

## Q1 2024 Newsletter



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It seems like with each Orsid quarterly newsletter, a new local law is passed that has an impact on residential co-ops and condominiums in NYC. Starting on January 1, 2024, all buildings in NYC with parapets facing a street, sidewalk, or other public right-of-way, regardless of height, are subject to a new regulation under the New York City Administrative Code requiring an annual inspection by a qualified professional. A parapet is any portion of an exterior wall extending above a roof. These portions of a building can deteriorate over time and create a public hazard.

New York City takes building safety seriously because, on multiple occasions, pedestrians have been killed and injured by falling debris from buildings. This new local law aims to continue protecting the public by requiring observations of parapets by qualified individuals and repair of unsafe conditions.

Unlike the Facade Inspection Safety Program (FISP), which excludes buildings under six stories, the parapet rule applies to all buildings, regardless of height, with the exception of detached single or two-family homes. While FISP inspections are conducted on a five-year cycle, and parking garage inspections are required at least every six years, the parapet inspection must be done annually. However, unlike façade and garage inspections, owners do not need to file the observation report with the Department of Buildings (DOB). Parapet reports need only be kept on file by the building owner. Archives of at least six years of parapet reports must be made available should the DOB request them.

The inspections must be performed annually by a qualified professional, including, but not limited to a bricklayer, building superintendent, handyman, mason or a person in a similar construction-related trade, architect, engineer, an inspector working for a New York State-authorized insurance company, a New York State-authorized building inspector, or any other individual capable of identifying hazards on the parapet with relevant experience.

The NYC Annual Parapet Report should include the following items:



- Building address and owner contact details (phone number, email address, etc.,);
- Name and contact details for the professional performing the observation;
- Date of the observation;
- Location plan and construction information for the parapets, including material, height, and thickness, and any other pertinent information.
- The condition of the parapet should be identified as Safe, Unsafe or requires maintenance. If Unsafe, a plan to remedy must be provided along with actions to be taken to remedy them;
- The Parapet Report must list any repairs performed since the previous report;
- Dated photographs taken at the time of the report to document the parapet's condition;

If it is determined that there is an unsafe condition, the professional performing the observation is required to immediately notify the Department of Buildings by calling 311 and emailing parapets@buildings.nyc.gov. If conditions exist which require attention, the building owner must promptly install public protection, such as sidewalk sheds, fences, and/or safety netting, which must remain in place until the problem is remedied so that the public is protected. Unsafe conditions must be corrected within 90 days. Public protection must remain in place until the unsafe condition is remedied.

One note: If a mandated façade (FISP) inspection is scheduled for 2024 and beyond, adding a separate parapet observation report to that program may be a cost-effective strategy. If a FISP report includes all the required information to satisfy the reporting requirements, no separate report is required, if a copy of the FISP report is kept on site. Similarly, parapet observation can be incorporated into other planned exterior work, such as roof rehabilitation or facade cleaning.

In conclusion, this regulation is a critical step toward safeguarding properties, public safety, and maintaining the structural integrity of buildings. At the same time, we at Orsid are investigating the most cost-effective way to comply. While the inspection reports are not required to be filed, buildings should seek assistance from qualified professionals to fulfill their obligations under this rule. If you have questions about this process, please contact your Account Executive.



### **5G Towers**

They say change is inevitable, and nowhere is that more obvious than in the wireless communication sector with the introduction of 5G technology, a term that has practically become a household name. 5G technology has allowed phones and other electronic devices to operate at speeds that were only dreamed of a few years ago. It has also brought that technology and increased speed to underserved areas of the city, however, a consequence of the installation of these towers has resulted in discourse about the effect and appearance they are having on the urban landscape.

