

**CON EDISON SETTLEMENT FUND PROPOSAL  
BY THE COOPER SQUARE COMMITTEE  
HDFC GREENING PROJECT: \$65,000 GRANT REQUEST**

**Background about the Cooper Square Committee:**

The Cooper Square Committee (CSC) was formed in 1959, and was incorporated in 1968. In 1984, CSC received tax exempt status as a 501©(3) from the IRS. CSC was formed as an association of area residents in response to an Urban Renewal Plan by Robert Moses which would have demolished a dozen city blocks from East 9<sup>th</sup> Street to Delancey Street, razing hundreds of buildings and displacing thousands of residents, in order to build middle income buildings similar to Stuyvesant Town. CSC organized demonstrations against the plan, met with City, State and Federal officials to express its opposition, testified at hearings, and created a community based alternative plan that was ultimately adopted by the City of New York in 1970 as the official plan for the Cooper Square area.

The Cooper Square plan scaled back the Urban Renewal Area to the blocks between East 5<sup>th</sup> Street and Stanton Street, between the Bowery and 2<sup>nd</sup> Avenue. It also emphasized preservation of existing buildings, limited demolition of blighted buildings, building on vacant sites at East Houston Street, and relocating tenants from nearby tenements before demolishing them to build new housing. After many setbacks during the 1970s, such as the City's fiscal crisis and HUD's moratorium on Section 8 housing construction, CSC finally got a commitment from HUD to finance construction of project based housing at Stanton Street and the Bowery. Section 202 housing was also building at East 5<sup>th</sup> Street and the Bowery, both built in the mid-1980s.

In 1986, CSC created a "Revised Plan" after many meetings with our members. The plan called for renovating the dilapidated tenement and loft buildings, itemizing over 30 city-owned buildings to be renovated in the Urban Renewal Area. It also expressed support for development of mixed-income housing on vacant city-owned sites in exchange for the City financing the renovation of the dilapidated buildings. In 1990, the City of New York signed a Memorandum of Understanding accepted the terms spelled out in the CSC Revised Plan.

In 1991, CSC formed the Cooper Square Mutual Housing Association (CSMHA) to manage 20 city-owned buildings, and renovation began on the buildings, which included a couple of vacant tenement buildings. By the early 2000s, the CSMHA gained title to all of the buildings, and they had undergone about \$20 million in renovation work, bringing them all up to code, with hardwood floors, code compliant kitchens and 3-piece bathrooms (and the elimination of water closets in the hallways). Some adjacent apartments were combined to create two and three-bedroom apartments and eliminate over-crowding of families. CSC facilitated the renovation project by checker-boarding households into vacant CSMHA apartments, and relocating them back into their newly renovated homes.

In the late 1990s, CSC participated in the Cooper Square Task Force, which was set up by the Giuliani Administration to create a plan for the largely vacant sites in the Urban Renewal Area. The planning process including several city agencies, Community Board 3, both local

Councilpersons, University Settlement and the Cooper Square Committee. The planning process resulted in a plan for over 750 mixed-income apartments (over 30% low income), a new 40,000 sq. ft. community center at East Houston Street and the Bowery, and over 100,000 sq. ft. of commercial space. Construction began in the early 2000s, and CSC co-developed one of the sites with Community Access, developing a 54 unit building with supportive services for people with psychiatric disabilities.

In 2000, CSC began organizing the cultural groups based in city-owned buildings on East 4<sup>th</sup> Street. Recognizing that East 4<sup>th</sup> Street was a defacto cultural district, with about a dozen Off Broadway theaters and dance companies, we co-founded Fourth Arts Block (FAB), which put together a proposal to purchase the 6 city-owned buildings on East 4<sup>th</sup> Street from HPD for \$1 each, and began fundraising to renovate each of the buildings. HPD accepted our proposal, and the buildings went through ULURP in 2005-2006. In the Fall of 2006, HPD transferred title of the buildings to the cultural groups. Renovation of each of the buildings is underway, and largely completed in several of them.

