April 13, 2021

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The White House
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Chairwoman Maxine Waters
U.S. House Committee on Financial Services
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Chairman Sherrod Brown
U.S. Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Subject: Urging Minimum Energy Efficiency for New Federally Funded Housing

Dear Mr. Giudice, Ms. Poethig, Chairwoman Waters, and Chairman Brown,

The undersigned organizations are writing with enthusiastic support for a new Federal investment in housing, as included in the American Jobs Plan and in legislative proposals such as the *Housing is Infrastructure Act* (116-H.R. 5187, 116-S. 2951). The affordable housing crisis in America is real, and bold solutions like this could improve housing opportunities while stimulating jobs. We thank you for your leadership on this issue, and urge you to ensure that energy efficiency is incorporated into these solutions.

Investment in Affordable Housing Requires Minimum Energy Standards

We write to urge robust investments in affordable housing in our country accompanied by strong minimum energy and water efficiency standards. Such investments will likely include funding across a swath of Federal housing programs, which deliver assistance in a variety of ways. A review of selected HUD, USDA, and Treasury housing assistance programs indicates that many have either no minimum energy efficiency requirement, or a woefully out of date code (see Enclosure 1). Moreover, state code adoption varies widely such that the efficiency levels of new affordable housing differs from state to state.

Those programs involving construction and major rehabilitation present an opportunity to provide high quality, energy and water efficient homes with healthy indoor air. Conditions on Federal funding will be imperative to achieve these benefits, equitably, for all future residents. We recommend adoption of the 2021 IECC and ASHRAE 90.1-2019 as minimum energy conservation code/standard for Federally funded housing; and where feasible, encouraging and incentivizing additional outcomes including green home certification, all-electric construction, and zero-net-energy achievement.[1]

[1] For example, green building certifications include strategies such as enhanced commissioning, refrigerant management, and grid optimization to optimize energy systems, while credits for materials, waste, and water efficiency can reduce life-cycle greenhouse gas emissions. All-electric homes are increasingly recognized as a cost-effective approach to achieving deep greenhouse gas reductions in housing, in conjunction with cleaner power grids. Net zero energy homes combine deep efficiency with renewable energy to result in a net zero draw of external energy (fuel or power).

Similarly, energy efficiency requirements are needed for manufactured homes funding. A new standard for manufactured housing, required by law,[2] is in the rulemaking process, but timing for promulgation of a final standard is uncertain. Thus, astonishingly, manufactured homes are currently subject only to for the "HUD Code," with energy provisions that have not been updated since 1994. While the new standard is in development, we recommend a Federal jobs bill provide for the Department of Energy to identify best practice efficiency requirements to apply to any funded new manufactured housing.

Energy Standards Are a Quality of Life Issue

The benefits of resilient, high-performing, healthy housing are abundant. In particular, investment in energy-efficient affordable housing can support residents in reduction of their utility bills, enhanced conditions to support health and wellness, and a greater sense of stability and community.

Utility bills add to the challenge of housing affordability. As reported by the Energy Information Administration's (EIA) Residential Energy Consumption Survey, 31% of U.S. households struggle to pay their energy bills or to adequately heat or cool their homes.[3] Social Security recipients pay almost 20% of their income on energy, while federal poverty aid recipients pay more than 25% of their income on energy bills. Energy-efficient housing reduces this energy burden. For example, a study of energy-efficient design and construction of LIHTC housing in Virginia found that residents saved an average of $54 a month, or $648 annually, on their electricity bills, representing up to three percent of their income.

Resilient, high-performing housing also supports healthier families across the country, reducing risks of mold and mold allergens which can cause or worsen asthma and respiratory health problems. For example, a comprehensive study by Oak Ridge National Laboratory documented and monetized eleven health-related non-energy benefits from the Weatherization Assistance Program.[4] Providing significant value for households as well as society, these health benefits include avoided deaths from CO poisoning, fire, and thermal stress; avoided hospitalizations and emergency department visits including for asthma-related symptoms; increased ability to afford prescriptions; and disposable income gains from fewer missed days at work.

Homes should support their residents' health and wellness. In order to do so, homes should maintain high levels of safety, ventilation, temperature stability, and moisture control[5] – in essence, many of the key outcomes of today's building codes. Energy codes do more than ensure high levels of performance – they help protect residents from high utility costs and provide better conditions for health and quality of life. Federal funds for housing construction and renovation should ensure a consistent baseline level of performance of residential projects.

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[2] EISA, Pub. L. 110-140 § 413 (42 U.S.C. 17071) establishes such requirement with a deadline of December 2011.
[3] "Residential Energy Consumption Survey," U.S. Energy Information Administration.
[4] Tonn et al, Oak Ridge National Laboratory, Health and Household-Related Benefits Attributable to the Weatherization Assistance Program (2014). See also "Health and Housing Outcomes From Green Renovation of Low-Income Housing in Washington, DC," National Library of Medicine, National Center for Biotechnology Information, National Institutes of Health, 2014 (a Washington, D.C. study of green certified low income housing renovations where self-reported general health in adults significantly improved from 59% to 67%; allergen dust loadings showed large and statistically significant reductions and were sustained at one year.).
[5] National Center for Healthy Housing, "The Principles of a Healthy Home," accessed 2020.

Suggested Language

Targeted investment in housing has the power to improve and expand the national housing stock and to use energy more efficiently. In the attached Enclosure 2, we provide recommended language that could be used in legislation incorporating the Housing is Infrastructure Act or a similar approach providing funds to a range of Federal housing programs. We recommend the 2021 IECC and ASHRAE 90.1-2019 as the most recent model code[6] and standard, respectively, for new construction and major rehabilitation of housing, and establishing best practice energy efficiency and indoor air quality requirements for any new Federally funded manufactured housing. We also recommend supporting deeper efficiency and decarbonization outcomes for new and major rehabilitation of housing through green home certification, beneficial electrification, and net zero strategies.

