



Clean Energy Initiative Program: New Construction

Clean Energy Initiative PROGRAM: HCR’s Clean Energy Initiative (“CEI”) program provides funding for decarbonization work aligned with HCR’s Sustainability Guidelines Stretch Goal standards. As part of the State’s commitment to reduce greenhouse 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 be applying for and ultimately awarded through either HCR’s LIHTC programs or through HCR’s Subsidy Financing. CEI funds can be applied for within the same HCR application for eligible LIHTC programs, including HFA 4% LIHTC tax-exempt bond financing and HTFC/DHCR 9% LIHTC Request for Proposals (“RFP”). Projects receiving Subsidy Financing, where HCR subsidy is the sole source of project financing, will be required to submit a supplemental application for the CEI program. Final award amounts must be recommended by HCR staff, NYSERDA staff, and approved by HCR Credit Committee, the HTFC, or HFA Board as applicable.

Eligible Uses	<p>New Construction projects, defined as ground up new construction of a building(s), are eligible to apply for CEI funding when they are applying for either the HFA 4% LIHTC tax-exempt bond financing, HTFC/DHCR 9% LIHTC RFP, or Subsidy Financing and meet all program requirements accordingly.</p> <p>The awarded funding can be used for eligible decarbonization work, including for design, certification, measurement and verification, and eligible construction costs related to reaching one of the performance standards listed in the Stretch Goals in Section One (1) of the New Construction Sustainability Guidelines.</p> <p>For projects applying through the HTFC/DHCR 9% LIHTC RFP, permanent financing only. For projects applying for HFA 4% LIHTC tax-exempt bond financing 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 in a territory served by a utility that pays into SBC.</p> <p>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 • Con Edison Affordable Multifamily Energy Efficiency Program (“AMEEP”)
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	<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: \$5,500/unit for projects that comply with all New Construction (NC) Sustainability Guidelines Baseline Requirements <u>and</u> reach one of the Section 1 Stretch Goals of the New Construction Sustainability Guidelines [LEEDv4.1 Zero, 2020 EGC Plus, Passive House (PHI/PHIUS)].</p> <p>CEI Boost Award: \$7,500/unit for projects that qualify for “Boost Eligibility” (see below) AND comply with CEI funding standards above.</p> <p>Up to \$1,000/unit of the awarded funding can be used for eligible soft costs defined above in Eligible Uses.</p>
Boost Eligibility	<p>Projects that reach at least one of the following criteria qualify for the maximum “boost” per unit award in funding when CEI program funding terms are met:</p> <ol style="list-style-type: none"> 1. Contiguous, single project sites under 60 units (not including cluster sites or scatter sites) AND 4 stories or more above grade. 2. Project teams (all Owner/s and Architects) that have not completed a certified Passive House (either PHI or PHIUS) project at the time of application. Project is required to achieve Passive House certification by selecting this Boost Eligibility criteria. 3. Projects that are 20 stories above grade or more. 4. A building that results in a whole building modeled energy operational cost below \$1,000/unit a year for all energy uses. Modeling must be submitted to demonstrate compliance.
Maximum Award	The maximum CEI award per project regardless of building size or configuration will not exceed \$1,375,000. Projects qualifying for CEI Boost Award shall not exceed \$1,500,000 per project.
Loan Terms	<p>0% during construction (only available for HFA 4% LITHC tax-exempt bond financing) and permanent</p> <p>All projects: Minimum of 30-year term, maximum of 50 years.</p>

Priorities	New construction projects able to incorporate on-site solar systems or geothermal systems as part of the proposed scopes of work to reach deep decarbonization.
Program Requirements	<p>Funded projects will be required to add the following language to their standard regulatory agreements for HFA 4% LIHTC tax-exempt bond financing, HTFC/DHCR 9% LIHTC RFP, or Subsidy Financing.</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 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 its funds under this program. All proposals must comply with all applicable federal, state, and local laws.