



# Energy Equity for Renters

FACT SHEET | MARCH 2023

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## Renter Challenges and the Role of Energy Efficiency and Affordable Housing Policy

Low-income renters often experience poor housing quality, unaffordable rents, high energy cost burdens, and increased vulnerability to the effects of climate change. Energy efficiency retrofits and renovations can remedy some of these challenges, but local government staff and renters are concerned they will displace residents—either directly through renovation projects that cause renters to move out of their home or indirectly through owners raising rents to recoup investments. This fact sheet provides a high-level summary of the [Energy Equity for Renters Toolkit](#) and outlines how local governments can use energy efficiency programs, affordable housing policy, and equity-driven strategies to improve outcomes for renters and achieve their climate and affordability goals. See the toolkit for more details.

# Integrated Energy Efficiency and Anti-Displacement Strategies

Integrated energy efficiency and anti-displacement strategies can respond to renter challenges in two ways: response and prevention.

**Response strategies** aim to provide short-term assistance to renters and include two key strategies.



**Simplified access to rental and utility assistance** provides distressed renters with a single point of contact for rental and utility assistance.



**Renter counsel assistance** provide renters with free legal services, particularly attorneys, in the face of an eviction.

**Prevention strategies** aim to prevent the frequency and severity of challenges—such as high housing and energy costs and displacement—from occurring in perpetuity. They include affordable transit-oriented development policies, housing acquisition and rehabilitation, tenant opportunity to purchase acts, affordability covenants, and just cause evictions.



**Affordable transit-oriented development (TOD) policies** encourage the creation of dense, walkable, and mixed-use areas centered around or near a transit station. Local governments can integrate green building requirements for projects in TOD areas. This approach allows local governments to simultaneously create dedicated affordable housing and address home energy, rent, and transportation costs for low-income households.



Further, local governments can support and fund mission-oriented developers, such as nonprofit housing organizations, in their **housing acquisition and rehabilitation** programs. As the property owner, the developer can then make structural, safety, and energy efficiency upgrades to the property.



**Tenant opportunity to purchase act (TOPA)** policies are anti-displacement tools that guarantee renters the opportunity to purchase their building if the property owner plans to sell it.<sup>1</sup>



Local governments can also require recipients of municipal incentives to maintain affordability at the target properties for several years by attaching a time-limited **affordability covenant** to the incentive. This covenant ensures that property owners do not increase rents due to improved property conditions.



**Just cause eviction** ordinances prevent evictions that effectively occur but do not go through the proper legal channels. Instead, these ordinances allow property owners to evict renters only under specific circumstances.<sup>2</sup>

# Filling Funding and Financing Gaps for Energy Efficiency Retrofits

Energy efficiency retrofits are often necessary to reduce both high energy burdens for renters and the greenhouse gas emissions from the targeted properties. However, rental property owners can face challenges in securing funding or financing options to make energy-efficient upgrades. Building off a previous framework, we identify four key roles local governments can take on to fill financing or funding gaps. Local governments may take on one or several of these roles.<sup>3</sup>

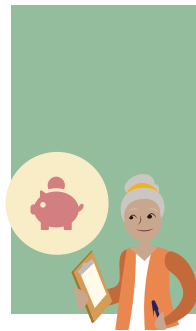
RESOURCE COMMITMENT



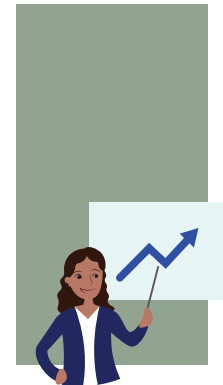
**Educators** engage the energy efficiency, rental housing, and financial communities; build relationships among stakeholders; and develop plans for mobilizing resources.



**Facilitators** reduce customer burden for seeking financing and funding options and partner with existing programs to facilitate access to offerings.



**Enhancers** improve the value of existing products by supporting current offerings and develop internal financing expertise.



**Investors** create partnerships with financial institutions to scale-up offerings and develop innovative financial products.

## Guidance on Marketing, Education, and Outreach Campaigns

Local governments can collaborate with **property owners** by engaging local landlord associations, simplifying energy efficiency programs, and targeting energy efficiency upgrades during other building improvements.<sup>4,5,6,7,8</sup> They can engage **property management staff** by simplifying energy efficiency programs, hosting regularly scheduled check-in calls to ensure program benefits are being realized, and highlighting direct install programs.<sup>9,10,11</sup> Lastly, local governments can engage **renters** by identifying and engaging property owners interested in energy efficiency programs, working with community-based organizations, providing communication materials directly to property owners and managers, highlighting non-energy benefits, and codesigning energy efficiency projects with renters of the buildings in which the projects take place.<sup>12,13,14</sup>

# Local Government Measures to Institutionalize Equity Accountability

Local governments can use accountability measures such as structural equity assessments, participatory budgeting, equity performance indicators, and providing a formal decision-making role to residents to better assess equity in policy planning and implementation. **Structural equity assessments** are evaluation reports that require local governments to determine how a proposed policy or program will support and create racial and social equity. **Participatory budgeting** is a process in which residents or an elected committee vote on how to spend portions of a local budget.<sup>15</sup> **Equity performance indicators** are reports that local governments use to collect data on equity and track progress against goals. Local governments can also establish **formal decision-making bodies** such as committees and commissions that give residents the opportunity to affect city planning.

## LIST OF PROGRAM EXAMPLES

### Integrated Energy Efficiency and Anti-Displacement Strategies

- Simplified rent and utility access: [Washington, DC](#)
- Renter counsel assistance: [New York, NY](#)
- Affordable transit-oriented development: [Denver, CO](#)
- Housing acquisition and rehab: [Boston, MA](#)
- Tenant opportunity to purchase acts: [Takoma Park, MD](#)
- Affordability covenants: [Minneapolis, MN](#)
- Just cause evictions: [Washington, DC](#)

### Guidance on Marketing, Education, and Outreach Campaigns

- Property owner engagement: [Fort Collins Utilities, CO](#)
- Property staff engagement: Puget Sound\*
- Renter engagement: [Castle Square](#)

### Filling Financing and Funding Gaps for Energy Efficiency Retrofits

- Educator: [Boise, ID](#)
- Facilitator: [Boulder County, CO](#)
- Enhancer: [New York, NY](#)
- Investor: [St. Louis, MO](#)

### Local Government Measures to Institutionalize Equity Accountability

- Structural equity assessments: [Washington, DC](#)
- Participatory budgeting: [Oakland, CA](#)
- Equity performance indicators: [San Diego, CA](#)
- Formal decision-making bodies: [Providence, RI](#)

\* The report "Applying Strategic Energy Management to Multifamily: You're Kidding Right? Nope" describes how program administrators can engage with property management staff. The report can be downloaded at <https://www.aceee.org/files/proceedings/2018/index.html#/event/event-data/track>.

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