



August 26, 2020

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

Dear Mr. Austin,

On behalf of Southface Institute (Southface), we are pleased to submit these comments regarding the North Carolina Housing Finance Authority (NCHFA)'s 2021 Draft QAP. Southface Institute, a nonprofit 501(c)(3) organization, is a leader in sustainable advocacy, building, planning and operations across the U.S. With a mission to create a healthy and equitably built environment for all, Southface's programs, consulting services, workforce development, research and policy practices are supporting better homes, workplaces and communities. As experts in the fields of resource efficiency, building technology and organizational sustainability since 1978, Southface is committed to building a regenerative economy that meets tomorrow's needs today.

We would first like to thank NCHFA for the opportunity to provide feedback prior to the release of NCHFA's Final 2021 QAP. We appreciate NCHFA's collaborative and inclusive approach and respectfully offer the following comments.

We applaud NCHFA for updating energy efficiency standards in the Draft 2021 QAP and urge you to retain these modifications in your final document. By requiring the most current ENERGY STAR Multifamily New Construction program for energy efficiency standards, NCHFA and developers are utilizing a nationally recognized and vetted program. Most importantly, residents of housing financed through this program will benefit from increased energy efficiency through cost savings, better indoor air quality and improved comfort.

Energy efficiency is an important component of sustainable construction, and benefits residents and communities. However, there are additional components of sustainable and resilient construction left on the table when green building certification is not incentivized. These include additional criteria for land development practices, building indoor air quality, and resident education that are not covered by the ENERGY STAR v3 criteria. By requiring ENERGY STAR, North Carolina has begun to align with neighboring states, including Georgia, South Carolina and Virginia; however, those states, along with 26 additional states, incentivize or require green building certifications and list ENERGY STAR v3 as an option along with regionally appropriate certifications for developers to choose from, such as EarthCraft or Enterprise Green Communities.



Green building certifications are a comprehensive approach to quality design and construction, including proven indoor air quality solutions. Awarding points for green building standards incentivizes the production of high quality, energy efficient buildings, resulting in an improved quality of life for residents through the provision of healthier housing. An increase in the attainment of green building certifications for properties and builders also supports an overall decrease in housing costs for residents, resulting in increased total affordability, allowing residents to not have to choose between paying rent or putting food on the table. Affordability does not only refer to the sale price of a home or rent for an apartment, but to total affordability, which includes access to resources and services (e.g., employment, food, education, healthcare, utilities), a healthy environment with minimized emissions and pollutants, location efficiency (e.g., access to multi-modal transportation), quality housing, stability of housing (e.g., renter protections) and low cost burdens. All of these elements work together, influence each other and are important for total affordability, equity, financial stability and economic mobility. Working groups may be an effective construct through which to assess and adopt third party certifications.

For questions or comments, please contact Lisa Bianchi-Fossati at lbianchi-fossati@southface.org or Catherine Gunter at cgunter@southface.org.

Thank you again for providing this opportunity to provide input with respect to NCHFA's Draft 2021 QAP, and for your continued work to address housing affordability in North Carolina.

Sincerely,

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