

ORDINANCE NO. ORD-25-22

First Reading: June 2, 2025
Public Hearing: June 16, 2025

Approved: June 16, 2025
Published: June 26, 2025
Effective: July 6, 2025

CHAPTER 105 (GREEN RENTAL HOUSING)

AN ORDINANCE TO ADD SECTIONS 8:533 THROUGH 8:540 TO CHAPTER 105 (HOUSING CODE) OF TITLE VIII (BUILDING REGULATIONS) OF THE CODE OF THE CITY OF ANN ARBOR (GREEN RENTAL HOUSING)

The City of Ann Arbor ordains:

Section 1: That Sections 8:533 through 8:540 of Chapter 105 of Title VIII of the Code of the City of Ann Arbor be added as follows:

8:533. - Legislative Purpose.

The purpose of Sections 8:533 through 8:540, which shall be known as the “Green Rental Housing Ordinance,” is to promote consumer protection for renters and the health, safety, and welfare of City residents, through energy efficiency measures intended to reduce the greenhouse gas emissions produced by rental housing in Ann Arbor. This ordinance is designed to reduce carbon emissions, lower utility bills, and enable access to information regarding the full costs of living in rental housing so consumers can make better-informed decisions.

8:534. - Definitions.

The following definitions apply in the interpretation and enforcement of Sections 8:533 through 8:540 in addition to the definitions set forth in Section 8:500 of Chapter 105 above:

(1) *Asset Rating*: The Energy Efficiency Score or the Home Energy Rating System Score.

(2) *Checklist Pathway*: The option of utilizing an Energy Efficiency Score based upon the Green Rental Housing Checklist set forth in the Green Rental Housing Regulations as a method to satisfy the Asset Rating requirement of Section 8:537.

(3) *Compliance Period 1*: The period of time that is at least six (6) months but less than three (3) years after the Effective Date of Sections 8:533 through 8:540.

(4) *Compliance Period 2*: The period of time that is three (3) years or more after the Effective Date of Sections 8:533 through 8:540.

(5) *Director*: The Director of the Office of Sustainability and Innovations or their authorized designee.

(6) *Energy Efficiency Score*: The total number of points a Dwelling or Dwelling Unit receives for complying with items on the Green Rental Housing Checklist.

(7) *ENERGY STAR Certified Product*: Any product that has an ENERGY STAR label to show the product has met strict standards for energy efficiency as set by the United States Environmental Protection Agency.

(8) *Green Rental Housing Checklist*: The checklist, adopted in the Green Rental Housing Regulations, from which an Owner or Agent may select items to participate in or complete to earn points to achieve a minimum Energy Efficiency Score through the Checklist Pathway to compliance.

(9) *Home Energy Rater*: A person who is certified as a home energy rater by Residential Energy Services Network (RESNET).

(10) *Home Energy Rating System Pathway*: The option of utilizing a Home Energy Rating System Score as a method to satisfy the Asset Rating requirement of Section 8:537.

(11) *Home Energy Rating System Score*: The score and associated report documenting the results and suggestions for improvement prepared by a Home Energy Rater.

8:535. - Green Rental Housing Regulations.

The Director shall adopt regulations implementing Sections 8:533 through 8:540, which shall include the Green Rental Housing Checklist for the Checklist Pathway to compliance. The regulations shall take effect 30 days after being filed with the City Clerk unless modified or disapproved by the City Council.

8:536. - Applicability.

Except as otherwise provided herein, the provisions of Sections 8:533 through 8:540 shall apply to all Dwellings and Dwelling Units in the City of Ann Arbor without regard to whether these were constructed before or after the Effective Date of Sections 8:533 through 8:540. Sections 8:533 through 8:540 do not apply to owner-occupied, single-family attached and detached homes, homes for the aged which are licensed by the State of Michigan, and Short-term Rentals as defined by Chapter 97, Section 7:651 of this Code.

8:537. - Requirements for Energy Efficiency in Rental Dwellings and Dwelling Units.

(1) Asset Rating. Prior to each periodic rental housing inspection required by Section 8:511 of Chapter 105, each Dwelling or Dwelling Unit must achieve a qualifying Asset Rating by complying with either the Checklist Pathway or the Home Energy Rating System Pathway as set forth below:

(a) *Checklist Pathway.* Prior to the periodic inspection required by Chapter 105, Section 8:511, the Agent or Owner of a Dwelling or Dwelling Unit must submit a testament to the City's Rental Housing Services that the Dwelling or Dwelling Unit has achieved a minimum Energy Efficiency Score based upon complying with any combination of items from the Green Rental Housing Checklist as follows:

- i. Compliance Period 1: A Dwelling or Dwelling Unit must achieve a minimum Energy Efficiency Score of 70 points.
- ii. Compliance Period 2: A Dwelling or Dwelling Unit must achieve a minimum Energy Efficiency Score of 110 points.

