City Council
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EUGENE CITY COUNCIL AGENDA

July 10, 2024

12:00 p.m. CITY COUNCIL WORK SESSION

City Council Wednesday work sessions are held using virtual meeting technology. Information about online or other options for access and participation will be available at https://www.eugene-or.gov/3360/Webcasts-and-Meeting-Materials

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Meeting of July 10, 2024;
Her Honor Mayor Lucy Vinis Presiding

Councilors

Matt Keating, President	Randy Groves, Vice President
Jennifer Yeh	Alan Zelenka
Mike Clark	Greg Evans
Lyndsie Leech	Emily Semple

12:00 p.m. CITY COUNCIL WORK SESSION

1. **WORK SESSION: Results of Engagement and Strategies for Building Decarbonization**

2. **WORK SESSION: City Manager Updates**

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EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: Results of Engagement and Strategies for Building Decarbonization

Meeting Date: July 10, 2024
Department: Public Works
www.eugene-or.gov

Agenda Item Number: 1
Staff Contact: Danielle Klinkebiel
Contact Telephone Number: 541-731-0527

ISSUE STATEMENT
The purpose of this work session is to share the strategies that emerged from community engagement on building decarbonization, in response to two motions passed by City Council in July 2022. This is an informational item only; no Council action is requested.

BACKGROUND
The Eugene City Council adopted the Climate Recovery Ordinance (CRO) and approved the Climate Action Plan 2.0 (CAP2.0) to establish goals and create an action plan for reducing greenhouse gas emissions which are contributing to climate change. To accelerate progress on achieving these goals, City Council directed staff to explore opportunities for electrifying newly constructed buildings and for decarbonizing existing buildings.

In 2022, City Council set a goal to decarbonize existing buildings by 2045. An analysis of potential actions for decarbonizing residential, commercial, and industrial buildings was shared with City Council through a report produced by Good Company, "City of Eugene Community Decarbonization by 2045 for Existing Residential, Commercial, and Industrial Buildings Energy Use." City Council also directed staff to engage both historically marginalized communities and business sectors to identify strategies for decarbonizing buildings.

Engagement Overview:
Within a six-month timeframe, staff engaged over 800 community members through 24 different engagement tactics, including focus groups, community events, one-on-one interviews, consultations, and an online survey. Staff engaged many stakeholders but prioritized engagement with historically marginalized communities and the business community. Participants provided detailed input on their challenges and barriers and helped identify many strategies for decarbonizing buildings in Eugene. More detail about engagement is provided in the final report (Attachment A).

Themes of Engagement
This engagement resulted in identifying six broad themes and 16 strategies for decarbonizing buildings that have support across a wide swath of stakeholders. While some strategies are poised to move forward, others are still ideas that are not yet fully formed. All of them still require further

development which may include identifying partners, expanding community support, pursuing additional resources, and determining outcomes.

The six themes are listed below, and the 16 strategies are listed and described in the final report (Attachment A).

1. **Expand incentives for decarbonization:** There is a need to expand awareness about existing incentive programs, a need for more support in navigating them, and a need to identify additional incentive mechanisms.

2. **Provide education, assistance and support**: There is a need for more education and guidance regarding what types of upgrades can reduce emissions and how to prioritize them. There is also a need to provide more assistance to businesses in navigating recent climate policies and exploring emerging technologies.

3. **Ensure clean, resilient and affordable energy:** Expanding clean energy resources, while also ensuring reliable and affordable energy is at the foundation of decarbonization. There is a need for continued engagement with our energy partners to understand their plans regarding our future energy supply, and to identify opportunities for increasing access to clean, reliable and affordable energy.

4. **Ensure equitable distribution of decarbonization benefits:** Decarbonization can provide many benefits beyond simply reducing emissions, including improved health, improved comfort and reduced costs –but there is a need to make sure these benefits are distributed equitably and that decarbonization doesn't cause unintended consequences, such as exacerbating inequities, increasing costs, or harming local businesses and workforce.

5. **Improve community resilience to extreme weather events:** While the goal of decarbonization is to reduce emissions, many people shared a more urgent need to prioritize resilience to climate change. In this context, resilience means protecting people's health and safety during extreme weather events.

6. **Continue meaningful engagement with stakeholders:** There is a need for continued and meaningful engagement with the community –specifically with frontline communities, business sectors, and our energy partners. Staff plan to continue engaging as development and implementation of specific policies and programs roll out.

RELATED CITY POLICIES

This item supports the following strategic goals in the City of Eugene Strategic Plan:

1. Advance climate action and community resilience to natural and human-caused disasters.
2. Engage with a broader cross-section of the community.

CAP 2.0. The CAP 2.0 was created through a data-driven process that engaged people and organizations in ways that reflect the urgency of climate change. The Plan captures the actions the

Eugene community is prepared to implement to address climate risks, as well as community ideas for what else is needed to create an equitable and livable community for everyone.

Envision Eugene. The Envision Eugene Comprehensive Plan is the City's long range land use plan that serves as the basic guiding policy document for land use planning in Eugene's urban growth boundary and addresses the future of Eugene through goals and regulatory policies regarding land use.

Housing Implementation Pipeline (HIP).The HIP is the 5-year internal work plan to coordinate current and future resources, goals, and priorities with a systems-thinking approach to housing across the full spectrum from people experiencing homelessness to overall housing supply.

Eugene Springfield Multi-Jurisdictional Emergency Operations Plan. An all-hazards plan that outlines how the cities of Eugene and Springfield will prepare for and respond to emergencies. The Plan describes how the cities' emergency management systems are organized and provides a framework for collaboration and coordination during emergencies and major disasters.

Multi-jurisdictional Natural Hazards Mitigation Plan. The long-term natural hazards mitigation strategy for the Cities of Eugene and Springfield as well as for Eugene Water & Electric Board, Rainbow Water District, and Springfield Utility Board.

PREVIOUS COUNCIL DIRECTION

July 29, 2020 Work Session
City Council moved to adopt a Resolution Approving the Community Climate Action Plan 2.0.
Passed 7:0

November 17, 2021 Work Session
City Council received an update on the CAP2.0 and passed the following motions:

> Direct City Manager to schedule work sessions to discuss changes to City Code that would require all newly constructed commercial and residential and industrial buildings be electric-only beginning January 1, 2023.
> *Passed 8:0*
>
> Direct the City Manager to provide City Council with a roadmap for how the City can achieve decarbonization of the existing commercial, industrial, and residential building stock by 2045 with particular consideration for how low-income and historically marginalized households will be impacted and included in this process. This roadmap must include strategies for decarbonization of rental housing stock. A draft of this roadmap shall be provided to Council before June 30, 2022.
> *Passed 6:2 (Opposed by Councilors Clark and Groves)*

April 13, 2022 Work Session
City Council discussed possible changes to City Code that could require all new buildings be electric-only. City Council passed a motion:

Direct the City Manager to schedule the next work session before July 31 to answer the questions brought forth in this work session and other questions submitted by councilors.
Passed 8:0

July 20, 2022 Work Session
City Council discussed the findings of the report, "City of Eugene Community Decarbonization by 2045 for Existing Residential, Commercial, and Industrial Buildings Energy Use" completed by a consulting firm, Good Company, on behalf of the City.

