

## Transaction Profile

Financing in action

# SETTLEMENT HOUSING FUND, INC. WITH NYCEEC

Predevelopment loan to finance an all-electric,  
172-unit affordable housing development in  
Coney Island



NY Green Bank's \$1.75 million participation in the \$3.5 million predevelopment loan will support the development of a Passive House-certified, all-electric, 172-unit affordable building serving a historically disadvantaged community in Coney Island, Brooklyn.

Additionally, NY Green Bank's participation in this predevelopment loan helps free up capital and enable NYCEEC to continue deploying funds to impactful projects.

### Market Barriers and Solutions

**Impact-focused developers** can lack capital to develop affordable housing projects that include energy efficiency measures. NY Green Bank's facility provides necessary funding to incorporate energy efficiency measures in the project's design.

**Underserved and disadvantaged community market segments** face challenges accessing cost-effective financing for their energy efficiency and clean energy projects. By providing financing to development teams active in these market segments, NY Green Bank will support increased access to affordable housing that prioritizes energy efficiency, advancing the environmental justice initiatives outlined in the Climate Leadership and Community Protection Act.

**New Yorkers** face a shortage of quality housing choices, which is especially challenging for low-income earners. NY Green Bank addresses this challenge by lending capital at the predevelopment phase to an experienced development team, enabling them to effectively plan and design the project.

[greenbank.ny.gov](https://greenbank.ny.gov)

Transaction amount: **\$1.75 million**

Counterparties:

**(Lead Lender) The New York City Energy Efficiency Corporation (NYCEEC)**

Product: **Predevelopment loan**

Date closed: **May 2024**

Estimated lifetime metric tons

CO<sub>2</sub>e reduced: **6,844**

Technologies: **Building decarbonization**

Location: **Coney Island, Brooklyn, NY**

End-use segment: **Housing**



*"NYCEEC is thrilled to work with NY Green Bank to deploy green loan capital to support all-electric, high-performance new construction. This participation reflects a strong, shared commitment to collaboration and equitable decarbonization, which will be critical to greening buildings in the state and beyond."*

Curtis Probst, NYCEEC CEO



**NY Green Bank**  
A Division of NYSERDA

TRANSACTION PROFILE

August 2024

**\$1.75 million participation in predevelopment loan to finance all-electric affordable housing development in Coney Island**

**SETTLEMENT HOUSING FUND, INC. WITH NYCEEC**

*On May 30, 2024, NY Green Bank (“NYGB”) closed a \$1.75 million participation in a \$3.5 million predevelopment loan to finance an all-electric, 172-unit affordable housing development in Coney Island.*

**Transaction Description**

NY Green Bank’s \$1.75 million participation in the \$3.5 million predevelopment loan will support the development of a Passive House-certified, all-electric, 172-unit affordable building serving a historically disadvantaged community in Coney Island, Brooklyn.

Additionally, NY Green Bank’s participation in this predevelopment loan helps free up capital and enable NYCEEC to continue deploying funds to impactful projects.

This Transaction Profile is provided pursuant to the updated NY Green Bank – Metrics, Reporting & Evaluation Plan, Version 3.1 (the “**Metrics Plan**”) developed in collaboration with the NYS Department of Public Service and filed with the NYS Public Service Commission (the “**Commission**”) on May 2, 2022.<sup>1</sup> This Transaction Profile contains specific information in connection with the NYCEEC SHF transaction entered into in May 2024, as required by the Metrics Plan.<sup>2</sup>

**Form of NYGB Investment**

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Predevelopment Loan	\$1.75 million

**Location(s) of Underlying Project(s)**

Statewide. Projects will be located across New York State.

**Types of Organizations that are Transaction Participants**

	Name	Participant Type
<b>Counterparty</b>	The New York City Energy Efficiency Corporation (“NYCEEC”)	Lead Lender

<sup>1</sup> Case 13-M-0412.

<sup>2</sup> See Section 4.0 at page 8 - 9 and Schedule 3.

## Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
<b>Impact-focused developers</b>	<b>Impact-focused developers</b> can lack capital to develop affordable housing projects that include energy efficiency measures.	NY Green Banks's facility provides necessary funding to incorporate energy efficiency measures in the project's design.
<b>Underserved and disadvantaged community market segments</b>	<b>Underserved and disadvantaged community market segments</b> face challenges accessing cost-effective financing for their energy efficiency and clean energy projects.	By providing financing to development teams active in these market segments, NY Green Bank will support increased access to affordable housing that prioritizes energy efficiency, advancing the environmental justice initiatives outlined in the Climate Leadership and Community Protection Act.
<b>New Yorkers</b>	<b>New Yorkers</b> face a shortage of quality housing choices, which is especially challenging for low-income earners.	NY Green Bank addresses this challenge by lending capital at the predevelopment phase to an experienced development team, enabling them to effectively plan and design the project.

