream. It turns out to be a nice way to greet them. It quickly comes up that I am from the neighborhood. Has been nice to have something on me that I can give to children, because they are generally the first people to approach me.
- I have gotten feedback that having two people out is often helpful, with a mix of genders.
- When tabling with an interpreter -- it has been helpful to have large signage about "get a free lightbulb" in English and whatever language you are targeting (of course have an interpreter present). This seems to melt another barrier for ESL community members.

## **B. Measuring & Evaluating Results (1-2 pages)**

1. Please include information on the measures identified in your application. Please try to provide SPECIFICS such as:

- **Number of events by type and name (including focus groups, if applicable)**
  - Events organized for this project: 5
  - Events organized by other organizations, group participated: 7
- **Number of people participating in a certain event**
  - 30 people completed surveys at the Bossen Renters Party. Low attendance at CNO events
  - 5 landlords attended a NENA focus group
  - Did not track the number of participants at events organized by other organizations
- **Number of one-on-ones**
  - 3 visits by CNO and NENA staff with property owners to view the property and complete the survey
  - 2 HNIA one-on-ones with tenants
  - 1 one-on-one HNIA visit with Language Central to discuss best approach to engaging Ecuadorian and Somali community members
  - 1 one-on-one HNIA visit with Ecuadorian Consulate
- **Number of surveys completed**
  - Renters: 209
  - Landlords: 41

- **Number of people reached that showed interest in signing up for energy efficiency programs**
  - Renters: 28
  - Landlords: 28
- **Materials distributed**
  - Renters: 93 HES; 10 How to Save Energy in your Apartment
  - Landlords: 7 HES; 7 Multi-Family Energy Savings Program; 14 rebates; and 2 101 Ways to Save Energy
- **Volunteer and staff hours, as of 6/30/2017**
  - CP: 42 hours
  - CNO: 91.5 hours
  - HNIA: 66.5 hours
  - NENA: 110.75 hours
  - Contract Interpreters: 20.75 hours
- **Number of volunteers (if applicable) N/A**

## 2. Did you meet the goals stated in your application and/or Action Plan?

### Total Outreach Goals & Completion for March – June (Action Plan #1)

	Tenants		Landlords	
Activity	Goal	Completed	Goal	Completed
Contacts	260	175	50	108
Surveys	160	45	33	27
Events	1	-	-	-
Focus Groups	2	-	1	1

### Total Outreach Goals & Completion for July – October (Action Plan #2)

	Tenants		Landlords	
Activity	Goal	Completed	Goal	Completed
Contacts	285	212	35	79
Surveys	170	164	23	14
Events	5	3	-	-
Focus Groups	2	1	1	-

### Total Survey Goals & Completion by Neighborhood

	Tenants		Landlords	
Neighborhood	Goal	Completed	Goal	Completed
CNO	125	54	12	24
HNIA	50	50	6	4
NENA	175	105	12	13
<b>Total</b>	<b>350</b>	<b>209</b>	<b>30</b>	<b>41</b>

## C. Project Budget (1 page)

1. Please provide an expense sheet that shows how you spent the grant money, with break-outs based on your proposed budget, including personnel (hours), subcontractors, promotional activities and materials, office supplies, printing and postage, translation services, evaluation activities, and administrative overhead.

See Invoices 1 & 2

**2. Was this grant your only source of funds? If not, what were the additional sources and amounts? Please include matching resources (volunteer hours etc.) in order to help us document leveraging of Clean Energy Partnership funds and continue the program.**

<u>Task /Budget Item</u>	<u>Grant Funds</u>	<u>Match/In-Kind</u>	<u>Completion Date</u>	<u>Explanation</u>
Staff Time – Community Power	\$1,200	None	11/30/2017	Outreach and project administration staff time.
Staff Time – Corcoran Neighborhood Organization	\$8,900	None	11/30/2017	Outreach and project administration staff time.
Staff Time – Holland Neighborhood Improvement Association	\$3,850	None	11/30/2017	Outreach and project administration staff time.
Staff Time – Nokomis East Neighborhood Association	\$9,850	None	11/30/2017	Outreach and project administration staff time. Project administration.
Expenses	\$1,200	None	11/30/2017	Interpretation, hospitality, office supplies.
<b><u>TOTAL</u></b>	<b><u>\$25,000</u></b>	<b><u>\$0</u></b>		

#### **D. Additional Comments (1 page)**

##### **1. Was this a valuable effort for you?**

- **CP** - Yes, it was valuable. Excited for it to be exponentially more valuable when this information is used actively to created programs that renters are able to see benefits from and homeowners (particularly those without access to credit or much upfront \$\$) and landlords participate in at much, much higher rate.
- **CNO** - This effort was valuable to our organization as it provided us with a reason to talk with renters in our neighborhood and the landlords who own property in our neighborhood. It took more energy than what was anticipated, but we were able to learn about the best time to connect with renters and innovative outreach methods beyond door knocking.
- **HNIA** - Yes. Improving the effectiveness and level of participation in energy efficiency is important to HNIA. If gathering this feedback helps accomplish this, particularly in multi-family rental properties, we will be satisfied. In addition, it gave the neighborhood another opportunity to engage tenants in Holland. It gave these residents an opportunity to ask other questions about what was happening in the community and for us to connect them to more resources.
- **NENA** – Yes, through this project we learned about energy efficiency and building conditions in 30 plus multi-family buildings – something we did not pay much attention to before. In addition to talking with renters and landlords about the survey topics, we uncovered additional resource needs for landlords and livability issues for renters. We were seen by Bossen residents each week in the community and became better known by neighbors.

