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111TH CONGRESS
2^D SESSION

H. R. 2336

[Report No. 111-619]

To encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2009

Mr. PERLMUTTER (for himself, Mrs. BIGGERT, Mr. BLUMENAUER, Mr. ELLISON, Mr. FRANK of Massachusetts, Mr. GUTIERREZ, Mr. HODES, Mr. ISRAEL, Mr. MARKEY of Massachusetts, Mrs. MCCARTHY of New York, Mr. MCNERNEY, Mr. SHERMAN, Mr. SIRES, Ms. TSONGAS, and Mr. HIMES) introduced the following bill; which was referred to the Committee on Financial Services

SEPTEMBER 22, 2010

Additional sponsors: Mr. KLEIN of Florida, Mr. WILSON of Ohio, Mr. MCGOVERN, Mr. FILNER, Mr. ROTHMAN of New Jersey, Ms. ZOE LOFGREN of California, Mr. MOORE of Kansas, Mr. WU, and Mr. LARSON of Connecticut

SEPTEMBER 22, 2010

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italic*]

[For text of introduced bill, see copy of bill as introduced on May 7, 2009]

A BILL

To encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

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

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“Green Resources for Energy Efficient Neighborhoods Act*
 6 *of 2010” or the “GREEN Act of 2010”.*

7 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 8 *this Act is as follows:*

Sec. 1. Short title and table of contents.

Sec. 2. Definitions.

Sec. 3. Implementation of energy efficiency participation incentives for HUD programs.

Sec. 4. Basic HUD energy efficiency standards and standards for additional credit.

Sec. 5. Energy efficiency and conservation demonstration program for multi-family housing projects assisted with project-based rental assistance.

Sec. 6. Consideration of energy efficiency under FHA mortgage insurance programs and Native American and Native Hawaiian loan guarantee programs.

Sec. 7. Energy-efficient mortgages and location-efficient mortgages education and outreach campaign.

Sec. 8. Collection of information on energy-efficient and location-efficient mortgages through Home Mortgage Disclosure Act.

Sec. 9. Ensuring availability of homeowners insurance for homes not connected to electricity grid.

Sec. 10. Mortgage incentives for energy-efficient multifamily housing.

Sec. 11. Energy-efficient certifications for manufactured housing with mortgages.

Sec. 12. Assisted housing energy loan pilot program.

Sec. 13. Making it green.

Sec. 14. Residential energy efficiency block grant program.

Sec. 15. Including sustainable development and transportation strategies in comprehensive housing affordability strategies.

Sec. 16. Grant program to increase sustainable low-income community development capacity.

Sec. 17. HOPE VI green developments requirement.

Sec. 18. Consideration of energy efficiency improvements in appraisals.

Sec. 19. Housing Assistance Council.

Sec. 20. Rural housing and economic development assistance.

Sec. 21. Loans to States and Indian tribes to carry out renewable energy sources activities.

Sec. 22. GAO reports on availability of affordable mortgages.

Sec. 23. Public housing energy cost report.

Sec. 24. Insurance coverage for loans for financing of renewable energy systems leased for residential use.

Sec. 25. Green guarantees.

Sec. 26. Green dividend program for federally assisted rental housing.

Sec. 27. Use of residual receipts and reserve for replacements funds for green retrofits of federally assisted rental housing.

Sec. 28. Study on building codes effects on construction and installation of distributive energy generation measures and water efficiency measures.

Sec. 29. Community building code administration grants.

1 SEC. 2. DEFINITIONS.

2 For purposes of this Act, the following definitions shall
3 apply:

4 (1) ENERGY-EFFICIENT MORTGAGE.—The term
5 “energy-efficient mortgage” means—

6 (A) a mortgage loan under which the in-
7 come of the borrower, for purposes of qualifica-
8 tion for such loan, is considered to be increased
9 by not less than \$1 for each \$1 of savings pro-
10 jected to be realized by the borrower as a result
11 of cost-effective energy-saving design, construc-
12 tion or improvements (including use of renew-
13 able energy sources, such as solar, geothermal,
14 biomass, and wind, super-insulation, energy-sav-
15 ing windows, insulating glass and film, and ra-
16 dian barrier) for the home for which the loan is
17 made; or

18 (B) such other mortgage loan that recog-
19 nizes such savings as the Secretary may provide.

20 (2) GREEN BUILDING STANDARDS.—The term
21 “green building standards” means standards to re-
22 quire use of sustainable design principles to reduce

1 *the use of nonrenewable resources, encourage energy-*
2 *efficient construction and rehabilitation and the use*
3 *of renewable energy resources, minimize the impact of*
4 *development on the environment, and improve indoor*
5 *air quality.*

6 (3) *HUD.*—*The term “HUD” means the Depart-*
7 *ment of Housing and Urban Development.*

8 (4) *HUD ASSISTANCE.*—*The term “HUD assist-*
9 *ance” means financial assistance that is awarded,*
10 *competitively or noncompetitively, allocated by for-*
11 *mula, or provided by HUD rental assistance, direct*
12 *loan, or capital grant.*

13 (5) *LOCATION-EFFICIENT MORTGAGE.*—*The term*
14 *“location-efficient mortgage” means—*

15 (A) *a mortgage loan under which—*

16 (i) *the income of the borrower, for pur-*
17 *poses of qualification for such loan, is con-*
18 *sidered to be increased by not less than \$1*
19 *for each \$1 of savings projected to be real-*
20 *ized by the borrower because the location of*
21 *the home for which loan is made will result*
22 *in decreased transportation costs for the*
23 *household of the borrower; or*

24 (ii) *the sum of the principal, interest,*
25 *taxes, and insurance due under the mort-*

1 *gage loan is decreased by not less than \$1*
 2 *for each \$1 of savings projected to be real-*
 3 *ized by the borrower because the location of*
 4 *the home for which loan is made will result*
 5 *in decreased transportation costs for the*
 6 *household of the borrower; or*

7 *(B) such other mortgage loan that recog-*
 8 *nizes such savings as the Secretary may provide.*

9 *(6) NONRESIDENTIAL STRUCTURE.—The term*
 10 *“nonresidential structures” means only nonresidential*
 11 *structures that are appurtenant to single-family or*
 12 *multifamily housing residential structures, or those*
 13 *that are funded by the Secretary of Housing and*
 14 *Urban Development through the HUD Community*
 15 *Development Block Grant program.*

16 *(7) SECRETARY.—The term “Secretary”, unless*
 17 *otherwise specified, means the Secretary of Housing*
 18 *and Urban Development.*

19 **SEC. 3. IMPLEMENTATION OF ENERGY EFFICIENCY PAR-**
 20 **TICIPATION INCENTIVES FOR HUD PRO-**
 21 **GRAMS.**

22 *(a) IN GENERAL.—Not later than 180 days after the*
 23 *date of the enactment of this Act, the Secretary shall issue*
 24 *such regulations as may be necessary to establish annual*
 25 *energy efficiency participation incentives consistent with*

1 *this Act to encourage participants in programs adminis-*
 2 *tered by the Secretary, including recipients under programs*
 3 *for which HUD assistance is provided, to achieve substan-*
 4 *tial improvements in energy efficiency.*

5 (b) *REQUIREMENT FOR APPROPRIATION OF FUNDS.—*
 6 *The requirement under subsection (a) for the Secretary to*
 7 *provide annual energy efficiency participation incentives*
 8 *pursuant to the provisions of this Act shall be subject to*
 9 *the annual appropriation of necessary funds.*

10 **SEC. 4. BASIC HUD ENERGY EFFICIENCY STANDARDS AND**
 11 **STANDARDS FOR ADDITIONAL CREDIT.**

12 (a) *BASIC HUD STANDARD.—*

13 (1) *RESIDENTIAL STRUCTURES.—A residential*
 14 *single-family or multifamily structure shall be consid-*
 15 *ered to comply with the energy efficiency standards*
 16 *under this subsection if—*

17 (A) *the structure complies with the applica-*
 18 *ble provisions of the American Society of Heat-*
 19 *ing, Refrigerating, and Air-Conditioning Engi-*
 20 *neers Standard 90.1–2007, as such standard or*
 21 *successor standard is in effect for purposes of this*
 22 *section pursuant subsection (c);*

23 (B) *the structure complies with the applica-*
 24 *ble provisions of the 2009 International Energy*
 25 *Conservation Code, or the requirements of a*

1 *standard that provides equal or greater energy*
2 *savings, as such standard or successor standard*
3 *is in effect for purposes of this section pursuant*
4 *subsection (c);*

5 *(C) in the case only of an existing structure,*
6 *where determined cost effective, the structure has*
7 *undergone rehabilitation or improvements, com-*
8 *pleted after the date of the enactment of this Act,*
9 *and the energy consumption for the structure has*
10 *been reduced by at least 20 percent from the pre-*
11 *vious level of consumption, as determined in ac-*
12 *cordance with energy audits performed both be-*
13 *fore and after any rehabilitation or improve-*
14 *ments undertaken to reduce such consumption; or*

15 *(D) the structure complies with the applica-*
16 *ble provisions of such other energy efficiency re-*
17 *quirements, standards, criteria, or ratings sys-*
18 *tems as the Secretary may adopt and apply by*
19 *regulation, as may be necessary, for purposes of*
20 *this section for specific types of residential sin-*
21 *gle-family or multifamily structures or other-*
22 *wise, except that the Secretary shall make a de-*
23 *termination regarding whether to adopt and*
24 *apply any such requirements, standards, cri-*
25 *teria, or rating system for purposes of this sec-*

tion not later than the expiration of the 180-day period beginning upon the date of receipt of any written request, made in such form as the Secretary shall provide, for such adoption and application.

In addition to compliance with any of subparagraphs (A) through (D), the Secretary shall by regulation require, for any newly constructed residential single-family or multifamily structure to be considered to comply with the energy efficiency standards under this subsection, that the structure have appropriate electrical outlets with the facility and capacity to recharge a standard electric passenger vehicle, including an electric hybrid vehicle, where such vehicle would normally be parked.

(2) *NONRESIDENTIAL STRUCTURES.*—For purposes of this section, the Secretary shall identify and adopt by regulation, as may be necessary, energy efficiency requirements, standards, criteria, or rating systems applicable to nonresidential structures that are constructed or rehabilitated with HUD assistance. A nonresidential structure shall be considered to comply with the energy efficiency standards under this subsection if the structure complies with the applicable provisions of any such energy efficiency require-

ments, standards, criteria, or rating systems identified and adopted by the Secretary pursuant to this paragraph, as such standards are in effect for purposes of this section pursuant to subsection (c).

(3) *EFFECT.*—Nothing in this subsection may be construed to require any structure to comply with any standard established or adopted pursuant to this subsection, or identified in this subsection, or to provide any benefit or credit under any Federal program for any structure that complies with any such standard, except to the extent that—

(A) any provision of law other than this subsection provides a benefit or credit under a Federal program for compliance with a standard established or adopted pursuant to this subsection, or identified in this subsection; or

(B) the Secretary specifically provides pursuant to subsection (c) for the applicability of such standard.

(b) *ENHANCED ENERGY EFFICIENCY STANDARDS FOR PURPOSES OF PROVIDING ADDITIONAL CREDIT UNDER CERTAIN FEDERALLY ASSISTED HOUSING PROGRAMS.*—

(1) *PURPOSE AND EFFECT.*—

(A) *PURPOSE.*—The purpose of this subsection is to identify energy efficiency and con-

1 *servation standards and green building stand-*
2 *ards that—*

3 *(i) provide for greater energy efficiency*
4 *and conservation in structures than is re-*
5 *quired for compliance with the energy effi-*
6 *ciency standards under subsection (a) and*
7 *then in effect;*

8 *(ii) provide for green and sustainable*
9 *building standards not required by such*
10 *standards; and*

11 *(iii) can be used in connection with*
12 *Federal housing, housing finance, and de-*
13 *velopment programs to provide incentives*
14 *for greater energy efficiency and conserva-*
15 *tion and for green and sustainable building*
16 *methods, elements, practices, and materials.*

17 *(B) EFFECT.—Nothing in this subsection*
18 *may be construed to require any structure to*
19 *comply with any standard established pursuant*
20 *to this subsection or to provide any benefit or*
21 *credit under any Federal program for any struc-*
22 *ture, except to the extent that any provision of*
23 *law other than this subsection provides a benefit*
24 *or credit under a Federal program for compli-*

1 *ance with a standard established pursuant to*
 2 *this subsection.*

3 (2) *COMPLIANCE.—A residential or nonresiden-*
 4 *tial structure shall be considered to comply with the*
 5 *enhanced energy efficiency and conservation stand-*
 6 *ards or the green building standards under this sub-*
 7 *section, to the extent that such structure complies with*
 8 *the applicable provisions of the standards under*
 9 *paragraph (3) or (4), respectively (as such standards*
 10 *are in effect for purposes of this section, pursuant to*
 11 *paragraph (7)), in a manner that is not required for*
 12 *compliance with the energy efficiency standards*
 13 *under subsection (a) then in effect and subject to the*
 14 *Secretary's determination of which standards are ap-*
 15 *plicable to which structures.*

16 (3) *ENERGY EFFICIENCY AND CONSERVATION*
 17 *STANDARDS.—The energy efficiency and conservation*
 18 *standards under this paragraph are as follows:*

19 (A) *RESIDENTIAL STRUCTURES.—With re-*
 20 *spect to residential structures:*

21 (i) *NEW CONSTRUCTION.—For new*
 22 *construction, the Energy Star standards es-*
 23 *tablished by the Environmental Protection*
 24 *Agency, as such standards are in effect for*

1 purposes of this subsection pursuant to
2 paragraph (7);

3 (ii) *EXISTING STRUCTURES.*—For ex-
4 isting structures, a reduction in energy con-
5 sumption from the previous level of con-
6 sumption for the structure, as determined in
7 accordance with energy audits performed
8 both before and after any rehabilitation or
9 improvements undertaken to reduce such
10 consumption, that exceeds the reduction nec-
11 essary for compliance with the energy effi-
12 ciency standards under subsection (a) then
13 in effect and applicable to existing struc-
14 tures.

15 (B) *NONRESIDENTIAL STRUCTURES.*—With
16 respect to nonresidential structures, such energy
17 efficiency and conservation requirements, stand-
18 ards, criteria, or rating systems for nonresiden-
19 tial structures as the Secretary shall identify
20 and adopt by regulation, as may be necessary,
21 for purposes of this paragraph.

22 (4) *GREEN BUILDING STANDARDS.*—The green
23 building standards under this paragraph are as fol-
24 lows:

1 (A) *The national Green Communities cri-*
2 *teria for residential construction that provides*
3 *criteria for the design, development, and oper-*
4 *ation of affordable housing, as such criteria or*
5 *successor criteria is in effect for purposes of this*
6 *section pursuant to paragraph (7).*

7 (B) *The LEED for Neighborhood Develop-*
8 *ment rating system for the LEED for New Con-*
9 *struction rating system, the LEED for Homes*
10 *rating system, the LEED for Core and Shell rat-*
11 *ing system, as applicable, as such systems or suc-*
12 *cessor systems are in effect for purposes of this*
13 *section pursuant to paragraph (7).*

14 (C) *The Green Globes assessment and rating*
15 *system of the Green Buildings Initiative.*

16 (D) *For manufactured housing, Energy*
17 *Star rating with respect to fixtures, appliances,*
18 *and equipment in such housing, as such stand-*
19 *ard or successor standard is in effect for pur-*
20 *poses of this section pursuant to paragraph (7).*

21 (E) *The 2008 National Green Building*
22 *Standard (ICC 700).*

23 (F) *Any other requirements, standards, cri-*
24 *teria, or rating systems for green building or*
25 *sustainability as the Secretary may identify and*

1 *adopt by regulation, as may be necessary for*
2 *purposes of this paragraph, except that the Sec-*
3 *retary shall make a determination regarding*
4 *whether to adopt and apply any such require-*
5 *ments, standards, criteria, or rating system for*
6 *purposes of this section not later than the expira-*
7 *tion of the 180-day period beginning upon date*
8 *of receipt of any written request, made in such*
9 *form as the Secretary shall provide, for such*
10 *adoption and application.*

11 *(5) GREEN BUILDING.—For purposes of this sub-*
12 *section, the term “green building” means a building*
13 *that meets the green building standards under para-*
14 *graph (4).*

15 *(6) ENERGY AUDITS.—The Secretary shall estab-*
16 *lish standards and requirements for energy audits for*
17 *purposes of paragraph (3)(A)(ii) and, in establishing*
18 *such standards, may consult with any advisory com-*
19 *mittees established pursuant to section 5(c)(2) of this*
20 *Act.*

21 *(7) APPLICABILITY AND UPDATING OF STAND-*
22 *ARDS.—*

23 *(A) APPLICABILITY.—Except as provided in*
24 *subparagraph (B), the requirements, standards,*
25 *criteria, and rating systems referred to in this*

1 *subsection that are in effect for purposes of this*
2 *subsection are such requirements, standards, cri-*
3 *teria, and systems are as in existence upon the*
4 *date of the enactment of this Act.*

5 *(B) UPDATING.—For purposes of this sec-*
6 *tion, the Secretary may adopt and apply by reg-*
7 *ulation, as may be necessary, future amendments*
8 *and supplements to, and editions of, the require-*
9 *ments, standards, criteria, and rating systems*
10 *referred to in this subsection.*

