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August 5, 2009

California Energy Commission
Dockets Office, MS-4
Re: Docket No. 09-OII-01
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Public written comment for ARRA SEP Guidelines, Docket No. 09-OII-01

Dear Honorable Commissioners:

On behalf of approximately 3,800 REALTORS® living and working in ten cities of Southwestern Los Angeles County, the South Bay Association of REALTORS® submits comments to the Preliminary State Energy Program Guidelines (“Guidelines”) to administer the American Recovery and Retirement Act (ARRA) State Energy Program (SEP). We are particularly concerned about one of the three program areas, the Municipal Financing District Program.

We applaud the intend of these Guidelines to create jobs and spur economic recovery under ARRA, while encouraging the use of energy-efficient and renewable products and services. In fact, promotion of energy efficiency and economic recovery is of paramount importance.

The evaluation criteria for the Municipal Financing District Program (“Guidelines”: CEC-150-2009-004-D, July 16, 2009, page 35) calls for “establish[ing] programs to conduct home energy ratings at the time of sale and inclusion of ratings in multiple listing services.” **Due to the inefficiency of code enforcement at time-of-sale, we submit that it cannot help the State achieve its stated conservation and economic recovery goals in any effective or timely fashion.**

Time-of-Sale Hampers Efforts to Reach the Goal. Our records show that cities as diverse as Hawthorne, Lomita and Los Angeles have, on average, sold about 2% of their respective housing stock each year over the past ten years. We believe this percentage to be consistent regardless of a jurisdiction’s size, location, or composition.

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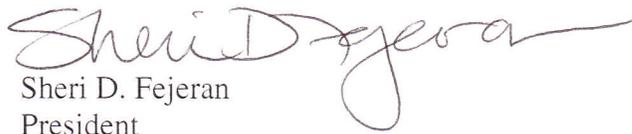
Because the small number of homes sold cannot coincide with the number of homes that actually need improved energy efficiency, **the State and local municipalities risk expending limited resources seeking compliance precisely where it is not needed.** At this pace, the State of California simply will not come close to the goals of economic renewal and energy efficiency as called for by Congress and the U.S. Department of Energy (cf. "Guidelines", page 5).

Liability and Time-Sensitive Transactions. In the short time-frame of escrow, buyers and sellers must seek qualified auditors, bids and schedule contractors to make appropriate retrofits. Such a process may add risk and cost to a transaction in a way that is inconsistent with the desire for more affordable and accessible housing in our region, all without taking measurable steps toward energy conservation goals.

Multiple Listing Services. We seek clarity in the process of the "inclusion of ratings in multiple listing services." This may create significant concerns regarding the precise criteria, disclosures, and technological consistency of such information posted on several multiple listings services all over California. Any unresolved issues could have unfair and unmitigatable impacts on the fair market value of real estate for sale. **We urge further review and close collaboration with REALTORS® and with multiple listings services in California before this component of the Guidelines proceeds further.**

A better way. In keeping with the goals of ARRA and SEP, we respectfully urge the commission to consider alternative means to achieve true energy conservation and economic renewal. The REALTOR® community seeks to be a part of the solution and is working to help craft such solutions, including the use of grant programs, cost-avoidance financing, and even citywide outreach to residents in order to reach all homes in the city.

Sincerely,



Sheri D. Fejeran
President