

NYCEEC DEAL SPOTLIGHT

NYSERDA Collaboration to Support Early-Stage Financing for Energy Efficiency in Affordable Housing

SUCCESS BY THE NUMBERS

\$750,000
NYCEEC
LOAN

103
AFFORDABLE
HOUSING UNITS



THE BUILDING

Building type
Multifamily Housing

Building size
13 Buildings
97,640 Square Feet
103 Units

Location
Cypress Hills & East New York neighborhoods of Brooklyn, NY.

Term
2.5 Years

Project type
Predevelopment,
Energy Efficiency

Upgrades
Building envelope improvements, boiler replacement, and efficiency measures (e.g., lighting upgrades, pipe insulation, air sealing)

NYCEEC loan product
Green Predevelopment Loan

Closing date
September 2023

THE PROJECT

NYCEEC provided a low-cost Green Predevelopment Loan to borrowers affiliated with Cypress Hills Local Development Corporation (CHLDC), which provides a wide array of services to the community. CHLDC will pursue significant energy efficiency measures across 13 buildings, serving residents generally at 30% to 60% of Area Median Income, across the Cypress Hills and East New York neighborhoods of Brooklyn.

NYCEEC plans to utilize its existing predevelopment loan program with NYSERDA to lower the cost of capital for this transaction. This program enables NYCEEC to provide no- and low-interest capital for predevelopment expenses to affordable housing borrowers across New York State and enables NYCEEC to expand access to capital for energy efficiency and clean energy investments for affordable housing borrowers.

The NYCEEC predevelopment loan will fund predevelopment costs, including architectural services, an owner's representative, and engineering services, required to rehabilitate the 13 affordable multifamily buildings. As a result, CHLDC will be able to pursue deep energy efficiency measures across the buildings, including roof insulation and window replacements, LED lighting upgrades, boiler replacements, pipe insulation, mechanical vent dampers, and air sealing. CHLDC intends to secure construction financing through the New York City Housing Preservation and Development's Year 15 Program, which aims to preserve the financial and physical viability, and long-term affordability of Low Income Housing Tax Credit properties. CHLDC will also target incentives from New York State's Affordable Multifamily Energy Efficiency Program.

THE PROJECT NUMBERS

Total Expected Project Cost	\$30.3M (est.)
NYCEEC Green Predevelopment Loan	\$750,000
Regulated Affordable Units	103

THE RESULTS

The \$750,000 Green Predevelopment Loan helped ensure that Cypress Hills had access to the capital necessary to complete critical predevelopment work. The energy efficiency measures identified in the IPNAs are expected to drive energy savings between 40% to 50%. Cypress Hills is ramping up predevelopment activities as of loan closing in September 2023.

