

BRIEF AUGUST 2024

HOUSING & CLIMATE EQUITY:

An analysis on climate and housing policies that benefit environmental justice communities and low-income tenants.




The environmental justice movement takes an intersectional approach to ensuring the wellbeing of people and the built housing environment is healthy, affordable and dignified. Housing justice is based on the idea that housing is a human right and is also essential to our collective fight for racial, social, and environmental justice.

The Inflation Reduction Act (IRA) of 2022 and the Infrastructure Investment and Jobs Act (IIJA) of 2021 yield significant investments to address climate change and improve U.S. infrastructure. Although historic in their reach and scope, the laws are insufficient to meet the climate justice and housing needs of the moment. This means that local and state governments are developing innovative programs and policies to meet the housing needs of their constituents.

This brief analyzes two IRA and IIJA programs that provide targeted investments in housing, the Green and Resilient Retrofit Program (GRRP) and Weatherization Assistance Program (WAP). The analysis concludes that the two programs alone are still not sufficient for meeting the needs of housing and climate justice. This brief provides recommendations on ways to improve GRRP and WAP by enhancing partnerships and inclusive outreach, centering tenants in the process, and tailoring technical assistance.


Shining a light on the just path forward.

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About Just Solutions

Just Solutions is a BIPOC-led organization working to broaden and deepen the understanding of equitable and effective policies and programs to support the priorities of environmental justice organizations to define, innovate, replicate, and scale their solutions to the climate crisis. We do this work by: identifying and coalescing leading community-created policy solutions; conducting requested, relevant, comprehensive, and accessible policy analysis and research; organizing peer learning, foundational educational programming, space for states to share and strategize; and providing financial support for expertise, ideation and participation.

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Introduction

The environmental justice movement takes an intersectional approach to ensuring the wellbeing of people and the built housing environment is healthy, affordable and dignified. Housing justice is based on the idea that housing is a human right and is also essential to our collective fight for racial, social, and environmental justice.

The Inflation Reduction Act (IRA) of 2022 and the Infrastructure Investment and Jobs Act (IIJA) of 2021 yield significant investments to address climate change and improve U.S. infrastructure. Although historic in their reach and scope, the laws are insufficient to meet the climate justice¹ and housing needs of the moment. This means that local and state governments are developing innovative programs and policies to meet the housing needs of their constituents.

This brief analyzes two IRA and IIJA programs that provide targeted investments in housing, the Green and Resilient Retrofit Program (GRRP) and Weatherization Assistance Program (WAP). The analysis concludes that the two programs alone are still not sufficient for meeting the needs of housing and climate justice. This brief provides recommendations on ways to improve GRRP and WAP by enhancing partnerships and inclusive outreach, centering tenants in the process, and tailoring technical assistance.

This brief also highlights four innovative model policies from California, New York, Oregon, and Pennsylvania at the intersection of housing and climate justice that are improving housing quality and reducing their climate footprint.²

Making the connection between housing and climate justice

The history of discriminatory housing practices such as redlining

¹ Just Solutions, "[Climate and Environmental Justice and the Infrastructure Bill.](#)" November 16, 2021.

² Just Solutions would like to thank Miriam Zuk and Lin Chin from Ground Works Consulting for their invaluable research and partnership in this project.



are having lasting impacts on environmental justice communities.³ Persisted and entrenched segregation coupled with the lack of public amenities magnifies the impacts of extreme heat and air pollution. In fact, historically redlined districts are on average 5 degrees Fahrenheit warmer than non-redlined districts, and the difference in summer surface temperatures between these districts could be as much as 20 degrees Fahrenheit.⁴

In addition, nearly 6 million homes nationwide have moderate to serious home health hazards such as lead paint, water intrusion, injury, and safety risks.⁵ These types of hazards increase the risk of illness and injuries like asthma and respiratory complications. Low-income housing may also lack cooling or heating systems for several reasons, like living in older homes. Improving the quality of the housing stock becomes a challenge to most people since repairs can be expensive and often go ignored.⁶ Renters are dependent upon landlords for repairs and without home repairs, many households are left out of energy efficiency programs and ineligible for weatherization programs.⁷ As climate change worsens and natural disasters increase,⁸ many of these homes are vulnerable to the impacts of such disasters, making them less likely to cope with the climate crisis. The conditions of local housing stock pose health and safety risks to residents, both pre-and-post-disaster.

