

Cooper Square Committee

December 8, 2011

Dear Con Edison Settlement Fund Committee:

61 E. 4th Street, New York, N.Y. 10003
tel: (212) 228-8210; fax: (646) 602-2260
email: csc@coopersquare.org
website: www.coopersquare.org

In response to questions from the Con Edison Settlement Fund (CESF) Committee regarding the Cooper Square Committee's HDFC Greening Project proposal, I'm providing additional information regarding the Cooper Square Committee's outreach to HDFCs near the Con Edison plant so far, the WAP and/or EmPower application process, and our vital role in assisting the HDFCs to complete the somewhat labor intensive process.

1) Outreach: Since early November, CSC has flyer'd the 27 HDFCs in the 3 census tracts near the Con Edison plant that we deem to potential candidates for WAP and EmPower New York funds. We have received responses from representatives of 7 of the buildings as of December 7th. We have had a number of phone conversations with the Board Presidents of 3 buildings, and the managing agent for a row of 4 low-income HDFCs at 614-620 E. 9th St. Letters from all of these building representatives, expressing strong interest in applying for these programs, are attached.

On November 8th, Steve Herrick of Cooper Square Committee and Sara Jayanthi of SolarOne met with the Board of 527-529 E. 12th St., a 50 unit cooperative that is interested in doing energy efficiency upgrades. We explained the application process, the benefits available from both programs, the energy audit, and the matching fund requirement for WAP. EmPower offers fewer benefits and does not require the owner to provide any matching funds. The Board asked for income eligibility forms so they could sample about 1/3rd of the residents to determine whether at least 50% of the residents are low income, and we will follow up with them after the holidays.

Steve Herrick plans to meet with the board of directors of several other HDFCs in December if it is possible to schedule a meeting before the holidays. If not, meetings will take place in January, 2012.

2) Relationship Building/Board Education: CSC plans to follow up with these buildings in order to begin the labor intensive process of building relationships with the leaders of the co-op boards. If we receive a Con Ed Settlement Fund grant, we will be able to hire a part time staff person in order to have the capacity to work with these HDFCS and outreach to the other HDFCs, hold meetings with the Board members, and build strong working relationships that can assist the buildings not only with the greening work, but with improving their building-management skills, and sustain these buildings as affordable cooperatives.

The staff person we hire with a CESF grant will work with the boards to discuss their goals and objectives, the City and State greening programs, the availability of funds to make the buildings more energy efficient, the eligibility criteria, and the application process and fees. After we conduct an initial assessment, including gathering a sample of income verification forms from residents, CSC will be able to recommend which program (WAP or EmPower) the HDFC should

apply for, based on the likely work scope and income eligibility. Once the Boards chooses to proceed with applying for one of the programs, CSC's project coordinator will help them complete the application for the Weatherization Assistance Program and/or the Empower Program. We will also use CESF money to pay 50% of the \$2,000 WAP application fee.

The Northern Manhattan Improvement Corporation (NMIC) administers WAP funds. The HDFCs applying for these funds would submit applications to NMIC, with a \$2,000 application fee. NMIC staff conducts an energy audit, testing the boiler, and using professional equipment to measure air flows and loss of heat through doors, windows and roof cavities. The energy audit estimates the excess heating and cooling cost for each building system, and projects the cost savings for replacing building systems, arriving at an estimate of how many years it takes for the new windows or boiler to pay for themselves. Based on these results, the audit recommends whether to replace the item. NMIC utilizes a number of pre-approved contractors to do the work, and inspects the work when it is completed, and directly pays the contractors, although the HDFC boards are typically required to contribute about 25% of the cost of the work to an account that NMIC uses to pay for the completed work.

Whereas NMIC does the energy audits for the WAP program, the EmPower NY program is funded by NYSERDA and administered by a private contractor called Honeywell. The program uses any number of qualified contractors to conduct energy audits. The audit techniques they use is the same as NMIC. According to Virginia Walsh, an Outreach Program Coordinator for the EmPower Program, the Community Environmental Center, the Association for Energy Affordability, and Bonded Building and Engineering are among the contractors that conduct apartment energy audits and does the construction work.

