

HPD Testimony on J-51

May 30, 2024

Good morning, Chair Sanchez and members of the Committee on Housing and Buildings. My name is Kim Darga, and I am the Deputy Commissioner for Development at the Department of Housing Preservation and Development. I am joined by my colleagues Lucy Joffe, Associate Commissioner of Housing Policy, and Tricia Dietz, Assistant Commissioner for Housing Incentives. We thank you for the opportunity to testify on Introduction 654 sponsored by Chair Sanchez.

A significant part of HPD's focus is on housing quality and stabilization. J-51 has long been one of the agency's most important tools for that purpose. Following enactment of authorizing legislation by the State legislature in 2023, this bill would authorize New York City to once again implement J-51, a longstanding as-of-right preservation program. The program incentivizes and partially offsets the cost of major capital improvements in lower-cost residential buildings that otherwise struggle to fund this type of work. Through J-51, we ensure that residents in low-cost housing can live in safe, quality and energy efficient buildings.

Since J-51 lapsed at the state level in 2019, there has been no as-of-right preservation tool available. This followed years in which we allowed J-51 to become outdated and underutilized, leaving a significant gap in our arsenal of resources to ensure the quality and longevity of our remaining low-cost housing.

While J-51 has been used in a range of housing types, it plays a critical role in the ecosystem of rent stabilization, in particular. As you all know, for decades we saw rising rents across our rent stabilized housing stock and the loss of hundreds of thousands of low-cost rental homes. In 2019, the state legislature passed the Housing Stability and Tenant Protection Act (HSTPA) limiting owners' ability to increase rents or to exit rent stabilization. We want to ensure, however, that owners of rent stabilized buildings continue to invest in and improve building quality, particularly as our stabilized buildings age. Our rent stabilized stock is typically older than our market rate housing. While, on the whole, it is in relatively good shape as measured by the New York City Housing and Vacancy Survey, it is generally occupied by older New Yorkers, lower-income New Yorkers, and households that are more likely to have a member with a disability, making it especially important that we maintain building quality to protect those New Yorkers who are most vulnerable to poor building health. Major capital improvements, such as installation or replacement of heating systems, plumbing, wiring, elevators, windows, and roofing are exactly the types of critical upgrades that impact housing quality for residents of the entire building. These types of improvements ensure that New Yorkers get to live in safe, quality and more sustainable housing.

The new J-51 program, which the Council has the opportunity to authorize for use in New York City, offers a well-targeted resource that partially offsets the cost of major capital improvements while, critically, prohibiting those costs from getting passed along to current or future rent stabilized tenants. Rather than financing the improvements through higher rents, the building owner can qualify for a property tax abatement, reducing the cost of operations. For our rent stabilized stock, J-51 is therefore a critical complement to HSTPA, allowing New Yorkers to live in and benefit from low-cost housing for decades to come without sacrificing building quality or sustainability upgrades.

While J-51 is a critical tool for rent stabilized housing, the program will also benefit other multi-family housing, such as Mitchell Lamas, other affordable regulated housing, and lower-cost cooperatives, many of which are also struggling to keep up with ongoing major capital work and invest in improvements that improve sustainability. Here too, J-51 creates the opportunity for work that is central to ensuring building health and stabilization without passing those costs on to low- and moderate-income residents.

To be eligible for J-51, the owner must first notify tenants within 30 days, and no more than 180 days after, commencement of work. The owner must submit an application along with proof of payment to HPD within 4 months of completing the work. As part of the application review, HPD physically inspects to ensure the work is complete. Once deemed eligible, HPD issues a Certificate of Eligibility and notifies the Department of Finance (DOF) of the approved maximum amount of the abatement. DOF applies the J-51 benefit to the buildings' property taxes, reducing the taxes by 70% of the total eligible costs, applied at 8 1/3% each year, for up to 20 years. HPD also notifies New York State Homes and Community Renewal (HCR) so they can ensure that the J-51 covered work is not eligible for a major capital improvement increase ("MCI increases"). None of the work covered by J-51 can be passed along to tenants as rent increases.

This version of J-51 is better than the old version.