11 *(c) AUTHORITY OF SECRETARY TO APPLY STANDARDS*
12 *TO FEDERALLY ASSISTED HOUSING AND PROGRAMS.—*

13 *(1) HUD HOUSING AND PROGRAMS.—The Sec-*
14 *retary of Housing and Urban Development may, by*
15 *regulation, provide for the applicability of the energy*
16 *efficiency standards under subsection (a), the en-*
17 *hanced energy efficiency and conservation standards*
18 *and green building standards under subsection (b),*
19 *or, in the case of deconstruction, any applicable pro-*
20 *visions of and points provided under the LEED for*
21 *New Construction and Major Renovation rating sys-*
22 *tem, or any combination thereof, with respect to any*
23 *covered federally assisted housing described in para-*
24 *graph (3)(A) or any HUD assistance.*

1 (2) *RURAL HOUSING.*—*The Secretary of Agri-*
 2 *culture may, by regulation, provide for the applica-*
 3 *bility of the energy efficiency standards under sub-*
 4 *section (a), the enhanced energy efficiency and con-*
 5 *servation standards and green building standards*
 6 *under subsection (b), or, in the case of deconstruction,*
 7 *any applicable provisions of and points provided*
 8 *under the LEED for New Construction and Major*
 9 *Renovation rating system, or any combination there-*
 10 *of, with respect to any covered federally assisted hous-*
 11 *ing described in paragraph (3)(B) or any assistance*
 12 *provided with respect to rural housing by the Rural*
 13 *Housing Service of the Department of Agriculture.*

14 (3) *COVERED FEDERALLY ASSISTED HOUSING.*—
 15 *For purposes of this subsection, the term “covered fed-*
 16 *erally assisted housing” means—*

17 (A) *any residential or nonresidential struc-*
 18 *ture for which any HUD assistance is provided;*
 19 *and*

20 (B) *any new construction of single-family*
 21 *or multifamily housing (other than manufac-*
 22 *tured homes) subject to mortgages insured, guar-*
 23 *anteed, or made by the Secretary of Agriculture*
 24 *under title V of the Housing Act of 1949 (42*
 25 *U.S.C. 1471 et seq.).*

1 (d) *DECONSTRUCTION.*—*The Secretary of Housing and*
 2 *Urban Development and the Secretary of Agriculture, as*
 3 *applicable, shall require that any deconstruction activity*
 4 *conducted under or pursuant to any provision of this Act*
 5 *or any amendment made by this Act complies with such*
 6 *deconstruction standards as such Secretaries shall establish*
 7 *for purposes of this section, taking into consideration the*
 8 *applicable provisions of and points provided under the*
 9 *LEED for New Construction and Major Renovation rating*
 10 *system. Such standards may be updated and revised from*
 11 *time to time, by regulation.*

12 **SEC. 5. ENERGY EFFICIENCY AND CONSERVATION DEM-**
 13 **ONSTRATION PROGRAM FOR MULTIFAMILY**
 14 **HOUSING PROJECTS ASSISTED WITH**
 15 **PROJECT-BASED RENTAL ASSISTANCE.**

16 (a) *AUTHORITY.*—*For multifamily housing projects for*
 17 *which project-based rental assistance is provided under a*
 18 *covered multifamily assistance program, the Secretary*
 19 *shall, subject to the availability of amounts provided in ad-*
 20 *vance in appropriation Acts, carry out a program to dem-*
 21 *onstrate the effectiveness of funding a portion of the costs*
 22 *of meeting the enhanced energy efficiency standards under*
 23 *section 4(b). At the discretion of the Secretary, the dem-*
 24 *onstration program may include incentives for housing that*
 25 *is assisted with Indian housing block grants provided pur-*

1 *suant to the Native American Housing Assistance and Self-*
2 *Determination Act of 1996, but only to the extent that such*
3 *inclusion does not violate such Act, its regulations, and the*
4 *goal of such Act of tribal self-determination.*

5 (b) GOALS.—*The demonstration program under this*
6 *section shall be carried out in a manner that—*

7 (1) *protects the financial interests of the Federal*
8 *Government;*

9 (2) *reduces the proportion of funds provided by*
10 *the Federal Government and by owners and residents*
11 *of multifamily housing projects that are used for costs*
12 *of utilities for the projects;*

13 (3) *encourages energy efficiency and conservation*
14 *by owners and residents of multifamily housing*
15 *projects and installation of renewable energy improve-*
16 *ments, such as improvements providing for use of*
17 *solar, wind, geothermal, or biomass energy sources;*

18 (4) *creates incentives for project owners to carry*
19 *out such energy efficiency renovations and improve-*
20 *ments by allowing a portion of the savings in oper-*
21 *ating costs resulting from such renovations and im-*
22 *provements to be retained by the project owner, not-*
23 *withstanding otherwise applicable limitations on*
24 *dividends;*

1 (5) promotes the installation, in existing residen-
2 tial buildings, of energy-efficient and cost-effective im-
3 provements and renewable energy improvements, such
4 as improvements providing for use of solar, wind,
5 geothermal, or biomass energy sources;

6 (6) tests the efficacy of a variety of energy effi-
7 ciency measures for multifamily housing projects of
8 various sizes and in various geographic locations;

9 (7) tests methods for addressing the various, and
10 often competing, incentives that impede owners and
11 residents of multifamily housing projects from work-
12 ing together to achieve energy efficiency or conserva-
13 tion; and

14 (8) creates a database of energy efficiency and
15 conservation, and renewable energy, techniques, en-
16 ergy-savings management practices, and energy effi-
17 ciency and conservation financing vehicles.

18 (c) *APPROACHES*.—In carrying out the demonstration
19 program under this section, the Secretary may—

20 (1) enter into agreements with the Building
21 America Program of the Department of Energy and
22 other consensus committees under which such pro-
23 grams, partnerships, or committees assume some or
24 all of the functions, obligations, and benefits of the
25 Secretary with respect to energy savings;

1 (2) *establish advisory committees to advise the*
2 *Secretary and any such third-party partners on tech-*
3 *nological and other developments in the area of en-*
4 *ergy efficiency and the creation of an energy effi-*
5 *ciency and conservation credit facility and other fi-*
6 *nancing opportunities, which committees shall include*
7 *representatives of homebuilders, realtors, multifamily*
8 *housing development and management areas, archi-*
9 *tects, nonprofit housing organizations, environmental*
10 *protection organizations, renewable energy organiza-*
11 *tions, and advocacy organizations for the elderly and*
12 *persons with disabilities; any advisory committees es-*
13 *tablished pursuant to this paragraph shall not be sub-*
14 *ject to the Federal Advisory Committee Act (5 U.S.C.*
15 *App.);*

16 (3) *approve, for a period not to exceed 10 years,*
17 *additional adjustments in the maximum monthly*
18 *rents or additional project rental assistance, or addi-*
19 *tional Indian housing block grant funds under the*
20 *Native American Housing Assistance and Self-Deter-*
21 *mination Act of 1996, as applicable, for dwelling*
22 *units in multifamily housing projects that are pro-*
23 *vided project-based rental assistance under a covered*
24 *multifamily assistance program, in such amounts as*
25 *may be necessary to amortize all or a portion of the*

1 *cost of energy efficiency and conservation measures*
2 *for such projects;*

3 *(4) develop a competitive process for the award*
4 *of such additional assistance for multifamily housing*
5 *projects seeking to implement energy efficiency, re-*
6 *newable energy sources, or conservation measures;*
7 *such competitive process shall not be limited to assess*
8 *the first costs, but shall assess the degree to which ap-*
9 *plicants will meet each of the goals of the demonstra-*
10 *tion program under subsection (b); and*

11 *(5) waive or modify any existing statutory or*
12 *regulatory provision that the Secretary administers*
13 *that would otherwise impair the implementation or*
14 *effectiveness of the demonstration program under this*
15 *section, including provisions relating to methods for*
16 *rent adjustments, comparability standards, maximum*
17 *rent schedules, and utility allowances; notwith-*
18 *standing the preceding provisions of this paragraph,*
19 *the Secretary may not waive any statutory require-*
20 *ment relating to fair housing, nondiscrimination,*
21 *labor standards, or the environment, except pursuant*
22 *to existing authority to waive nonstatutory environ-*
23 *mental and other applicable requirements.*

24 *(d) REQUIREMENT.—During the 5-year period begin-*
25 *ning on the date of the enactment of this Act, the Secretary*

1 *shall carry out demonstration programs under this section*
2 *with respect to not fewer than 50,000 dwelling units.*

3 *(e) SELECTION.—*

4 *(1) SCOPE.—In order to provide a broad and*
5 *representative profile for use in designing a program*
6 *which can become operational and effective nation-*
7 *wide, the Secretary shall carry out the demonstration*
8 *program under this section with respect to dwelling*
9 *units located in a wide variety of geographic areas*
10 *and project types assisted by the various covered mul-*
11 *tifamily assistance programs and using a variety of*
12 *energy efficiency and conservation and funding tech-*
13 *niques to reflect differences in climate, types of dwell-*
14 *ing units and technical and scientific methodologies,*
15 *and financing options. The Secretary shall ensure*
16 *that the geographic areas included in the demonstra-*
17 *tion program include dwelling units on Indian lands*
18 *(as such term is defined in section 2601 of the Energy*
19 *Policy Act of 1992 (25 U.S.C. 3501), to the extent*
20 *that dwelling units on Indian land have the type of*
21 *residential structures that are the focus of the dem-*
22 *onstration program.*

23 *(2) PRIORITY.—The Secretary shall provide pri-*
24 *ority for selection for participation in the program*
25 *under this section based on the extent to which, as a*

1 *result of assistance provided, the project will comply*
2 *with the energy efficiency standards under subsection*
3 *(a), (b), or (c) of section 4 of this Act.*

4 *(f) USE OF EXISTING PARTNERSHIPS.—To the extent*
5 *feasible, the Secretary shall—*

6 *(1) utilize the Partnership for Advancing Tech-*
7 *nology in Housing of the Department of Housing and*
8 *Urban Development to assist in carrying out the re-*
9 *quirements of this section and to provide education*
10 *and outreach regarding the demonstration program*
11 *authorized under this section; and*

12 *(2) consult with the Secretary of Energy, the Ad-*
13 *ministrator of the Environmental Protection Agency,*
14 *and the Secretary of the Army regarding utilizing the*
15 *Building America Program of the Department of En-*
16 *ergy, the Energy Star Program, and the Army Corps*
17 *of Engineers, respectively, to determine the manner in*
18 *which they might assist in carrying out the goals of*
19 *this section and providing education and outreach re-*
20 *garding the demonstration program authorized under*
21 *this section.*

22 *(g) LIMITATION.—No amounts made available under*
23 *the American Recovery and Reinvestment Act of 2009 (Pub-*
24 *lic Law 111–5) may be used to carry out the demonstration*
25 *program under this section.*

1 (h) *REPORTS.*—

2 (1) *ANNUAL.*—Within 2 years after the date of
3 the enactment of this Act, and for each year thereafter
4 during the term of the demonstration program, the
5 Secretary shall submit a report to the Congress annu-
6 ally that describes and assesses the demonstration
7 program under this section.

8 (2) *FINAL.*—Not later than 6 months after the
9 expiration of the 4-year period described in subsection
10 (d), the Secretary shall submit a final report to the
11 Congress assessing the demonstration program,
12 which—

13 (A) shall assess the potential for expanding
14 the demonstration program on a nationwide
15 basis; and

16 (B) shall include descriptions of—

17 (i) the size of each multifamily housing
18 project for which assistance was provided
19 under the program;

20 (ii) the geographic location of each
21 project assisted, by State and region;

22 (iii) the criteria used to select the
23 projects for which assistance is provided
24 under the program;

1 (iv) the energy efficiency and conserva-
2 tion measures and financing sources used
3 for each project that is assisted under the
4 program;

5 (v) the difference, before and during
6 participation in the demonstration pro-
7 gram, in the amount of the monthly assist-
8 ance payments under the covered multi-
9 family assistance program for each project
10 assisted under the program;

11 (vi) the average length of the term of
12 the such assistance provided under the pro-
13 gram for a project;

14 (vii) the aggregate amount of savings
15 generated by the demonstration program
16 and the amount of savings expected to be
17 generated by the program over time on a
18 per-unit and aggregate program basis;

19 (viii) the functions performed in con-
20 nection with the implementation of the dem-
21 onstration program that were transferred or
22 contracted out to any third parties;

23 (ix) an evaluation of the overall suc-
24 cesses and failures of the demonstration pro-
25 gram; and

1 (x) recommendations for any actions to
2 be taken as a result of the such successes
3 and failures.

4 (3) CONTENTS.—Each annual report pursuant
5 to paragraph (1) and the final report pursuant to
6 paragraph (2) shall include—

7 (A) a description of the status of each mul-
8 tifamily housing project selected for participa-
9 tion in the demonstration program under this
10 section; and

11 (B) findings from the program and rec-
12 ommendations for any legislative actions.

13 (i) COVERED MULTIFAMILY ASSISTANCE PROGRAM.—
14 For purposes of this section, the term “covered multifamily
15 assistance program” means—

16 (1) the program under section 8 of the United
17 States Housing Act of 1937 (42 U.S.C. 1437f) for
18 project-based rental assistance;

19 (2) the program under section 202 of the Hous-
20 ing Act of 1959 (12 U.S.C. 1701q) for assistance for
21 supportive housing for the elderly;

22 (3) the program under section 811 of the Cran-
23 ston-Gonzalez National Affordable Housing Act (42
24 U.S.C. 8013) for supportive housing for persons with
25 disabilities;

1 (4) the program under section 236 of the Na-
2 tional Housing Act (12 U.S.C. 1715z–1 for assistance
3 for rental housing projects;

4 (5) the program for mortgage insurance under
5 section 221(d)(3) of the National Housing Act (12
6 U.S.C. 1715l(d)(3)) for rental housing projects;

7 (6) the program under section 515 of the Hous-
8 ing Act of 1949 (42 U.S.C. 1485) for rural rental
9 housing; and

10 (7) the program for assistance under the Native
11 American Housing Assistance and Self-Determination
12 Act of 1996 (25 U.S.C. 4111).

13 (j) *AUTHORIZATION OF APPROPRIATIONS.*—There is
14 authorized to be appropriated to carry out this section, in-
15 cluding providing rent adjustments, additional project rent-
16 al assistance, and incentives, \$50,000,000 for each fiscal
17 year in which the demonstration program under this sec-
18 tion is carried out.

19 (k) *REGULATIONS.*—Not later than the expiration of
20 the 180-day period beginning on the date of the enactment
21 of this Act, the Secretary shall issue any regulations nec-
22 essary to carry out this section.

1 **SEC. 6. CONSIDERATION OF ENERGY EFFICIENCY UNDER**
 2 **FHA MORTGAGE INSURANCE PROGRAMS AND**
 3 **NATIVE AMERICAN AND NATIVE HAWAIIAN**
 4 **LOAN GUARANTEE PROGRAMS.**

5 (a) *FHA MORTGAGE INSURANCE.*—

6 (1) *REQUIREMENT.*—*Title V of the National*
 7 *Housing Act is amended by adding after section 542*
 8 *(12 U.S.C. 1735f–20) the following new section:*

9 **“SEC. 543. CONSIDERATION OF ENERGY EFFICIENCY.**

10 **“(a) UNDERWRITING STANDARDS.**—*The Secretary*
 11 *shall establish a method to consider, in its underwriting*
 12 *standards for mortgages on single-family housing meeting*
 13 *the energy efficiency standards under section 4(a) of the*
 14 *Green Resources for Energy Efficient Neighborhoods Act of*
 15 *2010 that are insured under this Act, the impact that sav-*
 16 *ings on utility costs has on the income of the mortgagor.*

17 **“(b) GOAL.**—*It is the sense of the Congress that, in*
 18 *carrying out this Act, the Secretary should endeavor to in-*
 19 *sure mortgages on single-family housing meeting the energy*
 20 *efficiency standards under section 4(a) of the Green Re-*
 21 *sources for Energy Efficient Neighborhoods Act of 2010 such*
 22 *that at least 50,000 such mortgages are insured during the*
 23 *period beginning upon the date of the enactment of such*
 24 *Act and ending on December 31, 2012.”.*

25 (2) *REPORTING ON DEFAULTS.*—*Section 540(b)*
 26 *of the National Housing Act (12 U.S.C. 1735f–18(b))*

1 *is amended by adding at the end the following new*
 2 *paragraph:*

3 *“(3) With respect to each collection period that*
 4 *commences after December 31, 2011, the total number*
 5 *of mortgages on single-family housing meeting the en-*
 6 *ergy efficiency standards under section 4(a) of the*
 7 *Green Resources for Energy Efficient Neighborhoods*
 8 *Act of 2010 that are insured by the Secretary during*
 9 *the applicable collection period, the number of de-*
 10 *faults and foreclosures occurring on such mortgages*
 11 *during such period, the percentage of the total of such*
 12 *mortgages insured during such period on which de-*
 13 *faults and foreclosure occurred, and the rate for such*
 14 *period of defaults and foreclosures on such mortgages*
 15 *compared to the overall rate for such period of de-*
 16 *faults and foreclosures on mortgages for single-family*
 17 *housing insured under this Act by the Secretary.”.*

18 *(b) INDIAN HOUSING LOAN GUARANTEES.—*

19 *(1) REQUIREMENT.—Section 184 of the Housing*
 20 *and Community Development Act of 1992 (12 U.S.C.*
 21 *1715z–13a) is amended—*

22 *(A) by redesignating subsection (l) as sub-*
 23 *section (m); and*

24 *(B) by inserting after subsection (k) the fol-*
 25 *lowing new subsection:*

1 “(l) *CONSIDERATION OF ENERGY EFFICIENCY.*—The
 2 Secretary shall establish a method to consider, in its under-
 3 writing standards for loans for single-family housing meet-
 4 ing the energy efficiency standards under section 4(a) of
 5 the Green Resources for Energy Efficient Neighborhoods Act
 6 of 2010 that are guaranteed under this section, the impact
 7 that savings on utility costs has on the income of the bor-
 8 rower.”.

