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[H.R. 2997, Private Investment in Housing Act of 2015](#)

FLOOR SITUATION

On Tuesday, July 14, 2015, the House will consider [H.R. 2997](#), *the Private Investment in Housing Act of 2015*, under suspension of the rules. H.R. 2997 was introduced on July 9, 2015, by Rep. Dennis Ross (R-FL) and was referred to the Committee on Financial Services.

SUMMARY

H.R. 2997 authorizes the Secretary of the Department of Housing and Urban Development (HUD) to establish a demonstration program under which the Secretary may execute budget-neutral, performance-based agreements with such entities as the Secretary determines appropriate that result in a reduction in energy or water costs.

The entities entering into such agreements must carry out projects for energy or water conservation improvements at not more than 20,000 residential units in multifamily buildings participating in Section 8 rental assistance programs, supportive housing for the elderly, or supportive housing for people with disabilities.

The bill requires the Secretary to establish a competitive process for entering into agreements to produce energy and water savings in exchange for a share of the savings. The Secretary must enter into agreements only with entities that demonstrate significant experience relating to: financing or operating properties receiving assistance under one of the identified programs; oversight of energy or water conservation programs, including oversight of contractors; and, raising capital for energy or water conservation improvements from charitable organizations or private investors. The agreement would provide for sharing, between HUD and the approved entity, a portion of the savings achieved through the demonstration, as determined by a third-party entity.

The agreements also must provide for the inclusion of properties with the greatest feasible geographic variance, where the multifamily property is subject to affordability restrictions for at least 15 years and payments made to entities, through the sharing of savings, is no longer than 12 years. The bill authorizes the demonstration program for fiscal years 2016 through 2019.

The bill requires the Secretary to conduct an evaluation of the program and report to Congress on the evaluation not later than one year after enactment and annually thereafter.

BACKGROUND

According to the bill's sponsor, the bill will "allow HUD to assist properties and team up with private sector investors to manage the necessary upgrades and lower costs."¹ Enterprise Communities, a nonprofit housing foundation, estimates that HUD spends in excess of \$7 billion in annual energy and water costs. HUD assisted properties are generally older stock with inefficient energy and water usage.

COST

A Congressional Budget Office (CBO) cost estimate is currently unavailable.

STAFF CONTACT

For questions or further information please contact [Jerry White](#) with the House Republican Policy Committee by email or at 5-0190.

¹ See Press Release—"[Ross Introduces Private Investment in Housing Act](#)," July 9, 2015.