

Int. No.

By Council Member Constantinides and the Speaker (Council Member Johnson) (in conjunction with the Mayor)

A Local Law to amend the administrative code of the city of New York, in relation to establishing a sustainable energy loan program

Be it enacted by the Council as follows:

1 Section 1. Title 11 of the administrative code of the city of New York is amended by
2 adding a new chapter 30 to read as follows:

3 CHAPTER 30

4 NEW YORK CITY SUSTAINABLE ENERGY LOAN PROGRAM

5 § 11-3001 Definitions. As used in this chapter, the following terms have the following
6 meanings:

7 Administering agency. The term “administering agency” means an agency or office
8 designated by the mayor, pursuant to section 11-3008, to implement, administer and enforce the
9 provisions of this chapter.

10 Authority. The term “authority” means the New York state energy research and
11 development authority, as defined by subdivision two of section eighteen hundred fifty-one of
12 the public authorities law, or its successor.

13 Credit support. The term “credit support” means the use of (i) direct loans, (ii) letters of
14 credit, (iii) loan guarantees or (iv) insurance products, in any combination, and the purchase of or
15 commitment to purchase, or the sale of or commitment to sell, debt instruments, including
16 subordinated securities.

17 Energy audit. The term “energy audit” means a formal evaluation of the energy
18 consumption of a permanent building or structural improvement to real property, conducted by a
19 contractor certified by the authority, or certified by a certifying entity approved by the authority

1 for purposes of article 5-L of the general municipal law, or certified by the administering agency,
2 for the purpose of identifying appropriate energy efficiency improvements that could be made to
3 the property.

4 Energy efficiency improvement. The term “energy efficiency improvement” means any
5 renovation or retrofitting of a building to reduce energy consumption, such as window and door
6 replacement, lighting, caulking, weatherstripping, air sealing, insulation, and heating and cooling
7 system upgrades, and similar improvements, determined to be cost-effective pursuant to criteria
8 established by the authority. However, “energy efficiency improvement” shall not include
9 lighting measures or household appliances that are not permanently fixed to real property.

10 Loan. The term “loan” means a loan made pursuant to the program.

11 Program. The term “program” means the sustainable energy loan program established by
12 this chapter.

13 Renewable energy system. The term “renewable energy system” means an energy
14 generating system for the generation of electric or thermal energy, to be used primarily at such
15 property, except when the owner of real property is a commercial entity, by means of a solar
16 thermal, solar photovoltaic, wind, geothermal, anaerobic digester gas-to-electricity systems, fuel
17 cell technologies, or other renewable energy technology approved by the authority not including
18 the combustion or pyrolysis of solid waste.

19 Renewable energy system feasibility study. The term “renewable energy system
20 feasibility study” means a written study, conducted by a contractor certified by the authority, or
21 certified by an entity approved by the authority for purposes of article 5-L of the general
22 municipal law, or certified by the administering agency, for the purpose of determining the
23 feasibility of installing a renewable energy system.

1 § 11-3002 Sustainable energy loan program. Pursuant to the authority granted by section
2 119-gg of the general municipal law, there is hereby established a sustainable energy loan
3 program. The administering agency may implement the program using federal grant assistance or
4 federal credit support or monies from the state of New York or any state authority as defined by
5 section 2 of the public authorities law available for this purpose. The administering agency may
6 enter into an agreement with one or more for-profit or not-for-profit corporations to manage or
7 assist in the implementation, administration and enforcement of the program.

8 § 11-3003 Loans. The program may make loans to the owners of real property located
9 within the city to finance the installation of renewable energy systems and energy efficiency
10 improvements, related energy audits and renewable energy system feasibility studies, and the
11 verification of the installation of such systems and improvements.

12 § 11-3004 Loan conditions. a. Every loan shall be repaid over a term not to exceed the
13 weighted average of the useful life of such systems and improvements as determined by the
14 administering agency. The administering agency shall set a fixed rate of interest for the
15 repayment of the principal amount of each loan at the time the loan is made.

16 b. For loans made to an owner of real property that is a commercial entity, not-for-profit
17 organization, or entity other than an individual, the administering agency shall have the authority
18 to impose requirements on the maximum amount that may be borrowed through such loan,
19 which may consider factors including but not limited to the property value, projected savings,
20 project cost, and existing indebtedness secured by such property.

21 c. For loans made to an owner of real property who is an individual, the principal amount
22 of each loan made under the program, excluding interest, shall not exceed the lesser of 10
23 percent of the appraised real property value of the real property benefitted by such loan or the

1 actual cost of installing the renewable energy system and energy efficiency improvements,
2 including the costs of necessary equipment, materials, and labor, the costs of each related energy
3 audit and renewable energy system feasibility study, and the cost of verification of such
4 renewable energy system and energy efficiency improvements.

5 d. No loan shall be made for energy efficiency improvements unless determined to be
6 appropriate through an energy audit, and no such loan shall be made for a renewable energy
7 system unless determined to be feasible through a renewable energy system feasibility study.

8 e. No loan shall be made unless the administering agency, any corporation managing or
9 assisting in the implementation, administration and enforcement of the program pursuant to
10 section 11-3002 and any lender to the program have agreed to the subordination of such lender's
11 rights under the loan, including the subordination of the payment of any lien arising from the
12 loan to the payment of all other liens and encumbrances on such real property arising out of taxes
13 and assessments, sewer rents, sewer surcharges, water rents, other city charges and interest or
14 penalty thereon levied or charged pursuant to law or rule.

15 f. No loan shall be made to an owner of real property that has unpaid civil penalties or
16 taxes or other debt owed to the city that is delinquent.

17 § 11-3005 Repayment. a. A loan shall constitute a lien upon the real property benefitted
18 by such loan.

19 b. A loan shall be repaid by the property owner through a charge on the real property
20 benefitted by such loan. Such charge shall be on the real property and shall be levied and
21 collected at the same time and in the same manner as municipal taxes, provided that such charge
22 shall be separately listed on the tax bill. Any partial payment of charges separately listed on the
23 tax bill shall be allocated to payment of taxes and assessments, sewer rents, sewer surcharges,

1 water rents, any other city charges and interest or penalty thereon levied or charged pursuant to
2 law or rule before payment shall be allocated to any loan.

3 c. In the event such charge is not paid when due, such unpaid charge shall be subject to
4 the provisions of chapters 3 and 4 of this title and other related provisions of the charter and
5 administrative code

6 § 11-3006 Reporting. The administering agency shall verify and report on the installation
7 and performance of renewable energy systems and energy efficiency improvements financed by
8 the program in such form and manner as the authority may establish.

9 § 11-3007 Rulemaking. The administering agency shall promulgate rules to implement
10 this program. Such rules shall include, but need not be limited to, eligibility criteria for loans,
11 terms and conditions for repayment of such loans and reporting and filing requirements related to
12 such loans. Such rules shall also include criteria for persons to be certified pursuant to the
13 program for purposes of conducting energy audits and renewable energy system feasibility
14 studies, which shall be at least as stringent as the criteria for certification adopted by the
15 authority for the purposes of article 5-L of the general municipal law.

16 § 11-3008 Designation of administering agency. The mayor shall, in writing, designate
17 one or more offices or agencies to implement, administer and enforce the provisions of this
18 chapter and may, from time to time at the mayor's discretion, change such designation. Within
19 10 days after such designation or change thereof, a copy of such designation or change thereof
20 shall be published on the website of each such office or agency, and shall be electronically
21 submitted to the speaker of the council.

22 § 2. This local law takes effect immediately.

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