



Entry Form 2017 Annual Awards for Program Excellence

Entry Deadline: Thursday, June 15, 2017, Midnight ET

Each entry must include a completed entry form. Please complete a form for each entry your HFA is submitting. The completed entry form will become the first page of your entry.

This form is a fillable PDF. Type your information into the entry form and save it as a PDF. Please do not write on or scan the entry form. **Questions: Call 202-624-7710 or email awards@ncsha.org.**

Entry Title: Enter your entry's title exactly as you wish it to be published on the NCSHA website and in the awards program.

Category:

Subcategory:

Entry Summary: A 15-word (max) summary of the program, project, or practice you are entering.

HFA:

HFA Staff Contact:

Phone:

Email:

Visual Aids:

Are you mailing to NCSHA 10 copies of any visual aids that cannot be included in your entry PDF? Yes No

Payment:

My HFA is mailing a check to NCSHA.
My HFA is emailing the credit card authorization form to awards@ncsha.org.

Introduction

In recent years, the threat of global warming has become real for nations and cities around the world. In the United States, scientists have tied the increase of storm surges, heat waves, water shortages and extreme weather to global warming. Beyond the very real threat to life that extreme weather occurrences like Superstorm Sandy pose, we have seen the impact of such weather first hand on the quality of life for those we serve in the affordable housing industry.

Around the world, national and local leaders have made commitments to mitigate the impacts of global climate change. Energy-efficient building standards are an important part of reducing carbon emissions and increasing climate resiliency. Experts estimate that up to 70% of the carbon emissions of a city is generated in its buildings.

Since 2011, New York State has financed over 500 affordable housing developments, representing more than 65,000 affordable apartments. With that level of production, NYS can play a critical role in reducing the carbon emissions of buildings across the state by improving our green building standards. Accordingly, New York State's Housing Finance Agency (HFA) set out to develop an agency-wide approach to the financing and development of energy-efficient, sustainable and healthy affordable housing.

To further our progress toward these environmental objectives, and to advance New York State Governor Andrew Cuomo's State Energy Plan, all HFA financed projects must now comply with national green standards and participate in energy benchmarking. In a bold step to compel the affordable housing industry to build greener, HFA is now using "Green Bonds" to finance the new construction of affordable housing.

Implementation

HFA has partnered with the Climate Bond Initiative (CBI) to certify multifamily affordable housing projects for Green Bonds using their scientifically robust and rigorous criteria. CBI is an international not-for-profit organization supporting financing for projects around the world, implementing a system of environmental due diligence that helps reduce the impact of climate change. By using CBI to certify our bonds, HFA is able to offer investors a high level of confidence that our developments will meet low carbon standards.

Since November 2016, HFA has issued over \$155 million in certified Green Bonds for the construction of 913 homes for low- to moderate- income New Yorkers. These newly constructed buildings will provide high quality, healthy living environments for thousands of New Yorkers while also reducing carbon emissions from affordable housing. Due to strong interest from the growing Green Bond buying market, we have now expanded certification requirement to all new construction projects. Our goal is to eventually require all bond-financed preservation projects to meet CBI criteria for certification as Green Bonds.

Green Bond Innovation

New York State's HFA joins a select international group of Green Bond issuers that have gained CBI certification for Low Carbon Buildings and only one of few bond issuers to gain this certification for residential buildings. This transition fortifies New York's reputation as a national leader in addressing climate issues and reducing carbon emissions.

CBI certification requires an ambitious emissions reduction plan and projects must meet rigorous reporting and transparency standards. Residential buildings must meet emissions reductions equivalent to the performance of the top 15% of buildings in the market. HFA partnered with Enterprise Community Partners to develop tangible proxy measures for meeting the CBI standard of energy efficiency. Enterprise is a national leader in affordable housing standards for design, location/neighborhood, environmental and other site improvements, water conservation, energy efficiency, materials, healthy living, building operations and resident engagement.

This certification is available to all state agencies issuing municipal bonds for multifamily affordable housing. The proxy measures developed with Enterprise for CBI certification can be replicated across the nation. The CBI standard will recognize the energy efficiency of the participating state's existing affordable housing market. CBI certification gives any participating state a tangible means to make a positive contribution to improving the environment.

