

# MULTIFAMILY PERFORMANCE PROGRAM



**NEW CONSTRUCTION COMPONENT**

**EXISTING BUILDINGS COMPONENT**

## Program Overview



## I. PROGRAM SUMMARY

NYSERDA's *Multifamily Performance Program (Program)*, consisting of the *New Construction* and *Existing Buildings Components*, addresses the needs of the multifamily sector and works to improve the energy efficiency, health, safety, and security of residential buildings.

### A. Program Description

Participation in this Program requires the following steps. These steps are further described in the attached Participation Agreement.

Step 1. The building owner, manager, or developer (Participant) hires a Multifamily Performance Partner (Partner), who acts as the project manager to work with the Participant to achieve the goals of the Program.

⇒ For the *New Construction Component*, the Partner's role is to work with the Design Team to ensure that the project's design will achieve a modeled performance target of at least 20% better than a reference building based on ASHRAE Standard 90.1-2004 Appendix G and NYSERDA's Simulation Guidelines.

⇒ For the *Existing Buildings Component*, the Partner's role is to develop a scope of work that will improve the project's energy performance by at least 20%. This performance target is determined by using NYSERDA's Benchmarking Tool which compares the building's current actual energy consumption to that of other similar buildings.

Step 2. The Partner establishes an Energy Reduction Plan (Plan) that describes exactly how the project will achieve its performance target.

⇒ For the *New Construction Component*, the Energy Reduction Plan details a set of recommended measures that will achieve the minimum 20% performance target. The Partner is required to ensure that the proposed project design conforms to the *New Construction Component's* Minimum Performance Standards.

⇒ For the *Existing Buildings Component*, the Plan summarizes the results of

a comprehensive energy performance assessment, details the specific energy reduction measures that will be implemented to achieve the performance target, identifies the sources of funding that will pay for these measures, and outlines their implementation schedule. The Partner is required to ensure that all work proposed in the Plan meets the *Existing Building Component's* Minimum Performance Standards.

Step 3. The Participant, with the assistance of the Partner, implements the approved Energy Reduction Plan.

- ⇒ For the *New Construction Component*, the Participant agrees not to make any changes during construction that would cause the as-built project to fail to comply with the *New Construction Component's* Minimum Performance Standards or cause the modeled consumption of the as-built project to fall below the 20% performance target.
- ⇒ For the *Existing Buildings Component*, the Participant agrees not to make any changes to the Plan that cause the project to fail to achieve its performance target or to fail to comply with the *Existing Building Component's* Minimum Performance Standards.

Step 4. The Participant agrees to provide NYSERDA or its designees access to its electricity, fuel, and water consumption data for the entire common area and a sample of the units (as defined in the Participation Agreement) for at least three (3) years.

- ⇒ For the *New Construction Component*, the Participant must provide this access immediately following initial lease-up.
- ⇒ For the *Existing Buildings Component*, the Participant must provide this access in the Energy Reduction Plan.

## ***B. Definition of Project***

For this Program, NYSERDA defines a project as follows.

For the *New Construction Component*, a project is defined as a building or group of identical buildings with the same orientation. The Partner will develop one Energy Reduction Plan per Project. Each building in a project must achieve the 20% performance target and would each require their own system performance testing and inspection. Any group of buildings that included more than one type of building would require a separate model for each type. Such projects should submit an Application and Participation Agreement for each building type to help offset the additional Partner fees for modeling each type of building.

For the *Existing Buildings Component*, a project is defined as a building or group of buildings where energy assessments are to be performed by a Partner for a single program applicant. The Partner will develop one Energy Reduction Plan per Project. One Project can include multiple buildings with multiple energy assessments. There is an additional incentive available to Participants if more than one energy assessment must be conducted for the project. The Partner will make that determination and apply for the additional incentive. The project overall must achieve the 20% performance target, not each building within the project. For more details, see the *Existing Buildings Component's* Application page 7.

### **C. Project Eligibility**

Participation in this Program is based on three general criteria – payment of the System Benefits Charge, project size, and construction type. Questions on eligibility should be directed to TRC (the Program Implementer) for clarification.

- **System Benefits Charge**

Participants or their tenants/shareholders must be New York State electric distribution customers of one of the following utilities:

- Central Hudson Gas & Electric Corp.
- Consolidated Edison Company of New York, Inc.
- New York State Electric & Gas Corporation
- National Grid
- Orange and Rockland Utilities, Inc.
- Rochester Gas and Electric Corporation

The Participants or their tenants/shareholders must pay the System Benefits Charge. Participants in a negotiated rate class must also pay the System Benefits Charge in order to be eligible for this program and must certify so by signing the Participation Agreement.

