



FEB / MAR 2022

CONTENTS

3

New Prevailing Wage Requirement

4

Compliance Update

6

Client Success Stories

7

Energy Incentives

Protesting Real Estate Tax Assessments

Annual tax certiorari filings can result in significant savings and should be considered an essential component of your building's financial plan.

FirstService Residential strives to provide unmatched value to our clients by using our purchasing power to obtain opportunities for better services at lower prices. Among the many value-added services our clients can benefit from is an arrangement

with the prominent law firm of Goldberg Weprin Finkel Goldstein LLP to obtain real estate tax certiorari services.

Goldberg Weprin may obtain significant reductions in property tax assessments resulting in substantial

continued on next page

GOLDBERG WEPRIN CLIENT SUCCESS STORIES

- Obtained aggregate assessment reduction of **\$37M** for a cooperative which resulted in tax benefits of nearly **\$4M**.
- Obtained aggregate assessment reduction of over \$13M for a condominium which resulted in tax benefits of **over \$1.6M**.
- Obtained aggregate assessment reduction of **over \$10M** for one of New York City's most prestigious cooperatives as a result of extensive façade restoration and roof replacement costs, which resulted in tax benefits of **over \$4M**.
- Successfully contested the taxable square footage used by the Department of Finance to determine the property assessment of a large pre-war cooperative located in Greenwich Village which resulted in **over \$1M** of tax benefits.
- Successfully litigated a case against the city which **restored significant ICAP benefits** to a property after the Department of Finance wrongfully added a physical assessment more than one year after the improvement had been completed.

Protesting Tax Assessments

continued from front page

real estate tax savings. Better yet, our clients can obtain this legal service at rates that are 40–50% lower than fees generally charged by competing firms.

Now is the time to consider making a change. Property tax assessments for the 2022/2023 tax year were released on January 15, 2022, and Goldberg Weprin is available to prepare the protest application for filing by March 1.

To help your board understand New York City's byzantine and opaque property tax system, Goldberg Weprin will educate you on how the city determines assessments and guide you through the appeal process. Additionally, if retained to represent the building, Goldberg Weprin will provide a semi-annual report on the status of the tax assessment/protest. It is important to note that any fees due to a successful reduction and related savings are on a contingency basis. Therefore, if they are not successful, no fee is due except for a filing fee of a few hundred dollars.

Each spring, after the tentative assessment is released and the initial protest is filed, you will receive an initial report. Each fall, when the budget process starts for most buildings that are on a calendar basis, you will receive another update to help with planning. If your building has a different fiscal year, the reporting timetable can be adjusted accordingly.



2022/23 TAX PROTEST APPLICATIONS

All tax certiorari firms are preparing applications to protest real estate taxes for the 2022/23 tax year. FirstService Residential is working with all the attorneys representing our clients to provide them with the required financial information to proceed with the protest before the Tax Commission. We will coordinate with owners and boards to have the protest applications signed (in most cases, by your property manager or team leader), notarized and returned to attorneys in advance of the March 1, 2022 filing deadline.

This [short video](#) further explains the process and potential for savings. Please speak with your property manager if you are interested in this service.

BOARD MEMBER & BUILDING OWNER RESOURCES

WEBINAR RESOURCE PAGE

Visit our [webinar resource page](#) to access FirstService Residential's on-demand webinars featuring insights and best practices from financial, legal, energy and management experts on enhancing property values, complying with local laws, and improving the resident experience.



CNYC South Florida Condo Collapse: Insights and Lessons Learned Part 1

[View More](#)



Tax Abatements & Prevailing Wage

[View More](#)



CNYC South Florida Condo Collapse: Insights and Lessons Learned Part 2

[View More](#)



Ask Our Experts: Effective Building Budgets for NYC Condo & Co-op Boards

[View More](#)

NEW PREVAILING WAGE REQUIREMENT

Beginning July 1, 2022, New York City condominiums and cooperatives must begin to pay building workers a prevailing wage or forfeit their eligibility for the [Cooperative and Condominium Property Tax Abatement](#). The amendment was [signed into law](#) on Labor Day and applies to cooperatives and condominiums with 30 or more units, whose assessed value for the 2022/2023 fiscal year averages \$60,000 or more per unit. The law also applies to co-op and condo properties with fewer than 30 units, whose assessed value averages \$100,000 per unit or more. If these properties wish to maintain co-op and condo tax abatements for qualifying shareholders and unit owners, the building must file an affidavit with the Department of Finance confirming all building service employees will be paid prevailing wages as of July 1, 2022.

For more information, please read our [FAQ: The Impact of New York City's Prevailing Wage Law on Condominium & Cooperative Properties](#).

