

HANAC Astoria Redevelopment Associates, LP
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July 8, 2010

Honor Marie Kennedy
Office of Consumer Policy
NYS Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350

Dear Ms Kennedy:

The statement is to supplement information in the "Application and Plan" provided to the Commission on April 9, 2010 for submetering of tenant electricity at our project named the George T Douris Tower. This statement provides a more complete explanation to the Commission of the extent of consumer protections provided to tenants whose in apartment electricity use HANAC AHRA is proposing to submeter. It is apparent from our organization, programs and services that first and foremost we are representing the interests of tenants in our projects. We develop projects to make the rents affordable to low and moderate income tenants and provide supportive social services to attend to their needs, particularly senior citizens. Much of the text of this statement and additional information on HANAC, its projects, programs and services are available at our website: www.hanac.org.

This statement was provided at the recommendation of and with the assistance of Energy Investment Systems, our consultant for our submetering petition.

About HANAC:

HANAC is a nonprofit service organization founded in Astoria, New York in 1972 by George T. Douris in response to the needs of the growing immigrant community of New York City. The mission of the agency is: "to develop and administer the operation of service programs for the betterment of the community and to provide these services to any and all who are needy without discrimination as to race, creed, national origin or other defining characteristic".

HANAC's initial concern with the needs of the new immigrants, the elderly, the youth and their families have shaped the direction and growth of HANAC's services to this day. Based upon its performance and record of service for 37 years, the agency has become one of New York City's largest and most successful multi-service organizations. HANAC provides a wide range of programs from 15 locations to diverse and multiethnic communities, touching the lives of over 30,000 annually.

Programs and Services:

Founded in 1972, HANAC offers a beacon of hope, providing comprehensive services to immigrants and seniors; as well as a broad array of programming for youth and counseling to families and individuals including those struggling with alcohol and substance abuse.

Through an affiliate, Home Services Systems, Inc., a New York State Department of Health licensed home care agency, we also provide home attendant to the Medicaid eligible elderly and disabled.

Our New York City services are located in Queens, Manhattan, Brooklyn and The Bronx. We strive to improve these communities and the lives of our clients.

HANAC is proud of our reputation for quality social services delivered by thoughtful, culturally sensitive and multi-lingual (English/Spanish/Greek) staff.

AFFORDABLE HOUSING

HANAC develops and manages affordable housing for senior citizens with supportive services. Our projects including the George T Douris Tower which is the subject of our submetering petition to the NYS PSC include the following.

Fifteen years ago HANAC opened the Archbishop Iakovos Senior Residence, an affordable housing complex for seniors. Recognizing the significant need for housing the elderly who are of modest financial means, HANAC has expanded its role as an affordable housing sponsor and presently has three additional projects in various stages of development.

Archbishop Iakovos Senior Housing

The Archbishop Iakovos Senior Residence is an affordable residence for low to moderate income seniors. The project in Astoria, Queens has 100 apartments where seniors can live in comfort and independence. Additionally, to further assist the residents HANAC operates an on-site senior center that offers meals, social services, recreational programs and transportation services which are also available to senior residents in the community. There has been a substantial waiting list for apartments in the Archbishop Iakovos Senior Residence building since HANAC began accepting applications in 1993. Funding for construction of the project was provided by a HUD Section 202 grant. HUD also funds an on-site Site Service Coordinator who supports the needs of residents by coordinating their social service needs and providing them with information and referral services as needed.

Archbishop Iakovos Senior Residence

32-06 21st Street
Astoria, NY 11106
Tel (718) 726-1227
Fax (718) 726-0118

The George T. Douris Tower

The George T. Douris Tower, is a fifteen-story, 184 unit building. It includes an on-site management office, a community room, an exercise room, a library, a crafts room, music and computer rooms, outdoor patio areas, a roof garden and a social service office to assist residents. The George T. Douris Tower is funded through tax credits, tax exempt bond funds and grants from the New York State Department of Housing and Community Renewal, New York City Council capital grants, as well as grants from the Federal Home Loan Bank of New York, the Enterprise Community, Citigroup, and NYSERDA.

George T. Douris Tower
27-40 Hoyt Avenue South
Astoria, New York 11102
(212) 840-8005

PCA Senior Residence

The PCA Senior Residence project is being developed in conjunction with the Presbyterian Church of Astoria. The building will be an six-story structure with 66 units of efficiency and one bedroom apartments, and will include on site coordination of senior services. A roof garden sitting area is also included in the plans. Construction on this project will begin in fall 2010.

Funding for this project was made possible by HUD Section 202 Capital Grant and low income housing tax credits and support from Queens Borough Hall, Federal Home Loan Bank and a State Senate capital grant. We expect to close on the property in early fall 2010 and begin construction immediately after. This is a unique faith-based project creating affordable senior housing and enabling the the Presbyterian Church of Astoria continuity in the community at its relocated site.

