

DOCKETED

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HEEHRA Community Benefit Plan Comments

Additional submitted attachment is included below.



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July 26, 2024

California Energy Commission
Re: Docket No. 23-DECARB-01
Via Electronic Commenting System

Re: Docket No. 23-DECARB-01 – Strategic Actions for a Just Economy Comments Regarding the California HEEHRA Phase I Draft Community Benefits Plan

Thank you for the opportunity to provide comment on the Home Electrification and Appliance Rebates (HEEHRA) Community Benefits Plan. We appreciate that the California Energy Commission (CEC) is developing strategies to engage community partners, support a quality workforce and advance equity in the rollout of HEEHRA funds. While we support these commitments, we also urge the Commission to center low-income tenants in these efforts and outline approaches to engaging and protecting renters.

Low-income and BIPOC renter households tend to live in older, energy-inefficient housing with outdated appliances, habitability concerns and little protection from extreme weather events. These conditions create health problems and energy burdens, and renters usually lack the resources and autonomy to make home upgrades that could remedy such issues. Programs like TECH Clean California funded by HEEHRA have the potential to provide relief, but low-income tenants will only be able to enjoy the benefits of electrification if they are adequately protected from rent increases and displacement related to retrofitting work. Consideration must also be given to the need for home remediation beyond electrification as well as the risk of worsening utility burdens due to electrification.

To address these concerns, we recommend amending the Community Benefits Plan in the following ways:

1. Advocate to strengthen HEEHRA tenant protections to align with the Equitable Building Decarbonization (EBD) program guidelines.

The Department of Energy's HEEHRA guidelines are the minimum requirements that owners who receive HEEHRA funds must adhere to, but ideally the TECH program funded by HEEHRA would include strengthened protections to more effectively safeguard tenants. The CEC's Equitable Building Decarbonization (EBD) program guidelines serve as an example of how tenant protections can be incorporated into decarbonization programs to provide long term housing security to tenants. The

protections outlined in the EBD guidelines should be made consistent across the state's decarbonization programs to standardize protection for tenants who have no control over where property owners receive decarbonization funding from and whether those funds have strong protections attached to them.

The CEC should advocate for the following protections in the Community Benefit Plan:

1. A 3% rent cap for 5-15 years for privately-owned housing and extension of deed restrictions for deed-restricted affordable housing.
2. Protections against eviction for reasons other than nonpayment of rent (where the owed amount must exceed one month of Fair Market Rent [FMR] for the respective unit size), illegal activity, or severe nuisance.
3. Tenant relocation safeguards, including avoiding the need for temporary displacement, allocating funds for temporary relocation when absolutely necessary and establishing a Right to Return policy.
4. Regulations that minimize disruptive construction, such as the provision of health and safety assessments, advance notice about construction projects and limitations on hours during which construction can occur.
5. Establishment of enforcement mechanisms and penalties as discussed under recommendation #2.

2. Provide clarity on how tenant protections will be enforced.

HEEHRA guidelines require that owners agree not to evict tenants to obtain higher rent tenants based upon improvements or increase the rent of tenants as a result of improvements (with exception of increases to recover actual increases in property taxes and/or specified operating expenses and maintenance costs) for two years following receipt of rebates. The guidelines also require the establishment of enforcement mechanisms and penalties that are clear and sufficient to act as a deterrent for owner violations and provide for damages and attorney's fees recoverable by tenants, as well as a specific and verifiable mechanism in place for providing tenants with written notice of their rights and their building owner's obligations. In the event of owner noncompliance, the owner must refund the rebate.

While the HEEHRA guidelines on tenant protections are weak, they are the baseline that owners who receive HEEHRA funds must adhere to. Accordingly, the Community Benefit Plan should outline how the TECH program plans to enforce these protections. We recommend that the TECH program create legally binding Program Participation Agreements that outline the rights of tenants, responsibility of owners and the penalties associated with owner noncompliance, including but not limited to repayment to the TECH program and payment to tenants in cases where harm was incurred due to agreement violations. The program should also work with CBOs and Community Ambassadors to conduct outreach and education to tenants to inform them of their

rights and options for recourse if their rights are violated. Lastly, the TECH team should establish an enforcement division in collaboration with CBOs and Community Ambassadors that can provide ongoing hotline support to tenants, investigate incidents of owner noncompliance, and conduct proactive outreach to tenants after project completion to ensure that protections are being adhered to.

3. Explicitly include tenants as a community group that the CEC aims to prioritize for HEEHRA Phase I outreach and develop more clarity around how they will be engaged.

Renters are not currently listed as a community group that the CEC aims to prioritize for HEEHRA Phase 1 implementation. Though there is brief mention of providing resources on renter protections to owners under section IV. Multifamily Rental Property Owners and Managers, there is no discussion of how the information and materials received by property owners will reach tenants. It is not only important from an equity perspective that tenants receive a written notice of their rights and their building owner's obligations, but also a requirement in the HEEHRA guidelines. These notices should be written in plain language, translated into multiple languages spoken throughout California and sent to tenants periodically (for example, every six months). Tenants should also be provided with information regarding the expected scope of work in their building, potential impacts of the retrofit and how to operate new technologies.

Engagement with tenants and tenant advocates before, during and after program implementation is also a critical component of collecting feedback—both for Phase 1 funding and future iterations—that does not skew towards benefiting property owners. Tenants will be directly impacted by any retrofit work that occurs in occupied buildings, and thus must be included in conversations regarding the design and assessment of the TECH program funded by HEEHRA. Engagement opportunities for tenants and tenant advocates should be compensated.

4. Address concerns raised by the Low-income Ambassador Program (LIAP) regarding the need for remediation funds and barriers to affording to operate equipment installed through the TECH program funded by HEEHRA.

We appreciate that the LIAP participants raised concerns about remediation and financial barriers to equipment operation; these concerns are well aligned with the reality of our members who struggle with habitability issues and high energy bills. Findings from the [Revalue.io Quick Start Grant](#) in Oakland also demonstrate that remediation of home health hazards and reduction of energy burden are top priorities for low-to-moderate income households and electrification efforts will not be embraced if these issues are not also addressed. The EBD program model—which earmarks funding for remediation and supports holistic home retrofits—should be replicated across state decarbonization programs.

At a minimum, the Community Benefit Plan should direct the TECH program to work with property owners and tenants to stack funding from other programs that support home remediation, address code violations and promote energy efficiency. The TECH program should also collaborate with CBOs and Community Ambassadors to promote and register tenants for utility discount programs to avoid further utility burden related to electrification.

We look forward to continuing our collaboration with the CEC and welcome further discussion on how to reach and protect tenants through the TECH program funded by HEEHRA.

Sincerely,

Chelsea Kirk
Director of Research and Advocacy
Strategic Actions for a Just Economy