

USGBC Calls for Investment in Resilient and Efficient Schools, Buildings, and Infrastructure to Create Jobs and Support Communities throughout the Country

For more than a quarter century, USGBC has transformed our buildings and communities into healthy, cost-effective and sustainable spaces that improve our quality of life. We have seen how better design, construction and operations can boost economies, improve health and wellbeing, and increase efficiency across the country.

The collision of current health, economic, and social stresses is unprecedented and intersects with the pre-existing trajectory of increasing climate risk. These challenges require bold steps to create a future that improves opportunity and sets us on a new and better path forward.

As Congress considers approaches to help stimulate economic recovery and invest in infrastructure, USGBC urges priority action in five key areas to provide an immediate jobs boost, and deliver long-term benefits:

Schools	Federal Buildings	Critical Facilities	Private Sector Incentives	Housing
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Schools

We urge sustained Federal funding for school construction and renovation to improve conditions for health and learning and reduce utility costs to free up funds for education. **The Rebuild America's Schools Act (H.R. 865)**, introduced by Rep. Bobby Scott (and now with 213 cosponsors), and the companion Senate Bill (S. 266), introduced by Sen. Jack Reed, would distribute funds to states based on Title I funding. States would then allocate all funds competitively to school districts based on need to improve school facilities. Additionally, we urge **immediate dedicated relief funding for school facilities** repairs and upgrades, prioritizing changes that create a healthier learning environment, to enable bringing children, teachers and administrators back into school buildings, as was included in H.R. 6800, The Heroes Act 2.0.

Including school facilities in stimulus efforts would create jobs in construction and trades, improve the safety and health of students and teachers, and advance equitable access to high quality school facilities.¹

WHY:

- Our nation's K-12 school facilities support over 50 million students and 5 million teachers and administrators across the country.
- Most funding for school facilities comes from local government, presenting disparate resources; providing federal funding will reduce this inequity.
 - » USGBC's 2016 State of our Schools report previously identified a projected annual shortfall of \$46 billion in school funding that has not been addressed, despite significant efforts on the part of local communities.

¹ See Letter of support from 88 organizations, including USGBC, at https://www.buildusschools.org/.

- A June 2020 GAO report found an estimated 54% of public school districts need to update or replace multiple building systems or features in schools. Poor school facilities can negatively impact health, wellness and academic performance. The report also noted:
 - » School districts' highest priorities for school facilities were improving security, expanding technology, and addressing health hazards.
 - » About 41% of districts needed to update or replace heating, ventilation, and air conditioning (HVAC) systems. If not updated, some schools will be unable to implement best practices for indoor air quality to reduce risk of COVID-19 transmission, as well as reduce HVAC-related problems such as mold and poor temperature control.²

Federal Buildings

Investing in federal buildings as a key element of an infrastructure package will create important construction jobs across the country in the near-term—while leveraging private finance will save federal dollars in the long-term via reduced operations costs. The Federal Building Clean Jobs Act, currently in discussion draft, would help usher in the next phase of leadership in federal buildings with goals, direction, and targeted funding paired with leveraged private finance.

We support three areas of investment in federal facilities to stimulate the economy and improve resilience and efficiency:

- 1. Funding new construction and renovation aimed at achieving high performing buildings and meeting goals for efficiency, net zero energy and carbon, deep retrofits, and zero emission vehicle charging infrastructure; with renovation projects to leverage private finance for energy savings elements.
- 2. Resilience upgrades, including renewable energy, energy storage, and building-grid integration, and funding non-energy resilience including green infrastructure to reduce flood risks.
- 3. Implementing audit-recommended cost-effective energy conservation measures, leveraged with private finance to go farther.

WHY:

- Federally owned and leased properties are located across the country, in every state, and in rural and urban areas. These facilities are important employers that contribute directly to communities—even serving as anchors in emergencies. Properties include courthouses, USDA offices, urban office towers, prisons, park visitor centers, ports of entry, and many others.
- Investing in these facilities is an opportunity to upgrade and save money over the long term while modernizing to meet today's standards and creating healthier spaces for employees and visitors.
- Investing in Federal building projects has a track record of success in stimulating the economy.
 - » In 2009, the American Reinvestment and Recovery Act (ARRA) invested \$5.54 billion in the GSA. Five hundred projects in all fifty states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands leveraged those funds to transform federal buildings, courthouses, offices, and land ports of entry into high performance green spaces.
 - » According to GSA, buildings with completed projects are now 22% more energy efficient than they were before ARRA, with greenhouse gas reductions equivalent to taking 76,000 cars off the road. Efficiency improvements save taxpayers over \$68 million per year in utility costs.

- When federal facilities are efficient and resilient, they can maintain operations under stress and provide direct and spillover benefits to local economies.
- ARRA featured a successful apprenticeship program which could be replicated and expanded to provide increased opportunity to disadvantaged and unemployed individuals.

