FirstService RESIDENTIAL

FIRST Impressions

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

MAY 2021

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Available Incentives

Electric Vehicle Charging Stations

As the number of electric cars on the road continues to increase, so does the demand for electric vehicle (EV) charging stations in multi-family buildings.

Surveys show that at least two-thirds of American drivers are open to buying an EV, according to The New York Times. This once seldom-discussed amenity will likely become a more common expectation for residents and apartment buyers.

Boards and building owners must evaluate the pros and cons of adding EV charging stations to their buildings. Properties that take a proactive approach to installing charging stations are not only staying ahead of the trend, they are making significant strides in enhancing their residents' lifestyles—now and in the future. Charging stations can also help to promote a property's "green" image, which can increase property values, attract new residents, and ultimately improve the marketability of your building. The stations can accommodate point of access billing to allow individuals to pay for the electricity they use.

Con Edison's Make-Ready Program and NYSERDA's Charge Ready NY are now offering incentives that can save your building 50-90% of upfront installation costs. The incentive programs are New

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Electric Vehicles *continued from front page*

York's latest effort to help meet its carbon emissions reduction targets and accelerate public support for electric cars. You can read why electric cars are better for the climate here.

WHAT ARE THE BENEFITS?

- Increase property values
- Amenity differentiation
- Attract and retain owners/residents
- Prepare for emerging laws
- Countless incentive opportunities to assist with your investment

HOW CAN FIRSTSERVICE ENERGY ASSIST YOUR BUILDING?

Our FirstService Energy team will:

- Connect you with our network of approved contractors
- Coordinate site visits for your building
- Procure up to three bids for your review
- File incentive and rebate paperwork on your building's behalf
- Follow up on project until completion

Missed our recent webinar? Click here to watch now.

What We Cover:

- Benefits of installing EV charging stations
- Available incentives
- Installation costs
- Operational requirements and maintenance

Understanding your property's existing electrical infrastructure is a vital step that will help you decide what charging station works best for your property. To learn more or to find out if your property may qualify for incentives, contact John Skipper, director of energy management, at John.Skipper@FirstServiceEnergy.com or 973.803.3596.

CONGRATULATIONS

32BJ BUILDING SERVICE WORKER OF THE YEAR

Congratulations Butch Brown,
West Side Concierge of the Year,
The Park Ten, 10 West 66th Street

Click here to watch a short video of the awards ceremony.

FirstService Residential is a proud sponsor of the 2021 32BJ Building Service Worker Awards.

Live Q&A Following Panel Discussion

Ask Our Experts

IMPROVING YOUR BUILDING ENERGY GRADE ON THE PATH TO LOCAL LAW 97 EMISSIONS COMPLIANCE

Thursday, May 20 • 6:00 p.m. – 7:00 p.m.

What We'll Cover

- Building Energy Grades and LL97 carbon limits: Inconsistencies in metrics
- Energy assessments: The key to understanding your building's energy use
- Low-cost, high-reward strategies to optimize building performance
- Strategic, long-term carbon reduction roadmap: Properly budget time, resources and cost
- Planning the sequence of work to achieve maximum emissions reductions and cost savings and minimum disruption to residents

Our Experts

Kelly Dougherty
Vice President,
FirstService Energy

Marc Zuluaga, PE
Chief Executive Officer,
Steven Winter Associates

Jeffrey Poirot
Managing Director,
New Development Group,
FirstService Residential

CLICK HERE TO SUBMIT YOUR QUESTIONS AND REGISTER TODAY!

Every building must prepare to meet emissions targets to comply with NYC LL97 and board members need support to manage the associated challenges, complexities and timelines. Our experts will discuss strategies for both older and newer buildings to help you make the most informed decisions on opportunities that will deliver the greatest value in terms of reducing emissions, costs, and energy use, improving efficiency and resident comfort, and enhancing property values, while avoiding fines and remaining compliant with the law.

FirstService RESIDENTIAL

FirstService ENERGY

COMPLIANCE UPDATES

NEW APPROACH TO APARTMENT INSPECTIONS

Combining all requirements into one apartment inspection reduces the number of visits from building staff and is more convenient for residents.

