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## New York City Energy Efficiency Corporation

### Green Predevelopment Loan Fund Term Sheet

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*The following Term Sheet is provided for convenience only and does not constitute a commitment to lend or borrow or an agreement to issue or accept a commitment on these or any other terms and shall not create a binding or legally enforceable obligation on the New York City Energy Efficiency Corporation (NYCEEC) or any other party in any way. The terms contained herein are of a summary nature and are not all-inclusive.*

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#### Summary:

To assist building owners in meeting the energy and environmental goals of New York City and New York State, New York City Energy Efficiency Corporation (NYCEEC), in collaboration with New York State Energy Research and Development Authority (NYSERDA), established the **Green Predevelopment Loan Fund** (the Fund). The Fund offers 0% to low interest, low-cost predevelopment loans to affordable multifamily building owners that are applying for construction or permanent-financing through the rehabilitation loan programs listed below. Green Predevelopment Loans provide building owners with funds for predevelopment work prior to construction loan closing, thereby supporting the physical and financial sustainability and affordability of multifamily buildings.

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**Loan Originator:** NYCEEC

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**Originator Contact:** Please email [greenloans@nyceec.com](mailto:greenloans@nyceec.com) with the subject line "HPD Green Predevelopment Loan".

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**Eligible Sponsors:** Rehabilitation loan applicants to the following construction lenders:

- New York City Department of Housing Preservation & Development (HPD), select preservation programs with buildings of 5+ units
  - Green Housing Preservation Program (GHPP)
  - Multifamily Preservation Loan Program (MPLP)
  - LIHTC Preservation Program (Year 15)
  - Multifamily Housing Rehabilitation Program (HRP)
  - Participation Loan Program (PLP)
  - HUD Multifamily Program (HUD)
  - Neighborhood Pillars Program
- Other regulatory housing programs and lenders considered on a case-by-case basis.

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**Eligible Borrowers:** Special purpose entities (e.g. limited liability companies or corporations) including housing development fund corporations, partnerships, or sponsor-individuals

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**IPNA Requirements:** HPD/HDC approved IPNA or HUD Physical Needs Assessment (for projects going through the HUD Multifamily Program) combines a standard Physical Needs Assessment with energy, water, and health audit protocols. For more information

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please visit: <https://www.nyscrda.ny.gov/All-Programs/Multifamily-Building-Programs/Integrated-Physical-Needs-Assessment>

1. The IPNA is to be performed using guidance provided by the ASTM E2018-01 Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process; and generally-accepted industry standards.
2. The audit component should adhere to the guidelines set forth in the HPD Energy and Water Audit Protocol.

Note: Projects that require a gut rehabilitation are not required to procure an IPNA and must comply with the Enterprise Green Communities Criteria to be eligible to receive the Green Predevelopment Loan.

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**Eligible Costs:**

IPNA, Enterprise Green Communities (EGC) Consultant, property survey, lead and asbestos testing, scope of work development, architectural drawings, technical assistance services, legal fees, appraisal, environmental reports (i.e. Phase I and II) and any other eligible cost as applicable and as required by HPD.

*Note that [NYSERDA's FlexTech Program](#) can defray certain predevelopment costs associated with IPNAs and other eligible studies performed by a qualified provider.*

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**Green Requirement:**

By acceptance of a NYCEEC Green Predevelopment Loan, the Borrower and construction lender certify that the Borrower will pursue all cost-effective energy efficiency measures identified in the IPNA and all mandatory measures required by HPD's Design Guidelines, HUD Physical Needs Assessment, OR in the Enterprise Green Communities Criteria.

*Note that the Borrower should anticipate complying with the [HPD Design Guidelines for Preservation](#) found [here](#) (and/or other design guidelines as applicable) and should consider, in conjunction with their HPD Project Manager, project scopes that meet applicable HPD requirements, including Local Law 97 compliance where applicable. The Borrower should consult with their HPD project manager to consider opportunities to participate in programs such as the [HPD-NYSERDA Electrification Pilot](#), found [here](#).*

Following close on takeout financing, Borrower shall share with NYCEEC information regarding the energy attributes of the project.