In order to expedite the application process, CSC will continue our working relationship with SolarOne, which NYSERDA contracts with to do outreach for the EmPower Program. Since SolarOne has a working relationship with NYSERDA's staff in the Syracuse office, we may call upon them to attend one or more HDFC board meetings to help explain the program and to assist the boards with navigating the application and audit process. Honeywell inspects the work after it is completed and signs off on it, and arranges for payment of the contractors.

3) Estimated Work Scopes and Itemized Cost of Energy Upgrades: Based on the findings in the energy audits, will help the HDFCs prioritize the workscope, and assess how soon they will recover their investment for any work that they may have to pay for out of pocket. The attached spreadsheet shows the number of buildings CSC expects will participate in WAP and EmPower if we receive a CESF grant, and the itemized cost of new windows, boilers, hot water heaters, etc... We expect that about \$290,000 will be leveraged from WAP, and about \$20,000 from NYSERDA, and that the HDFCs will be responsible for the difference of nearly \$100,000. CSC will regrant \$30,000 from the \$65,000 CESF grant, and require the HDFCs to contribute a modest portion as well, based on our evaluation of their financial ability to pay out of their reserve fund, apply an assessment to shareholders, or to borrow the funds.

Yours truly,



Steve Herrick
Executive Director



December 2, 2011

Steve Herrick
Executive Director
Cooper Square Committee
61 East 4th Street
New York, NY 10003

Dear Mr. Herrick,

As per your request, I am writing to reaffirm that the Northern Manhattan Improvement Corporation has been administering Weatherization Assistance Program (WAP) funds since 1981, and anticipates that we will continue to administer weatherization funds for properties in Manhattan for the foreseeable future. We are currently partnering with the Cooper Square Committee to outreach 7 Cooper Square Mutual Housing Association (CSMHA) buildings with 102 units, and we hope to continue this mutually beneficial relationship in 2012 and beyond.

With the end of ARRA, we expect to be administering an allocation of approximately \$2million dollars in 2012, and we welcome the opportunity to partner with the Cooper Square Committee as they seek to expand their outreach to other income-eligible HDFCs between East 9th Street and East 13th Street, near the Con Edison plant on East 14th Street.

Although there are budget pressures on all discretionary programs at the State and Federal level, WAP has been a very successful program nationally, and one that has benefited low income households nationwide, in Democratic and Republican districts. The \$17.7million dollars that NMIC administered in the past year (which combined regular WAP and ARRA) leveraged millions more in private investment, creating many jobs, and it is popular with legislators on both sides of the aisle.

I hope this letter addresses any concerns you may have about the availability of WAP funding in 2012.

Yours truly,

Dan Rieber
NMIC, Weatherization Director

New York State Energy Research and Development Authority

Albany

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nysesda.ny.gov | info@nysesda.org

Vincent A. Delorio, Esq., Chairman
Francis J. Murray, Jr., President and CEO

Buffalo

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Suite 821

Buffalo, NY
14210-1484

(P) (716) 842-1522
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New York City

485 Seventh Avenue
Suite 1006

New York, NY
10018-6815

(P) (212) 971-5342
(F) (518) 862-1091

West Valley Site

Management Program
9030-B Route 219

West Valley, NY
14171-9500

(P) (716) 942-9960
(F) (716) 942-9961

December 7, 2011

Carol Kostik, Chairperson
Con Edison Settlement Fund Committee
Community Board 3
59-61 East 4th Street
New York, NY 10003

Dear Ms. Kostik,

We understand that the Cooper Square Committee is currently partnering with the Manhattan Borough President's Office, Solar One, Fourth Arts Block and other Lower East Side organizations to make East 4th Street a Go Green Model Block. They are helping tenants in 9 low income buildings managed by the Cooper Square Mutual Housing Association to apply for assistance through the Weatherization Assistance Program and NYSERDA's EmPower New York program (EmPower) for a variety of energy efficiency improvements.

Pending documentation of tenant eligibility for services, and an approved workscope, NYSERDA plans to support these efforts by providing cost effective energy efficiency measures to eligible buildings through EmPower. To date, seven building have been proposed and eligibility is currently being documented. Potential measures include high efficiency lighting and installation of ENERGY STAR-rated appliances. Once approved, it is estimated that EmPower will provide \$105,000 in funding for improvements to these buildings. Funding for EmPower has been approved for 2012, and will be available to cover these costs.