9 (2) *REPORTING ON DEFAULTS.*—Section 540(b)
 10 of the National Housing Act (12 U.S.C. 1735f–18(b)),
 11 as amended by subsection (a)(2) of this section, is fur-
 12 ther amended by adding at the end the following new
 13 paragraph:

14 “(4) With respect to each collection period that
 15 commences after December 31, 2011, the total number
 16 of loans guaranteed under section 184 of the Housing
 17 and Community Development Act of 1992 (12 U.S.C.
 18 1715z–13a) on single-family housing meeting the en-
 19 ergy efficiency standards under section 4(a) of the
 20 Green Resources for Energy Efficient Neighborhoods
 21 Act of 2010 that are guaranteed by the Secretary dur-
 22 ing the applicable collection period, the number of de-
 23 faults and foreclosures occurring on such loans during
 24 such period, the percentage of the total of such loans
 25 guaranteed during such period on which defaults and

1 foreclosure occurred, and the rate for such period of
 2 defaults and foreclosures on such loans compared to
 3 the overall rate for such period of defaults and fore-
 4 closures on loans for single-family housing guaranteed
 5 under such section 184 by the Secretary.”.

6 (c) *NATIVE HAWAIIAN HOUSING LOAN GUARAN-*
 7 *TEES.*—

8 (1) *REQUIREMENT.*—Section 184A of the *Hous-*
 9 *ing and Community Development Act of 1992* (12
 10 *U.S.C. 1715z–13b*) is amended by inserting after sub-
 11 section (l) the following new subsection:

12 “(m) *ENERGY-EFFICIENT HOUSING REQUIREMENT.*—
 13 *The Secretary shall establish a method to consider, in its*
 14 *underwriting standards for loans for single-family housing*
 15 *meeting the energy efficiency standards under section 4(a)*
 16 *of the Green Resources for Energy Efficient Neighborhoods*
 17 *Act of 2010 that are guaranteed under this section, the im-*
 18 *pact that savings on utility costs has on the income of the*
 19 *borrower.”.*

20 (2) *REPORTING ON DEFAULTS.*—Section 540(b)
 21 *of the National Housing Act* (12 *U.S.C. 1735f–18(b)*),
 22 *as amended by the preceding provisions of this sec-*
 23 *tion, is further amended by adding at the end the fol-*
 24 *lowing new paragraph:*

1 “(5) *With respect to each collection period that*
2 *commences after December 31, 2011, the total number*
3 *of loans guaranteed under section 184A of the Hous-*
4 *ing and Community Development Act of 1992 (12*
5 *U.S.C. 1715z–13b) on single-family housing meeting*
6 *the energy efficiency standards under section 4(a) of*
7 *the Green Resources for Energy Efficient Neighbor-*
8 *hoods Act of 2010 that are guaranteed by the Sec-*
9 *retary during the applicable collection period, the*
10 *number of defaults and foreclosures occurring on such*
11 *loans during such period, the percentage of the total*
12 *of such loans guaranteed during such period on which*
13 *defaults and foreclosure occurred, and the rate for*
14 *such period of defaults and foreclosures on such loans*
15 *compared to the overall rate for such period of de-*
16 *faults and foreclosures on loans for single-family*
17 *housing guaranteed under such section 184A by the*
18 *Secretary.”.*

19 **SEC. 7. ENERGY-EFFICIENT MORTGAGES AND LOCATION-EF-**
20 **FICIENT MORTGAGES EDUCATION AND OUT-**
21 **REACH CAMPAIGN.**

22 *Section 106 of the Energy Policy Act of 1992 (12*
23 *U.S.C. 1701z–16) is amended by adding at the end the fol-*
24 *lowing new subsection:*

25 “(g) *EDUCATION AND OUTREACH CAMPAIGN.—*

1 “(1) *DEVELOPMENT OF ENERGY- AND LOCATION-*
2 *EFFICIENT MORTGAGES OUTREACH PROGRAM.*—

3 “(A) *COMMISSION.*—*The Secretary, in con-*
4 *sultation and coordination with the Secretary of*
5 *Energy, the Secretary of Education, the Sec-*
6 *retary of Agriculture, and the Administrator of*
7 *the Environmental Protection Agency, shall es-*
8 *tablish a commission to develop and recommend*
9 *model mortgage products and underwriting*
10 *guidelines that provide market-based incentives*
11 *to prospective home buyers, lenders, and sellers*
12 *to incorporate energy efficiency upgrades and lo-*
13 *cation efficiencies in new mortgage loan trans-*
14 *actions.*

15 “(B) *REPORT.*—*Not later than 24 months*
16 *after the date of the enactment of this Act, the*
17 *Secretary shall provide a written report to the*
18 *Congress on the results of work of the commission*
19 *established pursuant to subparagraph (A) and*
20 *that identifies model mortgage products and un-*
21 *derwriting guidelines that may encourage energy*
22 *and location efficiency.*

23 “(2) *IMPLEMENTATION.*—*After submission of the*
24 *report under paragraph (1)(B), the Secretary, in con-*
25 *sultation and coordination with the Secretary of En-*

1 *ergy, the Secretary of Education, and the Adminis-*
2 *trator of the Environmental Protection Agency, shall*
3 *carry out a public awareness, education, and outreach*
4 *campaign based on the findings of the commission es-*
5 *tablished pursuant to paragraph (1) to inform and*
6 *educate residential lenders and prospective borrowers*
7 *regarding the availability, benefits, advantages, and*
8 *terms of energy-efficient mortgages and location-effi-*
9 *cient mortgages made available pursuant to this sec-*
10 *tion, energy-efficient and location-efficient mortgages*
11 *(as such terms are defined in section 2 of the GREEN*
12 *Act of 2010), and other mortgages, including mort-*
13 *gages for multifamily housing, that have energy im-*
14 *provement features or location efficiency features and*
15 *to publicize such availability, benefits, advantages,*
16 *and terms. Such actions may include entering into a*
17 *contract with an appropriate entity to publicize and*
18 *market such mortgages through appropriate media.*

19 “(3) *RENEWABLE ENERGY HOME PRODUCT*
20 *EXPOS.—The Congress hereby encourages the Sec-*
21 *retary of Housing and Urban Development to work*
22 *with appropriate entities to organize and hold renew-*
23 *able energy expositions that provide an opportunity*
24 *for the public to view and learn about renewable en-*

1 *ergy products for the home that are currently on the*
 2 *market.*

3 “(4) *AUTHORIZATION OF APPROPRIATIONS.—*
 4 *There is authorized to be appropriated to the Sec-*
 5 *retary to carry out this subsection \$5,000,000 for each*
 6 *of fiscal years 2010 through 2014.’’.*

7 **SEC. 8. COLLECTION OF INFORMATION ON ENERGY-EFFI-**
 8 **CIENT AND LOCATION-EFFICIENT MORT-**
 9 **GAGES THROUGH HOME MORTGAGE DISCLO-**
 10 **SURE ACT.**

11 (a) *IN GENERAL.—Section 304(b) of the Home Mort-*
 12 *gage Disclosure Act of 1975 (12 U.S.C. 2803(b)) is amend-*
 13 *ed—*

14 (1) *in paragraph (3), by striking “and” at the*
 15 *end;*

16 (2) *in paragraph (4), by striking the period at*
 17 *the end and inserting a semicolon; and*

18 (3) *by adding at the end the following new para-*
 19 *graphs:*

20 “(5) *the number and dollar amount of mortgage*
 21 *loans for single-family housing and for multifamily*
 22 *housing that are energy-efficient mortgages (as such*
 23 *term is defined in section 2 of the GREEN Act of*
 24 *2010); and*

1 “(6) the number and dollar amount of mortgage
 2 loans for single-family housing and for multifamily
 3 housing that are location-efficient mortgages (as such
 4 term is defined in section 2 of the GREEN Act of
 5 2010).”.

6 (b) *APPLICABILITY.*—The amendment made by sub-
 7 section (a) shall apply with respect to the first calendar
 8 year that begins after the expiration of the 30-day period
 9 beginning on the date of the enactment of this Act.

10 **SEC. 9. ENSURING AVAILABILITY OF HOMEOWNERS INSUR-**
 11 **ANCE FOR HOMES NOT CONNECTED TO ELEC-**
 12 **TRICITY GRID.**

13 (a) *CONGRESSIONAL INTENT.*—The Congress intends
 14 that—

15 (1) consumers shall not be denied homeowners
 16 insurance for a dwelling (as such term is defined in
 17 subsection (c)) based solely on the fact that the dwell-
 18 ing is not connected to or able to receive electricity
 19 service from any wholesale or retail electric power
 20 provider;

21 (2) States should ensure that consumers are able
 22 to obtain homeowners insurance for such dwellings;

23 (3) States should support insurers that develop
 24 voluntary incentives to provide such insurance; and

1 (4) *States may not prohibit insurers from offer-*
 2 *ing a homeowners insurance product specifically de-*
 3 *signed for such dwellings.*

4 (b) *INSURING HOMES AND RELATED PROPERTY IN IN-*
 5 *DIAN AREAS.*—*Notwithstanding any other provision of law,*
 6 *dwellings located in Indian areas (as such term is defined*
 7 *in section 4 of the Native American Housing Assistance and*
 8 *Self-Determination Act of 1996 (25 U.S.C. 4103)) and con-*
 9 *structed or maintained using assistance, loan guarantees,*
 10 *or other authority under the Native American Housing As-*
 11 *sistance and Self-Determination Act of 1996 may be in-*
 12 *sured by any tribally owned self-insurance risk pool ap-*
 13 *proved by the Secretary of Housing and Urban Develop-*
 14 *ment.*

15 (c) *DWELLING.*—*For purposes of this section, the term*
 16 *“dwelling” means a residential structure that—*

- 17 (1) *consists of one to four dwelling units;*
- 18 (2) *is provided electricity from renewable energy*
 19 *sources; and*
- 20 (3) *is not connected to any wholesale or retail*
 21 *electrical power grid.*

22 **SEC. 10. MORTGAGE INCENTIVES FOR ENERGY-EFFICIENT**
 23 **MULTIFAMILY HOUSING.**

24 (a) *IN GENERAL.*—*The Secretary of Housing and*
 25 *Urban Development shall establish incentives for increasing*

1 *the energy efficiency of multifamily housing that is subject*
2 *to a mortgage to be insured under title II of the National*
3 *Housing Act (12 U.S.C. 1707 et seq.) so that the housing*
4 *meets the energy efficiency standards under section 4(a) of*
5 *this Act and incentives to encourage compliance of such*
6 *housing with the energy efficiency and conservation stand-*
7 *ards, and the green building standards, under section 4(b)*
8 *of this Act, to the extent that such incentives are based on*
9 *the impact that savings on utility costs has on the operating*
10 *costs of the housing, as determined by the Secretary.*

11 *(b) INCENTIVES.—Such incentives may include, for*
12 *any such multifamily housing that complies with the energy*
13 *efficiency standards under section 4(a)—*

14 *(1) providing a discount on the chargeable pre-*
15 *miums for the mortgage insurance for such housing*
16 *from the amount otherwise chargeable for such mort-*
17 *gage insurance;*

18 *(2) allowing mortgages to exceed the dollar*
19 *amount limits otherwise applicable under law to the*
20 *extent such additional amounts are used to finance*
21 *improvements or measures designed to meet the stand-*
22 *ards referred to in subsection (a); and*

23 *(3) reducing the amount that the owner of such*
24 *multifamily housing meeting the standards referred to*
25 *in subsection (a) is required to contribute.*

1 **SEC. 11. ENERGY-EFFICIENT CERTIFICATIONS FOR MANU-**
2 **FACTURED HOUSING WITH MORTGAGES.**

3 *Section 526 of the National Housing Act (12 U.S.C.*
4 *1735f-4(a)) is amended—*

5 *(1) in subsection (a)—*

6 *(A) by striking “, other than manufactured*
7 *homes,” each place such term appears;*

8 *(B) by inserting after the period at the end*
9 *the following: “The energy performance require-*
10 *ments developed and established by the Secretary*
11 *under this section for manufactured homes shall*
12 *require Energy Star rating for wall fixtures, ap-*
13 *pliances, and equipment in such housing.”;*

14 *(C) by inserting “(1)” after “(a)”;* and

15 *(D) by adding at the end the following new*
16 *paragraphs:*

17 *“(2) The Secretary shall require, with respect to any*
18 *mortgage for manufactured housing insured under this Act,*
19 *that any approval or certification of the housing for meet-*
20 *ing any energy efficiency or conservation criteria, stand-*
21 *ards, or requirements pursuant to this title and any ap-*
22 *proval or certification required pursuant to this title with*
23 *respect to energy-conserving improvements or any renew-*
24 *able energy sources, such as wind, solar energy geothermal,*
25 *or biomass, shall be conducted only by an individual cer-*
26 *tified by a home energy rating system provider who has*

1 *been accredited to conduct such ratings by the Home Energy*
 2 *Ratings System Council, the Residential Energy Services*
 3 *Network, or such other appropriate national organization,*
 4 *as the Secretary may provide, or by licensed professional*
 5 *architect or engineer. If any organization makes a request*
 6 *to the Secretary for approval to accredit individuals to con-*
 7 *duct energy efficiency or conservation ratings, the Secretary*
 8 *shall review and approve or disapprove such request not*
 9 *later than the expiration of the 6-month period beginning*
 10 *upon receipt of such request.*

11 “(3) *The Secretary shall periodically examine the*
 12 *method used to conduct inspections for compliance with the*
 13 *requirements under this section, analyze various other ap-*
 14 *proaches for conducting such inspections, and review the*
 15 *costs and benefits of the current method compared with*
 16 *other methods.”; and*

17 (2) *in subsection (b), by striking “, other than a*
 18 *manufactured home,”.*

19 **SEC. 12. ASSISTED HOUSING ENERGY LOAN PILOT PRO-**
 20 **GRAM.**

21 (a) *AUTHORITY.*—*Not later than the expiration of the*
 22 *12-month period beginning on the date of the enactment of*
 23 *this Act, the Secretary shall develop and implement a pilot*
 24 *program under this section to facilitate the financing of*
 25 *cost-effective capital improvements for covered assisted*

1 *housing projects to improve the energy efficiency and con-*
2 *servation of such projects.*

3 (b) *LOANS.—The pilot program under this section*
4 *shall involve not less than three and not more than five*
5 *lenders, and shall provide for a privately financed loan to*
6 *be made for a covered assisted housing project, which*
7 *shall—*

8 (1) *finance capital improvements for the project*
9 *that meet such requirements as the Secretary shall es-*
10 *tablish, and may involve contracts with third parties*
11 *to perform such capital improvements, including the*
12 *design of such improvements by licensed professional*
13 *architects or engineers;*

14 (2) *have a term to maturity of not more than 20*
15 *years, which shall be based upon the duration nec-*
16 *essary to realize cost savings sufficient to repay the*
17 *loan;*

18 (3) *be secured by a mortgage subordinate to the*
19 *mortgage for the project that is insured under the Na-*
20 *tional Housing Act; and*

21 (4) *provide for a reduction in the remaining*
22 *principal obligation under the loan based on the ac-*
23 *tual resulting cost savings realized from the capital*
24 *improvements financed with the loan.*

1 (c) *UNDERWRITING STANDARDS.*—*The Secretary shall*
 2 *review underwriting requirements for loans made under the*
 3 *pilot program under this section, which shall—*

4 (1) *require the cost savings projected to be real-*
 5 *ized from the capital improvements financed with the*
 6 *loan, during the term of the loan, to exceed the costs*
 7 *of repaying the loan;*

8 (2) *allow the designer or contractor involved in*
 9 *designing capital improvements to be financed with a*
 10 *loan under the program to carry out such capital im-*
 11 *provements; and*

12 (3) *include such energy, audit, property, finan-*
 13 *cial, ownership, and approval requirements as the*
 14 *Secretary considers appropriate.*

15 (d) *TREATMENT OF SAVINGS.*—*The pilot program*
 16 *under this section shall provide that the project owner shall*
 17 *receive the full financial benefit from any reduction in the*
 18 *cost of utilities resulting from capital improvements fi-*
 19 *nanced with a loan made under the program.*

20 (e) *COVERED ASSISTED HOUSING PROJECTS.*—*For*
 21 *purposes of this section, the term “covered assisted housing*
 22 *project” means a housing project that—*

23 (1) *is financed by a loan or mortgage that is—*

24 (A) *insured by the Secretary under—*

1 (i) subsection (d)(3) of section 221 of
2 the National Housing Act (12 U.S.C.
3 1715l), and bears interest at a rate deter-
4 mined under the proviso of section
5 221(d)(5) of such Act; or

6 (ii) subsection (d)(4) of such section
7 221;

8 (B) insured or assisted under section 236 of
9 the National Housing Act (12 U.S.C. 1715z-1);
10 or

11 (C) is assisted with a capital advance under
12 section 202 of the Housing Act of 1959 (12
13 U.S.C. 1701q) or a loan under such section (as
14 in effect before October 1, 1991);

15 (2) at the time a loan under this section is made,
16 is provided project-based rental assistance under sec-
17 tion 8 of the United States Housing Act of 1937 (42
18 U.S.C. 1437f) , or project rental assistance under sec-
19 tion 202 of the Housing Act of 1959, as applicable,
20 for 50 percent or more of the dwelling units in the
21 project; and

22 (3) is not a housing project owned or held by the
23 Secretary, or subject to a mortgage held by the Sec-
24 retary.

