

Webinar

ULI Philadelphia: Affordable, Scalable, and Equitable

Date: October 28, 2021

00:00:00 --> 00:00:03: Well, good morning and thank you everyone for joining us
 00:00:03 --> 00:00:04: for today's program.
 00:00:04 --> 00:00:07: My name is Kevin Moran and I'm a director here
 00:00:07 --> 00:00:07: at ULI.
 00:00:09 --> 00:00:13: At you alive Philadelphia. We're excited to welcome
 everyone to
 00:00:13 --> 00:00:16: this very important conversation and timely discussion.
 00:00:16 --> 00:00:18: And before we get started,
 00:00:18 --> 00:00:21: I just wanted to run through a couple quick housekeeping
 00:00:21 --> 00:00:22: items.
 00:00:22 --> 00:00:25: Uh, today's program is being recorded,
 00:00:25 --> 00:00:28: and so we will make it available to everyone who
 00:00:28 --> 00:00:31: has either registered for this program and all ULI members
 00:00:31 --> 00:00:35: in utilize content library knowledge Finder in about two weeks
 00:00:35 --> 00:00:40: after today's conversation will ask everyone to leave
 yourselves muted
 00:00:40 --> 00:00:42: during the duration of the program.
 00:00:42 --> 00:00:46: That just helps to make sure that the speakers remain
 00:00:46 --> 00:00:49: front and center on the zoom call during audience.
 00:00:49 --> 00:00:53: Q&A will ask folks to submit short questions.
 00:00:53 --> 00:00:55: In the chat and then at that point we will
 00:00:55 --> 00:00:57: have an opportunity if you'd like to unmute yourself to
 00:00:57 --> 00:00:59: elaborate on your question,
 00:00:59 --> 00:01:01: I think we'll have an intimate enough group today that
 00:01:01 --> 00:01:02: will be able to do that,
 00:01:02 --> 00:01:05: so feel free to submit questions in the chat as
 00:01:05 --> 00:01:06: well throughout today's program,
 00:01:06 --> 00:01:09: and we have about 2025 minutes at the end to
 00:01:09 --> 00:01:12: to address any questions that are submitted an and if
 00:01:12 --> 00:01:15: at any time you do accidentally become unmuted,

00:01:15 --> 00:01:18: just know that a UI staff person might,
00:01:18 --> 00:01:22: you just again to maintain those audio that the quality
00:01:23 --> 00:01:23: audio.
00:01:23 --> 00:01:26: Before we get started, I also want to thank and
00:01:26 --> 00:01:30: recognize you like Philadelphia's annual sponsors,
00:01:30 --> 00:01:33: really without their support, and in particular over the last
00:01:33 --> 00:01:34: 18 months or so.
00:01:34 --> 00:01:38: It would be really challenging for us to do all
00:01:38 --> 00:01:40: of the work that we do.
00:01:40 --> 00:01:43: And I apologize OAPs. I'll go back through these in
00:01:43 --> 00:01:44: one second.
00:01:44 --> 00:01:48: I want to thank our annual or our annual urban
00:01:48 --> 00:01:53: visionary sponsors as well as our diamond leadership circle
and
00:01:53 --> 00:01:54: platinum sponsors,
00:01:54 --> 00:01:57: and as well as our silver and friends sponsors.
00:01:57 --> 00:02:00: And then I also want to thank today's.
00:02:02 --> 00:02:06: I'm sorry, I apologize. I think our slides are set
00:02:06 --> 00:02:07: on auto.
00:02:07 --> 00:02:10: Auto load, but I also want to thank our event
00:02:10 --> 00:02:15: supporting sponsor for today sustainable building partners.
00:02:15 --> 00:02:18: All of the programming that we do is made possible
00:02:18 --> 00:02:22: because of sponsors like this and in particular organizations
like
00:02:22 --> 00:02:25: SVP that recognized the importance of today's conversation.
00:02:25 --> 00:02:28: So in case there's anyone who's new to you all
00:02:28 --> 00:02:31: I I'd like to take a minute to just sort
00:02:31 --> 00:02:34: of step back and give a brief overview of the
00:02:34 --> 00:02:38: organization in general and explain a little bit about.
00:02:38 --> 00:02:42: Who we are. So the Urban Land Institute is a
00:02:42 --> 00:02:43: nonprofit,
00:02:43 --> 00:02:47: educational and membership association whose mission is to
shape the
00:02:47 --> 00:02:51: future of the built environment for transformative impact in
communities
00:02:51 --> 00:02:51: worldwide.
00:02:51 --> 00:02:54: And we really do this through three different mission priorities
00:02:54 --> 00:02:55: of connecting members,
00:02:55 --> 00:02:59: inspiring the industry and leading through best practices.
00:02:59 --> 00:03:04: You'll I is a global organization of about 45,000 members
00:03:04 --> 00:03:04: worldwide,
00:03:04 --> 00:03:08: 900 of which reside or or work in the Philadelphia
00:03:08 --> 00:03:09: region.

00:03:09 --> 00:03:13: And in the Philadelphia region we include the.
00:03:13 --> 00:03:15: Central Pennsylvania, the Lehigh Valley,
00:03:15 --> 00:03:18: southern New Jersey. The state of Delaware and of course,
00:03:18 --> 00:03:21: Philadelphia and it's it's metro area.
00:03:21 --> 00:03:25: Our work is really driven entirely by our our membership.
00:03:25 --> 00:03:27: We have 20 different committees and councils that you lie,
00:03:27 --> 00:03:31: all of which are made up of member volunteers and
00:03:31 --> 00:03:35: have member leaders at the helm of each organization of
00:03:35 --> 00:03:39: each committee and they really are responsible for producing
00:03:39 --> 00:03:43: the
00:03:43 --> 00:03:46: content that we all enjoy and learn from,
00:03:46 --> 00:03:49: including today's program, which was a really sort of
00:03:49 --> 00:03:50: collaborative
00:03:50 --> 00:03:52: effort between our young leaders group or Housing Council
00:03:52 --> 00:03:55: and
00:03:55 --> 00:03:58: our Resilience initiative,
00:03:58 --> 00:04:02: which you'll hear a little bit more.
00:04:02 --> 00:04:07: About in a few minutes and of course,
00:04:07 --> 00:04:12: you know what we really as a as an organization.
00:04:12 --> 00:04:15: We really offer a wide variety of educational programming as
00:04:15 --> 00:04:19: well as advisory services to share unique perspectives
00:04:19 --> 00:04:22: between practitioners
00:04:22 --> 00:04:24: and that explore content on the most pressing development
00:04:24 --> 00:04:28: issues
00:04:28 --> 00:04:31: in the region. And we really try to leverage our
00:04:31 --> 00:04:35: Member expertise to be a helpful partner for nonprofit
00:04:35 --> 00:04:37: organizations
00:04:37 --> 00:04:40: and municipalities throughout our footprint.
00:04:40 --> 00:04:45: So of course, the last 18 months or so have
00:04:45 --> 00:04:48: been an unusual 18 months.
00:04:48 --> 00:04:49: But nonetheless, I think as an organization and as a
00:04:49 --> 00:04:52: testament to our to our Members,
00:04:52 --> 00:04:56: we've been able to do a lot of really impactful
00:04:56 --> 00:05:00: work.
00:05:00 --> 00:05:03: We recently completed a second round of urban plan
00:05:03 --> 00:05:06: volunteer
00:05:06 --> 00:05:09: training,
00:05:09 --> 00:05:12: which is with a group of ULI members and then
00:05:12 --> 00:05:15: just a week later,
00:05:15 --> 00:05:18: hosted our second and first fully in person delivery of
00:05:18 --> 00:05:21: urban plan to a group of registered community organization
00:05:21 --> 00:05:24: leaders
00:05:24 --> 00:05:27: and graduates from the Citizens Planning Institute.
00:05:27 --> 00:05:30: We're excited to deliver. Our first urban planning program to

00:05:03 --> 00:05:06: high school students later this fall at Girard College and
00:05:06 --> 00:05:08: for anyone who might not be aware,
00:05:08 --> 00:05:13: urban plan is a real estate developer development simulation
that
00:05:13 --> 00:05:14: puts students,
00:05:14 --> 00:05:18: community leaders, and public officials in the developers seat
to
00:05:18 --> 00:05:22: really understand real estate fundamentals and trade offs.
00:05:22 --> 00:05:25: Earlier this month, we actually also launched a new technical
00:05:25 --> 00:05:27: Assistance panel application.
00:05:27 --> 00:05:32: Cycle taps are our way of delivering member expertise.
00:05:32 --> 00:05:35: The local communities and nonprofit organizations who are
facing land
00:05:35 --> 00:05:37: juice in real estate challenges.
00:05:37 --> 00:05:40: So if you know of any community organizations or non
00:05:40 --> 00:05:44: profit organizations that are facing a real estate challenge,
00:05:44 --> 00:05:47: I could benefit from a group of volunteer UI experts.
00:05:47 --> 00:05:51: Please have them visit our website to learn more applications
00:05:51 --> 00:05:54: for the TAPS program are due at the end of
00:05:54 --> 00:05:54: December,
00:05:54 --> 00:05:57: but we do require that they have a sort of
00:05:57 --> 00:06:01: informal meeting with UI staff within the first two weeks
00:06:01 --> 00:06:01: of November.
00:06:01 --> 00:06:05: And then finally I did want to also share our
00:06:05 --> 00:06:09: excitement for the return of our in person with a
00:06:09 --> 00:06:10: virtual option.
00:06:10 --> 00:06:15: Annual real estate forecast on November 16th,
00:06:15 --> 00:06:18: 2021. This year will be hosted at Irvine Auditorium at
00:06:18 --> 00:06:20: the University of Pennsylvania.
00:06:20 --> 00:06:24: A series of keynote speakers and panelists will explore top
00:06:24 --> 00:06:28: trends that were identified in this year's utilize emerging
trends
00:06:28 --> 00:06:31: report and what they what those trends actually look like
00:06:32 --> 00:06:33: in the local and regional market.
00:06:33 --> 00:06:38: And then we also will explore how practitioners are
approaching
00:06:38 --> 00:06:41: sort of the next few years ahead,
00:06:41 --> 00:06:44: particularly through a lens of of resiliency.
00:06:44 --> 00:06:46: So we hope you'll join us for that.
00:06:46 --> 00:06:49: And you can find all of that information on our
00:06:49 --> 00:06:50: website as well.
00:06:50 --> 00:06:53: Of course, all of this really just scratches the surface,
00:06:53 --> 00:06:56: and we have even more plans ahead for 2022 advancing

00:06:56 --> 00:06:59: our mission of shaping the future of the built environment
00:06:59 --> 00:07:04: for transformative impact in communities worldwide really manifests itself with
00:07:04 --> 00:07:08: you. All our members. So thank you for joining us
00:07:08 --> 00:07:10: for conversations like today's.
00:07:10 --> 00:07:11: If you're new to you,
00:07:11 --> 00:07:15: I Philadelphia, myself or anyone on my team would be
00:07:15 --> 00:07:17: happy to talk to you about ways to get.
00:07:17 --> 00:07:22: Involved in our 20 plus local councils and committees or
00:07:22 --> 00:07:25: by volunteering to mentor rising professional.
00:07:25 --> 00:07:30: Lending your expertise through advisory services or taking a
group
00:07:30 --> 00:07:33: through a project tour or development or so.
00:07:33 --> 00:07:35: With all of that, I'd like to turn things over
00:07:35 --> 00:07:37: to our moderator for today's program.
00:07:37 --> 00:07:41: Jake Torok with building who's the building performance
manager at
00:07:41 --> 00:07:44: Sustainable Building Partners and member of UI,
00:07:44 --> 00:07:47: Philadelphia's Young Leaders Group to provide a little bit
more
00:07:47 --> 00:07:48: background.
00:07:48 --> 00:07:50: On today's conversation in particular,
00:07:50 --> 00:07:52: and introduce our panel so,
00:07:52 --> 00:07:52: Jake.
00:07:53 --> 00:07:56: Great thanks Kevin. A lot of exciting stuff going on
00:07:56 --> 00:07:57: in your life.
00:07:57 --> 00:07:59: That's a great overview. First of all,
00:07:59 --> 00:08:01: thank you everyone for joining today.
00:08:01 --> 00:08:03: It's my pleasure to be with you and to present
00:08:03 --> 00:08:06: this really exciting topic here before we get started.
00:08:06 --> 00:08:08: I do wanna take a quick second to thank EU
00:08:08 --> 00:08:12: Li Philadelphia's Young leaders group as well as the Housing
00:08:12 --> 00:08:16: Council and Resilience initiative for the support and for
making
00:08:16 --> 00:08:19: today's program possible. So just some background here.
00:08:19 --> 00:08:22: Today's conversation comes after 10 years of historic shifts
in
00:08:22 --> 00:08:24: the multifamily housing,
00:08:24 --> 00:08:27: which now encompasses a large majority of construction and
development
00:08:27 --> 00:08:30: activity within the Greater Philadelphia area.
00:08:30 --> 00:08:31: The vitality of this market,
00:08:31 --> 00:08:33: coupled with the diverse nature,
00:08:33 --> 00:08:37: puts multifamily housing in a really unique position in the

00:08:37 --> 00:08:40: context of sustainability and resiliency.

00:08:40 --> 00:08:43: This unique position leads the challenges and how we can

00:08:43 --> 00:08:49: effectively incentivize and encourage project owners to pursue sustainability initiatives.

00:08:49 --> 00:08:52: So today speakers will discuss the challenges of multi family

00:08:52 --> 00:08:56: development as well as identify potential strategies and address these

00:08:56 --> 00:08:58: issues to redefine the market.

00:08:58 --> 00:09:01: It's now my pleasure to introduce our panelists.

00:09:03 --> 00:09:05: First year we have Josh Harris who is the owner

00:09:05 --> 00:09:08: of design art build Company which is a creative collaboration

00:09:08 --> 00:09:11: between two brothers and their community of talented tradesmen and

00:09:11 --> 00:09:15: artisans who work together to design and build custom projects

00:09:15 --> 00:09:17: for a range of clients.

00:09:17 --> 00:09:19: Josh and his brother Ben migrated from New York City

00:09:19 --> 00:09:23: to Philadelphia several years ago and began their business of

00:09:23 --> 00:09:24: renovating their dream Attilia.

00:09:24 --> 00:09:28: Josh, thanks for the French at 8:30 in the morning.

00:09:28 --> 00:09:30: Since then, Josh has taken over the business and grown

00:09:30 --> 00:09:32: it to include clients such as Onion Flats,

00:09:32 --> 00:09:34: Larson and Landis, the Tower.

00:09:34 --> 00:09:36: Theater Live Nation Tavern on the Green,

00:09:36 --> 00:09:39: New York City, as well as several new and adaptive

00:09:39 --> 00:09:41: reuse and residential and commercial projects.

00:09:44 --> 00:09:46: Next up we have Patrick Isaac,

00:09:46 --> 00:09:49: who is a program and sustainability manager at Community Ventures.

00:09:49 --> 00:09:54: Patrick is passionate about sustainability and housing affordability for low

00:09:54 --> 00:09:55: income individuals.

00:09:55 --> 00:09:59: He joined Community Ventures in 2017 after writing his masters

00:09:59 --> 00:10:02: thesis on the topic of providing affordable,

00:10:02 --> 00:10:06: sustainable housing for homeownership by renovating existing blighted row houses

00:10:06 --> 00:10:07: in Philadelphia.

00:10:07 --> 00:10:10: In 2008, Patrick graduated with a Bachelor of Architecture from

00:10:11 --> 00:10:13: City College of New York and has worked as an.

