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DECARBONIZING CALIFORNIA EQUITABLY:

A Guide to Tenant Protections
in Building Upgrades/Retrofits
Throughout the State

SAJE

STRATEGIC ACTIONS FOR A JUST ECONOMY



ACKNOWLEDGMENTS

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ABOUT SAJE

Strategic Actions for a Just Economy (SAJE) is a 501(c)(3) nonprofit organization in South Central Los Angeles that builds community power and leadership for economic justice. Founded in 1996, SAJE focuses on tenant rights, healthy housing, and equitable development. We believe that everyone in Los Angeles, regardless of income or connections, should have a voice in creating the policies that shape our city, and that the fate of city neighborhoods should be decided by those who dwell there in a manner that is fair, replicable, and sustainable.

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KEY TERMS

AB 1482: This state law, also known as the Tenant Protection Act of 2019, imposes a limit on annual rent increases and sets just-cause eviction protections for tenants in most buildings built prior to 15 years ago.

BUILDING ENERGY PERFORMANCE STANDARD: A regulation that sets requirements for building energy efficiency and performance to reduce energy consumption and greenhouse gas emissions.

CAPITAL IMPROVEMENTS: Upgrades made to a property that increase its value or prolong its useful life. These improvements are typically more substantial and long-lasting than essential repairs, such as fixing leaks or conducting pest or mold abatement.

COMMUNITY-BASED ORGANIZATION (CBO): A nonprofit dedicated to serving the needs and interests of a specific community or group of people. CBOs often advocate for public policy, provide charitable services, and advocate for community wellbeing.

COMMUNITY LAND TRUST (CLT): A nonprofit that acquires and holds land for the benefit of the community. CLTs keep the ownership of the land separate from the ownership of the buildings on it, making housing permanently affordable for low-income residents.

CONSTRUCTION-AS-HARASSMENT: The unethical and, in many cities, illegal practice of using construction work to drive tenants out of their homes by making living conditions uncomfortable, loud, or dangerous. Landlords employ this tactic to coerce tenants into voluntarily vacating the property in order to sidestep the formal, legal eviction process.

CORPORATE LANDLORDS: For-profit companies that own and manage residential rental properties. These corporations are beholden to their investors, who expect a continuous flow of profit from the properties.

COSTA-HAWKINS: A California state law enacted in 1995. Under Costa-Hawkins, cities are restricted from implementing vacancy control, the strongest form of rent control, on residential buildings.

COST-RECOVERY PROGRAM: A program or mechanism through which landlords can recover expenses incurred due to capital improvements, often through rent increases.

DEED RESTRICTION: A legal obligation, imposed on the property owner, to designate a specific number and category of rental units for households with extremely-low-, very-low-, low-, or moderate-income levels for a set period of time, typically between 30 and 55 years. This restriction is tied to the property itself and is binding on all present and future owners until it expires. Deed restrictions are also known as covenants.

ELLIS ACT: A California state law enacted in 1985 that allows landlords to evict rent-stabilized tenants for: owner move-in, condominium conversion, redevelopment, and removal of the unit from the rental market.

JUST-CAUSE EVICTION: An eviction that requires the landlord to have a valid, legal reason to initiate, such as nonpayment of rent or a lease violation.

LOW-INCOME HOUSING TAX CREDIT (LIHTC): A federal program that provides tax credits to incentivize private investment to develop subsidized affordable housing for low-income households.

MISSION-BASED AFFORDABLE HOUSING PROVIDERS: Nonprofits that provide affordable housing options in order to address the needs of specific communities, often low-income or marginalized groups.

NO-FAULT JUST-CAUSE EVICTION: A legal eviction not caused by wrongdoing on the tenant's part, often permitted as an exception to the prevailing rent stabilization law. These evictions typically occur when the landlord wants to reclaim the property for personal use or remodel or repurpose it.

OWNER MOVE-IN EVICTION: An eviction that occurs when a landlord intends to move themselves or a close family member (e.g., a spouse, child, or parent) into the unit. The occupant replacing the tenant must use the unit as their primary residence.

PRIVATE MARKET HOUSING: Properties that are owned and operated by private individuals or entities rather than by government or nonprofit providers.

RELOCATION ASSISTANCE: Financial support provided to tenants who are displaced from their homes due to renovations, demolitions, or conversions in order to help them find new housing.

RENOVICTION: An eviction that occurs when a landlord forces a tenant from their home in order to carry out renovations.

RENT BURDEN: When the percentage of a household's income spent on rent exceeds 30%, according to the U.S. Department of Housing and Urban Development. Severe rent burden occurs when a household spends more than 50% of their income on rent.

RENT CAPS: Regulations that limit annual rent increases, typically instituted to protect tenants from excessive rent hikes.

RENT STABILIZATION ORDINANCE (RSO): A regulation that limits the amount and frequency landlords can increase rents on residential properties and establishes eviction protections. Rent stabilization aims to protect tenants from significant and abrupt rent hikes.

RIGHT TO COUNSEL: A codified program to ensure that tenants who are facing eviction have the right to an attorney in eviction court.

SLUM HOUSING: Poorly maintained and substandard housing characterized by overcrowding, a lack of basic amenities, and little to no consideration for tenant safety and health.

TENANT HABITABILITY PLAN: A plan developed to ensure that rental properties meet specific health and safety standards during construction.

TENANT HARASSMENT: Actions taken by landlords to intimidate, threaten, or create difficult living conditions for tenants with the intention of pressuring them to leave the property.

TENANT RELOCATION: The process of moving tenants from one housing location to another, often due to redevelopment, renovation, or the demolition of their current housing.

