

HOME BUILDERS & REMODELERS ASSOCIATION OF CONNECTICUT, INC.

435 Chapel Rd., Suite B., South Windsor, CT 06074
Tel: 860-500-7796 Fax: 860-500-7798 Web: <u>www.hbact.org</u>

Your Home
Is Our
Business

ENERGY & TECHNOLOGY COMMITTEE PUBLIC HEARING Testimony 03-05-2020

To: Chairmen Needleman and Arconti, Ranking Members Formica and. Ferraro, and distinguished

Members of the Energy & Technology Committee

From: Jim Perras, CEO

Re: H.B. 5008: AN ACT CONCERNING THE ESTABLISHMENT OF HIGH PERFORMANCE

GREEN BUILDING STANDARDS FOR VOLUNTARY ADOPTION BY

MUNICIPALITIES. (Oppose)

The Home Builders and Remodelers Association of Connecticut (HBRA-CT) is a professional trade association with nearly 900 hundred business members statewide, employing tens of thousands of Connecticut residents. Our association of small businesses is comprised of residential and commercial builders, land developers, remodelers, general contractors, subcontractors, suppliers and those businesses and professionals that provide services to our diverse industry. We build between 70% to 80% of all new homes and apartments in Connecticut each year and engage in countless home remodeling projects.

Thank you, for the opportunity to provide **testimony in opposition to HB 5008.** If enacted, HB 5008 would:

- Require DEEP to draft and adopt residential and commercial construction standards regulations by 2021 that towns would then be allowed to adopt
- Require the Commissioner to maintain a list of all towns that adopt stretch codes
- Give DEEP the ability to make determinations contrary to municipal actions
- Give DEEP the sole authority to grant variances

Our statutes do not currently allow a municipality to adopt codes that differ from those found in the State Building Code. And for good reason, since 1971, Connecticut has had a uniform statewide building code that has brought constantly improving codes and predictability to our code process. As a result, new home construction has never been more resilient nor energy efficient than homes built today. In fact, homes built to today's code can be more than twice as energy efficient than the average resale home.

HB 5008 would upend nearly 50 years of uniformed state codes and standards adoption that has brought measured and predictable regulatory oversight to the construction industry in Connecticut. It would be a grave mistake to allow the Connecticut Department of Energy and Environmental Protection (DEEP) to develop its own unvetted and costly resiliency and energy

efficiency codes that would likely far exceed our state code in exchange from the balanced approach that exists today.

The current process of adopting codes in Connecticut works extremely well and Connecticut statutes already explicitly require our code making body the Codes and Standards Committee take energy efficiency and resiliency under consideration when adopting our codes. The Codes and Standards Committee is a diverse group of professionals appointed by the Commissioner of the Department of Administrative Services. All of which are codes experts with at least 10 years of practical professional experience within their respective fields. These code experts include energy efficiency experts, architects, engineers, commercial and residential builders, building officials, local fire marshals, building trade unions, public health officials, ADA experts and plumbing and heating professionals. Contrast this level of review with the Governor's proposal to allow DEEP bureaucrats to simply craft codes without a substantive review process or opportunity for public input and scrutiny. The Governor's bill would take the code making process out of the hands of a diverse volunteer, citizen board of code experts and place the development of the stretch code within the DEEP bureaucracy which is singularly focused and ideologically driven and will likely not take into account construction cost or affordability impacts in communities that adopt them.

If passed, the Governor's bill will set a bad precedent that will lead to unintended consequences. Not the least of which, stretch codes will make it harder to build affordably in towns where they are adopted. We need look no further than to our neighbors to the north for evidence of this. Early adopters of the Massachusetts stretch codes were more affluent towns on the shoreline and Boston suburbs that use these codes to keep affordable housing out. It is a legitimate concern that wealthier communities in Connecticut will adopt these codes with the intention of circumventing their affordable housing responsibilities under the guise of embracing energy efficiency. To allow this to happen would be in direct conflict with recent overtures by state leaders who have said the expansion of affordable housing, especially in communities that heretofore have been reluctant to do their part would be a priority moving forward.

There are better ways to encourage increased energy efficiency in our homes. Real gains could be made by further incentivizing the retrofitting and remodeling of existing homes which, as mentioned earlier, can be on average less than half as energy efficient as home built to current code standards. In addition, the state could provide modest tax incentives to new home buyers that consider the purchase of new homes with energy efficient standards beyond what is required in existing code. This approach would shift consumer habits, thereby increasing demand and incentivizing the market to produce more energy efficient homes. In the end, a modest state tax credit for purchasers of new energy efficient homes would more than pay for itself in the economic activity it would create and the new property, sales and income taxes it would generate. A tax credit would achieve better results without the heavy hand of government mandating a stretch code adoption that would potentially price thousands of potential households out of the market for a new home. Recent studies have shown for every \$1000 increase in the median price of a home, 1096 Connecticut households are priced out of the market.

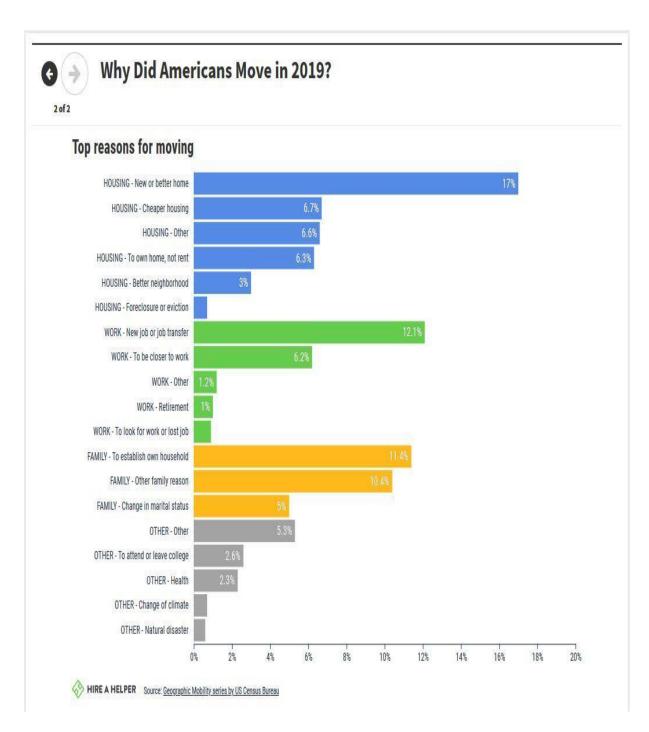
In the end, the hallmark of good public policy is not just policy that minimizes negative consequences but rather provides multiple socioeconomic benefits. The Governor's bill does not strike a proper

¹ https://www.nahbclassic.org/generic.aspx?sectionID=734&genericContentID=271366&channelID=311

balance and should be set aside in favor of a more business and consumer friendly solution that encourages responsible growth and socioeconomic diversity in all Connecticut cities and towns.

Thank you, for the opportunity to provide testimony in opposition of HB 5008.

*Attached to this testimony, please find a bar graph from a recent survey highlighting the reasons why individuals move from one state to another.



Using U.S. Census Bureau Data, HireAHelper looked at the reasons why people moved in 2019 - no matter where their destination. The top reasons: found a new or better home, new job or job transfer, and setting up their own household.

Credit HireAHelper