

**Welcome to the second
edition of our quarterly
newsletter!**

THE ORSID

— DIGEST —



TABLE OF CONTENTS

NYC Local Law 152	1
Smart Meters	2
The End of COVID-19?	3
Legislative Update	4
Orsid on YouTube	5
Uncommon Solutions	6
Welcome to Orsid	7

Edition Two 2021

NYC Local Law 152 Deadline December 31, 2021

While it may seem as if the City passes a new local law every year resulting in a financial impact on co-ops and condominiums, Local Law 152 was enacted in response to a series of deadly gas explosions in Manhattan. In 2016, the NYC Department of Buildings passed LL 152 to improve public safety by requiring periodic inspections of a building's critical gas distribution infrastructure.

Local Law 152 is only one component of a larger package of gas safety regulations. Beginning in 2020 all buildings, other than single family homes, within the five boroughs with any kind of natural gas service must have their gas lines inspected once every four (4) years. The inspection schedule is based upon where your building is located. For example, inspections throughout most of Manhattan must occur before the end of 2021. Buildings that do not use natural gas must have a design professional, such as a registered architect or professional engineer, provide certification.

Gas line inspections may only be performed by a qualified licensed master plumber. The inspection requires a visual check of every exposed gas pipe in all mechanical and common areas, including public hallways and corridors. A Combustible Gas Indicator is used by the inspector to accurately detect any leaks or corrosion.

A certificate of inspection identifying conditions found, including gas leaks and non-compliant (illegal) connections, must be submitted to the property owner within 30 days. The owner then must submit the findings within 60 days of receiving it and take immediate action if an unsafe condition is found. The owner then has 120 days from the date of inspection for minor repairs and may apply for an additional 60 days to correct major issues. The most common repair is to paint exposed gas piping with yellow paint and label the piping with flow direction. A building owner who fails to submit a certification on or before the filing deadline of December 31, 2021 will be liable for a civil penalty of \$10,000.

With the December deadline fast approaching, buildings that delay inspecting their gas infrastructure run the risk of not being able to complete repairs on time and may subject the building to fines. We recommend contacting a licensed master plumber (or registered design professional, if your building has no gas piping system) as soon as possible. We expect there will be greater demand towards the end of the year and you'll want to make sure your building is inspected and certifications are in place. The Orsid team stands ready to assist throughout this entire process to work with a master plumber who not only can handle the required inspections, but also perform the necessary repairs.



While we're on the topic of building utilities...

After a lengthy delay due to COVID-19 restrictions, the promise of Smart Meter installations is back! Current electricity meters are mechanical with a small, rotating disc inside that measures usage. Over time, friction causes the disc to rotate at a slower speed, which can lead to inaccurate readings and bills. Smart Meters bring traditional meters into the 21st Century.

In 2017 Con Edison announced a five-year plan to replace nearly 5 million electricity meters with Smart Meters. The old, mechanical meters require a Con Edison employee to visit the building and physically read the analog dials. Smart Meters, however, transmit readings remotely to Con Edison via a secure wireless network on an ongoing basis, delivering precise data on how much energy a building—or apartment—actually uses.

Most New York City buildings and their residents may have received one or more notices that Con Edison will start switching out all the electrical and gas meters with new “smart meters.” These new meters provide real-time energy usage data to Con Edison every 15 minutes and the benefit of Smart Meters is immediately clear: no more estimated bills. Con Edison will now be able to provide specific breakdowns of energy use based on the 15-minute update increment. Customers will be able to track their usage by month, week, or even hourly throughout the day, through an online portal.

The new system allows customers who are moving into new apartments to have power turned on immediately and remotely. The system for shutting off power, tracking of past-due bills – including warnings, payment plans, etc., will remain in place.

The new meters will be installed at no cost to customers who will benefit from more accurate reporting of their energy consumption. Customers who want to keep their old meters will be charged a monthly fee that goes towards keeping a meter-reader on their route.

