

New York City Department of Buildings

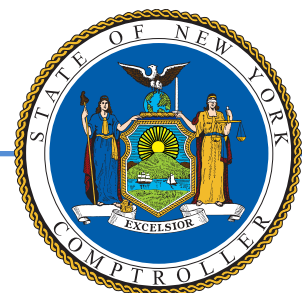
Implementation of Selected Aspects of the Climate Mobilization Act

Report 2024-N-1 | April 2026

OFFICE OF THE NEW YORK STATE COMPTROLLER

Thomas P. DiNapoli, State Comptroller

Division of State Government Accountability



Audit Highlights

Objective

To determine whether the New York City Department of Buildings (DOB) has taken steps to ensure that private building owners are in compliance with selected aspects of the Climate Mobilization Act (CMA) by the mandated deadlines. The audit covered the period from November 2019 to June 2025.

About the Program

In May 2019, New York City enacted the CMA, a package of legislation containing actions to be taken by the City to reduce greenhouse gas (GHG) emissions, which are known to trap heat in the atmosphere, contributing to global warming.

At the core of the CMA is Local Law 97 (LL97) of 2019, which required covered buildings to meet GHG emissions limits beginning in 2024. In total, there are four compliance periods—the first beginning in 2024—with increasingly stringent requirements starting in 2030, 2035, and 2050. The goal is to reduce the emissions produced by the City's largest buildings by 40% by 2030 and achieve net zero emissions (be carbon neutral) by 2050.

Local Law 84 (LL84) of 2009, as amended by Local Law 133 of 2016, requires owners of buildings that meet the criteria outlined in the law to annually measure their energy consumption through a process called benchmarking. The CMA includes Local Law 95 (LL95) of 2019, which amended Local Law 33 (LL33) of 2018, requiring building owners to post the building's Energy Efficiency Rating label (energy efficiency label) in a conspicuous location near each public entrance of the building, within 30 days of receiving an energy efficiency score.

DOB is tasked with overseeing CMA implementation and enforcement for privately owned buildings. This is performed by DOB's Office of Building Energy and Emission Performance, which is required to establish and engage in outreach and education efforts to inform building owners about building emissions limits and compliance, and to provide outreach, education, and training opportunities for building maintenance and operations staff.

Buildings over 25,000 square feet, or multiple buildings on the same tax lot that together exceed 50,000 square feet, are required to comply with LL97. The New York City Department of Finance (DOF) compiles and provides a list of buildings required to comply with LL97 and LL84. These lists are referred to as the Covered Buildings List (CBL).

To comply, all buildings on the CBL must input their energy usage data into the ENERGY STAR Portfolio Manager (ESPM), the U.S. Environmental Protection Agency's online benchmarking tool, which calculates a building's annual GHG emissions. LL84 requires private buildings to annually input and submit to the benchmarking tool the total use of the energy and water for a building. Each building classification has a GHG emissions cap based on its square footage and occupancy group.

Building owners that are required to comply with LL97 must file a report with DOB, certified by a Registered Design Professional, by May 1, 2025 and each year thereafter. When an owner reports that their building exceeded its annual building emissions limit, they will be liable for a civil penalty of not more than an amount equal to the difference between the building emissions limit for that time frame and the reported building emissions for that year, multiplied by \$268.

DOB utilizes a service provider to assist building owners in complying with the local laws related to the CMA. The stated goal of the outreach and assistance program is to accelerate the adoption of energy

efficiency measures in order to increase the number of high-performance buildings in New York City. Outreach is conducted in multiple ways, including through social media and direct outreach events. The service provider also works with community organizations to publicize its events and connect building owners to available financing resources.

DOB also partnered with an entity to establish a Help Center to assist building owners with questions related to compliance with LL84 and LL97, providing training (a series of courses on benchmarking and building energy compliance) and maintaining a call center (telephone and email).

Key Findings

While DOB has made efforts to ensure private building owners comply with the CMA (LL95 and LL97)—including engaging third parties for outreach efforts to building owners—it has taken a hands-off approach to monitoring its outreach efforts and the building owners’ compliance with the requirements. As a result, there is no assurance that building owners will comply with the CMA’s requirements by the mandated deadlines to reduce GHG emissions. For instance:

DOB Outreach

- DOB reported sending out its own outreach letters to building owners, but it provided no documentation to substantiate when or how these letters were issued until September 2, 2025, after the closing conference. DOB provided us with a list of addresses where letters were sent and templates of the outreach letters. We also reviewed the address listing and determined that only 150 of the 602 addresses (25%) were on the CBL (the listing of private building owners that are required to comply with the local laws). As a result, there is no assurance that the building owners were made aware of the requirements. Other outreach efforts—such as compliance notices placed on the last page of property tax bills—were unlikely to reach the intended audience.
- During calendar year 2024, DOB had an initiative to contact private building owners by phone to advise them on how to meet the emission reduction targets by the first reporting date of May 1, 2025. However, DOB contacted only 1,118 of 13,269 (8%) of those required to comply. DOB officials stated that this was an internal effort with limited staff.
- To assess the effectiveness of DOB’s outreach efforts, we sent letters with a survey to a random sample of 151 building owners that were required to comply with LL97 using contact information provided by DOB. Of the 17 surveys received, five respondents stated they were unaware of the CMA, seven said they were never contacted by DOB, and five stated they were not aware of the service provider’s program.
 - It is noteworthy that 20 of the letters were returned as undeliverable.

Service Provider Outreach

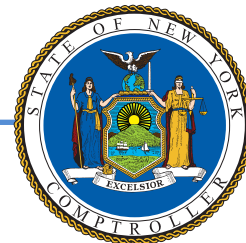
DOB refers building owners to its service provider for further assistance. We reviewed DOB’s phone call log and determined that 631 of the building owners from the CBL that DOB had called were also referred to the service provider. We then selected a sample of 53 buildings to determine whether there were any documents supporting outreach efforts and whether DOB followed up after a referral was made. When we asked DOB officials for documentation on the type of assistance that was provided, DOB officials advised us that while they frequently meet with the service provider, they do not follow up on the referrals. Consequently, DOB does not have any documentation to support the service provider’s outreach efforts.

Additionally, as part of its efforts, the service provider has a website that includes a sustainability map allowing users to search for any building address in New York City to access information about its energy usage, verify LL97 compliance status, and review penalty projections. Building owners who may be fined in 2025 for not meeting 2024 requirements are highlighted in red on the website. To assess outreach efforts, we used this website to select a sample of buildings at risk of not meeting their goals. We determined that approximately half of the building owners were not contacted by DOB (according to its phone call log), and only about half of the owners contacted were referred to the service provider for further assistance.

Finally, LL95 of 2019 amended the grade scale used for benchmarking covered buildings. LL33 of 2018 requires private building owners to display an energy efficiency label in a conspicuous area near each public entrance so it is visible to the public. DOB is responsible for enforcing building compliance. During May and June 2025, we visited 55 judgmentally selected buildings and found 13 (24%) did not have their energy efficiency labels posted, as required. Of the 42 buildings that posted their energy efficiency labels, 13 (31%) were not displayed in an area visible to the public. For example, one energy efficiency label was located inside a desk drawer. In a meeting with DOB officials, they stated they do not conduct inspections to confirm that energy efficiency labels are posted and up to date.

Key Recommendations

- Contact building owners, especially those in jeopardy of not meeting the GHG emissions requirements, and document this contact.
- Reassess resources tasked with contacting building owners about complying with the local laws.
- Create a system to track referrals made to the service provider and use it to maintain information about services/assistance provided to the building owners and to follow up on buildings that are in jeopardy of not meeting GHG emissions requirements.
- Educate building owners on the requirements of the local law to ensure they fully understand where the energy efficiency labels should be posted.
- Inspect buildings to verify that an energy efficiency label is posted near each public entrance, so it is visible to the public.



**Office of the New York State Comptroller
Division of State Government Accountability**

April 21, 2026

Ahmed Tigani
Commissioner
New York City Department of Buildings
280 Broadway
New York, NY 10007

Dear Commissioner Tigani:

The Office of the State Comptroller is committed to helping State agencies, public authorities, and local government agencies manage their resources efficiently and effectively. By so doing, it provides accountability for the tax dollars spent to support government operations. The Comptroller oversees the fiscal affairs of State agencies, public authorities, and local government agencies, as well as their compliance with relevant statutes and their observance of good business practices. This fiscal oversight is accomplished, in part, through our audits, which identify opportunities for improving operations. Audits can also identify strategies for reducing costs and strengthening controls that are intended to safeguard assets.

Following is a report of our audit entitled *Implementation of Selected Aspects of the Climate Mobilization Act*. This audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article III of the General Municipal Law.

This audit's results and recommendations are resources for you to use in effectively managing your operations and in meeting the expectations of taxpayers. If you have any questions about this report, please feel free to contact us.

