

A Message From ASSEMBLYMEMBER HARVEY EPSTEIN



Limited equity cooperative housing development fund corporations (HDFCs) are home for tens of thousands of New Yorkers. We are seeking various solutions to the various building needs.

We are proposing a 4 reforms to state law:

1. Make the DAMP Tax Cap Permanent

Problem: We have heard from shareholders that the DAMP Tax Cap's fast approaching expiration date in 2029 is making it difficult to obtain the bank loans they need to do repairs and improvements.

Proposed solution: Make the abatement permanent to limit lenders' risks so buildings can obtain loans. To incentivize affordability going forward, the tax abatement could be tiered based at the following income levels at purchase (no annual income certifications):

Area Median Income	Level of Abatement
80%	full
Over 80% and up to 165% at the time of purchase	partial

2. Forgive Arrears for Distressed Buildings

Problem: A large group of HDFCs are at risk of foreclosure due to unpaid real estate tax arrears.

Proposed solution: Forgive the tax arrears for those distressed buildings (many currently in the third party transfer program) while they enter into a regulatory agreements with the Department of Housing Preservation and Development to ensure they do not end up in arrears again.

3. Let Some Buildings Out of The Program

Problem: Some buildings have decided they no longer want to operate as HDFC cooperatives and want a pathway to become a free market building.

Proposed solution: Create a legal process to let those buildings out of the program.

4. Provide Informational Support to Coop Boards and Shareholders

Problem: Shareholders have complained of the lack of a venue for them to get training to run their buildings and resolve inter-shareholder disputes.

Proposed solution: Create a HDFC Cooperative Ombudsman to help mediate disputes and provide access to technical training and other resources.