



# MULTIFAMILY BUILDING OWNERS:

## Grants 2 Go Green

### PROGRAM GUIDE



**APPLY FOR FUNDING TO ELECTRIFY YOUR BUILDING**  
Find out if you are eligible for funding of up to \$25K per unit

# TABLE OF CONTENTS



## PROGRAM TERMS

3



## APPLICATION

8



## APPLICATION REVIEW

9



## SUBMIT TO GREENLIGHT

10



## GREENLIGHT REVIEW

11



## AUDIT & REVIEW IN PROGRESS

12



## CFHF CLOSINGS

14



# PROGRAM TERMS



The Climate Friendly Homes Fund (CFHF), administered by The Community Preservation Corporation, provides financing for existing, 5-150-unit buildings in New York State with a focus on replacing older and less energy-efficient systems with all-electric, high-performance heating, cooling, and hot water heating systems.

With \$250 million in New York State funding, CPC and New York State Homes and Community Renewal (HCR) aim to finance electrification retrofits in at least 10,000 units of multifamily housing that serve economically disadvantaged communities. These funds will empower small building owners to identify and execute a scope of work to improve the energy efficiency of their buildings and decrease their greenhouse gas emissions.

In order to maximize impact and the reach of the program, CPC has identified like-minded green lending institutions, CDFIs, and other community-based partners to collaborate on the identification and screening of building retrofit opportunities across the State.

## PROGRAM SUMMARY

### Program Size

\$250,000,000 for grant/loan funds and program administration to address at least 10,000 multifamily rental units.

### Property Eligibility

Multifamily residential retrofits to achieve greenhouse gas emission reductions through the electrification of multifamily rental buildings, which are either:

1. Regulated by HCR/DHCR/HPD or another public agency **AND/OR**
2. Located in a Low-Moderate Income Qualified Census Tract as defined by the U.S. Department of Housing and Urban Development (HUD) **AND/OR**
3. Located in a Disadvantaged Community (DAC) as defined in the New York State's Climate Leadership and Community Protection Act (CLCPA).

### Other Eligibility Requirements

#### 1. Ownership Requirement:

- Ownership is defined as: holding a fee simple title as evidenced by a warranty deed, bargain for sale deed, a quit claim deed to the Property or having an approved leasehold interest and improvement to be assisted. The deed must be recorded with the county, city, or appropriate local municipality.
- Eligible owners include not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations; or private for-profit developers.

#### 2. Eligible Property Type: Subject Property must be a multi-family rental property, defined as a five to one-hundred-and-fifty-unit property.

- Properties containing multiple buildings may be considered, as long as each individual building contains 5-150 units.
- This criterion may change as the program develops.

# PROGRAM TERMS



## Other Eligibility Requirements

### 3. CPC or its Partners will further screen each property based on:

- Utility profile: The existing property uses either fuel oil, natural gas, propane or electric resistance for the primary space heating.
- Existing building envelope performance; either via an existing IPNA or a Property Condition Assessment completed by a consulting engineer engaged by Program Administrator to perform services in connection with Program and aligned with the States decarbonization goals.
- Current operational performance; based on benchmarking of annual energy usage of most 24 months.
- Existing owner and tenant meter structure (retrofit will not alter current configuration; cost shifting not eligible under CFHF).
- Date and scope of last major renovation.

## Funding Amount

Up to \$25,000 per unit, which will cover the eligible scope of work and eligible program delivery costs.

## Payment Structure

- Funds will be committed in the form of a grant **OR** forgivable loan. No payments of principal or interest; fully forgiven after the grant/loan term.
- Property owners shall enter into a Grant/Loan Agreement. Those receiving a Forgivable Loan shall enter into a Promissory Note.

## Security

There will be no Restrictive Covenant recorded against the property.

## Term

### 10 Years:

- Projects with 15+ units **OR**
- Award amounts greater than \$375,000

### 5 Years:

- Projects with less than 15 units **OR**
- Award amounts less than \$375,000

## Interest Rate

N/A

## Servicing Fee (Applicant Expense)

25 basis point servicing fee

- Projects with 15 units or less or, award amounts of \$375,000 or less: Servicing fee of 25 basis points to be paid in full by borrower at closing.
- Projects with greater than 15 units or, award amounts greater than \$375,000: Servicing fee of 10,000. Borrower to be given two options for payment:
  - Option 1: Servicing fee to be paid in full by borrower at closing.
  - Option 2: Servicing fee to be paid annually by borrower with two years collected at closing.