##### **2. With sufficient resources, would you continue and/or expand the energy efficiency engagement work started in this effort?**

- **CP** - Yes, definitely.

- **CNO** - We would be interested in discussing what that would look like and if our staff would have capacity.
- **HNIA** - Ultimately this is up to the HNIA Board. Our staff would be interested in discussing the scope of this engagement work and make a recommendation to the Board.
- **NENA** - Yes, we are interested in working on projects which bring resources and information to our community.

**3. Please comment on what the City, Xcel Energy and CenterPoint Energy can do to make future projects more successful, along with anything else you might want to add.**

Group members were asked to individually respond to these questions:

- Continue to contract with community-based organizations that already have relationships, expertise and importantly a commitment to livability concerns that are outside of and intersect with energy (housing, neighborhood cohesiveness, community safety, education, transit, etc). This saves the work of building relationships each time there is outreach, more efficient because all concerns can be brought up in the same session, builds trust and investment in the neighborhood (so people want to stay longer & invest in that place) doesn't jerk people around as much (having a new face for every set of services, many of whom won't be there in a year), and ensures a level of commitment (organization doing outreach has many reasons to be talking with the person, if one reason or set of funding dries up, the relationship doesn't go with it).
- More in person outreach (door-to-door, etc.). A lot of tenants in Minneapolis have not heard of the Home Energy Squad service and this is not the case in cities like St. Paul. For several years, I went door-to-door signing residents in St. Paul and surrounding suburbs for Home Energy Squad visits (this was contracted through the Neighborhood Energy Connection). In St. Paul, at least a third of the tenants I talked to either knew what the Home Energy Squad did or already had them come to their apartment.
- Continue to contract neighborhoods and community-based organizations to help with engagement. Several years ago, when I was signing up people in St. Paul, I noticed residents seemed to question my motives for being at their door. This seemed to happen a lot less when I worked for a neighborhood. Residents had interacted with our staff before, been to a meeting, or at the very least understand that helping them is part of our neighborhood's mission. I already knew tenants in some multifamily buildings and could get into them. Even tenants I didn't already know, I seemed had an easier time get them to let me back into the building. Also, the neighborhood coordinator, who lives in Holland, could also give me a good idea what buildings we need translators for and when were good times to do outreach. This saved us a lot of time.
- Better training - the training for community groups was very dense, one-time only.
- Hiring people within utilities that are multi-lingual, and more diverse by age/race/gender/primary language/geography (where do they live). It is not surprising why there is a disconnect between services & communities if the service provider is more or less from one set of well-resourced identities.

- Prioritize the utilities to hire more program staff that are bi-lingual. It is my impression that for the later part of this year, there were no HES staff (through CEE) that could speak Somali or Hmong. It has also been difficult to get translated program materials.
- Language barrier from utility employees and outreach employees: Not enough training at the beginning to decode all the utility jargon. It is okay if that is our job, but that needs to be clear and we need way more time to understand deeply (more than a two-hour training with complex materials) the ins and outs, get questions answered as they come up. OR it needs to be that the utilities are able to translate the jargon understandably and quickly and be available for ongoing support to all members of the outreach team, not just rely on one contact person (that is a lot of responsibility placed on the liaison, in this case Becky) to field all the questions and accurately convey/translate complex, often jargon-filled information. Key partners were not available/aware of outreach group (Franklin Energy, CEE) and/or outreach group was not made aware there was not a clear point of contact there.
- The City should set aside more funding for multi-family building inspectors (FIS).
- The best practices of community engagement on energy efficiency research from EVAC was not only not shared during the training but not trained on. This should be shared (beyond in the RFP), and EVAC should be required/invited to present a summary/training to the groups doing the work.
- The main point of contact should include an EVAC member, not just representation from the City & two utilities. There should be more report backs at each of the quarterly meeting for EVAC & CEP and the presenter from the organizations should be compensated for this time. That way any wrinkles in administration/etc. can be fixed as they go rather than at the end of the project. There is more time also for questions/absorption of info for EVAC/CEP Board.
- The CEP "Community Engagement Planning Process" document that EVAC put together should be more explicitly shared with partners. Consider inviting EVAC members to introduce and train participants. It is a helpful resource, unfortunately by the time the document was unearthed, we were too far along in the process incorporate some of their recommendations.
- The programs offered need to be available to those who we are engaging. It is difficult to engage people in a project who currently won't gain anything from giving their feedback, and may not for many years to come.
- Evaluate whether a Home Energy Squad visit for someone living in a multi-family property could be cheaper than a visit for someone in a duplex, as the multifamily tenant are generally getting much less out of the service.
- Have a more streamlined data entry mechanism and process.

## **Feedback on Materials**

- Online and printed materials – Clarify who is a “residential customer” for programs. It is unclear that some multi-family property owners may qualify for these programs. In a quick review of the CEE, Xcel and CenterPoint HES webpages, each uses different terms for eligibility and none reference multi-family buildings. (It took the project partners a significant amount of time to determine what kind of properties qualify for what kinds of programs).

The materials also have limited information stating that renters may sign up for a HES visit. It has always been unclear if the tenant needs the permission of the property owner to participate in a HES visit.

Any marketing to low-income utility customers should highlight that the customer may be eligible for a free visit and installations.

