

BUILDINGENERGY NYC

Innovative Public Sustainability Programming: Lessons Learned from the HCR CEI

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Northeast Sustainable Energy Association (NESEA) | October 16, 2025



**Homes and
Community Renewal**

Innovative Public Sustainability Programming: Lessons Learner from HCR's CEI

BENYC NESEA 2025

OCTOBER 14, 2025

INTRODUCTIONS

» Presenters

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» Presenters

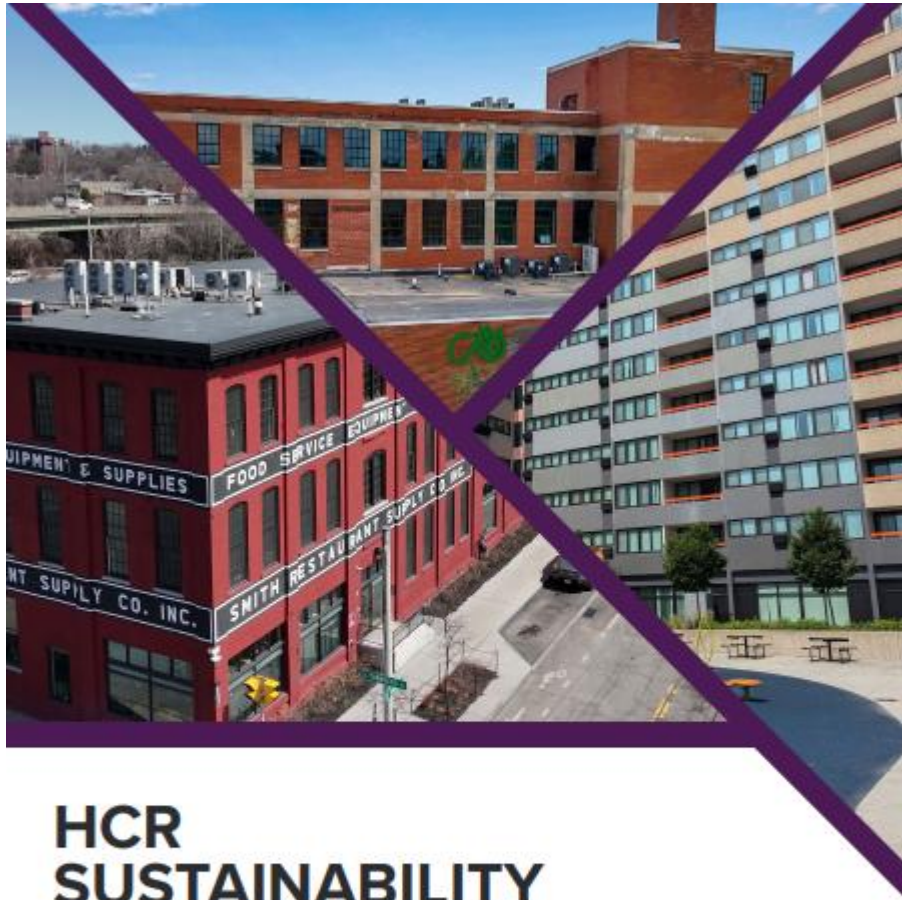
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AGENDA

- 1 Introductions & Roles
- 2 State Perspective: Programs & Policy
- 3 Developers Perspective
- 4 Energy Management Firm Perspective
- Challenges & lessons learned

State Agency Perspective

Sustainability Guidelines: Set Standards



HCR SUSTAINABILITY GUIDELINES: EXISTING BUILDING

HCR.NY.GOV
2025



Homes and
Community Renewal

Kathy Hochul, Governor
RuthAnne Visnauskas, Commissioner/CEO

INTRODUCTION

APPLICATION *Continued*

CONSTRUCTION TYPES

The following construction types relate solely to the application of these Guidelines and shall not be used to define project requirements or scopes outside of the criteria defined in these Guidelines.