1 **SEC. 13. MAKING IT GREEN.**

2 (a) *PARTNERSHIPS WITH TREE-PLANTING ORGANIZA-*
3 *TIONS.—The Secretary shall establish and provide incen-*
4 *tives for developers of housing for which any HUD financial*
5 *assistance, as determined by the Secretary, is provided for*
6 *development, maintenance, operation, or other costs, to*
7 *enter into agreements and partnerships with tree-planting*
8 *organizations, nurseries, and landscapers to certify that*
9 *trees, shrubs, grasses, and other plants are planted in the*
10 *proper manner, are provided adequate maintenance, and*
11 *survive for at least 3 years after planting or are replaced.*
12 *The financial assistance determined by the Secretary as eli-*
13 *gible under this section shall take into consideration such*
14 *factors as cost effectiveness and affordability.*

15 (b) *MAKING IT GREEN PLAN.—In the case of any new*
16 *or substantially rehabilitated housing for which HUD fi-*
17 *nancial assistance, as determined in accordance with sub-*
18 *section (a), is provided by the Secretary for the develop-*
19 *ment, construction, maintenance, rehabilitation, improve-*
20 *ment, operation, or costs of the housing, including financial*
21 *assistance provided through the Community Development*
22 *Block Grant program under title I of the Housing and*
23 *Community Development Act of 1974 (42 U.S.C. 5301 et*
24 *seq.), the Secretary shall require the development of a plan*
25 *that provides for—*

1 (1) *in the case of new construction and improve-*
2 *ments, siting of such housing and improvements in a*
3 *manner that provides for energy efficiency and con-*
4 *servation to the extent feasible, taking into consider-*
5 *ation location and project type;*

6 (2) *minimization of the effects of construction,*
7 *rehabilitation, or other development on the condition*
8 *of existing trees;*

9 (3) *selection and installation of indigenous trees,*
10 *shrubs, grasses, and other plants based upon applica-*
11 *ble design guidelines and standards of the Inter-*
12 *national Society for Arboriculture;*

13 (4) *post-planting care and maintenance of the*
14 *landscaping relating to or affected by the housing in*
15 *accordance with best management practices; and*

16 (5) *establishment of a goal for minimum*
17 *greenspace or tree canopy cover for the housing site*
18 *for which such financial assistance is provided, in-*
19 *cluding guidelines and timetables within which to*
20 *achieve compliance with such minimum requirements.*

21 (c) *PARTNERSHIPS.*—*In carrying out this section, the*
22 *Secretary is encouraged to consult, as appropriate, with na-*
23 *tional organizations dedicated to providing housing assist-*
24 *ance and related services to low-income families, such as*
25 *the Alliance for Community Trees and its affiliates, the*

1 *American Nursery and Landscape Association, the Amer-*
 2 *ican Society of Landscape Architects, and the National*
 3 *Arbor Day Foundation.*

4 **SEC. 14. RESIDENTIAL ENERGY EFFICIENCY BLOCK GRANT**
 5 **PROGRAM.**

6 *Title I of the Housing and Community Development*
 7 *Act of 1974 (42 U.S.C. 5301 et seq.) is amended by adding*
 8 *at the end the following new section:*

9 **“SEC. 123. RESIDENTIAL ENERGY EFFICIENCY BLOCK**
 10 **GRANT PROGRAM.**

11 *“(a) IN GENERAL.—To the extent amounts are made*
 12 *available for grants under this section, the Secretary shall*
 13 *make grants under this section to States, metropolitan cities*
 14 *and urban counties, Indian tribes, and insular areas to*
 15 *carry out energy efficiency improvements in new and exist-*
 16 *ing single-family and multifamily housing.*

17 *“(b) ALLOCATIONS.—*

18 *“(1) IN GENERAL.—Of the total amount made*
 19 *available for each fiscal year for grants under this*
 20 *section that remains after reserving amounts pursu-*
 21 *ant to paragraph (2), the Secretary shall allocate for*
 22 *insular areas, for metropolitan cities and urban coun-*
 23 *ties, and for States, an amount that bears the same*
 24 *ratio to such total amount as the amount allocated for*
 25 *such fiscal year under section 106 for Indian tribes,*

1 *for insular areas, for metropolitan cities and urban*
 2 *counties, and for States, respectively, bears to the*
 3 *total amount made available for such fiscal year for*
 4 *grants under section 106.*

5 “(2) *SET ASIDE FOR INDIAN TRIBES.*—*Of the*
 6 *total amount made available for each fiscal year for*
 7 *grants under this section, the Secretary shall allocate*
 8 *not less than 1 percent to Indian tribes.*

9 “(c) *GRANT AMOUNTS.*—

10 “(1) *ENTITLEMENT COMMUNITIES.*—*From the*
 11 *amounts allocated pursuant to subsection (b) for met-*
 12 *ropolitan cities and urban counties for each fiscal*
 13 *year, the Secretary shall make a grant for such fiscal*
 14 *year to each metropolitan city and urban county that*
 15 *complies with the requirement under subsection (d),*
 16 *in the amount that bears the same ratio such total*
 17 *amount so allocated as the amount of the grant for*
 18 *such fiscal year under section 106 for such metropoli-*
 19 *tan city or urban county bears to the aggregate*
 20 *amount of all grants for such fiscal year under sec-*
 21 *tion 106 for all metropolitan cities and urban coun-*
 22 *ties.*

23 “(2) *STATES.*—*From the amounts allocated pur-*
 24 *suant to subsection (b) for States for each fiscal year,*
 25 *the Secretary shall make a grant for such fiscal year*

1 to each State that complies with the requirement
2 under subsection (d), in the amount that bears the
3 same ratio such total amount so allocated as the
4 amount of the grant for such fiscal year under section
5 106 for such State bears to the aggregate amount of
6 all grants for such fiscal year under section 106 for
7 all States. Grant amounts received by a State shall
8 be used only for eligible activities under subsection (e)
9 carried out in nonentitlement areas of the State.

10 “(3) INDIAN TRIBES.—From the amounts allo-
11 cated pursuant to subsection (b) for Indian tribes, the
12 Secretary shall make grants to Indian tribes that
13 comply with the requirement under subsection (d) on
14 the basis of a competition conducted pursuant to spe-
15 cific criteria, as the Secretary shall establish by regu-
16 lation, for the selection of Indian tribes to receive such
17 amount.

18 “(4) INSULAR AREAS.—From the amounts allo-
19 cated pursuant to subsection (b) for insular areas, the
20 Secretary shall make a grant to each insular area
21 that complies with the requirement under subsection
22 (d) on the basis of the ratio of the population of the
23 insular area to the aggregate population of all insular
24 areas. In determining the distribution of amounts to
25 insular areas, the Secretary may also include other

1 *statistical criteria as data become available from the*
2 *Bureau of Census of the Department of Labor, but*
3 *only if such criteria are set forth by regulation issued*
4 *after notice and an opportunity for comment.*

5 “(d) *STATEMENT OF ACTIVITIES.*—

6 “(1) *REQUIREMENT.*—*Before receipt the receipt*
7 *in any fiscal year of a grant under subsection (c) by*
8 *any grantee, the grantee shall have prepared a final*
9 *statement of housing energy efficiency objectives and*
10 *projected use of funds as the Secretary shall require*
11 *and shall have provided the Secretary with such cer-*
12 *tifications regarding such objectives and use as the*
13 *Secretary may require. In the case of metropolitan*
14 *cities, urban counties, units of general local govern-*
15 *ment, and insular areas receiving grants, the state-*
16 *ment of projected use of funds shall consist of pro-*
17 *posed housing energy efficiency activities. In the case*
18 *of States receiving grants, the statement of projected*
19 *use of funds shall consist of the method by which the*
20 *States will distribute funds to units of general local*
21 *government.*

22 “(2) *PUBLIC PARTICIPATION.*—*The Secretary*
23 *may establish requirements to ensure the public avail-*
24 *ability of information regarding projected use of*

1 *grant amounts and public participation in deter-*
2 *mining such projected use.*

3 “(e) *ELIGIBLE ACTIVITIES.*—

4 “(1) *REQUIREMENT.*—*Amounts from a grant*
5 *under this section may be used only to carry out ac-*
6 *tivities for single-family or multifamily housing that*
7 *are designed to improve the energy efficiency of the*
8 *housing so that the housing complies with the energy*
9 *efficiency standards under section 4(a) of the Green*
10 *Resources for Energy Efficient Neighborhoods Act of*
11 *2010, including such activities to provide energy for*
12 *such housing from renewable sources, such as wind,*
13 *waves, solar, biomass, and geothermal sources.*

14 “(2) *PREFERENCE FOR COMPLIANCE BEYOND*
15 *BASIC REQUIREMENTS.*—*In selecting activities to be*
16 *funded with amounts from a grant under this section,*
17 *a grantee shall give more preference to activities based*
18 *on the extent to which the activities will result in*
19 *compliance by the housing with the enhanced energy*
20 *efficiency and conservation standards, and the green*
21 *building standards, under section 4(b) of such Act.*

22 “(f) *REPORTS.*—*Each grantee of a grant under this*
23 *section for a fiscal year shall submit to the Secretary, at*
24 *a time determined by the Secretary, a performance and*
25 *evaluation report concerning the use of grant amounts,*

1 *which shall contain an assessment by the grantee of the rela-*
 2 *tionship of such use to the objectives identified in the grant-*
 3 *ees statement under subsection (d).*

4 “(g) *APPLICABILITY OF CDBG PROVISIONS.*—Sections
 5 109, 110, and 111 of the *Housing and Community Develop-*
 6 *ment Act of 1974 (42 U.S.C. 5309, 5310, 5311) shall apply*
 7 *to assistance received under this section to the same extent*
 8 *and in the same manner that such sections apply to assist-*
 9 *ance received under title I of such Act.*

10 “(h) *AUTHORIZATION OF APPROPRIATIONS.*—There is
 11 *authorized to be appropriated for grants under this section*
 12 *\$2,500,000,000 for fiscal year 2010 and such sums as may*
 13 *be necessary for each fiscal year thereafter.”.*

14 **SEC. 15. INCLUDING SUSTAINABLE DEVELOPMENT AND**
 15 **TRANSPORTATION STRATEGIES IN COM-**
 16 **PREHENSIVE HOUSING AFFORDABILITY**
 17 **STRATEGIES.**

18 *Section 105(b) of the Cranston-Gonzalez National Af-*
 19 *fordable Housing Act (42 U.S.C. 12705(b)) is amended—*

20 (1) *by striking “and” at the end of paragraph*
 21 *(19);*

22 (2) *by striking the period at the end of para-*
 23 *graph (20) and inserting “; and”;*

24 (3) *and by inserting after paragraph (20) the*
 25 *following new paragraphs:*

1 “(21) describe the jurisdiction’s strategies to en-
2 courage sustainable development for affordable hous-
3 ing, including single-family and multifamily housing,
4 as measured by—

5 “(A) greater energy efficiency and use of re-
6 newable energy sources, including any strategies
7 regarding compliance with the energy efficiency
8 standards under section 4(a) of the Green Re-
9 sources for Energy Efficient Neighborhoods Act
10 of 2010 and with the enhanced energy efficiency
11 and conservation standards, and the green build-
12 ing standards, under section 4(b) of such Act;

13 “(B) increased conservation, recycling, and
14 reuse of resources;

15 “(C) more effective use of existing infra-
16 structure;

17 “(D) use of building materials and methods
18 that are healthier for residents of the housing, in-
19 cluding use of building materials that are free of
20 added known carcinogens that are classified as
21 Group 1 Known Carcinogens by the Inter-
22 national Agency for Research on Cancer; and

23 “(E) such other criteria as the Secretary de-
24 termines, in consultation with the Secretary of
25 Energy, the Secretary of Agriculture, and the

1 *Administrator of the Environmental Protection*
2 *Agency, are in accordance with the purposes of*
3 *this paragraph; and*

4 “(22) describe the jurisdiction’s efforts to coordi-
5 *nate its housing strategy with its transportation*
6 *planning strategies to ensure to the extent practicable*
7 *that residents of affordable housing have access to*
8 *public transportation.”.*

9 **SEC. 16. GRANT PROGRAM TO INCREASE SUSTAINABLE**
10 **LOW-INCOME COMMUNITY DEVELOPMENT CA-**
11 **PACITY.**

12 *(a) IN GENERAL.—The Secretary may make grants to*
13 *nonprofit organizations to use for any of the following pur-*
14 *poses:*

15 *(1) Training, educating, supporting, or advising*
16 *an eligible community development organization or*
17 *qualified youth service and conservation corps in im-*
18 *proving energy efficiency, resource conservation and*
19 *reuse, design strategies to maximize energy efficiency,*
20 *installing or constructing renewable energy improve-*
21 *ments (such as wind, wave, solar, biomass, and geo-*
22 *thermal energy sources), and effective use of existing*
23 *infrastructure in affordable housing and economic de-*
24 *velopment activities in low-income communities, tak-*
25 *ing into consideration energy efficiency standards*

1 under section 4(a) of this Act and with the enhanced
2 energy efficiency and conservation standards, and the
3 green building standards, under section 4(b) of this
4 Act.

5 (2) Providing loans, grants, or predevelopment
6 assistance to eligible community development organi-
7 zations or qualified youth service and conservation
8 corps to carry out energy efficiency improvements
9 that comply with the energy efficiency standards
10 under section 4(a) of this Act, resource conservation
11 and reuse, and effective use of existing infrastructure
12 in affordable housing and economic development ac-
13 tivities in low-income communities. In providing as-
14 sistance under this paragraph, the Secretary shall
15 give more preference to activities based on the extent
16 to which the activities will result in compliance with
17 the enhanced energy efficiency and conservation
18 standards, and the green building standards, under
19 section 4(b) of this Act.

20 (3) Such other purposes as the Secretary deter-
21 mines are in accordance with the purposes of this
22 subsection.

23 (b) APPLICATION REQUIREMENT.—To be eligible for a
24 grant under this section, a nonprofit organization shall pre-
25 pare and submit to the Secretary an application at such

1 *time, in such manner, and containing such information as*
2 *the Secretary may require.*

3 (c) *AWARD OF CONTRACTS.*—*Contracts for architec-*
4 *tural or engineering services funded with amounts from*
5 *grants made under this section shall be awarded in accord-*
6 *ance with chapter 11 of title 40, United States Code (relat-*
7 *ing to selection of architects and engineers).*

8 (d) *MATCHING REQUIREMENT.*—*A grant made under*
9 *this section may not exceed the amount that the nonprofit*
10 *organization receiving the grant certifies, to the Secretary,*
11 *will be provided (in cash or in-kind) from nongovernmental*
12 *sources to carry out the purposes for which the grant is*
13 *made.*

14 (e) *DEFINITIONS.*—*For purposes of this section, the fol-*
15 *lowing definitions shall apply:*

16 (1) *The term “nonprofit organization” has the*
17 *meaning given such term in section 104 of the Cran-*
18 *ston-Gonzalez National Affordable Housing Act (42*
19 *U.S.C. 12704).*

20 (2) *The term “eligible community development*
21 *organization” means—*

22 (A) *a unit of general local government (as*
23 *defined in section 104 of the Cranston-Gonzalez*
24 *National Affordable Housing Act (42 U.S.C.*
25 *12704));*

1 (B) a community housing development or-
 2 ganization (as defined in section 104 of the
 3 Cranston-Gonzalez National Affordable Housing
 4 Act (42 U.S.C. 12704));

5 (C) an Indian tribe or tribally designated
 6 housing entity (as such terms are defined in sec-
 7 tion 4 of the Native American Housing Assist-
 8 ance and Self-Determination Act of 1996 (25
 9 U.S.C. 4103)); or

10 (D) a public housing agency, as such term
 11 is defined in section 3(b) of the United States
 12 Housing Act of 1937 (42 U.S.C. 1437(b)).

13 (3) The term “low-income community” means a
 14 census tract in which 50 percent or more of the house-
 15 holds have an income which is less than 80 percent
 16 of the greater of—

17 (A) the median gross income for such year
 18 for the area in which such census tract is lo-
 19 cated; or

20 (B) the median gross income for such year
 21 for the State in which such census tract is lo-
 22 cated.

