



# Green Rental Housing Learning Session

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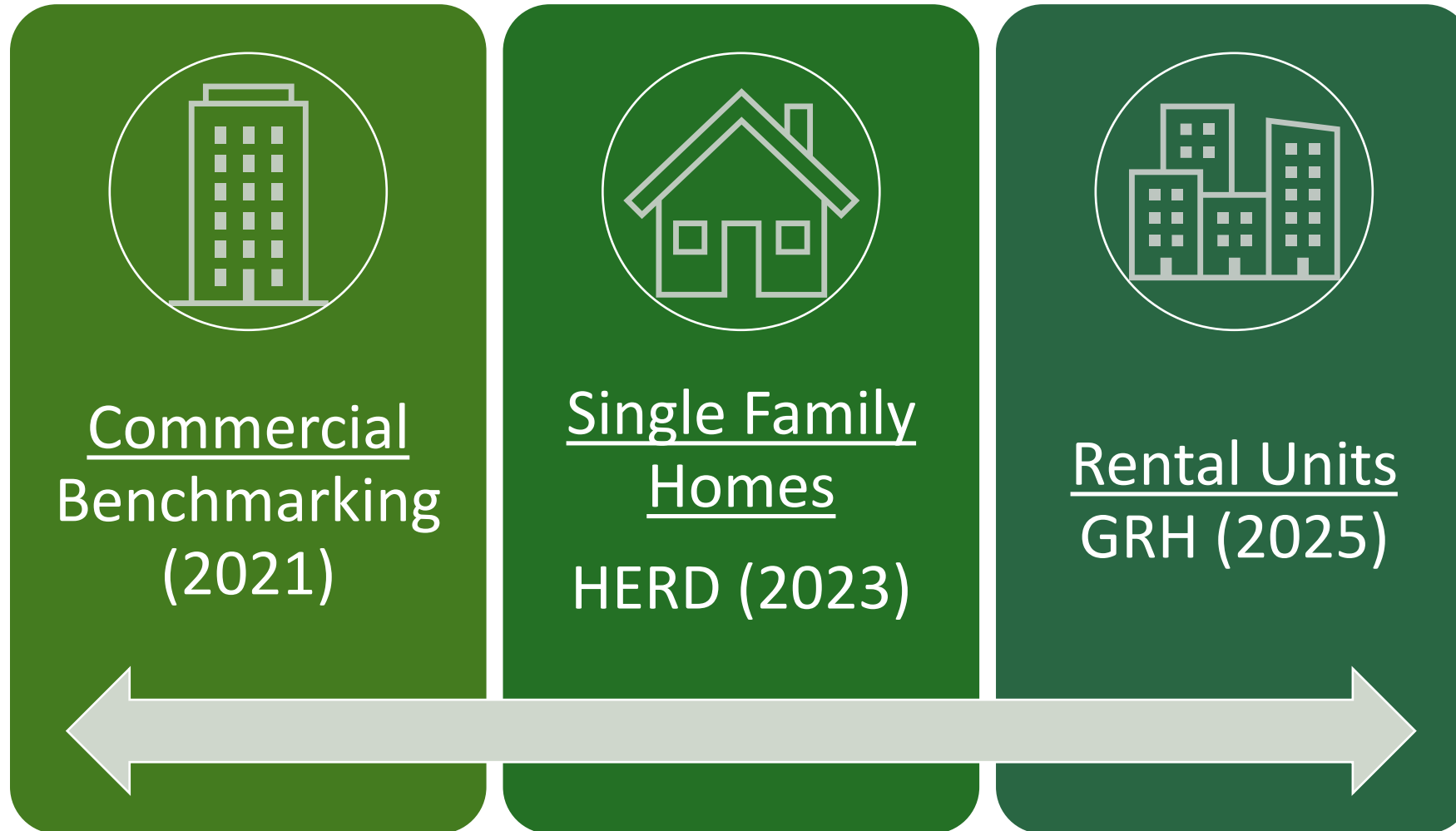
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# A<sup>2</sup>ZERO

