

Transaction Profile

Financing in action

MARINE DRIVE

Pre-development loan for the Marine Drive Apartments, a state regulated affordable housing project in Buffalo, NY



The Habitat Company, LLC and Duvernay + Brooks, LLC will use NY Green Bank's facility to finance Phase 1 predevelopment expenses for the redevelopment of Marine Drive Apartments, a 616-unit state regulated affordable housing project. Phase 1 consists of the new construction of 295 housing units in two buildings on a Buffalo waterfront site that is located one block from a city light rail station.

Market Barriers and Solutions

Impact-Oriented Developers often lack the capital necessary to develop energy efficient affordable housing projects. NY Green Bank's facility provides necessary funding to incorporate energy efficiency measures in the project's design.

Underserved and Disadvantaged Community Market Participants face difficulties receiving 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, especially low-income residents. By lending capital at the predevelopment phase to an experienced development team, NY Green Bank is providing the capital needed to plan and design affordable housing options.

Transaction amount: **\$3.3 million**

Counterparties:

(Project Sponsor) Habitat Company, LLC and Duvernay + Brooks, LLC

(Project Borrower) Marine Drive JV LLC

Product: **Pre-development Loan**

Date closed: **November 2023**

Estimated lifetime metric tons

CO₂e reduced: **10,154**

Technology: **Energy Efficiency, Building Decarbonization**

Location: **Upstate**

End-use segment: **Housing**



"The Marine Drive Apartments redevelopment on the Buffalo Waterfront will represent the largest investment in affordable housing in the City's history. Working with NY Green Bank will provide the development partnership of Habitat, Duvernay + Brooks, and the Buffalo Municipal Housing Authority the necessary capital to ensure that project design will provide a safe, attractive, energy efficient, all electric affordable housing resource that will serve Buffalonians for generations to come."

*Jeff Head, Vice President,
The Habitat Company*

\$3.3 million predevelopment loan for a state regulated affordable housing project

MARINE DRIVE

On November 21, 2023, NY Green Bank (“NYGB”) closed a \$3.3 million predevelopment loan for the Marine Drive Apartments, a state regulated affordable housing project in Buffalo, NY. The Habitat Company, LLC and Duvernay + Brooks, LLC will use NY Green Bank’s facility to finance Phase 1 predevelopment expenses for the redevelopment of Marine Drive Apartments, a 616-unit state regulated affordable housing project. Phase 1 consists of the new construction of 295 housing units in two buildings on a Buffalo waterfront site that is located one block from a city light rail station.

Transaction Description

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, 2022.¹ This Transaction Profile contains specific information in connection with the Marine Drive transaction entered into in November 2023, as required by the Metrics Plan.²

Form of NYGB Investment

NYGB Product	Product Sub-Type	Committed Capital
Asset Loan & Investment	Predevelopment Loan	\$3.3 million

Location(s) of Underlying Project(s)

Upstate. Project will be located in Buffalo, NY.

Types of Organizations that are Transaction Participants

	Name	Participant Type
Counterparty	Habitat Company, LLC and Duvernay + Brooks, LLC	Project Sponsor
	Marine Drive JV LLC	Project Borrower

¹ Case 13-M-0412.

² See Section 4.0 at page 8 - 9 and Schedule 3.

Summary of Financing Market Objectives & Barriers Addressed

Beneficiary	Market Barrier	Financing Solution
Impact-Oriented Developers	Impact-Oriented Developers often lack the capital necessary to develop energy efficient affordable housing projects.	NY Green Bank's facility provides necessary funding to incorporate energy efficiency measures in the project's design.
Underserved and Disadvantaged Community Market Participants	Underserved and Disadvantaged Community Market Participants face difficulties receiving 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	New Yorkers face a shortage of quality housing choices, especially low-income residents.	By lending capital at the predevelopment phase to an experienced development team, NY Green Bank is providing the capital needed to plan and design affordable housing options.

Technologies Involved

Technology	Measures
Building Decarbonization	Appliances & Hot Water; HVAC; Building Electrification

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".³ In addition, the Metrics Plan requires that the following energy and environmental measures applicable to this transaction be reported:⁴

- 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:

Energy/Environmental Impact	Lifetime Low Estimate	Lifetime High Estimate	Annualized Low Estimate	Annualized High Estimate
Estimated total energy savings (MMBtu equivalent)	95,666	191,333	4,783	9,567
Estimated natural gas fuel savings (MMBtu)	Same as above			
Estimated GHG emission reductions (metric tons)	254	508	5,077	10,154

³ 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.

⁴ See Metrics Plan, Section 2.0 at pages 2 - 6.

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.⁵ 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 Marine Drive 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.

⁵ See Metrics Plan, Section 3.3 at page 7 - 8.