

SAN FRANCISCO BUILDING DECARBONIZATION & EQUITY MEETING #2

Affordable housing opportunities and challenges in San Francisco's transition to 100% electric buildings

Auditorium at Kelly Cullen Community, 220 Golden Gate Ave, San Francisco, CA 94102

December 10, 2019

Co-hosted by Emerald Cities San Francisco, PODER, and SF Environment

Agenda:

2:00 2:20	Introduction and Context Setting <i>Purpose and Intention:</i> Rosa Gonzalez (Movement Strategy Center) <i>Climate and Equity:</i> Antonio Diaz (PODER), Avni Jamdar (Emerald Cities SF)
2:20 3:00	Framing Climate Action, Electrifying the Affordable Housing Sector <i>SF Climate Action Strategy update:</i> Rich Chien (SF Environment) <i>Panel Discussion:</i> Amy Chan (MOHCD), Ruchi Shah (TNDC), Nick Young (AEA)
3:00 3:50	Discussions: Opportunities, Challenges, Recommendations <i>Instructions:</i> Rosa Gonzalez <i>Small groups:</i> <ol style="list-style-type: none">1. Technical & Regulatory Issues2. Financing & Funding3. Tenants' Needs <i>Large group sharing and discussion</i>
3:50 4:00	Closing and Next Steps

Speakers:

Amy Chan, amy.chan@sfgov.org

Mayor's Office of Housing and Community Development (MOHCD)

Antonio Diaz, adiaz@podersf.org

People Organizing to Demand Environmental and Economic Justice (PODER)

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Tenderloin Neighborhood Development Corporation (TNDC)

San Francisco Building Decarbonization & Equity Future Meetings

Meeting # 3. Equity impacts: Transitioning San Francisco's single family & multifamily housing (focus on low-income and communities of color) to 100% electric buildings. *TBD January/February 2020*

Meeting # 4. Preliminary findings & recommendations: Review and collect stakeholder feedback for equity impacts and San Francisco's transition to 100% electric buildings. *Wednesday, February 26th, 2020, 2 - 5PM*

Meeting # 5. Final findings & recommendations for equity impacts and San Francisco's transition to 100% electric buildings. *Wed, March 25th, 2020, 1:30 - 3:30PM*

1. Technical and Regulatory Issues Breakout Discussion

Opportunities	Challenges	Recommendations
<ul style="list-style-type: none"> ● Replicate LIFT program of MCE (pairs non-energy incentives with energy incentives) – refer to Greenlining report ● CCAs as conveners/resources ● Lead with how to reduce bills not rates. While CA has expensive rates, people pay bills, and efficiency and other measures can reduce bills ● Reduce overall building energy use to reduce energy costs ● Opportunities in older buildings which are already in need of panel upgrades ● CCA providing no cost all renewable options to master metered buildings or buildings where solar is not feasible ● Collect information on capacity of houses from utility data to know which areas have extra electrical capacity and can be electrified cheaply ● Energy efficiency with electrification guidelines for engineers ● End of life equipment replacement ● Water neutral at same time? ● Can funding include admin and project mgmt costs? ● Redirect services to train tenants to be more mindful ● Education of future workforce and future maintenance workers, esp. for people with barriers to employment ● Utility allowance adjustments recommended 	<ul style="list-style-type: none"> ● Relocation costs and rigidity ● Passing benefit to building owner instead of just benefitting tenants ● Service upgrades (space, time) ● Technical know-how (lack thereof) within MF affordable organizations ● Development moves so fast and focuses on multiple funding deadlines, leaving little opportunity to introduce unnecessary complexity. Even if an efficiency/other component is included at the introduction of the project it can get dropped as a low priority when needing to meet funding-related deadlines ● Stacking rebates across agencies/programs, and cascading challenges when one funding source falls through ● Different cities have different policies ● Overwhelmed regulators ● Availability of funding electrification, need more ● Ensuring that bills go down, esp. for tenants; it won't save money if the technology isn't efficient ● Staging of work needed to minimize number of visits ● Customer/Tenant adoption of new technology ● Space requirements for tank-based water heater tenants ● Cost of equipment 	<ul style="list-style-type: none"> ● Financing: OBR ● Training and educating contractors and tenants ● Guidelines for engineers ● TOV, fuel-switching with cooling load ● Efficiency first ● Engage with restaurant community ● Contractor know-how ● Customer comfort: lead to all electric market ● Utility infrastructure data and mapping: PG&E ● Need better understanding: will replacing equipment upon burnout get to emissions reduction goals? ● Identify where gas pipes are aging and electrify some regions ● Life up examples of all-electric multifamily affordable properties ● See SFPUC CleanPowerSF as resource for projects that need panel/service upgrades ● Boston (in partnership with MIT) has mapped utility infrastructure, which is now used by the Boston Redevelopment Agency in long-range planning ● Have many different entities at the table, including universities and research ● Distribution and integration of electric and gas infrastructure ● Coordinate with EV charging work of PG&E and cities ● While rates rise, important to have bills go down ● Planning for future investments: can have technologies/components ready before infrastructure is ready ● All-electric ready ● Funding being available for infrastructure upgrades as programs only fund equipment ● Sonoma clean power has a storefront for electrification of single-family homes and has equipment lending library ● SMUD approach to electrification, has high customer satisfaction; SMUD owns all infrastructure (SFPUC shares services with PG&E)