- One of the challenges was providing materials to those we talked to that were beneficial to them. Especially with renters, many were not interested in paying for a HES visit when it would only address a small number of things they could control. Beyond the lightbulb, there was nothing else for them to get engaged in energy efficiency.
- Organization of information on programs – Program materials and names should be seen from the perspective of the user – too many similar sounding names, unclear who the home owner is (e.g. – property owners of 4 and under unit buildings, etc.) Would be more helpful from a user standpoint (both outreach and energy user) is a flowchart of yes/no type questions to determine which programs might be available for the person wanting a service and ONLY displaying those options. This could also take the form of a "choose-your-own-adventure" online tool that asked yes/no questions.
- Urgently need better, more easy to understand materials about the programs. They are hard to wade through even for community groups being paid to figure them out. More visuals. More tools to walk people through eligibility. Name the programs things that are logical and distinct from one another. Need materials in all the languages that have significant numbers of speakers in the areas served by utilities (Hmong, Spanish, Somali, Oromo, etc). We had to ask repeatedly to get more materials, none were translated.
- Work on more easy to understand language for program materials. Marketing materials have some technical and programmatic terms that were unfamiliar to English speakers and very difficult to translate. Written for folks with knowledge of energy efficiency and with higher level of education.
- Would be helpful to include a current income eligibility bracket so that outreach groups don't have to find that info on their own, or worry that it is inaccurate to these programs' rules about income and what "low-income" means.
- Names of Programs - All sound the same and easy to confuse them. Maybe a solution could be to either:
  - 1) make them more unique sounding but still full of content ("Low-income 5+ efficiency, low-income 1-4 unit efficiency, low-income homeowner efficiency, etc) OR
  - 2) make them entirely unique but don't try to cram as much content description into the title (ex: Magenta Efficiency Program, Periwinkle Efficiency or something that gets at how much energy is saved so surface level improvements is "Low Hanging Fruit Efficiency for Rentals" v. "Low Hanging Fruit for Homeowners" and medium level is "Energy Fit for Rentals" "Energy Fit for Homeowners" and high level is "Deep/Turbo Efficiency for Rentals" "Deep/Turbo Efficiency for Homeowners."...something that demonstrates the depth of improvements without sounding like the people who do one

program v.. the other are better/worse for that choice because it will almost always be a choice about money. Imagine a program that is super energy efficient but costs \$10,000 and is called "Superhero Program" and the one that is free and doesn't save much is called "The Bare Minimum Program" ....extreme example but you get the point of why that is a bad labeling set up.



**NEIGHBORHOOD  
HUB**  
TRANSFORMING COMMUNITIES  
TO MAKE A WORLD OF DIFFERENCE.

# COMMUNITY ENGAGEMENT ENERGY EFFICIENCY PROJECT

## Pilot Program Report

### Abstract

The Neighborhood Hub is involved in work that evaluates how to increase engagement with underrepresented communities in Minneapolis with regards to energy efficient programs. This report highlights strategies that worked as well as barriers for communities. It is our goal to increase the knowledge and equitable uptake of energy saving opportunities offered by Xcel Energy and CenterPoint Energy for underrepresented communities.

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**A. Project Summary (3-4 pages)**

1. Please provide a summary of findings from the project. What were the key themes and lessons learned? Please try to provide details for all activities including:

**a. Assessing targeted community's current knowledge, interest and barriers to participating in current energy efficiency programs.**

The Healthy Homes Team conducted several community awareness campaigns by tabling at established community events throughout the neighborhood as well as conducting one-on-one Healthy Home Assessments. (Event's Table Attached) When analyzing the surveys presented to the community, the theme that kept resurfacing is that there is a lack of knowledge about the energy efficiency/cost saving programs available to them from Xcel Energy and CenterPoint Energy.

When we asked the community "Do you know that Xcel Energy and CenterPoint Energy have programs and resources to help your home become energy efficient and reduce energy bills?"

35% answered ->I am unaware of this information

31% answered ->I have heard about programs but I don't have details

15% answered ->yes, I am aware of programs but have not participated

16% answered->Yes, I am aware and I have participated

3% ->Did not answer the question

Our Healthy Homes Team's conclusion of the surveyed information is that the lack of knowledge and clear details about the cost reducing products is preventing the interest. Interviewed residents agree that they are interested in cost reducing energy efficient products but the details to enrolling in the programs are not clear. A champion community based organization with a clear understanding and direct connection to service providers will help overcome the main barrier in participation.

- i. **Community definition:** Our community consist of North Minneapolis residents living within the Folwell, Jordan & Cleveland Neighborhoods. For this project, we included homeowners, renters and landlords to capture more diverse participation & to provide greater access to energy efficient programs.
- ii. **Describe how you reached residents and stakeholders in the community, and who you were able to reach.**

The Healthy Homes Team was able to reach residents and stakeholders in the community in various ways. We participated in several different community events such as the Northside Housing Fair, the Neighborhood Hub's Healthy Homes Resource

Fair, Northpoint Health and Wellness Produce Give-Away to distribute our Energy Efficient survey to community residents and stakeholders including City Council persons, State Representative and other housing agencies. We also conducted workshops that offered Professional Counseling on Landlord Tenant Rights where we engaged participants who were both renters and landlords. The Neighborhood Hub also participates in Navigation services so we have residents that drop in for referral services. During the intake process, we ask if participants would like to learn more about Healthy Housing Initiatives. This has been a wonderful opportunity to complete one on one surveys with diverse residents. We also did Health Home Assessment where the surveys were provided. Of these contacts, how many were:

- Homeowners 17%
- Renters 82%
- Landlords 1%

iii. **Describe the tool or methods for collecting information from community (attach survey tool)**

The methods for data collection was primarily an Energy Efficient Survey collaboratively created by the City of Minneapolis Coordinator's Office and the Partnership Planning Team. We used this tool to engage the community & provide access to energy efficient programs at outreach events, community gathering and One-on-One Healthy Home visits. We also interviewed Neighborhood Hub clients would indicated that they were interested in Healthy Home resources in their intake assessment.

b. **Key Findings:**

i. **What are the most effective ways to reach this community?**

The most effective way to engage the community is by creating an interactive tool (such as the survey) and having it disseminated by persons passionate about their message at an event where there will be a natural gathering (an established event). The participants will be in a more relaxed state and able to give valuable feedback in the surveys. The Healthy Homes Team also participated in a KMOJ radio interview where they discussed the Energy Efficient programs and Healthy Homes Resources and received many calls to get more information about Energy Efficient Programs.