EQUITABLE • SUSTAINABLE • TRANSFORMATIVE

# Whole Sector Approach



# Green Rental Housing



**STRATEGY 3:** Significantly Improve the Energy Efficiency in our Homes, Businesses, Schools, Places of Worship, Recreational Sites, and Government Facilities

## 8. PROMOTE GREEN RENTAL HOUSING PROGRAM

The Green Rental Housing Program improves energy efficiency and reduces greenhouse gas emissions associated with our rental buildings. Since rental units make up 55% of Ann Arbor's housing stock, actions in this area are vital to reducing greenhouse gas emissions. The Green Rental Housing program is accomplished by adding energy efficiency requirements into the existing City rental licensing process, thereby ensuring that every rental unit in Ann Arbor meets a minimum energy efficiency performance standard. Trainings, rebates, and financing support are provided as well to help transition rental units to greater efficiency.

### Vision for Promoting Green Rental Housing Program

Renters are living in vastly more energy efficient homes and are saving on their energy bills and/or rents. Property owners are investing in the value of their properties and are seeing increased tenant retention and satisfaction.

#### Party Responsible for Implementation

- Office of Sustainability and Innovations and Community Services

#### Collaborators / Project Co-Designers

- Rocky Mountain Institute
- Urban Sustainability Directors Network
- University of Michigan's Beyond the Diag
- Washtenaw Area Apartment Association
- Michigan Saves
- DTE Energy

#### Equity Impacts

Renters in Ann Arbor may be able to rent more energy efficient homes as soon the ordinance goes into effect, and as more buildings become more energy efficient.

#### Indicators of Success / Goals

10% reduction in energy usage in rental properties within the City by 2030.

#### Assumptions

- We are able to integrate energy efficiency requirements into existing City rental licensing processes
- 80% compliance with the policy after the policy has been in effect for 4 years
- No net increase in average rents, outside of normal market inflation, 5 years post policy adoption

# Program Goals



- Set a minimum baseline for health, comfort, and energy efficiency in rental units as we all work towards our carbon neutrality goals
- Be simple and flexible
- Provide resources to save money, simplify planning, and make compliance easy
- Satisfied tenants to boost tenant retention and online reviews

# Program Development



- Compiled local data and national information
- Convened a Task Force to tailor policy to Ann Arbor
- Representatives for tenant advocacy, landlord advocacy, low-income housing, Building Department
- Saw presentations by RMI, USDN, ACEEE
- Defined challenges & opportunities
  - How to address split incentive
- Developed recommendations
- Public feedback and updates

# Energy Efficiency Requirements



## What

- Sets an energy efficiency target for rentals through two pathways
- Gives choices & flexibility for compliance
- Will be added to the existing inspection process

## Why

- Current checklist does not include efficiency
- Equalizes market expectations for rentals
- Streamlined process
- Flexibility