Aclara Smart Grid Solutions, a subcontractor of Con Edison, will dispatch trained employees to complete the electrical Smart Meter installations. Aclara will conduct a visual inspection of the socket, check voltage readings and take photos. The crew will then install the remote module. Each installation takes between five and ten minutes and the tenant will be without power for approximately one minute.

The work to install gas meters will be performed by another of Con Edison's subcontractors, Precision Pipeline Solutions. If a gas meter is fairly new, it will not need to be replaced and the remote module can be installed. However, very old meters will soon be obsolete and need to be replaced. This installation will result in a service interruption of approximately 20-25 minutes per meter. Also, the technicians need to do a quality assurance pressure test of the gas line after the exchange is complete, which means they will need access to the apartments on the day of the upgrade. Some buildings may have the gas meters located in apartments and others may have them in the basement.

In a time when data sharing and privacy is a major concern, Con Edison has explicitly stated that energy use data will be sent only over their secure network and not sold to any advertisers or other third party.

After a lengthy delay due to COVID-19 restrictions, the promise of Con Edison's Smart Meter installations is back!

Nearing the End of COVID-19



Our buildings have been put in a unique position during this pandemic. As COVID-19 began to take hold of our City and Country, we saw updates almost daily and/or weekly in terms of guidance and laws around what to do and how to handle everything within a residential building. Buildings then needed to absorb and react by creating policies and procedures. Today, we are hopefully seeing the light at the end of the tunnel and are moving towards a more normalized future.

Governor Cuomo announced that most of the remaining COVID-19 restrictions were lifted when 70 percent of New Yorkers aged 18 or older have received their first dose of their vaccination series. This places many of our buildings in a similar situation to where they have been throughout the pandemic; how do we react to this information and what policies and procedures are affected?

Our boards, to date, have made the best decisions for their respective buildings, whether it is easing restrictions or maintaining them.

A few board members have the unique position of being both on their respective building's board and being medical professionals. Dr. Michael Grossbard of NYU Langone, is one of those Board Members. For some of our clients, like Dr. Grossbard, even with this announcement there is caution about changing mask wearing policies in the common areas of buildings. He believes that it is important to err on the side of caution and continue to require mask wearing while in common areas of buildings to protect residents who are immunosuppressed who may not have responded to the vaccine, until the levels of vaccination increase even further. In Dr. Grossbard's opinion, "When we reach 70-80% immunity level, life will return to normal."

There are still a fair number of building staff members and residents who have yet to be vaccinated. For building staff members, we continue to educate them on the safety and efficacy of the vaccine, but it is ultimately up to the individual to decide whether or not to be vaccinated. "Orsid as an organization has done a great job of guiding our board and residents throughout the pandemic", said Dr. Grossbard.

We will continue to provide as much guidance as possible as we hopefully near the end of the pandemic.



Legislative Updates

Cooperative Reasons and Timings Bills, Pied A Terre (PAT) Tax & New Capital Base Tax

The last edition of this column described these several pieces of legislation that were not passed. Currently, there is no proposed increase in the Capital Base Tax. The Pied A Terre Tax has lost most support and will likely not come for a vote anytime soon. Similarly, the various Cooperative Reasons and Timings Bills that would impact the Cooperative Sale application processes were not voted on before the legislative session ended on June 10th. Senate Bill S1449 would require a written statement of reasons for the withholding of consent by a Cooperative Board for the sale or transfer of stock allocated to a Cooperative apartment no later than five business days after the decision. Assembly Bill A1623 would require a uniform application process for applications that is disclosed in advance to all prospective purchasers, and put a 90-day time limit for Boards to approve or deny. Any denial would have to state valid non-discriminatory grounds for the denial and any application that has not been acted upon at the expiration of the 90 days would be deemed approved. Both of these bills are still in committee and we will continue to track them closely when the legislature is back in session.

