

Financing Energy Upgrades 101



Panelists

- **Moderator: John Mandyck**, CEO, Urban Green Council
- **Andrew Chintz**, Financing Specialist, NYC Accelerator
- **Danielle Donnelly**, AVP of Sustainability Programs, The Community Preservation Corporation
- **Eric Alini**, Managing Partner, Counterpointe Energy Partners
- **Curtis Probst**, CEO, New York City Energy Efficiency Corporation (NYCEEC)
- **Kim Stevenson**, Managing Director, Strategic Initiatives, Inclusive Prosperity Capital



Find Financing That Fits with Help from NYC Accelerator

February 28, 2023



New York City's Pathway to Decarbonization

- + 68% of New York City's emissions comes from buildings
- + 90% of New York City buildings will still be here in 2050
- + New York City aims to be carbon neutral by 2050
 - Building decarbonization policies
 - Free technical assistance
 - Economic development
 - Equitable transition away from fossil fuels



How Can NYC Accelerator Help?

- + Provide free technical assistance for building upgrades
- + Deliver expert advice to determine requirements and help meet local energy laws
- + Connect buildings with service providers and incentives for energy and carbon reduction projects
- + Offer no-cost online trainings for building operators and stakeholders



How Does NYC Accelerator Work?

+ Who is eligible?

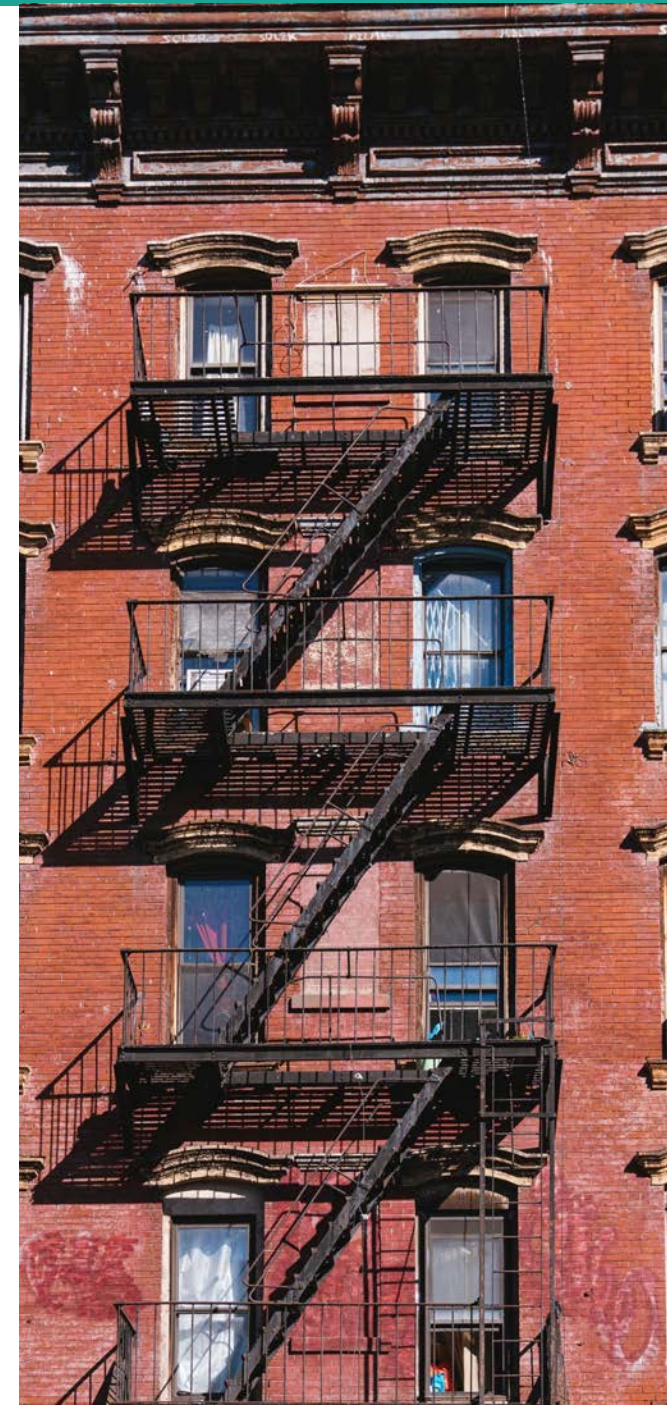
- Any privately owned New York City building $\geq 5,000$ square feet (new or existing)
- Smaller buildings referred to partner organizations

+ How does it work?

