

THE ORSID

— DIGEST —

Q2 Newsletter

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Payroll Enhancement Program

Orsid New York continues to look for ways to improve our processes and become more efficient. Payroll processing for our building staff, which previously included many manual steps, presented a unique opportunity. We decided to partner with ADP, one of the most reputable payroll processing firms in the country.

Our office reached out to ADP with the goal of adapting their existing digital platform to Orsid's payroll processing needs, keeping in mind that this step would affect nearly 200 buildings that we manage.

We decided on a 2-step implementation process. The first step consisted of entering schedules into the system and training over 300 staff members. We are pleased to report that over the course of 4 weeks, Orsid was able to train over 300 people on how to utilize the new platform. The ADP platform was not only rolled out on time, but ADP commented that it was the smoothest adaptation and integration of their platform that they have seen in years. The second step of our implementation dealt with spam issues, creating and modifying user profiles, scheduling payroll training for employees, and bringing some team members, who otherwise were not computer literate, into the digital age.

Having gone through this transformative process, within a matter of weeks, we transitioned nearly 200 properties from an email – and paper - based system to a true digital platform that is easy to use and accessible online from any location. Our new ADP-based platform has now been in use for approximately 8 weeks and Orsid building managers, staff members, and resident managers alike have commented on its ease of use and simplicity. We believe these steps are noteworthy and fall into Orsid's evolutionary mindset, which is second to none.

The next phase of this implementation will involve allowing employees to sign-in digitally via their smart phones or tablets. This not only will help shorten the time that it takes to process payroll, but it will aide in accurately capturing employee work hours each day, rather than having the Resident Manager process the hours at the end of the work week. Among the most notable features is the digital sign-in that employees will start using in the coming weeks. It's equipped with fail-safe features that will only allow signing in and out from the confines of the building where they work. As we move into this next phase of payroll processing, the benefits and accuracy offered by the new system will help expedite the time it takes to process payroll each week, thereby saving the building money and allowing the staff to concentrate on the true tasks at hand, which is servicing the residents and the building.



Benefits of Building Amenities



As the New York City apartment sales market heats up, some of our board members are asking how they can make their building more attractive and competitive. In some cases, adding and improving amenities can be a terrific way to compete!

Amenities can range from the most basic to more extravagant. In our portfolio, we have seen resident storage units, bicycle storage, roof gardens, fitness areas, community room, playrooms, wine storage, libraries, pools and more.

There are many reasons for a board to consider creating amenity spaces. It can improve the quality of life for the residents within the building, increase apartment resale value and can serve as an income producing mechanism.

With all that said, it is not always easy to retrofit into a building and there needs to be plenty of advanced planning to be successful. It is important for a board to do a space utilization study and find areas within a building that may conform to certain types of amenities. It is usually beneficial to work in tandem with a design professional and/or architect to get the most out of the space. The Board should also define its priorities and create a budget for the project. The planning phase of such a project is a unique opportunity for shareholder/unit owner input, whether through a survey, committee, or meeting. It is also imperative to think beyond completion of the project and identify what the continuing costs may be, who will clean and maintain the space and if there will be any fees charged for use.

If the planning phase is successful and the board decides to proceed with the project, there are several other issues such as insurance, liability, access, rules, maintenance, etc. that will need to be decided upon. It is vital for us to guide each board to the decision that is best for them and their building. We continue to confront new opportunities and challenges as the City's rules and regulations continue to evolve. Orsid stands ready to help in all phases of any amenity project.



Uncommon Solutions

Energy: we all use it and continue to demand more from our buildings. But what happens when a shareholder or unit-owner does not have enough? How do you get more and then how do you bring it to where it needs to be? This is a question faced by many prewar buildings and even some postwar buildings in New York City. Thankfully, this is something that Orsid, with its extensive prewar portfolio, has been able to work with buildings to solve.

But why would an apartment need more power? As appliances have increased in energy efficiency, the opportunity to install and use them has grown immensely. Central air, washers, dryers, air conditioners, dishwashers, small appliances, TVs, and computers all contribute to the electric demand on an individual apartment. In grappling with the electrical load that an apartment needs, unit owners and shareholders turn to electricians to provide “Load-Letters” that calculate apartment capacity (how much power is available) and demand (how much is needed to use all the appliances in the apartment).

Orsid has seen a steady increase in requests to upgrade electric capacity in apartments over the past few years. Denisa Music, Alterations Manager at Orsid, shared that she now processes a handful of electric upgrades every month versus what was only a handful per year a few years ago.

