

Offsets With Impact: LL97 Compliance Through the Affordable Housing Reinvestment Fund



Don't miss the latest in the Climate Mobilization Act Series! Join BE-Ex and NRDC for an in-depth conversation about how New York City is linking climate action with housing equity through the Affordable Housing Reinvestment Fund (AHRF), and how its offsets can be utilized as a compliance path.

presentations by the panelists

moderator:

Katie Schwamb, Managing Director, Building Energy Exchange

opening remarks:

Joe Chavez, Director, Sustainable Buildings, NYC Mayor's Office of Climate & Environmental Justice

panelists:

Beth Golub, Director, Sustainability Policy and Legal Affairs, NYC Department of Buildings

Daphna Ezrachi, Manager, Sustainability Programs, NYC Department of Housing Preservation & Development

Megan Rosa, Associate Director, NYCEEC

31 Chambers Street
New York, NY

December 9, 2025
9:30 to 11:00am

1.5 AIA
LU | HSW

Local Law 97 Offset Overview

All reports due by December 31, 2025

All LL97 buildings can purchase AHRF offsets to achieve compliance/reduce penalties

- AHRF Offset purchase price: 1 tCO₂e = \$268
- Minimum purchase: 1 tCO₂e, amounts above 1 may be purchased in hundredths;

Max LL97 Eligible Offset Purchase Amount = 10% of the building's emissions limit

- Before any adjustment under 320.7, 320.8, or 320.9;
- For campus reports, the 10% cap is based on the aggregated emissions limit;
- For Article 321, the 10% cap is based on the 2030 emissions limit;

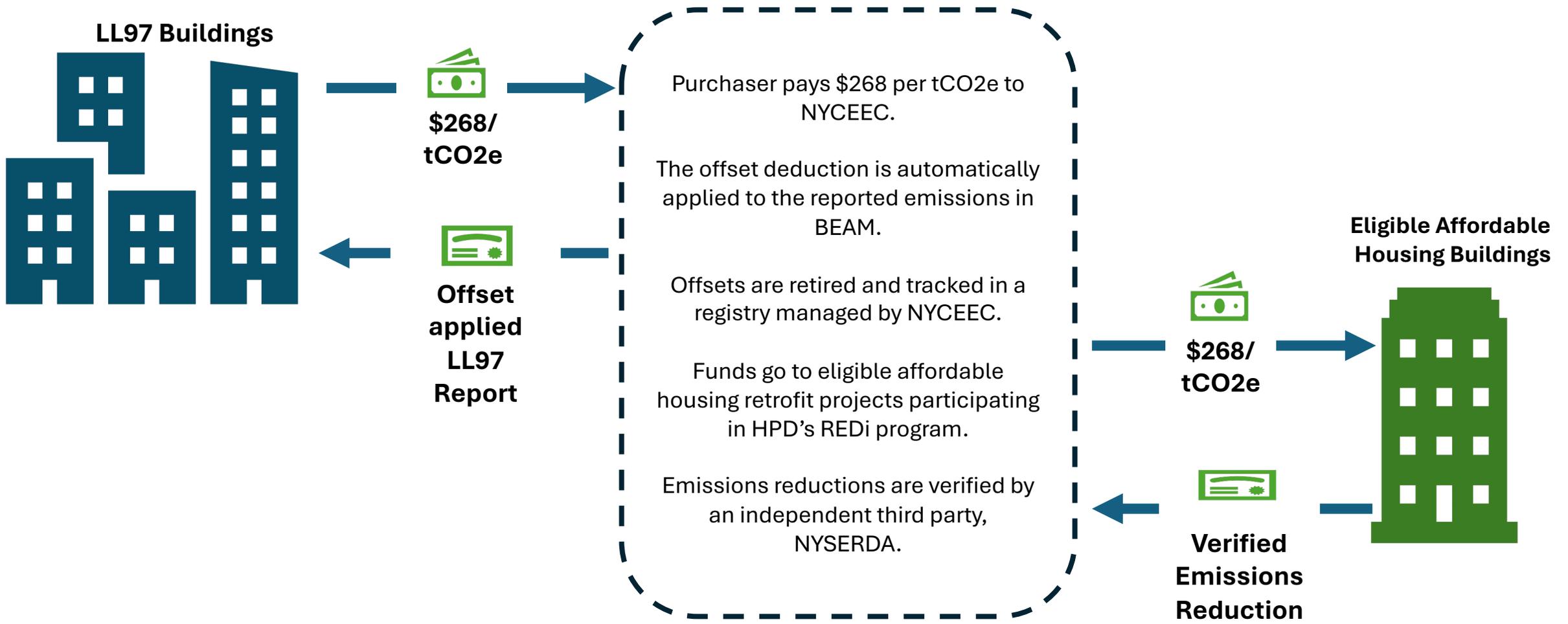
If a building exceeds its emissions limit by less than 10%, it only needs to buy enough offsets to reach compliance;

