

Q3 Newsletter

ORSID

— NEW YORK —

Budget Planning

WEBINAR

SEPTEMBER 29TH | 6:00PM

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Join Andre Kaplan, Chief Financial Officer of Orsid New York, as he discusses how best to navigate the financial outlook for 2023. Topics will include Inflation, the impact of Energy Pricing, Real Estate Taxes, Insurance Markets and more. Q & A will follow the presentation. We hope to see you there.

[Click here to view the recording!](#)

Fire Safety: Is Your Building Safe?

On the morning of January 9, 2022, a fire killed seventeen people, including eight children, at a high-rise apartment building in the Bronx. Investigators say a space heater started the fire. Smoke spread through the building as a result of two malfunctioning self-closing doors. The fire-fueled smoke spread upward to the 15th floor, where another door failed to close automatically. It was [one of the deadliest fires](#) in the city's history.

On January 14, 2022, Eric McPhee, Executive Vice President and Director of Risk Management of Orsid New York, sent out a memo to all board members in the Orsid portfolio reminding our clients of basic fire safety tips and requirements. Mr. McPhee warns that the FDNY will and has started to crack down on violations. This article will further examine some of the new laws that have been enacted and immediate steps that boards should implement to ensure compliance.

New York City Mayor Eric Adams signed an executive order in March 2022 designed to enhance fire safety enforcement, outreach efforts to educate New Yorkers, and to better identify safety violations. The new laws increase fines for landlords who falsely report curing a self-closing door violation. The new legislation will also increase cooperation between the New York Fire Department (FDNY) and the Department of Housing Preservation Development (HPD) to look for housing code violations and ensure compliance, such as posting fire safety notices on apartment entrance doors.

Two of the most important steps in fire safety are self-closing doors and operational smoke/carbon monoxide detectors.

All residential buildings with three or more apartments must have self-closing doors that automatically close after they have been opened. If the doors function correctly, they work as a [barrier and cut off oxygen](#) to stop the spread of the fire.

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Fire Safety Continued

Self-closing hinges should not be modified or tampered with, and apartment doors should open from the inside without a key. If doors are left open, flames and smoke from a fire can travel more quickly. Self-closing doors also apply to interior corridors, hallways and stairways, storage rooms, as well as compactor rooms. It is the building owner's (including Cooperative or Condominium Boards) responsibility to maintain the doors in good repair and the failure to do so will result in FDNY fire violations and penalties.

Working smoke and carbon monoxide detectors are another critical component of fire safety and they can save lives by quickly giving an early warning. Property owners are required to provide and install at least one approved and operational smoke and carbon monoxide detector in each apartment. Tenants are responsible for maintaining the detectors, including testing and replacing batteries. To ensure proper functioning, all smoke/CO detectors that are not hard wired should have a ten-year battery. Orsid recommends inspections at least once per year. Checking batteries isn't always a way to determine if a detector is operating properly.

Orsid recommends a thorough inspection of every door to verify that self-closing doors are functioning

properly as well as testing smoke detectors. Annual or bi-annual checks should be made by building staff and noted on a spreadsheet.

Owners of residential apartment buildings with three or more dwelling units are required by the NYC Fire Code to develop a Fire Safety Plan specific for their building. The plan must contain basic fire safety tips, information about the building including the type of construction, the types of fire safety systems and the different ways of exiting the building in case of fire or another emergency. Owners are required by law to distribute and post fire safety plans to every apartment. Owners of occupied condominium and cooperative apartments are supposed to affix a label with the Fire Safety plan on the inside of every apartment entry door. FDNY requires an escape plan in the event of a fire. Each year, Orsid distributes the Fire Safety Plan with the specific means of egress for each building. The Plan states what steps should be taken by the resident in the event the fire is inside the apartment or outside of the apartment. It is expected that the FDNY may impose fines and penalties if the labels are not affixed to the back of the apartment entry door.