Respectfully submitted,

Division of State Government Accountability

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Glossary of Terms

Term	Description	Identifier
DOB	New York City Department of Buildings	<i>Auditee</i>
CBL	Covered Buildings List	<i>Key Term</i>
CMA	Climate Mobilization Act	<i>Law</i>
DOF	New York City Department of Finance	<i>Agency</i>
Energy efficiency label	Energy Efficiency Rating label	<i>Key Term</i>
ESPM	ENERGY STAR Portfolio Manager	<i>Key Term</i>
GHG	Greenhouse gas	<i>Key Term</i>
LL84	Local Law 84 of 2009	<i>Law</i>
LL95	Local Law 95 of 2019	<i>Law</i>
LL97	Local Law 97 of 2019	<i>Law</i>

Background

In May 2019, the New York City Council enacted the Climate Mobilization Act (CMA), a package of legislation containing actions to be taken by the City to aggressively reduce greenhouse gas (GHG) emissions from its largest buildings. GHG emissions, which include carbon dioxide, methane, and nitrous oxide, are known to trap heat in the atmosphere, contributing to global warming.

At the core of the CMA is Local Law 97 (LL97) of 2019, which required covered buildings to meet GHG emissions limits by 2024. Buildings over 25,000 square feet, or multiple buildings on the same tax lot that together exceed 50,000 square feet, are required to comply with LL97. The goal is to ultimately reduce the emissions produced by the City's largest buildings by 40% by 2030 and achieve net zero emissions by 2050. The New York City Department of Buildings (DOB) is tasked with enforcing this and other local laws under the CMA through its Sustainability Bureau.

Local Law 84 (LL84) of 2009, as amended by Local Law 133 of 2016, requires owners of buildings that meet the criteria outlined in the law to annually measure their energy consumption through a process called benchmarking. Building owners must input their energy usage data into the ENERGY STAR Portfolio Manager (ESPM), the U.S. Environmental Protection Agency's online benchmarking tool. The ESPM calculates a building's annual GHG emissions. Each building classification has an emissions cap based on its square footage and occupancy group. Building owners are required to benchmark by May 1 of every year. DOB uses the ESPM data to assign a grade and create a building Energy Efficiency Rating label (energy efficiency label) to be posted on the building. This energy efficiency label is issued by DOB every year on October 1.

Local Law 33 of 2018 requires a building owner to post the building's energy efficiency label in a conspicuous location near each public entrance within 30 days of receiving an energy efficiency score. Buildings that fail to display their energy efficiency label in a timely manner are subject to a penalty of \$1,250 per violation.

The New York City Department of Finance (DOF) compiles and provides lists of buildings required to comply with LL97 and LL84. These lists are referred to as the Covered Buildings List (CBL). As of April 2024, the CBL contained 27,976 buildings. DOB places these buildings into one of six compliance pathways based on when the buildings are expected to comply with LL97. The first compliance pathway, containing 13,269 buildings, required owners to submit their 2024 GHG emissions report by May 1, 2025.

Buildings that are required to comply with LL97 must file a report, certified by a Registered Design Professional, with DOB by May 1, 2025 and each year thereafter. When an owner of a building covered by LL97 submits a report indicating that their building exceeded its annual building emissions limit, they will be liable for a civil penalty of not more than an amount equal to the difference between the building emissions limit for that time frame and the reported building emissions for that year, multiplied by \$268.

LL97 also requires DOB to establish and maintain a program for assisting owners of covered buildings in complying with LL97, as well as to expand existing programs established to assist owners in making energy efficiency and renewable energy improvements. This includes establishing and engaging in outreach and education efforts to inform building owners about building emissions limits and compliance.

DOB also utilizes a service provider to assist building owners in complying with local laws related to the CMA. The stated goal of the outreach and assistance program is to accelerate the adoption of energy efficiency measures and increase the number of high-performance buildings in New York City. Outreach is conducted in multiple ways, including through social media and direct outreach events. The service provider partners with community organizations to publicize its events and connect building owners to available financing resources.

DOB also partnered with an entity to establish a Help Center to assist building owners with questions related to compliance with LL84 and LL97, providing training (a series of courses on benchmarking and building energy compliance) and maintaining a call center (telephone and email).

Finally, DOB maintains a system called DOB NOW, a public-facing website containing building information, including alternate addresses, energy efficiency submissions, and penalties owed.

Audit Findings and Recommendations

While DOB has made efforts to ensure private building owners comply with selected aspects of the CMA—partnering with outside entities to aid with outreach and education and referrals for financial assistance, and to operate a Help Center—DOB needs to better monitor outreach efforts to ensure their effectiveness.

DOB reported sending outreach letters and provided a list of 602 addresses where letters were sent and templates of the outreach letters. However, it did not provide the letters' contents. We reviewed the address listing and determined that only 150 of the 602 properties (25%) were listed in the CBL. As a result, there is no assurance that building owners required to comply with LL97 and LL84 were specifically made aware of the requirements. Other outreach efforts, such as compliance notices placed on the last page of property tax bills, were unlikely to reach the intended audience.

