California Housing Partnership

California's Experts on Affordable Housing Finance, Advocacy & Policy

PATH FORWARD: GETTING TO ZERO CARBON EQUITABLY

Srinidhi Sampath Kumar

Sustainable Housing Policy and Program Manager

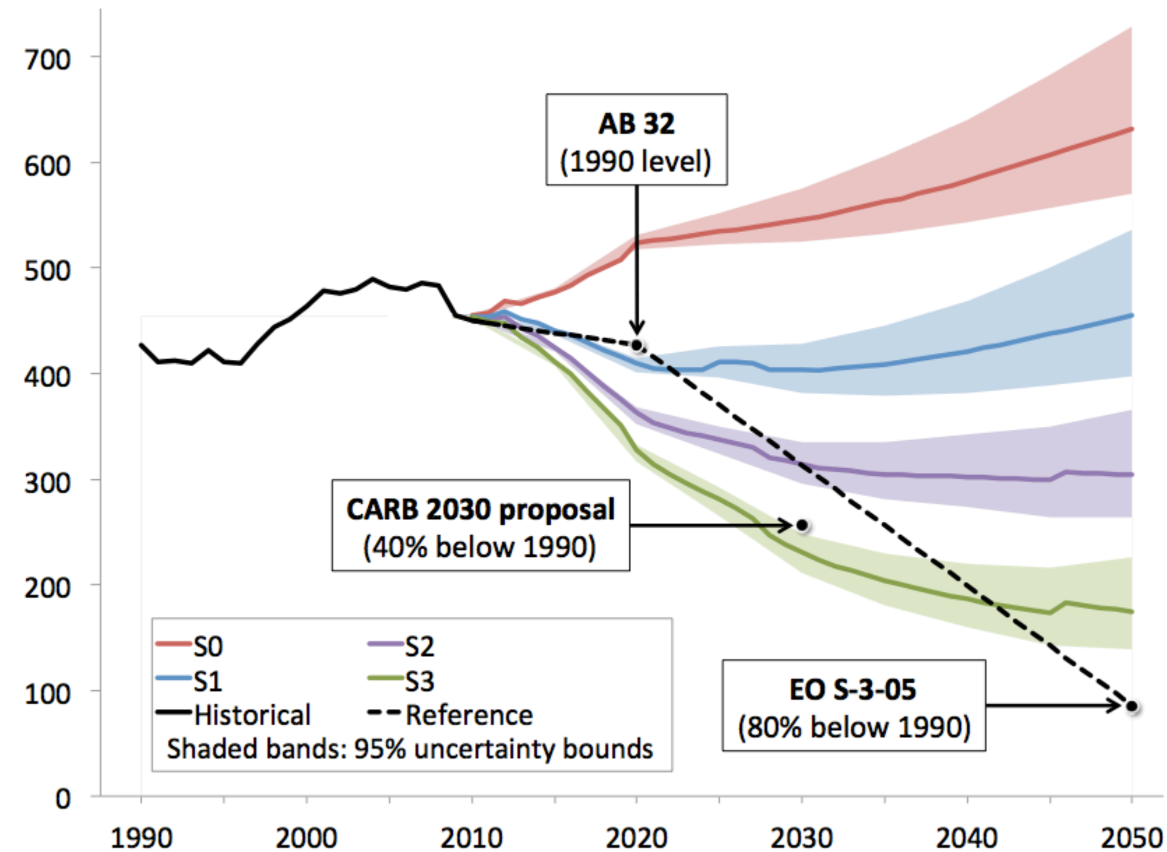
ssampath@chpc.net

Aug 27th, 2020

Why electrify?

Why electrify?

- California committed to reducing GHG emissions 80% by 2050
- To reach carbon neutrality by 2045, all buildin gs will need to be **all-electric**



Why electrify?