First, it is better targeted to buildings with low-cost housing – those buildings that might otherwise struggle to pay for these types of improvements and in which we are very focused on keeping our low-cost housing low cost. The eligible building types are:

1. Those already receiving "substantial government assistance" such as the City's affordable housing and Mitchell Lamas.
2. Rental buildings in which 50% of the units are low-cost, which is defined here as having rents lower equal to or lower than those that households earning 80% of area median income can afford.
3. Cooperative and condo buildings with an average assessed values of less than \$45,000 per unit.

Second, the CRC schedule will remain relevant and appropriate as scopes of work and costs change. If passed as designed, we believe that owners will find it more beneficial to use J-51 than MCI increases, but only if the CRC schedule is up to date. J-51 was once a program designed to help encourage indoor plumbing. Now, we expect many buildings will be using it not only to replace major building systems, like roofs and heating, but also to improve building efficiency and meet their new Local Law 97 mandates. If passed, HPD will create a “greened” CRC schedule, so that users are making the more sustainable and efficient choices whenever possible and helping the city meet its carbon reduction and Local Law 97 goals. As our city evolves, so must J-51.

Third, it is easier to use and provides a more predictable benefit. The prior J-51 program had both an exemption and abatement component in addition to complex eligibility requirements based on project type and the scope of work provided; users often had a difficult time determining whether assessed value would increase and assessing the impact of the exemption on future property taxes. In the new program, the user can assess their scope of work, their costs and the CRC schedule, and know if they are eligible and the amount of the benefit and can plan accordingly.

Fourth, it is more protective of tenants. Owners will not be able to apply to HCR for an MCI for any of the work covered by J-51. When owners opt to use J-51 instead of MCIs, there will be no rent increases for current or future tenants associated with the J-51 scope. There are also new provisions to guard against tenant harassment.

Finally, this version of J-51 gives HPD new and enhanced tools for enforcement oversight and procedures, up to and including, revoking the benefit cases of noncompliance or harassment. There are also two new timing requirements. Owners are required to complete work started under a J51 scope within 30 months and are required to submit an application to HPD within four months of completion. Together these requirements will allow HPD to more fully review and inspect work scopes and ensure that the work submitted was completed in a timely manner.

While we are often before the City Council talking about new housing, preservation of existing low-cost housing is one of our critical goals. While we continue to invest in housing preservation through various HPD loan programs, we have been missing J-51, one of the most impactful programs in terms of supporting investment in housing quality. Over the last 15 years, more than 9,600 buildings used J-51, resulting in increased building health for more than 300,000 households. After five years without an as-of-right preservation tool, we finally have the opportunity to bring back J-51. And not just the J-51 of the past. This will be a better, more efficient, more targeted J-51 that we think more building owners will choose to use, helping us meet many of our housing goals at once: investing in and improving building health and quality, keeping rents and common charges low, particularly in our low-cost housing, and advancing our sustainability goals to benefit all New Yorkers.

But we can only do that if this bill is passed as soon as possible. State law authorizes J-51 through June 2026, so we are already two years into the eligibility period. We want to take full advantage of the remaining time we have to benefit as many New Yorkers as possible.

We are grateful to this committee and the Council more broadly for your shared focus on preservation and stabilization. Thank you for the opportunity to provide you with an overview of the agency's support for this critical program. We welcome any follow-up questions you might have.



Memorandum in Support

Int. 654

The Rent Stabilization Association of New York City represents 25,000 diverse owners and managers who collectively manage more than one million apartments in every neighborhood and community throughout the city. We thank the Committee for giving us the opportunity to submit this Memorandum in Support of Intro. 654, which would provide a tax abatement for certain alterations and improvements to certain multiple dwellings. The RSA supports this bill but wants to note that it offers limited benefit to the majority of rent stabilized buildings in the city, therefore it will fail to achieve what it is needs to do.

This legislation revives the expired J-51 program, which historically has been a crucial program that provides tax exemptions for alterations and improvements undertaken to eliminate fire and health hazards in multiple dwellings and for the upkeep, rehabilitation and creation of affordable housing. These as-of-right benefits have proven to be an important tool for owners to fund improvements in rent stabilized properties and preserve New York City's aging housing stock. The average age of New Yorks rent stabilized housing stock now exceeds 75 years. The J-51 program has historically been most effective when combined with the major capital improvement (MCI) administered by HCR. Since this is not a component of the bill before you today the J-51 program will have minimal effect in preserving the aging housing stock.