So how does a building tackle an issue like this so that all unit-owners and shareholders have equal access? It starts with determining how much power Con Ed supplies to the building and how much amperage (the strength of the electric current) goes to each apartment. Typically, a building would consult with an electrical engineer to check this information and then devise an infrastructural upgrade if needed. From that point, buildings are faced with the puzzling question of how to get electric power up to those apartments that need it! Prewar buildings are notorious for having shafts for these types of work, but what if they are all filled to the brim with electric lines

already? This very situation is one faced by an Orsid managed condominium on the Upper West Side.

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Uncommon Solutions

At 112 years old, this building had 90% of the infrastructure it needed to supply additional power but none of the space!

To solve this problem, the Account Executive worked with an architect to plan multiple options for the board to choose from. The first was to core-drill through the building's slab at the back of the building's common hallways. This would be costly, loud, and take up already limited space near a window. The second was to install a "trough" that could contain multiple apartments worth of electric lines up the side of the building in a back courtyard. The board considered this option but found that it would require an immense out-of-pocket cost that would not see returns from unit owners for many years. The third option, that was eventually chosen, was to allow unit owners on an 'as needed basis,' to install individual conduits up the side of the building and, depending on the line, penetrate the facade and run the wiring through the common hallway or alternatively penetrate straight into apartments. To accomplish this, the architect devised a riser plan, designating every single apartment route up the side of the building. This would keep the lines tidy and organized.

This process included a thorough exploration inside and outside the building, including in all service courtyards. Orsid then had to determine whether it would be better to use a mass trough for the electrical wires, or alternatively, to allow unit owners to run their own conduits up the side of the building into their apartments.

While this might not be an issue in your building yet, it cannot hurt to start thinking about this as it is bound to affect every building sometime in the future. Thinking about the options of electrical solutions available to you preemptively rather than waiting for a problem to arise, and then rushing to get it solved quickly, might save your building a headache down the road.



Preparing For Your Building's Façade Repairs

Anyone who walks down the streets in New York City cannot escape the abundance of scaffolding, or what the city of NY calls sidewalk “sheds” or “bridges.” While it may be an inconvenience and, create noise and dust infiltration into apartments, its main purpose is protecting pedestrians from falling brick and construction debris.

Previously known as Local Law 11, the New York City Department of Buildings’ Façade Inspection Safety Program (FISP) requires that owners of buildings greater than six stories retain a professional engineer or registered architect to examine the building’s exterior walls and anything attached to the building’s walls (including windows, air conditioners, rails and signs).

Recently, the law has become stricter, which means more extensive examinations, more defects being identified and more repairs that must be made. A lot of buildings that were not expecting to perform facade work are now being deemed unsafe.

Because of the extensive time to complete all the steps for such a significant project, buildings need to plan ahead. Given how long it can take from the time you hire an architect, complete inspections, get a written report, and determine how the project will be paid for, it could take a year just to get the job off the ground. Let's examine the steps for this complex project.

1. Hire an Architect/Engineer and an Attorney. For FISP, the Co-op or Condo must hire an architect or engineer with a minimum of seven years of experience. Locate your prior cycle exterior report if a different architect handled the last cycle. Hire an experienced attorney to assist with negotiation and preparation of the AIA Contract and Rider with the contractor performing the work and drafting access agreements with adjacent properties (see below).

2. Timing. It is important to know when your FISP cycle filing is due, and when the inspection must be made. Your building architect can determine the best time for inspection based on which sub-cycle your building is in and the required filing dates. Knowing this information in advance will provide you with sufficient time to complete all the steps outlined in the article. At Orsid, all cycle dates and deadlines are tracked by our building database which includes building specific information to be sure no deadline goes by unexpectedly. Understanding the work schedule is also very important as exterior work can usually not progress during the cold and wet months.
3. Preparation of a Budget and Funding the Project. Prepare a budget (including architect, contractor, contingencies, legal fees, asbestos inspections, bridge work, filing fees, change orders). Co-op and Condo boards must decide how a large project like this will be paid for. It may require an assessment or securing a line of credit from a lender, taking a portion of the funding from a reserve account or a combination of the three. Engineering fees and contractor costs have gone up dramatically, and the overall project can present sticker shock, so be prepared for significant project costs.
4. Environmental Reports. Prior to any significant project, an asbestos survey must be conducted by a certified asbestos investigator. Drilling and removal of brickwork and other types of demolition during exterior work usually generates a lot of dust and can create a potential hazard of asbestos inhalation. If the report discloses asbestos containing materials, then an asbestos abatement project must be conducted before any construction work can begin. Only a contractor licensed to remove asbestos can perform the abatement work.