5G technology utilizes a wider range of frequency bands than 4G, which makes it possible to provide better coverage in densely populated, urban areas, along with much higher speeds. Part of this increase in coverage and speed comes from cell towers being located at the street level, as opposed to cell tower equipment that was previously located on building roofs. This repositioning of equipment caused a lot of debate, as most of the 5G towers have been placed directly on city sidewalks, and due to their low height, about 32 feet, they raise a multitude of aesthetic and quality of life issues. Nowhere is this more apparent than when viewed from residential apartments located on the 2nd or 3rd floors, who have a direct view of these new from their windows. Keeping in mind that the City of New York's Public Design Commission approved the towers, the City began to contract with 3rd parties with plans to install over 2000 of them in various locations over the next several years. This begs the question, what is the solution going forward?

The current administration's Office of Technology and Innovation has taken the complaints it received to heart and is working with various 3rd parties on alternate designs for future tower installations. Among the designs being considered are ones which bolt to the top of existing city lamp posts, thereby reducing clutter at the sidewalk level, while moving the tower location slightly upward and making it less of an eyesore. Other designs are also being considered, including ones that sit on thinner posts and have different top designs, thereby making them more visually appealing.

While the outcome of the future tower designs being considered is not fully known, what is known is there was a win for those opposing the 5G towers on the Upper East Side. A recent ruling by the New York State Historic Preservation Office indicated that a tower proposed at 1190 Madison Avenue, near East 87<sup>th</sup> Street, be redesigned or relocated. This was a very positive step. That said it is still necessary for the City and City's Office of Technology and Innovation to accept the recommendation. For the time being, Orsid New York is monitoring the matter and will provide our cooperative and condominium residents with more information on this subject as it becomes available.



# How to Save Money on Building Inspections

Costs for maintaining residential condominiums and cooperatives continue to rise year over year. New York City's Facade Safety and Inspection Program (FISP) can be particularly costly as it relates to not only the inspection itself, but the repairs that are required thereafter.

Traditionally, buildings would undertake façade inspections, by hiring a licensed architect or engineer, as well as a hanging platform scaffolding company to perform the physical hands-on inspections required by New York City. The current requirements for inspections can be found below.

As quoted in <u>1 RCNY §103-04</u> Physical examinations from scaffolding or other observation platform ("close-up inspections") must be performed at intervals of not more than 60'-0", with the minimum number of physical examinations per total length of facade elevation noted in the table below..."

Minimum # of Physical Examinations
Examinations
1
2
3
4
5
6

For every additional 60'-0" of length of facade, one additional close-up inspection is required.



Hung platform inspections can be costly and limit the architect or engineer in their ability to analyze larger areas of the façade. Boom truck inspections, when hired properly through a licensed and insured contractor can provide the architect or engineer with a much better view of the entire façade and allow them to physically sound or hand inspect any areas of concern. Also, by having a contractor in the bucket, they can perform certain minor repairs permitted without a pedestrian bridge or filing, saving the building certain repair costs.

We have found that in most cost comparisons between hung scaffolding and boom truck inspections, boom trucks tend to be less costly.

Other methods of inspection that have come up more recently are inspections by a drone or by an architect or engineer repelling the building. To our understanding, a drone, at this point, does not meet the "physical examination" requirement. While a drone may provide additional information, it cannot be used as the sole means of inspection. Repelling the building by an architect or engineer may provide similar abilities of a boom truck, but without the contractor, it may make it more difficult to make allowable repairs.

Orsid is committed to working with all the architects and engineers in our portfolio and learning of new methods to meet all necessary building requirements in the most cost-effective manner.



# **Employee Spotlight: Meet the Training Team**

It's a new quarter and, therefore, time to shine the spotlight on another fantastic Orsid Team — the Training Team. Orsid's most valuable asset is our employees - from our most recent hires to our long-tenured employees, great care has been taken to invest in our people's success in their roles. In this edition of the Orsid Digest, we go over how Orsid prioritizes training and how our Training Team has evolved into an incredibly robust, comprehensive, and close-knit team that tackles technological issues, industry-specific issues & more.

