



CPC Green Financing Initiative

Simple, Sensible, Sustainable
Solutions



The Speakers



Sadie McKeown, Senior Vice President, has been Director of Lending in CPC's Hudson Valley Region since 1996. She has been tapped to head up CPC's Green Financing Initiative.



Bruce Dale is the regional director of CPC's Bronx/Manhattan office. He oversees the entire loan process from origination through to permanent financing.



Willie Mae Anderson is the site manager of Cathedral Parkway Towers. She is one of the community leaders who is responsible for the revitalization and renovation of the complex.



Andy Padian, CPC's Vice President for Energy Initiatives is an expert on energy efficiency with over 25 years experience and is an esteemed resource in this ever-growing arena.



The Community Preservation Corporation (CPC)

- Non-profit 501 c(3) Mortgage Finance Company
- Founded in 1974 by NY Clearinghouse Banks
- Funded via consortium of more than 70 banks and insurance companies
- 137,000 units financed, more than \$7.4 billion in public and private investment
- Affordable low- and moderate-income housing



The Green Initiative

- **Simple**
 - \$1 Billion available for building owners to retrofit
 - \$500 million permanent financing through Freddie Mac
 - A One Stop Shop: Construction and Permanent Financing blended with public incentives
- **Sensible**
 - Improve property cash flow & increase value
 - Make retrofit a standard part of the mortgage process
- **Sustainable**
 - Extend efficiency and life cycle of building systems
 - Provide a better environment for residents



Target Markets

- Existing **multifamily** housing stock throughout New York State
- Occupied cash-flowing rental properties
- Cooperative Apartment Buildings
- Measure energy usage up front so savings can be measured post retrofit
- Typical buildings are 20 units and larger



Goals of Retrofit

- Benchmark the Building – Measure Usage
 - Create a Database of energy consumption
- Identify the Work Scope with an Energy Audit
 - What is cost effective?
 - Most items are simple and obvious
 - Identify incentives available to the project
- Monitor the construction
 - Insure best practices
- One year post retrofit: Measure the savings!
 - Goal is 20% savings on overall energy and water consumption



