

HPD Benchmarking Protocol Summary

This summary is meant to be a quick reference resource for HPD project managers and prospective borrowers utilizing HPD financing programs. Affected parties are strongly encouraged to read the *HPD Building Benchmarking and Performance Tracking Protocol* in its entirety.

What are Building Benchmarking and Performance Tracking?

Building performance tracking is the process of gathering and analyzing utility data from a building. Performance tracking is part of a long term strategy for supporting continuous improvements and maintaining gains in energy efficiency of building systems. Better performance of building systems result in increased comfort for tenants and reduced costs for building owners and tenants.

Once building utility data has been gathered, owners/ managers can analyze this data and compare utility usage to similar buildings to assess relative performance of the building. This process is known as **benchmarking**. Benchmarking can be a useful tool to identify areas of potential improvement in building operations and prioritize investments in a portfolio.

In developing the *HPD Benchmarking and Performance Tracking Protocol*, HPD will automate much of the labor-intensive data collection and analysis often associated with this process. In addition, there will be technical assistance available through approved benchmarking services providers. Reporting requirements have also been aligned with existing annual reporting requirements. Compliance with the HPD benchmarking protocol will facilitate compliance with NYC's Local Law 84, and will satisfy the data collection and monitoring requirement for buildings required to comply with the [Enterprise Green Communities Criteria](#).

Why has HPD implemented performance tracking?

HPD and its development partners are making substantial investments in communities across the five boroughs. With the launch of [Housing New York](#) in May 2014, the City has committed to produce or preserve 200,000 units over ten years. To ensure that the City's investments in affordable housing remain financially viable over the useful life of buildings, HPD is implementing a building benchmarking and performance tracking initiative.

In September 2014, the City released [One City Built to Last](#) which laid out a pathway and committed New York City to an eighty percent reduction in greenhouse gas emissions from a 2005 baseline by 2050. To gauge progress toward this important goal, building emissions across New York City's diverse building stock need to be tracked. The HPD benchmarking initiative will support this effort, while providing technical resources to building owner/managers to aid in increasing efficiency and reducing operating costs.

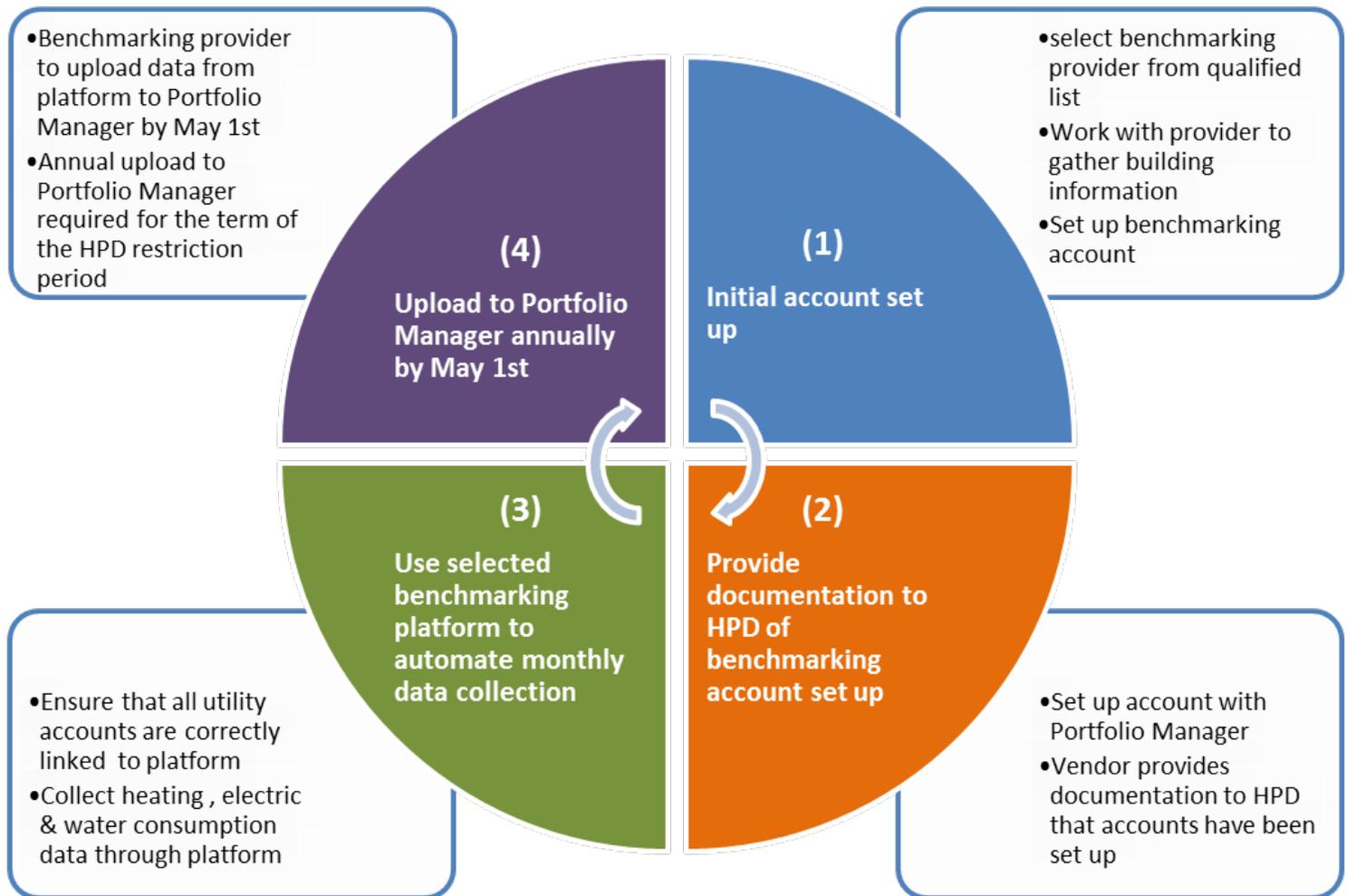
Basic Framework of HPD Benchmarking Protocol