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**Eligible Vendors:**

1. EGC consultant or HDC /HPD-approved IPNA providers ;
  2. Appraisers and Environmental Site Assessment firms, eligible per construction and permanent lender(s); or
  3. Others as approved by HPD and relevant construction and permanent lender(s).
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<b>Maximum Amount per Project:</b>	<p><b><u>Option 1: “Small Loans”</u></b></p> <ul style="list-style-type: none"> <li>Projects involving <u>1 building</u>: Up to \$40,000 aggregate available through up to 3 Draws</li> <li>Projects involving <u>2 buildings</u>: Up to \$60,000 aggregate available through up to 3 Draws</li> <li>Projects involving <u>3+ buildings</u>: Maximum loan amount of \$150,000 and up to 3 Draws are determined on a case-by-case/project basis.</li> </ul> <p><b><u>Option 2: “Large Loans”</u></b></p> <ul style="list-style-type: none"> <li>A borrower can inquire about a predevelopment loan greater than \$150,000 by emailing <a href="mailto:greenloans@nycee.com">greenloans@nycee.com</a></li> </ul>
<b>Loan Term:</b>	<p>Small Loans have a Loan Term of 30 months; initial 18 months of no payments due, repayment of outstanding balance due over final 12 months. Large Loans generally adhere to the above Loan Term but there may be some flexibility in certain aspects (e.g. longer repayment period).</p>
<b>Lender</b>	<p>Portfolio funding is provided by the New York State Energy Research and Development Authority (NYSERDA).</p>
<b>Servicer</b>	<p>NYCEEC</p>
<b>Draw Schedule:</b>	<p>Three draw-downs, with the second and third draws contingent on the results of the IPNA. If the IPNA does not identify sufficient energy efficiency measures, no further advances will be made.</p>
<b>Collateral:</b>	<p>Personal and/or corporate guaranty, depending on Sponsor and Borrower structure, from person/or entity with control and majority economics may be required.</p>
<b>Interest rates and fees:</b>	<ul style="list-style-type: none"> <li>Option 1: 0% interest and no fees for loans \$150,000 or less</li> <li>Option 2: Low interest and low cost for loans greater than \$150,000 (the interest rate is determined based on market conditions, the loan size and NYCEEC’s underwriting guidelines)</li> </ul>
<b>Repayment:</b>	<p>Principal due at earlier of: (i) construction loan closing; (ii) end of the term; and (iii) sale of the property.</p>
<b>HPD Process:</b>	<p>Prior to closing into the Fund:</p> <ol style="list-style-type: none"> <li>Owner must have an active HPD or other regulatory housing program Project Manager assigned.</li> <li>Owner applies to eligible program and identifies need for predevelopment financing. Information regarding the NYCEEC predevelopment fund is provided to all applicants to the programs named above. Interested potential borrowers contact NYCEEC to begin the financing process.</li> </ol>



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3. Owner completes NYCEEC predevelopment loan application.
  4. A soft commitment letter from construction lender to NYCEEC related to the project conveys that the owner has applied for financing and the initial review indicates that the project meets program criteria. Upon receipt of the IPNA or HUD Physical Needs Assessment and further determination of eligibility, HPD will include project in its pipeline.
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**Program Evaluation:** Construction lender will assist NYCEEC in evaluating the energy savings and environmental benefits associated with projects financed through NYCEEC Green Predevelopment Loans.

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The following application must be filled out in its entirety in order to be eligible for financing.