PCA Senior Residence
31-40 33rd Street
Astoria, New York 11106
For information call: (212) 840-8005

SENIOR PROGRAMS

HANAC offers an extensive network of services designed to serve the needs of the elderly, youth and families. These programs provide the assistance necessary to enable our senior population to live healthy, productive lives within their homes and community. We operate four full service Senior Centers, four Community Service Centers, a senior transportation program and a Naturally Occurring Retirement Community (NORC).

Senior Centers

The **Senior Centers** give an opportunity for those aged 60 and above to gather in a congenial environment to participate in activities that will enhance their ability to remain active and involved in their community. *HANAC operates 4 senior service centers in NYC Listed on our Website.* These are year round programs that operate daily from 9:00 AM to 4 PM. *The Center which will serve senior citizens at the George T Douris Tower, accessible to the residents from the lobby and to the general community through a separate street entrance, is the JVL-Dimotisis- Vallone Senior Center.*

*JVL-Dimotisis-Vallone Senior Center
27-40 Hoyt Avenue South
Astoria, NY 11102
Tel(718) 626-3035
Fax(718) 626-0118*

Archbishop Iakovos Senior Center

*32-06 21st Street
Astoria, NY 11102
Tel (718) 777-5505
Fax (718) 726-0118*

Ravenswood Senior Center

*34-35a 12th Street
Astoria, NY 11106
Tel (718) 786-1550
Fax (718) 785-3471*

Angelo Petromelis College Point Senior Center

*13-28 123rd Street
College Point, NY 11356
Tel(718) 961-0344
Fax(718) 888-0301*

HANAC SOCIAL SERVICES:

HANAC has a social service unit that has been providing services since 1975. We provide case assistance and information and referral. We are very familiar with the entitled programs and are trilingual, English, Spanish and Greek. When we were half occupied we held our first tenants meeting and informed them of the social services available and introduced a staff member from the unit. The unit is located 4 blocks from the site and we plan to relocate it to the building in September. In June we hope to be fully occupied and will again meet with the tenants and advise them of this service. We will be doing social service plans for all the tenants so that we can be most helpful if and when a problem arises. We will have additional support services as well. The Visiting Nurse Service of New York is already in the building once a week and available to the tenants. Mt. Sinai of

Queens will have an internist on site once a week and the Queens Boro Council for Social Services has rented space and is offering their social services to the residents as well.

HANAC has developed a Social Services Plan in accordance with its Regulatory Agreement with the NYC HDC. The Plan contains provision that will directly support HANACs provision of effective consumer protections under the Home Energy Fair Practices Act (HEFPA). Social and medical services in the Plan including case worker referrals for HEAP assistance, monitoring of resident health including mental capacity, and liaison on rent issues

NYC HDC RENT REGUALTION

HANAC's property manager for George T Douris Tower received the following description of the process for setting rents in relationship to income via e-mail from the NYC HDC. This description was provided in response to requests for an explanation to provide to the NYS PSC in support of HANAC's application to the NYS PSC to submeter electricity at George T. Douris Tower. Relevant portions of the e-mail were excerpted for this statement.

-----Original Message-----

From: Alex Medina <amedina@nychdc.com>

To: lrfman@aol.com

Cc: jkaiteris@hanac.org; Zacharine Pappas <zpappas@hanac.org>; jvw@eisincorp.org; Clare Farnen <cfarnen@nychdc.com>

Sent: Mon, Jan 11, 2010 12:48 pm

Subject: FW: Rent formulas - Astoria Senior Housing

Below I have detailed how rents are calculated for the Low-Income Housing Tax Credit (LIHTC) Program per Section 42 of the federal tax code

The Astoria Senior Housing Program is a 100% LIHTC Program underwritten with three different Area Median Income (AMI) ranges. Each AMI has its own rent restriction. The development consists of 18 one bedroom units having a maximum allowable income limit of 40% AMI, 128 one bedroom units having a maximum allowable income limit of 50% AMI and 18 one bedroom units having a maximum allowable income limit of 60% AMI. (AMI income limits are determined by household size, rents are determined by unit size).

For projects within the LIHTC Program the maximum allowable rent for tax credit units is called the gross rent. The gross rent includes a utility allowance, which represents the average monthly cost for utilities paid by the resident. The New York City Housing Authority publishes the Utility Allowances for New York City annually during the month of October. The rent the tenant pays the owner is called the tenant rent. The tenant rent equals the gross rent less any tenant paid utility allowance. (Tenants at this project are responsible only for their electricity utility payment). It is critical that the owner never charge more than the tax credit regulations allow. The owner cannot count a unit towards the minimum set aside or the applicable fraction if the rent charged is more than the maximum allowable.

The maximum allowable rent is calculated based on unit size. To calculate this rent, LIHTC guidelines require that the household size must be imputed based on 1.5 persons per bedroom and 1 person for studio or efficiency units. Using the income limit established for the property (HUD

publishes the Area Median Incomes annually) the maximum allowable rent is calculated as 30% of the income limit for the imputed family size. For unit sizes such as a one bedroom, where the imputed household size ends in 0.5, an average of two income limits is used to determine the rent.

