

# **BUILDINGENERGY NYC**

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## **Clean Energy Financing: Collaboration in New York State**

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**Northeast Sustainable Energy Association (NESEA)**  
**September 15, 2022**

# New York State's Clean Energy Initiative: Collaborating for greener affordable housing

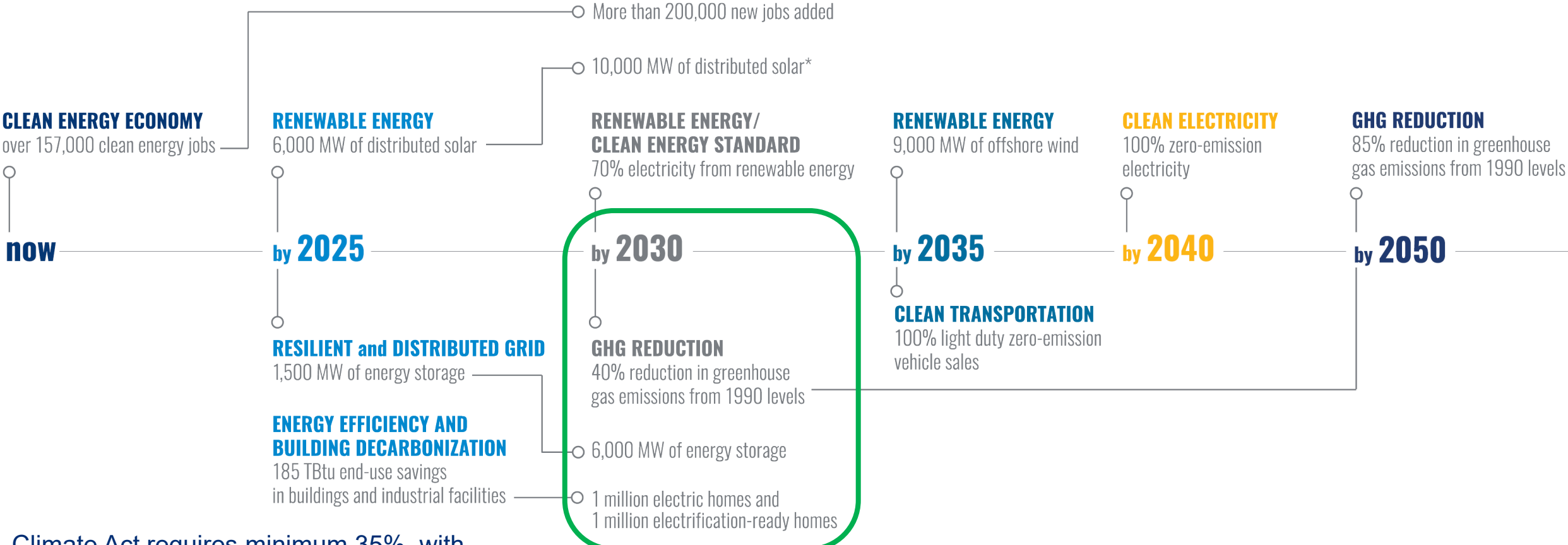
## Northeast Sustainable Energy Association Conference – September 15, 2022

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Housing Decarbonization**  
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# New York's Climate Act



Climate Act requires minimum 35%, with goal of 40% of clean energy spending directed to disadvantaged communities.

As announced by Governor Hochul during Climate Week 2021, New York State has now set a successor distributed solar goal of at least 10 GW of solar by 2030; NYSERDA and DPS Staff are now in the process of charting the path to 10 GW and beyond via a Whitepaper before the Public Service Commission (PSC).

# Two Million Climate-Friendly Homes by 2030

## Governor Hochul's 2022 State of the State (SOTS)

- Directs NYSERDA, HCR, DPS and DOS to deliver:
  - **an executable plan this year** to reach 2 Million climate-friendly dwelling units **by 2030**
  - **a funding proposal and strategies to leverage private capital**
- The Action Plan must outline path and funding to achieve:
  - a minimum of **1 million electrified** homes/apartments
  - up to **1 million electrification-ready** homes/apartments
  - Ensure more than **800,000 (40%) low-to-moderate income households** served with clean energy upgrades

Scale of homes adopting full-load heat pump systems for heating and cooling will need to **Increase 10X from ~20k homes/year to 200k+ homes/year by 2030**

# Critical Policy Instruments

## The Governor's 2 Million Homes initiative recognizes critical policy instruments and interventions needed to achieve this target:

1. Changes in the **new construction code, benchmarking large buildings** including multifamily, and **appliance efficiency standards**
2. Efficiency and electrification integrated into **HCR's 5-year Affordable Housing Capital Plan**
3. Changes in **Public Service Law** to level the playing field for clean energy alternatives and end the obligation to serve customers with natural gas, tailored to maintain affordability for LMI
4. Convening the **finance, mortgage and banking industries** to help align private capital to **support housing decarbonization**
5. Providing the training and workforce development programs/support to ensure that New York has the **skilled workforce to deliver these services**

# Strong Legislative Tailwinds at all Levels

## State

- New York City Public Housing Preservation Trust Act
- Advanced Building Codes, Appliance and Equipment Efficiency Standards Act
- Utility Thermal Energy Network and Jobs Act
- State Tax Credit for Ground Source Heat Pump installations

## Local

- NYC's Climate Mobilization Act including LL97; LL154 – All-Electric New Buildings Act
- City of Ithaca's Green New Deal: Goal to achieve carbon-neutrality community-wide by 2030

## Federal

- Infrastructure Investment & Jobs Act (IIJA) / Bipartisan Infrastructure Law (BIL)
- Inflation Recovery Act (IRA)

# Transformative Partnerships with Affordable Housing

- NYSERDA has robust partnerships in place with HCR, HPD and NYCHA to help them achieve their ambitious sustainability goals
- NYSERDA and HCR have a transformative long-term partnership to effectuate HCR's sustainability leadership and make decarbonization core to developing and preserving NYS affordable housing
- NYSERDA investment in HCR: \$100M over 5 years
  - *Clean Energy Initiative*: a flagship effort to create a streamlined, scalable model for integrating clean energy grants, technical assistance into financing process

# New York State Homes and Community Renewal

The State's affordable housing agency, with a **mission to build, preserve, and protect affordable housing and increase homeownership (single-family) throughout New York State.**

HCR is comprised of the following agencies:

- The State of New York Mortgage Agency (SONYMA)
- Housing Finance Agency (HFA)
- Housing Trust Fund Corporation (HTFC)
- Affordable Housing Corporation (AHC), and
- Division of Housing and Community Renewal (DHCR)

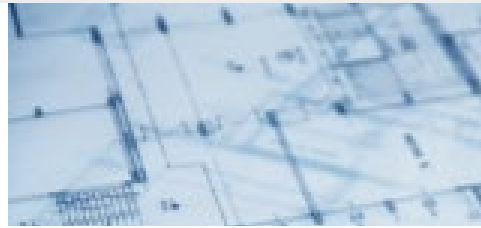




# NYSERDA & HCR Partnership

## Five Key Work Areas

- **Capacity Building:** Create a process for NYSERDA/Energy funding to be utilized as a source (aka directly injected) into HCR pipeline
- **Technical Support:** Provide TAP support for both new construction and existing buildings (preservation and adaptive reuse)
- **Process:** Roll out a set of Guidelines for Sustainability within HCR
- **Data & Research:** Create a process for carbon accounting with HCR. Support HCR with research and developments of new decarbonized technologies.
- **Strategy:** Ensure the HCR roadmap is aligned with the State's Carbon Reduction goals as defined in the CLCPA and 2 Million Homes Action Plan



## STRUCTURE SUSTAINABILITY GUIDELINE REQUIREMENTS

This booklet is divided into three sections:



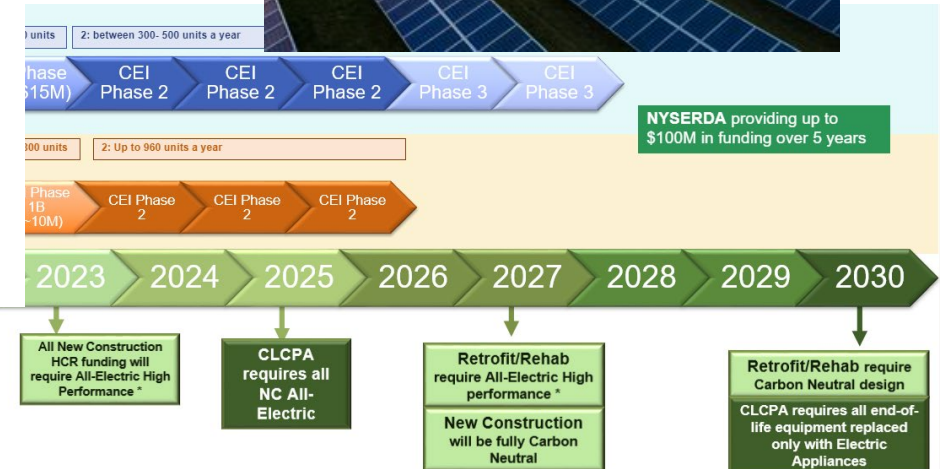
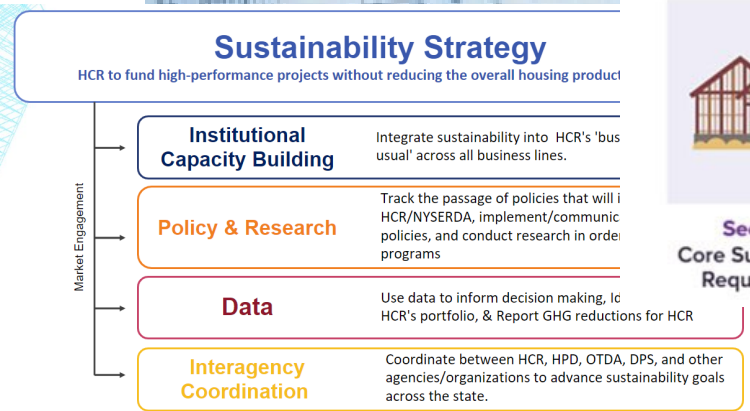
**Section 1:  
Core Sustainability  
Requirements**