23 (f) *AUTHORIZATION OF APPROPRIATIONS.*—There are
 24 authorized to be appropriated to the Secretary to carry out

1 *this section \$10,000,000 for each of fiscal years 2010*
 2 *through 2014.*

3 **SEC. 17. HOPE VI GREEN DEVELOPMENTS REQUIREMENT.**

4 (a) *MANDATORY COMPONENT.*—Section 24(e) of the
 5 *United States Housing Act of 1937 (42 U.S.C. 1437v(e))*
 6 *is amended by adding at the end the following new para-*
 7 *graph:*

8 “(4) *GREEN DEVELOPMENTS REQUIREMENT.*—

9 “(A) *REQUIREMENT.*—The Secretary may
 10 *not make a grant under this section to an appli-*
 11 *cant unless the proposed revitalization plan of*
 12 *the applicant to be carried out with such grant*
 13 *amounts meets the following requirements:*

14 “(i) *GREEN COMMUNITIES CRITERIA.*—

15 *All residential construction under the pro-*
 16 *posed plan complies with the national*
 17 *Green Communities criteria for residential*
 18 *construction and rehabilitation that pro-*
 19 *vides criteria for the design, development,*
 20 *and operation of affordable housing, as such*
 21 *criteria are in effect for purposes of this*
 22 *paragraph pursuant to subparagraph (D)*
 23 *at the date of the application for the grant,*
 24 *or any substantially equivalent standard or*

standards as determined by the Secretary,
as follows:

“(I) The proposed plan shall comply with all items of the national Green Communities criteria for residential construction and rehabilitation that are identified as mandatory.

“(II) The proposed plan shall comply with such other nonmandatory items of such national Green Communities criteria so as to result in a cumulative number of points attributable to such nonmandatory items under such criteria of not less than—

“(aa) 25 points, in the case of any proposed plan (or portion thereof) consisting of new construction; and

“(bb) 20 points, in the case of any proposed plan (or portion thereof) consisting of rehabilitation.

“(ii) GREEN BUILDINGS CERTIFICATION SYSTEM.—All nonresidential construction under the proposed plan complies

1 *with all minimum required levels of the*
2 *green building rating systems and levels*
3 *identified by the Secretary pursuant to sub-*
4 *paragraph (C), as such systems and levels*
5 *are in effect for purposes of this paragraph*
6 *pursuant to subparagraph (D) at the time*
7 *of the application for the grant.*

8 “(B) *VERIFICATION.*—

9 “(i) *IN GENERAL.*—*The Secretary shall*
10 *verify, or provide for verification, sufficient*
11 *to ensure that each proposed revitalization*
12 *plan carried out with amounts from a*
13 *grant under this section complies with the*
14 *requirements under subparagraph (A) and*
15 *that the revitalization plan is carried out in*
16 *accordance with such requirements and*
17 *plan.*

18 “(ii) *TIMING.*—*In providing for such*
19 *verification, the Secretary shall establish*
20 *procedures to ensure such compliance with*
21 *respect to each grantee, and shall report to*
22 *the Congress with respect to the compliance*
23 *of each grantee, at each of the following*
24 *times:*

1 “(I) Not later than 6 months after
2 execution of the grant agreement under
3 this section for the grantee.

4 “(II) Upon completion of the revi-
5 talization plan of the grantee.

6 “(C) IDENTIFICATION OF GREEN BUILDINGS
7 RATING SYSTEMS AND LEVELS.—

8 “(i) IN GENERAL.—For purposes of
9 this paragraph, the Secretary shall identify
10 rating systems and levels for green build-
11 ings that the Secretary determines to be the
12 most likely to encourage a comprehensive
13 and environmentally sound approach to
14 ratings and standards for green buildings.
15 The identification of the ratings systems
16 and levels shall be based on the criteria
17 specified in clause (ii), shall identify the
18 highest levels the Secretary determines are
19 appropriate above the minimum levels re-
20 quired under the systems selected. Within 90
21 days of the completion of each study re-
22 quired by clause (iii), the Secretary shall
23 review and update the rating systems and
24 levels, or identify alternative systems and

1 *levels for purposes of this paragraph, taking*
2 *into account the conclusions of such study.*

3 *“(ii) CRITERIA.—In identifying the*
4 *green rating systems and levels, the Sec-*
5 *retary shall take into consideration—*

6 *“(I) the ability and availability of*
7 *assessors and auditors to independently*
8 *verify the criteria and measurement of*
9 *metrics at the scale necessary to imple-*
10 *ment this paragraph;*

11 *“(II) the ability of the applicable*
12 *ratings system organizations to collect*
13 *and reflect public comment;*

14 *“(III) the ability of the standards*
15 *to be developed and revised through a*
16 *consensus-based process;*

17 *“(IV) An evaluation of the*
18 *robustness of the criteria for a high-*
19 *performance green building, which*
20 *shall give credit for promoting—*

21 *“(aa) efficient and sustain-*
22 *able use of water, energy, and*
23 *other natural resources;*

24 *“(bb) use of renewable energy*
25 *sources;*

1 “(cc) improved indoor and
2 outdoor environmental quality
3 through enhanced indoor and out-
4 door air quality, thermal comfort,
5 acoustics, outdoor noise pollution,
6 day lighting, pollutant source con-
7 trol, sustainable landscaping, and
8 use of building system controls
9 and low- or no-emission mate-
10 rials, including preference for ma-
11 terials with no added carcinogens
12 that are classified as Group 1
13 Known Carcinogens by the Inter-
14 national Agency for Research on
15 Cancer; and

16 “(dd) such other criteria as
17 the Secretary determines to be ap-
18 propriate; and

19 “(V) national recognition within
20 the building industry.

21 “(iii) 5-YEAR EVALUATION.—At least
22 once every 5 years, the Secretary shall con-
23 duct a study to evaluate and compare avail-
24 able third-party green building rating sys-

1 *tems and levels, taking into account the cri-*
2 *teria listed in clause (ii).*

3 “(D) *APPLICABILITY AND UPDATING OF*
4 *STANDARDS.—*

5 “(i) *APPLICABILITY.—Except as pro-*
6 *vided in clause (ii) of this subparagraph,*
7 *the national Green Communities criteria*
8 *and green building rating systems and lev-*
9 *els referred to in clauses (i) and (ii) of sub-*
10 *paragraph (A) that are in effect for pur-*
11 *poses of this paragraph are such criteria*
12 *and systems, and levels as in existence upon*
13 *the date of the enactment of the Green Re-*
14 *sources for Energy Efficient Neighborhoods*
15 *Act of 2010.*

16 “(ii) *UPDATING.—The Secretary may,*
17 *by regulation, adopt and apply, for pur-*
18 *poses of this paragraph, future amendments*
19 *and supplements to, and editions of, the na-*
20 *tional Green Communities criteria, any*
21 *standard or standards that the Secretary*
22 *has determined to be substantially equiva-*
23 *lent to such criteria, and the green building*
24 *ratings systems and levels identified by the*
25 *Secretary pursuant to subparagraph (C).”.*

1 (b) *SELECTION CRITERIA; GRADED COMPONENT.*—
 2 *Section 24(e)(2) of the United States Housing Act of 1937*
 3 *(42 U.S.C. 1437v(e)(2)) is amended—*

4 (1) *in subparagraph (K), by striking “and” at*
 5 *the end;*

6 (2) *by redesignating subparagraph (L) as sub-*
 7 *paragraph (M); and*

8 (3) *by inserting after subparagraph (K) the fol-*
 9 *lowing new subparagraph:*

10 *“(L) the extent to which the proposed revi-*
 11 *talization plan—*

12 *“(i) in the case of residential construc-*
 13 *tion, complies with the nonmandatory items*
 14 *of the national Green Communities criteria*
 15 *identified in paragraph (4)(A)(i), or any*
 16 *substantially equivalent standard or stand-*
 17 *ards as determined by the Secretary, but*
 18 *only to the extent such compliance exceeds*
 19 *the compliance necessary to accumulate the*
 20 *number of points required under such para-*
 21 *graph; and*

22 *“(ii) in the case of nonresidential con-*
 23 *struction, complies with the components of*
 24 *the green building rating systems and levels*
 25 *identified by the Secretary pursuant to*

1 paragraph (4)(C), but only to the extent
 2 such compliance exceeds the minimum level
 3 required under such systems and levels;
 4 and”.

5 **SEC. 18. CONSIDERATION OF ENERGY EFFICIENCY IM-**
 6 **PROVEMENTS IN APPRAISALS.**

7 (a) *APPRAISALS IN CONNECTION WITH FEDERALLY*
 8 *RELATED TRANSACTIONS.*—

9 (1) *REQUIREMENT.*—Section 1110 of the *Finan-*
 10 *cial Institutions Reform, Recovery, and Enforcement*
 11 *Act of 1989 (12 U.S.C. 3339) is amended—*

12 (A) in paragraph (1), by striking “and” at
 13 the end;

14 (B) by redesignating paragraph (2) as
 15 paragraph (3); and

16 (C) by inserting after paragraph (1) the fol-
 17 lowing new paragraph:

18 “(2) that such appraisals be performed in ac-
 19 cordance with appraisal standards that require, in
 20 determining the value of a property, consideration of
 21 any renewable energy sources for, or energy efficiency
 22 or energy-conserving improvements or features of, the
 23 property;”.

24 (2) *REVISION OF APPRAISAL STANDARDS.*—Each
 25 Federal financial institutions regulatory agency shall,

1 *in accordance with sections 1107 and 1111 (12*
 2 *U.S.C. 3336, 3340) and in coordination with Federal*
 3 *officials, including the Secretary of Energy, the Ad-*
 4 *ministrator of the Environmental Protection Agency,*
 5 *and the Administrator of the General Services Ad-*
 6 *ministration, revise its standards for the performance*
 7 *of real estate appraisals in connection with federally*
 8 *related transactions under the jurisdiction of the*
 9 *agency to comply with the requirement under the*
 10 *amendments made by paragraph (1) of this sub-*
 11 *section.*

12 *(b) ENSURING CONSIDERATION OF ENERGY-EFFICIENT*
 13 *FEATURES WHEN REACHING CONCLUSIONS OF MARKET*
 14 *VALUE.—Section 1110 of the Financial Institutions Re-*
 15 *form, Recovery, and Enforcement Act of 1989 (12 U.S.C.*
 16 *3339), as amended by subsection (a) of this section, is fur-*
 17 *ther amended—*

18 *(1) in paragraph (3) (as so redesignated by sub-*
 19 *section (a)(1)(B) of this section), by striking the pe-*
 20 *riod and inserting “; and”; and*

21 *(2) by inserting after such paragraph (3) the fol-*
 22 *lowing:*

23 *“(4) that State-certified and licensed appraisers*
 24 *have timely access, whenever practicable, to informa-*
 25 *tion from the lender relevant to an appraisal of the*

1 *energy and water efficiency or conserving improve-*
 2 *ments or features of a property, such as labels or rat-*
 3 *ings of buildings and installed appliances, blueprints,*
 4 *construction costs, incentives regarding energy- and*
 5 *water-efficient components and systems installed in a*
 6 *property, and third-party verifications or representa-*
 7 *tions of energy and water efficiency performance of a*
 8 *property, observing all financial privacy requirements*
 9 *adhered to by certified and licensed appraisers, in-*
 10 *cluding section 501 of the Gramm–Leach–Bliley Act*
 11 *(15 U.S.C. 6801); unless the property owner consents*
 12 *to the lender, an appraiser shall not have access to the*
 13 *commercial of financial information of the owner that*
 14 *is privileged or confidential.”.*

15 (c) *TRANSACTIONS REQUIRING STATE CERTIFIED AP-*
 16 *PRAISERS.—Section 1113 of the Financial Institutions Re-*
 17 *form, Recovery, and Enforcement Act of 1989 (12 U.S.C.*
 18 *3342) is amended—*

19 (1) *in paragraph (1), by inserting before the*
 20 *semicolon the following: “or any real property with*
 21 *energy-efficiency or energy-conserving improvements*
 22 *or features”; and*

23 (2) *in paragraph (2) by inserting after “com-*
 24 *plexity” the following: “(such as identifying and sup-*
 25 *porting the contribution to market value of energy-ef-*

1 *iciency or energy-conserving improvements or fea-*
2 *tures)’’.*

3 **SEC. 19. HOUSING ASSISTANCE COUNCIL.**

4 *The Secretary shall require the Housing Assistance*
5 *Council—*

6 *(1) to encourage each organization that receives*
7 *loan assistance from the Council with any amounts*
8 *made available from the Secretary to provide that*
9 *any structures and buildings developed or assisted*
10 *under projects, programs, and activities funded with*
11 *such amounts complies with the energy efficiency*
12 *standards under section 4(a) of this Act; and*

13 *(2) to establish incentives to encourage each such*
14 *organization to provide that any such structures and*
15 *buildings comply with the energy efficiency and con-*
16 *servation standards, and the green building stand-*
17 *ards, under section 4(b) of such Act.*

18 **SEC. 20. RURAL HOUSING AND ECONOMIC DEVELOPMENT**
19 **ASSISTANCE.**

20 *The Secretary shall—*

21 *(1) require each tribe, agency, organization, cor-*
22 *poration, and other entity that receives any assistance*
23 *from the Office of Rural Housing and Economic De-*
24 *velopment of the Department of Housing and Urban*
25 *Development to provide that any structures and*

1 *buildings developed or assisted under activities funded*
 2 *with such amounts complies with the energy efficiency*
 3 *standards under section 4(a) of this Act; and*

4 *(2) establish incentives to encourage each such*
 5 *tribe, agency, organization, corporation, and other en-*
 6 *tity to provide that any such structures and buildings*
 7 *comply with the enhanced energy efficiency and con-*
 8 *servation standards, and the green building stand-*
 9 *ards, under section 4(b) of such Act.*

10 **SEC. 21. LOANS TO STATES AND INDIAN TRIBES TO CARRY**
 11 **OUT RENEWABLE ENERGY SOURCES ACTIVI-**
 12 **TIES.**

13 *(a) ESTABLISHMENT OF FUND.—There is established*
 14 *in the Treasury of the United States a fund, to be known*
 15 *as the “Alternative Energy Sources State Loan Fund”.*

16 *(b) EXPENDITURES.—*

17 *(1) IN GENERAL.—Subject to paragraph (2), on*
 18 *request by the Secretary, the Secretary of the Treas-*
 19 *ury shall transfer from the Fund to the Secretary*
 20 *such amounts as the Secretary determines are nec-*
 21 *essary to provide loans under subsection (c)(1).*

22 *(2) ADMINISTRATIVE EXPENSES.—Of the*
 23 *amounts in the Fund, not more than 5 percent shall*
 24 *be available for each fiscal year to pay the adminis-*

1 *trative expenses of the Department of Housing and*
2 *Urban Development to carry out this section.*

3 *(c) LOANS TO STATES AND INDIAN TRIBES.—*

4 *(1) IN GENERAL.—The Secretary shall use*
5 *amounts in the Fund to provide loans to States and*
6 *Indian tribes to provide incentives to owners of sin-*
7 *gle-family and multifamily housing, commercial*
8 *properties, and public buildings to provide—*

9 *(A) renewable energy sources for such struc-*
10 *tures, such as wind, wave, solar, biomass, or geo-*
11 *thermal energy sources, including incentives to*
12 *companies and businesses to change their source*
13 *of energy to such renewable energy sources and*
14 *for changing the sources of energy for public*
15 *buildings to such renewable energy sources;*

16 *(B) energy-efficiency and energy-conserving*
17 *improvements and features for such structures;*
18 *or*

19 *(C) infrastructure related to the delivery of*
20 *electricity and hot water for structures lacking*
21 *such amenities.*

22 *(2) ELIGIBILITY.—To be eligible to receive a loan*
23 *under this subsection, a State or Indian tribe, di-*
24 *rectly or through an appropriate State or tribal agen-*
25 *cy, shall submit to the Secretary an application at*

1 *such time, in such manner, and containing such in-*
2 *formation as the Secretary may require.*

3 (3) *CRITERIA FOR APPROVAL.*—*The Secretary*
4 *may approve an application of a State or Indian*
5 *tribe under paragraph (2) only if the Secretary deter-*
6 *mines that the State or tribe will use the funds from*
7 *the loan under this subsection to carry out a program*
8 *to provide incentives described in paragraph (1)*
9 *that—*

10 (A) *requires that any such renewable energy*
11 *sources, and energy-efficiency and energy-con-*
12 *serving improvements and features, developed*
13 *pursuant to assistance under the program result*
14 *in compliance of the structure so improved with*
15 *the energy efficiency standards under section*
16 *4(a) of this Act; and*

17 (B) *includes such compliance and audit re-*
18 *quirements as the Secretary determines are nec-*
19 *essary to ensure that the program is operated in*
20 *a sound and effective manner.*

21 (4) *PREFERENCE.*—*In making loans during each*
22 *fiscal year, the Secretary shall give preference to*
23 *States and Indian tribes that have not previously re-*
24 *ceived a loan under this subsection.*

1 (5) *MAXIMUM AMOUNT.*—*The aggregate out-*
2 *standing principal amount from loans under this*
3 *subsection to any single State or Indian tribe may*
4 *not exceed \$500,000,000.*

5 (6) *LOAN TERMS.*—*Each loan under this sub-*
6 *section shall have a term to maturity of not more*
7 *than 10 years and shall bear interest at annual rate,*
8 *determined by the Secretary, that shall not exceed in-*
9 *terest rate charged by the Federal Reserve Bank of*
10 *New York to commercial banks and other depository*
11 *institutions for very short-term loans under the pri-*
12 *mary credit program, as most recently published in*
13 *the Federal Reserve Statistical Release on selected in-*
14 *terest rates (daily or weekly), and commonly referred*
15 *to as the H.15 release, preceding the date of a deter-*
16 *mination for purposes of applying this paragraph.*

17 (7) *LOAN REPAYMENT.*—*The Secretary shall re-*
18 *quire full repayment of each loan made under this*
19 *section.*

20 (d) *INVESTMENT OF AMOUNTS.*—

21 (1) *IN GENERAL.*—*The Secretary of the Treasury*
22 *shall invest such amounts in the Fund that are not,*
23 *in the judgment of the Secretary of the Treasury, re-*
24 *quired to meet needs for current withdrawals.*