- Call us and get connected with a dedicated Account Manager
- Receive objective advice customized to your needs

+ How much does it cost, and what's the catch?

- No catch, no cost, no sign-up or commitment





NYC Accelerator Financing Assistance



NYC Accelerator's Financing Assistance

+ Identify applicable financing programs

- Relevant to specific project needs
- Fit with building use and financial structure

+ Assist in navigating financing options

- Connection to capital providers and lenders
- Engage building stakeholders in the process
- Improve understanding of various financing products
- Guidance assessing options



Why Finance Energy Upgrades?

- + Minimizes or eliminates need for upfront funding
- + Addresses immediate and longer-term LL97 requirements
- + Facilitates large or stalled retrofit projects
- + Preserves building reserves for other necessary uses
- + Reduces financing costs by consolidating energy retrofits with other capital improvements or deferred maintenance
- + Reduces utility and other operating expenses
 - **Annual energy savings may be greater than financing repayments, resulting in “net cash flow”**



Consider the Building's Life Cycle

- + What is your building's mortgage loan status?
 - Consider financing energy retrofits in a new mortgage loan if existing mortgage is maturing in 1-2 years
 - Supplemental mortgage
- + Most buildings are at a mid-cycle stage and there are mid-cycle financing products for energy improvement projects.



Financing Options For Energy Retrofits

+ End of Building Cycle Financing Products

- *Mortgage Loans or Green Mortgage Loans*

+ Mid-Cycle Financing Products

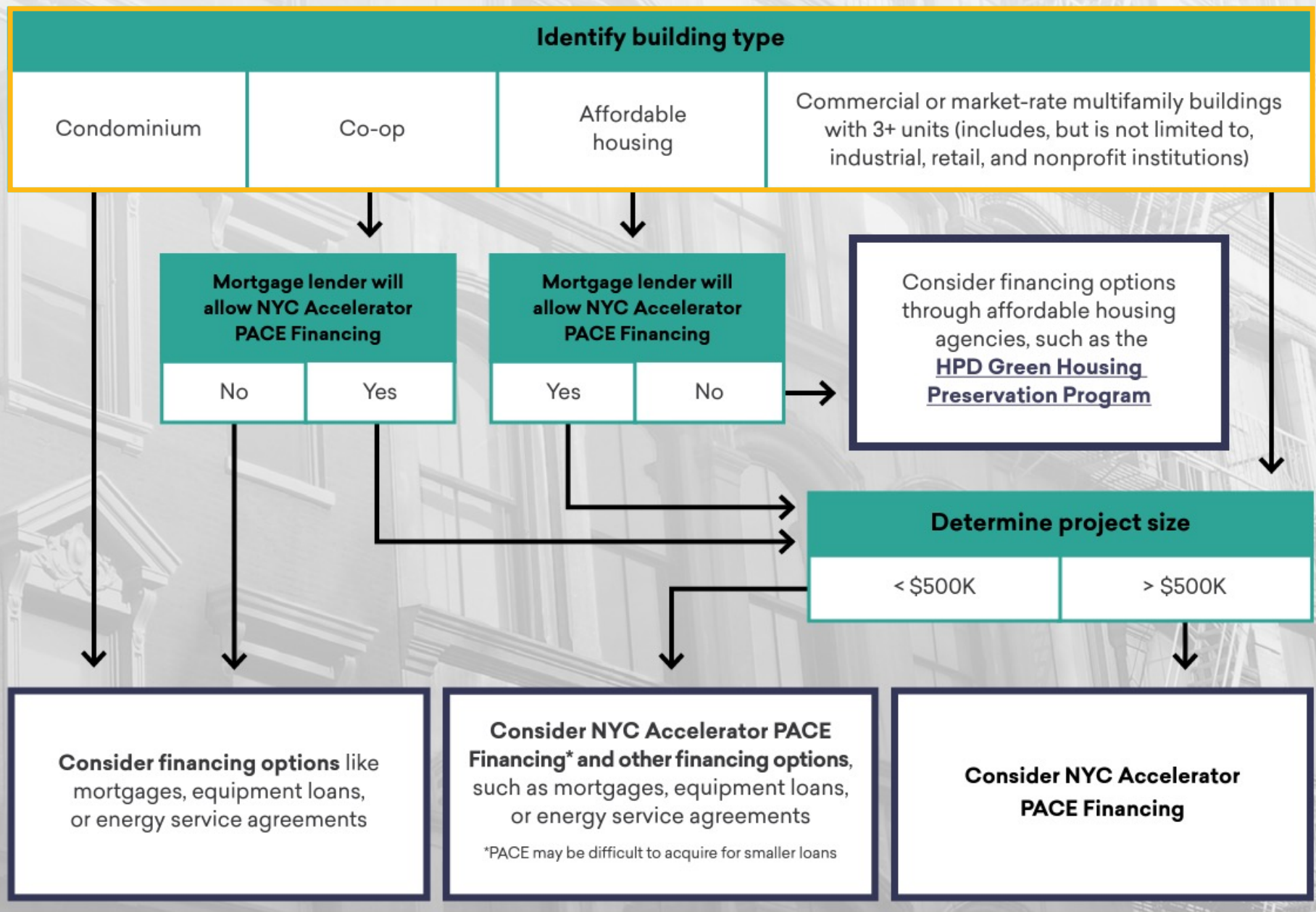
- *NYC Accelerator PACE Financing*
- *Specialty Finance Companies: Local Green Banks, Mission-Driven Lenders*



