

New York City Department of Buildings, Office of the General Council
280 Broadway, 7th Floor
New York, NY 10007

November 7, 2024

RE: Comments on Proposed Amendment to Article 320 of Chapter 3 of Title 28 of the New York City Administrative Code

American Institute of Architects New York (AIANY) writes to express our support for the NYC Department of Building's proposed amendment to Article 320 of Chapter 3 of Title 28 of the New York City Administrative Code, specifically the creation of the Affordable Housing Reinvestment Fund. We represent more than 5,000 architects and design professionals committed to positively impacting the physical and social qualities of our city.

AIANY has been a long-time support of Local Law 97 and efforts to successfully implement the law to meet the greenhouse gas reduction goals. In recognition of the challenges to comply with the law and the housing affordability challenges New Yorkers are faced with, we strongly support the Affordable Housing Reinvestment Fund (AHRF) as a tool to support affordable housing. This program will be a valuable resource for HPD to assist low income buildings make necessary energy efficient retrofits. We support efforts to incentivize and aid residential buildings in complying with Local Law 97, and AHRF is an important resource enabling NYC to hit our carbon reduction targets.

Overview of AHRF

- *Definitions*
 - **Affordable Housing Reinvestment Fund (AHRF).** *The AHRF is a third-party fund established by the Department in collaboration with the New York City Department of Housing Preservation and Development (HPD) to receive, encumber, and distribute funds for qualifying building electrification projects and generate offsets for such activities.*
 - **Qualified generation facility.** *A qualified generation facility is any combined heat and power system, permitted prior to September 1, 2024, that (i) operates at a minimum annual average efficiency as established by this rule, (ii) emits levels of Nitrogen Oxide (NOx) below the limits established by this rule, (iii) is not owned by a utility, and (iv) meets the requirements of the New York City Air Pollution Control Code.*
- *Fund is administered by a third-party administrator. Purchaser pays \$268/tCO₂e to the fund and receives receipt to demonstrate offset purchase in LL97 compliance reform. Purchase is recorded and funds are encumbered to an HPD project in a registry and offset is retired in the registry. Funds are distributed to the HPD building owner through HPD's REDi program. As project closing, emissions reduction is verified by independent 3rd party verifier (NYSERDA), and the registry is updated with actual emission reduced.*
- *The AHRF will be used to finance qualifying building electrification projects at buildings subject to affordable housing regulatory agreements in NYC. In order to qualify, such projects must demonstrate the following principles of environmental integrity: additionality, unique, real and quantifiable, validation and verification, permanence of greenhouse gas benefits, and robust baselines.*
- *AHRF offsets may be applied to reduce a building's annual emissions up to a maximum of 10% of a building's annual building emissions limit.*