UNLAWFUL DETAINER: The legal term for an eviction.

VACANCY DECONTROL: A regulation that allows the landlord to set a new rental price once a rent-stabilized unit is vacated.



I. INTRODUCTION

Residential building decarbonization measures are vital to addressing climate change. However, such measures can lead to eviction, harassment, rent burden, and the displacement of working-class renters if the right safeguards are not in place. Evictions and displacement not only destroy lives, families, and communities, they perpetuate sprawl and increase carbon emissions, undermining California’s ability to achieve meaningful greenhouse gas reduction targets.

This report provides a framework for thinking about how to integrate tenant protections into California’s residential building decarbonization efforts so as not to worsen the state’s affordable housing and houselessness crises. It is intended for policymakers and advocates who may not have expertise in housing policy or tenant rights issues. It outlines some of the challenges California renters face, and it includes an overview of the legal protections they currently have. It also recommends ways to mitigate harms that may inadvertently be caused by the implementation of residential building energy performance standards, reach codes, and incentive programs.

Note that this report focuses on problems and solutions for the private rental housing market. It does not provide recommendations for subsidized affordable housing, owner-occupied housing, or government-owned housing.

DEVELOPING A TENANT-CENTERED APPROACH TO DECARBONIZATION INVOLVES:

- ◆ Understanding the Housing Crisis
- ◆ Understanding Tenant Protections
- ◆ Engaging Low-Income Tenants and Tenant Advocates
- ◆ Developing a Comprehensive Tenant Protection Plan

II. UNDERSTANDING THE HOUSING CRISIS

California is facing a housing affordability crisis. As a consequence, many low-income tenants are stuck in substandard living conditions, are severely rent burdened, and are at risk of displacement and homelessness. The increase in the corporate ownership has compounded the affordability crisis, as rent-stabilized housing stock has been repurposed for wealthier renters and homeowners. The state is also grappling with a significant homelessness crisis, with over 171,000 unhoused residents.¹

Almost 17 million California residents rent,² making it the second-largest renter state in the U.S.³ Over half of these renter households are low-income as defined by the U.S. Department of Housing and Urban Development.⁴ Additionally, there is a statewide shortfall of 1.3 million affordable homes for low-income renters.⁵ Meanwhile, median rent has surged by 38% since 2000, while median renter household income has risen by only 7%.⁶ As a result, 79% of extremely-low-income renter households in California spend more than half of their wages on housing costs, compared to 6% of moderate-income renter households.⁷

The California constitution's prioritization of private property rights and emphasis on homeownership has meant that tenants throughout the state historically have received limited legal protections in the forms of rent stabilization, habitability laws, and limits on eviction. Even where these protections exist, there has often been little to no enforcement. Over the past several decades, tenant rights advocates have tirelessly fought for more robust renter protections.⁸ The COVID-19 pandemic spurred a round of local, mostly temporary emergency protections that froze rent raises and rental debt repayment and limited evictions. Now that these protections have expired or are expiring, working-class tenants are once again feeling the effects of the affordability crisis in the form of higher rents and rising rates of evictions and homelessness.

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A. The Eviction Crisis

Each year, more than half a million renters in California receive eviction notices.⁹ Being evicted makes it harder to find and keep a job, to vote, to access services like education and healthcare, and to provide a stable environment for children. Eviction deepens racial inequality, disproportionately affecting Black and brown renters and limiting the socio-economic mobility of individuals and families for generations.¹⁰ Studies have also shown how evictions increase rates of homelessness.¹¹

Eviction is a legal process that can be complex and confusing; many tenants, especially non-English speakers, have a hard time navigating the court system in the five days they have to answer an unlawful detainer. Nationwide, over 80% of property owners have legal representation to guide them when they appear in eviction court, while fewer than 3% of renters have the help of an attorney.¹² In fact, almost half of eviction court cases in Los Angeles County end in default judgments—meaning thousands of tenants lose their homes every year because they don't properly respond to the paperwork and/or appear in court, and not because they are in violation of their rental agreement.¹³

Eviction protections for California tenants vary from city to city. Many cities allow evictions when the landlord wishes to move in or repurpose or renovate the property or unit. Decarbonization work that leads to rent increases that low-income households cannot afford or to buildings that are unsafe for tenants to live in, even temporarily, will trigger more evictions.

B. Weak Rent-Stabilization Policies and Costa-Hawkins

The state's patchwork landscape of weak rent stabilization policies must be considered when assessing the effects of decarbonization on the private rental market. Rent stabilization ordinances have been passed in approximately 30 cities in California, but poor implementation has limited their efficacy.

Because most cities do not have rent stabilization ordinances—even large cities like Fresno—many tenants in California are subject to arbitrary rent increases and eviction. What policies do exist are undermined by the Costa-Hawkins Rental Housing Act of 1995, which prohibits vacancy control laws throughout the state. This prohibition allows the landlord to reset the rent to market rate once a tenant has vacated their rent-stabilized unit. Costa-Hawkins thus incentivizes landlords to displace tenants, sometimes by using illegal tactics that fly under the radar of housing department regulators, to raise rents. The law also exempts single-family homes and condominiums as well as residential buildings constructed after 1995 from local rent-control laws.

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The state's patchwork landscape of weak rent stabilization policies must be considered when assessing the effects of decarbonization on tenants in the private rental market.
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C. Tenant Harassment

Harassment is a prevalent issue in areas with weak rent stabilization policies. Landlords may use intimidation and even violence to force tenants out of their homes when they cannot legally evict. They may threaten eviction, withhold necessary repairs, shut off utilities, conduct intrusive inspections, or use construction to disrupt a tenant’s peace and quiet.¹⁴ “Construction-as-harassment” refers to construction projects that are undertaken to make tenants so uncomfortable in their homes that they voluntarily leave. Since decarbonization will spur renovation work, there is a concern that it will lead to more cases of construction-as-harassment.

