

HCR Climate Friendly Homes Fund: Standalone Clean Energy Initiative Clarifications and Frequently Asked Questions

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The Standalone CEI Term Sheet can be found here: <https://hcr.ny.gov/stand-alone-cei-term-sheet-2025>

Climate Friendly Homes Fund (CFHF) by CPC

Q. Is the CPC version of the CFHF still accepting applications, or has the current pipeline exhausted that specific funding stream? Will any new applicants need to apply through the two new programs presented?

A. CPC has a full pipeline based on projects previously applied. They are no longer accepting new applications. Existing applications in the CPC pipeline are still receiving funding. Any new applicant will be required to meet the terms of either of the two new programs (Standalone CEI or All-Electric Multifamily Program) to receive CFHF funding.

Standalone Clean Energy Initiative (SCEI)

Q. Is Section 8 housing eligible for SCEI funds?

A. If the property has a regulatory agreement with a federal agency, such as HUD, it is eligible for the SCEI program.

Q. Does a property holding only a regulatory agreement with NYC Housing Preservation & Development (HPD) qualify as an eligible property?

A. No, properties under a regulatory agreement with only HPD must reach out to HPD for electrification funding. A property with an HPD regulatory agreement and a HUD regulatory agreement would be an eligible property.

Q. Can for-profit developers participate?

A. Yes, the requirement for eligibility is that the property has an existing regulatory agreement with state or federal entity. It is not a requirement that the owner/developer is nonprofit or for-profit.

Q. Will owners be able to check whether their properties are eligible for funding (\$25K/unit)?

A. Owners are responsible for confirming that a property is eligible for SCEI funding based on the SCEI Term Sheet and for contracting with an engineer to assess electrification.

Q. Can you ask for Standalone CEI funding for Community Investment Fund (CIF)-funded commercial space, as well as residential space?

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A. SCEI funding is only for residential properties and is a standalone program that cannot be paired with other HCR financing sources.

Q. Will the work completed with SCEI funding be required to meet HCR’s Sustainability Guidelines?

A. Yes, but only for the applicable sections within the new 2025 Sustainability Guidelines for Existing Buildings. Specifically, projects will have to meet the Baseline Requirements in Section 2D for any HVAC and plumbing scope of work and 3E, including compliance with [HCR Solar Technical Requirements](#), for any solar scope of work. We will require a Sustainability Guidelines certification on consultant letterhead as additional supporting documentation at time of application.

Q. How will engineering-related work be completed under the SCEI program? Will the program assign engineering partners currently set up with CPC to perform engineering work?

A. For SCEI, owners will be responsible for contracting engineering work. This is like any other HCR standalone/subsidy funding where the property must hire engineering consultants/firms for scope of work and pricing.

Q. Are there requirements for the contractors completing the work under the SCEI program?

A. Participating owners must contract with a qualified contractor to perform the electrification scope of work. A list of these contractors can be found at the following links:

- a. <https://nyscleanheat-findcontractor.icfsightline.com/>
- b. <https://www.nyserda.ny.gov/Contractors/Find-a-Contractor/Multifamily-Residential-Energy-Pathways-Contractor-Network>
- c. <https://www.nyserda.ny.gov/ny/ahp-empower/Contractors>
- d. <https://www.nyserda.ny.gov/All-Programs/NY-Sun/On-site-Solar/Homes/Choosing-a-Contractor/Residential-Installers>

Q. Is fuel source for space heating considered when properties are being screened for eligibility?

A. Yes, we are prioritizing properties that use fuel oil, propane, or electric resistance for space heating and domestic hot water. However, we will consider natural gas if net operating expenses at the property do not increase.

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Q. For co-op buildings where the residents are already responsible for the cost of operating the building through a monthly maintenance charge, is the building eligible for SCEI funding if the cost of heating will be charged to the residents post-retrofit?

A. HCR will consider, in limited circumstances, and on a case-by-case basis, waivers to change metering configuration as part of the SCEI scope of work. Applicants should complete the SCEI waiver request form within the SCEI Application in these circumstances. Waivers will be reviewed and approved or rejected on HCR's discretion. We encourage any waivers to be comprehensive in justifying their request by providing sufficient data.

Q. Will the SCEI award be issued as a grant or loan?

A. The SCEI award will be issued as a grant. Projects may request a loan in the application form, and include a narrative explanation for the request, but SCEI loan may not be paired with other agency financing.

Q. Are properties limited in securing any other funding sources or opportunities and “stacking” it with SCEI?

A. There are no restrictions on pairing with other grants, incentives or rebate funding opportunities with SCEI funding. However, SCEI funding cannot be combined with HCR financing or CFHF by CPC.

Q. Are there specific funding rounds or application deadlines for SCEI?

A. The SCEI program and funding is “as of right” with a rolling application process until either all program funds are expended or until the end of the program term.