00:10:13 --> 00:10:17: Architectural designer on the renovation of private homes in New

00:10:17 --> 00:10:20: York City while employed in different architecture firms.
00:10:20 --> 00:10:23: Emily Shapira is President, CEO,
00:10:23 --> 00:10:28: at Philadelphia Energy Authority. Emily joined PTA as executive director
00:10:28 --> 00:10:31: in 2016 to execute the Philadelphia Energy Campaign,
00:10:31 --> 00:10:35: which is a \$1 billion ten year initiative to advance
00:10:35 --> 00:10:38: energy efficiency and clean energy across Philadelphia,
00:10:38 --> 00:10:41: while also creating over 10,000 jobs.
00:10:41 --> 00:10:44: Emily has been a PTA board member since 2010 as
00:10:45 --> 00:10:48: a City Council Point team and Prior to joining PE
00:10:48 --> 00:10:49: a full time,
00:10:49 --> 00:10:51: Emily was director of global accounts.
00:10:51 --> 00:10:53: For lighting at Wesco Distribution,
00:10:53 --> 00:10:56: which is a Fortune 500 electric supply company,
00:10:56 --> 00:10:59: her focus there was on developing portfolio wide energy efficient
00:10:59 --> 00:11:01: lighting upgrades for large commercial,
00:11:01 --> 00:11:05: industrial institutional customers. And last,
00:11:05 --> 00:11:09: but certainly not least, Howard Steinberg is a principal at
00:11:09 --> 00:11:10: Onion Flats,
00:11:10 --> 00:11:13: LLC. Howard is a registered architect in Pennsylvania,
00:11:13 --> 00:11:15: New Jersey, New York, Delaware,
00:11:15 --> 00:11:19: Maryland and Virginia, holding degrees in environmental design,
00:11:19 --> 00:11:23: architecture, and construction management. He has worked for several architectural,
00:11:23 --> 00:11:28: construction, management and development firms since 1991 and has served
00:11:28 --> 00:11:32: as VP of Design and Construction for Scannapieco Development and
00:11:32 --> 00:11:35: Switzen Balm Realty Capital in 2005.
00:11:35 --> 00:11:38: How are joined. Onion Flats with partner Tim McDonald and
00:11:38 --> 00:11:38: Jig Inc.
00:11:42 --> 00:11:43: Yeah, exciting group of panelists here.
00:11:47 --> 00:11:51: Alright. We're going to jump right into our discussion here.
00:11:51 --> 00:11:54: We have some really, really good industry experience here,
00:11:54 --> 00:11:57: and I'm really excited to hear some of our trials,
00:11:57 --> 00:12:01: tribulations, kind of lessons learned from our panelists here.
00:12:01 --> 00:12:04: So part of our introduction here we talked about kind
00:12:04 --> 00:12:05: of identifying the challenges.
00:12:05 --> 00:12:08: Why is progress slower than we want it to be?
00:12:08 --> 00:12:09: What can we do? Moving forward?
00:12:09 --> 00:12:11: So this is a question for all the panelists just

00:12:11 --> 00:12:12: again,
00:12:12 --> 00:12:15: as kicked off here, let's identify these challenges.
00:12:15 --> 00:12:18: So what? What do you see as the biggest challenge
00:12:18 --> 00:12:20: in the industry?
00:12:20 --> 00:12:24: That's hindering the widespread adoption of sustainable
design practices within
00:12:24 --> 00:12:26: the entire multifamily industry.
00:12:26 --> 00:12:28: Emily, let's start with you on this one.
00:12:29 --> 00:12:30: I'll give it a shot.
00:12:30 --> 00:12:33: Not being in the industry,
00:12:33 --> 00:12:35: UM, but I can say what we what we've heard
00:12:35 --> 00:12:37: so I'll just say briefly,
00:12:37 --> 00:12:40: the energy authority is a city government entity we were
00:12:40 --> 00:12:44: created to really help build a clean energy economy here.
00:12:44 --> 00:12:48: And we one of our very early programs was a
00:12:48 --> 00:12:54: multi family affordable housing energy retrofit and we learned
an
00:12:54 --> 00:12:56: awful lot in that process.
00:12:56 --> 00:12:58: And I'll share a few of those lessons.
00:12:58 --> 00:13:02: So first we found that there are often more substantial
00:13:02 --> 00:13:06: issues in existing affordable housing that require deeper
retrofit than
00:13:06 --> 00:13:09: just sort of the energy component.
00:13:09 --> 00:13:12: So you know things like ventilation.
00:13:12 --> 00:13:16: Things like you know air conditioning or you know,
00:13:16 --> 00:13:19: sort of the infrastructure components weren't always there,
00:13:19 --> 00:13:23: particularly for older buildings and sort of coupling that with
00:13:23 --> 00:13:26: in Philadelphia having a lot of historic properties and you
00:13:26 --> 00:13:26: know it,
00:13:27 --> 00:13:30: it made it really challenging to get at actual deep
00:13:30 --> 00:13:31: energy retrofit there.
00:13:31 --> 00:13:34: So so I think we learned that there are one
00:13:34 --> 00:13:38: not enough resources for multifamily owners to really
understand how
00:13:38 --> 00:13:41: to to do this work on a retrofit basis.
00:13:41 --> 00:13:42: And then at the moment.
00:13:42 --> 00:13:46: That folks are developing new multifamily buildings.
00:13:46 --> 00:13:48: You know, if you're not doing affordable housing,
00:13:48 --> 00:13:50: you don't have a trigger necessarily to say,
00:13:50 --> 00:13:53: hey, have you thought about this more sustainable option?
00:13:53 --> 00:13:56: And so we're hoping to create that we just launched
00:13:56 --> 00:13:59: a new Green Bank for Philadelphia.
00:13:59 --> 00:14:01: It's called the Philadelphia Green Capital Corp.

00:14:01 --> 00:14:05: Philly Green capital.org and have just launched a couple of
00:14:05 --> 00:14:08: multifamily specific loan products,
00:14:08 --> 00:14:13: including a pre development loan that's 24 month loan one.
00:14:13 --> 00:14:16: .99% unsecured to help you with those soft costs to
00:14:16 --> 00:14:18: figure out what you need to do to make that
00:14:18 --> 00:14:20: building as sustainable as you can.
00:14:23 --> 00:14:26: Great, thanks Emily. A power let's move over to you
00:14:26 --> 00:14:27: that same question.
00:14:27 --> 00:14:29: Biggest challenges we're seeing.
00:14:29 --> 00:14:34: Sure I I think it's important not knowing the background
00:14:35 --> 00:14:39: of the audience just to state the issue why we're
00:14:39 --> 00:14:42: even having this discussion.
00:14:42 --> 00:14:47: The the issue is around global warming and the impact
00:14:47 --> 00:14:52: that it's having on our world and this science says
00:14:52 --> 00:14:58: that by 2030 we need to reduce our carbon emissions
00:14:58 --> 00:15:03: by 65% beyond without which we will have lost the
00:15:03 --> 00:15:05: opportunity to.
00:15:05 --> 00:15:14: To defer. The continuation of our world climate challenges
and
00:15:15 --> 00:15:15: so.
00:15:15 --> 00:15:20: Architecture 2030 challenge said Dell to have a 45%
00:15:20 --> 00:15:27: better improvement on reduction of carbon emissions by
twenty 3065%
00:15:28 --> 00:15:35: or better. 2040 zero global warming potential reduction,
00:15:35 --> 00:15:38: so taking it to zero so.
00:15:38 --> 00:15:46: Everything in every conversation, from legislation to the
building industry,
00:15:46 --> 00:15:49: to what architects are designing.
00:15:49 --> 00:15:53: This is all around educating at every level and and
00:15:53 --> 00:15:58: the general public for having buy in for why we're
00:15:58 --> 00:16:01: even having these discussions.
00:16:01 --> 00:16:05: So what I would say is the biggest challenges around
00:16:05 --> 00:16:08: educating each of these different facets of our.
00:16:08 --> 00:16:09: Of our society.
00:16:12 --> 00:16:16: Josh. Yeah
00:16:16 --> 00:16:18: I think to to trail on Howard's point.
00:16:18 --> 00:16:21: It's sort of on and what we need is an
00:16:21 --> 00:16:25: inspiration as to why we're moving towards better building,
00:16:25 --> 00:16:27: and I think one of the challenges me as someone
00:16:27 --> 00:16:28: representing,
00:16:28 --> 00:16:29: I think the labor force is,
00:16:29 --> 00:16:33: is that we have a shortage of skilled labor.
00:16:33 --> 00:16:36: Not only is it difficult to try to train people

00:16:36 --> 00:16:36: to do better,
00:16:36 --> 00:16:40: building the labor force we have is limited and in
00:16:40 --> 00:16:43: the scale that I work at in a non union
00:16:44 --> 00:16:46: and below I think you know we.
00:16:46 --> 00:16:49: It's obvious that we have our huge immigrant workforce and
00:16:49 --> 00:16:52: then there's which brings a language barrier.
00:16:52 --> 00:16:55: So not only are you trying to explain concepts.
00:16:55 --> 00:16:57: And inspire them to build better.
00:16:57 --> 00:17:00: You know as as a GC it's my responsibility to
00:17:00 --> 00:17:01: train subcontractors,
00:17:01 --> 00:17:05: but oftentimes there's a subcontracting crew where there's a
language
00:17:06 --> 00:17:06: barrier.
00:17:06 --> 00:17:08: Uhm, and so on. A smaller scale,
00:17:08 --> 00:17:10: there's a lot that can be done,
00:17:10 --> 00:17:13: perhaps in terms of educating people in multiple languages,
00:17:13 --> 00:17:17: but. I think we have to have a better standard
00:17:17 --> 00:17:20: here in the City of Philadelphia,
00:17:20 --> 00:17:23: for example, 'cause I'm not sure if everyone is aware,
00:17:23 --> 00:17:29: but to become a general contractor is an insurance certificate
00:17:29 --> 00:17:33: policy and OSHA 30 and a tax clearance.
00:17:33 --> 00:17:36: And then anyone could develop a building in the city
00:17:36 --> 00:17:36: of Philadelphia.
00:17:36 --> 00:17:39: So there's no test to actually see.
00:17:39 --> 00:17:40: If you know what you're doing.
00:17:44 --> 00:17:45: And Patrick.
00:17:49 --> 00:17:52: So from our point of view,
00:17:52 --> 00:17:54: one of the I mean I agree fully with with
00:17:54 --> 00:17:56: Josh and hard as well,
00:17:56 --> 00:17:58: but I wanted to kind of take a little bit
00:17:58 --> 00:18:01: further back on how this concretely affects us in our
00:18:01 --> 00:18:04: world for affordable housing development.
00:18:04 --> 00:18:06: Is all of this really impacts the cost of doing
00:18:07 --> 00:18:08: sustainable housing?
00:18:08 --> 00:18:11: Whether it's the real costs or their parent cost of
00:18:11 --> 00:18:14: doing sustainable housing 'cause we all know that depending
on
00:18:15 --> 00:18:16: which sources that you follow,
00:18:16 --> 00:18:18: sometimes you don't see buildings come.
00:18:18 --> 00:18:22: The low cost Office standard building and some other times
00:18:22 --> 00:18:23: they averaged about 2%
00:18:23 --> 00:18:29: above standard building. So because we're doing affordable

housing that

00:18:29 --> 00:18:34: really impacts us and also we are looking when evaluating.

00:18:34 --> 00:18:38: Do not possible measures. Then there's the competing goals to

00:18:38 --> 00:18:38: make.

00:18:38 --> 00:18:41: Also to balance of public,

00:18:41 --> 00:18:45: UM, social goals that usually we have to also evaluate,

00:18:45 --> 00:18:49: so that's what becomes the challenge of maintaining multiple calls

00:18:49 --> 00:18:50: at the same time,

00:18:50 --> 00:18:54: which includes sustainable design. And all this ties into as

00:18:54 --> 00:18:58: Howard and Josh pointed out to their education or knowledge

00:18:58 --> 00:19:01: of the entire team that we're including.

00:19:01 --> 00:19:03: So I would say from the the if you don't

00:19:03 --> 00:19:05: have a knowledgeable.

00:19:05 --> 00:19:09: Or experience architect and I would impact the knowledge of

00:19:10 --> 00:19:14: our experience GC and and their entire team that they

00:19:14 --> 00:19:16: are hiring to be on site.

00:19:16 --> 00:19:19: And so it kind of boils down to kind of

00:19:19 --> 00:19:20: assistant,

00:19:20 --> 00:19:25: like, Uhm? Statically looking at how the lack of Education,

00:19:25 --> 00:19:28: or experience from the team that the The Tower.

00:19:28 --> 00:19:32: Building then impacts us under cost which actually makes it

00:19:32 --> 00:19:35: a challenge to really have a lower cost to build

00:19:35 --> 00:19:37: so cynical housing.

00:19:39 --> 00:19:41: Great, thank you that that was some really,

00:19:41 --> 00:19:44: really great insight. What I took away from that is

00:19:44 --> 00:19:45: the big challenges.

00:19:45 --> 00:19:48: Here are one. I think Emily you had called it

00:19:48 --> 00:19:48: a trigger.

00:19:48 --> 00:19:51: Howard, you called it by in but it's the the

00:19:51 --> 00:19:54: motivation to pursue sustainability right?

00:19:54 --> 00:19:55: The other big theme I heard.

00:19:55 --> 00:19:59: I think everyone hit was education training.

00:19:59 --> 00:20:03: Just the general understanding of sustainability in general here and

00:20:03 --> 00:20:03: then.

00:20:03 --> 00:20:06: Patrick you had mentioned that the real cost of sustainability.

00:20:06 --> 00:20:09: Putting a value on sustainability and what that looks like

00:20:09 --> 00:20:10: in the context of development.

00:20:10 --> 00:20:13: Here and then, how are the last big theme?

00:20:13 --> 00:20:14: I think you touched them.

00:20:14 --> 00:20:18: Was the policy legislature side and that's that role in

00:20:18 --> 00:20:21: in development and the sustainability process here.

00:20:21 --> 00:20:23: So I want to build on all of those themes

00:20:23 --> 00:20:23: here.

00:20:23 --> 00:20:25: I think they're all fantastic themes and I think there's

00:20:25 --> 00:20:27: a lot we can dive into there,

00:20:27 --> 00:20:29: so I want to start with Patrick's idea here.

00:20:29 --> 00:20:31: The the value of sustainability.

00:20:31 --> 00:20:33: I mean, this is something that comes up in every

00:20:33 --> 00:20:35: development conversation.

00:20:35 --> 00:20:37: If you're a small developer at big developer,

00:20:37 --> 00:20:39: it's how do we place value on this.

00:20:39 --> 00:20:41: So my first question here and this.

00:20:41 --> 00:20:42: I'll open this up to everyone,

00:20:42 --> 00:20:45: uhm, but I think some of you have very specific

00:20:45 --> 00:20:48: experience on this is have has our industry gotten to

00:20:48 --> 00:20:50: the point where we're able to put a value on

00:20:50 --> 00:20:54: some of these aspects that aren't tangible things like resiliency?

00:20:54 --> 00:20:55: How do you quantify that?

00:20:55 --> 00:20:57: Things like improve the air quality?

00:20:57 --> 00:20:59: Can we put a value on that yet?

00:20:59 --> 00:21:00: And if we haven't been able to do that,

00:21:00 --> 00:21:03: how do we do that?

00:21:03 --> 00:21:05: Howard, let's start with you on this one.

