

# Seeking a Just Transition to a Decarbonized Built Environment

**Community Climate Shift funds projects driving community-led decarbonization and building performance standards.**

by Elizabeth Waters

We know that decarbonizing existing buildings is crucial to meaningfully reduce the carbon footprint of the building sector, but retrofitting older building stock, especially multifamily housing, is a formidable challenge. A new initiative, Community Climate Shift, hopes to demonstrate that it can be done rapidly—and equitably.

Just 2% of buildings receive a climate- or energy-related upgrade per year in the U.S., according to a [2022 article](#) by Lotte Schlegel, executive director of the Institute for Market Transformation. This is not enough to meet [our country's goal](#) to halve economy-wide emissions by 2030. A suite of federal initiatives and funding aims to address this by spurring state and local governments to decarbonize their existing building stock in a way that ensures frontline communities benefit from the transition.

The White House launched the [National Building Performance \(BPS\) Coalition](#) in January 2021. Close to 40 jurisdictions—covering about a quarter of the country's buildings—signed on, committing to adopt BPS policies by Earth Day 2024. The initiative encourages coalition mem-

bers to develop BPS policies that address equity goals alongside the emissions and [building electrification](#) goals of their retrofit requirements. “By centering equity,” [says the coalition's landing page](#), “we can catapult the climate-smart buildings movement to new heights.” But it notes that doing so will require “sustained and empowered voices from disadvantaged communities.”

## Centering equity means centering people

[Community Climate Shift](#) was launched by IMT, a nonprofit working to improve buildings and how they serve people, and the People's Climate Innovation Center (Climate Innovation), an organization focused in supporting community-led climate justice work. Founded in the wake of the creation of the Nation-

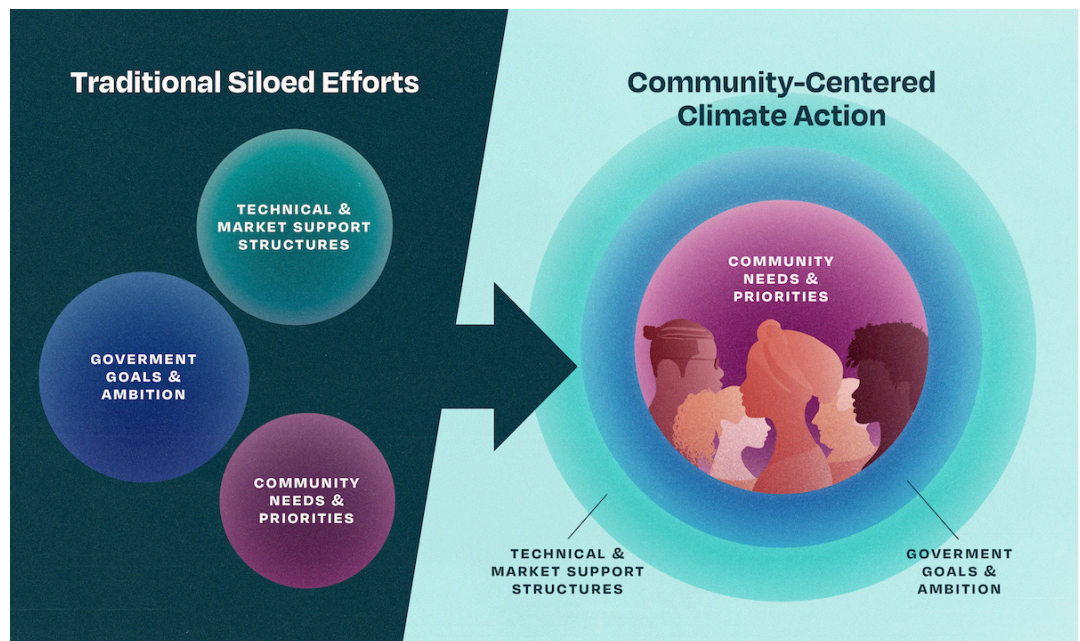


Image: IMT/Community Climate Shift

*Corrine Van Hook-Turner, director of the People's Climate Innovation Center, explained that traditionally siloed policy-making processes often leave some community members without a voice in decisions that affect them.*

al BPS Coalition, in which IMT played a supporting role, the initiative seeks to turn the coalition's high-level equity goals into reality by funding community-based organizations (CBOs) engaged in community-led programs driving equitable building decarbonization programming. "We came together to ask what's missing from the ecosystem to allow governments to meet this coalition agreement," recounted Jessica Miller, senior director of policy strategy and engagement at IMT. "There's [equity] language in the commitment, but without dedicated resources, most jurisdictions can't live up to the commitment that they signed onto."

