

FIRST Impressions

News for board members and building owners of properties managed by FirstService Residential



Smart controls reduce emissions

In preparation for Local Law 97 compliance, FirstService Energy has been evaluating measures to help our clients reduce carbon emissions. While many measures can help, one effective approach is to install smart building controls and related software. Smart controls connect building systems through a sensor network, allowing you to monitor and manage performance from a single platform to ensure your heating and water systems are running efficiently. There are many different types of smart controls that will help your building measure and control wasted energy.

MONEY-BACK GUARANTEE

As a service to our clients, we've partnered with one of these solutions, Runwise, along with Con Edison and National Grid to offer smart controls in our managed buildings at the lowest possible cost and with guaranteed installation before the LL97 deadline.

- ☐ For gas buildings signed up by Dec. 31, Con Edison and National Grid will cover a large portion of the installation cost.
- ☐ We also arranged risk-free installation for our clients. Runwise provides a money-back guarantee for any building that does not meet their goals.

If your board is interested in learning more, please speak with your property manager.

September/October 2023



SMART CONTROLS SUCCESS STORIES

More than 50 FirstService-managed properties are reaping the benefits of Runwise:

- ☐ Detects dangerous issues like scalding hot water that can burn tenants, heating systems that go down, and leaks that destroy heating systems
- ☐ Allows critical building systems to be viewed and controlled via smartphone and desktop
- ☐ Typically pays for itself in less than one year
- ☐ Is a required measure for most rent-stabilized buildings

2024 BUDGET PLANNING WEBINAR

If you missed our recent Ask Our Experts webinar on "Strategic Budget Planning for Condos & Co-ops," you can [watch the replay here](#).



DOB publishes LL97 rulemaking

The Department of Buildings (DOB) published its [second set of proposed rules](#) to guide implementation of Local Law 97. The proposed rules:

- ❑ Set out penalties for noncompliance at the maximum amount allowed under the law,
- ❑ Outline how property owners with fines beginning in 2025 can demonstrate a “Good Faith Effort” to reduce emissions and comply with the law, therefore avoiding penalties in the short term by:
 - Showing progress on decarbonization by providing a Decarbonization Plan by May 1, 2025 that will bring the building into compliance with its:
 - 2024 limits no later than 2026,
 - 2030 limits no later than 2030, and
 - Demonstrating each year through 2030 that the work is proceeding on schedule
 - Sharing a plan to reach their emissions reduction targets
 - Accepting a framework for retroactive enforcement if they fail to follow through on those plans
 - Note: Following the “Good Faith Effort” guidelines does not mean fines will be avoided in perpetuity. If your building does not follow through or stay below the limits outlined in the law, fines will be imposed.
- The DOB has only defined “Good Faith Effort” for the 2024–2029 period. Buildings with fines in 2030 — although not affected by the “Good Faith” definition — should still be prepared for compliance with LL97 by completing decarbonization roadmaps and/or capital planning strategies.
- ❑ Prohibit buildings that demonstrate a “Good Faith Effort” and implement a decarbonization plan from purchasing renewable energy credits as part of meeting compliance
- ❑ Establish a new credit for “beneficial electrification” work that can be applied towards compliance
- ❑ Provide guidance for affordable housing buildings and houses of worship on their LL97 prescriptive compliance pathways



The proposed rules are open for public comment until the Oct. 24 hearing. The city council is expected to issue final rules by the end of the year. The [first rules package](#) was adopted in Dec. 2022.

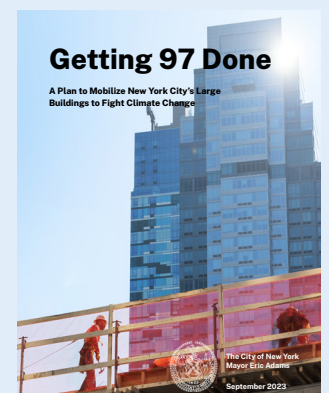
Click here to read our Sept. 20 memo for further details.