Critical Facilities

This pandemic has demonstrated the need to improve the critical facilities that keep us safe in times of disaster. From hospitals and fire stations to schools and emergency public shelters, critical facilities provide the essential services our communities rely on.

We join a coalition of efficiency organizations in support the Open Back Better proposal (H.R. 7303), introduced by Rep. Lisa Blunt Rochester and as included in H.R. 2,³ to provide federal seed funding leveraged with private capital, to invest in these needed improvements and put hundreds of thousands of people back to work in good paying jobs.⁴

WHY:

- The proposal would provide State Energy Offices and several Federal agencies with seed funding to be leveraged with private financing through performance contracting to upgrade critical facilities.
- The proposal will create jobs all across the country, while providing resilient, efficient, and flexible spaces to sustain communities in the future and during times of crisis.

Private Sector Incentives and Assistance

Our economy cannot get back on track without assisting the private sector. Companies throughout the building sector – from real estate developers and managers to energy efficiency retrofit firms – have been adversely impacted by the pandemic. Targeted assistance will enable these firms to initiate projects and improvements.

We support updating and extending key tax incentives to drive investment in green and energy efficient buildings and provide attractive financing options for private sector building efficiency. Specifically, we endorse:

- 1. Extending and updating with higher value and standards the 179D energy efficient commercial building tax deduction, as included in the GREEN Act and H.R. 2.
- 2. Developing additional incentives to stimulate deep retrofits such as a net zero energy building tax credit.
- 3. Establishing a new tax incentive via accelerated depreciation for highly energy efficient equipment and systems upgrades, as found in the E-QUIP discussion draft.
- 4. Flexible funding for states to implement programs to drive commercial building efficiency retrofits, with options such as targeted grants to hire onsite energy managers; subsidized energy audits; technical assistance for energy saving performance contracts; property tax incentives for high performing buildings; green banks; subsidizing C-PACE to zero or negative interest rates; and others.
- 5. Funding a new small business energy efficiency grant program.

3 H.R. 7303, Open Back Better Act of 2020.

⁴ See Andrew McAllister, "Roads and Bridges, Yes. It's Also Time to Put People to Work Rebuilding Mission Critical Facilities," May 27, 2020.

WHY:

- Businesses and commercial property owners and managers are still dealing with uncertainty in the pandemic. Often businesses fund building upgrades out of operating funds, which have been hit hard.
- Current lower occupancy rates may enable easier deep energy retrofits, while providing improved systems to help safe buildings for return-to-work.
- Building efficiency and retrofit projects can provide added value with resiliency, storage, vehicle infrastructure, electrification, renewable energy, microgrids, cyber security and healthy building attributes.

Resilient & Efficient Affordable Housing

Even before the pandemic, many areas of the country faced a shortage of affordable housing and significant houseless rates. Investing in increasing and improving the nation's affordable housing stock is critical to making long-term progress in quality of life, as well as economic recovery.

We support investment in housing construction and renovation with a baseline level of health and safety, energy efficiency, and ventilation by using up to date codes and systems of verification. Specifically, we support:

- 1. Funding for HUD and other agency programs targeting energy efficient, healthy affordable housing, through both new projects and retrofits.
- 2. Expanding and strengthening the Low Income Housing Tax Credit as proposed in S.1703 and H.R. 3077, the Affordable Housing Credit Improvement Act (AHCIA) of 2019.
- 3. Updating tax credits for energy efficiency in housing including the 25C and 45L tax credits as provided in bipartisan New Home Energy Efficiency Act (S.2595/ H.R.4646).
- 4. Training for residential energy efficiency and green housing workers, along with a new homeowner rebate program, as proposed in the HOPE for HOMES Act, H.R. 7325 and included in H.R. 4447.

WHY:

- Currently, no state has an adequate supply of affordable rental housing for the lowest income renters.⁵ Expanding the successful LIHTC the primary means for Federal investment in increasing affordable housing has the power to improve and increase such housing nationally.
- Low-income households continue to face disproportionate energy burdens. Over 31% of U.S. households struggle to pay their energy bills or to adequately heat or cool their homes. 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—far above the national average of 2.7% in 2015.⁶ Energy efficient housing reduces this energy burden.
- 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. Improving energy and ventilation systems in homes improves residents' health.⁷ Federal funds for housing construction and renovation should ensure a consistent baseline level of performance of residential projects.

In each of these priority areas, USGBC advocates for incorporating criteria to ensure benefits flow to the neediest. In addition, we support workforce training, apprenticeships, and measures to promote inclusive jobs opportunities.

⁵ NLIHC, "The Gap: A Shortage of Affordable Rental Homes," 2018

⁶ Energy Information Administration (EIA) Residential Energy Consumption Survey, https://www.eia.gov/consumption/residential/; U.S. Bureau of Labor and Statistics, https://www.bls.gov/opub/reports/consumer-expenditures/2015/pdf/home.pdf. 7 USGBC, "Green for All: Healthy and Efficient Affordable Housing."