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DECARBONIZING CALIFORNIA EQUITABLY: A Tenant-centered Approach

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Strategic Actions for a Just Economy (SAJE)



- Economic justice nonprofit founded in 1996, started with focus on worker co ops.
- Based in South Los Angeles
- Focused on housing for last 20 years, especially after 2008
- Community organizing and policy advocacy
- Membership-based
- Campaigns: Code Enforcement, Fareless Transit, Right to Counsel, Corporate Landlords, Social Housing

Tenant Rights and Anti-Eviction



Prevent arbitrary eviction and displacement, address landlord abuses.

- Right to Counsel
- Tenant Anti-Harassment Ordinance
- Just Cause for Eviction Ordinance

Equitable Land Use



Promote and defend land use that supports the existing community.

- Community benefit agreements (Staples Center)
- Bethune Library Campaign
- Incorporating tenant protections into land use incentives, such as: Executive Directive 1, TOC, CHIP.

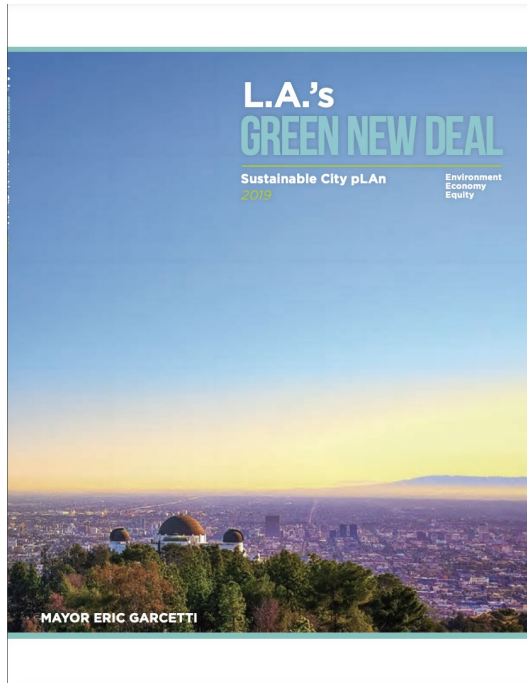
Climate and the Built Environment



Ensure that climate policy does not create unintended consequences for tenants. Make rental housing more climate resilient.

- Building Decarbonization
- Substantial Remodel
- Extreme Heat

How did SAJE get involved in decarbonization?



LA's Green New Deal set a goal to **decarbonize existing buildings** (both commercial and residential) by 2050.

How would this impact tenants?

Highlights from Focus Groups

Commissioned by the Climate Emergency Mobilization Office

“If he is going to install an appliance in the house, and it’s worth \$5,000, he is going to want me to pay \$2,500, which is not feasible for me. This is what they did here. They installed pipes underneath and each tenant had to pay \$500 and there are 30 tenants here.” - Betty

“First and foremost, to take out the heater that we have, we have a very old heater, and to put in one that is electrical, there is going to have to be construction. Where I live, everything is older.” – Gloria



61% reported having unpaid energy bills

32% of participants report having rental debt.

52% reported not having an AC unit in their home

56% reported not being able to afford one as the reason

78% reported having habitability issues in their home





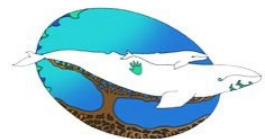
Los Angeles Building Decarbonization: Tenant Impact and Recommendations

Findings

Under existing laws, tenants could be exposed to:

- Substantial remodel evictions
- Rent increases for building upgrades
- Disruptive and illegal construction
- Constructive evictions via harassment, as landlords attempt to recoup costs

Los Angeles for Resilient and Healthy Homes Coalition



SACRED PLACES INSTITUTE
FOR INDIGENOUS PEOPLES



PUBLIC HEALTH
LAW CENTER
at Mitchell Hamline School of Law



Tenant-Centered Decarbonization

- Almost half (**45%**) of households in CA are renter-occupied
- **17 million** renters in the state
- Over half (**53.4%**) of all renters are rent-burdened and over a quarter are severely rent-burdened
- **500,000+** renters receive eviction notices each year
- **172,000** unhoused people in CA, and cost of housing is leading cause
- Shortfall of **1.3 million** affordable homes

Renters have a lot to gain from decarbonization

- Many live in old, energy inefficient housing
 - Outdated and lacks proper insulation
 - Inefficient systems and appliances
 - Deferred maintenance
- High energy bills
- Limited decision-making over home modifications
 - Inability to reduce energy burden
 - Lack of access to solar



Photo credit: [LAist](#)



But working-class tenants face unique challenges

- Fraught landlord-tenant dynamics
- Inadequate tenant protections
- No guarantee of long-term tenure

Landscape of Tenant Protections



LOCAL RSO TENANTS

Tenants are protected by rent-control measures implemented at the local level.