- **Project Size**

To be eligible for the *New Construction Component*, the project must be a multifamily, residential building(s) of four (4) stories or more with five (5) or more units.

Some projects less than four (4) stories (low-rise) are eligible for this Program. If the low-rise building(s) within the project consist of five (5) or more units and has a common entry to the units AND/OR a common heating or cooling plant, it should apply to this Program. All other low-rise building(s) as well as any building with less than five (5) units should apply to NYSERDA's "ENERGY STAR Labeled Homes Program." The Partner may be able to assist with this application. More information can be found at

<http://www.getenergysmart.org/wherelive/energystarnewhomes/overview.asp>.

To be eligible for the *Existing Buildings Component*, the project must be a multifamily, residential building(s) with five (5) or more units.

- **Construction Type**

Buildings may contain non-residential commercial space if that space does not consist of more than 50% of the gross heated square footage of the entire building.

The *New Construction Component* will accept both new construction and substantial renovation, or gut rehabilitation, as defined below:

NEW CONSTRUCTION: Defined as a new building, or portion within a new building where a licensed professional architect or engineer has prepared and certified the building plans.

SUBSTANTIAL RENOVATIONS (GUT REHAB): Defined as one of the following types of projects where a licensed professional architect or engineer has prepared and certified the building plans:

- Change of use and reconstruction of an existing building or space within;
- Construction work of a nature requiring that the building or space within be out of service for at least 30 consecutive days;
- Reconstruction of a vacant structure or space within.

The *Existing Buildings Component* will accept renovations to existing structures defined as changes, additions, or deletions to any system or process that impacts an existing building's energy consumption and/or cost not covered by the definitions of NEW CONSTRUCTION or SUBSTANTIAL RENOVATIONS.

## II. INCENTIVES

Every project in the Multifamily Performance Program is eligible to receive financial assistance through a schedule of Performance Incentives. There are also three optional incentives for which projects may be eligible. These optional incentives are in addition to the Performance Incentives.

<b>Multifamily Performance Program Incentives</b>	
<b>Standard Incentive:</b>	Performance Incentives
<b>Optional Incentives:</b>	Special Incentives for Advanced Measures Green Affordable Housing Incentives New York Energy \$mart <sup>SM</sup> Loan Fund

Both the Standard Incentive and the Optional Incentives are divided into Affordable Housing or Market-rate Housing incentive schedules. Projects that meet the Affordable Housing criteria indicated in the Program Application would be eligible for the Affordable Housing incentive schedule. All other projects would be eligible for the Market-rate Housing incentive schedule.

### A. Standard Incentive: Performance Incentives

NYSERDA will provide the following performance incentives. In no case shall the NYSERDA incentive exceed 100% of the total Program costs of the project, as defined below.

## **NEW CONSTRUCTION COMPONENT**

For projects in the *New Construction Component*, the total Program cost is the Partner's fees associated with delivering the Program's required services, plus the **incremental cost** of the measures in the proposed Energy Reduction Plan.

	AFFORDABLE HOUSING	MARKET-RATE HOUSING
<b>PAYMENT #1</b>	\$30,000	\$20,000
Payable upon receipt of the signed contract between the Developer and the Partner and receipt of a draft proposed <u>Energy Reduction Plan</u> and evidence that the developer has paid at least 75% of the design team's fees.		
<b>PAYMENT #2</b>	\$1.50/ghsf*	\$1.00/ghsf*
Payable upon approval of the proposed <u>Energy Reduction Plan</u> that indicates achievement of a performance target of at least 20% by the proposed design.		
<b>PAYMENT #3</b>	<b>For final Performance Targets within the following ranges:</b>	
	20-22%...	\$0.25/ghsf* minus 10% retainage
	23-25%...	\$0.35/ghsf* minus 10% retainage
	26% and up...	\$0.50/ghsf* minus 10% retainage
Payable upon approval of the final <u>Energy Reduction Plan</u> confirming a performance target of at least 20%.		
<b>PAYMENT #4</b>	10% retainage held from Payment #3	
Payable upon receipt of the Fuel Release Forms as detailed in the Participation Agreement.		

\*ghsf = gross heated square footage of residential space based on the proposed Energy Reduction Plan or as revised in the final Energy Reduction Plan.



## EXISTING BUILDINGS COMPONENT

For projects in the *Existing Buildings Component*, the total Program cost is the Partner's fees associated with delivering the Program's required services, plus the **total cost** of the measures in the proposed Energy Reduction Plan not previously installed.

