Investing in major energy upgrades while keeping rent affordable

Phipps Garden Apartments is a low-rise complex that takes up a block in Sunnyside in Queens, NY, with 472 apartments in two buildings and a large central courtyard. The 1930s property needed a major update. Energy waste was driving costs higher, and a new law required replacing the aging boiler.

An old boiler and a new law pave the way for change

For many affordable housing buildings, investing in energy efficiency upgrades means raising the rent. That wasn’t an option for this complex. It was developed by and is an affiliate of Phipps Houses, a not-for-profit organization dedicated to providing high-quality housing at rents that are affordable for lower-income tenants.

Phipps Houses Vice President Douglas Hanau was investigating possible replacements for the buildings’ aging boiler when the New York City Council passed Local Law 43 banning #6 oil, the fuel the boiler used. Complying with the law meant investing in energy efficiency upgrades for Phipps. “Investing in energy efficiency was the right thing to do—environmentally and financially,” said Hanau. “But we needed to do it in a way that wouldn’t lead to a rent increase.”

Hanau knew the boiler wasn’t the only energy efficiency problem for the apartment complex. “It’s an older building, and it was time for us to look at energy waste across the board,” he said.

Get started
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