



Financing Energy Efficiency in Multifamily Buildings

**NYC AESP
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The Community Preservation Corporation
www.communitycp.com**



The Community Preservation Corporation (CPC)

- **Non-profit 501 c(3) mortgage finance company**
- **Founded in 1974 by NY clearinghouse banks**
- **Sponsored by more than 70 banks and insurance companies in NY, NJ and CT**
- **CPC Mission:**
 - **Provide an economic platform of investment to spur recovery in distressed communities**
 - **Develop and enhance public/private partnerships**

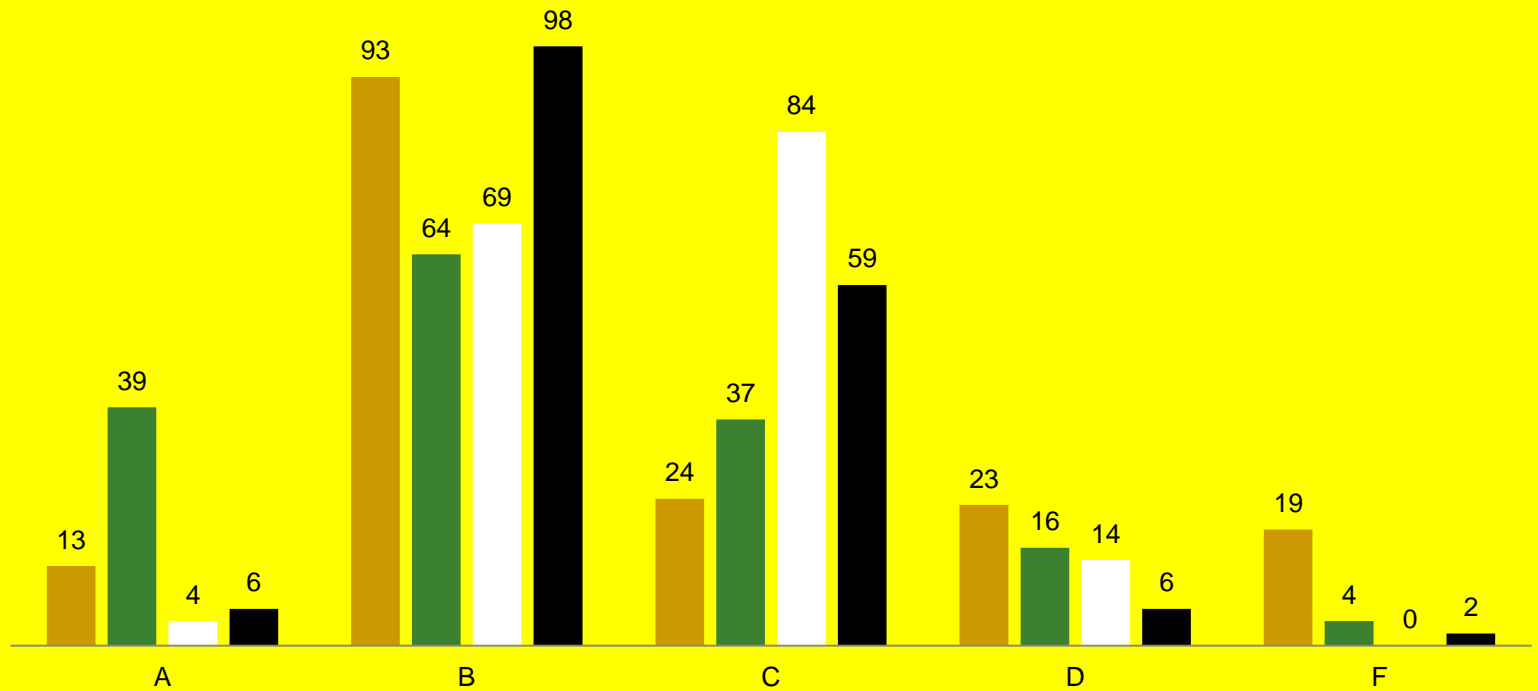


Let's First Set the Stage.....

What I like to Call The
Seven-to-One Problem in
Multifamily

CPC Report Card Grades

■ Electricity ■ Water ■ Heating ■ Hot Water



Rubric based off "The Green Benchmarking Cheat Sheet"



Current Financing Solutions

- On-Bill Financing
- Property Assessed Clean Energy (PACE) Financing
- Municipal Second Mortgage Programs
- NYSERDA Energy Smart Loans
 - All of the options add an additional step, add to the cost and complicate the process
 - Will John Q. Public embrace these methods?
 - Some will, some won't



Public Incentive Programs

- Utility Rebate Programs
 - “Cash for Caulkers”
- Alternative Energy Tax Credits
- Weatherization Assistance Program
 - Good solution for income restricted properties
- Incentives will help but will not help everyone
- www.dsireusa.org is your reference everywhere!



What is a Better Solution?

- Underwrite the savings into the first mortgage
- Expenses:
 - 20 x 4,500 per unit = \$90,000
 - Say 35% are for utilities: \$31,500
 - Projected savings of 30%: \$9,450
 - Added to the 30 year loan at 6.5% = \$125,000
- Need to establish a reliable database
 - Empirically prove that it is prudent to underwrite the savings



Create a Program: “The CPC Green Initiative”

- Construction and permanent financing
 - Target Market - occupied multifamily properties
 - Audits - benchmark the buildings, create a usage database
 - Monitor the retrofits and measure the savings
- Create a “One Stop Shop” for retrofit financing
 - Fold in the public incentives if available
 - Make retrofit part of the standard mortgage process



Thank you for your time!

Questions?