

Q3 Newsletter

THE ORSID — DIGEST —

TABLE OF CONTENTS

Budget Webinar	2
50 Years Managed by Orsid	3
Employee Spotlight	4
Lending for Shareholders	6
Updating House Rules	7
Legislative Update	9
Welcome to Orsid	10



Recording of Budget Webinar

Andre Kaplan, Orsid's Chief Financial Officer, discusses how best to navigate the financial outlook for 2025. Topics include what to expect next in terms of Capital planning, State of the Mortgage Market for Cooperatives, Energy Pricing, Real Estate Taxes, Insurance Markets and more followed by a brief Q & A.

ORSID
— NEW YORK —

September 25, 2024

2025 Budget Webinar

Hosted by Orsid's Executive Chief Financial Officer, Andre Kaplan



[CLICK HERE TO WATCH THE RECORDING](#)

50 Years Managed by Orsid

There are approximately 4,300 miles between Vilnius, Lithuania and New York City. There is less than one mile between 180 Riverside Drive and 336 West End Avenue. Geography lesson aside, these three locations share one thing in common: Orsid New York. The Etingin family who started Orsid in 1955 had their origins in Vilnius; and the origins of the company can be traced back to the Upper West Side of Manhattan. Not specifically 180 RSD or 336 WEA, but these two properties were, and remain, two of the most cherished relationships that continue to be honored by the legacy of the Etingin family.

Orsid feels truly honored to have these magnificent properties in their portfolio for what we are now commemorating: 50 years of management. These two buildings are stellar examples of the detail and beauty that you find in pre-war buildings. Both are located on lovely UWS residential streets and warmly welcome their residents home each day.

And therein lies the true magnificence of both properties: their people. The residents of 180 RSD and 336 WEA care, support and encourage one another, and also enjoy spending time together at various annual building gatherings. The Board members generously give copious amounts of their time, and each lends their unique and valuable skills in administering to the needs of residents. Like other privately held corporations with a single, large asset, regular and conscientious consideration must constantly be given to every detail, both large and small, to be successful. Orsid has been a part of the decision-making process by providing these Boards with our insight and experience; then allowing the Boards to guide the process until completion. For fifty years, both properties have exemplified success, in the form of ever-increasing shareholder value and desirability when apartments become available on the market. Both share the legacy of ownership, with families raising children in these storied buildings; and those children returning to raise their own families there.

The experience and thoughtful guidance that Orsid lends to its properties under management comes not only from the many industry professionals working here, but also from the issues, problems, and ultimately the solutions learned at properties like 180 RSD and 336 WEA.

Something else that these two fabulous buildings share: incomparable building staff members. The employees at 180 RSD and 336 WEA are led by two supremely capable resident managers with 29 years and 32 years of experience at their respective buildings. For a property to not only succeed but also excel, a great Board and stellar management company are crucial, the Resident Manager must possess a multitude of strengths and inspire those they supervise and direct. If that is the barometer for success, stewardship of both buildings could not be in better hands. Aside from superior technical skills, both resident managers foster incredible cohesion and mutual respect among all staff members. They make it clear that there is a specific job that each employee must perform to the highest standards expected by the residents. Each building is home to many wonderful residents and should always be a place they are proud of and that they look forward to returning to, time and time again, from generation to generation.

A long-term relationship with a property is extremely gratifying and resonates deeply with Orsid. All our relationships are meaningful and important; whether it's a relationship that spans generations like 180 Riverside Drive and 336 West End Avenue; or a property that has just joined the Orsid family, and all of the wonderful buildings in between. We have been, and will always continue to be, here to fulfill every management need for our clients.



Employee Spotlight: Meet The Payroll Team

We are elated to shine the spotlight on another Orsid Team this quarter – our Payroll Department! This team takes care of each building’s most important asset: their staff, their human capital. They ensure that our 1,200 building employees across our 230 buildings are paid timely and accurately. If any building staff member requests to take any sort of leave, our Payroll Department guides them through the process from start to finish. We are in awe of them, and we are excited to introduce them to you. They also represent the longstanding Orsid tradition of hiring immigrants and providing the employment so necessary to acclimate and fulfill their dreams.

