



JULY - AUG. 2021

CONTENTS

2

The Path to Local Law 97 Compliance

3

Client Success Stories: Energy & Lighting

5

Client Success Stories: Lending

6

Call for New CNYC Members

7

Welcome New Clients

Real Estate Tax Update

A Message from our General Counsel Ben Kirschenbaum

Real estate taxes are always a major concern for our clients since they are the single highest line item expense for most property owners. As such, it was welcome news that the NYC Tax Commission (the quasi-governmental agency which reviews assessments set by the NYC Department of Finance) opened its doors once again to personal (virtual) hearings giving tax certiorari attorneys the opportunity to make verbal presentations in an effort to lower your property assessments.

Last year, due to the pandemic all protest applications contesting property assessments were reviewed by the Tax Commission based on written submissions. This year's hearings season started in the spring and will continue through the end of the year.

The Tax Commission has authority to review both the current 2021/2022 assessment as well as the previous 2020/2021 assessment. Since the



Department of Finance lowered assessments across the board this year due to the pandemic, many of the offers this year by the Tax Commission have reduced the back year, or 2020/2021 tax year, and confirmed the current assessment.

As always, whether an offer of reduction is reasonable and should be accepted involves an analysis that only the tax certiorari attorneys can properly provide.

If the settlement offer is deemed inadequate or no offer is given by the hearing officer at the Tax Commission, a petition must be filed by October to preserve the right to continue to protest the assessment for the 2021/2022 tax year.

It is important to note that your certiorari attorney works on a contingency basis and is only due a fee based on a reduction of real estate taxes due to a successful protest.

[Click here to read Tax Certiorari: Fast Facts for Boards and Building Owners.](#)

The Path to Local Law 97 Compliance

Local Law 97 (LL97) of New York City's Climate Mobilization Act (CMA) requires buildings over 25,000 square feet to reduce their carbon emissions to allowable limits by December 31, 2024. Starting in 2025, buildings will be required to submit an annual emissions intensity report certified by a registered design professional that states the building is in compliance—or be subject to substantial fines.

The first compliance report is due May 1, 2025 and every May thereafter. Most condos, co-ops and rental buildings will require a deep energy retrofit or must follow an alternative path to achieve these strict emissions targets. Retrofits can take years to complete, so boards and building owners should not stall their efforts to take action given the progressively restrictive emissions caps in 2030 and beyond. Saving energy is the most effective way to



Our energy experts recently discussed the most common questions and challenges facing multifamily buildings impacted by Local Law 97. [Click here to watch a replay.](#)

reduce building emissions and targeting the most carbon-intensive fuels will yield the biggest carbon savings. A strategic approach to both long-term carbon reduction and capital planning will facilitate the most favorable return on investment. [Click here to read more](#) about LL97 compliance.



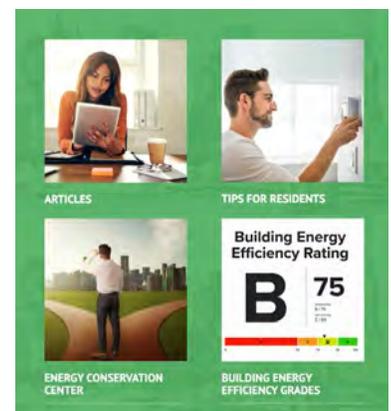
ENERGY Insights

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.



Delivering Value

Energy Aggregation Purchasing Program

As part of FirstService Residential's commitment to continuously deliver value, our clients achieve significant savings in utility costs by participating in one of the country's largest gas and electric aggregation programs for multifamily buildings.

Our FirstService Energy procurement specialists leverage the collective consumption of our management portfolio to negotiate competitive rates with third-party Energy Supply Companies (ESCOs). The rates average 10–11% lower than the utility.

The program has helped our clients save millions of dollars in energy costs over the last decade, including nearly \$700,000 in 2020 alone.

