



INCENTIVES AND PROGRAMS

GREEN MULTIFAMILY BUILDINGS FINANCING CHEAT SHEET

This list provides Federal, New York State, and New York City energy efficiency funding sources for multifamily properties. This list is meant to highlight the main financing programs and incentives multifamily building owners utilize to take advantage of energy efficiency measures and upgrades. This list is not meant to be exhaustive and program eligibility and guidelines may change.

NEW AND EXISTING BUILDINGS

INCENTIVES

Solar Energy System Equipment Credit – New York State

<https://on.ny.gov/3bPzJ1P>

- The credit is equal to 25% of the qualified solar energy system equipment expenditures and is limited to \$5,000
- Must be grid connected and net-metered
- System must be installed and used at one's principal residence in New York State
- In the case of a cooperative housing corporation or a condominium, a percentage of the qualified solar energy system equipment expenditures may be attributed to each unit within the building

FINANCING PRODUCTS

Freddie Mac Multifamily Green Advantage® – Federal

<https://bit.ly/2ZsiNtk>

- Advantageous pricing for workforce housing with whole property reduction in energy and/or water/sewer by 30%, with a minimum of 15% from energy
- Underwriting will recognize 50% (Green Up®) or 75% (Green Up Plus®) of projected owner-paid energy and/or water/sewer consumption savings
- Discounted financing available for existing buildings with affordable rental units that have already certified to an approved green building standard
- Benchmarking of actual energy and water usage is required through the term of the loan

FINANCING PRODUCTS

Fannie Mae Multifamily Green Financing – Federal

<https://bit.ly/3htQkd2>

- Preferential pricing, free energy and water audit, and additional loan proceeds for whole property reduction in energy and/or water/sewer by 30%, with a minimum of 15% from energy
- Underwriting will recognize 75% of owner and 25% of tenant projected utility cost savings
- Discounted financing available for new construction or existing buildings that have already certified to an approved green building standard
- Benchmarking of actual energy and water usage is required through the term of the loan

NYCEEC – New York State & Northeast, Mid-Atlantic

<https://www.nyceec.com/>

- Equipment, construction and PACE financing for energy efficiency and clean energy projects
- Flexible loan structures to match construction milestones and bridge incentive payments



NEW BUILDINGS

INCENTIVES

New York State Energy Research and Development Authority (NYSERDA) Multifamily New Construction Program (Low-Rise Mid- and High-Rise) – New York State

<https://on.ny.gov/2E9Twwc>

- Targets low-to-moderate income (LMI) housing sector with some incentives for market rate
- New construction and gut rehabilitation projects incentivized to achieve highest potential level of energy efficiency and building performance
- Renewable energy generation, ground-source heat pumps, and other innovative technologies encouraged to achieve higher performance targets
- Incentives range from \$450/unit to \$5,200/unit depending on market type, number of dwelling units, and performance tier
- Customers in areas affected by a utility moratorium may be eligible for enhanced incentives

FINANCING PRODUCTS

Underwriting Performance

- Energy and water efficiency reduce utility bills and maintenance costs, thereby increasing Net Operating Income (NOI) and value
- Underwriting a portion of the projected energy performance supports additional private loan proceeds to help finance the high-performance measures while reducing the need for public subsidy

EXISTING BUILDINGS

INCENTIVES

NYSERDA Multifamily Performance Program (MPP) – New York State

<https://on.ny.gov/3k9Sd0a>

- MPP focuses on improving the energy usage of existing multifamily buildings by a minimum of 20%
- Projects that achieve reductions in energy use of 35% can receive incentives of \$1,500 per unit
- Energy savings of 40% or more and may be eligible for the High-Performance Component and incentives up to \$3,500 per unit

EmPower New York – New York State

<https://on.ny.gov/33DpBpv>

- NYSERDA program serving tenants and homeowners making below 60% of the state median income, or participating in a utility payment assistance program and living in buildings with 100 units or fewer
- Services include:
 - Free home energy assessment to identify potential scope items
 - High-efficiency lighting installation
 - Attic and wall insulation
 - Replacement of old, inefficient appliances
 - Installation of low-flow water fixtures
- EmPower NY does not provide roofs, windows, doors, or stoves

Weatherization Assistance Program – New York State

<https://on.ny.gov/32kzXuM>

- Program to reduce energy usage and costs for low-income families in single-family and multifamily properties
- Measures include air-sealing, systems commissioning, upgrades (ex. ventilation, domestic hot water distribution) and other measures to improve overall building performance

