Written Statement

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Subcommittee on Housing, Transportation and Community Development
Committee on Banking, Housing and Urban Affairs
United States Senate

"Green Housing for the 21st Century: Retrofitting the Past and Building an Energy Efficient Future"

Good morning Chairman Menendez, Ranking Member Vitter, distinguished members of the Subcommittee. Thank you for the opportunity to testify on behalf of the Department today on S. 1379, the Energy Efficiency in Housing Act of 2009. I want to commend you, as well as Senators Whitehouse and Schumer, for your support for energy efficiency and green building throughout HUD's programs and in the affordable housing sector at large. I also want to take this opportunity to commend Chairman Dodd on S. 1619, the Livable Communities Act - which in many ways complements Senator Whitehouse's efforts through the bill we are considering today.

I am here today to provide support for the bill as it impacts HUD's programs and policies, contingent on amending certain provisions of the legislation. Before coming to HUD I was County Executive in King County, Washington for a dozen years, where we developed one of the most cutting edge green building and smart growth programs in the country. As you know, with strong support from this Committee, HUD has created a new Office of Sustainable Housing and Communities and Secretary Donovan has asked me to oversee that office. In that capacity I am responsible for synchronizing our efforts with other departments and agencies and implementing HUD's green building and energy efficiency initiatives as we bring some of the best local ideas for building strong, sustainable communities to the national stage.

So I have a strong interest in the outcome of this legislation. That's why we have worked closely with Congressman Perlmutter and the House Financial Services Committee on H.R. 2366, on the House counterpart to this bill and, at the same time, HUD has begun to implement a series of initiatives that are very much aligned with the goals and objectives of this legislation.

I am pleased to report that HUD has made some significant steps to further our commitment to improving the energy efficiency of the 5 million HUD-subsidized affordable housing units and incorporating energy efficiency standards throughout the various HUD programs. HUD's FY2010 budget proposal, our new Strategic Plan and newly formed partnerships with the Departments of Transportation and Energy and the Environmental Protection Agency reflect HUD's commitment to increasing and promoting energy efficiency.

Nowhere is this commitment more evident than in HUD's new FY2010-FY2015 Strategic Plan, which we published last month. Indeed, one of the five strategic goals of the six year plan is to "promote energy efficient buildings and location-efficient communities that are healthy, affordable and diverse."[1]

Specific strategies included in the Strategic Plan to support this goal are to: (i) Support and promote an energy efficient, green and healthy housing market by retrofitting existing housing; (ii) Support energy efficiency in new construction projects; (iii) Improve home energy labeling and high-performing upgrades that reduce the carbon footprint of non-HUD supported residential buildings; and (iv) Reduce energy consumption and incorporate green buildings in the design and operation of HUD-supported affordable housing.

In support of this goal, over the next two years, the Department has set a goal of 159,000 energy efficient retrofits or green housing units through our Recovery Act initiatives, as well as through our ongoing programs.

In addition, HUD is hard at work on a comprehensive Energy Action Plan that will provide detailed reporting on energy consumption and expenditures in HUD-assisted housing and lay out a set of specific steps HUD will take over the next two years to dramatically increase the energy efficiency and broader environmental performance of HUD-assisted housing. This Plan is

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[1] U.S. Department of Housing and Urban Development, Strategic Plan, FY 2010- 2015.

required of us every two years under the Energy Policy Act of 2005 and we look forward to sharing the next version with the Committee later this year.

Greening HUD's stock of public and assisted housing supports four sound public policy principles. First, it's sound fiscal policy. HUD's budget is directly impacted by utility costs. HUD spends an estimated $5 billion annually on energy, either directly in the form of the public housing operating subsidy or indirectly through utility allowances and Section 8 contracts in assisted multifamily housing. This is an area where significant cost savings are possible. For example, a modest savings of just 5 percent per year could generate a savings of $1 billion over the next 5 years.

