

AHFA 2021 Draft HOME Action Plan, Low-Income Housing Credit Qualified Allocation Plan,
and National Housing Trust Fund Allocation Plan
Public Comment Form
Commenting Period July 2, 2020 – August 20, 2020

All comments regarding the Draft Plans must be submitted using this form. General Comments may be submitted at the bottom of the form. **Comments which include cut-and paste text (or redlined/re-worded sections) of the proposed Plans will be rejected.** AHFA will not respond (or seek to interpret) to suggested change in language without a complete explanation of the suggested language change. Please provide full explanatory and careful comments regarding your proposed changes, keeping in mind that your proposed changes might have an unintended consequence for a different project or location in the state. All forms should be submitted to ahfa.mf.qap@ahfa.com as an attachment to the email. Other documentation, e.g., product information or photos, may also be submitted. All comments will be posted at www.ahfa.com for review.

8/20/2020

Name: Alysson Blackwelder Organization: U.S. Green Building Council Email: ablackwelder@usgbc.org Phone: 703-981-1768

Plan Section	Section Reference	Page #	Specific Comments
Housing Credit	DQS	C-1	<p>USGBC recommends that AHFA require all new construction projects to certify to ENERGY STAR's Residential New Construction program, and require all rehabilitation projects to undergo a pre-rehabilitation energy analysis and energy audit to identify and install cost-effective energy upgrades. We acknowledge that AHFA, like many state Housing Finance Agencies, justifiably wants to minimize up-front development costs associated with Housing Credits. However, affordable housing residents should not bear the burden of high utility costs and unsafe or unhealthy housing. These most vulnerable residents should be sufficiently supported so that they may pay their monthly housing costs, in addition to utilities and food expenses.</p> <p>Whole building energy programs, like ENERGY STAR, are proven to be a cost-effective way to lower residents' and property owner's bills, reduce unit turnover and provide healthier, more comfortable homes for residents. Currently, 41 state housing finance agencies have determined that whole building energy and green building programs are a prudent use of Housing Credits and have included them in their QAPs. Additionally, by including a whole building energy program in Alabama's QAP, AHFA would also create a level playing field for developers, as their projects must currently comply with different energy codes in different jurisdictions.</p>
Housing Credit	Point Scoring	A-4	<p>USGBC recommends that AHFA expand the current incentives for energy efficient features as included in the current 2021 QAP draft to offer property owners and developers point-based incentives for LEED green building certification. By giving them the option to earn additional points for earning LEED certification, low income projects can help ensure their</p>

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August 20, 2020

David Young
Multifamily Administrator
Alabama Housing Finance Authority
7460 Halcyon Pointe Drive, Suite 200
Montgomery, AL 36111

Dear Mr. Young:

On behalf of the U.S. Green Building Council, our nearly 9,000 member companies nationwide, and our strong Alabama community, we are pleased to provide the Alabama Housing Finance Authority (AHFA) with our comments regarding the *Draft 2021 Housing Credit Qualified Allocation Plan*.

USGBC recommends AHFA make the following improvements to the plan:

- 1) Require all new construction projects to certify to ENERGY STAR's Residential New Construction program,
- 2) Require all rehabilitation projects to undergo a pre-rehabilitation energy analysis and energy audit to identify and install cost-effective energy upgrades, and
- 3) Make eight (8) points available to projects earning LEED certification.

USGBC and LEED in Alabama

USGBC is a nonprofit organization committed to transforming the way all buildings and communities are designed, built, and operated to support a sustainable, resilient, and prosperous environment that improves the quality of life for all. Our flagship green building system, LEED, continues to grow in Alabama with more than 700 multi-family housing LEED for Homes certified projects. Of this total, more than 25 percent is considered affordable housing. In addition, there are over 180 LEED certified commercial and high-rise residential projects in Alabama, amounting to a total of more than 15 million square feet. Representing the full range of the building sector, including builders, product manufacturers, professional firms, and real estate, nearly 190 Alabama-based organizations are USGBC members, and more than 1,300 individuals in Alabama hold a LEED professional credential.¹

LEED takes a comprehensive approach to green housing by considering resident health and comfort as well as objectives such as energy and water efficiency and indoor environmental quality. LEED projects must meet a set of rigorous criteria within prerequisites and flexible credits that, when combined, set building projects on the path

¹ [State Market Data Briefs](#), USGBC.



to excellence in sustainability and overall resilience. The third-party certification supported by LEED ensures accountability, total value, and building performance outcomes for housing advocates and taxpayers alike, while the energy and water resources saved by building to LEED translates to reduced costs for residents.²

Exemplifying how LEED supports high quality and high performing affordable housing in Alabama are the [Cottages of Lakeshore](#) in Birmingham, which earned LEED Gold in 2011. This non-profit housing development provides private residences for severely injured military participating in Lima Foxtrot programs, developed for members of the Armed Forces who have sustained physical injuries during their time of service.