DOB refers building owners to its service provider for further assistance. However, DOB officials advised us that while they frequently meet with the service provider, they do not follow up on the referrals. Therefore, DOB does not have any documentation to support the service provider's outreach efforts.

Finally, LL95 requires private building owners to display energy efficiency labels in a conspicuous area near each public entrance so they are visible to the public. DOB is responsible for enforcing compliance. During May and June 2025, we visited 55 judgmentally selected buildings and found 13 (24%) did not have their energy efficiency labels posted, as required. Of the 42 buildings that posted their energy efficiency labels, 13 (31%) were not displayed in an area visible to the public. For example, one energy efficiency label was located inside a desk drawer. DOB officials stated they do not conduct inspections to confirm that energy efficiency labels are posted and up to date.

DOB Outreach

According to LL97, DOB is required to establish and engage in outreach and education efforts to inform building owners about emissions limits and compliance. DOB officials provided us with examples of outreach efforts to building owners including outreach letters, phone call logs, and compliance notices on property tax bills.

DOB officials shared 14 templates of letters to support the claim that they informed building owners of their responsibilities and other information regarding the CMA. However, DOB officials declined to provide a list of letter recipients, so there is no assurance that building owners were made aware of the requirements. On September 2, 2025, after the closing conference, DOB provided only a list of addresses. When we checked the list, we determined that only 150 of the 602 properties (25%) were on the CBL (which contained 13,269 private building owners) and there was no indication of any actions taken. As a result, there is no assurance that the building owners were made aware of the requirements.

DOB's phone call log listed building owners that were contacted regarding LL97 and indicated whether the building owners were referred to the service provider for further

assistance. We reviewed the phone call log and found that only 1,118 of the 13,269 (8%) buildings that had to comply with the CMA by the first compliance period (May 1, 2025) had been contacted. In a meeting with DOB officials, they stated that they are not required to contact building owners, and the phone calls were made as a courtesy with a limited number of staff assigned who also have other responsibilities. DOB officials added that building owners should research how to complete their obligations, and that it is not something DOB is required to teach them.

DOB officials also pointed to the compliance notification at the end of each DOF property tax bill issued to every building owner or agent designated by the owner. This notification provides information about LL97 and other emissions-related content. However, the bill is multiple pages, and the relevant information, which shows the building owner the amount owed and the payment methods, is on the first page. The compliance notification is at the end of the last page, which can be overlooked by the building owner.

To determine whether building owners were aware of the CMA and the resources available to assist them in complying with LL97, and whether they were contacted by DOB, the service provider, or the Help Center, we selected a random sample of 151 of the 13,269 buildings whose 2024 GHG emissions reports were required to be submitted by May 1, 2025. We sent letters to the building owners to the address listed on the property tax bills and included a questionnaire link.

Of the 151 building owners that were sent letters, 17 responded. Out of the 17 responses, we found the following:

- Five respondents were unaware of the CMA.
- Seven respondents stated that DOB has not contacted them. Five of these respondents have also not received contact from the service provider.
- Five respondents were not aware of the service provider's program.
- Of note, 20 letters were returned as undeliverable.

In a meeting, DOB again stated that it is the building owner's responsibility to be aware of the requirements for the CMA and related local laws. However, as stated in LL97, DOB is responsible for helping building owners become aware of these requirements to achieve compliance. DOB also mentioned that its website provides LL97 details and contact information for the service provider, so building owners should know who to contact for assistance. DOB further stated it does not have the resources to contact building owners and relies on the service provider and the Help Center to do that work. However, without knowing about the service provider and/or Help Center, it is unclear the building owners would know how to do this.

We also reviewed the data for 151 sampled buildings to determine whether their emissions levels exceeded the limits for the first reporting period and whether DOB made efforts to identify and contact the owners of the buildings. We found that 13 of the 151 (9%) buildings were above the carbon emissions limits, potentially resulting in an excess of 7,160 tons of carbon dioxide emissions, which could

result in penalties of \$1,919,105 if carbon emissions are not reduced. There was no documentation confirming that DOB contacted the owners of five of these 13 buildings to advise them on how to reduce their carbon emissions. DOB responded that four of these five buildings were sent hard copy letters for “General Compliance” and stated that these buildings had email exchanges with the service provider’s account managers. We requested documentation to support DOB’s statements in its response to the preliminary findings, but it was not provided. For the remaining building, DOB stated that DOF sent property tax bills to all building owners. However, as mentioned above, these bills do not serve as CMA outreach, and the notice can easily be overlooked.

