

**LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 2019**

No. 96

Introduced by Council Members Constantinides, The Speaker (Council Member Johnson), Cumbo, Richards, Lander, Ampry-Samuel, Yeger, Espinal, Brannan, Levin, Kallos, Chin, Gibson, Menchaca, Rivera, King, Ayala and Rosenthal (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:

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

CHAPTER 30

NEW YORK CITY SUSTAINABLE ENERGY LOAN PROGRAM

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

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

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

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

Energy audit. The term “energy audit” means a formal evaluation of the energy consumption of a permanent building or structural improvement to real property, conducted by a contractor certified by the authority, or certified by a certifying entity approved by the authority for purposes of article 5-L of the general municipal law, or certified by the administering agency, for the purpose of identifying appropriate energy efficiency improvements that could be made to the property.

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

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

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

Renewable energy system. The term “renewable energy system” means an energy generating system for the generation of electric or thermal energy, to be used primarily at such property, except when the owner of real property is a commercial entity, by means of a solar thermal, solar photovoltaic, wind, geothermal, anaerobic digester gas-to-electricity systems, fuel cell

technologies, or other renewable energy technology approved by the authority not including the combustion or pyrolysis of solid waste.

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

§ 11-3002 Sustainable energy loan program. Pursuant to the authority granted by section 119-gg of the general municipal law, there is hereby established a sustainable energy loan program. The administering agency may implement the program using federal grant assistance or federal credit support or monies from the state of New York or any state authority as defined by section 2 of the public authorities law available for this purpose. The administering agency may enter into an agreement with one or more for-profit or not-for-profit corporations to manage or assist in the implementation, administration and enforcement of the program. Any fees imposed on an owner of real property by a for-profit or not-for-profit corporation managing or assisting in the implementation, administration and enforcement of the program to recoup any such corporation’s administrative costs shall be subject to approval by the administering agency.

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

§ 11-3004 Loan conditions. a. Every loan shall be repaid over a term not to exceed the weighted average of the useful life of such systems and improvements as determined by the

administering agency. The administering agency shall set a fixed rate of interest for the repayment of the principal amount of each loan at the time the loan is made.

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

c. For loans made to an owner of real property who is an individual, the principal amount of each loan made under the program, excluding interest, shall not exceed the lesser of 10 percent of the appraised real property value of the real property benefitted by such loan or the actual cost of installing the renewable energy system and energy efficiency improvements, including the costs of necessary equipment, materials, and labor, the costs of each related energy audit and renewable energy system feasibility study, and the cost of verification of such renewable energy system and energy efficiency improvements.

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

e. No loan shall be made unless the administering agency, any corporation managing or assisting in the implementation, administration and enforcement of the program pursuant to section 11-3002 and any lender to the program have agreed to the subordination of such lender's rights under the loan, including the subordination of the payment of any lien arising from the loan to the payment of all other liens and encumbrances on such real property arising out of taxes and

assessments, sewer rents, sewer surcharges, water rents, other city charges and interest or penalty thereon levied or charged pursuant to law or rule.

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

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

b. A loan shall be repaid by the property owner through a charge on the real property benefitted by such loan. Such charge shall be on the real property and shall be levied and collected at the same time and in the same manner as municipal taxes, provided that such charge shall be separately listed on the tax bill. Any partial payment of charges separately listed on the tax bill shall be allocated to payment of taxes and assessments, sewer rents, sewer surcharges, water rents, any other city charges and interest or penalty thereon levied or charged pursuant to law or rule before payment shall be allocated to any loan.

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

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

§ 11-3007 Rulemaking. The administering agency shall promulgate rules to implement this program. Such rules shall include, but need not be limited to, eligibility criteria for loans, terms and conditions for repayment of such loans and reporting and filing requirements related to such loans. Such rules shall also include criteria for persons to be certified pursuant to the program for

purposes of conducting energy audits and renewable energy system feasibility studies, which shall be at least as stringent as the criteria for certification adopted by the authority for the purposes of article 5-L of the general municipal law.

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

§ 2. This local law takes effect immediately.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of The City of New York, passed by the Council on April 18, 2019 and returned unsigned by the Mayor on May 20, 2019.

MICHAEL M. McSWEENEY, City Clerk, Clerk of the Council.

CERTIFICATION OF CORPORATION COUNSEL

I hereby certify that the form of the enclosed local law (Local Law No. 96 of 2019, Council Int. No. 1252-A of 2018) to be filed with the Secretary of State contains the correct text of the local law passed by the New York City Council, presented to the Mayor and neither approved nor disapproved within thirty days thereafter.

STEVEN LOUIS, Acting Corporation Counsel.