To participate in the fall aggregation program, an authorized board member or building owner must submit the Letter of Authorization (LOA) to Edmond.Ohin@FirstServiceEnergy.com by September 10.

IMPORTANT DATES

- **By Aug. 20**—Savings reports completed for buildings due for aggregation program renewal.
- **By Sept. 10**—Letter of Authorization (LOA) must be submitted by authorized board member or building owner.
- **By Sept. 15**—Contracts executed.

TOTAL 2020 SAVINGS: \$696K

FirstService Residential Clients



[Click here to watch the webinar.](#)

Lighting Project Success Stories

Our FirstService Energy team continues to partner with leading service providers to provide turnkey LED lighting services to our managed properties. As a result, our clients received over \$300,000 in rebates

in 2020. Lighting represents a significant portion of most buildings' energy consumption. Upgrading to LED lighting and using lighting more efficiently can reduce costs. Here's a sampling of success stories:

| | Building 1 | Building 2 | Building 3 | Building 4 | Building 5 | Building 6 |
|--------------------------------|------------|------------|------------|------------|------------|------------|
| Estimated Energy Savings (kWh) | 15,818 | 7,755 | 18,851 | 19,466 | 8,734 | 6,401 |
| Annual Energy Savings (\$) | \$2,858 | \$1,396 | \$3,393 | \$3,504 | \$1,570 | \$1,152 |
| Total Projected Costs | \$6,821 | \$3,962 | \$9,142 | \$10,023 | \$3,850 | \$2,547 |
| Rebate | \$3,873 | \$1,989 | \$4,419 | \$5,257 | \$1,654 | \$935 |
| Net Project Costs | \$2,948 | \$1,973 | \$4,734 | \$4,765 | \$2,196 | \$1,612 |
| Payback Period | 1.03 yrs | 1.41 yrs | 1.39 yrs | 1.36 yrs | 1.4 yrs | 1.4 yrs |
| Return on Investment | 97% | 71% | 72% | 74% | 71% | 71% |

Mask Mandates Monitoring

As of July 28, the [Centers for Disease Control & Prevention \(CDC\)](#) is recommending that masks be worn by everyone, including those that are vaccinated, indoors in locations with “high” or “substantial” community transmission rates for COVID-19. New York City is currently designated as a community with such transmission rates.

While neither New York State nor New York City has mandated the wearing of masks, consistent with our prior recommendations, FirstService Residential recommends that all our buildings adopt the CDC recommendation and require all residents and visitors to the building to wear masks in the common areas. Since many people are not carrying masks with them, we recommend maintaining a supply of masks with the door-person or concierge so they can be provided to anyone who does not have a mask.

This also means that all building staff must also wear a mask while on duty at the building.

Since health and safety of the residents, staff, and visitors is our number one concern, we recommend that you review other safety



procedures that were adopted during the pandemic specific to your building and consider putting them back in place if they have been reduced or eliminated. Your assigned property management team will address any adopted policy change and related communication.

FirstService Residential continues to monitor city, state and federal guidance with respect to mask recommendations and/or mandates and amenity room direction.

4

BOARD MEMBER & BUILDING OWNER RESOURCES

WEBINAR RESOURCE PAGE

Visit our new [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.

| | | | | |
|--|---|---|---|--|
|  <p>Ask Our Experts: Building Energy Grades & LL97 Emissions Compliance</p> <p>View More</p> |  <p>Ask Our Experts: Delivering Value Through Energy Procurement</p> <p>View More</p> |  <p>Ask Our Experts: Protecting Your Co-op or Condo from Legal Liability</p> <p>View More</p> |  <p>Ask Our Experts: Virtual Annual Meetings Best Practices for Board Members</p> <p>View More</p> |  <p>Ask Our Experts: Is Your Parking Garage Ready for Electric Vehicle Charging Stations?</p> <p>View More</p> |
|--|---|---|---|--|

Success Stories

LENDING HIGHLIGHTS

FirstService Residential offers a level of in-house financial expertise that is unmatched by other management companies and mortgage brokers