Cities including Los Angeles and San Francisco have responded to the issue of landlord harassment by passing anti-harassment ordinances, but in many cases these have proven ineffective. For example, Los Angeles’ Tenant Anti-Harassment Ordinance (TAHO), passed in 2021, gives tenants the right to sue their landlords for harassment, but this places the burden of enforcement on the victim. Currently, more than a year after TAHO’s implementation, no cases have been filed.¹⁵ This is because the success of the ordinance has relied on tenants’ ability to understand it and find attorneys willing to take their cases. The Los Angeles Housing Department’s weak complaint and enforcement system and the city attorney’s unwillingness to bring cases against property owners who violate the ordinance has also weakened TAHO.

D. Habitability Issues and Code Enforcement

Due to rising rents, low-income tenants often have limited options for housing. They may have no choice but to reside in aging, overcrowded buildings with habitability issues stemming from deferred maintenance. Slum housing both causes and contributes to health problems and disease.

Most cities in California do not have code enforcement programs that require regularly scheduled inspections of rental housing to ensure it meets health and safety standards. Inadequate code enforcement exacerbates habitability issues by allowing property owners to get away with substandard repairs (or no repairs at all). Habitability issues may impact tenants’ willingness to embrace decarbonization efforts; a tenant may struggle to see the benefit of the electrification of kitchen appliances when dealing with issues such as mold or pest infestations, for example.

E. Corporate Consolidation of Housing

The corporate consolidation of the U.S. rental housing market is also a concern for tenant rights advocates. After the 2008 housing crisis, large private equity firms and hedge funds accelerated their efforts to buy up distressed properties and convert them into rentals. The corporate landlord business model relies on cutting costs, including those associated with maintenance and repairs, and on displacing tenants paying below market rents to maximize profits for investors.

Corporate landlords are also well-funded enough to use the legal system to their advantage, benefiting from tenants’ lack of resources and knowledge of their rights.¹⁶ Additionally, many corporate landlords hide behind shell

EXAMPLES OF TENANT HARASSMENT:



SHUTTING OFF UTILITIES



CHANGING LOCKS



GIVING FALSE EVICTIONS NOTICES



MAKING PHYSICAL THREATS



ILLEGAL CONSTRUCTION

companies to evade accountability and regulatory scrutiny. Strong regulations for corporate landlords currently do not exist, leaving tenants vulnerable to exploitation and abuse by these powerful entities.

F. Ellis Act

Enacted in 1985, the Ellis Act grants landlords in California the authority to remove residential units from the rental market by invoking owner move-in, redevelopment, or condominium conversion. Since 2001, this law has resulted in the eviction of over 28,000 households living in rent stabilized units.¹⁷

The costs required to retrofit older buildings for energy efficiency may prompt owners to take their properties off the rental market altogether or redevelop them as hotels or condominiums by invoking the Ellis Act. Property owners may also use redevelopment as a pretense to invoke the Ellis Act illegally, falsely promising to take rental units off the market when renovations are complete.



III. UNDERSTANDING TENANT PROTECTIONS

Across the state, renters are protected by a patchwork of regulations based on factors such as location, building age, and ownership. Consequently, a decarbonization policy that has proven beneficial to one group of renters may not be suitable for another. Tenants in the private rental market (i.e., who live in properties owned by private individuals or companies) typically fall under one of two renter-protection categories: a local rent stabilization ordinance or the statewide rent stabilization law, AB 1482, also known as the Tenant Protection Act of 2019. Some tenants, especially those who reside in buildings that are less than 15 years old, have no protections at all.

RENT STABILIZATION POLICIES IN CALIFORNIA

Local Rent-Stabilization Ordinances	AB 1482
<ul style="list-style-type: none"> • Enacted by local jurisdictions at the city or county level • Differ from jurisdiction to jurisdiction • Establish limitations on rent increases and just-cause eviction protections • Tie rent increases to the Consumer Price Index (CPI) • Apply to a subset of buildings constructed before a certain date and include specific exemptions • Include temporary relocation programs and construction regulations • Typically allow cost recovery for capital improvements and building upgrades. 	<ul style="list-style-type: none"> • Applies to most residential rental properties more than 15 years old • Exempts single-family homes and condominiums not owned by a corporate entity, a real estate investment trust (REIT), or an LLC owned by a corporate entity or REIT • Rent raises cannot exceed 5% of the current rent plus CPI, up to 10% • Evictions require just-cause reasons for tenants who have resided at the property for at least 12 months • No-fault just-cause evictions include owner move-ins, demolitions, withdrawal from rental market, and substantial remodels • Relocation fees for no-fault just-cause evictions total one month's rent

THREE MAIN CATEGORIES OF TENANTS



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.