The housing crisis also extends to affordability. There is a national affordable housing shortage with over 70 percent of all extremely low-income families paying more than half their income on rent and only about a quarter of families who need assistance paying for rent receiving help.⁹ In these critical times, housing and climate efforts must be tailored to mend historical harms and meet the needs of environmental justice communities.¹⁰

Green and Resilient Retrofit Program (GRRP)

One of the few programs directly addressing housing and climate justice is the Housing and Urban Development's (HUD) new Green and Resilient Retrofit Program(GRRP). This Program provides grants

³ Environmental Protection Agency, "[Environmental Justice.](#)"

⁴ Scientific American, "[Past Racist 'Redlining' Practices Increased Climate Burden on Minority Neighborhoods.](#)" January 21, 2020.

⁵ Green & Healthy Homes Initiative, "[Home Health Hazards.](#)"

⁶ Just Solutions, "[The Perfect Storm of Extraction, Poverty, and Climate Change.](#)" May 2023.

⁷ Vox, "[How to fight the affordable housing and climate crisis at once.](#)" April 17, 2022.

⁸ Forbes Advisor, "[Natural Disaster Facts And Statistics 2024.](#)" June 7, 2023.

⁹ National Low Income Housing Coalition, "[The Problem.](#)"

¹⁰ Strategic Actions for a Just Economy, "[Los Angeles Building Decarbonization: Tenant Impacts and Recommendations.](#)" December 2021.

and loans to owners of HUD-assisted multifamily housing¹¹ to make upgrades that reduce carbon emissions, improve energy and water efficiency, incorporate renewable energy sources, and reduce climate hazards. Because this funding is exclusive to HUD-assisted multifamily housing, all the investments are made to affordable housing serving low-income families and individuals. These properties must extend their existing affordability provisions for at least 5 years beyond their current restrictions, up to a maximum of 25 years for grants and 15 years for loans.

One of the issues with the various housing-related funding available in the IIJA and the IRA is that there are little to no incentives for owners to apply. This “split incentive” issue arises when the benefit of an investment does not accrue to the person who is required to apply for or pay for the investment upfront.¹² Research shows that the split incentive problem has resulted in landlords underinvesting in energy efficiency measures, especially in situations where landlords do not pay the energy bill.¹³

While GRRP has made strides in reducing the barriers to applying for assistance by offering webinars, a rolling application process, and weekly office hours for applicants to ask questions, there are still barriers to full uptake of the program. There is no evidence to suggest HUD is actively identifying high-need areas and potential eligible owners who may have deteriorating housing and whose tenants may benefit the most from upgrades. Supporting applicants through the application process could also increase uptake of the program.


In addition to the application and outreach issues, the GRRP’s design and implementation omission of tenant protections could result in the displacement of low-income tenants. While GRRP imposes a covenant that the property remains affordable for and occupied by families whose incomes are “low-income” for HUD purposes¹⁴, applicants are only asked to describe whether the proposed project would result in permanent displacement and whether relocation assistance would be provided for current tenants. There is no requirement that owners provide relocation assistance during the renovations. Rather, the required provision of relocation assistance is mainly contingent on the

¹¹ At least 50 percent of the units in a project must be assisted by Section 8 (Housing Choice Vouchers), Section 202 (Supportive Housing for the Elderly), or Section 811 (Supportive Housing for Persons with Disabilities).

¹² Climate and Community Project, [“Decarbonization without Displacement,”](#) January 2024.

¹³ Jesse Melvin, [“The Split Incentives Energy Efficiency Problem: Evidence of Underinvestment by Landlords,”](#) April 2018.

¹⁴ HUD sets [income limits](#) that determine eligibility for assisted housing programs based on Median Family Income estimates and Fair Market Rent area definitions for each metropolitan area, parts of some metropolitan areas, and each non-metropolitan county. See Department of Housing and Urban Development, [“Income Limits.”](#)



local housing laws where the upgrades are happening. HUD could offer affected tenants tailored support to find suitable alternative housing and moving assistance for major renovations. These gaps in GRRP's design and implementation demonstrate the need for programs that prioritize low-income tenants.

Weatherization Assistance Programs (WAP)

The IIJA provides much-needed funding for existing programs focused on assisting and easing household energy burdens and providing relief for household budgets. This includes \$3.5 billion for the Department of Energy's (DOE) Weatherization Assistance Program (WAP), a program tasked with reducing energy costs for low-income households by increasing the energy efficiency of their homes.¹⁵ According to DOE's Weatherization Program Notice from December 2022, DOE will continue to develop "resources to address identified barriers and promote approaches to target and serve the highest energy burden and disadvantaged communities".¹⁶ In addition, DOE will provide technical assistance to subgrantees to increase the application and utilization of funding in disadvantaged communities, especially households with the highest energy burden.