At Orsid we believe our approach to training is unique, multi-faceted and well-rounded. The Orsid Training Team meets regularly to develop a wholistic approach to performance that focuses on hard and soft skills, staying up to date on knowledge of the industry, compliance and union laws, to name a few. Orsid also invests in the well-being of its employees by offering training sessions on time management, personal financial health, mental health and well-being (including weekly meditation sessions) and offers all administrative staff a clearly laid out plan on how to advance within the company. Other training courses we offer and encourage our colleagues to attend are goal setting, communication, Supervisor/Managerial training, local laws and governance hosted by guest lecturers/leading NYC industry experts.

Professional development has always been a priority at Orsid, and training has been taking place since Orsid was formed almost 70 years ago. The Training Team came together formally, however, in 2020, as the Covid-19 pandemic began. The team is comprised of 6 amazing individuals:

- Ben Hawkins, Senior Vice President/Senior Controller
- Chelsea Shapiro, Director of Business Strategy & Growth
- Christine Zeblisky, Senior Director of Business Operations & Technology
- Kendra Swee, Director of Human Resources
- Martha Stout, Executive Administrator/Assistant HR Manager
- Susan Fitzpatrick, Vice President

And a warm welcome to the newest member of the



Training Team: Lauren Svenningsen, Senior Account Executive

Ben Hawkins has been with Orsid for 13 years and part of the Training Team since 2022; as Senior Controller, his role here is pivotal, though he is always happy to share his expertise with our colleagues in the form of training sessions on anything from 1098s and tax deduction letters, to refreshers on our systems, and what we can look forward to during each fiscal year in terms of finance and knowledge on vital city/federal deadlines. He offers our staff comprehensive training on Abatements and the tax grievance process and our new Financial Dashboard.

Chelsea Shapiro has been an Orsid rockstar since she was hired in November 2020, with a background in HR and Strategy. With a degree in education, she brought her knowledge, skills, and experience to lead the Training Team alongside Kendra Swee. Chelsea's goal is to bring regular training sessions to our staff to ensure they have the tools (both hard and soft) to perform their jobs daily, and she has also developed people management training for our junior and senior level managers.

Christine Zeblisky is our "wearer of many hats" and began her career at Orsid in November of 2011, and after a brief hiatus, has now been at Orsid for 10 years total. She began as an Administrative Assistant, worked in the Transfer Department, spearheaded the shareholder file digitization process, and has been in Operations for the last 7 years. Christine is amazing in her many roles here, having run implementations for all major software and process changes, and has been on the Training Team since its inception. She also trains all new Orsid employees on how to use our systems.

Kendra Swee is our beloved Director of Human Resources and a warm, familiar face in our office. She began her career at Orsid in 2019 and has since worked tirelessly on behalf of our staff and to develop and lead training sessions that help our staff's growth and development with their time management, goal setting and other crucial skills.

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# **Employee Spotlight: Meet the Training Team Cont'd**



Martha Stout has been with Orsid since November 2020. She is the Executive Administrator & Assistant HR Manager. Martha's primary role on the Training Team is the behind the scenes work: sending out the monthly course flyer, making sure everyone who needs to attend a particular session does so, sending out post-training surveys to all attendees, etc. But she likes to think that every now and then she has an innovative idea for training or two, as well!

Susan Fitzpatrick is not only a dedicated Training Team member but also a volunteer faculty member at CAI (Community Association Institute), brings 12-years of experience working at the Ritz Carlton, and holds a PCAM (Professional Community Association Manager) certification. When Susan was hired in 2020, she became an invaluable trainer to us here and shares her love of learning and teaching daily. Susan is always ready to lend an ear or a hand to anyone at Orsid who could use guidance and mentorship.

In 2020, Orsid was advancing technologically right as remote work burst onto the scene. This meant that Orsid was forced to "pivot quickly" to embrace innovative technologies in the changed world. Many training sessions were added and Zoom trainings became the norm: everything from technology to Board and Annual Meetings. We have continued to streamline the process over the years and have seen remarkable success with this.

