

Integrating Equity into Building Performance Standards

Review of best practices and implementation examples across North America

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Acknowledgments

This report is adapted from a memo produced by IMT under a grant from the Canadian Environmental Law Association (CELA) and The Atmospheric Fund (TAF). As the City of Toronto is considering adopting a building performance standard (BPS), TAF hired a team led by CELA and Efficiency Canada to provide recommendations on how equity can be better addressed. The first step of that work was a survey by IMT of current approaches to addressing equity in BPS policies. We found a high degree of ongoing policy innovation that deserves wider documentation and circulation, and decided, in conversation with our partners, to adapt and publish the memo for a wider audience.

BPS is a relatively new policy concept in Canada, with only one enacted BPS law (Vancouver), versus 15 in the U.S.,¹ all examples on equity are from U.S. jurisdictions. Still, the content is applicable to communities and stakeholders in both countries. In some cases, these U.S. examples can be duplicated in a Canadian legal framework, while other situations the applicable laws around housing or utility regulation may differ more significantly; a review of those legal differences was not within our scope.

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Our work in this report also builds on several prior IMT reports cited as resources in the report narrative, as well as background research performed by IMT staff for the Pacific Northwest National Laboratory (PNNL) under contract 609725.

Many of the recommendations and ideas embedded in this work came from IMT's collaborations and partnerships built over the last several years as we have explored how to ensure equitable outcomes in the context of building performance standards. These organizations include: Alternatives for Community and Environment, Building Electrification Institute, Elevate, Emerald Cities Collaborative, Enterprise Community Partners, Facilitating Power, Greenlink Analytics, National Housing Trust, Natural Resources Defense Council, New Ecology, Inc., People's Climate Innovation Center, Public Health Law Center, Strategic Actions for a Just Economy, the Institute for Sustainable Communities, the International Well Buildings Institute, Upright Consulting.

IMT assumes responsibility for the content of this report.

¹ "Map: Building Performance Standards," *Institute for Market Transformation*, <https://imt.org/resources/map-building-performance-standards/>.

Introduction

Buildings are more than bricks and walls: they're where we live, work, and learn. In most large cities in North America, buildings are also the largest source of the greenhouse gas emissions warming our planet. Inefficient buildings increase utility bills, affect the short and long-term health of occupants, and inhibit community resilience to disasters.

Local and state/provincial governments in the U.S. and Canada are turning to Building Performance Standards (BPS) as a critical tool to significantly reduce building-related emissions and address rising energy costs. However, poor building performance today reflects the legacy of discriminatory and unequal policies. Future building policy outcomes depend on how they are written or implemented. The best policies will take a comprehensive approach centering community needs.

Multiple studies have looked at BPS and equity, including the American Cities Climate Challenge 2021 report "[BPS: A Framework for Equitable Policies to Address Existing Buildings](#)" and IMT's series of "[Social Priority Briefs](#)" in 2021-2022, which covered the intersections between BPS and community priority issues like affordable housing, resilience, and indoor air quality. This report expands on this work by looking at the BPS policies and complementary programs that have been adopted as of 2025, with a focus on attempts to incorporate equity.

WHAT IS A BUILDING PERFORMANCE STANDARD (BPS)?

A [Building Performance Standard \(BPS\)](#) is an outcome-based policy that requires, by specific deadlines, existing buildings of specified sizes and/or types achieve quantified standards of measured building performance across one or more metrics -such as energy use, water use, and/or greenhouse gas emissions. The policies often set long-term and interim targets to provide regulatory certainty and provide multiple compliance pathways to offer flexibility, especially for affordable housing or other priority building types. 15 state and local governments in the U.S. have adopted BPS policies, as have Vancouver and Quebec in Canada.²

² "What Defines a Building Performance Standard (BPS)?," *Institute for Market Transformation*, <https://imt.org/resources/what-defines-a-building-performance-standard-bps/#:~:text=A%20BPS%20is%20a%20policy,and%20For%20greenhouse%20gas%20emissions>.

It is usually much easier for a jurisdiction to adopt a policy or program if it has been implemented somewhere else first. This report provides both concrete, tested examples as well as those which are promising but as yet untested.

Evaluating Equity Provisions in a BPS

Equity can be defined as the fair distribution of services, benefits, burdens, and decision-making power, especially for those historically excluded or harmed by environmental and housing policies. It means ensuring that policies, programs, and investments meet people where they are, recognizing that different communities and building owners have different needs, challenges, and access to resources.

This includes, but is not limited to, fair treatment and access regardless of race, ethnicity, class, gender, sexual orientation, education level, or (dis)ability. But equity also requires us to look at place-based and structural inequities—including how some buildings, communities, and ownership types are more vulnerable to the unintended consequences of decarbonization policies like BPS.

To truly be equitable, building performance standards must prioritize frontline communities—those bearing the brunt of climate, economic, and racial injustice. Rather than externally designating these communities, IMT supports approaches where community members themselves define their burdens and shape solutions, co-creating pathways forward. Policy that does not work hand in hand with community priorities will not lead to equitable outcomes and may, in fact, contribute to exacerbating the problems these communities already face.

