



# Issue Brief

The American Institute of Architects • Government Advocacy • Federal Issue Position and Analysis

## Key Points

- *Congress should provide incentives to homeowners for the purchase of energy efficient upgrades, to designers and builders for constructing energy efficient residences, and to homebuyers for the purchase of energy efficient homes.*
- *Energy efficiency provides direct benefits to the economy, the environment, and our nation's energy security.*
- *Energy prices are at all-time highs while the housing market is at a historic low.*
- *Congress should help Americans cope with rising energy prices by offering incentives for building systems that reduce energy use.*
- *Congress can help spur the sagging housing market by providing additional incentives for new home buyers.*

## Expand Energy Efficient Affordable Housing

### AIA Position

The American Institute of Architects (AIA) believes that government policies, programs, and incentives should encourage energy efficiency, especially as it relates to the built environment. The AIA believes that Congress should support legislation that will stimulate and facilitate the design and construction of energy efficient housing.

### Action Sought

The AIA urges Congress to support policies that will help homeowners and those who design, build, and renovate housing to improve residential energy efficiency throughout the country. Specifically, the AIA encourages Senators to cosponsor the *Energy Efficiency in Housing Act of 2009 (S. 1379)*. The House of Representatives has already passed similar legislation, the *GREEN Act (HR 2336)*, earlier this year.

This legislation will:

- provide incentives to homebuyers who purchase energy efficient homes;
- offer incentives to homeowners who make energy efficient upgrades to their homes;
- create new incentives for the design and construction of energy efficient residences;
- improve energy efficiency standards for residences that are built using federal funding (such as Section 8, HOPE IV, etc.); and
- promote the use of energy efficient and location efficient mortgages.

### Explanation and Justification

As energy prices soar nationwide, many Americans are struggling to pay their monthly utility bills. Installing energy efficient systems in existing homes or purchasing an energy efficient home (as rated by EPA/DOE's Energy Star program) can greatly reduce the homeowner's energy consumption, in turn reducing energy costs and providing direct benefits to our economy and our nation's energy security.

Energy efficient systems often have higher initial costs than their traditional counterparts. The additional up-front costs associated with these types of systems often dissuade homeowners from purchasing energy efficient upgrades on their homes, despite the fact that consumers will quickly recoup their investment through reduced energy bills, often within a very short time period.

In the past, Congress has recognized the importance of energy efficiency to our nation's economic well-being as well as the obvious benefits reduced energy consumption provides to the environment. In 2005, Congress enacted legislation that provided tax incentives for builders to construct energy efficient residences and commercial buildings. Congress should expand upon this policy and provide similar incentives to Americans for the *design and purchase* of these energy efficient homes or energy efficient upgrades.

As states and localities have jurisdiction over building codes and energy standards, Congress can play a constructive role in energy efficient housing by developing efficiency standards for residences constructed using federal funding (such as projects within the Department of Housing and Urban Development's HOPE IV program and Section 8 housing program).

Another useful tool to help homebuyers and homeowners green their homes is the use of energy efficient mortgages (EEMs), which provide additional capital for energy efficient upgrades that have higher initial costs but save money on energy bills in the long run. Similarly, location-efficient mortgages (LEM), which encourage purchasing homes in more densely populated areas with access to mass transit, help the environment by reducing congestion and vehicle miles traveled (VMT). However, more education of consumers and the financial services sector is needed in order to realize the potential of EEMs and LEMs.