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May 1, 2020

Mr. Chris Austin
Director of Rental Investment
North Carolina Housing Finance Agency
3508 Bush Street
Raleigh, NC 27609

Dear Mr. Austin,

On behalf of the U.S. Green Building Council, our nearly 9,000 member companies nationwide, and our strong North Carolina community, we are grateful to provide the North Carolina Housing Finance Agency (NCHFA) with our comments regarding the upcoming 2021 Low-Income Housing Tax Credit Qualified Allocation Plan (QAP).

As highlighted in USGBC's comments on the then-draft 2020 plan in August 2019, we continue to recommend NCHFA to make the following improvements to the plan reflective in the 2021 draft and final plan:

- 1) Require all new construction residential building to comply with all ENERGY STAR standards, specifically the **ENERGY STAR v3** standard.
- 2) Make available competitive points for projects earning **green building certification, including LEED.**

USGBC and LEED in North Carolina

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 North Carolina with more than 1,900 single-family homes and more than 2,100 multi-family housing LEED for Homes certified projects.¹ In addition, there are more than 1,000 LEED certified commercial and high-rise residential projects in North Carolina, amounting to a total of over 124 million square feet. Representing the full range of the building sector, including builders, product manufacturers, professional firms, and real estate, more than 120 North Carolina-based organizations are USGBC members, and more than 5,400 individuals in North Carolina hold a LEED professional credential.²

¹ [LEED for Homes Market Briefs](#), U.S. Green Building Council

² [State Market Briefs](#), U.S. Green Building Council



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

Exemplifying how LEED supports high quality and high performing affordable housing in North Carolina is the [Brightwalk](#) community in Charlotte, which earned LEED for Neighborhood Development (LEED-ND) status in 2016.

Brightwalk is a mixed-income neighborhood development of single-family homes, townhomes, and apartments including both affordable and senior housing for a variety of age groups and household sizes. Its close proximity to public transportation and bicycle lanes allow for easy access to the city center, and preservation efforts ensured the surrounding natural habitat remained. Brightwalk is located on a 98 acre redeveloped brownfield site, which now includes a seven-acre park, an outdoor pool, a neighborhood bike loop, and public sports fields. By meeting the requirements for LEED certification, the Brightwalk neighborhood supports residents' health and comfort, their sense of community cohesion, and sustainability and resilience.

USGBC Recommendations for North Carolina QAP

On behalf of our member organizations and credential professionals in North Carolina, recommends that NCHFA **require new construction projects to meet the current EPA ENERGY STAR certification standards, which includes ENERGY STAR for Homes v3 for single family, and the Multifamily New Construction Program for multifamily projects.** By meeting ENERGY STAR's current requirements, the agency and the state will be assured that North Carolina affordable housing projects funded through the LIHTC program are highly energy and water efficient, durable, healthy, and resilient.

The current ENERGY STAR standard also aligns better with the state's new 2018 energy code requirements. USGBC advises that all new construction multifamily projects be required to meet the updated version of ENERGY STAR in the 2021 QAP.

Additionally, USGBC recommends that NCHFA **include green building certification in its QAP competitive scoring criteria** in the 2021 QAP.

USGBC offers the following suggested language that, when inserted in the text of the 2020 final QAP, may be added to Section IV.G.2, Design Standards/Criteria for Score Evaluation (Maximum 30 Points) to implement this policy in the QAP:



Add: (d) Green Building Certification

The Agency will award up to 15 points for new construction projects that commit to obtaining LEED green building certification.

Change: Adjust the points in section (b) and (c) to 10 points each

This type of incentive is already in place in several states' QAPs including in Virginia, where LEED certified affordable housing projects seeking LIHTC funding can qualify for competitive points. Green building certification, like LEED, provides accountability by employing a widely recognized system that drives greater performance in energy and water efficiency, resource allocation, waste reduction, indoor environmental quality, and more. The third-party verification associated with LEED helps to validate a project's overall performance and will support resilient outcomes for affordable housing residents and building owners, if included in the 2021 plan.

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

By adding optional competitive criteria for projects that earn LEED certification, NCHFA will position its LIHTC funding to be utilized effectively, including key project attributes that will enhance the lives and health of low income families. In fact, 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.³

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.

A Washington, D.C. study of green certified low income housing renovations identified significant health benefits to residents.⁴ According to the study, self-reported general health in adults significantly improved from 59% to 67%; allergen dust loadings showed

³ See USGBC brief, <https://www.usgbc.org/sites/default/files/LEED-Energy-Performance-Brief-FINAL.pdf>

⁴ "Health and housing outcomes from green renovation of low-income housing in Washington, DC" See <http://www.ncbi.nlm.nih.gov/pubmed/24683934>.



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.

NCHFA plays a critical role in implementing the LIHTC program to provide enhanced opportunities for high-quality, sustainable, resilient housing for low-income North Carolinians. By including optional, competitive points for projects that earn LEED certification in the 2021 QAP, NCHFA will demonstrate its continued commitment to resident health and wellness, resource savings, and community cohesion.

If you have any questions or seek additional information, please contact Alysson Blackwelder 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