Equity also means recognizing variation in building types and ownership structures. For example, owners of regulated affordable housing or nonprofit-serving buildings often face unique capital and refinancing constraints that require flexible compliance pathways. Without such flexibility, these policies risk deepening displacement and disinvestment in communities already stretched thin.

In short, equity is not a one-size-fits-all outcome. It's a dynamic process rooted in justice, participation, and adaptive design, ensuring that building decarbonization strengthens, rather than undermines, the communities most affected by climate change and systemic exclusion.

There are a number of types of provisions that can be added to a BPS to shape the equity of outcomes. This report first describes criteria to assess equity, and then applies those criteria to a number of BPS provisions.

The first and most important criteria is whether the provision helps the BPS law “do no harm”, meaning that the implementation of the law does not leave groups worse off than before. This is a minimum requirement for equity. Some provisions can also “create new good,” or improve the circumstances of target groups. This is desirable,

but may not always be attainable within the confines of a BPS program. Achieving either goal often requires additional complementary policies and funding beyond the BPS law.

The second type of criteria we will use to assess provisions are whether they can be seen to promote one of three commonly discussed types of equity: procedural equity, structural equity, or distributional equity.

- **Procedural equity** occurs when public decision-making processes are transparent, accessible, fair, and inclusive. This can occur through ensuring that frontline communities have formal oversight and accountability roles, shaping both policy implementation and evaluation
- **Structural equity** is when government institutions and systems have the processes, practices, and policies to operationalize equity in how they function and make decisions.
- **Distributional equity** occurs when there is an equitable distribution of resources, community burdens, and benefits.³

BPS policies should not attempt to head-off equity concerns by broadly exempting certain building types or holding equity-priority buildings to different, weaker BPS standards. This would violate the distributional equity principle that everyone deserves to live in a safe, healthy, and efficient building. Instead, the policy examples shown below mitigate the impact of the BPS with additional flexibility, compliance options, and incentives, while also strengthening protections. These policies can be part of larger efforts to advance equity goals. Policy-makers should look to complementary programs and policies to fill in the gaps where BPS may not be the right lever—to date, jurisdictions have largely been careful about ‘loading’ too many additional priorities on the BPS foundation.

³ These definitions come from “The Planner’s Playbook A Community-Centered Approach to Improving Health & Equity,” *Change Lab Solutions*, https://www.changelabsolutions.org/sites/default/files/2020-12/ThePlannersPlaybook_FINAL_20201207.pdf.

Provision Types

Affordable housing and equity-priority buildings

Affordable housing, or social housing or community housing, can have particular struggles in meeting BPS requirements, whether or not they receive government subsidies. Challenges may include financing restrictions, low capital reserves, high levels of deferred maintenance, inability to raise the rent to offset the cost of building improvements (good for tenants, but limits the options of the owners), rules around tenant relocations, and more.⁴

This is a key area to focus on “do no harm”, making sure that the BPS does not result in residents of affordable housing facing rent increases or “renovictions,”⁵ or the owners facing increased cash flow problems that result in selling the building to an owner who will not maintain the affordability. This is a distributional equity issue, making sure that low-income communities or communities of color are not disproportionately bearing financial burdens of a BPS.

The most common affordable housing provision is to provide this category additional flexibility in meeting the standards, whether through extended timelines, partial fee exemptions, alternative compliance pathways, and the like. Alternative Compliance Pathways that allow adjustments to timelines are partially important to allow BPS compliance to align schedules with financing cycles. Clear definitions of affordable housing are key. Ideally, they should align with other housing policies and also apply to both subsidized and unsubsidized housing. While it may be tempting to simply exclude affordable housing from building improvement requirements, this runs afoul of distributional equity in a different way: it all but guarantees that low-income renters will continue to live in the worst performing buildings impacting their health and utility bills negatively. Yet these same low-income renters bear disproportionately higher energy costs, and thus have the most to gain from living in more efficient buildings.

⁴ For example, the largest source of financing for new affordable housing in the U.S. is the Low Income Housing Tax Credit (LIHTC) program. This program has strict 15-year financing periods, between which it can be very difficult to pay for capital improvements. This strict cycle may not overlap well with a BPS compliance schedule, putting LIHTC properties in a difficult position if flexibility is not available.

⁵ “Renovictions” refers to landlords using major renovations as grounds to evict tenants. This is of particular concern in jurisdictions that have “just cause eviction” laws which provide eviction protection but typically allow for major renovations as an allowable cause for eviction. This may be followed by raising the rents so tenants cannot afford to return. See, for example, the Know Your Rights framing from [RenovictionsTO](#) or the recent [City Council vote in Los Angeles](#) preventing this practice.

As can be seen in the following examples, some jurisdictions have extended special provisions to other ‘equity-priority’ building types beyond affordable housing, such as houses of worship or small business. These choices are generally a result of community and stakeholder engagement, another equity component covered in the next section. It is also worth noting that jurisdictions sometimes must balance efforts to identify and designate buildings as equity-priority based on geography or the demographics of the served population against legal limitations.

