Sheridan Hollow Brownfield Opportunity Area Plan

Funding Opportunities for Housing Rehabilitation

Sheridan Hollow Eco-District

One of the primary goals of the Sheridan Hollow Brownfield study is to find tools and programs that will support the rehabilitation of existing housing in the neighborhood. One proposed program is the Sheridan Hollow Eco-District program that features energy retrofits and solar installations combined with home repair resources.

The Sheridan Hollow Eco-District program meets several of the revitalization objectives established by the neighborhood:

- The environment is protected;
- Development is equitable and sustainable;
- Affordability is maintained;
- Quality of life for all residents is increased.

Specifically, this project meets the needs for quality, safe, affordable housing. In addition, repair resources help ensure long term affordability and lessen the potential for displacement of existing residents.

The Eco-District Project will provide energy retrofits and solar installations on upgraded owner-occupied homes in the neighborhood. Solar installations are a viable energy alternative for low and moderate income residents with the right combination of technical support, home repair assistance, energy retrofits and solar installations.

The program is proposed to be coordinated by the Affordable Housing Partnership, and has several phases:

1. Marketing and outreach to low and moderate income homeowners in Sheridan Hollow. AHP will work with the neighborhood association to market the program and will provide homeowners with assistance in applying for the program and determining income eligibility.
2. Home energy assessment by a BPI certified contractor. A proposed work scope of energy efficiency measures (insulation, weather sealing, heating and hot water system upgrades) is developed and evaluated to confirm that the energy savings is worth the investment.
3. Solar installation assessment by Grid Alternatives. The home will be evaluated for the appropriateness and feasibility of solar, including building readiness.
4. Determination of needed home repairs to support energy work. Roof and chimney repair, asbestos abatement, electrical upgrades are some of the repair items that need to be completed to ensure a successful energy project. AHP will help coordinate contractors and repair resources to complete the work.
5. Once a final plan for improvements is completed, AHP will work with the homeowner to access repair resources, including grants, loans and volunteer resources. AHP will also help troubleshoot any issues that arise during construction.

Program Benefits:
Beyond the benefit to the homeowner of a more affordable, energy efficient home, the Eco-District Project will provide neighborhood-wide benefits. Like many low-income neighborhoods, Sheridan Hollow has long fought a negative image of poor housing and lack of resources. Yet like many inner-city neighborhoods, Sheridan Hollow is the epitome of an environmentally friendly, sustainable community – a smart location on the edge of downtown Albany, with walkable streets, compact development and easy neighborhood connections to the river, cultural institutions, major employers and a good public transportation system. Through the solar and retrofit energy savings, households will increase income available to maintain their homes. By strengthening the quality of housing and reducing energy costs, the Sheridan Hollow neighborhood becomes a more attractive choice of residence for tenants and homeowners.

This project meets an additional neighborhood priority – jobs for area residents. Solar company Grid Alternatives uses under-employed neighborhood residents and workforce trainees on their solar installation projects. Grid Alternatives proposes to provide on-the-job training for solar installation students from Hudson Valley Community College's Workforce Development Institute. They also seek out under-employed neighborhood residents to participate in solar installations, helping to provide employment access to a growing sector in our economy. An estimated 10 good paying construction jobs will be created with every energy retrofit.

Finally, the Eco-District Project addresses the neighborhood's desire to support environmental sustainability. The installation of solar power systems and energy efficiency retrofits will reduce residential demand for energy and reduce Greenhouse Gas Emissions. And supporting redevelopment of existing neighborhoods is a good regional smart growth strategy that reduces the demand for new land consumption, reduces vehicle miles traveled, and reduces housing and transportation costs.

Elimination of Barriers: This comprehensive program will break down the following barriers to participation in clean energy projects by low- and moderate-income households:

- *High up-front solar installation costs, low incomes that do not benefit from solar tax credits, or long term leases that exceed the monthly financial benefit of solar energy on homes with small footprints in urban neighborhoods:* Many of the homeowners in the neighborhood do not have the savings to pay the upfront installation costs of solar panels, and cannot easily qualify for loans for installation. The project will promote a financing mechanism through solar partner Grid Alternatives, which provides Low and Moderate Income (LMI) households with donated solar panels and labor, thereby eliminating unaffordable upfront installation costs and/or long term leases with monthly fees that exceed the energy savings from solar panels. The elimination of a long term lease fee helps make solar energy viable for homes with a smaller footprint – many solar lease programs require that at least 6 kW systems be installed to make lease payments feasible, when roof tops for many downtown row houses like those in Sheridan Hollow can only support 3 kW systems.
- *Crowded market place of solar providers with complicated lease or purchase terms, multiple program components with separate application processes:* This project proposes experienced case management services through AHP, a NYSERDA designated Community Based Organization which has had years of experience in working with low income households to access home repair programs and energy retrofit assistance. AHP will guide homeowners through the process of energy retrofit analysis, home repair assessment and solar installation and the associated financing

applications. In addressing issues as they arise, the likelihood of a successful project is greatly increased.

- *Properties that do not qualify for solar due to poor physical condition*: Solar installations require that low income homeowners have a roof in good condition, adequate electric service and the ability to install a solar panel array that does not have shadows from nearby trees or unused chimneys. This program will bring home repair resources to the project, and in the process ensure the stabilization of LMI owned housing stock in the neighborhood. In addition, lower energy costs will free up homeowner resources to maintain their homes.