Based on the survey the top 4 comments on ways to connect with the community are:

- Tabling, public outreach-having people from the community reflect the community
- Email, social media blast and texting information
- Mailing information to community
- Tv and radio interviews with outreach staff

ii. **What barriers to participation in energy efficiency programs did you find? Were there one or two key barriers or was there a broad range of barriers with no common themes?**

- Not having bilingual speaking staff, outreach staff having knowledge about the programs themselves.
  - Not having enough knowledge or details about the cost saving programs.
- iii. **What are the potential strategies to overcome the barriers to participation for this community?**
- Having cultural competent and bilingual staff to facilitate outreach events.
  - Creating a heavy marketing strategy for residents in underrepresented communities.
- iv. **How did you determine the strategies to overcome barriers? (Obtained through surveys and interviews? Outside research? Other?)** The strategies to overcome barriers was based on the survey and one on one interviews. We discussed strategies as a team with residents of the community. We also talk to stakeholders in the neighborhood such as City Land Trust, Urban Homeworks and Sustainable Resource that gave feedback about the audience that we are looking to engage. Our stakeholder recommended that we collaborated with targeted audiences such as 'first time home buyer' class participants, financial literacy/wealth building class participants and neighborhood associations. The audiences of these specific classes will target a market that is already vested in making changes in their financial future. The community also felt it was important to collaborate with bilingual agencies that could provide interpretation of information if needed.

## **2. Please describe what worked well or did not work well and why.**

Things that worked well:

- Providing \$5 gift cards was a great incentive to get people to participate in surveys.
- People also identified with the cultural competent staff members and were open to discuss the different programs that existed.
- Providing Health Home and /or Energy Efficient product resources to the community was a valuable asset.

Things that did not work well:

- We were short staffed with the number of events that were available in our community. Hiring more outreach staff would be beneficial to the project.

## **3. Please describe challenges, ways you overcame them or ideas for the future.**

Ideas for the future: Continue to work with Neighborhood Organizations to create community awareness around the energy efficient programs. Community residents are actually interested in cost saving products because of their lack of resources. Every penny helps. So detailed but simple information is important to this initiative. We might also want to think about engaging youth coalition to be a part of this magnificent work. They're the future that is going to put the energy efficient products to use.

## **4. Are there additional lessons you learned?**

Consistency, cultural competent and compassionate staff was important to our community. Building trust amongst our residents was key to getting relevant information.

## **B. Measuring & Evaluating Results (1-2 pages)**

1. Please include information on the measures identified in your application. Please try to provide SPECIFICS such as: **Attachment Included**

- Number of events by type and name
- Number of people participating in each event
- Number of one-on-ones
- Number of surveys completed
- Materials such as Neighborhood Hub Brochures, Home Energy Squad Flyers and EE light bulbs were distributed at all community awareness events. Unfortunately, we did not keep an approximate count of applications distributed for Energy Assistance or Power-On. We can account for 22 referrals to Stay Safe Stay Warm and 8 SRC referrals
- Volunteer hours 100 and staff hours 320
- Number of volunteers 2 Healthy Home Outreach Volunteers/ 15 Health Homes Resource fair Volunteers

2. Did you meet the goals stated in your proposal's Action Plan? Yes, we met and exceeded our proposal action plan.

## **C. Project Budget (1 page)**

1. Please provide an expense sheet that shows how you spent the grant money, with break-outs based on your proposed budget, including personnel (hours), subcontractors, promotional activities and materials, office supplies, printing and postage, translation services, evaluation activities, and administrative overhead. An example is provided below. There is no need to attach receipts although the City reserves the opportunity to request verification.

**Attachment Included**

2. Was this grant your only source of funds? If not, what were the additional sources and amounts? Please include matching resources (volunteer hours etc.) in order to help us document leveraging of Clean Energy Partnership funds and continue the program.

<u>Task /Budget Item</u>	<u>Grant Funds</u>	<u>Match/In-Kind (not required)</u>	<u>Completion Date</u>	<u>Explanation</u>
<b>Healthy Homes Resource Fair</b>	<b>500.00</b>	<b>2000.00</b>	<b>6/22/2017</b>	Healthy Homes Resource Fair that introduced the community to sources of support in the community.
<b>2 additional outreach staff</b>		<b>\$1200.00 estimate</b>	<b>7/31/2017</b>	<b>Outreach Events require staff time that was not funded by this Pilot Program</b>


**D. Additional Comments (1 page)**

1. Was this a valuable effort for you?

This was a valuable effort for the Neighborhood Hub because it gave us an insight into the Energy Efficiency products and the details of enrollment for our community. The Neighborhood Hub was able to provide another resource to the residents of North Minneapolis.

2. With sufficient resources, would you continue and/or expand the energy efficiency engagement work started in this effort?

