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Senate Subcommittee Discusses Energy-Efficiency Legislation



On June 30, the Senate Banking Subcommittee on Housing, Transportation, and Community Development [held a hearing](#) ^[1] on energy efficient housing that focused primarily on [S.1379, the Energy Efficiency in Housing Act](#) ^[2] (EEHA). EEHA, introduced last year by Senator Sheldon Whitehouse (D-RI), is the companion bill to [H.R. 2336, the GREEN Act](#) ^[3].

The Subcommittee heard testimony from Whitehouse and House Financial Services Committee member Ed Perlmutter (D-CO), the primary sponsor of the GREEN Act. Both members of Congress addressed the many ways that further incentivizing retrofitting and new green construction would benefit the nation. According to Whitehouse, EEHA would mandate up-front green incentives for HUD programs and require that savings from retrofitting existing single-family and multifamily buildings be shared between tenants and landlords. Perlmutter testified that the GREEN Act and EEHA would create 140,000 or more new jobs and would save HUD \$1 billion over five years in reduced energy costs. The proposed legislation has support from a variety of home builders and mortgage bankers, as well as the US Green Building Council and Enterprise Community Partners.

HUD Deputy Secretary Ron Sims also testified at the hearing, telling the Subcommittee that "we can't afford not to build green."

Emphasizing that no one is more vulnerable to rising energy costs than low-income families, Sims said that HUD, along with the Department of Transportation and other agencies, is committed to becoming a leader in green development, which was a key point in [HUD's recently released strategic plan](#) ^[4]. According to Sims, HUD's initiatives are closely aligned with the goals of the Green Act and EEHA.

The Subcommittee also heard testimony from Dave Caldwell, Vice President, Caldwell and Johnson Inc.; Trisha Miller, Director of Green Communities, Enterprise Community Partners; and Kenneth Gear, Executive Director, Leading Builders of America. All three witnesses were very supportive of the proposed legislation.

Caldwell told the Subcommittee that everyone agrees that green homes can save money, but lenders are unwilling to consider the long-term savings involved and are reluctant to use specially-tailored energy-efficient mortgage products because they tend to involve more work. Caldwell recommended that lenders be required to give consumers more information on their options for an energy-efficient home, as currently "people get more information when they purchase a box of cereal than they do when they buy a house."

Miller testified that green housing could help reverse the national shortfall of affordable housing. Because energy and transportation costs make up a large part of the average household's budget, a comprehensive approach to green and sustainable housing would save families money over the long term. Furthermore, Miller said, green homes are healthy homes, and homes with proper air circulation could decrease the impact of childhood illnesses, such as asthma.

Gear commended Whitehouse for taking the lead on such an important issue. He said that the Leading Builders of America would like to see energy-efficient mortgages universally available throughout the country. He agreed with Caldwell that the market would benefit from increased accuracy in mortgage underwriting that included energy costs. In short, he said, energy-efficient homes should always be more affordable than wasteful homes.

The senators at the hearing were very receptive to the legislation. Subcommittee member Jon Tester (D-MT) told Sims that he would like to see the special challenges that affect energy-efficient building in rural areas addressed, but he believed that the legislation presented the nation with a "win-win-win situation." Subcommittee member Mark Warner (D-VA) told Sims that he was glad to see the Administration was supportive of retrofitting existing homes through programs such as the [Home Star Energy Retrofit Program](#) ^[5], which was recently approved by the House. Subcommittee Chairman Robert Menendez (D-NJ) agreed with the panelists that long-term energy costs should be made obvious to lenders and buyers upfront.

The future of EEHA is not certain. Although there are currently no plans to markup EEHA or bring it to the Senate floor, Menendez mentioned that some version of the legislation may be included in upcoming energy reform legislation. Similarly, there are currently no plans for House consideration of the GREEN Act. The House Financial Services Committee reported the GREEN Act earlier this year.

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- [2] <http://hdl.loc.gov/loc.uscongress/legislation.111s1379>
- [3] <http://hdl.loc.gov/loc.uscongress/legislation.111hr2336>
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