CSC has contributed to the renovation process by securing two rounds of NYS Main Street Funds, and re-granting façade improvement funds and building-wide renovation funds to 7 cultural and mixed use buildings on East 4<sup>th</sup> Street over the past several years. We are one of only a handful of organizations in NY State that has successfully re-granted two rounds of funding.

The Cooper Square Committee has succeeded in getting the owners of other buildings in our community to apply for Weatherization Assistance Program (WAP) funds in order to replace old buildings systems with more energy efficient systems, thereby reducing energy usage. In 2010, the owners of 10 Stanton Street (a 146 unit project based Section 8 building), after we held a couple of meetings with them about the WAP, administered by the Northern Manhattan Improvement Corporation (NMIC), applied for funding. They received approximately \$500,000 in WAP funds, and matched the funds with \$400,000 of their own private funds. Using WAP funding, they installed high efficiency condensing boilers, replacing inefficient atmospheric gas boilers that had been installed in 1985. They replaced all of the old apartment windows with brand new, more energy efficient window. They also installed new energy star refrigerators in stoves in the apartments, and made other non-energy related apartment upgrades, such as installing new kitchen cabinets.

CSC is currently working closely with 9 CSMHA buildings (over 140 units), and with NMIC and NYSEERDA's EmPower Program, as well as in partnership with local non-profits such as FAB and Solar1 to carry out an East 4<sup>th</sup> Street Model Block program. We are educating the residents about saving energy and recycling, WAP and EmPower. We are now collecting income verification forms from all of the residents to qualify them for hundreds of thousands of dollars in free energy efficiency systems such as new windows, new hot water heaters, new boilers in some cases, new energy star appliances, and CFL bulbs to greatly reduce their energy usage.

In addition to the community based planning, development and greening work described above, CSC has a long track record of doing one-on-one tenant counseling, advising tenants

facing evictions, harassment, lack of repairs, rent overcharges and any number of other landlord-tenant disputes. We have prevented the displacement of countless low and moderate income tenants, and helped them secure income support or subsidies such as Section 8, SCRIE, DRIE, Food Stamps and Medicaid so that they can maintain their housing.

**Funding Request:** CSC is seeking a \$65,000 grant from the Con Edison Settlement Fund in order to fund an “HDFC Greening Project” in three census tracts (26.02, 28 and 34), near the Con Edison plant (see map in Attachment 6). HDFCs (Housing Development Fund Companies) are low income housing corporations, typically self managed cooperatives, although they can also be rental buildings. CSC plans to do outreach to more than two dozen HDFCs in the target area, educating the owners or coop boards about the availability of free and low cost weatherization resources for which most of them are income eligible. We will do intensive hands on work with the buildings to package the weatherization applications, ensuring that a significant number of them apply and obtain the energy efficiency improvements.

#### **HDFC Greening Project Goals:**

The goals of the “HDFC Greening Project” are as follows:

- 1) To educate the boards/owners of low income HDFCs about the ways in which they are wasting oil, gas, electricity and water, and empower them to adopt best practices with regard to greening their buildings so that they continue to apply these practices after our staff has completed working with them.
- 2) To help the boards/owners of HDFCs to apply for Weatherization Assistance Program and EmPower Program funds in order to access tens of thousands of dollars worth of free energy improvements.
- 3) To re-grant an average of \$10,000 per building in order to leverage public and private funds, thereby creating at least 20 temporary jobs for construction workers, installing one or more boilers, hot water heaters, windows, insulation, and lighting fixtures.
- 4) To do before and after documentation of energy savings (oil, gas, water, electricity) by HDFCs, in order to measure the impact of the improvements. By documenting several case studies of reduced energy consumption/carbon emissions, it will make it easier to persuade other owners to do the same.

#### **HDFC Greening Project Activities:**

1) **Outreach:** CSC has already selected 27 HDFCs in the target area near the Con Edison plant that we deem to be priority candidates for outreach for this project. We have done preliminary outreach to all of these HDFCs in the past month to ascertain whether they may be interested in the Weatherization Assistance Program (WAP). We door have door knocked in each building, and put an introductory letter under all of the residents’ doors to let them know about our organization’s interest in working with them to reduce their energy

consumption and energy costs. To date, several board members of the HDFCs have contacted us to discuss their building's energy sustainability issues.