Manjola Zylfi has been with Orsid for almost 10 years, starting in the Accounts Receivable department. After a few months, she was promoted to the Payroll department. “I like to deal with people and this job is a true ‘people person’ role” Manjola says. She gets a front row seat to all the chapters of our building employees’ lives, helping them through the hiring process, acquiring benefits, and accessing Paid Family Leave if/when they start a family. Manjola and the team are also available to assist if an employee gets injured by assisting in Worker’s Compensation or Disability Claims. Through everything a building employee may go through, Manjola is there for it all.

Dori Palaj has been with Orsid for 8 years. Orsid was Dori’s first job in the United States! In her native country, she had earned a degree in Chemical Engineering. But when she arrived in New York, she accepted a job in the Accounting Department at Orsid. At the start, it was a challenge: she was still learning the English language all while having to learn Accounting terminology and the job itself. She learned a ton right off the bat and worked in Accounts Payable from May 2016 until October 2023. Since October 2023, Dori has been working in the Payroll department. It was a brand-new challenge to learn the specifics of Payroll, but Dori is now an incredibly valuable member of this three-person team. Dori sees Orsid as a family, not just a workplace where she earns a paycheck. “We know each other, we help each other, and I love that.”

Shakeel Samuel has been with Orsid for almost 7 years. Back in his native country, Shakeel worked for a

company where he specialized in financial management and administration. When he first arrived in the United States, he worked as a volunteer at a Food Pantry, then he took a job working at a Tax Office. Finally, he came to Orsid in December of 2017. While this is Shakeel’s first experience working in a true corporate setting, he told us he loves Orsid’s family atmosphere. “Orsid is a very caring organization – it stands apart in that way” he said. He is so grateful for the opportunity to learn while at Orsid, both from Manjola and Dori, and the rest of his colleagues. Shakeel is particularly grateful to be able to interact with people from all different cultures and all different mindsets. He feels proud to do his part in providing excellent service to our clients.

Manjola, Dori and Shakeel split up Orsid’s entire portfolio of buildings. When you hear “Payroll Department” you might think that these three are solely responsible for paying all our building employees each week. However, their job is much more far-reaching than that. To put it simply, this team handles every single aspect of an Orsid building employee’s life cycle - from hiring them to ensuring they’re paid correctly each week to any important matters that might arise while they are employed with us all the way through to retirement or, in some cases, termination.

In addition, the Payroll Department also handles everything from Employment Verification requests to Paid Family Leave, Disability, Worker’s Compensation Claims (including audits), 401k, and other Union Benefits. The team interfaces with all the Superintendents/ Resident Managers at each building weekly, but they also speak with employees directly. Sometimes, a building employee will call a member of the Payroll Department and ask questions about their paycheck or their 401k contributions.

A less frequent occurrence might be fielding a call from an employee who is asking questions about the taxes that have been deducted from their paycheck. In this case, Manjola, Dori and Shakeel will always attempt to educate the employee about the particulars of working in New York State, which has been known to confuse even the sharpest NYC resident.

Continued on next page...

Payroll Team Continued

A large part of this team's role is to interface directly with the Unions. 32BJ is the union for most of our buildings, but we also work with Local 670, Local 94, and others. Whenever we have a new hire at a building, the Payroll Department works to report that hire to the Union so that they can start availing themselves of the opportunities within their Union. Manjola, Dori and Shakeel help the employee set up their contributions for union dues, their 401K and voluntary programs like the American Dream Fund. Another facet of interfacing with the Union is the Union Audit which is typically performed every few years. The building's Controller will lead the rebuttal effort upon audit completion, but the Payroll Department initially provides all the requested information.