To learn more about how affordable housing projects benefit from LEED, see USGBC's brief [Green For All: Healthy and Efficient Affordable Housing](#).³

USGBC Recommendations for Final 2021 Housing Credit Qualified Allocation Plan

For the 2021 QAP, USGBC recommends that AHFA require all new construction projects to certify to **ENERGY STAR's Residential New Construction** program, and require all rehabilitation projects to undergo a **pre-rehabilitation energy analysis and energy audit** to identify and install cost-effective energy upgrades. We acknowledge that AHFA, like many state Housing Finance Agencies, justifiably wants to minimize up-front development costs associated with Housing Credits. However, affordable housing residents should not bear the burden of high utility costs and unsafe or unhealthy housing. These most vulnerable residents should be sufficiently supported so that they may pay their monthly housing costs, in addition to utilities and food expenses.

Whole building energy programs, like ENERGY STAR, are proven to be a cost-effective way to lower residents' and property owner's bills, reduce unit turnover and provide healthier, more comfortable homes for residents. Currently, 41 state housing finance agencies have determined that whole building energy and green building programs are a prudent use of Housing Credits and have included them in their QAPs. Additionally, by including a whole building energy program in Alabama's QAP, AHFA would also create a level playing field for developers, as their projects must currently comply with different energy codes in different jurisdictions.

Additionally, USGBC recommends that AHFA expand the current incentives for energy efficient features as included in the current 2021 QAP draft to offer property owners and developers point-based **incentives for LEED green building certification**. By giving them the option to earn additional points for earning LEED certification, low income

² "U.S. States Increasingly Embrace Green Affordable Housing," USGBC blog, 2019.

³ Available at <https://www.usgbc.org/resources/green-all-healthy-and-efficient-affordable-housing>.



projects can help ensure their future residents benefit from energy efficient, healthier housing.

Specifically, USGBC recommends that AHFA make available eight (8) points for projects earning LEED certification under the Project Characteristics section. Currently, the draft only includes piecemeal energy efficiency items or features as qualifying criteria for four (4) competitive points. While the green building features noted in the draft are valuable strategies for achieving high levels of energy efficiency and cost savings, these individual features are not, by themselves, rigorous, or in many case, verifiable.

Green building is meant to be holistic and comprehensive, and a piecemeal approach does not encourage a rounded view that takes into account the various paths projects may take to achieve greater levels of efficiency, resilience, and livability. Green building certifications like LEED can optimize these types of outcomes for affordable housing occupants through an integrated delivery process that incorporates third-party quality control measures.

For more on how LEED supports high levels of energy performance, please see our policy brief [LEED v4: Raising the Bar on Energy Performance](#).

LEED Is Proven to Perform in Low Income Housing in terms of Both Health and Savings

LEED has been shown by numerous studies to perform well in post-occupancy operations in providing healthier conditions as well as by saving energy, water, and money.⁴

Americans spend about 90% of their time indoors and much of that is in our homes. The EPA estimates that indoor air is between two and 10 times more polluted than outdoor air. The U.S. Centers for Disease Control and Prevention found that low-income individuals have the highest rate of asthma; and 21% of all asthma cases are a direct result of home conditions, like mold and mildew. LEED-certified homes are designed to maximize fresh air indoors and minimize exposure to airborne toxins and pollutants and require proper ventilation, high efficiency air filters and measures to reduce the possibility of mold and mildew. Green buildings prioritize the use of adhesives, sealants, and finishings that have little to no volatile organic compounds (VOCs) to improve air quality.

⁴ For example, studies by the U.S. General Services Administration showed that the agency's high performing buildings show 23% less energy use, 28% water use, 23% less building operating expenses, and a 9% decrease in waste, while Washington State has found across 29 LEED buildings, state agencies and higher educational facilities reduced their energy use by an overall average of 37%. See USGBC brief, <https://www.usgbc.org/sites/default/files/LEED-Energy-Performance-Brief-FINAL.pdf>



A Washington, D.C. study of green certified low income housing renovations identified significant health benefits to residents.⁵ According to the study, 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. The study also reported energy and water cost savings of 16% and 54%, respectively.

Importance of Sustainable, High-Performing LIHTC Projects in Alabama

For affordable housing residents in Alabama, truly sustainable housing outcomes, like those provided by LEED projects, support a more stable, vibrant, and economically sound community and workforce. Particularly for low-income communities in Alabama, it is imperative to consider health and social equity in the development of affordable housing guidelines.

AHFA plays a critical role in implementing the LIHTC program to provide greater opportunities for high-quality, sustainable, resilient housing for the state's low-income populations. By including LEED certification as an acceptable means for achieving points for Energy Efficiency, AHFA will demonstrate its commitment to resident health and wellness, along with its goals for energy and water savings.

If you have any questions or seek additional information, please contact me at ablackwelder@usgbc.org. Thank you for your time and your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Alysson Blackwelder".

Alysson Blackwelder
Project Manager, Advocacy and Policy
U.S. Green Building Council

⁵ Jacobs, DE, et al. Health and housing outcomes from green renovation of low-income housing in Washington, DC. *J Environ Health*. 2014 Mar;76(7):8-16, available at <http://www.ncbi.nlm.nih.gov/pubmed/24683934>.