Yes, the Neighborhood Hub with sufficient resources the Neighborhood Hub has the ability to continue the energy engagement work and has the ability to expand this work. We also have connections with the City of Minneapolis to develop other initiatives that include energy efficient endeavors and healthy home initiatives,

3. Please comment on what the City, Xcel Energy and CenterPoint Energy can do to make future projects more successful, along with anything else you might want to add.

This initiative has given our team information and details on how to inform our community on cost reducing/energy efficient products that we can introduce to our community. With this information, we conclude that this has been a successful partnership.

Don't forget to send the final invoice to the City for eligible expenses.

Please submit all invoices to [submit.invoices@minneapolismn.gov](mailto:submit.invoices@minneapolismn.gov)

For directions see:

[minneapolismn.gov/www/groups/public/@finance/documents/webcontent/wcms1p-107074.pdf](http://minneapolismn.gov/www/groups/public/@finance/documents/webcontent/wcms1p-107074.pdf)

City of Minneapolis Sustainability  
Landlord Engagement on Energy Efficiency in Green Zones  
Final Report  
December 2019

Background  
Staffing  
Scope of Work  
Metrics/Outcomes  
Property Owners/Management Companies  
Property  
Occupancy/Rent  
Challenges/Gaps  
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### **Background**

In the fall of 2018, the City of Minneapolis desired to engage landlords in energy cost savings as part of its goals to reduce deep carbon emissions, preserve and improve affordable housing and utilities costs for tenants. The City contracted with Guardian Property Management, which oversees 800 rental units in the metro area, and consultant Monica Nilsson to lead the project, engaging landlords with properties in the Green Zones of Minneapolis. Monica brings 25 years of work in housing and homelessness, both in direct service and community engagement.

### **Staffing**

The first 3 months of project implementation, in the last quarter of 2018, were funded at 1 full-time equivalent (FTE). Outreach began in earnest following an initial mailed letter by the City of Minneapolis to 1476 property owners or managers in the first week of October 2018. Monica followed up with phone calls to 400 rental license holders. The City of Minneapolis sent a follow up email in November. Parties involved were impressed with the level of interest by dozens of landlords in the first 3 months and so the decision was made by City of Minneapolis to focus 2019 work primarily on this group of 73 property owners or property management companies, operators of hundreds of buildings, and not continue outreach to additional property owners or managers.

This project shifted to a .5 FTE in 2019. A pause occurred in the project with a delay in contracting and was dormant from mid-March to mid-June 2019. 2019 funding provided for time that combined, equaled 3 months at 1 FTE. In conclusion, outcomes of this report are the result of 6 months of investment at 1 FTE between September 1, 2018 and November 15, 2019.

### **Scope of work**

The scope was to identify Green Zone landlords with properties from single family rentals to 20-unit buildings, pursue meeting and discussing their concerns while informing them of energy cost saving opportunities. For those who agreed to continue in the process of an assessment of their property, continue to serve as their Navigator in person or telephonically to build appropriate connection with utility programs, contractors, financing and the like. Following audit, continue to encourage understanding of available financing and investment in audit recommendations. Success was be measured by: (1) the number of landlords who provided feedback on their willingness (or resistance) to

energy related visits to their property; (2) the number of property visits that occurred; and (3) the number of properties that invested in recommended energy-cost saving measures.

### **Metrics/Outcomes**

1476 rental license holders in the Green Zones of Minneapolis were contacted by mail. 400 were contacted by phone to learn of interest in meeting. 1476 landlords were sent a follow up email one month following initial mailing. With interest from over 70 landlords, representing hundreds of buildings, to meet, outreach ceased. It is the belief of the Project Director that continued outreach would have produced an expanded pool of landlords interested in meeting and many additional buildings having an audit. The level of interest was high with landlords to meet regarding their properties and learn about possible energy efficiency offerings. 73 property owners/managers became the core group.

85% of interviewees expressed a positive opinion about the influence of a \$50 Visa gift card stipend for their time in meeting with Project Director. Others were influenced by the opportunity to speak with someone connected to the City, someone “to vent to” or because of the ease of learning of opportunities at a location and time of landlord choosing. I was surprised by the number of property operators who were not connected to any professional organization to support property management work. A number of landlords requested the building of a coalition for small operators; they expressed that the Multi-Housing Association was too expensive. I found an isolation in operating their properties that would benefit from connectivity to other operators.

Owners of 234 buildings in the Green Zones have been referred to the Center for Energy and Environment, Energy Cents or the Sustainable Resources Center programs for scheduling or completed energy units. I believe this number does not provide the full picture of benefit of relationship as some property management companies may have 21 buildings in the Green Zones, in one case, but additional buildings in the City of Minneapolis which, if follow through occurs, is an ancillary benefit to the City’s goal in sustainability. Further, they operated buildings outside of the City of Minneapolis but relevant to the work of the energy programs and referred properties for audit. Additionally, less than ten 5 unit+ buildings were referred to the MFBE program.

Little information is yet known of investment in audit recommendations. CEE reports that 3 buildings have made recommended improvements. One challenge in this project was the timing between outreach, scheduling and completion of audits. Initially, meetings in November/December 2018 were scheduling audits in March or April 2019. CEE, the primary auditor, has been a diligent, responsive, flexible partner and has been the lead on follow up with landlords after audit completion. They prioritized this project and worked to meet interest. With regard to investing in cost-savings measures following audits, discussions at the end of contract between Monica and CEE included recognizing the value of an additional contact from Monica following the audit to amplify the value of utilizing tools available to landlord. A shared Google spreadsheet tracked activity with CEE including who pursued a loan, who worked with their own contractor (a common theme following audit) or who delayed next steps due to more pressing matters in their mind.