With 32BJ taking a stronger position on auditing employees working over two days per week and their abilities to receive benefits, we have found that summer relief employees were being swept up into the audits in cases where they should not have been. With that in mind, our Payroll Department will report any vacation replacement hires to the union. At the time of hire, they pay a one-time union initiation fee. Then, after 150 days (about 5 months), the union will email the Payroll Department and say, "this hire has completed their first 150 days, you now have to either change their status to Part Time or Full Time OR terminate them." Upon receipt of that email, the Payroll Department will then notify the Orsid Account Executive and let them know of their choices of action to take. By flagging employees who are hired specifically as vacation relief, this will help limit the exposure for our buildings.

Our building employees are certainly grateful for all the work that Manjola, Dori and Shakeel do for them every day, but we wanted to make sure our Boards are aware of it as well. Manjola said it best - "I like to help people. I'm with these employees from when they're hired to when they start a family, to when they retire." It's not lost on us how special this is – the true full life cycle of being an employee in one of Orsid's buildings. Beyond being hardworking and timely and doing the job that needs to be done, they also care deeply about the humans on the other side of that paycheck. Because they are such wonderful, caring people, they deliver their work on another level. Including working most holidays that others have off, so that everyone gets paid timely each week. Thank you, Manjola, Dori and Shakeel! We appreciate you so much.



Manjola Zylfi



Dori Palaj



Shakeel Samuel

Lending for Shareholders

Nearly one year has passed since the “new” Fannie Mae and Freddie Mac Standards were issued for government-backed lenders, providing loans in condominiums and cooperatives. This is a direct response to the 2021 Champlain Towers South Condominium tragedy in Surfside, Florida. Industry professionals interpreted the new guidelines as a reasonable attempt by lenders providing loans, to address their exposure in buildings with significantly deferred maintenance and repairs. A new, standard lender questionnaire became commonplace where certain disclosures were required by boards and managing agents about things like structural integrity of a building. The practical reality has meant much more expensive loans for buyers in condos and coops, longer due diligence periods where loan underwriting standards are at their tightest in recent history, and the emergence of the Reserve Study, (a relatively unheard of document rarely adopted by New York City condos and coops), all with a direct impact on budgets already being squeezed by unprecedentedly higher operating costs (taxes, insurance, utilities, union labor) post-covid.

The “new” Fannie/Freddie Standards in condo/coop lending adopted in late 2023 are not really new; lenders have always mandated certain standards when assessing a building’s “habitability” or “warrantability”. This translates to underwriting proper credit risk, prior to making conforming and jumbo loans. In the absence of warrantability from a loan underwriting perspective, buildings considered “non-warrantable” meant that buyers had to find alternative financing on a portfolio basis at often higher interest rates. The 2023 enforcement of these prior underwriting standards has left buyers of New York City condominium and cooperative properties at an often-insurmountable impasse.

FISP Filing Status & Orsid’s Solution: Perhaps the most difficult impasse to securing financing in Orsid’s portfolio of condos and coops are the recently tightened standards surrounding Local Law 11 FISP filings of UNSAFE and SWARMP. SWARMP filing is relatively simple to explain during the bank review due diligence process. A detailed letter of explanation to the loan underwriter or bank attorney from our clients’

respective engineer outlines the status of the filing and the repairs required to the building envelope. An Unsafe designation is more problematic and may ultimately cause a lender to deny the loan. However, in several instances, once again utilizing the architect or engineer of record, Orsid has been successful in getting the Unsafe filing waived by underwriters. In this instance, the engineer’s letter is even more detailed, with pictures of the progress and a demonstration of diligent efforts towards completing the project, in order to obtain a Safe filing designation. Engineers charge fees for these letters, but the investment of several hundred dollars by a Board can assist with increased financing options for buyers.

As new regulations and developments unfold, Orsid will stay up to date on industry trends and we’ll update you on additional avenues that can be explored in a future newsletter article.



