



YOUR GUIDE TO THE CITY OF AUSTIN'S ENERGY EFFICIENCY ORDINANCE



Greetings,

By now, you probably know that the Austin City Council passed an Energy Efficiency Ordinance that requires energy audits be conducted and disclosed for a number of properties within the city limits. This ordinance, which presents a more balanced compromise to the city's original proposal, is the result of months of negotiation between City officials and Austin Board of REALTORS® members and staff.

With the passage of the Climate Protection Plan in February 2007, the City of Austin and Austin Energy began addressing issues involving energy efficiency. To alleviate the pressure of growing demand from Austin Energy's service area, the City of Austin intended to mandate energy efficiency upgrades at the time a home was sold. In response, the Austin Board of REALTORS® worked to address private property rights and homeowner affordability issues surrounding the proposed mandates.

Ultimately, the City Council agreed with ABoR's approach to energy conservation by unanimously passing a new energy efficiency ordinance that requires Austin homeowners to have energy audits completed before selling their homes. ABoR advocated for and supported this vastly different outcome from the city's original plan. This shift in approach represents a major success for the REALTOR® voice in local politics.

We want you to be fully equipped with the most up-to-date details and best practices to use when dealing with properties that will be affected by the new ordinance. This brochure is intended to provide you with those details and help you educate your agents as we move toward the June 1 ordinance implementation date.



Thank you,

A handwritten signature in black ink, consisting of a stylized 'J' followed by a wavy line and a horizontal stroke.

Jay Gohil
2009 ABoR Chairman

For over a year, ABoR worked closely with City of Austin officials to establish a plan that helps protect our city's unique environment while ensuring homes remain affordable for Austin residents. In the timeline below, you can review the challenges local real estate professionals and property owners faced and how ABoR worked to protect their interests.

ENERGY EFFICIENCY ORDINANCE TIMELINE



February 2007

Mayor Wynn's Climate Protection Plan Launched

Austin Mayor Will Wynn released the Climate Protection Plan with the goal of making Austin the greenest city in the country. The plan includes a goal to "implement the most energy efficient building codes in the nation and aggressively pursue efficiency retrofits and upgrades to existing building stock."

December 2007

Energy Efficiency Upgrades Task Force Created

Austin City Council Resolution No. 20071213-064 established the Energy Efficiency Retrofit Task Force to "make recommendations for development of an ordinance relating to energy efficiency upgrades and retrofits for existing homes and buildings." The language in the resolution bound the task force to enforcing energy efficiency mandates when a homeowner attempts to sell an existing home. That meant homeowners seeking to sell their property would have shouldered the financial burden of costly upgrades.

March 2008

Energy Efficiency Retrofits Task Force Agrees on Aggressive Project Charter Objectives

The task force voted on a Project Charter in which all "protocols" (i.e. energy efficiency upgrades) would "be triggered at the point of sale." Notably, there was no discussion regarding alternative methods of achieving greater energy conservation beyond mandated upgrades at the time homes sold. The charter also called for two additional inspections: 1) an initial energy audit to identify necessary upgrades and 2) a confirmation that upgrades had been completed. These inspections would have been required before a home could sell.

April 2008

Task Force Considers Requiring Certificate of Compliance Before Selling Home

The task force documents stated, "the specified improvements MUST be performed before the house is sold." The requirement was part of the initial framework that would have mandated upgrades and inspections before property transactions could take place. At that time, the cost of upgrades were intended to be capped at between one and three percent of the cost of the home, equating to thousands of dollars.

KeepAustinAffordable.org Launches

The Coalition to Keep Austin Affordable, led by the Austin Board of REALTORS®, launched KeepAustinAffordable.org. The campaign and Web site were designed to inform Austin homeowners about the potential impact of the proposed "Point of Sale Ordinance." The goal was to support energy efficiency in Austin through positive means—such as strong incentives and consumer education—while supporting homeownership opportunities for Austinites.

May 2008

ABOR Makes Alternative Proposal Presentation to City Task Force

ABOR past chairman and Energy Efficiency Retrofit Task Force member Charles Porter presented an alternative proposal to fellow task force members to promote an energy efficiency plan that excluded expensive upgrades. ABoR proposed that broad disclosure, comprehensive incentives and extensive consumer education would lead to voluntary conservation amongst Austin's homeowners. ABoR's proposal would also prevent the damaging effects that a mandate would impose on the housing market.

June 2008

Task Force Considers Hybrid Program that Includes Mandatory Backstop

The Energy Efficiency Retrofit Task Force discussed a voluntary "energy-saver home" program for Austinites, in which specific thresholds would have to be met in order to avoid mandatory energy-efficient upgrades at the point of sale. "If the [participation] targets are not met in any two consecutive years," said a task force draft document, "energy upgrades would automatically become mandatory." Because of its unrealistic goals, the plan incorporated a two-year waiting period before point-of-sale upgrades were mandated.