**Section 2:  
Building Performance  
Requirements**



**Section 3:  
Additional Sustainability  
Requirements**



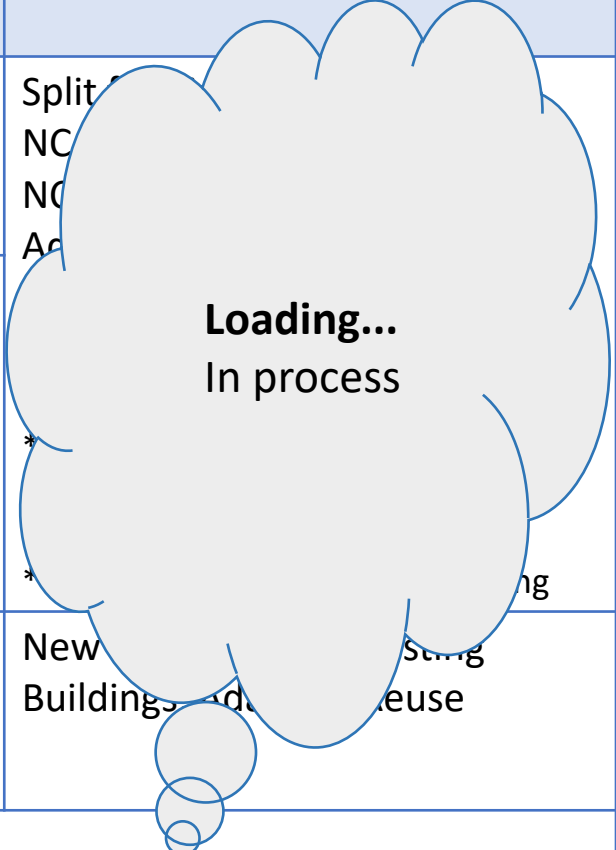
# Overview: NYS Clean Energy Initiative (CEI)



On August 2021, NYS Homes and Community Renewal (HCR) and the NYS Energy Research and Development Authority (NYSERDA) announced the availability of state funding for a new Clean Energy Initiative, designed to create energy-efficient, all-electric affordable housing units.

1. Promote ease of access to affordable housing owners/developers through one application and source
2. Minimize issues with incentive-based payments
3. Inject clean energy funding within the capital stack

# Overview NYS CEI (continued)

Phase	Phase 1A (\$7.5M)	Phase 1B (\$25M)	Long Term CEI Program
<b>Hard Cost funding</b>	\$10,000/unit to offset the incremental capital costs of pursuing the scope of work	Up to \$22,500/unit - EB Up to \$10,00/unit - NC	Split NC NC Ad
<b>Soft cost funding</b>	\$2,500/unit to fund integrated design	Up to \$2,500/unit not to exceed \$150,000/project	
<b>Eligible Projects</b>	New Construction & Adaptive Reuse under 200 units	New Construction, Adaptive Reuse and Existing Buildings, under 250 units	New Buildings and Adaptive Reuse
<b>Requirements</b>	All projects must pay into SBC Cannot receive NYSERDA MPP, NC-H, or BOE funding for construction		



# Sustainability Guidelines

## TERMINOLOGY: BASELINE REQUIREMENTS AND STRETCH GOALS

BASELINE REQUIREMENTS	STRETCH GOALS
<p>Baseline Requirements outline <b>mandatory</b> criteria that are required on every project.</p>	<p>Stretch Goals are <b>not mandatory</b>, but projects should consider all Stretch Goals outlined in this document unless meeting those goals proves to be cost prohibitive to the project. Stretch standards can be met in whole or in part, meaning a developer can choose to achieve some Stretch Goals in one section but not another. Competitive projects can receive additional points for achieving some or all of the standards as outlined in the applicable RFP.</p>