This newest iteration of the J-51 program contained in the subject bill re-envision the program so that for owners to avail themselves of tax benefit it requires not less than 50 percent of the units to be deeply affordable and eliminates the limited MCI rent increases that owners had been allowed to collect for the duration of the abatement period.

Due to the onerous financing conditions, the usefulness of the financial assistance provided by this new J-51 program will be diminished and it will serve to assist a small subset of rent stabilized properties, primarily those buildings in the worst condition and with few financing options or to those that vacant and in need of a gut rehabilitation. It will no longer provide the crucial financing to rent stabilized buildings owners who need to do major upgrades such as electrical, plumbing or boilers or to comply with mandates for lead remediation, electrification and environmental upgrades and other meaningful projects that benefit the residents of New York City's rent stabilized properties.

While the subject bill may provide some narrow value within the rent stabilized universe, it falls short in meeting the financing needs of the vast majority of buildings. The current MCI program as restricted by the HSPTA provides the only option for owners to finance critical and mandated capital improvements. The declining numbers of MCI applications demonstrates the need for an

effective J-51 program to support capital improvements while providing the tenants with relief from increased rents.

In conclusion, RSA supports Intro. 654 but urges the City Council to advocate along with the industry for a more robust and comprehensive program to ensure the ongoing maintenance and habitability of the city's aging rent stabilized housing stock.



May 30, 2024

CHIP Testimony on J-51 Replacement

Thank you for holding this hearing today. I am Adam Roberts, Policy Director for the Community Housing Improvement Program (CHIP). We represent New York's housing providers, including apartment building owners and managers.

We appreciate that the council is advocating for J-51 in large part because of the financial crisis hitting rent-stabilized housing. Rent-stabilized housing represents 40% of rental housing in the city, around 1 million units of housing. However, we have strong concerns that this new J-51 program will not be usable for most buildings with rent-stabilized units.

Most glaringly, the bill requires that owners certify the income of tenants in order to qualify for the program. Owners cannot mandate that their tenants provide updated salary information. Without this information, there is no means of proving that tenants fall within the necessary AMI marketing bands to qualify for J-51, even if the legal rents fall into those bands.

The AMI bands themselves are also overly restrictive. The bill requires that at least 50% of units in a building rent within affordability bands from 20% of 80% of AMI to 30% of 80% of AMI. For a single person, this range is \$17,392 to \$26,088. This would mean that affordable rents would be around \$500 per month.

No rent-stabilized building could operate with rents so low. The average operating cost for a rent-stabilized unit is \$1,164. With the rents required to qualify for this new J-51, a building would need to be losing \$664 in at least half of its units.

While there is a "substantial governmental assistance" option to qualify, this too is overly restrictive. The definition of governmental assistance is a regulatory agreement of at least 15 years. This means that accepting voucher holders or having a shorter-term regulatory agreement would still not allow a building to qualify.

Even if this program were better designed, it would not solve the structural problems causing the financial crisis in rent-stabilized housing. Many billions of dollars in investment, far more than what J-51 or any government program would provide, are needed to improve rent-stabilized housing. For instance, NYCHA requires \$80 billion to improve its 180,000 units of housing, less than a fifth the number of rent-stabilized units.

The only way to fix rent-stabilized housing is to ensure revenue exceeds operating costs. This means regular influxes of revenue, whether from tenants or the government, must be provided and operating costs must be reduced. One-time tax abatements like a new J-51 will not solve the problem that these buildings do not earn enough revenue to operate.

Again, thank you for holding this hearing today.



The Community Preservation Corporation
220 East 42nd St, 16th Floor
New York, New York 10017

New York City Council Executive Budget Hearing
Committee on Housing and Buildings Oversight Hearing on J-51 Tax Abatement
May 30, 2024

Testimony on behalf of The Community Preservation Corporation

Thank you, Chair Sanchez and City Councilmembers of the Committee on Housing and Buildings. My name is Emily Klein and I am the Senior Policy Associate at the Community Preservation Corporation (CPC), a nonprofit community development finance institution (CDFI) formed in the early 1970s to help New York City and State restore and rebuild communities that had been devastated by deterioration and abandonment. As a fifty-year-old affordable housing lender with a significant footprint in New York City, CPC is honored to provide testimony today in support of Intro No. 654.

