

**CITY OF ALBANY
MEMORANDUM**

DATE: July 15, 2015

TO: Sustainability Committee

FROM: Claire Griffing, Sustainability Coordinator

SUBJECT: Building Energy Assessment and Disclosure Ordinance (BEADO)

RECOMMENDATION

The Committee should discuss potential thresholds and timelines for a BESO ordinance and identify pros and cons to include in update to Council.

BACKGROUND

The City of Berkeley's BESO ordinance requires property owners of commercial and multi-family buildings to complete energy assessments of their property on a specified schedule. Single family home owners (1-4 units) are required to conduct assessments at the time of sale. The Sustainability Committee has been discussing building energy ordinances for several months, and has made the following decisions:

- **April:** Decided to focus on a policy similar to Berkeley's required assessments and then phase in required upgrades (RECO/CECO) after that.
- **May:** Discussed Berkeley BESO thresholds and asked for more information.
- **June:** Received additional information and discussed thresholds, requirements, and compliance schedules, as well as the following:
 - Change the name to Building Energy Assessment and Disclosure Ordinance (or BEADO)
 - Categorize homeowner associations (HOAs) as commercial buildings, but categorize individual condo units as single-family dwellings (SFDs).
 - Require owner-occupied SFDs to only do assessments at time of sale, like Berkeley's ordinance, but require rental property owners to do assessments more frequently.
 - Require assessment results (or at minimum a numerical energy rating) be publicly available through an online database.
 - Fund administration and enforcement of the ordinance with an administrative filing fee like Berkeley has done.

DISCUSSION

The items below should be discussed before moving forward with a BEADO policy.

- Assessment requirements
- Contractor certification requirements

- Exemptions
 - Berkeley is using the following exemptions:
 - High Performance Exemption
 - Deferral at Time of Sale
 - Hardship Deferral
 - Distressed Sale Extension
 - Data Unavailable
 - Planned Demo or Extensive Renovation
 - Low Energy Building Use
 - Long-Term Tenancy under Rent Control
- Outreach
 - Staff will reach out to real estate community in August and invite them to the September Sustainability Committee Meeting.

Staff plans to bring this item to Council in September and October with a list of pros and cons. See draft list below.

- Pros:
 - Shows property owners how to reduce energy costs and increase property values
 - Provides building-specific recommendations to maximize efficiency, health, safety and comfort
 - Identifies potential health and safety issues
 - Teaches owners how to access valuable financing and incentive opportunities
 - Motivates property owners to invest in energy-saving improvements
 - Energy information is reported publicly
 - Efficient buildings are exempt from audit provision
 - On-line compliance process and user-friendly compliance tracking
- Cons:
 - Preparation of assessment costs property owners money
 - No actual requirement to upgrade properties and thus no quantifiable greenhouse gas reductions
 - Requires significant staff time for outreach, program administration and enforcement

NEXT STEPS

Proposed Timeline for Adoption of BEADO Ordinance

- August-September: Initial Outreach to Real Estate Community
- September-October: Bring draft BEADO with pro/con analysis to Council for direction
- October-November: Sustainability Committee modifies, reviews, and finalizes ordinance
- December-January: Final ordinance goes before Council for a vote