Financing Options For Energy Retrofits

- + **Equipment Loans or Leases**
- + **Non-debt financing solutions**
 - *Energy Service Agreements*
 - *Power Purchase Agreements*
 - *As-a-Service Options*





Scan code for entire Financing Toolkit.





Contact Our Team of Experts



Web: accelerator.nyc/financing

Email: info@accelerator.nyc

Phone: 212-656-9202





Danielle Donnelly

AVP of Sustainability Programs,
The Community Preservation Corporation

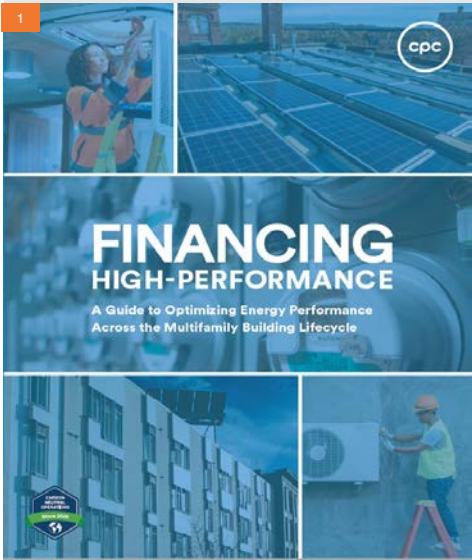
CPC'S SUSTAINABILITY INITIATIVE



EDUCATION

Through its sustainability initiative, CPC has engaged partners, clients, and peers to provide important information about local and state policy, underwriting strategies, and financing opportunities for buildings incorporating energy efficiency.

CPC has conducted trainings and webinars to bring “underwriting savings” to a broader lending audience, published a white paper on Passive House performance, and convened a summit to address New York’s shift to a carbon neutral economy.



Financing High-Performance Guide, 2020

CREATING CAPITAL SOLUTIONS

CPC pioneered the “underwriting savings” approach and cemented the methodology with the release of Underwriting Efficiency guide.

Following the creation of its sustainability initiative, CPC has continued to explore creative ways to finance energy efficiency and high-performance building measures and bring these practices to the forefront of affordable housing development.



