

# 'Get Started Right Now': Adams Official Stresses Action On Emissions With LL97 Final Rules Months Away

July 28, 2022 | Ciara Long, Bisnow New York City

Emissions caps for larger New York City buildings go into effect in 2024 under Local Law 97, and for a large number of landlords across the city, that isn't enough time to figure out how to make their buildings greener.

“It seems like 2025, 2030 is a long time away,” Samuel Man, a policy adviser in the Mayor's Office of Sustainability, said at *Bisnow's* New York Sustainability & ESG event on Wednesday. “But when you get to planning it and getting across to implementation, you find that these things do take time, so it's really important to get started right now.”



The NYC Department of Buildings is still "figuring things out" with parts of Local Law 97, Man said onstage at *Bisnow's* event, held at 25 Kent Ave. (<https://www.bisnow.com/tags/25-kent-ave>) in Brooklyn, but he pointed

the industry to NYC Accelerator Services (<https://www1.nyc.gov/nycbusiness/description/nyc-accelerator-services>), which provides free consultation around energy consumption. Man added there will be "a lot more clarity" around the law in January.

While the department finishes writing its final rules, it expects building owners to spring into action to reduce building emissions.

Many commercial owners and some of NYC's larger residential owners have been preparing since the city council passed the Climate Mobilization Act (<https://www.bisnow.com/tags/climate-mobilization-act>) in 2019, but the average residential building is falling behind, Real Estate Board of New York Senior Vice President for Policy Zach Steinberg said. Part of the difficulty is that the necessary building infrastructure upgrades can be disruptive and invasive, requiring access to residents' apartments.

"You're dealing with a lot of co-ops and condos with volunteer boards, and with a lot of smaller owners," Steinberg told the audience. "That's a much more difficult conversation."

Buildings account for more than 70% of NYC's carbon emissions (<https://www1.nyc.gov/site/sustainability/codes/energy-benchmarking.page>), making them a crucial pollution source for the city to address if it plans on meeting its climate goals.

The majority of the city's housing stock — some 3 million housing units — is in buildings that predate 1974, according to the 2021 (<https://www1.nyc.gov/assets/hpd/downloads/pdfs/services/2021-nychvs-selected-initial-findings.pdf>) Housing and Vacancy Survey. (<https://www.bisnow.com/tags/housing-and-vacancy-survey>) Some owners may be reluctant or unable to fund the infrastructure overhauls necessary to avoid Local Law 97's fines — \$268 per ton of carbon dioxide over the building's limit every year.

While building emissions will gradually decrease as New York switches its grid away from fossil fuels, the disparity between emission levels from commercial and residential buildings could increase and could result in a need for different compliance strategies, Steinberg said.

Most commercial tenants and owners already have ESG commitments, he added, but there is widespread concern over small residential owners' ability to come into compliance.

"There is lot of confusion over calculations and rules," Steinberg said.

Before residential building owners can even reach the stage where they are ready to install improvements like heat pumps or more efficient water systems, Code Green Director of Sustainable Building Hannah Bronfman said they face another obstacle that some owners don't anticipate at all.

"One of our sibling companies, a lot of what they do is they're like, "That quite literally won't fit there," Bronfman said. "There's a lot of logistical, on-the-ground considerations that need to go into all of this."



As an example of how complex solutions can be, engineering and construction firm Ecosystem Energy's senior project development engineer, Adam Shelly, told the audience at *Bisnow's* event about a 13-story, prewar multifamily co-op at 111 Fourth Ave., close to Union Square (<https://www.bisnow.com/tags/union-square>).

The building's previous heating and cooling system was gas-powered and switched between heating and cooling at arbitrary points in the calendar year. The building's co-op board learned that there wasn't enough space on its roof to install the quantity of air-source heat pumps it would need to go fully electric.

Ecosystem wound up adding enough heat pumps to provide 80% of the building's energy needs and a gas boiler for the remaining 20%. The hybrid solution allowed for simultaneous heating and cooling, meaning one resident could heat their apartment while a neighbor cooled theirs.

The co-op's hybrid system reduced the building's emissions by 80%, meaning that 111 Fourth Ave. is likely to avoid penalties associated with emissions under Local Law 97, Shelly said.

“The advantage of decarbonization is obviously financial,” Shelly said. “The incremental cost of replacing the existing system more than pays for itself when you factor in all the penalties and the operations costs of maintaining the natural gas boilers.”



While NYC has incentives and programs to help building owners finance the changes they need to make to their buildings before 2024, Boston Properties (<https://www.bisnow.com/tags/boston-properties>) Vice President of Sustainability Ben Myers (<https://www.bisnow.com/tags/ben-myers>) said that financial discomfort may be the only thing that persuades some owners.

“I've kind of conceded that mandates and policies are going to be the only thing that will move many Class-B owners,” Myers said. “Class-B owners should have a narrative around sustainability, and they should be investing

in it if they want to remain viable in these times.”

Man said there is extra time for owners of rent-restricted buildings to bring their emissions down, and New York City Housing Authority buildings aren't exempt, either, and need to reduce emissions to a certain level by 2030.

"We need to decarbonize the [residential] sector because these New Yorkers still deserve to live in clean, healthy buildings," Man said.

The idea behind Local Law 97 and its incentive program wasn't to penalize building owners, Man said, although many real estate executives have criticized the law as too punitive (<https://www.bisnow.com/new-york/news/sustainability/doug-durst-says-local-law-97-fines-punish-landlords-who-were-already-thinking-green-108653>) since its passage.

“The city does not want your fines,” Man said. “This is not the climate fines act, this is the Climate Mobilization Act. It’s about acting now.”

*Contact Ciara Long at [ciara.long@bisnow.com](mailto:ciara.long@bisnow.com)  
(<mailto:ciara.long@bisnow.com>)*