### Sustainability Guidelines

- OVERVIEW ▶
- NEW CONSTRUCTION GUIDELINES ▶
- EXISTING BUILDING GUIDELINES ▶

Adaptive Reuse	Substantial Rehab	Moderate Rehab Level II	Moderate Rehab Level I
No IPNA Required	No IPNA Required	IPNA Required	IPNA Required
<p>Baseline:</p> <ul style="list-style-type: none"> <li>All-electric</li> <li>Choose from NYSERDA NC-H, 2020 EGC, LEED v4.1, Well or National Green Building Standard</li> </ul>	<p>Baseline:</p> <ul style="list-style-type: none"> <li>20% energy reduction in project</li> <li>Choose from 2020 EGC or LEED v4.1</li> </ul>	<p>Baseline:</p> <ul style="list-style-type: none"> <li>IPNA</li> <li>20% energy reduction in project</li> </ul>	<p>Baseline:</p> <ul style="list-style-type: none"> <li>IPNA</li> <li>Retro-commission central plant systems</li> <li>Mandatory water and lighting efficiency (Section 2)</li> <li>Insulate existing DHW and HVAC</li> </ul>
<p>Stretch:</p> <ul style="list-style-type: none"> <li>LEED v4.1 BD&amp;C Zero</li> <li>2020 EGS Plus</li> <li>Passive House</li> </ul>	<p>Stretch:</p> <ul style="list-style-type: none"> <li>Passive House envelope</li> <li>Electrification</li> <li>2020 EGC Plus or EnerPHit</li> </ul>	<p>Stretch:</p> <ul style="list-style-type: none"> <li>Passive House envelope</li> <li>Electrification</li> <li>2020 EGC Plus or EnerPHit</li> </ul>	<p>Stretch:</p> <ul style="list-style-type: none"> <li>20% energy reduction</li> <li>Path to electrification</li> <li>Electric ready</li> </ul>

# Role of Technical Assistance Providers (TAP)

- Provide direct support for Clean Energy work scope items
- Expertise in Passive House and high-performance building standards
- Compliance with the CEI Program



- Family Owned and Mission Oriented
- Development, Construction, Property Management
- New York, Pennsylvania and Maryland
- Specialize in Affordable Housing
- Project Types:
  - New Construction
  - Adaptive Reuse of Historic Buildings
  - Acquisition of Troubled Properties
  - Community Development
  - Integrated Supportive Housing
- 48 properties and 3,100 units managed.
- Pursuing WBE Certification
- Certified B Corp:
  - Approximately 5,000 companies worldwide.
  - High standard of social and environmental performance, transparency, and accountability.





# Tailor Square—Adaptive Reuse of Hickey Freeman

- **Community Development Goals:**

- Equity Investment in NE Rochester
- Historic Preservation
- 134 Senior Affordable Apartments
- 43 Supportive Housing Units—People Inc.

- **Economic Development Goals:**

- \$84 Million Total Investment
- 77,000 sq ft Manufacturing
- 250 Jobs Preserved

- **Climate Action Plan Goals:**

- Model for Existing Buildings in Distressed Markets
- All Electric Housing
- Geothermal
- Solar (Onsite and Offsite)



# Tailor Square—Adaptive Reuse of Hickey Freeman

- Green Building and Energy Incentives and Funding:

- CEI—\$1.675 million
- RGE—\$695,800
- Solar Credits/Geothermal/NYSERDA—\$230,000
- LIHTC—30% of Cost
- Federal Historic Tax Credits —15% of Cost
- State Historic Tax Credit — 5% of Cost

- Lessons Learned and Perspectives:

- Then and Now
- Complexity Problem
- Economic Rationale
- Capital Costs
- Operating Costs
- Historic Standards and Energy Standards





# Home Leasing Future Goals and Targets

- Advance CAC Goals
- Advocacy
- Policy Development Participation
- Prioritize Equity
- Transparency of Experience
- Affordable Housing Industry Priority
- All Electric
- Solar (Onsite and Strategic Use of Solar Farm)
- Update/Conversion of Existing Portfolio
- RetrofitNY Pledge
- Net Zero Modular



# Panel Questions

## A. Program

- A. What do you want us to consider in future program design, from an owner's perspective

## B. Policy/Design

- A. Do your agencies have a plan to help reduce cost and complexity of building or retrofitting to all-electric, high-performance standards?

## C. Other Questions?

Thank you