We welcome the chance to work with each of your offices towards incorporating baseline energy efficiency into any Federal funding for housing -- and ensuring housing funds are adequate to support healthy, efficient housing for all residents. Please do not hesitate to contact Elizabeth Beardsley, USGBC, (ebeardsley@usgbc.org, 571-970-7916), or Lowell Ungar, ACEEE, (lungar@aceee.org, 202-507-4759) with any questions or if we may be of assistance.

Sincerely,

Alliance to Save Energy

American Council for an Energy Efficient Economy (ACEEE)

National Association of Energy Service Companies (NAESCO)

National Association of State Energy Officials (NASEO)

Natural Resources Defense Council (NRDC)

Sierra Club

U.S. Green Building Council (USGBC)

[6] The Department of Energy is expected to release its Determination on the 2021-IECC later this spring.

Enclosure 1. Energy code provisions of Selected Federal Housing Programs[7]

Program	Agency	Code Provision	Current Code
Sec. 3. Public Housing Capital Fund (42 U.S.C. 1437g(d))	HUD	Section 109 of the Cranston-Gonzalez National Housing Act ("Sec. 109 C-G"); 24 CFR 905.312	2009 IECC and ASHRAE 90.1-2010
Sec. 4. Rural Multifamily Preservation and Revitalization Demonstration Program (42 U.S.C. 1484; 1485; 1486)	USDA	Local codes only (under guidance tab)	None
Sec. 5. Flood Mitigation Assistance Grant Program (42 U.S.C. 4104c)	FEMA	(does not appear to be under the FEMA PA policy). NOFA does not specify any energy code requirement.	None
Sec. 6 Housing Trust Fund (12 U.S.C. 4568)	HUD	Sec. 109 C-G (page 5229)	2009 IECC and ASHRAE 90.1-2007
Sec. 7. Single-Family Housing Repair Loans and Grants, section 504 (42 U.S.C. 1474)	HUD	Local codes only (under guidance tab)	None
Sec. 8. Native American Housing Block Grant Program (25 U.S.C. 4111 et seq.)	HUD	Local codes only (search §1000.158), no codes in notice	None
Sec. 9. HOME Investment Partnership (42 U.S.C. 12721 et seq.)	HUD	Sec. 109 C-G	2009 IECC and ASHRAE 90.1-2007
Sec. 10. Program for Supportive Housing for Persons with Disabilities, section 811 (42 U.S.C. 8013(b)(3))	HUD	Sec. 109 C-G	2009 IECC and ASHRAE 90.1-2007
Sec. 11. Program for Supportive Housing for the Elderly, section 202, capitol advances under section 202(c)(1) (12 U.S.C. 1701q(c)(1))	HUD	Sec. 109 C-G, but current requirements more stringent (notice)	SF to meet ENERGY STAR Homes, Mid-Rise and High Rise developments to meet the ASHRAE 90.1 Appendix G Plus 15 percent
Sec. 12. Capital Magnet Fund (12 U.S.C. 4569)	Treasury	Local codes only (p.11)	None
Sec. 13. Community Development Block Grant Funding For Affordable Housing and Infrastructure. (42 U.S.C. 5301 et seq.)	HUD	(does not appear under CDBG regulations)	None

[7] Identified as of May 2020 from public documents. Programs and section numbers are those in the Housing is Infrastructure Act.

Enclosure 2. Federal Housing Investment – Recommended energy code provision

Based on the *Housing is Infrastructure Act* text in the 116th Congress, we suggest to add a new section to address minimum codes and standards for the new construction and major rehabilitation funded by the Act. Below is suggested text for this section:

"Sec. 15. Standards for Housing

(a) REQUIREMENT.—Each relevant agency head shall ensure that every new construction or major rehabilitation project funded by this Act ("funded projects") is constructed to meet applicable State and local building codes and standards, provided that—

(1) all funded projects shall be at least as energy efficient as the 2021 International Energy Conservation Code, or, in the case of multifamily high rises, the requirements of ANSI/ASHRAE/IES Standard 90.1–2019;

(2) projects funded by section 11 of this Act shall meet the requirements in section III.F.6 of "Section 811 Supportive Housing for Persons with Disabilities (Capital Advance) Modification, FR-6300-N-49" to the extent those requirements are more stringent than those in subsection (1);

(3) each relevant agency head may establish for funded projects implemented by his agency additional and more stringent requirements to increase the efficiency, resiliency, indoor environmental quality, or quality of life for residents of such projects; and

(4) each relevant agency head may apply, to funded projects, an existing agency policy for codes and standards where such policy meets or exceeds the minimum requirement in paragraph (a)(1) of this section.

(b) MANUFACTURED HOMES.—

(1) Paragraph (a) of this section shall not apply to manufactured homes.

(2) No later than 90 days after the enactment of this Act, the Secretary of Energy shall establish minimum building safety and energy efficiency requirements for new manufactured homes receiving funds from this Act. In establishing such requirements, the Secretary shall consider feasibility and cost information developed in relation to the rulemaking for energy efficiency standards for manufactured housing under the Energy Independence and Security Act of 2007.

(3) Each relevant agency head implementing a program funding new manufactured homes under this Act shall ensure that such manufactured homes meet the requirements established by the Secretary of Energy under subsection (2) of this paragraph."