For example, Ned Miller, Board President at 527-529 E. 12<sup>th</sup> Street, a 50 unit HDFC, emailed CSC to inform us that his Board is planning to change their hot water heater, install solar panels to provide electric power to the common areas of the building, and to insulate their hot water pipes. The HDFC Board has asked CSC to come to a future meeting to describe program funds they may be able to access. Jane Katz, Board Chair for the 550 E. 12<sup>th</sup> Street, a 7 unit HDFC, has informed CSC that the building needs to replace its boiler in the coming year, and may need new windows as well, because even though they are double-glazed, they are old and don't open and close properly.

**2) Relationship Building/Board Education:** CSC plans to follow up with these buildings, and to outreach to the other HDFCs and build relationships with the leaders of the co-op boards. This labor intensive process includes attending one or more board meetings 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. If the Boards choose to proceed with applying, CSC's project coordinator will help them complete the application for the Weatherization Assistance Program and/or the Empower Program. We will also use Con Edison Settlement Fund money to pay 50% of the \$2,000 WAP application fee.

**3) Assisting the HDFCs with Negotiating the Scope of Work:** After the energy audit is completed, CSC will schedule a meeting between the agency administering the program funds, whether it be Northern Manhattan Improvement Corp (NMIC) for the Weatherization Assistance Program or NYSERDA for the EmPower Program, and the HDFC. We will help the HDFC boards understand the findings of the audit, which is likely to find that replacement of some items results in significant energy savings, while some system replacements may result in more modest savings, and could trigger a requirement that the HDFCs contribute a larger share of matching funds. CSC 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. Once a project budget is finalized, CSC will inform the HDFC how much funding it will re-grant from the Con Edison Settlement Fund. The amount will vary, from \$5,000 - \$15,000, depending on the number of units in the building, and the scope of work. CSC will require the HDFCs to contribute some amount of funds, even if it is only a nominal sum, from their capital reserves towards the renovation work.

**4) Collecting Income Verification Forms:** Once the HDFCs have digested the energy audit findings, and have elected to proceed with documenting the eligibility of their shareholders, CSC will do the labor intensive leg work of door knocking and collecting the income verification forms, as well as the required back up documentation. This includes pay stubs for the past month or notarized statements of income for self-employed applicants, SSI, Social Security letters or Pension statements from other applicants, and recent copies of the shareholders' Con Edison bills. CSC may organize shareholder meetings to expedite the process of collecting the forms. CSC will be sure to educate the shareholders that the income

forms are required in order to qualify for the Weatherization and EmPower funds, assure them that their personal information will be kept confidential, and not shared with the Board.

**5) Monitoring the Rehabilitation Work:** Assuming the HDFCs qualify for Weatherization and/or Empower funds, CSC will help the HDFCs review the contracts with the relevant agencies, as well as the bid specifications prepared by the administering agencies, and the bids submitted by the contractors. If anything important is omitted, CSC will bring this to the attention of the HDFC Boards and program administrators to address it.

Once rehab work begins, CSC will check it with shareholders weekly to find out if there are any issues or concerns. CSC staff also check in with the program administrators to make sure they have a staff person monitoring the quality of the work, and will stop by the building on a weekly basis if possible as well to monitor the work. Upon completion of work, CSC will inspect it and sign off on it. CSC will then disburse its capital allocation for the project from the Con Edison Settlement Fund.

**6) Educating the Superintendents and HDFC Boards:** CSC will invite NMIC and Solar1 to conduct workshops for the HDFC board members and superintendents of buildings that participate in WAP and EmPower so that they understand how to manage their buildings lean and green. Having new energy systems is only part of the process of reducing energy usage. If the superintendent keeps the boiler on the wrong settings, the building can squander a lot of energy savings, over-heating buildings and causing tenants to open windows in the winter to cool down overheated apartments. Proper education will be an essential component of working with buildings after renovation is completed.

