

**Statement of Stockton Williams  
Senior Vice President/Managing Director  
Enterprise Community Partners**

**On “Green Buildings: Benefits to Health, the Environment, and the Bottom Line”  
For the Senate Environment and Public Works Committee  
United States Senate  
March 15, 2007**

**Introduction and Overview**

Enterprise appreciates this opportunity to submit this statement for the record in connection with the above referenced hearing. Enterprise is a national nonprofit organization whose mission is to see that all low-income people have the opportunity for fit and affordable housing and the opportunity to move up and out of poverty into the mainstream of American life. Enterprise invests \$1 billion a year to create affordable homes and economic development in low-income communities across the United States, working mostly with community-based organizations.

We commend Senator Lautenberg for introducing the “High Performance Green Buildings Act of 2007” (S.506). The bill constitutes a significant step forward for the federal government to support a higher quality, more environmentally sustainable built environment in this country. Enterprise has a deep stake in this issue.

Enterprise is the national leader in developing environmentally sustainable homes and communities for low-income families. We have committed \$555 million to create 8,500 sustainable affordable homes through the Green Communities initiative, the largest effort of its kind in the country. More than 8,000 homes in 187 developments in 23 states are underway. Enterprise’s ultimate goal is for “green” and “affordable” to be one and the same. We simply should not settle for anything less. As the body of our testimony describes, the potential benefits of green building can be especially profound for the residents of affordable homes.

Enterprise’s financial resources and technical expertise enable affordable housing developers to incorporate energy efficient technologies, healthy building materials and environmentally smart site planning on a cost-effective basis. Enterprise and our community developer partners are proving that it is possible to create higher quality homes and communities for low-income families without compromising on affordability.

We recognize that this hearing and Senator Lautenberg’s bill do not directly address affordable housing. Nonetheless we wanted to take this opportunity to provide a statement to the Committee about the importance of green building for low-income families and communities. We would look forward to working with the Committee on bills that would ensure that the benefits of green building are available to all the members of our society. The balance of our testimony summarizes the health, energy, economic and environmental benefits of green affordable housing and concludes with recommendations for federal policy to support more sustainable and affordable homes and communities.

## Healthier Homes and Communities

A growing body of research shows how the built environment can have “profound, directly measurable” physical and mental health outcomes. “Studies have shown that negative aspects of the built environment tend to interact with and magnify health disparities, compounding already distressing conditions... particularly adding to the burden of illness among ethnic minority populations and low-income communities.”<sup>i</sup> Low-income and minority communities are more likely to live in worse environmental conditions and experience greater rates of disease, limited access to health care and other health disparities.

Housing conditions have long been seen as important factors influencing health. According to David E. Jacobs, research director at the National Center for Healthy Housing and former director of the Department of Housing and Urban Development’s Office of Healthy Homes and Lead Hazard Control:

“The physical structure of housing, together with the social and psychological aspects of home and the surrounding neighborhood are related to many key determinants of health... Specific housing hazards include exposure to allergens that may cause or worsen asthma, lead-based paint hazards, mold and excess moisture, unintentional injury, pesticides, indoor air quality and others.”<sup>ii</sup>

Green design and building practices can create healthier home environments through better indoor air quality and healthier building materials. Sustainable developers are still learning which practices have the most positive health outcomes. As Jacobs notes:

“There is new evidence that housing interventions are indeed effective in reducing the onset and severity of asthma [and] there is similar evidence for other health outcomes... [although] considerably more research is needed to understand which interventions hold the greatest promise.”<sup>iii</sup>

The bottom line, according to Rebecca Morley, executive director of the National Center for Healthy Housing:

“It is clear that we can expect substantial health gains by building green. Instead of paying for medical care that could have been avoided, occupants in Green Communities will be able to keep more of their income and avoid the suffering and loss associated with poor health.”<sup>iv</sup>

A growing number of affordable housing developers are adopting basic “healthy homes” practices to keep homes dry, clean, well ventilated and free of pests, combustion products and toxic materials.<sup>v</sup>

Smarter site planning and development that creates a sense of community, encourages walking and provides access to parks and mass transit is also healthier. Research suggests that people who live in sprawling areas walk less, weigh more and are more likely to suffer from high blood pressure.<sup>vi</sup>

## Lower Energy and Water Costs

High utility costs often impose a substantial financial hardship on low-income households, forcing many to make tradeoffs between heat or electricity and other basic necessities.