320.7 Adjustments: must purchase the maximum allowable offsets to qualify;

More details can be found in DOB's Article 320 Guide (Section V(C)) available at nyc.gov/ll97

Questions for DOB can be directed to BEAM_LL97@buildings.nyc.gov

The Affordable Housing Reinvestment Fund (AHRF)



How AHRF Offsets Work

Offset Impact:

- Each offset purchased funds 1 tCO₂e reduced through eligible retrofit projects in HPD's Resilient & Equitable Decarbonization Initiative (REDi) program.

Offset Value:

- Project baselines and scopes are verified to ensure real savings
- Project funding levels are set at \$268 per deemed tCO₂e
- Project funding varies by building fuel type, building size, and unit size

Offset Attributes:

- Real, permanent and additional emissions reductions
- Retired and tracked in a registry to prevent double counting
- Independently verified for transparency and credibility

AHRF Offsets: Sample Offset Purchase Amount

[Scenario] Multi-family/ Retail mixed-use Building of 30,000 sf

Annual Emissions

Fuel type	2024-2029 Emissions Coefficient	2024 Annual Fuel Use	2024 Annual Emission [tCO ₂ e]
Natural Gas	0.00005311 tCO ₂ e/kBtu	1,560,000 kBtu	82.8516
No. 2 Oil	0.00007421 tCO ₂ e/kBtu	950,000 kBtu	70.4995
Utility Electricity	0.000288962 tCO ₂ e/kWh	250,000 kWh	72.2405
			225.6

Emissions Limit

ESPM Property type	2024 – 2029 Emissions Factor [tCO ₂ e/sf]	Gross Floor Area [sf]	2024 Emissions Limit [tCO ₂ e]
Multifamily Housing	0.00675	24,000	162
Retail Store	0.00758	6,000	45
			207

Offset Purchase

10% of Emissions Limit [tCO ₂ e] (Max Purchase amount)	Amount over limit [tCO ₂ e]	Offset Purchase Amount [tCO ₂ e]	2024 Annual Emissions with Offset Purchase [tCO ₂ e]
20.7	18.6	18.6 x \$268 = \$4,984.8	207

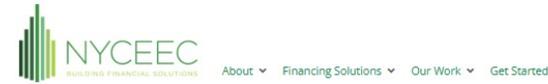
Was non compliant with LL97 for CY 2024 as 2024 Annual Emission was more than 2024 Emissions Limit. 225.6 tCO₂e > 207 tCO₂e

With offset purchase, compliant with LL97 for CY 2024 as 2024 Annual Emission is equal 2024 Emissions Limit. '207 tCO₂e = 207 tCO₂e

AHRF Offsets: Purchase Process

Once the amount of offsets for purchase has been determined, the building owner should visit NYCEEC’s AHRF website to download, fill, sign and submit via email the Offset Purchase Application (the “Application”).

