January 31, 2020

Re: AIA Comments in Response to the White House Council on Eliminating Regulatory Barriers to Affordable Housing Request for Information, Docket No. FR–6187–N–01

Dear General Counsel Compton:

AIA welcomes the opportunity to respond to the Department of Housing and Urban Development’s (HUD) request for information (RFI) as it relates to the White House Council on Eliminating Regulatory Barriers to Affordable Housing goal to address the costs of affordable housing and shortages. As the White House Council reviews its policy options, we urge it to consider sustainable and resilient design standards to minimize life cycle operating and maintenance expenses for that housing stock.

AIA has a number of recommendations we would like to share, including:

- Developing of a strategic regulatory agenda that supports up-to-date building code adoption and application at the federal, state and local levels;
- Encouraging the Council to streamline multiple agency review processes and consider continued regulatory improvement to key federal programs such as Qualified Opportunity Zones (QOZ). The regulatory environment for QOZ, as created by the 2017 Tax Cuts and Jobs Act, is also a key area that the Council should engage to ensure that federal subsidies flow equitably to the communities who need it the most. The inclusion of the Treasury Department within the Council provides an important opportunity to update these regulations to incorporate stakeholder feedback and the expertise of other agencies within the Council. This Administration rightfully championed QOZs that are intended to flow much-needed investment to “substantially improve” Zone property to support the economically distressed communities that live within them. Unfortunately, due to existing loopholes within the program’s authorizing legislation, investors can use Opportunity Zone incentives to finance projects that improve the value of property but do not substantially aid zone residents and the community.
- AIA applauds the cross-jurisdictional nature of the Council;
- AIA urges you to support housing strategies that provide valuable supportive services to subsidized housing recipients to set up a path of advancement to long-term growth and independence;
AIA also recommends that the Council consider regulatory support for long-term savings to the lifecycle, maintenance and operating costs of government subsidized affordable housing through the enforcement of modern model building codes for energy efficiency and building-resilience. AIA fully supports regulatory thresholds to require energy efficiency and disaster resilience in affordable housing development and maintenance. The Council recognizes that costs associated with regulatory barriers can negatively impact housing affordability. However, to exclusively minimize the upfront costs of affordable housing development by scaling-back energy efficiency and resilience requirements ignores the fact that much of a building's costs are realized after construction is completed due to costs associated with energy use, utility costs, operations and management. In fact, when analyzed over a 30-year period, design and construction account for approximately 2% of total costs for a building, while operations, maintenance and personnel costs cover the remaining 98%. Scaling back energy efficiency and resilience regulations will serve to ultimately increase the cost of a building throughout its lifetime and provide a greater financial burden to those who live within government subsidized affordable housing units.

Energy efficiency should be prioritized by the Council as a key driver of cost-savings over the course of a building's lifetime. Utilization of greater energy efficiency mandates in affordable housing leads to lower utility bills for building occupants and mitigates default risks. According to a recent study, Home Energy Efficiency and Mortgage Risks, compiled by the University of North Carolina and the Institute for Market Transformation (IMT), energy efficient homes can reduce the risk of mortgage default by about a third. Considering that utility costs are often a key impetus for defaults on housing payments, the Council should support regulations that mandate greater energy efficiency to lower the utility costs that burden existing financially distressed communities as well as to save U.S. taxpayer dollars allocated for government subsidized affordable housing.

Support for disaster-resilience related affordable housing regulations should also be a priority for the Council to consider. Doing so is financially prudent for an effective stewardship of taxpayer dollars. In fact, in the National Institute of Building Sciences’ (NIBS) Natural Hazard Mitigation Saves: 2017 Interim Report, which was sponsored by the Federal Emergency Management Agency (FEMA), found that federal mitigation grants save $6 per every $1 spent on pre-disaster mitigation efforts after studying 23-years of federal mitigation grants provided by FEMA, the Economic Development Administration (EDA), and HUD. Furthermore, within the same aforementioned report, an analysis to the costs and benefits of designing all new construction to exceed
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select provisions in the 2015 International Building Code (IBC) and the 2015 International Residential Code (IRC) and the implementation of the 2015 International Wildland-Urban Interface Code (IWUIC) resulted in a national benefit of $4 saved for every $1 invested into pre-disaster mitigation. Clearly, designing for natural disaster before they happen saves taxpayer dollars for when disasters strike and, more importantly – saves lives. AIA urges the Council to support regulations that require resilience in the existing, and new, affordable housing building stock.

• AIA also urges to Council to reinforce supportive housing measures within existing and newly constructed affordable housing communities. Supportive housing, which provides onsite services that aid with a diverse range of disabilities, address serious challenges to stable housing. Supportive housing is also often paired with social services, thus compounding the supportive effects of services that keep at-risk individuals and families out of homelessness and onto a path of long-term, unassisted housing. As the Council reviews options for effective, results-driven federal regulations, AIA urges Council members to consider greater regulatory incentives for affordable housing developers to include supportive housing units within their portfolio.

Architects who work for affordable housing development projects often cite the complicated, multi-faceted review processes required by various federal, state and local agencies. While the reviews themselves may be necessary, the process can be duplicative and cumbersome, draining valuable resources from firms. Streamlining the reporting requirements for different agencies, such as those required by HUD and EPA as well as other state and municipal agencies, would minimize the time and resources required to complete such reviews; provide equal opportunity for design and construction business entities, while minimizing federal agency staffing requirements to process such reviews.

Thank you for the opportunity to provide comment. If you have any questions or concerns regarding our proposals, please do not hesitate to contact the AIA.

Sincerely,

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