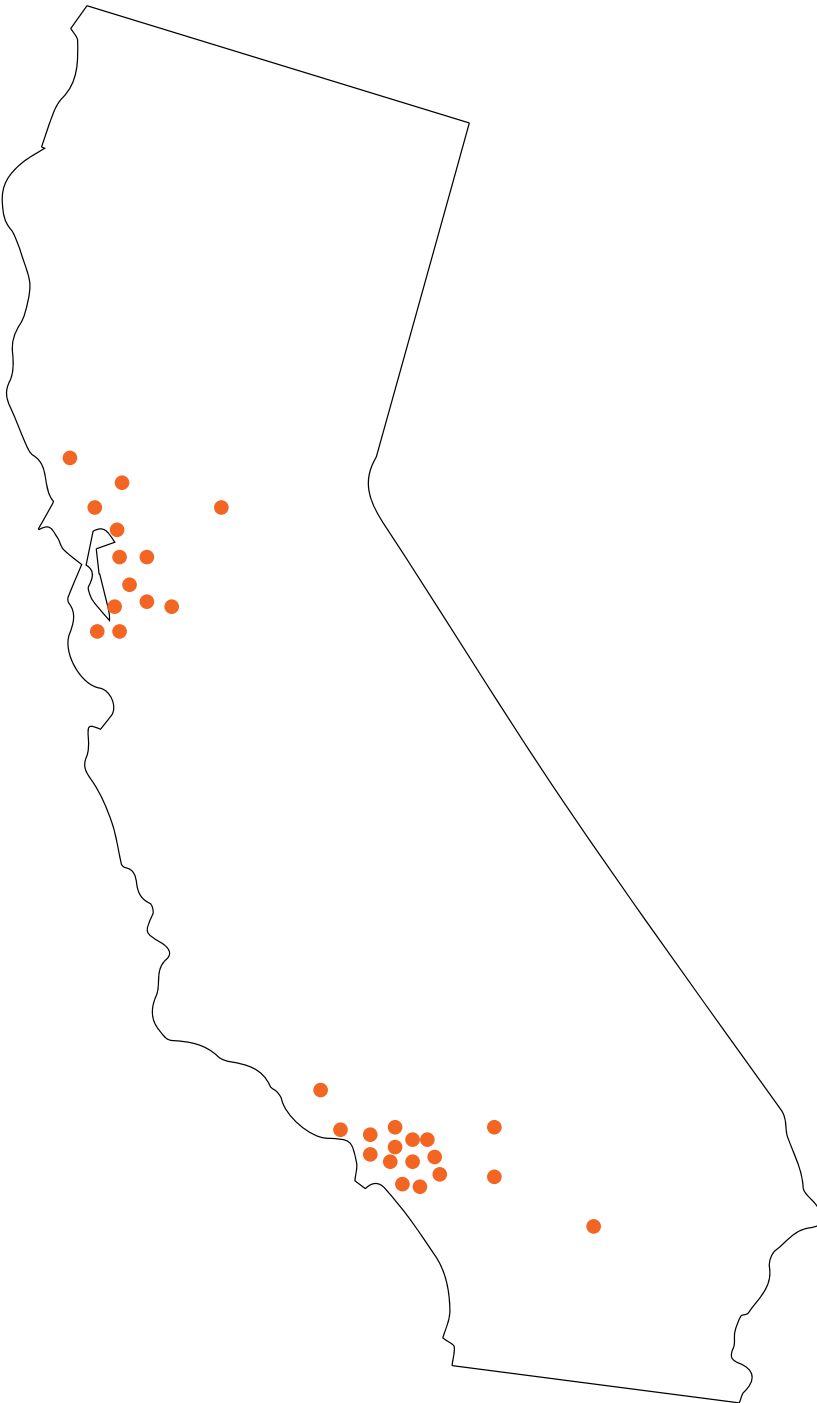
EXEMPT TENANTS

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

A. Local Rent Stabilization Ordinances

Local jurisdictions in California have the authority to implement their own rent stabilization ordinances. These ordinances typically aim to protect tenants from excessive rent increases and unjust evictions. The specifics of local rent stabilization ordinances vary between jurisdictions, and they often apply only to buildings constructed before the 1980s or 90s, leaving newer properties exempt.

Currently, only around 30 cities in California have local rent stabilization ordinances.¹⁸



NORTHERN CALIFORNIA

- Alameda
- Antioch
- Berkeley
- East Palo Alto
- Fairfax
- Hayward
- Los Gatos
- Mountain View
- Oakland
- Palo Alto
- Richmond
- San Francisco
- San Jose

SOUTHERN CALIFORNIA

- Baldwin Park
- Bell Gardens
- Beverly Hills
- Cudahy
- Culver City
- Glendale
- Inglewood
- Los Angeles
- Maywood
- Oxnard
- Palm Springs
- Pasadena
- Pomona
- Santa Ana
- Santa Monica
- Thousand Oaks
- West Hollywood

Rent control ordinances may include provisions such as:

- **Limitations on Rent Increases:** Limits on the amount landlords can increase rents annually. The allowable increase is usually tied to the CPI. There are sometimes exceptions for building upgrades or capital improvements.
- **Just-Cause Eviction Protections:** Requires landlords to have a valid reason, specified in the ordinance, to terminate a tenancy or evict a tenant. Just-cause reasons might include nonpayment of rent or a violation of lease terms.
- **No-Fault Just-Cause Evictions:** No-fault clauses are intended to protect tenants from arbitrary evictions while still allowing landlords to legally regain possession of their property. In most cases, landlords must evoke the Ellis Act to carry out just-case no-fault evictions.

Rent stabilization ordinances are primarily enforced through civil court, either during eviction proceedings or when a tenant files suit against a landlord for violating the ordinance. Local housing departments can and do play a role in upholding these ordinances, such as by instituting complaint systems, levying fines on noncompliant landlords, or engaging city attorneys to prosecute repeat offenders. Unfortunately, such efforts are often under-resourced—for example, city attorneys who are stretched thin might prioritize other cases over ordinance violations, resulting in insufficient actions against landlords in breach. Finding ways to guarantee robust enforcement in the context of municipalities’ often-limited resources is critical to ensuring that rent stabilization ordinances work.

