

Statement for the Record
by the
The BuildStrong Coalition
for the
United States Senate Committee on Banking, Housing, and Urban Affairs

Hearing on
“Addressing Climate Change with Energy-Efficient and Resilient Housing.”

Wednesday, May 18, 2022 at 10:00 AM

Thank you for the opportunity for the BuildStrong Coalition to submit a statement for the record for the Full Committee’s hearing, **“Addressing Climate Change with Energy-Efficient and Resilient Housing”** focusing on energy efficiency and resilient housing. Chairman Brown and Ranking Member Toomey are to be commended for leading the committee in prioritizing the need for disaster mitigation and resilience investments as a core component of the national conversation on resilient infrastructure and communities.

The BuildStrong Coalition, formed in 2011 to respond to an increasing number of severe disasters, is made up of a diverse group of members representing firefighters, emergency responders, emergency managers, insurers, engineers, architects, contractors, and manufacturers, as well as consumer organizations, code specialists, and many others committed to building a more disaster resilient nation. The BuildStrong Coalition has been a partner with Congress’s work to investigate causes of, and devise the solutions to, the rising costs and impacts of disasters in the U.S. over the past decade. We have been honored to present witnesses and participants in hearings, roundtables, and briefings to identify opportunities for policy changes that promote mitigation and the smart investment of federal resources to address our country’s increasing number of severe and costly weather events, including informing several key provisions of the Disaster Recovery Reform Act of 2018 (DRRA) (P.L. 115-254) and we will continue to work with your colleagues in the Senate on the Resilient AMERICA Act to ensure its passage into law.

In the face of growing climate risk, we must be focused on efforts to drive and appropriately incentivize smart mitigation and resilience activities and practices, while also removing the challenges and obstacles that may stand in the way or hinder the progress of disaster resilience. This committee knows all too well the critical need for timely and flexible resources for our hardest-hit communities not only to recover from disaster impacts, but also to prepare for and increase resilience against the next storm, wildfire, or other hazard.

While contemplating energy efficiency and housing affordability, this committee must take this opportunity to influence the overall national resilience strategy, including how resilience intersects with adaptation and responds to climate impacts. While exploring the benefits of housing affordability and recognizing that, thanks to American innovation, technology is constantly improving. Modern building materials are dramatically more energy efficient than just a few shorts years ago. However, something that should not be lost in this conversation is the co-benefit of building more resilient through modern consensus-based building codes.

In March of this year, the Federal Emergency Management Agency (FEMA) evaluated each state's building codes on how well they help newly built and retrofitted homes withstand disasters. It was alarming to find that thirty-nine states landed in the lowest category of hazard resistance, meaning less than 25 percent of communities in each state have building codes that provide adequate resilience. It was even more alarming that nineteen states scored zero out of 100, meaning no communities had codes that met these criteria, leaving residents the most vulnerable to hazards.¹

This committee must fill a leadership role in incentivizing and providing resources to facilitate smart, climate-conscious mitigation behaviors and make the tough calls to remove the moral hazards and policy impediments inhibiting decisionmakers from creating resilient systems and communities. The BuildStrong Coalition has developed the following critical policy recommendations and principles that are supported by data and science and should be included in the committee's community resilience priorities while exploring energy-efficient affordable housing.

I. Recognize Resiliency as a Co-Benefit of Energy Efficiency and Secure More Resources for Mitigation

Congress should increase the funding for residential retrofits and investments in resilience before the next disaster, climate impact, or catastrophic failure.

Since 1980, major hurricanes, wildfires, and flooding have caused more than \$2 trillion in damage.² And every year, the whole of federal government invests billions of dollars to help communities rebuild. The disturbing fact is that some of these tax dollars are lost once again in subsequent disasters, primarily because states do not have the necessary resiliency standards and requirements in place to adapt to these harsh storms fueled by climate.

We applaud FEMA for their National Building Code Strategy and how the agency has placed such emphasis on building codes throughout their programs. But there is room for improvement across the federal government when providing funds through disaster programs in order to be good stewards of taxpayer dollars and limit moral hazards. This is especially evident in federally assisted housing programs. These programs defer to local construction requirements which could be decades old or completely nonexistent.

Mitigation saves lives, property, and taxpayer money. Mitigation also saves the environment. But the federal resources to help build state and local capacity and fund risk-reducing, cost-effective mitigation projects that harden homes and buildings and help individuals invest in residential resilience are woefully inadequate. The U.S. Department of Housing and Urban Development, in coordination with FEMA and other federal agencies, needs more tools, and tools that can be leveraged together, to help impacted communities recover smarter and stronger and end the cycle of build, damage, rebuild.

