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MAYOR DE BLASIO AND HUD SECRETARY CASTRO ANNOUNCE NATION'S LARGEST ENERGY SAVINGS PROGRAM FOR A PUBLIC HOUSING AUTHORITY

Initiative Estimated to Provide At Least \$100 Million in Building Work to Reduce City Emissions While Lowering Energy Costs, Preserving Funds for Vital Repairs and Upgrades, and Creating Hundreds of Green Jobs

NEW YORK—Mayor Bill de Blasio, U.S. Department of Housing and Urban Development (HUD) Secretary Julián Castro, New York City Housing Authority Chair Shola Olatoye, and Director of the Mayor's Office of Sustainability Nilda Mesa announced today the launch of the largest energy savings program for any public housing authority in the country. Through a series of competitive Energy Performance Contracts (EPC), it is estimated that at least \$100 million in work will occur across nearly 300 NYCHA developments to upgrade and retrofit thousands of buildings, dramatically reducing greenhouse gas emissions and generating tens of millions of dollars in cost savings, as well as creating more than 500 jobs.

The EPC, facilitated by HUD, is part of the Mayor's sweeping green buildings plan and commitment to an 80 percent reduction in greenhouse gas emissions by 2050. New York City is the largest city in the world to make that commitment. In addition to contributing to the City's work to dramatically reduce emissions, NYCHA can mitigate the impact of rising utility costs through a reduction in consumption and help preserve funds for vital repairs and other building upgrades by leveraging alternative sources to finance energy and water upgrades.

"New York City must continue to set the pace when it comes to the bold climate action our cities and our planet need," said **Mayor de Blasio**. "That's why we're the largest city in the world to commit to an 80 percent reduction in emissions by 2050 – beginning with a sweeping green buildings plan that includes the nation's largest public housing energy savings program. The benefits of these upgrades will be measured in many ways: in a real reduction of greenhouse gas emissions, in tens of millions of dollars in savings for NYCHA, and in hundreds of good jobs created. This collaboration with HUD means a greener, more efficient future for NYCHA and millions more New Yorkers."

"We're committed to investing in our nation's affordable housing future in a way that makes both economic and environmental sense. The Energy Performance Contract we're implementing for New York City's public housing communities – the largest energy savings program for any public housing authority in the nation – achieves that goal," said **HUD Secretary Julián Castro**. "Today's news is more than just a victory for public housing families – it's also a win for every New Yorker, and it sends a clear signal that every community in this great city will share in New York's sustainable future."

"Making thousands of NYCHA buildings run cleaner, cheaper and better for countless residents will reinforce the fact that there's no place like home. Coupled with the news of last week's \$3 billion dollar federal investment, HUD's own commitment to begin \$100 million dollars worth of upgrades is essential to meeting the needs of tenants. This work – enhancing lighting, fine-tuning heating and cooling and ensuring energy efficiency – is both long-awaited and welcomed. The benefits to our environment will also allow New York City to set a national example and standard others will emulate. Yes, the nation's largest ever energy savings program belongs nowhere else but at NYCHA and here in New York," said **U.S. Senator Charles Schumer**.

Over the last ten years, NYCHA's utility costs for water, electricity and heat have increased 64 percent from \$350 million to \$576 million, though consumption has increased just 9% during that time.

The energy-saving measures will include upgrades to heating plants and distribution systems, and installation of energy efficient lighting and apartment sensors. The heating-related upgrades will enable more reliable and efficient heating for NYCHA residents.

The first RFP for the initiative, to be issued by NYCHA on April 16, will seek an energy services company (ESCO) that can maximize both energy savings and cost savings across 89 properties housing 87,000 apartments – or approximately 50 percent of NYCHA's public housing portfolio – representing over 200,000 residents. NYCHA's annual utility cost for these 89 developments is almost \$300 million. Subsequent RFPs will seek the same competitive bids for additional properties, ultimately reaching nearly 300 developments with the potential to cut energy and reduce emissions, creating the equivalent environmental impact of taking tens of thousands of cars off the road.

HUD is providing NYCHA with dedicated technical assistance, helping to determine the scope of the EPC and how it can be integrated into NYCHA's long-term capital plans. HUD's technical assistance will also identify potential energy conservation measures, quantify their potential savings, and rate and rank these potential measures based on savings potential, costs, and prioritized capital needs. In addition, HUD will allow NYCHA to allocate savings to future, innovative energy efficiency and water-saving projects, further helping the Authority's bottom line.

“It is imperative that we use every opportunity to fund building improvements at NYCHA without increasing the existing capital deficit of billions of dollars,” said **Deputy Mayor for Housing and Economic Development Alicia Glen**. “The Energy Performance Contracts do just that, allowing for upgrades that will benefit the Authority's bottom line in the long term while contributing to major reductions in emissions and creating quality green jobs.”

