



**Housing  
Partnership**

# UPDATE

Winter 2021

## Affordable Housing in an era of Climate Change

### *In This Issue*



Affordable Housing Faces the Challenge of Climate Change



HP Sustainability Solutions-At the Intersection of Affordable Housing and Climate Change



How Multifamily Affordable Housing Portfolio Owners Can Utilize Solar to Comply with Local Law 97



Eight New Affordable Homeownership Developments in Marketing Phase at the Housing Partnership



Housing Partnership In the News

*Creating public-private partnerships  
to build and preserve  
affordable housing*

### Affordable Housing Faces the Challenge of Climate Change

This is our first Housing Partnership Newsletter since the start of the pandemic, and its content shows how busy we have been, with new challenges added to our enduring goal of increasing affordable housing opportunities for New Yorkers. The task of the affordable housing community was complicated by the COVID pandemic and by the impact of climate change on all New Yorkers, especially the most vulnerable among us.

We have been evaluating how to ensure that our strategic priorities respond to ever-changing community needs. The Housing Partnership's Board of Directors and staff reviewed how we can best address affordable housing development and preservation objectives in an era of climate change, while advancing adequate housing in the context of social equity. As detailed in these pages, as a major step in mitigating energy costs in affordable housing, the Housing Partnership established HP Sustainability Solutions, headed by Esther Toporovsky, who joined the Housing Partnership from Enterprise Community Partners.

HP Sustainability Solutions is an expansion of the Housing Partnership's traditional role facilitating the creation of affordable housing in New York. HP Sustainability Solutions provides guidance to developers and owners of affordable properties, and to government agencies, to create and implement strategies and initiatives for clean energy adoption and building performance while reducing carbon emissions. Esther is currently working with NYSERDA and NYS Housing and Community Renewal (HCR) on their policies and procedures related to mandated energy conservation requirements for owners and developers of portfolios of multi-family buildings, as well as advising property owners on compliance with alternative energy adoption regulations. To support HP Sustainability Solutions green funding activities, and the Housing Partnership's general grant support, Pamela Babb an experienced non profit fund-raising consultant, joined the Housing Partnership as Director, Grants and Development.

#### Housing Partnership Board Expands

Our Board of Directors expanded with the addition of Cheryl Gladstone, Vice President at Deutsche Bank Community Development, and Anthony Richardson, Managing Director, New York Syndications at CREA LLC.



#### RSA Mortgage Corp.

We continue our work with the Rent Stabilization Association where we are partners in the for-profit RSA Mortgage Corp. which obtains financing for owners of smaller apartment buildings, typically 25 unit walkups that may find borrowing difficult.

#### HPD Approved Marketing Agent

As an HPD approved Marketing Agent, the Housing Partnership has successfully leased more than 1,000 apartments and sold more than 15,000 condominiums, cooperatives and homes. We can create and implement affordable project's marketing plans and process applicant files fairly and efficiently as required by HPD/HDC.

#### The Legacy of the Housing Partnership

Throughout our 40-year history, the Housing Partnership has been a trusted partner involved in the creation and preservation of 70,000 units of affordable housing in the five boroughs of New York City. We combine our strong working relationships with city, state and federal housing agencies with the demonstrated experience to shepherd affordable housing projects to closing and beyond.

We wish you Happy Holidays and a wonderful New Year!

- Dan Martin  
President & CEO  
NYC Housing Partnership

## HP Sustainability Solutions-At The Intersection of Affordable Housing and Climate Change

In 2020 the NYC Housing Partnership established HP Sustainability Solutions (HPSS) as an evolution and expansion of the Housing Partnership's traditional role of facilitating the creation of affordable housing in New York as an intermediary between public private partnerships. HP Sustainability Solutions similarly plays a key role in public private partnerships involving owners of multi-family building and public agencies doing oversight to meet climate goals in New York. In establishing HPSS, the Housing Partnership responded to an emerging need to serve owners of portfolios of multi-family affordable housing and their residents by advising them on how to make sound investments in energy projects and address climate change. HPSS's focus is to ensure affordable housing development and preservation and climate targets are achieved to improve infrastructure, resilience, health and the well-being of the most vulnerable populations in New York. These goals bring significant social and economic benefits to all New Yorkers.

**HP Sustainability Solutions advises affordable housing owners/developers and government agencies on the integration of energy efficiency and renewable energy to improve residential building performance and reduce carbon emissions.**

New York State's Climate Leadership and Community Protection Act (CLCPA) is shaping the future of emissions and energy policy, in part through New York City's Local Law 97 (LL97), which requires building owners and developers to meet carbon emissions reduction targets over time or face financial penalties. Affordable housing owners and developers face challenges in finding effective strategies to meet these mandated environmental sustainability goals across their portfolios. Residential portfolio owners and developers face these unfunded energy and greenhouse gas emissions mandates without a clear roadmap on how to get there.

