



U.S. Senate Committee on Banking, Housing, and Urban Affairs
“Addressing Climate Change with Energy-Efficient and Resilient Housing”

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Introduction

Chairman Brown, Ranking Member Toomey, and Members of the Committee, thank you for the opportunity to provide testimony on the urgency and opportunities to address climate change and housing affordability. I commend the Committee for its commitment to housing as a critical component of community infrastructure, jobs, and individual success in life.

I am a Vice President at the nonprofit organization Enterprise Community Partners, where I lead our national sustainability efforts, including the Enterprise Green Communities, the nation’s only national green building program designed explicitly for affordable housing.

Enterprise Community Partners is working to make home and community places of pride, power and belonging for all. In order to create that change, we draw on our strength as an end-to-end housing platform, providing programmatic and advisory services, capital and community development under one roof. We advocate on a nonpartisan basis for sound public policy at every level of government. We develop and deploy programs and support community organizations on the ground nationwide. We invest capital to build and preserve rental homes, and we own and operate 13,000 apartments and provide resident services for 22,000 people. In short, our work contributes to thriving, supportive and equitable communities that prioritize safe, stable and affordable housing options.

Over the past 40 years, Enterprise has collaborated with thousands of local partners to build and preserve 873,000 affordable homes, invest \$54 billion across all 50 states and improve millions of lives. Our strategic priorities are advancing racial equity, building climate resilience and upward mobility and creating and preserving housing people can afford.

Fossil fuel usage is the accelerant for climate change. The United Nation’s Intergovernmental Panel on Climate Change (IPCC) report warns us that the only way to have a chance of not accelerating climate disasters further is to entirely eliminate building emissions, and to do so as

quickly as possible. At Enterprise, our climate work is focused on equitably reducing the overall energy - particularly fossil fuel energy - used by housing so that we may slow the pace of climate change. This will protect people, homes and communities from the increasing impacts of extreme weather events.

For more than 15 years, Enterprise has also been active in disaster recovery and promoting affordable multifamily and single-family housing resilience around the nation. Our Building Resilient Futures initiative aims to ensure affordable homes and low and moderate- income (LMI) communities can withstand the harmful impacts of extreme weather events. Through [Enterprise's Green Communities Criteria](#), which we revised in 2020 to enhance health, energy and resilience standards, we have certified almost 120,000 homes. Each year, Enterprise Green Communities certified developments are saving \$31.8 million dollars in energy and water costs – and they reduce carbon emissions by the equivalent of taking 19,870 cars off the road.

Commitment to green standards is not a red or a blue state issue. We've seen this achievement in nearly every state in the country: from rural locations to urban, and in-between; from single-family homes to small multifamily buildings to high-rise properties; and from new construction to rehabilitation of existing homes. Rather than a luxury for big cities or upper-class America, green affordable housing is an implementable solution that has proven workable all across the nation.

Through our work, we have proven that climate resilience is an attainable reality. We are doing what we can to provide climate resilient housing, whether it's retrofitting existing single and multifamily properties or supporting the building of net zero properties from the ground up. For example, the State of Louisiana incentivizes the use of green building standards for multifamily affordable housing using Low Income Housing Tax Credits (LIHTC). Louisiana requires heavy-duty roof straps and shingles to protect against hurricane-force winds; emphasizes energy efficiency to reduce harm to the environment through carbon emissions; and requires elevation of properties in flood plains. Ohio and Pennsylvania are also committed to resilient affordable housing, requiring the use of green building standards for both new construction and rehabilitation seeking LIHTC financing. Over 300 projects in Ohio and 50 in Pennsylvania have certified to Enterprise Green Communities Criteria, providing efficient, healthy and climate resilient homes for some of their most vulnerable residents.

Congress has encouraged energy efficiency for nearly 50 years to mitigate increasing energy costs and foster energy conservation and the use of renewable energy sources in community and housing development activities. Most significantly has been the passage of the *Housing and Community Development Act of 1974*. Title One of the Act authorizes the Department of Housing and Urban Development (HUD) to make grants to states and local governments to finance Community Development Programs, creating the Community Development Block Grant (CDBG) program. Pursuant to the [statute](#), CDBG funds are used “for the support of community development activities including the conservation of the Nation's scarce energy resources,

improvement of energy efficiency, and the provision of alternative and renewable energy sources of supply.”