Although programs like WAP have the potential to benefit the communities that are most impacted by energy insecurity and related hardships, they also fall short in meeting the needs of communities most in need. For example, WAP is often a one-off, non-recurring capital investment in energy efficiency measures. WAP has weatherized 7 million households, however, nearly 40 million households remain income-eligible for energy efficiency assistance.¹⁷ Research shows that low-income communities experience less access to residential energy-saving appliances and other energy efficiency upgrades.¹⁸ However, WAP's historic emphasis on single-family homes overlooked the 63 percent of renters who live in multifamily properties.¹⁹ Making the building type a critical parameter for low-income renters who could receive WAP aid.²⁰

Similar to GRRP, property owners are not incentivized to invest in energy efficiency and can also pose other obstacles even when weatherization investments are available to them at no cost. Although this challenge exists in all housing types, the ability to identify and recruit property

¹⁵ The White House Fact Sheet, "[Top 10 Programs in the Bipartisan Infrastructure Investment and Jobs Act That you May Not Have Heard About](#)," August 3, 2021.

¹⁶ Department of Energy, "[Weatherization Program Notice 23-1](#)," December 16, 2022

¹⁷ Nature News, "[Recognition of and Response to Energy Poverty in the United States](#)" Nature Publishing Group, 23 Mar. 2020.

¹⁸ Just Solutions, "[Energy Burden & the Clean Energy Transition](#)," 2022.

¹⁹ Joint Center for Housing Studies of Harvard University, "Harnessing the IIJA's Weatherization Assistance Program to Leave No Household in the Cold," January 31, 2023.

²⁰ Id.

owners is greater for small multifamily properties that are often owned by private individuals with no resources to improve their buildings.²¹ While, WAP assistance is provided entirely as a grant that does not need to be repaid, landlords must provide access to their properties so that audits can be done and retrofits implemented. Ultimately, it is key to address the health and safety conditions of people's living conditions even before the weatherization process.

Recommendations

Programs within the IRA and the IIJA, like GRRP and WAP, hold the potential to provide positive benefits to environmental justice communities. With adequate investments and targeted program design and policies for lower and moderate-income households and tenants, federal programs have an opportunity to improve access to healthy, affordable, and dignified housing. The following are program recommendations on ways to improve partnerships and inclusive outreach, center tenants throughout the process, improve technical assistance, and reduce barriers.

Partnerships with Communities & Inclusive Outreach

- Partner with community-based organizations (CBOs), Community Action Program (CAP) Agencies, and faith-based organizations to conduct outreach and communication to help increase participation rates.
- Provide adequate funding to CBOs, CAP, and faith-based organizations to support their capacity to get more people signed up for assistance. These partnerships can also be an opportunity for government agencies or nonprofits that administer weatherization programs to create jobs, train, and hire people in the community to do canvassing and public outreach.
- Provide adequate funding for program offices to have the appropriate staff work closely with households to address language barriers and the digital divide. Many households may speak a language other than English or lack access to reliable computers or mobile devices. There can also potentially be issues with broadband access in areas with high low-income populations or rural areas. Inclusive outreach and information can help program managers conduct better outreach about the programs

²¹ Joint Center for Housing Studies of Harvard University, "Harnessing the IIJA's Weatherization Assistance Program to Leave No Household in the Cold," January 31, 2023.

Inform and prioritize tenants throughout the process

- Tenants, who are most knowledgeable about their living conditions and the energy burden they face, are mostly ignored or disempowered from engaging in these programs. We recommend that programs develop outreach materials tailored to tenants that identify how tenants can engage throughout the process.
- Programs should also incorporate ways to seek tenants' input on the weatherization, energy efficiency upgrades, and habitability repairs they need the most.
- Programs should require landlords to provide relocation and rental assistance to tenants during renovations that require tenants to vacate. Projects should also be required to offer tenants the right to return without any rent increases after project completion.²²

Technical assistance and reducing reporting barriers

- We recommend that the relevant agencies provide technical assistance to applicants throughout the application process, not only up until applications are submitted. Programs can help reduce applicants' confusion by designating one point of contact that can liaise applicants' questions and request for support after applications are approved and until projects are complete.
- To the extent possible, programs should reduce reporting barriers and required paperwork by identifying and eliminating duplicative reporting requirements.