# Two Pathways



## Home Energy Rating System (HERS) Pathway

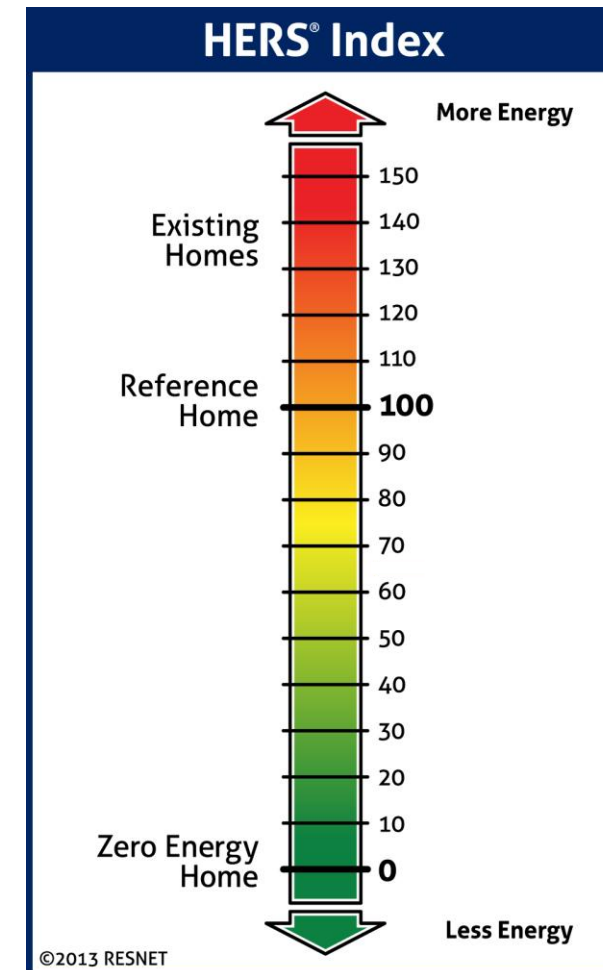
- Undergo a Home Energy Rating System (HERS) Assessment through a certified Home Energy Rater
- Achieve a minimum HERS score
- One and done

## Checklist Pathway

- Choose from a combination of items on the Green Rental Housing Checklist developed by OSI
- Achieve a minimum energy efficiency score
- Done at each inspection cycle

# Home Energy Rating System Pathway

- Uses Home Energy Rating System – a national standard
  - Lower numbers = more efficient
  - HERS Index scores range from 200+ (least efficient) to 0 (net zero)
- Get a Home Energy Rating Score (HERS)
- Receive a score of 110 or below
  - One and done
- Assessments have a cost



# Checklist Pathway



- Checklist developed by OSI and collaborators
- Need to achieve a certain number of points
  - Choose the options that work the best

Energy Efficiency		
Insulation and Air Sealing Options	Points	Requirement
Air Sealing	9	A blower door test showing an CFM50 roughly equal to the square footage of the household
Allow Occupants to Air Seal	2	Occupants are allowed to perform air sealing measures on their own or hire a contractor.
Attic and Non-attic Roof Areas are Insulated	9	The attic is insulated to R-50 or greater. Finished attics and ceiling areas with no attic above should be insulated to R-30 or greater.
Ducts Sealed and Insulated	9	Ducts are sealed to 10% leakage or less and insulated with R-8 insulation or greater.
Foundation, Rim Joists, and Crawl Space are Insulated	9	Foundation walls and rim joists are insulated to R-10 or greater, and crawl space vents are air sealed.
Walls are Insulated	9	All exterior walls have R-13 or greater insulation.
<b>Total Possible Insulation and Air Sealing Points</b>	<b>47</b>	

# Checklist Examples



Planning		
Planning Options	Points	Requirement
Complete an Energy Assessment	4	An energy assessment has been completed that is inclusive of the unit.
Complete an Energy Improvement Plan	4	Submit a plan detailing planned improvements.
<b>Total Planning Points</b>	<b>8</b>	

Sustainability, Health, and Education		
Sustainability, Health, and Education Options	Points	Requirement
Accessible Pathway and Seating to Bus Stop	2	An ADA accessible route is available from the property to a bus stop or a public walkway that connects to a route. If the bus stop is connected to area owned by the owner or agent, there is seating on that area.
All Lights are LEDs	2	All lights that are provided by in the dwelling unit are LEDs.
Bike Parking	2	One space is available per five units. Alternative, occupants are allowed to lock bike in an exterior location of the unit.
Conduct Energy Efficiency Messaging	2	At least once a year, distribute education on energy efficiency to occupants.
Conduct Food Waste Prevention Messaging	2	At least once a year, distribute education on preventing food waste to occupants.