NYC Cooperative and Condominium Tax Abatement Extension

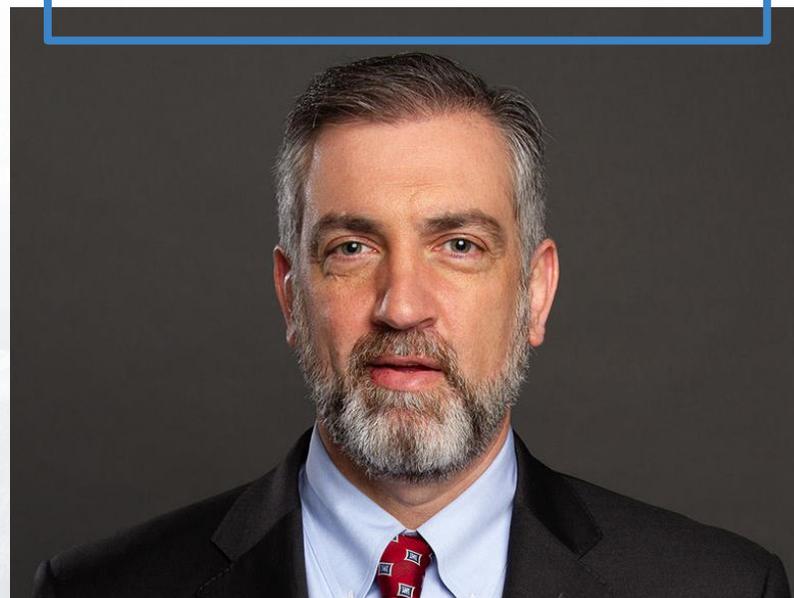
The Co-op and Condo Abatement which was due to expire on June 30, 2021 was extended for an additional two years with a few modifications that are still awaiting the Governor’s signature. The renewed version of the abatement calls for the certification of primary residence directly by shareholders/unit owners as opposed to the managing agent.

Another important change that was passed by the legislature is to the eligibility requirements for all buildings with an average unit assessed value of over \$60,000 or \$100,000 in buildings with fewer than 30 units. Beginning in the 7/1/22 tax year, for such buildings to remain eligible for the abatement program, a certification must be submitted annually that all “building service employees” are paid prevailing wages. Prevailing wages are set by the NYC Comptroller’s Office and are generally equivalent to the labor rates of local 32BJ employees including all benefits. This may cause a dramatic increase in labor costs for buildings not exclusively using union employees. A similar bill was passed by the legislature in 2019 but not signed into law by Governor Cuomo. If this bill is signed into law, it may make many buildings ineligible for the abatements without a significant increase in labor budgets by June 2022. We are currently analyzing the specific effects of this legislation on all Orsid managed properties and will advise of our analysis prior to the 2022 budget season

Exemption for Cooperatives from the Housing Stability and Tenant Protection Act of 2019

Cooperatives were exempted from some of the most onerous portions of the HSTPA. The new law permits Cooperatives to take escrows of more than a month of maintenance from prospective purchasers. Late fee provisions in Proprietary Leases are now enforceable for up to 8%. Attorney’s fee provisions are enforceable in summary proceedings and many application fees that were impermissible under the HSTPA are now allowed for Cooperative Shareholders. We advise all Cooperative Boards to check with legal counsel on how the new law affects their policies specifically.

From the desk of
**Dennis P. DePaola, Esq. Exec. VP
& Director of Compliance**



Orsid New York on



YouTube

Insurance Renewals and Market Conditions Update

Eric McPhee, Orsid New York's Executive Vice President and Director of Risk Management, walks us through the state of the casualty insurance markets and its impact on habitational real estate in New York. He also discusses the Orsid Risk Management Program and what is being done to minimize the impact of market conditions on our portfolio.

Watch Eric's insurance webinar [here!](#)

Super Spotlight: Julio Ceron Retires 590 West End Avenue

After 32 years of walking through the halls of 590 West End Avenue, Julian "Julio" Ceron, handed in his keys to 590 WEA in exchange for keys to his new home in New Jersey. Julio known for his big smile, his helpful hands and his gigantic heart, said goodbye to his superintendent's position and welcomed retirement.