Q: What is the application process for SCEI?

A. Applications must complete the following steps:

- 1. Request and complete a Pre-Application Meeting with HCR Sustainability. Please check the SCEI Pre-Application checklist on the CFHF webpage and submit all materials to schedule.*
- 2. Complete SCEI application workbook and submit all documents with supplemental materials, including any waivers.*
- 3. Once awarded, work with a Technical Assistance Provider through the construction process to ensure all program requirements are being met.*

Q. What level of design documents will be required for MEP systems at application submission?

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A. At minimum, we ask for an executed scope of work proposal from an energy/engineering consultant or contractor at time of application to be submitted as an addendum to the application. Additional supporting documents may include but are not limited to bid documents, construction documents, including MEP drawings and any necessary architectural drawings, specifications, etc.

Q. Is there a certain level of audit needed to satisfy the audit requirement?

A. We do not require a specific level of audit. We only require that project teams conduct a study to assess the current condition of the property and the specific scope of work needed in order for HCR Sustainability to assess the appropriateness/feasibility of the proposed scope of work.

Q. Would an electrical infrastructure assessment that informs the owner about the cost of electrical upgrades be eligible for the out-of-pocket audit cost reimbursement?

A. Yes, this would be eligible.

Q. Can the electrification enabling upgrades added be used to deliver service beyond what is necessary for the project? (i.e. if a project is electrifying space heating but not pursuing DHW because it is cost-prohibitive, could this funding be used to increase service to be adequate for a future DHW project as well as the current heating electrification project?)

A. Yes, this is a permissible expense under the program, so long as the SCEI funds do not exceed the total cost of the scope of work (space heating electrification + enabling service upgrades for future DHW electrification).

Q. What is the level of incentive available for soft costs? Is it part of the per-unit incentive, or is it additional?

A. It is part of the per-unit incentive amount. We will allow up to 20% of the total incentive amount to be allocated for eligible soft costs that are needed to complete the SCEI scope of work, including design/consultant fees, construction manager, and permit filing fees. Applicants should first confirm with HCR Sustainability whether the proposed soft costs are an eligible program expense before submitting for payment.

Q. Are any of the funds paid out before the first 50% payment milestone?

A. SCEI is paid in three installments, (1) 10% upon execution of the grant agreement, (2) 50% contractor bids are executed and construction has commenced (3) 40% construction completion and final approval by HCR.

Q. What happens if project planning and engineering services result in a “no go” on construction?

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A. We require projects to come to this program ready to proceed and have a developed scope of work in time for the mandatory a pre-application meeting with HCR Sustainability before applying to ensure that this situation does not occur. Applications will not be accepted if a project does not complete the mandatory pre-application meeting with HCR Sustainability.

Q. In the SCEI term sheet, under "eligible applicants and eligible properties" 2, there is a list of screening criteria such as existing fuel type, existing envelope performance, etc. Given this is a first-come, first-served program, how will the screening criteria inform HCR's funding decisions? Are there specific thresholds (i.e. a certain energy use intensity, specific dates of renovation) buildings should meet, or is this intended to be a holistic assessment of electrification feasibility?

A. These criteria are intended to be a holistic assessment of electrification feasibility. With these criteria, we want to ensure that net operating costs do not increase, which is why they have those criteria.

Q. Is it a program requirement that projects reasonably expect they will not result in an increase in operating costs? If so, is that requirement only for tenants, or for both owner and tenants?

A. We expect that there be no increase in costs for tenants, as the program does not allow cost shifting.

The overall owner costs should not increase significantly, as most affordable housing properties have tight operational margins, so this must be reasonable and financially sustainable for owners to continue to properly maintain and support the property.

Solar PV Adder

Q. Is the Solar Evaluation Tool (SET) required for all projects pursuing the Solar PV Adder?

A. Yes, any project applying the Solar PV Adder through the SCEI Program must submit the SET as a part of their application material.

Q. Does HCR provide solar technical assistance for SCEI?

A. HCR will connect an applicant with our solar technical assistance provider (TAP) who can help with a preliminary solar evaluation and system design using HCR's SET workbook.

Q. How does the TAP help with solar designs and engineering?

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A: It is the responsibility of the project team to procure and contract with a solar installer to fully design a solar system for the property. The TAP can assist with the selection process, make recommendations and can confirm final solar designs meet [HCR Sustainability's solar technical requirements](#).

Q. How do we apply for the Solar PV Adder funding?

A: The Solar PV Adder is only available when done in conjunction with heating electrification, as outlined in the SCEI Term Sheet. The solar application section is within the 2025 SCEI application. The Solar PV Adder is available if the project is deemed technically and financially viable for solar using SET. The additional funding will be sized using SET and will be used to fill funding gaps after accounting for all available incentives (e.g. NY-Sun, Investment Tax Credit, and any applicable bonus incentives)