July 25, 2022 Work Session
City Council discussed details of prohibiting fossil fuel infrastructure in new construction.

July 27, 2022 Work Sessions
City Council discussed details of prohibiting fossil fuel infrastructure in new construction. The work session resulted in the following motions:

Direct the City Manager to schedule a work session in the Fall to discuss prohibiting natural gas and other fossil fuel infrastructure in all new commercial buildings including as part of that work session a potential waiver process for buildings or uses that may not have feasible access to electric-only options, including a discussion of applicability to certain building types.
Passed 7:1 (Opposed by Councilor Clark)

Direct the City Manager to bring back a revision to the Climate Action Plan that formalizes as a City goal the electrification of residential and, as feasible, commercial buildings by 2035 and industrial buildings by 2050.
Passed 6:2 (Opposed by Councilors Clark and Groves)

Direct the City Manager to return to Council in the Fall with a proposal for engaging the community in developing a plan for the transition of buildings to be decarbonized that has at its foundation social, environmental, and economic equity with the emphasis on engagement of historically marginalized communities and their representatives.
Passed 6:2 (Opposed by Councilors Clark and Groves)

Prior to the drafting of an electrification ordinance the City Manager engage the business community with an outreach process to discuss and solicit their input.
Passed 7:0

October 26, 2022 Work Session
City Council discussed the findings of the report, "City of Eugene Community Decarbonization by 2045 for Existing Residential, Commercial, and Industrial Buildings Energy Use" completed by a consulting firm, Good Company, on behalf of the City.

November 28, 2022 Work Session
Staff shared a community engagement plan for gathering community input on building decarbonization and electrification.

November 21, 2022 Public Hearing
Public hearing on an ordinance prohibiting fossil fuel infrastructure in new low-rise residential buildings.

December 12, 2022 Public Hearing
Public hearing continued from November 21, 2022, on an ordinance prohibiting fossil fuel infrastructure in new low-rise residential buildings.

February 6, 2023 Special Meeting
City Council passed an ordinance prohibiting fossil fuel infrastructure in new low-rise residential buildings.

> Adopt an ordinance prohibiting fossil fuel infrastructure in new low-rise residential buildings.
> *Passed 5:3* (Opposed by Councilors Clark, Evans, and Groves)

July 10, 2023 Work Session
City Council voted to repeal the ordinance prohibiting fossil fuel infrastructure in new low-rise residential buildings because of a ruling by the 9th U.S. Circuit Court decision striking down a similar ordinance in Berkeley, CA. City Council then passed the following motion:

> Direct the City Manager to return to Council before July 2024, for a discussion regarding ways in which the City can reduce the use of fossil fuels in new construction, including the feasibility of fossil fuel reduction strategies that have been adopted in other jurisdictions.
> *Passed 7:1* (Opposed by Councilors Clark)

> Direct the City Manager to, as soon as possible after the summer break, to return with a Work Session to discuss how to proceed on near term climate actions that aligns with new and existing federal and state programs, funding, and incentives; that focuses on strategic areas that reduce significant amounts of GHG emissions; and includes community engagement.
> *Passed 8:0*

COUNCIL OPTIONS
Information only.

CITY MANAGER'S RECOMMENDATION
None.

SUGGESTED MOTION
None.

ATTACHMENTS

A. Final Report: Results of Engagement and Strategies for Building Decarbonization

FOR MORE INFORMATION

Staff Contact: Danielle Klinkebiel, Climate Policy Analyst
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Eugene Sustainability

Final Report:

Results of Engagement and Strategies for Building Decarbonization

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Executive Summary

The Eugene City Council adopted the Climate Recovery Ordinance (CRO) and approved the Climate Action Plan 2.0 to establish goals and create an action plan for reducing greenhouse gas emissions which are contributing to climate change. Homes and buildings are the second largest source of greenhouse gas emissions that are contributing to climate change (see Figure 1), which is why City Council directed staff to engage the community to create a plan for decarbonizing buildings.

Within a six-month timeframe, staff engaged over 800 community members through a variety of small group meetings, community events, one-on-one interviews and an online survey. Staff prioritized engaging historically marginalized communities and business sectors, but also engaged the public, sustainability-related groups, and our local energy providers. Staff were successful in bringing diverse and representative voices to the table.

Through many conversations, staff gained a better understanding of the challenges and opportunities for decarbonizing residential, commercial and industrial buildings. Our engagement resulted in identifying six broad themes that are responsive to community input that can help us meet our decarbonization goals. These include the following:

1. Expand incentives for decarbonization
2. Provide education, assistance and support
3. Ensure clean, reliable and affordable energy
4. Ensure equitable distribution of decarbonization benefits
5. Improve community resilience to climate change
6. Continue meaningful engagement with stakeholders

Within these themes, staff have identified 16 strategies that have support across a wide swath of stakeholders. While some strategies are poised to move forward, others are still ideas that are not yet fully formed. All of them still require further development which may include identifying partners, expanding community support, pursuing additional resources, and determining outcomes.

Strategies to Decarbonize Homes and Buildings in Eugene

This section focuses on the six themes and 16 strategies that emerged as top priorities from engagement. Staff are viewing these as being the City's actionable, next steps in meeting our community's decarbonization goals.

All of the strategies will have their own timeline for further development to identify partners, expand community support, pursue additional resources, and determine outcomes. While some strategies are already in the beginning stages of development, others are still ideas that have yet to be developed. For many strategies, the City may act as a support partner in helping to advance and support the work of others.

Strategies linked to a specific CAP2.0 action are marked accordingly.

I. Expand incentives for decarbonization

Across all stakeholder groups there is support for incentivizing decarbonization. There is a need to expand awareness about existing incentive programs, a need for more support in navigating them, and a need to identify additional incentive mechanisms.

Strategies

1. **Create an incentive navigator service**: There are many existing incentives through utilities, state and federal entities—this makes it challenging and time consuming to know which incentives you may qualify for. Create a one-stop shop for all the existing incentives as well as set up a navigator service to help guide people through the incentive process. Staff are currently exploring ways to set up an incentive navigator service. *(CAP2.0 Action B12, B15, Additional Strategy 5)*

2. **Identify incentive mechanisms within City programs and processes**: Identify opportunities within City process and programs to incentivize cleaner, more efficient energy usage in existing buildings and in new buildings. This could be through the City's existing loan programs, grant programs, permitting processes and more. *(CAP2.0 Additional Strategy 5)*

3. **Identify mechanisms to disincentivize fossil fuels**: Explore ways to put a price on carbon to disincentivize natural gas use over time, such as through a climate impact fee or a franchise fee. These are being explored by the revenue committee as potential ways to generate additional funding for climate work and incentives. *(CAP2.0 Additional Strategy 2)*

II. Provide education, assistance and support

There is a need for more education and guidance regarding how to decarbonize residential and commercial buildings. There is also a need for more assistance by commercial sectors in navigating recent state and federal regulations and exploring emerging technologies.