The deadline to submit the prevailing wage affidavits has been extended to April 15, 2022. We recommend to any buildings that remain undecided on paying prevailing wage to still file



for the tax abatement and make a final decision prior to the April 15 deadline. This does NOT apply to 32BJ buildings as the prevailing wages are similar to those.

There is a chance that the New York State Department of Labor will selectively investigate and verify wage certifications. Future tax abatements may be revoked for filing an inaccurate affidavit and failure to pay the prevailing wage.

3

ONGOING LABOR NEGOTIATIONS

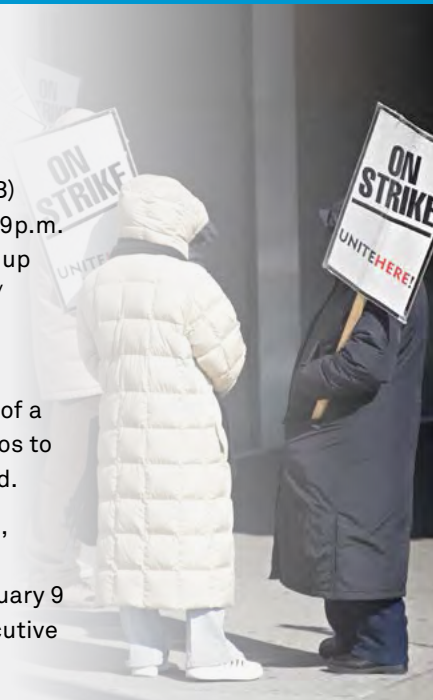
STRIKE PREPARATIONS

In the event of a strike, normal building operations will be significantly curtailed

The labor contract between the Realty Advisory Board on Labor Relations (RAB) and Local 32BJ (Union), representing most building employees, expires at 11:59p.m. on April 20, 2022. In a contract expiration year, negotiations typically continue up to the deadline. If your building has less than six employees, superintendents/resident managers are a part of this expiring contract.

FirstService Residential's Strike Preparations Task Force is working with our property managers to begin preparing 32BJ union buildings for the possibility of a strike. Our comprehensive preparation plan includes a series of detailed memos to the board and residents outlining procedures that will need to be implemented.

Please refer [to the memo](#) from FirstService Residential President Dan Wurtzel, dated February 7, regarding the "Union 32BJ Labor Negotiations and Potential Strike Preparation" for further details. You can also watch a replay of our February 9 webinar hosted by Wurtzel, an RAB Board Member, and Robert Schwartz, Executive Vice President of the RAB, by [clicking here](#).



COMPLIANCE UPDATE

From Vice President Stephanie Cardello



Our Compliance Department and property management teams are tracking due dates and will notify boards and owners accordingly.

LOCAL LAW 126 OF 2021 | PERIODIC INSPECTIONS OF PARKING STRUCTURES

Effective January 1, 2022, a new local law requires periodic inspections of parking structures. The law was adopted to protect against parking structure failures and improve overall maintenance of these spaces. The inspection cycle timelines are based upon each building's community district.

The first inspection cycle will run from January 1, 2022 through December 31, 2023 impacting parking structures located within community districts 1 through 7 in Manhattan. Further information regarding the rules, additional inspection cycles, filing dates, filing fees and penalties will be provided shortly by the Department of Buildings (DOB). Once received, we will provide you with additional information and work with your chosen engineer to perform the inspection.

The law requires the following:

- Filing cycles will be handled in two-year sub-cycles by community district.
- The inspection must be performed by a Professional Engineer and filed with the DOB every six years.

Separate from the formal inspection report, the Professional Engineer will prepare an inspection checklist to be used annually. The annual inspections can be performed by the garage or building maintenance staff and must be kept onsite available for the DOB.

LOCAL LAW 152 | GAS PIPING INSPECTIONS

Buildings located within Community Districts 4, 6, 8, 9 and 16 must file the Gas Piping System Periodic Inspection Certification (GSP2) with the DOB by December 31, 2022. Separately, the 2021 extension for Community Districts 2, 5, 7, 13 and 18 remains in place for June 31, 2022.



NYC BUILDING CODE CHANGES | ELEVATOR INSPECTIONS

Periodic inspections (previously scheduled by the DOB) are now the responsibility of the building and must be scheduled with an independent third-party witnessing company.