Responding to a State Need

This initiative responds to a need for healthy, safe, affordable housing for all New Yorkers. Green affordable housing provides climate resiliency, healthy living conditions, and cost savings for low- and moderate-income households. This initiative also advances Governor Cuomo's State Energy Plan, which calls for a reduction of carbon emissions in New York State by 40% by 2030.

Green Bonds Criteria and Process

Since 2017, all HFA projects – new construction or rehabilitation – must meet green building standards. Although HFA continues to work towards developing CBI proxies for rehabilitation projects, currently the proxies are only applicable to new construction projects. These proxies are all based on the U.S. Environmental Protection Agency's (EPA) Energy Star Programs standards and include additional performance improvements as described below depending on the type of housing being built:

- Residences containing 3 or more stories:
 - ENERGY STAR Multifamily High Rise, 2015 International Energy Conservation Code (IECC) permit
- Residences with less than 3 stories:
 - At least 8% improvement over ENERGY STAR Certified Homes, Version 3.1 Revision 08; or
 - At least 9% improvement over ENERGY STAR Certified Homes, Version 3.0 Revision 08

As projects undergo the underwriting process, developers must submit an executed contract with qualified energy consultants to insure that the project meets the selected standard. Via a committee of senior management, HFA reviews the project to ensure that it aligns with our green objective. After receiving internal approval, HFA submits the documentation to CBI for certification. As a frequent issuer, HFA will engage a third-party to re-verify our projects and procedures conformance on an annual basis. Other agencies who enter the market less often could still undergo this process, but would need to engage a verifier before and after each issuance.

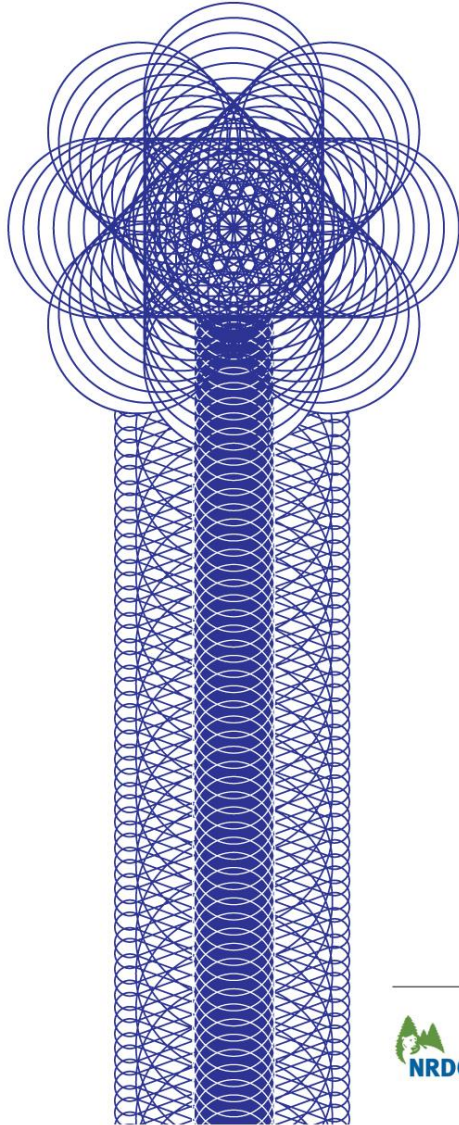
Developers are required to work with an energy consultant to ensure the project is being built according to the CBI approved standard. Throughout the year, HFA discloses a running list of Green Projects in each Official Statement. HFA will also publish an annual report, disclosing the status of all the CBI certified projects.

Achieving Results and Providing Benefits that Outweigh Costs

With CBI required processes in place, investors can buy HFA's bonds with confidence that the proceeds finance projects that are being built to specific standards. Although CBI's endorsement of these standards as scientifically robust adds a level of assurance, the reporting transparency and third party verification allow investors to independently assess the standards and allocate money into a cause they can independently determine is worthy.

As a result, HFA has seen more diversity in investor interest over the past three Green issuances. An estimated \$45 trillion in global assets is currently under management by investors that have made public commitments to climate and socially responsible investment. CBI estimates that in the long run, green property bonds will make up to 40% of the Green Bond market. By expanding the universe of investors in affordable housing, we can transfer increased demand into better market execution on HFA bond deals.