Strategies

4. **Launch an education and awareness campaign:** Develop a communications strategy for public education about the what/why/how of making home energy upgrades that can reduce emissions, while also improving health, safety and comfort. A variety of channels can be explored to most effectively reach community members. *(Public education is a guiding principle of CAP2.0, CAP 2.0 Action E10)*

5. **Develop strategies to engage builders, designers and workforce partners**: Developers, contractors, electricians, architects, and HVAC installers are often the experts that guide homeowners towards certain appliance choices. Develop strategies to raise their awareness about the incentives that exist as well as the climate impacts of different choices. Potential strategies could be to develop communications material that could be delivered both in print or in person through workshops or meetings.

6. **Foster peer-to-peer and sector-specific learning among businesses**: Foster opportunities for businesses to share knowledge and resources with each other. Establish sector-specific cohorts that allow for more in-depth guidance and implementation of energy upgrades. There is an opportunity to leverage and build off the sector-based work that is already taking place in Lane County.

7. **Provide technical assistance for businesses to comply with new state and federal regulations**: Oregon recently passed new building performance standards that will require commercial buildings over a certain size to audit their energy usage and eventually reach certain energy performance standards. Recent federal regulations require new refrigerant management practices. Connect businesses to technical experts who can guide them in understanding the requirements and implementing changes in the most cost-effective way. *(CAP2.0 Action B5)*

8. **Recognize business leadership on climate:** Many businesses are already taking aggressive steps to reduce their emissions. There are opportunities to reward successes and amplify these stories to help showcase to others possible ways to transition to cleaner, more efficient energy usage.

III. Ensure equitable distribution of decarbonization benefits

There is broad consensus that decarbonization can provide many benefits, including improved air quality, improved health, improved comfort during extreme weather, and reduced costs. Extra effort is needed to make sure these benefits are distributed equitably and that decarbonization doesn't cause unintended consequences, such as exacerbating social and economic inequities, increasing housing and energy costs, impacting workforce and wages, or harming locally owned businesses.

Strategies

9. **Expand tools that support decarbonization in rental properties**: Work with landlords to increase awareness about energy auditing so they can understand the energy performance of their property and prioritize upgrades. The University of Oregon currently provides this service on a voluntary basis, for free to landlords, renters and low-income homeowners, and a new federal tax credit is available to everyone else. Conduct further engagement to explore the possibility of requiring a home energy audit at time of lease. Explore financing mechanisms so landlords can make upgrades without increasing the cost of rent. *(CAP2.0 Action B3, B11, B20)*

10. **Expand distribution of low-cost items for energy efficiency improvements:** Expand awareness and distribution of low-cost and no-cost giveaway items for energy efficiency improvements, such as LED lightbulbs, weather stripping, draft stoppers, caulk, and window insulation kits. Grant funding could potentially support a local weatherization assistance corps to help community members install the equipment. The City and its partners could provide free items and resources to tenants at move-in. *(CAP2.0 Action B2)*

11. **Prioritize transitioning homes from oil heat to electric heat pumps:** There are roughly 500 homes in Eugene that still use oil for heating, an energy source which is particularly high in greenhouse gas emissions and highly inefficient. Prioritize converting these homes to electric heat pumps.

IV. Ensure clean, reliable and affordable energy

Expanding clean energy resources, while also ensuring reliable and affordable energy is at the foundation of decarbonization. There is a need for continued engagement with our local energy partners to understand their plans regarding our future energy supply, and to identify opportunities for collaboration to increase access to clean, reliable and affordable energy.

Strategies

12. **Explore opportunities for a community solar project**: There is interest across the community to expand access to solar. However, EWEB's electricity is already very clean and affordable, which makes solar uneconomical for many. There is an opportunity to explore the possibility of a community solar project, where multiple participants jointly invest in a larger-scale solar project built in the community to receive credits on their electricity bills. Any solar project needs to carefully consider costs, however, so that all customers aren't forced to pay for benefits that accumulate to just a few customers.

13. **Explore possibilities for a geothermal energy network**: Explore possibilities for networked geothermal energy systems in Eugene. A geothermal energy network provides the infrastructure to transfer the earth's underground heat into

clean energy that can heat and cool residential, commercial and municipal buildings by block or neighborhood. Geothermal energy is considered a clean energy source that produces very little greenhouse gas emissions. *(CAP2.0 Additional Strategy 8)*

V. Improve community resilience to extreme weather events

While the goal of decarbonization is to reduce emissions associated with buildings, staff learned in conversations with many people, especially frontline communities, that there is a more urgent need to address vulnerabilities during extreme weather events, which are already occurring with great intensity in our region. Resilience in this context means protecting people's health and safety and making sure people can access the services they need.

Strategies

14. **Distribute standalone appliances like air purifiers and air conditioners**: Many homes in Eugene do not have air conditioning. This is becoming a health and safety issue as extreme heat events become more common, especially for seniors and people with health conditions. Air purifiers as well are becoming critical to protect indoor air quality during wildfire smoke events. Local nonprofits that serve frontline communities are already stepping in to distribute these appliances. Supporting and expanding these programs is key. (CAP2.0 Action E12)

15. **Expand community-based resilience hubs**: Resilience hubs are designated places within a community that serve as a focal point for resources, support and coordination during extreme weather events. These resilience hubs should be community or neighborhood based so that they can be responsive to local needs and easily accessible. Ensuring these locations have backup energy is essential. This work could be folded into the larger body of work in emergency management being undertaken by the City and local partners to improve collaboration and coordination during emergencies. *(CAP2.0 Action R2, R6, R7, R17, R20, E12, E29, Additional Strategy 12)*

16. **Ensure backup energy for vulnerable individuals:** Vulnerable individuals, like people who have disabilities or health conditions, may not be able to leave their home without special assistance in the case of emergency. It is critical that these individuals have access to backup energy systems in their own homes. Emphasize backup options that use cleaner energy like renewable diesel generators and electric battery storage. *(CAP2.0 Action R6, E13, E30)*

VI. Continue meaningful engagement with stakeholders

This engagement process has both deepened existing relationships as well as forged new ones with individuals, organizations, community leaders and businesses; but there is a need for continued and meaningful engagement with the community—specifically with frontline communities, business sectors and our local energy partners—on more

