

Sustainable Development Requirement for Projects Receiving Bronx Borough President Capital Funding

This memorandum sets forth the mandate that projects meet certifiable sustainability standards to receive Borough President capital funds. The mandate applies primarily to housing and community facilities. Relevant programs establishing sustainability criteria are: NY State Energy Research & Development Authority (NYSERDA) Energy Star rating, Enterprise Green Building Criteria, the U.S. Green Building Council's Leadership in Environmental & Energy Design (LEED) standards and New York City's Green Building Law. All four can be combined with funding programs, such as Con Edison, NY State Green Buildings Tax Credit and Federal tax incentives to reduce cost burdens. Developers seeking BP capital funds should be required to attain certification under one of the identified programs.

Project design must be independently certified before funds are dispersed.

- LEED rating of silver or higher
- NYSERDA Energy Smart Label
- Enterprise Green Building Criteria
- New York City Green Building Act standards

NY State Energy Research & Development Authority

NYSERDA offers Energy Star programs for single and multi-family buildings, new construction and substantial renovation. www.GetEnergySmart.org

- Must join with a NYSERDA-certified Modeling Partner to and track design (by computer model) for achieving energy savings
- Efficiency measures include
 - Increased insulation
 - High efficiency heating and cooling systems
 - Energy saving appliances and lighting
 - High performance windows and doors
 - Innovative technologies (advanced meters, renewable energy, combined heat & power systems, etc.)
- Grants and loans for projects achieving 20% energy reduction over the norm
 - Grants up to \$30,000, plus \$1.75-2.00/gross heated sq. ft., for affordable units
 - Grants up to \$20,000, plus \$1.25-1.50/gross heated sq. ft. for market rate units
 - Loans available at 6.5% for various energy-saving infrastructure options

Enterprise Green Communities Program

Enterprise Community offers grants, loans and Low Income Housing Tax Credits to qualifying low income housing development following a Green Communities Criteria Checklist composed of mandatory and optional features. This comprehensive program involves location, site improvements, water conservation, energy efficiency, environmentally beneficial buildings, healthy living environment, and operations and maintenance. www.enterprisecommunity.org

- Grants up to \$1,000 times the number of low-income units in a project, plus \$3,000 (not to exceed maximum grant amount) as an allowance toward the costs of reporting project data, or \$50,000 total.
 - The portion of the grant to be used for planning costs may not exceed \$25,000, or \$500 times the number of low-income homes-whichever is less.
- Loans for predevelopment, acquisition and construction
 - Early predevelopment up to \$35,000, 0 interest, 18 month term
 - Predevelopment from \$50,000 to “several hundred thousand”, 6.5% interest, 36 month
 - Acquisition up to \$3 million, 6.5% interest, Predevelopment from \$50,000 to “several hundred thousand”, 6.5% interest, 36 month
 - 36 month term Construction up to \$3 million, 6.5% interest, 36 month term
- Enterprise has available dedicated equity funds (over \$375 million nationwide) provided by LIHTC investors to invest in qualified Green Communities housing projects nationwide. Stated targets include:
 - Projects involving new construction of residential units or rehabilitation at an estimated cost of more than \$3,000 per unit.
 - Projects subject to firm site control.
 - Rental housing projects reserving at least 25 units for renters with incomes below 60% of AMI.
 - Homeownership projects with at least 15 homes to be sold to buyers with incomes below 80% of AMI.

Leadership in Environmental & Energy Design

LEED is a program of the U.S. Green Building Council, a building industry coalition to promote sustainability. Once a developer registers a project with LEED, it is evaluated by the USGBC according to prerequisites and performance benchmarks ("credits") in five categories of performance: Sustainable Sites, Energy and Atmosphere, Water Efficiency, Indoor Environmental Quality, Materials and Resources. Projects are awarded Certified, Silver, Gold, or Platinum certification depending on the number of credits they achieve. www.usgbc.org

Full LEED certification cannot be granted until project construction is complete. Demonstration of LEED compliance and commencement of the certification process affirmed by an outside evaluator could substitute for final certification.

New York City Green Building Act

New York City Local Law 86 mandates levels of sustainability for new capital projects whose final design is approved after January 1, 2007. The regulations apply to city-owned buildings, and private developments that receive more than \$10 million in city funding or 50% of project cost. The law's preamble projects that it will affect some \$12 billion in construction over ten years. www.nyc.gov/ddc

Key provisions:

Non-residential capital projects with over \$2 m construction cost, design and construction to achieve LEED silver or higher rating

- Exception for schools and hospitals require the lesser LEED “Certified” rating
- Mayor may publish alternative standards that “are not less stringent than the LEED standards...”

Additional energy saving requirements:

- Capital projects, except schools, with construction between \$12m and \$30m must be designed and constructed so as to reduce energy costs by at least 20%, + 5% more reduction if estimated payback 7 years or less*
- Capital costs, except schools, over \$30m must be designed and constructed to reduce energy costs by at least 25%,+ 5% more reduction if estimated payback 7 years or less *
- Capital projects involving schools, \$12m or more, must be designed and constructed to reduce energy costs by at least 20%,+ 5% more reduction if estimated payback 7 years or less*
- Boiler installation/ replacement \$2m or more must be designed to reduce energy costs by at least 10%
- Installation or replacement of lighting systems \$1m or more must be designed to reduce energy costs by at least 10%
- Installation or replacement of HVAC systems \$2m or more must be designed to reduce energy costs by at least 5%
- Installation or replacement of plumbing systems \$500,000 or more must be designed to reduce energy costs by at least 30%

Exceptions: High hazard, industrial, stadiums, prisons, residential, sheds

*“...as determined by methodology prescribed in LEED energy and atmospheric credit 1 or the New York State energy conservation code, whichever is more stringent.” Local Law No. 86