00:21:08 --> 00:21:12: Putting a value on those specific metrics,

00:21:12 --> 00:21:15: I think is more challenging.

00:21:15 --> 00:21:20: I. I'm going to spray for a moment just.

00:21:20 --> 00:21:25: Piggybacking on where Patrick was heading with cost and perceived

00:21:25 --> 00:21:26: costs.

00:21:28 --> 00:21:34: Challengers have been around the fear factor that contractors bring

00:21:34 --> 00:21:38: to high performance if they haven't done it before.

00:21:40 --> 00:21:46: In when you build high performance your you inherently have

00:21:46 --> 00:21:53: for example a hyper airtight building which requires increased ventilation.

00:21:53 --> 00:21:57: That there is great value in these buildings now because

00:21:57 --> 00:21:58: they actually have.

00:22:01 --> 00:22:06: 24/7 balanced ventilation that makes for much better air quality.

00:22:06 --> 00:22:10: You know in in an age of COVID that is

00:22:10 --> 00:22:14: an incredible benefit to the occupants.

00:22:14 --> 00:22:16: So I'm jumping around here,

00:22:16 --> 00:22:19: but I don't think we can look at any one
00:22:19 --> 00:22:20: piece.
00:22:20 --> 00:22:24: It's about it's about energy efficiency,
00:22:24 --> 00:22:28: lower utility costs for the occupants,
00:22:28 --> 00:22:33: air quality, spound in living in an urban environment.
00:22:33 --> 00:22:40: These buildings are much quieter so it's hard to convey
00:22:41 --> 00:22:44: these benefits without.
00:22:44 --> 00:22:47: The kind of the world population that are,
00:22:47 --> 00:22:50: you know, our tenants actually experiencing it,
00:22:50 --> 00:22:53: so just a couple of examples there.
00:22:55 --> 00:22:57: Thanks Howard. Patrick, did you want to expand on what
00:22:57 --> 00:23:00: you would introduce the idea of putting a value on
00:23:00 --> 00:23:00: sustainability?
00:23:00 --> 00:23:02: Is there anything else you wanted to add?
00:23:03 --> 00:23:07: Sure, I mean too. Think about to more directly answer
00:23:07 --> 00:23:09: to your question as well,
00:23:09 --> 00:23:12: because for us at conventions.
00:23:12 --> 00:23:16: So we're we develop and we manage or rental units
00:23:16 --> 00:23:19: and so that gives us a different come by.
00:23:19 --> 00:23:22: And if you want, if I want to use the
00:23:22 --> 00:23:25: same terms terminology here in into the reason to make
00:23:25 --> 00:23:27: our building sustainable.
00:23:27 --> 00:23:30: And also because we are as my executor likes to
00:23:30 --> 00:23:30: say,
00:23:30 --> 00:23:33: we are environmental extremists and so we care for the
00:23:33 --> 00:23:36: environment and we care for our tenants as well.
00:23:36 --> 00:23:40: And so the value in building sustainable is to make
00:23:40 --> 00:23:43: sure that we can have a building that's good like
00:23:43 --> 00:23:48: that we can easily operate that has that's energy efficient.
00:23:48 --> 00:23:49: That is not costly to operate.
00:23:49 --> 00:23:52: That's one of our goals as well.
00:23:52 --> 00:23:56: Because we. Mostly get development funds for units and we
00:23:56 --> 00:23:59: have to maintain them affordable for 40 years.
00:23:59 --> 00:24:00: Of course we do more than that.
00:24:00 --> 00:24:04: That's per the UM, the Pennsylvania Housing Finance
Agency,
00:24:04 --> 00:24:07: income, housing, tax credits, regulations,
00:24:07 --> 00:24:09: and so once we get that a lot of money
00:24:09 --> 00:24:13: then it's really hard to do any other improvements throughout
00:24:13 --> 00:24:14: the operation of the building.
00:24:14 --> 00:24:17: Therefore we try to make the first time is the
00:24:17 --> 00:24:20: best time and we put everything that we can into

00:24:20 --> 00:24:22: there to make it as to single pass possible and
00:24:22 --> 00:24:24: so that's where the value comes in.
00:24:24 --> 00:24:25: Is so that once we do it here,
00:24:25 --> 00:24:28: then throughout the life of the building,
00:24:28 --> 00:24:32: not only it pays us back through the operations,
00:24:32 --> 00:24:35: but also if you have healthier,
00:24:35 --> 00:24:39: happier tenants. Style have lower utilities then that also helps
00:24:39 --> 00:24:41: us to balance things out.
00:24:41 --> 00:24:44: The fines on the other end to maybe bounce their
00:24:44 --> 00:24:47: rent according that would help better support organization.
00:24:47 --> 00:24:50: But also that's still affordable to the tenants.
00:24:50 --> 00:24:53: And if you think about it again from the larger
00:24:53 --> 00:24:54: plan.
00:24:54 --> 00:24:58: If you have healthier air then you you have a
00:24:58 --> 00:25:03: tenant that dumb that potentially is remains healthier,
00:25:03 --> 00:25:06: doesn't then it doesn't have a competing.
00:25:06 --> 00:25:09: Other competing elements over their income,
00:25:09 --> 00:25:12: which impacts their housing, UM.
00:25:12 --> 00:25:15: A door rent so that we in turn can also
00:25:15 --> 00:25:20: still continue to have that maintenance over the period of
00:25:20 --> 00:25:21: the building.
00:25:21 --> 00:25:23: So it's really if looking at it from a more
00:25:23 --> 00:25:25: larger point of view,
00:25:25 --> 00:25:28: the values that might not be directly applicable.
00:25:28 --> 00:25:31: But if you look at how it trails back and
00:25:31 --> 00:25:35: impacts other aspects of the presidential vendor and their
00:25:36 --> 00:25:37: personal
00:25:37 --> 00:25:39: economy and our.
00:25:39 --> 00:25:41: Income for the building, then it it.
00:25:41 --> 00:25:44: It kinda works out. So you have to take over
00:25:45 --> 00:25:47: a bit more globally than just target it.
00:25:47 --> 00:25:48: That's great insight. I mean healthy,
00:25:48 --> 00:25:51: happy, Kenneth. That's what we want,
00:25:51 --> 00:25:54: right? That's kind of the framework for a lot of
00:25:54 --> 00:25:56: this and affordable housing definitely has some other
00:25:56 --> 00:25:59: intricacies tide
00:25:59 --> 00:26:01: to it compared to standard development.
00:26:01 --> 00:26:03: Josh, you have a really unique perspective on this sitting
00:26:05 --> 00:26:08: in the contractors role here.
00:26:08 --> 00:26:08: So what are your thoughts on the value of sustainability?
00:26:08 --> 00:26:08: Well, just real quick. I think Patrick made one interesting
00:26:08 --> 00:26:08: point.

00:26:08 --> 00:26:10: How they maintain their properties,
00:26:10 --> 00:26:13: and I think that's a huge distinction in terms of
00:26:13 --> 00:26:14: how you define value.
00:26:14 --> 00:26:17: Because if you're a developer who's going to hold onto
00:26:17 --> 00:26:18: that property,
00:26:18 --> 00:26:20: you're going to hopefully want to build to the highest
00:26:20 --> 00:26:21: standard.
00:26:21 --> 00:26:25: So not only you have fewer maintenance down the road,
00:26:25 --> 00:26:28: but it's a higher performing and in the case of
00:26:28 --> 00:26:30: of the building front flats,
00:26:30 --> 00:26:33: you're providing your tenants with a fixed utility bill,
00:26:33 --> 00:26:36: and in the case of affordable housing.
00:26:36 --> 00:26:39: To have someone who you know their electric bills,
00:26:39 --> 00:26:41: \$40 that's it. Who might not be able to afford
00:26:41 --> 00:26:43: 300 in the winter?
00:26:43 --> 00:26:46: That's another incentive. But to my role is as a
00:26:46 --> 00:26:47: builder.
00:26:47 --> 00:26:51: I think you know not to be too obsequious to
00:26:51 --> 00:26:52: onion flats,
00:26:52 --> 00:26:55: their unique architecture and development firm,
00:26:55 --> 00:26:59: and the the process of building front flats and using
00:26:59 --> 00:27:03: panelization and and the speed at which we could go
00:27:03 --> 00:27:06: up each floor and the reduction of waste.
00:27:06 --> 00:27:10: And also safer. I think the more that can be
00:27:10 --> 00:27:11: done off site.
00:27:11 --> 00:27:14: Is cleaner and safer and the more that can be
00:27:14 --> 00:27:19: assembled rather than cutting and gluing and creating much
more
00:27:19 --> 00:27:21: waste and dust and debris.
00:27:21 --> 00:27:22: Is one of the huge benefits?
00:27:22 --> 00:27:24: I mean we we we we we?
00:27:24 --> 00:27:27: We made very little waste using the panelization process.
00:27:27 --> 00:27:31: I think. Also a company like Blueprint Robotics who's
penalizing
00:27:31 --> 00:27:32: almost everything.
00:27:32 --> 00:27:34: One of the interesting things about their companies.
00:27:34 --> 00:27:38: They have a specialty crane that they designed specifically
for
00:27:38 --> 00:27:41: their work and I think when we look at sustainability.
00:27:44 --> 00:27:47: 1. I think our we had an in House crew
00:27:47 --> 00:27:53: of carpenters almost 10 to 15 carpenters and laborers
working.
00:27:53 --> 00:27:56: You know every day to make sure all the building

00:27:56 --> 00:27:59: envelope and solar panels were done under our supervision and

00:27:59 --> 00:28:02: most developers I don't think have that.

00:28:02 --> 00:28:05: I think at least on on on the below union

00:28:05 --> 00:28:06: scale,

00:28:06 --> 00:28:09: a developer has a sub for framing except for this

00:28:09 --> 00:28:12: except for that and often not you might not even

00:28:12 --> 00:28:15: find a form in on some of these job sites

00:28:15 --> 00:28:19: in Philadelphia. So I think the oversight you know when

00:28:19 --> 00:28:20: you have.

00:28:20 --> 00:28:23: Uhm? People like onion Flats who are holding onto these

00:28:24 --> 00:28:24: properties.

00:28:24 --> 00:28:26: You have Howard following you around the building.

00:28:26 --> 00:28:28: If Tim falling around the building,

00:28:28 --> 00:28:29: making sure everything's done well,

00:28:29 --> 00:28:34: there's a lot of oversight and stakeholders involved.

00:28:34 --> 00:28:36: And I think the last thing is just inspiring.

00:28:36 --> 00:28:39: I think a lot of the the young.

00:28:39 --> 00:28:42: Carpenters and laborers on our on our crew were really

00:28:42 --> 00:28:45: excited to be doing like this building that was so

00:28:45 --> 00:28:48: unique and in Fishtown with solar panels on the side,

00:28:48 --> 00:28:52: so we benefited from. Explain to them what they were

00:28:52 --> 00:28:55: doing and how cool this building was that it was

00:28:55 --> 00:28:57: producing more energy than it was using.

00:28:57 --> 00:28:59: I think we really, you know,

00:28:59 --> 00:29:01: like people were saying, if we want to get a

00:29:01 --> 00:29:02: higher skilled workforce,

00:29:02 --> 00:29:05: there's an education and inspiration that has to go around.

00:29:08 --> 00:29:09: I want to run with that concept here,

00:29:09 --> 00:29:11: but I do want to give Emily a chance to

00:29:11 --> 00:29:12: respond to the original question here.

00:29:12 --> 00:29:14: The value of sustainability. So Emily,

00:29:14 --> 00:29:16: any other anything else you want to add to this

00:29:17 --> 00:29:20: so I I really appreciate this conversation,

00:29:20 --> 00:29:24: 'cause I think you know we get really caught up

00:29:24 --> 00:29:24: and.

00:29:24 --> 00:29:26: The costs and and NOI,

00:29:26 --> 00:29:29: and of course you guys have to and I I

00:29:29 --> 00:29:30: appreciate that.

00:29:30 --> 00:29:32: But actually I think when you know when you look

00:29:32 --> 00:29:35: at the numbers longer term which are folks that are

00:29:35 --> 00:29:38: holding buildings I think they they do add up and

00:29:38 --> 00:29:41: there is a payback on the investment in sustainability.
00:29:41 --> 00:29:43: On I I want to just touch on what Patrick
00:29:43 --> 00:29:44: said.
00:29:44 --> 00:29:46: Philly is one of the most energy burdened cities in
00:29:46 --> 00:29:47: the country.
00:29:47 --> 00:29:50: So the lowest income tranche of folks in Philadelphia.
00:29:50 --> 00:29:54: People at 30% of area median income or below are
00:29:54 --> 00:29:55: paying.
00:29:55 --> 00:29:58: 18% of their income to utilities.
00:29:58 --> 00:30:01: Compare that to you or I were probably paying 2%
00:30:01 --> 00:30:05: maybe of our income to utilities and and and the
00:30:05 --> 00:30:06: PUC says 6%
00:30:06 --> 00:30:10: is the maximum anybody should be paying so you know
00:30:10 --> 00:30:15: we almost never see developers work backwards from that
number
00:30:15 --> 00:30:16: to say,
00:30:16 --> 00:30:18: OK, I want to build affordable housing.
00:30:18 --> 00:30:20: I work backwards on the rent.
00:30:20 --> 00:30:21: Maybe I have a utility allowance,
00:30:21 --> 00:30:24: but I'm not looking at that utility allowance as a
00:30:24 --> 00:30:27: as a percentage of the income of the tenants were
00:30:27 --> 00:30:28: expecting here and I think.
00:30:28 --> 00:30:31: If we were to do that and look at sort
00:30:31 --> 00:30:33: of true long term affordability.
00:30:33 --> 00:30:35: We would have to make a lot different decisions,
00:30:35 --> 00:30:38: a lot of different decisions as we're building properties to
00:30:38 --> 00:30:41: make sure that it is long term affordable.
00:30:41 --> 00:30:43: So so we're excited to sort of see that shift
00:30:43 --> 00:30:44: a little bit,
00:30:44 --> 00:30:46: and we've heard from a few developers that they really
00:30:46 --> 00:30:48: are thinking about that and and looking at ways to
00:30:48 --> 00:30:49: address it.
00:30:51 --> 00:30:56: Take like expand on that and and Josh made reference
00:30:56 --> 00:30:57: to it,
00:30:57 --> 00:31:02: so around utilities on our last two projects we took
00:31:02 --> 00:31:08: the opinion that through our energy modeling we could
project
00:31:08 --> 00:31:10: what are utility costs,
00:31:10 --> 00:31:16: what the individual apartment utility costs would be and were
00:31:16 --> 00:31:17: able to.
00:31:17 --> 00:31:22: Have a fixed rate. Charge to the tenant so one
00:31:22 --> 00:31:24: property is \$50,
00:31:24 --> 00:31:26: the other is \$40 a month,