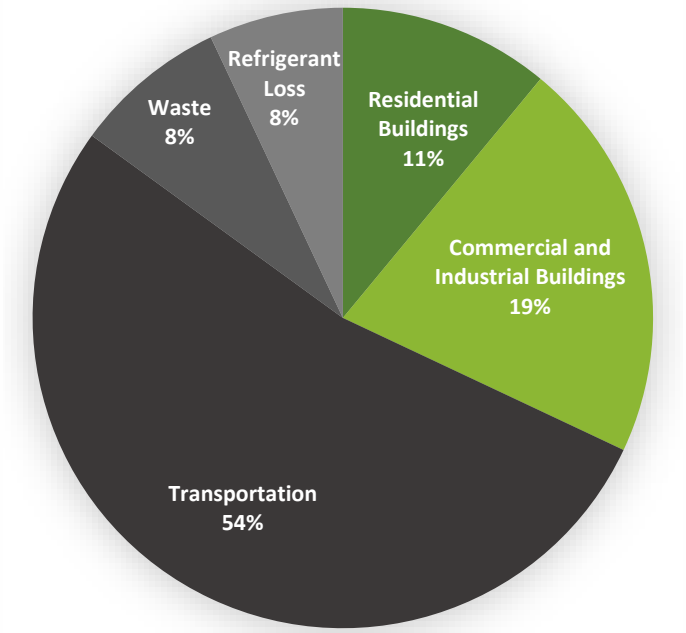
specific policy and program options. Staff plan to continue engaging as strategy implementation rolls out. *(Community engagement is a guiding principle of CAP2.0)*

Project Background

We are facing an unprecedented moment with the convergence of multiple threats to our health and safety as a community. The punishing combination of rising temperatures and less precipitation, punctuated by extreme weather events like wildfires and heat waves are threats to our lives, homes and businesses. The risk is even higher for frontline communities who have already been disproportionately impacted by the effects of climate change: Black, Indigenous, people of color (BIPoC), people experiencing disabilities, and low-income communities face higher rates of chronic health conditions, suffer more from increased heat waves, and have less means to react quickly and nimbly when disaster strikes. Climate change also threatens local businesses through extreme weather events causing disruptions in supply chains, shifts in tourism and consumer demand, and increases in operational costs. The City of Eugene has a responsibility to take every step possible to reverse these growing threats.

The Eugene City Council adopted the Climate Recovery Ordinance (CRO) and approved the Climate Action Plan 2.0 (CAP2.0) to establish goals and create an action plan for reducing greenhouse gas emissions which are contributing to climate change. Homes and buildings are the second largest source of greenhouse gas emissions (see Figure 1). Building decarbonization involves implementing various strategies and technologies to reduce or eliminate the emissions of buildings.

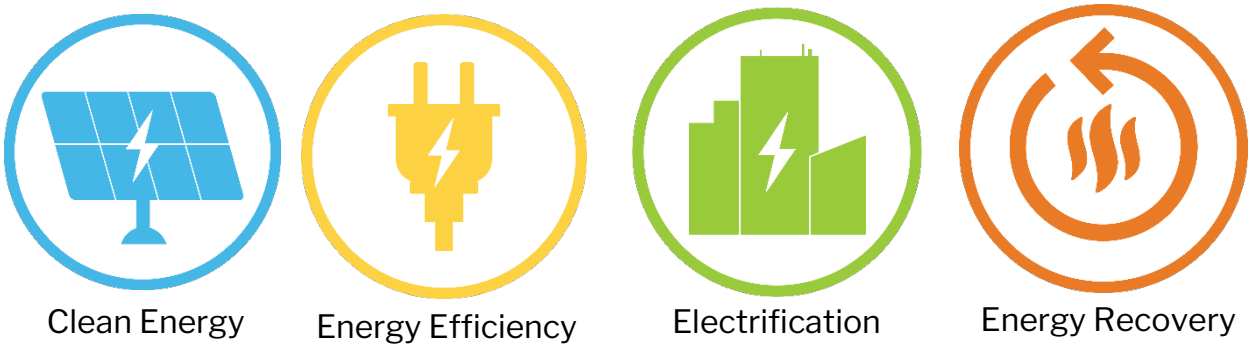
Figure 1: Eugene's greenhouse gas emissions in 2021.



In 2022, The Eugene City Council set a goal to decarbonize existing buildings by 2045. Local approaches for reducing building emissions were identified in a report written by Good Company, Decarbonization by 2045 for Residential, Commercial and Industrial Buildings. City Council then directed staff to engage both marginalized communities and the business community to develop a plan for decarbonizing buildings.

Defining Building Decarbonization

Building decarbonization means reducing or eliminating the greenhouse gas emissions associated with energy use in buildings by implementing various strategies and technologies. Throughout engagement, staff used the following icons and definitions to help describe all the possible approaches for decarbonizing buildings.



- **Clean Energy:** This means the building uses energy that emits little to no greenhouse gases. This requires exploring opportunities for solar on buildings, as well as working with our local utilities to expand the supply of clean energy, such as renewable energy, geothermal energy, and low carbon fuels.
- **Energy Efficiency**: This means using energy more efficiently by making improvements to the building shell through insulation, air sealing, and better windows. It also means upgrading to more efficient appliances, especially prioritizing water and space heating.
- **Electrification**: This means transitioning appliances and equipment to electric wherever possible. In Eugene, this is a strategy that makes sense due to the low carbon nature of Eugene Water & Electric Board's (EWEB) electricity supply.
- **Energy Recovery**: This primarily applies to commercial or industrial buildings where a lot of energy gets wasted in the form of heat. There are opportunities to capture and reuse the heat in other processes or to generate electricity, as well as strategies like carbon capture and storage.

"Efficient, Healthy and Resilient Homes and Buildings"

Staff recognized early on that the term 'building decarbonization' was highly technical and would be difficult to explain in a meaningful way to stakeholders. Staff also recognized that many of the upgrades associated with decarbonization could also provide other, perhaps more desirable, benefits than simply reduced greenhouse gas emissions. Those include improving public health through better indoor air quality, reducing energy bills of households and businesses due to greater energy efficiency, and improving comfort and safety during extreme weather events. Based on these

factors, staff decided to expand the conversation to talk more broadly about efficient, healthy and resilient homes and buildings.

Overview of Engagement

This section of the report provides an overview of engagement that occurred and some of the key findings from different stakeholder groups that resulted in the strategies identified above.

Staff collaborated with a variety of organizations and other City departments to develop and implement a robust engagement plan. Staff were successful in convening many community conversations that brought diverse and representative voices to the table.

Within a six-month timeframe, staff engaged directly with community members through 24 different tactics, resulting in 513 online survey responses and 333 hours of direct community input through a series of focus groups, community events and one-on-one interviews. Through these engagement tactics, over 800 community members provided detailed input on potential strategies for decarbonizing buildings in Eugene. Another 7500+ individuals received information about the project and were invited to participate. All meeting and event summaries are available via the links listed below. Summaries of all engagement events can be accessed via the hyperlinks below.

As this project unfolded, the City was undertaking many other community engagement efforts. Staff focused on coordinating with other City departments to partner on events when schedules and timelines aligned.

