NY Green Bank

RFP 18: Financing Arrangements for High-Performance Affordable Housing

July 2021
NY Green Bank Supports NYS Clean Energy Goals

Mission: To accelerate clean energy deployment in New York by working in collaboration with the private sector to transform financing markets

> **What:** A $1 billion State-sponsored investment fund that is a division of NYSERDA

> **Why:** To alleviate financing gaps in New York’s clean energy markets and create a cleaner, more resilient and affordable energy system. Advancing NYS clean energy goals under the CLCPA
  
  • 70% renewable electricity by 2030 and 100% zero carbon electricity by 2040
  • 3,000 MW of energy storage by 2030
  • 40% of benefits from clean energy investments accruing to disadvantaged communities

> **How:** By mobilizing greater private sector activity to increase the availability of capital for clean energy projects
RFP 18: Financing Arrangements for High-Performance Affordable Housing
Overview

**RFP 18 is:**

> A new pathway for accessing NYGB capital.
> Open to affordable multifamily housing construction and retrofit projects that include electrification or electrification-readiness measures.

> Open to a variety of project participants, including:
  - Property owners/developers
  - Energy service companies, contractors, equipment providers and/or manufacturers
  - Capital providers
Building Characteristics & Project Scope

**Affordability**
- Participation in a regulated affordable housing program; or
- 25%+ households earning at or below 80% AMI/SMI.

**Performance**
- *If new construction:* Fully electric, including heating, cooling, DHW, laundry, and cooking systems; or
- *If retrofit:* Electrification of 1+ heating, cooling, or DHW system, or measures to enable future electrification.

*To be eligible for financing, projects must demonstrate:*
Products & Indicative Terms

Not an exhaustive list; NYGB can consider other product structures than those below. Selected indicative terms are available for each of the sample products listed.

1. Electrification/Energy Efficiency Improvement Loan. Project finance loans to support the purchase/lease and installation of specific equipment related to electrification, clean energy generation, efficiency/building envelope improvements, smart building technologies, etc.

2. Predevelopment Lending. Flexible capital to support the cost-intensive repair (including HQS compliance measures), design, planning, and analysis stage required prior to construction;

3. Construction / Construction-to-Perm. Competitively priced gap financing to support a Project’s construction or retrofit/installation phase. NYGB is willing to consider forward rate locks in some cases; and

4. Permanent Debt. Competitively priced gap financing/mortgage participation, including at refinancing, underwritten to greater projected energy savings than is typical of other permanent debt lenders. NYGB generally does not expect to act as a property’s sole senior mortgage lender but rather provide incremental debt on a pari passu or subordinated basis.
Submitting a Proposal

Must include:

1. Company and Management Team Credentials
2. Demonstration of Affordability
3. Project Scope & Technical Considerations
4. Proposed Financing Structure, Terms, & Rationale
5. Expected Impact & Ongoing Tracking/Reporting Capability
Transaction Process

Credit Approval Process

- **Scoring Committee**
  - Screening Process
  - 1 - 2 weeks from proposal submission

- **Greenlight Committee**
  - Initial Diligence
  - 1 - 3 months from proposal submission

- **Investment & Risk Committee**
  - Final Approval
  - 1 - 3 months from proposal submission

Please note: estimated timing varies on counterparty readiness and project development (including availability of diligence materials)
Learn more & submit a proposal:

> **RFP 18: Financing Arrangements for High-Performance Housing**
> **Selected Indicative Terms**

Reach out:

> **clara.grantier@greenbank.ny.gov**
> **tibita.kaneene@greenbank.ny.gov**