The overall cost of utilities in public housing (including water and sewer charges) in 2006 totaled $1.85 billion, including an estimated $421 million that was spent through utility allowances on tenant-paid utilities. Utility costs have also been steadily increasing in assisted housing. Between 2000 and 2005, average owner-paid utility costs increased by 28 percent. In addition, HUD spent an estimated $3.2 billion on project- and tenant-based utility allowances in 2007.[2] Between 1998 and 2007, the average tenant-based Section 8 utility allowance per resident has increased by 67%.[3]

Second, energy efficiency and green building play a crucial role in housing affordability. Some are concerned that green building adds to the cost of housing. I do not subscribe to that view: I believe that we can't afford *not* to build green. Research increasingly shows that all types of affordable housing can be built or rehabilitated to rigorous green standards at minor additional cost, and often without the need for capital investment. Secretary Donovan and I are committed to making HUD a leader in green development precisely because of the benefits it will provide to people across the economic spectrum and lower-income families in particular. These kinds of investments are essential to creating the new generation of professionals—from mechanics and plumbers, to architects, energy auditors, and factory workers building solar panels and wind

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[2] U.S. Department of Housing and Urban Development, *Energy Progress Report to Congress*, November 2008.

[3] Utility allowances increased from an average of $996 per year in 1998 to $1,467 per year in 2007.

turbines—we need to design, install, and maintain the first wave of green technologies and unlock the clean energy economy.

As we dispel the notion that green building will mean higher costs for low income families we must recognize, while everyone is hurt by high energy costs, no one is more vulnerable to rising energy prices than low- and moderate-income families. Higher energy costs often result in cutting back on other critical needs, such as medicine and food.

Large scale green initiatives such as the Enterprise Green Communities program show that properties achieving 20 to 30 percent greater energy efficiency yield cost savings that accrue directly to low-income residents, or are reinvested back into the property in which they live.

Third, sustainable, green building has a clear connection to better health as well. Right now we can predict morbidity rates and life expectancy by zip code. In King County, we did a study called HealthScape, which looked specifically at how the built environment and the transportation system impacts public health and climate change.[4] What we found was that while people living in the most walkable areas of the county were less likely to be overweight and more likely to be physically active, in pockets of the county with lower-income and high concentrations of minority populations wide health disparities existed.

But as we saw in the High Point public housing development in Seattle, a commitment to building green can be a big part of overcoming these disparities. In addition to walkability, by adding green features specifically designed to reduce asthma triggers, the number of asthma-free days increased, and mold—which is an important asthma trigger, especially in children—was effectively controlled.

Finally, greening our buildings will have a positive impact on our environment. As the American people are well aware, transportation accounts for a third of all greenhouse gas

[4] Whitney, Sheryl Verlaine, *Seeking Sustainable and Inclusive Communities: A King County Case Study*, April 2010.

emissions. But most people would be surprised to learn that buildings account for even more – almost 40 percent – of our emissions. About half – 20 percent of all carbon emissions – are from heating, lighting and cooling our homes.[5] As many of the nation's Mayors, some 1,042 at last count, have recognized through their commitments to the 2030 Building Challenge, significant improvements in the energy efficiency of our building stock will yield big gains on the carbon reduction front as well. We believe that the federal government should be – and can be - a leader, rather than a follower in reducing the impact of housing on global warming and climate change.

Studies have already found a significant return on efficiency investments. A study of energy savings in single-family homes through the Department of Energy's Weatherization Assistance Program from 1993 to 2005 found that the program achieved savings of 23 percent in gas-heated single-family detached homes.[6]

This and other studies point to significant savings resulting from energy improvements. For example, through some 200 Energy Performance Contracts in public housing, HUD estimates a cost savings of approximately $100 million per year for an investment of $571 million, with an average investment of less than $4,000 per unit.

So there should be no doubt that lower energy costs in federally subsidized housing are critical to the overall health of the portfolio, and to the welfare of the residents. It is clear that greening buildings will have dramatic benefits for low and moderate income households by reducing their energy costs, improving their health, and increasing economic opportunities. Green building is not only the key to making all our neighborhoods better – it is essential to building the kind of stronger communities America needs to meet the challenges of the 21st century.

The Energy Efficiency in Housing Act will enable HUD to be a more effective partner in this effort. The bill is wide ranging and comprehensive, and in totality represents an important effort

[5] Department of Energy, *2008 Building Energy Data Book*.. Buildings account for 38 percent of carbon emissions, residential buildings account for 20 percent.

[6] Schweitzer, Martin, *Estimating the National Effects of U.S. DOE's Weatherization Assistance Program With State Level Data: A Meta Evaluation 1993-2005*, Oak Ridge National Laboratory, September 2005.

to address the high cost of heating, lighting and cooling federally-financed, assisted or insured housing. With suggested modifications that we will be happy to provide the Committee, we are generally in support of the key provisions of the bill as they impact HUD policies and programs.