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Preparing For Your Building's Façade Repairs

5. Access Agreements and Neighbor Notification. Often overlooked but extremely important is to reach out to the building's adjoining neighbors to put them on notice of the forthcoming work. As part of any exterior FISP repairs, the bridge or shed must extend 20 feet past your property in either direction, in front of your neighbors building. Let your neighbors know well in advance of the project to avoid any misunderstandings. If your building is taller than the adjoining building, you may have to install protection on your neighbor's roof or courtyard. In this case, you may need counsel to draft and negotiate an access agreement allowing the protection to be installed.
6. Landmark Approval. Owners of a New York City landmark or a building located within a designated New York City historic district must receive a permit from the Landmarks Preservation Commission (LPC) before performing any type of work. Owners of these properties also need a permit from LPC for any work that requires a permit from the Department of Buildings (DOB). Check with your architect/engineer if this step is necessary.
7. Insurance Coverage. Contractors must have sufficient coverage for exterior projects. At a minimum, the contractor must carry General Liability limits in an amount not less than \$1 million per occurrence/ \$2 million in the Aggregate. Contractors should also maintain a follow-form Umbrella Liability policy with minimum limits of \$10 million. Policies must not contain Exclusions for Bodily Injury to employees of the contractor or any sub-contractor or Action-Over and all policies must apply to Owner on a Primary and Non-Contributory basis. Statutory Worker's Compensation coverage and NYS Disability coverage must also be carried by the

contractor. Additional coverages may be required as well depending on the scope of work. It is wise to retain an insurance consultant or ask the building's insurance agent to review the policies and the certificates before the contractors get hired.

8. FISP Report. Once the FISP inspection is completed and the architect or engineer issues its report, the building will understand the extent of the repairs that may need immediate or long-term attention. The report is then submitted to 4 to 6 contractors (selected by the Board and/or the architect) so that bids can be submitted for the work.

To conclude, depending on the extent of the repairs, a project can take between one to three years for completion. Take advantage of pricing by starting early. DOB does impose hefty penalties for missed filing deadlines. Compliance with FISP is especially important for co-ops and condominiums to ensure that your building does not pose a risk to the public and failure to comply.





NYC Cooperative and Condominium Tax Abatement Prevailing Wage Requirement

As per previous editions of this column, beginning with the July 1, 2022 – June 30, 2023 fiscal year, in order to continue receiving the NYC Cooperative and Condominium Tax Abatement, it is now necessary to certify by affidavit that all building service employees who are regularly employed at a building for at least eight hours per week will receive the “applicable prevailing wage for the duration of such property’s tax abatement.” The deadline for the submission of the affidavit was June 30, 2022 and we have filed the requisite affidavits for all buildings in the Orsid portfolio. On June 1st, the NYC Comptroller’s office recently set the [prevailing wage rates](#) for the fiscal year at approximately the same rates as paid to SEIU Local 32BJ employees.

Senate Bill S7278A – Remote Proceedings for Condos

Late last year, the ability of Coops to host virtual annual meetings was made permanent by an amendment to the NY Business Corporations Law. Many of our Boards and shareholders have found the online format that we have promulgated over the past year to be superior than in person meetings where there can be cross talk and interruptions. While many attorneys in the NYC Real Estate bar and courts analogize procedures for Condos to the BCL, this pending bill would specifically address Condominiums. This bill has passed both the State Senate and Assembly and now just awaits the Governor’s signature.

We at Orsid are currently tackling technological hurdles to allow for hybrid meetings which would allow both in-person and remote participation on Zoom. We hope to roll out our new protocols with this option in the fall.