1 (2) *OBLIGATIONS OF UNITED STATES.*—*Invest-*
2 *ments may be made only in interest-bearing obliga-*
3 *tions of the United States.*

4 *(e) REPORTS.*—

5 (1) *REPORTS TO SECRETARY.*—*For each year*
6 *during the term of a loan made under subsection (c),*
7 *the State or Indian tribe that received the loan shall*
8 *submit to the Secretary a report describing the State*
9 *or tribal alternative energy sources program for which*
10 *the loan was made and the activities conducted under*
11 *the program using the loan funds during that year.*

12 (2) *REPORT TO CONGRESS.*—*Not later than Sep-*
13 *tember 30 of each year that loans made under sub-*
14 *section (c) are outstanding, the Secretary shall submit*
15 *a report to the Congress describing the total amount*
16 *of such loans provided under subsection (c) to each el-*
17 *igible State and Indian tribe during the fiscal year*
18 *ending on such date, and an evaluation on effective-*
19 *ness of the Fund.*

20 (f) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
21 *authorized to be appropriated to the Fund \$5,000,000,000.*

22 (g) *DEFINITIONS.*—*For purposes of this section, the*
23 *following definitions shall apply:*

24 (1) *INDIAN TRIBE.*—*The term “Indian tribe” has*
25 *the meaning given such term in section 4 of the Na-*

1 *tive American Housing Assistance and Self-Deter-*
 2 *mination Act of 1996 (25 U.S.C. 4103).*

3 (2) *STATE.*—*The term “State” means each of the*
 4 *several States, the Commonwealth of Puerto Rico, the*
 5 *District of Columbia, the Commonwealth of the North-*
 6 *ern Mariana Islands, Guam, the Virgin Islands,*
 7 *American Samoa, the Trust Territories of the Pacific,*
 8 *or any other possession of the United States.*

9 **SEC. 22. GAO REPORTS ON AVAILABILITY OF AFFORDABLE**
 10 **MORTGAGES.**

11 (a) *STUDY.*—*The Comptroller General of the United*
 12 *States shall periodically, as necessary to comply with sub-*
 13 *section (b), examine the impact of this Act and the amend-*
 14 *ments made by this Act on the availability of affordable*
 15 *mortgages in various areas throughout the United States,*
 16 *including cities having older infrastructure and limited*
 17 *space for the development of new housing.*

18 (b) *REPORTS.*—*The Comptroller General shall submit*
 19 *reports under this subsection to the Committee on Financial*
 20 *Services of the House of Representatives and the Committee*
 21 *on Banking, Housing, and Urban Affairs of the Senate that*
 22 *shall include—*

23 (1) *a detailed statement of the most recent find-*
 24 *ings pursuant to subsection (a); and*

1 (2) *if the Comptroller General finds that this Act*
2 *or the amendments made by this Act have directly or*
3 *indirectly resulted in consequences that limit the*
4 *availability or affordability of mortgages in any area*
5 *or areas within the United States, including any city*
6 *having older infrastructure and limited space for the*
7 *development of new housing, any recommendations*
8 *for any additional actions at the Federal, State, or*
9 *local levels that the Comptroller General considers*
10 *necessary or appropriate to mitigate such effects.*

11 *The first report under this subsection shall be submitted not*
12 *later than the expiration of the 3-year period beginning on*
13 *the date of the enactment of this Act and thereafter, the*
14 *Comptroller General shall submit a report pursuant to a*
15 *joint request for such a report made by the Chairman and*
16 *Ranking Members of the Committee on Financial Services*
17 *of the House of Representatives and of the Committee on*
18 *Banking, Housing, and Urban Affairs of the Senate.*

19 **SEC. 23. PUBLIC HOUSING ENERGY COST REPORT.**

20 (a) *COLLECTION OF INFORMATION BY HUD.—The*
21 *Secretary of Housing and Urban Development shall obtain*
22 *from each public housing agency, by such time as may be*
23 *necessary to comply with the reporting requirement under*
24 *subsection (b), information regarding the energy costs for*
25 *public housing administered or operated by the agency. For*

1 *each public housing agency, such information shall include*
 2 *the monthly energy costs associated with each separate*
 3 *building and development of the agency, for the most re-*
 4 *cently completed 12-month period for which such informa-*
 5 *tion is available, and such other information as the Sec-*
 6 *retary determines is appropriate in determining which*
 7 *public housing buildings and developments are most in need*
 8 *of repairs and improvements to reduce energy needs and*
 9 *costs and become more energy efficient.*

10 *(b) REPORT.—Not later than the expiration of the 12-*
 11 *month period beginning on the date of the enactment of this*
 12 *Act, the Secretary of Housing and Urban Development shall*
 13 *submit a report to the Congress setting forth the informa-*
 14 *tion collected pursuant to subsection (a).*

15 **SEC. 24. INSURANCE COVERAGE FOR LOANS FOR FINANC-**
 16 **ING OF RENEWABLE ENERGY SYSTEMS**
 17 **LEASED FOR RESIDENTIAL USE.**

18 *(a) PURPOSES.—The purposes of this section are—*

19 *(1) to encourage residential use of renewable en-*
 20 *ergy systems by minimizing up-front costs and pro-*
 21 *viding immediate utility cost savings to consumers*
 22 *through leasing of such systems to homeowners;*

23 *(2) to reduce carbon emissions and the use of*
 24 *nonrenewable resources;*

1 (3) to encourage energy-efficient residential con-
2 struction and rehabilitation;

3 (4) to encourage the use of renewable resources
4 by homeowners;

5 (5) to minimize the impact of development on
6 the environment;

7 (6) to reduce consumer utility costs; and

8 (7) to encourage private investment in the green
9 economy.

10 (b) *AUTHORITY.*—The Secretary of Housing and
11 Urban Development may, upon application by an author-
12 ized renewable energy lender and in accordance with such
13 terms and conditions as the Secretary may prescribe, con-
14 sistent with the purposes of this section, make commitments
15 to insure, and insure, loans made by such lenders to home-
16 builders, renewable energy installers or manufacturers, pub-
17 lic or private corporations or partnerships, associations,
18 trusts, or other qualified persons or entities, to finance the
19 acquisition of renewable energy systems for lease to home-
20 owners for use at their residences.

21 (c) *EFFECTIVE DATE OF INSURANCE.*—Insurance pro-
22 vided pursuant to this section for a loan shall become effec-
23 tive only upon the expiration of the 5-year period beginning
24 upon the original execution of a renewable energy system

1 *lease (as such term is defined in subsection (o)) for the re-*
2 *newable energy system.*

3 *(d) LIMITATION ON PRINCIPAL AMOUNT.—*

4 *(1) LIMITATION.—The principal amount of the*
5 *loan insured under this section shall not exceed the*
6 *residual value of the renewable energy system.*

7 *(2) RESIDUAL VALUE.—For purposes of this sub-*
8 *section—*

9 *(A) the residual value of a renewable energy*
10 *system shall be the amount that is equal to the*
11 *fair market value of the future revenue stream*
12 *from the sale of the expected remaining elec-*
13 *tricity production from the system, pursuant to*
14 *the easement granted in accordance with sub-*
15 *section (e); and*

16 *(B) the fair market value of the future rev-*
17 *enue stream for each year of the remaining life*
18 *of the renewable energy system shall be deter-*
19 *mined based on the net present value of the re-*
20 *newable energy system manufacturer's power*
21 *output production warranty for the system and*
22 *the forecast of regional residential electricity*
23 *prices made by the Energy Information Admin-*
24 *istration of the Department of Energy.*

1 (e) *EASEMENT FOR SALE OF REMAINING ELEC-*
 2 *TRICITY.—The Secretary may not insure a loan for financ-*
 3 *ing of renewable energy systems under this section unless*
 4 *the borrower under the loan ensures, in accordance with*
 5 *such requirements as the Secretary shall establish, con-*
 6 *sistent with the purposes of this section, that the systems*
 7 *financed will be leased only to homeowners that grant ease-*
 8 *ments sufficient to provide for the sale of remaining elec-*
 9 *tricity production from the system to a wholesale or retail*
 10 *electrical power grid.*

11 (f) *DISCOUNT OR PREPAYMENT.—To encourage utili-*
 12 *zation of renewable energy systems, the Secretary shall en-*
 13 *sure that a homebuilder’s or other investor’s discount or*
 14 *prepayment of a homeowner’s renewable energy system lease*
 15 *shall not adversely affect that homeowner’s mortgage re-*
 16 *quirements.*

17 (g) *ELIGIBILITY OF LENDERS.—The Secretary may*
 18 *not insure a loan under this section unless the lender mak-*
 19 *ing the loan—*

20 (1)(A) *is an institution that qualifies as a green*
 21 *banking center pursuant to section 8(x) of the Federal*
 22 *Deposit Insurance Act (12 U.S.C. 1818(x)) or section*
 23 *206(x) of the Federal Credit Union Act (12 U.S.C.*
 24 *1786(x)); or*

1 (B) meets such other requirements as the Sec-
 2 retary shall establish for participation of renewable
 3 energy lenders in the program under this section; and

4 (2) meets such qualifications as the Secretary
 5 shall establish for all lenders for participation in the
 6 program under this section and is approved by the
 7 Secretary as meeting such qualifications.

8 (h) *CERTIFICATE OF INSURANCE.*—Insurance of a loan
 9 under this section shall be evidenced by a certificate of in-
 10 surance coverage issued by the Secretary to the lender under
 11 the loan. Such certificate shall set forth the fair market
 12 value of the future revenue stream for each year of the re-
 13 maining life of the renewable energy system as determined
 14 in accordance with subsection (d).

15 (i) *PAYMENT OF INSURANCE.*—

16 (1) *IN GENERAL.*—The Secretary shall provide
 17 for the filing of claims for insurance under this sec-
 18 tion and the payment of such claims. A claim may
 19 be paid only upon a default under the loan insured
 20 under this section and the assignment, transfer, and
 21 delivery to the Secretary of all rights and interests
 22 arising under the loan and all claims of the lender or
 23 the assigns of the lender against the borrower or oth-
 24 ers arising under the loan transaction.

1 (2) *LIEN.*—Upon payment of a claim for insur-
 2 ance of a loan under this section, the Secretary shall
 3 be granted a lien on the underlying renewable energy
 4 system assets and any associated revenue stream from
 5 use of that system, which shall be superior to all other
 6 liens on such assets, and the residual value of that
 7 system and the revenue stream shall be at least equal
 8 to the unpaid balance of the loan amount covered by
 9 the certificate of insurance. The Secretary shall be en-
 10 titled to any revenue generated by the renewable en-
 11 ergy system from selling electricity to the grid when
 12 an insurance claim has been paid out.

13 (j) *ASSIGNMENT AND TRANSFERABILITY OF INSUR-*
 14 *ANCE.*—The holder of insurance provided under this section
 15 may assign or transfer the insurance in whole or in part,
 16 to another lender, subject to such requirements as the Sec-
 17 retary may prescribe.

18 (k) *PREMIUMS AND CHARGES.*—

19 (1) *INSURANCE FEE.*—The Secretary shall fix
 20 and collect premiums for insurance of loans under
 21 this section, that shall be paid by the qualified appli-
 22 cant at the time of issuance of the certificate of insur-
 23 ance to the lender and shall be adequate, in the deter-
 24 mination of the Secretary, to cover expenses and prob-
 25 able losses, including any costs (as such term is de-

1 *fined in section 502 of the Federal Credit Reform Act*
 2 *of 1990 (2 U.S.C. 661a) of loan insurance under this*
 3 *section. In no event may such premium exceed 3 per-*
 4 *cent of the principal obligation of the loan being in-*
 5 *sured.*

6 (2) *PROHIBITION ON OTHER CHARGES.—Except*
 7 *as provided in paragraph (1), the Secretary may not*
 8 *assess any fees, including user fees, insurance pre-*
 9 *miums, or charges in connection with loan insurance*
 10 *provided under this section.*

11 (l) *FULL FAITH AND CREDIT.—The certificate of in-*
 12 *surance issued by the Secretary under this section shall be*
 13 *backed by the full faith and credit of the United States of*
 14 *America.*

15 (m) *REGULATIONS.—The Secretary shall issue such*
 16 *regulations as may be necessary to carry out this section.*
 17 *The Secretary shall issue final or interim final regulations*
 18 *not later than the expiration of the 180-day period begin-*
 19 *ning on the date of the enactment of this Act.*

20 (n) *INELIGIBILITY FOR PURCHASE BY FEDERAL FI-*
 21 *NANCING BANK.—Notwithstanding the provisions of the*
 22 *Federal Financing Bank Act of 1973 (12 U.S.C. 2281 et*
 23 *seq.) or any other provision of law, no debt obligation that*
 24 *is insured or committed to be insured by the Secretary*

1 *under this section shall be subject to the provisions of such*
 2 *Act.*

3 (o) *DEFINITIONS.—For purposes of this section, the*
 4 *following definitions apply:*

5 (1) *RENEWABLE ENERGY SYSTEM LEASE.—The*
 6 *term “renewable system energy lease” means an*
 7 *agreement between a qualified investor in a renewable*
 8 *energy system and a homeowner pursuant to which*
 9 *the homeowner grants an easement to the investor to*
 10 *install, maintain, use, and otherwise access the re-*
 11 *newable energy system and leases the use of that sys-*
 12 *tem from the qualified investor for a specified term.*

13 (2) *RENEWABLE ENERGY SYSTEM.—The term*
 14 *“renewable energy system” means a system that gen-*
 15 *erates energy from naturally replenished energy*
 16 *sources such as sunlight, wind, rain, tides or geo-*
 17 *thermal heat.*

18 (3) *RENEWABLE ENERGY MANUFACTURER.—The*
 19 *term “renewable energy manufacturer” means a man-*
 20 *ufacturer of renewable energy systems.*

21 **SEC. 25. GREEN GUARANTEES.**

22 (a) *AUTHORITY TO GUARANTEE “GREEN PORTION”*
 23 *OF ELIGIBLE MORTGAGES.—*

24 (1) *IN GENERAL.—The Secretary of Housing and*
 25 *Urban Development may make commitments to guar-*

1 *antee under this section and may guarantee, the re-*
 2 *payment of the portions of the principal obligations*
 3 *of eligible mortgages that are used to finance eligible*
 4 *sustainable building elements for the housing that is*
 5 *subject to the mortgage.*

6 (2) *AMOUNT OF GUARANTEE.—A guarantee*
 7 *under this section by the Secretary in connection with*
 8 *an eligible mortgage shall not exceed a percentage of*
 9 *the green portion (as such term is defined in sub-*
 10 *section (g)) of the mortgage, as shall be established by*
 11 *the Secretary and may be established on a regional*
 12 *basis as the Secretary determines appropriate.*

13 (b) *ELIGIBLE MORTGAGES.—To be considered an eligi-*
 14 *ble mortgage for purposes of this section, a mortgage shall*
 15 *comply with all of the following requirements:*

16 (1) *ACQUISITION OR CONSTRUCTION OF HOUS-*
 17 *ING.—The mortgage shall be made for the acquisition*
 18 *or construction of single- or multifamily housing and*
 19 *repayment of the mortgage shall be secured by an in-*
 20 *terest in such housing.*

21 (2) *FINANCING OF ELIGIBLE SUSTAINABLE*
 22 *BUILDING ELEMENTS THROUGH GREEN PORTION OF*
 23 *MORTGAGE.—A portion of the principal obligation of*
 24 *the mortgage, which meets the requirements under*
 25 *subsection (c), shall be used only for financing the*

1 *provision of eligible sustainable building elements for*
2 *the housing for which the mortgage was made.*

3 (3) *MAXIMUM MORTGAGE AMOUNT.—The prin-*
4 *icipal obligation of the mortgage (including the eligible*
5 *portion of such mortgage, and such initial service*
6 *charges, appraisal, inspection, and other fees as the*
7 *Secretary shall approve) may not exceed the following*
8 *amounts:*

9 (A) *SINGLE-FAMILY HOUSING.—Such dollar*
10 *amounts for single-family housing as the Sec-*
11 *retary shall establish, which may be established*
12 *on the basis of the number of dwelling units in*
13 *the housing, as the Secretary considers appro-*
14 *priate.*

15 (B) *MULTIFAMILY HOUSING.—Such dollar*
16 *amounts for multifamily housing as the Sec-*
17 *retary shall establish, which may be established*
18 *on the basis of the number of dwelling units in*
19 *the housing and the number of bedrooms in such*
20 *dwelling units, as the Secretary considers appro-*
21 *priate.*

22 (4) *REPAYMENT.—The mortgage meets such re-*
23 *quirements as the Secretary shall establish to ensure*
24 *that there is a reasonable prospect of repayment of the*

1 *principal and interest on the obligation by the mort-*
 2 *gagor.*

3 (5) *MORTGAGE TERMS.*—*The mortgage shall*
 4 *meet such requirements with respect to loan-to-value*
 5 *ratio, mortgagor credit scores, debt-to-income ratio,*
 6 *and other underwriting standards, term to maturity,*
 7 *interest rates and amortization, including amortiza-*
 8 *tion of the green portion of the mortgage, and other*
 9 *mortgage terms as the Secretary shall establish.*

10 (c) *LIMITATIONS ON GREEN PORTION OF MORT-*
 11 *GAGE.*—*The requirements under this subsection with respect*
 12 *to the green portion of an eligible mortgage are as follows:*

13 (1) *PERCENTAGE LIMITATION.*—*Such portion*
 14 *shall not exceed, in the case of single-family or multi-*
 15 *family housing, 10 percent of the total principal obli-*
 16 *gation of the mortgage.*

17 (2) *DOLLAR AMOUNT LIMITATION.*—*Such portion*
 18 *shall not exceed—*

19 (A) *in the case of single-family housing,*
 20 *such maximum dollar amount limitation as the*
 21 *Secretary shall establish, which may be estab-*
 22 *lished on the basis of the number of dwelling*
 23 *units in the housing, as the Secretary considers*
 24 *appropriate; and*

1 (B) in the case of multifamily housing, such
2 maximum dollar amount limitation as the Sec-
3 retary shall establish, which limitation may be
4 established on the basis of the number of dwelling
5 units in the housing and the number of bedrooms
6 in such dwelling units, as the Secretary con-
7 siders appropriate.