COMMON NO-FAULT EVICTIONS

- ♦ **Owner Move-In:** The landlord or their immediate family member intends to use the unit as their primary residence.
- ♦ **Demolition:** The property is scheduled for demolition.
- ♦ **Compliance with Local Regulations:** The landlord needs to remove the unit from the rental market to comply with a government notice to vacate.
- ♦ **Withdrawal from the Rental Market:** The landlord is permanently removing the property from the rental market.

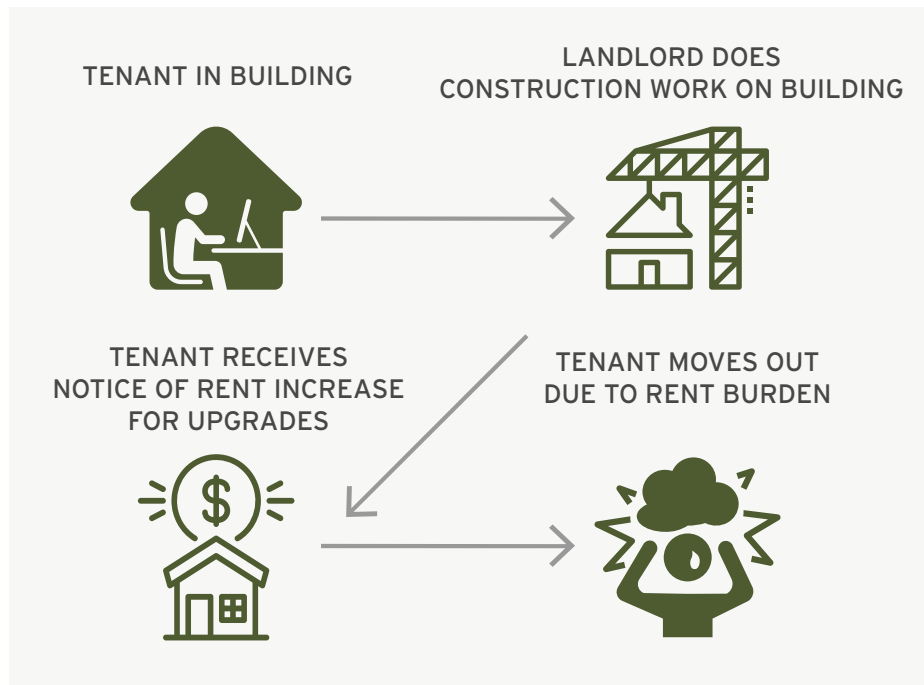
EXAMPLES OF LOCAL RENT STABILIZATION ORDINANCES	
SAN FRANCISCO: RESIDENTIAL RENT STABILIZATION AND ARBITRATION ORDINANCE	LOS ANGELES: LOS ANGELES RENT STABILIZATION ORDINANCE
Applies to rental properties built on or before June 13, 1979	Applies to rental properties built on or before October 1, 1978
Exemptions for single-family homes and buildings substantially renovated after June 13, 1979	Exemptions for single-family homes
Annual rent increases are fixed to CPI, with exemptions for pass-through costs for capital improvements (up to 10%) and for increased operating and maintenance costs (up to 7%)	Annual rent increases are fixed to CPI and limited to between 3% and 8%, with exemptions for pass-through costs for specific upgrades (up to 10%)
Establishes just-cause eviction protections	Establishes just-cause eviction protections
Establishes no-fault just-cause reasons for eviction	Establishes no-fault just-cause reasons for eviction

Local Rent Stabilization Ordinance Weaknesses

Allowable Rent Increases under Cost Recovery Programs: Many local rent stabilization ordinances include exemptions for rent raises for capital improvements. These exemptions allow landlords to recoup the costs of building upgrades by raising rents. Decarbonization could cost up to \$20,000 per rental unit,¹⁹ and if landlords are able to pass this cost on to tenants, this will erode affordability, resulting in larger rent burdens for low-income renters, or worse, the inability to pay rent.

Allowing Eviction for Substantial Renovation Work: Some California cities have carve-outs that permit landlords to evict tenants in order to carry out renovation projects.

Lack of Strong Construction Regulations: Construction noise, dust, and hazards may make living conditions so unbearable and harmful to health and safety that tenants feel pressured to leave voluntarily. Mandating building energy performance standards could exacerbate this problem, motivating landlords to use construction projects to displace tenants in order to see a quicker return on investment or capitalize on value-add to their properties.



POLICY EXAMPLES

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.

ALAMEDA, CA: CAPITAL IMPROVEMENT PLAN

- ♦ The City of Alameda landlords who wish to recover the cost of eligible improvements to submit a Capital Improvement Plan application.
- ♦ Pass-through costs are calculated by spreading the cost of the improvement, including interest from financing, over the useful life of the improvement.
- ♦ Alameda uses California law to govern annual rent increases, which are capped at 5% plus CPI, or 10%, whichever is lower.

The Ellis Act: The Ellis Act is a California state law that permits landlords to evict tenants when they intend to convert rental units into condos, demolish the property, or move in. Ellis Act was invoked to evict tenants from their at Barrington Plaza, a high-rise building in Los Angeles where more than 500 residents received eviction notices in 2023 after the landlord claimed a building-wide sprinkler upgrade required them to vacate.²⁰



The impact of a 10-week construction project on a neighboring unit. The bathroom's vanity has fallen off, walls have extensive cracks, and tiles are dislodged, exposing the adjacent unit. The intrusion of dirt and the noise of incessant jackhammering exacerbates the problem.