Engagement occurred with the following groups.

Engagement with Historically Marginalized Communities

As directed by City Council, our process prioritized engagement with historically marginalized groups, including renters, low-income residents, people experiencing disabilities, non-English speakers, youth, seniors, and Black, Indigenous, Latino/Latina, Pacific Islander, Asian, and people of color. Staff engaged directly with individuals who belong to these groups by hosting four community meetings, designed to be accessible, welcoming and enjoyable so that people felt eager to participate. Staff also attended three different events sponsored by community-based groups to conduct

a short intercept survey and have one-on-one conversations. Through the seven community meetings and events, 136 people actively provided detailed input, and 570 individuals received an invitation to participate.

1. Community Meeting #1, Eugene Public Library, 4/3/24: communities affiliated with Black, Indigenous, Latino/Latina, Asia, Pacific Islander, and people of color
2. Community Meeting #2, Peace Village Cooperative, 4/25/24: residents of an affordable housing community in the Santa Clara neighborhood
3. Community Meeting #3, Wednesday Wheelers, 5/1/24: recreation group for individuals using wheelchairs
4. Community Meeting #4, Mayor's Youth Advisory Council, 5/28/24: a group of youth selected by the mayor that meets monthly to advise on topics
5. Intercept Survey #1, Plaza de Nuestra Comunidad at Bethel Farm, 3/23/24: primarily monolingual Spanish speakers
6. Intercept Survey #2, Eugene Faith Center Food Pantry, 4/11/24: low-income renters and homeowners
7. Intercept Survey #3, Friends of Gilbert Park in Bethel, 4/14/24: low and moderate income renters and homeowners

Engagement with Business Sectors

Staff also prioritized engagement with the business sector by organizing seven small group meetings at the Eugene Area Chamber of Commerce with different business sectors, collaborating with the Black Cultural Initiative to convene a group of Black community members who own local businesses, and conducting one-on-one interviews with BIPOC business owners. Participants included individuals involved in many different aspects of industrial, commercial and residential buildings—including contractors, realtors, developers, architects, planners, business owners, commercial building owners + tenants, residential landlords, institutional staff, non-profit directors, community leaders, trades/workforce, and union representatives. 95 individuals actively

participated in meetings representing 84 different businesses and organizations, and over a thousand were invited via a variety of networks including other City of Eugene departments, the Eugene Area Chamber of Commerce, Downtown Eugene Inc., BRING Recycling, Eugene's Table, and EWEB.

8. Hospitality Sector, 12/4/23
9. Food Manufacturing, 2/14/24
10. Industrial Manufacturing, 2/16/24
11. Commercial Buildings, 2/22/24
12. Rental Housing, 2/28/24
13. Residential Buildings, 3/7/24
14. Public Institutions, 3/15/24
15. Black-owned Businesses, 5/28/24
16. Interview w/ BIPOC Business Owners, 5/8-5/15/24
17. Summary of workforce-related content

Outreach to the General Public

Staff utilized several platforms to provide opportunity for engagement, including an online survey, an in-person open house, and a virtual listening session. The survey and events were widely shared through press releases, social media, newsletters, email lists, and individual outreach. Results of the public outreach included 513 survey responses, 24 online participants, and 38 open house participants.

18. Virtual Listening Session, 6/6/24
19. Open House, Farmers Market Pavilion, 6/5/24
20. Online Survey Results and Survey Comments

Outreach to Environmental Groups

Staff organized a focus group bringing together local nonprofits with a mission of sustainability and engaged the City of Eugene's Sustainability Commission. 27 people representing 13 different groups participated.

21. Environmental Nonprofits, 5/23/24
22. Eugene Sustainability Commission, 6/12/24

Consultation with Energy Partners

Staff also consulted with both utilities that provide energy for the City of Eugene, including Eugene Water & Electric Board and NW Natural. 13 EWEB and NW Natural staff contributed to these conversations.

23. Consultation with EWEB, 5/17/24
24. Consultation with NW Natural, 4/26/24 and 6/3/24

Engagement Results

The goal with engagement was to understand the challenges and opportunities faced by different sectors of the community in decarbonizing homes and buildings. There are many areas of overlap and some key differences between different stakeholder groups.

Key Findings from Historically Marginalized Communities

The goal through engagement with historically marginalized groups was to understand the current energy performance of their homes, their priorities for energy usage and upgrades, and the barriers to making those upgrades. Staff acknowledged that for historically marginalized communities in particular, their ability to affect or alter the energy systems and performance of their home was limited. Therefore, the conversation began by asking about how they experienced recent extreme weather events to better understand how certain energy features of their home impact their safety and comfort.

The following bullet points are the top priorities that were raised in these conversations:

- **Increase awareness of incentives and upgrades**: There is a lack of knowledge of existing incentive programs and programs that provide navigation support. Adjust qualification thresholds and improve coordination across incentive programs. Expand incentives for rental housing.
- **Prioritize energy upgrades that improve health and safety:** Energy upgrades should prioritize improvements that enhance health, safety, and comfort. Those include heat pumps that provide more efficient heating and air conditioning, and weatherization (insulation and window sealing) that can improve energy and air leakage. A lot of housing may have mold or water leakage that can also impact health and these habitability issues must be addressed as well.

- **Prioritize decarbonization of least efficient homes and buildings:** Prioritize energy-efficient upgrades for older buildings, rental properties, and manufactured homes. Focus on maximizing energy savings and health equity outcomes in these settings.
- **Prevent housing and energy cost increases:** Many residents struggle to afford current bills, let alone upgrades. Many fear that upgrades will lead to increased housing costs, like increased rent or energy bills. Housing cost increases could impact housing security.
- **Provide low-cost solutions to improve energy efficiency:** For renters or low-income homeowners who don't have the resources, permission or interest to make large upgrades, there is a need for low-cost ways to decarbonize. EWEB used to distribute weatherization kits that included LED lightbulbs, weather stripping, plastic film for windows, and more—all of which can improve energy efficiency.
- **Expand clean energy opportunities:** Reduce fossil fuel use and continue investing in clean electricity to allow for increased electrification. Increase access to solar programs at residential, commercial and community scales.
- **Expand energy conservation:** Shift focus towards reducing energy usage overall, rather than continued investments in technologies that increase resource consumption. Explore non-tech solutions like expanding green infrastructure and tree canopy to mitigate heat and lower reliance on air conditioning.
- **Ensure community resilience:** Strengthen community networks and resilience during emergencies. Install batteries, generators, and backup energy options in accessible community locations. Ensure backup energy within individual homes for people with disabilities or health conditions. Programs that distribute standalone air conditioners and air filters can also help to alleviate immediate needs during extreme weather.
- **Expand innovative housing solutions:** Explore new approaches for providing affordable, energy-efficient housing. Consider models like land trusts, cooperative ownership, and passive houses to address housing affordability and efficient energy usage.