# PROGRAM TERMS



## Reserves (Applicant Expense)

Reserves will be established at closing from funds provided by the eligible building owner for the following:

- Required benchmarking fees (total of 5 years plus set up fee, 3 years collected at closing)
- Equipment Servicing Fees: Owner may opt to maintain annual Equipment Servicing Contract to be administered by CFHF **OR** self-certify maintenance of systems installed through annual reporting

## Credit Criteria

Borrowers must be in good standing with existing lenders, local government including housing agencies, and in compliance with all regulatory agreements, if applicable.

## Construction and Management

- Professional service contractors, such as but not limited to, building contractors, engineers, plumbers, must be licensed with New York State.
- CPC will contract with a construction monitor and make advances to Eligible Owners for payment to contractors.
- 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:
  - <https://www.nyserda.ny.gov/ny/pumped/NYS-Clean-Heat-Contractors>
  - <https://www.nyserda.ny.gov/contractors/find-a-contractor/multifamily-building-solutions-network>
  - <https://www.nyserda.ny.gov/ny/ahp-empower/Contractors>

## Environmental Requirements

CPC and partners will work with owners on environmental requirements. Each project must comply with the following laws and regulations:

- The State Environmental Quality Review Act (SEQR) at 6 NYCRR 617;
- Section 14.09 of the Parks, Recreation, and Historic Preservation Law (Historic & Cultural Resources);
- Floodplain Management Criteria for State Projects at 6 NYCRR 502;
- NYS Agricultural and Markets Law Section 305(4) (Agricultural Districts);
- Coastal Zones at 19 NYCRR Part 600;
- Local Zoning Code/Special Use Permits;
- Lead Based Paint – EPA Renovation, Repair and Paint Rule or HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing;
- Asbestos Containing Materials at 12 NYCRR Part 56. 2.

## Use of CFHF Proceeds

Once an applicant's property passes the screening criteria, the consulting engineer will submit a proposed electrification scope of work to CFHF for review and approval. This electrification scope of work may include all or some of the measures below, but if a measure is selected, it must comply with CFHF Electrification Requirements.

# PROGRAM TERMS



## Use of CFHF Proceeds

## Eligible Costs

1. Conduct an Energy Audit, Property Condition Assessment, and/or IPNA (eligible expense under CFHF if completed after Greenlight Approval by a CFHF contracted technical assistance provider (Engineering Partner) or can use an existing ASHRAE L2 audit or FlexTech study completed within 2 years of funding request)
  - a. Applicants will be responsible for 50% of the cost of any required energy audit, Property Condition Assessment, and/or IPNA. Applicants will be reimbursed for their portion of these costs at the time of closing. ONLY CFHF audits are eligible for reimbursement.
2. Eligible scope of work CFHF approved projects includes:
  - a. Space Heating and Cooling Electrification (required)
    - i. Install high efficiency all electric cold climate heat pumps, meeting CFHF Program requirements;
  - b. Domestic Hot Water Heating System Electrification (required, if feasible based on budget thresholds).
  - c. Associated electrical service, wiring, and panel upgrades
3. Energy Conservation (where feasible and only eligible when done in conjunction with section (a) or (b) above):
  - a. If the cost remains under the total \$25,000 per unit limit, projects may complete energy efficiency improvements including but not limited to:
    - i. Air sealing in apartment units, at penetrations, in ductwork, at exterior walls, around windows
    - ii. Weather-stripping around windows and doors
    - iii. Insulation in attics or roofs
    - iv. Ventilation system balancing and tuning
4. Additional envelope and/or ventilation improvements considered on a case-by-case basis.
5. System Start Up (required when paired with electrification)
  - a. Commissioning of mechanical systems
  - b. Training material for operation staff
  - c. Training material for tenant operators

## Ineligible Costs

1. System Maintenance and Monitoring (required)
  - a. Applicants will be responsible for all costs associated with maintaining a service contract with heat pump installer or manufacturer for the term of the Program agreement.
  - b. Applicants will be responsible for all costs associated with the account set up, historical benchmarking, and annual benchmarking required by the Program for a total of 5 years. This includes 2 years of historical benchmarking to be collected at the time of Greenlight Approval and 3 years of benchmarking to be collected at closing and monitored annually following construction completion.

# PROGRAM TERMS



## Use of CFHF Proceeds

2. Reimbursement of costs for construction work previously incurred are ineligible.
3. Reimbursement or payment of costs for feasibility studies or audits completed outside of Program scope and/or utilizing a provider not contracted to CFHF.

## Eligible Program Delivery Costs

Program delivery costs may include, but are not limited to, contractor fees, building permit filing fees, elevation certificates and other architecture and engineering services, home energy audits, closing fees, and legal fees. Subject to CFHF Administrator and Agency discretion.