Updating Your House Rules Pt 1

Updating House Rules is a simple and effective way to tighten or establish new building guidelines, promote harmony and cooperation among residents and improve quality of life in your building without amending the By-Laws or Proprietary Lease. These rules can protect the safety of residents and keep order without “stepping on toes”. House rules generally can be amended or even restated by a majority board vote, with a quorum present at a regular board meeting. Due to the length of this topic, we have divided this article into two parts: Part 1 will examine updating existing rules, Part 2 (which will be published in our Q4 Newsletter) will discuss additional rules for consideration.

Many House Rules were drafted at the time that buildings were converted to co-op or condominium, as such, these rules can be very outdated. Many scribes at the time used boilerplate rules and did not take into consideration the more detailed needs of communal living. We have seen some that contain rules that are over 100 years old including “shareholders cannot use their homes as a house of ill repute.”

Rules that stand the test of time:

Let's take a moment to review what is generally included in House Rules but may need updating and/or some expansion. The primary goal of House Rules is to address quality of life issues among residents and set guidelines for the building.

1. Noise: Without a doubt, Co-ops and Condominiums address noise complaints more than any other quality of life issue. Although most House Rules contain some provision about noise, the rules may need to be expanded. Most rules state that disturbing noises emanating from an apartment or in common areas, and any interference with the rights, comfort or convenience of other residents is never allowed. It is a good idea to check the hours for noises like TV's, stereos and musical instruments. Typically, restrictions should be in place between 10:00 P.M. and 8:00 A.M. Some buildings' rules limit the amount of time permitted to practice musical instruments (ex. 2 hours). In addition, it is a good idea to make sure that the rules include provisions that 80% of each

apartment's floor area, except the kitchen, bathrooms, and closets, is to be carpeted, along with substantial under-padding, to reduce the noise to the apartment below. When a noise problem arises, this simple requirement can substantially reduce complaints.

2. Pets: For buildings that allow pets, a board should take a closer look at the “Pet Policy” and should scrutinize these rules. Generally, House Rules provide that pets are not permitted unless the Board approves the pet. For a dog, it is not uncommon for a Board to ask what breed and weight the pet is or if it has been trained (some co-op boards actually meet the dog). Boards should consider a provision that pets should not be permitted to make any disturbing noise that interferes with the rights and comfort of other owners (ex. unruly dogs in public areas of the building or excessive barking), or that pets be transported in the service elevator or stairway but not the passenger elevator, and should be kept on leashes at all times within the building's public areas. Boards may limit the number of dogs that may be permitted to reside in any apartment at any time. In addition, consideration should be made which allow or restricts pets on roof decks, courtyards or common area rooms. Updated rules should contain a provision that states that Owners must refrain from allowing their dogs to relieve themselves on the building, trees, planters or walls and that strict adherence to New York City's “pet clean-up law” is required. If a pet owner fails to adhere to pet guidelines, the Board may want to include a provision that the pet be removed from the building.

3. Public Areas: Most rules contain a provision that occupants cannot obstruct hallways and stairways (including welcome mats, shoes, bicycles, packages, strollers, umbrellas). These obstructions could lead to a Fire Department violation. The challenging rule is one that limits decorations on front doors. One person's decoration is another person's religious symbol, and a board should be careful about permitting some form of religious symbols (like a wreath or a mezuzah) and not others. In addition, a house rule should limit loitering or soliciting anywhere in the building. Buildings with medical offices in the Lobby level may have a specific policy with reference to patients waiting in a specified area in the Lobby, and patients entering and exiting the building.

Continued on next page...

Updating Your House Rules Part 2

House rules should contain a provision that children may not play in the lobby, public hallways, stairwells or elevators and are not permitted on the roof deck or rear garden/courtyard unless accompanied by a responsible adult.

4. Service Elevators and Moves: Some buildings place restrictions on the use of the passenger elevator. For example, bicycles and service carts, messengers and trades people, contractors, movers and delivery companies and dogs may be asked to use the service elevator.