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Fire Safety Continued

Other fire safety tips include:

1. **Ingress and Egress.** Keep exits and fire escapes clear. [Keeping exits free and clear](#) of clutter or storage on fire escapes, hallways, and entrance doors including roof doors will help first responders to quickly access an apartment. Do not store anything such as baby strollers, bicycles, or rubbish on or under stairways or landings. If there are obstacles that block exits or fire escapes, the building can incur a fine by FDNY. If the building was constructed after 1968, the building is required to have exit stairwells with alarms and sprinklers. Building staff should be instructed to inspect all exits and fire escapes frequently and advise management of any impediments to ingress and egress so that management can reach out to the appropriate resident to correct the issue.
2. **Window Gates.** It is illegal to install key-locked window gates on fire escapes which can trap residents inside an apartment in the event of a fire. Some residents install security bars or gates on their apartment windows to prevent intruders from entering their home. However, in the event of a fire, doing so may trap you and your family, as well as inhibit firefighter rescue. If your apartment building has an outside fire escape, only the New York City Fire Department approved security gates that open without the use of a key may be installed on the fire escape window. This requirement also applies to any secondary exit window on the grade level. Installation of an unapproved gate is prohibited in New York City. FDNY approved gates do not require the use of a tool, a key, or special effort to open. When purchasing a security gate be sure that it is stamped or labeled with the FDNY approval number. After installing an approved security gate, make sure everyone in your home can operate the release devices.
3. **Kitchen Safety.** Many fires start in the kitchen. Keep the area around your stove clear of towels, papers, and potholders. Building owners provide [stove knob covers](#) for gas-powered stoves where a child under the age of six resides, the resident can also request them. Orsid sends annual notices regarding the resident's ability to request them. Owner occupied Coop or Condo units would be responsible for their own stove knob covers. If

your staff sees an issue, they should report it to management who can take the appropriate steps to address the problem.

4. **Fireplaces.** Management should ensure that apartments with fireplaces are kept clean and inspected annually. NYC Department of Building Chimney Code requires chimneys and fireplaces to be inspected at least once a year to avoid smoke conditions or even fires.

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Fire Safety Continued

Orsid highly recommends educating your residents about the following potentially hazardous items:

Space Heaters: Advise your owners that space heaters should have the appropriate United Laboratory (UL) labels to make sure that they are created or built correctly and have a tip over automatic shut-off switch. Never use an extension cord with a space heater and always place heaters at least three feet from any combustible material such as bedding and furniture. Inspect space heater electrical cords for damage before each use. Turn off or unplug the space heater whenever you leave the room or go to sleep.

Extension cords: Many fires are caused annually using extension cords. They can overheat and cause fires when used incorrectly. Do not plug extension cords into one another. Make sure the extension cords are properly UL rated and do not overload extension cords with too many devices plugged in. Never attach or staple cords to the wall or baseboards. Do not modify the extension cord plug and do not substitute extension cords for permanent wiring.

Candles: Never leave open candles unattended and extinguish them whenever leaving the room. Do not keep candles near anything that can be ignited (e.g., drapes, bedspreads, carpeting, books etc.). Avoid using the candle where there are drafts or vents.

Lithium-Ion Batteries: Lithium-ion batteries are popular because of how much power they can put out at a given size and weight. However, lithium-ion batteries are extremely sensitive to high temperatures and are inherently flammable. These battery packs tend to degrade much faster than they normally would, due to heat. If a lithium-ion battery pack fails, it can burst into flames and can cause widespread damage. These batteries can be found in electric scooters, bicycles, and more. Always consult the manufacturer guidelines when using or storing these batteries and never substitute after-market batteries for the originals.

Lastly, Orsid recommends scheduling a presentation made by the FDNY through its Fire Safety Education Program. The goal of the Fire Safety Education Program is to eliminate residential fire deaths in New York City. Fire deaths have dropped steadily during the past decades and studies have shown that there is a direct link to strong public education programs. The goal of FDNY instructors is to continually educate the public with critical life saving strategies that focus on fire prevention, with a special focus on the City's most vulnerable populations and at-risk communities. You may request a presentation by clicking on the link below:

[Fire Safety Education Program - FDNY Smart](#)



Energy Compliance & Planning

In 2009, on Earth Day, Mayor Mike Bloomberg announced a new set of laws called the New York City Greater Greener Buildings Plan. This was just the beginning of the City's focus on energy usage and carbon emissions. The focus over the last number of years has gone from reporting to action with the upcoming carbon emission caps in 2024 under the 2019 Climate Mobilization Act. Included in the 2009 set of laws was the new Local Law 84 energy benchmarking requirement. This law requires building owners to input all the annual energy usage of buildings into the EPA's Energy Star Portfolio Manager system. The inputs include the aggregated electricity consumption for all apartments and common spaces, as well as the volume of oil, natural gas or steam used for heating and cooling. Other information inputted includes the number of apartments, bedrooms, the number of floors, gross floor area and the different uses of the various areas of the building. Examples of the different "uses" the system has available are Multi-family Housing; Retail; Restaurant; Office space; Parking; Educational; Medical; Fitness center; etc.