Poor Enforcement: Rent stabilization laws often lack enforcement mechanisms, making it difficult to hold landlords accountable. The lack of proactive and reactive enforcement allows some landlords to exploit loopholes and disregard rent stabilization provisions, resulting in illegal rent increases, tenant harassment, and evictions.



In Los Angeles, Barrington Plaza tenants stand united against their eviction. The property's owner, Douglas Emmett Inc., is trying to invoke the Ellis Act to justify the evictions, which they claim are necessary in order to install a sprinkler system.

Under-Resourced Housing Departments: Departments responsible for overseeing rent stabilization ordinances are often understaffed and underfunded, with little capacity to investigate complaints, enforce regulations, or provide adequate support to tenants facing issues with their landlords.

Lack of Tenant Knowledge and Education: Tenants are often not aware of these laws and what their rights are, and localities do not have robust public education programs for tenants. As a result, tenants may self-evict when faced with illegal rent increases or tenant harassment.

B. AB 1482

Statewide rent-regulation law AB 1482 applies to most residential rental properties more than 15 years old that are not already protected by local rent stabilization ordinances. It establishes rent caps by limiting annual rent hikes to 5% of the current rent plus CPI, up to a maximum of 10%. The law also requires landlords provide just-cause reasons for evicting tenants who have resided at the property for at least 12 months. Exceptions apply to single-family homes and condominiums that are not owned by corporate entities and to duplexes where the owner occupies one of the units. A loophole in the law allows tenants to be evicted for substantial remodel work. AB 1482 mandates relocation assistance for tenants displaced by no-fault evictions in the amount equivalent to one month's rent.

AB 1482 Weaknesses

AB 1482 is weaker than many local rent stabilization ordinances. The loophole for substantial remodels, inadequate relocation assistance, and limited just-cause eviction safeguards diminish the law's capacity to protect tenants across the state. Local jurisdictions do have the power to close this loophole, and cities including Inglewood and Santa Barbara have done so.

Enforcement of AB 1482 happens in civil court. While the law does not stipulate penalties for landlords in violation, it grants tenants the ability to sue for damages due to breaches and wrongful eviction. This reliance on the judicial system as the mechanism of enforcement poses challenges, as it places the burden on tenants to assert their rights. Many renters, especially those who are low-income or do not speak English, have trouble navigating a lengthy, complex, and expensive legal process.

Substantial Remodel Loophole: Whereas under most local rent stabilization ordinances, substantial renovation work requires the landlord to temporarily relocate tenants, AB 1482 includes an exception that allows landlords to evict tenants if they plan to remodel the unit for more than 30 days and it is unsafe for the tenant to stay. Building decarbonization retrofits, which may take months to complete, could lead to evictions under this loophole. Even if a retrofit can be done quickly and easily, an unscrupulous landlord might deceive tenants and city agencies by exaggerating the timeline or scope of work or prolonging the process deliberately to trigger an eviction. Tenants who are evicted because of renovation work are entitled to relocation assistance equal to the amount of one month's rent. This is not enough to cover the costs associated with moving and securing alternative housing.

The California State legislature recently passed SB 567, which requires property owners to provide tenants with written notice of their intent to demolish or remodel. The notice must include a description and timeline of the construction work or the date the building will be demolished along with copies of the required permits.



POLICY EXAMPLES

INGLEWOOD, CA: HOUSING PROTECTION ORDINANCE

In 2021, Inglewood amended their 2019 rent stabilization ordinance, which established just-cause protections and limitations on rent increases, to close the substantial remodel loophole. Substantial remodel work is no longer a just-cause reason for eviction. Instead, landlords must temporarily relocate tenants. Importantly, this applies to all buildings constructed more than 15 years ago, effectively closing the AB 1482 loophole.



IDEA: Learn the existing tenant laws and regulations in the city you are working in. Familiarize yourself with eviction protections, rent stabilization measures, and other relevant tenant rights and programs. Identify the city/county department responsible for administering tenant protections and learn about the personnel dedicated to handling tenant-related matters. Ask questions like:

- Does the city have a local rent stabilization ordinance?
- Does the city have a program to temporarily relocate tenants for construction work? Who pays for the relocation?
- Does the city regulate construction in work? What days and times can it occur?
- Does the city have local cost recovery programs for renovation work?
- Is renovation work a no-fault just-cause for eviction?
- Does the city have any laws addressing tenant harassment?

NONPROFIT AND PUBLIC AFFORDABLE HOUSING



In the U.S., rental housing is primarily created by developers who build, own, and maintain buildings on the private market. Sometimes, the government may intervene to create affordable rental housing through state and federal subsidy programs. Subsidized affordable housing is often geared towards renters at or below 60% to 80% of the area median income. There are approximately 527,528 units of subsidized affordable housing in California.²¹

The majority of subsidized affordable housing is financed using the Low-Income Housing Tax Credit. Under the program, units must be kept affordable for a certain period of time, guaranteed through a deed restriction or covenant (these terms are used interchangeably). Deed restrictions typically span 30 to 55 years; restrictions on rent raises must be honored by all owners and occupants during the period specified in the deed. A recent study by the California Housing Partnership underscores this trend, revealing a loss of 22,078 affordable homes in California between 1997 and 2022, primarily due to affordability covenants expiring. Notably, 65% of these affected developments were owned by for-profit entities.²³

DEBUNKING NATURAL OCCURRING AFFORDABLE HOUSING

Naturally occurring affordable housing (NOAH) refers to private rental housing with below market-rate rents. The implication that affordability arises “naturally” elides the role of tenant protections in regulating rents. Rent stabilization measures, and not the machinations of the private market, have been critical to shielding vulnerable communities from rent hikes and preserving the state’s affordable housing stock.