- **New Construction:** Ground-up construction of a new building or buildings.
- **Adaptive Reuse Rehabilitation:** A substantial renovation that occurs in a building or space that undergoes a change of use to Residential occupancy, as defined by the applicable building code.
- **Substantial Rehabilitation:** A renovation where the majority of the interior walls, finishes, systems and MEP infrastructure are demolished and a new scope of work is constructed within the existing building shell. These projects are also sometimes referred to as "gut" rehabilitations.
- **Moderate Rehabilitation Level 1:** A renovation where the dwelling unit demising walls, most interior walls and MEP infrastructure remain, and the new scope of work is built within the existing dwelling unit compartment. This type of rehabilitation often includes replacement of fixtures, finishes and equipment (FF&E) and roofing. It may include window replacement, siding replacement and additional roofing scopes.
- **Moderate Rehabilitation Level 2:** A renovation where the dwelling unit demising walls and most of the interior walls remain. This type of rehabilitation includes many of the scoping items of a Level 1 Moderate Rehabilitation, but also includes replacement of mechanical, electrical and plumbing (MEP) infrastructure and equipment, either in part or in full.



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Sustainability Design Booklet: New Construction

NEW CONSTRUCTION

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STRUCTURE

SUSTAINABILITY GUIDELINE REQUIREMENTS

This booklet is divided into three sections:



Section 1:
Core Sustainability
Requirements



Section 2:
Building Performance
Requirements



Section 3:
Additional Sustainability
Requirements

Each section addresses a specific set of goals or standards that HCR has established as a baseline for all New Construction Projects to meet. These are referred to as **Baseline Requirements**. Each section also contains a number of **Stretch Goals** which all development teams are encouraged to meet, as they set the precedent for future baseline standards.

TERMINOLOGY: BASELINE REQUIREMENTS AND STRETCH GOALS

| BASELINE REQUIREMENTS | STRETCH GOALS |
|---|--|
| Baseline Requirements outline mandatory criteria that are required on every project. | Stretch Goals are not mandatory , but projects should consider all Stretch Goals outlined in this document unless meeting those goals proves to be cost prohibitive to the project. Stretch standards can be met in whole or in part, meaning a developer can choose to achieve some Stretch Goals in one section but not another. Competitive projects can receive additional points for achieving some or all of the stretch standards as outlined in the applicable RFP. |

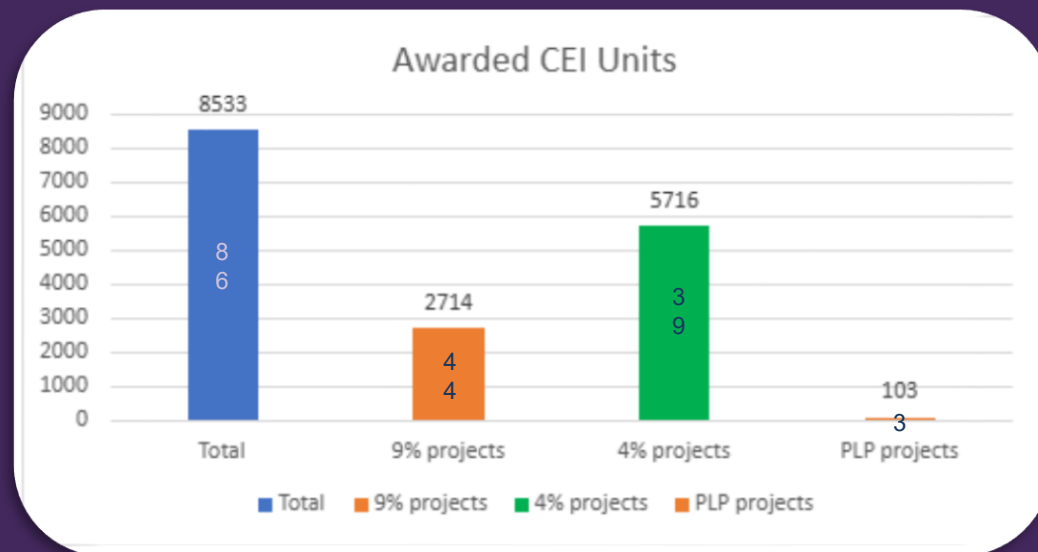
Sustainability Design Booklet: New Construction | www.hcr.ny.gov