Key Findings from Business Sectors

Within the business community itself there are many different perspectives in terms of how our community should approach decarbonization. Our goal through engagement with different business sectors was to understand their current energy needs, identify opportunities for conservation, and identify points of collaboration.

In conversations with businesses, staff heard the following points that were similar to what was heard in conversations with historically marginalized communities.

- **Increase awareness about possible upgrades and existing incentives:** Building owners likely lack awareness of the latest advancements in energy-

efficient, clean energy and electrification technologies, as well as potentially applicable incentives. More guidance and technical assistance is needed.

- **Improve electrical grid capacity and resilience:** Existing grid's capacity is believed to be insufficient to handle the increased demand without upgrades or grid modernization efforts. Grid is vulnerable to power outages caused by extreme weather events.
- **Address high upfront costs:** Retrofitting existing buildings with energy-efficient technologies or undertaking fuel switching is expensive. Building owners will struggle to justify investments even if there are long-term savings.
- **Prioritize older buildings:** Prioritize buildings that are the least efficient, these tend to be older buildings. Prioritize HVAC systems and insulation.
- **Challenges with decarbonizing rental homes:** Landlords may be reluctant to make efficiency upgrades in a building that they aren't living in or occupying (without also increasing the cost of rent, which may lead to displacement). Conversely, tenants either can't afford or are otherwise unlikely to make an investment in a building they don't own. Landlords need more information about how to prioritize upgrades in their properties, and incentives to prevent passing on costs to tenants.

Additional business specific findings included:

- **Recognize business leadership and action on climate:** Many businesses are at the forefront of adopting new technology and making large investments to mitigate impacts of climate change, and many building owners have already made large investments to improve energy efficiency. Amplify these stories to reward those efforts and to increase awareness about what is possible.
- **Provide support navigating complex regulations:** Complexity of regulations across different jurisdictions (city, state, federal) can create confusion and challenges. Highly regulated jurisdictions make it challenging to attract and retain

businesses. Provide support in helping businesses understand and comply with regulations.

- **Focus on performance-based goals rather than prescriptive goals:** When regulating, establish goals based on performance or efficiency standards, rather than prescribing what equipment or energy sources should be used. This allows for more flexibility as new technology emerges and supports innovation.
- **Recognize global footprint of larger companies:** For large companies with extensive operations, emissions from a single, local facility may represent a small fraction of their global, environmental footprint. These organizations should evaluate where they can achieve the most significant and cost-effective emissions reductions across their entire operations. While improving building efficiency is important, other areas such as transportation, manufacturing processes, or supply chain optimizations might offer greater opportunities for substantial carbon reductions on a company-wide scale.
- **Contractors and workforce:** A skilled workforce trained in installing energy-efficient and electric upgrades is limited, impacting the timing, cost and results of projects. Contractors may not be aware or inform clients about eligible incentives or rebates. Contractors may be reluctant to recommend emerging technologies.

Key Findings from the General Public

Through engagement with the public, staff were able to understand the priorities and barriers for decarbonization experienced by the general population. The online survey also allowed staff to make basic assumptions about the overall energy performance of homes in different demographic groups. Of the 513 total responses, 86% were homeowners, 60% earned over $75K, and 40% were over the age of 65. Only 20% of respondents made less than $30K, and 9% of respondents identified with a community of color.

- **The survey reinforces the fact that rental properties tend to be less efficient than owner-occupied homes.** 88% of homeowners have efficient appliances compared to 31% of renters. 89% of homeowners have insulation compared to only 56% of renters.
- **Rental households are less likely to have air conditioning**: 90% of homeowners have air conditioning compared to 65% of renters.
- A majority of rentals use electricity as a primary source of heat (70%) and cooking (79%). A majority of homeowners use gas as a primary source of heat (55%) and cooking (54%).
- For renters, the biggest priorities when considering energy upgrades are to protect health and fight climate change. For homeowners, the biggest priorities are to reduce costs, improve comfort, and ensure reliable energy.
- Addressing the health impacts of climate change are a higher priority for communities of color than the general population, especially when compared to other factors such as comfort and quality of housing. For renters, the biggest

barrier for making home energy upgrades is that the landlord has not taken action. For homeowners, the biggest barrier is the cost of upgrades.

At the Open House and the Virtual Listening Session, staff shared potential strategies and themes that had been identified and gathered feedback about how to prioritize them.

- Participants prioritized reducing emissions over other possible benefits such as improved health, reduced costs, and improved comfort. This varies significantly from the survey and meeting results for low-income residents and communities of color who value health on par with costs and reducing emissions.
- In line with what staff heard through other engagement with other stakeholder groups, expanding incentives and increasing education were strategies that had the most support, followed by collaborating with businesses and providing back up power to vulnerable communities.
- Overall, participants liked and agreed with many of the potential strategies that were identified. Based on follow up questions or ideas that were shared, staff were able to further refine and prioritize the strategies.

Key Findings from Environmental groups

In meetings with environmental groups, staff shared a summary of what was heard through engagement. The goal was to get a sense for how this landed for them, identify anything that was still missing, and better understand their specific priorities.

They supported many of the key findings already shared by other groups, including expanding education and awareness of decarbonization, prioritizing frontline communities and expanding incentives. However, these groups also emphasized the following priorities:

- **Need to act with urgency:** Climate change is already threatening our local community and region. There is a need to take large actions quickly. The cost of doing nothing will be greater than what certain actions may cost to implement.
- **Need for regulations that mandate decarbonization:** If the market were enough to encourage people to decarbonize, then it should already be happening at a faster pace. Incentives need to be paired with mandates and regulations for decarbonization to occur quickly enough. Groups would like to see a regulation that restricts fossil fuels and a policy that generates additional funding for climate work.
- **Caution and skepticism about certain energy types:** There is skepticism towards certain technologies, like hydrogen, renewable natural gas, and dual-fuel systems. Investments should prioritize clean energy resources and avoid new infrastructure that supports fossil fuel use.
- **Deemphasize the reliability of fossil fuels:** There is an assumption that gas appliances and fossil fuels are more reliable—but that is not necessarily true. Gas appliances may not work without electricity. The gas system almost went down in the ice storm too. The emphasis on gas providing resilience could increase reliance on fossil fuels and increase usage of energy overall.

Key Findings from Energy Partners

Staff consulted with both utilities that provide energy for the City of Eugene, including Eugene Water & Electric Board and NW Natural. Goals included better understanding their plans for decarbonization, current factors shaping their future energy planning, and potential pathways forward for collaboration.

From these conversations, it is clear there is a lot of uncertainty for both utilities moving forward. NW Natural is tracking ongoing state rulemaking for Climate Protection Program (CPP) but it's still uncertain how implementation will occur. NW Natural currently has an open rate case to adjust their rate structure and the Public Utility Commission did not acknowledge NW Natural's long term integrated resource plan.