	AFFORDABLE HOUSING	MARKET-RATE HOUSING	
<b>PAYMENT #1</b>			
Base Incentive (for small buildings up to 30 units)	\$5,000 / project	\$2,500 / project	
Base Incentive (for buildings from 31 to 100 units)	\$10,000 / project	\$5,000 / project	
Incremental Incentive	\$20 / unit over 100 units	\$10 / unit over 100 units	
Incentive payable upon receipt of signed contract between the Participant and Partner and submission of a draft proposed <u>Energy Reduction Plan</u> , which must include documentation that the building has been benchmarked using the NYSERDA <u>Benchmarking Tool</u> .			
<b>PAYMENT #2</b>	\$800 / unit	\$300 / unit	
Incentive payable at 50% construction completion, based upon a successful interim inspection.			
<b>PAYMENT #3</b>	\$400 / unit	\$300 / unit	
Incentive payable at substantial completion of construction, based upon a successful post-construction inspection and performance test(s) (as applicable).			
<b>PAYMENT #4</b>	<b>Performance Target</b>	<b>Per unit</b>	<b>Per unit</b>
<b>Initial Benchmark Score</b>			
<= 25 points	20%	\$400	\$200
>=26, but <= 50 points	20%	\$375	\$175
>= 51, but <=75 points	20%	\$350	\$150
> 75 points	20%	\$325	\$125
For every 1% exceeding the Performance Target:		\$40	\$20
All benchmarking scores will be calculated using the NYSERDA <u>Benchmarking Tool</u> . Incentive payable only if the project achieves the Performance Target as specified above for the building's initial benchmark score. Proof of energy savings will be determined by the Benchmarking Tool as an actual reduction in the building's normalized source energy factor as determined by actual consumption data for the building. Such determination must be made no sooner than one (1) year or later than 18 months following completion of the <u>Energy Reduction Plan</u> .			

NYSERDA defines Affordable Housing as projects in which at least 25% of the units are or are expected to be occupied by families earning 80% of the State Median Income or less. NYSERDA allows certain proxies to represent compliance with this definition.

## Affordable Housing by Proxy

For the eligibility proxy you indicate, you must attach the indicated documentation with this application. Applications received without the appropriate documentation will be considered market-rate projects.

Eligibility Proxy	Details	Type of Documentation
1. HUD-Regulated Affordable Housing	Properties that receive one of the following subsidies from HUD are defined as low-income: <ul style="list-style-type: none"> <li>• Section 8 Contract</li> <li>• Section 236</li> <li>• Section 202</li> <li>• Section 811</li> <li>• Public Housing Authorities</li> </ul>	Provide a copy of the HUD contract or contract award notice.
2. DHCR-Regulated Affordable Housing	Buildings with subsidized mortgages or contracts that place them under the regulatory control of DHCR may be defined as low-income.	Provide a copy of DHCR contract or contract award notice.
3. Low Income Housing Tax Credits	Properties that receive tax credits for at least 50% of its units are defined as low-income.	Submit a copy of tax credit award notice from DHCR or HPD.
4. HPD-Regulated Affordable Housing (or other local housing agency)	Properties with loans, mortgages, or deeds of purchase (HDFC incorporation) from HPD or other local housing agencies may be defined as low-income.	Provide documentation of current mortgage, loan closing, HDFC incorporation, or deeds.
5. SONYMA mortgage insurance	Properties subsidized for low- to moderate-income multi-family residents with SONYMA subsidized financing through the HFA are defined as low-income.	Provide a copy of loan closing/mortgage insurance award documents.
6. Participation in the Weatherization Assistance Program	Properties that have fulfilled the eligibility requirements for the Weatherization Assistance Program are defined as low-income.	Provide a copy of a letter from the Weatherization Agency confirming the project's income eligibility.
7. Participation in HFA's 80/20 Program	Properties that have been accepted into the Housing Finance Agency's 80/20 Program are defined as low-income.	Provide a copy of the award letter or HFA contract documents.
8. Participation in HDC's 80/20 or Mixed Income Programs	Properties that have been accepted into the New York City Housing Development Corporation's 80/20 Program or Mixed Income Program are defined as low-income.	Provide a copy of the award letter or HDC contract documents.

There may be properties that do not meet any of the requirements above, but still meet NYSERDA's definition of Affordable Housing. If you feel that your property may still meet this definition, contact at the Existing Buildings Intake Manager at [ExistingBuildings@TRCSolutions.com](mailto:ExistingBuildings@TRCSolutions.com).