Resources

- IMT and Elevate, 2022, [BPS Social Priorities Module on Housing Affordability](#)
- IMT, 2025, [The Landscape of Building Performance Standard Pathway Alternatives](#), which lays out a common typology for looking at alternative compliance pathways and details options available in 10 jurisdictions

Examples

- **New York City:** New York City’s [Local Law 97](#) provides multiple compliance pathways for affordable housing, depending on what percentage of the building is rent-restricted and/or federally subsidized units, in alignment with other New York housing policies. Two of the pathways allow delayed compliance with the normal standards, and a third pathway allows a prescriptive option. Houses of worship are also eligible for these pathways.⁶ With this option, a building owner can demonstrate progress by completing specific upgrades, even if the final outcome is still not in compliance with the standard.⁷ By prioritizing housing stability, this pathway attempts to fulfill the distributional equity of promoting affordability for those least able to pay. However, it may not fulfill distributional equity in terms of reducing energy burden and providing healthy and comfortable buildings for those most likely to live in substandard housing.

⁶ Department of Housing Preservation and Development, “Local Law 97 Guidance for Affordable Housing,” *New York City*, <https://www.nyc.gov/site/hpd/services-and-information/ll97-guidance-for-affordable-housing.page>.

⁷ This portion of the law is referred to as Article 321; more detail can be found in the [Article 321 Filing Guide](#). There are 13 specific prescriptive measures allowed, mostly falling under operations and maintenance or weatherization and for the most part lower cost than equipment replacement: temperature set points, leak repair, heating system function, radiator temperature controls, pipe insulation, water tank insulation, temperature sensors, steam traps, master steam system venting, lighting, building envelope [insulation], exhaust fan timers, radiant barriers.

- **Denver, Colorado:** The [Energize Denver Building Performance Policy](#) has defined a category of “equity-priority buildings” which are eligible for extra support. These are defined as buildings which “serve and/or house climate vulnerable communities.”⁸ This includes affordable housing but also income-qualified condos and certain nonprofits and low-revenue commercial buildings. The regulations allow some additional alternative compliance options for these buildings, specifically more reasons to receive a [timeline adjustment](#) such as financing restrictions.⁹ Equity priority buildings also receive additional support including benchmarking support and free energy audits. This program fulfills the distributional equity criteria by providing extra support to those most in need, and also has a procedural equity component because it was co-created with community members affected by the policy. This included tenants as well as affordable housing owners.
- **Montgomery County, Maryland:** [Montgomery County](#)’s recently finalized BEPS regulation has specific considerations for “specially designated buildings,” defined as “qualified affordable housing building, a common-ownership community, a multifamily building subject to rent stabilization under Section 29-58 of the Code, a nonprofit owned building, or a local small business owned building.”¹⁰ These buildings receive special cost-effectiveness considerations, which in turn gives them more flexibility in applying for an economic infeasibility exemption or for a Building Performance Improvement Plan as an alternative compliance pathway. Affordable housing financing timeline restrictions as a listed reason to apply for a compliance extension.¹¹
- **Evanston, Illinois:** Evanston’s [Healthy Buildings Ordinance](#) will also use an “Equity Priority Buildings” designation, and will make such buildings first in line for funding opportunities. The ordinance establishes a Healthy Buildings

⁸ “What is an equity priority building?,” *City and County of Denver*, https://denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-and-Resiliency/Cutting-Denvers-Carbon-Pollution/Efficient-Commercial-Buildings/Resources-for-Multifamily-Housing-and-Small-Biz/What-is-an-Equity-Priority-Building?OC_EA_EmergencyAnnouncementList_Dismiss=9310bdc2-2c45-42c9-828f-a51c797df601#:~:text=Equity%20Priority%20Buildings%20serve%20and,adapting%20to%20a%20changing%20climate.

⁹ Denver’s requirements are discussed in more detail in [IMTs 2025 report on alternative compliance](#).

¹⁰ Department of Environmental Protection, “Building Energy Performance Standards,” *Montgomery County*, <https://www.montgomerycountymd.gov/DEP/energy/commercial/beps.html>.

¹¹ The [regulation](#) defines cost-effectiveness as a simply payback less than or equal to the useful life of a given measure for all buildings, but for specially-designated buildings, including affordable housing, it is the lesser of that definition or 10 years. (It should be noted that 10 years is less than the useful life of many electrification and decarbonization measures.)

- Accountability Board which is charged with establishing such designations; public buildings, affordable housing, houses of worship, and buildings that house non-profit organizations, are some of the building types included.¹²
- **Washington, District of Columbia:** Washington, D.C.'s policy offers a three-year extension for any building that needs it due to ongoing or imminent renovations or equipment replacements. Qualified affordable housing buildings, however, can get a longer extension; the exact length of the extension is flexible and can be aligned with Low-Income Housing Tax Credit refinancing or other needs.¹³
 - **Seattle, Washington:** Seattle provides a [temporary timeline extension](#) for affordable and low-rent properties, and delays the imposition of targets on these buildings to five years later than other buildings.¹⁴

Community engagement and accountability structures

Engaging community members while developing a BPS policy can create procedural equity by expanding access to policymaking. This also helps create a policy that reflects the needs of all residents. To achieve equity aims, this engagement must be intentional and go beyond a typical set of participants. It should involve partnering with trusted community leaders to reach underserved residents, and provide adequate translation. Due to marginalization, trust often needs to be built or repaired, which is an ongoing, long-term, and rarely fully linear process.

