

Statement of Sheldon Whitehouse
Hearing on “Green Housing for the 21st Century: Retrofitting the Past and Building an Energy-Efficient Future”
Subcommittee on Housing, Transportation, and Community Development
Committee on Banking, Housing, & Urban Affairs
June 30, 2010

Chairman Menendez and Members of the Committee, I thank you for the opportunity to speak this morning and for holding a hearing to examine proposals to encourage energy efficiency in the housing sector, including my Energy Efficiency in Housing Act. I also want to thank Representative Perlmutter for leading the way on this crucial topic. He has succeeded in shepherding green housing legislation through the House and has been one of the leading champions of energy efficiency.

I also want to acknowledge Dave Caldwell, on the third witness panel, who has led pioneering efforts in green building in Rhode Island, and has travelled down to DC to share his experiences with us.

I hope that this hearing will make clear that energy-efficient housing connects tackling climate change and reducing our dependence on foreign fossil fuels to cutting government outlays and trimming household budgets, to renovation, design, and construction jobs that can't be exported. Despite this promise, energy efficient options in housing are not well understood by consumers, and homebuyers today often pass up green opportunities that are in their economic interest. Our challenge as legislators is to devise programs to inform consumers and jumpstart the green housing economy.

Representative Perlmutter's G.R.E.E.N. Act, is the first comprehensive green housing bill to be introduced in Congress. Working with Chairman Menendez and Senator Schumer, I drafted a companion to the G.R.E.E.N. Act and introduced it last June. Similar to Representative Perlmutter's bill, the Energy Efficiency in Housing Act would authorize programs and incentives to encourage green construction and retrofitting.

EEHA would energize the market for energy efficient and location efficient mortgages by directing the HUD Secretary to develop upfront incentives for homebuyers. As a result of lower monthly energy costs, green homeowners are slightly less likely to default on their mortgage over time. This lower credit risk justifies borrowing incentives such as waived fees and lower points and rates. Additionally, EEHA would create incentives in the secondary mortgage market, making it more profitable for lenders to sell these products.

On the public housing side, EEHA would require the Secretary to develop incentives for energy efficiency for the housing programs that HUD oversees, designed so that savings are shared between landlord and tenant. To help find the right balancing points, the bill would authorize a 50,000-unit demonstration program for Section 8.

As Members of this Subcommittee well know, housing programs often cut across layers of government. To help state and local governments experiment with novel and innovative green housing programs, EEHA would authorize a revolving loan fund. It would also create a grant program so that community development non-profits can participate in and administer construction and retrofitting efforts.

Mr. Chairman, I once again commend you for holding this hearing. With buildings accounting for between 40% and 50% of greenhouse gas emissions, green housing incentives offer environmental promise in addition to jobs and cost savings.

Unfortunately, I need to leave to return to the confirmation hearing of Elena Kagan. My staff will monitor all comments and suggestions raised today and I will consider them in refining and advancing my bill. I look forward to continuing our work on green housing legislation. Thank you.