The bill includes a number of provisions for piloting or demonstrating energy efficiency in federally-assisted or insured multifamily housing, a sector which, due to the “split incentive” between residents and owners faces particular challenges in incentivizing energy investment, along with limitations on accessing energy performance contracts that have so been used with some success in public housing. There are also sections related to energy efficiency in mortgage underwriting, incorporating green standards in the HOPE VI program and stronger energy efficiency requirements for rural housing.

The bill also provides for a competitive grant program to fund local community organizations in low-income communities. The bill also requires HUD to play a financing role in residential renewable energy leasing. This would be an area outside of HUD's current expertise, and the prescriptive terms and potentially risky nature of such financing could ultimately lead to higher costs, or lower participation if high fees are required to offset costs. We look forward to working with you on technical amendments to the bill to clarify this issue. Two provisions in the bill involve public housing, the first applies the Green Communities standard to HOPE VI, the second requires an annual report to Congress. In addition, there are several provisions of the bill that fall outside HUD’s jurisdiction.

Our support is contingent on a number of amendments to the bill that we would like to share with the Committee in order to more closely align the bill with the House version of the bill, as well as with HUD’s current practices and procedures. The bill also contains provisions that are inconsistent with the Federal Credit Reform Act, and Federal credit policies; such provisions would lead to less efficient or effective use of Federal credit assistance to achieve policy goals and could be costly. Let me touch on a few areas where we believe corrections or modifications will be needed.

First, with regard to minimum standards, our understanding of the bill is that it gives the Secretary the discretion to apply minimum or enhanced energy and green standards as cited in

Section 3 (Definitions). The only programs for which these standards are required are for certain demonstration or pilot programs specified in the legislation. The Committee may want to consider providing the Secretary with the discretion to apply these standards to other programs. The primary challenge will be that recipients of HUD funds in those states who have not yet adopted the minimum standard (the 2009 International Energy Conservation Code) would need to familiarize themselves with the higher code requirements. In addition, even though the application of these standards is discretionary, the definition of HUD "assisted programs" that are covered by these standards should exclude loan insurance and loan guarantee programs, consistent with the definitions in the most recent House version of the bill. It would also be helpful if the bill simply cited the specific programs in the bill to which these definitions apply.

Second, if there is a "green premium" associated with implementing these standards, HUD may need to raise Total Development Cost (TDC) limits accordingly; however it should be clear that any increases in front-end development costs would be offset by lower operating costs, and that energy efficient construction doesn't always require additional costs.

Third, we recommend re-ordering and amending the provisions of the legislation related to energy efficient (and location efficient) mortgage underwriting. Section 11 creates a Commission to study and make recommendations for the creation of model energy efficiency mortgage products and underwriting standards, while Section 10 would have the FHA developing methods for considering the impact of utility cost savings in underwriting standards, separate from and prior to the Commission's proposals. HUD recommends reversing these two sections to allow the Commission to complete its work, submit its recommendations and FHA to consider those recommendations, instead of FHA creating new products without such guidance. We will be happy to provide the Committee with detailed technical suggestions to achieve this end.

We also recommend several improvements to Section 5, which requires the Secretary to establish "budget neutral incentives for encouraging lenders to make, and homebuyers and homeowners to participate in, energy efficient mortgages and location efficient mortgages."[7] The key words

[7] Section 5, Incentives for Energy Efficient Mortgages and Location Efficient Mortgages. (Note that this provision is not included in the House version of the bill).

here should be "budget neutral." The bill should explicitly specify that budget neutrality applies to the FHA Mutual Mortgage Insurance (MMI) Fund and other FHA funds when considering these incentives. In addition, this section requires the Secretary to "consider the lower risk of default on energy efficient and location efficient mortgages" compared to other mortgages; we recommend that this lower risk should be contingent on HUD's analysis and determination that these mortgages do lower the risk of delinquencies or default. This section also establishes a new definition of an energy efficient mortgage for FHA which may be problematic, in that projected or modeled energy savings are not always realized in practice - and may create confusion with current FHA energy efficient mortgages, which are defined differently. Finally, we suggest that this section of the bill also be implemented in conjunction with the Commission's work as described in Section 11 of the bill, rather than requiring the Secretary to act before the Commission has submitted its recommendations.