In order to create a viable marketing band for any NEW project, both the New York City Housing Development Corporation (HDC) and New York City's Department of Housing Preservation and Development (HPD) underwrite the maximum allowable rent for new projects at 38% of AMI for a 40% unit, at 48% of AMI for a 50% unit and 58% of AMI for a 60% unit. Based on this, HDC and HPD underwrote the rents for this project as follows:

- The rent for a 40% one bedroom units for this project was calculated at \$483.
- The rent for a 50% one bedroom units for this project was calculated at \$660.
- The rent for a 60% one bedroom units for this project was calculated at \$723.

Alex Medina
Supervisory Asset Manager
New York City Housing Development Corporation
110 William Street, 10th Fl.
New York, NY 10038
(PH) 212-227-2441, (Fax) 212 227 6845

RESIDENT ENERGY EDUCATION

George T Douris Tower provides all residents with a "Healthy Home Guide" which includes advice on "How to Save Energy and Water." HANAC is expanding this advice with its new "Energy Savings Tips for Summer and Year Round" for all electricity submetered customers. This tip sheet was prepared with the assistance of its submetering consultant, Energy Investment Systems, Inc.

Further information about George T Douris Tower is provided in the attached EXTRACTS FROM SUBMETERING PETITION Application and Proposed Plan to the NYS PSC to submeter electricity submitted on April 9, 2010.

If you need any additional background information on HANAC or George T. Douris Tower, please feel free to contact me at _ (212) 840-8005. Please refer all technical or regulatory questions concerning our submetering petition to Jack V. Woolams at Energy Investment Systems, Inc jvw@eisincorp.com.

Sincerely Yours,



John Kaiteris
President

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New York, NY 10036
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EXTRACTS FROM SUBMETERING PETITION:

Further information about George T Douris Tower provided in the Petition (Application and Proposed Plan) to the NYS PSC to submeter electricity.

George T. Douris Tower also known as Astoria Senior Housing is located at 27-40 Hoyt Avenue South in the Astoria section of Queens and is owned by HANAC Astoria Housing Redevelopment Associates, L.P. ((a/k/a HANAC, a/k/a/ HANAC AHRA) The building was constructed through the Low Income Affordable Marketplace Program (LAMP) of the New York City Housing Development Corporation (HDC), the Special Needs Division of New York City Department of Housing Preservation and Development (HPD) and the New York State Division of Housing and Community Renewal (DHCR).

The property is being occupied by low and moderate income residents and regulated by the New York City Housing Development Corporation (HDC). A submetering system has been installed at the building but will not be used for billing until the proposed submetering plan is approved by the Commission. The regulated rents charged to tenants do not include an allowance to HANAC AHRA for electricity. As provided in the leases, tenants will be billed for electricity after approval of the submetering plan by the NYS Public Service Commission. As of June 30, 2010, 150 apartments are rented, full rent up to a total of 183 apartments is expected by the end of July.

By regulatory agreement, the NYC Housing Development Corporation supervises the setting of rents in accordance with formulas applied to tenants' income to assure the affordability of the units. As the project Lender, the HDC mortgage documents include a Regulatory Agreement that requires HANAC AHRA to comply with low income certification standards and NYC HDC procedures for rent determinations that enable NYC HDC to assure compliance with Federal rules for the Low Income Housing Tax Credits that financed the project. As the rents do not include the cost to HANAC AHRA of providing electricity to the tenants, the rents do not include the utility allowance and are lower by that amount than they would be if rents included in apartment electricity usage.

Construction of GEORGE T. DOURIS TOWER complied with and was assisted by the NYSEDA Multifamily Performance Program (MPP). As such it was designed and built to maximize energy efficiency. This reduces overall operating costs of the building improving its viability and affordability to lower income residents. It also minimizes costs for electricity usage in apartments. According to the project design and construction as approved by NYSEDA, the in apartment electricity costs should be within the electricity allowances provided by the facility's rent regulating agency, the NYC Housing Development Corporation.

Space heat and domestic hot water for the apartments in the building are provided centrally from high efficiency gas fired boilers. This service is included in the leasehold, is not electrical and will not be submetered to the tenants. Energy Efficient equipment in the apartments includes: Energy Star refrigerators, Energy Star air conditioners, Energy Star light fixtures and Energy Star bathroom fans with humidistat controls. Electric use in apartments is also minimized by location of washing machines in common area laundry rooms. Common area dining facilities in the senior center and recreational facilities also reduce the need for in apartment electricity usage.

The submetering of the apartments would be mutually beneficial to the not for profit owner and tenants. The owner of the building is committed to the long-term economic stability of the property. By submetering, HANAC AHRA would be able to offset an escalating cost and shift responsibility to the resident end-users. This would help stabilize rents in the long term. Tenants would receive an opportunity to save that did not exist before. When residents begin to pay their own electric bills, they will recognize electricity as the precious resource that it is rather than the free commodity it is perceived to be. This will facilitate more judicious use of electricity.