Despite our progress, the need for robust investment in affordable housing that is built to last is tremendous. This testimony 1) describes how climate change exacerbates the housing shortage and racial inequities; 2) highlights the steps Enterprise is taking to build resilient and equitable communities; and 3) recommends immediate actions the federal government can take to ensure that federal funding supports the stability and prosperity of communities through investments in climate-ready, affordable homes.

Climate Change Exacerbates the Housing Shortage

Increasing greenhouse gas emissions have escalated the frequency and intensity of natural disasters - with multi-billion-dollar consequences. Such disasters hit LMI communities and communities of color hardest, putting millions of households at risk of displacement. This spring, the United Nations’ IPCC released its most dire report yet – the report warns our current pace of climate change is “code red for humanity.” In 2021, the U.S. recorded at least 20 disasters that cost \$1 billion or more in losses, totaling more than \$145 billion in recovery costs. From a deadly derecho in Iowa, major flooding across the Midwest, severe winter storm in Texas, earthquakes and hurricanes in Puerto Rico, to wildfires in the West, one in three Americans have faced an extreme weather event in the past two years, according to a new Gallup survey result.

These disasters only compound the housing shortage.

With catastrophic events damaging homes and infrastructure on a scale rarely experienced before, we need to move beyond quick fixes and include resiliency in all aspects of rebuilding post disasters. Since buildings account for 29% of U.S. greenhouse gas emissions, slowing the progression of climate change requires a strategy that includes improving building performance. We must also reduce housing’s vulnerability to disasters. Affordable housing is chronically underinsured and federal recovery programs, while well-intentioned, are slow and inequitable, compounding the challenges faced by owners and residents.

Rather than spending hundreds of billions every year to respond to disasters after they occur and rebuild structures that couldn’t withstand these events, we have an opportunity to make an up-front investment in long-term resilience so that the homes built today will still be around for our children and grandchildren.

Climate Change Exacerbates Racial and Wealth Inequities

Extreme weather events disproportionately affect underserved communities and people of color the most, which can be linked to housing policies from the past and present. For example, a 2020

study found that historically redlined neighborhoods are nearly 5 degrees Fahrenheit warmer compared to non-redlined neighborhoods. Similarly, a Boston University research found that “urban heat islands tend to correlate with areas of cities that have been historically redlined and not invested in.” The CDC reports that heatwaves are the deadliest of the climatic disasters facing cities, which affect low-income and people of color the most. For example, Black residents make up 50 percent of the heat-related deaths in New York City, despite making up 25 percent of the city’s population.

The 1995 Chicago heat wave killed 739 residents, mostly elderly and poor - three times as many people as Superstorm Sandy (117 victims) and Hurricane Harvey (107) combined – making it one of the deadliest climate disasters in U.S. history. A nearly identical bubble of extreme heat and humidity killed 114 people in 1999.

“It was worst in older neighborhoods in more industrialized parts of the city, where many of the homes and businesses had little ventilation and black roofs,” said Howard Learner, executive director of the Environmental Law & Policy Center, based in Chicago. “And where you have older buildings mixed with industrial facilities—like we have on the South Side of the city—they tend to be surrounded by hot asphalt.”

Moreover, there are striking overlaps between contemporary flood risk maps and New Deal-era maps used by the federal government to assess risks in mortgage lending. These historically redlined neighborhoods face a greater risk of flooding today; across 38 major U.S. cities, more than \$107 billion worth of homes at high risk for flooding are located in historically redlined neighborhoods, which is 25% more than in non-redlined areas. These disparities reflect decades of disinvestment and the disproportionate climate impacts underserved communities face when compared to wealthier and non-redlined areas.

Besides being more likely to live in physically vulnerable areas with greater natural hazard risks due to their financial limitations, residents of these communities also tend to live in lower-quality homes that are less stable in the event of extreme weather events. These same individuals tend to be less likely to have the resources necessary to prepare for a disaster and they tend to lack the savings needed after disasters strike; as a result, they take longer to recover—if they recover at all.