DOB officials also stated that they rely on the service provider and the Help Center for most of the outreach efforts. However, DOB did not provide support that it took steps to ensure that the service provider and the Help Center adequately carried out outreach and education initiatives to inform building owners about emissions limits and related regulations. Even if DOB hired a contractor to assist it, ultimately DOB—not the contractor—is responsible under LL97.

While DOB performed other types of outreach, including social media postings, we determined that this outreach was not sent to individual building owners and did not guarantee that they would engage with the content.

Recommendations

1. Contact the owners of buildings, especially those at higher risk of not meeting the GHG requirements, and document the contact.
2. Ensure that building addresses used to correspond with the owners are correct and periodically checked.
3. Reassess resources tasked with contacting building owners about complying with the local laws.

Service Provider Outreach

According to DOB officials, they rely on the service provider’s outreach efforts to help the building owners obtain information about LL97 and to provide assistance. We reviewed DOB’s phone call log records in order to determine which building owners were contacted and referred to the service provider as of November 24, 2024. We found there were a total of 631 buildings from the CBL that DOB referred to the service provider. We selected a sample of 53 of 631 buildings to determine if any of these were at risk of not meeting compliance with LL97 for the first compliance period, whether there were any documents supporting outreach efforts made by the service provider, and whether any follow up was made by DOB after the referral was made.

We found that 23 of 53 (43%) buildings referred to the service provider were still at risk of not meeting the requirements for LL97 for the first compliance period, with an estimated combined penalty of \$2,433,514. When we asked DOB for documentation

on the type of assistance that was provided, DOB officials advised us that they do not follow up on referrals made to the service provider. DOB officials indicated they have frequent meetings with the service provider, and as part of these meetings, individual buildings may be discussed if any issues need to be addressed. However, they advised us they do not have the resources to follow up on individual cases referred.

The service provider maintains a website that includes a sustainability map, allowing users to search for any building address within New York City to access information about its energy usage, verify compliance status with LL97, and review penalty projections. Building owners that may be fined in 2025 (for not meeting 2024 requirements) are highlighted in red.

We selected a sample of 46 buildings with projected penalties of \$13,392,900 and found that 23 (50%) were not contacted by DOB according to its phone call log as of November 2024. For the remaining 23 buildings that DOB contacted, 12 were referred to the service provider for further assistance. The 12 referred buildings had an estimated annual penalty of \$8,654,200. The other 11 buildings were not referred. We conclude that DOB did not follow up on all buildings at risk of not meeting compliance with LL97 and did not ensure the owners were made aware of the requirements and available resources.

In response to our preliminary findings, DOB officials questioned the reliability of the data found on the service provider's website, stating that it was not live or real-time data, used data from calendar year 2023 or earlier, and did not require a sign-off by a Registered Design Professional, as required by LL97. As a result, any change in performance achieved in the present would not be reflected on the service provider's website. However, DOB officials did not explain why, if this is the case, they allowed the service provider to post data that is static, does not reflect current performance due to its age, and does not comply with LL97 on the website of the vendor that they claim is responsible for outreach. This is a further indication the monitoring of this vendor was not adequate.

Recommendations

4. Create a system to track referrals made to the service provider and use it to maintain information about services/assistance provided to the building owners and to follow up on buildings that are in jeopardy of not meeting GHG emissions requirements.
5. Contact building owners that are in jeopardy of non-compliance as a priority and educate them on the requirements and the available resources such as education and referrals for financing.

Help Center

DOB partnered with an entity to establish a Help Center. The Help Center provides assistance to building owners with questions related to compliance with LL84

and LL97. The Help Center also provides training and maintains and updates a curriculum to reflect any changes or additions to compliance and resources pertaining to building energy sustainability laws. DOB requires the Help Center to provide an annual report summarizing its program activities (e.g., training). The Help Center also sends DOB monthly summary spreadsheets containing the activity of phone calls and emails to building owners that demonstrate its efforts each month.

To determine whether the data related to the Help Center’s training efforts reported in the most recent (and only available) Help Center annual report (fiscal year 2023) was accurate and supported by registration and attendee listings, we reviewed the number of people who registered and attended the courses. We determined the number of individuals registered for training courses reported in the annual report was overstated by 6% because 82 of the 1,409 people registered were duplicates. In addition, we found that 18 of the 665 registrants (3%) who were marked as attending the course were also duplicate entries. Further, we found that one of the duplicated registrants was actually a Help Center employee.