IV. ENGAGING LOW-INCOME TENANTS AND TENANT ADVOCATES

In order to understand the full impact of decarbonization on low-income tenants, policy makers must:

- Seek out perspectives from tenant advocates, legal service providers, and low-income tenants.
- Solicit insights into the specific hardships encountered by tenants, particularly those involving landlord harassment, displacement due to construction, rent burden, and eviction.
- Prioritize active listening to hear how tenants are currently affected by the affordable housing crisis, and whether and how they believe decarbonization efforts will compound those effects.
- Acknowledge their contributions by providing appropriate compensation for their valuable time and input.

A. Community Partners

Connecting with community-based organizations (CBOs) to leverage existing relationships is one of the best ways to connect with community members. Identify and reach out to CBOs that work with tenants, especially those that maintain membership bases. When conducting outreach:

- Develop relationships with relevant CBO staff through one-on-one informational meetings.
- Host public presentations and invite CBOs and other community

partners to learn about your initiative. Use networks to identify CBOs with an existing interest in the subject.

- Consider inviting CBO staff to form an advisory committee that meets regularly to co-develop an engagement strategy (offer compensation).

B. Engagement and Communication Strategies

Agencies, policy makers, and other decision makers will be successful in reaching low-income tenants if they have prior experience working with such communities, have relationships with community-based organizations (CBOs), have bilingual skills, and demonstrate cultural competency.

Do not assume community members or tenant rights advocates are familiar with decarbonization policies or initiatives. Your communications should include a clear statement of context and purpose, including a curriculum that explains technical definitions. CBO staff will know best how to communicate this information to their members, so develop your curriculum in collaboration with these organizations.

C. Researching and Analyzing Potential Impacts on Tenants

In order to meaningfully engage tenants, you should have a working understanding of how different communities may be impacted by decarbonization. Potential impacts might include rent increases, construction, or disruptions to utilities during energy efficiency improvements. Understand what local and state laws govern housing in the area you are working. Conduct research into renter demographics, key characteristics of the rental market and residential housing stock, and what decarbonization measures are likely necessary. Synthesize your findings in order to draw some conclusions about the potential impact on tenants.

You should be able to convey those impacts clearly so that community members can engage in collaborative problem-solving. It is not enough to ask, “What do you think about reach codes?” Explain what reach codes are, how they are implemented, and their potential effects (good and bad) on rental units and the rental housing market.



IDEA:

FOCUS GROUPS

Invite low-income tenants to focus groups to explore their perspectives on decarbonization. By discussing concerns, benefits, and desired policy solutions, you can ensure that decarbonization strategies are aligned with the community’s needs. Conduct these discussions in the languages that the community speaks and in familiar settings to foster an inclusive dialogue.

V. DEVELOPING A COMPREHENSIVE TENANT PROTECTION PLAN

Utilize the insights gained from tenants and tenant advocates to create a robust tenant protection plan to ensure long-term affordability and prevent harassment and evictions. Ideally, co-create this plan with tenant advocates and ensure they are resourced to provide support.

Below are two sample policy matrices for tenant protection plans.

The first demonstrates some ways protections might be incorporated into decarbonization subsidy programs. These programs are voluntary, typically established through state or local legislation and administered by government agencies. The second matrix identifies tenant protections relevant to establishing building energy performance standards. These mandatory standards are typically crafted by state or local legislations and enforced by government agencies.

POLICY MATRIX 1: DECARBONIZATION SUBSIDY PROGRAMS

Policy Recommendation	Policy Description
A. PREVENT RENT BURDEN AND MAINTAIN AFFORDABILITY	
Prohibit pass-through costs	Energy efficiency and electrification measures are ineligible for cost recovery through rent raises.
Cap rents	Units are subject to rent caps for between 5 and 15 years. If a tenant vacates a unit during the rent-cap period, the unit must maintain the same rental rate until the cap expires.

B. PREVENT EVICTIONS AND KEEP PEOPLE HOUSED

Limit evictions	Tenants cannot be evicted for any reason other than nonpayment of rent. This limitation should be in place for between 5 and 15 years after work is complete.
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C. MINIMIZE DISRUPTION TO TENANTS DURING RETROFIT WORK

Limit the length of construction projects	Retrofit and construction work related to the subsidy program should be limited to under 30 days to ensure minimal disruption to tenants.
Establish temporary relocation fees	Property owners who must relocate tenants due to construction must provide them with comparable temporary housing within a two mile radius as well as a per-diem for meals, laundry, and pet accommodations.
Mandate a right to return	Tenants who cannot safely stay in their homes during construction have the right to return at the same rental rate once the project is completed.
Regulate construction practices	Construction work should be restricted to tenant-friendly days and hours, and workers should receive training to ensure tenant rights and needs are respected. Regulations should also mandate cleanliness and noise-control measures and encourage consecutive scheduling to streamline projects and limit inconvenience.