“Sustainability plays a critical role in preserving public housing,” said **NYCHA Chair Shola Olatoye**. “The launch of this initiative will help replace and repair outdated NYCHA systems with energy-efficient technology intended to cut energy consumption and costs. These repairs are especially important in light of NYCHA's substantial outstanding capital needs and will also mean an improved quality of life for NYCHA residents.”

“Residents of NYCHA experience some of the highest rates of asthma in the City and are among the most vulnerable to the effects of climate change. This is a big win,” said **Nilda Mesa, Director of the Mayor's Office of Sustainability**. “By cutting energy, we also cut greenhouse gas emissions and air pollutants that trigger asthma and other respiratory diseases. The new boilers and new lighting will be more reliable and use less energy than the ones in place, as well as be cheaper to run. By maintaining and managing energy systems more closely, residents benefit.”

As part of the Mayor's green buildings plan released last fall – *One City: Built to Last* [nyc.gov/BuiltToLast] – the City has committed to retrofitting every public building with any significant energy use by 2025 and to working with private buildings to provide ambitious target reductions and – if necessary – mandates. Public housing is a key component of the City's building retrofits plan.

The Energy Performance Contract will be subject to NYCHA's recently negotiated Project Labor Agreement with the Building and Construction Trades Council (BCTC) of Greater New York, as well as its affiliated unions. The PLA will result in both swifter capital repairs and access to union jobs and training for NYCHA residents.

The EPC will enable NYCHA to achieve energy and water savings without having to provide upfront capital dollars. The selected energy services company will implement energy and water conservation measures and provide a guarantee of energy savings from these measures. These guaranteed savings will enable NYCHA to

secure a loan to cover the costs of installation, and will result in additional cash flow to help repay the loan. The savings from the newly installed energy and water measures are subject to change based on fluctuations in utility pricing.

In 2000, NYCHA executed a \$15 million EPC that included heating system and energy efficient lighting retrofits at five developments, which has already enabled savings of almost \$14 million and over 5,000,000 BTUs. In 2012, NYCHA launched an \$18 million EPC to complete energy efficiency lighting retrofits at 17 developments; and heating plant replacement, apartment temperature sensors, instantaneous water heaters at six additional developments. Construction is anticipated to be complete in early summer.

NYCHA expects to select an energy services company from the initial RFP by the summer of 2015 and begin construction in the summer of 2016. The Authority will be issuing subsequent RFPs to cover the rest of its eligible portfolio.

“I’m thrilled that the City and HUD are partnering to make our public housing system more environmentally and fiscally sustainable,” said **City Council Speaker Melissa Mark-Viverito**. “The Council has called for these types of changes to in our September climate plan and I’m pleased to see they are moving to reality. Not only will these upgrades greatly improve the lives of NYCHA residents, it will generate cost savings that can be put to further use in improving the must needed repairs that these residents deserve.”

“I am proud that NYCHA is launching this initiative as part of the City’s commitment to reduce greenhouse gasses,” said **Public Advocate Letitia James**. “New York is leading the way, and I hope that other cities will follow and make similar pledges to protect our environment. As individuals do their part and improve consumer habits, government must hold up its end of the bargain to ensure a more sustainable future.”

“With the announcement of the nation’s largest energy savings program for a public housing authority, it is clear that NYCHA is moving in the right directions; greenhouse gas emissions are going down, while cost savings and job creation figures are going up. Greening our developments is also essential to the long-term work that our City is engaged in to stem the damaging impact of climate change. On behalf of all Brooklynites, particularly our NYCHA residents, I thank Mayor de Blasio, Secretary Castro and Chair Olatoye for this critical investment into our economy, energy, and environment,” said **Brooklyn Borough President Eric Adams**.

“These funds are not only going to upgrade the buildings to make them more energy efficient and subsequently save millions of taxpayer dollars, but also create good union construction jobs and career opportunities for NYCHA residents, thanks to the project labor agreement between the BCTC and NYCHA. I would like to thank Mayor de Blasio and HUD Secretary Castro for moving forward with this important initiative,” said **Gary LaBarbera, President of the Building and Construction Trades Council of Greater New York**.

“We support investing and improving the energy efficiency of our public housing stock. By incorporating these contracts under the PLA with the Building Construction Trades Council ensures the work will be done to the highest quality and give New Yorkers access to jobs and training. We hope the City will continue to work with HUD to green NYCHA and move our City's public housing toward a renewable energy future,” said **Matt Ryan, Executive Director of the Alliance for a Greater New York**.

"We support complete retrofitting of NYCHA buildings and these contracts are a good first step in that process. We also support the creation of good jobs for NYCHA residents through the use of the PLA. We will continue to push the administration and HUD to ensuring all our NYCHA buildings are energy efficient and resilient for generations to come," said **Vernil Robinson, Carleton Manor resident & Community Voices Heard (CVH) leader**.

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