When we asked about these discrepancies, DOB officials stated they never saw the need to monitor the Help Center and never had a reason to question the data because it is not their data. DOB also responded that the key performance indicator that DOB uses to evaluate the performance of the Help Center is not training attendance, but rather the rate of building compliance with LL84 benchmarking requirements. They further stated the rate of compliance has improved steadily from approximately 75% in its first year to close to 97% currently. However, there is no demonstrable link between the vendor’s performance and the overall outcome because DOB has not provided evidence showing how the Help Center’s activities contributed to the broader results. Without a clear methodology or data that connects the Help Center’s work to the desired outcome, we cannot conclude that the vendor’s performance had a measurable impact. Moreover, we cannot verify the impact because DOB never provided us with the data. Overall, DOB did not explain how it could tie the Help Center’s work to the rate of building compliance, nor did it provide data to support the rate of compliance.

Recommendation

6. Request and review the Help Center’s detailed data pertaining to its activities/service to building owners.

Posting of Energy Efficiency Labels

Local Law 33 of 2018 as amended requires an energy efficiency label to be displayed either externally or internally in a conspicuous location near each public entrance. The energy efficiency label must be displayed year-round and replaced each year with the latest issued version. The energy efficiency label is not automatically mailed; instead, an owner or owner’s representative must access it through the DOB NOW Public Portal, where it can be downloaded and printed for posting. Failure to print and post the DOB-issued energy efficiency label may result in a civil penalty of \$1,250. DOB officials explained they rely on building owners to

verify that the posting was completed by requiring them to file an attestation form with DOB. DOB reviews a report of buildings that did not attest to posting and sends them the penalty notice.

We selected a sample of 55 buildings that were required to post an energy efficiency label in 2024. During May and June 2025, we visited each building and verified that labels were displayed in a conspicuous area visible to the public. We also checked the dates on the labels to ensure that the information reflected the most recent year of compliance. If a label was not displayed, we checked DOB records to determine whether a violation notice was sent to the building owner.

We found 13 of the 55 buildings (24%) did not have their energy efficiency labels posted. Eight of the 13 building owners attested to DOB that their energy efficiency labels were posted while the remaining five did not. However, DOB did not send violation notices to these five building owners.

Of the 42 buildings that had energy efficiency labels posted, 13 buildings (31%) did not have their energy efficiency labels displayed in a conspicuous area near each public entrance, instead displaying them in areas such as at the rear of the building (see Figure 1). Another apartment building had its energy efficiency label located in the basement (see Figure 2). In another building, the energy efficiency label was located inside a desk drawer in the lobby. Additionally, four buildings displayed energy efficiency labels that were outdated.

We also found that DOB’s energy efficiency label attestation form does not require the building owner to attest to having posted the energy efficiency label. Instead, it only requires the building owners to certify that they will print and post it. It reads as follows, “I further certify that I personally or persons under my direction or control, will print and post the ‘Building Energy Efficiency Rating Label’ by the NYC Administrative Code Department of Buildings rules, and other applicable laws for the above-referenced covered building.”

DOB officials acknowledged that they do not conduct inspections to confirm that energy efficiency labels are posted and up to date.

Recommendations

7. Educate building owners on the requirements of the local law to ensure they fully understand where the energy efficiency labels should be posted.
8. Inspect buildings to verify that an energy efficiency label is posted near each public entrance, so it is visible to the public.
9. Revise the energy efficiency label attestation form to state the energy efficiency label was posted, instead of attesting that it will be posted in the future.

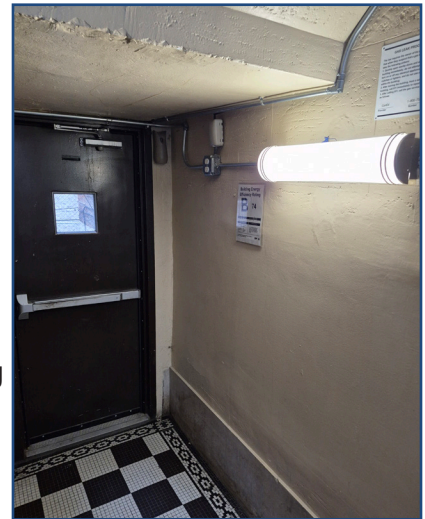


Figure 1: Energy efficiency label found at the rear of an apartment building lobby.

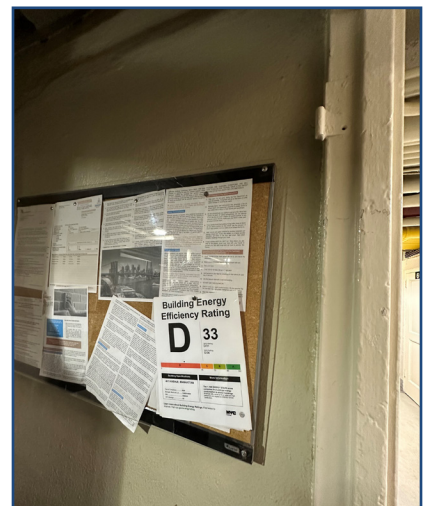


Figure 2: Energy efficiency label found in the basement of an apartment building.

