



Clean Energy Initiative Program: Adaptive Reuse

Clean Energy Initiative PROGRAM: HCR’s Clean Energy Initiative (“CEI”) program provides gap financing for the decarbonization work aligned with HCR’s Sustainability Guidelines Stretch Goal standards. As part of the State’s commitment to reduce green house gas emissions aligned with the goals outlined in the Climate Leadership and Community Protection Act of 2019, HCR makes capital available through partnership with NYSERDA for improved decarbonization scopes of work.

Projects receiving CEI funds must apply for and ultimately awarded project financing through the HFA 4% Bond financing application process, HTFC 9% competitive application process, or CIF LIHTC programs. The request for CEI funding is included as part of the the application materials for the 4% and 9% programs. Final award amounts must be recommended by HCR staff, NYSERDA staff, and approved by HCR Credit Committee, the HTFC and/or HFA Board as applicable.

Eligible Uses	<p>Adaptive Reuse projects, defined as a substantial renovation that occurs in a building or space within the building that undergoes a change of use to Residential occupancy, as defined by the applicable building code, are eligible to apply for CEI funding when they are applying for either the Multifamily Finance 4% HFA Tax-Exempt Bonds and Subsidy Financing, Multifamily Finance 9% LIHTC RFP, or Multifamily Finance Open Window CIF Stand-alone Financing Programs, and meet all program requirements accordingly.</p> <p>The awarded funding can be used for eligible decarbonization work, including design, certification, or measurement and verification, and eligible construction costs related to reaching one of the performance standards listed in the Adaptive Reuse Stretch Goals in Section One (1) of the Existing Buildings Sustainability Guidelines.</p> <p>For projects applying through the Multifamily Finance 9% LIHTC RFP, permanent financing only. For projects applying for Multifamily Finance 4% HFA Tax-Exempt Bonds and Subsidy Financing, both construction and permanent financing is available.</p> <p>CEI funds are sourced from utility system benefit charges (SBC). As a result, the project site must be with a utility that pays System Benefit Charges (SBC). CEI awarded projects are not eligible to receive incentives from the following programs in conjunction with CEI funding:</p> <ul style="list-style-type: none"> • NYSERDA New Construction - Housing • NYSERDA Buildings of Excellence for Demonstration • NYSERDA Multifamily Performance Program • NYSERDA Low-Carbon Pathways • NYSERDA RetrofitNY
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	<ul style="list-style-type: none"> • ConEdison Affordable Multifamily Energy Efficiency Program (AMEEP) <p>At HCR’s and NYSERDA’s sole discretion, additional programs, beyond those listed here, may be identified as a duplicative source and would be eligible for use on the same project.</p> <p>CEI funded projects may pursue NYS Clean Heat incentives but are required to demonstrate that CEI funding plus NYS Clean Heat incentives do not exceed 100% of the costs to perform the CEI scope of work. Projects must clearly demonstrate in their application that they intend to receive NYS Clean Heat funding in addition to CEI funding.</p>
Eligible Applicants	For-profit and not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, cooperative boards, or limited partnerships/limited liability corporations.
Program Funding	<p>CEI funding: \$12,500/unit for projects that comply with all Adaptive Reuse Baseline Requirements <u>and</u> reach one of the Section 1 Adaptive Reuse Stretch Goals of the Existing Buildings Sustainability Guidelines. [LEEDv4.1 Zero, 2020 EGC Plus, Passive House (PHI/PHIUS)]</p> <p>Adaptive Reuse projects with SHPO historic designation where full certification above is not possible should comply with the Existing Building term sheet.</p> <p>Up to \$1,000/unit of the awarded funding can be used for eligible soft costs defined above in Eligible Uses.</p>
Maximum Award	The maximum CEI award per project regardless of building size or configuration will not exceed \$2,500,000.
Interest Rate and Loan Terms	<p>HFA-financed projects:</p> <p>0.25% interest-only paid during construction and permanent. 0.25% servicing fee paid during construction and permanent.</p> <p>Projects funded through the 9% LIHTC RFP:</p> <p>0.25% interest-only paid during permanent. 0.25% servicing fee paid during permanent.</p> <p>All projects: Minimum of 30 year term, maximum of 50 years.</p>
Priorities	Adaptive Reuse projects able to incorporate building envelopes that exceed code combined with geothermal systems, heat recovery, and water efficiency measures, as part of the proposed scopes of work to reach deep decarbonization. Consideration may also be given to projects that provide 50%

	<p>or more of their total annual energy use from onsite renewable energy systems (e.g. solar thermal, photovoltaic systems, energy storage)</p>
<p>Program Requirements</p>	<p>Funded projects will be required to add the following language to their standard regulatory agreements for 4%, 9%, or CIF funding.</p> <p>Project must report requested data related to the CEI scope of work to HCR including but not limited to:</p> <ol style="list-style-type: none"> 1. Benchmarking data submitted on an annual basis either through Energy Staff Portfolio Manager account as designated by the HCR agency, or also submitted through shared aggregated utility data directly from the utility company, as determined or requested by the agency. 2. Construction cost data: The awarded projects will submit incremental decarbonization scope cost data to the agency before construction closing, and then again at construction close out before conversion to permanent financing. 3. Provide operational cost data related to servicing and repairing electrified HVAC systems over time to the asset management unit assigned to the property. 4. Provide an operational manual to all end users including residents and operators for all HVAC equipment as applicable. This should include but not be limited to servicing requirements, control setpoint guidance, operational instructions, and guidance on repair requests and service requests.

HCR retains the right to revise this term sheet from time to time and to waive any requirement contained therein, subject to the applicable statutes and program regulations. HCR also retains the right to not award any or all of its funds under this program. All proposals must comply with all applicable federal, state and local laws.