***"We believe that everyone, regardless of income, should have access to homes that are comfortable, healthy and energy efficient. We understand that affordable housing faces unique challenges in making energy investment, and we offer solutions specifically tailored to this market."***

***-Esther Toporovsky, President,  
HP Sustainability Solutions***

Incentives are available from several sources, but it can be daunting for property owners to identify, access and coordinate them as they seek to retrofit legacy multi-family buildings to meet new mandated environmental goals. This can be more complicated and difficult than new construction projects designed and built to comply with higher clean energy standards. Complicated capital structures also challenge affordable housing owners as they try to capture savings from investments in alternative energy.

HP Sustainability Solutions advises owners of multi-family affordable housing portfolios on investment strategies to meet climate targets. HPSS applies decades of experience in real estate development financing with its knowledge of energy savings and

generation equipment. HPSS's understanding of the special challenges that affordable housing faces in making energy investments enables us to create solutions specifically tailored to this market.

HPSS consults with owners and developers on structuring the financial aspects of energy enhancements that will work within the complexities of affordable housing economics. HPSS takes a portfolio-wide approach, aggregating multiple projects to produce meaningful returns. We analyze alternative

energy investment opportunities across portfolios of affordable housing assets and advise owners on implementing these projects. HPSS also helps affordable housing owners maximize the benefits of solar energy into their new construction/ renovation projects through underwriting support. Our approach delivers solar that not only pays for itself but delivers added benefit to the project's capital stack.

**HP Sustainability Solutions works with public agencies to come up with effective climate solutions for multifamily affordable housing**

HP Sustainability Solutions also advises public agencies on the development of policies, programs and regulations impacting the affordable housing community, which-encourages market adoption of clean energy. HP We bridge affordable housing owners and developers

*continued on next page*

## HP SUSTAINABILITY SOLUTIONS

*continued from previous page*

with public agencies allocating funding to support these projects. Unlocking access to energy and climate programs for affordable housing creates equitable solutions to meet mandated climate goals.

The New York State Energy Research and Development Authority (NYSERDA) and New York State Homes and Community Renewal (HCR) have engaged HP Sustainability Solutions to advise on the implementation of the State's Climate Leadership and Community Protection Act (CLCPA) across the HCR portfolio, leading to a 'first-of-its kind' program where energy dollars have been allocated directly to HCR to administer. This means that affordable housing developers can apply for funding for clean energy upgrades as part of traditional, business-as-usual, affordable housing financing. NYSERDA has dedicated multiple sources of funding for this program. HCR has established "Clean Energy Incentives for High Performance Projects" program, to provide developers with \$7.5 million (\$12,500/unit) to build up to 600 units of all-electric, highly-efficient affordable housing. Future phases will include thousands of additional units of housing and funding for both new and existing buildings directly through HCR financing.



## How Multi-family Affordable Housing Portfolio Owners Can Utilize Solar to Comply with Local Law 97

New York City has taken some of the most ambitious steps to mitigate climate change of any city in the nation. As these measures phase in, owners and developers of multifamily housing are required to significantly alter their development processes to meet these new climate goals.

Potential fines for noncompliance will be onerous. Building emissions limits will start to take effect in 2024 and become increasingly more stringent through 2030 and beyond. Multi-family affordable housing owners have time to prepare, but need to start acting now.

There are two primary strategies for residential building owners to meet reduced carbon emissions mandated caps: 1) Retrofit major building systems to reduce energy consumption 2) Switch to an energy source that has a smaller carbon footprint. In the short-term, properties with over 35% regulated affordable housing units have been granted the flexibility to install specific energy efficiency measures, rather than meeting a minimum carbon emissions standard. However, most affordable housing properties will be subject to an emissions cap, and eventually all projects will be included. Affordable housing owners should view these new requirements as new investment opportunities with meaningful returns.

Solar energy can be a key part of an energy strategy to meet LL97. Energy from nonrenewable sources, primarily oil, gas and electricity, contribute to the building's total emissions. Emission's "deductions" can be applied based on clean energy sources like solar. Solar reduces a building's overall carbon emissions and is a major step in complying with LL97 while offering energy cost savings and new sources of revenue for budget constrained properties.



Solar equipment can generate enough savings to be financed by debt and equity, but real estate investors need to be comfortable enough with the installation, performance, and management of solar in order to make guarantees to their financiers. HP Sustainability Solutions staff brings a deep understanding and engagement in the financial structuring of affordable housing deals. Our staff has decades of combined experience performing financial underwriting of solar projects for affordable housing, working with real estate lenders and investors to integrate solar, and ensuring its proper operation to mitigate risks and guarantee returns. We provide expertise in determining and implementing the best approach to alternative energy as a major component of meeting the LL97 requirements for each property portfolio.

Get in touch with us today to evaluate your portfolio!