The overall framework of the HPD Benchmarking Protocol relies on automated data collection provided by benchmarking software providers, who have been qualified through an RFQ process with the New York City Housing Development Corporation (HDC). These [qualified providers](#) will (1) assist owner/managers in the initial setup process, (2) provide monthly building performance data via online dashboard (3) facilitate compliance with reporting requirements, and (4) act as a resource to assist owners in improving building operations.

These qualified software platforms will provide building owner/managers with regularly updated monthly building performance information, which building managers and operators can use to make more informed decisions regarding building operations and investments. In addition, the benchmarking provider is required to facilitate the annual upload of the information gathered through the qualified benchmarking software platform to [U.S. Environmental Protection Agency ENERGY STAR Portfolio Manager®](#). This data transfer process will coincide with the Local Law 84 reporting deadline of May 1st annually to avoid adding a separate reporting deadline.

HPD will utilize ENERGY STAR Portfolio Manager® as a data aggregation tool to allow for analysis across multiple benchmarking software platforms. Refer to Figure 1 for an overview of the HPD benchmarking protocol structure.

Figure 1: Benchmarking Process Summary



Role of HPD Project Manager

HPD project managers are responsible for informing a potential borrower as to the benchmarking requirement for a given project. The benchmarking and data gathering service is provided through an annual subscription fee, paid by the project. The benchmarking requirement will remain for the term of the restriction period governed by the HPD regulatory agreement. Respective Assistant Commissioners will provide guidance with respect to underwriting. The basic steps involved in the process are as follows:

1. Underwriting integration: program verifies project's ability to pay for benchmarking.
2. Benchmarking requirement: project manager informs prospective borrower of the requirement and refers to [qualified provider list](#).
3. Document compliance: project manager collects benchmarking setup form supplied by benchmarking provider.
4. Legal requirement: language is inserted into the commitment letter and regulatory agreement to document benchmarking requirement as a condition of financing.
5. Construction loan closing: project loan closing refers to benchmarking setup form to document compliance.
6. Permanent conversion: for projects that undergo permanent loan conversions, the Conversions Unit collects updated benchmarking setup form supplied by benchmarking provider.

See Figure 2 & 3 for process workflow on existing buildings and new construction.

Role of Borrower

The benchmarking requirement will be a condition of HPD financing. It is the responsibility of the borrower to contract with a qualified benchmarking provider. In the case of existing buildings, the project should be setup in the selected benchmarking software platform prior to loan closing. In new construction projects, the benchmarking account should be setup at TCO. In addition, the building account should also be established in Portfolio Manager when the “primary benchmarking account” is initially set up. The borrower is responsible for compliance with the benchmarking requirement for the term of the restriction period, and is responsible for retaining a qualified benchmarking service provider for this purpose.