**Program funds are intended for mid-cycle retrofits and cannot be combined with construction debt or financing of broader rehabilitation scopes unless previously approved by Program Administrator. Owners may be able to take advantage of additional energy-related incentive programs which complement these projects with guidance from CFHF Administrator.**



# APPLICATION



Once an applicant has reviewed the eligibility criteria and requirements for utilization of CFHF, they can apply for funds for their building(s) at <https://www.climatefriendlynys.com>

Applicants should create an account and password to be used for all applications submitted to CFHF

Applicants should create **ONE** application per property

- Applications can be edited by the applicant up until they are submitted as COMPLETE
- If submitting for multiple buildings, please bundle multiple buildings that are subject to the same regulatory agreement OR under the same mortgage obligation into ONE application

Complete applications are assigned to a CFHF Partner based on the “Referral Partner” selected in Part 1 of the application form

## Lender Partners

- [The Community Preservation Corporation \(CPC\)](#)
- [Enterprise Community Partners](#)

## Community Partners

- [Kinetic Communities \(KC3\)](#)
- [Housing Sustainability Advisors](#)
- [CDC of Long Island](#)





# APPLICATION REVIEW



1

## Complete applications **MUST** include:

- Income and Expense statements (2 years of historical and 1 year of projected)
- Rent Roll
  - Must note tenants in arrears for 90 days or more
  - Must note vacant units
- Letter of Authorization for Benchmarking services
- At least one month of electric utility billing and at least one month of natural gas utility billing (where applicable).

2

## Complete applications may require the following items if they apply:

- Mortgage Statement
- Mortgage Agreement
- Documentation of non-mortgage debt, covenants, or restrictions
- Active regulatory agreement – for properties eligible under an agency regulatory agreement
- Buildings built before 1980 should provide LBP and asbestos documents (O&M plan, clearance letters, testing, etc)

3

## Complete applications may provide:

- An Integrated Physical Needs Assessment (IPNA), FlexTech study, or ASHRAE L2 audit completed within 24 months of application
- A Waiver Request, drafted with your CFHF Referral Partner. Waivers should be discussed with your Referral Partner **AFTER** the application is submitted as complete. Conditions for a waiver may include:
  - Financial condition
  - Physical condition
  - Building size
  - Building location
  - Ownership structure (co-ops and condos)
  - Other

4

## Your Referral Partner will review the application and complete a Financial Feasibility analysis based on the information provided in the application, rent roll, historical and projected I&E

- You should contact your Referral Partner if you:
  - Have questions about the status of a completed application and have been in previous contact with the partner
  - Have additional items or information to provide to support your application
- You should contact CFHF Staff at [climatefund@community.com](mailto:climatefund@community.com) if you:
  - Have submitted an application but have not heard from your referral partner within 10 business days
  - If you are considering submitting a large portfolio of buildings for CFHF retrofit and would like to discuss process and timelines

# SUBMIT TO GREENLIGHT



**Submitted applications are reviewed by the selected Referral Partner for completeness and Program eligibility. The Referral Partner then utilizes provided rent roll and income and expense information to perform a Financial Feasibility Analysis. If the property meets the requirements of the program and criteria for submission, the Referral Partner will send to Greenlight.**

**Greenlight is the first programmatic review of the application which includes a review of the physical and financial condition of the subject property/properties.**

## **Applications coming to Greenlight Committee must:**

- Meet building size, location/regulatory requirements
- Have building heating and/or DHW heating systems installed more than 8 years from date of application.
  - This ensures CFHF is not replacing equipment that is still functional, efficient, and has a significant portion of its useful life remaining
- Meet the greater of lender required Debt Service Coverage Ratio (DSCR) or Program required 1.20 DSCR – if the property has mortgage debt or other debt
- Meet minimum I&E ratio of 1.10 – if property does not have a mortgage or other secured debt
- Demonstrate an occupancy rate of 85% or greater
- If any of these conditions are not met, provide a waiver to address any deviation from the eligibility criteria.

## **WAIVER CONDITIONS – for more detail, applicants should discuss the following with their Referral Partner:**

- Size of individual buildings
- Location
- Ownership Type
- Financial Condition
- Building Condition
  - Age of systems. Must be addressed with evidence for why newer heating systems must be replaced.
  - Envelope condition. Must be addressed with evidence of previously completed renovation work that included envelope improvement **OR** additional grant sources to address envelope performance.
  - Age of building may be subject to review for concerns related to asbestos containing materials (ACM) and lead based paint (LBP). Must be addressed through backup documentation showing previous abatement and removal or previously completed testing and surveys. Compliance with applicable local laws may affect CFHF project feasibility.

