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MAYOR BRANDON JOHNSON INTRODUCES CLEAN AND AFFORDABLE BUILDINGS ORDINANCE

Mayor Johnson, alongside Ald. Hadden and Ald. Martin, introduced the ordinance to create green jobs in Chicago, reduce utility bills for families, and protect Chicagoans from heating-related carcinogens.

CHICAGO – Today, Mayor Brandon Johnson, alongside 49th Ward Ald. Maria Hadden and 47th Ward Ald. Matt Martin, introduced the Clean and Affordable Buildings Ordinance (CABO) to set a limit on harmful indoor emissions in most new building construction.

“Too many Chicagoans are having trouble paying their gas bills, and too many families are exposed to chemicals that cause cancer and asthma when burning gas in their kitchens,” said **Mayor Brandon Johnson**. “That is why we are taking the first step toward making how we heat our homes more affordable and making indoor air safer for every Chicagoan.”

CABO seeks to create significant public health, economic, and climate benefits for all residents and businesses in Chicago and maximize unprecedented investments made available via tax incentives, competitive grants, and formula funding through the Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law (BIL) to lower building emissions, advance electrification, and save residents money on utility bills.

“We are pleased that business leaders, environmental justice activists, and consumer groups have come together to agree on the first step in a managed transition away from fossil fuels and to rein in Chicago's emissions,” said **49th Ward Ald. Maria Hadden**.

Through CABO, Chicago joins cities like New York, Los Angeles, Washington DC, San Francisco, and Seattle which have already passed policies to encourage or require building electrification in new construction.



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“Equitable decarbonization of our buildings is a core principle that guides the introduction of this policy as well as our future actions as a city,” said **Angela Tovar, Chief Sustainability Officer and Commissioner of the Department of Environment**. “We must design better outcomes that work for every building type in every neighborhood across Chicago. We must ensure that the benefits of transitioning to cleaner energy sources are accessible to all, regardless of your zip code.”

CABO aims to lower utility costs for residents of Chicago through energy-efficient building electrification. Currently, 30-40% of all Chicago residents are already behind on their gas bills. The average Chicago household spent 35% more on their heating bills this winter than they spent in the previous year.

Recent analysis from the Energy Futures Group and the New Buildings Institute illustrates that all-electric new construction is cost-competitive and often more affordable over time when compared to new construction that relies on natural gas. Their analysis shows that all-electric single-family residences (even before utilizing IRA tax credits) save an average of over \$1,000 per year on energy costs. The New Buildings Institute reports that all-electric new-construction homes are less expensive than homes with natural gas.

Burning natural gas indoors may pose significant public health risks for Chicagoans. Recent studies attribute 21% of childhood asthma in Illinois to the burning of natural gas for residential cooking. Illinois has the highest rate of childhood asthma attributable to natural gas in the nation according to a study published in the International Journal of Environmental Research and Public Health.

Mayor Johnson continues to position Chicago at the forefront of the climate justice movement. Extreme weather such as extreme heat, extreme cold, and flooding disproportionately impacts low-income Chicagoans. In the FY2024 budget, Mayor Johnson allocated \$20M towards residential decarbonization for multi-family affordable housing and decarbonization retrofits for low-to-moderate income Chicagoans. CABO would help the City of Chicago reach its goals related to reducing carbon emissions. Buildings are Chicago’s largest source of carbon emissions, accounting for 68% of all greenhouse gas emissions in the city.

Through the Inflation Reduction Act (IRA), the federal government is investing \$370 billion in climate and clean energy grants, programs, tax incentives, and rebates. Some of those relevant building decarbonization opportunities include:

- High-Efficiency Electric Home Rebate Program: \$4.5 billion
- Home Energy Performance-based Whole-House Rebates: \$4.3 billion



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- Energy Efficient Home Improvement Credit: up to \$1,200 tax credit per individual
- Residential Clean Energy Tax Credit: 30% credit for renewable energy systems installed on residential property
- New Energy Efficient Home Credit: up to \$5,000 per home and up to \$5,000 per unit of multifamily housing
- Improving Efficiency and Climate Resilience of Affordable Housing: \$1 billion
- Latest and Zero Building Code Adoption: \$1 billion
- Commercial Buildings Energy Efficiency Tax Deduction: up to \$5 per square foot of a building that meets requirements

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