EXISTING BUILDINGS

INCENTIVES

Con Edison Equipment Rebates for Multifamily Buildings – New York City

<https://bit.ly/2RhQXvt>

- Installed measures and incentives for both gas and electric customers
- Applies to market rate and affordable with additional rebates and savings for income-eligible multifamily buildings
- Available to building owners who pay into the Energy Efficiency Tracker for electric and/or gas service, have not received other incentives for the same measure, and are looking to replace and upgrade equipment

Con Edison Neighborhood Program for Multifamily Buildings in Brooklyn and Queens – New York City

<https://bit.ly/33m6tvL>

- Eligible to property owners/managers of multifamily buildings with five or more units in Brooklyn or Queens
- Free installation of energy efficient lighting and control upgrades in building common areas
- Incentives can include packaged terminal air conditioners and air-source heat pumps

National Grid Multifamily Rebates and Incentives – New York City and Long Island

<https://bit.ly/33AfMsr>

- Eligible to property owners/managers of multifamily buildings with five or more units on firm multifamily gas heating rates
- Includes prescriptive and custom incentive measures as well as equipment installation
- National Grid's Direct Install Program offers multifamily buildings no-cost installation of high-efficiency water and energy saving measures
- Installations for this program run through 12/31/2020

FINANCING PRODUCTS

Green Housing Preservation Program (GHPP) – New York City

<https://on.nyc.gov/3kcqGLE>

- Administered by New York City Department of Housing Preservation and Development (HPD)
- Green loan program to assist small and mid-size building owners of multifamily properties under 50,000 square feet (~50 units)
- Provides low- or no-interest loans to finance energy efficiency and water conservation improvements, lead remediation, and moderate rehabilitation work
- Project scope of work must reduce energy usage by at least 20%

Underwriting Savings

<https://bit.ly/2ZtqTC5>

- Energy and water efficiency reduce utility bills and maintenance costs, thereby increasing Net Operating Income (NOI) and value
- Underwriting a portion of the projected energy savings (compared to current operations) supports additional private loan proceeds to finance improvements while reducing the need for public subsidy

SPECIALIZED FINANCING

Property Assessed Clean Energy (PACE) – New York State (program approved at the municipal level)

<https://on.ny.gov/2GTwDi4>

- Financing made available through municipalities to property owners looking to fund energy efficiency measures and renewable energy
- PACE can finance up to 100% of the project costs and can be combined with other financing—either at first mortgage, refinance, or mid-cycle rehab
- Loan terms are structured for repayment based on the useful life of the systems installed
- Repayment of this capital is secured through a benefit assessment lien that is subordinate to municipal taxes. Lenders providing additional capital must agree to a subordinate position behind the outstanding PACE balance
- Balance of PACE loan is non-accelerating and remains with the building when the property is sold

NYSERDA Affordable Solar Pre-development and Technical Assistance – New York State

<https://on.ny.gov/35u4hVK>

- Finances solar installations for LMI households including multifamily buildings
- Individual awards can be up to \$200,000
- Covers pre-development costs and technical assistance
- Due date listed as continuous, check site for availability

New York Green Bank (NYGB) RFP 8: Efficiency and Renewables Financing Arrangements – New York State

<https://on.ny.gov/3k68inx>

- NYGB provides debt up to the full capital cost of energy efficiency or renewable energy investments
- Multifamily building owners are eligible to submit proposals to NYGB
- Loan can be structured as mezzanine or subordinate debt, or a secondary loan against the property
- Due date listed as continuous, check site for availability

Energy Services Agreement (ESA)

- Performance-based contract through which a service provider agrees to finance, develop and deploy energy efficiency/renewable energy projects for customers (building owners) without any upfront capital costs to the customer
- Service provider is repaid through some portion of the energy savings realized as a result of the energy efficiency improvements or renewable energy generated
- At the end of the ESA term, after full costs of the project have been paid off as a result of energy cost savings, customer retains all of the savings from lowered utility bills
- Contract can be transferred at building sale

Power Purchase Agreement (PPA)

- A legal and financial agreement between an electricity generator (provider) and a power purchaser (buyer, typically a utility or a large buyer/trader)
- PPAs play an important role in the financing of independently owned (i.e. not owned by a utility) electricity generating assets

Equipment Loan

- Loans specifically designed to finance energy efficiency and clean energy projects
- Loans generally cover up to 90% or more of the project costs but coverage varies by lender
- Normally requires senior lender consent and subject to debt service coverage ratios (DSCR) for installed measures



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