



**California
Housing
Partnership**

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

PATH FORWARD: GETTING TO ZERO CARBON EQUITABLY

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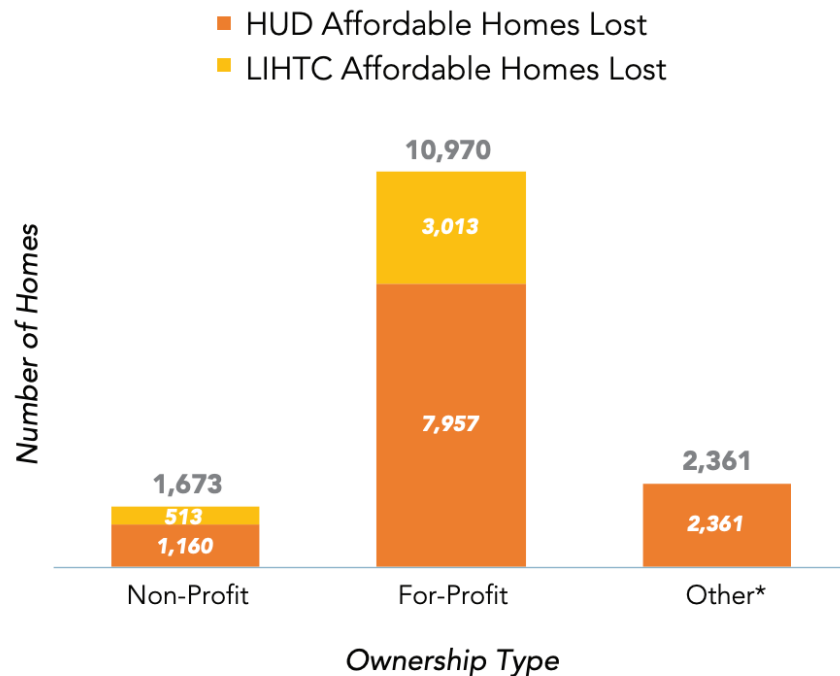
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Housing Financing Landscape and Other Costs Considerations

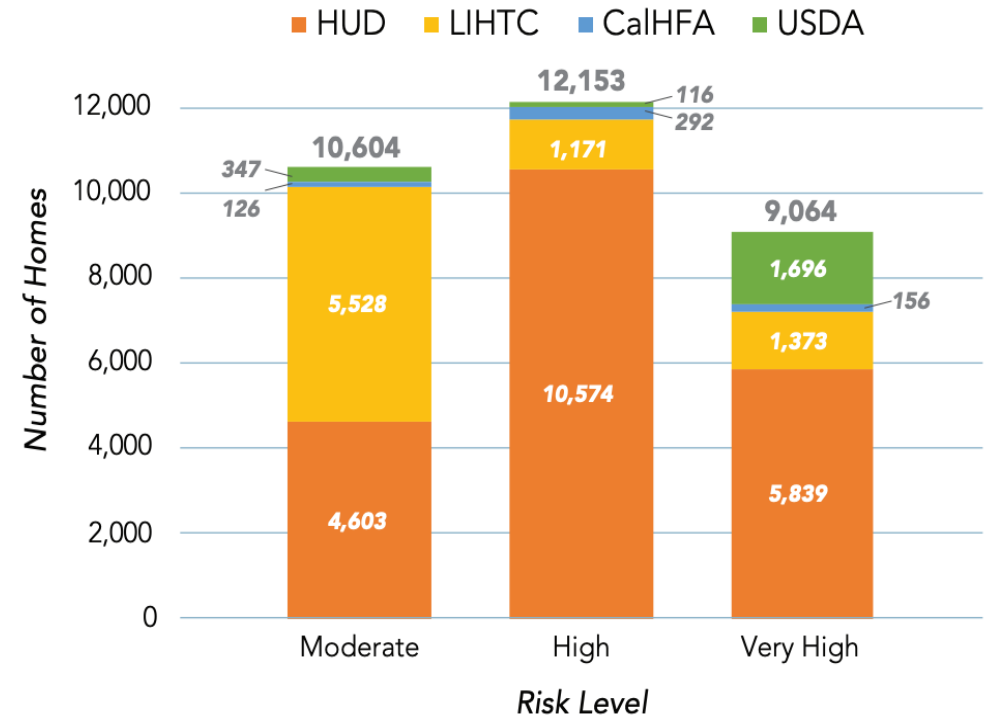
Loss of Affordable Rental Homes by Ownership Type, 1997-2019



Source: California Housing Partnership Preservation Database, January 2020.

**"Other" includes homes owned by limited dividend organizations, other ownership structures, or ownership is unknown.

Affordable Rental Homes at Risk in California



Source: California Housing Partnership Preservation Database, January 2020.

Housing Financing Landscape and Other Costs Considerations

SINCE 2016, LOW-INCOME HOUSING TAX CREDIT (LIHTC) PRODUCTION AND PRESERVATION IN CALIFORNIA IS DOWN BY 13%

STATEWIDE

Type	2016	2019	% Change
New Construction	8,539	7,813	-9%
Acquisition & Rehabilitation	15,032	12,686	-16%
All	23,571	20,499	-13%

Source: California Housing Partnership's:2020 California Affordable Housing Needs Report

- Federal and State housing funds drying up
- Construction costs
- Operating expenses + replacement reserve

From an affordable housing developer to an architect

Email from client for a 100% supportive, formerly homeless, master-metered housing project

“I literally have no additional funds to improve energy efficiency or even to buy the solar equipment we show now. So if this results in any additional cost at all, it’s not achievable. I’m sorry but the focus of this project is 100% on first cost. And I really do not have the time or bandwidth to try to change the [funder’s] focus on 1st cost to savings over time.”

Challenges

- Developer Size and Experience
- Property type
- Portfolio region and disparate local reach codes
- Maintenance staff and vendors
- Contractor availability and experience
- Disconnect between designers, engineers and changing policies
- Availability of equipment that have a track record

Other Challenges

- Equipment challenges: central domestic hot water and laundry systems
- Resilience during shut offs and storage issues
- System Sizing issues
- Costs of infrastructure upgrades and transformer sizing

Recommendations

- Update T24 to remove any electrification barriers
- Remove silos between housing and energy programs
- More reliable and stable funding for programs that work
- Pilot building decarbonization in different regions and track costs gaps
- State-wide cost impacts study on both new and existing affordable housing to inform incentive programs

Recommendations

- Education:
 - Guidance document for property managers on how to be decarb ready
 - Resident training and user experience
 - Contractor training and approved contractors list
 - Training code enforcement officials
 - Lender training on costs to savings over time
- Keep focus on core goals of providing affordable housing