- Periodic inspections must be performed at a minimum three months from the date of the CAT1 or previous periodic inspection. Initial periodic inspections on new installations must be performed in the calendar year following the final acceptance test.
- Filing of periodic inspections in DOB NOW must be completed within 14 days of the inspection date.
- All defects noted in the periodic inspection report must be corrected within 90 days after the inspection.
- An Affirmation of Correction (AOC) must be filed within 14 days after the date of correction(s).
- CAT1 & CAT5 inspections must now have reports filed within 21 days of the test. All defects found in the CAT1/CAT5 inspections must be corrected within 90 days after the test date and an AOC must be filed within 14 days of the date of correction.

9 TH CYCLE FACADE INSPECTIONS SAFETY PROGRAM (FISP) FILING WINDOWS					
Last Digit of Block #	2020	2021	2022	2023	2024
4, 5, 6, 9	SUB-CYCLE 9A: 2/21/20 - 2/21/22				
0, 7, 8		SUB-CYCLE 9B: 2/21/21 - 2/21/23			
1, 2, 3			SUB-CYCLE 9C: 2/21/22 - 2/21/24		

FAÇADE INSPECTION SAFETY PROGRAM (FISP) CYCLE 9 DEADLINES

The filing window for sub-cycle 9A will close on February 21, 2022. All inspection reports must be filed by the Qualified Exterior Wall Inspector (QEWI) on or before this date. Subsequently, sub-cycle 9C will open on this date.

We are halfway through sub-cycle 9B which will close on February 21, 2023.

REVERSE MORTGAGES AUTHORIZED FOR TENANT-SHAREHOLDERS AGE 62 AND OLDER

Reverse mortgages allow older homeowners to tap the equity that they have built up in their home. A new law that will become effective on June 1, 2022 makes cooperative tenant-shareholders eligible for such loans. We expect tenant-shareholders will start submitting requests to procure these loans. FirstService Residential is contacting attorneys to determine if any modifications to



our standard financing/refinancing applications might be appropriate. We suggest that you also speak with your building attorney to determine if they have any recommendations or concerns with allowing these loans.

ENERGY *Insights*

Helping FirstService Residential clients navigate the path to efficiency

FirstService Residential and FirstService Energy continue to help our clients understand their obligations under the Climate Mobilization Act (CMA), including navigating the new legislation, understanding forthcoming penalties related to carbon emissions, improving overall efficiency and preparing buildings to comply with the law.

To further the dialogue and support our clients, we launched [Energy Insights](#), an interactive library of [webinars](#), [articles](#), [tips for residents to reduce energy usage](#), [frequently asked questions about the NYC Climate Mobilization Act](#) and [more](#).

With the right plan and the right partners, buildings can turn this obligation into an opportunity to save money, reduce emissions and improve quality of life for residents.



2021 Client Savings

Benefits of Partnering with FirstService Residential

➤ In 2021, **FirstService Energy**, our in-house energy advisor, secured nearly \$17 million in energy incentives and rebates for FirstService Residential clients.

➤ In 2021, **FirstService Financial**, our lending and cash management affiliate, closed 50 loans at \$250 million of total debt for FirstService Residential New York clients. With negotiated interest rates averaging 0.50% below the industry, our clients saved more than \$1.5 million in annual interest. In 2020, FirstService Financial saved our clients more than \$1 million.

2021 ENERGY PROJECT INCENTIVES



- Electric Vehicle Charging Stations
- LL97 Energy Studies
- Steam Traps
- Water
- Lighting
- Energy Management Systems
- ECM High Efficiency Pumps
- Elevators

CLIENT SUCCESS STORY: STEAM TRAPS

FirstService Energy identified a Con Edison incentive program that offset the material and installation costs for 108 new steam traps at an Upper East Side cooperative. The incentive also paid for the entire cost of the Local Law 87 building inspection, saving the board more than \$62,000. [Click here](#) for the full story.



6

MAKING HEADLINES

MARC KOTLER FEATURED IN NEW YORK REAL ESTATE JOURNAL

Marc Kotler, senior vice president of FirstService Residential's New Development Group, was profiled in *New York Real Estate Journal* as "Executive of the Month" in February.

Over the last decade, Kotler has successfully built the division into an industry leader by providing developers with services that are essential to successfully opening new properties—either from the ground up or via conversion. FirstService Residential has made an imprint on the New York City skyline by advising on the opening of more than 100 luxury condominiums, multifamily rental buildings and hotel/condo properties, including many of the new supertalls.

[Click here](#) to read the article.