- Visit: <https://nyceec.com/nyc-ahrf-offsets/>
- Send the completed purchase application to **NYCOffsets@nyceec.com**



The Affordable Housing Reinvestment Fund (AHRF) Offsets Program

1. Determine Offset Purchase Amount: For LL97, the maximum amount of offsets that may be used for compliance is 10% of a building's calculated emissions limit. Visit the LL97 Reporting Portal to calculate this amount.	2. Submit Purchase Application: Complete the AHRF Offset Purchase Application, available below, and submit it to the Administrator by emailing NYCOffsets@nyceec.com . Administrator reviews the application and, upon approval, countersigns the agreements, and sends it and the invoice to Purchaser to make the payment for AHRF offsets.	3. Confirm Purchase: Once payment clears, the Administrator will send the Applicant a certificate confirming the number of offsets purchased and their retirement. Offsets purchased for LL97 compliance will automatically be applied to the building's annual emissions in the LL97 reporting portal within 10 business days.	4. Track Offsets: All AHRF Offsets will be reflected in a public registry, soon available on this page, tracking the emissions reductions achieve.
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The price of one AHRF Offset is: \$268 per tCO_{2e}. This price is designed to reflect the localized cost to offset one tonne or one metric ton of carbon dioxide equivalent emissions and mirrors the approach used to determine the cost of LL97 penalties.

FORMS & DOCUMENTS

- [Offset Purchase Application \(download here\)](#)
 - Email the completed application to NYCOffsets@nyceec.com

AHRF Offsets: Purchase Process

Part 1. Contact Information	
Full legal name of person completing this Application (the "Purchaser's Agent"):	
Title:	Organization:
Telephone:	E-mail:
Person completing the application is (check one): <input type="checkbox"/> An engineer or design professional <input type="checkbox"/> The owner of the Building(s) identified in Part 3	<input type="checkbox"/> The manager for the Building(s) identified in Part 3 <input type="checkbox"/> An officer or director of the Purchaser identified in Part 3 <input type="checkbox"/> Other _____ <small>(insert description)</small>

Part 2. Information on Offset Purchaser		
Is the person completing this application the Offset Purchaser (the "Purchaser"): <input type="checkbox"/> Yes <input type="checkbox"/> No		
<i>Note: The Purchaser is the person or entity for whom the offsets will be retired. Purchaser must be the owner of the <u>Building(s)</u> covered by LL97.</i>		
If "No", full legal name of the Purchaser:		
Purchaser E-mail:		
Legal structure (check one): <input type="checkbox"/> Limited Liability Company <input type="checkbox"/> For-profit Corporation <input type="checkbox"/> Not-for-profit Corporation <input type="checkbox"/> General Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> S-Corporation <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Private Individual <input type="checkbox"/> Other _____ <small>(insert description)</small>		
Federal Employer Identification Number (EIN):		
State of formation:	Date formed:	
Primary business address:		
City:	State:	Zip:
E-mail address to which notices should be sent:		
Is the person or entity that is the proposed Purchaser the owner of the <u>Building(s)</u> ? <input type="checkbox"/> Yes <input type="checkbox"/> No		
<i>The Fund Administrator may contact the Applicant directly to obtain necessary identifying and/or other information. If the proposed Purchaser is an individual, Applicants <u>must not</u> include in this Application any personally identifiable information ("PII") for the individual such as their date of birth, Social Security Number, or other similar PII.</i>		
Is this purchase of Offsets being undertaken for any purpose other than Local Law 97 compliance? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Unknown <i>Note: This Offset Purchase Application may only be used by building owners for LL97 compliance purposes.</i>		

AHRF Offsets: Purchase Process

Part 3. LL97 Compliance Information

Total Number of LL97 Covered Building(s): _____ *Note: This should be the total number of buildings included in this Offset purchase.*
(insert number)

Full legal name of person or entity that owns all the Building(s) identified below:

Note: A separate Application must be submitted for each Building owner. Multiple Buildings may be included in the same Application only if they are owned by the same entity or person.

To complete the fields below, information on each Building should be entered separately. If an aggregated emissions report for LL97 is being submitted for multiple buildings, only the BBL(s) as displayed on the LL97 reporting portal need to be provided, no BIN or address is required. Email BEAM_LL97@buildings.nyc.gov for any questions relating to aggregate reports.

