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Employment.**



San Joaquin Valley Pilots

Tenant Protection Principles & SOMAH Case Study

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Agenda

- Tenant protection context in SJV pilots
- Recommended key principles for tenant protection
- SOMAH case study
 - SOMAH background
 - Overview of SOMAH tenant protections
 - Recommendations on borrowing SOMAH practices for SJV
- Discussion/ Questions





Tenant Protection Context

The SJV pilots present conditions pertaining to landlord/tenant relationships

- Landlord consent is required to do work on the property
- SJV pilots provide landlord benefit in adding value to homes
- Potential risk of tenant displacement
- Potential risk of rent/utility allowance increases due to upgrades
- Many landlords reside in SJV communities, and may be participating in pilots themselves





Recommended Key Principles

Tenant protection solutions should be...

1. consistent and equitable across pilot types and communities
2. available to all tenants participating in pilots
3. enforceable, within reason, for non-compliant landlords and tenants
4. permanent – lasting at least 20 years or length of tenancy
5. Monitored by PAs
6. designed to provide key learnings to stakeholders





SOMAH Case Study - Background

- Multifamily affordable solar program in CA initiated by Assembly Bill (AB) 693
- \$100M a year in funding through 2030, largest program of its kind
- Available to existing deed-restricted low-income housing of 5 units or more
 - Must either be located in a disadvantaged community, or at least 80% of tenants must have incomes at 60% Area Median Income (AMI) or less
- Provides solar credits to property owners and tenants through Virtual Net Metering (VNEM)
- Mission-driven, nonprofit Program Administrators (PAs)
 - Center for Sustainable Energy (CSE)
 - GRID Alternatives (GRID)
 - The California Housing Partnership (CHPC)
 - Association for Energy Affordability (AEA)
- It is estimated that the program will officially kick off in Q1 2019



SOMAH Case Study – Tenant Protections

- Tenant protections wrapped into Final CPUC Decision on SOMAH, D.17-12-022 (December 2017)
- At least 51% of VNEM credits must go to tenants rather than property owners
- Tenants must receive at least 100% of the economic benefits of their solar credits, meaning that landlords cannot raise rents or increase tenant utility allowances as a direct result of solar
- Only properties with individually-metered tenant units can be eligible for SOMAH





SOMAH Case Study – Tenant Protections

SOMAH’s tenant protections are carried out via tenant benefit affidavits, monitoring by PAs, and an enforcement mechanism tied to incentives

Tenant Benefit Affidavit

- Landlords must sign in order to participate in SOMAH
- Pledge that tenants will receive 51% of credits for 20 years or life of solar system
- Pledge that tenants will receive 100% of the economic benefit of their solar credits, and that the landlord will not attempt to “recapture benefits in rent and utility allowance adjustments related to the solar system”
- Landlord agrees to PA requests for documentation related to compliance
- Landlords are encouraged to compensate tenants for performance shortfalls

PA Monitoring

- The PA team reserves the right to collect documentation “that demonstrates that the benefits will be passed to the tenants as provided in this Affidavit”

Enforcement

- Noncompliant landlords and contractors may be barred from participating in the program going forward

More info at www.calsomah.org/



SOMAH Case Study – Recommendations for SJV

- SOMAH case study can provide some best practices for SJV pilots, though it may not provide the full solution.
- SJV Recommendations:
 1. Landlords should sign affidavits pledging:
 - Tenants will receive the full economic benefit of home upgrades, (excluding any change in property value)
 - Landlords will not raise rents or adjust tenant utility allowances as a direct result of home upgrades
 - Landlords will not change tenancy as a direct result of upgrades
 - Affidavit lasts 20 years or the longest appliance warranty, whichever is longer
 2. If landlords are found to be noncompliant, they could lose the SJV subsidy given to the house where they reside
 3. The PAs and CENs should provide contact info for tenants to complain, tenant forums to follow up, and may ask landlords for documentation at any time
 4. Leverage close-knit nature of communities, trustworthiness of CENs, and community forums to encourage full compliance
 5. Discussion needed as to enforcer role: CEN or CPUC?