Governments should partner with community-based organizations (CBOs), which have longstanding ties and trust with frontline communities. This involved resourcing the CBOS to fully capture and share the concerns and solutions proposed by community members, rather than just hoping to get their feedback in a meeting. Tools like Facilitating Power's [Spectrum of Community Engagement to Ownership](#), provide shared language and concrete examples of what authentic community engagement looks like in practice.

¹² "Healthy Buildings Ordinance in Evanston," *City of Evanston*, [https://www.cityofevanston.org/about-evanston/sustainability/healthy-buildings-ordinance#:~:text=The%20Healthy%20Buildings%20Ordinance%20is,and%20Resilience%20Plan%20\(CARP\)](https://www.cityofevanston.org/about-evanston/sustainability/healthy-buildings-ordinance#:~:text=The%20Healthy%20Buildings%20Ordinance%20is,and%20Resilience%20Plan%20(CARP).).

¹³ "BEPS Compliance and Enforcement Guidebook," *Department of Energy and Environment (DOEE)*, https://dc.beam-portal.org/helpdesk/kb/BEPS_Guidebook/.

¹⁴ "Seattle Building Emissions Navigator," *City of Seattle*, <https://www.seattle.gov/environment/climate-change/buildings-and-energy/building-emissions-performance-standard/get-support-with-beps>.

Many jurisdictions have established task forces to help with the development of the initial law and/or the rules and regulations. However, not all task forces necessarily support equity. It can be easy for task forces to focus on the most powerful stakeholders, or try to cover too much in not enough time. It is important to provide specific spaces to focus on the specifics of frontline communities or other equity groups, while also supporting attendees with offerings such as food and childcare. This is not to say that broad stakeholder groups are a bad idea, but they cannot be considered an equity provision unless the facilitators intentionally seek the concerns and ideas of frontline community members and make space for equity topics.

The next step beyond community engagement is actual community accountability. This means structures that expand who has power over decisions. Accountability addresses both procedural and structural equity. A [Community Accountability Board](#), such as described below, can provide oversight throughout the implementation of the law as well as the creation is an important step in sharing power. It also increases the likelihood that the law actually benefits all residents, and will likely increase distributional equity of outcomes as well. As with engagement, it is important to compensate board members for their time, and to have clear guidelines around membership, roles, and purpose. This will help to ensure the Board serves the needs of intended communities.

Resources

- IMT, 2024, [IMT's Community Accountability Board Toolkit](#)
- IMT, 2025, Fact sheet: [“How can community accountability boards transform climate governance?”](#)
- IMT, 2023, [IMT's Community Engagement Framework](#)
- Facilitating Power, [Spectrum Toolset for Community Climate Shift](#)

Examples

- **Boston, Massachusetts:** Boston's Building Emissions Reduction and Disclosure (BERDO) law process and structures provide a strong example. In the policy creation phase, policymakers convened a [resident advisory group and public open houses](#) to solicit resident's top priorities, and their feedback on policy options such as the use of offsets and how to spend alternative compliance payments. Accountability and oversight happens through the [BERDO Review Board](#), whose purpose is to “ensure the equitable implementation of BERDO.” The Board holds 2/3 of the seats for community-based nominees. It oversees applications for flexibility measures and

disbursement of the money collected from BERDO fines and alternative compliance payments through the [Equitable Emissions Investment Fund](#).¹⁵

- **Portland, Oregon:** The State of Oregon has a BPS in place, but the City of Portland, Oregon is also developing its own BPS to increase GHG emission reduction and equity impacts. One part of this process was a collaboration between the city and a [community team](#) to focus specifically on apartment buildings, resulting in what the City called the [HEART standards](#) proposal. The HEART standards propose that existing apartments should have minimum standards that go beyond energy and carbon emissions to include healthy housing, equitable energy, anti-displacement, resilience, and temperature.¹⁶ However, the City received significant push-back against some of the initial elements of the HEART proposal, and a revised proposal will be introduced to the city council in 2025, which is expected to focus more on notification requirements for tenants.
- **Evanston, Illinois:** Evanston's [Healthy Buildings Ordinance](#) establishes a Healthy Buildings Accountability Board to advise the City and oversee key aspects of policy implementation.

Financing and incentive programs

Some BPS policies create new sources of funding to support building improvements. Perhaps the most common option is to create this fund from the fees and fines that are collected from buildings that fail to fully comply with the standards. These funds can support distributional equity if the recipients are limited to affordable housing or equity-priority buildings. These funds can help alleviate potential negative impacts by making it easier for such buildings to comply without having to raise rents or vacate the building. However, the timing can be difficult as the fees and fines are typically not collected until the first compliance period, which may be too late for many buildings to take advantage.