Model policies at the intersection of housing and climate justice

In addition to these federal programs, states and localities are leading the way in passing innovative policies to address housing quality and reduce their climate footprint. At the local level, we highlight New York City's Local Law 97 and Portland's HEART Standards. We also highlight Pennsylvania Whole Home Repair Program and California's Solar on Multifamily Affordable Housing as two statewide policies working at the intersection of housing and climate justice.

²² California Environmental Justice Alliance, "[Environmental and Housing Justice Platform](#)," October 2021.

New York Local Law 97

Local Law 97 was passed in 2019 as part of New York City’s Green New Deal. Under this law, most buildings, over 25,000 square feet, or multiple properties on the same lot totaling over 50,000 square feet, will be required to meet new energy efficiency standards and greenhouse gas emission limits.²³ Starting in 2024, the law will help New York City reach a 40 percent reduction in greenhouse gas emissions from buildings by 2030 and net zero emissions by 2050.²⁴

The Law will require building owners to benchmark their energy usage and work with a certified architect or energy consultant to make the necessary retrofits to meet emissions caps. The owner of a covered property is also required to file an annual greenhouse gas emissions report to show whether the building is within the applicable limits.²⁵ Besides reducing carbon emissions directly through energy efficiency and switching to lower-carbon fuels, building owners can buy credits from eligible renewable energy generation or greenhouse gas reduction projects, and install solar or battery storage onsite.²⁶

Notably, the law provides an extended compliance timeline for certain types of affordable or income-restricted housing but does not explicitly include measures that will protect tenants from seeing rent hikes after upgrades.²⁷ Lastly, while the law provides much-needed energy efficiency upgrades, it does not address the host of habitability issues that tenants in older buildings may have which could ultimately inhibit some retrofit options.

Portland HEART Standards

Portland’s HEART Standards came in response to the City Council’s climate emergency declaration in 2020. The HEART Standards are climate and health-related performance standards for existing buildings to reduce greenhouse gas emissions, improve indoor air quality, and ensure livable indoor temperatures. The policy explicitly prioritizes setting anti-displacement measures to ensure that costs are not passed on to tenants, who are predominantly Black, Indigenous, people of color, low-income, and communities on the front lines of climate change.²⁸

The City has paused the development of this policy given worries that the implementation could increase housing costs. The City plans to work

²³ New York City Sustainable Buildings, [“Local Law 97.”](#)

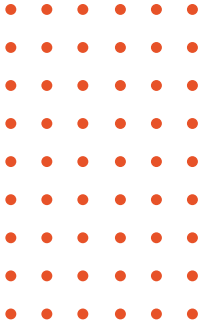
²⁴ Id.

²⁵ New York City Sustainable Buildings, [“Greenhouse Gas Emissions Reporting.”](#)

²⁶ Urban Green Council, [What is Local Law 97?](#)

²⁷ New York City Sustainable Buildings, [Sustainability.](#)

²⁸ City of Portland, [Developing standards for rental apartments.](#)



with federal, state, private, nonprofit, and philanthropic partners to estimate how it can expand the financial resources needed to offset the cost of compliance for building owners.²⁹ The City also plans to use funds from the Portland Clean Energy Community Benefits Fund, which originated from a ballot initiative passed by votes in November 2018 to provide more consistent and long-term funding for climate justice and resilience projects.³⁰

Pennsylvania Whole-Home Repairs

The Whole-Home Repairs Program addresses housing insecurity and the climate crisis by providing grant funding for county-wide agencies to address habitability and safety concerns, provide measures to improve energy or water efficiency, and make utilities accessible for individuals with disabilities. The program will do so by funding county programs supporting up to \$50,000 per unit in repairs for homeowners whose household income does not exceed 80 percent of the area median income. The program also offers loans to small landlords renting affordable units, to support and upkeep weatherization.³¹ Additionally, the program funds counties for construction-related workforce development. Applicants eligible for this funding are county government or a nonprofit entity authorized via an adopted resolution by the county government.

The Whole-Home Repairs Program uniquely addresses old housing stock that requires repair to keep homeowners and renters in their homes. The program also establishes a “one-stop shop” for Pennsylvanians to repair, weatherize, and adapt their homes. It was created and championed by State Senator Nikil Saval, who garnered support from community organizations, housing and energy advocates, and Pennsylvania residents for the passage of the program. The program was signed into law in 2022 and is supported by funds the state of Pennsylvania received from the federal American Rescue Plan Act.³²

The program has successfully provided services to many homes, however, it faces several challenges. Many counties have struggled to find contractors willing to support the program, as contractors can be wary of federally funded programs. And although the entire program launched with \$125 million, some counties did not receive enough funding to meet their needs.³³ Governor Shapiro proposed

²⁹ Bureau of Planning & Sustainability, [Climate and Health Standards for Existing Buildings](#), March 3, 2022.

