

**Testimony of Justin Wood, New York City Council Committee on Housing and Buildings
Regarding the FY2025 Preliminary Budget
March 13, 2024**

Thank you, Chair Sanchez and members of the committee for the opportunity to submit testimony regarding the FY2025 preliminary budget to the Housing and Buildings Committee and uplift some priorities and concerns regarding the mayor's proposed budget and implementation of New York City's landmark building emissions law, Local Law 97 of 2019.

In this budget process, we call on the Council to continue defending vital city services and investments from budget cuts and flatlining. The New York City Independent Budget Office (IBO) has projected a budget surplus that is \$2.8 billion higher than the Mayor's Office of Budget and Management (OMB). IBO also estimates \$2.4 billion less in spending on asylum seekers than what is reflected in the Administration's estimates across 2024 and 2025. Similarly, the Council's own forecast shows substantially more revenue than estimated by OMB. **Now is not the time to retreat from our city's climate, job creation, public health, and equity goals, including the achievement of rapid reductions in emissions from buildings.**

Local Law 97 Implementation

New York City's most ambitious climate law is at substantial risk of not being implemented equitably and adequately.

Thanks to oversight from the City Council, we learned the troubling news last December that the City's own buildings are not in compliance with the emissions reduction mandates of Local Law 97.¹ This is unacceptable given the urgent need for public sector leadership as a spiraling climate crisis impacts more New Yorkers more severely and more frequently with each passing year.

We hope to work closely with the Council, the Mayor's office, and the City's state representatives to advocate for unprecedented and rapid investments in proven solutions including building efficiency retrofits, robust demand response programs, building electrification, and aggressive expansions of renewable energy, storage, and transmission capacity in the City.

We are encouraged by the addition of staff at the Department of Buildings' Office of Buildings Energy and Emissions Performance (OBEEP). As City begins process the submissions for compliance of every building over 25,000 square feet, nearly 50,000 properties, we must continue to ensure that this office is amply funded and staffed to fully enforce Local Law 97 and to support thousands of building owners who need assistance in financing and carrying out efficiency and renewable energy projects. The review of their compliance must include

¹ <https://legistar.council.nyc.gov/MeetingDetail.aspx?ID=1138629&GUID=FC4E3B98-481B-43DF-A717-316EC50987B3&Options=info%7C&Search=>

thorough document review as well as analyses to determine if a building owner has made “good faith efforts,” to comply,

We also urge the Council to push for at least three new positions at the Office of Policy and Strategy at the Department of Housing Preservation and Development (HPD) to specifically support Local Law 97 compliance in the City’s vital affordable buildings.

We also support the allocation of at least \$5 million to NYC-based organizations based in disadvantaged communities to provide education, outreach, technical assistance services for the fast-approaching compliance period, tenant support, and lease assistance. While the NYC Accelerator is a wonderful resource that currently provides free assistance, it is not clear how effective the previously allocated \$36 million to the NYC Accelerator has been, given the substantial confusion and lack of awareness community members have surrounding the implementation of Local Law 97. Community based organizations are in a unique position to directly assist the communities they serve with a range of Local Law 97 issues that are not reduced purely to building owners, such as leasing, affordable housing, tenant involvement, and co-op specific compliance.

Throughout our educational outreach work on Local Law 97, we have encountered numerous community members who are unfamiliar with the law, and others who are fearful of its implications for tenants, co-ops, and other less resourced building owners. As such, financial assistance for community-based organizations is critical to ensure we do not force them or the residents they serve out of their local communities, as well as

Green Affordable Housing Fund

We encourage the Council to draft, introduce, and pass legislation establishing a Green Affordable Housing Fund to allow private building owners to pay into a fund, serving primarily low-income and environmental justice communities, instead of paying fines in Local Law 97 that are placed in the City’s general fund. Affordable building owners would be allowed to access the fund to have upfront capital improvement costs covered for projects that reduce a building’s emissions.²³ We look forward to working with City Council on the development of this fund and ensuring there is sufficient flexibility and oversight to best serve low-income and environmental justice communities.

² See: *Cap the Credits*, New York City Comptroller Brad Lander, November 14, 2022; <https://comptroller.nyc.gov/reports/cap-the-credits/>; ORDINANCE AMENDING CITY OF BOSTON CODE, ORDINANCES, CHAPTER VII, SECTIONS 7-2.1 AND 7-2.2, BUILDING ENERGY REPORTING AND DISCLOSURE (BERDO); <https://www.boston.gov/sites/default/files/file/2021/12/Final%20Amended%20Docket%200775%20BERDO%2020.pdf>

See NYC Comptroller’s Report “Cap the Credits” available at: <https://comptroller.nyc.gov/reports/cap-the-credits/>

False Solutions Remain a Threat

We remain concerned that for-profit companies continue to promote unproven, energy-intensive technologies like carbon capture, utilization and storage (CCUS) as “quick fixes” to our city’s emissions reductions law, when in fact these false climate solutions may exacerbate energy consumption and may create additional health and safety risks for local communities.⁴ We urge the Council to pass explicitly exclude CCUS from any definition of “good faith efforts” the City adopts in future Local Law 97 compliance periods, and to remain vigilant that these false solutions are not subsidized or funded by local or state tax abatements intended to help building owners reduce emissions.

We look forward to continuing to work with you on implementing Local Law 97 and ensuring New York City meets all our climate goals.

Thank you,

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NYLPI has fought for more than 40 years to protect civil rights and achieve lived equality for communities in need. Led by community priorities, we pursue health, immigrant, disability, and environmental justice. NYLPI combines the power of law, organizing, and the private bar to make lasting change where it's needed most.

NYLPI's Health Justice Program brings a racial equity and immigrant justice focus to health care advocacy, including ongoing work addressing the human rights crisis in immigration detention and advocating for healthcare for all New Yorkers.

⁴ *A Huge City Polluter? Buildings. Here's a Surprising Fix.*, Brad Plumer, New York Times, March 10, 2023; <https://www.nytimes.com/interactive/2023/03/10/climate/buildings-carbon-dioxide-emissions-climate.html>