00:31:26 --> 00:31:31: but you as building owners there are caps on that,
00:31:31 --> 00:31:36: so a lot of this is about monitoring usage.
00:31:36 --> 00:31:40: So all of these buildings should have that ability to
00:31:40 --> 00:31:42: monitor and so there are.
00:31:42 --> 00:31:46: There's language written into leases that have.
00:31:46 --> 00:31:53: Cutting back fallbacks, but basically they're deposits are at
risk
00:31:53 --> 00:31:56: if they are excessive.
00:31:56 --> 00:32:00: And so in any subsequent year that might get bumped
00:32:00 --> 00:32:01: up a little bit,
00:32:01 --> 00:32:04: but from our construction standpoint,
00:32:04 --> 00:32:08: that allows us to build a building with one single
00:32:08 --> 00:32:09: electric meter.
00:32:09 --> 00:32:13: Not having all of the sub meters and the costs
00:32:13 --> 00:32:16: of that that's associated with it.
00:32:16 --> 00:32:19: That's a huge benefit. And in both construction costs and
00:32:19 --> 00:32:20: for the tenant.
00:32:25 --> 00:32:26: Thanks Howard, that's fantastic insight.
00:32:26 --> 00:32:29: That's the concept of single meter fixed utility rates.
00:32:29 --> 00:32:32: 'cause I think that helps address Emily.
00:32:32 --> 00:32:34: You had mentioned equity Patrick you.
00:32:34 --> 00:32:37: I think term. That's the social goals of a project
00:32:37 --> 00:32:38: earlier on.
00:32:38 --> 00:32:39: I think that works to address some of that.
00:32:39 --> 00:32:42: So that fits in the affordable housing side that fits
00:32:42 --> 00:32:43: in your market rate housing.
00:32:43 --> 00:32:47: That's a fantastic solution to a really common problem that
00:32:47 --> 00:32:47: we have.
00:32:47 --> 00:32:49: I want to shift gears away from kind of this
00:32:49 --> 00:32:53: discussion towards something that I know Josh is passionate
about
00:32:53 --> 00:32:53: here,
00:32:53 --> 00:32:55: and it's been brought up by everyone and that's the
00:32:55 --> 00:32:55: idea of education.
00:32:55 --> 00:33:00: So we've talked about contact tractor training and
implementing and
00:33:00 --> 00:33:03: installing some of these features better.
00:33:03 --> 00:33:06: Let's kind of expand the idea of education and job
00:33:06 --> 00:33:07: training here.
00:33:07 --> 00:33:09: I mean, there's a hierarchy that's involved in the overall
00:33:10 --> 00:33:10: development process,
00:33:10 --> 00:33:15: right? Who else could could benefit from additional
understanding,

00:33:15 --> 00:33:18: deeper recognition of the value that these things provide?
00:33:20 --> 00:33:22: I mean, I'll toss this one up to anyone.
00:33:22 --> 00:33:23: Whoever wants to jump in here.
00:33:23 --> 00:33:24: Emily, you're smiling. So I'm guessing,
00:33:24 --> 00:33:24: yeah.
00:33:26 --> 00:33:29: Early start so a couple of years ago when the
00:33:29 --> 00:33:33: the new Commercial building code was adopted,
00:33:33 --> 00:33:36: we were able to find some funding for LNI to
00:33:36 --> 00:33:39: do some training for their inspectors on the energy Code
00:33:39 --> 00:33:40: component of that,
00:33:41 --> 00:33:44: I think prior to that they had had a really
00:33:44 --> 00:33:49: hard time having any of their inspectors or examiners passed
00:33:49 --> 00:33:51: the Energy Code component.
00:33:51 --> 00:33:53: And of course you know with some of the other
00:33:53 --> 00:33:56: components of a building like electrical they'll have.
00:33:56 --> 00:33:57: Third party folks come in,
00:33:57 --> 00:34:00: but that was not originally the plan for the Energy
00:34:00 --> 00:34:00: Code,
00:34:00 --> 00:34:02: so we've done a little bit with L and I
00:34:02 --> 00:34:03: to sort of get them up to speed.
00:34:03 --> 00:34:06: I think they could use a whole lot more to
00:34:06 --> 00:34:07: really understand it.
00:34:07 --> 00:34:08: I think a lot of times they find it is
00:34:08 --> 00:34:10: complicated and they don't quite get it,
00:34:10 --> 00:34:11: and so they're saying OK,
00:34:11 --> 00:34:15: yeah, sure, OK, whatever this is.
00:34:15 --> 00:34:17: And you know, I think to the point that Josh
00:34:17 --> 00:34:20: made to come training that that sort of entry level
00:34:20 --> 00:34:23: construction workforce is also really important.
00:34:23 --> 00:34:24: We run a program called grit.
00:34:24 --> 00:34:27: It's the green retrofit immersive training.
00:34:27 --> 00:34:29: This was the first year of the program,
00:34:29 --> 00:34:33: and we're putting together funding for next year's program as
00:34:33 --> 00:34:33: well.
00:34:33 --> 00:34:36: But that program is run out of ECA,
00:34:36 --> 00:34:38: the Energy Coordinating Agency. If you guys don't know
00:34:38 --> 00:34:39: those
00:34:39 --> 00:34:43: guys in in Kensington,
00:34:39 --> 00:34:43: they've got a ton of really cool resources for developers
00:34:43 --> 00:34:45: and a huge cohort of trainees.
00:34:45 --> 00:34:49: For contractors, but we really put folks through an 18
00:34:49 --> 00:34:53: week program paid where they actually had an opportunity at

00:34:53 --> 00:34:56: the end to spend six weeks working on low income
00:34:56 --> 00:35:00: housing that was being renovated in a greener way.
00:35:00 --> 00:35:03: And and they've got all sorts of certification.
00:35:03 --> 00:35:05: So you know, we found it really difficult to connect
00:35:05 --> 00:35:06: those folks,
00:35:06 --> 00:35:09: especially to the nonunion contractors who are sort of tend
00:35:09 --> 00:35:11: to be the smaller guys.
00:35:11 --> 00:35:13: But we'd love to figure out how to make those
00:35:13 --> 00:35:14: connections a bit better.
00:35:14 --> 00:35:16: Those folks worked hard, and.
00:35:16 --> 00:35:17: And had a lot of training,
00:35:17 --> 00:35:19: so you know, I, I think there's both the actual
00:35:19 --> 00:35:22: training component and the how do we connect them to
00:35:22 --> 00:35:23: the contractors that
00:35:23 --> 00:35:24: really need them?
00:35:28 --> 00:35:31: Thanks Emily, that's great. I wasn't aware that the training
00:35:31 --> 00:35:32: aspect on the enforcement side,
00:35:32 --> 00:35:36: the LNI individuals, that's fantastic.
00:35:36 --> 00:35:39: Howard Patrick I want to offer this question up to
00:35:39 --> 00:35:41: you as well in terms of who else can benefit
00:35:41 --> 00:35:42: from additional understanding,
00:35:42 --> 00:35:44: training or just recognition.
00:35:48 --> 00:35:52: Well, I think at every level of the construction industry
00:35:52 --> 00:35:54: they can benefit because it it.
00:35:54 --> 00:36:00: It is truly a holistic process to put these buildings
00:36:00 --> 00:36:01: together.
00:36:01 --> 00:36:06: Codes have improved dramatically that have.
00:36:06 --> 00:36:10: Forced higher ventilation, better air sealing.
00:36:10 --> 00:36:15: And everyone on the job needs to understand the importance
00:36:15 --> 00:36:20: of not either breaking these barriers that have been put
00:36:20 --> 00:36:22: together with such care.
00:36:22 --> 00:36:26: So from mechanical contractors to the Framers to you know
00:36:26 --> 00:36:29: everyone involved that that's critical,
00:36:29 --> 00:36:33: so. There is a great source in half of health
00:36:33 --> 00:36:35: tradesman training.
00:36:35 --> 00:36:39: Whether you're building to have self standards or getting
00:36:39 --> 00:36:39: certification
00:36:39 --> 00:36:39: or not.
00:36:39 --> 00:36:43: It's a it's an incredible program.
00:36:43 --> 00:36:48: I think green building united is probably a great resource
00:36:48 --> 00:36:49: for this as well.
00:36:49 --> 00:36:53: But it start and so.

00:36:53 --> 00:36:58: Construction industry building owners developers you know to understand

00:36:58 --> 00:37:00: not so much about training,

00:37:00 --> 00:37:05: but again understand the value and how these higher performing

00:37:05 --> 00:37:08: buildings can be monetized.

00:37:08 --> 00:37:12: For instance, back to lower utilities,

00:37:12 --> 00:37:17: tenant happiness, tenant retention as a result of,

00:37:17 --> 00:37:20: you know, living in these buildings so.

00:37:20 --> 00:37:25: There's that, and then there's the policy makers and and

00:37:25 --> 00:37:30: how legislation can be improved or incentivized.

00:37:30 --> 00:37:36: Incentives created for the industry that that provides benefits to

00:37:36 --> 00:37:38: those who take it on,

00:37:38 --> 00:37:40: and there's not enough of that right now.

00:37:42 --> 00:37:44: We keep coming back to policy and legislatures.

00:37:44 --> 00:37:46: I would definitely want to dig into that,

00:37:46 --> 00:37:48: but I want to give Patrick a chance to add

00:37:48 --> 00:37:50: anything else on the education side before we we shift

00:37:50 --> 00:37:51: gears.

00:37:51 --> 00:37:54: Yeah sure I mean all I really want to say

00:37:54 --> 00:37:55: at this point is to.

00:37:55 --> 00:37:57: Fully agree with Emily and Howard on this.

00:37:57 --> 00:38:01: It in in short it needs to be everybody involved

00:38:01 --> 00:38:02: from as hard.

00:38:02 --> 00:38:05: Sorry to add on. You know the developers,

00:38:05 --> 00:38:11: the client, every single builder policy makers,

00:38:11 --> 00:38:14: lenders. Everybody need to have an understanding as I mean

00:38:14 --> 00:38:18: this is trip pretty much starting to become more needs

00:38:18 --> 00:38:20: to become the new standard.

00:38:20 --> 00:38:24: So if everybody learned what the basic standard is from

00:38:24 --> 00:38:25: back then.

00:38:25 --> 00:38:28: Then we are like we are ramping that up now

00:38:28 --> 00:38:33: to be towards efficiency and sustainability and so that just

00:38:33 --> 00:38:37: needs like need to have a whole overall education so

00:38:37 --> 00:38:39: that we can do it right.

00:38:39 --> 00:38:43: 'cause if you don't know then you can't really spot

00:38:43 --> 00:38:47: the efficiencies or you don't know why this is needed

00:38:47 --> 00:38:48: to make the building up.

00:38:48 --> 00:38:52: Proper. If you will, and so it it just needs

00:38:52 --> 00:38:54: to be every single person that is.

00:38:54 --> 00:38:57: And that's going to be or is involved in the

00:38:57 --> 00:38:58: building,
00:38:58 --> 00:39:01: regardless of level. That they need to be educated and
00:39:01 --> 00:39:05: then from the education to us to gain the experience.
00:39:05 --> 00:39:08: Because experience get makes it no routine and habits
through.
00:39:08 --> 00:39:11: And then you can make it also more affordable.
00:39:13 --> 00:39:16: That's great so that the education to understand the value,
00:39:16 --> 00:39:19: understand the how, and then the training to understand or
00:39:19 --> 00:39:22: effectively implement these and actually see that value,
00:39:22 --> 00:39:25: right? That's great, so I mean from what I'm hearing
00:39:25 --> 00:39:26: from everyone here.
00:39:26 --> 00:39:27: Correct me if I'm wrong,
00:39:27 --> 00:39:30: but it sounds like the whole concept of education and
00:39:30 --> 00:39:33: training is probably the most effective solution we have at
00:39:33 --> 00:39:34: this point here.
00:39:34 --> 00:39:37: Just better education, understand what is sustainability,
00:39:37 --> 00:39:40: what is resiliency, and that's going to get us kind
00:39:40 --> 00:39:43: of that big step forward that we're looking for here.
00:39:43 --> 00:39:44: Just for the sake of time,
00:39:44 --> 00:39:46: I do want to move into our next topic here
00:39:46 --> 00:39:47: and its policy,
00:39:47 --> 00:39:48: and I know it's been brought up.
00:39:48 --> 00:39:49: I think everyone has brought it up,
00:39:49 --> 00:39:52: at least for a brief second here.
00:39:52 --> 00:39:54: So we've talked about building codes and I will come
00:39:54 --> 00:39:54: back to building codes,
00:39:54 --> 00:39:57: but I want to talk about the other side of
00:39:57 --> 00:40:00: policy and that's the voluntary application of policy that
always
00:40:00 --> 00:40:03: sounds like kind of an oxymoron voluntary policy,
00:40:03 --> 00:40:07: but it's the idea of bonus density,
00:40:07 --> 00:40:10: zoning easements. Basically the benefit you get for doing
something
00:40:11 --> 00:40:11: sustainable,
00:40:11 --> 00:40:13: doing something that instills resiliency.
00:40:13 --> 00:40:16: Here, so Emily, I think this is a good question
00:40:16 --> 00:40:16: to do for you.
00:40:16 --> 00:40:20: What kind of voluntary policy do we have in Philly
00:40:20 --> 00:40:21: right now?
00:40:21 --> 00:40:25: And does it work? And what else can we do?
00:40:25 --> 00:40:25: So,
00:40:25 --> 00:40:28: uhm, we have the density bonuses.
00:40:28 --> 00:40:31: Obviously we there actually is a.

00:40:31 --> 00:40:36: Greenroof bonus as well, which I think the data shows
00:40:36 --> 00:40:39: it hasn't worked all that well.
00:40:39 --> 00:40:42: And and maybe that's the design of the density bonuses.
00:40:42 --> 00:40:44: It's sort of hard to take advantage of in certain
00:40:44 --> 00:40:44: places,
00:40:44 --> 00:40:49: but uhm, and we have a sustainable business tax credit
00:40:49 --> 00:40:51: that can be applied.
00:40:51 --> 00:40:53: We we have a bunch of these voluntary ones,
00:40:53 --> 00:40:55: and I think in Philly we've shown they don't work
00:40:55 --> 00:40:56: super well.
00:40:56 --> 00:40:59: I think the folks that might have done it anyway
00:40:59 --> 00:41:00: are doing it.
00:41:00 --> 00:41:03: You know, and and as we've talked to council members
00:41:04 --> 00:41:05: and and tried to figure out,
00:41:05 --> 00:41:09: you know, how can we really design the incentives in
00:41:09 --> 00:41:12: a way that actually works for the industry?
00:41:12 --> 00:41:16: I don't know that we've come across the solutions the
00:41:16 --> 00:41:17: city a couple years ago now,
00:41:17 --> 00:41:22: but it's finally getting implemented past the building energy
performance
00:41:22 --> 00:41:22: program,
00:41:22 --> 00:41:27: which is sort of a mandatory 5 year tuneup requirement
00:41:27 --> 00:41:31: for buildings over a certain size and we'll see how
00:41:32 --> 00:41:35: that actually gets gets implemented.
00:41:35 --> 00:41:37: It's a very gentle requirement,
00:41:37 --> 00:41:42: so it requires literally, like the absolute minimum,
00:41:42 --> 00:41:45: but really checking your. The Suns and doing that turn
00:41:45 --> 00:41:47: up and making sure things are performing as they should
00:41:47 --> 00:41:48: come,
00:41:48 --> 00:41:50: and it does not have a requirement as of yet.
00:41:50 --> 00:41:53: Which New York City does and and other cities do
00:41:53 --> 00:41:54: for improvement.
00:41:55 --> 00:41:57: So once you find issues in that tune up,
00:41:57 --> 00:42:00: we are not actually requiring you to fix them,
00:42:00 --> 00:42:04: though you should, and typically what we're finding in that
00:42:04 --> 00:42:06: application is it's it's easy,
00:42:06 --> 00:42:10: it's cheap to do, and it finds savings for you.
00:42:10 --> 00:42:10: So it's it's really
00:42:11 --> 00:42:12: a win win for everybody.
00:42:13 --> 00:42:15: But I think there's so much more we can do.
00:42:15 --> 00:42:18: You know, I sort of to the point on education
00:42:18 --> 00:42:19: in the solar industry.