Building 1: ¹	Street Address:	
Borough, Block, Lot No (BBL): <i>10-digits, no spaces</i>	Quantity of Offsets for Building 1 (in tCO2e): <i>Round to nearest one-tenth (e.g. 10.1)</i>	
Building Identification Number (BIN): <i>7- digits, no spaces</i>	Offset Purchase Price: <i>\$268 per Offset/tCO2e (For example: 21.7 Offsets x \$268 = \$5,815.60)</i>	
Building 2:	Street Address:	
Borough, Block, Lot No (BBL): <i>10-digits, no spaces</i>	Quantity of Offsets for Building 2 (in tCO2e): <i>Round to nearest one-tenth (e.g. 10.1)</i>	
Building Identification Number (BIN): <i>7- digits, no spaces</i>	Offset Purchase Price: <i>\$268 per Offset/tCO2e (For example: 21.7 Offsets x \$268 = \$5,815.60)</i>	
Building 3:	Street Address:	
Borough, Block, Lot No (BBL): <i>10-digits, no spaces</i>	Quantity of Offsets for Building 3 (in tCO2e): <i>Round to nearest one-tenth (e.g. 10.1)</i>	
Building Identification Number (BIN): <i>7- digits, no spaces</i>	Offset Purchase Price: <i>\$268 per Offset/tCO2e (For example: 21.7 Offsets x \$268 = \$5,815.60)</i>	

If more than 3 buildings are covered by this Application, attach a supplemental page to this Application with the same information as specified above for Buildings 1 – 3.

Part 4. Information on Offsets Being Purchased

Total quantity of Offsets to be purchased (in tCO2e):
Round to the nearest one-tenth of a whole number of tCO2e: e.g. 100.1tCO2e, or 10.7tCO2e, but not 100.01tCO2e, or 10.07tCO2e

Total Purchase Price: \$ _____ *Note: the price should be the quantity of Offsets to be purchased multiplied by \$268.00*

LL97 reporting calendar year in which the Offsets are being purchased: **2025**

Purchaser will need to sign the completed purchase application and email it to NYCoffsets@nyceec.com

AHRF Offsets: Purchase Process

- NYCEEC will confirm initial receipt of the Application.
- After NYCEEC has completed due diligence (which may take several business days and require the owner to submit additional/revised information), it will send a confirmation that the application has been approved and provide wire transfer instructions to complete the offset purchase.
- The building owner wires payment to the AHRF's bank account, administered by NYCEEC, and then notifies NYCEEC that payment has been sent via email at NYCOffsets@nyceec.com.
- Following receipt and clearance of funds (which may take another several business days), NYCEEC will finalize the AHRF purchase in the Offset Registry and issue a certificate to the building owner that lists the amount of offsets purchased, associated LL97 covered building BIN, BBL and address, and date of offset generation/retirement.

Funding Flows Through HPD's REDI Program

REDi is a joint HPD-NYSERDA program that is a successor to HPD's highly successful Retrofit Electrification Pilot. The pilot & REDI have funded the electrification of over 1,600 units.

- REDI projects are subject to significant oversight by HPD and NYSEERDA.
- REDI provides up to \$35K/ Dwelling Unit for electrification of heating and hot water along w/ enhanced envelope and ventilation.
- REDI funds supplement city dollars to meet the city's climate goals.
- REDI has a large pipeline of projects that are good candidates for electrification.
- Adding AHRF dollars ensures HPD does not need to turn away low-income buildings where electrification provides multiple health, safety and climate benefits.

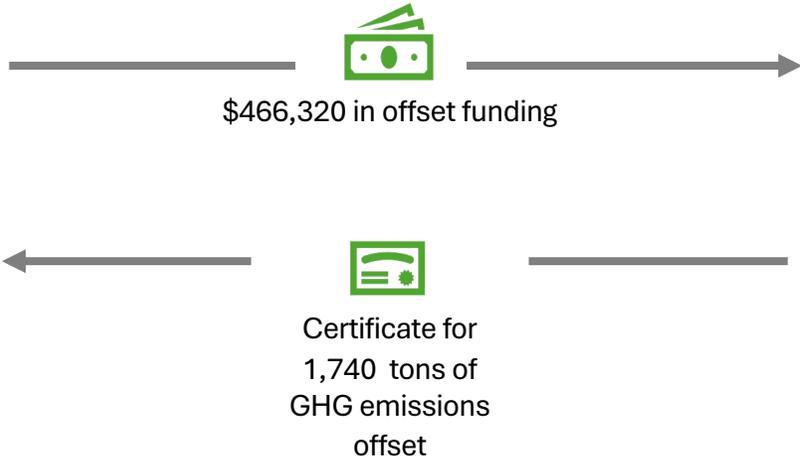
Resilient & Equitable Decarbonization Initiative (REDi)