Role of Benchmarking Service Provider

The benchmarking service provider is tasked with facilitating the setup of the benchmarking process along with necessary data entry, technical assistance to the borrower and quality assurance of the process. Primary tasks include:

1. Set up a building/project in the benchmarking software platform, which includes relevant data entry.
2. Set up an account for the building/project in ENERGY STAR Portfolio Manager if not already established.
3. [Share](#) the building account in Portfolio Manager with the **NYC Affordable Housing** account in Portfolio Manager.
4. Provide documentation to HPD project managers to evidence completion of the initial setup process by supplying the Benchmarking Setup form (see attached sample).
5. On an annual basis prior to May 1st of each year, upload the information gathered by the primary benchmarking software platform to Portfolio Manager. Reasonable efforts must be made to ensure quality of data uploaded to Portfolio Manager, and in the due course of data collection during the year for oil heated buildings.
6. Provide reporting outside of the software platform to the senior staff of the organization about building performance on at least a quarterly basis.
7. Assist building management teams in understanding building performance data.
8. Assist HPD/HDC in generating reports on building performance on a portfolio wide scale.
9. Provide annual non-compliance report to HPD/HDC.

Figure 2: Existing Building Workflow

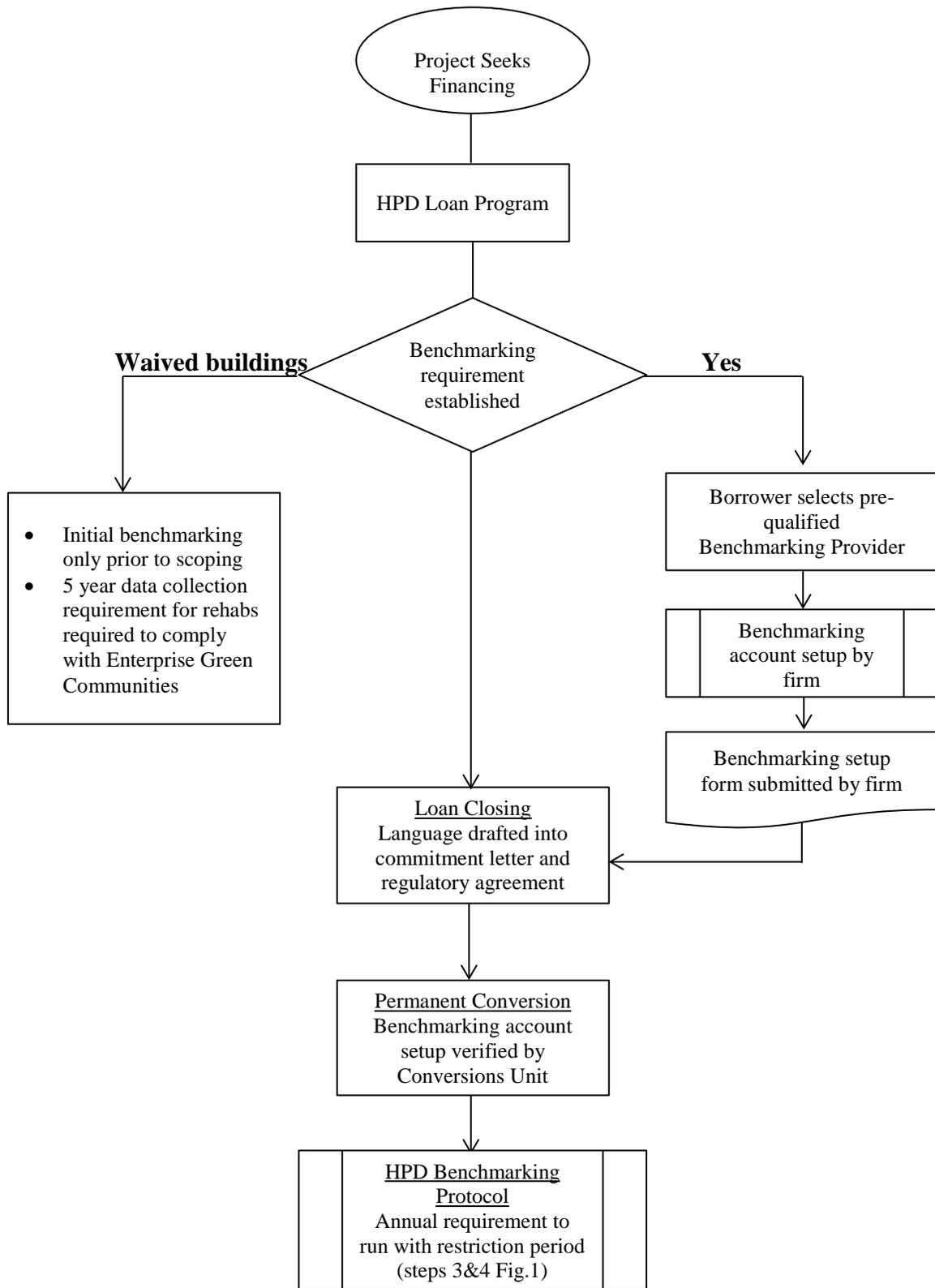


Figure 3: New Construction Workflow