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. Here are recent success stories:

UPPER EAST SIDE COOPERATIVE

142 units | Valued Client since 1990

- The board needed to fund millions of dollars in capital projects including Local Law 11 (FISP), lobby renovation, and roof repairs.
- FirstService Financial discussed the opportunity with multiple lenders including banks, agency lenders and life insurance companies.
- Preferring flexibility, the board decided to keep the mortgage with a portfolio bank offering a step-down flexible prepayment penalty.
- FirstService Financial locked in a rate of 2.75%, a significant reduction from the existing 4.135% rate.
- Refinance provided the co-op with \$2.5 million in immediate net proceeds with a minimal increase to their operating costs.

FINANCIAL DISTRICT LANDMARKED CONDOMINIUM

25 units | Valued Client since 2005

- The board needed \$3.8 million to fund an extensive window, façade, elevator and roof project.
- Windows were beyond useful life and leaks were causing water damage and inadequate soundproofing to external noise.



- Engineers determined the projects would help meet LL11 and LL97 compliance, in addition to enhancing overall efficiency and quality of life.
- To make it palatable for owners given the enormous special assessment figure, the board needed a solution to spread costs over time through a bank loan.
- For owners who desired not to pay interest and participate in loan facility, management provided options to pay their total share upfront.
- FirstService Financial secured a 15-year fixed rate term loan that began with a 12 month non-revolving line of credit fixed for the entire life of the loan at 4.55%.
- The solution will allow all work to be completed at once, resulting in construction efficiencies and ultimately increased property values.

LENDING HIGHLIGHTS

| Property | Loan Amount | Interest Rate | Term |
|--------------------------|--------------|---------------|-------------------------------------|
| Hudson Heights Co-op | \$15,500,000 | 4.25% | Second mortgage, co-terminus |
| Upper East Side Co-op | \$9,150,000 | 2.75% | 10 year fixed, 30 year amortization |
| Washington Heights Co-op | \$3,600,000 | 3% | 10 year fixed, 30 year amortization |
| Financial District Condo | \$3,800,000 | 4.55% | 15 year fixed, fully amortizing |

PCCC Appoints Michael Wolfe Executive Committee Advisory Member

The Presidents Co-op and Condo Council (PCCC) has appointed Michael Wolfe, president of property management at FirstService Residential and chair of the REBNY Residential Management Council, as an advisory member to its Executive Committee.



quality of life for New York's co-op and condo communities," said Geoffrey Mazel, Esq., counsel and executive member of the PCCC. "We are delighted to have someone of Michael's stature lend his expertise to our efforts as we remain a powerful voice on behalf of hundreds of thousands of co-op and condo residents."

The PCCC is a think tank and forum for co-op and condo board presidents and other stakeholders to find solutions to issues affecting their communities. The executive board regularly engages with elected officials to review legislative proposals impacting co-ops and condos and testifies before commissions at the city, state and federal levels.

"We are proud of the political clout the PCCC has earned through many years of successful advocacy on behalf of affordability and improved

"For more than a decade, the PCCC has worked with government agencies to make real, substantial changes to local laws and policies that improve quality of life for cooperatives and condominiums across New York," says Wolfe. "It is an honor and a privilege to serve as an advisory member, and I look forward to contributing to the council."

[Click here to read the press release](#) and [click here to learn more about the PCCC](#).

6

CNYC: CALL FOR NEW MEMBERS

The Council of New York Cooperatives & Condominiums (CNYC) is a not-for-profit membership organization of more than 2,000 co-ops and condos in the New York area founded in 1975 to:



- Serve as a resource to advance the interests of co-ops and condos and their owners
- Educate owners about issues which affect them and their investments
- Inform law makers about housing cooperatives and condominiums.

CNYC offers membership to all interested co-ops and condos. Members pay an initial registration fee of \$5 per unit to a maximum of \$150 and an annual membership \$75 base plus \$4 per unit to an annual maximum of \$1,500.

