

114TH CONGRESS
1ST SESSION

H. R. 2997

AN ACT

To authorize the Secretary of Housing and Urban Development to carry out a demonstration program to enter into budget-neutral, performance-based contracts for energy and water conservation improvements for multi-family residential units.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Private Investment in
3 Housing Act of 2015”.

4 **SEC. 2. BUDGET-NEUTRAL DEMONSTRATION PROGRAM**
5 **FOR ENERGY AND WATER CONSERVATION IM-**
6 **PROVEMENTS AT MULTIFAMILY RESIDEN-**
7 **TIAL UNITS.**

8 (a) ESTABLISHMENT.—The Secretary of Housing
9 and Urban Development (in this section referred to as the
10 “Secretary”) shall establish a demonstration program
11 under which the Secretary may execute budget-neutral,
12 performance-based agreements in fiscal years 2016
13 through 2019 that result in a reduction in energy or water
14 costs with such entities as the Secretary determines to be
15 appropriate under which the entities shall carry out
16 projects for energy or water conservation improvements at
17 not more than 20,000 residential units in multifamily
18 buildings participating in—

19 (1) the project-based rental assistance program
20 under section 8 of the United States Housing Act of
21 1937 (42 U.S.C. 1437f), other than assistance pro-
22 vided under section 8(o) of that Act;

23 (2) the supportive housing for the elderly pro-
24 gram under section 202 of the Housing Act of 1959
25 (12 U.S.C. 1701q); or

1 (3) the supportive housing for persons with dis-
2 abilities program under section 811(d)(2) of the
3 Cranston-Gonzalez National Affordable Housing Act
4 (42 U.S.C. 8013(d)(2)).

5 (b) REQUIREMENTS.—

6 (1) PAYMENTS CONTINGENT ON SAVINGS.—

7 (A) IN GENERAL.—The Secretary shall
8 provide to an entity a payment under an agree-
9 ment under this section only during applicable
10 years for which an energy or water cost savings
11 is achieved with respect to the applicable multi-
12 family portfolio of properties, as determined by
13 the Secretary, in accordance with subparagraph
14 (B).

15 (B) PAYMENT METHODOLOGY.—

16 (i) IN GENERAL.—Each agreement
17 under this section shall include a pay-for-
18 success provision that—

19 (I) shall serve as a payment
20 threshold for the term of the agree-
21 ment; and

22 (II) requires that payments shall
23 be contingent on realized cost savings
24 associated with reduced utility con-

1 sumption in the participating prop-
2 erties.

3 (ii) LIMITATIONS.—A payment made
4 by the Secretary under an agreement
5 under this section—

6 (I) shall be contingent on docu-
7 mented utility savings; and

8 (II) shall not exceed the utility
9 savings achieved by the date of the
10 payment, and not previously paid, as
11 a result of the improvements made
12 under the agreement.

13 (C) THIRD-PARTY VERIFICATION.—Savings
14 payments made by the Secretary under this sec-
15 tion shall be based on a measurement and
16 verification protocol that includes at least—

17 (i) establishment of a weather-normal-
18 ized and occupancy-normalized utility con-
19 sumption baseline established pre-retrofit;

20 (ii) annual third-party confirmation of
21 actual utility consumption and cost for
22 utilities;

23 (iii) annual third-party validation of
24 the tenant utility allowances in effect dur-

ing the applicable year and vacancy rates
for each unit type; and

(iv) annual third-party determination
of savings to the Secretary.

An agreement under this section with an entity
shall provide that the entity shall cover costs
associated with third-party verification under
this subparagraph.

(2) TERMS OF PERFORMANCE-BASED AGREE-
MENTS.—A performance-based agreement under this
section shall include—

(A) the period that the agreement will be
in effect and during which payments may be
made, which may not be longer than 12 years;

(B) the performance measures that will
serve as payment thresholds during the term of
the agreement;

(C) an audit protocol for the properties
covered by the agreement;

(D) a requirement that payments shall be
contingent on realized cost savings associated
with reduced utility consumption in the partici-
pating properties; and

(E) such other requirements and terms as
determined to be appropriate by the Secretary.

1 (3) ENTITY ELIGIBILITY.—The Secretary
2 shall—

3 (A) establish a competitive process for en-
4 tering into agreements under this section; and

5 (B) enter into such agreements only with
6 entities that, either jointly or individually, dem-
7 onstrate significant experience relating to—

8 (i) financing or operating properties
9 receiving assistance under a program iden-
10 tified in subsection (a);

11 (ii) oversight of energy or water con-
12 servation programs, including oversight of
13 contractors; and

14 (iii) raising capital for energy or
15 water conservation improvements from
16 charitable organizations or private inves-
17 tors.

18 (4) GEOGRAPHICAL DIVERSITY.—Each agree-
19 ment entered into under this section shall provide
20 for the inclusion of properties with the greatest fea-
21 sible regional and State variance.

22 (5) PROPERTIES.—A property may only be in-
23 cluded in the demonstration under this section only
24 if the property is subject to affordability restrictions
25 for at least 15 years after the date of the completion

1 of any conservation improvements made to the prop-
2 erty under the demonstration program. Such restric-
3 tions may be made through an extended affordability
4 agreement for the property under a new housing as-
5 sistance payments contract with the Secretary of
6 Housing and Urban Development or through an en-
7 forceable covenant with the owner of the property.

8 (c) PLAN AND REPORTS.—

9 (1) PLAN.—Not later than 90 days after the
10 date of enactment of this Act, the Secretary shall
11 submit to the Committees on Appropriations and Fi-
12 nancial Services of the House of Representatives and
13 the Committees on Appropriations and Banking,
14 Housing, and Urban Affairs of the Senate a detailed
15 plan for the implementation of this section.

16 (2) REPORTS.—Not later than 1 year after the
17 date of enactment of this Act, and annually there-
18 after, the Secretary shall—

19 (A) conduct an evaluation of the program
20 under this section; and

21 (B) submit to Congress a report describing
22 each evaluation conducted under subparagraph
23 (A).

24 (d) FUNDING.—For each fiscal year during which an
25 agreement under this section is in effect, the Secretary

- 1 may use to carry out this section any funds appropriated
- 2 to the Secretary for the renewal of contracts under a pro-
- 3 gram described in subsection (a).

Passed the House of Representatives July 14, 2015.

Attest:

Clerk.

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