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March 7, 2025

SCAQMD Governing Board
South Coast Air Quality Management District
21865 S. Copley Drive
Diamond Bar, CA 91765

Re: Opposition to SCAQMD Proposed Amended Rules 1111 & 1121

Dear Chair Delgado & Members of the South Coast Air Quality Management Governing Board,

The Apartment Association of Orange County (AAOC) respectfully requests your opposition to the South Coast Air Quality Management District (SCAQMD) Proposed Amended Rules 1111 and 1121.

We understand the intent of these proposed rules being brought forward for the consideration of the SCAQMD Board of Directors. However, the disparate impact they would have in low-income communities fails to account for the compounding impact regulations such as these are having on housing affordability and the threat they pose to renters and landlords alike.

The financial cost to replace gas water heaters and furnaces with electric models is significant. For most multifamily properties, it will cost approximately \$10,000 per set of units to be replaced. Most multifamily properties have multiple sets that would likely need to be replaced at the same time which would further exacerbate the financial impact created by the proposed rules.

Recently there have been several amendments, changes, and commentaries provided to address these issues as they pertain to single-family homes and the options available to comply with the requirements. Additionally, much has been said about grants and rebates being made available to help offset the costs associated with changing from gas to electric units. Unfortunately, funding would seem to only apply to the units themselves and does not address the significant costs of upgrading the electrical panels for the properties and running of power to the property in order to accommodate the additional electrical load.

However, this is not the most significant impact of the proposed rules for which SCAQMD should be concerned. The bigger concern is how SCAQMD's proposed rules would contribute to renter displacement.

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AAOC Opposition to SCAQMD Proposed Amended Rules 1111 & 1121

March 7, 2025

Page 2/2

Most existing multifamily properties – including many newer developments - were not built with the infrastructure necessary to accommodate the increased electrical load that would be created by all-electric water heater and furnace systems. Additionally, it is not uncommon to have shared furnaces and water heaters among multiple units. Retrofitting multifamily properties will not be as simple as swapping out gas for electric water heaters and furnaces. It will require the capping of gas lines, extensive rewiring of systems, the likely replacement of electrical panels and lines to the buildings, which will impact renters' units, as well as utility rooms and common areas.

Projects of this magnitude will create significant impacts on renters as the extensive onsite work will affect the habitability of their units for an extended period. That means renters would be displaced and forced to look for housing elsewhere. This displacement would not only affect the renters' housing situation, but it would also affect the children who attend local schools, as well as anyone who works nearby and the businesses that employ them.

While the intended goals of SCAQMD's proposed rules may be important – they are not nearly as important as the impacts of the unintended consequences that this proposal would have on our communities across the region.

AAOC urges you to oppose SCAQMD Proposed Amended Rules 1111 and 1121.

Thank you for your thoughtful consideration.

Respectfully,

Chip Ahlswede
Vice President of External Affairs
Apartment Association of Orange County