Ample training for our new hires is crucial, with orientation being a critical aspect- we assimilate our new colleagues into the Orsid culture though Zoom and one-on-one trainings, and we have a robust library of recorded trainings which are interspersed with live

trainings. In this manner, we teach our systems and our culture - a happy combination!

Orsid also believes in transparency and communication when considering employee feedback and requests. During the year we rely heavily on surveys to learn what employees think of current training courses and what they would like to see in the future.

2024 will be another impressive and exciting year with our Orsid Training Team having already outlined plans. Per the Training Team, we will offer some mechanical engineering courses to show some of the newer technologies that are available that may be helpful in complying with LL97 (carbon emissions) while also having legal seminars on new laws and rulings that affect co-ops and condominiums in New York City. Every month the team looks at what is coming down the pipeline for all departments across Orsid and develops appropriate training to ensure our employees are prepared for anything coming their way.

At Orsid we know that technology, systems, legislation, and operations are evolving rapidly in our industry and that it is crucial for buildings and Boards to have the most current information and systems available to provide the best resources to clients.

Companies that invest in their employees are investing in their most valuable resource, and thereby bring the best possible service to their clients.

We are so grateful to the Training Team for their care, enthusiasm and willingness to help our friends and colleagues at Orsid do the best they can to be equipped to handle anything in the NYC co-op/condo management industry.

### **Orsid Staff Training Sessions Over the Last Three Years**

2023

60 in 10 months + office hours & meditation Grand Total: 108

sessions

2022

52 in 11 months + office hours & meditation

Grand Total: 106

2021

43 in 10 months + office hours & meditation

Grand Total: 80 sessions



# The GREEN Buildings Act (S943A/A5050)

Previous editions of this newsletter have highlighted many provisions of Local Law 97, the Climate Mobilization Act (CMA). This law was passed in 2019 and is one of the most ambitious local efforts in the world to reduce carbon emissions. The goal of the CMA is to reduce NYC Carbon emissions by 40% in 2030 and 80% of current levels by 2050. There are declining carbon emission caps for the periods of 2024-29, 2030-34, 2035-2039, 2040-49 and 2050 and beyond, when all buildings covered by the law are expected to be essentially carbon neutral. Penalties for exceeding the caps in any given year are \$268/ton of carbon emissions, one of the most expensive in the world. By 2024, under the CMA, more than 3,500 buildings could face \$200 million in fines. By 2030, that number increases to 13,500 buildings with more than \$900 million in fines. Fines could reach more than \$1 Billion by 2035 and the number of buildings facing fines continue to increase thereafter. The CMA seeks to achieve decarbonization with the utilization of the "stick" of these onerous fines. The GREEN (Growing Resilient & Energy Efficient NY) Buildings Act seeks to give homeowners financial resources needed

to comply with the CMA. The bill would provide real estate tax abatements and exemptions for capital improvements made to reduce carbon emissions as a "carrot." The law would significantly change the Return on Investment (ROI) for building retrofits, which are largely unaffordable for many building owners including cooperatives and condominiums. The passage of the law would greatly stimulate the city's green economy with investments in carbon reduction measures making them affordable for all New Yorkers. The law will ensure the success of the decarbonization plan for the city which is the ultimate intent of the CMA.

## Homeowners for a Stronger New York is a coalition seeking your support for the GREEN Buildings Act!

Please take a look at <a href="their website">their website</a> and think about supporting this common-sense legislation. The website has an email form to contact your State Legislator to tell them you are in support of the GREEN Buildings Act. (https://hfsny.app.sparkinfluence.net/takeaction/)