According to the federal U.S. Global Change Research Program’s Fourth National Climate Assessment, climate risk prevention efforts can reveal existing inequalities. While better-resourced communities have access to stronger, more resilient infrastructure and mitigation initiatives to address climate hazards, smaller or under-resourced communities lack the capacity and means to put in place a robust mitigation response. Enterprise has created a business continuity toolkit to assist affordable housing organizations with creating a plan, but resources are the key to effective implementation and the ability to respond on a community level.

Historically marginalized communities also face higher energy burdens, which is only being exacerbated as temperatures rise and utility expenses along with it. A 2020 research [study](#) by Progress in Energy finds that “Low-income households still spend a higher percent of their income on electricity and gas bills than any other income group.” The study also finds that low-income families unable to pay their high energy bills have higher rates of utility shut-offs and a higher possibility of eviction due to non-payment.

At Enterprise, we recognize how critical it is to prioritize the unique needs of the affordable housing sector as we transition away from fossil fuels. We’re committed to helping craft a sector-wide approach that achieves equitable [decarbonization in affordable housing](#) so that owners and residents of affordable housing are set up to thrive. Black, Indigenous and people of color (BIPOC) are more likely to live in unhealthy homes that lack access to transit and other resources. BIPOC communities also face a greater risk of living near brownfields, industrial areas and other potentially toxic spaces. Healthy, efficient and resilient affordable homes are key to advancing racial equity - and to achieving economic and environmental justice.

[The Shared Economic Burden of Recovery](#)

Where a person lives has profound implications on education, health, lifetime earnings, and even [life expectancy](#). After major disasters, people’s lives are disrupted in countless ways. Survivors’ stories of their experiences often start with the damage to their homes. They may be looking for a temporary or permanent place to live, trying to put together funds for repairs and to replace lost items, and fighting with their insurance providers. Not having a stable home impacts their ability to get to work and school and to access their medical providers. So much of this is avoidable, and we must act with urgency to do what is within our power to make homes safer so they can be a platform to more. Low-income populations and people of color are less likely to have the resources necessary to prepare for a storm and are more likely to lack savings before disasters strike. An Urban Institute [study](#) finds that people with financial burdens who also live in communities of color experience an average 31-point credit score decline, compared with a 4-point decline for people in majority-white communities, after a disaster strikes.

There are economic repercussions for [all of us](#) when disasters strike. The costliest type of disaster in the U.S. is flooding. As this Congress well knows, the Federal Government is the largest provider of flood insurance through the FEMA National Flood Insurance Program (NFIP), which has historically operated at a substantial loss. When floods damage homes, the American taxpayer is generally on the hook, either because the property owners make claims on their NFIP policy, or because FEMA or other government disaster assistance programs substantially cover the otherwise unmet costs of rebuilding.

Additionally, the cost of other types of property insurance payouts after all types of disasters is spread across American consumers. Because insurance companies pool their risk, we all end up

paying more to cover the risk of damage from major disasters, even if we live in a relatively low risk area and haven't ever made a claim.

For these reasons, we have a shared economic incentive to make properties safer and more resilient.

Ensuring the Stability and Prosperity of our Next Generation through Investment in Green Building Standards

Housing stability extends beyond the cost of monthly rent payments. It is also vital that housing is stable during moments of stress, whether it be an unpredictable natural disaster or extreme temperatures in summer or winter. Housing built or renovated using energy efficiency standards improves stability. It leads to more predictable utility expenses, a daily benefit regardless of the weather outside. Energy efficiency allows residents to not have to choose between paying their utilities, rent or putting food on the table, and it responds better to climate instability -- ensuring a holistic affordability strategy that keeps residents on their feet. We must commit to energy efficiency standards to ensure our communities are climate-ready.