For more information, email info@CNYC.coop or visit www.cnyc.com.

MEMBER BENEFITS INCLUDE:

- Interactive workshops and seminars including the annual all-day Housing Conference
- Website, notices and bulletins
- Member rates at CNYC events including the annual Housing Conference
- Annual Comparative Study of Building Operating Costs
- Voting rights at the annual meeting
- Membership in the National Association of Housing Cooperatives (NAHC)
- Publications on topics related to co-ops and condos
- Help finding answers to your questions

Insights and Lessons Learned

South Florida Condo Collapse

The Council of New York Cooperatives and Condominiums (CNYC) hosted a webinar on the Surfside, Florida, condo collapse during which panelists discussed potential causes and implications for New York condominiums and cooperatives.

Michael Wolfe, president of property management at FirstService Residential and chair of the Real Estate Board of New York (REBNY) Residential Management Council, was among the expert panelists who addressed the role of management in helping New York City buildings avert any such catastrophe.



You can watch the webinar replay [here](#) and access the presentation materials [here](#).

NEW CLIENTS

Welcome

to the FirstService Residential Family



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



287 PROSPECT AVENUE
287 Prospect Ave.,
Brooklyn
53 units



HILLROSE 28 CONDOMINIUM
181 East 28th St.,
Manhattan
43 units



THE PRINTHOUSE
165 Huguenot Street,
New Rochelle
71 units



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



ONE UNITED NATIONS PARK CONDOMINIUM*
685 1st Avenue,
Manhattan
148 units

* Management & New Development Consulting

Local Law 87 Reports Due December 31

Upcoming 2021 energy ordinance compliance deadline

NYC [Local Law 87](#) (LL87) requires buildings over 50,000 square feet to undergo periodic energy audits and retro-commissioning. The intent of the law is to inform building owners of their energy consumption through energy audits, which are surveys and analyses of energy use, and retro-commissioning, the process of ensuring correct equipment installation and performance.

FirstService Energy provides expert guidance on completing the energy audit and retro-commissioning services needed to comply with LL87. Through our partnerships, FirstService Residential clients pay 20% less for LL87 services.

Here's how it works:

1. In advance of your building's compliance deadline, our team will reach out to collect and verify your building typology.
2. Using this data, we solicit bids from our network of qualified service providers.
3. Our team reviews the proposals and prepares a bid analysis for your building.

Our goal is to lessen the administrative burden on your property manager so that he or she can focus on other priorities for your building.

LL87 COMPLIANCE DEADLINES

Covered buildings are due in the calendar year with a final digit that is the same as the last digit of the building's tax block number, as illustrated in this chart. The building's energy audit and retro-commissioning work must be completed prior to filing the energy efficiency report (EER). Our compliance department is tracking all of our properties to ensure our management teams advise you timely.



If your building is unable to file the EER by Dec. 31, 2021, we can assist with obtaining an extension for your building if it meets the extension criteria:

- **Good Faith Efforts:** An owner may apply for an extension of time to file an EER if, despite good faith efforts, the owner is unable to complete the required energy audit and retro-commissioning prior to the due date of the report, for reasons other than financial hardship of the building, or
- **Financial Hardship:** An owner may apply for annual extensions of time to file an EER based on the financial hardship of the building.

If an extension request is successfully filed by Dec. 31, 2021, the EER submission due date will extend to Dec. 31, 2022.

ALREADY RECEIVED YOUR 2020 OR 2021 EER?

If you have already received your 2020 or 2021 EER, reach out to our team to learn more about the energy conservation measures that you can implement to increase your building's efficiency—which will help improve your building's energy grade and lower its carbon footprint.

For more information, email Lily.Malota@FirstServiceEnergy.com.

| LL87 COMPLIANCE DEADLINES | | | | | | | | | | |
|--------------------------------|------|------|------|------|------|------|------|------|------|------|
| Year EER is due | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Last digit of tax block number | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 0 | 1 | 2 |

LATEST NEWS ON FISP COMPLIANCE

New York City’s Facade Inspection Safety Program, known as FISP or Local Law 11, requires periodic facade inspections for buildings with more than six stories above ground. This requirement also includes appurtenant structures such as a garage, balcony railings or street walls. The burden of responsibility falls on boards and building owners to complete these inspections every five years, file subsequent reports with the Department of Buildings (DOB) and complete all remedial repairs within a specific timeframe. The current inspection timetable is Cycle 9 which opened on February 21, 2020. The best way to comply with new FISP requirements is to plan ahead.



WHAT ARE THE NEW FISP/LOCAL LAW 11 REQUIREMENTS FOR CYCLE 9?

1. Physical inspections must now be performed every 60 linear feet along a building’s facade.
2. The increased linear requirement often means buildings will need to install more scaffold than before which increases project expenses.
3. Inspectors are required to probe or remove small portions of cavity walls for a more in-depth structural analysis.
4. When the report is filed with the DOB, buildings are required to post an exterior wall certificate similar to restaurant grading and [building energy efficiency scores](#).

5. Failure to post the certificate within 30 days of report filing will result in a \$500 violation which can be given every time the DOB visits a property, even for reasons unrelated to the facade inspection.

To learn more about FISP, [read our article](#) or [watch our webinar](#) which cover:

- Newly amended rules, fines and penalties
- “Safe,” “Unsafe” and “SWARMP” conditions
- Working with QEWI architects and engineers to meet deadlines or file extensions
- 90-day DOB extensions to complete repairs

This information will help you discuss the compliance requirements for your building with your architect/engineer.

Unsure of your compliance cycle or need assistance with your project? Email us at Info@FSProjectManagement.com.

| 9 TH CYCLE FACADE INSPECTIONS SAFETY PROGRAM (FISP) FILING WINDOWS | | | | | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|------|------|
| Last Digit of Block Number | 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 | | |

Building to Last

Guide to Capital Improvements

Capital improvements are a fact of life for residential buildings, and we know many of our clients struggle with the complexity and costs associated with major upgrades, replacements and repairs. FirstService Residential has created [Building to Last: A Blueprint for Success](#), a guide to capital improvement projects covering:

- The relationship between capital improvements and preventive maintenance
- Reserve funds, special assessments and loans
- Key elements of a successful capital improvement plan

If financing capital projects presents a challenge, read [“Capital Improvement Lending Solutions for Condominium and Co-op Boards,”](#) which includes expert solutions, client success stories and more insight from FirstService Financial.



10

ONLINE RESOURCES

CAPITAL IMPROVEMENTS RESOURCE LIBRARY

At FirstService Residential, we know that boards and building owners face a number of challenges when considering capital improvements. Our [Capital Improvements Resource Library](#) includes webinars, expert panels and breakout sessions covering all aspects of planning and executing capital projects to help you increase property value and relevance in today's marketplace.



NEW TO YOUR BOARD?

These resources can help you quickly learn the ropes

To position your board for success, newly elected board members must understand their roles and fiduciary duties. Operating a cooperative or condominium involves many of the same responsibilities as any other business, yet new volunteers may not have experience in such matters.

Dan Wurtzel, president, FirstService Residential, recently hosted *Successfully Onboarding New Board Members*, a best practices webinar for members of the Council of New York Cooperatives & Condominiums (CNYC).

We invite you to [watch the webinar replay](#), which covers:

- Fundamentals of Co-ops & Condos
- Governing Documents
- Board of Directors
- Officers
- Role of Management
- Committees
- Meetings
- Rules and Resolutions
- Finances and Reserves
- Compliance
- Education



FirstService Residential also has created a best practices guide to assist new board members transition and acclimate into their new role. [Click here to read our guide to Successfully Onboarding New Board Members.](#)

Thank you for volunteering to make a difference for your building and fellow residents.



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