Executive of the Month
MANAGEMENT COMPANY WITH 40 YEARS OF EXPERIENCE, MANAGING 8,500 COMMUNITIES ACROSS N. AMERICA
Kotler of FirstService Residential New York is laser-focused on assuring their managed properties in New York City thrive

NYREJ: What projects are you working on?
Kotler: Hotel to condo conversions are big right now in New York, and we're working on two premier projects—the conversion of the former Le Parker Meridien and Waldorf Astoria hotels. We're also providing pre-development consulting for some exceptional ground-up condo and multifamily rental projects—Front & York, Madison House, the conversion of Robert A.M. Stern's One Wall St., One Haven in Greenpoint, and...

Our goal is to create a luxury lifestyle experience that remains desirable to residents even when new options enter the market.
 We typically partner with our clients before the preliminary renderings and design drawings are even drafted, and then collaborate throughout the entire project life...

Third, FirstService Residential manages more than 8,500 residential communities across North America which all funds us yet another avenue of experience to use. Fourth, we continuously invest in hiring and developing the best managers in the industry, as well as in proprietary resources, new technologies, and...

most important challenges facing the new development sector now?
Kotler: Even for luxury properties where sale prices are extremely high, construction costs are just as much of a concern when planning and developing these buildings. Beyond construction costs, the cost of everything from utilities to cleaning...

ENERGY INCENTIVES ARE AVAILABLE!

Con Edison has updated its incentive program for 2022 Multifamily Energy Efficiency Projects. [Follow this link](#) to learn more about several generous incentive programs currently available for lighting, energy management systems, [heat pumps](#), steam traps, [electric vehicle \(EV\) charging stations](#), insulation, and more.

On top of these incentives, the installation of energy efficient equipment and technology will help your building reduce overall energy use and maintenance costs while increasing operating efficiencies and improving resident comfort. Efficient buildings also release fewer carbon emissions, providing a big boost toward New York City's ambitious Local Law 97 goals.

- Buildings with affordable housing units can now participate in the New York State Affordable Multifamily Energy Efficiency Program (AMEEP), which has two pathways:
 1. Non-comprehensive pathway—this offers prescriptive measures for buildings looking to complete smaller projects and incentives are based on equipment installed and/or energy savings.
 2. Comprehensive pathway—this offers greater incentives (up to \$2,000 per dwelling unit) for more intensive retrofit projects across multiple building systems. Incentives are based on meeting a point score.

Read the [AMEEP Program Manual](#) and learn more at [conEd.com/AffordableHousing](#).



- Market Rate Buildings can receive incentives for prescriptive and custom measures and are based on equipment installed and/or energy savings through the Multifamily Energy Efficiency Program (MFEED). Read the [MFEED Program Manual](#) and learn more at [conEd.com/MarketRateMultifamily](#).
- Looking to Electrify Your Heating & Cooling? Incentives are available to make your building more comfortable and efficient year-round with clean heat pump technology. Read the [Clean Heat Program Manual](#) and learn more at [conEd.com/CleanHeatMultifamily](#).
- Neighborhood Program participants can receive enhanced incentive opportunities exclusively offered to eligible multifamily buildings in select Brooklyn & Queens neighborhoods. This includes free LED lighting upgrades and additional incentives for HVAC equipment. Learn more at [conEd.com/NeighborhoodMultifamily](#).

For more information on any of these programs, please contact John Skipper, Director of Energy Management at FirstService Energy, at john.skipper@firstserviceenergy.com.

NEWSLETTERS ONLINE

FOR MORE FIRST IMPRESSIONS...

Looking for past issues of *First Impressions*?
Access our [newsletter library here](#).



NEW CLIENTS

Welcome
to the FirstService Residential Family



**FRONT AND YORK
CONDOMINIUM***
85 Jay Street,
Brooklyn
408 units



**128 WEST
23RD STREET
CONDOMINIUM***
Manhattan
30 units



**611 WEST
56TH STREET
CONDOMINIUM***
Manhattan
83 units



**MADISON HOUSE
CONDOMINIUM***
15 East 30th Street,
Manhattan
199 units



225 WEST 28TH ST
Manhattan
112 units



350 WEST 51ST ST
Manhattan
142 units



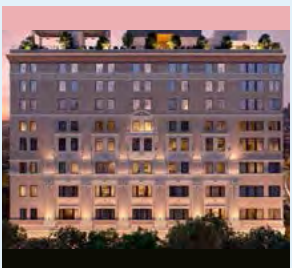
875 FIFTH AVENUE
Manhattan
110 units



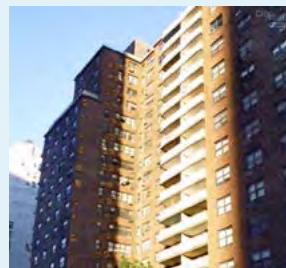
505 WEST END AVE
Manhattan
65 units

*The greatest compliment
we can receive is the
referral of new business.*

*Thank you to our board
members, building
owners, residents and
professional industry
partners for having the
confidence in FirstService
Residential to recommend
our company to your
neighbors, friends and
clients.*