According to [estimates from IMT](#), fulfilling the goals of the coalition could improve buildings for more than 40 million people and generate \$111 billion in building investments while avoiding 567 million metric tons of carbon emissions by 2040. With philanthropic support from organizations including the Kresge Foundation, the Energy Foundation, the Waverley Street Foundation, and the Bezos Earth Fund regrant (through Climate Innovation's partner Movement Strategy Center), Community Climate Shift built a network of environmental justice, technical, and community-based partners to support CBOs that work with frontline communities and local governments to co-design strategies for equitable building decarbonization. In doing so, all these organizations hope to build capacity and infrastructure for community-led processes that will last after projects are complete.

BuildingGreen spoke with Corrine Van Hook-Turner, director of Climate Innovation, and Miller about the program and its vision.

### **Equitably decarbonizing affordable multi-family housing**

"Essentially, the idea of the BPS is to push existing buildings to do their part to reduce emissions," said Miller, add-

ing that buildings "can be upwards of 60% to 70% of emissions in a city." But, she explained, these policies have an impact on people, and it's important to think through the potential consequences during policy design. One question to ask, she said, is whether the policy will apply to affordable multifamily housing.

In a 2020 study, "[Understanding the Housing Affordability Risk Posed by Building Performance Policies](#)," Zachary Hart and others from IMT and Firefly Energy Consulting explain how the enactment of building performance standards risks excluding or displacing residents in both subsidized and unsubsidized affordable multifamily housing buildings. According to the report, the significant capital—and personnel—investment required to comply with a BPS are the two biggest barriers to compliance for affordable properties. This can impose a great financial burden and, in some cases, a fine on owners if they are unable to comply.

But even when they can complete the retrofits, owners and tenants of affordable housing may not get the intended financial benefits. For example, explains the paper, owners of subsidized housing are sometimes given utility allowances based on metered consumption. If the utility use decreases due to efficiency upgrades, so does the allowance, preventing the owner from receiving the savings and recouping the cost of their investment.

Owners of "naturally occurring" affordable housing, on the other hand, are not required to keep rents affordable and may pass the cost of retrofits along to tenants in the form of rent hikes. This can both negate the utility savings tenants might see from the upgrades and render their housing unaffordable. In this way, a BPS could displace low-income people and encourage gentrification of previously affordable areas, exacerbating the current [affordable housing crisis](#) in the U.S.

## Why not just exempt affordable housing?

To avoid these outcomes, the authors continue, a BPS might offer exemptions to those who can't afford to comply. But this means that people with lower incomes will reap neither the cost savings from energy efficiency and renewable energy upgrades nor the health benefits of improved indoor air quality. Low income communities and communities of color already have a much higher than average energy burden and poorer air quality because their housing is often energy-inefficient and outdated. And for these reasons and others, they are also the most vulnerable to the worsening weather, poor health outcomes, and costs associated with climate change.

Exempting affordable housing properties from BPS compliance does not address these equity issues and in fact could exacerbate them as fossil fuel energy becomes more expensive and as incidents of extreme heat and poor air quality rise. Instead, upgrading this housing to better manage extreme heat, resist flooding, and mitigate poor air quality while also improving its efficiency, could help ensure the safety and energy security of the most vulnerable communities as the effects of climate change worsen. (The Inflation Reduction Act incentivizes such upgrades through the Green and Resilient Retrofit Program.)

It is therefore important to design building performance standards in a way that addresses the specific goals of each community and ensures residents can stay in their homes, Miller suggested. "We really need to bring together people with different expertise—tenants' rights advocates, people with legal experience—to craft nuanced policies that get to where we need to go," said Miller. "If health and asthma are big pain points, how do we design the policy to address those issues?"

Taking the lead from the community is the best way to do this, according to Van Hook-Turner. "The folks closest to the burdens are not burdens at all but are the solution," she emphasized. "They have the most expertise."

## Flipping the power dynamic

Community Climate Shift holds that traditional policy-making processes are siloed into economic, political, and constituent power centers. Van Hook-Turner explained that this separation often means the people with political power define stakeholder roles, and those with economic power control wealth and its distribution, leaving some constituents without a voice in decisions that affect them.