A recent national study documented the brutal choices that poor families make when faced with unaffordable home energy bills. The study found that during the prior five years, due to their energy bills, 57 percent of non-elderly owners and 36 percent of non-elderly renters went without medical or dental care; 25 percent made a partial payment or missed a whole rent or mortgage payment; and 20 percent went without food for at least one day.<sup>vii</sup>

In addition, energy costs have increased much faster than incomes for low-income households in recent years. Today a family earning minimum wage pays more than four times as much a share of their income for energy as a median income household.

A report by New Ecology and the Tellus Institute found strong evidence of financial benefits of green affordable housing for low-income residents over time. “*For residents of affordable housing units, the life-cycle financial outcome is almost always positive*” (emphasis supplied).<sup>viii</sup> The same study found that:

In virtually all the cases, energy and water utility costs are lower than their conventional counterparts. In many cases, decreased operating expenditures alone more than pay for the incremental initial investment in greening the project in present value terms.

The use of more durable materials and equipment in several of the case study projects result in reduced replacement costs and provide additional life-cycle financial benefits. Moreover, the value of improved comfort and health for residents, as well as reduced environmental impacts, is substantial, although not captured quantitatively in our analyses.”<sup>ix</sup>

Green buildings use a wide range of strategies for reducing energy and water use, including more efficient systems and appliances, smarter construction practices and site improvements to manage storm water more effectively.

Another indicator of *potential* energy savings in affordable housing is that the U.S. Department of Housing and Urban Development spends an estimated \$4 billion a year on energy, more than 10 percent of its annual budget, through utility allowances in connection with rental assistance payments to low-income renters and indirect operating subsidies to public housing authorities. A savings of just 5 percent a year over five years could generate \$1 billion to invest in affordable housing, including efforts to achieve greater energy reductions.

## A Stronger Environment

Greenhouse gases from the burning of fossil fuels to generate electricity from coal and gas is the primary cause of global climate change. Carbon dioxide (CO<sub>2</sub>) is by far the most important greenhouse gas, accounting for more than 85 percent of total GHG emissions in America since 2002.

Buildings account for 38 percent of annual CO<sub>2</sub> emissions, and more than half of that comes from residential buildings.<sup>x</sup> The construction and operation of multifamily residential developments, including affordable housing, generates significant CO<sub>2</sub> emissions. More broadly, the manufacturing of conventional construction materials, transportation of supplies and materials to building sites and common construction waste disposal methods also cause CO<sub>2</sub> emissions.

Buildings also account for 30 percent of both raw materials waste and landfill waste and 12 percent of potable water consumption. The residential building sector accounts for a substantial amount of it. New home construction alone generates nearly 7 million tons of construction waste every year.<sup>xi</sup>

Sustainable development of affordable housing can help reverse these trends in a number of ways: achieving greater energy efficiencies through better systems as well as use of renewable resources such as solar and geothermal; reusing and recycling construction materials; capturing and filtering stormwater; and incorporating natural landscaping and irrigation systems, to name just a few.

Green affordable homes and communities can also reduce the environmental impacts of excessive driving and traffic congestions by locating in areas with easy access to goods, services, recreation and mass transit.

*These features can also deliver economic benefits to low-income families.* Consider that transportation costs consume a large share of low-income family incomes. A study of 28 metropolitan areas found that families with incomes between \$20,000 and \$50,000 spend an average of 29 percent of their income on transportation and an average of 28 percent on housing.

More broadly, poorly planned development can isolate low-income people in distressed areas and make it harder to get to better schools and job opportunities.

## Policy Recommendations

Enterprise is working with members of Congress to advance policies to help create healthier, more efficient and more environmentally sustainable homes for low-income people. We would look forward to working with the Committee on these and other proposals. Our recommendations in summary form include:

Ensure local communities plan for and support sustainable development.<sup>xii</sup> Require states and cities to identify and report on strategies for encouraging sustainable development through their Consolidated Plans and annual action plans to the U.S. Department of Housing and Urban Development, with specific benchmarks such as greater energy efficiency; increased conservation and reuse of resources; and more effective use of existing infrastructure.

Increase local capacity to develop sustainable projects in low-income communities.<sup>xiii</sup> Provide seed capital to enable affordable housing developers to plan and implement sustainable projects in the amount of \$10 million annually over five years, subject to a dollar-for-dollar match from non-governmental sources by grant recipients.

Create an incentive for energy- and water-efficient construction and rehabilitation. Provide a one-year federal income tax credit to owners of affordable rental properties for eligible costs to achieve a specified, substantial level of energy efficiency in the property.

Ensure Fannie Mae and Freddie Mac support sustainable affordable housing. Amend current law to provide the companies bonus points towards their Affordable Housing Goals for purchase of mortgages on properties that meet a verified level of energy efficiency. Amend the pending Committee-passed legislation (H.R. 1427) to require states to give priority in awarding grants from the Affordable Housing Fund to projects that meet a verified level of energy efficiency as described above.

Establish sustainability as a priority in comprehensive community revitalization. Establish the Green Communities Criteria as a threshold requirement in HOPE VI reauthorization. Establish the Green Communities Criteria as a threshold requirement in any reallocation of previously appropriated HOPE VI funds.

Coordinate and integrate federal support for sustainable affordable housing. Create an Interagency Council on Sustainable Development, to include representation of the appropriate federal agencies – including Department of Energy, the Environmental Protection Agency and HUD.

---

<sup>i</sup> Ernie Hood, “Dwelling Disparities: How Poor Housing Leads to Poor Health” *Environmental Health Perspectives*, May 2005.

<sup>ii</sup> Jacobs, D.E., “Housing and Health: Challenges and Opportunities,” Keynote Address, Proceedings of the 2nd WHO International Housing and Health Symposium, WHO European Centre for Environment and Health (Bonn Office), Noise and Housing Unit, Bonn Germany, September 29 - October 1, 2004, (Vilnius Lithuania, October 20, 2005), 25.

<sup>iii</sup> Ibid, 41.

<sup>iv</sup> Statement of Rebecca Morley, MSPP Executive Director, National Center for Healthy Housing Before the Environmental Public Works Committee United States Senate May 15, 2006

<sup>v</sup> See Ellen Tohn, ERT Associates, *Building Guidance for Healthy Homes*, (Dorchester, MA: Asthma Regional Council of New England, Revised 2006).

<sup>vi</sup> See Barbara McCann and Reid Ewing, *Measuring the Health Effects of Sprawl: A National Analysis of Physical Activity, Obesity and Chronic Disease*, (Washington, D.C.: Smart Growth American and Surface Transportation Policy Project), 2003.

<sup>vii</sup> National Energy Assistance Directors’ Association, *2005 National Energy Assistance Survey*, (Washington, DC: National Energy Assistance Directors’ Association, 2005), pp. i-iv.

<sup>viii</sup> William Bradshaw et. al., *The Costs and Benefits of Green Affordable Housing*, (Cambridge, MA: New Ecology, 2005), 10.

<sup>ix</sup> Bradshaw, et., al., Ibid.

<sup>x</sup> [www.architecture2030.org](http://www.architecture2030.org)

<sup>xi</sup> Wilson, *Your Green Home* (Gabriola Island, British Columbia: Canada, New Society Publishers), 5.

<sup>xii</sup> Incorporated into the “High-Performance Building Act of 2007” (H.R. 1259), introduced in the House by Representatives Smith (D-WA), Lewis (D-GA), Blumenauer (D-OR) and Gilchrest (R-MD).

<sup>xiii</sup> Incorporated into the “High-Performance Building Act of 2007” (H.R. 1259), introduced in the House by Representatives Smith (D-WA), Lewis (D-GA), Blumenauer (D-OR) and Gilchrest (R-MD).