### **CSC's Leadership:**

CSC currently has a Board of Directors consisting of 10 people (see attached board list). Joyce Ravitz is the Board Chairperson, and has been a CSC member for over 30 years. Our Executive Board also includes Maxine Fee, Vice Chairperson; David Pultz, Treasurer; Maria Torres Bird, Secretary. We are a membership based organization with over 600 members.

We currently have 4 full time staff persons and 1 part time staff member. Our staff includes Steve Herrick, Executive Director. He has been the E.D. since 1998, and has a Masters in Urban Planning from Pratt Institute. He has housing development experience (developing 54 units of special needs housing at 29 East 2<sup>nd</sup> Street), he is co-founder of Fourth Arts Block, and has administered NYS Main Street funds for 7 buildings in the East 4<sup>th</sup> Street Cultural District. He has also assisted the owners of 10 Stanton Street (146 units) and 16-18 2<sup>nd</sup> Avenue with applying for NYS Weatherization Assistance Program funds to install new windows, boilers and do other energy upgrades; Christian Valerio, Housing Specialist, has been on staff since 1988, and helped form the Cooper Square Mutual Housing Association. She has counseled thousands of tenants about their rights and provided entitlement assistance to hundreds of low income tenants.

Brandon Kielbasa, Housing Specialist, has been on staff since 2007, and has counseled hundreds of tenants about their rights, and organized more than a dozen tenant associations,

assisting them in negotiating with their landlords, and in some cases bringing HP Actions to obtain needed building repairs; Daniel Weinberg, Administrative Support Person/Housing Counselor is an NYU graduate who joined our staff in 2008. He has greatly improved the organization's operational effectiveness, upgrading and networking our computer systems, upgrading our website, implementing our case management system and our social media strategy. He also assists our Housing Specialists in advising clients.

Angee Cortoreal was just hired Part Time in October, 2011 as our Go Green Project Coordinator. She is currently collecting income verification forms from over 140 tenants in 9 Cooper Square Mutual Housing Association buildings. We expect that all buildings will income qualify for a range of energy efficiency improvements, including new windows in 7 of the 9 buildings, new boilers in 2 of the buildings, and many apartment energy efficiency upgrades.

### **How Project fits into CSC's mission:**

CSC's mission, as defined in our Strategic Plan, is "to work with area residents to contribute to the preservation and development of affordable, environmentally healthy housing and community/cultural spaces so that the Lower East Side remains racially, economically and culturally diverse".

CSC's Board of Directors and Staff created a revised Strategic Plan in 2009, after holding planning meetings with our members. The Strategic Plan can be read on our website at [www.coopersquare.org](http://www.coopersquare.org). In the Strategic Plan, we identified "greening the residential housing stock" as a priority, and we set a number of goals and objectives, which we have been working to implement.

Greening the housing stock serves multiple purposes. First, given that our core mission is to preserve affordable housing and preventing displacement of low/moderate income people from our community, greening the housing stock is essential to reduce energy costs of low income housing. The affordable housing stock is facing a crisis of sustainability in the face of rising operating and maintenance costs. Many budget items, such as fuel costs, water and sewer charges and utility rates are rising faster than household incomes. Commercial insurance premiums are also rising faster than the overall inflation rate. To the extent that these costs can be contained or lowered, it is essential that CSC work with low income housing providers to develop strategies for doing so.

In addition to the issue of housing affordability, promoting environmentally healthy housing is also part of our mission statement. According to PlaNYC, the City of New York's plan for reducing carbon emissions by 2030, "approximately 75 percent of New York City's carbon emissions stem from energy used in buildings, and today's buildings will make up 85 percent of all real estate in 2030". NYC has set an ambitious goal of reducing greenhouse gas emissions by 30 percent, from 2005 levels, by 2030. CSC aims to do our part to contribute to this larger effort by serving as a catalyst, and promoting greening initiatives by owners of low income housing that will inspire other property owners to also green their buildings.