00:42:19 --> 00:42:22: We've really focused on reducing the soft costs of putting
00:42:22 --> 00:42:24: solar on a roof in Philadelphia,
00:42:24 --> 00:42:27: and I think we can do exactly the same thing
00:42:27 --> 00:42:28: for greener building,
00:42:28 --> 00:42:33: particularly for multifamily properties. So I'll give a quick
example
00:42:33 --> 00:42:33: on solar.
00:42:33 --> 00:42:38: We were able to amend zoning so that solar rooftop
00:42:38 --> 00:42:41: canopy's can now be done by right.
00:42:41 --> 00:42:44: You don't need to get a variance for that.
00:42:44 --> 00:42:48: You know, we've eliminated some of the huge permitting fees
00:42:48 --> 00:42:51: that that were required for commercial scale solar,
00:42:51 --> 00:42:53: so now those are capped at \$200,
00:42:53 --> 00:42:58: whereas some buildings were paying \$25,000 for permitting
for solar.
00:42:58 --> 00:43:00: So you know, I think as city government work,
00:43:00 --> 00:43:04: we're able to look at some of those small impediments,
00:43:04 --> 00:43:06: or maybe in some cases large impediments and try to
00:43:06 --> 00:43:08: get them out of the way.
00:43:08 --> 00:43:10: And maybe that's our job at the local level,
00:43:10 --> 00:43:14: and you know, we had a solar panel incentive program.
00:43:14 --> 00:43:16: Which I think luckily onion flats.
00:43:16 --> 00:43:18: I was able to get in in time to get
00:43:18 --> 00:43:21: that it was only funded for one one fiscal year
00:43:21 --> 00:43:24: and because of COVID has not been funded again,
00:43:24 --> 00:43:26: although I hope it will.
00:43:26 --> 00:43:28: So you know, I think there's more we can be
00:43:28 --> 00:43:29: doing,
00:43:29 --> 00:43:31: and I'm not sure what we're doing right now has
00:43:31 --> 00:43:31: worked terribly
00:43:31 --> 00:43:32: well in the past.
00:43:34 --> 00:43:36: Powered up in your experience here.
00:43:36 --> 00:43:41: Have you taken advantage of any of the voluntary policy
00:43:41 --> 00:43:42: incentives?
00:43:42 --> 00:43:42: We
00:43:42 --> 00:43:48: we have certainly the greenroof incentive helped in one of
00:43:48 --> 00:43:49: our projects.
00:43:51 --> 00:43:56: I think the big missing in the last opportunity with
00:43:57 --> 00:43:58: City Council.
00:43:58 --> 00:44:04: Dropping the 10 year tax abatement on a blanket sweep,
00:44:04 --> 00:44:07: why did they not keep that in place for affordable
00:44:07 --> 00:44:11: housing for some of the more challenged ZIP codes that

00:44:11 --> 00:44:12: could you know,
00:44:12 --> 00:44:17: is such a significant impact to underwriting?
00:44:17 --> 00:44:19: You know to get your pro forma to work.
00:44:19 --> 00:44:23: That is just a big a big missing,
00:44:23 --> 00:44:27: very big loss. On the zoning side,
00:44:27 --> 00:44:31: what we are now looking at Orion Fotsis now has
00:44:31 --> 00:44:36: partnered with the Rocky Mountain Institute to develop as
part
00:44:36 --> 00:44:38: of their realized program,
00:44:38 --> 00:44:43: a pre manufactured zero energy deep energy retrofit solution
for
00:44:43 --> 00:44:51: existing building stock that's essentially about wrapping
buildings with essentially
00:44:51 --> 00:44:54: a passive health tight envelope,
00:44:54 --> 00:44:56: new Windows New Wall panels.
00:44:56 --> 00:45:03: Integrated, modularized mechanical systems that inherently
has the challenge of
00:45:04 --> 00:45:07: buildings that are on zero property line.
00:45:07 --> 00:45:11: You know this 1012 inch panel exceeding that,
00:45:11 --> 00:45:13: so we're going to need to be working with local
00:45:13 --> 00:45:15: legislation that would Alfie,
00:45:15 --> 00:45:20: and otherwise to be able to extend over those property
00:45:20 --> 00:45:22: lines to make this possible.
00:45:22 --> 00:45:25: The critical nature of the the effort is again going
00:45:25 --> 00:45:28: back to what we have for the big picture.
00:45:28 --> 00:45:32: Hundreds of thousands of these buildings literally need these
dip
00:45:32 --> 00:45:33: deep energy retrofits.
00:45:33 --> 00:45:36: If we're going to hit our global metrics.
00:45:36 --> 00:45:42: So Rocky Mountain Institute has pursued this.
00:45:42 --> 00:45:46: It's based on the energy sprung program that's been in
00:45:46 --> 00:45:49: place in the Netherlands for the last ten years.
00:45:49 --> 00:45:52: They have very different incentives on the utility side to
00:45:52 --> 00:45:53: make it work,
00:45:53 --> 00:45:55: so it's a little more challenging in the US.
00:45:55 --> 00:45:59: But when we talk about policy I think we also
00:45:59 --> 00:46:04: need to look at the utility companies and and the
00:46:04 --> 00:46:08: how that these benefits can help reduce the impact on
00:46:08 --> 00:46:12: our energy grids. And so if the utility companies can
00:46:12 --> 00:46:17: also provide incentives towards this to help the bigger
picture,
00:46:17 --> 00:46:18: that too should be a focus.
00:46:21 --> 00:46:22: Existing building stock. I mean,

00:46:22 --> 00:46:25: that's kind of the. The sector of this industry that's
00:46:25 --> 00:46:28: been much slower to adapt and the deep retrofits you're
00:46:29 --> 00:46:30: referencing here I,
00:46:30 --> 00:46:31: I think, are the key to this.
00:46:31 --> 00:46:34: Emily, you had mentioned the building performance
standards,
00:46:34 --> 00:46:37: delays, tuneup law. If I'm not mistaken,
00:46:37 --> 00:46:39: that does not yet include multifamily.
00:46:39 --> 00:46:42: Is that correct, and is there plans to add that?
00:46:42 --> 00:46:43: Sorry to put you on the spot with that one,
00:46:44 --> 00:46:46: so that's OK. I'm sorry I'm realizing as you're asking
00:46:46 --> 00:46:47: that I don't have all the details on it,
00:46:47 --> 00:46:50: so yes, you're right. I believe it does not include
00:46:50 --> 00:46:51: multifamily right now.
00:46:51 --> 00:46:55: In the first phase of of enforcement,
00:46:55 --> 00:46:58: I think it is very likely that that will eventually
00:46:58 --> 00:46:59: get there,
00:46:59 --> 00:47:02: but you know that because of kovid there were all
00:47:02 --> 00:47:04: sorts of delays and an implementation,
00:47:04 --> 00:47:06: so I think they're they're getting on it and you'll
00:47:06 --> 00:47:08: see some changes in the next few years
00:47:09 --> 00:47:12: that COVID factor that think New York steps policy.
00:47:12 --> 00:47:15: And DC's best probably do include multifamily.
00:47:15 --> 00:47:17: So I'm excited to see what kind of impact we
00:47:17 --> 00:47:19: have there and then we can tell her something for
00:47:19 --> 00:47:20: Philadelphia.
00:47:20 --> 00:47:22: But I think there's a lot of opportunity with these.
00:47:22 --> 00:47:26: This regulation of operational energy and not just designing
construction
00:47:26 --> 00:47:28: that's I think that combined with this focus on deep
00:47:28 --> 00:47:31: retrofit that Howard's recommending here is is the key to
00:47:31 --> 00:47:35: address that existing building stock here.
00:47:35 --> 00:47:38: So I want to touch on building codes just one
00:47:38 --> 00:47:39: last time,
00:47:39 --> 00:47:40: and then I I wanna leave time with about 10
00:47:40 --> 00:47:41: minutes left here.
00:47:41 --> 00:47:44: I want to leave time to talk about funding and
00:47:44 --> 00:47:47: financing 'cause I know that's definitely important.
00:47:47 --> 00:47:49: Patrick Emily sits in that world as well.
00:47:49 --> 00:47:52: So last thing on building codes here.
00:47:52 --> 00:47:54: So just context for audience here.
00:47:54 --> 00:47:57: So Pennsylvania fell behind in building codes and there was
00:47:57 --> 00:48:00: a lot of initiative and advocacy coming out of the

00:48:00 --> 00:48:03: Philadelphia area to advance these building codes.
00:48:03 --> 00:48:05: So little while back Pennsylvania.
00:48:05 --> 00:48:06: Basically went two steps forward.
00:48:06 --> 00:48:09: Philadelphia got an exception to go essentially three steps forward.
00:48:09 --> 00:48:13: I'm oversimplifying here, energy codes are tough because there's a
00:48:13 --> 00:48:15: balance of being too aggressive.
00:48:15 --> 00:48:17: You have to find that sweet spot right in the
00:48:18 --> 00:48:20: middle where you don't hinder development,
00:48:20 --> 00:48:21: but you raise that bar.
00:48:21 --> 00:48:25: You promote development, so just a quick question here I'll
00:48:25 --> 00:48:26: get.
00:48:26 --> 00:48:27: I'll toss this up at anyone.
00:48:27 --> 00:48:29: Did we go too far or to be kind of
00:48:29 --> 00:48:31: hit it just right with those new building codes?
00:48:34 --> 00:48:39: Anyone? Loaded question, I know that.
00:48:39 --> 00:48:40: Howard, I think you're muted.
00:48:41 --> 00:48:45: Sorry. I would just say there was an absolutely critical
00:48:45 --> 00:48:49: step that we we can't afford to take this on.
00:48:49 --> 00:48:54: You know it's the short term thinking that got us
00:48:54 --> 00:49:00: where we are and like any change in the industry,
00:49:00 --> 00:49:02: it will soon become the norm.
00:49:02 --> 00:49:06: You know, the 2018 International Energy Code was
implemented.
00:49:06 --> 00:49:10: It dramatically stepped up what was required.
00:49:10 --> 00:49:13: There may be some growing pains for that.
00:49:13 --> 00:49:18: Initially, but when you step back again and look at
00:49:18 --> 00:49:18: a,
00:49:18 --> 00:49:22: say, a building cost line by line,
00:49:22 --> 00:49:26: if you focus on any one line individually it looks
00:49:27 --> 00:49:27: expensive.
00:49:27 --> 00:49:29: But when you start to see the offsets,
00:49:29 --> 00:49:33: when you have a you put your money into insulation
00:49:33 --> 00:49:37: and air sealing and have this great thermal envelope.
00:49:37 --> 00:49:42: Suddenly your mechanical systems are dramatically smaller
and therefore there's
00:49:42 --> 00:49:43: there are these.
00:49:43 --> 00:49:46: Offset costs so you know I,
00:49:46 --> 00:49:52: I don't. I think again it's about educating the installers.
00:49:52 --> 00:49:54: Out how to do it differently than they used to,
00:49:54 --> 00:49:59: but from a from a material cost from a individual
00:49:59 --> 00:50:04: line item cost it's I think there's a balance and

00:50:04 --> 00:50:05: what we're in.

00:50:05 --> 00:50:08: Going back to Patrick's comment earlier,

00:50:08 --> 00:50:11: just inside of the affordable housing world.

00:50:11 --> 00:50:14: 2% is a big difference.

00:50:14 --> 00:50:18: Uhm, but if you look we've tracked the costs of

00:50:18 --> 00:50:23: affordable housing coming out of PHFA over the last five

00:50:23 --> 00:50:28: years since they implemented the the change to their PQP,

00:50:28 --> 00:50:34: giving greater points to developers that are committing to passive

00:50:34 --> 00:50:36: health certification.

00:50:36 --> 00:50:39: Initially there was the two to 3%

00:50:39 --> 00:50:44: delta across the state. Within the second year of the

00:50:44 --> 00:50:45: program.

00:50:45 --> 00:50:48: That was a cost neutral and and there were some

00:50:48 --> 00:50:50: years where it actually flipped so.

00:50:50 --> 00:50:54: I think these costs are going to get more cost

00:50:54 --> 00:51:00: neutral as more U S suppliers window manufacturers are now

00:51:00 --> 00:51:04: where we once had to bring windows and doors in

00:51:04 --> 00:51:08: from Europe are now more readily available locally.

00:51:08 --> 00:51:14: So at every level I think there there's.

00:51:14 --> 00:51:21: These codes are pushing industries to change and and ultimately

00:51:21 --> 00:51:23: it's a great thing.

00:51:26 --> 00:51:29: Would anyone else like to comment on energy codes?

00:51:29 --> 00:51:31: Josh, yeah.

00:51:31 --> 00:51:33: I think to pick up on where Emily had talked

00:51:33 --> 00:51:34: about training for Alan,

00:51:34 --> 00:51:38: I recently on my latest project we actually have an

00:51:38 --> 00:51:43: air barrier and insulation checklists which was not in any

00:51:43 --> 00:51:44: previous permit.

00:51:44 --> 00:51:47: It's actually hard to find it was hidden and even

00:51:47 --> 00:51:50: the architect didn't realize it was required.

00:51:50 --> 00:51:52: So I think part of it is marketing on the

00:51:52 --> 00:51:52: L and I,

00:51:52 --> 00:51:55: but it's also I think it's going into effect January

00:51:55 --> 00:51:56: 1st and affected permits that were.

00:51:56 --> 00:52:00: After April. The and L.

00:52:00 --> 00:52:05: My also recently hired a building envelope specialist to audit

00:52:05 --> 00:52:10: and review and go around job sites and suggests recommendations

00:52:10 --> 00:52:12: on how Ellen I can you know,

00:52:12 --> 00:52:15: better educate and improve. The irony is I don't think

00:52:15 --> 00:52:17: that was because of sustainability.

00:52:17 --> 00:52:21: I think that was because of lawsuits of building envelopes

00:52:21 --> 00:52:21: leaking,

00:52:21 --> 00:52:24: and you know, I just saw another one on Pine

00:52:24 --> 00:52:24: St.

00:52:24 --> 00:52:29: A huge like 10 unit having stucco remediation going on.

00:52:29 --> 00:52:32: So here we are like trying to get better people.

00:52:32 --> 00:52:36: You know, educating people on sustainable building practices.

00:52:36 --> 00:52:39: Yet unfortunately on some of the smaller scale we have

00:52:39 --> 00:52:41: an epidemic of just bad building.

00:52:41 --> 00:52:43: And so I think back to all of this.

00:52:43 --> 00:52:45: The incentive for any developer.

00:52:45 --> 00:52:50: If there's more oversight, more inspections in the long run,

00:52:50 --> 00:52:54: you will do better and avoid these lawsuits because you

00:52:54 --> 00:52:55: know these.

00:52:55 --> 00:52:57: These are very costly lawsuits.

00:52:57 --> 00:53:02: They're very displacing. For the tenants and frustrating.

00:53:02 --> 00:53:06: And I think. No one's mentioned the insurance industry in

00:53:06 --> 00:53:06: here.

00:53:06 --> 00:53:11: You know, they're huge organization but.

00:53:11 --> 00:53:14: There's ways that they can be involved because I know

00:53:14 --> 00:53:17: Elena is coming up with this new surety bond and

00:53:17 --> 00:53:22: other bonding that they're trying to create legislation that will

00:53:22 --> 00:53:25: protect neighboring homeowners who are now who are victims of

00:53:26 --> 00:53:27: poor construction.