Green building standards are those that address health and environmental responsibility in addition to energy; green affordable housing produces healthy living environments with affordable utility expenses. Homes that are certified to green building standards provide benefits to both residents and property owners. A Southface Institute [study](#) demonstrated that affordable housing developments certified as green spent 12% less on energy (common areas) per square foot than non-green affordable developments, and residents used 14% less energy per square foot. These families saved nearly \$8/month and \$96/year, which can translate to the purchase of healthier, higher quality food. Additionally, seniors saved more than \$10/month and \$122/ year on energy costs. These savings can cover the cost of 1-2 medical prescriptions a month.

Based on the benefits, it may be surprising that green building practices are not standard across the housing sector, especially the affordable housing sector. Where states require or provide incentives for green in order to receive financing from the LIHTC program, many subsidized affordable housing projects do meet green building standards. In fact, 35 states (plus Puerto Rico, Chicago, New York City and Washington D.C.) incorporate green building programs such as Enterprise Green Communities in the standards for their Low-Income Housing Tax Credit programs.

However, green building policy is not consistent across all states nor across all affordable housing funding streams. Where there are not political incentives to focus on the long term good, developers face an uphill battle. Developers, investors, and other stakeholders involved in building affordable housing must ensure that each project is financially viable, and concern about additional front-end costs is a very real factor that can deter affordable housing developers from building to energy efficiency and green standards, particularly as construction costs in general

are volatile. In the current affordable housing financing structure, it is challenging, if not impossible, for developers to include additional upfront costs to include these efficiencies and strategies - even where the savings and benefits are quickly realized by owners and residents - because first costs are the basis for financing decisions, not total cost of ownership/operation.

Without a concerted and coordinated effort, much housing around the country will be built or renovated without green building standards and will be unprepared to meet the demands of a changing climate, causing unnecessary risk to human life and resulting in increased costs. It is essential for the Federal Government to lead the way, providing multi-pronged solutions that holistically address educational, capacity, policy, institutional and capital barriers in order to ensure that affordable housing does not exacerbate climate change and is prepared to withstand its impacts.

Enterprise Green Communities is the nation's only national green building program designed explicitly with and for the affordable housing sector. Today, because of our efforts over the past 15-plus years, more than half the states in the nation recognize the added value that green building certification provides by requiring or incentivizing compliance with our standard.

Our newest program version (2020) was developed to translate the collective expertise of leading housing and green building practitioners into a clear, cost-effective framework for all affordable housing types. The newest version includes a Path to Zero Energy, enhanced water quality standards, and a new approach to resilient affordable housing in rural areas. The benefits of green building are clear, attainable and significant, and will ensure that affordable housing is not only built, but is stable, healthy, efficient and climate-ready for many years to come.

Innovative state and regional programs have shown the impact of investing in resilient community development that integrates housing and transportation in order to reduce greenhouse gas emissions and support sustainable, connected neighborhoods. In California, for example, the [Affordable Housing and Sustainable Communities program](#) creates affordable housing conveniently located near the places families need to go—such as jobs, grocery stores, and schools, while also investing in transportation infrastructure that help make walking, biking, and taking public transit safe and convenient options. Designed specifically to benefit low-income communities—disproportionately communities of color—that have been historically excluded from community-serving investments, local innovations like this demonstrate how we can integrate and advance our goals for housing, transportation, climate resilience, and addressing longstanding patterns of racialized disinvestment. Federal funding could scale programs like this, which through an integrated approach create transformational community and societal benefits larger than the sum of any one of its parts.

Our changing climate creates enormous challenges. How we design, build and operate buildings will affect the pace of climate change. Healthy living environments with affordable utility expenses are possible. And they are critical to the future of resilient communities.

Decarbonization and Health

Housing stability and housing quality are two of the best researched social determinants of health and are directly linked to improved health outcomes of residents, plus decreased health care costs. Retrofitting homes for affordability, resilience and energy efficiency offers an opportunity to ensure exactly these benefits.

By electrifying homes and removing natural gas utilities and appliances, we can address sources of pollution that directly impact respiratory health. Children living in homes with gas stoves are at [higher risk](#) of experiencing asthma. Combustion emissions from the building sector are responsible for [the largest share](#) (37 percent) of premature deaths associated with air pollution nationally.

An investment in housing infrastructure is also an investment in climate solutions.