Incentive programs can target more than just energy efficiency and electrification measures. They could support health and safety upgrades, renewable energy installations, tenant relocation assistance, hiring of minority-owned businesses, and more. Some of these items are vital for making efficiency possible for a building, and for alleviating cost impacts. They can also cover smaller buildings not subject to BPS

¹⁵ See the Boston [ordinance language](#) here. The Review Board is established in section “s,” and more detail is available in the [regulations](#), starting on page 45.

¹⁶ “Developing standards for rental apartments,” *City of Portland*, <https://www.portland.gov/bps/climate-action/building-standards/project-overview/rental-apartments>.

requirements. This fulfills distributional equity by helping remove barriers for buildings facing other deferred maintenance issues to fix those problems along with energy improvements, so that the worst/cheapest buildings do not become even worse compared to other buildings under the BPS. Beyond that, it is a potential opportunity to “create new good,” rather than just preventing harm. It also allows integration with some of the other equity items covered below, such as tenant protections or workforce.

Strong partnerships will provide the political, social, and financial capital to enact equitable BPS policies. Potential partners include: green/infrastructure banks, housing finance authorities, community development financial institutions, and utility programs. Partnering may look like creating new programs, creating BPS-specific tracks in existing programs, or aligning requirements across programs to ensure ease of use.

Resources

- The American Council for an Energy Efficient Economy (ACEEE) has a wealth of resources on utility incentive programs, including on the [One-Stop Shop model](#) (similar to the Accelerator examples below), incorporating [healthy housing](#) with energy programs, and a [survey of leading programs](#).

Examples

- **Washington, District of Columbia:** DC established the [DC Affordable Housing Retrofit Accelerator \(Accelerator\)](#), a special program for affordable housing providers as part of the law that established the BPS.¹⁷ The DC Sustainable Energy Utility (DCSEU) runs this program in partnership with the District and the DC Green Bank. The Accelerator provides owners with education, technical support, customized incentives and loans to support BEPS compliance. Since 2022, the Accelerator has offered about 100 affordable multifamily housing building participants benchmarking data verification, an ASHRAE Level 2 audit, BPS compliance plan development, financial support for selected projects, approved contractor support, and electrification education.¹⁸
- **Seattle, Washington:** Seattle offers a grant program for community priority building decarbonization to help with compliance with the City’s Building

¹⁷ D.C. Official Code 2025 § 8–1772.21 *et seq.*

¹⁸ Marshall Duer-Balkind et al., “Lessons from the Ground: Implementing Building Performance Standards,” *Institute for Market Transformation*, <https://imt.org/resources/lessons-from-the-ground-implementing-building-performance-standards/>.

Emissions Performance Standard. Eligible buildings over 20,000 sq. ft. or large, and the fund prioritizes applications from affordable housing, nonprofits, and buildings serving overburdened communities including Black, Indigenous, People of Color (BIPOC), immigrants, refugees, youth, elders, and low-income residents. [The fund received the first applications in July 2025.](#)¹⁹

- **Boston, Massachusetts:** Boston's [Equitable Emissions Investment Fund](#) is discussed in the Community Engagement section. It uses some initial government provided seed funding in addition to future collections of fines and alternative compliance payments. The ordinance specifies that "Fund expenditures shall prioritize projects that benefit Environmental Justice Populations and populations disproportionately affected by air pollution."²⁰
- **New York City, New York:** New York's Local Law 97 uses a slightly different framing. Buildings are allowed to use offsets to cover a certain portion of their emissions in order to be considered in compliance. The only offsets allowed, however, are payments into the Affordable Housing Reinvestment Fund, which are then used for emissions reductions projects in affordable housing.²¹
- **Maryland:** The State of Maryland's Climate Solutions Now Act, which established their BEPS, created a [Building Energy Transition Implementation Task Force](#) that evaluated options for funding BEPS-related retrofit; the [final recommendations](#) from the group included a number of equity-focused ideas such as one-stop shop for limited-income housing, state funding for retrofits, incorporation of health measures, and accelerating school electrification.²²
- **Pennsylvania:** The [Pennsylvania Whole Home Repairs](#) program and Philadelphia's [Built to Last](#) are incentive programs that are not connected with a BPS, but can provide an example of strong programs that take a holistic approach to building upgrades incorporating health alongside energy.

¹⁹ "Seattle Building Emissions Navigator," *City of Seattle*, <https://www.seattle.gov/environment/climate-change/buildings-and-energy/building-emissions-performance-standard/get-support-with-beps>.

²⁰ City of Boston, Mass. Municipal Code. 2025. § 7-2-2. See section "g" of the ordinance language and page 48 and onwards of the regulations.

²¹ See page 8 of New York City's [third set of LL97 rules](#).

²² Maryland Department of Environment & Maryland Energy Administration, "The Building Energy Transition Implementation Task Force Final Report," <https://mde.maryland.gov/programs/air/ClimateChange/BEPS/Final%20Report%20of%20the%20Building%20Energy%20Transition%20Implementation%20Task%20Force.pdf>.