If you have any further questions, you may contact me at 518-862-1090 Ext. 3374.

Sincerely,



Kelvin Keraga
Sr. Project Manager
Residential Energy Services

East 12th Street Tenants HDFC
527-529 East 12th Street
New York, NY 10009

December 2, 2011

Steve Herrick
Cooper Square Committee
61 East 4th Street
New York, NY 10003

Dear Steve,

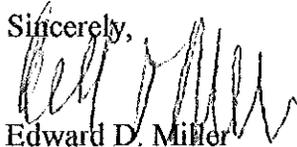
Thank you for reaching out to us to find out about the weatherization needs of the East 12th Street Tenants HDFC. It was nice meeting with you and Sara Jayanthi of Solar One at our November 8th board meeting.

Our board appreciated learning more about the Weatherization Assistance Program and EmPower. As we discussed at our meeting, our energy saving priorities are insulating the pipes in our building, potentially replacing the hot water heater, and exploring the feasibility of installing solar panels on our roof in order to provide electrical power to the common areas.

We plan to do an income eligibility assessment of a sampling of our residents to find out if the building qualifies for WAP. If the building as a whole is not income eligible, we would like to pursue the EmPower program so that our income eligible shareholders can obtain free energy star refrigerators and other energy upgrades. We also think the free EmPower energy audit would be helpful in identifying ways in which we can reduce energy costs through cost effective improvements.

Thanks again for reaching out to us.

Sincerely,



Edward D. Miller
President
East 12th Street Tenants HDFC



Veritas Property
MANAGEMENT

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F 212 799 2367
180 West 80th St., Suite 218
New York, NY 10024
www.veritasmanagement.com

December 7, 2011

Steve Herrick
Cooper Square Committee
61 East 4th Street
New York, NY 10003

Dear Mr. Herrick,

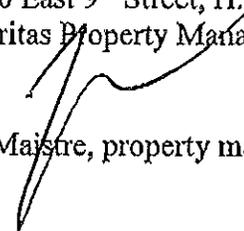
Thank you for contacting us, and allowing me to tell you about the weatherization needs of the 614-620 East 9th Street HDFC. As the property manager for the cooperative, I am writing to express the co-op's interest in applying for a grant under the Weatherization Assistance Program in order to replace the antiquated boiler which supplies heat to the 4 adjacent buildings. The windows are also in need of replacement with double glazed, energy efficient windows.

The cooperative, which consists of four 8-unit buildings, for a total of 32 units, has struggled in recent years with rising fuel costs, and has been forced to raise maintenance on shareholders from \$250 per month to \$400 per month. I am confident that the vast majority of residents are low income. The board has been committed to maintaining the cooperative as an affordable home to its shareholders since the 1980s.

Given that the cooperative does not have a very large capital reserve fund, the prospect that the Cooper Square Committee may be able to assist us with paying a portion of the matching funds if your proposal is funded would be a huge incentive for us to participate in this program.

The Board is meeting on December 14th, and we will discuss this idea in more detail at that time. Thank you for reaching out to us.

Sincerely,
614-620 East 9th Street, H.D.F.C.
C/o Veritas Property Management LLC



James Maistre, property manager

551 East 12th Street HDFC
c/o Jane Katz
551 East 12th Street
New York, NY 10009

December 6, 2011

Steve Herrick
Executive Director
Cooper Square Committee
61 East 4th Street
New York, NY 10003

Dear Mr. Herrick,

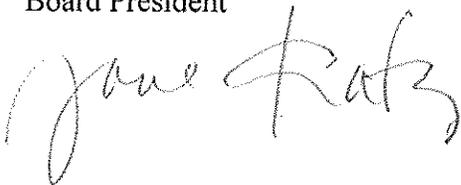
It was nice talking to you about the weatherization needs of the 551 East 12th Street HDFC. Our building became a co-op over 25 years ago, and nothing has been done since then to make it more energy efficient.