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NYC LAUNCHES “GETTING 97 DONE” TO HELP REDUCE EMISSIONS

On Sept. 12, Mayor Adams launched “[Getting 97 Done](#),” a plan to cut carbon emissions from large buildings as part of their obligations under Local Law 97. The plan includes four key elements:

- ❑ Identifying financing and funding for upgrades
- ❑ Providing technical advice through NYC Accelerator
- ❑ Implementing key enforcement mechanisms via a DOB rule package
- ❑ Decarbonizing central systems in partnership with New York State



Legislative & compliance updates

NEW DOB PARAPET INSPECTION REQUIREMENTS

Starting Jan. 1, 2024, NYC building owners must have an annual inspection of any parapet on a public-right-of-way performed by a qualified professional.

- ❑ The requirement applies to all buildings fronting the right-of-way, regardless of height, except for detached 1- or 2-family homes.
- ❑ Building owners must hire a qualified professional or another person capable of identifying hazards to inspect parapets and identify any dangerous conditions. We suggest that the inspection is performed by a registered architect or licensed engineer. If your building is subject to LL11, using the same firm is a good practice.
- ❑ If any unsafe condition is detected, building owners must immediately install public protection until the condition is corrected.



- ❑ Detailed inspection reports must be kept for six years and made available to the Department of Building (DOB) upon request.

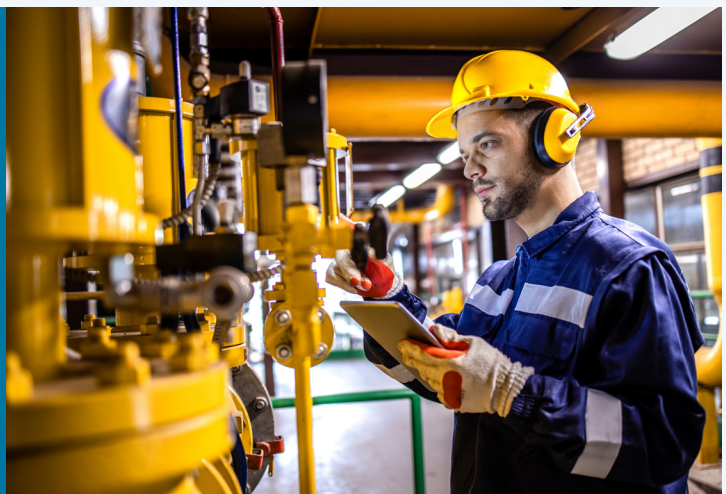
NEW PARKING STRUCTURE INSPECTION RULE

The DOB expects to approve a new rule that would require owners of parking structures to undergo an initial inspection by Aug. 1, 2024. This is regardless of the inspection cycle for which they are currently designated.

- ❑ Currently, parking structure inspections are staggered over three cycles, with each garage being inspected every six years.
- ❑ All inspections must be conducted by a qualified parking structure inspector.
- ❑ We will share additional details as more information becomes available regarding these initial 2024 inspections.

PREPARING YOUR BUILDING FOR WINTER: BOILER TUNE-UP

Your management team will be scheduling your building's annual boiler maintenance. During the maintenance check, a professional will inspect, clean, and test the boiler or furnace to ensure any issues are corrected prior to heating season. Dirt, damage, or worn-out components can negatively affect the health of residents, as well as the efficiency and lifespan of the unit, resulting in wasted energy.



Legislative & compliance updates

continued

SAFETY NETTING AS AN ALTERNATIVE TO SIDEWALK SHEDS

Final procedures to obtain DOB approval for the use of non-sidewalk level pedestrian protection — such as containment netting as an alternative to sidewalk sheds — have been approved in part of the mayor's "Get Sheds Down" commitment.

- ☐ "Get Sheds Down" incentivizes property owners to expedite building façade repairs so construction sheds on sidewalks do not remain on the streets.
- ☐ Shed permits will now have a time span of 90 days, instead of the 12 months previously permitted.
- ☐ Details regarding the netting design, certification, filing requirements, installation requirements, and maintenance are now available.