# Checklist Examples



Renewable Energy and Electrification		
Renewable Energy and Electrification Options	Points	Requirement
Majority of Electricity Provided by Renewable Energy Either Onsite or Through a Green Pricing Program	8	At least 51% of the electricity used on-site is generated by renewable energy on-site or through a green pricing program.
Electricity is the Primary Type of Energy Used for Space Heating	15	Any type of primary heating that uses electricity to provide heating. Examples include baseboard heat, an electric furnace, a heat pump (air source or geothermal), or a hybrid electric and a gas backup system.
Electricity is the Primary Type of Energy Used for Water Heating	4	Any type of water heater that uses electricity to heat water. Examples include electric tank water heaters, electric on-demand water heaters, and heat pump water heaters.
Electric Clothes Dryers	3	Any type of clothes dryer that uses electricity to dry clothes. Examples include electric resistance and heat pump dryers.
Oven and Range Are Electric	5	An oven and range that heats food using electricity. Examples include electric resistance coils and induction cooktops.
<b>Total Possible Renewable Energy and Electrification Points</b>	<b>35</b>	

# Checklist Examples



Heating, Cooling, and Water Heating Options	Points	Requirement
<b>Heating &amp; cooling system (select only one)</b>		
Medium-Efficiency Cold-Climate Heat Pump with Gas Backup Heat	15	An air-source heat pump with a minimum rating of SEER 16 and HSPF 9.5, with gas furnace backup.
High-Efficiency Cold-Climate Heat Pump with Gas Backup Heat	30	An air-source heat pump with a minimum rating of SEER 20 and HSPF 11, with gas furnace backup.
Low-Efficiency Cold-Climate Heat Pump with Electric Resistance Heat	10	An air-source heat pump with a minimum rating of SEER 16 and HSPF 9.2, with electric resistance backup heat.
Medium-Efficiency Cold-Climate Heat Pump with Electric Backup Heat	20	An air-source heat pump with a minimum rating of SEER 16 and HSPF 9.5, with electric resistance backup heat.
High-Efficiency Cold-Climate Heat Pump with Electric Resistance Backup Heat	30	An air-source heat pump with a minimum rating of SEER 20 and HSPF 11, with electric resistance backup heat.
Geothermal (Ground Source) Heat Pump	30	A geothermal heat pumps system with HSPF 13 or higher.
<b>Water heating system</b>		
Heat Pump Water Heater	15	A water heater that uses heat pump technology. They are also commonly referred to as Hybrid Electric water Heaters
<b>Heating and Cooling Maintenance</b>		
Conduct Tune-ups on Heating and Cooling Appliances	2	All HVAC equipment gets a tune-up at least once a year.
Replace Heating and Cooling Filters	2	Filters in each heating and cooling appliance are changed at least twice a year.
Flush Water Heater	2	The water heater is flushed at least once a year.
<b>Total Possible Heating, Cooling and Water Heating Points</b>	<b>51</b>	

# Checklist Requirements



## Phase 1

- Jan. 6, 2026 – Jul. 5, 2028
- 70/308 points required

## Phase 2

- After Jul. 5, 2028
- 110/308 points required

# How to Comply



- Built into existing inspection process
- When you go to schedule your next inspection, you will need to:
  - Upload a document showing you have met the requirements
    - HERS report or completed checklist
  - Attach accompanying documentation to show you have done those measures
    - For checklist, each item claimed needs documentation of it at the property (e.g., photos, process documents, screenshots, lease language, etc.)



**STREAM**

# How to Comply – Process



- Submit all materials in STREAM
  - Can upload all in one file or multiple files
  - Files can be in a Word/Google Doc, PDF, link to an online file share (Google Drive, Box, etc.), individual image uploads, etc.
  - Do not have the ability to upload videos directly into STREAM
- Upload files into your CR license
  - Do not upload to inspection or email files



**STREAM**

# How to Comply – Timeline



- Materials need to be submitted and approved by the time of your rental inspection
- If you are missing materials, or materials are insufficient, 60-day window from the date of the inspection to come into compliance
- If approaching the end of the 60-day window, reach out to us at [GreenRentalHousing@a2gov.org](mailto:GreenRentalHousing@a2gov.org)