Tenant protections

Tenant protections are critical to affordability, but are likely best achieved through parallel legislation, rather than within the BPS itself. A practical reason for this is that a BPS only covers large buildings, while ideally tenant protections of any type would cover all renters, regardless of building size. Politically, it may be easier and more effective to run the campaigns separately due to differing interest groups, coalitions, and opposition and a desire to not overly weaken either proposition. Tenant protections within a BPS would be limited to “do no harm”, while a parallel policy may actually be able to create new benefits for residents. A strong tenant protection model can ensure distributional equity by avoiding the lowest-income or most vulnerable seeing the worst costs of BPS. In the best cases, they can also promote structural equity by shifting power structures towards those with traditionally less power. In the U.S., state and local laws define tenant protections, and vary greatly.

There are many models for tenant protections that have nothing to do with BPS. These can be more easily duplicated as stand-alone legislation. Examples include creating strong “just cause eviction” laws that do not allow for renovictions (as described on page 8 of this report), implementing strong code enforcement, ensuring tenants have the right to organize, and providing greater support for tenants in housing court. Engagement with local tenants’ rights groups and pro bono housing lawyers can help identify how to align a BPS political and regulatory strategy with ongoing work.

Incentive programs can also provide some protections if they require an agreement to not increase rents for a period of time in exchange for receiving incentives.²³ However, such agreements can be very difficult to enforce and the benefits of such an approach need to be weighed against the potential negative impact on incentive uptake. The perceived negatives of accepting additional regulation of a property may outweigh the benefit of an incentive program for some owners.

Resource

- Strategic Actions for a Just Economy (SAJE) from Los Angeles is focused on promoting decarbonization and healthy housing without harming tenants. Their most recent paper, co-authored with the Public Health Law Center and

²³ The [LEAN Multifamily program](#), part of Massachusetts SAVE statewide efficiency program (not affiliated with a BPS law), provides one example. For-profit owners meeting the affordability requirements must sign a 5 to 10-year affordability agreement to receive incentives.

with support from IMT, [“Tenants at the Center: An Equitable Path to Building Decarbonization”](#) explores this topic by analyzing the landscape around tenant protections in three cities that either have or are considering adopting a BPS.

Examples

- **Los Angeles, California:** Los Angeles has a just cause eviction law in place. However, major renovations (such as those that could be required to comply with a BPS) are an allowable exception. [This loophole is in the process of being closed](#),²⁴ providing a model of how to structure just cause eviction laws going forward and thereby protecting tenants during BPS upgrades.
- **New York City:** New York has Major Capital Improvement (MCI) rules allowing cost recovery through rent increases (capped at 2% per year) for rent-stabilized apartments. NYC’s BPS, Local Law 97, attempts to address this through a mix of exemptions or lower requirements, and exemptions from MCI regulations. In addition, a pending tax abatement program meant to support BPS compliance will require recipients to waive the right to MCI increases to receive the incentive. It is also worth noting that if a retrofit is sufficiently large to be considered “substantially rehabilitated” (defined as replacing >75% of building systems and indoor finishing ‘made as new’), it can be removed from rent stabilization. However, owners need to have not harassed tenants for five years prior to rehabilitation to be eligible. (See SAJE paper for more.)²⁵

Limiting bill cost impacts

BPS cost discussions are most often focused on the upfront costs of the building retrofit projects that may be needed for compliance, rather than ongoing energy bill costs. Efficiency measures do typically lower energy costs, but there are three particular scenarios of potential negative cost impacts on tenants:

²⁴ “L.A.’s new interim control ordinance prevents landlords from using renovations to evict tenants,” *Strategic Actions for a Just Economy (SAJE)*, <https://www.saje.net/l-a-s-new-interim-control-ordinance-prevents-landlords-from-using-renovations-to-evict-tenants/#:~:text=The%20SAJE%20Blog&text=to%20Evict%20Tenants-.Good%20news%E2%80%94earlier%20today%2C%20Los%20Angeles%20City%20Councilmembers%20voted%20unanimously,Just%20Cause%20for%20Eviction%20Ordinance>.

²⁵ Strategic Actions for a Just Economy (SAJE), Public Health Law Center (PHLC), and Institute for Market Transformation, “Tenants at the Center,” <https://www.saje.net/wp-content/uploads/2025/03/Tenants-at-the-Center-Equitable-Decarbonization-Report-2025.pdf>.

1. Retrofits resulting in a shift of costs from owners to tenants

Some retrofits shift costs previously paid by owners to tenants, such as shifting from an owner-paid central boiler to tenant-paid individual furnaces or heat pumps. Even if the overall costs are less, the tenants may see their bills increase as the owner's bills go down. In subsidized housing, this may be alleviated through changes in the utility allowance and therefore a matching reduction in rent. Other avenues include cost analysis as part of any required energy audits, adding cost disclosures to benchmarking when possible, providing additional energy bill cost assistance, and ensuring coordination with and promotion of existing energy bill assistance as a final backstop. Stricter limits around shifting energy costs could be implemented for buildings applying to use alternative compliance pathways. Adding renewable energy can also alleviate cost impacts, depending on how on-site renewable is credited on the energy bills.