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UPCOMING DEADLINES

OCTOBER 1

2023–24 heat season begins

OCTOBER 31

Post new Energy Efficiency Label to avoid \$1,250 penalty [FirstService Energy will provide your new label in advance of the due date]

NOVEMBER 1

Deadline for annual cooling tower certification

NEW FLOOD PLAIN DISCLOSURE TO TENANTS

The State Legislature enacted a new disclosure law requiring every residential lease to provide a disclosure to the tenant indicating if a building is located in a designated flood plain, and if not in a flood plain, the history of any flood-related damage along with a notice that flood insurance is available.

- ☐ This new law applies to the transfer and sublease of apartments in cooperative buildings and leasing of apartments in condominiums.
- ☐ To help ensure compliance with this new requirement, the flood plain disclosure will be added to the application package for all subleases in cooperatives and leases in condominiums beginning in October. It will be delivered at the closing of any transfers of cooperative apartments.
- ☐ Prospective subtenants/tenants will acknowledge receipt of the form when submitting their application.

POST NEW LETTER GRADES BY OCT. 31

The new Building Energy Efficiency Ratings have been released by the city and must be posted by Oct. 31. The grade is based on the building's aggregate energy usage per square foot and converted to a letter grade.

On behalf of your property, FirstService Energy will provide the following support:

- ☐ Download the placard
- ☐ Audit the grade
- ☐ Contact DOB if there is an issue (our team has flagged many issues in the past)
- ☐ Print, laminate, and mail the placard to the building

Building Energy Efficiency Rating

B **75**

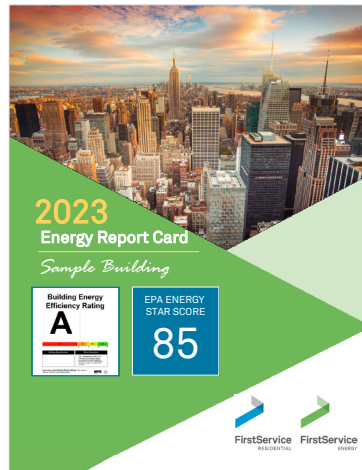
2018 RATING
B / 75
2017 RATING
C / 64



Coming soon: Energy Report Cards

Clients that utilize FirstService Energy for Local Law 84 (benchmarking) compliance will soon receive their annual Energy Report Card. Our in-house experts developed a proprietary energy information management system to record and analyze your building's current and historical energy use, utility costs, typology information, carbon emissions, and operating equipment. The data is translated into easy-to-read charts and graphs that benchmark your building against others in our portfolio, enabling our energy team to identify where your building has the most opportunity for energy and carbon savings.

"We developed Energy Report Cards more than a decade ago to provide our clients with transparent, actionable data to help them make important, often costly, decisions on the right



Energy costs can comprise 30% of a building's annual budget — often the largest controllable expense for a residential property.

projects to undertake that will optimize energy performance, reduce emissions, and lower operating costs," says Kelly Dougherty, president of FirstService Energy. "We are the only NYC management company to take this proactive approach to helping our clients maximize efficiency and comply with the city's local laws."

Report cards are intended to serve as the basis for a discussion between your board and management team.

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THE NEED FOR FLOOD INSURANCE

When Hurricane Ida impacted NYC in Sept. 2021, it broke the city's record for single-hour rainfall, overwhelming the sewer system and causing widespread flooding. More than 33,000 buildings sustained hundreds of millions of dollars of damage.

Water accumulated in streets and cascaded into cellars and basements — particularly in inland areas outside of the 100-year floodplain. The city estimates only 7% of Ida-impacted buildings are in the 100-year floodplain, and 14% are in the 500-year floodplain.

FirstService received notices of flood claims from many buildings that experienced severe property damage from Ida — including buildings with a flood insurance policy, as well as many that did not.