Housing is responsible for [17 percent of U.S.](#) economy-wide net climate emissions—almost 1 billion metric tons per year— from heating, cooling and other uses of energy. To meet the administration’s new goal of a 50% emissions cut by 2030, the U.S. will have to dramatically slash these housing emissions through deep energy efficiency upgrades, electrification and the use of clean energy sources. A recent [study](#) by the National Renewable Energy Laboratory found that electrification even without a low-carbon electric grid could reduce emissions by roughly 40%.

Prioritizing decarbonization in the affordable housing sector, and particularly for communities of color, is critical, given the housing disinvestment in these communities. Without an explicit focus on a just transition away from fossil fuels in the affordable housing sector, health and wealth disparities will likely only be exacerbated.

To eliminate all emissions—and to make decarbonization financially viable—buildings must reduce energy usage and move to clean, renewable sources. Building-wide energy-efficiency upgrades and the installation of highly efficient electric equipment will reduce emissions and improve health and comfort simultaneously. Together, these are the necessary first steps for decarbonization in the affordable housing sector. Developers should default to electric power for all new construction properties and follow guidelines such as Enterprise Green Communities Plus to implement efficiency and healthy housing strategies. It is much more cost-effective to implement at the design stage than to undergo an expensive retrofit in just a few years.

Affordable homes in rural communities in particular often have poor efficiency, outdated heating and cooling technology and an overreliance on expensive and higher polluting fuels, making them a promising target for reduced energy burdens and healthier living through building decarbonization. Investing in carbon-free housing will also create jobs and economic opportunity. In some markets, initiatives are already underway to upgrade affordable housing at scale:

- Enterprise's [Green Communities Criteria](#) and programs have demonstrated the sector's ability to implement healthy, efficient, disaster-resilient and environmentally responsible practices.
- RMI's [REALIZE](#) and New York's [RetrofitNY](#) programs are catalyzing new market-based approaches to zero-emissions retrofits.

New federal funding would enable these models to scale significantly and create a chance for achieving the magnitude of emissions reduction necessary in our existing building stock. It would stimulate new jobs, drive down retrofit costs, and help a new sector of the economy to thrive long beyond the funding influx. These investments and job opportunities exist in every county in America. More workers will be able to access wealth-building jobs and opportunities for minority and women-owned businesses in these sectors will increase.

Building properties to be electrification-ready if gas is still the most economical choice at the time of construction is an option that provides building developers, owners and operators flexibility. Including the proper pre-wiring, outlets and breaker boxes - and adequate amperage in the electrical panel for the appliances (heat pump space heaters, heat pump water heaters, induction cooktops/ranges, and dryers) - at initial construction is more cost-effective than when later required for a retrofit. For example, electric dryers require a 240-volt outlet (new ones must have a 4-prong plug) per [National Electric Code](#) (NEC), Section 210.63. Per code, heat pumps require a breaker between 15-60 amps and inverter heat pump units with a heat output of 5 kW or more are required to have a dedicated circuit.

It's far easier to add electrical wires and service to a building in design than to add wiring to an existing structure. If all-electric homes can be built, that is much more preferable than installing infrastructure for non-renewable sources of energy which we expect will eventually become obsolete. Costs of rewiring homes currently powered by non-electric sources include the cost of wires, outlets, panels, switches, labor, and miscellaneous supplies, not to mention the disruption to residents and the building operations team. Per [Homeadvisor.com](#), the cost to upgrade an electrical panel to a higher amperage is about \$2500 for a home. Federal investment is needed to support these types of upgrades since the electrification of existing buildings -- paired with deep energy retrofits -- is also necessary to eliminate emissions.

New all-electric homes are cost-competitive with those that use gas in many parts of the country, but investment is necessary for retrofits, which are essential to succeed with our climate goals. The decision to provide gas appliances at the time of construction due to current utility costs should also take into account projected utility costs, as eventual appliance conversion is required and appliance service life is generally 10-20 years. The city of [San Francisco](#) found the estimated cost of an electrical retrofit of appliances in residences ranges from a low of \$14,363 per housing unit up to \$19,574 for multi-family units and \$34,790 for single-family homes. Costs include disposal of old appliances, purchase of new appliances, labor and electrical panel upgrades. Per unit costs for performing deep energy retrofits of existing buildings, along with rewiring for electrification, may average \$30,000.