Reasons listed for interest or resistance to taking action on energy cost saving measures:

The free installations were a popular item once understood. Primarily, action on major improvements is taken when there is a problem due to high bills, a break down or similar. The pursuit of improvements is compared to other necessary repairs or updates-windows, exterior, paint, roofing. There were many comments about repairs being put on hold due to increased taxes, water or other bills.

## **Property Owners/Management Companies**

As Project Director, it was helpful to have the flexibility to meet owners at a location of their choosing, at a time of their choosing, including evenings or weekends. Only in one case was the owner out of state and we scheduled a FaceTime meeting on a Saturday. He drove from the mountains of California to an area with cell service. One owner lives in the Big Lake, MN area, all others were within 20 miles of Minneapolis. Most owners live in Minneapolis and 23% of those met are owner-occupied living in the rental building. 35% of owners met are people of color.

## **Property**

Meetings with property owners/managers were equally distributed between properties in north Minneapolis and south Minneapolis. An unexpected outcome of meeting with owners of multiple buildings was that they requested audits for properties elsewhere in Minneapolis or throughout the Twin Cities. In this first phase, contacts outside of the Green Zones were passed to energy auditor Center for Energy and Environment (CEE) for further engagement. Related, following meetings with landlords, they referred their neighbors to this project for similar outreach. Those dozen non-rental properties were referred to CEE for audit scheduling.

It appeared to be of benefit to be able to introduce myself as a third-party for the initial outreach, stating “I am not a City of Minneapolis employee”. I found those interviewed to be forthcoming in ways they may not have if I was perceived as having the interests of the City versus improving their property and experience as a landlord. My contact Kelly Muellman in Sustainability was an engaged resource supporting this project’s work. Kelly provided this project with a helpful understanding of various city department’s processes. While energy efficiency was the pursuit of this project, one outcome we learned is the interconnectivity between Planning and Economic Development, Health, Police, Inspections, Regulatory Services and sometimes the offices of their elected official or Neighborhood and Community Relations in the proper functioning of a rental property in the Green Zones.

Feedback from landlords was that contact with the City of Minneapolis was not typically proactive in wanting to hear from landlords and engage on property issues. Primarily, contact is to pay a fee, be cited for a property issue or have an inspection. This engagement prompted desire to express concerns, seek assistance in remedy of property issues and pursue other incentives to maintaining affordable housing.

## **Occupancy and Rent**

The lowest rents found were \$400 per month per room in a fourplex, \$495 studios and the highest rent in a Green Zone building was \$2350 for a 6-bedroom home. Property owners and management companies primarily find renters by referral from other tenants, Craig’s list, Zillow, Cozy, [apartments.com](https://www.apartments.com) and some work with homeless/affordable housing subsidy programs.

The highest occupancy was 11 people in a 3-bedroom house: 8 men sharing 2 rooms with 2 bunks in each plus a mom and 2 kids in the other bedroom. In an 11-unit building that is all 1-bedrooms; the owner allows 2 adults and 2 kids per unit and has a camera system throughout the building. If he observes someone frequenting a unit, he allows a 5th renter for additional \$100 per month, a number of units are doing so.

## **Challenges**

The first challenge of this project was educating the contracted staff (me) on the energy programs. The operation of 3 energy programs, along with loan offerings from the City of Minneapolis, were not packaged in an easy to understand way for a potential investor. The Project Director was not aware of

the SRC program until 3 months into the project nor with the Energy Cents program at the outset. Property owners were very interested in meeting and discussing their concerns and interest. They appreciated personal attention and a challenge was that they were asking about other city issues like the property tax deduction pilot (4D) and how to streamline processes. As the liaison between the City, utility programs, and landlords, a challenge included that CEE and Center for Energy and Environment, were swamped with requests and not able to schedule full audits in initial months. A further challenge that stymied even initial engagement for some landlords was the perception that their personal relationship with a home improvement contractor could result in a less expensive upgrade than the offerings from energy companies, even with a loan or cost reduction for having low-income renters. For larger operators, the volume of work they provide contractors allows for discounts that are competitive with offers to pay 50% of equipment or provide a 0% loan from programs. This is one reason that establishing a multi-faceted relationship between a landlord liaison and the property manager is key.

Another challenge, though also part of the reason landlords engaged, is the vast number of other issues they raised, in hopes of validation or resolution. We discussed 4D property tax relief, the tiering system, inspections, neighborhood crime, health and safety concerns, how to evict a tenant, how to help a tenant, the housing court, the proliferation of prospectors approaching them, their desire to acquire and develop vacant lots or more property and their properties outside the Green Zones or even the City of Minneapolis. They were hungry for contact. As one landlord said, "It's not the non-profits who will solve the affordable housing crisis. Give landlords credit, attention and incentive."

The process for 5+ buildings was more involved, with an application and need to send utility bills. Initially, the materials stated that an applicant could only submit 3 buildings per year. Upon application for one property owner, we learned that that requirement can be waved based on auditor capacity. One challenge found was that there was no point of contact for properties with 5+ units in the multifamily program to work with me similar to the CEE contacts for 1-4 unit buildings. I was referred to have landlords participate through the general public process. As challenges occurred, we developed a working relationship with multi-family building staff, modeled on the partnership with CEE, to improve outcomes for 5+ buildings.