AB 1482 TENANTS

Tenants are protected by regulations established at the state level that set limitations on rent increases and evictions.



EXEMPT TENANTS

Tenants in buildings fewer than 15 years old as well as of other exempted properties are not protected.

Local Ordinances

Rent control ordinances may include provisions such as:

- Limitations on rent increases
- Just-cause eviction protections
- Allowable no-fault evictions

Often apply only to buildings constructed before the 1980s or 90s, **leaving newer properties exempt.** (Costa Hawkins Act)

Approximately 30 cities in California have rent stabilization ordinances, but **poor implementation has limited their efficacy.**



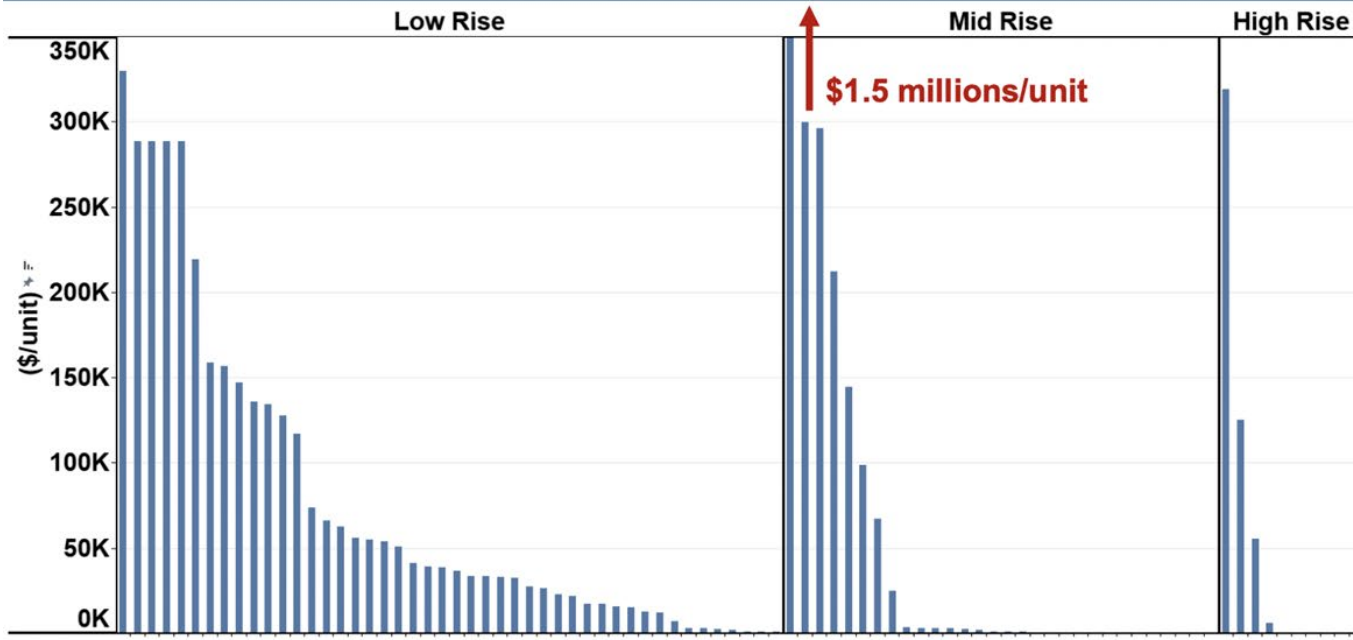
Challenge: Cost and Affordability

Who pays? Who benefits?



