



**Homes and  
Community Renewal**



# **Keeping Assisted Housing Affordable: Energy Policy Strategies and Considerations**

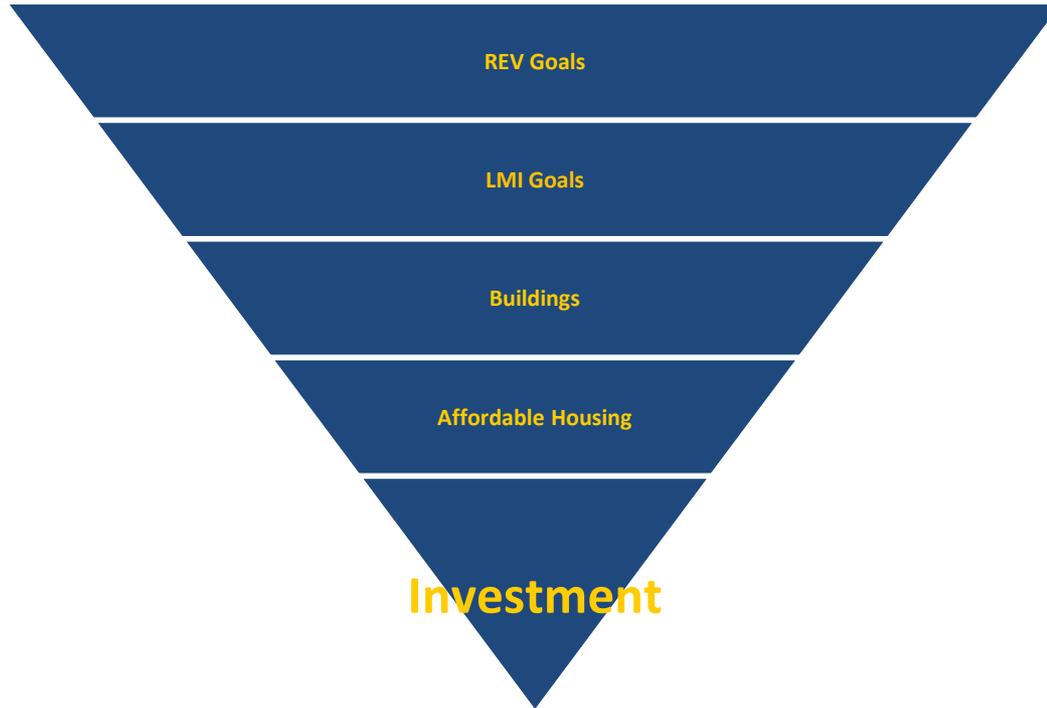
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# Overview



## New York's REV Goals: Why Low-to Moderate Income?

- Governor Cuomo's REV and State Energy Plan Goals:
  - Reductions in GHG emissions of 40% by 2030
  - 23% reduction in energy use by the State's buildings by 2030
  - Gov. Cuomo has mandated 50% of New York's electricity to come from renewable energy by 2030
- Approximately 30% of New York households are Low-to moderate income. NYS will not reach its REV goals without enhancing access to energy efficiency and renewables in these communities. But how?

## New York's REV Goals: Why Buildings?

- Buildings account for 60% of all energy used in New York State, and 31% of our greenhouse gas (GHG) emissions
- Approximately 70%-80% of current buildings will still be in use by 2050, when climate and energy goals are to be met
- Investing in building energy efficiency is a powerful and cost effective way to reduce emissions and meet the Governor's goals
- Coupling energy efficiency and renewable energy can be an even more powerful tool to accomplish goals and build resiliency in communities, especially those at disproportionate environmental risk



## New York's REV Goals: Why Multi-family Affordable Buildings?

- Energy efficiency improvements in NY's multifamily affordable housing stock can cost-effectively reduce energy usage by 31% in the next 20 years
- Improving the performance of our affordable housing stock ensures that low-and-moderate income New Yorkers are not left out of the transition to a clean energy economy, and can help our housing agencies accomplish their own goals:
  - Lower bills, improved comfort, greater control over energy usage
  - Healthier and safer living environments
  - Resiliency during extreme weather events
  - Mitigate impacts of increased energy costs over time
  - Potential job opportunities for residents



## New York's REV Goals: Why multi-family affordable housing?

*We also know there is significant potential to enact lasting change because the state regulates a lot of affordable housing stock:*

- NYSERDA's "Transition Zero" Initiative seeks to dramatically transform performance of existing affordable housing stock (HCR, HPD/HDC, public housing agency partners).
- Green & Healthy Homes Initiative seeks to conduct comprehensive home retrofits that remediate environmental asthma triggers and install energy efficiency measures to make homes cleaner, healthier, and less costly...using innovative funding sources.

