



HPD Green: *Greening Affordably*

March 28, 2008

Presentation to the Miami-Dade
County Housing Authority

Presentation Overview

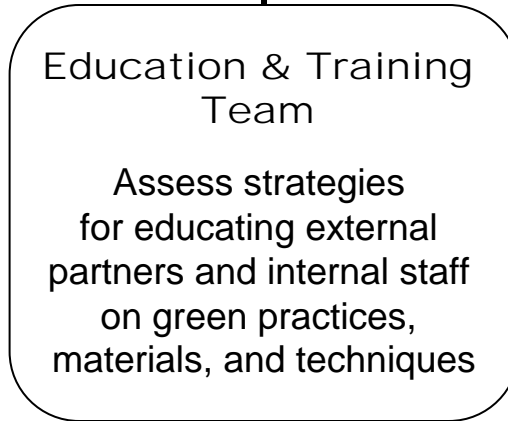
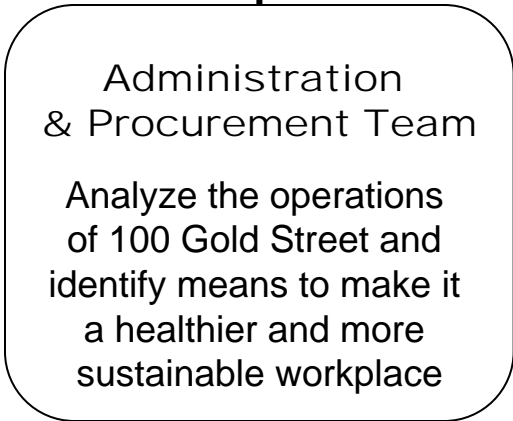
- **HPD's Approach to Green**
 - HPD Green Overview
 - New Construction
 - Preservation
 - Tax Incentives
 - Notable Buildings
- **Green Financing**
 - Construction and Operating Cost Data
 - Financing Options
- **Challenges to Greening Affordably**

New York City Department of Housing Preservation and Development (HPD)

- HPD is the largest municipal housing agency in the nation.
- Mayor Bloomberg's New Housing Marketplace Plan (2003) set a goal of creating and preserving 165,000 affordable housing units in ten years. By January 2008, 69,836 units had been started under the plan.
- To date, we have provided over \$5.6 billion to support the repair, rehabilitation and new construction of hundreds of thousands of housing units in New York City.
- We work with public, private, and community partners to strengthen neighborhoods and allow more New Yorkers to become homeowners or to rent well-maintained, affordable housing.

HPD Green Team Purpose & Structure

At the Commissioner's request, **HPD Green** was established in 2006 to explore the growing field of green building and the potential for HPD in establishing agency-wide protocols.



HPD's Approach to Green

- **Lead or LEED?**
 - The evolution of HPD's green criteria
- **Coordination and Cooperation**
 - NYSERDA, Enterprise, OMB, PlaNYC, HDC
- **Internal Buy-In**
 - Education and Participation
- **Evaluating Costs and Savings**
 - Data Collection
 - Cost/Savings Analysis
 - Evaluation of Appropriateness

New Construction

RFP Green Guidelines 2006-2007

- **HPD green guideline goals**
 - Technologically sound
 - Financially feasible
 - Comprehensive

- **Minimize incremental costs**
 - Existing HPD design standards
 - Other government regulations
 - Inclusion of low cost items

- **Evolving guidelines**
 - Lessons from past RFPs
 - Changes in technology and practices
 - RFP release schedule

New Construction

Estimated Green Cost

- **Enterprise Green Communities**
 - According to HPD/Enterprise estimate, complying with Green Communities adds about **0.6% to TDC**
 - Additional \$1.18 per square foot assuming \$200 per sq ft
- **NYSERDA MPP**
 - According to HPD/NYSERDA estimate, complying with NYSERDA MPP adds about **2.3% to TDC**
 - Additional \$4.62 per square foot assuming \$200 per sq ft
- These estimates conform with the *Affordably Green in NYC* study which found a range between \$3.07 – \$6.70 additional per square foot cost on a range on buildings

New Construction

Funding the Green Costs

- **Sources of Funds:**

- Enterprise Green Communities Grant
- New York State Energy and Research Authority
- Financial Resources Database
- Increased Developer Equity
- Additional City Funding

Preservation

High Performance Housing (HPH) Initiative

- In 2004, HPD and NYSERDA launched the High Performance Housing Program: a 3-year pilot that incorporates energy efficiency specifications into City-owned gut rehab buildings
- The program was designed to cover all incremental costs with NYSERDA incentive payments
- Incremental costs estimated at \$1,750/unit; actual cost is \$2,200/unit
- Over 2,000 units will be rehabilitated through this program by FY 09
- Education and training provided by NYSERDA for residents and building managers