Moves should be restricted to one a day and should be scheduled in advance with the Resident Manager. Moving companies must be properly insured and provide evidence of properly endorsed policies naming the Corporation and the Managing Agent as additional insureds with primary coverage. A security deposit and all move-in/move-out fees must be paid in advance of

scheduling. During the move, floors and hallways must be protected by Masonite or similar boards provided by the moving company. All moves, in or out of the building, must be made between 9:00 A.M. and 5:00 P.M. No moves are permitted on weekends or holidays. All refuse generated from a move must be disposed of properly by movers and Shareholders. Cartons should not be left in the compactor room, basement, or sidewalk. Arrangements for bulk disposal must be made in advance with the Resident Manager. Owners should be urged to speak with the Resident Manager prior to any move-in or out of oversized pieces (e.g., a sofa) to determine if it will fit in the service elevator.

While some or all of the foregoing may be common sense, unless the House Rules are clearly stated and explained, residents will not have to guess what the building protocols are. Stay tuned for Part 2 of this topic to be published in our Q4 newsletter.





Legislative Updates

Corporate Transparency Act: As indicated in the 4th Quarter newsletter of 2023, the Corporate Transparency Act (CTA) was adopted in September of 2022 and requires the submission of Beneficial Ownership Information (BOI) to the federal government before the end of 2024. Over the past year, many had hoped and pushed for an exemption for Home Owner Associations (HOAs) including Cooperative and Condominium Boards. There have also been various lawsuits challenging the constitutionality of the law with varying degrees of success including the recently filed suit by the Community Associations Institute hoping to exempt HOAs from the filing requirement. However, at this time there are no broad exemptions for Coops and Condos within the law except for the “Large Operating Companies” exemption for those entities with more than 20 employees and more than \$5 million in gross receipts.

With just over three months left to comply, we have begun implementing our program to assist our Boards with compliance. Our service is optional and Boards can choose to either handle the filings directly or to utilize third party services for compliance. The law requires the submission of personal data, including copies of valid state ID or passports for all Board Members and owners of more than 25% of shares or units to the US Department of Treasury Financial Crimes Enforcement Network (FinCEN). We recommend that all affected Board Members obtain a FinCEN Identifier which can be used for all of their CTA filings. There are Civil penalties (\$500 per day fine) and Criminal penalties (\$10,000 fine or imprisonment for up to two years or both) for noncompliance (i.e., the willful failure to report or update BOI and willful failure to correct inaccurate BOI). We distributed our plan for compliance to all Boards on Friday, September 27th and anyone who missed the correspondence can obtain another copy by asking their Account Executive.

Fair Residential Cooperative Disclosure Law (Int. 0407/2024): This bill would require cooperative corporations to provide prospective purchasers with a written statement of each and all of its reasons for withholding consent to a sale within five days after deciding to withhold such consent. This yet another attempt to chip away at right of Cooperative Boards to withhold consent to apartment transfers without reason so long as they don't discriminate in violation of applicable city, state and federal laws. We believe that such measures will not inhibit discrimination in any meaningful way but will likely lead to much unnecessary and expensive litigation. If you are opposed to such a bill we suggest that you contact your City Council Member to communicate your opposition.

Cooling and Heating Proposal (Int. 0944/2024): This bill would require that from June 15 to September 15 of each year, building owners (including Cooperative and Condominium Boards) maintain a maximum indoor temperature of 78°F when the outdoor air temperature is 82°F or higher. Owners without central cooling would have to install cooling systems within residential units and leases would have to contain notice of the cooling requirements. The bill would impose civil penalties for violations and would require compliance with all provisions four years after the bill's effective date. While owners claiming undue hardship could be eligible for time extensions, ultimately compliance would be mandatory and the installation of Central A/C systems for all buildings regardless of the cost would be required. The timing of this bill is very questionable as everyone is trying to comply with the carbon emission caps of the Climate Mobilization Act (CMA). The additional energy consumption needed to comply with this proposed law would further exacerbate the difficulties in reducing carbon emissions below the CMA thresholds. If you are opposed

to such a bill we suggest that you contact your City Council Member to communicate your opposition.

