

To: California Air Resources Board
Re: Zero-Emission Space and Water Heater Standards
Date: January 21, 2026

To Whom It May Concern:

Thank you for the opportunity to provide comments on CARB's proposed Zero-Emission Space and Water Heater Standards. As CARB moves forward with these standards, it is critical that the State ensure tenants and low-income households are not made to shoulder the costs or risks of this transition. A climate policy that unintentionally worsens displacement, rent burdens, or housing instability will undermine both equity and long-term implementation success.

CARB appears to recognize the urgency of these concerns. Throughout their public engagement process, a repeated concern has been "housing affordability" along with "high installation costs and limited incentives." CARB has also acknowledged that, "Renters need protections from potential increased rent, renovictions, or evictions tied to building upgrades."

Building upgrades that improve long-term property value should not be financed through rent increases, additional fees, or displacement of existing tenants via "renovictions", where major upgrades are used as a justification to remove tenants under the California Tenant Protection Act, or increase rents beyond what they can afford. Standards must be designed to avoid these outcomes.

Tenants should not shoulder costs

The electrification transition must be designed so that renters do not pay for improvements they do not own and cannot control. Tenants in California face large rent burdens due to high rents and low, stagnant wages. Tenants are in no position to afford these types of upgrades. Moreover, they typically have limited decision-making power over equipment replacement, while simultaneously being the most vulnerable to rent increases and displacement. Renters also face unique structural disadvantages. They may benefit from upgraded appliances and improved indoor air quality, but because of the inadequacy of existing tenant protections, they are not guaranteed longevity in their home and the value add of the new technology/appliances ultimately goes to the property owner.

Low-income tenants should not be left behind

CARB states that the regulatory target should be set in a way that does not require "low-resource, high-retrofit need households" to adopt zero-emission equipment. I strongly agree with the principle behind this statement: low-income tenant households should not be expected to pay out-of-pocket for new technology, equipment, or appliances simply to comply with a statewide clean energy transition. However, this framing is incomplete because it treats "households" as if the party bearing costs and the party benefiting from building upgrades are the same. In rental housing, they are not. A tenant's low income does not mean the property

owner is low-resource, and it is a mistake to assume that renter affordability constraints should slow or limit electrification in tenant-occupied buildings where landlords have access to capital, healthy net operating income, and long-term equity gains. Equity should not mean excluding renters from the benefits of the transition—it should mean ensuring that owners, not tenants, bear the cost of compliance and building improvements.

Landlords have greater resources and capacity

Electrification upgrades involve real costs. But the answer cannot be to pass those costs onto tenants through rent increases or displacement. California's housing market has created immense wealth for many property owners through steady land appreciation. In addition, long-term owners often benefit from artificially low property tax assessments under Proposition 13, even as property values have continued to rise. This is especially significant in many parts of California where rental housing generates strong revenue streams and property owners have substantial equity.

A September 2024 [Economic Roundtable report](#) found that rental property owners in Los Angeles across building types and ownership structures, including small landlords, are generally earning healthy returns on their rental properties. The report documents substantial growth in the net operating income of rental units covered by the Los Angeles Rent Stabilization Ordinance (LARSO). While operating expenses have risen faster than the Consumer Price Index (CPI), net operating income has increased even more rapidly than the CPI. The report also found that the average market value of LARSO properties has doubled over the past decade, increasing from approximately \$150,000 to \$300,000 per unit, and is now nearly five times greater than in 2000.

This reality must inform CARB's decisions: electrification policy should not assume that landlords lack resources while presuming tenants can absorb increased rent burdens. Equity requires acknowledging who holds wealth, control, and long-term benefit in this transition.

Public subsidy should not have to accommodate deferred maintenance/ legal noncompliance

CARB recognizes that incentives may be necessary to “close affordability gaps.” Incentive programs can play an important role in accelerating adoption, especially in communities facing barriers. However, public funds should not become a mechanism for property owners to avoid long-standing responsibilities or offload their costs of deferred maintenance onto the public.

Many buildings face compounding repair needs such as unresolved lead abatement, broken or nonfunctioning appliances, substandard weatherization, and long-deferred building envelope issues. These problems increase total project costs but they are not caused by the zero-emission transition. They often reflect years of inadequate maintenance or failure to bring units up to legal standards.



California law is clear about landlords' duty to maintain habitable housing. Under the California Health and Safety Code, housing must meet basic habitability requirements, and landlords are responsible for keeping rental units safe and code-compliant. Yet in many jurisdictions, code enforcement capacity is minimal or nonexistent, and proactive enforcement is rare. This lack of enforcement has allowed unsafe and substandard housing conditions to persist for too long.

CARB should ensure that electrification incentives do not inadvertently reward landlords for neglecting maintenance obligations. Public funding should prioritize genuine climate-related upgrades and tenant affordability, not cover costs that are properly the responsibility of owners under existing housing law.

Conclusion

Tenants should not be forced to fund property improvements through higher rent, instability, or displacement. The transition to zero-emission buildings must be equitable, tenant-centered, and designed to ensure the costs do not fall on those least able to pay.

Thank you.

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