Each year Orsid plugs in all this information and the system assigns certain coefficients for the various fuel sources. The system generates an ENERGY STAR score which reportedly represents the building's energy performance. The higher the score, (from 1 to 100) the better the performance, and the lower the carbon footprint. Starting in 2020, all buildings 25,000 square feet or larger must post the letter and number grade by October 31st and a new grade is issued annually.

Critics of the benchmarking process frequently cite several factors that compromise the credibility of the grading system. First, the system uses square footage as opposed to cubic footage. Some older pre-war buildings might have 12-foot ceilings whereas others may have only 8-foot ceilings. The buildings with higher ceilings and more cubic footage need more fuel to heat and cool the space, yet this variable is not accounted for by the system.

The system also does not consider certain building demographics such as occupancy. Buildings whose residents go to their vacation homes during peak energy consumption summer months, leaving units only 50% occupied, will perform better than a fully occupied building where the residents do not have alternate homes.

Differing apartment sizes are also not considered. Most apartments typically have only one kitchen and living room and larger units may have home offices and playrooms. Occupants of smaller apartments function in a smaller space. A building with ten 400 square foot units would have the same overall square footage as one with just two, 2,000 square foot apartments. Yet while the system would treat the two buildings as identical, the latter would score much better because the former has 10 kitchens with energy consuming appliances.

Local Law 87 was another part of the Greater Greener Buildings Plan announced in 2009 and requires compliance once every 10 years for all buildings that are 25,000 sq. Ft. or greater. In order to comply with Local Law 87, a building must hire an engineer to do an energy efficiency report, which is an audit as well as a retro commissioning of existing systems. Some of the most required common retro-commissioning items are changing certain boiler control settings, insulating piping, and valve and trap replacements. These measures must be implemented before the Energy Efficiency Report (EER) can be finalized and filed with the city. However, in addition to these measures the report also contains very important and valuable information on building specific measures that can be taken to reduce overall building energy consumption (and thus energy bills) and overall carbon emissions.

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Energy Compliance & Planning

The Climate Mobilization Act (CMA) of 2019 (also known as Local Law 97) aims to achieve citywide greenhouse gas emissions reductions of 40% by 2030 (40 x 30) and 80% by 2050 (80 x 50), relative to 2005 levels, by setting strict emissions caps on large residential and commercial buildings.

The CMA is the most ambitious and largest climate solution put forth by any city in the world. Buildings have until 2024 to meet these targets and those that exceed their annual emissions limits will face an annual financial penalty of \$268 per ton of CO₂ equivalent over the limit based on 2024 energy usage and emissions. This is the most expensive carbon pricing in the world!

Orsid has been working with En-Power Group to create projected carbon emission reports for each of our buildings based on the benchmarking data we have. These reports include your building's emissions, emission limit, any estimated annual penalty and the percent reduction required for no penalty for the periods of 2024-2029 and

2030-2034 (the emission limits will change and become tougher in 2030 and beyond). The En-Power Group is an engineering firm that has been designing and developing comprehensive and integrated energy solutions for buildings in the Orsid portfolio since 2003. They are just one of the many qualified firms that have performed LL87 audits for Orsid buildings over the past decade.

It is important for Boards to include energy and carbon emission reduction projects as part of their capital planning to avoid potential CMA penalties in 2024 and beyond. Regardless of the building's letter score posted at the entry, Boards should understand the projected emission penalties for 2024 and beyond. There are many buildings with an "A" or "B" grade that are still forecasted to exceed the emission caps of the CMA. In order to make informed decisions about what action to take now the first step is to review and understand the LL87 EER for your building. As you work through your capital planning, please make sure to speak with your account executive about what can be done to lower your carbon emissions and decrease the risk of facing financial penalties. As always, Orsid is here to help with any questions you may have.





Uncommon Solutions

that home can be challenging. With a bit of effort and preventative maintenance, managing your home, or home away from home, can be achieved.