8 (3) *COST-EFFECTIVENESS LIMITATION.*—Such
9 portion shall not exceed the total present value of the
10 savings (as determined in accordance with subsection
11 (d)) attributable to the incorporation of the eligible
12 sustainable building elements to be financed with the
13 green portion of the mortgage that are to be realized
14 over the useful life of such elements.

15 (d) *ELIGIBLE SUSTAINABLE BUILDING ELEMENTS.*—
16 The Secretary may not guarantee any eligible mortgage
17 under this section unless the mortgagor has demonstrated,
18 in accordance with such requirements as the Secretary shall
19 establish, the amount of savings attributable to incorpora-
20 tion of the sustainable building elements to be financed with
21 the green portion of the mortgage, as measured by the Na-
22 tional Green Building Standard for all residential con-
23 struction developed by the National Association of Home
24 Builders and the U.S. Green Building Council, and ap-

1 *proved by the American National Standards Institute, as*
 2 *updated and in effect at the time of such demonstration.*

3 *(e) GUARANTEE FEE.—*

4 *(1) ASSESSMENT AND COLLECTION.—The Sec-*
 5 *retary shall assess and collect fees for guarantees*
 6 *under this section in amounts that the Secretary de-*
 7 *termines are sufficient to cover the costs (as such term*
 8 *is defined in section 502 of the Federal Credit Reform*
 9 *Act of 1990 (2 U.S.C. 661a)) of such guarantees.*

10 *(2) AVAILABILITY.—Fees collected under this*
 11 *subsection shall be deposited by the Secretary in the*
 12 *Treasury of the United States and shall remain avail-*
 13 *able until expended, subject to such other conditions*
 14 *as are contained in annual appropriations Acts.*

15 *(f) PAYMENT OF GUARANTEE.—*

16 *(1) DEFAULT.—*

17 *(A) RIGHT TO PAYMENT.—If a mortgagor*
 18 *under a mortgage guaranteed under this section*
 19 *defaults (as defined in regulations issued by the*
 20 *Secretary and specified in the guarantee con-*
 21 *tract) on the obligation under the mortgage—*

22 *(i) the holder of the guarantee shall*
 23 *have the right to demand payment of the*
 24 *unpaid amount of the guaranteed portion of*

1 the mortgage, to the extent provided under
2 subsection (a)(2), from the Secretary; and

3 (ii) within such period as may be spec-
4 ified in the guarantee or related agreements,
5 the Secretary shall pay to the holder of the
6 guarantee, to the extent provided under sub-
7 section (a)(2), the unpaid interest on, and
8 unpaid principal of the portion of guaran-
9 teed portion of the mortgage with respect to
10 which the borrower has defaulted, unless the
11 Secretary finds that there was no default by
12 the borrower in the payment of interest or
13 principal or that the default has been rem-
14 edied.

15 (B) *FORBEARANCE*.—Nothing in this para-
16 graph precludes any forbearance by the holder of
17 an eligible mortgage for the benefit of the mort-
18 gagor which may be agreed upon by the parties
19 to the mortgage and approved by the Secretary.

20 (2) *SUBROGATION*.—

21 (A) *IN GENERAL*.—If the Secretary makes a
22 payment under paragraph (1), the Secretary
23 shall be subrogated to the extent of such payment
24 to the rights of the recipient of the payment as
25 specified in the guarantee or related agreements

1 *including, if appropriate, the authority (not-*
2 *withstanding any other provision of law)—*

3 *(i) to complete, maintain, operate,*
4 *lease, or otherwise dispose of any property*
5 *acquired pursuant to such guarantee or re-*
6 *lated agreements; or*

7 *(ii) to permit the mortgagor, pursuant*
8 *to an agreement with the Secretary, to con-*
9 *tinue to occupy the property subject to the*
10 *mortgage, if the Secretary determines such*
11 *occupancy to be appropriate.*

12 *(B) ALLOCATION OF RIGHTS AND RESPON-*
13 *SIBILITIES.—In the event of a payment under*
14 *paragraph (1), the rights of the Secretary, with*
15 *respect to any property acquired pursuant to a*
16 *guarantee or related agreements, shall be supe-*
17 *rior to the rights of any other person with re-*
18 *spect to the property, except that as long as*
19 *amounts remain due to the recipient of the pay-*
20 *ment under the terms of the eligible mortgage*
21 *and as long as the recipient diligently pursues*
22 *collection of all amounts due under the eligible*
23 *mortgage, all decisions with respect to the eligi-*
24 *ble mortgage, including efforts to collect the un-*
25 *paid amounts, shall be made by the recipient,*

1 *Provided, That any amounts collected by the re-*
 2 *cipient less reasonable out-of-pocket costs of col-*
 3 *lection shall be shared with the Secretary in the*
 4 *same ratio as the guaranteed portion bears to the*
 5 *original principal amount of the eligible mort-*
 6 *gage.*

7 (C) *TERMS AND CONDITIONS.*—*A guarantee*
 8 *agreement shall include such detailed terms and*
 9 *conditions as the Secretary determines appro-*
 10 *priate to protect the interests of the United*
 11 *States in the case of default.*

12 (3) *FULL FAITH AND CREDIT.*—*The full faith*
 13 *and credit of the United States is pledged to the pay-*
 14 *ment of all guarantees issued under this section with*
 15 *respect to principal and interest.*

16 (g) *DEFINITIONS.*—*For purposes of this section, the*
 17 *following definitions shall apply:*

18 (1) *ELIGIBLE MORTGAGE.*—*The term “eligible*
 19 *mortgage” means a mortgage that meets the require-*
 20 *ments under subsection (b).*

21 (2) *GREEN PORTION.*—*The term “green portion”*
 22 *means, with respect to an eligible mortgage, the por-*
 23 *tion of the mortgage principal referred to in sub-*
 24 *section (b)(2) that is attributable, as determined in*
 25 *accordance with regulations issued by the Secretary,*

1 to the increased costs incurred in financing provision
2 of sustainable building elements for the housing for
3 which the mortgage was made, as compared to the
4 costs that would have been incurred in financing the
5 provision of other building elements for the housing
6 for the same purposes that are commonly or conven-
7 tionally used but are not sustainable building ele-
8 ments.

9 (3) *GUARANTEED PORTION.*—The term “guaran-
10 teed portion” means, with respect to an eligible mort-
11 gage guaranteed under this section, the green portion
12 of the mortgage that is so guaranteed.

13 (4) *MORTGAGE.*—The term “mortgage” has the
14 meaning given such term in section 201 of the Na-
15 tional Housing Act (12 U.S.C. 1707).

16 (5) *MULTIFAMILY HOUSING.*—The term “multi-
17 family housing” means a residential property con-
18 sisting of five or more dwelling units.

19 (6) *SECRETARY.*—The term “Secretary” means
20 the Secretary of Housing and Urban Development.

21 (7) *SINGLE-FAMILY HOUSING.*—The term “single-
22 family housing” means a residential property con-
23 sisting of one to four dwelling units.

24 (8) *SUSTAINABLE BUILDING ELEMENT.*—The
25 term “sustainable building element” means such

1 *building elements, as the Secretary shall define, that*
 2 *have energy efficiency or environmental sustainability*
 3 *qualities that are superior to such qualities for other*
 4 *building elements for the same purposes that are com-*
 5 *monly or conventionally used.*

6 *(h) AUTHORIZATION OF APPROPRIATIONS.—There is*
 7 *authorized to be appropriated for costs (as such term is de-*
 8 *finied in section 502 of the Federal Credit Reform Act of*
 9 *1990 (2 U.S.C. 661a) of guarantees under this section*
 10 *\$500,000,000 for each of fiscal years 2010 through 2014.*

11 *(i) REGULATIONS.—The Secretary shall issue any reg-*
 12 *ulations necessary to carry out this section.*

13 **SEC. 26. GREEN DIVIDEND PROGRAM FOR FEDERALLY AS-**
 14 **SISTED RENTAL HOUSING.**

15 *(a) AUTHORITY.—The Secretary shall establish a pro-*
 16 *gram under this section to provide green dividends to own-*
 17 *ers of covered federally assisted housing projects who under-*
 18 *take utility cost-saving measures that result in utility cost*
 19 *savings for such housing.*

20 *(b) GREEN DIVIDENDS.—*

21 *(1) IN GENERAL.—A green dividend under this*
 22 *section with respect to a covered federally assisted*
 23 *housing project shall be an annual distribution, to the*
 24 *owner of the project, of an amount of the surplus*
 25 *project funds that is equal to the sum of—*

1 (A) 50 percent of the annual utility cost
 2 savings resulting from the utility cost-saving
 3 measures conducted for the project; and

4 (B) any reasonable costs, as determined by
 5 the Secretary pursuant to subsection (d)(4), in-
 6 curred by the owner in carrying out the utility
 7 cost-saving measures, including required report-
 8 ing and monitoring costs and financing costs in-
 9 curred by the owner or a third party, in compli-
 10 ance with guidelines established pursuant to sub-
 11 section (d)(3).

12 (2) *ADDITIONAL TO STANDARD DISTRIBUTION.*—
 13 Notwithstanding any other law or regulation relating
 14 to a limitation on distributions for a covered federally
 15 assisted housing project, a green dividend under this
 16 section shall be in addition to the standard distribu-
 17 tion that the owner of the project is authorized to re-
 18 ceive from the project pursuant to the regulations of
 19 the Secretary.

20 (c) *STANDARDS FOR MEASUREMENT AND MONI-*
 21 *TORING.*—In carrying out the program under this section,
 22 the Secretary shall establish and utilize the following stand-
 23 ardized methods:

24 (1) *Methods that an owner of a covered federally*
 25 *assisted housing project may use to accurately meas-*

1 *ure the baseline utility use of the project before under-*
 2 *taking the utility cost-saving measures for the project.*

3 *(2) Methods that an owner of a covered federally*
 4 *assisted housing project may use to effectively monitor*
 5 *reductions in the utility use of the project resulting*
 6 *from the completed utility cost-saving measures for*
 7 *the project.*

8 *(3) Methods that an owner of a covered federally*
 9 *assisted housing project may use to track, and that*
 10 *the Secretary may use to verify, utility cost savings*
 11 *resulting from the utility cost-saving measures for the*
 12 *project that account for the effect of changes in utility*
 13 *costs and such other factors that the Secretary con-*
 14 *siders necessary or appropriate.*

15 *(d) OTHER REQUIREMENTS.—*

16 *(1) APPLICATION AND SELECTION.—The Sec-*
 17 *retary shall establish requirements for owners of cov-*
 18 *ered federally assisted housing projects to apply for*
 19 *participation in the program under this section and*
 20 *shall select among such applications based upon selec-*
 21 *tion criteria, which the Secretary shall establish.*

22 *(2) COST-EFFECTIVENESS.—The Secretary shall*
 23 *establish guidelines to ensure that any utility cost-*
 24 *saving measures undertaken pursuant to the program*
 25 *under this section are cost-effective in relation to the*

1 *utility cost savings resulting from the measures and*
2 *the green dividend provided under this section to the*
3 *owner.*

4 (3) *ENERGY PERFORMANCE CONTRACTS.—The*
5 *Secretary shall establish guidelines for the use of en-*
6 *ergy performance contracting in carrying out utility*
7 *cost-saving measures pursuant to the program under*
8 *this section.*

9 (4) *FINANCING COSTS.—The Secretary shall es-*
10 *tablish guidelines for the financing of the reasonable*
11 *costs incurred by an owner of a covered federally as-*
12 *sisted housing project in carrying out utility cost-sav-*
13 *ing measures under the program under this section,*
14 *and whether such costs, whether financed by the lim-*
15 *ited dividend owner or a third party, shall be repay-*
16 *able from project funds.*

17 (5) *REPORTING.—*

18 (A) *TO SECRETARY.—The Secretary shall*
19 *require each owner of a covered federally assisted*
20 *housing project for which a green dividend is*
21 *provided pursuant to the program under this*
22 *section to submit to the Secretary such reports*
23 *regarding the project, the utility cost-saving*
24 *measures undertaken for the project, and the*
25 *utility cost savings of the project in accordance*

1 *with such requirements as the Secretary shall es-*
2 *tablish.*

3 *(B) TO CONGRESS.—The Secretary shall*
4 *submit reports to the Congress describing the im-*
5 *plementation and operation of the program*
6 *under this section, as follows:*

7 *(i) INITIAL REPORT.—The Secretary*
8 *shall submit reports describing the initial*
9 *implementation and operation of the pro-*
10 *gram not later than the expiration of the*
11 *180-day period beginning upon the date of*
12 *the enactment of this Act.*

13 *(ii) ANNUAL REPORTS.—Not later than*
14 *the expiration of the 12-month period that*
15 *begins upon the expiration of the period*
16 *specified clause (i), and upon the expiration*
17 *of each successive 12-month period there-*
18 *after, the Secretary shall submit a report*
19 *describing the ongoing operation of the pro-*
20 *gram.*

21 *(e) PREEMPTION OF CONFLICTING STATE LAWS LIM-*
22 *ITING DISTRIBUTIONS.—*

23 *(1) IN GENERAL.—Except as provided in para-*
24 *graph (2), no State or political subdivision of a State*
25 *may establish, continue in effect, or enforce any law,*

1 regulation, or administrative requirement that limits
 2 or restricts, to an amount that is less than the sum
 3 of the amounts provided for under paragraphs (1)
 4 and (2) of subsection (b), the amount of surplus
 5 project funds accruing after the date of the enactment
 6 of this section that may be distributed from any cov-
 7 ered federally assisted housing project.

8 (2) *EXCEPTION AND WAIVER.*—Paragraph (1)
 9 shall not apply to any law or regulation to the extent
 10 such law or regulation applies to—

11 (A) a State-financed covered federally as-
 12 sisted housing project; or

13 (B) a covered federally assisted housing
 14 project for which the owner has elected to waive
 15 the applicability of paragraph (1).

16 (f) *DEFINITIONS.*—For purposes of this section, the fol-
 17 lowing definitions shall apply:

18 (1) *COVERED FEDERALLY ASSISTED HOUSING*
 19 *PROJECT.*—The term “covered federally assisted hous-
 20 ing project” means any multifamily rental housing
 21 project that—

22 (A) is provided any rental assistance, sub-
 23 sidy, or other financial assistance by the Sec-
 24 retary; and

1 (B) that is subject to a limitation on dis-
2 tributions to the owner, whether for-profit or
3 non-for-profit, of project funds under section
4 200.106(a), 236.1(c), 880.205(a) or (b),
5 881.205(a) or (b), or 883.306(a) or (b) of title 24
6 of the Code of Federal Regulations, or any other
7 statute or regulation applicable to the project.

8 (2) SECRETARY.—The term “Secretary” means
9 the Secretary of Housing and Urban Development.

10 (3) SURPLUS PROJECT FUNDS.—The term “sur-
11 plus project funds” means, with respect to a covered
12 federally assisted housing project, the net revenue of
13 the project after all project expenses have been paid,
14 or funds have been set aside for the payment thereof,
15 and any reserve requirements applicable to the project
16 have been met.

17 (4) UTILITY COST SAVINGS.—The term “utility
18 cost savings” means, with respect to utility cost-sav-
19 ing measures undertaken for a covered federally as-
20 sisted housing project, the difference between—

21 (A) the energy or water costs that would
22 have been incurred for the project if such utility
23 cost-saving measures were not completed; and

1 (B) the actual energy or water costs for the
 2 project after completion of the utility cost-saving
 3 measures.

4 (5) *UTILITY COST-SAVING MEASURES.*—The term
 5 “utility cost-saving measures” means, with respect to
 6 a covered federally assisted housing project, any reha-
 7 bilitation, renovation, retrofit, improvement, or alter-
 8 ation for the project that incorporates any technology,
 9 equipment, fixture, or material, or promotes any
 10 practice, designed to reduce the energy or water con-
 11 sumption of the project. Such measures shall utilize
 12 Energy Star or WaterSense rated products or devices
 13 at a minimum. In cases in which there is no Energy
 14 Star or WaterSense designated product or device, the
 15 Secretary shall designate the minimum standards.

16 (g) *REGULATIONS.*—Not later than the expiration of
 17 the 180-day period beginning on the date of the enactment
 18 of this Act, the Secretary shall issue any regulations nec-
 19 essary to carry out this section.