In the multifamily arena, Section 6 requires HUD to develop incentives to increase the energy efficiency of FHA-insured multifamily housing -- such as a discount on premiums, loan limit increases for energy efficiency improvements, or reductions in required owner contributions -- but does not establish clear parameters for these incentives or require budget neutrality. This section would be improved by providing permissive authority for HUD to create incentives, rather than requiring them, and by including a more limited set of incentive authorities that do not provide blanket waivers of the core statutory loan limits and underwriting requirements that apply to all other multifamily loans.

We look forward to working with the Committee staff to address these and other suggested modifications to the bill. These include, for example, technical amendments for consistency with the Federal Credit Reform Act, possible improvements to the design of multifamily housing pilot programs; more manageable timelines for issuing regulations; amendments to Sections 19 and 21 in order to ensure consistency with Federal credit program policy; and ensuring that HUD has the ability to do proper due diligence on the financial and operational feasibility of implementing new programs in new areas of activity, such as solar leasing (Section 21).

I'd like now to take a few moments to highlight the progress we have made over the past 18 months in moving this agenda forward and to illustrate what HUD is already doing in these areas. The Department's successful Mark to Market (M2M) Green Initiative, initiated in 2007, continues to provide property owners who have entered the Mark to Market Program enhanced incentives and credits for "going green." To date, the program has led to the green rehabilitation of some 27 properties with approximately 2,700 units. HUD requires a green physical condition assessment, an energy audit and an integrated pest management inspection, in order to identify energy and water saving and other measures that improve indoor air quality and benefit the environment.

The Green Initiative is voluntary; to incentivize owners, HUD offers to reduce the required contribution from the owner from 20 percent to just 3 percent, and also increase the incentive performance fee, which is paid annually upon meeting required conditions. Owners agree to green the property for the life of the use agreement (generally 30 years) and to develop and maintain a green Operations & Maintenance Plan.

Recovery Act Investments

Building on the success of this initiative, HUD has targeted funds appropriated by Congress through the American Recovery and Revitalization Act of 2009 to further its commitment to energy efficiency.

Approximately $250 million has been made available for energy efficient and green retrofits in assisted multifamily housing. 210 project applications have been accepted, with approximately 20,000 units. The first award under the Green Retrofit Program went to a New York project, the West 135th St Apartments in Harlem, New York, a 198-unit, 10 building, Section 8 assisted property developed by Jonathan Rose Companies. Energy efficient improvements will include Energy Star refrigerators, replacement of 32 old boilers with 10 high-efficiency boilers, rooftop solar photovoltaic panels, formaldehyde-free kitchen cabinets, recycled-material kitchen counters, Energy Star ceiling fans, compact fluorescent lamp (CFL) fixtures and bulbs, double-pane argon-filled low emissivity (low-e) windows, insulated exterior doors, low-flow fixtures, shower heads and toilets, linoleum flooring to replace vinyl tile, wood floor installations using Forest Stewardship Council (FSC)-certified wood, and non-toxic paints, adhesives and sealants throughout.

Public housing has also received a significant boost in additional resources to green their housing stock. Housing authorities received an additional $4 billion over the past year through the Recovery Act in the Capital Fund for energy efficiency, green and other upgrades - $3 billion in formula grants, and $1 billion in competitive funds. Of the total amount, $300 million has been made available through competition for high-performing green projects that meet Enterprise Green Communities standards; 36 awards were made to public housing authorities for 1,400 new green units. 18 of these projects will be utilizing photovoltaic panels, another 8 projects will install geothermal heating and cooling and one project will be utilizing either photovoltaic panels or wind turbines.

Another $300 million has funded high performing energy retrofit projects that achieve 20-40 percent in energy savings. 134 housing authorities received awards for a total of 222 energy retrofit projects with 35,000 units. As part of these awards, 31 projects plan to retrofit units with photovoltaic panels and 13 projects with geothermal heating and cooling systems.

Additional funds have been made available for green building through the competitive portion of the Native American Housing Block Grant program, as well as through the second round of the Neighborhood Stabilization Program, both of which have strong incentives for improving the energy efficiency of buildings.

Beyond the Recovery Act

Beyond these Recovery Act investments, HUD is implementing a number of strategies for green affordable housing. In public housing, we continue to offer incentives to Public Housing Authorities to work with third party Energy Services Companies (ESCOs) to finance and implement energy upgrades in their buildings through Energy Performance Contracts, and are in the process of establishing the Office of Field Operations (OFO) Energy Center to assist housing authorities to manage and implement these contracts.