**STREAM<sup>2</sup>M**

# How to Comply – Tips



- Review all the materials in advance
  - If you cannot find information, reach out to [GreenRentalHousing@a2gov.org](mailto:GreenRentalHousing@a2gov.org)
- If doing checklist, each item claimed needs documentation
  - Take clear pictures
  - Highlight areas in lease or screenshots that show it
  - Review materials to see what counts and what doesn't
  - To the extent you can, line up documentation with the order of items in the checklist
- Upload materials to your CR
- If you have concerns with timing, reach out ASAP



# Help is available

See what resources are available to help you save money, stay compliant, and simplify your planning

# Landlord Resource Hub



## Resources

**Financial**



**Educational**



**Incentive Databases**



**Local Resources**



[osi.a2gov.org/LandlordResourceHub](https://osi.a2gov.org/LandlordResourceHub)

# Landlord Resource Hub



## Green Rental Housing Materials

Below are a number of materials on the Green Rental Housing Ordinance, including resources that can be used to achieve points on the Green Rental Housing Checklist.

**Ordinance**

**Renter Education**

**Renter Sustainability Session**

**Checklist Guidance**

The following are the core materials of the Green Rental Housing Ordinance.

- **Ordinance**
- **Regulations**
- **Checklist**
- **Checklist Methodology**

For an overview of Green Rental Housing, view this **episode of Green Light** to hear from City staff.

# Landlord Resource Hub



## Green Rental Housing Materials

Below are a number of materials on the Green Rental Housing Ordinance, including resources that can be used to achieve points on the Green Rental Housing Checklist.

**Ordinance**

**Renter Education**

**Renter Sustainability Session**

**Checklist Guidance**

On the Green Rental Housing Checklist, there are a number of options related to providing educations to tenants. To assist in distributing that information, OSI has assembled a packet of materials that can be distributed to meet those requirements. Sending out the packet to tenants will result in 22 points on the checklist.

### **Download the Renter Education Packet**

The packet contains the following:

- Energy Efficiency Messaging (2 points)
- Food Waste Prevention Messaging (2 points)
- Rental Sustainability Session (10 points)
- Local Food Information (2 points)
- Severe Weather Alerts (2 points)
- Energy Efficiency Materials (2 points)
- Waste Disposal Information (2 points)

# Landlord Resource Hub



## Green Rental Housing Materials

Below are a number of materials on the Green Rental Housing Ordinance, including resources that can be used to achieve points on the Green Rental Housing Checklist.

**Ordinance**

**Renter Education**

**Renter Sustainability Session**

**Checklist Guidance**

One item on the Green Rental Housing Checklist is tenants attending a renter sustainability session. Tenants can view this recording for credit.