In the dynamic New York City real estate market, pied-à-terre owners and owners who rarely use their apartments are quite common. However, owning an apartment that remains vacant for a sizeable part of the year comes with its own challenges for owners and building staff alike. Therefore, certain precautions should be taken to maintain pied-à-terre units.

One such concern is the lack of water use in partially occupied apartments. Specifically, plumbing traps, which are u-shaped pipes that are located underneath drains and toilet bowls which fill up with water, this serves two purposes. The primary functions are to prevent the smell of waste from exiting the pipe and permeating into the apartment. But water also acts as a barrier to pests, such as water bugs, which live in waste pipes. Left unused, water in traps can dry up in a matter of weeks, allowing smells and pests to enter apartments. The remedy is simple – residents who plan on being away longer than 30 days are advised to leave a key with a friend and ask them to run the water in their apartment for two or three minutes and flush the toilet. An added benefit of this is not only to ensure that the traps remain filled with water, thereby preventing smells and pest infestation, but it also helps remove stale water from the system, which can sometimes become discolored while sitting.

An additional concern is climate control, especially in units with wooden floors. During warm summer months, in efforts to prevent warping of the floor, the heating / ventilation and air-conditioning (HVAC) system needs to remain active. This too poses a challenge in that HVAC units, such as interior-mounted heat pumps, produce condensation that must be expelled from the system. Condensation is usually removed by allowing it to collect into a drip pan, which ties into a larger drain. Before residents plan to leave for an extended time, it is important to ask building staff members or their service provider to check and clean the condensate drains to ensure that they expel water normally. A clogged condensate drain will force the water out of the pan and can cause damage to nearby hardwood flooring, or neighboring apartments below. This is most relevant in buildings with central air.

Whether New York City is your primary or secondary residence, it goes without saying that being away from





Legislative Updates

Coop Reasons and Timing Legislation

During the spring 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.

NYC Vaccination Mandate for Private Employers

Private-sector employers within NYC were required to certify that all employees are vaccinated against the Covid-19 virus or are unable to be vaccinated due to a religious or medical objection beginning in December 2021. On September 20th, the Mayor’s office announced that this requirement will end as of November 1, 2022. The certification postings can now be removed from building entry and lobbies.

Legal Challenge to the Climate Mobilization Act

In the previous edition of this column, we reported on the filing of a lawsuit by 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). As expected, the City’s Corporation Counsel has filed a rebuttal of the claims seeking dismissal of the action entirely. The Plaintiffs have until September 30th to answer the motion to dismiss and then the City has until October 28th to reply to the Plaintiffs answer.

We advise all of our Boards to continue to prepare for the emissions caps that are scheduled to be in place in just 15 short months. It is unlikely that the law will be significantly changed before then and the fines for exceeding the 2024 carbon emissions cap are very expensive!

City Council Int 470 – 2022, accelerating the phase out of #4 oil

While we previously reported that this proposed law would accelerate the eventual phase out of #4 oil, the bill was not passed and the current phase out is still set for 2030. However, it is likely that the City Council will revisit the issue again soon.

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.

City Council Int 93 – Commercial Rent Control

If passed, this bill would establish a system of commercial rent registration and regulation applicable to retail stores of 10,000 square feet or less, manufacturing establishments of 25,000 square feet or less, and professional, services or other offices of 10,000 square feet or less. The Mayor would appoint a nine-member Commercial Rent Guidelines Board responsible for annually establishing guidelines and the rate of rent adjustments for covered commercial spaces. Exactly what types of commercial leases would fall under this restriction is still being debated. We are watching this bill closely and intend on advocating against its passage or greatly limiting the scope.





Welcome to Orsid

We have welcomed the following buildings to the Orsid family:

Tribeca Summit Condominium

415 Greenwich Street
New York, NY 10013

32 East 1st Street Condominium

32 East 1st Street
New York, Ny 10003

60 Riverside Drive Apartments Corp.

60 Riverside Drive
New York, NY 10024

Barrow Street Owners Inc.

111 Barrow Street
New York, NY 10014

In Q3 2022, we have welcomed the following new associates to the Orsid family:

Maureen Krug, *Account Executive*

Bernard Ludwig, *Supervisor of Construction Management*

Patricia Quintero, *Account Executive*

Arthur Rivera, *Onsite Operations Administrator*

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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