Driving Innovation in Housing Technology

April 10, 2012

Ms. Marjorianna Willman
Housing Tax Credit Program Manager
Louisiana Housing Finance Agency
2415 Quail Drive
Baton Rouge, LA 70808

Dear Ms. Willman:

On behalf of the NAHB Research Center, I write to propose that compliance with the National Green Building Standard ICC 700 be considered as an additional alternative to meet the definition of "Green Building" in the Louisiana Qualified Allocation Plan (QAP). I believe that there are three compelling reasons that Louisiana should recognize ICC 700. First, the requirements of ICC 700 and the NAHB Research Center's certification to the standard are as rigorous, if not more rigorous, than the green building rating systems previously recognized by the Louisiana Housing Finance Agency. Second, the Standard was specifically designed for residential projects and is affordable to implement, making it ideally suited to help Louisiana achieve its goal of increasing the number of green homes in a cost-effective manner. Finally, as the only existing ANSI-approved residential green building rating system, you can be assured that ICC 700 is a true consensus-based standard, developed by a balance of stakeholders, and passed the scrutiny of extensive public review and comment.

Overview of National Green Building Standard

The National Green Building Standard is the first and only residential green building rating system to undergo the full consensus process and receive approval from the American National Standards Institute (ANSI). ANSI approval of any standard is important because it ensures balance, representation, openness, consensus, and due process in the development process. The Consensus Committee that developed the National Green Building Standard was comprised of 42 individuals representing a variety of government agencies, municipalities, home building industry stakeholders, and non-profit organizations. For example, the U.S. Department of Energy and the U.S. Environmental Protection Agency were among the federal agencies represented. The U.S. Green Building Council was represented, as were 10 state or local municipalities. Three members of the committee were builders. Diverse representation of stakeholders ensures that the Standard maintains a balance of stringency with regard to desired performance and practicability. Over 2,000 public comments were considered as part of the Standard's development process.

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The Standard was intended to be a voluntary, above-code green program. For a single-family home or multifamily building to be certified, the building must contain all mandatory practices in the Standard. The home or building must also contain enough practices from each of the six categories of green building practices to meet the required threshold points (See page 12 in the Standard). The six categories of green practices are:

- Lot & Site Development
- Resource Efficiency
- Energy Efficiency
- Water Efficiency
- Indoor Environmental Quality
- Homeowner Education

Under the Standard, homes and multifamily buildings can attain one of four potential certification levels: Bronze, Silver, Gold, or Emerald. The Standard was specifically designed so that no one category of green practices was weighted as more important than another. Peerless among other green rating systems, the National Green Building Standard requires that all projects must achieve a minimum point threshold in every category of green building practice to be certified. A project certified to the Standard can't simply obtain all or most of its points in one or two categories, as other rating systems allow. This requirement makes the Standard the most rigorous green building rating system available at this time.

The Standard has few mandatory provisions, though all of them must be met for certification at any level. Instead the Standard is an expansive point-based system that requires a project to include many different types of green practices. Builders and developers are able to customize their projects by the practices they select to earn the necessary "Additional Points" that are required. This provides the flexibility builders and developers need to ensure their green projects reflect their geographic location, climatic region, cost constraints, and the type of project they are constructing.

As an ANSI-approved standard, the National Green Building Standard is subject to regular reviews and periods of public comment. Development of the next version (2012) of the National Green Building Standard is now underway. The Research Center is again acting as the secretariat of the standard development process. Once completed, the updated standard will again be submitted to ANSI for approval. Information about the revision process can be found online – http://www.nahbrc.com/NGBS.

Certification Program

The NAHB Research Center serves as Adopting Entity and provides certification services to the National Green Building Standard. The Research Center is a 47-year old, internationally-recognized, accredited product testing and certification laboratory located in Upper Marlboro, Maryland. Our work is solely focused on the residential construction industry and our mission is to improve the affordability, performance, and durability of housing. Our core competency is as an independent, third-party product testing and certification lab, making us uniquely suited to administer a green certification program for residential buildings.

The NAHB Research Center is an independent subsidiary of the National Association of Home Builders; however, our operations are completely separate from NAHB. Our national accreditations as a third-party laboratory are demonstrable proof that our work is independent of outside influence and that NAHB has no operational control over our business. We have an independent and separate Board of Directors that oversees our management.

Two Mandatory Inspections

To be certified to the Standard, every green project is subject to two independent, third-party verifications. There is no self-certification allowed in our program. Builders must hire an independent, Accredited Verifier who is responsible for visual inspection of every green building practice in the home or dwelling unit. The Verifier must perform a rough inspection before the drywall is installed in order to observe the wall cavities, and a final inspection once the project is complete. The required verification imbues a level of rigor and quality assurance to our certification program and to the projects that are certified.