As we discussed on the phone, our building's boiler is on its last legs. Nothing is properly insulated, including our old windows, and we are paying a lot to heat the building in the winter. We are a small building with only 8 apartments, and so we don't have a lot of money in our budget to replace the boiler or windows or insulate our roof.

I look forward to meeting you later this month to discuss how we can apply for these weatherization funds. If the Cooper Square Committee is also able to assist us with covering our share of the boiler replacement cost, that would be fantastic. Thanks.

Sincerely,

Jane Katz
Board President

A handwritten signature in cursive script that reads "Jane Katz". The signature is written in black ink and is positioned below the typed name and title.

512 East 11th Street HDFC
512 E. 11th Street
New York, NY 10009

December 2, 2011

Steve Herrick
Cooper Square Committee
61 East 4th Street
New York, NY 10003

Dear Steve,

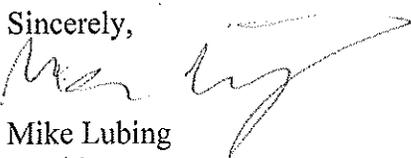
Thank you for reaching out to us to find out about the weatherization needs of the 512 East 11th Street HDFC. It was good speaking with you on the phone recently.

Our co-op is badly in need of new energy efficient windows to replace our old windows which only have a single pane of glass. We realize we are losing a lot of heat from these inefficient windows, and our fuel costs have put a dent in our co-op's finances.

I am fairly sure that our 20 unit cooperative would income-qualify for the Weatherization Assistance Program. Our board would like to meet with you in the near future to learn more about the program benefits and requirements. We know that we need to replace our windows in the near future, and this seems like a great opportunity to bring down our heating costs and make our building less wasteful of fuel, especially in the winter months.

Thank you for any assistance you can provide.

Sincerely,



Mike Lubing
President

Itemized Breakdown of WAP & EmPower Work Scope and Costs for Participating HDFCs

Weatherization Work Scope	Number of Buildings	WAP		EmPower Units Assisted	Number of Items Installed	Cost per Item	Total WAP Cost	Total EmPower Cost	Total Cost
		Units Assisted	Units Assisted						
Double Glazed Windows	5	52	0	260	\$250.00	\$65,000.00	\$0.00	\$65,000.00	
Energy Efficient Boilers	2	40	0	2	\$60,000.00	\$120,000.00	\$0.00	\$120,000.00	
Hot Water Heaters	2	40	0	2	\$1,500.00	\$3,000.00	\$0.00	\$3,000.00	
Roof cavity insulation	5	52	0	5	\$3,000.00	\$15,000.00	\$0.00	\$15,000.00	
Pipe Insulation	0	0	20	20	\$0.00	\$0.00	\$5,000.00	\$5,000.00	
Energy Star Refrigerators	9	85	20	105	\$500.00	\$42,500.00	\$10,000.00	\$52,500.00	
New CFL Bulbs	9	85	20	420	\$10.00	\$3,400.00	\$2,800.00	\$6,200.00	
Hard wiring lighting fixtures	9	85	20	105	\$400.00	\$34,000.00	\$400.00	\$34,400.00	
Energy smart strips	9	85	20	315	\$35.00	\$8,925.00	\$2,100.00	\$11,025.00	
Weatherization Work	9	85	20			\$291,825.00	\$20,300.00	\$312,125.00	
HDFC Matching Funds	6	85	20	TBD	NA	\$97,275.00	\$0.00	\$97,275.00	
Total Cost of Work						\$389,100.00	\$20,300.00	\$409,400.00	

* The non-weatherization work will be paid for by the HDFCs as part of a 25% match requirement under WAP. The Cooper Square Committee will assist the HDFCs with a portion of this cost totaling \$30,000.

We anticipate that we will assist at least 6 buildings apply for WAP, ranging in size from 8 to 50 units. We anticipate that we will assist another 3 buildings apply for EmPower in the event that less than 50% of residents are low income.

Note: We assume an average of 5 windows per unit will be installed, 4 CFL bulbs per unit will be installed, and 3 Energy smart strips will be installed per unit.

Unit costs for building systems are based on NIMC actual costs for comparable sized tenement buildings on the Lower East Side.