2. Higher tenant energy costs due to inefficient electric resistance space heating

A BPS that incentivizes electrification by using carbon emissions targets could result in some owners retrofitting to highly inefficient electric resistance space heating, which would fulfill the electrification requirement, but result in higher heating bills. This can be countered by adding energy use intensity (EUI) requirements, which incentivize choosing efficient options as well as low-carbon options. This also has side benefits for grid reliability and reduced peak demand, which can in turn have positive equity implications for those relying on electric medical devices or in areas where low-income neighborhoods are most likely to lose power when the grid is strained.

3. Higher tenant energy costs due to new air conditioning

The addition of air conditioning through heat pumps or other means could result in higher bills in the summer for those who choose to use cooling. The resulting improvement in comfort, safety, and health is a worthwhile reason for added energy use, so it is important not to penalize any buildings for adding this service. It is important to note that this increase in usage will only result in apartments that had absolutely no air conditioning usage before; if window cooling units were in use, a shift to heat pumps or central A/C will almost certainly bring down usage due to the inefficiency of most window units. Community accountability boards are well positioned to consider these types of cost concerns and propose locally-informed solutions.

Electric rate design is another way to address cost. While this is out of the purview of most jurisdictions unless they have a municipally-owned utility, there are still avenues for local and state governments to advocate for special rates at their Utility Commission,

as a parallel provision to a BPS. New rate designs can reduce costs for electric customers and also promote positive emissions and grid outcomes.

Resources

- RMI, 2024, [“Electric rates can help or hinder heat pump progress”](#).
- SAJE and PHLC, 2025, [Tenants at the Center: An Equitable Path to Building Decarbonization](#)

Examples

- **New York City:** According to SAJE’s report, “Rent-stabilized tenants are entitled to a reduction in their rent when this happens, but advocates question whether the reduction is sufficient to match the new costs that tenants take on, and whether landlords follow the appropriate procedures to allow for such a reduction in the first place.”²⁶
- **Evanston, Illinois:** The most recent jurisdiction to pass a BPS, titled the [Healthy Buildings Ordinance](#). That law includes not one but three targets: energy use intensity, on-site greenhouse gas emissions, and renewable energy procurement.²⁷ This combination should greatly reduce the negative impacts on energy bills.

Beyond energy components

Current BPS laws have so far used energy use intensity (EUI) and/or greenhouse gas emissions as metrics for the standards. EUI standards promote efficiency, and GHG standards are more likely to also result in electrification. Both have important equity implications: EUI for the cost reasons outlined above, and electrification for health reasons. Residents of low-income neighborhoods and communities of color are more likely to live in areas with poor outdoor air quality as well as older buildings with worse indoor air quality. These residents often have higher rates of asthma, therefore policies that reduce the combustion of fossil fuels can have beneficial health outcomes fulfilling distributional equity.

However, other standards and metrics could be incorporated into BPS to address community priorities like health and indoor air quality, resilience, and grid reliability. Potential metrics could include things like water usage, indoor CO₂ levels, ventilation

²⁶ “Tenants at the Center,” SAJE.

²⁷ “Healthy Buildings Ordinance,” Evanston.

measurements, climate risk assessment, or peak demand. Such metrics would affect all customers, but could still deliver distributional equity by responding to prior disproportionate harms.

One other element of BPS policies that can have equity impacts is the use of carbon offsets and Renewable Energy Credits (RECs) as a way to partially meet the standards. Many BPS policies do not allow the use of carbon offsets or RECs to meet any aspect of the standard, but some jurisdictions do allow these tools, with limits on their use. For example, New York City limits the use of offsets to 10%, and Boston and Denver limit the use of RECs to in-state sources.²⁸ RECs and offsets reduce overall climate emissions but allow specific polluters to continue to pollute and allow owners to put off energy efficiency improvements, which can result in unintended negative distributional impacts. The overall level of carbon pollution will be reduced, but location-specific air pollution reduction in already overburdened areas may not materialize if the work is relegated to RECs and offsets in other places.

Resources

- IMT, 2021, “[Building Performance Standard Social Priority Brief on Ventilation and Indoor Air Quality](#)”
- IMT, 2022, “[Building Performance Standard Social Priority Brief on Resiliency](#)”
- IMT, NRDC, & Elevate. 2024. “[Community Health Priorities and Building Performance Policies](#)”

Examples

- **Portland, Oregon:** The [Portland, OR HEART standards](#), referenced above in the Community Engagement section, propose including expanded metrics such as these in the BPS.
- **Evanston, Illinois:** As referenced in the Limiting Bill Cost section, [Evanston’s recent BPS](#) also includes a renewables metric.
- **Washington, D.C.:** The Building Energy Performance Standard (BEPS) non-compliance payment structure sets a maximum payment (\$10/ft²), and then reduces the actual payment proportional to energy use reductions the non-compliant building has achieved. However, if a building is found to have