Board members located in low-risk flood zones typically choose not to purchase a flood insurance policy because there is no requirement to do so. Yet, "Every building needs flood insurance," says Sean Kent, CPCU, SVP of Insurance, FirstService Financial. "Considering more than 25% of flood claims come from properties located outside of a high-risk flood zone, it's understandable those properties are less likely to have adequate flood insurance. We always advise boards to invest in quality coverage as emergency weather events are increasingly more common." [Read more here.](#)



FirstService to present at CNYC conference

SUN., NOV. 12 ON ZOOM

The Council of New York Cooperatives & Condominiums ([CNYC](#)) invites board members and committee members to its Annual Housing Conference. One member from every co-op and condo that is a current CNYC member can attend at no cost, with modest fees for additional members. [Download the conference brochure](#) for details. Advance [online registration](#) is required. Our experts are leading two of the various classes being offered:

8:45 A.M.

LOCAL LAW 97: PLANNING TO MEET COMPLIANCE CHALLENGES [COURSE 103]

Presenters:

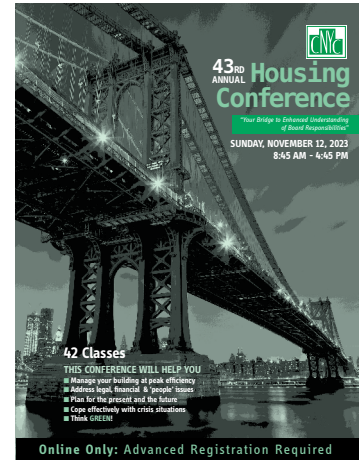
- ☐ **Michael Wolfe**, president of property management, FirstService Residential, and REBNY Resident Management Council chair
- ☐ **Kelly Dougherty**, president, FirstService Energy
- ☐ **Peter Varsalona**, PE, CEM, CBCP, principal, RAND Engineering & Architecture

11:00 A.M.

BEST PRACTICES FOR CO-OP & CONDO BOARDS [COURSE 208]

Presenters:

- ☐ **Michael Wolfe**, FirstService Residential
- ☐ **Andrew Brucker**, partner, Armstrong Teasdale
- ☐ **Rick Montanye**, CPA, partner, Marin & Montanye



Kelly Dougherty,
President,
FirstService Energy



Michael Wolfe, President
of Property Management,
FirstService Residential

FIRSTSERVICE TO PRESENT AT SITECOMPLI CONFERENCE

Stephanie Cardello, our VP of Compliance, has been invited to speak at SiteCompli's [RealFocus 2023](#) conference that combines the best in property operations strategy and technology. Stephanie will join NY Fire Consultants on the panel, "Why Back-of-Door Safety is a Top Priority," to discuss best practices for resident safety and how to prioritize sharing back-of-door information so residents understand it.



In the news

Media often seek commentary from our in-house experts.

The New York Times

[How a Small Group of Firms Changed the Math for Insuring Against Natural Disasters](#)

The New York Times, 8/17/2023

Featuring Sean Kent, SVP-Insurance, FirstService Financial



[Seven High-End Amenity Redefining High-Rise Condos](#)

HOA-USA, 9/2023

Featuring two of our New York clients: 200 Amsterdam's Little Composers Room and 53 West 53's private temperature-controlled wine vaults



[FirstService Residential Case Study: Fall Maintenance at Residential Communities](#)

Multi-Housing News, 9/12/2023

Featuring senior management associates Ashlee Friedman and Ed Ermler

REAL ESTATE. REAL LIFE. REAL NEW YORK.

BRICK UNDERGROUND

[Here's why it's so hard to get condo questionnaires filled out](#)

Brick Underground, 8/17/2023

Featuring Michael Wolfe, president of property management at FirstService Residential

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STAY CONNECTED



Know of a fellow board considering new management?
Please have them [contact our team](#).

[Click here to read our latest industry-related articles.](#)

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We welcome your feedback. Email us at news.ny@fsresidential.com.

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