00:53:27 --> 00:53:28: I mean, that's a whole other discussion,

00:53:28 --> 00:53:31: but they're making efforts to improve,

00:53:31 --> 00:53:35: but there's multiple factors the insurance industry making it,

00:53:35 --> 00:53:38: you know, not covering you going into legal balance,

00:53:38 --> 00:53:41: others, LLC's, you know, created.

00:53:41 --> 00:53:43: And disappearing like I said it,

00:53:43 --> 00:53:46: anyone could be a, you know developer can easily create

00:53:46 --> 00:53:50: a construction company to pull their permits and then disappear.

00:53:50 --> 00:53:52: So there's there's. There's that factor in all of this.

00:53:52 --> 00:53:54: You know we have this unfortunate.

00:53:57 --> 00:54:01: Large amount of loopholes in the system to avoid liability.

00:54:01 --> 00:54:05: So while we're working to create better sustainable buildings,

00:54:05 --> 00:54:08: we also have to just improve the basic construction of

00:54:08 --> 00:54:11: some of these buildings that are going up and and

00:54:11 --> 00:54:11: that starts with,

00:54:11 --> 00:54:14: you know, more enforcement, more or oversight.

00:54:17 --> 00:54:20: Great, so it's yeah education right policy we need we

00:54:20 --> 00:54:24: need a little bit of everything to kind of push

00:54:24 --> 00:54:24: this forward.

00:54:24 --> 00:54:27: You have about three or four minutes left here and

00:54:27 --> 00:54:30: it was my mistake for saving this for the endings.

00:54:30 --> 00:54:31: I think it's also a huge issue here,

00:54:31 --> 00:54:33: but it's just access to funding.

00:54:33 --> 00:54:37: Access to financing. Patrick, you sit in the affordable housing

00:54:37 --> 00:54:38: world here.

00:54:38 --> 00:54:41: Can you give us just a little glimpse into that?

00:54:41 --> 00:54:44: Howard had mentioned that the PA Housing Finance

00:54:44 --> 00:54:46: Administration,

00:54:46 --> 00:54:48: the PHFA here give us a little glimpse into the

00:54:48 --> 00:54:50: affordable housing.

00:54:48 --> 00:54:50: World and address. If there's any application kind of your

00:54:50 --> 00:54:53: market rate units outside of that world there so kind

00:54:53 --> 00:54:54: of an open question here.

00:54:54 --> 00:54:55: Take it whatever direction you want.

00:54:57 --> 00:55:00: So to give you a glimpse into the affordable housing,

00:55:00 --> 00:55:03: UM world works in terms of financing.

00:55:03 --> 00:55:07: So from our particular side we mostly go for any

00:55:07 --> 00:55:11: sort of federal and state funding and PHFA I'm working

00:55:12 --> 00:55:15: housing tax credit like tech for short is one of

00:55:15 --> 00:55:20: our primary source for that and and and so and

00:55:21 --> 00:55:24: that's a very very competitive.

00:55:24 --> 00:55:27: Process as well, although I can see that we're very

00:55:27 --> 00:55:30: happy that this year we are actually last year noted

00:55:30 --> 00:55:31: earlier this year,

00:55:31 --> 00:55:35: we're applied for one of our project in Old City

00:55:35 --> 00:55:37: and we got awarded.

00:55:37 --> 00:55:40: We got an allocation for the first application.

00:55:40 --> 00:55:45: Usually it takes about three applications to to PHFA before

00:55:45 --> 00:55:46: you get an allocation,

00:55:46 --> 00:55:49: so this one was like first time first first goal.

00:55:49 --> 00:55:52: So we're very very happy and very proud.

00:55:52 --> 00:55:53: Our past projects have been,

00:55:53 --> 00:55:54: you know, two or three.

00:55:54 --> 00:55:59: Applications very easily and each application is very costly

00:55:59 --> 00:56:01: 'cause

00:55:59 --> 00:56:01: you have to pay the fees etc.

00:56:01 --> 00:56:04: But the other sources or from the city itself which

00:56:04 --> 00:56:06: is on their application for that.
00:56:06 --> 00:56:09: And all of these are pretty much it.
00:56:09 --> 00:56:11: It's it's. It's sort of a loan,
00:56:11 --> 00:56:14: but the interest rate is so low and it's kind
00:56:14 --> 00:56:15: of it's forgivable,
00:56:15 --> 00:56:16: so it's essentially a grant,
00:56:16 --> 00:56:22: and then we apply for other grants and and and
00:56:22 --> 00:56:24: such and we.
00:56:24 --> 00:56:26: And if needed, we go for actually do go for
00:56:26 --> 00:56:27: UM,
00:56:27 --> 00:56:30: developer loans. But because UM,
00:56:30 --> 00:56:32: PHFA is the largest funder in this case,
00:56:32 --> 00:56:38: so HFA has some pretty much very robust sustainable points
00:56:39 --> 00:56:40: if you will,
00:56:40 --> 00:56:45: in in their application, which I believe Pennsylvania was one
00:56:45 --> 00:56:48: of the first to Ichigo says so strongly.
00:56:48 --> 00:56:51: With that you know what they have very high points
00:56:51 --> 00:56:52: for passive House.
00:56:52 --> 00:56:54: They also have. I think it's about 10 points.
00:56:54 --> 00:56:56: If you go for. So files and then if you
00:56:56 --> 00:56:59: do enterprise green communities or lead or not.
00:56:59 --> 00:57:01: So that's a little bit lower points,
00:57:01 --> 00:57:04: but it, but you can start to see that there
00:57:04 --> 00:57:07: making more of an emphasis of you having passive house
00:57:07 --> 00:57:08: and the most recent.
00:57:11 --> 00:57:14: Sorry, my brain is showing me but mostly supplication in
00:57:14 --> 00:57:15: process.
00:57:15 --> 00:57:18: They included that you also needed to be certified because
00:57:18 --> 00:57:20: some of the projects they would apply it for passive
00:57:20 --> 00:57:21: routes,
00:57:21 --> 00:57:23: but then they would not quite closer for certification and
00:57:23 --> 00:57:24: so that's one loophole.
00:57:24 --> 00:57:28: They're trying to close down to make sure that they
00:57:28 --> 00:57:30: actually financing projects fully.
00:57:30 --> 00:57:35: Uhm? I'm not sure if I answered your question at
00:57:35 --> 00:57:36: this point,
00:57:36 --> 00:57:36: but
00:57:36 --> 00:57:37: no, you did. That was perfect.
00:57:37 --> 00:57:39: That's exactly what I was hoping to kind of get
00:57:39 --> 00:57:42: out that just lay the groundwork here Emily.
00:57:42 --> 00:57:44: I know you have thoughts on this.
00:57:44 --> 00:57:46: You mentioned the Green Bank at the beginning that the

00:57:46 --> 00:57:47: PA is initiated,
00:57:47 --> 00:57:50: tips there were very very short on time here.
00:57:50 --> 00:57:51: I have one final question,
00:57:51 --> 00:57:53: but I want to give you a 1520 seconds to
00:57:53 --> 00:57:55: finish up the access to financing topic and then we'll
00:57:55 --> 00:57:56: close things out
00:57:57 --> 00:58:00: early. I'll be really quick so definitely check out Philly
00:58:00 --> 00:58:04: Green capital.org if you're building a multi family property.
00:58:04 --> 00:58:07: There's both the pre development loan and term loan part
00:58:07 --> 00:58:10: of the way we make them cheap for you is
00:58:10 --> 00:58:12: to make the tenor quite long,
00:58:12 --> 00:58:14: so that makes it a little bit easier.
00:58:14 --> 00:58:15: The last thing I will say is there's a bill
00:58:15 --> 00:58:17: in the legislature right now to expand.
00:58:17 --> 00:58:22: CPA switches commercial property assessed clean energy
financing to multifamily
00:58:22 --> 00:58:26: buildings and also a great tool both for affordable and
00:58:26 --> 00:58:28: market rate multifamily.
00:58:28 --> 00:58:31: So we'll keep you posted on when that gets through
00:58:31 --> 00:58:32: the legislature.
00:58:32 --> 00:58:33: It looks like we have the support that we need.
00:58:35 --> 00:58:39: Great, last question here. I'll give every panelists top 10
00:58:39 --> 00:58:40: seconds to respond to this.
00:58:40 --> 00:58:43: What is the single most effective thing we can do
00:58:43 --> 00:58:47: right now to promote and encourage sustainable multifamily
development?
00:58:47 --> 00:58:48: Josh, I would like to start with you on this
00:58:48 --> 00:58:48: one,
00:58:48 --> 00:58:51: if that's alright. I know your answer,
00:58:51 --> 00:58:51: but.
00:58:54 --> 00:58:57: I'm I think it goes back to education and inspiration.
00:58:57 --> 00:58:59: I mean, we're you know you drive down the streets
00:58:59 --> 00:59:02: of Philadelphia and you see people throwing trash out the
00:59:02 --> 00:59:05: window or one of the poorest cities in the country.
00:59:05 --> 00:59:08: And that's where you know a lot of our workforce
00:59:08 --> 00:59:10: is coming from is and so yeah,
00:59:10 --> 00:59:14: I mean it's inspiration and and respect for our.
00:59:14 --> 00:59:17: Are you know the Earth basically is is where we
00:59:17 --> 00:59:18: have to start?
00:59:21 --> 00:59:27: Alright, Patrick single most effective thing we can do right
00:59:27 --> 00:59:27: now.
00:59:27 --> 00:59:28: It's hard

00:59:28 --> 00:59:30: to say that the single what I would say look,
00:59:30 --> 00:59:33: I pharmacist like a systematic POV and I have a
00:59:33 --> 00:59:34: whole note here.
00:59:34 --> 00:59:36: It's like you have to tackle education,
00:59:36 --> 00:59:38: give more, get more experience,
00:59:38 --> 00:59:41: incentivize. Make sure there's legislation around it as well to
00:59:41 --> 00:59:43: make sure it's done.
00:59:43 --> 00:59:48: Motivate, support financially and reduce some of the
bureaucracy.
00:59:48 --> 00:59:50: That's one thing that I mentioned,
00:59:50 --> 00:59:51: like removing some of the impediments,
00:59:51 --> 00:59:54: or these have to be a combination from a systemic
00:59:54 --> 00:59:56: point of view so that you can really make a
00:59:56 --> 00:59:57: serious change.
00:59:59 --> 00:59:59: Emily.
01:00:02 --> 01:00:02: We
01:00:02 --> 01:00:05: totally agree with Patrick. We we try to stay in
01:00:05 --> 01:00:08: our lane and do what we are uniquely able to
01:00:08 --> 01:00:09: do to help.
01:00:09 --> 01:00:12: So we'll keep working on reducing those soft costs and
01:00:12 --> 01:00:15: providing new market tools for folks to to access the
01:00:16 --> 01:00:16: financing.
01:00:16 --> 01:00:16: To do this
01:00:16 --> 01:00:19: work. And Howard.
01:00:22 --> 01:00:27: Outside of outside of our role as developers and architects,
01:00:27 --> 01:00:31: I think just integration of building efficiencies in a broader
01:00:31 --> 01:00:32: urban planning activity.
01:00:32 --> 01:00:38: You know the efficiency strategies just need to be.
01:00:38 --> 01:00:43: Holding two across these disparate departments in our
government and
01:00:43 --> 01:00:43: local.
01:00:43 --> 01:00:47: Both local and federal, so it it it?
01:00:47 --> 01:00:50: It's really pulling back for a much.
01:00:50 --> 01:00:53: Broader effort across all these areas that we've been
discussing
01:00:53 --> 01:00:54: this week.
01:00:56 --> 01:00:59: That was great panelists. Thank you so much.
01:00:59 --> 01:01:00: We're going to shift gears now.
01:01:00 --> 01:01:02: We've got open questions up to the audience.
01:01:02 --> 01:01:04: So if you have a question,
01:01:04 --> 01:01:05: please submit it in the chat.
01:01:05 --> 01:01:09: Uhm, I'll read the question and you'll have the opportunity
01:01:09 --> 01:01:12: to unmute yourself and expand or elaborate on any other

01:01:12 --> 01:01:13: questions here.

01:01:13 --> 01:01:16: I do have one in my inbox here,

01:01:16 --> 01:01:18: Josh. This is absolutely a question for you.

01:01:18 --> 01:01:21: I know you and I have talked about this is

01:01:21 --> 01:01:23: modular construction await.

01:01:23 --> 01:01:26: You can manage costs and improve sustainability.

01:01:26 --> 01:01:27: So Josh will let you respond to that.

01:01:29 --> 01:01:30: I think that's more a question for Howard,

01:01:30 --> 01:01:35: but in my experience we were incredibly efficient doing well.

01:01:35 --> 01:01:36: I think there's a distinction.

01:01:36 --> 01:01:40: There's panelization modular cross, laminated timber,

01:01:40 --> 01:01:42: mass timber which excites me,

01:01:42 --> 01:01:45: which I'd like to see more of on a scalable,

01:01:45 --> 01:01:48: smaller scale. So yeah, I think those are the ways

01:01:48 --> 01:01:49: of the future.

01:01:49 --> 01:01:51: I mean, I really like mass timber,

01:01:51 --> 01:01:54: and right now it's only on a larger scale,

01:01:54 --> 01:01:56: but if there's a way to make some of these

01:01:56 --> 01:01:59: products like engineered lumber?

01:01:59 --> 01:02:02: Or I could just call it in and use this

01:02:02 --> 01:02:03: stuff with.

01:02:03 --> 01:02:07: I know crowdsourced architectures projects are going on,

01:02:07 --> 01:02:09: so I mean there's I think I would default to

01:02:09 --> 01:02:10: Howard on that question.

01:02:10 --> 01:02:13: But yes, I think the more you can do offsite,

01:02:13 --> 01:02:16: the more efficient you are and safer and cleaner.

01:02:16 --> 01:02:17: And less waste.

01:02:19 --> 01:02:24: All those absolutely so any any manufactured component off

01:02:24 --> 01:02:26: site

01:02:24 --> 01:02:26: is going to be a better quality,

01:02:26 --> 01:02:33: better product. I think the question of Panelization versus

01:02:33 --> 01:02:36: modular.

01:02:33 --> 01:02:36: There are certain areas you know in your urban areas

01:02:36 --> 01:02:40: where your labor costs are much higher that the goal

01:02:40 --> 01:02:43: was always to get as much built off site as

01:02:43 --> 01:02:46: possible for the reasons we stated.

01:02:46 --> 01:02:49: So seeing modular in some of these higher costs.

01:02:49 --> 01:02:54: Areas can help. Afraid some of these costs.

01:02:54 --> 01:02:57: But you're also shipping a lot of error.

01:02:57 --> 01:02:58: You know these are big boxes.

01:02:58 --> 01:03:02: There's a lot of transportation costs that offset some of

01:03:02 --> 01:03:04: the offsite benefit.