The weatherization of 10 Stanton Street, a 146 unit, project based Section 8 building, was one of the proposed deliverables in our Strategic Plan. After having several meetings with the property owner in 2009 and 2010, we persuaded the partners in the LLC to carry out the weatherization work. They submitted a Weatherization application to Northern Manhattan Improvement Corporation (NMIC), the Local Program Administrator for Manhattan, in 2010. Work began in late 2010, and was completed during the first half of 2011. The \$1 million scope of work included new double glazed apartment windows, replacement of old, inefficient atmospheric gas boilers with new high efficiency gas boilers, new energy star hot water heaters, energy star refrigerators in every apartment, new lighting fixtures and CFL bulbs. NMIC provided \$500,000 in NYS Weatherization funds, and the owner of 10 Stanton Street provided \$400,000 in matching funds.

The greening of numerous CSMHA buildings, which is underway, was another goal set by CSC's leadership, which we are in the process of implementing. We are again partnering with NMIC, which contracted with us to collect the income verification forms, so that tenants can qualify for new windows, roof and pipe insulation, and in some cases new boilers and hot water heaters if the energy savings warrant the system replacement. We are also working with NYSEERDA's EmPower Program, collecting their income verification forms so that tenants can obtain free energy star refrigerators, new CFL bulbs and smart strips for their electrical outlets. We expect that this work will result in over \$400,000 in energy efficiency upgrades. Weatherization funds administered by NMIC will cover about 75% of the cost, while the CSMHA will contribute the required minimum of 25% of the cost, or about \$100,000.

We have recently done outreach to about two dozen low income HFFC's near the Con Edison plant (comprising over 350 housing units) in order to assess their energy efficiency needs, and to promote greening of this housing stock, which is another priority stated in our Strategic Plan. There are over 1,200 low income housing units in about 75 HDFCs in our community, and we would like to increase our staffing capacity to assist residents of this affordable housing stock. We are currently in the preliminary stage of working to secure the necessary resources for staffing and we use Con Edison Settlement Fund monies to secure a significant portion of the required matching capital costs of WAP so that the low income HDFCs don't have to spend down their operating reserves in order to carry out the renovation work.

#### **Deliverables/Projected Outcomes:**

CSC projects that it will utilize Con Edison Settlement Funds to carry out the following deliverables:

- a) Weatherization work will be completed, approved and in progress, or securely in the pipeline in at least 5 buildings, comprising at least 100 units.
- b) The scope of work may vary from building to building, but the weatherization work will result in at least \$400,000 in weatherization work.

- c) The Weatherization Assistance Program will provide at least \$200,000 in grant money for the renovation work, and the Empower Program will provide at least \$100,000 towards the workscope, while CSC will re-grant \$30,000 for the work, and the 5 HDFCs will contribute at least \$70,000 out of their own capital reserves. The cooperatives that are more financially healthy will be encouraged to contribute more.
- d) At least one building will get a new boiler.
- e) At least two buildings will get a new hot water heater.
- f) At least 5 buildings, with at least 50 apartments, will get new windows.
- g) The majority of the approximately 100 apartments will get new energy star refrigerators and stoves.
- h) In at least 3 buildings that don't apply for WAP, at least 33% of tenants will apply for EmPower directly, and receive new energy star refrigerators, benefiting at least 15 tenants.
- i) Board members and Superintendents in the 5 weatherized buildings will be trained in proper maintenance and use of the heating system to maximize efficiency.

**Timeline:**

Assuming the "HDFC Greening Project" is funded, it would pay for the salary of a Part Time Go Green Project Coordinator to implement the project. (Our current one is funded through the first quarter of 2012).

**1<sup>st</sup> Quarter of Project Implementation:** CSC's Go Green Project Coordinator will outreach to the Board members of each of the 27 HDFCs within the geographic boundaries of the project area (Census Tracts 26.02, 28 and 34) to discuss the project goals and objectives. The project coordinator will attend a board meeting to describe the project, and work to get the board members to "buy into" the greening concepts. We expect that at least 2 HDFCs will submit applications to the Weatherization Assistance Program (WAP) with the \$2,000 deposit during the first quarter.