- New York City has many regulations that require building staff to perform apartment inspections to measure compliance. The latest requirement includes confirmation of self-closing doors on all doors that provide access to interior corridors or stairs by July 31, 2021. This includes doors providing access to apartments, hallways, and stairwells.
- Self-closing doors reduce the likelihood of fire spreading from one apartment to an entire building and are a key component to additional fire safety. Most doors will already have a device in place that may require an adjustment by your building staff, while other doors may need a new device installed. Overhead door closers, heavy duty door closers, or floor-spring door closers are all acceptable.
- Our Compliance team provided superintendents and resident managers with further details on this requirement during our recent compliance training to review Local Law 55 (LL55), which requires annual inspections of non-owner occupied apartments for indoor allergen hazards including mice, cockroaches, rats, and mold.
- Separately, there is a new requirement that relates to installation of fire safety notices on the apartment side of all apartment entry doors. FirstService Residential has decided to incorporate the new regulations into the annual apartment inspections, which were previously being completed to comply with LL55.
- During any required apartment inspections, staff members will also check the condition of each unit's smoke/carbon monoxide detector and window guards.
- We recommend that staff perform the LL55 inspections as soon as possible to ensure door adjustments are made or self-closing mechanisms installed by the **July 31 deadline**.

DHCR RENT REGISTRATIONS

Each year, owners or agents of rent-regulated apartments must file an annual registration to reflect apartment information for April 1 of the registration year with the DHCR utilizing the Owner Rent Regulation Application (ORRA) online portal. Our Compliance team is working with our property managers to ensure registration with the DHCR prior to the July 31 deadline. Click here for more information.

RPIE FILINGS

Income-producing properties with an assessed value of more than $40,000, which includes almost every cooperative, condominium and rental property we manage, must provide income and expense information by submitting a Real Property Income and Expense (RPIE) statement online by June 1 of each year. FirstService Residential's compliance team is overseeing that entire process to ensure compliance by the deadline for all properties. Our team will file the RPIEs for all exempt properties (properties that do not need to provide financial analysis) and is working with a third-party CPA to file for non-exempt properties. On behalf of our clients, FirstService Residential has negotiated a cost for this service that is 75-80% lower than typically charged by building CPAs.

STOREFRONT REGISTRY

Properties must provide information if they have ground-floor or second-floor commercial space (storefronts), even if they are otherwise exempt from providing financial analysis. This newer requirement applies to all properties that fall under tax class two and four. You can find more information about the RPIE and Storefront Registry here.

Virtual Annual Meetings:
Comprehensive Guidelines for Board Members

As a result of social distancing policies established by New York State in spring 2020, boards across the city were forced to adapt and stage their annual meetings online in a virtual setting. At FirstService Residential, we anticipate virtual annual and regular board meetings to become standard practice for the foreseeable future.

While the transition away from in-person gatherings to virtual meetings has its unique set of challenges, the long-term benefits of virtual communication should not be ignored. For starters, virtual meetings are more convenient for many owners and shareholders to attend. Across FirstService Residential's management portfolio, the switch to an online platform has spurred a 20% to 50% increase in annual meeting attendance. Buildings that were unable to reach quorum requirements are now able to do so in a virtual setting.

To help your board navigate the legal and logistical nuances of virtual annual meetings, our property management experts have assembled a collection of guidelines and best practices that address the most common concerns and logistical hurdles affecting boards.

Click here to read our article covering:

- The legality of virtual annual meetings
- Impact of the New York Business Corporation Law amendment
- Safely facilitating voting by proxy
- Voting procedures and effective tallying

Missed our recent webinar? Click here to watch.

NYC LIFESTYLE NEWSLETTER

NYC LIFESTYLE— A WEEKLY NEWSLETTER FOR RESIDENTS

Our property managers continue to receive positive feedback on *NYC Lifestyle*, our weekly newsletter filled with fun, creative activities to help our residents stay engaged with the city we love.

View the *NYC Lifestyle* library here.

"My husband and I enjoy receiving these weekly newsletters. They are filled with such fun ideas and activities."

—Unit Owner, Evans Tower

Local Law 97
Preparing Your Building to Comply

New York City's Climate Mobilization Act (CMA) is one of the most progressive undertakings by a city to combat the effects of climate change. Local Law 97 (LL97) of the CMA requires buildings over 25,000 square feet to reduce their carbon emissions by 40% over the next decade and by 80% by 2050—or face significant fines.

A majority of condos, co-ops and rental buildings will require a deep energy retrofit or must follow an alternative path to achieve these strict emissions targets. That's why FirstService Residential and our energy affiliate, FirstService Energy, have been preparing our board members and building owners to comply with these new energy laws since the CMA was introduced in 2019.

RETROFIT ROADMAP STUDY

We understand our clients will need wide-ranging support to navigate the myriad of complexities, costs, and timelines associated with compliance. In 2020, FirstService Residential assembled a group of industry leaders committed to helping our clients make the most informed decisions on opportunities that will deliver the greatest value in terms of reducing emissions, costs, and energy use, improving efficiency and resident comfort, and enhancing property values, while avoiding fines and remaining compliant with the law.

