**Case Study: Boulder**

Boulder implemented efficiency standards for long-term rentals. They have a short-term rental licensing program, but do not currently implement efficiency requirements because the program was recently established in 2016, and people are more likely to own these homes and keep them comfortable and efficient.

*Financing*

Boulder worked with the local utility to take advantage of existing utility incentives. The City of Boulder offered direct installation of free energy efficiency measures and supplemented existing incentives. Boulder County created an energy loan that the county supports with a loan loss reserve through EnergySmart.

*Stakeholder Engagement*

The City of Boulder consulted with the Boulder Area Rental Housing Association. This helped the city to design financing mechanisms that aligned with the needs of property owners and helped shape the compliance timeline and efficiency goals.

*Policy Design*

Boulder created a prescriptive path that used a custom checklist and a performance-based path that used the HERS checklist for property owners. It is important to make sure to update custom checklists. Boulder’s checklist was developed before the city implemented electrification goals, and as a result, the current strategy disincentivizes electric hot water and space heating.

*Compliance*

The City of Boulder has fines in place for rentals that operate without a rental license. It has exemptions for mobile homes, units built after 2001, and units that participated in the weatherization program. Other cities have different approaches to ensuring compliance.

The City of Ann Arbor, Michigan allows property owners that pay for the tenant's utility heat bills to be exempted from meeting energy efficiency standards because this avoids the split incentive problem.

The City of Burlington, Vermont, developed cost-effectiveness limitations and a total cost cap for efficiency standards for rentals triggered at time of sale. Energy efficiency measures could not have greater than a seven-year payback and could not exceed the lesser of $1,300 or 3 percent of the sale price of the property listed on the property transfer tax return. Cities can use cost caps to ensure that property owners have a maximum threshold to how much they must spend to comply with the policy

*Administration*

As the program matures, Boulder continues to understand additional benefits that communities could reap from this type of program. The SmartRegs program serves as an inclusionary and affordable housing program, which provides renters with low to moderate incomes a safeguard for stabilizing utility costs. It has also increased both tenant and property owner awareness of energy efficient housing opportunities.