A major challenge was how to package the best offer to property owners to improve the energy efficiency of their building given the options of Energy Cents, Center for Energy and Environment and Sustainable Resources Center (SRC). Some landlords are familiar with aspects of each and are hesitant to move forward because they want the best outcome for their circumstance. For instance, an owner of 26 properties with up to 15 single family homes was hesitant to schedule with CEE because he was interested in the possibility of having Energy Cents pay for 50% of a new boiler he needed. Many of his units are Section 8 so fit the low-income criteria. The initial opinion was not to overwhelm the landlord and to have all audits flow through CEE. With time, organizers of the project found that an efficient presentation of materials to landlords would be a best practice.

Regarding the perceived expense of working with an energy program for equipment replacement or installation versus working with a contractor with whom they have an established relationship, utilities want equipment installed with 96% efficiency and, in the case of Energy Cents, all recommendations on the house must be done together which could be attic insulation, wall insulation, knob and tube rewiring, water heater and boiler or furnace. Utility has said they don't want to install new furnace and have heat go through the roof. Landlord is faced with installing a furnace at, perhaps, 80+% efficiency for a lesser price and a more palatable bill. For larger operators, the volume of work they provide contractors allows for discounts that are competitive with offers to pay 50% of equipment or provide a 0% loan.

Upon implementation of project, the timeline for energy audits was not the best match with outreach. Fairly quickly, audits were scheduled 2-4 months from time of initial meeting. CEE did work to prioritize audits with properties in this project that asked for consideration in an urgent manner. In the course of the project, CEE implemented change and made shifts to schedule a number of buildings much more quickly. I feel that this project was a real priority for CEE.

Additional challenges ancillary to immediate focus:

Property taxes: Rental property owners/managers reported a process of appeal that was extremely difficult to communicate within city construct. They found the need to file a formal petition to change assessed property value difficult and costly. As they received what they believed an unrealistic value and subsequent higher tax, they raised rent.

Bed bugs: public health issue. chemicals are dangerous for kids and don't work a lot of times. Idea generated was a community bed bug machine, a shared machine for rent by rental operators.

Landlords expressed concern that the Appeals Board for inspections is just "regular people" who don't understand anything about the professional trades and that one has to pay to appeal.

The Tiering system: for some landlords, it wasn't explained until making a payment. Landlords have felt retribution for not having documents in order despite some being a professional management company. Some don't see a clear path out of Tier 3 label. An owner of 10 buildings noted that Tier system is bad for those who own in "crappy" neighborhoods, that people go through trash or dump trash and the property gets notice.

Landlord/tenant matters are civil not criminal, even when there is intentional damage to property by tenant. Landlords must now pursue judgement. One landlord reported that, "It's cheaper to let them sit vacant." As Project Director, I observed a number of empty units in a city desperate for rental housing access, because of crime or perceived expense in cost savings of letting unit sit empty before sale or turnover to Airbnb model.

Health and safety issues in homes: children living in homes with mold, asbestos, lead, missing school or go to hospital due to conditions in home.

City improperly registering building, resulting in tier 3 issue.

Timeline on repairs: city calls for \$10,000 in repairs, have to sell because can't do updates to keep rental. Inspectors seem to have high turnover; perceived lowest rung to enter city employment and lack of knowledge.

People regularly making offers to purchase tempting when faced with increasing costs and perceived vilification of rental property owners.

Crime and how properties around them are managed. Among concerns: piles in back yards, garbage everywhere, alley a mess, people sleeping in cars, shootings on block, absentee landlords, gangs threatening, homelessness in area, street prostitution. A number of property owners/managers miss the work of Luther Krueger with Mpls Police Dept. They found it valuable to be informed of criminal activity so that they could be good neighbors to their community. With crimes being tied to tenants, they used to get information on every 911 call but were then told, "We're giving you too much information." Now, they feel punished for 911 calls to property and frequently don't know when crime has happened. They understand that they can pursue a 911 report but it is not reasonable, in their belief, to expect

owner/manager to seek regular reports on 115 properties? Consequently, they find out they have a problem property when they may have been able to deescalate rising to that level.

Rental licensing process cumbersome. One manager of 35 units made 3-4 attempts, 3 by email, countless phone calls.

### **Networks**

Part of the meeting with rental property owners or management companies included learning of their involvement in a landlord coalition, whether current, past or desired. Feedback included minimal participation in the Minnesota Multi Housing Association (MHA). There was minimal involvement in the Minnesota chapter of the National Association of Residential Property Managers (NARPM) and the Institute of Real Estate Management (IREM), the MN Real Estate Investors Association (MN RIA) and the Millennial Investors Group.

There was interest in organizing a Minneapolis coalition of landlord wishes that could provide a list of contractors that are experienced in retrofitting, that were proficient in electrical and plumbing work (and available), help with screening tenants and help in addressing energy efficiencies with buildings with vermiculite.

### **Successes**

Feedback from city staff, energy programs, utility providers and property owners and managers was that this has been a successful project in the initial outreach and engagement and follow up of audits with Green Zone buildings. When the project began, city staff, the project leaders, utilities and energy programs all had hesitation in believing there would even be active interest. We quickly learned that landlords were eager to receive outreach, eager to be heard, interested in improving their property, whether for the sake of investment, the renter or both, and provided input on how working with the City of Minneapolis could improve. Landlords provided a long list of ideas for which they would be interested in engaging. It was exciting to meet with this group.

Having the equivalent of 6 months of work spread out over 15 months produced disconnect and the need to re-engage which would be improved with consistency engagement with landlords. Reducing delays in audits may increase engagement in property improvements with an energy of focus.