## Technologies Involved

Technology	Measures
<b>Building Decarbonization</b>	Appliances & Hot Water; HVAC; Building Electrification, etc.

## Metrics & Evaluation Plan

### Planned Energy & Environmental Metrics

NYGB's minimum investment criteria require that "transactions will have the potential for energy savings and/or clean energy generation that will contribute to greenhouse gas ("GHG") emission reductions in support of New York's energy policies".<sup>3</sup> In addition, the Metrics Plan requires that the following energy and environmental measures applicable to this transaction be reported:<sup>4</sup>

- Estimated lifetime and annual total energy savings (MMBtu equivalent)
- Estimated lifetime and annual natural gas fuel savings (MMBtu equivalent)

The estimated gross lifetime and annual energy and environmental impacts of the investment are as follows<sup>5</sup>:

Energy/Environmental	Lifetime	Lifetime	Annualized	Annualized
Impact	Low Estimate	High Estimate	Low Estimate	High Estimate
Estimated total energy savings (MMBtu equivalent)	50,658	165,795	2,533	8,290
Estimated natural gas fuel savings (MMBtu)	Same as above			
Estimated GHG emission reductions (metric tons)	134	440	2,688	8,799

<sup>3</sup> Case 13-M-0412, "Order Establishing New York Green Bank and Providing Initial Capitalization" issued and effective December 19, 2013 of the Commission, Ordering Clause 6 at pages 24 – 25.

<sup>4</sup> See Metrics Plan, Section 2.0 at pages 2 - 6.

<sup>5</sup> Metrics for this transaction are evaluated in tandem with the NYCEEC SHF Melrose Concourse transaction.

## Planned Market Characterization Baseline & Market Transformation Potential

The Metrics Plan requires that market evaluation occurs when a critical mass of NYGB financing and investment arrangements are in place. Market evaluation activities commenced in 2018 on sectors that NYGB has supported since inception, consistent with the requirement for such assessments approximately three to five years following initial NYGB capital deployments.<sup>6</sup> NYSERDA collected baseline data for the NYGB portfolio in 2019 and will update the data to include indicators specific to this transaction. NYSERDA will use baseline data collected for indicators as a comparison point against which to assess market progress in later studies. Progress indicators are defined below for the short, medium and long terms.

NYGB expects that program and/or future market evaluation will demonstrate progress across short-term indicators, including:

- Size and location of projects financed by the investment;
- Aggregate expected energy savings for projects financed by the investment.

NYGB expects that program tracking and/or future market evaluation will demonstrate progress across medium- and long-term indicators, including:

- Increase in market volume of energy efficient properties;
- Increase in general understanding of energy efficient properties by the financial community;
- Increased awareness and use of energy efficiency investment performance data by financing entities;
- Demonstration of competitive risk-return profiles for energy efficient properties;
- Decreased operating costs of energy efficient properties; and
- Increased number of new lending participants.

## Proposed Method of Outcome/Impact Evaluation (by NYSERDA) & Timeframe

NYSERDA will evaluate the impact this transaction has had on the clean energy finance markets and the energy/environmental benefits it delivers.

**Market evaluation** will assess the short, medium, and long-term indicators identified above. Methods will include analysis of program data along with interviews and surveys of market participants (e.g., financial community) to track information including but not limited to: project scale information and influence of NYGB's participation on financial markets. As noted, NYSERDA collected baseline data on key indicators in its first phase evaluation during 2018 – 19. Later follow-up studies will assess progress against baseline levels for other market segments as those evolve. The specific timing of these efforts may be revised based on experience or other factors as NYGB's investment portfolio further develops and evolves.

**Impact evaluation** will assess which of the projects funded under the investment raised construction financing and were completed, commissioned, and placed in service.

In accordance with the Metrics Plan, NYGB will track NYCEEC SHF projects that receive incentives or funding from other entities (e.g., utility, other NYSERDA programs) to minimize any double-counting activity on a consolidated basis. As set out in the Metrics Plan, evaluation sampling approaches will also be used as a mechanism to estimate overlap and minimize double counting. NYSERDA and NYGB will attempt to coordinate market and impact evaluation activities for projects that receive support from multiple sources in order to maximize the efficiency of data collection and avoid participant survey fatigue.

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<sup>6</sup> See Metrics Plan, Section 3.3 at page 7 - 8.