# GREENLIGHT REVIEW



Greenlight Committee will consist of:

1

## Review of Greenlight package



Application



Supporting  
Documentation



Financial  
Feasibility



Waiver  
(if applicable)

2

## Evaluation of project feasibility considering CFHF electrification scope and funding.

3

## Decision by committee members resulting in the following status changes:



### APPROVED

Moves to data collection phase of  
Audit and Evaluation stage.



### NEEDS REVISION

Is sent back to Application Portal for  
further review and edits.



### DEFERRED

Does not currently meet program  
criteria or may require additional  
financing to ensure feasibility.



### DECLINED

Project does not meet program parameters  
or feasibility thresholds and is not a good  
current or future candidate for CFHF.

**CFHF Program Staff at CPC will communicate the change in status to the Referral Partner, the Lender Partner (if different), and the applicant.**

# AUDIT & REVIEW IN PROGRESS



**Applicant will receive notification from CFHF staff that their application has been greenlit and approved to move on to the Audit & Review stage. Applicant will be required to complete the following:**

## Feasibility Intake Survey

Short form survey including questions about previous renovations, existing conditions, access to mechanical rooms and roof, confirmation of existing systems, and interest in referrals for solar PV.

## Benchmarking Intake Form

Survey sent from Bright Power to collect utility account and access information necessary to complete third-party benchmarking required for CFHF participation.

## Benchmarking fee deposit form and wire to CPC

- Consists of \$250 set up fee and 2 years of annual benchmarking fees to cover 24 months of historical data
- Benchmarking fees are NOT reimbursable by CFHF and are an owner paid expense

| Pre-Closing Fees and Set Up |                          |  |                            |  |
|-----------------------------|--------------------------|--|----------------------------|--|
| LOCATION                    | PROPERTIES<br>5-19 UNITS | PRE-CLOSING<br>TOTAL FOR<br>SMALL<br>BUILDINGS | PROPERTIES<br>20+ UNITS    | PRE-CLOSING<br>TOTAL FOR<br>LARGE<br>BUILDINGS |
| NYC                         | \$600 per<br>property/yr | \$1,450  | \$800 per<br>property/yr   | \$1,850  |
| OUTSIDE<br>NYC              | \$900 per<br>property/yr | \$2,050  | \$1,100 per<br>property/yr | \$2,450  |

*\* discounted pricing available for existing Bright Power ESC customers based on whole building aggregated data collection and reporting available within current service.*

## Engineering Engagement Letter

- CFHF staff will send a completed engagement for applicant review. Only CFHF Engineering Partners will be eligible to provide services to CFH funded retrofits
- Applicant will receive an engagement letter for Scope B provider completing the property condition assessment, initial scoping and schematic design, and overseeing contractor procurement.
  - By executing the Engagement Letters, the applicant acknowledges the costs associated with pre-closing scope of work for the CFHF Engineering Partners and agrees to deposit 50% of the fees noted in the engagement with CPC to cover costs incurred ahead of a closing

# AUDIT & REVIEW IN PROGRESS



## Engineering Fee – Applicant Share

- Applicants will be required to deposit 50% of the cost for energy audit services and property condition assessment and scoping services (Engineering Partners Scope A & Scope B) to support the pre-closing soft costs incurred.
- These fees are 100% reimbursable if:
  - Electrification retrofit at the property is determined to be infeasible
  - The property completes the assessment and scoping and closes on a CFHF grant/loan to complete the work
- Engineering fees are not reimbursable if:
  - Applicant does not proceed with program steps and exits the program of their own accord
    - » In this case, the applicant's deposit would be used to cover 50% of soft costs incurred for reports ordered or completed.

## Compliance Fees – Applicant Expense

- CFHF required benchmarking, CFHF Servicing Fee, and any costs related to required system maintenance will be the sole responsibility of the applicant.
- Any associated fees for benchmarking and pre-closing engineering work will be due upon receipt of the Term Sheet.
- The below estimated applicant share of fees are based on the size of the subject property and the CFHF award (estimated range below based on 5-50 unit buildings. Multi-building developments or larger buildings may incur higher fees)

| ENGINEERING FEE           |  | BENCHMARKING FEE              |  | SERVICING FEE   |
|---------------------------|--|-------------------------------|--|---|
| [<br>\$3,200-13,200+<br>] |  | +                             |  | [<br>\$250 +<br>\$3,000-5,000<br>in total<br>benchmarking fees<br>] |
|                           |  |                               |  |   |
| REIMBURSABLE              |  | NON-REIMBURSABLE — COMPLIANCE |  | [<br>~\$1600-10,000<br>based<br>on grant size<br>and term<br>]      |

## Scope A

- CFHF Contracted providers will assess current utility bills and building information to produce estimated current consumption based on benchmarking data from comparable buildings. Based on estimated existing cost and consumption, CFHF providers will generate a scope of work that aligns with eligible program costs and measures to assess projected, post-retrofit performance and estimated development costs to determine feasibility.
  - Once complete, the Referral Partner will review the estimated results with the Applicant to determine pathway forward.
  - Applicant will receive a Term Sheet and Engagement Letter for CFHF Engineering Partner to move project into physical assessment and design phase (Scope B).