³⁰ City of Portland, [The Climate Investment Plan: PCEF's five-year funding road map to climate action](#).

³¹ Pennsylvania Department of Community & Economic Development, [Whole-Home Repairs Program](#)

³² Pennsylvania General Assembly, [Regular Session 2021-2022, Senate Bill 1135](#)

³³ Environmental Protection Agency, COVID-19 ARPA, [Whole-Home Repairs Program](#)



investing \$50 million in the Whole-Home Repairs Program in his 2024-25 budget,³⁴ but ultimately there was no reinvestment in the program.³⁵

Solar on Multifamily Affordable Housing (SOMAH)

The SOMAH Program provides financial incentives for installing solar panel systems that benefit both low-income tenants and property owners throughout California.³⁶ It provides up to \$100 million per year in incentives to qualifying affordable housing within certain territories in California. Solar photovoltaic (PV) systems incentivized by SOMAH are required to benefit the tenants, with at least fifty percent of the energy produced by the systems to be allocated to tenants via virtual net energy metering.³⁷ SOMAH is managed by the California Public Utilities Commission and administered by nonprofit organizations that provide no-cost services, technical assistance for property owners, and job training. SOMAH will invest up to \$1 billion in rooftop solar with an overall target to install 300 megawatts of generating capacity by 2031.³⁸

SOMAH was signed into law in 2015³⁹ as a result of years of environmental justice campaigning and advocacy by community groups. It is the nation’s largest investment of solar on multifamily affordable housing for environmental justice communities and the first to direct a majority of the savings created by photovoltaic systems back to renters. A key component of the program is its partnerships with community-based organizations and the oversight of an Advisory Council and Job Training Organization Task Force.

Various challenges were identified in the SOMAH second triennial report, including contractor barriers, such as administrative burden for smaller contractors, as well as financial costs, with incentive structures being too low to both engage property owners and allow contractors to be profitable.⁴⁰ In addition, SOMAH relies on the need for virtual net metering (NEM), a billing process that allows a single solar panel system to divide bill credits among multiple tenant units and common areas.⁴¹ SOMAH projects are required to allocate at least 51% of the

³⁴ Pennsylvania, Department of Community & Economic Development, Newsroom: [“In Philadelphia, Governor Shapiro and Legislative Leaders Tout Proposed Budget Investments in the Whole-Home Repairs Program, Efforts to Cut Costs for Pennsylvanians”](#) 2024

³⁵ Pennsylvania Senator Saval, [Senator Nikil Saval Responds to Lack of Funding for Whole-Home Repairs in State Budget](#), 2024, July 12, 2024.

³⁶ CalSOMAH, [About Solar on Multifamily Affordable Housing \(SOMAH\) Program](#)

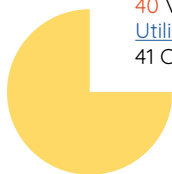
³⁷ California Public Utilities Commission, [Solar on Multifamily Affordable Housing \(SOMAH\) Program](#)

³⁸ California Environmental Justice Alliance, [Solar on Multifamily Affordable Housing](#)

³⁹ California Legislative Information, [AB-693 Multifamily Affordable Housing Solar Roofs Program, \(2015-2016\)](#).

⁴⁰ Verdant Associates, LLC and ILLUME Advising, [SOMAH Second Triennial Report by California Public Utilities Commission](#), July 14, 2023.

⁴¹ CalSOMAH, [Understanding your Utility Bill after Solar](#).



solar credits to tenants.⁴² However, buildings that are individually metered are excluded from the benefit

Conclusion

The IRA and the IIJA alone are insufficient to meet the climate justice and housing needs of the moment. Despite the historic levels of investments, programs within these laws need to ensure that environmental justice communities would benefit from making upgrades to their homes that reduce carbon emissions, improve utility efficiency, incorporate renewable energy sources, weatherize their homes, and reduce climate hazards. States and localities are leading the way in passing innovative policies to address housing quality and reduce climate impacts in ways that center the needs of residents with the greatest needs. Therefore, the federal government should provide more funding to allow states to implement the housing justice programs that best fit their community needs. Such investments and policy solutions are needed to protect communities and ensure communities have access to healthy, affordable, and dignified housing. An essential need for our collective fight for racial, social, and environmental justice

⁴² Id.



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