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Overview: To reach New York City and New York State's ambitious climate targets and to reduce the barriers to decarbonizing affordable housing, HPD's REDI program provides funding to build capacity and scale up equitable decarbonization, beneficial electrification, and resiliency within the HPD development pipeline and as outlined in HPD's Design Guidelines. The REDI program is a long-term joint HPD-NYSERDA initiative that builds on HPD's highly successful Retrofit Electrification Pilot and other joint programs and is an innovative model for streamlining access to financial and technical assistance from New York State. REDI funding is secured directly through HPD, without requiring an application to NYSEERDA.

Example



PURCHASER:
 Estimated Penalty for 2024-2029: ~\$2MM/year
 Compliance Limit: 17,402 MT CO₂e
 Offsets Allowed (10% of limit): 1,740 MT CO₂e
 Cost of Offsets: \$466,320 (at \$268 offset price)

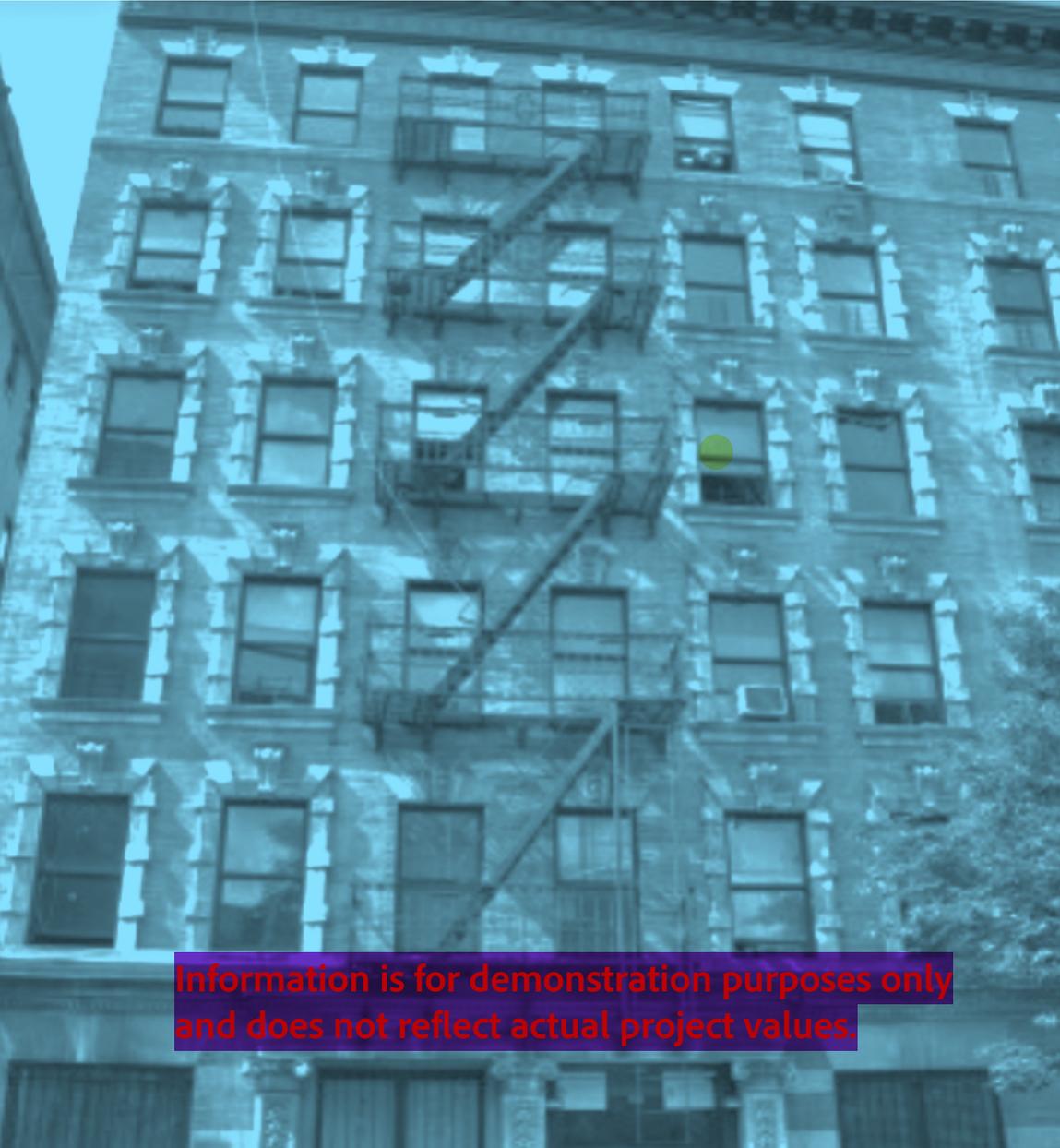


Main Street Housing: Bldg. A
 8-unit oil-heated building
 Not subject to LL97
 Scope: Electrification of heating + hot water
 Incentive: 8 X \$27,000 / DU
 Total Amount: \$216,000

Main Street Housing: Bldg. B
 10-unit oil-heated building
 Subject to Article 321
 Scope: Electrification of heating + hot water
 Incentive: 10 X \$27,000 / DU
 Total Amount: \$270,000

Total Rehab Cost: \$2,800,000
Total REDi Eligibility: \$486,000
 -Total Offset Funding: \$466,320
 -NYSERDA Funding: \$19,680
Total Households: 18
Total GHG Savings: 1,740 tons (over 20-year lifecycle)