2. Financing and Funding Breakout Discussion

Opportunities	Challenges	Recommendations
<ul style="list-style-type: none"> ● Public health benefits should be widely shared; partner with health care ● End of life systems in older buildings ● How can older buildings add newer technology? ● Achieve greater efficiency ● Workforce and job creation, provide contractor development assistance ● Grant: GreenPrint Partners? ● Engage manufacturers to subsidize or demo; provide midstream rebates ● Technical assistance ● Education on resources available to affordable housing developers ● Recapitalization and rehab's: layer incentives and rebates, target central systems (e.g. central hot water boilers) where the owner stands to see cost reductions and/or is willing to take performance risk ● Accessible and equitable funding options ● LIWP-type funding programs that have a GHG focus ● One-stop-shop: a clearinghouse of info and technical assistance resources ● Prioritize housing and tenants where asthma is prevalent ● Positive health impacts: partner more directly with health care industry ● Strengthen connection with resilience and disaster preparedness ● Studies on "payback" for tenants' health and cost savings (measure it), partner with university researchers, need concrete evidence ● Information on electrification upon permit application for equipment replacement. ● Older buildings with end of like systems ● Push to ZNE (zero net energy) ● Increase technology access ● NEEA financing 	<ul style="list-style-type: none"> ● Lack of labor standards for all the funding opportunities ● Lack of labor or labor too expensive for construction ● Cost to owners and limited budgets ● What does the increase in electrical demand do to the infrastructure? ● Master metered vs. tenant metered/clarity on what's funded + cost payback for each ● Need to factor in cost for future natural gas rate increases ● Staffing for project management and maintenance ● Upfront capital ● Adjust utility allowances to favor electrification ● Grant and program funds often clash with MOHCD and other loan agreements ● High cost of building new affordable housing ● Segmented incentives and program funding sources with different qualification requirements and restrictions, can be difficult to navigate. ● Different cost-effectiveness information, need more case studies especially how tenants are affected ● Limited staff capacity to explore, navigate, combine options ● Limited upfront capital ● Maintenance costs ● Potential uncertainty in energy markets and the impacts this will have on tenants ● Need federal financing for housing ● Potential to increase operating and/or O&M expenses ● Prevailing wage and labor standards - do they apply to all the funding sources or just government programs? ● Include natural gas rate increases and GHG emissions in cost models ● Utility distribution upgrades are high cost and time consuming 	<ul style="list-style-type: none"> ● Create an "ombudsman" for technical assistance to navigate different funding sources and programs ● Share real project cost and performance data ● Quantify health benefits of electrification to estimate monetary value, partner with org's like UCSF, foundations, affordable housing ● Think about future utility rates and alternative structures/tariffs that can favor electrification ● Advocate at fed and state level to increase funding for housing in general ● Reach out to maintenance staff ● Assess across entire building portfolio (TNDC approach) ● Ask the city to negotiate equipment, maintenance and service contracts, to lower cost

3. Tenants' Needs Breakout Discussion

Opportunities	Challenges	Recommendations
<ul style="list-style-type: none"> ● Pilot new technology/programs ● Energy Efficiency education for tenants ● engage residence to optimize time of rates to decrease owner paid cost ● overall improvement of life quality and safety ● feeling included (equity) not excluded ● better indoor air quality ● allow tenants/low-income communities to be a part of the clean energy transition ● supervisors will hold Town Halls to educate residents on behalf of electrification and to answer objective and to identify possible funding help ● bridge the gap/divide between everyday working people and decarbonization benefits ● system failure ● improving health ● engagement and awareness campaign ● utility allowances based on systems ● increase access to electricity ● ability to make electricity free ● battery storage for LMI communities ● upgrade to more reliable and effective infrastructure ● cheap homes can automatically work in reverse and provide air conditioning on hot days 	<ul style="list-style-type: none"> ● window replacement (planning department tenant coordination) ● pass-through cost of building electricity upgrades ● slow response to equipment failure if coordinating across multi-units ● with less demand gas prices may go up and it is bad for ratepayers who are left behind tenants don't have control over that choice ● funding ● impact of residence (scheduling for tenants, etc.) ● but can one of those things you could be mine cost passing a cost from landlords/owners to tenants (this work with deed-restricted housing) - master/ individual ● technical expertise and work for specifically for multi-family/deed-restricted affordable housing ● cost of heating of electricity versus gas ● displacement (even if temporary if work needs to be done in unit) ● education ● cultural traditions around gas ● will new equipment take up needed living space ● who is paying for this? ● Meter changes ● increasing heating-cooling cost ● blank of blank decision-making ● myths around gas versus electric cooking ● metering barriers ● wildfires ● top-down approach CDC's decarbonizing on behalf of tenants instead of Cooperative ownership practices (i.e. Community engagement, popular education, Workforce Development, Health and Wellness) ● most deed-restricted housing is under Hetch Hetchy ● updating tech in the right order to maximize efficiency ● weatherization for multi-family buildings 	<ul style="list-style-type: none"> ● Pairing electrification with efficiency ● engagement between tenants and owner ● education for all marketing new technologies programs not limited to tenant meters ensuring there are no unintended consequences for tenants ● ask tenants what their needs are ● Community demonstrations for energy-efficient or electric technology ● upfront with costs to tenants ● expand on tenant owner incentives ● should be held by the developers or a tenant lead group ● decide how building owners use savings ● partners for induction stove cooking ● ensure equity and process ● people should be centered at the beginning ● coordinator/EJ org/staff member reach out to tenants to discuss how the building is changing or updating ● don't approach buildings as a one-size-fit-all model ● holistic approach to electrification and Energy Efficiency programs ● programs using energy efficiency centered on equity ● take energy efficiency programs away from utilities to insure more community engagement ● incentivize property owners on induction stoves ● residents work with SFPUC to create a framework for programs