The Real Estate Board of New York to
The Joint Legislative Public Hearing on 2022
Executive Budget Proposal: Topic Environmental Conservation

February 1, 2022

The Real Estate Board of New York (REBNY) is the City’s leading real estate trade association representing commercial, residential, and institutional property owners, builders, managers, investors, brokers, salespeople, and other organizations and individuals active in New York City real estate. REBNY appreciates the opportunity to comment on several environmental provisions included in the Governor’s 2022 Executive Budget.

Brownfield Opportunity Program and Brownfield Cleanup Program (Part U and LL)

Parts U and LL propose several measures to renew and strengthen the Brownfield Cleanup and Brownfield Opportunity Programs. REBNY is supportive of a ten-year extension to the Brownfield Cleanup Program (BCP) and improvements to the Brownfield Opportunity Area program. The long-term extension of the BCP is critical to correcting environmental injustices, combatting neighborhood blight, and providing thousands of homes statewide for New Yorkers who need it the most.

During the last reauthorization of the program in 2015, the Legislature helped ensure better targeting of the tax benefit in part by ensuring limited eligibility for redevelopment credits in New York City towards communities and projects in need. These reforms have proved effective. Since the last reauthorization of the program in 2015, every county in the state has participated with 452 projects having been completed statewide. Notably, nearly 50% of those projects have been located in Environmental Zones, defined by the Department of Environmental Conservation as areas with high rates of poverty and unemployment. The program has generated $17.6 billion in economic development activity thus far, with more benefits expected as more than 900 additional sites are pending completion in the coming years.

Comments about several of the specific proposals in Part LL are as follows.

Part LL should be amended to expand eligibility for the tangible property credit to En-Zones, environmental justice areas, and underutilized projects. Doing so will strengthen the stated intent of the program and ensure more underserved communities benefit from remediation and development programs.

Lastly, the proposed language would implement a new $50,000 processing fee for applications accepted into the program. While REBNY understands the need to ensure the administrative costs of the program are sufficiently funded, the fee is extremely high and requires a lump sum payment that may be challenging for developers in all corners of the State. While some amount of up-front fee may be necessary and appropriate,
REBNY encourages policymakers to include additional administrative funding for DEC to run the program as part of the enacted SFY2023 budget to limit the amount of such an up-front fee.

**Clean Water, Clean Air, and Green Jobs Bond Act of 2022 (Part NN and OO)**

REBNY supports measures to help our state adapt to climate change and shares in the scientific community consensus that significant action is needed to mitigate and reduce the impacts of climate change to avoid devastating consequences. Adaptation requires collective work from both the public and private sectors to deal with the crisis at hand including both resiliency efforts such as mitigation to sea level rise and approaches to reduce overall carbon consumption to slow changes to the climate itself.

Tools like the Clean Water, Clean Air, and Green Jobs Bond Act are an important part of achieving our shared goals. The funding will support a range of project types that represent a holistic approach to this problem including projects that address water quality, reduce flood risk, restore habitats, protect open space, and expand the use of renewable energy.

The Clean Water, Clean Air, and Green Jobs Bond Act represents a fiscally prudent investment in the state's future.

**Advanced Building Codes, Appliance and Equipment Efficiency Standards, and the Building Benchmarking Act of 2022 (Part EEE)**

Part EEE proposes several substantial changes to promote energy efficiency and building electrification. REBNY generally supports these provisions as improving building energy performance is a critical step to reaching our shared climate goals and the objectives of the Climate Leadership and Community Protection Act.

Comments about several of the specific proposals in Part EEE are below:

- **Part EEE proposes to change the composition of the New York State Fire Prevention and Building Code Council (the Council) to add New York State Energy Research and Development Authority (NYSERDA) and the Department of Environmental Conservation (DEC) to the body.** REBNY agrees such a change is warranted. However, we would also encourage the addition of at least one more builder representative on the Council so as to ensure that full range of diversity in the development industry is accounted for when the Council considers these important issues.

- **Part EEE requires that the Council establish that new construction statewide should have zero onsite greenhouse gas emissions no later than 2027.** REBNY supports policies to eliminate onsite emissions from buildings and looks forward to working with the Council to accomplish the goals of this provision. To be effective, the implementation of such a policy must be done in such a way as to balance multiple competing needs including electric grid reliability and the deployment of renewable energy in different regions of the state, the ability of all-electric building technology to meet the needs of the market across the diverse climates in the state, the cost to consumers and developers alike, and emissions reduction. It is important to note that after a deliberative process that considered all of these factors, the New York City Council enacted a local law to prohibit the use of natural gas and fuel oil in new buildings over seven stories beginning in July 2027.

- **Part EEE establishes efficiency standards that equipment and appliances sold in New York will be required to meet, provided that those standards align with federal standards where such federal standards exist.** REBNY generally supports efforts to improve equipment and appliance performance standards. However, if not closely harmonized with federal standards, a New York State specific standard could have the impact of raising cost and making it harder for New Yorkers to obtain certain
equipment and/or appliances. With supply chains already significantly disrupted due to the pandemic, it will be critical that NYSERDA carefully implement such standards.

- Part EEE adopts a statewide benchmarking requirement for buildings over 25,000 sq/ft beginning in 2023 with an exemption for buildings located in a municipality with a program that meets or exceeds the new state requirement. REBNY supports the expansion of benchmarking requirements across the State provided that such a requirement does not add burdens to property owners in New York City already covered by the City's extensive benchmarking requirement.

Thank you for the opportunity to provide comments on these important issues.

CONTACT:

Zach Steinberg
Senior Vice President of Policy
Real Estate Board of New York

212.616.5227
zsteinberg@rebny.com