New York City has one of the oldest housing stocks in the county, with 56% of all rental units built pre-1960 (more than 60 years old) and about 40% built in pre-1940, leading to a median residential building age of 90 years. These pre-war, often rent stabilized, buildings are one of the largest remaining sources of the City's affordable multifamily rental housing stock. To maintain habitability, many of these buildings need major capital investment to address essential repairs and renovations, including systems replacement, new roofs, and new windows. This need is especially acute for aging multifamily buildings with less than 50 units since they tend to operate on thin capital margins and are often occupied by low-income tenants living in rent stabilized units.

For much of the second half of the 20th century, the J-51 tax abatement served as an essential tool, supporting the renovation of this sector of New York City's housing. In 1955, the City Council created the J-51 tax abatement to offset up to 75% of rehabilitation and modernization costs through a 14- or 34-year tax exemption, in exchange for rent stabilization for the duration of the exemption period. By 1977, over 675,000 rental units were upgraded using the abatement, and as of 2011, nearly 600,000 units were still receiving J-51 benefits. As of its expiration in 2022, there were 94,185 units still receiving J-51 exemptions.



The Community Preservation Corporation
220 East 42nd St, 16th Floor
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The expiration of J51 in 2022 has left New York City building owners without the necessary financial tools to offset the costs of major capital investments, and its replacement is desperately needed.

While tax incentives are typically framed as giveaways for owners, the ability to finance the renovation and rehabilitation of rent stabilized housing and ensure quality affordable housing is as much, if not more, of a benefit to the tenants who call those buildings home. Without this incentive, New York City's rent stabilized housing has suffered, and necessary building maintenance has been deferred. Even worse, there have been instances over the past two years where rent stabilized property owners have chosen to keep units in need of renovation vacant because they've determined that it is less costly to forego the rental income than it is to finance the necessary renovations on their own. Additionally, building owners will soon need to invest in sustainability measures to comply with Local Law 97, adding on more unsupported expenses. These compounding challenges require new and innovative solutions to support property owners in maintaining quality affordable housing.

The new J51 incentive, authorized by Governor Hochul in 2022 under the Affordable Housing Rehabilitation Program, is structured not as a tax exemption (as was the old J51) but rather as a tax abatement of up to 70% of the certified reasonable cost of the construction, capped at 8.3% each year for up to 20 years. Building eligibility depends on ownership structure, the percentage of affordable units, and if the building receives governmental assistance; in exchange, owners will need to keep the units rent stabilized for 15 years. The incentive will also be available to homeownership units with an assessed value under \$45,000 per dwelling unit. The proposed incentive includes an updated certified reasonable cost (CRC) schedule that accounts for the current costs of materials and labor, in addition to modernized scopes of work which include building electrification and decarbonization items – both of which will help buildings comply with Local Law 97. While Intro 654 currently states that the certified reasonable cost schedule shall be “updated as necessary,” we urge the Council to amend this language to require the relevant city agencies review and adjust the CRC schedule annually or index rates to keep pace with inflation and price changes. After successful passage by the City Council, we stand ready to support the Department of Housing Preservation and Development in crafting program guidelines concerning eligibility and proof of completed work. To maximize impact, these program parameters must be thorough enough to discourage abuse but not so burdensome as to discourage adoption.



The Community Preservation Corporation

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The compounding challenges of aging infrastructure, tightened rent regulation laws, tumultuous market conditions, and the need for decarbonization and energy efficiency upgrades require financing solutions to ensure the quality of New York's affordable housing stock. Intro 654 meets the needs of our current market and moment, and we urge the Council to pass with the minor edits incorporated so that building owners can finance the necessary work to maintain quality and affordable homes for New Yorkers.

Thank you for the opportunity to testify and I'm happy to answer any questions.

New York City Council Executive Budget Hearing
Committee on Housing and Buildings Oversight Hearing on J-51 Tax Abatement
May 30, 2024

My name is Rachel Fee. I am Executive Director of the New York Housing Conference (NYHC) and writing in support of Intro No. 654. Thank you, Chair Sanchez and City Councilmembers of the Committee on Housing and Buildings.

NYHC is a nonprofit affordable housing policy and advocacy organization. As a broad-based coalition, our mission is to advance City, State and Federal policies and funding to support affordable housing for all New Yorkers.