Residential Waste Containerization: The New York City Department of Sanitation (DSNY) has begun a containerization program in an effort to get the mountains of black bags off streets and to mitigate the city's rat problem. Beginning November 12, 2024, all properties with 1-9 will be required to use garbage bins, 55 gallons or less with secure lids for trash set out. Such bins can be used until June 2026 after which the official “NYC Bin” must be used. DSNY is retrofitting hundreds of collection trucks, adding mechanical tippers compatible with the new bins. It is hoped that this upgrade will speed up collection and minimize the possibility of spills that occur with manual collection.

Containerization for larger buildings will be gradually rolled out beginning in Spring of 2025. Buildings with 31 or more residential units will be required to use stationary, on-street containers for their trash, serviced by DSNY's new automated side-loading garbage trucks. On-street containers will be assigned to a specific building, solely for residents of that building. Buildings with 10 to 30 units will be able to choose between stationary on-street containers and smaller wheelie bins. The first district with these containers will be Manhattan Community Board 9, beginning Spring 2025, with further expansion pending environmental review.

We will be watching the pilot program and for further DSNY updates for our larger buildings to make sure that we are prepared for the roll out throughout the city.

Biometrics Legislation in the City Council: There are currently two bills in the City Council, Intros. [217](#) & [415](#) seeking to regulate the use of biometrics in places of public accommodation and multiple dwellings. Int. 217 would require places or providers of public accommodation to notify customers if biometric identifier information is to be collected and to require written consent before any biometric recognition technology can be used. Additionally, the bill would require any such information collected to be protected and for written policies regarding its use to be made available. Int. 415 would ban gathering biometric data use in multifamily buildings that can identify tenants or their guests. The restriction of biometric data has been a regular concern in the City Council for the past few years and it is likely that some version of these bills will be passed in either this or an upcoming session.

Broker Fees Intro 360 FARE Act: The [FARE \(Fairness in Apartment Rentals\) Act](#) would require the entity who hires a broker or agent to pay the commission. This would be a shift for most of the city where tenants traditionally pay the listing broker fees. Opponents of the bill note that its passage will shift brokerage rental fees onto landlords, who in response will incorporate these fees into the monthly rent, causing tenants to face increased rents not only the year they sign but each year they choose to renew. There is significant support for the bill and it is expected to pass in some form during the current session.

Bed Bug Notifications: [State Senate Bill 9227](#) would require landlords and lessors provide written notice to all tenants of about bed bug infestation within 24 hours of discovery. The bills has already passed both houses and is expected to be delivered to the Governor for signature soon. REBNY is hoping for modifications to the bill to conform notices to reflect NYC requirements and only require notifications to apartments directly adjacent, above and below the infestation.



Welcome to Orsid

We have welcomed the following buildings to the Orsid family:

310 West End Avenue Owners Corp.

310 West End Avenue
New York, NY 10023

175 West 12th Street Condominium

175 West 12th Street
New York, NY 10011

415 Central Park West Owners Corp.

415 Central Park West
New York, NY 10025

200 E 74 Owners Corp.

200 East 74th Street
New York, NY 10021

In Q3 2024, we have welcomed the following new associates to the Orsid family:

James Hughes, *Controller*

Emil Radoncic, *Administrative Assistant for Accounting & Operations*

Gabe Sules, *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



The Orsid Digest is intended for the Board Members of those buildings managed by Orsid New York. If you would like a copy distributed to your residents, please inform your Account Executive. While every effort is made to achieve accuracy in the information contained in this publication, it is not intended as advice for any specific property. Orsid New York shall not be liable for damages resulting from the use of information contained herein. Please consult with your property manager or the appropriate professionals to address concerns specific to your building.

© Orsid Realty Corp 2024. No material in this newsletter can be used without the express written consent of Orsid Realty Corp.