**“** *We provide expertise in determining and implementing the best approach to alternative energy as a major component of meeting LL97 requirements for each property portfolio.* **”**

**-Esther Toporovsky, President,  
HP Sustainability Solutions**

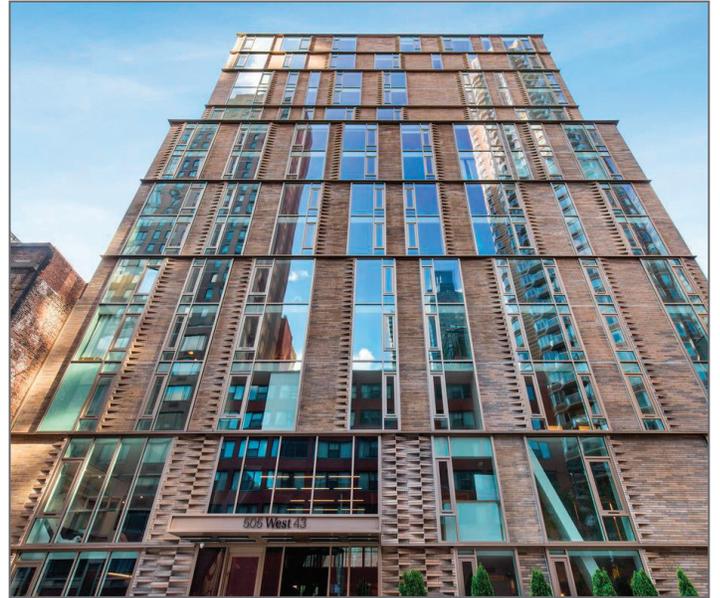
### Eight New Affordable Homeownership Developments in Marketing Phase at the Housing Partnership

The Housing Partnership's Marketing and Compliance team is currently marketing eight affordable homeownership developments, a mix of co-ops, condominiums and two and three family homes. Two of the developments are co-operatives located in Manhattan. Affordable homeownership opportunities in the borough are rare, so the huge response from potential buyers was expected.

Conveniently located in the Lenox Hill and Hell's Kitchen neighborhoods respectively, 1402 York Avenue and 505 West 43rd Street, benefitted from the City's Inclusionary Housing ("IH") program. In exchange for creating an agreed number of permanently affordable units, the IH program grants the developer a zoning bonus to increase the number of market rate units, either on site or at another location. The Housing Partnership worked with the owner/developers and HPD



1402 York Avenue, Manhattan



505 West 43rd Street, Manhattan

to determine the correct pricing, identified residential lenders for the purchasers. We will also provide first time homebuyer training. We are currently working our way through the City's Housing Connect 2 platform to identify and qualify eligible applicants, offering them the opportunity to own a very affordable co-op apartment in Manhattan.

The Housing Partnership's involvement in a project adds value to the City, the community, our clients and our partners. We help keep projects affordable by providing tax benefits or grants to the development through the nominal ownership of the property by one of our housing development fund corporations (HDFCs), and in compliance with HPD Marketing requirements as an approved Inclusionary Housing Administering Agent and 421-a (16) Marketing Monitor, leasing or selling affordable apartments and homes. We are currently working in 10 different developments to lease 300+ affordable units to eligible applicants.

Contact Housing Partnership to discuss how we can help save you money, secure subsidy for your development, go green navigating the state's and city's environmental requirements and market your affordable development so that it meets all compliance requirements.

## HP Sustainability Solutions in the News

Low-income New Yorkers face an outsize risk from extreme weather  
*October 18, 2021*



**BISNOW**

'We Just Can't Rely On Altruism': The Hunt for Profits In Sustainable Investing  
*September 30, 2021*

Housing Partnership Wants to Turn Environmental Costs Into Revenue Sources for Landlords  
*May 21, 2021*



Q&A W/ Esther Toporovsky: NYC Housing Partnership's Work Toward a More Affordable & Sustainable City  
*October 30, 2020*

## WHAT WE DO



Partner with  
Developers

**Nadja Alvarado**  
Vice President, Real Estate  
nalvarado@housingpartnership.com

HP  
Sustainability  
Solutions

**Esther Toporovsky**  
Executive Vice President  
President HP Sustainability Solutions  
etoporovsky@housingpartnership.com

Affordable  
Housing  
Marketing  
Compliance

**Shelia Martin**  
Chief Operating Officer  
smartin@housingpartnership.com

Homeownership  
Counseling and  
Education

**Emily McIntosh**  
Director of Homeownership Education  
emcintosh@housingpartnership.com



# Housing Partnership

253 West 35<sup>th</sup> Street, 3<sup>rd</sup> Floor  
New York, NY 10001

## Look for our Housing Partnership April Spring Event 2022

**THANK YOU** to the supporters of our affordable housing programs



EAST WEST  
BANK

Leumi



M&T Bank



STERLING NATIONAL BANK  
CHARITABLE FOUNDATION



Contact Us...

Housing Partnership  
Development Corporation  
253 West 35<sup>th</sup> Street | 3<sup>rd</sup> Floor  
New York, NY 10001  
Phone: 646-217-3370

[www.housingpartnership.com](http://www.housingpartnership.com)

To donate to the Housing Partnership, get in touch  
with Pamela Babb - [pbabb@housingpartnership.com](mailto:pbabb@housingpartnership.com).

WELLS  
FARGO