## **B. Optional Incentive – Advanced Measures Incentives**

Projects that include any of the following advanced measures under the guidelines indicated in the Energy Reduction Plan are eligible for the additional incentive(s) indicated below.

- **Advanced Meters** installed as part of a master/sub-metered configuration in accordance with the Program's Advanced Metering Standards are eligible to receive the incentives indicated below.
- **Combined Heat & Power (CHP) Systems** that conform to the requirements in the Program's CHP Systems Manual are eligible to receive the incentives indicated below.
- **Building Operator Training & Certification** is available to the building staff, management, owners, board members, or other appropriate persons of projects participating in the Program. Training is provided by NYSERDA-approved training organizations as indicated on [www.getenergysmart.org](http://www.getenergysmart.org). Certification of these professionals is offered by the Building Performance Institute through its *Multifamily Building Operator* certification. Projects are eligible for the incentives indicated below for all participants related to the Project that successfully attend the training and certification.
- **Photovoltaic (PV) Systems** connected to a non-residential utility meter are eligible for the incentives indicated below. Per the PV Incentive Program, all PV systems must be purchased through an Eligible PV Installer. Further information on system specifications, applicability guidelines, updates or changes to incentives, and eligible installers can be found at [www.PowerNaturally.org](http://www.PowerNaturally.org).
- **Owner's Manual** incentives are available for the consolidation of key construction and equipment information in a single binder for reference by building staff and owners is eligible to receive the incentives indicated below.

## *ADVANCED MEASURES INCENTIVES*

	<b>AFFORDABLE HOUSING</b>	<b>MARKET- RATE HOUSING</b>
<b>ADVANCED METERING EQUIPMENT</b>		
Resident Education and Regulatory Assistance	\$3,500 / project	\$2,000 / project
Advanced Submeter Installation	\$200 / unit	\$150 / unit
Advanced Master Meter Installation	\$2,000 / meter	\$1,500 / meter
<p>Resident Education and Regulatory Assistance incentive is payable upon receipt of NY Public Service Commission (PSC) approval letter for submeter installation and invoice for regulatory assistance and training services, including breakdown of number of training sessions and attendance. If training sessions are conducted by in-house staff, submit labor and materials cost along with training session details (# of sessions and attendance).</p> <p style="text-align: center;">Incentive will not exceed 100% of cost for services.</p> <p>Advanced Submeter and Master Meter incentives are payable upon receipt of metering contractor invoice for advanced meter installation. Advanced metering system must be functional and may be subject to inspection. See Energy Reduction Plan Guidelines for specifications of a qualified advanced submetering system. Incentives will not exceed 50% of the total metering installation cost.</p>		
<b>COMBINED HEAT AND POWER (CHP) SYSTEMS</b>		
CHP System Installation	\$1,000 / kW	\$750 / kW
<p>CHP System incentive is payable per the terms and conditions of NYSERDA's <u>CHP Systems Manual</u>.</p>		
<b>BUILDING OPERATOR TRAINING &amp; CERTIFICATION</b>		
Building Operator Training & Certification	\$1,500 / attendee	\$1,000 / attendee
<p>Training &amp; Certification incentive is payable upon receipt of training completion certificate for each attendee, including training dates, location, and instructor name. Incentive will not exceed 75% of the costs for Affordable Housing projects and 50% of the costs for Market Rate projects.</p>		
<b>PHOTOVOLTAIC (PV) SYSTEMS</b>		
PV System up to 25 kW	\$4.00 / watt	
Building Integrated PV System up to 25 kW	\$4.50 / watt	
PV Systems between 26 - 50kW	\$3.00 / watt over 25kW	
Building Integrated PV System between 26 - 50kW	\$3.50 / watt over 25 kW	
<p>PV System incentives will be payable per the terms and conditions of NYSERDA's New York Energy Smart Photovoltaic (PV) Incentive Program (50 kW and smaller) and are subject to change.</p>		
<b>OWNER'S MANUAL</b>		
Owner's Manual	\$500 / manual	
Owner's Manual and Building Operator Training	\$1,000 / manual	\$750 / manual
<p>Owner's Manual incentive is payable upon receipt of a CD containing, in electronic form, the complete contents of the Owner's Manual. See Energy Reduction Plan Guidelines for a listing of items required to be in an Owner's Manual.</p>		

### C. Optional Incentive – Green Affordable Housing

Affordable Housing projects in the *New Construction Component* of the Program that are interested in pursuing LEED® Silver Certification or higher may be eligible for additional incentives. These projects need to submit a separate proposal meeting the requirements presented in the Green Affordable Housing Component guidelines. These proposals will be periodically evaluated and the top proposals competitively selected for these additional incentives, which are in addition to the Performance Incentives indicated for the *New Construction Component*. The deliverables indicated below are in addition to those required for the *New Construction Component* for each payment.



