

DOCKETED

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CALIFORNIA ASSOCIATION OF REALTORS(R) Comment Letter: 2016 Existing Buildings Energy Efficiency Action Plan

Additional submitted attachment is included below.



CALIFORNIA ASSOCIATION OF REALTORS®

October 28, 2016

California Energy Commission
Dockets Office MS-4
RE: Docket No. 16-EBP-01
1516 Ninth Street
Sacramento, California 95814

RE: 2016 Existing Buildings Energy Efficiency Action Plan: Draft 2016 Plan Updates October 2016: TN 213983

Dear Commissioner McAllister:

Thank you for the opportunity to provide comments on the *Existing Building Energy Efficiency Action Plan Updates October 2016* (Plan). The CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) seeks to continue to be a valuable contributor in the development of regulations and policies related to improving energy efficiency in existing homes.

The advent of energy efficiency construction standards has ensured that new and newer buildings meet or exceed efficiency standards. Thus, the need to address deficiencies in the older, *existing housing* stock is best addressed by those who work directly in that arena. To best assist the Energy Commission with strategies for meeting goals in *existing housing* we respectfully request to be included in the list of stakeholders outlined in *Strategy 1.5 Building Efficiency Standards Development and Compliance*. Currently, the list of preferred stakeholders listed in the Plan focuses on new construction, commercial properties, and contractors.

In *Strategy 1.7 Local Government Leadership*, the Plan encourages time-of-sale mandates. While C.A.R. supports voluntary, systematic, and market-based programs to encourage energy efficiency improvements and audits in the existing housing stock, C.A.R. adamantly opposes any proposal that would require the completion of energy audits and/or retrofits as a condition of completing the sale as is provided in the example you give from the City of Berkeley. Time-of-sale strategies fail to ensure comprehensive, region-wide results. Before the Great Recession (2001-2006) housing turnover averaged every 16 years. Today, per our Research and Economics Department, housing turnover now occurs every 22 years. The increase is due to a lack of credit availability, astronomical housing prices, and continued instability in the housing market.

Furthermore, the authors of both AB 758 (Skinner, 2009) and SB 407 (Padilla, 2009) recognized that time of sale mandates would not effectively meet California's energy and water use efficiency goals in a timely manner resulting in time-of-sale mandates being deliberately left out of both pieces of legislation.



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Strategy 4.1 Real Estate Value has everything to do with the housing resale market. As such, C.A.R. emphasizes that the Plan should be sensitive to the genuine valuation of green features in a home. Many of the NGOs and trade groups involved in the development of these regulations have stated that over half of all energy efficient installations and retrofits are either installed incorrectly or are otherwise underperforming. Incorrect valuations could find homeowners or homebuyers becoming over-indebted in an already unaffordable market for features that bring no value to their home.

Additionally, C.A.R. is deeply interested in the strategies listed under *Goal 5 Affordable and Accessible Energy Efficiency Solutions*. REALTORS® have first-hand experience in how the type of financing used to obtain “green” features can be problematic for homeowners seeking to transfer the debt in a refinance or sale. Between bad installations, underperforming features, and complicated financing, some “green” features may detract from the value of a home. It is imperative that the Plan ensure that features are evaluated and valued fairly, comprehensively and reliably, including how those features are financed.

We look forward to an ongoing collaboration with the California Energy Commission in the development of the Plan and for creating cost-effective strategies for improving energy efficiency in all California homes.

Sincerely,



Jeli Gavric
Legislative Advocate