1. CONTACT INFORMATION FOR PERSON COMPLETING THIS APPLICATION		
Name:	Title:	Organization:
Telephone:	Cell Phone:	Email:

2. INFORMATION ABOUT THE BUILDING OWNER			
Legal Name:			
Street:			
City:	State:	Zip:	
EIN #:	DUNS #:		
<b>Profit Status (check one):</b>	<input type="checkbox"/> For-Profit	<input type="checkbox"/> Non-Profit	
<b>Legal Structure (check one):</b>	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Corporation	<input type="checkbox"/> General Partnership
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Cooperative	<input type="checkbox"/> Other _____

2. Predevelopment Loan and Program Information
Predevelopment Loan Amount Request:
Regulatory Housing Program Name (ex. HPD GHPP):
Regulatory Housing Program Project Manager Name & Email:

<b>4. BUILDING INFORMATION</b>		
<b>Tenure (check one):</b> <input type="checkbox"/> Condominium <input type="checkbox"/> Co-op <input type="checkbox"/> Rental <input type="checkbox"/> Owner occupied		
<b>Regulatory Status (check all that apply):</b> <input type="checkbox"/> Subsidized affordable <input type="checkbox"/> Rent regulated <input type="checkbox"/> Rent stabilized <input type="checkbox"/> Market rate		
Street:	City:	Zip:
Lot Number:	Block Number:	
Number of Units:	Square Footage:	
Property Management Co.:		Years Employed:
Name of Engineering/Assessment Firm (if known):		



## FINANCING APPLICATION GREEN PREDEVELOPMENT LOAN PROGRAM

By signing this application, the applicant hereby acknowledges that:

1. NYCEEC, at the direction of its Corporate Officers, reserves the right to request additional information during its loan approval process. Acceptance of an application does not constitute a commitment to lend or borrow or an agreement to issue or accept a commitment to arrange any financing and shall not create a binding or legally enforceable obligation on NYCEEC or any other party in any way. All financing approvals are subject to customary due diligence and documentation requirements and approval of final commitments will be governed by NYCEEC Executive Staff and its Corporation Officers; and
  
2. NYCEEC will not share customer information with third parties, provided, however, the applicant agrees that NYCEEC may provide customer information including customer name, account number, electric and/or gas consumption data and electric and/or gas energy savings to the US Department of Energy (DOE) for program evaluation purposes. The DOE will keep customer information confidential. Customer information may also be provided to the New York Public Service Commission (PSC). Any customer information provided to the PSC will be aggregated with information about other customers and not personally identifiable.

Applicant: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

*Please submit this form to NYCEEC via email at [greenloans@nyceec.com](mailto:greenloans@nyceec.com) or  
post by mailing this form to:*

*New York City Energy Efficiency Corporation  
1359 Broadway, 19<sup>th</sup> Floor  
New York, NY 10018  
Attn: Green Predevelopment Loan Program  
Fax: 646-797-4629  
Telephone: 646-797-4630*

For NYCEEC use only	INITIAL	DATE	APPLICATION NUMBER
	Processor		/ /
Authorizer			

**Mortgage and Tax Certification**

The undersigned (the “Applicant”) certifies to NYCEEC and its successor lenders or assignees that as of the date below:

1. The Applicant is the mortgagor on a first mortgage loan bearing the loan number \_\_\_\_\_ and held by (insert name of Lender) \_\_\_\_\_ (the “Mortgage Loan”) secured by the real property located at (input building address) \_\_\_\_\_.
2. The Applicant is current on the Mortgage Loan and for the past two years and has not been delinquent for more than 30 days on any payment due under the Mortgage Loan during such two year period.
3. Taxes, water and sewer charges (check one):
  - The Applicant is subject to and current on all taxes and water and sewer charges.
  - The Applicant is subject to a payment agreement for taxes, water and/or sewer charges. If so, please provide the following information:

Taxes	Date of plan initiation:
	Number of months of plan:
	Initial balance (\$):
Water	Date of plan initiation:
	Number of months of plan:
	Initial balance (\$):
Sewer	Date of plan initiation:
	Number of months of plan:
	Initial balance (\$):

4. Applicant is not currently delinquent on any outstanding debt obligation.
5. Applicant’s mortgage lender’s consent has been obtained or is not required to enter into the loan agreement.
6. Applicant’s is not operating under a forbearance or similar agreement with its mortgage lender.

Applicant: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_