

## SAN FRANCISCO BUILDING DECARBONIZATION & EQUITY MEETING #3

### Single- and multi-family housing opportunities and challenges in the transition to 100% electric buildings

University of Public Works: 30 Van Ness Ave, Suite 3900, San Francisco, CA 94102

January 29, 2020

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

<b>2 – 2:15 PM</b>	<b>Introduction and Context Setting</b> <i>Purpose and Intention:</i> Rosa Gonzalez (Movement Strategy Center) <i>Climate and Equity:</i> Antonio Diaz (PODER) and Avni Jamdar (Emerald Cities SF)	<b>Lupe Arreola</b> , Tenants Together <a href="mailto:lupe@tenantstogether.org">lupe@tenantstogether.org</a>
<b>2:15 – 3 PM</b>	<b>Framing Climate Action, Electrification, and Housing</b> <i>Tenants' rights, challenges, and solutions:</i> Lupe Arreola (Tenants Together) <i>Residential electrification and climate action planning:</i> Rich Chien (SF Environment)	<b>Rich Chien</b> , SF Environment <a href="mailto:richard.chien@sfgov.org">richard.chien@sfgov.org</a>  <b>Antonio Diaz</b> , People Organizing to Demand Environmental and Economic Justice (PODER) <a href="mailto:adiaz@podersf.org">adiaz@podersf.org</a>
<b>3 – 3:50 PM</b>	<b>Discussions: Opportunities, Challenges, Recommendations</b> <i>Instructions:</i> Rosa Gonzalez <i>Small breakout groups:</i> Tenants, homeowners, landlords <i>Large group sharing and discussion</i>	<b>Rosa Gonzalez</b> , Movement Strategy Center <a href="mailto:rosa@movementstrategy.org">rosa@movementstrategy.org</a>
<b>3:50 – 4 PM</b>	<b>Closing and Next Steps</b>	<b>Avni Jamdar</b> , Emerald Cities San Francisco <a href="mailto:ajamdar@emeraldcities.org">ajamdar@emeraldcities.org</a>

### San Francisco Building Decarbonization & Equity Future Meetings

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

**Meeting # 5.** Final findings & recommendations for equity impacts and San Francisco's transition to 100% electric residential buildings. *Wednesday, March 25th, 2020, 2 to 4 PM*

[Register on Eventbrite!](#)

## 1. TENANTS

Challenges	Opportunities	Recommendations
<ul style="list-style-type: none"> <li>● A capital improvement passthrough of 100% of landlord costs and interest is possible when work is required by law</li> <li>● Preventing Ellis Act on renovated buildings (“Renoviction”)</li> <li>● Electrification is not a choice for tenants</li> <li>● Increased utility bills</li> <li>● Increased value of property can result in additional passthroughs for bonds assessed based on value</li> <li>● Capital improvement passthroughs to tenants</li> <li>● Construction can lead to temporary evictions and loss of peace and quiet</li> <li>● Translation is needed – not just languages, but also layperson wording</li> <li>● Framing for many tenants revolves around gas stoves. Also, cultural concerns around gas cooking capacity</li> <li>● Avoiding any rent increases for tenants – many already overburdened by rent</li> <li>● Avoiding tenant displacement during work</li> <li>● Upgrades to electrical equipment may trigger an increase in home and property tax to landlord which could be passed on to renter</li> <li>● Gas and electric rates are not one for one. How do we change utility rates?</li> <li>● Monthly power bills/costs</li> <li>● Landlord no longer pays for heat or utilities</li> <li>● Work and displacement; cost to do it</li> <li>● Often triggers additional work to be done at the same time; bigger project results in more disturbance to tenants</li> <li>● Bills post-fuel switching could go up if residents aren’t put on correct rate schedule (gas -&gt; electric heating)</li> <li>● Tenants have limited advocacy opportunities to push for electrification of their building</li> </ul>	<ul style="list-style-type: none"> <li>● Helping to prevent climate change</li> <li>● Rapid retrofit model (fully occupied during renovation)</li> <li>● Some additional work may benefit tenants</li> <li>● Create fund to refund tenants on passthroughs of capital costs</li> <li>● Electrical cooling is healthier for people and could lower healthcare costs</li> <li>● Passthrough restrictions a la SOMAH for projects that receive incentives</li> <li>● Hardship applications available for low-income tenants</li> <li>● Heat pumps can cool people as the world gets warmer (currently no AC in most SF homes)</li> <li>● Special protections for seniors (low-income) (Iris Canada example?)</li> <li>● Reduction in indoor air quality pollution</li> <li>● Cost savings</li> <li>● Overall building improvement for habitability</li> <li>● Reduction in GHG emissions -&gt; feel good individually</li> <li>● Offering revenue bond funding at reduced rates with CC&amp;R on rent increases/passthroughs/Ellis Act</li> <li>● Expanding EV infrastructure</li> <li>● Using tax reassessment waivers as incentives for renter protections</li> <li>● Transferring properties to land trusts for low-income BMR housing</li> <li>● Opportunities to improve student residential units</li> </ul>	<ul style="list-style-type: none"> <li>● Outreach to tenants in addition to landlords</li> <li>● Incentives change based on situation – who pays for bills</li> <li>● Rate design that considers master meter vs individually meter and all-electric vs gas initial costs</li> <li>● Neighborhood level retrofits with community buy-in opportunities</li> <li>● Meetings at neighborhood level</li> <li>● Clarify, research, and share current tools and protections available (e.g. hardship application from Rent Board, SOMAH models, don’t allow pass-throughs, etc.)</li> <li>● Kick off community engagement campaign with local CBOs to educate on energy and electrification issues/opportunities (empowerment model) – including schools and students</li> <li>● Connect electrification to rent stabilization</li> <li>● Engage schools and students</li> <li>● Integrate into conversations around resilient communities</li> <li>● Overall analysis of various tenant protection and landlord fair return laws to incentivize change, while protecting the interests of both landlords and tenants</li> <li>● Work with chefs to demonstrate electric based alternatives to gas</li> <li>● Long-term time frame for implementation so that appropriate changes and modification can be carried out. i.e. comp. for contractors’ modifications based on changing patterns, etc.</li> </ul>

<ul style="list-style-type: none"><li>● Tenants may not want to electrify due to cultural or personal reasons</li><li>● Cooking food on an open flame may be more important to certain cultures</li><li>● Utility bills could overall increase if heat pumps are not used or if house doesn't use a lot of space heating</li><li>● Tenants not able to stay at a property for a long enough period to experience energy savings (vs landlord)</li><li>● Distant and limited opportunities between tenants and landlords</li><li>● Fear of upgrade -&gt; displacement</li><li>● Reliability of electricity in a world of power shutoffs (PSPS)</li><li>● Temporary relocation/displacement during upgrades</li><li>● Not all tenants pay their own electric or gas bills or central heating. This means they may not benefit from electrification financially, but the property owner could still pass along improvement costs</li><li>● Retrofits that meet the intent not a simple "electrify" mandate<ul style="list-style-type: none"><li>○ Building envelope</li><li>○ Electrical system</li><li>○ Plumbing system</li></ul></li></ul>	<ul style="list-style-type: none"><li>● Senses of ownership/doing good to combat climate change from residents who aren't displaced</li><li>● Review passthrough change opportunities to pass minimal climate related costs to residents</li><li>● Neighborhood scale approach</li><li>● Education on issues can be opportunities to engage tenants, help people feel ownership; provide choice and active role in decision-making (increase pride, identity)</li></ul>	<ul style="list-style-type: none"><li>● Education/outreach efforts to allay electrification fears re: passthroughs, cultural concerns (e.g. hardship info)</li><li>● Programs include tenant assistance for Hardship application</li><li>● Use financing and property tax incentives to negotiate tenant protections re rent increases and waivers of Ellis Act rights</li><li>● Ensure permits conditioned on necessary building upgrades, especially building envelope (energy efficiency) and electrical systems</li></ul>
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## 2. LOW-INCOME HOMEOWNERS

Challenges	Opportunities	Recommendations
<ul style="list-style-type: none"> <li>● Upfront capital costs with unclear payback (esp. with possible electricity price increases as demand increases)</li> <li>● Other maintenance issues may take priority, i.e. leaking roof</li> <li>● Cross-cultural differences in neighborhoods between newer white residents who are making green upgrades, and longer-term immigrant communities who have made incremental/as-needed changes to their homes over time</li> <li>● If the city decides to pass an ordinance to ban gas in old buildings, that could push low-income homeowners to sell their homes</li> <li>● Even if there are state or city programs to support, easy application process is a must</li> <li>● Emergency replacements don't leave time for panel upgrades and installing 220v plugs</li> <li>● Outdoor space</li> <li>● Low-income homeowners don't have enough money to afford upgrades</li> <li>● Don't know about incentives, programs, subsidies, etc. due to lack of in-language and culturally competent outreach</li> <li>● Non-existent community education about climate change (dominant worldview type stuff...)</li> <li>● Privacy – close monitoring of energy use in housing could reveal personal information e.g. # of people living in building that could be violating occupancy/codes</li> <li>● Hard to ensure quality of equipment and contractors etc.</li> <li>● Construction dust etc.</li> <li>● Pollution/health/healthcare</li> <li>● Gentrification</li> <li>● If disruptive construction is necessary, could displace people temporarily</li> </ul>	<ul style="list-style-type: none"> <li>● Make energy cheaper, easier, cleaner</li> <li>● Prioritize low-income homeowners without making them guinea pigs (unforeseen consequences that can force them out of their homes) or laggards (left to bear the burden) → where is the middle/"sweet" spot?</li> <li>● Keep communities together + not displace</li> <li>● Innovative, creative, thoughtful ways to utilize group purchasing to bring down cost</li> <li>● Increase pride + roots to community</li> <li>● Streamline application process for low-income homeowners</li> <li>● Comprehensive approach to upgrading homes</li> <li>● Future-proof + resilient homes (what happens (what happens when the city changes rules that is out of reach/unaffordable for homeowners?)</li> <li>● Cooperative and/or neighborhood-scale supply can have cost benefits</li> <li>● Subsidies for appliances</li> <li>● Community wealth development</li> <li>● New jobs in building, educating, etc</li> <li>● Home upgrading subsidies to go with electrification</li> <li>● Resilience: building to deal with PG&amp;E</li> <li>● Some use for the removed gas equipment + appliances?</li> <li>● Holistic program design can help improve the health and safety of the house. It can also help improve efficiency and reduce energy bills</li> </ul>	<ul style="list-style-type: none"> <li>● Induction stove marketing – make it the luxury good instead of gas</li> <li>● Early education of the upcoming shift – we in this room know the policy changes coming, but other people today are unknowingly investing in gas appliances that will need to be replaced</li> <li>● Proactively update electrical panels and install 220v plugs so that after-emergency appliance replacement is easier</li> <li>● Put a local price on carbon, distribute proceeds equitably to cover electrification costs for low-income homeowners</li> <li>● Program to help low-income folks apply for subsidies</li> <li>● Timing: passing an ordinance <u>after</u> establishing programs to assist low-income people with the shift</li> <li>● Subsidies for the infrastructure and construction, not just equipment</li> <li>● Low-income rebates</li> <li>● Tax the rich</li> <li>● City ordinance to produce heat at 69F for all homes</li> <li>● Low-income free/cheap electricity</li> <li>● Socialize housing</li> <li>● Combustion permitting process</li> <li>● Have programs that homeowners in SF are eligible for</li> <li>● Align well with technologies, manufacturers, utilities so that infrastructure invested is built in a logical fashion + forward looking, as opposed to</li> </ul>

<ul style="list-style-type: none"> <li>● Impact of housing for future low-income homeowners</li> <li>● Current state of home (is it properly weatherized? Are there other mitigations that must be done?)</li> <li>● Current ability to pay/finance for home + future implications</li> <li>● Energy bill + upgrades (Access to finance, ability to stay in house)</li> <li>● Quality contractors that are trustworthy + act in interest of these homeowners that have more to lose</li> <li>● Investment of time/energy + availability for upgrades</li> <li>● Medical dependency on energy (in homes and formal/informal residential care facilities)</li> <li>● Time spent on process (coordinating with contractors)</li> <li>● Potential lack of access to banking products due to low credit</li> <li>● Title 24</li> <li>● Engineer – lack of will</li> <li>● TCAC – high costs tests</li> <li>● Resiliency – storage</li> <li>● System sizing</li> <li>● Funding</li> <li>● Increasing energy burdens to those who can't afford to electrify</li> <li>● Amperage supply, not enough supply</li> <li>● Unintended consequence: when everyone else is electrified the gas infrastructure becomes very expensive to maintain – a cost burden that will fall on those with remaining gas technology</li> <li>● History of product availability</li> <li>● Contractors and maintenance contractors</li> <li>● Long-term operating costs + resources for replacement</li> <li>● Utility allowance</li> <li>● Disparate reach codes</li> <li>● Staff training</li> </ul>	<ul style="list-style-type: none"> <li>● Talk about health benefits of gas-free homes: safety, indoor air quality</li> <li>● Health framing is more inclusive/accessible than a “climate” - alone framing</li> <li>● Improve the health and conditions of low-income people’s lives</li> <li>● Theory to practice: have a just transition, narrative and hands on practice</li> <li>● Living conditions</li> <li>● Short-term benefits</li> <li>● Involve housing departments like MOHCD</li> <li>● When talking about health, include costs as a stressor</li> <li>● Subsidy opportunity to replace old and aging infrastructure</li> <li>● Increase in property values</li> <li>● Comprehensive education around climate change for communities not currently thinking about it</li> <li>● More heat pumps needed in future: SF is getting hotter and will need more cooling systems</li> <li>● People tired of being sick</li> <li>● More flexible systems</li> <li>● Local wealth to share equity</li> </ul>	<p>pivoting in a totally new direction, leaving decaying infrastructure</p> <ul style="list-style-type: none"> <li>● Resilience needs to be included, don't want to lose ability to cook and heat homes</li> <li>● Pilot decarbonizing buildings (SF and MF) by leveraging multiple funding sources – study actual costs, gaps, and barriers, and fund the gaps</li> <li>● City needs a climate emergency plan with a climate emergency budget that keeps everybody in the lifeboat <ul style="list-style-type: none"> <li>○ SFE needs to be empowered to make it happen</li> </ul> </li> <li>● Identify the cases where the retrofit <u>will</u> payback, and let homeowners know that financing is available for zero-dollar-out-of-pocket upgrades</li> <li>● Tax the wealthy corporations to provide funding/money for electrification, not the community</li> <li>● Holistic program design, easy program application</li> <li>● Local community solar projects</li> <li>● Provide free technical assistance for low-income property owners</li> <li>● Guidance on how to be decarbonization-ready for property owners, residents, contractors, and engineers</li> </ul>
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### 3. LANDLORDS

Challenges	Opportunities	Recommendations
<ul style="list-style-type: none"> <li>● Where is the funding?</li> <li>● Maintenance costs?</li> <li>● Cost of project management?</li> <li>● Complexity of ownership structures → who benefits?</li> <li>● Not all landlords are the same; rent controlled (more complex) vs. not</li> <li>● Property value is not liquid</li> <li>● Not all homes are the same; older buildings are more complicated</li> <li>● Not all rentals are low income</li> <li>● Need whole building consultant</li> <li>● Permits simplification</li> <li>● Unknown PG&amp;E costs; increase power distribution to homes</li> <li>● Gas appliances warranties are longer</li> <li>● Technology of gas appliances is better</li> <li>● Cost of relocating tenants</li> <li>● No one place for expertise</li> <li>● Absentee landlords</li> <li>● Other deferred maintenance</li> <li>● Misinformation – findings, roles/mandates</li> </ul>	<ul style="list-style-type: none"> <li>● Increased property value</li> <li>● Educate homeowners</li> <li>● More resiliency</li> <li>● Tenant demands can drive competitiveness between tenants and owners</li> <li>● SF Apartment Owners Association can drive outreach</li> <li>● What do landlords want in exchange for electrification?</li> <li>● Segment the market – small, med, large</li> <li>● Jobs and development – educate, build</li> <li>● Better homes</li> <li>● T.O.D.</li> <li>● Lower utility cost</li> <li>● Priority of upgrades? Water heating first?</li> <li>● Anti-Displacement provision</li> <li>● Prioritize low-income renters and landlords</li> <li>● Ordinance is thoughtful</li> <li>● Survey prop. For knowing capacities of buildings</li> <li>● Point of sale</li> <li>● Simplify permitting</li> </ul> <p>Whole building auditor training</p>	<ul style="list-style-type: none"> <li>● Funding/Incentives</li> <li>● Get ahead of misinformation</li> <li>● Tell people where to start</li> <li>● Prioritize low income</li> <li>● Share successes</li> <li>● Ask people</li> <li>● Scale technology (cost)</li> <li>● Target different types of landlords</li> <li>● Educate people</li> <li>● Craft legislation that understands types of landlords</li> <li>● Thoughtful relocation</li> <li>● Train whole building consultants</li> <li>● Proactive communication campaign: invite landlord in conversation</li> <li>● Amplify job training opportunities</li> <li>● Streamline permitting processes</li> <li>● Develop policy with requirement at point of sale</li> <li>● Pass policy that does market segmentation: building type, low-income tenants, rent controlled</li> <li>● Anti-Displacement provisions</li> </ul>