

1 **TITLE LXXXI—PRIVATE**
2 **INVESTMENT IN HOUSING**

3 **SEC. 81001. BUDGET-NEUTRAL DEMONSTRATION PROGRAM**
4 **FOR ENERGY AND WATER CONSERVATION IM-**
5 **PROVEMENTS AT MULTIFAMILY RESIDEN-**
6 **TIAL UNITS.**

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

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

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

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

5 (b) REQUIREMENTS.—

6 (1) PAYMENTS CONTINGENT ON SAVINGS.—

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

15 (B) PAYMENT METHODOLOGY.—

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

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

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

1 sumption in the participating prop-
2 erties.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (c) PLAN AND REPORTS.—

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

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

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

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

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

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

4 **TITLE LXXXII—CAPITAL ACCESS**
5 **FOR SMALL COMMUNITY FI-**
6 **NANCIAL INSTITUTIONS**

7 **SEC. 82001. PRIVATELY INSURED CREDIT UNIONS AUTHOR-**
8 **IZED TO BECOME MEMBERS OF A FEDERAL**
9 **HOME LOAN BANK.**

10 (a) IN GENERAL.—Section 4(a) of the Federal Home
11 Loan Bank Act (12 U.S.C. 1424(a)) is amended by adding
12 at the end the following new paragraph:

13 “(5) CERTAIN PRIVATELY INSURED CREDIT
14 UNIONS.—

15 “(A) IN GENERAL.—Subject to the re-
16 quirements of subparagraph (B), a credit union
17 shall be treated as an insured depository insti-
18 tution for purposes of determining the eligibility
19 of such credit union for membership in a Fed-
20 eral home loan bank under paragraphs (1), (2),
21 and (3).

22 “(B) CERTIFICATION BY APPROPRIATE SU-
23 PERVISOR.—

24 “(i) IN GENERAL.—For purposes of
25 this paragraph and subject to clause (ii), a