2023 research by Lawrence Berkeley National Lab

Project Costs by Unit and Building Type



Low Rise

- Mean \$ 47,456 /unit
- Median \$ 9,834/unit

Mid Rise

- Mean \$ 40,288 /unit
- Median \$ 862/unit

High Rise

- Mean \$ 50,730 /unit
- Median \$ 503/unit

Low Rise

Total units: 6,512

Mid Rise

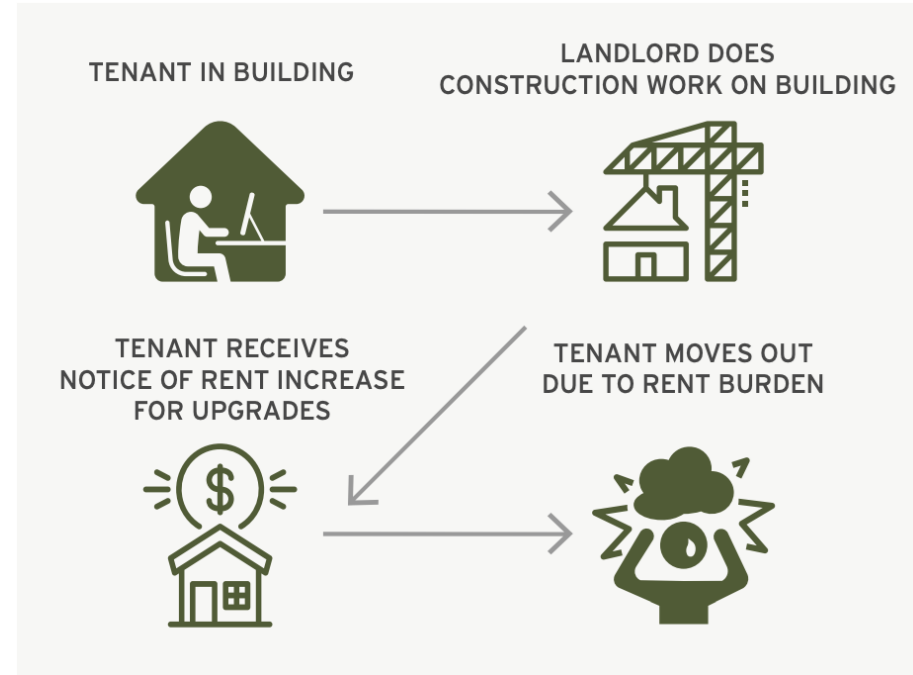
Total units: 2,678

High Rise

Total units: 1,831

Cost Recovery Programs

- Allowable rent raises for capital improvements (such as electrical panel upgrades and new appliances)
- Could lead to erosion of affordability, resulting in larger rent burdens for low-income renters, or worse, the inability to pay rent
- **Examples:**
 - **Los Angeles** – up to 100% of costs
 - **San Francisco** – 100% of costs
 - **Oakland** — up to 70% of costs
 - **Los Gatos** -- up to 100% of the cost
 - **San Jose** – specifical capital improvements for energy conservation, increase of 3%
- If a landlord is repairing or replacing an appliance they provided, they cannot pass those costs onto tenants. But, it's complicated.



Policy Example

LOS ANGELES: PRIMARY RENOVATION WORK PROGRAM

- ♦ Allows landlords to pass 100% of the cost of “primary renovation work” on to tenants.
- ♦ Qualifying work includes upgrading electrical panels or adding insulation.
- ♦ Costs are amortized over time, with the annual allowable rent increase capped at 10% on top of the allowable increases as specified in the local rent stabilization ordinance.

Construction-as-Harassment

- The unethical practice of using construction work to drive tenants out of their homes by making living conditions uncomfortable, loud, or dangerous
- Construction noise, dust, and hazards may make living conditions so unbearable and harmful to health and safety that tenants feel pressured to leave voluntarily



Construction as Harassment in Los Angeles

- 14-unit building, purchased for \$6,500,000 in 2021 by corporate-owner with 140+ properties
- Immediately took away parking, created divisions between tenants, started doing construction 8-5pm Mon-Sat that created plumbing issues, hot water shutoffs, dust and debris
- Construction was unpermitted
- Tenants were told it was for Seismic Retrofit Work, but owner included facade upgrades and renovation to vacant units
- 3/4 tenants moved out
- One tenant overheard:

“We will remove ACs and start construction in the summer and it’ll be so hot that they’ll move.”



Photo credit: Compass Real Estate

AB1482: California Tenant Protection Act

- Applies to buildings constructed more than 15 years ago
- Exempts single family homes that are not corporate-owned and owner-occupied duplexes
- Establishes just cause protections
 - No fault evictions for **substantial remodel**
- Caps rent raises at up to 10% annually



AB 1482 TENANTS

Tenants are protected by regulations established at the state level that set limitations on rent increases and evictions.

Substantial Remodel Provision

Substantial Remodel Provision: A loophole in AB 1482 that permits landlords to evict tenants in order to renovate a unit or building.

The remodel qualifies as **substantial** if it:

- Requires permits
- Takes 30 days or more to complete
- Necessitates that tenants vacate the unit for their own safety

Renoviction for Electrical Panel Upgrade in San Pablo

Background:

- **Location:** 14-unit complex, built in 1967
- **Purchased:** 2019

Key events:

- **Rent Increase:** Tripled rent before serving eviction notices.
- **Tenant Pushback:** Eviction notices served after resistance to the rent hike.

Renovation Claims:

- Bathroom and kitchen remodeling
- Replacing unsafe appliances
- Eliminating mold and termites
- Fixing outdated wiring and plumbing
- **Electrical panel upgrade would require power to be shut off for 30+ days**



Photo credit: [East Bay Times](#)

Tenant Protections in the Equitable Building Decarbonization Program



- Rent increases must be capped for 5 to 10 years.
- Property owners cannot evict for retrofits, or related activities, under the program.
- Construction projects should be completed within 30 days whenever feasible.

Ending Renovictions in Los Angeles



Tech

Getting Rid of Gas Stoves Could Lead to Mass Renovictions, Advocates Say

HOUSING

Report: Statewide effort to decarbonize buildings may lead to mass evictions, rent hikes

BY ANNA ALBANYAN | LOS ANGELES
PUBLISHED 4:30 PM PT NOV. 06, 2023

CORRECTION: This story has been updated to reference the substantial remodel loophole in the California Tenant Protection Act. (Nov. 8, 2023)

LOS ANGELES — An unprecedented effort to remove gas-powered appliances from California's apartment buildings could lead to a wave of evictions and rent hikes, according to a new report from SAJE.

What You Need to Know

- Starting in 2024, California will implement the \$1 billion Equitable Building Decarbonization Program to remove gas-powered appliances from low- and moderate-income households
- The program is part of a larger statewide effort to cut 85% of greenhouse gas emissions from across the state by the year 2045
- The City of Los Angeles is expected to roll out a similar decarbonization ordinance by 2024, that will have a goal of removing gas-powered appliances from residential and commercial buildings by the year 2050

Strategic Actions for a Just Economy policy directors say while the program is needed to combat climate change, it may have an unintended impact on the state's housing crisis — including in Los Angeles, where lawmakers expect to roll out a decarbonization policy by next year. The goal is to have zero-carbon apartments by the year 2050.

As it stands, tenants who fall under California's Tenant Protection Act are subject to a legal loophole called the "substantial remodel loophole," which puts them at risk of eviction.

Some tenants are already experiencing this, including Maria de Lourdes Mata, who has lived in the same two-bedroom apartment unit in Echo Park for nearly 35 years.

"All my children have grown up here, all my grandchildren," she says in Spanish. "We have lived here as if it is our house."

ACSON,
UESTRO HOGAR,
NO VENGAS A INTERRUMPIR
NUESTRA TRANQUILIDAD

THIS IS OUR HOME. STAY AWAY.

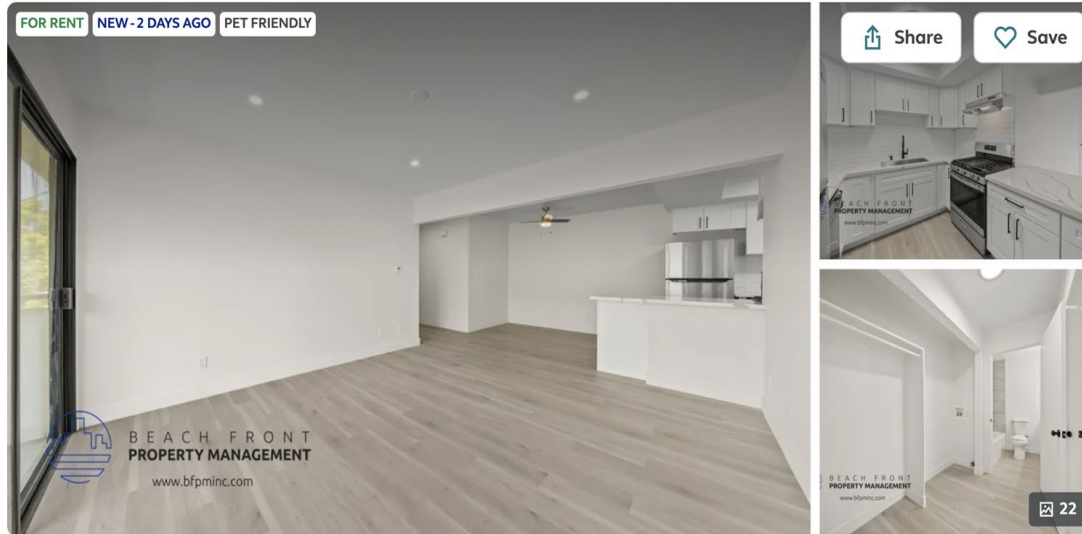
NO MORE RENOVICTIONS!

¡ALTO A LOS DESALOZOS!

Substantial Remodel Provision: A loophole in LA's Just Cause for Eviction Ordinance that permits landlords to evict tenants in order to renovate a unit or building.

Dishonest Renovictions

← [Back to Search](#) For Rent > [CA](#) > [Los Angeles](#) > [90026](#) > 1512 Mohawk St



1512 Mohawk St.

1512 Mohawk St

\$3,500/mo

[Contact This Property](#)

- Unit previously rented for \$800/mo.
- Work took under 30 days
- No permits pulled

Bad-Faith Renovictions

“... there are ways to get around statewide rent control and also in other municipalities what if for example your tenant is doing nothing wrong and you have this beautiful ocean view apartment and the rent is \$792 dollars? And you can't just ask a tenant to move under statewide rent control.

Well there is a really good reason to be able to have this tenant vacate and that will allow you to obtain market rent for your units. So what is that reason? That reason is if you want to renovate that unit.”



Landlord attorney Dennis Block is advising owners to use the substantial remodel provision to “beat rent control”

Renoviction in Los Angeles

April 2023
COVID
Moratorium
Ends

Dec 2023
LARHH takes on
this campaign

Oct 29 2024
LA voted to end
renovictions

May 2023
Immediate surge
in renovictions

Jan - Sep 2024
Educate councilmembers and
secure support

August 2025
Date by which permanent
ordinance must be
adopted



LA City Council Voted to End Renovictions!





MOTION

HOUSING & HOMELESSNESS

In 2019, the State of California adopted AB 1482 (Chiu) "The Tenant Protection Act," which provides statewide regulation of certain non-rent stabilized rental units, limiting the allowable annual rent increase to no more than 10 percent for buildings fifteen years or older, and not subject to Statewide Rent Stabilization. A major component of the Tenant Protection Act provides wide regulation for "just cause" evictions, including for what is known as "substantial remodel", which is defined as major structural, electrical, plumbing or mechanical system work lasting 30 or more days and requiring local permits. Like the Tenant Protection Act, the City's Just Cause Ordinance (JCO) qualifies "substantial remodel" as a "no-fault" eviction in which a tenant in good standing can be evicted if the unit requires permitted work and the building owner self-certifies that the work will require 30 days or more to complete.

The City's Rent Stabilization Ordinance (RSO) provides protections for tenants from evictions for units undergoing substantial remodel through the Tenant Habitability Program (THP). THP was adopted in 2005 (LAMC § 152 et seq) and requires building owners with units subject to RSO who need to substantially remodel a unit to temporarily relocate impacted tenant(s) while requiring the tenant(s) to continue paying rent to maintain tenancy while temporarily relocated and the remodel work is completed. The THP requires the building owner to submit a Tenant Habitability Plan to the Los Angeles Housing Department, and requires the agreement of the tenant to execute the Tenant Habitability Plan which includes cost recovery for the remodel work.

The THP is an important tool for displaced tenants in RSO units to maintain tenancy and to enable the right to return to the remodeled unit. The JCO enables "substantial remodel" as a reason to evict a tenant and the City should take steps to further protect tenants from this no-fault eviction by eliminating LAMC 165.03 (1.2) from the JCO. Although substantial remodels are sometimes necessary, it should not be a reason to evict a tenant from their home, and tenants should have the right to return and maintain their tenancy.

The Los Angeles Housing Department, in collaboration with the City Attorney, should report to Council with options to amend LAMC 165.03 (1.2) the City's Just Cause Ordinance, in order to provide further eviction protections for tenants in units undergoing substantial remodel, and report with an urgency clause to immediately end this eviction practice.

I THEREFORE MOVE that the Los Angeles Housing Department (LAHD), with the assistance of the City Attorney, report with recommendations to amend the Just Cause for Eviction Ordinance, LAMC 165.03 by removing the Substantial Remodel clause (LAMC 165.03 (1.2)), and replace with a method for tenants to maintain tenancy during a "substantial remodel" wherein a tenant continues paying rent while a substantial remodel takes place, such as through a Tenant Habitability Plan (THP), for those renters impacted by eviction proceedings currently done as "substantial remodel", and include other protections for renters subjected to this provision such as verification of "self-certification" of the substantial remodel work.

OCT 08 2024

Renters' Right to Cooling in Los Angeles



**We need decarbonization without
displacement!**