The Need to Protect our Current Housing Stock from the Impacts of Climate Change

Despite growing interest and commitment, our housing, infrastructure, and regions are not mitigating or adapting at the necessary pace of change. It is time for America to invest in modern infrastructure that is built to last.

A recent study by Climate Central estimates that “by 2050, virtually every coastal state is expected to have at least some affordable housing exposed to more than one coastal flood risk event per year, on average -- up from about half of coastal states in the year 2000.” Yet nearly 200,000 federally subsidized rental housing units are located in floodplains. Another report from NYU Furman Center projects that 30 million people live in the combined 100-year and 500-year flood plains, mostly low-income and communities of color.

Fortifying the nation’s housing stock will mean getting families back to their routines more quickly after disasters and will also improve economic outcomes for families, communities, and the taxpayers as a whole. At Enterprise we focus primarily on the people most at risk of harm from disasters and least likely to rebound quickly, including elders and low-income families who rent their homes.

At Enterprise, we don’t just take it on faith that incorporating resilience measures saves money. We saw that firsthand in 2017 when a very heavy rainfall flooded New Orleans and tested the new Faubourg- Lafitte development which Enterprise and Providence Community Housing rebuilt after Hurricane Katrina. The deluge overwhelmed the city’s drainage systems. Residents found their streets waist-deep in water, but our development escaped harm. Water did not breach the first floor of our property because the homes had been built two feet above the base flood elevation, taking into consideration the possibility of future flooding. These homes were unharmed, so residents could quickly get back to their daily lives in their own homes once the water receded, and there was no need to make a claim on the development’s National Flood Insurance Program policy. Better underground infrastructure is needed throughout the city to allow water to drain more quickly, but our efforts to do what was within our own control to minimize risk paid off.

Enterprise recommends appropriations used for construction take into consideration current and future risk of harm due to climate change, which disproportionately impacts low-income and communities of color. Protecting federal investments from foreseeable risks ensures that taxpayer dollars are invested in projects that will deliver maximum results.

A study released by the National Association of Home Builders reports that building to the International Residential Code (IRC) was very effective in preventing the destruction of homes due to wind during Hurricanes Harvey and Irma and resulted in significantly less damage to wall and roof coverings and loss of those components while also minimizing window breakage. Very few homes constructed in Texas after 2003 suffered severe damage to roof sheathing, wall sheathing and framing or total loss and collapse of those components. Similarly, very few homes constructed in Florida after 2008 suffered severe damage to roof sheathing, wall sheathing and

framing or total loss and collapse of those components. Since future disasters are inevitable, enforcing the most current building codes is crucial. According to the [National Institute of Building Sciences](#), federal grants for climate hazard mitigation save \$6 for every \$1 invested. Since 1995, public-sector investment in mitigation through federal agencies such as FEMA, EDA, and HUD cost the country \$27 billion but will ultimately save \$160 billion, meaning \$6 saved per \$1 invested.

Congress should ensure that federal funding supports the stability and prosperity of communities through investments in climate-ready, affordable homes.

With catastrophic climate events happening with more frequency and intensity, it is critical to bolster the supply of safe, resilient, and climate-ready rental housing, especially in more vulnerable low-income communities and communities of color; rental communities typically take longer to recover from these events. Not only that, but as utility burdens have become exacerbated during the pandemic, it is more important than ever to maximize the energy and water efficiency of the affordable housing stock. The Administration and Congressional Leadership have proposed historic investments in housing and community development programs, which would not only provide crucial funding to tackle the drastic housing shortage, but would also advance energy-efficient and resilient housing and address the growing climate crisis. Incorporating renewable energy systems into the creation and preservation of affordable rental housing can also help address existential threats to renters' health and wealth in a cost-effective way.