A listening session was held for city, energy and utility employees to listen to operators of 1-800 units. The panel of landlords volunteered their time and Project Director heard from many landlords who didn't participate in listening session but wished to participate in a future setting of dialogue with such attendees. I believe attendees gained knowledge listening to the perspective of Green Zone operators. In communicating with utility and energy programs, they were surprised at the positive results of this effort. They expressed dismay that their outreach efforts do not include the ability to provide a stipend or personal contact with property managers rather they conduct outreach telephonically or by mailings.

### **Ancillary successes**

This project brought interest from the Tangletown Neighborhood Association and the City of Bloomington in effective ways to engage with property owners/managers in an effort to improve energy efficiency. Project Director met with Tangletown staff and Board Member to provide initial technical assistance with permission from the City of Minneapolis. Tangletown staff then shadowed on outreach to observe process.

A north side resident and owner of 10 rental buildings sought input and community contacts following initial meeting in an effort to develop 3 empty lots in north Minneapolis into affordable housing.

Subsequent meetings have progressed a project to construct a 42-unit apartment building for low-income people near a future rapid transit stop in north Minneapolis.

## **Recommendations**

### **What if the City's customer was the building and not the property owner/manager or renter?**

While this project was focused on addressing energy efficiency, properties don't operate in silos of need. There appears to be a growing separation between renters and owners/managers in the city and one outcome I had as a result of this project is that city staff might find it beneficial to turn the attention to the building, creating a list of goals from each city department and presenting it to the people connected to the building stating, "This is what we want to see happen, this is what we can provide and we want to work with you to help make that happen." Renters and owners will come and go in the city but the building will most likely remain. Should the building be the focus?

The City of Minneapolis should consider a landlord engagement program that works to build property value, retain rental units and improve neighborhoods with a whole lens on the building in cooperation with its owner and dweller.

5% of 1476 Green Zone landlords engaged in this initial project. An extrapolation could conclude that outreach and engagement could occur to every landlord in the Green Zone with 2 FTE over less than 2.5 years with consistent systems.

Nearly 60% of 73 landlords, representing hundreds, if not a few thousand, buildings, have followed through with the scheduling or completion of audits of some properties. A number have yet to advance replacement on expensive updates. 20% sought contact but have not followed through on an initial meeting, 15% have had an initial meeting but audits have yet to be scheduled. 1 had an initial meeting but did not desire an audit. Some of those interviewed, however, did desire continued contact on other matters related to the City and their properties. That contact did not continue.

Are the departments of Health, Sustainability, Regulatory Services and CPED proactively engaged in a sustained pattern of relationships with Minneapolis rental property owners and managers? What goals have said departments set that would be advanced with regular involvement by those who operate rental properties? Does the City find value in staff or external partners hearing from landlords? What is the City's benefit to having ongoing communication and collaboration with rental property managers en masse? While few may participate in the City's Committee on Affordable Housing or contact their elected official, that does not provide for the relationship building needed for long term change.

Landlords have confusion about the energy programs and frankly, I believe, a future iteration of this project would benefit from some development time to prepare a package of offerings, with energy programs working in compliment, to engage property managers. Having worked on the renter side of affordable housing, I found this project changed my perception about who property owners and managers are, what their priorities are and how stakeholders might best engage them for shared goals. I am hopeful that all future efforts within the City of Minneapolis will actively engage landlord relationships.

### **Other ideas generated by property owners/managers:**

When companies pay mortgages in the city, pay into a foreclosure pool for vacant properties.  
classes for owners/renters in learning how to use tools. CAP, PPL, Homeline have good models.  
education on inspections  
funds for adding units on existing building  
creating a risk mitigation pool for renters with barriers  
change ability to have accessory dwelling units on rental properties  
incentivize LED lighting/cameras on exterior  
have renters go through certification to build confidence with owner/manager  
have a clean slate on tier system when a building is purchased  
city test for mold, mitigation is not that complicated or expensive, address radon mitigation  
conduct an audit of city inspector training, address consistency  
create incentives for rental property owners/managers who are military veterans, replicate practice in other U.S. cities (Brooklyn, Florida locations)  
continue Section 8 seminar held by city  
consider giving points for sustainability improvements toward rental license fee  
review HVAC safety check for rental licensing cost  
create a pool of matching funds to fix mechanicals  
assist adjacent property owners in buying empty lots next door, currently they are bundled with other lots elsewhere  
change water billing to monthly like St. Paul vs. quarterly  
Address how to support landlord when bills are unpaid by tenant and the bill is added to taxes or there's a penalty for water bill unpaid.  
require teardowns to deconstruct, currently there are reusable materials going into landfills

There is a network of 300 households in the area of Central Seminary in the Philips neighborhood connected by the seminary and faith community. They network for renters of properties and contractors. This would be a great group from which the City could seek input.

This project also provided a lens to see that work could be done with city communications to increase public awareness about who landlords are. Media shares stories of slumlords but not landlords of color. There are landlords who don't even want to be called landlord rather affordable housing provider. The City of Minneapolis could work to improve relationship between all parties with proactive, positive stories.

The City of Minneapolis must decide what value the engagement of landlords has in meeting its goals to reduce deep carbon emissions, preserve and improve affordable housing and utilities costs for tenants. I believe this small project is only the beginning of potential gains in all of these areas, given the hunger of property owners and managers to have meaningful, not perceived punitive, contact with the City of Minneapolis. At this time, with just this pool, there is still work that could continue.

Thank you for the opportunity to engage in this meaningful work.

Respectfully submitted,

Monica Nilsson

Project Director

on behalf of Guardian Property Management

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