EWEB is continuing to invest in grid resilience with investments that have proven their worth in light of the recent ice storm. They, along with 130 other publicly owned utilities in the Pacific Northwest, are renegotiating their power supply contract with Bonneville Power Administration.

In summary, energy planning for utilities is extremely complex, and it complicates what pathways exist locally for the City to move forward in addressing the climate crisis. A broader conversation must continue with both utilities.

Appendix A: Data-Informed Engagement Process

The Good Company report helped to identify relevant data that informed our engagement process.

Homes and buildings are the second largest source of greenhouse gas emissions in Eugene (Figure 1). Residential buildings account for 11%, and commercial and industrial buildings account for 19%.

In the residential sector, the greenhouse gas emissions from single-unit detached homes represent the largest chunk of emissions, but mobile homes and rental housing units disproportionately consume more energy per square foot than other housing types (Figure 2). Space and water heating are the main uses of energy in residential buildings.

Figure 1: Eugene's greenhouse gas emissions in 2021.

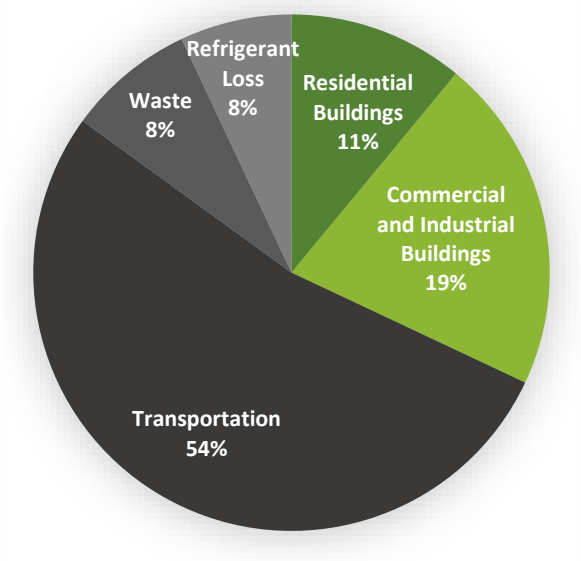
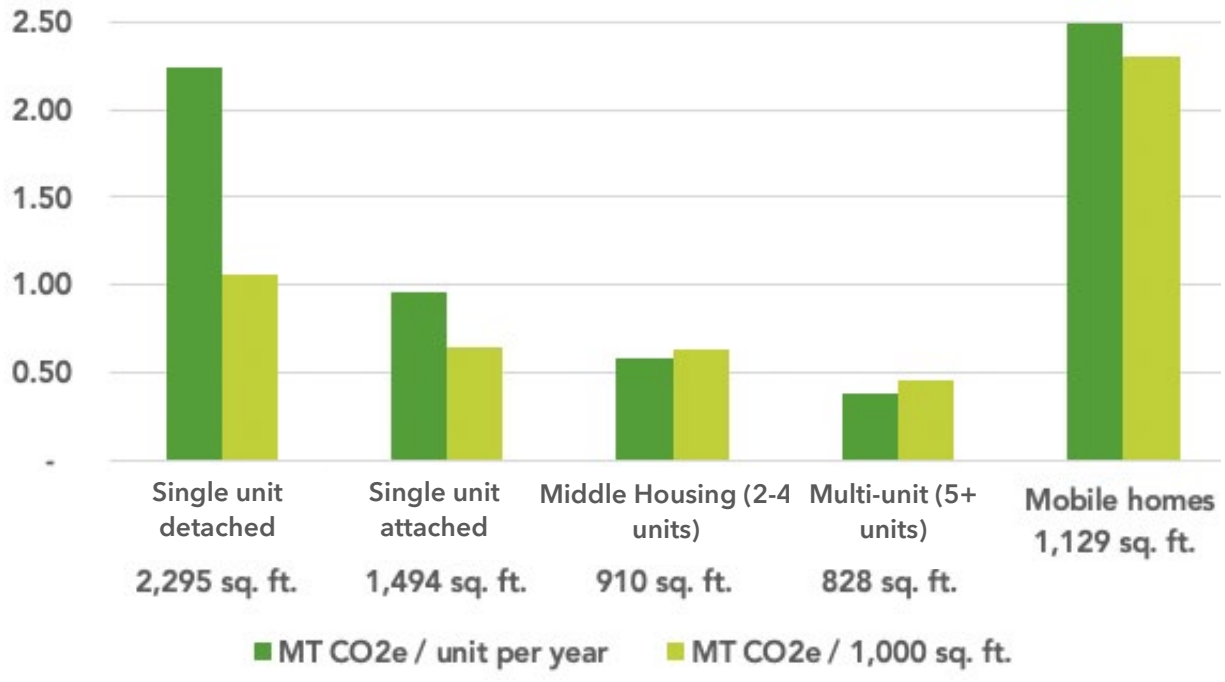


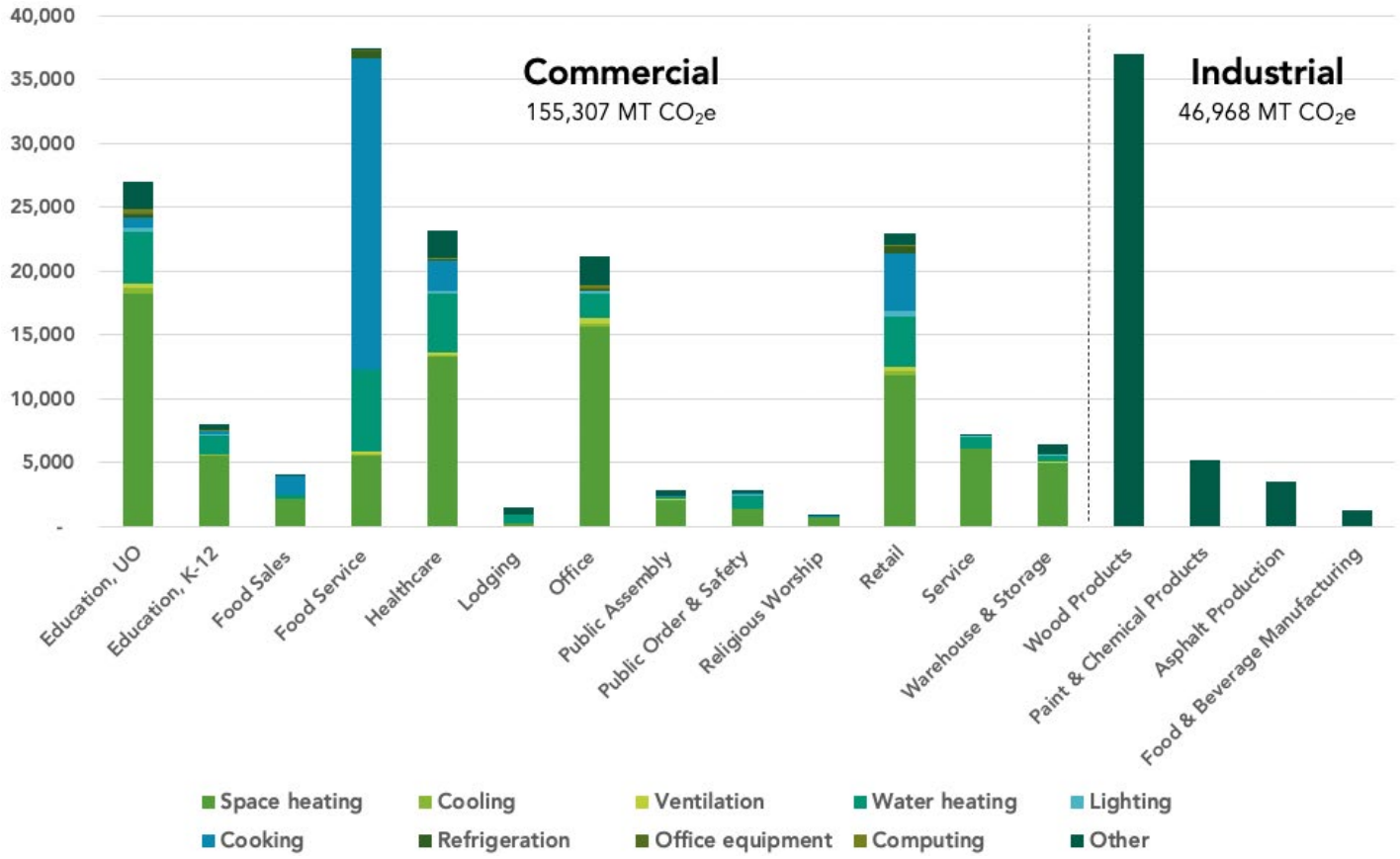
Figure 2: Comparison of building energy GHG emissions in 2019 per housing unit (dark green) with GHG emissions per 1,000 square feet (light green), by housing category.