Included in the \$150 billion in proposed housing investments in the reconciliation package are ~\$3 billion for the Community Development Block Grant (CDBG) program, a critical resource for communities nationwide to invest in low-and moderate-income neighborhoods and produce and preserve both owned and rental housing; ~\$15 billion for the national Housing Trust Fund (HTF); and ~\$10 billion for the HOME Investment Partnership Program (HOME). In terms of climate provisions, \$2 billion is included for improving the energy efficiency, water efficiency, or climate resilience of affordable housing; \$3 billion for the Community Restoration and Revitalization Fund, which provides competitive grants to local projects led by nonprofits aimed at affordable housing activities in rural, suburban, and urban areas; and \$250 million for the CDFI Housing and Livable Communities Financing, which provides funding for the CDFI Fund to expand investments that reduce emissions; increase energy, water, and location efficiency; increase housing safety; increase resilience; or prepare for extreme weather in low-income, underserved, and distressed communities.

Other noteworthy investments to advance sustainable and equitable communities include \$5 billion for lead-based paint hazard control and housing related health and safety hazard mitigation; ~\$1.8 billion for the Unlocking Possibilities Program, a new grant program that would award flexible funding to jurisdictions that take steps to reduce barriers to producing

affordable housing and expand housing choices for people with low- or moderate-incomes; and \$800 million for fair housing activities and investigations.

In addition to this much-needed funding, Congressional leadership proposes to strengthen and expand LIHTC, which is responsible for nearly all of the affordable housing built and preserved across the country. With an affordability period of at least 30 years, that stands the test of time. Increasingly, states also are focused on strategies to increase energy and water efficiency as well as the health of properties to improve financial performance, keep rent and utilities affordable, and provide healthier homes for residents.

As noted above, green building certification programs such as our Green Communities Criteria have been adopted or incentivized by 35 states for LIHTC because they are affordable and scalable. Enterprise Green Communities certification is required in several states, including Ohio, Georgia and Michigan (for both new construction and rehabilitation), and Florida, Iowa and Missouri for new construction. Additionally, a growing number of states encourage properties to pursue third-party standards that require deeper energy savings, like Enterprise Green Communities Plus, Passive House, or the U.S. Department of Energy's Zero Energy Ready Homes. A recent study by the [Colorado Housing and Finance Authority](#) found that standard efficiency all-electric design reduced greenhouse gas emissions by 32% over the 50-year life of a LIHTC property. By strengthening and expanding the LIHTC program, we also strengthen the country's resilient and energy-efficient affordable housing stock.

We recognize that with affordable housing, opportunities for investment are rare, and there is no margin for a failed experiment. This is why it is so critical to ensure that all (new) housing that receives federal financial support is verifiably green.

Specific recommendations:

- **Bolster Federal Incentives and Requirements for Healthy, Efficient, Climate-ready Housing.** Congress should set resilient building standards as the minimum quality standard for all new construction and substantial rehabilitation projects built with agency dollars, ensuring that federal funding supports climate-ready, affordable buildings. Minimum standards must be enforced to ensure that when we are rehabilitating and building affordable housing that we are making climate-ready homes. These standards will ensure that whether a resident is facing the slow creep of rising temperatures or the sharp impact of a hurricane, that they are able to survive and thrive. Some HUD programs such as the Choice Neighborhoods Program and the CDBG- Disaster Recovery (CDBG-DR) program have implemented building standards that address both climate change mitigation and adaptation. However, there are not common or consistent standards across all federal programs, leading to grantee confusion. We also recommend the inclusion of technical assistance to ensure local jurisdictions and their stakeholders

have the technical expertise needed to implement and ensure compliance with applicable standards.