Clean Energy Initiative Program (CEI)



BASIC PROGRAM TERMS

- » Funded by NYSERDA, through rate payer funds
- » An initial program funding of \$100m was made available in 2021
- » The initial CEI program was launched in early 2022 as a pilot program for NC
- » HTFC and HFA provide a term sheet for projects to apply as of right through the application process
- » Term sheet is designed to cover the cost difference between replacing “in-kind” versus replacing with high-efficiency replacements, and decarbonizing HVAC
- » Per unit maximum of up to \$35,000/unit (with a \$5,000/unit adder now from CFHF sources)
- » Funding can be used for soft costs of up to \$1,000/unit of the total award, but not required
- » 43 New Construction to date, 8 Adaptive Reuse, and 35 Existing Buildings – funded and awarded



Clean Energy Initiative Updates

Sub Rehabs*

- Per-unit funding cap increased to \$30,000
 - Envelope requirements incorporated into space heating incentive
 - Open to historic Adaptive Reuse projects
 - Goal 1: Electrification of heating (\$13,500 - \$22,000/unit)
 - Goal 2: DHW Electrification (\$4,000/unit)
 - Optional Add on \$4,000/unit
 - Goal 3: Additional Deep energy retrofit (\$5,000/unit)

Mod Rehabs*

- Partial electrification space heating and DHW
 - Incentive scales with % of peak load electrified
- New CEI pathway for projects not doing MEP upgrades (Mod Rehab L1 ONLY)
 - Up to \$15,000/unit for deep efficiency and pathway to electrification
 - Goal 1: Partial Elec \$13,500/unit X's % Elec
 - Goal 2: DHW \$4,000/unit X's % Elec
 - Goal 3: Deep Decarb Adder \$5,000/unit
 - Goal 4: Stretch Goals (non Electrified only) \$15,000/unit

Both Term Sheets

- Optional adder of \$4,000/unit for electrification enabling upgrades
 - Must be paired with space heating and/or DHW electrification
- Deep Decarbonization Goal Adder: Funded by Climate Friendly Homes Fund
 - Must meet one of the goals (Geothermal, Passive House, etc)
 - Max \$5,000/unit adder, not duplicative of existing CEI funding
 - Only eligible costs

Developer Perspective

Smith & Henzy: 753 Classon Project

Developers Perspective

» Planning & Implementation

- 1. Selection of an Energy Consultant, Design Team, and General Contractor
- 2. Assume compliance with HCR's Design and Sustainability Guidelines
- 3. Identify Impediments to Compliance with #2 early and address with HCR Staff

» Challenges

- 1. Access to power upgrade and timing
- 2. Environmental conditions
- 3. Timeline
- 4. Budget Constraints
- 5. Resistance from the design and contractors to adhere to guidelines



Smith & Henzy: 753 Classon Project

Developers Perspective

» What have we learned?

- 1. Electric Service Providers are overwhelmed
- 2. Designers, Trades, and Manufacturers are learning on the fly
- 3. Environmental costs are significant and must be coordinated with the design planning
- 4. Coordination with the Agency early and often regarding design plans and impediments is critical
- 5. TAP and Agency design team are being exposed to a variety of projects and have developed an understanding that project teams need to move the project through the predevelopment phase
- 6. Energy efficiency does not equate to lower energy costs



Smith & Henzy: 753 Classon Project



Energy Management Consultant POV

Energy Consultant



HCR Technical Assistance Provider (TAP)



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What's The Difference?



Panel Discussion

What has been the biggest lesson learned?

- » What would you want to do differently if you could?

What technical feature, or financing feature are you most excited about, and why?

- » Have you gotten to try it out yet?

What Project are you most excited about in the future?

- » Why?
- » What do you think you need to make it successful?

Discussion Q&A

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Please fill out an evaluation for this session



or: nesea.org/eval

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