## GREEN AFFORDABLE HOUSING

AFFORDABLE BUILDINGS ONLY	
<b>PAYMENT #1</b>	No additional incentive.
The registration of the project with the US Green Building Council.	
<b>PAYMENT #2</b>	\$0.35/ghsf* and \$275 / unit
The results of the LEED-H provider's Preliminary Rating indicating the project's anticipated achievement LEED Silver Certification or better.	
<b>PAYMENT #3</b>	<b>For attaining the final LEED Certification levels as follows</b>
	LEED Silver Certification = \$0.10/ghsf* minus 10% retainage
	LEED Gold Certification = \$0.25/ghsf* minus 10% retainage
	LEED Platinum Certification = \$0.50/ghsf* minus 10% retainage
LEED-H Provider's confirmation of completion and submission of all required documentation.	
<b>PAYMENT #4</b>	10% retainage held from payment #3
LEED Certification.	

\*ghsf = gross heated square footage of residential space based on the proposed Energy Reduction Plan or as revised in the final Energy Reduction Plan.

### D. Optional Incentive - New York Energy \$mart<sup>SM</sup> Loan Fund

All measures included in the Energy Reduction Plan as contributing to the performance target will be eligible for the New York Energy \$mart<sup>SM</sup> Loan Fund. The New York Energy \$mart<sup>SM</sup> Loan Fund program is offered for the purpose of providing an interest rate reduction off a participating lender's normal loan interest rate for a term up to 10 years on loans for certain energy-efficiency improvements and/or renewable technologies. Details on that program can be found at [www.nyserda.org/loanfund](http://www.nyserda.org/loanfund).

### III. APPLICATION REQUIREMENTS

Participants should carefully review the Program Application and Participation Agreement regarding eligibility, submission requirements, and all terms and conditions of this Program. Submission of a completed Application and two (2) Participation Agreements with original signatures are required in order to be considered for incentives under this Program. Faxed Participation Agreements will not be accepted.

#### **A. General Conditions**

**Proprietary Information** - Careful consideration should be given before confidential information is submitted to NYSERDA as part of this application.

The NYS Freedom of Information Law, Public Officers law, Article 6, provides for public access to information NYSERDA possesses. Public Officers Law, Section 87(2)(d) provides for exceptions to disclosure for records or portions thereof that "are trade secrets or are submitted to an agency by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise." Information submitted to NYSERDA that the Participant wishes to have treated as proprietary, and confidential trade secret information, should be identified and labeled "Confidential" or "Proprietary" on each page at the time of disclosure. This information should include a written request to exclude it from disclosure, including a written statement of the reasons why the information should be excluded. See Public Officers Law, Section 89(5) and the procedures set forth in 21 NYCRR Part 501. However, NYSERDA cannot guarantee the confidentiality of any information submitted.

**Omnibus Procurement Act of 1992** - It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority-and women-owned business enterprises, as bidders, subcontractors, and suppliers on its procurement Agreements.

Information on the availability of New York subcontractors and suppliers is available from:

Empire State Development  
Division For Small Business  
30 South Pearl Street  
Albany, NY 12245

A directory of certified minority- and women-owned business enterprises is available from:

Empire State Development  
Minority and Women's Business Development Division  
30 South Pearl Street  
Albany, NY 12245

## ***B. Application Submission***

Once completed, the Application and two signed originals of the Participation Agreement should be mailed to:

### *Existing Buildings Component:*

Multifamily Performance Program  
Existing Buildings Application  
TRC Energy Services  
10 Maxwell Drive, Suite 200  
Clifton Park, NY 12065

### *New Construction Component:*

Multifamily Performance Program  
New Construction Application  
TRC Energy Services  
1430 Broadway, 10<sup>th</sup> Floor  
New York, NY 10018

For questions on the *New Construction Component*, contact the New Construction Intake Manager at TRC at [NewConstruction@TRCSolutions.com](mailto:NewConstruction@TRCSolutions.com).

For questions on the *Existing Buildings Component*, contact the Existing Buildings Intake Manager at TRC at [ExistingBuildings@TRCSolutions.com](mailto:ExistingBuildings@TRCSolutions.com).