**2<sup>nd</sup> Quarter of the Project:** CSC's Project Coordinator will hold more meetings with HDFC boards, and will get at least 1 more buildings to submit WAP applications. NMIC will come out to the buildings that applied in the first quarter and begin doing energy audits, assess the energy savings that can be achieved by replacing each building system, and prepare a scope of work. The Project Coordinator will start collecting income verification forms and back up documentation (income, Con Ed bills).

**3<sup>rd</sup> Quarter of the Project:** CSC's Project Coordinator will continue gathering income verification forms. 1 more HDFC will submit a Weatherization application. More building wide energy audits will be conducted. Weatherization work will begin in at least one of the

buildings. In HDFCs that choose not to apply for Weatherization (either because they don't think new windows or heating systems are needed or they don't think the building will meet the income criteria), CSC will encourage low income shareholders to apply directly to the EmPower Program since the program will assist any low income household and does not require a minimum of 50% of tenants/shareholders in the building to be income-eligible.

**4<sup>th</sup> Quarter of the Project:** CSC's Project Coordinator will continue gather income verification forms in additional buildings. 1 more HDFC will submit a WAP application. 1 more building wide energy audit will be conducted. Weatherization work will be completed in the building that commenced in the 3rd quarter, and CSC will disburse half or most of the 25% matching funds to the contractor on behalf of the HDFC. Work will commence in 2 buildings, with 2 more buildings nearing completion of income verification, and in the pipeline to start renovation in year 2. CSC will prepare a year end report to the Con Edison Settlement Fund documenting meetings and educational workshops held, buildings that applied for WAP funding. Based on interest by other buildings to apply for WAP, CSC will determine whether to apply for a second round of funding.

#### **Measurement of impacts:**

NMIC will conduct building wide and a sampling of apartment energy audits in the HDFCs that intend to apply for WAP, and Solar1 will conduct apartment energy audits for all buildings in which some individual shareholders apply for EmPower, but in which the HDFC does not plan to apply for WAP. They will document existing energy usage, before and after work is completed, so we will be able to ascertain an accurate set of numbers concerning reduction in gas, fuel, and electricity usage. NMIC's Weatherization Director, Dan Rieber, has found that the buildings they weatherize typically reduce their fuel/gas usage by between 15% - 25%.

CSC will make sure that NMIC and Solar 1 do a post-rehab assessment of energy savings, and provide us with a report of how many gallons of oil or how many cubic meters of gas were saved.

#### **How Project Will Be Sustainable After Year 1:**

Funding from the Con Edison Settlement Fund will be critical in launching the project, and building relationships between CSC and the HDFCs in the project area. Once CSC has established working relationships with many of the leaders in the HDFCs, and done assessments of which buildings would benefit most from the greening project, CSC expects that at least 3 HDFC buildings will have been weatherized by the end of year 1.

We expect that 4 - 6 more HDFCs will be in the pipeline of the NYS Weatherization Program. They will have applied with the Northern Manhattan Improvement Corp. (NMIC) for weatherization funds, and the residents will be in the process of completing the income eligibility forms. CSC will work to negotiate with NMIC to serve as a sub-contractor, doing the labor intensive tasks of knocking on doors and collecting income verification forms, and the back up documents such as pay stubs or notarized self employment forms, copies of

Social Security, Pension or SSI statements, etc, and Con Edison bills. Our contract with NMIC will bring in an estimated \$10,000 in funding during year 2. Assuming we meet our deliverable targets in year one, and have buildings in the pipeline, we will seek renewal funding from the Con Edison Settlement Fund for the project.

We also plan to apply to several environmental foundations and several bank foundations to fund the staffing for the project in year two. In addition, CSC has applied to the NYS Housing Trust Fund for a \$200,000 Access to Home grant which, if funded, will be used to assist residential property owners with making building entrances accessible to people with physical disabilities (ie., by installing ramps), and to make accessibility modifications to apartments, including making kitchen cabinets accessible and widening bathroom doorways for people in wheelchairs, installing grab bars and roll in shower stalls in bathrooms. CSC could re-grant these funds to HDFCs to provide the necessary owner's match in year 2.