The NAHB Research Center qualifies, trains, and accredits building professionals to provide independent verification services for builders. Verifiers must first demonstrate that they possess experience in residential construction and green building before they are qualified to take the verifier training. Many verifiers are HERS raters and/or LEED raters. Potential Verifiers must complete thorough training on exactly how to verify every practice in the National Green Building Standard before points can be awarded. After completing the training, Verifiers must pass a written exam and demonstrate that they carry sufficient liability insurance before the Research Center will accredit them. Verifiers must have their accreditation renewed yearly. They serve as our in-field agents to verify buildings are built in compliance with the Standard.

The Research Center reviews every rough and final inspection to ensure national consistency and accuracy in the verification reports. Further, we regularly audit our verifiers and the verifications that they perform as part of our internal quality assurance program.

Credibility and Rigor

Several studies have been completed to demonstrate the affordability and/or rigor of the Standard. *Green Home Building Rating Systems - A Sample Comparison* evaluates the costs and technical requirements of bringing two sample code-compliant production houses in different climate zones into compliance with the National Green Building Standard and LEED for Homes. AIA Cincinnati published a report comparing LEED for Homes and the National Green Building Standard that found the programs to be essentially equivalent in rigor, but the Standard to be more affordable and easier to use. The Home Builders Association of Greater Chicago released an independently prepared report evaluating the additional costs required to elevate three sample code-compliant, urban, residential building types in the City of Chicago into compliance with the Chicago Green Homes Program (CGH), the National Green Building Standard (NGBS), and LEED for Homes (LEED-H).

In addition to the reports referenced above, the Research Center recently prepared a one-page summary, *Multifamily Energy Performance Comparison*, to address the topic of energy efficiency equivalency that often arises in discussions about green rating systems. While there are many elements of performance in green rating systems, this comparison focuses on energy performance of multifamily new construction built to the National Green Building Standard and the LEED 2009 for New Construction and Major Renovation Rating System (LEED-NC). This summary shows that at the lowest levels of certification (Bronze for NGBS and Certified for LEED-NC), the energy efficiency requirements of the two rating systems are equivalent. However, at the higher levels, the Standard is more rigorous than LEED-NC with regard to energy efficiency.

Legislative and Regulatory Parity with LEED

The Standard was developed after the USGBC's LEED for Homes and Enterprise Green Communities rating systems, therefore, LEED and Green Communities are more commonly recognized in legislative and regulatory initiatives. However, since 2009 when ANSI approved the Standard we have found that without exception the Standard has been considered as on par or more stringent than LEED as a green building rating system for residential projects. In New York State, for example, NYSERDA provides financial incentives for residential buildings certified to the Silver level of the Standard or the Silver level of LEED. Delaware State also provided financial incentives for homes built to either the Silver level of LEED or the Standard (this program recently ran out of money but we hope that it will be refunded). In New Mexico, homes certified to either the Standard or LEED can qualify for the generous State tax credit program. To date, not a single jurisdiction has refused to recognize the Standard as an alternative compliance path for any regulatory or incentive program where we have asked them to make an equivalency decision. For a more complete listing of where the Standard has been recognized, please reference http://www.nahbgreen.org/Content/pdf/IncentivesSummary.pdf.

Program Statistics to Date

The Research Center has certified approximately 4,133 green residential projects to date including 174 multifamily buildings representing 4,172 dwelling units. Over the past year, multifamily buildings have represented the fastest growing segment of our certification program. I believe that this indicates we have been successful in designing a green certification program that is affordable and flexible, while remaining rigorous. We have also certified approximately 17 green land development projects, representing 976 residential lots.

Summary

The goal of the National Green Building Standard and the NAHB Research Center's green certification program is to recognize projects that reach exceptional levels of sustainable design. We have worked hard to develop a program that removes as many barriers as possible to creating high-performance green buildings without eliminating any of the rigor or verification necessary to ensure compliance. To this end, we have kept our certification fees low, minimized time needed for interpretations and project review, and significantly reduced the costs required to incorporate green practices.

I am happy to meet with you or your staff should you require a more detailed overview of the Standard or our certification program. I am also more than happy to send you any supplemental information that you might require that has not been provided to date. Please don't hesitate to contact Michelle Desiderio, our Director of Green Building Programs, directly at 301.430.6205 if she can be of further assistance.

I look forward to working with the State of Louisiana and the Louisiana Housing Finance Agency to promote green certified housing built to the National Green Building Standard.

Best,

Michael Luzier
President & CEO

cc: Jon Luther, Executive Officer of the Greater New Orleans Home Builders
Jeannie Dodd, Louisiana Home Builders Association
Randy Noel, Reve, Inc.