More broadly, by working collaboratively to increase transparency and adopt and promote robust green standards, HFA can leverage the capital of the bond market to make a very real impact on one of the most pressing challenges of this generation. HFA has set the model that other states across the country can recreate and tailor to their specific needs. And, as each additional state participates, together we can create a greener, cleaner, and more sustainable environment for us all.



Certification



Climate
Bond
Certified

This is to certify that the

*New York State Housing Finance Agency
Affordable Housing Revenue Bonds 2017 Series D*

Issued by

New York State Housing Finance Agency

Has met the criteria for certification by the Climate Bonds Standard Board
on behalf of the Climate Bonds Initiative

Sean Kidney

SEAN KIDNEY

Chair of the Climate Bonds Standard Board

24.02.2017



CALSTRS

IIGCC



Investor Network on
CLIMATE RISK



Investor Group on
Climate Change



Climate Bonds
INITIATIVE

Climate Bonds
INITIATIVE



Green bonds: the benefits

*Issuer benefits
become more and
more apparent and
diverse...*

Issuer Benefits

- Investor diversification across regions and types
- Investor engagement & “stickiness”
- Strong oversubscription, yields tighter

- Strengthened reputation
- Alignment of CSR (or core business when pure play) with funding scheme

*...given strong and
persistent investor
demand for green.*

Investor Benefits

- Well-understood projects reduce risk exposure
- Well-managed projects reduce risk exposure
- Trading at a premium in secondary markets


















- Strengthened reputation
- Deeper engagement with company management on green



HFA: implementing green bond program

- **Project requirements:**
 - Established (with CBI) the standards multifamily projects must meet to qualify.
 - Partnered with Enterprise Community Foundation to identify the specifics.
 - Encouraged multifamily developers to meet these standards.
- **Process requirements:**
 - HFA multifamily credit committee now includes project nomination form as part of its approval process.
 - Hired Sustainalytics as verification agent.
 - Applied to CBI for certification for approval on programmatic level.
 - Expanded Official Statement disclosure.

Bonds certified against Buildings Criteria

	Issue date	Size	Geography	Assets
	Dec 2016 Jan 2017	\$45m \$54m		Affordable Residential
	Dec 2016	A\$218m		Mixed incl. non-residential
	Jul 2016	A\$300m		Mixed incl. public spaces
	Jun 2016	€500m		Residential
	May 2016	€500m		Non-residential, residential and public spaces
	May 2016	A\$500m		Mixed incl. non-residential
	May 2016	\$500m		Mixed incl. non-residential
	Jun 2015	€500m		Mixed incl. non-residential and residential
	May 2015	A\$600m	Australia, New Zealand, Asia	Mixed incl. non-residential