FirstService Residential, Steven Winter Associates, FirstService Energy, and FirstService Project Management joined forces to deliver more value, capabilities, and support than a single company can provide.

Our comparative Retrofit Roadmap Study considers all the critical components of your building

and includes up to three viable options to achieve carbon limits and avoid fines. The study will help you to identify, prioritize, plan, and pay for retrofits and other operational improvements that can reduce emissions by aligning projects with capital cycles, equipment replacement, and refinancing to maximize paybacks and make deeper retrofits more feasible and cost effective.

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

NEW DEADLINE FOR NYSERDA 100% COST SHARE INCENTIVE

- Time is running out. If your building wishes to participate in NYSERDA's incentive program to receive 100% reimbursement for the cost of a Retrofit Roadmap Study, Steven Winter Associates must receive a signed proposal **no later than June 1, 2021**. This will give us adequate time to complete and submit NYSERDA's FlexTech Project Application—which includes completing a Scope of Work with a detailed budget and schedule—by NYSERDA's June 30 deadline.

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THE CLIMATE MOBILIZATION ACT

Your path to compliance

1. Conduct an energy assessment to understand your building's energy use.
2. Calculate penalties if emissions will exceed the limits.
3. Evaluate compliance strategies and costs based on data.
4. Implement low-cost, high-reward strategies to optimize building performance.
5. Develop a long-term plan to properly budget time, resources, and cost.
6. Execute your strategy to achieve early or on-time compliance.

Local Law 97

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- If your board or ownership submits a signed proposal after June 1, **we cannot guarantee that it will be processed in time to qualify for the 100% cost share.**
- NYSERDA will reimburse 50% of the Retrofit Roadmap Study cost up front once the application is approved.
- The remaining 50% of the study cost will be reimbursed upon installation of one of the recommended measures within two years of the application date. Reimbursement will be issued directly to the customer upon receipt and verification of required documentation.
- If a building chooses not to pursue any recommended measures, it will not receive the additional 50% of the study cost.

SUSTAINABILITY EXPO

ENERGY CONSERVATION

BUILDING ENERGY

Last November, we introduced a new energy resource center, ENERGY Insights, which contains a library of webinars, articles, best practices and tools to help our clients understand their obligations and prepare to comply with the law.

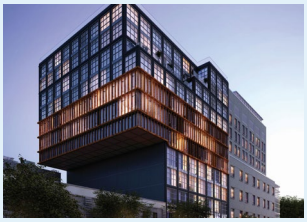
- If a building submits a signed proposal **after June 1**, it will only be eligible for the initial 50% reimbursement from NYSERDA.

Questions? Please email RoadmapTo2050@FirstServiceEnergy.com.

NEW CLIENTS

Welcome

TO THE FIRSTSERVICE RESIDENTIAL FAMILY



11 HANCOCK PLACE CONDOMINIUM*
11 Hancock Place, Manhattan
71 residential units

MEADOWLARK GARDENS CORP.
196-12 69th Ave., Fresh Meadows
287 residential units

SEMINOLE OWNERS CORP.
72-61/72-81 113th Street, Forest Hills
355 residential units

36-20 STEINWAY STREET
36-20 Steinway Street, Long Island City
143 residential units

PLATINUM
247 W. 46th St., Manhattan
220 residential units

ONE BOERUM PLACE*
One Boerum Place, Brooklyn
138 residential units

PARK 65 REALTY CORP.
65 Central Park West, Manhattan
111 residential units

617 APARTMENTS CORP.
617 West End Ave., Manhattan
32 residential units

685 1ST AVENUE CONDOMINIUM*
685 First Avenue, Manhattan
556 residential units

** Management & New Development Consulting*

CLIENT FINANCIAL SUCCESS STORIES

Cash Management

Our affiliate FirstService Financial proactively evaluates our clients' reserve portfolios to maximize interest income on deposit balances with FDIC-insurance coverage. With billions in deposits placed at commercial banks specializing in real estate, we are able to negotiate favorable rates for our clients. In 2020, our team helped our clients generate over $5 million in additional interest income. Here is one success story.

CO-OP CASH MANAGEMENT SUCCESS STORY

Queens Cooperative | Kew Gardens
107 units | Valued client since 2018

- Working with FirstService Financial, the board netted $3.3 million in proceeds from refinancing and consulting our experts to achieve an effective investment strategy.
- The board approved our recommendation to invest in fixed-rate CDs to lock in yields and FDIC-insured money market accounts at preferred interest rates over the next two years.
- The board capitalized on an exclusive enhanced deposit insurance product that provides convenience and efficiency for managing the reserve portfolio while protecting the corporation's assets.