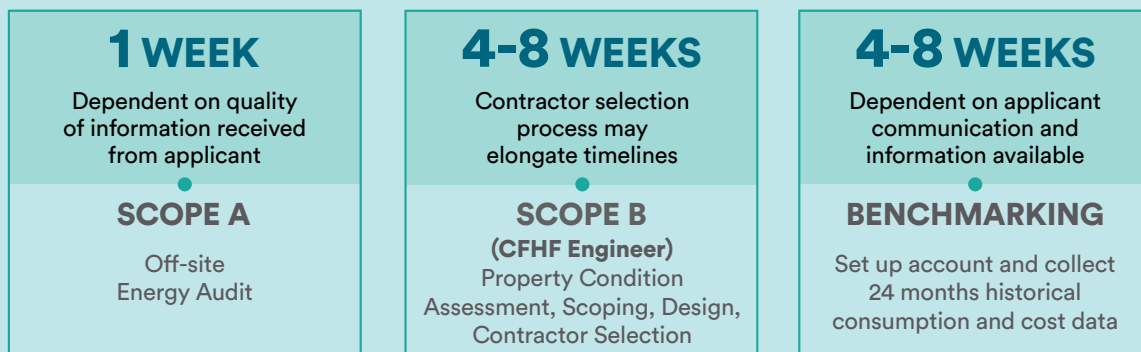
# AUDIT & REVIEW IN PROGRESS



## Scope B

- CFHF contracted Engineering Partner will schedule a site visit with building contacts provided to complete Property Condition Assessment and Environmental Certification Reporting.
- Site Assessment reporting will be submitted and available through the Momentum online platform. Comments or other feedback may be submitted through Momentum.
- Site Assessment and Environmental Certification Reporting is reviewed and submitted for approval by CFHF Staff.
- Projects are moved into the Contractor Procurement stage and CFHF Engineering Partner submits RFPs for CFHF covered scope of work.
  - Owners may view the RFP items and contractor bids through the Momentum online platform. Engineers will review reasonableness and alignment with CFHF scope and assist owners with contractor assessment and selection.
  - Final scope and budget will be developed through selected bids.
  - Selected contractors will complete AIA A105 contracts executed by building ownership.

## Estimated Timeline for Completion



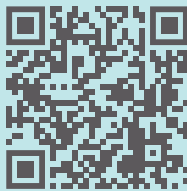
# CFHF CLOSINGS

## Mortgagee Consent

- Projects with mortgages or other secured debt attached to the property will be required to obtain senior lender consent ahead of CFHF closings.
- Templates and guidance for requesting consent from your mortgage holder or lender will be provided at Greenlight Approval.

## Closing Checklist

- Executed Grant/Loan Agreement
- Good Standing Certificate
  - Building Ownership Org Documents
- Subordination Agreement (where applicable)
- Insurance Certificates
- Regulating Agency consent (where applicable)
- Property Deed
- Contractor Rider (CPC-provided) OR LBP and Asbestos clearance documents
- Executed Wire Transfer Form
- Executed Construction Contracts (including applicable licenses)
- Benchmarking Agreement
- Annual Equipment Servicing Contract and contract fees OR Annual Self-Certification Acknowledgment (Applicant funded or executed annually)
- Closing Advance Invoices
- Originations Fee (CFHF funded)
- Servicing Fee (Applicant funded)
- Benchmarking Fees (Applicant funded)



## SCAN HERE

TO LEARN MORE ABOUT ELIGIBILITY  
& START THE APPLICATION PROCESS

Direct application assistance is available.  
Contact us at [climatefund@communityp.com](mailto:climatefund@communityp.com)



The Climate Friendly Homes Fund is brought to you by



Community  
Preservation  
Corporation



Homes and  
Community Renewal

### CLIMATE FRIENDLY HOMES FUND LENDING PARTNERS

The Community Preservation Corporation (CPC) •  
Enterprise Community Partners

### CLIMATE FRIENDLY HOMES FUND COMMUNITY PARTNERS

Kinetic Communities (KC3) • Housing Sustainability Advisors •  
CDC of Long Island