

July 9, 2003

[Rent Board.]

Commission on the Environment  
Energy Conservation and Renewable Energy Improvements List  
Residential Rent Stabilization and Arbitration Ordinance  
(Administrative Code Chapter 37).  
7/9/03

**A. Authorization**

The Residential Rent Stabilization and Arbitration Ordinance, Administrative Code Section 37.7(c)(2)(B)(ii), requires the Commission on the Environment to adopt an Energy Conservation Improvements and Renewable Energy Improvements List (the "List") no later than August 21, 2003. The List will specify which costs can be passed through as rent increases by landlords to tenants with units separately metered for electricity or natural gas. The List must be adopted by the Commission after public hearing and must be forwarded to the Rent Board, who will in turn forward it to the Board of Supervisors for ultimate adoption. The ordinance requires the Commission to consider the following factors in adopting the List: whether the improvements demonstrably benefit tenants; the cost effectiveness for tenants, appropriate amortization schedules, permissible passthrough amounts that will encourage landlords to make such improvements; and whether the entire cost of the improvement or only that amount directly attributable to the energy conservation or renewable energy improvement can be passed through; all in light of the variety and conditions of housing in the City.

The ordinance requires the Commission to periodically review, amend and forward the List to the Rent Board as warranted by changes in technology or conditions in the electricity and natural gas markets.

Department staff and the Commission have held public hearings on this issue on May 22, 2003, June 26, 2003 (two meetings) and July 9, 2003. Notice of these meetings was provided to the COE's regular mailing list and a mailing list provided by the Rent Board staff. Department staff consulted with staff of the Rent Board in developing the List.

**B. Requirements**

The List is attached.

The Commission will review the List one year after the Board of Supervisors adopts it. Subsequent reviews will be conducted every three to five years after the first review or as requested by the Rent Board or Board of Supervisors. The Commission recommends that future changes to the List will be made by the Commission with approval by the Rent Board and without further approval of the Board of Supervisors.

C. Recommendations

- a. The Commission urges the Rent Board and the Board of Supervisors to adopt the List.
- b. The Commission recommends that the Board of Supervisors amend the ordinance so that future changes to the List will be made by the Commission with approval by the Rent Board and without further approval of the Board of Supervisors.
- c. If the Rent Board does not accept any of the Commissions recommendations, the Commission urges the Rent Board to work with the Department of the Environment and the Commission to incorporate these items into other policies, processes, or legislation.

The Commission on the Environment hereby adopts these regulations.

I hereby certify that this resolution was adopted by the Commission on the Environment at its special meeting on July 9, 2003.

*Emily Rogers, Commission Secretary*

VOTE: Passed

Ayes: Commissioners Bingham, Crowder, Hayes, Mok, Rodriguez, and Wald

Noes: None

Absent: Commissioner Shah