

NHLP's Principles on the Inflation Reduction Act and Other Energy Investments

NHLP supports the \$369 billion dollar investment made possible by the Inflation Reduction Act (“IRA”) and the opportunities it presents to bring clean energy and environmental justice to [disadvantaged communities](#) that are marginalized, underserved, and overburdened by pollution and environmental and other forms of racism. NHLP also supports additional investments and measures towards clean energy and environmental justice. NHLP supports and works with low- and moderate-income renters and homeowners to ensure that they are the primary beneficiaries of federal investments. These federal investments should result in renters and homeowners living in healthy, stable, and affordable housing.

With a huge investment of federal funding comes great responsibility. Many property owners will take full advantage of the IRA by investing in green energy and undertaking larger scale rehabilitation and redevelopment projects. Enforceable protections must be in place to protect renters and homeowners from gentrification and displacement, rent and mortgage increases, or the loss of affordability. Without adequate protections, the IRA could spur gentrification, rent increases, displacement, and wealth stripping. Utilities are already deeply unaffordable to renters, with one-third of all renters nationwide experiencing [energy insecurity](#). Renters in the unsubsidized rental market are particularly vulnerable to displacement and rent increases, while federally subsidized renters may receive no direct benefit and still be burdened with out-of-reach utility bills.

For the Inflation Reduction Act to live up to its stated objectives, all federal and state agencies charged with its implementation must ensure the following commitments are made:

For Renters:

- All renters are protected from displacement, no cause eviction, and rising rents when their property owners receive resources as a result of IRA funding.
- Any necessary displacement as a result of a rehabilitation must offer a right to return to all renters without rescreening or rent increases and be subject to the Uniform Relocation Act, since the displacement is occurring as a result of federal dollars.
- Project owners are best financially positioned, especially with the infusion of these funds, to pay directly for building utility costs. Low- and moderate-income renters in particular should not have to pay utility costs directly, which only increases their housing insecurity.
- Owners must demonstrate that all renters in existing individually metered properties will directly financially benefit from the proposed project.
- Rental property owners receiving IRA funds should have to maintain or extend affordability for a designated period of time, based upon the level of funding received.
- Any protections for renters should be a condition of the receipt of IRA funds and incorporated into residential leases and recorded use agreements that are enforceable by the renters.
- Prioritize opportunities to preserve existing affordable housing, such as expiring Low-Income Housing Tax Credit properties, for the long term and protect tenants from rent increases and displacement.
- Resources must be dedicated to reducing health hazards in the home, such as the removal of gas appliances.

Additional Protections for Renters in Federally Supported Low-Income Housing:

- These renters must retain the same or better rights and protections they enjoyed prior to the infusion of IRA resources into their properties.
- These renters should be allowed to retain the utility allowance amounts they received prior to the IRA-related improvements; or the federal agencies with utility allowance policies must create a new utility allowance formula that more accurately captures the actual cost of utilities for most tenants.
- Affordability terms must be extended commensurate with the level of IRA investment made into the project.

For Homeowners:

- The energy assistance marketed to homeowners must be affordable, as determined by individualized ability-to-pay assessments.
- There must be transparency in the process, and the parties marketing energy efficiency products and financing to homeowners must not have conflicts of interest.
- There must be energy audits and inspections to make sure the work at a specific property is necessary, appropriate and effective.
- Homeowners must have a pathway to relief if their rights are violated, and monitoring agencies must be vigilant to prevent any wealth stripping.

In addition to these protections, disadvantaged communities must be directly engaged in an accessible, community-led process to determine how the funds will be used in their communities. There must be transparency regarding who has received the funds and what conditions were placed on those dollars. There must be monitoring to ensure that IRA funding recipients meet their obligations and perform quality work.