Lending

FirstService Financial negotiates loans for our clients that yield lower interest rates and better terms than buildings can typically obtain on their own. In 2020, our team closed 30 loans at $200 million of total debt for our clients. We also negotiated interest rates that averaged 0.50% below the industry average, resulting in more than $1,000,000 in annual interest expense savings for our clients. Here are two success stories.

CONDO LENDING SUCCESS STORY

Manhattan Condominium | Chelsea
330 units | Valued client since 2014

- FirstService Financial presented various mortgage refinancing options for the resident manager's unit that would reduce interest costs.

- We leveraged our relationship with the incumbent bank to reduce the interest rate from 4.50% to 4.00% and reset the loan for a new 10-year fixed-rate term.
- The condo realized annual cash flow savings of $22,000 per year, or $224,000 in debt service relief over 10 years.
- With our recommendation to structure the loan as a modification instead of a refinance, the client saved $17,000 from a waived prepayment penalty and came in under budget by $3,500 in bank fees.

CO-OP LENDING SUCCESS STORY

Brooklyn Cooperative | Prospect Heights
190 units | Valued client since 2017

- FirstService Financial presented the board with several different loan structures given the current competitive environment
- Our team facilitated a new $25 million mortgage with 10-year fixed interest rate of 2.39%.
- The transaction provided enough capital to complete the co-op's riser replacement project within the project timeline.
- The transaction also reduced the co-op's annual debt cost by $200,000.

Green Roofs as Equity Infrastructure

As part of its Climate Mobilization Act Series, the Building Energy Exchange is hosting a webinar on green roofs on Tuesday, May 25 at 9:00 a.m. Speakers will cover the benefits of installing green roofs, installation requirements, notable and successful green roof installations, and an overview of relevant policy requirements and incentive programs. Click here to register.

Tax abatement incentives are available and have recently been enhanced for certain prioritized districts. Green roofs installed in these priority districts will be eligible for a $15 per square foot property tax abatement—nearly triple the base abatement.

Under the Climate Mobilization Act, Local Law 92 and Local Law 94 of 2019 require all new buildings and most major roof renovations to install green roofs, solar panels, or a combination of the two across most of the roof area, defined as a "sustainable roofing zone." A green roof is a building rooftop that is partially or completely covered with live, drought-resistant or equally hardy vegetation. This planted, living surface provides many benefits, including:

OPERATIONAL BENEFITS

- **Insulation:** The additional 'green' layer provides increased roof insulation, lessening heat loss (and gain) throughout the year, which reduces heating and cooling utility expenses.
- **Longevity:** Green roofs protect the underlying roof membrane from damage, extending the life of the covered roof layer by two to three times. The plants, if properly maintained, can last indefinitely.

WHAT

Climate Mobilization Act Series: Green Roofs as Equity Infrastructure

WHEN

Tuesday
May 25th, 2021
9:00 am to 10:30 am

HEALTH BENEFITS

- **Urban Heating:** Urban infrastructure (streets, sidewalks, etc.) tends to reflect sunlight, radiating heat into the surrounding neighborhood, whereas green roofs absorb sunlight and heat, cooling the surrounding environment and combating harmful over-heating, also known as the 'heat island effect.'
- **Air Quality:** Adding green roofs into urban areas can provide significant new swaths of vegetation, improving the surrounding air quality.

ENVIRONMENTAL BENEFITS

- **Stormwater management:** Vegetated roofs soak up and evaporate rainwater that would otherwise contribute to runoff, flooding and water pollution during heavy precipitation events.
- **Carbon emissions:** **Green roofs can significantly lower building energy demand, reducing related harmful carbon emissions.** Additionally, plants reduce carbon emissions directly, absorbing CO2 through photosynthesis, as they give off oxygen.

Ask Our Experts
Webinars on Demand

FirstService Residential regularly taps into the knowledge of our in-house thought leaders to keep our clients informed on the latest developments impacting their properties

WHAT WE COVER

- Types of Claims Against, and Protections for, Co-ops and Condos
- Maintaining Proper Insurance to Mitigate Loss
- Cyber Liability Insurance: Protection Against Personal Identifiable Information (PII) Hacks
- Protection Afforded by Coverages for Inevitable Claims
- Risk Management/Transfer: Protection Against Tort Claims
- Personal Liability: Exposures and Protections for Board Members

Click here to watch.

WHAT WE COVER

- How can participation lower my building's energy costs?
- What is the difference between an ESCO and ConEdison or National Grid?
- What is the current outlook for the natural gas market?
- How has COVID-19 impacted the procurement of electricity and natural gas?
- What are the most important factors to consider when entering into a contract

Click here to watch.

STAY CONNECTED

FirstService RESIDENTIAL

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.