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Housing group wants to turn environmental costs into revenue sources for landlords

By Eddie Small

The real estate industry's main [criticism](#) of New York's strict environmental law has been that it imposes too many additional costs on landlords. But a new initiative hopes to turn those costs into revenue.

The New York City Housing Partnership has established a unit called HP Sustainability Solutions that will focus on advising affordable-housing landlords about how to turn the costs of complying with Local Law 97 into potential investments. The group views this as another way to achieve its goal of creating more [affordable housing](#) in New York, said CEO Dan Martin.

Local Law 97 was part of the city's Climate Mobilization Act, which requires New York to reduce its greenhouse gas emissions by 40% by 2030 and 80% by 2050. The City Council expanded these requirements to rent-regulated buildings in October.

Esther Toporovsky serves as executive vice president of the Housing Partnership and will also serve as president of HP Sustainability Solutions. The New York State Energy Research and Development Authority and New York State Homes and Community Renewal are both working with the partnership on its new initiative as well.

HP Sustainability Solutions aims to help landlords across the entirety of their real estate portfolios, and Toporovsky offered up solar power as an example of the type of green energy technology it would assist with. The program would help landlords establish LLCs that would own and manage the solar panels, and the landlords would then receive benefits such as developer fees, incentives and energy income from the investment, she said.



Bloomberg

The program would also advise landlords on how to comply with Local Law 97 to prevent fines and reduce the amount of money they are spending on energy bills, said Toporovsky.

“You would avoid penalties. You would decrease your operating costs,” she said, “but it would also create a new revenue stream through energy income.”

The [Real Estate Board of New York](#) has been a strong critic of Local Law 97, slamming it as vague and flawed and accusing the city of holding private landlords to higher standards than the city itself. The group supported a workaround that Gov. Andrew Cuomo had included in his budget proposal, which would have let landlords purchase renewable energy from solar and wind plants upstate rather than pay penalties or invest in pricier sustainability equipment under the law, but this proposal was left out of the final state budget.

Representatives for REBNY and the Rent Stabilization Association both declined to comment on HP Sustainability Solutions, citing a lack of familiarity with the initiative.