### **Legislative Update**



#### **Combustible Gas Detector Installations**

The last edition of this column reported on the city's recent adoption of the National Fire Protection Association (NFPA) standard for natural gas detectors and established a May 2025 deadline for the installation of these devices in all dwellings with a "fuel-gas-burning appliance" (stove, fireplace). On February 12, 2024, the NYC Department of Buildings ("DOB") adopted their final rule covering the installation requirements. The law allows for several types of natural gas detectors that meet the NFPA standard. If the device is hard wired, it will need to be installed by a licensed electrician. Alternatively, a plug-in or battery-operated device can be installed by "the building owner, building maintenance personnel or the dwelling unit occupant." "Where a fuel-gas-burning appliance is installed within a dwelling, the gas alarm must be installed in the same room as the appliance. The alarm must be located at least 3 feet but not more than 10 feet from the appliance, measured horizontally. The gas alarm must be installed on either the ceiling, or a wall. Where installed on a wall, the alarm must be located not more than 12 inches from the ceiling." Currently, there are not too many approved devices available on the market that comply with the NFPA standard. As you may already be aware, NYC law already requires all residences to have smoke and carbon monoxide ("CO") detectors installed within 15 feet of the primary entrance to each bedroom. It is not clear if combination smoke/CO/natural gas detectors will come to market to comply with all three laws, but such units are not currently available. Therefore, at this time we intend on purchasing battery operated or plug-in units for installation in all Orsid buildings in advance of the deadline next May. Boards will be given the option to choose which units are deemed to be appropriate for each building.

#### Smoke Detectors in Common Areas (\$3249)

If enacted this bill would require the installation of smoke detectors in common areas of all multiple-family dwellings in the state. As noted above, NYC already requires operable smoke and CO detectors in all residences within 15 feet of each bedroom entrance. This bill would extend the smoke detector

requirement to common areas as well and rules would be passed at the city level regarding the details and date of such installation requirement.

#### **Co-op Ground Lease (<u>\$7825/A5031A</u>)**

Most condos and co-ops in New York City own the land upon which they were constructed. However, there are more than a hundred buildings in the city where the co-op or condo sit on land that belongs to a landowner who leases it to the co-op or condo.

The vast majority of these buildings are co-ops (known as "Residential Ground Lease Cooperatives or RGCLs") and the leases are typically for 50 to 100 years. Each apartment owner in a RGCL pays a land rent that is wrapped into their monthly maintenance fees. However, when the lease provides for the reset of rent on a specified date or if the ground lease is nearing end, unless there are specific protections in the lease, the co-op or condo has very little negotiating power with the land owner who can arbitrarily raise the rent by exorbitant amounts. This bill seeks various protections for RGCLs and is modeled on certain provisions of the Housing Stability and Tenant Protection Act of 2019 that protect the owners of manufactured homes that similarly, sit on land leased from a park owner. First, the bill seeks to limit ground rent increases to the greater of 3% or the change in the Consumer Price Index (CPI). Secondly, the bill would allow RGCLs that are otherwise prohibited by their land leases to obtain mortgages to borrow for major capital and safety related projects. Thirdly, the bill would give RGCLs the right to renew to avoid a land owner from simply refusing to renew, which would effectively evict all RGCL shareholders. Finally, the bill would give all RGCLs the right of first refusal any time a land owner chooses to sell. The RGCL would have the right to buy the land at any price set by the market. While this bill is gaining a lot of support in the Senate and Assembly, it faces many challenges before it can become law and many land lease landlords are gearing up to declare the bill unconstitutional.

Continued on the next page...

# Legislative Update Continued



#### EV Chargers - NYC Intro17-A

This bill which was recently enacted and made into law. The law will require owners of parking garages and open parking lots with 10 or more spaces that are licensed by the Department of Consumer and Worker Protection ("DCWP") to install Electric Vehicle Supply Equipment ("EVSE") in 20% of parking spots and ensure 40% of parking spots are capable of supporting EVSE by January 1, 2035. The law allows for adjustments or waivers to this requirement under certain outlined circumstances, such as structural infeasibility. For parking garages and open parking lots not licensed by DCWP, various agencies would be required to conduct a study and issue a report no later than two years after the effective date of this local law to recommend the required level of EVSE installation. The DOB is required to promulgate rules to implement requirements for parking garages and open parking lots not licensed by DCWP by January 1, 2027. Finally, the bill requires the DOB to annually report on the installation of EVSE.