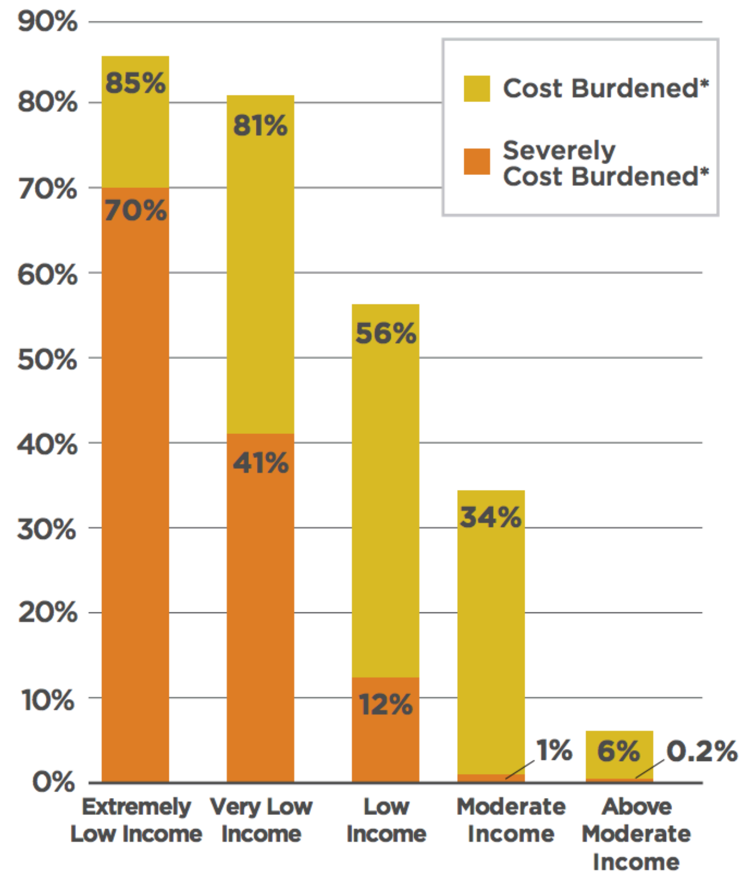
- Gas infrastructure, stranded assets
- Considerable increase in gas rates
- Health concerns
- Increasing climate related emergencies
- Programs and incentives that support electrification in low-income multifamily buildings but largely for existing buildings

What are we waiting for then?

THE BAY AREA NEEDS 235,646 MORE AFFORDABLE RENTAL HOMES

Source: *NLIHC analysis of 2017 PUMS data for Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara and Sonoma counties. California Housing Partnership analysis of 2016-2017 PUMS data for Marin, Napa, and Solano counties.*

LOWEST INCOME HOUSEHOLDS ARE DISPROPORTIONATELY AND SEVERELY COST BURDENED



Source: *NLIHC analysis of 2017 PUMS data for Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara and Sonoma counties. California Housing Partnership analysis of 2016-2017 PUMS data for Marin, Napa, and Solano counties.*
**Cost burdened households spend 30% or more of their income towards housing costs. Severely cost burdened households spend more than 50%.*

Housing Financing Landscape and Other Costs Considerations

THE BAY AREA'S LOW INCOME HOUSING TAX CREDIT PRODUCTION AND PRESERVATION DECREASED BY 32% FROM 2016-2018

STATEWIDE

TYPE	2016	2018	% Change
New Construction	9,285	9,373	1%
Acquisition & Rehab	15,032	9,430	-37%
All	24,317	18,803	-23%

BAY AREA REGION

TYPE	2016	2018	% Change
New Construction	3,055	2,856	-7%
Acquisition & Rehab	5,016	2,630	-48%
All	8,071	5,486	-32%

**Bay Area includes Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma counties.*
Source: *California Housing Partnership analysis of 2016-2018 CA Tax Credit Allocation Committee data.*
Note: *The data does not include manager or market rate units created through the LIHTC program.*

- Federal and State housing funds drying up
- Construction costs + operating expenses + replacement reserve
- Difficulty in reaching economies of scale
- Utility Allowance versus rent increases (who bears the costs?)
- However, may incentivize less consumption especially in previously master metered properties

Other Challenges

- Developer size
- Property size
- Portfolio region and disparate local reach codes
- Maintenance staff and vendors
- Availability of equipment that have operating history, contractor availability and experience, willingness of the team
- Equipment challenges: central domestic hot water and laundry systems
- Resilience during shut offs and storage issues
- System Sizing issues

Recommendations

- T24 and housing program alignment
- Increased Technical Assistance
- Just more funding (like SB 1477)
- Guidance document for property managers on how to be decarb ready
- Training: residents, contractors, engineers
- Fast- tracking permits both from utilities and code enforcement
- Pilot decarb buildings in different regions and track costs gaps
- Align goals of providing affordable housing and electrification
- CHPC Convening

Resources

- California Housing Partnership Housing Needs Assessment and Who Can Afford to Rent in California's Many Regions https://chpc.net/resources-library
- Equitable Building Electrification: A Framework For Powering Resilient Communities

https://greenlining.org/publications/reports/2019/equitable-building-electrification-a-framework-for-powering-resilient-communities/