**[View the Renter Sustainability Session](#)**

# GREEN RENTAL HOUSING

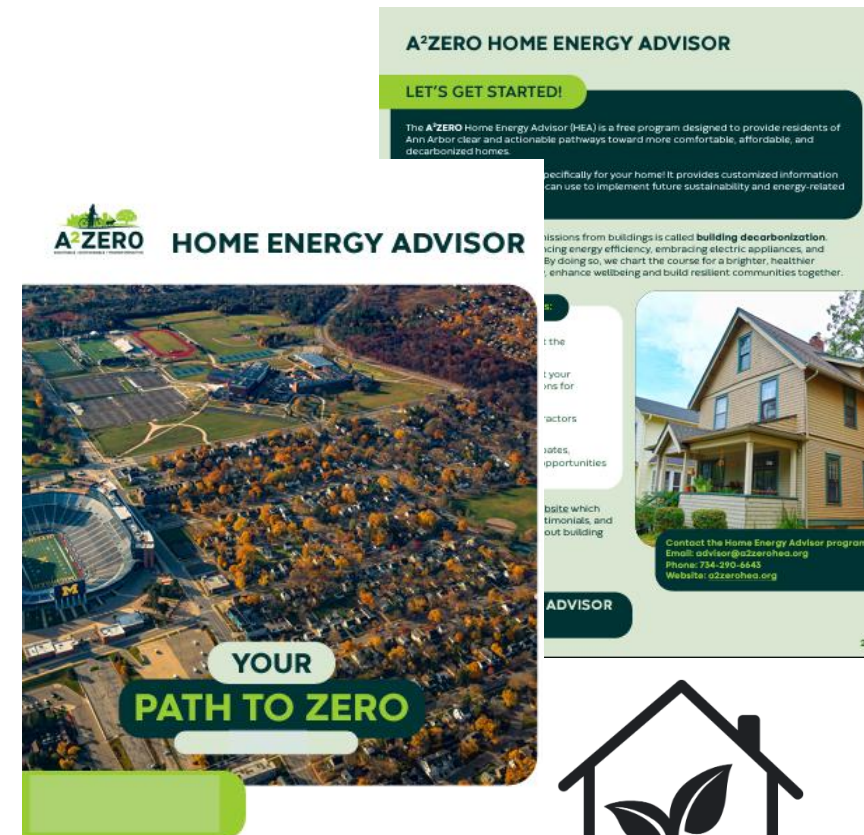
Landlord Resource Toolkit



# Home Energy Advisor



- Free to all Ann Arbor residents, serving homeowners and renters
- Individual home energy assessments
- Customized “Path to Zero” decarbonization plans
- Help with selecting projects, finding contractors, understanding bids, DIY options
- Consolidation of applicable incentives, rebates, assistance programs and financing
- Get 8 points on the checklist



[a2zerohea.org](https://a2zerohea.org)

# Heat Pump Concierge



## Welcome to A<sup>2</sup>ZERO Heat Pump Concierge!

You could be eligible for \$15,000 or more in A<sup>2</sup>ZERO Home Energy Rebates for efficient heating and cooling and weatherization - plus additional state, city, and utility rebates and tax incentives. Reserve funds today - it only takes five minutes.

[Learn More](#)

### Today you can:



#### Get an instant estimate

Takes about 5 minutes.

We use details about your project, home, and goals to give you an instant estimate, including rebates, so you can decide if you're interested.

[See A Sample](#)



#### Connect with a Pearl Edison Advisor

Usually scheduled in one day.

An energy efficiency expert certified by the Building Performance Institute will support you.

[Meet An Advisor](#)

### Then, when you're ready, you can:



#### Schedule a free home assessment

Usually scheduled within one week.

We'll perform a home assessment to finalize your system design options. After that, your price and scope are guaranteed.



#### Approve your project

Move at your pace.

Your Pearl Edison Advisor will help you select the right system for your unique home and goals.



#### Meet your contractor

Your install will be performed by a high-quality local installer. Every Pearl Edison contractor is licensed and rigorously vetted - and your Pearl Edison Advisor is there to support you every step of the way.



[Start Your Estimate](#)