- **Encourage Strong Building Codes in All New Construction.** A [study](#) released in November 2021 by FEMA shows that modern building codes continue to be one of the most cost-effective ways to safeguard against natural disasters. If all new construction adopts modern building codes, it could result in a \$600 billion loss avoidance by 2060. Despite this, 65% of counties, cities and towns across the country still have not adopted modern building codes. Building codes have greatly improved society's disaster resilience, while adding only about 1% to construction costs relative to 1990 [standards](#). For example, building 1 foot above the 100-year flood elevation is cost effective, adding \$90 million of construction cost per year for new construction, but saving \$550 million in rebuilding costs, a 6-to-1 benefit-cost ratio. Building code hurricane requirements save an average of \$10 per \$1 of added cost, with benefit-cost ratios that reach as high as 30 to 1. Similarly, enhanced earthquake design requirements save \$7 billion per year for a \$600 million investment at the time of construction, with benefit-cost ratios reaching as high as 32 to 1. In terms of existing buildings, by investing \$500 billion in retrofits, the nation can save over \$2.2 trillion in loss avoidance.
- **Provide Stable Recovery Funding to Disaster-Stricken Communities.** As the only source for federal long-term disaster housing recovery funding, HUD's [CDBG- DR](#) program plays a crucial role in rebuilding homes and restoring livelihoods for people of modest means. CDBG-DR has become a critical safeguard for filling any unmet needs after funding from insurance proceeds, FEMA grants, and other homeowner loans have been insufficient to repair their homes or get them to stable new housing. CDBG-DR also allows states and localities to rebuild in a forward-facing manner so that federal dollars do not put people back in harm's way. But unlike FEMA's disaster recovery programs, CDBG-DR cannot reach communities quickly because despite the fact that more than [\\$90 billion](#) in taxpayer dollars have gone to the program since its inception in 1993, as this Committee well knows, it is not permanently authorized. Enterprise strongly supports the permanent authorization of CDBG-DR through the bipartisan [Reforming Disaster Recovery Act](#), which would improve outcomes for families across the country by providing long-term recovery funds to disaster-stricken communities in a more efficient and equitable way.
- **Incentivize Private Investments in Resilience.** We strongly support the National Green Bank proposal to support the rapid deployment of low- and zero- emission technologies,

as well as to invest in nonprofit financing institutions designed to support projects that reduce or avoid emissions by leveraging investment from the private sector. It is critical to ensure that any creation of a National Green Bank dedicates a portion of the investments to benefit low-income and disadvantaged communities, including through affordable housing.

- **Engage Residents in the Resilience Planning and Recovery Process.** Inclusive public participation is a critical component of preparedness, particularly during mitigation and pre-planning, both to educate people about their personal risk and to involve them in community-informed solutions, ensuring everyone has the opportunity to thrive. Resources should also be available in a variety of formats and various languages to ensure greater and equitable access to information.
- **Incentivize Equitable Transition Away from Fossil Fuels.** The federal government must provide an overhaul of existing incentives, as well as new transformative investments for equitable electrification and deep energy retrofits. There is a need to eliminate barriers and disincentives for the affordable housing community to use existing federal resources. We recommend the federal government review and revise as appropriate, all federal energy efficiency and clean energy policies and incentives to ensure viability with the LMI market, including:
 - the resolution of the current incompatibility of the Weatherization Assistance Program (WAP) funding with LIHTC basis; and
 - the exclusion of community solar from utility allowance calculations.

We also ask Congress to ensure that all new homes receiving federal support are electric or be built with adequate infrastructure to be electric-ready, and all replacements for systems at the end of their useful life that are not using clean renewable sources of power are converted to systems that do.

- **Provide At Least \$50 Million for HUD's Section 4 program in THUD appropriations Bill for FY23.** Section 4 funds have often been utilized by CDCs and CHDOs to ramp up their capacity so that they can provide immediate support to communities facing overwhelming housing damage after a large-scale disaster. CDCs have typically used and benefitted from Section 4 funds by strengthening general organizational capacity, initiating needs assessments, and creating new full-time staff positions that will provide local partners with critical ongoing support. Recently, for example, these funds have aided disaster recovery efforts following the 2017 and 2018

hurricanes in Texas, North Carolina and Florida, as well as home repair projects in areas impacted by the California wildfires.

On behalf of Enterprise, I offer my thanks to Chairman Brown, Ranking Member Toomey, and all the Members of this Committee for your bipartisan leadership on these issues and the recognition of a need for bold action to move our country forward in a more climate-ready and equitable direction. Additional federal investment in key housing programs will enable safer building decisions, which lower the economic consequences of extreme weather events and help prevent future risk. My Enterprise colleagues and I look forward to partnering with you to uplift affordable housing and community development policies that advance racial equity and climate resilience, so that hard-working families can all have a safe home to return to at the end of every day.