**ONE PROSPECT PARK
WEST CONDOMINIUM***
1 Prospect Park West,
Brooklyn
57 units



**YORK HILL
HOUSING, INC.**
1540-1550 York Avenue,
Manhattan
296 units



PARKWAY VILLAGE
81-26 150th Street,
Jamaica
675 units

**New development consulting and management*

Introducing the Meeting Management System

Interactive, digital solution helps boards save time and increase efficiency

We are excited to launch FirstService Residential's Meeting Management System, a quicker, easier and more intuitive experience for creating meeting packets, agendas and minutes. The Meeting Management System was created in response to requests from our clients and property managers for a digital solution for monthly meetings. Some of the features and benefits include:

- A clean, green, and interactive board package
- Quickly access supporting documents through agenda items
- Instantly record motions and votes during meetings to create minutes



- Create meeting packet in less time
- Reduce costs with no copies or additional supplies required

To preview the system, please [click here](#) and stay tuned for your customized board package coming soon from your manager.



Ask Our Experts

NEW FANNIE MAE LOAN REGULATIONS AND OTHER LEGISLATION | IMPACT ON CONDOS AND CO-OPS

Tuesday, March 1 • 6:00 p.m. – 7:00 p.m.

Our Experts



Michael Wolfe
President of Property Management
FirstService Residential



Ben Kirschenbaum
Vice President & General Counsel
FirstService Residential

A number of laws and regulations were recently enacted that will impact properties managed by FirstService Residential. Our experts will examine these new laws and regulations and provide insights into how they affect New York co-ops and condos, and decisions or actions boards must take.

What We'll Cover

- ▶ Fannie Mae/Freddie Mac Regulations on Loans Secured by Co-op/Condo Units
 - » Answering Supplemental Lender Questionnaires
 - » Impact on buildings with “significant deferred maintenance” or “unsafe conditions”
 - » Reserve funds
- ▶ Amendments to the Housing Stabilization and Tenant Protection Act (HSTPA)
- ▶ Reverse Mortgages for Tenant-Shareholders Age 62 and Older
- ▶ Periodic Inspections of Parking Structures
- ▶ Recent Updates on the Co-op/Condo Abatement and the Prevailing Wage Requirements

CLICK HERE TO SUBMIT YOUR QUESTIONS AND REGISTER TODAY!

SPECIAL INVITATION FOR RESIDENTS OF OUR MANAGED BUILDINGS



Ask Our Experts

FIRE SAFETY, EMERGENCY PLANNING & WORKING WITH RESIDENTS TO MITIGATE RISK

Monday, March 14 • 6:00 p.m. – 7:00 p.m.



Stephanie Cardello
Vice President, Compliance
FirstService Residential



John Foley
Vice President
FirstService Project
Management



Ed Ermler
Co-op Board Member
& Managing Director
FirstService Residential

FirstService Residential believes it is essential for all residents in our managed properties to know exactly what to do – and importantly, what not to do – in the event of a fire. The best defense against tragedy is preparedness.

Given the recent spate of tragic fires in multifamily buildings in New York City and across the country, we will be extending this webinar invitation to all building residents.

What We'll Cover

- ▶ **Fire Prevention** | Best practices for multifamily buildings
- ▶ **Evacuation Planning** | Protecting your household
 - » Considerations for senior and disabled residents
- ▶ **Risk Countermeasures** | Maintenance of smoke and carbon monoxide detectors
- ▶ **Combustible vs. Non-Combustible Buildings** | How to respond in the event of a fire
- ▶ **New FDNY Fire Code Requirements** | Self-closing doors, fire safety notices and safety decals
- ▶ **Protecting Your Property** | Importance of homeowners or renters insurance
- ▶ **Emergency Building Notifications** | Using FirstService Residential Connect

CLICK HERE TO SUBMIT YOUR QUESTIONS AND REGISTER TODAY!

STAY CONNECTED



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

First Impressions is published for board members and rental building owners of properties managed by FirstService Residential New York, Inc. While every effort is made to achieve accuracy in the information contained in this publication, it is not intended as advice to any specific property, and FirstService Residential shall not be liable for any damages resulting from reliance on the accuracy of information contained herein. The information contained herein is meant to provide general advice, and it is not intended to be applied to a specific building or situation experienced at a building. Please consult with your property manager and other professionals to address any compliance matter at your building.

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

www.fsresidential.com/new-york



FirstService
RESIDENTIAL