Coop Denial Reasons and Timing Legislation

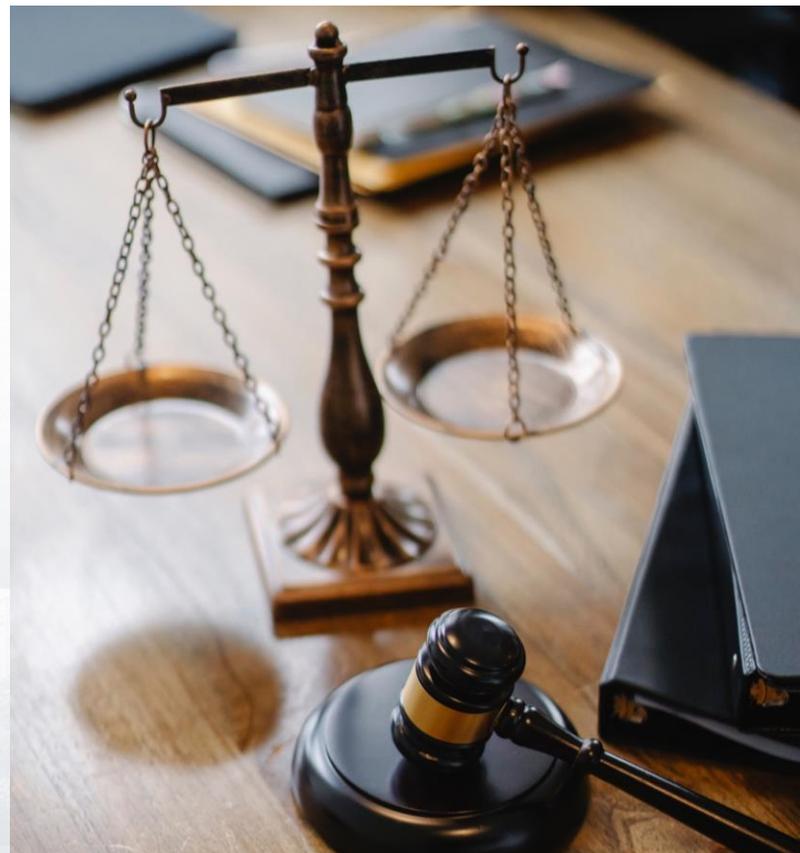
During the recently concluded legislative session in Albany, several bills were considered which would limit or restrict the ability of Coop Boards to reject sales applications and to place hard time restrictions for their consideration. None of these bills passed. However, as we have seen many times over the past decade, we expect this topic to come up again in future legislative sessions.

Legal Challenge to the Climate Mobilization Act

On May 18, 2022 a complaint was filed in the Supreme Court of the State of New York, New York County, on behalf of several Cooperatives, Cooperative Shareholders and rental building owners against New York City, the Department of Buildings (DOB) and the DOB Commissioner challenging the legality of Local Law 97 of 2019, also known as the Climate Mobilization Act (CMA).

The lawsuit claims the CMA is “ill-conceived” and the penalties for exceeding carbon emissions caps as “draconian.”

The complaint claims that the CMA is preempted by a state law also enacted in 2019 known as the Climate Leadership and Community Protection Act (CLCPA) which is comprehensive and leaves no room for localities to legislate in this area. Further, the lawsuit claims that the CMA operates as “an unauthorized and improper tax” and asks the for a declaratory judgment declaring the CMA preempted by New York State law, unconstitutional and entering a permanent injunction preventing the Defendants from implementing and enforcing it.





Legislative Updates

While continuing advise our Boards on how best to comply with the upcoming CMA emissions caps of 2024 and beyond, we will be closely watching this case and any others like it, so we can also advise of you of any anticipated changes to the legislation.

Division of Human Rights Reasonable Accommodation Notice

Under a 2021 New York State law, a notice of the Right to right to request reasonable accommodations for people with disabilities was required to go to all residents and new tenants within 30 days of the beginning of their tenancies. In May 2022, the State Division of Human Rights promulgated rules requiring the notices go out by June 18, 2022. We have made the initial distribution and have implemented procedures to meet the ongoing notice requirement. We have also implemented a centralized process to deal with any questions about the notices or requests for reasonable accommodations with the email address Accommodations@orsidny.com.

Phase Out of #4 Oil

In 2011, New York City adopted a heating oil regulation requiring the phase out of #6 and #4 heating oils. #6 oil was phased out by 2015. Under the regulation #4 oil is currently scheduled to be phased out by 2030. If passed, Int 470 would end the use of No. 4 oil by December 31, 2023 for specific boilers and by January 1, 2025 for all boilers. Our understanding is that this bill will pass and the accelerated schedule implemented.

Most boilers currently burning #4 oil can be converted to burn the cleaner and more energy efficient #2 oil by some small adjustments to the burner and cleaning out the dirtier fuel from the storage tank before the switchover. However, many buildings learn that the dirtier fuel was clogging small holes in the tank and related piping so there can be some environmental cleanup required during this process. If and when this bill passes, we will be reaching out to any of our buildings that still burn or have #4 oil stored as a backup fuel source in order to arrange for a switchover before the ban goes into effect.





Welcome to Orsid

We have welcomed the following buildings to the Orsid family:

34557 Corporation

345 East 57th Street
New York, NY 10022

895 West End Avenue Cooperative Corp.

895 West End Ave
New York, NY 10025

140 East Tenants Corp.

140 East 81st Street
New York, NY 10028

Trafalgar House Condominium

120 East 90th Street
New York, NY 10128

115-87 Owners Corp.