01:03:04 --> 01:03:10: We find panelization much more interesting these days,
01:03:10 --> 01:03:15: and certainly getting into the CLT panels and dealing with
01:03:15 --> 01:03:19: materials that can sequester carbon wood.
01:03:19 --> 01:03:24: All wood construction is super exciting.
01:03:25 --> 01:03:28: If I could just quickly add to that panelization does
01:03:29 --> 01:03:30: not require cranes,
01:03:30 --> 01:03:32: so when we don't, onion flat front flats we were
01:03:32 --> 01:03:34: able to do it with the law,
01:03:34 --> 01:03:35: which is the front loading forklift.
01:03:35 --> 01:03:37: No cranes except for when we needed to do the
01:03:37 --> 01:03:38: roof work,
01:03:38 --> 01:03:40: so that's a big difference.
01:03:40 --> 01:03:42: I think in terms of being able to work in
01:03:42 --> 01:03:43: small urban settings as well.
01:03:44 --> 01:03:49: And and this whole conversation is really about low to
01:03:49 --> 01:03:50: mid rise buildings.
01:03:50 --> 01:03:54: So the you know the building code limits your wood
01:03:54 --> 01:03:55: construction,
01:03:55 --> 01:03:58: combustible construction to five stories.
01:03:58 --> 01:04:00: If it's fire treated for stories.
01:04:00 --> 01:04:04: If it's not, once you start building over podiums,
01:04:04 --> 01:04:08: noncombustible podiums of concrete and steel,
01:04:08 --> 01:04:10: there are different costs that come into play.
01:04:10 --> 01:04:14: So it's a balance of density of.
01:04:14 --> 01:04:20: That is, opening up the site you're looking at and,
01:04:20 --> 01:04:25: but there are also panelized yourself there who will build
01:04:25 --> 01:04:26: in noncombustible?
01:04:26 --> 01:04:28: But when you go again,
01:04:28 --> 01:04:32: go back to CLT construction that they're building 22 Storey
01:04:32 --> 01:04:36: towers in this so that it goes back to code.
01:04:36 --> 01:04:37: Some cities limit the height.
01:04:37 --> 01:04:41: Chicago is dramatically reduced, but.
01:04:41 --> 01:04:46: The technology is there, so it's it's about getting one
01:04:46 --> 01:04:48: owners to take it on.
01:04:48 --> 01:04:53: Being willing to be the first and and then the
01:04:53 --> 01:04:58: building code officials to to allow for.
01:04:58 --> 01:04:58: Jake,
01:04:58 --> 01:04:59: maybe I can just add real quick.
01:04:59 --> 01:05:02: I think this to Josh's earlier point.
01:05:02 --> 01:05:05: I think the first time as a contractor that you
01:05:05 --> 01:05:07: do that kind of construction.
01:05:07 --> 01:05:09: Maybe it's not quite as efficient,

01:05:09 --> 01:05:11: but the you know, the more you do it,
01:05:11 --> 01:05:12: the better you get at it.
01:05:12 --> 01:05:14: And and I don't think there are very many companies
01:05:14 --> 01:05:16: in Philly that have a lot of experience doing that.
01:05:16 --> 01:05:20: So while I think costs might be higher today than
01:05:20 --> 01:05:21: they will be,
01:05:21 --> 01:05:23: you know in a few years there are things we
01:05:23 --> 01:05:24: can do.
01:05:24 --> 01:05:26: I think to to educate contractors and give them opportunities
01:05:26 --> 01:05:27: to work.
01:05:27 --> 01:05:29: On those types of projects so that we have more
01:05:29 --> 01:05:32: more folks out there who are capable of doing it
01:05:32 --> 01:05:33: quickly and
01:05:33 --> 01:05:37: efficiently. Great Andrew, thanks for that question.
01:05:37 --> 01:05:39: So I think yes, that's the way to go.
01:05:39 --> 01:05:42: But there are definitely some intricacies and hurdles we have
01:05:42 --> 01:05:43: to address along the way here.
01:05:43 --> 01:05:46: Next question here. This is a really good question from
01:05:46 --> 01:05:49: just in the New York Times this morning called New
01:05:49 --> 01:05:51: York the greenest Big city in EU S.
01:05:51 --> 01:05:54: What are some programs and policies that New York or
01:05:54 --> 01:05:57: other cities have implemented that you would like to see
01:05:58 --> 01:05:58: here in Philly?
01:05:58 --> 01:06:01: Emily, I think this fits your profile pretty well.
01:06:01 --> 01:06:03: I'm not sure how familiar with New York,
01:06:03 --> 01:06:04: so
01:06:04 --> 01:06:07: pretty pretty familiar, because we're we're really excited with
the
01:06:07 --> 01:06:08: work that they're doing there.
01:06:08 --> 01:06:10: You know, I think there are a couple of things
01:06:10 --> 01:06:12: that New York has been able to do that other
01:06:12 --> 01:06:12: folks,
01:06:12 --> 01:06:15: including Philly, have sort of struggled with one is New
01:06:15 --> 01:06:17: York is able to throw a bunch of money at
01:06:17 --> 01:06:17: things,
01:06:17 --> 01:06:21: which is quite helpful so they have a fantastic program
01:06:21 --> 01:06:26: for retrofitting multifamily buildings with heat pumps and
converting away
01:06:26 --> 01:06:29: from fossil fuels and towards all electric.
01:06:29 --> 01:06:33: And New York City provides a really significant subsidy for
01:06:33 --> 01:06:36: buildings that want to do that.
01:06:36 --> 01:06:37: I'd love to see that here.

01:06:37 --> 01:06:38: We don't have the funds for it,
01:06:38 --> 01:06:40: but maybe in some of the federal dollars that are
01:06:40 --> 01:06:40: coming down,
01:06:40 --> 01:06:43: that's something we can look at.
01:06:43 --> 01:06:45: You know, New York also has gone sort of three
01:06:45 --> 01:06:48: steps further on the same types of policies that we've
01:06:48 --> 01:06:48: done.
01:06:48 --> 01:06:51: So like our tune up Bill,
01:06:51 --> 01:06:54: you know, New York requires not only that you do
01:06:54 --> 01:06:54: a tune up,
01:06:54 --> 01:06:58: but that you then you know.
01:06:58 --> 01:07:01: See efficiency gains over time and you're actually taking
information
01:07:01 --> 01:07:05: you learn from that and and making efficiency improvements.
01:07:05 --> 01:07:07: So I I think maybe that's the politics in New
01:07:07 --> 01:07:07: York.
01:07:07 --> 01:07:12: That's a little bit different here as well.
01:07:12 --> 01:07:14: You know, I think a good example of where Philly
01:07:14 --> 01:07:18: sort of differs is we got the 2008 commercial construction
01:07:18 --> 01:07:18: code.
01:07:18 --> 01:07:20: But sorry, 2018 commercial construction code,
01:07:20 --> 01:07:24: but you know, we still sort of are making our
01:07:24 --> 01:07:25: own plumbing code,
01:07:25 --> 01:07:28: so there there's just a lot of a lot of
01:07:28 --> 01:07:29: hometown politics.
01:07:29 --> 01:07:31: I think that can sort of get in the way
01:07:31 --> 01:07:32: of going too far,
01:07:32 --> 01:07:35: too fast, and that's difficult in an environment where climate
01:07:36 --> 01:07:38: change is an emergency and and we really need to
01:07:38 --> 01:07:39: act fast.
01:07:39 --> 01:07:42: So we'd love to see a lot of the policies.
01:07:42 --> 01:07:44: New York City has at the at the city level
01:07:44 --> 01:07:46: and a lot of the funding they've been able
01:07:46 --> 01:07:50: to put together. Patrick, Josh think both you have New
01:07:50 --> 01:07:53: York City connections anything to add to that question?
01:07:53 --> 01:07:56: Know that. If
01:07:56 --> 01:07:59: I'm not mistaken, I, I think they've also mandated that
01:07:59 --> 01:08:02: all men construction needs to be zero energy.
01:08:04 --> 01:08:06: Does anyone know for sure?
01:08:06 --> 01:08:08: I think that is in.
01:08:08 --> 01:08:11: The realm of. What's been done,
01:08:11 --> 01:08:13: so that's huge.

01:08:15 --> 01:08:16: Yeah,
01:08:16 --> 01:08:20: they just approved mass timber or for a certain scale
01:08:20 --> 01:08:21: as well.
01:08:24 --> 01:08:25: And that's becoming a common theme.
01:08:25 --> 01:08:27: The idea of net zero design.
01:08:27 --> 01:08:29: Another looking at that in California,
01:08:29 --> 01:08:31: Washington DC is pushing for that.
01:08:31 --> 01:08:35: Their next building code. They're hoping to have codified residential
01:08:35 --> 01:08:35: net zero,
01:08:35 --> 01:08:37: and I think two code cycles.
01:08:37 --> 01:08:40: They're looking for net zero commercial construction,
01:08:40 --> 01:08:42: which is which is huge like the more of these
01:08:42 --> 01:08:44: big cities we see push that it's going to be
01:08:45 --> 01:08:45: widely adopted.
01:08:45 --> 01:08:47: It's kind of no one wants to be the first
01:08:47 --> 01:08:48: to do it.
01:08:48 --> 01:08:50: Let another big city figure it out and then everyone
01:08:50 --> 01:08:51: else can kind of follow suit here,
01:08:51 --> 01:08:53: but I think we're gonna see some big changes.
01:08:53 --> 01:08:57: On that front there. Alright,
01:08:57 --> 01:08:59: I don't have any other questions.
01:08:59 --> 01:09:00: I may end up Josh.
01:09:00 --> 01:09:01: Yeah, go ahead.
01:09:01 --> 01:09:02: One last thing. I mean.
01:09:02 --> 01:09:05: One of the biggest challenges for me as a contractor
01:09:05 --> 01:09:08: is to go from me and maybe my brother to
01:09:08 --> 01:09:11: five employees because there's you know and be able to
01:09:11 --> 01:09:18: charge residential small scale clients my associated
01:09:18 --> 01:09:19: overhead from workman's
01:09:19 --> 01:09:23: comp payroll.
01:09:23 --> 01:09:27: You know, unemployment compensation. So there's
01:09:27 --> 01:09:28: definitely something on a
01:09:28 --> 01:09:30: federal level or local level that would incentivize me to
01:09:30 --> 01:09:33: grow more employees that.
01:09:33 --> 01:09:37: Irony is, if I hire five employees,
01:09:37 --> 01:09:40: but then I can't maintain that I actually have a
01:09:40 --> 01:09:42: higher unemployment compensation rate because they are
01:09:42 --> 01:09:45: now on unemployment.
01:09:45 --> 01:09:46: So why should I go try to hire five people
01:09:46 --> 01:09:48: if I can't maintain them?
01:09:48 --> 01:09:50: And then I get taxed for my personal payroll check.
01:09:50 --> 01:09:52: So I think you know,

01:09:46 --> 01:09:49: there's, I know there's the federal research.

01:09:49 --> 01:09:53: Sorry with the research and development tax credit that architects

01:09:54 --> 01:09:55: and engineers can can recoup,

01:09:55 --> 01:09:59: but maybe there could be incentives for builders to maintain.

01:09:59 --> 01:10:01: Carpenters who are trained in this and I get a

01:10:02 --> 01:10:05: tax credit because I'm maintaining a crew of builders who

01:10:05 --> 01:10:08: are well trained in this and and not necessarily always

01:10:08 --> 01:10:11: worry about the next job 'cause there isn't enough demand

01:10:11 --> 01:10:12: yet for that skill set.

01:10:12 --> 01:10:14: So I think there's stuff that can be done in

01:10:14 --> 01:10:16: the federal level is our state and local levels,

01:10:16 --> 01:10:19: and from from tax incentives for us.

01:10:23 --> 01:10:25: That's great thanks Josh Homme.

01:10:25 --> 01:10:27: Yeah, I don't have any other questions in my inbox

01:10:27 --> 01:10:27: here,

01:10:27 --> 01:10:29: so I want to give every panelist just a couple

01:10:29 --> 01:10:30: minutes here.

01:10:30 --> 01:10:34: Any last thoughts? Final things you want to convey to

01:10:34 --> 01:10:36: the audience here?

01:10:36 --> 01:10:37: Don't breathe and jump in.

01:10:38 --> 01:10:40: I can give it a try.

01:10:40 --> 01:10:44: You know, I think we're really excited about the type

01:10:44 --> 01:10:47: of work that we're seeing in Philly from this community

01:10:47 --> 01:10:49: with multifamily housing.

01:10:49 --> 01:10:52: In particular, you know, I think you guys have all

01:10:52 --> 01:10:55: taken a lot of risks and you've stepped out in

01:10:55 --> 01:10:57: front of these issues in a way that you don't

01:10:57 --> 01:10:59: see everywhere. And you know,

01:10:59 --> 01:11:02: I think we don't have the easiest market in Philly,

01:11:02 --> 01:11:04: and you know, the rents don't always keep up.

01:11:04 --> 01:11:07: Or sometimes they keep up too quickly and and you

01:11:07 --> 01:11:08: know it.

01:11:08 --> 01:11:10: It makes it difficult to make long term choices.

01:11:10 --> 01:11:13: Here, our labor costs generally pretty high and and of

01:11:13 --> 01:11:16: course what's going on with COVID and supply chains right

01:11:16 --> 01:11:17: now,

01:11:17 --> 01:11:18: material costs are incredibly high,

01:11:18 --> 01:11:22: so you know, I I get why this is all.

01:11:22 --> 01:11:25: Difficult and requires a really big mind shift to do

01:11:25 --> 01:11:25: it.

01:11:25 --> 01:11:27: So I guess first I just really want to thank

01:11:28 --> 01:11:30: you guys for the work that that you're doing and
01:11:30 --> 01:11:33: the way you're you're trying to do it.
01:11:33 --> 01:11:35: If there are resources that we can help with,
01:11:35 --> 01:11:39: I know city government can be pretty opaque and it's
01:11:39 --> 01:11:42: not always easy to figure out.
01:11:42 --> 01:11:45: What the levers are to actually get something changed so
01:11:45 --> 01:11:47: as much as we can be a resource for you
01:11:47 --> 01:11:47: guys,
01:11:47 --> 01:11:49: we'd love to be, and as much as we can
01:11:49 --> 01:11:52: sort of step in and try to mobilize City Council
01:11:52 --> 01:11:54: to to get some things done.
01:11:54 --> 01:11:56: We're happy to do that too,
01:11:56 --> 01:11:59: and I'll just make a last pitch on our training
01:11:59 --> 01:12:00: programs and our finance program.
01:12:00 --> 01:12:04: So we're doing a ton of training both with the
01:12:04 --> 01:12:08: school district and with young adults to enter the building
01:12:08 --> 01:12:11: trades and clean energy industry so you know,
01:12:11 --> 01:12:13: if you find. Yourself with a project that you think
01:12:14 --> 01:12:14: you could use.
01:12:14 --> 01:12:16: Some of our grads on.
01:12:16 --> 01:12:20: Please do reach out and remember do check out filtering.
01:12:20 --> 01:12:23: Capital.org are we are focusing a lot of our resources
01:12:23 --> 01:12:24: on multifamily buildings.
01:12:24 --> 01:12:26: I guess. I'm sorry I should have said this earlier.
01:12:26 --> 01:12:28: I totally forgot we are in two months,
01:12:28 --> 01:12:31: probably less than two months out launching Philly Block
maps,
01:12:31 --> 01:12:34: which is a tool that will let you all go
01:12:34 --> 01:12:36: into your specific building.
01:12:36 --> 01:12:39: It stacks up all of the data from your building
01:12:39 --> 01:12:42: on previous permits and other publicly available.
01:12:42 --> 01:12:45: Datasets to figure out if you have a good opportunity
01:12:45 --> 01:12:48: for a retrofit in in your building and it'll give
01:12:48 --> 01:12:49: you some tools to do that,
01:12:49 --> 01:12:51: and then hopefully will help us build the market for
01:12:51 --> 01:12:52: energy services.
01:12:52 --> 01:12:55: Companies that can help on the retrofit side,
01:12:55 --> 01:12:59: so will keep you alive folks posted on when that
01:12:59 --> 01:13:00: drops,
01:13:00 --> 01:13:02: but we hope that will be a resource to help
01:13:02 --> 01:13:06: you get things done quicker and easier on retrofit side.
01:13:06 --> 01:13:06: So thanks.