CBI Certified Bond Issuers Worldwide

← New York State Housing Fin... ↗

name

New York State Housing Finance Agency

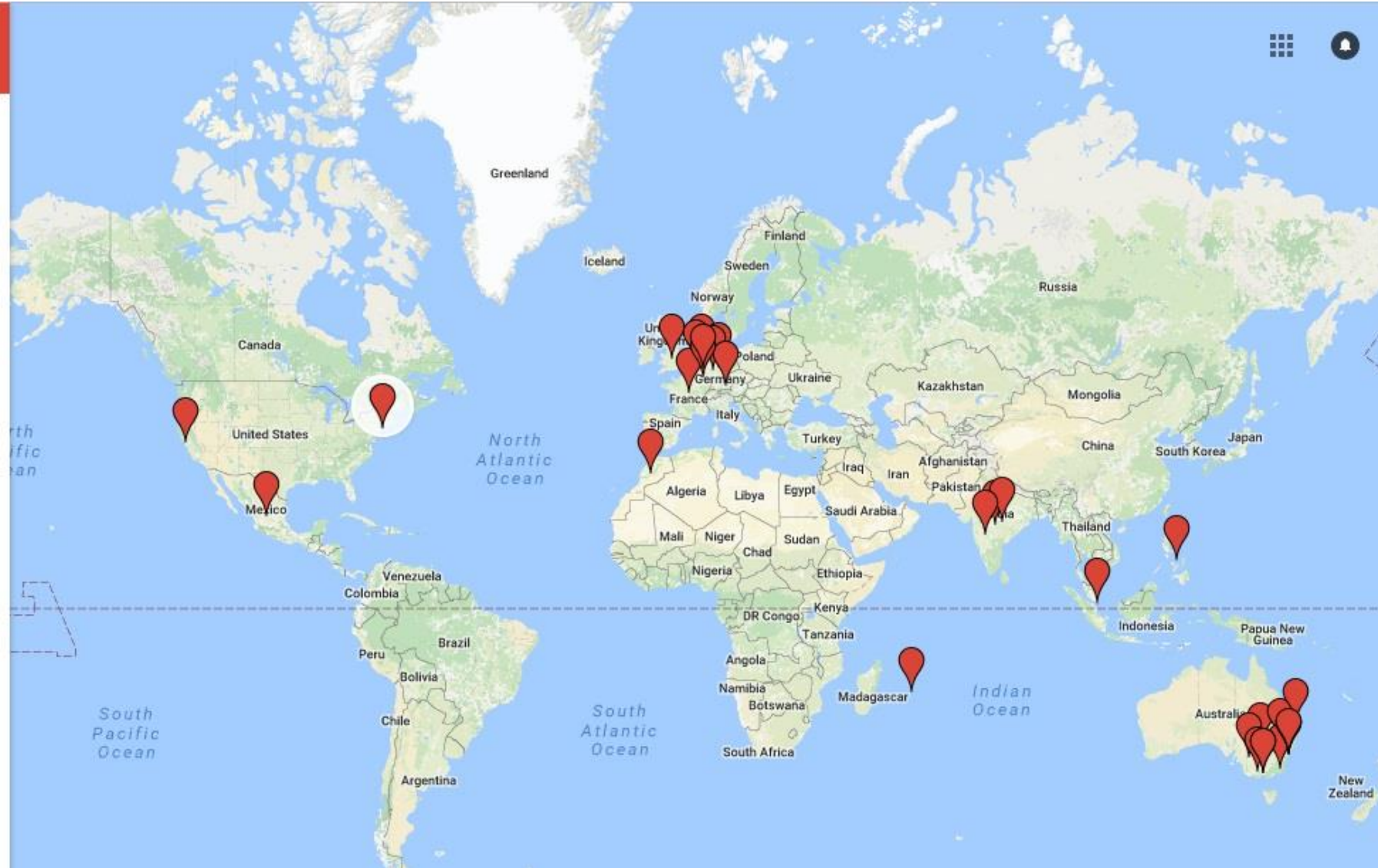
description

Issue amount: USD 53.995

Issue date: January 2017

Sector: Low Carbon Buildings - Residential

Verifier: Sustainalytics



Climate Bonds INITIATIVE





NOVEMBER 29, 2016 Albany, NY

Governor Cuomo Announces Nearly \$100 Million in New Green Bonds for Affordable Housing

First State in the Nation to Secure International Certification for Development of Housing That Reduces Impact of Climate Change

Bonds Expected to Create Over 640 Green, Affordable and Supportive Apartments Across New York State

Fortifies New York's Reputation as National Leader in Addressing Climate Issues and Reducing Carbon Emissions

Governor Andrew M. Cuomo today announced that New York State has secured international certification of nearly \$100 million in new "Green Bonds" to drive the development of housing that has a positive impact on the environment and climate. New York is now the first state in the nation to have its affordable housing bonds certified by The Climate Bond Standards Board, on behalf of the Climate Bonds Initiative, an international not-for-profit organization supporting financing for projects around the world that help reduce the impact of climate change.

"Green Bonds are an innovative tool to build cleaner, greener, affordable housing and place New York at the forefront of sustainable development," **Governor Cuomo said.** "New York leads the nation in pioneering solutions to 21st century challenges, and these Green Bonds will provide hundreds of new housing units to New Yorkers in need, while reducing carbon emissions, mitigating the impact of climate change and creating a more sustainable future for all New Yorkers."