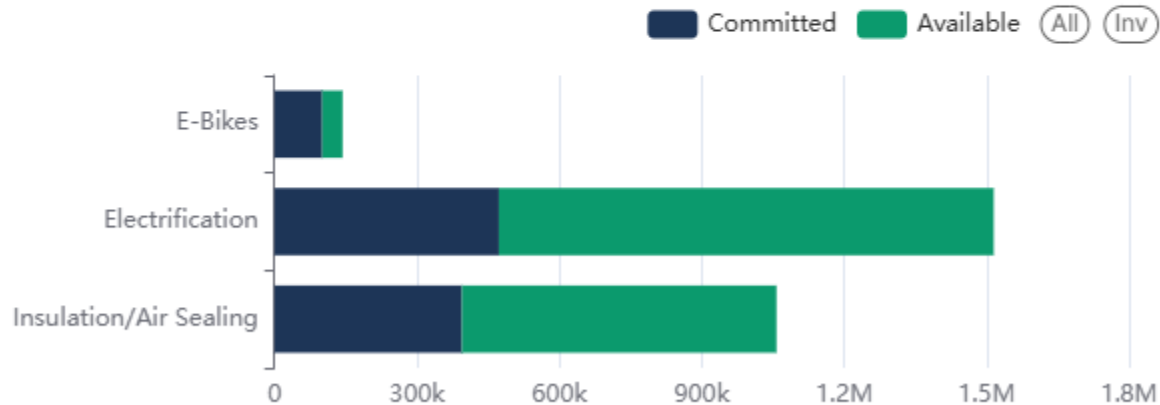
# Home Energy Rebates



## Rebate Availability

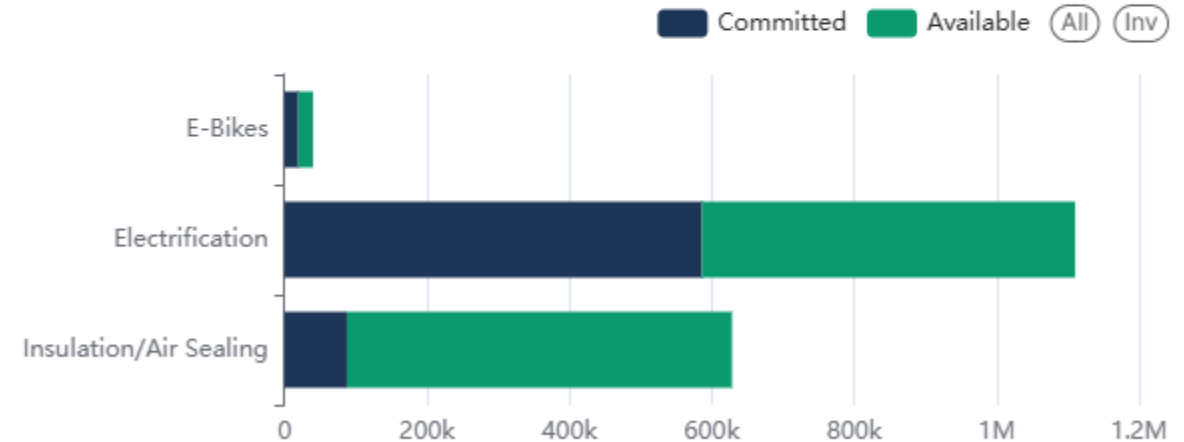
### Home Energy Rebates - INCOME QUALIFIED

The funds that have been expended and those that remain available to reimburse income-qualified households.



### Home Energy Rebates - MARKET RATE

The funds that have been expended and those that remain available to households of any income.



# Home Energy Rebates



## Redeemed items

The type and number of rebates claimed so far in the current fiscal year (resets July 1st).

### Rebate Counts Claimed (Current Fiscal Year)

Rebate Type	# Claimed
Insulation/Air Sealing	253
E-Bikes	175
Electric Panel Upgrade	138
Induction Cooktop Range	138
Cold Climate Heat Pump	97
Storage	85
Heat Pump Water Heater	74
Heat Pump Dryer	38
Ductwork Bonus	15

# Heating Franchise



Commitment to cooperate in support of A<sup>2</sup>ZERO  
- binding and enforceable



A panel of 2 (but not more than 4)  
representatives from each – City and DTE  
(Leadership Panel)

Includes direct report to City Administrator and  
direct report to President of DTE Gas



Exhibit A (Work Plan) includes the  
detailed activities to be undertaken

This document will be regularly updated  
depending on activities undertaken

# Heating Franchise – Work Plan



The initial Work Plan contains many Commitments. For our purposes today:



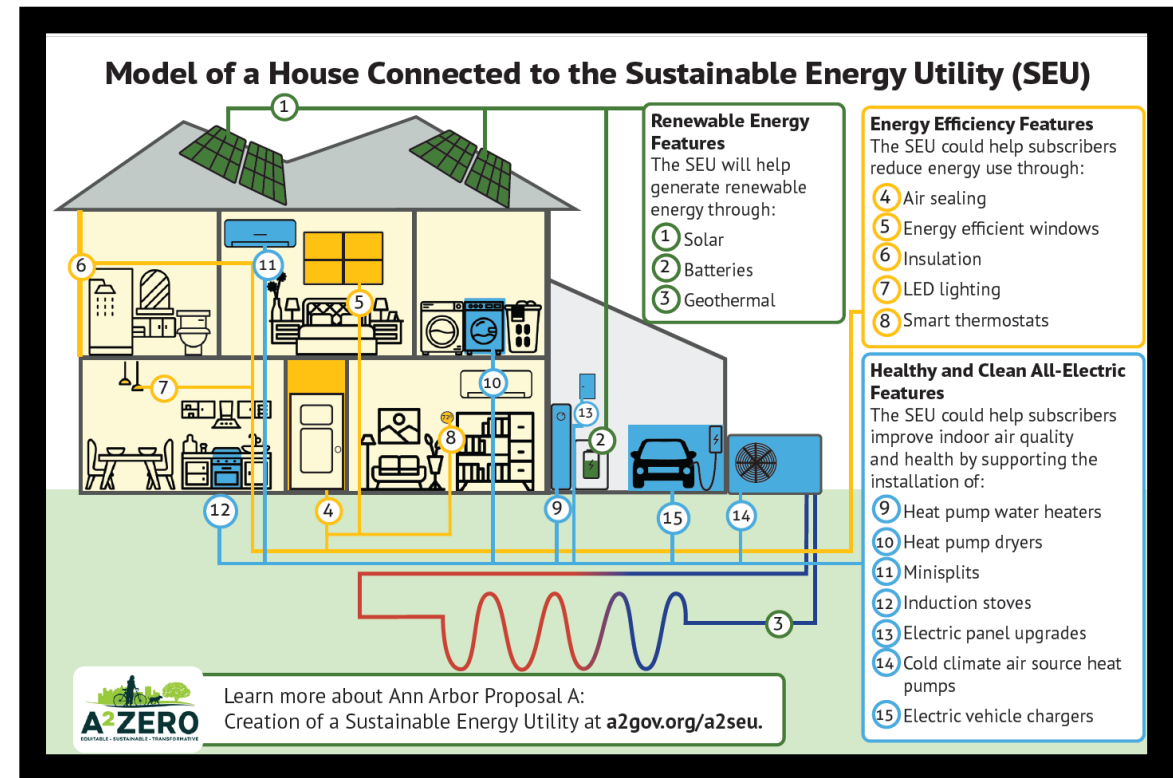
## Energy Waste Reduction

- Jointly design an energy efficiency pilot program focused on renters and landlords
- DTE will make available at least \$500,000 in energy efficiency incentives for this new pilot
  - Helps meet EWR requirements
  - Work with us to develop a program that works for everyone
  - Coming very soon!
- Quarterly meetings with City

# Sustainable Energy Utility (SEU)



- Solar and energy storage to improve reliability.
- Air source and ground source heat pumps, including networked geothermal.
- Robust energy waste reduction efforts that improve indoor comfort, health, and safety, all while saving money.
- Microgrids(ish) between neighboring households, to share solar and storage.
- Support for beneficial electrification to support cleaner and safer homes and businesses.
- On-bill financing to help lower the costs of beneficial electrification and efficiency improvements while increasing payment flexibility.
- Over time, community solar programs and new community desired clean energy offerings.





# THANK YOU

Questions?

[GreenRentalHousing@a2gov.org](mailto:GreenRentalHousing@a2gov.org)

[osi.a2gov.org/GreenRentalHousing](https://osi.a2gov.org/GreenRentalHousing)

[osi.a2gov.org/LandlordResourceHub](https://osi.a2gov.org/LandlordResourceHub)