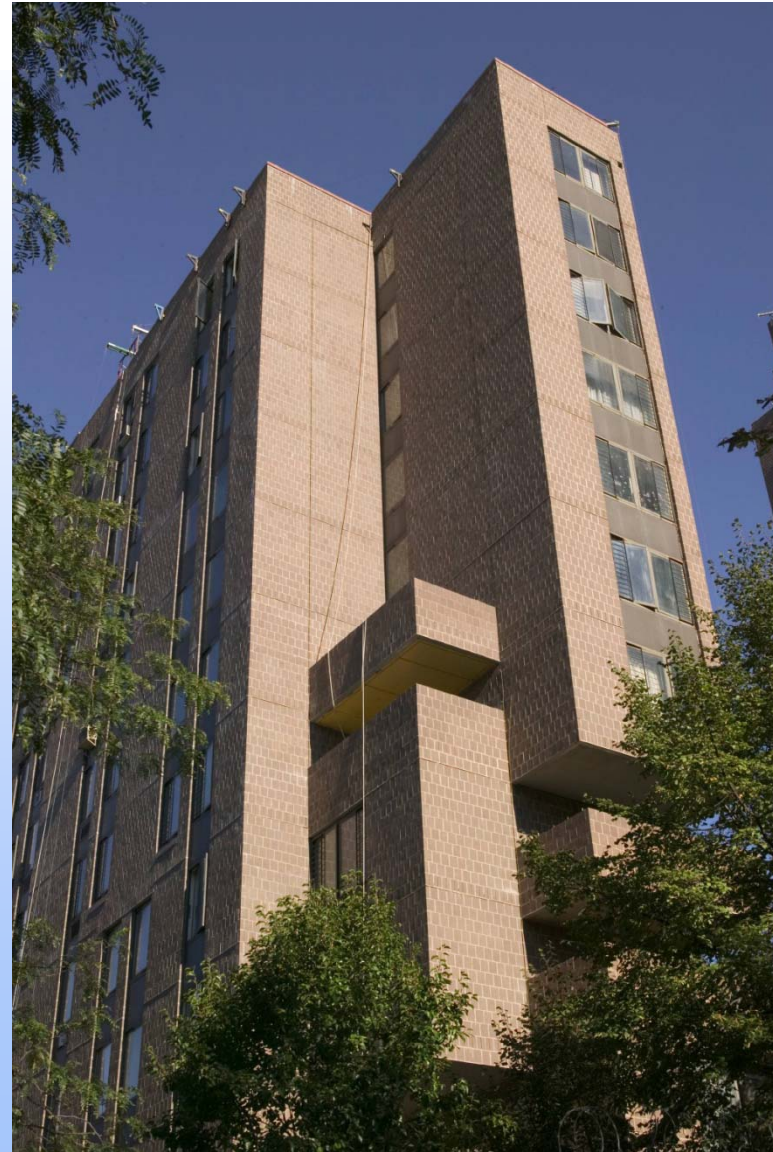
Benefits to Building & Residents

- Heating, Electric & Water usage reduction
- Improved systems
- Improved energy management
 - Training of maintenance staff
 - Engage employees and tenants
- Improved affordability, durability, health, safety, efficiency and comfort



Case Study

Cathedral Parkway
Towers
Manhattan Valley, New
York





The Property

- Mitchell Lama rental
- Two towers
 - 12 stories and 22 stories
- 309 apartments
- Parking garage
- Pre-school and Day Care Center





History

1975	Construction completed
1975–1976	Rent strike over construction issues
1976	Tenants association enters into Tenants Participation Agreement and obtains right of first refusal on property purchase in 20 years.
1997	Tenants association decides to exercise right to purchase



History

1999

As purchase is being finalized, piece of façade falls

1999 – 2001

Tenants and owner engage in protracted legal dispute over ownership and repairs.

NYS DHCR and ESDC set in motion new ownership/management process

2002

NYS conducts competitive bid to select a developer to oversee construction and assume temporary ownership



Original Financing

2003 CPC provides \$14.7M construction loan to secure title and complete repairs

Loan increased to \$28.6M to retire UDC 236 loan and to obtain enhanced Section 8 vouchers

2005 \$35M pension fund permanent loan closed, insured by SONYMA to convert construction loan, paid off debt and funded a reserve. Permanent ownership and management turned over to the residents.



2005 Celebration





The Challenge

- Under the terms of the permanent loan the building agreed to modify the electrical heating, replace the windows and elevators along with other improvements. However, the reserve fund was not sufficient to complete these items.
- With the assistance of NYSERDA's consultant, AEA, an Energy Smart loan was designed to respond to these requirements.



Current Green Financing

- **Energy Smart Loan (NYSERDA)**
 - \$1.575M for additional scope of work and estimated 20% energy savings
- **CPC Green loan**
 - \$4.5M co-first mortgage used to fund construction work, project management and soft costs
 - No refinancing costs



Ballpark Benchmark

- 14 months of fuel records from the borrower or property manager
- Analyze all data
- Isolate a full calendar year
- Calculate annual total
- Calculate summer usage
 - This will allow you to separate out usage for hot water



NYSERDA Benchmarking Tool

Benchmarking Results and Performance Target

	Actual
Project's Total Annual Energy Consumption (MMBtu/yr)	26,528
Project's Annual Electricity Consumption (MMBtu/yr)	14,273
Project's Annual GAS Consumption (MMBtu/yr)	12,255
Project's Annual OIL Consumption (MMBtu/yr)	0
Project's Annual STEAM Consumption (MMBtu/yr)	0
Entire Building Gross Floor Area	338,249
Actual Annual Heating Degree Days	4,510
Actual Annual Cooling Degree Days	1,097
Typical Annual Heating Degree Days	4,805
Typical Annual Cooling Degree Days	1,096
Project's Benchmarking Score	16
Source Energy Use Intensity (kBtu/sf2-year)	178.9
Project's Performance Target	20%
Source Energy Use Intensity Target (kBtu/sf2-yr)	143.1



Energy Reduction Plan Summary Metrics

Total Investment:	\$4,807,863	Payback Period (years):	18.2
Annual Savings:*	\$264,377	Savings to Investment Ratio:	1.0
	2,037 million Btu	Net Life Cycle Savings:	-\$557,377
Summer Peak	1,167,916 kWh	Discounted at 3.0% over (yrs):	26
Demand Reduction:	126.7 kW	Project Phased over:	1 years
New Gas:	0 million Btu (New purchases for cogen, conversions)		

*million Btu figure includes all interactive effects, but excludes gas consumption of proposed cogen or conversions



Scope of Work

- **Electric**
 - Install EMS Electric Heating Controls
 - Direct Digital Control System in each apartment
 - Replace old circuit breakers and add controllers
- **Gas**
 - Condensing DHW boiler and pump
 - Keeping 2 gas fired Scotch Marine Boilers with oil for backup
- **Water**
 - Replace cold water house pump with VFD pump
- **Windows and balcony doors**
 - Double hung, double paned LowE, argon filled, 7/8 inch glass
- **Lighting**
 - New outdoor flourescents
 - Electronic T-8s and motion sensors in hallways and garage