Lieutenant Governor Kathy Hochul, who made the announcement at Governor Cuomo's Sustainable Development Conference, said, "This is yet another example on how New York, under the strong leadership of Governor Cuomo, is pushing forward to uncover resources to fund housing developments that are not only affordable but energy-efficient. New York continues to lead in this important effort to reduce the impacts of climate change to provide a better future for all New Yorkers."

New York State Homes and Community Renewal's Housing Finance Agency will issue the bonds under its new Green Bond program, funding four developments that will inject nearly \$200 million in economic activity into

local economies and create more than 640 green, affordable and supportive apartments for Kings, Westchester, Monroe, and Orange County residents.

The international certification builds on New York's reputation as a national leader in setting strict environmental standards and reducing carbon emissions. Earlier this year, New York issued its first Green Bonds for transportation when the Climate Bonds Initiative certified \$500 million in bond proceeds for the MTA to continue infrastructure renewal and upgrade projects, encourage public transportation, and reduce greenhouse gas emissions.

In 2016, the Governor announced the Clean Energy Standard, mandating that 50 percent of New York's electricity comes from renewable resources by 2030. The Clean Energy Standard will slash carbon emissions, protect the environment and grow the clean energy economy. In addition, beginning on January 1, 2017 all Homes and Community Renewal new construction multi-family projects will adhere to green standards.

New York State is the top issuer of housing bonds in the country, serving as a model for other states. Housing bonds will now be even more marketable to the Green Bond community. An estimated \$45 trillion in assets is currently under management by investors that have made public commitments to climate and responsible investment.

James S. Rubin, Commissioner of New York State Homes and Community Renewal said, "Under Governor Cuomo's leadership, New York is leading the nation in innovative approaches to housing that is not only affordable, but healthy and sustainable. With this Green Bond certification, New York is again on the cutting edge of solutions that will drive affordable housing development and create a more resilient future for New York families.

John B. Rhodes, President and CEO, New York State Energy Research and Development Authority, said, "This is a great step by New York State to work even more effectively with building owners in constructing more energy-efficient and comfortable buildings for New York residents. Governor Cuomo has made it a priority to ensure all New Yorkers, including low-to moderate income, have the opportunity to benefit from energy-efficient housing."

Senator Betty Little, Chair of the Senate Housing Committee, said, "Investing in affordable housing is not only something that benefits families, but done right, should benefit the environment, too. I am really pleased to see New York State is leading the nation in this effort with the 'green bonds' and congratulate our housing commissioner, Jamie Rubin, and Governor Cuomo for making this a priority. I am certain we will see some exciting innovation and progress as a result of this new standard and a lasting impact that makes support of affordable housing even more worthwhile."

Assemblyman Keith L.T. Wright, Chair of the Assembly Housing Committee, said, "This is an innovative way that

addresses our affordable housing crisis while safeguarding the environment. I commend Governor Cuomo and his housing team for this progressive initiative."

Assembly Energy Chair Amy Paulin said, "Green Bonds demonstrate our commitment to affordable and supportive housing while recognizing our responsibility to respect the environment. I applaud Governor Cuomo's vision for sustainable development and HCR's implementation of green standards on new construction starting January 1."

Sean Kidney, CEO of The Climate Bonds Initiative, said, "Reducing emissions and improving the energy efficiency and environmental performance of residential buildings is a key part of the shift to a modern, low carbon economy. The climate leadership displayed by New York State with this new green bond is a signal of the innovation the US market is capable of. This certified property bond is a first amongst housing finance agencies. New York is providing a best practice model for green investment that others can follow. "

Judi Kende, Vice President and New York Market Leader, Enterprise, said, "Enterprise applauds Governor Cuomo and HCR for developing a smart and equitable Green Bond Program that will extend the benefits of sustainable housing to hundreds of low-income households throughout the state. Green affordable housing provides climate resiliency, healthy living conditions, and cost savings for low- and moderate-income households and green bonds are an innovative way to make that possible. We are honored that the Enterprise Green Communities Criteria, the national standard for green affordable housing, will be used for the first green bond certified by an external party in New York State."