While New York City must add new affordable housing to help the hundreds of thousands of households that are experiencing homelessness or at-risk of experiencing homelessness, we also must preserve the housing that exists and help maintain affordability. While subsidy is an important component of preserving housing, tax benefits are also critical programs.

The J-51 tax abatement has served as an essential tool, supporting repairs and renovations of New York City's housing. In the past, the J-51 tax abatement offset up to 75% of rehabilitation and modernization costs through a 14- or 34-year tax exemption, in exchange for rent stabilization for the duration of the exemption period. By 1977, over 675,000 rental units were upgraded using the abatement, and as of 2011, nearly 600,000 units were still receiving J-51 benefits. As of its expiration in 2022, there were 94,185 units still receiving J-51 exemptions.

The expiration of J51 in 2022 left New York City building owners without an important tool to offset the costs of major capital investments. A replacement is desperately needed. Insufficient investment in our existing housing stock can lead to deteriorating building conditions and impact the health & safety of tenants. We are concerned that without J-51, necessary building

maintenance has been deferred. Additionally, building owners will soon need to invest in sustainability measures to comply with Local Law 97, adding on more unsupported expenses. These compounding challenges require new and innovative solutions to support property owners in maintaining quality affordable housing.

The new J51 incentive, authorized by Governor Hochul in 2022 under the Affordable Housing Rehabilitation Program, is structured not as a tax exemption (as was the old J51) but rather as a tax abatement of up to 70% of the certified reasonable cost of the construction, capped at 8.3% each year for up to 20 years. Building eligibility depends on ownership structure, the percentage of affordable units, and if the building receives governmental assistance; in exchange, owners will need to keep the units rent stabilized for 15 years. The incentive will also be available to homeownership units with an assessed value under \$45,000 per dwelling unit.

The proposed incentive includes an updated certified reasonable cost (CRC) schedule that accounts for the current costs of materials and labor, in addition to modernized scopes of work which include building electrification and decarbonization items – both of which will help buildings comply with Local Law 97.

As City Council reviews legislation to enact the state program, we support the following recommended changes to the legislation to maximize efficiency and impact:

- Intro 654 currently prohibits eligible buildings from converting to coops or condos during the restriction period. This could negatively impact opportunities for affordable homeownership and we recommend the Council strike this line from the legislation.
- Intro 654 currently states that the certified reasonable cost schedule shall be “updated as necessary” – we urge the Council to amend this language to require the relevant city agencies review and adjust the CRC schedule annually or index rates to keep pace with inflation and price changes.
- While this will be determined by the Department of Housing Preservation and Development after successful passage by the City Council, we recommend that the

required evidence to demonstrate eligibility and completion of work be thorough enough to discourage abuse but not so burdensome as to discourage adoption.

Our aging infrastructure, inconsistent market conditions, and the need for decarbonization and energy efficiency upgrades require programs to ensure the quality of New York's affordable housing stock. Intro 654 meets the needs of our current market and moment, and we urge the Council to pass with the minor edits we recommend so that building owners can finance the necessary work to maintain quality and affordable homes for New Yorkers.



NEW YORK'S VOICE OF THE COOP/CONDO COMMUNITY REPRESENTING OVER 100,000 RESIDENTS

May 29, 2024

TESTIMONY OF MICHAEL DE VALERA, EXECUTIVE BOARD OF THE PCCC

Good morning to All,

My name is Michael De Valera, and I am an Executive Board member of the PCCC, an advocacy group representing almost a hundred middle-income properties in Queens. I also serve as Treasurer of my own co-op, Dorie Miller Housing Co., Inc., the first interracial co-op in NYC, located in Corona, Queens. I am an Executive Board member of Community Board 3 as well as Executive Board member of the NAB. My efforts have been trying to make NY better, to increase home ownership, to increase financial equity and to make home ownership more affordable.

As a lifelong resident of Corona, NY, the J-51 Tax Abatement would be a qualified positive to our NORC (Naturally Occurring Retirement Community). Having to comply with LL97 / Intro 770 -772, we have spent more than \$5 Million dollars in the past year and to recover even a portion of that through a tax rebate would be a boon to our budget and bottom line. It would have the corresponding effect of preserving

affordable housing in our neighborhood by encouraging us to continue to invest in our housing stock. To qualify for the abatement, a property cannot exceed an assessed valuation of \$45,000, a value indeed not representative of wealthy owners of high-end properties.

