



October 21, 2021

U.S. Department of Energy
Office of Energy Efficiency and Renewable Energy
Building Technologies Program
1000 Independence Avenue SW
Washington, DC 20585

RE: Energy Conservation Standards for Manufactured Housing (Docket Number EERE-2009-BT-STD-0021)

Mr. John Cymbalsky,

The Local Initiatives Support Corporation (LISC) appreciates the opportunity to provide comments on the U.S. Department of Energy's (DOE) proposed energy conservation standards rule for manufactured housing.

Established in 1979, LISC is a national nonprofit housing and community development organization dedicated to helping community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity. LISC mobilizes corporate, government, and philanthropic support to provide local community development organizations with loans, grants, and equity investments; as well as technical and management assistance. Our organization has a nationwide footprint, with local offices in 38 cities. LISC invests approximately \$2 billion each year in these communities. Our work covers a wide range of activities, including housing, economic development, building family wealth and incomes, education, and creating healthy communities.

In 1995, LISC launched Rural LISC, a national program created to expand LISC's reach beyond urban areas to include rural communities. Today, Rural LISC partners with more than 140 rural community-based organizations, including five financial intermediaries, helping them identify challenges and opportunities, and delivering the most appropriate support to meet local needs. Together we are working to transform communities in more than 2,400 counties across 49 states and Puerto Rico.

General Comments

LISC appreciates the opportunity to comment on the supplemental notice of proposed rulemaking establishing energy conservation standards for manufactured housing pursuant to the Energy Independence and Security Act of 2007.

For the reasons enumerated below, we support a single-tier standard for energy conservation based on the 2021 IECC standard. Manufactured homes are an affordable housing choice for the individuals and families in the communities we serve, and we believe that all manufactured homebuyers and owners should benefit from enhanced quality and energy-efficiency standards. Accordingly, all manufactured homes should be as efficient as is cost-effective, considering the construction costs, energy costs, and financing over the lifecycle of the homes.

This standard for manufactured housing energy-efficiency is long overdue and should be issued and implemented as soon as possible. In 2007, Congress passed the Energy Independence and Security Act requiring this standard for manufactured homes, and we are more than a decade behind in issuing the final rule. The U.S. Department of Housing and Urban Development has not updated the energy-efficiency code for manufactured homes since 1994. We request expedited rulemaking and full implementation of the regulations. This languishing process has prevented the residents in the communities we serve from reaping the benefits of higher quality and more energy-efficient homes.

Homebuyers purchasing homes costing less than \$55,000 should not be subjected to pitfalls of lower quality, inefficient homes. The “preferred” option in the draft rule would allow an inadequate standard for lower-priced homes. Those who can least afford to pay high energy bills would continue to needlessly waste thousands of dollars on energy costs and live in draftier, less safe, and less comfortable homes for decades to come. Additionally, the lesser quality of these homes will reduce resale value, perpetuating cycles of poverty for families – as opposed to creating the opportunity to build generational wealth. Moreover, these homes are more likely to be shipped into persistent poverty regions and lower-income rural areas, contributing to an already existing glut of older, poor quality housing stock.

Rulemaking should be considered under President Biden’s January 20, 2021, Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. The Department of Energy must recognize the level of inequity that would be perpetuated in underserved communities by adopting a two-tiered approach in this rulemaking, particularly for communities of color and other underserved communities, in rural and farmworker regions. In the persistent poverty regions of Appalachia, the Delta, the Colonias, and Native Lands, more than 20 percent of residents have lived in poverty for at least 30 years. Often, manufactured housing provides a higher percentage of the overall affordable housing stock in these regions. A lesser standard will disproportionately affect these communities, given the concentration of lower-cost homes priced less than \$55,000.

A two-tiered approach would further stratify the growing homeownership gap for underserved communities, depriving individuals and families from quality, energy-efficient housing choice. Therefore, we support a single-tier standard for energy conservation based on the 2021 IECC standard as required by the law. Under a single-tier standard, homeowners should recoup any additional incremental increase in the purchase cost in less than four years based on projected energy savings. LISC appreciates DOE’s extensive analysis on cost concerns and recommends the federal government ensure there is flexibility in federally insured and guaranteed home mortgage program regulations to permit an increase in debt to income ratios when paired with reductions in energy costs. In addition, the federal government should proactively market these programs and other potential assistance to help with incremental cost increases, including Energy Star tax credits and other financing vehicles that factor in future energy savings.

We thank the DOE for the opportunity to provide suggestions on this important proposed regulation. Please contact Mark Kudlowitz (mkudlowitz@lisc.org), LISC Senior Policy Director, if you need additional clarification or follow up on any of the recommendations provided in this letter.

Sincerely,



Matt Josephs
Senior Vice President for Policy