(b) *Home Energy Rating System Pathway.* Prior to the periodic inspection required by Chapter 105, Section 8:511, a Dwelling or Dwelling Unit must undergo a Home Energy Rating System assessment by a certified Home Energy Rater and achieve a maximum Home Energy Rating System Score of 110, and the Agent or Owner must submit the Home Energy Rating System Score to the City's Rental Housing Services.

(2) Energy Disclosure. The City shall make available to the public the Asset Rating used to achieve compliance for each Dwelling or Dwelling Unit via the Building Department's online permitting system.

8:538. - Waiver from the Green Rental Housing Requirements.

(1) An Owner or Agent of a Dwelling or Dwelling Unit may request a waiver from the Asset Rating requirements of Section 8:537 in writing. The Owner or Agent shall submit to the Director any documentation reasonably necessary to substantiate the request or otherwise assist the Director in the waiver determination. Any waiver granted will be limited to the periodic inspection for which the request was made and does not extend to future periodic inspections.

(2) The Director may, in their sole discretion, waive the Asset Rating requirements if they determine that an Owner or Agent cannot meet them due to one of the following

conditions: (a) a low-income qualified Owner; or (2) a special circumstance unique to the Dwelling or Dwelling Unit for which compliance would cause undue hardship to the Owner.

(3) Waiver requests must be received by the Director no later than thirty (30) business days prior to the date of inspection. Requests must be submitted:

(a) By email with the subject "City of Ann Arbor Green Rental Housing Waiver Request" to sustainability@a2gov.org; or

(b) By hard copy to: Attn: Green Rental Housing Waiver Request, Office of Sustainability and Innovations, 301 E. Huron Street, Ann Arbor, MI 48104.

(4) Upon receipt of the waiver request, the Director will provide a receipt to acknowledge receiving the waiver request. The Director shall review and decide each waiver request within 14 days of receipt. A decision on a waiver request may be appealed to the City Administrator by submitting a written appeal to the Director along with any supporting documentation within 7 days from the date of the decision. The City Administrator shall issue a written decision on any waiver appeal within thirty (30) calendar days of receipt. No civil fines shall accrue during the pendency of an appeal. If the appeal is denied, fines shall begin accruing as of the date of the written decision and shall not be applied retroactively.

8:539.- City Maintenance of Records.

The Director shall maintain all records submitted in compliance with Section 8:537 for a period of eight (8) years.

8:540. Enforcement and Penalties.

(1) A violation of any provision of Section 8:537 is a civil infraction punishable by a fine of \$500.00 for a first offense, and \$1,000.00 for each additional or subsequent offense, plus the costs of prosecution including court costs. Each act or violation and every day upon which any such violation shall occur shall constitute a separate offense. Violations shall be enforced by the Office of Sustainability and Innovations and/or Building and Rental Services Unit employees. The court may issue and enforce any judgment, writ, or order necessary to enforce Section 8:537.

(2) Knowingly submitting a false testament regarding the Checklist Pathway or a false Home Energy Rating System Score or submitting either with reckless disregard for its

truth and accuracy is a civil infraction punishable by a fine of not more than \$500.00 plus the costs of prosecution, including court costs.

(3) The remedies set forth in this Section are not exclusive. In addition to any remedies provided in this Section, the City may also seek equitable relief or other remedies.

Section 2. Effective Date. This ordinance shall take effect and be in force on and after ten days from publication thereof as provided for in the Charter of the City of Ann Arbor.

As Amended by Ann Arbor City Council at First Reading on June 2, 2025

CERTIFICATION

I hereby certify that the foregoing ordinance was adopted by the Council of the City of Ann Arbor, Michigan, at its regular session of June 16, 2025.

(Date)

Jacqueline Beaudry, Ann Arbor City Clerk

Christopher Taylor, Mayor of the City of Ann Arbor

I hereby certify that the foregoing ordinance received legal publication on the City Clerk's webpage on June 26, 2025.

Jacqueline Beaudry, Ann Arbor City Clerk