²⁸ “Comparison of U.S. Building Performance Standards,” *Institute for Market Transformation*, <https://imt.org/resources/comparison-of-u-s-building-performance-standards/>.

compromised health or welfare in the course of complying with the BPS, it is judged non-compliant and subject to the full payment liability with no discounting. The Department of Energy and Environment, which administers the program, also considered adding requirements for buildings undertaking BEPS-compliant retrofits to also meet certain ventilation and air quality standards, such as ASHRAE 62.1 and 62.2. However, stakeholders advised that this could be prohibitively expensive for older affordable housing properties in particular.²⁹

- **Cambridge, Massachusetts:** Cambridge's BPS policy allows non-residential buildings over 100,000 ft² the use of up offsets to meet up to 40% of the standard requirements, depending on year—limiting this allowance to large non-residential buildings only should limit negative equity impacts.³⁰

Workforce

Upgrading buildings to comply with BPS at the city scale has been projected to create new job and market opportunities. By centering job equity and quality at the heart of climate plans and policies, cities deliver a just transition for affected workers, diversify workforces and improve employment conditions as new job sectors grow. This will “create new good” by promoting wealth building for frontline communities. It also relates to distributional equity by making sure good new jobs do not go only to one segment of the population.

High-road contracting standards can help fulfill these goals. High-road contracting follows the “best value” principles of procurement as opposed to “lowest-cost” approach. Best value involves assessing contractors along a set of criteria that include: 1) business reputation, certifications, practices, and standards; 2) organizational and project experience and staffing; 3) technical approach and equipment; and 4) social and community benefits, including workforce and supplier diversity. The result is to prioritize firms that not only do good work, but also provide good wages and community benefits.

The workforce conversation around energy efficiency programs and electrification overall is robust, but there has been less work on the exact overlap with BPS policies specifically. Workforce concerns are generally not integrated into the BPS policy design

²⁹ “BEPS Compliance and Enforcement Guidebook,” *DOEE*, 73. “Building Energy Performance Standards Task Force Recommendations for Rulemaking,” *Department of Energy & Environment*, https://doee.dc.gov/sites/default/files/dc/sites/ddoe/service_content/attachments/BEPSTaskForce_RecommendationsForRulemaking_2020-10-16_final.pdf.

³⁰ Rajiv Ravulapati and James Burton, “Cambridge Adopts Bold Building Emissions Reduction Targets,” *Institute for Market Transformation*, <https://imt.org/news/cambridge-adopts-bold-building-emissions-reduction-targets/>.

itself, but rather are addressed through complementary policies and support programs. As there are fewer concrete examples to point to, policy option examples reflect ideas and learnings from the larger industry and can provide future models.

Resources

- Building Innovation Hub, 2021, “[High Road Contracting](#)”
- Northeast Energy Efficiency Partnership, 2024, “[Growing an Equitable Energy Efficiency Workforce](#)”.

Policy options

- **Support centers:** Targeted resources, access, or exposure for minority- and women-owned business enterprises (M/WBE) through [high-performance building hubs](#). These hubs are typically created and managed by a local nonprofit in collaboration with and support from the local jurisdiction and from private-sector partners. They deliver customizable best-practice and educational resources that support stakeholder policy compliance and provide cutting edge business tools that help build strong and inclusive local clean energy markets.
- **Contracting and procurement standards:** High-road contracting requirements for program implementation and/or for the retrofit work itself. There are likely examples of high road and/or M/WBE requirements in the RFP processes to set up hubs and other programmatic resources, though there are not yet examples of requirements applying directly to work contracted by building owners.
- **Supporting contractor diversity:** Tracking M/WBE contracts, or providing extra incentives or compliance consideration for those who follow high-road contracting when completing their BPS retrofits.
- **Local partnerships:** Partnering with local trade schools and apprenticeships to ensure they are educated on the BPS requirements, and have connections with hubs and other implementation resources.
- **Project labor and community workforce agreements:** agreements can be created between developers, trade unions and contractors to set terms around wages and benefits and also local or disadvantaged worker hiring targets. Governments can require this structure is used on BPS compliance projects that receive public funding as well as on BPS projects on municipally-owned properties

Conclusion: Applying These Examples

The criteria, examples, and resources described here all provide starting points to incorporate equity into a BPS policy. These examples are not static, and since BPS policies are so early in the implementation process, ongoing evaluation will help determine which ideas are most successful. The most important step is to focus on procedural equity and make sure that a strong and ongoing process of meaningful community engagement is core to the policy development process. This engagement can help refine these equity examples for a local context and promote new ideas. Keeping the types of equity in mind can help evaluate a policy and identify where they may be gaps either within the BPS or the larger regulatory context of the jurisdiction.

It is critical to create support structures within the policy and alongside, including financial resources, to support affordable housing and community priority buildings to comply with performance requirements. However, properly resourcing the administering departments or agencies is critically important. It is no mere coincidence that the jurisdictions listed here are by and large jurisdictions with a larger BPS implementation staff. It is only with adequate staffing, that jurisdictions will have the capacity to explore flexible policy structures, companion policies, and the needed support programs to ensure residents have critical resources needed for BPS success.

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