September 2008

Task Force Affirms Right Approach to Making Austin Housing More Energy Efficient

The 28-member task force overwhelmingly opposed mandatory retrofits for existing homes at the point of sale and was unanimously in favor of a program that closely resembled the proposal made by ABoR in May.

November 2008

City Council Votes

The Austin City Council approved a city task force's recommendation requiring Austin homeowners to have energy audits completed before selling their homes. ABoR advocated for and supported this vastly different outcome from the task force's original charge.

June 2009

Energy Efficiency Ordinance Goes into Effect

Please check www.abor.com for more information about the new ordinance details as they become available.

ENERGY EFFICIENCY ORDINANCE OVERVIEW



Quick Facts on the Energy Efficiency Ordinance

What is required under the new ordinance?

Homeowners selling their homes in Austin will be required to obtain an energy audit and to disclose the findings of that audit as part of their regular seller's disclosure notice.

Who does this affect?

Homeowners with properties that lie within the Austin city limits, are serviced by Austin Energy and are more than 10 years old.

Who will conduct the audits?

Energy audits will be conducted by professionals who have been certified by either the Residential Energy Services Network (RESNET) or the Building Performance Institute and who are registered with Austin Energy as approved contractors for this program. The list of registered professionals can be found at www.austinenenergy.com/go/ecad.

When does the audit need to be completed?

The energy audit is required as a part of the seller's disclosure, so it must be completed before the home sale closes. Austin Energy and ABoR encourage homeowners seeking to increase their energy efficiency and save money on the high cost of utility bills to have an energy efficiency audit conducted before thinking of selling their homes. Early audits may help homeowners identify possible areas of improvement and could help prevent last minute scrambles should a homeowner decide to sell his property at a later date.

How long do the audits last?

Each energy efficiency audit will be good for 10 years under the current ordinance rule.

Are there any exemptions?

Yes, several. Properties that are no more than 10 years old. Those that are in foreclosure or pre-foreclosure, properties subject to eminent domain, transactions between family members and properties under court order, in probate proceedings or under decree of legal separation or dissolution of marriage are all exempt. In addition, manufactured homes designed for use without a permanent foundation and properties owned by participants in designated Austin Energy Electric Utility programs or buyers who agree in writing to participate in these programs within six months are also exempt.

This flyer can be found in PDF format on
http://www.abor.com/pdf/Energy_Flyer_Final.pdf
Download and share with your clients today!

Whether you represent a homebuyer or home seller, following these easy steps will ensure a smooth transaction for any property affected by the City of Austin's Energy Efficiency Ordinance.

Steps to a Successful Transaction for Seller's Agents:

1. Discuss ordinance specifics and the need for an audit at your initial listing appointment.
2. Use ABoR's Exclusive Right to Sell agreement and direct the seller's attention to Paragraph 20, Section F. This special notice helps agents ensure their clients understand the ordinance rule. It also protects listing agents in the event that a seller chooses to disobey the ordinance and not disclose the findings of the Austin Energy approved audit.
3. Offer your clients contact information for three to five energy auditors. The names of the Austin Energy approved contractors may be found at **www.austinenergy.com/go/ecad**
4. The chosen auditor will set an appointment with your seller. He or she will arrive on site to conduct the audit, which will take about two to three hours.
5. The auditor will leave an audit certificate with the seller for use as an attachment to the Seller's Disclosure Notice. If you are using ABoR's Sellers Disclosure form, the seller can indicate the audit was completed and is attached as per ordinance rule in Paragraph 9 and again in Paragraph 14.
6. The audit and disclosure must be finished before the transaction closes. To simplify the selling process, it is best to complete the audit while the seller is preparing the property for market, before there is a contract on the home.

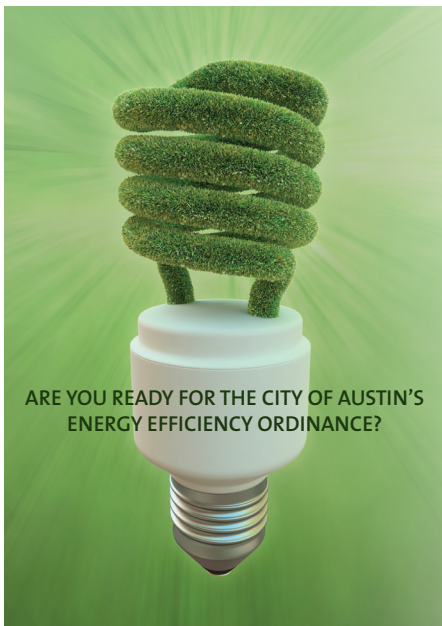
Steps to a Successful Transaction for Buyer's Agents:

1. If your client is looking for property within the Austin city limits, ensure he or she is aware of the new ordinance and knows what to expect from properties affected by it.
2. Should your clients choose a home that requires an energy efficiency audit, make certain the seller has included the audit certificate in their Seller's Disclosure Notice.