## New York's Climate, Energy and Housing Goals: Why multi-family affordable housing?

*And it makes economic sense, especially when we're building new buildings:*

- Higher performing buildings reduce operating costs.
- Reduced operating costs can enable affordable housing developers to leverage additional capital to finance their buildings.
- If the energy savings generated by lower operating costs accrue to the developer, the amount of subsidy required can be reduced, enabling state housing agencies to finance more affordable units.
- Lower costs and simpler technical solutions, in combination with the smaller systems required to meet lower space conditioning, also indicate higher performance buildings are economically justified.
- High performing buildings are resilient, durable, and can be occupied under duress, especially important in affordable housing



# What are we doing about it?

- \$234 Million, 3-year Commitment to LMI in NYSERDA's new CEF includes:
  - \$33MM in direct incentive support for existing LMI MF housing through MPP
  - \$17MM for other LMI multi-family housing initiatives, including approximately \$10MM for the deep energy retrofit design competition
  - \$22MM in direct incentive support for LMI low-rise and multi-family new construction
  - \$5MM in in market development support associated with LMI new construction
  - \$40MM in “Affordable Solar” incentives through the LMI component of the Governor’s NY-Sun program. Part of that program will target affordable housing developers with technical assistance and guidance for accessing program funds and incorporating renewables into their developments
- **But more importantly – we are working more closely than ever with HCR to make sure our energy dollars are being put to work through the right channels to reach low-and moderate income New Yorkers.**

# Tom Carey

## NYS Homes and Community Renewal

# What is Affordable Housing?

- Publicly-assisted housing (privately owned with subsidy and regulation)
- Public housing (owned by a housing authority)
- Unsubsidized private housing in good condition
  - Substandard housing is **not** affordable

# Components of Housing Cost

- Rent/debt service
- Utilities/energy costs
  - Different issues for electric vs. heating costs?
- Maintenance/operations
  - Taxes, insurance, snow removal, etc.
- Transaction costs (land, fees, lawyers)



# Factors Affecting Affordability

- Type of housing
  - Owner-occupied (including cooperatives)
    - Hybrids such as mobile homes in parks or community land trusts
  - Rental (multifamily and small building)
    - Limits on tenants' ability to pay higher rents to cover cost of energy retrofits
    - Split incentive: is this an issue in affordable or subsidized housing?



# Factors Affecting Affordability

- Regulatory restrictions
- Housing condition
  - Lack of access to capital for improvements
  - How many roofs are in good enough condition to permit efficiency and renewables?
  - Can you do energy work without health and safety interventions?



# Keeping Housing Affordable

- Energy use awareness/management
  - (benchmarking, DSM, client education)
- Energy assistance subsidies
  - (HEAP, Low-income utility programs)
- Efficiency programs (Empower, MPP, WAP)
- Renewables (NY Sun, community solar)
- Technical assistance (e.g. Better Buildings)



# NYS Energy/Housing Initiatives

- REV/CEF initiatives
  - LMI programs maintained
  - Other
- HCR energy and green building initiatives
  - Green guidelines
  - Transition zero: deep energy retrofits



## Other Approaches

- Outreach and education – why aren't more owners investing in efficiency or renewables?
- Innovative financing and capital investments
- Section 8 and LIHEAP subsidies
  - is it time for efficiency standards in units that receive Section 8 and HEAP assistance?



# Green Building Requirements

Karen Phillips, NYS HCR



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# Green Standards Effective January 2017

Project must comply with one of the following standards:

- NYSERDA Incentive Programs
- US EPA ENERGY STAR Programs
- Enterprise Green Communities Criteria
- **Passive House Institute Standard**
- National Green Building Standard
- Leadership in Energy and Environmental Design (LEED)



# Benchmarking

## Must track and report utility usage data through automatic electronic benchmarking service and share with DOE Portfolio Manager

- New construction project benchmarking:
  - Begins the month after stabilized occupancy is achieved
  - Continues through duration of regulatory agreement
- Preservation project benchmarking:
  - Must submit benchmarking data on all buildings in the project for 2 full years prior to HFA application.
    - Green Physical Needs Assessment to indicate inefficiencies addressed in proposed scope of work
  - During construction through duration of regulatory agreement



# 2016 HCR RFP Workshops

HCR issued Multifamily Open Window RFP for capital sources - primarily available to projects financed by HFA tax-exempt bonds.

Workshops will be held on:

Friday, June 3rd - 9:30am - 12:30pm

Monday, June 6th - 9:30am-12:30pm

At: NYS Homes and Community Renewal, 641 Lexington Avenue (entrance on 54th street), 4th floor, Conference rooms B/C , New York, NY 10022

Registration opens at 9am. Please leave sufficient time to get through building security.

Due to space constraints, RSVP is required. Please RSVP to [workshop@nyshcr.org](mailto:workshop@nyshcr.org) with the date of the workshop you'd like to attend.



# For more information...

[www.nyshcr.org](http://www.nyshcr.org)

[www.ny.gov/programs/reforming-energy-vision-rev](http://www.ny.gov/programs/reforming-energy-vision-rev)

#REV4NY