115 East 87th Street
New York, NY 10128

**In Q2 2022, we have welcomed the following
new associates to the Orsid family:**

Ella Zhivotovski, *Senior Transfer & Closing Agent*

Karen Hopp, *Account Executive*

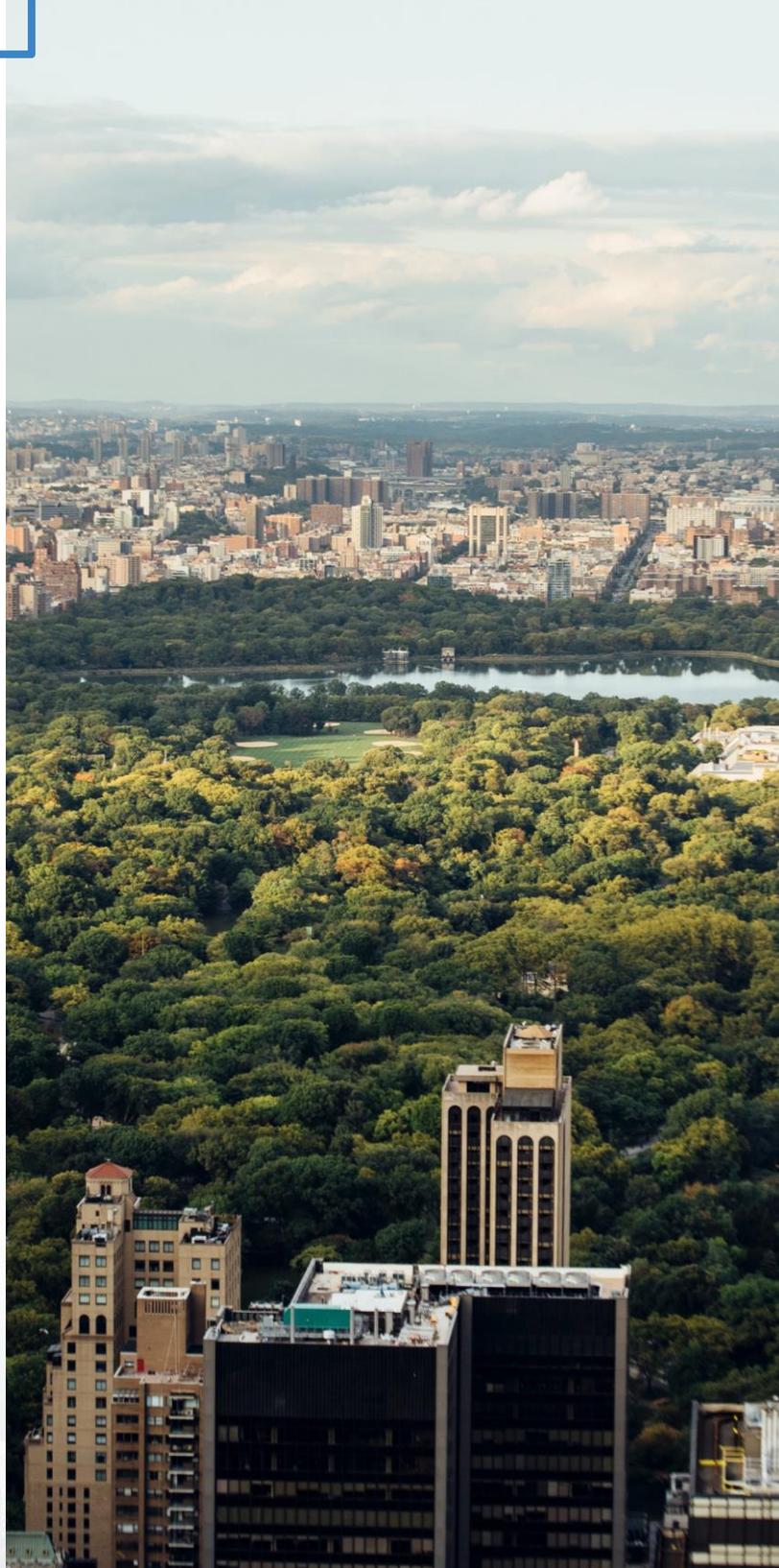
Sandy Lozano-Caban, *Senior Account Executive*

Jayanti Budhu, *Assistant Controller*

Mythreyi Vangapati, *Assistant Controller*

Sean Radoncic, *Administrative Assistant*

**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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