D. DESIGN AND DEDICATE RESOURCES TO ENFORCEMENT MECHANISMS

Require a landlord-tenant contract	The contract should stipulate the terms and conditions of participating in the subsidy program and appoint a local implementing organization (LIO) to monitor progress and compliance. It should outline the LIO's responsibilities, such as informing tenants of their legal rights, periodically assessing adherence to mandatory certifications, investigating tenant complaints, and determining whether the agreement has been violated. The contract should give the LIO enforcement authority and establish clear penalties for violations and remedies (e.g., a civil action). Consider making this contract a lease addendum.
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E. ENACT PENALTIES

Reimbursements for violation of program guidelines	A property owner who breaches the terms and conditions of a decarbonization subsidy program must reimburse the administrator in the amount equal to that spent on retrofits and program participation, including parts and labor, overhead costs, attorney and court fees, and interest at the statutory rate for judgments from the time of the breach. If the property owner cannot repay, a lien should be placed against their building. Property owners should also be liable for damages to tenants in the amount of \$500 per day, as setting high fines deters violations.
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POLICY MATRIX 2: BUILDING ENERGY PERFORMANCE STANDARDS

Policy Recommendation	Policy Description	Policy Example
Ban pass-through costs for work related to energy efficiency and electrification.	Prohibit rent raises and/or related renters' fees associated with retrofitting for energy efficiency or electrification.	Seismic Retrofit Ordinance, West Hollywood, CA In 2018, West Hollywood implemented a no-pass-through policy for seismic retrofitting costs that applies to rent-stabilized properties. The city council determined that property owners should bear the cost burden as a capital improvement, and that most can afford it given the rate of tenant turnover has allowed most units to be rented at market rate.
Close the renovation loophole	Prohibit evictions due to renovation work and mandate temporary relocation and a right to return for tenants who are displaced because of renovation work.	Housing Protection Ordinance, Inglewood, CA In 2021, Inglewood updated its rent stabilization ordinance to close the substantial remodel eviction loophole. Now, property owners must temporarily relocate tenants during major renovations. This rule applies to all buildings older than 15 years.
Adopt a local rent stabilization policy	Cap the amount that rent can be raised per year. Caps are typically tied to the local Consumer Price Index (CPI).	Fair Rent, Just-Cause for Eviction and Homeowner Protection Ordinance, Richmond, CA Caps the maximum annual rent increase at 60% CPI or 3%.
Adopt just cause protections	Establish just-cause protections for all tenants to prevent arbitrary evictions.	Just-Cause Ordinance, Los Angeles Establishes just-cause reasons for eviction for most residential properties that are not regulated by the city's Rent Stabilization Ordinance.
Permit construction-related rent reductions	Allow tenants to petition for rent decreases if construction activities result in a decline in services, deferred maintenance, or health and safety hazards. Rent reductions may be retroactive or prospective.	Construction-Related Decrease Petition, Santa Monica, CA Gives tenants affected by construction work in their units or buildings the right to petition for rent decreases. Petitions must be submitted before the completion of construction.
Create a watchlist of contractors who operate without permits	Maintain a database of contractors who have performed work without required permits and monitor their current projects.	Local Law 155, New York Gives the Department of Buildings increased oversight over contractors who have worked without permits within the past two years. The department maintains a list of offenders, and removal from the list occurs after two years from the most recent permit violation.
Establish fines for stop-work order violations	Require that property owners who violate government orders to stop construction pay stiff penalties.	Local Law 157, New York Makes any person who fails to comply with a stop-work order liable for a civil penalty in the amount of \$6,000 for the initial violation and \$12,000 for every subsequent violation.

<p>Require property owners share information about construction projects and relevant tenant rights</p>	<p>Require property owners to post specific information about the construction project in accessible public spaces throughout the building.</p>	<p>Local Law 159, New York</p> <p>Requires property owners to post a Safe Construction Bill of Rights in the lobby and hallways of each floor of the building if construction requires a permit. The Bill of Rights must appear in English, Spanish, and any other relevant language the agency specifies, and it must include the:</p> <ul style="list-style-type: none"> ◆ Type of work and where work will take place ◆ Hours of work ◆ Projected timeline for completion ◆ Services to be interrupted during work and how property owner will minimize interruption ◆ 24/7 contact information for the owner or the owner's agent ◆ State agencies where complaints may be submitted ◆ Tenant Protection Plan
<p>Establish temporary relocation fees</p>	<p>Specify fees and per diem rates to compensate tenants who must temporarily relocate because of construction. Property owners should cover the cost of meals when a kitchen is not accessible. Temporary accommodations should be comparable units within a two-mile radius, and per diem rates should reflect the cost of living in the area.</p>	<p>Tenant Temporary Relocation Fee, Santa Monica, CA</p> <p>Establishes specific per diem rates based on the local cost of living. (Most cities base per diem amounts on the U.S. General Services Administration fee structure, which tends to be too low.)</p> <ul style="list-style-type: none"> ◆ Hotel or motel room: \$365 per day per household ◆ Meals: \$39 per day per person ◆ Laundry: \$1 per day per household, if laundry was included in the rental ◆ Pet accommodations (cat): \$36 per day. ◆ Pet accommodations (dog): \$66 per day.
<p>Tenant Habitability Plan</p>	<p>Ensure living conditions are habitable during construction or renovation. These plans often include provisions to prevent unjust evictions and safeguard tenant mental and physical health.</p>	<p>Tenant Habitability Program, Los Angeles</p> <p>Requires property owners who undertake renovations, repairs, or alterations to rent-stabilized units which require permits to comply with specific requirements, including provisions for temporary tenant relocation based on the scope of the work.</p>



VI. GUIDE SUMMARY

The effort to integrate tenant protections into building decarbonization efforts is part of a larger movement to guarantee a human right to housing in California. By highlighting the unique challenges faced by tenants as jurisdictions across the state begin to implement decarbonization policies and programs, we aim to ensure these policies are just, equitable, and benefit all Californians. Understanding tenant protections is critical to designing these policies and programs holistically so that they not only reduce the carbon footprint of residential buildings, but they also uphold the rights and wellbeing of those who dwell there. We believe that by working in partnership, industry and government can make tenant protections a cornerstone of residential building decarbonization.

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