Reconciliation of the Covered Buildings List

Annually, DOF compiles and provides a CBL to DOB from its Property Tax System. According to LL97, covered buildings are those that exceed 25,000 square feet or are multiple buildings on the same tax lot that together exceed 50,000 square feet. DOB's 2024 CBL included 27,976 buildings, each with its address and borough block lot number (block/lot number).

We reconciled the DOB's 2024 CBL with the CBL provided by DOF. We identified 157 block/lot numbers on DOF's CBL that were not on DOB's CBL. Additionally, there were 550 block/lot numbers that were on DOB's CBL that were not included on DOF's CBL. According to DOB, its list is the final reconciled list. Further, DOB officials stated that without the data we used to support the differences, they are unable to confirm the accuracy of the findings. However, the data was provided to DOB on June 10, 2025—the same date it was requested.

Recommendation

- 10.** Document the block/lot numbers or buildings that are adjusted from DOF's data to produce DOB's final CBL.

Audit Objective, Scope, and Methodology

The objective of our audit was to determine whether DOB has taken steps to ensure that private building owners are in compliance with selected aspects of the CMA by the mandated deadlines. The audit covered the period from November 2019 to June 2025.

To achieve our audit objective and assess relevant internal controls, we interviewed DOB officials and reviewed relevant laws, codes, and rules as well as DOB's guidance related to the CMA. In addition, we interviewed the service provider and Help Center officials to gauge their outreach efforts to building owners and buildings referred.

We used a non-statistical sampling approach to provide conclusions on our audit objectives and to test internal controls and compliance. We selected both judgmental and random samples. However, because we used a non-statistical sampling approach for our tests, we cannot project the results to the respective populations, even for the random samples. Our samples, which are discussed in detail in the body of our report, included:

- A random sample of 151 properties from the 13,269 required to comply with LL97 to survey the property owners regarding effectiveness of DOB's outreach efforts.
- A total sample of 53 of 631 buildings referred to Accelerator, to determine whether any are at risk of non-compliance, whether there are documents to support outreach efforts, and whether DOB followed up after the referral. We stratified the list of buildings by borough and then took all the buildings from the borough with only 13 buildings and random samples from the four other boroughs.
- A judgmental sample of 46 buildings listed on the NYC Accelerator's Building Energy Snapshot (available on NYC Open Data) based on their compliance status and location to determine projected penalties, DOB contacts, referral for further assistance, and monitoring of progress for those referrals.
- A judgmental sample of 55 of 24,141 buildings from the LL84 CBL to test whether each building had energy efficiency labels displayed in a conspicuous area visible to the public. If energy efficiency labels were not displayed, we checked DOB records to determine whether a violation notice was sent to the building owner.

We obtained data from DOB NOW and assessed the reliability of that data by reviewing existing information, interviewing officials knowledgeable about the system, performing electronic testing, and tracing to and from source data. We determined that the data from this system was sufficiently reliable for the purposes of this report.

We relied on data from ESPM (a web-based tool administered by the U.S. Environmental Protection Agency), which is recognized as an appropriate source, and used this data for widely accepted purposes. Therefore, this data is sufficiently reliable for the purposes of this report without requiring additional testing.

We obtained data from the NYC Accelerator Building Energy Snapshot (available on NYC Open Data). Neither NYC Open Data nor the City of New York guarantees the reliability of the data contained in NYC Open Data. However, we were able to locate all the buildings in our sample in DOB's records, and we believe this data is sufficiently reliable for the purposes of this audit.

Statutory Requirements

Authority

The audit was performed pursuant to the State Comptroller's authority under Article V, Section 1 of the State Constitution and Article III of the General Municipal Law.

We conducted our performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

As is our practice, we notify agency officials at the outset of each audit that we will be requesting a representation letter in which agency management provides assurances, to the best of their knowledge, concerning the relevance, accuracy, and competence of the evidence provided to the auditors during the course of the audit. The representation letter is intended to confirm oral representations made to the auditors and to reduce the likelihood of misunderstandings. Agency officials normally use the representation letter to assert that, to the best of their knowledge, all relevant financial and programmatic records and related data have been provided to the auditors. They further affirm either that the agency has complied with all laws, rules, and regulations applicable to its operations that would have a significant effect on the operating practices being audited, or that any exceptions have been disclosed to the auditors. However, officials at the New York City Mayor's Office of Operations have informed us that, as a matter of policy, mayoral agency officials do not provide representation letters in connection with our audits. Therefore, we lack assurance that the information provided to us during the course of our audit was reliable, accurate, and complete.