HUD’s Office of Community Planning and Development has implemented several initiatives to promote green and energy efficient practices through the HOME program. CPD awarded recaptured HOME funds to expand the supply of energy-efficient and environmentally-friendly affordable low-income housing. Ten $250,000 awards have been made. Additionally, the HOME program developed a Model Guide and training curriculum for Participating Jurisdictions and Community Housing Development Organizations (CHDOs) on energy efficient and green building.

HUD's Office of Healthy Homes and Lead Hazard Control is working with DOE and the Environmental Protection Agency (EPA) to develop a home assessment procedure that can be used to identify priority residential health hazards in conjunction with an energy audit. The Office is also funding healthy homes demonstration projects to pilot this integrated housing assessment and intervention approach, and supporting research to improve our understanding of the potential benefits of green rehabilitation on indoor environmental quality and resident health. In FY 2009 the Office competitively awarded $2.4 million to fund four cooperative agreements to study health aspects of low-income green housing in Arizona, Minnesota, New York, and Ohio, respectively. The Office continues to partner in the Centers for Disease Control and Prevention's National Center for Environmental Health to conduct additional research on the health benefits of green rehabilitation and maintenance practices in low-income housing.

Multifamily weatherization

HUD has also formed a partnership with the Department of Energy (DOE) to coordinate investment of Recovery Act funds. The partnership includes a commitment to develop a common set of guidelines and specifications for retrofitting public housing as well as privately-owned, federally-subsidized rental properties.

A highlight of our partnership is a Memorandum of Understanding signed by the two agencies aimed at eliminating duplicative income verification requirements for DOE's weatherization program, which received $5 billion in ARRA funding. Using available information, HUD has provided DOE with lists of nearly 7,000 public housing properties (with 936,000 households) where all of the buildings meet income eligibility requirements for DOE's weatherization program. In addition, HUD has identified more than 10,000 other federally assisted properties (567,000 households) that meet in the income eligibility requirements. Together, these qualified properties account for 1.5 million assisted households that meet at least one of the eligibility criteria required under the DOE weatherization program. HUD has also begun establishing a process for collecting additional information that we believe will enable us to certify many more assisted buildings as meeting the income eligibility requirement.

HUD has undertaken a series of training sessions with its regional and field office network to ready field management, multifamily and public housing program staff to help support the successful implementation of the weatherization program. To date over 300 HUD staff have been briefed on the weatherization program, including recent rule changes and HUD's published list of qualified properties.

This partnership is yielding results on the ground. A number of states have begun to target weatherization assistance for multifamily rental housing. The Rhode Island Office of Energy Resources, has allocated $7 million (roughly one third of their ARRA funding) to buildings with multiple units. The state of Colorado allocated $11 million for multifamily weatherization program. In Pennsylvania, the state added the Pennsylvania Housing Finance Agency (PHFA) as an additional sub grantee to serve multi-family units statewide. PHFA is partnering with the state weatherization agency to support existing preservation through its "smart rehab program" with $20 million in ARRA funding. Florida, Michigan, Texas, California are also initiating multifamily weatherization programs, in addition to states like New York that have historically committed weatherization funds to multifamily housing.

New Initiatives

Looking beyond current programs and funding, we are in the process of implementing a new $50 million Energy Innovation Fund. This Fund, administered by FHA, will pilot or test various strategies for financing cost-saving (and energy-efficient) measures in both the single family and multifamily sectors. We expect to deploy these funds in innovative financing initiatives later this year and will keep the Committee closely informed.

In addition, we are exploring options for utilizing HUD's existing regulatory authority to encourage owners of HUD-assisted properties to make green improvements as they rehabilitate and refinance their properties

Sustainable Communities Initiative

I'd like to take a moment to focus on an increasingly important element of green building, in addition to energy efficiency: the *location efficiency* of the property. Most green building programs provide additional points for housing that is located at or near transit, or provides access to close-in or walkable amenities and services. On average, Americans spend more than half of their incomes (52 percent) on housing and transportation.

That is why HUD joined with the Department of Transportation and EPA to create an unprecedented Partnership for Sustainable Communities that, for the first time, brings our agencies together to speak with one voice on housing, transportation and environmental policy. That's also why we think Senator Dodd's Livable Communities Act, is so important, and is complementary to S. 1379. Sustainable development must include both the energy efficiency of the building itself as well as the location of that building, and the extent to which there is good access to transportation, services and amenities. The Livable Communities Act would permanently authorize the Office of Sustainable Housing and Communities at HUD and solidify our partnership with DOT and EPA. We are strongly supportive of this legislation and intend to provide the committee with technical comments in the near future.