01:13:08 --> 01:13:11: Thanks Emily, any other final thoughts here?

01:13:14 --> 01:13:18: I would just say that after 15 plus years of

01:13:18 --> 01:13:21: focusing on sustainability and high performance,

01:13:21 --> 01:13:24: I I do feel like we are at a tipping

01:13:25 --> 01:13:30: point that you know that these conversations are happening

01:13:30 --> 01:13:31: more

01:13:30 --> 01:13:31: and more.

01:13:31 --> 01:13:35: Seeing we were being contacted by clients across the

01:13:35 --> 01:13:38: country

01:13:35 --> 01:13:38: looking for our you know architectural services,

01:13:38 --> 01:13:45: Passivhaus consulting and and at the same time it is.

01:13:45 --> 01:13:50: It is super challenging for those who have the fear

01:13:50 --> 01:13:53: it is going back to the education.

01:13:53 --> 01:13:57: The I would put out to the world around deep

01:13:57 --> 01:13:59: energy retrofits,

01:13:59 --> 01:14:04: Rocky Mountain Institute. Appears to have we are focused in

01:14:04 --> 01:14:07: Pennsylvania and Massachusetts right now.

01:14:07 --> 01:14:11: Going into DC as well and they have some gap

01:14:11 --> 01:14:16: financing for pre development costs so you know if you

01:14:16 --> 01:14:20: are aware of any any building owners looking to that

01:14:20 --> 01:14:25: are coming up on light light tech financing for their

01:14:25 --> 01:14:25: upgrades.

01:14:25 --> 01:14:30: That's the time to be considering upgrades that you'd be

01:14:30 --> 01:14:32: doing otherwise normally.

01:14:32 --> 01:14:36: But there is an opportunity to look at this realized

01:14:36 --> 01:14:38: program and work with us.

01:14:38 --> 01:14:43: Work with RMI on finding a way to do that.

01:14:43 --> 01:14:47: We are. We're actually just starting our first project in

01:14:47 --> 01:14:48: Boston around this,

01:14:48 --> 01:14:52: so there's a lot of momentum lot of conversation with

01:14:52 --> 01:14:53: multiple developers,

01:14:53 --> 01:14:57: but one who is pulled the trigger and excited to

01:14:57 --> 01:14:59: share that with you.

01:15:01 --> 01:15:04: Patrick sustainable affordable housing is kind of that next big

01:15:04 --> 01:15:05: thing.

01:15:05 --> 01:15:07: That's an entire presentation in itself here,

01:15:07 --> 01:15:09: but inspire us. What else do you have for us

01:15:09 --> 01:15:09: here?

01:15:10 --> 01:15:15: I mean in terms of sustainable affordable housing.

01:15:15 --> 01:15:17: Even if just sustainable housing,

01:15:17 --> 01:15:20: it comes out also to a lot of desire and

01:15:20 --> 01:15:21: motivation.

01:15:21 --> 01:15:25: Internal motivation to just say we're just gonna do it.

01:15:25 --> 01:15:27: Because even as I mentioned,
01:15:27 --> 01:15:29: you know we we go through a lot of process
01:15:29 --> 01:15:32: to build our capital stack and we'll see what federal
01:15:32 --> 01:15:33: dollars.
01:15:33 --> 01:15:35: But then we end up with a gap of financial
01:15:35 --> 01:15:37: gap that we always need to fill,
01:15:37 --> 01:15:40: and so it's very. I'm very happy to hear from
01:15:40 --> 01:15:43: Emily that there there is the Green Bank.
01:15:43 --> 01:15:44: As I've heard of a green Bank,
01:15:44 --> 01:15:47: united Connecticut and in New York was it?
01:15:47 --> 01:15:48: And then now there's one in Philly,
01:15:48 --> 01:15:50: so that's very exciting to see that,
01:15:50 --> 01:15:54: you know, we can look to work with another partner
01:15:55 --> 01:15:56: that understands the.
01:15:56 --> 01:16:00: You know the the value of sustainability to in affordable
01:16:00 --> 01:16:00: housing,
01:16:00 --> 01:16:04: particularly and so that helps,
01:16:04 --> 01:16:08: because otherwise when the resources I mean the resources
01:16:08 --> 01:16:09: are
01:16:09 --> 01:16:14: or their federale.
01:16:09 --> 01:16:14: But then because they're so competitive and because
01:16:14 --> 01:16:17: Philadelphia also
01:16:14 --> 01:16:17: has high costs of high construction costs as well,
01:16:17 --> 01:16:21: and so when making trying to make the project work,
01:16:21 --> 01:16:26: if you don't have the internal motivation to keep those
01:16:26 --> 01:16:27: sustainable.
01:16:27 --> 01:16:31: Goals within your project. Then they become easily the first
01:16:31 --> 01:16:34: things to go and so having access to other resources
01:16:34 --> 01:16:38: to help complete that capital stack is is very important.
01:16:38 --> 01:16:43: Having team members that are helping to support you in
01:16:44 --> 01:16:48: that as well and to give into that are readily.
01:16:48 --> 01:16:54: Ready to come up with some interesting and innovative
01:16:54 --> 01:16:56: strategies
01:16:56 --> 01:17:00: to achieve those goals,
01:16:56 --> 01:17:00: particularly nodding to Howard that we've worked with our
01:17:01 --> 01:17:02: last
01:17:01 --> 01:17:02: project that completed.
01:17:02 --> 01:17:05: In North Philly, which is called South Carolina Square,
01:17:05 --> 01:17:07: and so we had high goals for it.
01:17:07 --> 01:17:11: But then, even because of the financial challenges we had
01:17:11 --> 01:17:12: to pare down a bit,
01:17:12 --> 01:17:14: but we still managed to make sure that it end
01:17:14 --> 01:17:16: up being an enterprise green communities building.

01:17:16 --> 01:17:18: Our first one in our portfolio.
01:17:18 --> 01:17:20: Very happy that this is our first end.
01:17:20 --> 01:17:26: Definitely not our last and and so.
01:17:26 --> 01:17:30: You just have to align yourself to find with great
01:17:30 --> 01:17:35: partners that understand that have the experience and to
also
01:17:35 --> 01:17:36: find great.
01:17:36 --> 01:17:38: And also that can you know it?
01:17:38 --> 01:17:41: Be the resources finite because we need a lot of
01:17:41 --> 01:17:44: financial resources as well and the thing to mention is
01:17:44 --> 01:17:45: for affordable housing,
01:17:45 --> 01:17:49: particularly probably with a lot of different projects,
01:17:49 --> 01:17:51: but we talk a lot about construction costs,
01:17:51 --> 01:17:55: but there's also the soft costs that can easily creep
01:17:55 --> 01:17:55: up.
01:17:55 --> 01:17:56: For our projects as well,
01:17:56 --> 01:17:58: like some of our projects,
01:17:58 --> 01:18:00: if you do the calculation this off the soft costs
01:18:00 --> 01:18:03: associated just for the bureaucracy can be like two extra
01:18:03 --> 01:18:05: units that you could have or three extra unit that
01:18:05 --> 01:18:08: you could have, but then it has to go towards
01:18:08 --> 01:18:11: these other soft costs of monitoring and oversight and all
01:18:11 --> 01:18:13: these things and so that's something as well that we
01:18:13 --> 01:18:15: have to balance in affordable housing.
01:18:15 --> 01:18:19: But once you are still focused on the main goal
01:18:19 --> 01:18:21: to provide safe,
01:18:21 --> 01:18:26: resilient, sustainable, affordable units to people who really
need it.
01:18:26 --> 01:18:31: In this city. Then you know you make sure that
01:18:31 --> 01:18:32: it works.
01:18:34 --> 01:18:36: That's fantastic, thanks, Patrick. Gosh,
01:18:36 --> 01:18:39: you've given us a great perspective from the builder
standpoint
01:18:39 --> 01:18:39: here.
01:18:39 --> 01:18:41: Any last thoughts? Anything else you want to add to
01:18:41 --> 01:18:41: that?
01:18:44 --> 01:18:44: I
01:18:44 --> 01:18:45: I think I'm good. I mean,
01:18:45 --> 01:18:48: I think the the elephant in the room is we're
01:18:48 --> 01:18:51: dealing with half a country who doesn't believe in climate
01:18:51 --> 01:18:51: change.
01:18:51 --> 01:18:55: So you know when when we talk about education I
01:18:55 --> 01:18:55: mean,

01:18:55 --> 01:18:58: I, I think we really have to be inspiring and
01:18:58 --> 01:19:00: show the benefits of sustainable building,
01:19:00 --> 01:19:02: you know, and I think.
01:19:02 --> 01:19:05: You know, because Philadelphia is such a popular city,
01:19:05 --> 01:19:07: I think the more we can do to get people
01:19:07 --> 01:19:10: out of poverty and poor people into the working field
01:19:10 --> 01:19:12: and be able to maintain their properties.
01:19:12 --> 01:19:15: And I think is is where we have to start.
01:19:15 --> 01:19:19: And I think affordable housing is is.
01:19:19 --> 01:19:21: It's it's the best thing we can do in terms
01:19:21 --> 01:19:23: of implementing sustainable building.
01:19:24 --> 01:19:28: Josh, thank you for addressing the elephant in the room.
01:19:28 --> 01:19:30: Thank you for saying that someone always has to say
01:19:30 --> 01:19:31: that right?
01:19:31 --> 01:19:34: Uhm, so I think we're just about that time here.
01:19:34 --> 01:19:37: I do want to thank everyone for participating here,
01:19:37 --> 01:19:39: and I especially want to thank our panelists.
01:19:39 --> 01:19:41: It is really hard to get four industry experts in
01:19:42 --> 01:19:43: the same room virtually here.
01:19:43 --> 01:19:45: But thank you so much.
01:19:45 --> 01:19:48: Your insight is fantastic, so I'm going to pass things
01:19:48 --> 01:19:50: back to Kevin or Laura.
01:19:50 --> 01:19:52: I'm not sure who's picking it up from here,
01:19:52 --> 01:19:55: but I'll let you close things out.
01:19:55 --> 01:19:56: Great,
01:19:56 --> 01:19:57: I will pick it up.
01:19:57 --> 01:19:59: Thank you so much. I'm sorry I didn't get to
01:19:59 --> 01:20:01: meet you all at the beginning.
01:20:01 --> 01:20:04: I'm Laura Slutsky. Though I think I know most folks
01:20:04 --> 01:20:04: here.
01:20:04 --> 01:20:08: Executive director of UI Philadelphia and I'll share for the
01:20:08 --> 01:20:12: for this group that I'm right before my time.
01:20:12 --> 01:20:16: Five years ago I worked specifically on this issue,
01:20:16 --> 01:20:21: financing, energy efficiency, sustainability and resiliency in
affordable housing projects
01:20:21 --> 01:20:22: in New York City.
01:20:22 --> 01:20:25: On the policy side, on the lending side.
01:20:25 --> 01:20:28: On the training side, so I just want to applaud
01:20:28 --> 01:20:29: everyone for this work.
01:20:29 --> 01:20:33: Congratulate you on on the the progress the Green Bank
01:20:33 --> 01:20:36: there's so much happening and you know this is just
01:20:36 --> 01:20:39: such a critical issue for our industry.

01:20:39 --> 01:20:41: For affordable housing for climate change.
01:20:41 --> 01:20:45: So thank you for convening this conversation.
01:20:45 --> 01:20:48: Jake, thank you for your excellent moderation.
01:20:48 --> 01:20:49: This was just really interesting.
01:20:49 --> 01:20:53: I want to also highlight and I think hopefully this
01:20:53 --> 01:20:56: is the beginning of a long collaboration.
01:20:56 --> 01:20:59: In discussion with you lie and we really want to
01:20:59 --> 01:21:01: be a resource here to all of you into the
01:21:01 --> 01:21:02: field.
01:21:02 --> 01:21:08: Net zero and resiliency, sustainability and energy efficiency
are global,
01:21:08 --> 01:21:11: is part of the global mission priority for you live
01:21:11 --> 01:21:13: this year and for our local District Council.
01:21:13 --> 01:21:17: So we are here to serve as a resource,
01:21:17 --> 01:21:19: connect folks with networks across the country.
01:21:19 --> 01:21:22: We have a lot of really engaged Members in markets
01:21:22 --> 01:21:24: all over the US and globally.
01:21:24 --> 01:21:27: Looking at these issues folks at our headquarters.
01:21:27 --> 01:21:31: In Washington DC, doing research bringing together best
practices and
01:21:31 --> 01:21:35: kind of convening ways that we can push this conversation
01:21:35 --> 01:21:35: forward.
01:21:35 --> 01:21:38: So I just wanted to say kind of to all
01:21:38 --> 01:21:39: of you.
01:21:39 --> 01:21:43: We are here to support this conversation and these issues
01:21:43 --> 01:21:44: as much as we can,
01:21:44 --> 01:21:48: and so I hope that we can continue that conversation
01:21:48 --> 01:21:48: here.
01:21:48 --> 01:21:51: So with that I just want to again,
01:21:51 --> 01:21:54: thank Jake, Josh, Patrick, Emily and Howard for your time
01:21:54 --> 01:21:56: and your expertise and then of course for the really
01:21:56 --> 01:21:57: important.
01:21:57 --> 01:22:00: Work that you are doing in our community and all
01:22:00 --> 01:22:03: of you for joining us here on zoom.
01:22:03 --> 01:22:06: Hopefully we're getting close to being together as well in
01:22:07 --> 01:22:07: person safely.
01:22:07 --> 01:22:09: I want to ask just if you could take a
01:22:10 --> 01:22:12: minute of your time to share feedback.
01:22:12 --> 01:22:16: We really read everything and highly value what you share.
01:22:16 --> 01:22:18: So Kevin is going to go ahead and send a
01:22:18 --> 01:22:21: link to a survey in the chat will also send
01:22:21 --> 01:22:22: it to you via email.

01:22:22 --> 01:22:25: Please be honest, share any thoughts and ideas that you
01:22:25 --> 01:22:25: have,
01:22:25 --> 01:22:28: including what you want to continue to work on on.
01:22:28 --> 01:22:32: Through ally, what conversations you want to hear and have,
01:22:32 --> 01:22:35: and so with that I will just wrap us and
01:22:35 --> 01:22:38: give you all five minutes of your day.
01:22:38 --> 01:22:41: I hope to see folks for one of our upcoming
01:22:41 --> 01:22:46: programs were obviously now really highlighting our 2022
realistic forecast
01:22:46 --> 01:22:47: on November 16th.
01:22:47 --> 01:22:50: We will have a couple speakers focused on resiliency in
01:22:50 --> 01:22:51: our first panel,
01:22:51 --> 01:22:55: including Arielle Maren who's a board member at Green
Building
01:22:56 --> 01:22:57: United and Salim Chapman,
01:22:57 --> 01:22:59: who is the chief resilience.
01:22:59 --> 01:23:00: Officer for the City of Philadelphia.
01:23:00 --> 01:23:03: So this will be a threat of that discussion,
01:23:03 --> 01:23:05: and I hope you all can join us.
01:23:05 --> 01:23:08: Information is at our website or as always,
01:23:08 --> 01:23:10: feel free to reach out to myself.
01:23:10 --> 01:23:13: Kevin Sigourney, Kelly, or our team.
01:23:13 --> 01:23:15: So with that, I'll just thank everyone and have a
01:23:15 --> 01:23:16: great day.
01:23:16 --> 01:23:18: I hope to see you all soon.
01:23:18 --> 01:23:22: Take care. Thanks, thank you.

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