Preservation

Green Preservation Loan Program

- \$3 million in FY2008 Resolution A funds
- Revolving Loan Fund managed by Enterprise Community Partners
- Provide loans at favorable terms to developers of HPD rehabilitation projects that meet the following design standards:
 - Enterprise Green Communities
 - NYSERDA's Multi-Family Performance Program for Existing Buildings

Program Goals:

- Absorb full incremental cost of green construction
- Collect data to analyze potential cost and operational savings of green design

Greening Tax Incentives

2008 QAP

Green Threshold Criteria:

- Energy Efficient Building Construction
- Low-Flow Fixtures
- Healthy Indoor Air Quality
- Energy Star Appliances

Green Competitive Criteria:

- Participation in NYSERDA Multifamily Performance Program or Enterprise Green Communities Program

J-51 (Tax exemption/abatement for mod-rehab projects)

Working internally to determine what green items can be added that:

- Incur no additional cost
- Will not reduce the City's tax revenue
- Could replace an existing item with no cost increase on the cost schedule

Notable Buildings



Rendering of Via Verde

Via Verde – LEED Gold

- New Housing/New York Legacy Project was the City's first juried design competition for affordable sustainable housing
- Includes green materials, energy efficient measures, and multi-level rooftop gardens

1347 Bristow – LEED Silver

- HPD's first rehab to seek LEED certification
- 23-unit TIL building in the Bronx
- CO expected by end of September



1347 Bristow

Critical Funding Issues

- Potentially high incremental cost associated with green construction
- Balance limited capital funding, high production targets
- OMB scrutiny of capital budgets
- Increase external funding to cover green costs

Changing Underwriting

- Goal: Capture the value created through reductions in energy consumption
 - Reduced M & O = increased cash flow
 - Funds available for higher debt service payments
 - Reduces public subsidy
 - Benefits homeowners through more favorable end loans
- Existing green underwriting products are limited to single-family and commercial buildings
 - Energy Efficient and Energy Star Mortgages
 - National bank initiatives
- Challenge: Better data needed in order to make case to lenders

Data Summary

- **Sources of Data:**

- NYSERDA post-construction consumption monitoring reports
- HUD M2M Green Initiative monitoring
- Independent Reports
- Developers

- **Challenges:**

- Time
- Inconsistent external collection and analysis methodologies
- Development of internal data collection and analysis methodology
- Access to utility data

Operational Costs: New Construction

Location	Project Info	Units	Incremental Green Cost	Cost as % TDC	Annual Savings Relative to ASHRAE 90.1 (2004)	Annual Savings per Unit	Source
NYC	1212 MLK - Dunn Development	54	\$ 227, 44	3.06%	\$ 12,631	\$ 234	NYSERDA
	854 Myrtle - Dunn Development	33	\$ 134,203	-	\$ 11,546	\$ 350	NYSERDA
	Dinkins Gardens – Jonathan Rose	85	\$ 185,000	0.96%	\$ 18,900	\$ 222	Jonathan Rose
Seattle, WA	Traugott Terrace	50	\$ 296,839	4.65%	\$ 4,053	\$ 51	Tellus Report
					Annual Savings Relative to Comparable Bldg		
NYC	Sunflower Way - BlueSea	90	\$ 54,990	2.97%	\$ 104,000	\$ 1,156	Tellus Report
Somerville, MA	Linden St. – Somerville Community Corp	42	\$ 20,151	0.22%	\$ 110,131	\$ 2,622	Tellus Report
Spokane, WA	Riverwalk Point I - SNAP	52	\$ 292,140	2.7%	\$ 34,720	\$ 668	Tellus Report

Operational Costs: Preservation

- Through the HPH program, NYSERDA is collecting 3 years of post-construction operating data.
- Post-construction consumption data is compared to a pre-rehab energy audit to estimate annual operational energy savings in common areas and in units.

Available Operational Savings Data

HPH Building	# of Dwelling Units	Annual Energy Savings, Year 1
581 E. 164 th St	10	36.7%
635 E. 169 th St	13	24.2%
915 Prospect Ave	12	25.2%

Challenges to Green Affordable

- **Public and Political Will**
 - Put your money where your mouth is.
- **Convincing Incremental Cost and Savings Data**
 - HPD Approach: Identify partner agencies or organizations who can assist in effort
 - Simplify access to anonymous tenant-level data
- **Paying for the Incremental Cost**
 - HPD Approach: Access all available funding; push for green underwriting
- **Developer Buy-In**
 - HPD Approach: Education, Cooperation, Media Attention, Financial Assistance & Mandates