Community Climate Shift's goal is to shift this model to one that places community priorities at its center, with government and economic interests in two concentric circles around it. In this configuration, political and economic policies are driven—not just informed or approved—by the community. Using this model, the initiative aims to drive policy that will reduce energy and carbon in the built environment; address resilience, affordability, grid impacts, and occupant health; and create jobs, Miller said in a subsequent email.

"We are focused on fundamentally shifting and subverting top-down systems," said Van Hook-Turner. "We're going from where the few are governing for the many to the many governing for each other," she said.

## So what does flipping the power dynamic look like in practice?

Community Climate Shift awards grants and provides ongoing support to CBOs working on equitable building decarbonization. Van Hook-Turner elaborated on a unique aspect of the initiative: "We're really hoping to leverage philanthropic funds to give more general fund-



ing for CBOs that are leading the work to have enough funding to both plan and implement.” It’s not typical for CBOs to receive philanthropic funding for the entire scope of a project, she explained.

According to Van Hook-Turner, projects don’t necessarily need to be in National BPS Coalition jurisdictions or working on the development of a BPS to receive funding, and that other project types, like resilience hubs and work with public utility commissions, can also be eligible.

Proposals are assessed and approved by Community Climate Shift’s steering committee based on whether they exemplify the following priorities:

- Shape government climate and building decarbonization policies to meet community needs.
- Create energy-efficient, healthy, and

safe buildings.

- Ensure frontline communities are receiving the economic benefits of green jobs and investments.
- Improve cost of living through affordable, reliable utility services.
- Demonstrate just and inclusive policymaking that serves as a model for other communities.

This year, in its first round of funding, Community Climate Shift awarded four projects a total of \$580,000.

- In San Francisco, PODER SF and Emerald Cities Collaborative Bay Area are using grant funds, paired with funds from the city’s Department of Environment, to complete retrofit demonstration projects that reduce energy burden and employ residents at fair wages.
- POWER Interfaith in Philadelphia



Photo: IMT/Community Climate Shift via Electric Vizion

*The attendees at Climate Innovation’s convening of grantees and partners of the Kresge Foundation’s Climate Change, Health, and Equity Initiative in 2023. With philanthropic funding from organizations including the Kresge Foundation, Community Climate Shift offers grants to community-based organizations working toward equitable building decarbonization.*

will use grant funds to scale and deepen community involvement in home improvement and decarbonization programs and to advocate for holistic municipal climate policy.

- Grassroots Impact and Central Florida Jobs with Justice are working together to reduce energy burden in Orlando and advance community-driven climate solutions.
- New Jersey Environmental Justice Alliance will use grant funds to create a process of equitable building decarbonization to scale throughout the state.

Once a grant is awarded, Community Climate Shift envisions tapping into its extensive network of climate justice, CBO, and technical partners to do the work prioritized by the community, Miller explained in the follow-up email. This often includes, she elaborated:

- providing CBOs with the capacity to work with government stakeholders
- educating government partners on the value of early and frequent community engagement
- facilitating conversations between the two parties to build trust

A challenge to this, she continued, is that local governments are often under-resourced and lack the capacity to build meaningful long-term relationships with community stakeholders.

### **Federal funding for state and local governments**

In addition to these philanthropic sources, significant federal funding is available to help states, state partnerships, and local governments with equitable building decarbonization. The Inflation Reduction Act's Technical Assistance for the Adoption of Building Energy Codes is a Justice40-covered program—meaning

it falls under the White House's commitment to spend 40% of certain climate-related funding in disadvantaged and overburdened communities. And the Infrastructure Investment and Jobs Act's Resilient and Efficient Codes Implementation grant program includes equity as a priority criterion. Funding has started flowing from the latter program, with IMT receiving a \$5 million grant to support its work in building policy development with state and local governments.

When it comes to the policymaking process, one of the goals of Community Climate Shift's work as well as the federal building code grant, Miller stated, "is to move the government further along this spectrum of community engagement to ownership." Using a tool called "The Spectrum of Community Engagement to Ownership," published by Facilitating Power, she explained, they seek to understand what community engagement stage governments are in and then to align government staff with CBOs.

"The challenges that we're facing are so complex that they require a comprehensive set of solutions," Miller summarized. "With all the funding coming through, we have this once-in-a-generation opportunity to advance climate [action], but we need to build the infrastructure to allow frontline communities to do the work they want to do."

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