This month we published a key product of the Partnership's work – a Notice of Funds Availability (NOFA) for $140 million in Sustainable Communities Initiative funding to enable local communities and metropolitan areas to plan and implement comprehensive sustainable development.

The Sustainable Communities Initiative includes $100 million for Regional Planning Grants that will encourage metropolitan regions to develop integrated housing, land use, and transportation plans. The goal of this initiative is not just to develop plans – it is to articulate a vision for growth tailored to specific metropolitan markets that federal housing, transportation, and other federal investments can support. Funding to these metropolitan regions will be used to support the development of integrated, state-of-the-art regional development plans that use the latest data and most sophisticated analytic, modeling, and mapping tools available

Earlier this year, we issued an Advanced Notice and Request for Comment for the program, inviting feedback through a new online "Wiki" accessible via HUD's website and through an extensive listening tour around the country. We wanted communities to tell us what works for them, what isn't working, and how we can use this program to help them build sustainably. Just as importantly, we hoped to send a very important signal that we in the Obama Administration are serious about being the kind of partner that listens and learns.

And the response exceeded even our expectations. We received over 900 written comments, met with over 1,000 stakeholders in seven listening sessions, and staged webcasts that touched thousands more. The feedback we received was overwhelmingly positive as well -- from mayors and other officials of both small and large communities, to business leaders in growing regions, to governors of states that have been hit hard economically.

If there was one common theme we heard it was that while community after community is ready to embrace new kinds of sustainable practices – and that the federal role can't be about dictating what they can or can't do, but rather offering them the resources and tools to help them realize their own visions for achieving the outcomes we all want and more and more are insisting on.

Complementing this regional planning investment will be our $40 million Community Challenge Planning Grant program targeted to local communities. HUD has also issued a NOFA for this program – in conjunction with DOT's NOFA for its $35 million "TIGER II" planning grant program. Where DOT's program will fund planning activities that relate directly to a future transportation capital investment, HUD's program will fund land-use related planning activities that would be linked to a future transportation investment -- modernizing the building codes, zoning laws and other barriers communities face to sustainable development.

Greening America's Homes through the Transformation of Rental Assistance

I would also like to explain how HUD's Transformation of Rental Assistance initiative, including its green physical needs assessment, advances the Administration's sustainability agenda. TRA would to reform America's public housing system and transform the way the Federal government provides rental assistance to more than 4.5 million of our most vulnerable families.

But let me also explain to you how TRA would spur our Clean Energy Economy. As this Committee knows, every property has a lifecycle, and when a property has reached the end of its useful life, the owner has to figure out how to replace it or it will be lost. TRA will allow properties to establish "reserves for replacement," which will help preserve millions of units as they reach the end of their normal life's course. This is important because it is more sustainable to preserve and rehabilitate existing housing than to build anew.

The first condition for conversion to TRA is "Promoting the rehabilitation, energy-efficiency, and long-term financial and physical sustainability of properties." In addition, TRA would require the property to undergo a "green" physical condition assessment – an analysis to show what exactly would need to be done to a property to green it.

The main reason for PHA's to convert to TRA is to generate the capital needed to rehab a building. The capital comes in a form of a mortgage of sorts. When lenders underwrite these investments and look at planned future uses/income, TRA will require the cost of the property rehabilitation to include rebuilding green. Our estimate is that between $20.7 billion and $28.9 billion will be borrowed in these "mortgages" and spent on retrofits that must be green. These investments will go a long way to improving buildings as well stimulating markets and products, such as green mortgage and underwriting standards and building materials.

Finally, today, 1.2 million public housing units provide low-income families a permanently affordable place to live. The units are often built more densely than surrounding housing. Tomorrow, 1.2 million or more TRA units will be in the same locations, with the same target population. In other words, Mr. Chairman, we know exactly where to target infrastructure that promotes sustainability – transit, being the most obvious.

Mr. Chair and members of the Committee, I hope this overview of HUD programs and initiatives addresses the opportunities and challenges that we are facing as we address green building and energy efficiency in HUD-assisted properties. We are still in the process of reviewing the particulars of S. 1379 and will be happy to provide you with more detailed comments once that review is complete.

Thank you again for the opportunity to appear before the committee today.