Residents of my co-op are a diverse mix of retirees on fixed incomes, civil servants, single parents, first time home buyers, and young families just starting in life. My neighbors are working and middle-class individuals living in barely affordable homes. The J-51 program would help ensure preserving what is typically for most, in my coop, their largest financial asset and a means of establishing wealth.

Over the years, thanks to the J-51 abatement, we have been able to replace our windows and roofs without imposing a considerable maintenance increase or onerous assessment on the shoulders of shareholders. Without the J-51, many co-op properties will put off desperately needed repairs or property upgrades. For many people, cooperatives represent the last bastion of affordable, middle-class housing in NYC. We must preserve that housing stock.

We urge that this program be continued in the future. It is a lifeline to affordable housing!

Good morning to Chair Sanchez and the Council Members of the Committee

My name is Ambur Nicosia

I am honored to be the Board President at Penn South. We are home to roughly 5,000 New Yorkers, and are one of the largest affordable, limited-equity cooperatives in New York City. We are regulated by HPD **are one of the few remaining accessible communities in a city that is currently experiencing a housing crisis.** One of the ways that we are able to do this, is through programs like J-51.

Built in 1962, Penn South's aging infrastructure requires constant capital improvements to comply with local laws and maintain the property **and losing J-51 has been a severe blow to our economic well-being.**

The purpose of the J-51 Program is to assist owners of aging buildings in desperate need of capital improvements, by granting an abatement for eligible projects. These projects are determined by HPD and included items such lead paint abatement, asbestos removal, and roof replacement (which we are currently 10 years overdue). These are not luxury renovations, but necessary improvements to keep buildings operational and safe for residents. **J-51 has been a major success in preserving multi-family housing at a relatively small cost to the city, since the work is performed by the private sector.**

We have been forced to significantly raise maintenance this year due to Covid, local law requirements, and the extreme costs of insurance and utilities. Without the new Affordable Housing Rehabilitation Program, we will be forced to raise monthly fees even further, **effectively destroying our accessible housing status and putting our residents, (the majority of whom are seniors on fixed incomes), in a terrible financial position.**

This program is vital to the health of Penn South and all of the affordable housing communities in our city - **I urge the Council to vote in support of The Affordable Housing Rehabilitation Program.**

Thank you for your time.

Testimony to New York City Council

Housing and Buildings Committee

Intro 065-2024 Hearing – Renewal of J51 Property Tax Abatement Program

May 30, 2024

My name is Alicia Fernandez, and I am the Treasurer of the Queensview Housing Cooperative, which was built in 1950 and consists of 14 buildings and 726 apartments on 10 acres in Long Island City. I am also actively involved in several co-op advocacy groups including the Coordinating Council of Cooperatives, the Presidents Co-Op and Condo Council and the New York Co-Op Coalition.

I would like to thank Chair Pierina Sanchez and members of the Committee on Housing and Buildings for the opportunity to testify regarding the critical need for the renewal of the J51 property tax exemption and abatement program.

According to NYC Department of Finance records, there are 361,577 co-ops throughout the five boroughs. Almost 60% of these apartments are in the outer boroughs. This includes over 70,000 Mitchell Lama and Limited-Equity cooperative units which were built as affordable housing and have maintained their affordability decades later despite the lack of financial resources to do so.

Our cooperative communities are struggling to meet the financial demands of operational cost increases (insurance, utilities, property taxes) along with the large investments required for mandated work such as the Façade Inspection and Safety Program repairs and replacements and Local Law 97 carbon emission reduction retrofits.

If New York City is serious about preserving and expanding affordable housing, it will have to provide the legislative and financial support needed to keep middle and working class owner-occupied cooperative housing viable.

The J-51 tax exemption and abatement program provides the direct relief required to offset the costs of replacing essential components of our aging infrastructure such as windows, plumbing, and electrical systems. This program is specifically designed to assist co-ops with an assessed value of under \$45,000 per unit.

It will help those New Yorkers that truly cannot afford to do without the financial aid. Without this assistance, they may not be able to pay the sizeable maintenance increases and assessments and face potential displacement.

