

Recommendation Number _____
Amend the ECAD ordinance to include small rental properties

Recommendation: Amend Austin City Code Chapter 6-7 and Austin Energy Rule R161-11.32 to provide the Energy Conservation Audit Disclosure to renters of single family homes, duplexes, triplexes and fourplexes.

Targeted Underserved Group: All renters

Time Schedule: Enact the expanded scope in 2015 and begin enforcement in 2016.

Budget Impact: Accomplish within current budget for 2015 and proposed budget for 2016

Brief Description: Amend the ECAD ordinance to add a category for rental properties not exceeding four dwelling units. Moreover amend the ECAD rules to require landlords to provide energy audit disclosure information to prospective tenants in the same or similar manner as the energy audit information is disclosed for renters in large apartment complexes..

Community Need: Consumers should be provided the information they need to make an educated decision about where to live. The ECAD ordinance was adopted with provisions to better inform families entering into leases in apartments of how the utility bills of current residents compare with the bills of other renters in the city. The status quo is that renters are often blindsided by high electric bills after signing a lease. After an exhaustive search for an affordable unit or a unit that accepts housing vouchers what appears to be affordable is not because of unexpectedly high utility bills. In some cases, a rental property with higher rent, but lower electric bills would be more affordable overall.

In 2013, 54.9%¹ of all households in Austin were renters. According to U.S. census data, 44% of renter-occupied housing units are in complexes that contain between 5 and 50 units. The remaining 37% of housing units are single-family, attached, duplex, triplex and four-plex structures.² Data further show that 32.8% of renter households have annual income under \$25,000 and another 31.1% have income between \$25,000 and \$49,999. Thus, 63.9% of renter households have income under \$50,000 per year.³ Median household income for renters is \$37,538 compared to \$85,246 for homeowners.⁴

Program Description: The proposed amendment to the ECAD ordinance would provide the energy audit information to all renters, not just those in large apartment complexes. Landlords of single-family homes, duplexes, triplexes, fourplexes, and units designated as condominiums won't be required to make energy efficiency upgrades, but will have to get energy audits done on

¹ U.S. Census Bureau, American Fact Finder , S2503 FINANCIAL CHARACTERISTICS, 2009-2013 American Community Survey 5-Year Estimates.

² Taking Action: Preservation of Affordable Housing in the City of Austin, July 2014, Prepared by: HousingWorks Austin, Prepared for: Austin Housing Finance Corporation, City of Austin p. 13

³ *Ibid.*

⁴ *Ibid.*

their properties and will have to disclose the results to prospective tenants in advance of their signing a lease, in advance of lease renewals, or upon request.