"Julio represents the best of a generation of west side supers always willing to lend a hand, lend an ear, or give you the shirt off his back if you needed it. He's taken care of our building and our residents for more than three decades, and everyone who's lived here will miss him."—The Board of Directors.

In a recent interview, Julio thanked 590 WEA for the privilege to be part of a community for 32 years. For those who know Julio, they would say: "Julio, the privilege was all ours."

On behalf of the residents, the staff, and Orsid, we wish Julio the best of everything in his retirement

View Julio's farewell interview [here!](#)

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WEBINAR: Insurance Renewals and Market Conditions Update

Hosted by Eric McPhee
Executive Vice President, Director of Risk Management
April 21, 2021 6:30pm



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Uncommon Solutions



SAVING ENERGY & REDUCING THE CARBON FOOTPRINT

In recent years, New York City enacted or edited existing local laws, rules and regulations aimed at reducing energy consumption in residential buildings. Among these was Local Law 84/87, which required that buildings over 25,000 square feet undergo a periodic energy audit and enact retro-commissioning measures, as part of the Greener, Greater Buildings Plan (GGBP), with the goal of reducing their future carbon footprint. The data gained from these energy reports was used by the city in issuing the letter grades which you can see posted at the entrances of residential buildings.

While some buildings welcomed the measure, others saw this as a stain on their otherwise unblemished record. Several prominent buildings were disappointed to receive a “D” letter grade. This required an uncommon solution.

The normal course of action would be to look at energy savings measures, which we still encourage all buildings to do, but one Upper East Side building took a multifaceted approach. The building, in cooperation with Orsid, their architect, and Aurora Energy, took a second look at the data being used by the City of New York which resulted in their “D” letter grade, only to learn that there were errors in the city’s database. They began by reviewing their governing documents and recounted the number of floors, units and rooms in the building, which, along with the consumption data, are among the metrics that the city factors in formulating the letter grade. While mistakes are uncommon, and generally the best way to revise a letter grade would be to institute energy savings measures; this building’s out-of-the-box thinking was able to successfully petition the city to review their revised data, which resulted in their letter grade being changed to an “A”.

While the example above proved to be uncommon, their successful experience resulted in conversations between Orsid and each building’s energy professionals, to point out the need to make sure that the city’s data is accurate and in line with the building’s current status. We expect that this will result in revisions to some grades and are working to see what other measures can be undertaken to increase scores across the portfolio of Orsid buildings.



Welcome to Orsid

Since April 1, 2021 Orsid is proud to be the new managing agent for the following buildings:

Folio House, Inc.
105 Fifth Avenue
New York NY 10003

The Beaucaire
25 East 9th Street & 26 East 10th Street
New York, NY 10003

25 Charles Owners Corp and Condominium
25 Charles Street
New York, NY 10014

**77 Park Avenue Condominium
The Griffon**
77 Park Avenue
New York, NY 10016

Northern Lights Apartments LLC
148-09 Northern Blvd
Flushing, NY 11354

In 2021 we have welcomed the following new associates to the Orsid family:

Aaron Davidowitz, *Senior Vice President*

Ivette Cruz, *Administrative Assistant*

Desiree Welch, *Assistant Controller*

Christopher Murphy, *Administrative Assistant*

Antoinette Dailey, *Closing & Transfer Agent*

Victoria Vogt, *Administrative Assistant*

Kelly Ramirez, *Bookkeeper*

John Davis, *Associate Account Executive*

Julia Montella, *Receptionist*

Luciann Berrios, *Risk Management Associate*

Cynthia Gardner, *Administrative Assistant*

Nigel Francis, *Administrative Assistant*

We are thrilled to welcome back:

Donika Dodaj, *Director of Closings & Transfers*

Lucyna Hasko, *Closing & Transfer Agent*

We hope you found this newsletter informative. If you have any questions or a story to share for a future edition, please email info@orsidny.com

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