20 **SEC. 27. USE OF RESIDUAL RECEIPTS AND RESERVE FOR**
 21 **REPLACEMENTS FUNDS FOR GREEN RETRO-**
 22 **FITS OF FEDERALLY ASSISTED RENTAL**
 23 **HOUSING.**

24 The Secretary of Housing and Urban Development
 25 shall—

(1) review the regulations and agreements of the Department of Housing and Urban Development concerning residual receipts accounts in federally assisted rental housing that is subject to a limitation on distributions, to the owner, of project funds under section 200.106(a), 236.1(c), 880.205, 881.205, or 883.306 of title 24 of the Code of Federal Regulations, or any other statute or regulation applicable to the project, to clarify whether the use of such funds for other project purposes includes activities related to the energy efficiency at properties with such residual receipts accounts; and

(2) revise its policies with regard to the use of reserve for replacement funds to encourage the use of such reserves, where practical, for energy efficiency items.

SEC. 28. STUDY ON BUILDING CODES EFFECTS ON CONSTRUCTION AND INSTALLATION OF DISTRIBUTIVE ENERGY GENERATION MEASURES AND WATER EFFICIENCY MEASURES.

(a) *STUDY.*—The Comptroller General of the United States shall conduct a study to analyze to what extent provisions of State and local building codes create obstacles or otherwise conflict with efforts to enable and encourage the

1 *construction and installation in such projects of distributive*
 2 *energy generation measures and water efficiency measures.*

3 *(b) PROVISION OF INFORMATION TO ENERGY INFORMA-*
 4 *TION ADMINISTRATION.—The Comptroller General shall*
 5 *provide any information collected in conducting the study*
 6 *under this section to the Secretary of Energy to supplement*
 7 *information collected and maintained by the Energy Infor-*
 8 *mation Administration of the Department of Energy re-*
 9 *garding residential energy consumption.*

10 *(c) REPORT.—Not later than the expiration of the 6-*
 11 *month period beginning on the date of the enactment of this*
 12 *Act, the Comptroller General shall submit a report to the*
 13 *Congress and to the Secretary of Energy setting forth the*
 14 *results and conclusions of the study under this section.*

15 **SEC. 29. COMMUNITY BUILDING CODE ADMINISTRATION**
 16 **GRANTS.**

17 *(a) SHORT TITLE.—This section may be cited as the*
 18 *“Community Building Code Administration Grant Act of*
 19 *2009”.*

20 *(b) GRANT PROGRAM AUTHORIZED.—*

21 *(1) GRANT AUTHORIZATION.—The Secretary of*
 22 *Housing and Urban Development shall, to the extent*
 23 *amounts are made available for grants under this sec-*
 24 *tion, provide grants to local building code enforce-*
 25 *ment departments.*

1 (2) *COMPETITIVE AWARDS.*—*The Secretary shall*
2 *award grants under paragraph (1) on a competitive*
3 *basis pursuant to the criteria set forth in subsection*
4 *(f), but also taking into consideration the following:*

5 (A) *The financial need of each building code*
6 *enforcement department.*

7 (B) *The benefit to the jurisdiction of having*
8 *an adequately funded building code enforcement*
9 *department.*

10 (C) *The demonstrated ability of each build-*
11 *ing code enforcement department to work coop-*
12 *eratively with other local code enforcement of-*
13 *fices, health departments, and local prosecutorial*
14 *agencies.*

15 (3) *MAXIMUM AMOUNT.*—*The maximum amount*
16 *of any grant awarded under this subsection shall not*
17 *exceed \$1,000,000.*

18 (c) *REQUIRED ELEMENTS IN GRANT PROPOSALS.*—*In*
19 *order to be eligible for a grant under subsection (b), a build-*
20 *ing code enforcement department of a jurisdiction shall sub-*
21 *mit to the Secretary the following:*

22 (1) *A demonstration of the jurisdiction's needs in*
23 *executing building code enforcement administration.*

24 (2) *A plan for the use of any funds received from*
25 *a grant under this section that addresses the needs*

1 discussed in paragraph (1) and that is consistent
2 with the authorized uses established in subsection (d).

3 (3) A plan for local governmental actions to be
4 taken to establish and sustain local building code en-
5 forcement administration functions, without con-
6 tinuing Federal support, at a level at least equivalent
7 to that proposed in the grant application.

8 (4) A plan to create and maintain a program of
9 public outreach that includes a regularly updated and
10 readily accessible means of public communication,
11 interaction, and reporting regarding the services and
12 work of the building code enforcement department to
13 be supported by the grant.

14 (5) A plan for ensuring the timely and effective
15 administrative enforcement of building safety and fire
16 prevention violations.

17 (d) *USE OF FUNDS; MATCHING FUNDS.*—

18 (1) *AUTHORIZED USES.*—Amounts from grants
19 awarded under subsection (b) may be used by the
20 grant recipient to supplement existing State or local
21 funding for administration of building code enforce-
22 ment. Such amounts may be used to increase staffing,
23 provide staff training, increase staff competence and
24 professional qualifications, or support individual cer-
25 tification or departmental accreditation, or for cap-

1 *ital expenditures specifically dedicated to the admin-*
2 *istration of the building code enforcement department.*

3 (2) *ADDITIONAL REQUIREMENT.—Each building*
4 *code enforcement department receiving a grant under*
5 *subsection (b) shall empanel a code administration*
6 *and enforcement team consisting of at least 1 full-*
7 *time building code enforcement officer, a city planner,*
8 *and a health planner or similar officer.*

9 (3) *MATCHING FUNDS REQUIRED.—*

10 (A) *IN GENERAL.—To be eligible to receive*
11 *a grant under this section, a building code en-*
12 *forcement department shall provide matching,*
13 *non-Federal funds in the following amount:*

14 (i) *In the case of a building code en-*
15 *forcement department serving an area with*
16 *a population of more than 50,000, an*
17 *amount equal to not less than 50 percent of*
18 *the total amount of any grant to be award-*
19 *ed under this section.*

20 (ii) *In the case of a building code en-*
21 *forcement department serving an area with*
22 *a population of between 20,001 and 50,000,*
23 *an amount equal to not less than 25 percent*
24 *of the total amount of any grant to be*
25 *awarded under this section*

1 (iii) *In the case of a building code en-*
2 *forcement department serving an area with*
3 *a population of less than 20,000, an*
4 *amount equal to not less than 12.5 percent*
5 *of the total amount of any grant to be*
6 *awarded under this section.*

7 (B) *ECONOMIC DISTRESS.*—

8 (i) *IN GENERAL.*—*The Secretary may*
9 *waive the matching fund requirements*
10 *under subparagraph (A), and institute, by*
11 *regulation, new matching fund requirements*
12 *based upon the level of economic distress of*
13 *the jurisdiction in which the local building*
14 *code enforcement department seeking such*
15 *grant is located.*

16 (ii) *CONTENT OF REGULATIONS.*—*Any*
17 *regulations instituted under clause (i) shall*
18 *include—*

19 (I) *a method that allows for a*
20 *comparison of the degree of economic*
21 *distress among the local jurisdictions of*
22 *grant applicants, as measured by the*
23 *differences in the extent of growth lag,*
24 *the extent of poverty, and the adjusted*

1 *age of housing in such jurisdiction;*
2 *and*

3 *(II) any other factor determined*
4 *to be relevant by the Secretary in as-*
5 *sessing the comparative degree of eco-*
6 *nomie distress among such jurisdic-*
7 *tions.*

8 *(4) IN-KIND CONTRIBUTIONS.—In determining*
9 *the non-Federal share required to be provided under*
10 *paragraph (3), the Secretary shall consider in-kind*
11 *contributions, not to exceed 50 percent of the amount*
12 *that the department contributes in non-Federal funds.*

13 *(5) WAIVER OF MATCHING REQUIREMENT.—The*
14 *Secretary shall waive the matching fund requirements*
15 *under paragraph (3) for any recipient jurisdiction*
16 *that has dedicated all building code permitting fees to*
17 *the conduct of local building code enforcement.*

18 *(e) RATING AND RANKING OF APPLICATIONS.—Eligible*
19 *applications will be rated and ranked according to the cri-*
20 *teria under subsection (f). All complete applications shall*
21 *be compared to one another and points shall be assigned*
22 *on a continuum within each criteria with the maximum*
23 *points awarded to the application that best meets the cri-*
24 *teria.*

1 (f) *CRITERIA.—The criteria under this subsection are*
 2 *as follows:*

3 (1) *NEED AND COMMUNITY BENEFIT FROM CODE*
 4 *ENFORCEMENT GRANT FUNDS.—The degree to which*
 5 *the application demonstrates the intent and means to*
 6 *ensure cooperative and effective working relationships*
 7 *between local building code enforcement officials and*
 8 *other local agencies, as well as a community-oriented*
 9 *approach to building code enforcement, with points*
 10 *awarded as follows:*

<i>Description</i>	<i>Maximum Points</i>
<i>A detailed description of the capital expenditures to be acquired with grant funds and a demonstration that the items' costs are reasonable.</i>	<i>0–10</i>
<i>The jurisdiction's need for the capital expenditure and how the grant funds will fulfill this need.</i>	<i>0–10</i>
<i>The joint benefits provided by the proposed expenditure for the following groups or activities. Provide a brief explanation of the benefit. (1 point will be awarded for each response, 5 points maximum).</i>	<i>0–5</i>
<ol style="list-style-type: none"> <i>1. Code enforcement program.</i> <i>2. Community or jurisdiction.</i> <i>3. Interdisciplinary code enforcement team.</i> <i>4. Housing preservation, rehabilitation programs, or neighborhood improvement programs.</i> <i>5. Special needs groups (disabled, elderly or low or very-low income, etc.).</i> 	
<i>Does the proposed capital expenditure provide a cost savings benefit to the jurisdiction? Provide a brief explanation of the cost savings.</i>	<i>0–5.</i>

11 (2) *CURRENT CODE ENFORCEMENT AND HOUSING*
 12 *CONSERVATION PLAN.—Whether the local legislative*
 13 *body in which the applicant resides has adopted a*
 14 *plan that addresses residential structure conservation*
 15 *and building code enforcement. Points shall be award-*

1 *ed, based on which of the descriptions from the fol-*
 2 *lowing list best reflects such jurisdiction’s plan for*
 3 *building code enforcement activities, as follows:*

<i>Description</i>	<i>Maximum Points</i>
<i>The plan provides for proactive code enforcement (not just responding to complaints), an interdisciplinary approach, and includes funding options for repairs and rehabilitation.</i>	10
<i>The plan only provides for proactive code enforcement (not just responding to complaints) and calls for an interdisciplinary approach and does not address funding options for repairs and rehabilitation.</i>	8
<i>The plan provides for some type of proactive code enforcement (other than just responding to complaints) but doesn’t address coordinated interdisciplinary activities with other local public agencies or funding options.</i>	6
<i>The plan provides for only reactive code enforcement.</i>	4
<i>The plan only refers to a need to preserve and/or improve existing housing stock, without any code enforcement program.</i>	2
<i>No existing plan.</i>	0.

4 *(3) COMMUNITY-ORIENTED OR INTERDISCIPLI-*
 5 *NARY CODE ENFORCEMENT.—The degree to which the*
 6 *application demonstrates the intent and means to en-*
 7 *sure cooperative and effective working relationships*
 8 *between building code enforcement officials and other*
 9 *local agencies, as well as a community-oriented ap-*
 10 *proach to code enforcement, with points awarded as*
 11 *follows:*

Description	Maximum Points
Identify current or proposed interdisciplinary code enforcement programs or activities and the team members (example: code enforcement, police, local prosecutors, health department, building and planning, fire, etc.). Provide a description of the team's code enforcement and coordination procedures, activities and services provided. If the current programs or resources are limited in scope, explain how receipt of the grant will be used to improve the program.	0–10
Identify current or proposed community-oriented code enforcement programs, activities, or services. (Examples: community clean-ups, Neighborhood Watch programs, community meetings, door-to-door code enforcement knock and talks, etc.). If the current programs or resources are limited in scope, explain how receipt of the grant will be used to improve the program.	0–10.

- 1 (4) *PROACTIVE CODE ENFORCEMENT ACTIVI-*
2 *TIES.—The effectiveness of the proposed or existing*
3 *proactive activities and programs operated by any ex-*
4 *isting building code enforcement program, which shall*
5 *include points awarded as follows for any such activi-*
6 *ties or programs:*

Description	Maximum Points
Encourages repairs and preservation, rather than demolition or abandonment, of substandard residences.	0–5
Abatement of (a) lead hazards and lead-based paints, (b) toxic molds and dampness, and (c) displacement or relocation of residents.	0–5
Community clean-up campaigns. This may include recycling dates, free or reduced disposal rates at dumpsite, public clean-up days that encourage removal of unwanted or excess debris by making available extra trash pick-ups, dumpsites or trash/recycling containers on specific dates to dispose of household debris, inoperable vehicles, tires, toxic materials, etc.	0–5

Description	Maximum Points
<i>Resource or referral programs for Federal, State, local, and private funds and other resources available in your jurisdiction that can assist with housing rehabilitation and repairs to rectify code violations.</i>	0–5
<i>Public education programs on housing issues. These could include community housing meetings dealing with homeownership, tenant/landlord issues, housing code enforcement, school age children’s programs with coloring books or handouts, housing safety pamphlets, etc.</i>	0–5
<i>Programs that encourage community involvement with groups; such as schools, church nonprofits, community service groups, utility companies, local stores, housing agency banks, etc.</i>	0–5.

1 (5) *CAPACITY TO FINANCIALLY AND TECHNICALLY*
2 *SUPPORT PROPOSED CAPITAL EXPENDITURES.—The*
3 *degree to which the application demonstrates the ju-*
4 *risdiction’s financial and technical capacity to prop-*
5 *erly use and successfully support the proposed capital*
6 *expenditure during the term of the grant, with points*
7 *awarded as follows:*

Description	Maximum Points
<i>The anticipated ongoing program funding for the duration of the grant program is adequate to financially support the use of the grant-financed equipment. Include details of funding and technical support sources for the capital expenditure (examples: insurance, paper, maintenance, training, supplies, personnel, monthly billing costs, etc.).</i>	0–5
<i>The jurisdiction has the technical capabilities to use and support equipment (examples: adequately trained staff or resources to provide training to operate technical equipment, local service provider for cell phones or 2-way radios, trained personnel to operate equipment, etc.).</i>	0–5.

8 (g) *EVALUATION AND REPORT.—*

1 (1) *IN GENERAL.*—*Grant recipients shall—*

2 (A) *be obligated to fully account and report*
3 *for the use of all grants funds; and*

4 (B) *provide a report to the Secretary on the*
5 *effectiveness of the program undertaken by the*
6 *grantee and any other criteria requested by the*
7 *Secretary for the purpose of indicating the effec-*
8 *tiveness of, and ideas for, refinement of the grant*
9 *program.*

10 (2) *REPORT.*—*The report required under para-*
11 *graph (1)(B) shall include a discussion of—*

12 (A) *the specific capabilities and functions*
13 *in local building code enforcement administra-*
14 *tion that were addressed using funds received*
15 *under this section;*

16 (B) *the lessons learned in carrying out the*
17 *plans supported by the grant; and*

18 (C) *the manner in which the programs sup-*
19 *ported by the grant are to be maintained by the*
20 *grantee.*

21 (3) *CONTENT OF REPORTS.*—*The Secretary*
22 *shall—*

23 (A) *require each recipient of a grant under*
24 *this section to file interim and final reports*
25 *under paragraph (2) to ensure that grant funds*

1 are being used as intended and to measure the
 2 effectiveness and benefits of the grant program;
 3 and

4 (B) develop and maintain a means whereby
 5 the public can access such reports, at no cost, via
 6 the Internet.

7 (h) *DEFINITIONS.*—For purposes of this section, the
 8 following definitions shall apply:

9 (1) *BUILDING CODE ENFORCEMENT.*—The term
 10 “building code enforcement” means the enforcement of
 11 any code, adopted by a State or local government,
 12 that regulates the construction of buildings and facili-
 13 ties to mitigate hazards to life or property. Such term
 14 includes building codes, electrical codes, energy codes,
 15 fire codes, fuel gas codes, mechanical codes, and
 16 plumbing codes.

17 (2) *BUILDING CODE ENFORCEMENT DEPART-*
 18 *MENT.*—The term “building code enforcement depart-
 19 ment” means an inspection or enforcement agency of
 20 a jurisdiction that is responsible for conducting build-
 21 ing code enforcement.

22 (3) *JURISDICTION.*—The term “jurisdiction”
 23 means a city, county, parish, city and county author-
 24 ity, or city and parish authority having local author-

1 *ity to enforce building codes and regulations and to*
2 *collect fees for building permits.*

3 (4) *SECRETARY.*—*The term “Secretary” means*
4 *the Secretary of Housing and Urban Development.*

5 (i) *AUTHORIZATION OF APPROPRIATIONS.*—

6 (1) *IN GENERAL.*—*There are authorized to be ap-*
7 *propriated \$20,000,000 for each of fiscal years 2010*
8 *through 2014 to the Secretary of Housing and Urban*
9 *Development to carry out the provisions of this sec-*
10 *tion.*

11 (2) *RESERVATION.*—*From the amount made*
12 *available under paragraph (1), the Secretary may re-*
13 *serve not more than 5 percent for administrative*
14 *costs.*

15 (3) *AVAILABILITY.*—*Any funds appropriated*
16 *pursuant to paragraph (1) shall remain available*
17 *until expended.*

Union Calendar No. 361

11TH CONGRESS
2^D Session

H. R. 2336

[Report No. 111-619]

A BILL

To encourage energy efficiency and conservation and development of renewable energy sources for housing, commercial structures, and other buildings, and to create sustainable communities.

SEPTEMBER 22, 2010

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed