

# NEW YORK LOCAL LAW 97: ARE YOUR BUILDINGS COMPLIANT?



Buildings account for nearly 70% of New York City's carbon footprint. To address climate change by reducing greenhouse gas emissions, New York City adopted New York Local Law 97 (LL97), which took effect January 20, 2024. LL97 established carbon emission caps for large buildings in New York City, with the goal to reach a citywide emissions reduction of 40% by 2030 and 80% by 2050.

## COMMONLY ASKED QUESTIONS ABOUT LL97

### DOES LL97 APPLY TO MY BUILDINGS?

LL97 applies to buildings that meet the following criteria:

- ▶ Buildings over 25,000 gross square feet
- ▶ Two or more buildings on the same tax lot that together are over 50,000 gross square feet
- ▶ Two or more buildings owned by a condo association that are governed by the same board of managers and exceed 50,000 gross square feet

To find out if your property is subject to LL97, review the official covered buildings list for 2025.

### ARE THERE ANY EXCEPTIONS OR ALTERNATIVE COMPLIANCE OPTIONS UNDER LL97?

Yes, certain building types may qualify for alternative pathways under LL97. These include:

Residential	Industrial
Housing development or building on land owned by the New York City Housing Authority	Facility primarily used for generating electric power or steam
Rent regulated accommodation	Government
Real property owned by a housing development fund company organized pursuant to the business corporation law and Article 11 of the Private Housing Finance Law	City building
Building that participates in a project-based federal housing program	Religious
Real property, under three stories, consisting of attached, detached or semi-detached dwellings, for which ownership is responsible for maintenance of the HVAC systems and hot water heating systems and no HVAC system or hot water heating system serves over 25K gross square feet	Building with main use or dominant occupancy classified as occupancy group A-3 religious house of worship

### KEY CONTACTS:

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## IS THE METHOD OF CALCULATING EMISSIONS FOR LL97 DIFFERENT FROM OTHER SUSTAINABILITY LAWS?

Other sustainability laws calculate emissions using building code occupancy groups. LL97 guidance requires emissions calculations based on Energy Star Portfolio Manager (ESPM) property types. The NYC Department of Buildings (DOB) converted its emissions methodology to better align energy use patterns with life safety. As a result of the conversion, owners with reduced emissions limits may elect to use their original calculations based on building code occupancy groups through 2025. In 2026, all owners must use ESPM emissions factors to determine limits.

## WHAT ARE SOME OF THE BENEFITS OF COMPLIANCE?

Compliance costs vary depending on the scale and complexity of improvements. In assessing methods and pathways to compliance, keep in mind the additional benefits of upgrading building systems for energy efficiency.

Lower utility bills will reduce operating expenses, and the overall marketability and value of the assets will improve with upgrades. Tenant retention is likely to increase with more comfortable and sustainable structures. Pairing sustainability measures with business objectives can help give owners a competitive edge.

## ARE THERE PENALTIES FOR NONCOMPLIANCE?

Owners who do not comply with LL97 or alternate pathways may face penalties:

- ▶ \$268 per ton of CO2 equivalent over the limit for buildings that exceed their annual emissions limits
- ▶ \$0.50 PSF per month for each month in violation of failing to file the emissions report
- ▶ Up to \$500K or imprisonment, not to exceed 30 days, for knowingly reporting false information or materially false statements

## HOW CAN WEAVER SUPPORT BUILDING OWNERS?

With extensive experience serving the real estate industry and clients with greenhouse gas emissions reporting requirements, Weaver offers deep insight into environmental strategy, energy compliance and data assurance; all of which are essential to effectively navigate New York Local Law 97. Leverage Weaver's ESG strategy and consulting team's insights to curate and scale innovative solutions that go beyond the requirements to build a better business. Contact us for assistance with Local Law 97 compliance or other real estate, ESG or sustainability consulting services.

## HOW TO PREPARE AND SUBMIT YOUR LOCAL LAW 97 COMPLIANCE REPORT

### STEP

# 1

Register in required platform

NYC Department of Buildings' DOB NOW portal

Energy Star Portfolio Manager (ESPM)

Building Energy Asset Management (BEAM) system

### STEP

# 2

Populate and verify building data

Verify building data in BEAM including GFA, property type breakdowns for mixed-use buildings and supporting documentation to ensure accuracy for compliance and future audits.

### STEP

# 3

Calculate building emissions and limits

Calculate emissions and limits using BEAM, which auto-generates your building's greenhouse gas emissions and 2024-2029 limits based on ESPM data. Submit documentation if applying for hardship or other adjustments.

### STEP

# 4

Upload required supporting documents

Upload supporting documents based on your compliance pathway. Standard reports require verified energy and emissions data, while prescriptive pathway properties submit a checklist. Additional documentation is needed for complex systems or shared infrastructure.

### STEP

# 5

Submit professional attestation

Submit professional attestation signed by a registered design professional (RDP) or retro-commissioning agent (RCxA). BEAM will review the full report to determine compliance, and penalties may apply if emissions exceed limits without a valid good faith effort or supporting documentation.