Case Study: Oil to Mini Split (Coop Conversion)



Information is for demonstration purposes only and does not reflect actual project values.

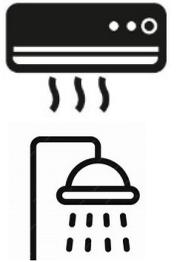
Project & Building Info:

- Substantial Rehab
- 45,000 SF in 4 buildings
- Baseline System: #4 Oil/ Steam Heat



Scope 1+2: Heating & Hot Water

- Central Heat Pump Water Heater
- Mini-split Heat Pumps
- New windows & roof plus air-sealing
- Electrical upgrades
- Heating, Cooling & DHW are resident-paid



Incentives:

- Pilot Incentives: \$26.4K/ dwelling unit
- Offset Eligibility: \$26.4K/ dwelling unit pending availability



Climate Metrics:

- GHG Reductions: ~ 3 tons/ DU*
- Energy Savings: ~ 57%
- Energy Cost Savings: ~ 37%



Case Study: Gas to VRF (Supportive Housing)



Information is for demonstration purposes only and does not reflect actual project values.

Project & Building Info:

- Gut Rehab
- 43,000 SF w/ 52 units
- Baseline Fuel: Gas / 1-pipe



Scope 2: Heating Only

- Central VRF
- New windows & roof plus air-sealing
- Electrical upgrades
- Heating/ Cooling is owner-paid



Incentive:

- Pilot Incentives: \$24K/ dwelling unit
- Offset Eligibility: \$12K/ dwelling unit pending availability



Climate Metrics:

- GHG Reductions: ~ 2.6 tons/ DU
- Energy Savings: ~ 34%
- Energy Cost Savings: ~ 8%



Upcoming Event:

BE-Ex & WISE 2026 Winter Soirée February 2026

Join Building Energy Exchange (BE-Ex) and Women in Sustainability & Energy (WISE) in February 2026 to celebrate our collective efforts in advancing decarbonization and realizing a resilient future for everyone, everywhere!



RSVP here!