And we know that this is a smart use of federal resources that will save taxpayer dollars. Federal

¹ Building Codes Save: A Nationwide Study (2020). https://www.fema.gov/sites/default/files/2020-11/fema_building-codes-save_study.pdf

² NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2022). <https://www.ncei.noaa.gov/access/billions/>, DOI: 10.25921/stkw-7w73

funding that promotes better land use, modern science applied to home construction, and increased mitigation measures can dramatically reduce the devastation brought by these disasters. Based on the findings of the National Institute of Building Sciences (NIBS):

- Adopting Model Building Codes Saves \$13 per \$1 Invested
- Federal Mitigation Grants Save \$6 per \$1 Invested
- Exceeding Codes Save \$4 per \$1 Invested
- Mitigating Infrastructure Saves \$4 per \$1 Invested

II. Drive Resilient Homes and Communities through Strong Building Codes

Congress should create incentives for building stronger and tie existing federal funding streams to the adoption and enforcement of strong, modern building codes, to better protect homes, families, and communities.

Individuals and communities are kept safe in times of disasters through the strength of their homes. This is particularly prevalent as we learn lessons from COVID-19 and begin to understand how to increase resilience to wildfires. Disaster-resilient and sustainable construction and the use of stronger building codes have been proven to save lives, reduce the damage of natural disasters, and protect the environment. Unfortunately, only a handful of states have adopted the most modern building codes, and many lack the resources to adequately implement codes. To help correct this paradigm at the federal level involves creating incentives that encourage state and local governments to adopt modern building codes, while simultaneously equipping communities with the tools and resources needed to carry out meaningful enforcement regimes.

III. Resilient Construction

Congress should require Federal programs to make risk-reducing, cost effective investments that promote resilient construction and home hardening.

Disruptions to our communities and homes due to disasters threaten lives and impede community recovery. By investing in the resilience of our housing, and communities, as well as critical infrastructure like the electric grid and water systems, we can reduce, if not eliminate, the impact of disasters, allowing people to stay safe and continue with their daily routines, ultimately reducing the duration and cost of recovery. Through the application of the highest building codes, standards, and technologies and ensuring access to resources to invest in mitigation, we can ensure system-wide increases in resilience in homes and communities.

Disaster-resilient and sustainable construction and infrastructure is important to reduce the damage of natural disasters and protect the environment. This involves applying the highest codes and standards and leveraging resources to support and incentivize the adoption and enforcement of building codes and professional standards. This includes standards that strengthen materials against all hazards including wind, flood, seismic, wildfires, and ice. Most importantly, all disaster recovery and mitigation projects should incorporate smart technologies to improve monitoring and distribution and require the use of resilient and non-combustible materials standards for structures and the electric grid in areas prone to wildfire.

IV. Incentivize Individual Investments in Resilience

Congress should incentivize investments in resilience through tax benefits, grant conditions, and easing administrative burdens.

In addition to more resources for mitigation and communities, both public and private entities need incentives to drive their investments in mitigation. Whether by supporting the creation of federal tax incentives that reward resilient behavior, the development of mitigation tax breaks, or other incentives, individuals and businesses will find it easier to invest in resiliency, including undertaking activities like retrofitting homes and hardening critical infrastructure, if these resources are available. This would also foster private sector investment in mitigation through new financing opportunities. Targeted tax incentives and removing tax penalties will encourage resilient construction techniques to withstand damage from strong winds or flooding and prevent losses from wildfires and seismic events. Through these investments, homeowners and communities ultimately save money through tax savings and avoided recovery costs and losses in the next disaster. Further, federal agencies must reduce the complexity and administrative burden of their programs and allow different programs to come together in flexible, creative, and truly transformational ways.

Conclusion

While contemplating energy efficiency and affordable housing, the BuildStrong Coalition calls on the Senate Committee on Banking, Housing, and Urban Affairs to enhance disaster resilience as a co-benefit across the nation through legislation that would effectuate these policy ideals, changes in authority, development of incentives, and streamlining of assistance to serve our communities in an equitable and transformational way.

There is a solution that can help begin addressing the above issues and challenges. The BuildStrong Coalition strongly supported the House Transportation and Infrastructure Committee's introduction of the Resilient AMERICA Act in late 2021. We were equally pleased to see it subsequently (and overwhelmingly) voted out of the House of Representatives 383-41. We believe this legislation should serve as the foundation for the disaster resilience conversation in this country going forward. The Resilient AMERICA Act is designed to follow on the landmark DRRRA and addresses climate impacts by incentivizing and providing resources to facilitate smart, climate-conscious behaviors and mitigation. The bill also seeks to remove the moral hazards and policy impediments inhibiting decisionmakers from creating resilient systems and communities. Passage of the Resilient AMERICA Act would resolve many of the challenges outlined in this testimony, specifically by expanding and clarifying eligibility of certain projects under FEMA's mitigation programs to enhance resilience to wildfires and tsunamis, including strengthening utilities like the electric grid against wind, ice, and wildfire risks; as well as creating a pilot program to fund residential resilience retrofit grants. The BuildStrong Coalition calls on the Congress to enhance disaster resilience across the nation through this legislation.

The BuildStrong Coalition and its members stand ready to partner with the Committee as it drives mitigation and resilience against disaster and climate impacts. The compelling arguments for these policy changes are grounded in overwhelming science and evidence. We are excited to join congressional leaders like you as we identify opportunities for policy changes that promote disaster

resilience and the smart investment of federal resources to address our country's vulnerable infrastructure and the increasing number of severe and costly weather events. Together, we can help save the lives and homes of our citizens.