RESOURCES ON ABoR.COM

A new page has been added to the “About ABoR” section of **Abor.com**. Under “Special Topics in Real Estate, you’ll find our Green Real Estate page, which houses information on green building, energy efficiency and the role “green” will continue to play in the real estate industry. Studies show consumers consider energy efficiency, a key green building feature, an important consideration when buying a home. ABoR supports efforts to encourage energy conservation because we understand the important role rising energy costs play in homeownership. We also know that energy conservation is key to protecting Austin’s unique environment.

In this new section of our Web site, you will find the customizable marketing pieces pictured here. With only a few keystrokes, these materials can be branded with your company’s contact information and sent to customers. They may also be downloaded and professionally printed for distribution as direct mail pieces. Both marketing pieces contain important information on the new ordinance and will help your agents underscore the importance of using a REALTOR® to maneuver through the new ordinance requirements.



<p>Effective June 1, 2009, the Energy Efficiency Ordinance requires some home sellers living within the Austin city limits to have their property audited for energy efficiency prior to sale. Ensure a smooth transaction by following these simple tips:</p> <ol style="list-style-type: none">1. Contact a REALTOR®. Your REALTOR® understands the Energy Efficiency Ordinance and can help you satisfy the audit requirement quickly and efficiently.2. Ask about the ordinance. As a real estate expert, your REALTOR® can tell you whether your home requires an audit, how much you can expect to pay and other important information.3. Find an energy auditor. Specially trained energy auditors know just how to assess the energy efficiency of your home. Only a certified auditor registered with Austin Energy can issue a recognized energy audit. Contact your REALTOR® for details on finding an approved auditor.	<p>[Company Name] [Company Address]</p> <p>[Tag Line - I.e. Call Me Today] [phone number website/e-mail address]</p>
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THE CITY OF AUSTIN'S ENERGY EFFICIENCY ORDINANCE: HERE'S WHAT YOU NEED TO KNOW.

As Austin's population has increased, so has the demand for Austin Energy's services. The Climate Protection Plan was passed in February 2007 with the goal of increasing energy efficiency. Originally, the plan consisted of mandating costly energy efficient upgrades at the time a home was sold. The Austin Board of REALTORS® (ABoR) worked with City of Austin officials to limit the mandatory components of the Energy Efficiency Ordinance. The revised plan will help reduce energy consumption while keeping Austin housing affordable.

What is required?

Under the Energy Efficiency Ordinance, owners of homes that lie within the Austin city limits and are serviced by Austin Energy would be required to obtain an energy audit prior to selling their homes. Audit findings would then be disclosed as part of the standard seller's disclosure notice.

When does the ordinance go into effect?

The Energy Efficiency Ordinance is effective as of **June 1, 2009**.

How do I comply?

Because the energy audit is required as part of the seller's disclosure notice, it must be completed before the home sale closes. Homeowners interested in saving money on their utility bills and increasing their homes' energy efficiency are encouraged have their homes audited before they consider selling, as early audits can pinpoint simple ways to increase a home's energy efficiency. Additionally, under the current ordinance each energy efficiency audit will be good for 10 years, so having your home audited now can prevent a last minute scramble to comply with the ordinance.

Are there any exceptions?

Yes. Properties in foreclosure or pre-foreclosure; properties subject to eminent domain; transactions between family members; properties under court order, in probate proceedings or under decree of legal separation or dissolution of marriage are exempt. Additionally, properties fewer than 10 years old, manufactured homes designed for use without a permanent foundation and properties owned by participants in designated Austin Energy Electric Utility programs or buyers who agree in writing to participate in these programs within six months of the home purchase are also exempt. Your REALTOR® can help you determine whether your home is exempt from the Energy Efficiency Ordinance.

Who should I contact to find an auditor?

Your REALTOR® can help you find an auditor with the proper credentials for conducting an Austin Energy approved audit. Energy audits must be conducted by professionals who have been certified by either the Residential Energy Services Network (RESNET) or the Building Performance Institute and who are registered by Austin Energy as approved contractors for this program. If you would prefer to look for an auditor on your own, visit **www.austinenenergy.com**.

When considering buying or selling a home, always contact your local REALTOR® first. REALTORS® abide by the National Association of REALTORS® (NAR) Code of Ethics and are equipped with the information and experience to guide you through your real estate transaction. With expert knowledge in marketing and negotiation, as well as a wealth of professional resources, your REALTOR® will add value to every step of your home sale or purchase.

[Company Name]
[Company Address]
[Phone Number] | [Fax Number] | [website]

These pieces can be found in PDF format on
http://www.abor.com/about_abor/GreenRealEstate.cfm



The City of Austin's
Energy Efficiency
Ordinance is effective
as of June 1, 2009.



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