A Transformative Infrastructure Bill?



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Last week, President Biden unveiled the American Jobs Plan, a \$2 trillion plan to reinvigorate public infrastructure and transform the American economy. The plan calls attention to the fact that while the U.S. is the wealthiest country in the world, it falls far short on taking care of its infrastructure—including homes, offices, schools, hospitals, and the myriad buildings that support daily life across the country. The plan points out the fragility of an electric grid that leaves buildings and the people in them vulnerable to catastrophic outages and burdened by crippling utility bills. It acknowledges that collectively we are entrenched in a housing crisis where too few people have access to high-quality, affordable housing. It repeatedly calls out the need for systems and structures that are safe, reliable, efficient, and climate-friendly, and the need for more jobs that provide economic security and long-term career options across the country.

To address these vulnerabilities, we must transform how Americans invest in, design, construct, and operate buildings. This requires both government and business leadership and action. The American Jobs Plan is a glimpse at how the Biden Administration plans to deploy federal resources to do its part. Below are a few key takeaways.

1. Climate action isn't just for the sustainability department.

The Biden Administration is pursuing a whole-of-government approach, deploying multiple sectors toward addressing the climate crisis, not just those agencies or departments with "environment" in their name. "Every dollar spent on rebuilding our infrastructure during the Biden administration," notes the White House fact sheet on the plan, "will be used to prevent, reduce, and withstand the impacts of the climate crisis." As such, the American Jobs Plan recognizes that clean energy, resilience, and environmental justice are essential to America's infrastructure.

Other government leaders should take note. Addressing the climate crisis equitably and urgently, while also tackling structural racism will require governments at all levels—local, state, federal—to take action across all departments. The same is true for business leaders, including real estate investors, lenders, owners, developers, designers, contractors, and tenants. The pace of change needed to create a resilient, low-carbon future requires transformation across all companies, governments, and communities.

2. Everyone deserves access to sound buildings.

At IMT, we believe that buildings should protect the people in them and the communities around them and that this protection cannot be restricted to those building projects with the deepest pockets. The Biden plan aims to deliver 40% of the benefits of its proposed climate and clean energy infrastructure investments to disadvantaged communities, and seeks to improve not just federal facilities but also community infrastructure including schools, child care facilities, and housing across the country. Along

these lines, the plan also seeks to expand access to the work that will be needed to create such infrastructure, ensuring that people across the country gain access to good-paying, future-ready jobs at all skill levels. The building sector plays a key role here. The plan proposes investing "\$213 billion in producing, preserving, and retrofitting more than 2 million affordable and sustainable places to live"— work that should positively affect whole swaths of communities and generate new job and career opportunities. What if those job opportunities also ensure that procurement and contracting processes transform to embrace high-road standards that are rooted in sustainability, livable wages, shared prosperity, and inclusion? (IMT is already exploring this approach via its Building Innovation Hub's high-road contracting guide produced in collaboration with the Emerald Cities Collaborative.)

3. Government plays a key role in kickstarting market transformation.

The Biden plan recognizes that the federal government can lead by leveraging its purchasing power to drive widespread market transformation. The plan calls for purchasing 24/7 clean power for federal buildings, which could drive notable market action on increasing grid-building flexibility and energy efficiency. Not to mention that other directives, such as investment in electric vehicles will include ripple effects on buildings in the form of increased demand for electricity and charging stations and an opportunity to explore how buildings can better integrated with the electric grid. How much market change can an entity that spends more than half-a-trillion dollars on goods and services each year drive? We might soon find out.

What's missing?

For all its ambition, the Biden team will have to flesh out key details of its infrastructure plan. For example, to what level of energy efficiency performance will the \$213 billion in building construction and retrofits be built? IMT believes the appropriate level for government and business leadership is new construction built to Passive House or net zero standards, and renovations to produce at least 30% reduction in site EUI over four years. Where feasible, new construction and renovations should include building system controls or resources like batteries that can make buildings responsive at times that the electric grid is overloaded. Standards will also need to be set for health, resilience, and accessibility. Separate plans will be needed to activate private building owners—whether through tax or other financial incentives, or through carbon performance and climate risk disclosure requirements—to make job- and value-creating investments in their own buildings. Many local jurisdictions, for example, are exploring the use of building performance standards to do this.

That being said, this is one of many plans to be rolled out by the Biden administration, and the total sum of action needed in buildings across the country to address the climate crisis requires broad, deep actions from all stakeholders, not just the federal government. IMT looks forward to continued collaboration with its governmental, community, and business sector partners to drive this collective transformation.

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