#### **Outdoor Dining Program**

The temporary "Open Restaurants Program" which was enacted during the pandemic is coming to an end and will soon be replaced by a permanent program called "Dining Out NYC" which was established by Intro. 31-C signed into law in August 2023. The program has various new rules for sidewalk and roadway Café's that will allow New Yorkers to continue to eat in outdoor environments. Among the many new restrictions, any structures permitted by the new rules cannot be fully enclosed and will need to be able to be broken down as they will only be permitted for an eight-month season from April through November. The existing structures installed under the temporary program must be removed by August 3, 2024 or November 1, 2024 if there is a pending application for a legal installation under the new program.

#### **LL126 Garage Inspections**

Previous editions of this newsletter in 2023 described the three different inspection cycles for parking structure inspections in all NYC Boroughs based upon Community District # and the new August 1, 2024 deadline for initial inspection of structures that have not yet been inspected in the first cycle that ended December 31, 2023. While the DOB portal has been open for the three inspection cycles, there is no form for, or portal open, for the one-time initial observation to be filed by the August 1 deadline. Buried in the law and rules is another annual inspection requirement that we haven't pointed out to date. Included in the cycled inspections, that will be filed with the DOB, there is to be a checklist created by the Qualified Parking Structure Inspector (QPSI). Each year after the submission of the current cycle report, the QPSI must make an observation based on the checklist. This annual inspection report does not need to be filed with the DOB, but copies must be kept on-site and be available for review by any DOB inspector.

## NY Court of Appeals Decision Allowing Challenge to NYC Property Tax System

Tax Equity Now NY, LLC (TENNY) challenged NYC's property tax system, alleging that the system imposes substantially unequal tax bills on similarly valued properties that bear little relationship to the properties' fair market value. According to the complaint, there are staggering inequities and a regressive tax system that hurts those who can least afford to pay heavy taxes. The complaint further alleged that multi-million-dollar properties are taxed at similar or lower rates than less valuable properties and that real property, in majority-people-of-color districts, are over assessed and subjected to higher taxes compared to properties in majority-white districts. The case seeks declaratory and injunctive relief against City and State defendants for alleged constitutional and statutory violations caused by the City's tax scheme. The New York State Appellate Division dismissed the complaint in its entirety but the New York Court of Appeals, the highest court in the state disagreed in a March decision. The decision will allow TENNY to argue that the current system violates the Federal Fair Housing Act and NY Real Property Tax Law. If successful, the lawsuit could lead to significant changes to the property tax structure in NYC.



### Welcome to Orsid



We have welcomed the following buildings to the Orsid family:

#### 5 Riverside Corp.

5 Riverside Drive New York, NY 10023

#### Lafayette Gardens Tenants Corp.

330/340 Haven Ave Brooklyn, NY 11205

#### 450 Tenants Corp.

450 West End Ave New York, NY 10024

#### **Highlander Hall Owners Inc.**

164-20 Highland Ave Queens, NY 11432

#### The Solaria Condominium

640 West 237th Street Bronx, NY 10463

#### **Greentree at Howard Beach Condominium II**

151-21 78<sup>th</sup> Street Howard Beach, NY 11414

#### 69th Tenants Corp.

150 East 69th Street New York, NY 10021

In Q1 2024, we have welcomed the following new associates to the Orsid family:

Niti Tandon, Closing & Transfer Agent

Ricqy Cruz, Account Executive

Allison Amendolare, Housekeeper

Dylan Cecchini, Senior Account Executive

Heidi Diaz, Executive Assistant & HR Coordinator

Sueann Gordon, Compliance Administrative Assistant

Bryanna Russo, Operations Administrative Assistant

Oleg Troyakov, Senior Controller

David Winston, Administrative Assistant

Varsha Singh, Transitions Administrative Assistant

Enisa Saljanin, Administrative Assistant

Ashley Krolick, Controller

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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