Capital Solutions for High-Performance Construction
Troy, NY

DATA & TRACKING

The backbone of CPC’s sustainability initiative is the impressive portfolio of loans that employ one or more Sustainability Criteria.

Tracking these loans, tagging the completed criteria, and benchmarking performance allow us to analyze long term performance and improve our lending practices.

Information from CPC’s sustainability portfolio has helped our private and public partners to innovate and inform policy decisions and state funded programs.



Electric Metering from Financing High-Performance, 2020



ERIC ALINI

Managing Partner,
Counterpointe Energy Partners

COUNTERPOINTE SUSTAINABLE REAL ESTATE

At the Crossroads of the Commercial Real Estate & Energy Industries



Convergence of Energy Industry and Commercial Real Estate

- Climate change and ESG drivers have created strong demand for sustainable financings & investments
- Financial innovation is accelerating to keep up with demand pull for green assets

Sustainable Debt Origination

- **Behind-the meter investment** in commercial real estate in energy efficiency and production
- Expanded scope of impact through **financing Renewables, Energy Efficiency and Resiliency** in commercial real estate with societal benefit
- Decade of experience with demonstrated results and measurable impact Investments in **PACE and other energy financial tools results in the greening of commercial real estate** with both attractive terms and pricing





Curtis Probst

CEO,
New York City Energy Efficiency
Corporation (NYCEEC)



- Not-for-profit lender
- Operate in NYC and surrounding region
- Provide debt financing for green building projects
 - Electrification
 - Energy Efficiency
 - Renewables
 - Storage
- Focus on disadvantaged communities

Sample Loan Products & Typical Characteristics	
Predevelopment & Acquisition Loans	<ul style="list-style-type: none"> • Fund preliminary project work • 0% rate for qualifying affordable housing
Green Construction & Permanent Loans	<ul style="list-style-type: none"> • Cover up to 90% of project cost • Short- and long-term options
Equipment Loan	<ul style="list-style-type: none"> • Cover up to 90% of project cost • Flexible terms
MultiFamily Express Green (MEG) Loan	<ul style="list-style-type: none"> • Streamlined process • Standard terms (min. \$200K loan)
ESA/PPA Backed Loan	<ul style="list-style-type: none"> • Finance ESCO/developer contracts over long-term
Incentive Bridge Loan	<ul style="list-style-type: none"> • Short-term loan to bridge ConEd/NYSERDA incentives
PACE Loan	<ul style="list-style-type: none"> • Long-term financing repaid through property tax mechanism • Requires senior lender consent



Kim Stevenson

Managing Director, Strategic Initiatives
Inclusive Prosperity Capital

Designed for multifamily, nonprofit & government buildings

Co-ops, condos, rental, mixed-use | affordable housing, NOAH & market rate

Catalyst

Construction plus term loan *

4.99% - 6.99% with preferred rates for
affordable housing, shorter terms

Up to 20-year term

3% closing fee, financeable

\$50k - \$2m loans, up to 100% of costs

No prepayment penalty

Alternative, flexible security

Navigator

Planning & pre-development *

5.50% - 9.00% with preferred rates for
affordable housing and green building
standards

Up to 24 month term

2% closing fee, financeable

\$50k - \$2m loans, up to 80% of costs

Examples of Eligible Uses

Efficient heating, cooling, hot water
systems

Building envelope, e.g., LL 11 compliance

Solar PV, health and safety remediation
and infrastructure to enable measures,
pre-development planning costs

* Terms and rates subject to change

Start Your Application: www.InclusiveProsperityCapital.org / Multifamily

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KRISTINE MUSADEMBA, SENIOR ASSOCIATE | [KRISTINE . MUSADEMBA @ INCLUSIVETEAM . ORG](mailto:KRISTINE.MUSADEMBA@INCLUSIVETEAM.ORG)

Upcoming Events


Spring Member Reception
March 15 | 6-8 p.m. ET

Financing Energy Upgrades 101 Pt. 2
March 23 | Details TBD

Register at urbangreencouncil.org/events



Thank You

 @UrbanGreen

 urbangreencouncil.org



Contact NYC Accelerator

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Phone: 212-656-9202