Scope of Work

- All lighting replaced in pre-school and daycare
- Repairs to ventilation including garage
- Upgraded laundry
- All five elevators replaced
- All exterior doors weather stripped



AEA Coordinated Repair Scope

	Estimated Install & Design Cost	Source of Funding	J-51 Tax Abatement	Energy Savings MMBTU	Energy Savings KWh	Total Savings
A. Electric Contract						
1	Lighting Replacement - <i>Parking Garage</i>	CPC Loan			19,818	19,818
2	Preschool & Day Care	CPC Loan			5,040	5,040
3	Outdoor	CPC Loan				
4	CA Bldg 1	CPC Loan			22,064	22,064
5	In Unit Bldg 1	Energy Smart Loan			11,707	11,707
6	Install Exit Signs & Back up Ballasts - Bldg 1	CPC Loan				
7	Replace Old Outdoor Fixtures	CPC Loan			764	764
8	Install EMS Electric Heating Controls	Energy Smart Loan			88,975	88,975
9	EMS Monitoring	CPC Loan				
10	Replace Circuit Breakers & Repair Panel Doors	Energy Smart Loan				
	1,407,860					
B. Other						
1	Weatherstrip Exterior Doors	Energy Smart Loan			2,157	2,157
2	Condensing DHW Boiler & Pump	Energy Smart Loan	593	26,926	3,029	30,547
	Condensing DHW Boiler & Pump	CPC Loan		26,925	56,973	83,898
3	Bldg Operator Training & Certification (8 Total)	Building Expense				
4	Improve & Balance Ventilation Fans	Energy Smart Loan				
5	Garage Ventilation	CPC Loan				
	698,650					264,970

Total AEA Managed **2,106,510**

Savings are in \$



Cathedral Parkway/DHCR Managed Scope of Work

J-51 Tax Abatement	Energy Savings MMBTU	Energy Savings KWh	Annual Total Savings
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A. New Work

1	New Elevator Motor SCR (5 total)	100,000	CPC Loan				
2	New Elevator Equipment (5 Total)	1,150,000	CPC Loan	18,743			18,743
3	Elevator Engineering Study	28,600	CPC Loan				
4	Elevator Project Management	70,000	CPC Loan				
5	Replace Entrance Doors	100,786	CPC Loan	475			475
6	Lobby Renovation	146,800	CPC Loan				
		1,596,186					

B. Work Installed and Paid

1	Lighting Replacement - CA Bldg 2	108,819	Weatherization				
2	Lighting Replacement - In Unit Bldg 2	45,106	Weatherization				
3	Install Exit Signs & Back up Ballasts - Bldg 2	11,394	Weatherization				
4	Weatherization Audit Fee	1,000	Building Expense				
5	Energy Audit	28,360	Bldg / NYSERDA				
6	Replace Windows	1,800,000	Building Expense	31,531			31,531
		1,994,680					50,748

Total Cathedral Managed **3,590,866**

Fees

1	Project Management Fees	207,251	CPC Loan
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Sources and Uses

		J-51 Tax Abatement	Energy Savings MMBTU	Energy Savings KWh	Annual Total Savings	
Total Project Cost	5,904,627	Annual Savings	51,342	53,851	210,526	315,718

Sources	CPC Loan	
CPC Loan	2,348,947	2,348,947
Weatherization Funded	165,320	
Energy Smart Loan	1,545,000	1,545,000
Building Expense	1,845,360	
	5,904,627	3,893,947
		CPC Construction
		380,236
		Contingency
		4,274,183
		CPC Hard Costs
		225,817
		Soft Costs
		4,500,000
		Total Loan



Benefits

NYSERDA Grants	
Incentive 1) Energy Audit	\$ 14,180
Incentive 2) Grant at 50% completion	\$247,200
Incentive 3) Grant at 100% complete	\$123,600
Incentive 4) Interest Reduction (4% / 7 years)	\$242,000
Additional	
5) Boiler Operator Training	\$ 12,000
NYSERDA Total	\$638,980
NY State Weatherization Grant	\$165,320
TOTAL	\$804,300
20% Savings on energy costs per year	\$264,377
Additional J-51 Tax Abatements	\$ 51,342

Annually

Annually

FIRST YEAR BENEFITS: \$1,120,019



Benefits

- Rehab financed without cost of a Construction Loan
- No need to refinance existing first mortgage and pay prepayment fees.
- Permanent fixed rate financing allowing for long range planning of additional upgrades.



Contact your local field office for more information or go to www.communityp.com

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