Reporting Requirements

We provided a draft copy of this report to DOB officials for their review and comment and considered their comments in preparing this final report. Their comments are attached in their entirety at the end of this report. In their response to our draft report, DOB officials indicated that they were engaged in multiple outreach and implementation efforts. They agreed with seven of the 10 recommendations, partially agreed with two, and disagreed with one.

Within 180 days after the final release of this report, we request that the Commissioner of the New York City Department of Buildings report to the State Comptroller, advising what steps were taken to implement the recommendations contained herein, and where recommendations were not implemented, the reasons why.

Agency Comments



James S. Oddo
Commissioner

Laura Popa
Deputy Commissioner
Bureau of Sustainability

280 Broadway, 7th floor
New York, NY 10007
nyc.gov/buildings

December 29, 2025

Ms. Carmen Maldonado, Audit Director
Office of the New York State Comptroller
Division of State Government Accountability

RE: Response to Draft Report

Dear Ms. Maldonado,

The NYC Department of Buildings (DOB) is actively and diligently implementing New York City's Climate Mobilization Act (CMA), as evidenced by the fact that over 94% of covered properties have engaged with DOB to advance their compliance with Local Law 97 (LL97) during 2025 (the first reporting year). As indicated to the State Comptroller's Office, the timing of this audit was problematic, as it purports to cover years from 2019 to the time of the audit, which lasted over a year and overlapped with the actual build-out of LL97. During this time, DOB advanced myriad outreach and implementation efforts, including ones that were in progress at the time of the audit but were still listed as recommendations in the report. The high engagement rates for LL97 and other related sustainability laws are clear indicators of the effectiveness of DOB's outreach, in coordination with our City partners, to inform owners of their obligations under the CMA.

We address each recommendation individually below.

Sincerely,

A handwritten signature in black ink that reads "James S. Oddo".

James Oddo
Commissioner
New York City Department of Buildings

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Recommendation	Agency Response
1. Contact owners of buildings, especially those at higher risk of not meeting GHG requirements, and document the contact.	Agree. In 2023, DOB proactively contacted all buildings identified as at risk of fines of \$1,000 or more, using multiple outreach methods; further, DOB continues to engage in outreach efforts including throughout 2024 and 2025, capturing these and other buildings.
2. Ensure that building addresses used to correspond with the owners are correct and periodically checked.	Agree. DOB requires all LL97 submissions to include owner contact information, which will improve DOB's ability to conduct outreach to buildings in future years.
3. Reassess resources tasked with contacting building owners about compliance with local laws.	Agree. DOB periodically assesses staffing and outreach to best support compliance with sustainability laws. First-year LL97 engagement exceeding 94% of properties demonstrates DOB's current resource allocation and outreach approach are effective.
4. Create a system to track referrals made to the service provider and use it to maintain information about services/assistance provided to the buildings that are in jeopardy of not meeting GHG emissions requirements.	Agree. DOB works closely with the NYC Accelerator, the City's free compliance resource available to building owners, which manages and tracks referrals to service providers.
5. Contact building owners that are in jeopardy of non-compliance as a priority and educate them on the requirements and the available resources such as education and referrals for financing.	Agree. DOB has consistently worked to grow outreach, education, and available resources for all buildings that must comply with LL97, including those at-risk of non-compliance in the first reporting

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	period.
6. Request and review the Help Center's detailed data pertaining to its activities / service to building owners.	Agree. DOB works closely with the Sustainability Help Center to support building owners, and compliance rates have increased steadily since the inception of this partnership. DOB extended this contract in 2025 to expand LL97 support.
7. Educate building owners on the requirements of the local law to ensure they fully understand where the energy efficiency label should be posted.	Partially agree. DOB issues annual reminders regarding EER posting. The law and DOB guidance clearly require posting “in a conspicuous location near each public entrance,” consistent with other NYC posting requirements.
8. Inspect buildings to verify that an energy efficiency label is posted near each public entrance, so it is visible to the public.	Partially agree. Inspecting over 30,000 buildings would require significant resources. DOB conducts inspections when there is suspected noncompliance.
9. Revise the energy efficiency label attestation to state that the energy efficiency label was posted instead of attesting that it will be posted in the future.	Disagree. DOB’s current procedures allow building owners to complete the EER attestation and DOB to confirm it in a single step. Adding extra steps would create unnecessary burden without improving compliance.
10. Document the block/lot numbers or buildings that are adjusted from DOF’s data to produce DOB’s final CBL.	Agree. DOB maintains a detailed change log and version control system for CBLs, including tracking of all BBL and BIN-level updates.

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