



## **Clock ticking in NYC to comply with mandated emissions goals - by Esther Toporovsky**

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The clock is ticking for owners of multifamily portfolios to comply with NYC and state emissions and energy efficiency goals. Significant fines for non-compliance take effect in about 18 months.

These looming deadlines facing owners of both market rate and affordable multifamily buildings are now converging with rising energy costs. Bringing buildings into compliance with Local Law 97 and state regulations can mitigate these operating cost increases and also avoid noncompliance fines.

Affordable housing owners and developers in particular face unique challenges in finding effective strategies across their portfolios to meet mandated city and state environmental sustainability goals.

We perceive that many multifamily owners are dragging their feet in planning and implementing the steps necessary to comply with these environmental regulations. Some may be delaying their preparations for LL97 hoping that its implementation may be pushed beyond initial 2024 compliance deadlines. This is risky. The costs and consequences of delay can be very high.

Conversely, early compliance with LL97 involving investments in renewable energy sources not only mitigates high and rising fuel and electricity costs, it potentially provides landlords with new revenue streams.

HP Sustainability Solutions (HPSS) a unit of the non-profit NYC Housing Partnership, was established to advise landlords and developers on the best ways to meet New York's ambitious energy efficiency and greenhouse gas mitigation goals. For many portfolio owners this can be a daunting task, requiring analysis and decisions involving complex and competing technologies and vendors.

In addition to NYC's LL97, owners of buildings 25,000 s/f and larger must comply with New York State's Climate Leadership and Community Protection Act (CLCPA,) which enforces emissions violations fines. Landlords have to determine the best approach in terms of their capital costs, operating expenses, particularly energy, and potential noncompliance fines.

We advise multifamily building owners on determining the best alternative energy approaches that can also create new revenue sources by turning compliance costs into potential investments.

Landlords and developers face challenges in finding effective strategies to meet mandated environmental sustainability goals across their portfolios. We identify solutions specifically tailored to their needs:

- Advises property owners and developers on the best ways to meet State CLPCA carbon neutrality goals and NYC's Climate Mobilization Act's Green House Gas reduction targets.

- Evaluates portfolios of affordable housing assets for solar and energy efficiency upgrades to comply with regulatory requirements.

- Advises on the creation of new revenue sources for property owners and savings to residents by turning these compliance costs into potential investments.

- Recommends deal structures that provide significant benefits to affordable housing owners and residents.

Takes an efficient portfolio-wide approach, aggregating multiple projects to produce meaningful returns.

Recommends solar and energy alternatives, sizing and pricing.

Advises on obtaining grant funds.

Identifies financing sources.

Advocates on behalf of property owners and developers on environmental sustainability issues.

For four decades, the nonprofit Housing Partnership has facilitated dynamic relationships among private sector developers and financial institutions and city, state and federal agencies, leveraging over \$7 billion in private financing to build and preserve over 70,000 affordable homes which stimulates economic activity and revitalizes neighborhoods.

HPSS is an expansion of the Housing Partnership's traditional role facilitating the creation of affordable housing in New York. HPSS provides guidance to developers and owners of affordable properties, and to financial institutions and government agencies, to create and implement strategies and initiatives for clean energy adoption and building performance while reducing carbon emissions.

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