

From: [Sharla Riead](#)
To: [Curls, Darrell](#); [Public Testimony](#)
Subject: Vote "No" on Ordinance 240434
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Attachments: [image.png](#)

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Dear Councilman Curls,

I am a homeowner, business owner, and employer in Kansas City's 5th district. As your constituent I am writing to urge you to vote "No" on Ordinance 240434. I have been working in construction and home energy efficiency analysis for over four decades and I attended many, many meetings over several years to provide facts and data that the City Council requested in order to have the 2021 IECC passed in Kansas City. It seems to me that the HBA and a handful of builders are now trying to undermine all those years of hard work and analysis by forcing through an ordinance that they worked to keep under wraps until the last possible second. This is unfair to the City Council as you do not have time to hear testimony and gather facts before being forced to make a decision that could undo all the good we fought so hard to get.

I want to make you aware of a "net positive cash flow" analysis from Pacific Northwest National Laboratory (PNNL) that is very helpful for explaining how households benefit from the new 2021 IECC Energy Codes. Very few homebuyers pay the full upfront cost of a home and a number like \$8 - \$10k (which is what builders are discovering the changes needed are costing them) can still sound like a lot. That PNNL study is an analysis of how quickly the energy savings pay off the slightly increased down payment and financing costs. They found that for low-income homebuyers supported by FHA, who have a smaller than average down payment, the net positive cash flow from moving from IECC 2009 to 2021 is **after just 1.2 years** - and we live in houses a lot longer than 1.2 years. In other words a households' overall housing costs are lower starting that soon. The study can be found here: <https://www.federalregister.gov/documents/2024/04/26/2024-08793/final-determination-adoption-of-energy-efficiency-standards-for-new-construction-of-hud--and> but it is a really long read. Here is the relevant table:

Table 9. National Costs and Benefits – 2021 IECC vs. 2009 IECC (Single Family)

Climate Zone	LCC Savings (\$)	30 Year PV Benefits (\$)	Incremental cost (\$)	Annual energy savings (\$)	Annual Mortgage Increase (\$)	Down payment and other up-front costs (\$)	Net annual cashflow for year one (\$)	Years to positive cashflow	Simple payback (years)
National Average	15,071	25,124	7,229	963	439	550	377	1.5	7.7
CZ 1	10,774	15,866	3,662	608	222	279	311	0.9	6.2
CZ 2	8,313	15,871	5,436	608	330	414	168	2.5	9.2
CZ 3	13,917	25,093	8,037	961	488	612	311	2.0	8.6
CZ 4	19,989	31,965	8,613	1,225	523	656	527	1.2	7.2
CZ 5	17,691	28,467	7,750	1,091	471	590	463	1.3	7.3
CZ 6	29,834	39,409	6,886	1,510	418	524	952	0.6	4.7
CZ 7	39,308	51,604	8,843	1,977	537	673	1,261	0.5	4.6
CZ 8	52,078	64,377	8,845	2,467	537	673	1,750	0.4	3.7

This shows that in Climate Zone 4 (our climate zone) the calculated incremental costs from the study come very close to what our home builders are seeing, \$8,613, and the Life Cycle Cost savings from making that investment is \$19,989 with the Present Value over a 30 year time-frame at \$31,965, so the investment is a great one. The annual energy savings averages \$1,225 while the mortgage increase is only \$523 with additional up-front costs and down payment of \$656, so the homeowner is actually in a positive cash flow after only 1.2 years and the overall investment is paid back in 7.2 years. Keeping the 2021 IECC puts an additional \$527 in homeowners pockets every year after and actually more than that if (when) energy prices go up.

FHA and HUD also just announced that homes must meet the 2021 IECC in order to qualify for a loan under their programs. This is because they have also analyzed these studies that were performed and have determined the utility cost savings far outweigh the additional mortgage amounts. The VA is restructuring their program as well to incorporate utility costs into loan determinations and has studies showing the same outcomes.

The new ordinance suggests a HERS Index of 68. I agree that a HERS Index should be allowed to prove compliance to the energy codes, but it should be required to be a 51 in order to match the other compliance paths. A HERS Index of 68 can be achieved by following some items from the 2006 IECC and some items from the 2009 IECC. This will set us backwards. Kansas City builders were achieving Index numbers below 60 prior to this code change already. The ordinance seeks to remove testing and verification as well from most new construction. That is a really bad idea and a HERS Index is not allowed to be certified without the testing and verification. The builders who are pushing this and the HBA are focused on first cost and cost to them and not considering the health, safety, durability, energy efficiency, and month-to-month costs of the people buying these homes.

Please vote "No" on this ordinance that not only removes these benefits but also moves Kansas City backwards as far as energy efficiency in home construction goes.

Regards,

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