Jolie Milstein, president and CEO of the New York State Association for Affordable Housing, said, "We applaud Governor Cuomo for combining his leadership on affordable housing with an equally powerful commitment to environmental sustainability. New York's innovative approach will prove that we can support low- and middle-income families while also making them partners in a statewide effort to combat climate change. NYSFAFH members look forward to utilizing this incredible new resource as we continue to address the housing crisis and drive economic growth in every community across New York."

As part of this initiative, Homes and Community Renewal is partnering with Enterprise Community Partners, a national leader in the development of affordable housing in New York and throughout the United States. Enterprise has developed criteria to certify 'Green Communities,' including design, location/neighborhood, environmental and other site improvements, water conservation, energy efficiency, materials, healthy living, building operations and resident engagement. Homes and Community Renewal is working with Enterprise to qualify their Green Communities standard as a proxy to achieve Climate Bonds Initiative certification.

To be certified as a Climate Bond, a bond offering needs to meet rigorous criteria relating to reporting and transparency and the green characteristics of the underlying assets. Eligible projects funded with the bonds need to be clearly identified; internal processes and controls to ensure tracking of proceeds have to be set up; and reporting regarding assets involved is required. The bond needs to be verified by an independent external

verifier approved by the Climate Bonds Initiative Board. Lastly, the issuer of a green bond has to commit to ongoing annual reporting of the assets funded with the green bond proceeds. This is to satisfy investors that the projects remain in service as initially described. The Climate Bonds Initiative is an investor-focused not-for-profit, promoting large-scale investment in the low-carbon economy.

Contact the Governor's Press Office



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Press.Office@exec.ny.gov



New York's Green Bonds

\$100 million in new funding By Darryl Hicks and Christian Robin

On November 29, 2016, Governor Andrew Cuomo announced that New York became the first state to secure international certification of nearly \$100 million in "Green Bonds" to be used for the development of affordable housing that has a positive impact on the environment and climate. The housing bonds were certified by The Climate Bond Standards Board, on behalf of the Climate Bonds Initiative, an international not-for-profit organization that supports global projects that reduce the impact of climate change.

The bonds will be issued by New York State Homes and Community Renewal's (HCR) and the proceeds will fund four developments that create more than 640 green, affordable and supportive apartments for Kings, Westchester, Monroe and Orange County residents.

"Green Bonds are an innovative tool to build cleaner, greener, affordable housing and place New York at the forefront of sustainable development," Governor Cuomo said. "New York leads the nation in pioneering solutions to 21st century challenges. These Green Bonds will provide hundreds of new housing units to New Yorkers in need, while reducing carbon emissions, mitigating the impact of climate change and creating a more sustainable future for all New Yorkers."

All four projects are new construction and the first issue will close on December 22 for a 266-unit project in Brooklyn, with remaining projects being funded in a second issue in early 2017. Arker Companies is developing the project, which has a companion building funded with 9 percent credits. Units will be set aside for incomes at 30 percent, 40 percent, and 50 percent AMI, with the remainder of units at 60 percent AMI. Sixty-seven units will also be reserved for persons with intellectual and/or developmental disabilities.

Enterprise, which partnered with HCR on the green bond initiative, has developed criteria to certify "Green Communities," including design, location/neighborhood, environmental and other site improvements, water conservation, energy efficiency, materials, healthy living, business operations and resident engagement.

James Rubin, Commissioner of New York State Homes and Community Renewal encouraged developers to work with HCR or Enterprise Community Partners if they have not been made aware of future green bond offerings.

Commissioner Rubin told *TCA* he was optimistic that "there is a deep and expanding pool of investors

interested in Green Bonds," and he was "hopeful that other states will follow suit and adopt similar programs that expand access to affordable housing while simultaneously reducing the impact of climate change."

"There's interest from investors that we haven't otherwise seen participating in our bond issue," says Marian Zucker, HCR's President of Finance and Development.

To be certified as being "Green," a bond offering needs to meet rigorous criteria relating to reporting and transparency and the green characteristics of the underlying assets. Eligible projects funded with the bonds need to be clearly identified; internal processes and controls to ensure tracking of proceeds have to be set up; and reporting regarding assets involved is required. The bond needs to be verified by an independent external verifier approved by the Climate Bonds Initiative Board. Lastly, the issuer of a green bond has to commit to ongoing annual reporting of the use of proceeds funded with the green bond proceeds. **TCA**