Program Success: There are several features of this program that will ensure its success:

- *Subcontractor expertise*: AHP is partnering with Grid Alternatives and Monolith Solar on this project. Grid Alternatives brings a one-of-a-kind LMI program to the Capital Region, with donated solar panels and job training opportunities. Monolith is a local, veteran owned solar company specializing in commercial installations.
- *Project Readiness*: AHP and Grid Alternatives have program staff in place ready to support the Eco-District Program. AHP's GJGNY CBO outreach staff are experienced with energy and home repair projects and are glad to add solar to their program offerings. The Sheridan Hollow neighborhood has 183 owner occupied households likely to be income eligible for the program
- *Risk Management*: Several factors work to reduce the risk associated with a project of this size. The City of Albany's Energy committee has been an important resource to this project, with members who have strong connections to government and industry players in the Clean Energy field. They have helped identify issues and recommended strategies for successful project implementation. AHP has years of experience with low-income customer service, grants management, and home repair and energy efficiency program implementation. Grid Alternatives has had a successful model of assisting low income homeowners with solar installations since 2004.
- *Project time frame*: The Project will occur over a three year time period, with an estimated 10 residential installations in the first year and 20 per year in years 2 and 3. Grid Alternatives anticipates no issues with the availability of solar panels or volunteer installers. The possible elimination of solar tax credits at the end of 2016 will change Grid Alternatives project financing mechanism, but new calls for LMI solar at both the State and Federal level suggests that alternative incentives for low-income solar will develop and be incorporated into the project.

Funding: Several sources of viable funding are proposed to be used to successfully implement this project:

- *NYSERDA's Assisted Home Performance with Energy Star.* NYSERDA's program offers free home energy assessments and retrofit analysis. For low- and moderate-income households, NYSERDA will pay for 50% of the cost of eligible energy improvements, up to $5000 (up to $10,000 in the case of 2-family properties). The matching funds can come from a low-interest rate NYSERDA loan or on-bill financing through the homeowner's energy company. The cost benefit analysis performed on the energy retrofit work ensures that the monthly loan payment is less than the energy savings realized by the homeowner.
- *NYSERDA's EmPower program and/or NYS Weatherization Program.* For lower income neighbors (with incomes below 60% of area median income), the EmPower program offers grants for air sealing, insulation, and replacement of inefficient refrigerators and lighting. In Albany, Sheridan

Hollow based Albany Community Action Partnership offers NYS's weatherization program which can assist low income households with a grant for these same services plus heating or hot water system repair or replacement.

- *Grid Alternatives Solar Program:* Grid Alternatives is a national solar company that is committed to solar installations for low-income homeowners (less than 80% of area median income). They make their program affordable through various mechanisms: a) they receive and use solar panels donated by a large national solar panel manufacturer; b) they work with corporate investors to purchase solar tax credits which in turns helps pay for the installation; c) they use workforce trainees and volunteer labor to keep the cost of installation down. These cost saving measures help reduce the needed upfront costs to an affordable level, so that monthly lease fees are not required.
- *Community Loan Fund grants and loans:* Our local Community Development Financial Institution has low interest rate home repair loans available and has committed grant funding from a Bank of America mortgage settlement program to assist with needed repairs.
- *Volunteer Support* Volunteer engineers have stepped forward in support of this neighborhood initiative to offer a third party review of retrofit and solar installation proposals and recommend any upgrades to roofs that may be necessary prior to solar installation.
- *Home Repair Funding:* AHP has successfully used NYS Affordable Housing Corporation funding for any home repairs needed to complete the energy efficiency improvements.
- *NYSERDA Program Funds such as Cleaner Greener Communities:* NYSERDA has made a commitment to support increased access by low- and moderate-income households to energy savings program. AHP has had a good track record of connecting LMI households to NYSERDA programs and intends to apply for funding for completion of the solar installations and for support of the administration of the program.

The Eco-District Program is a comprehensive program that can be replicated throughout the state. A successful LMI energy program needs to have three elements in place: 1) A whole house approach. This program ensures that a home can be made solar ready through funding for building upgrades such as a new roof, electrical, tree and chimney work, as well as energy retrofit improvements. 2) Comprehensive case management. Without a support system to guide a homeowner through the process, there are many opportunities for a low-income household to drop out of the solar and retrofit process. From understanding what the program has to offer, to applying for grants and loans, to negotiating for repairs to be completed in the home and to troubleshooting any problems that arise during construction, we have found that a go-to case manager means that a retrofit/solar project is more likely to be completed. 3) Strong local, state and national partners with resources and expertise to bring to the community. AHP has 25 years of experience in connecting low income homeowners to resources. Grid Alternatives, a national solar installer is interested in expanding services to the Capital Region, offing an affordable solar model for LMI households of reduced cost solar installations. Grid Alternatives brings workforce development partners to the table, training volunteers in the growing field of solar installations. Expertise from the City of Albany's Sustainability committee, along with the State's financial resources will help low-income neighborhoods assure their status as sustainable communities.

The Eco-District project offers a new, comprehensive approach to solar, with direct benefits targeted to low income households as well as benefits to low income communities. In Sheridan Hollow, substantial investments in new affordable housing are being made by Habitat for Humanity and Housing Visions.

The Eco-District will bring leveraged benefits to existing homeowners and an opportunity to introduce a broader strategy for highlighting the assets of the neighborhood. Layering the Eco-District Demonstration Project enhances these efforts while broadening resident participation and using environmental improvements as a catalyst for revitalization. Sheridan Hollow has a complicated environmental legacy of contaminated soil and brownfield sites, but also the unique opportunity for transformation through cleaner greener principles. The Eco-District project knits together affordable housing, place-based assets, job training in a growing clean energy field and environmental sustainability to chart a future of possibility that benefits residents and the region.