In the commercial sector, the following chart identifies the business sectors with the largest greenhouse gas emissions, that could play an important role in helping Eugene

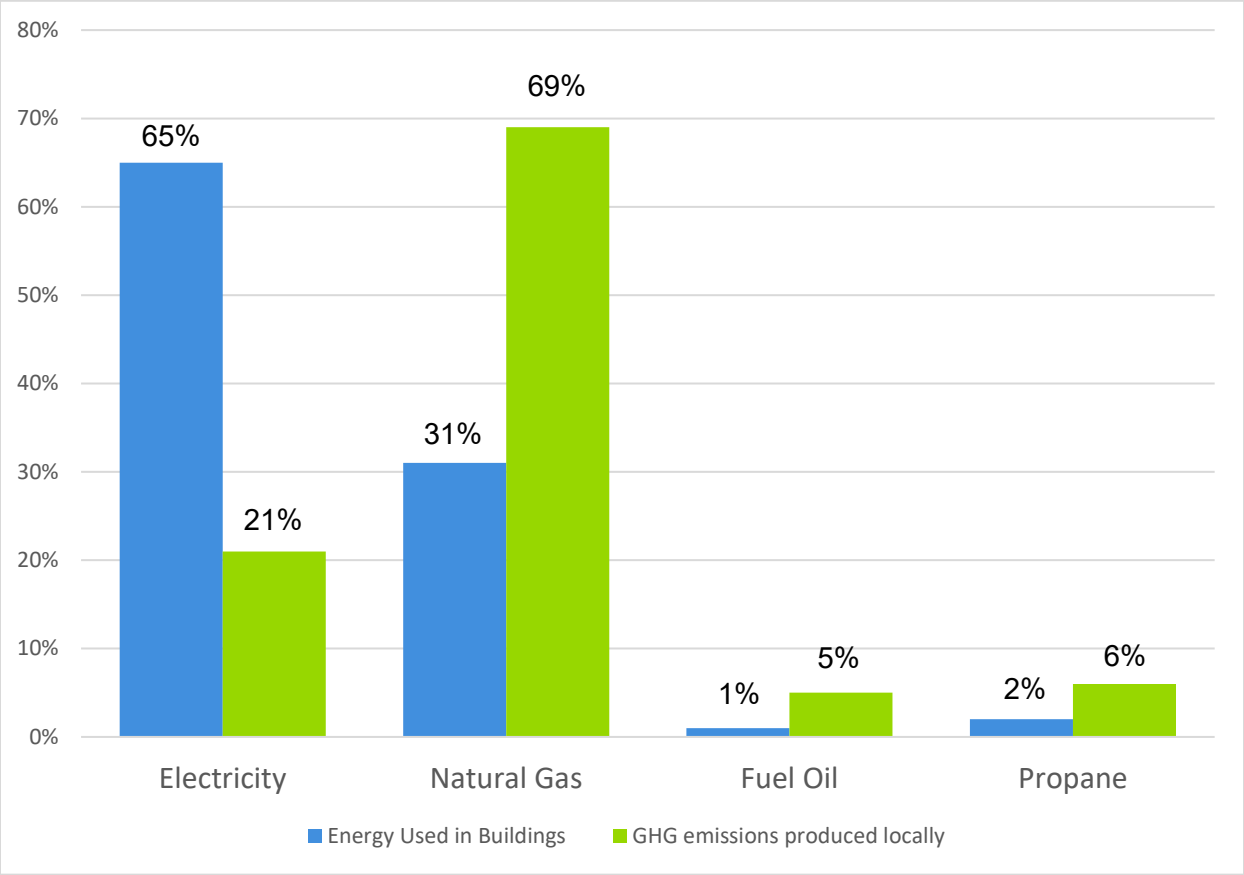
meet its decarbonization goals (see Figure 3). Staff used this chart to help prioritize which business sectors to engage with. Space heating, water heating and cooking are the main sources of energy use in the commercial sector.

Figure 3: Estimated breakdown of energy use by business sector based on 2019 emissions, MT CO2e.



There are a variety of energy types that power buildings in Eugene, with electricity and natural gas being the top two (Figure 4). Natural gas, which provides 31% of total energy used in buildings, is the largest source of greenhouse gas emissions locally. This is why reducing fossil fuel use in existing buildings is so critical.

Figure 4: Building greenhouse gas emissions in Eugene, as a percentage by energy type.



EUGENE CITY COUNCIL
AGENDA ITEM SUMMARY

Work Session: City Manager Updates

Meeting Date: July 10, 2024
Department: City Manager's Office
www.eugene-or.gov

Agenda Item Number: 2
Staff Contact: Sarah Medary
Contact Telephone Number: 541-682-5010

ISSUE STATEMENT
This item is an opportunity for the City Manager to provide the Council with updates regarding emergent items.

BACKGROUND
As needed, the City Manager will routinely provide updates to the Council on items of interest.

SUGGESTED MOTION
None.

ATTACHMENTS
None.

FOR MORE INFORMATION
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