Let me explain how the J-51 abatement benefited Queensview. Our co-op replaced all 28 of its elevators in 2018 and 2019. They had reached the end of their useful life and were causing health and safety concerns with constant service outages. The new

elevator system provided much better service while being more energy efficient. This modernization wound up costing us over \$11 million.

As a Limited-Equity cooperative, we struggled to raise this capital. Fortunately, we were granted a J-51 abatement of \$1.88 million in 2022. This reduction on our tax bill allowed us to plan for the electric submeter installation project, which will help us reduce energy consumption by 20% to 30%. This project also prompted us to replace all fuse boxes with circuit breakers. We expect this work to be completed before the end of 2024 and the J-51 abatement helped us avoid a capital assessment.

On behalf of thousands of co-op shareholders fighting to preserve their homes and communities, I urge you to vote in favor of Intro 065-2024 and renew the J-51 tax exemption and abatement program.

Cooperatively yours,

Alicia Fernandez

Treasurer

Queensview Inc.

New York City Co-Op Coalition, Founding Member

Presidents Co-op and Condo Council, Executive Committee Member

Coordinating Council of Cooperatives, Member

Robert Friedrich, President Glen Oaks Village

5/30/24

██████████, Glen Oaks NY 11004

My name is **Bob Friedrich**, and I am the President of the largest garden apartment co-op in New York, Glen Oaks Village (GOV) and also Co-President and founder of the Presidents Co-op & Condo Council, a think tank of 100 co-op Board Presidents. I cannot over-emphasize the importance of the J51 program. It allows affordable co-ops the ability to maintain and upgrade NYC's residential housing stock.

The J51 program was created decades ago and has forged a partnership between the City and Affordable Residential housing communities to provide a reduction in taxes on Capital Improvement spending.

The J51 program has been enormously successful in helping maintain and upgrade the City's housing stock to benefit working class families,

WHO ARE YOUR CONSTITUENTS.

A few years ago, Glen Oaks Village, with a population of 10,000 residents, installed more than 18,000 new energy efficient windows. We could not have done this without the help of the J51 Program. Without it, monthly maintenance would have had to increase double digits which would have been devastating to many of our seniors and working-class families.

Glen Oaks Village is just one example of an affordable co-op that remains affordable because of the J51 program. Over the years we have spent

millions of dollars on eligible Capital Improvements that have been made possible because of the J51 program.

A few of the speakers giving testimony at this hearing today, incorrectly characterized the program as a program for wealthy co-ops. To be clear, the J51 benefits DO NOT APPLY to multi-million-dollar co-ops. They apply to co-ops whose apartments have an assessed valuation of less than \$50,000. This means the program only applies to affordable co-ops, many of which are starter homes for city workers or retired seniors or sublet to families at affordable rents. But what makes them extra special is that they are in good physical condition because of the J51 Program.

The J51 benefits allow co-ops to improve the Quality of Life of their residents. Without it, the housing stock in these non-wealthy, diverse communities would fall into disrepair.

The NYS Legislature, as it has done in previous years, voted to extend the program. And as the City Council has also done in previous years, it voted to extend it. We are asking you to do the same this year.

This issue is not sexy, it does not garner much attention, media coverage or conversation around the dinner table, BUT it's truly one of the most important programs that help keep our affordable co-ops affordable. Please take the time to approve this one-year extension! Thank you.

Ed Yaker
eyakr@verizon.net
Testimony for City Council Int 0654-2024
May 30, 2024

Affordable housing in New York City is becoming more and more unaffordable, driven largely by capital expenses required by New York City mandates. Excessively stringent enforcement of Local Law 11 (FISP) is probably the greatest cause of increased cost for existing affordable housing, with Local Law 126 and Local Law 152 and perhaps others also driving capital expenses. J51 does help in mitigating the expenses for affordable housing co-operatives faced with capital work on aging infrastructure.

It is essential that J51 continue, and that the City Council pass Int. 0654-2024

Cooperatively,
Ed Yaker
Chairman, Coordinating Council of Cooperatives

WRITTEN TESTIMONY

My name is onsé (legal name: gabrielle jackson) and i am a disabled new yorker, freelance photojournalist, musician, and community organizer. before the pandemic, i managed a reformer Pilates studio not too far from here

On Martin Luther King Jr Day in 2021 I was at a peaceful march commemorating the great civil rights leader MLK when the police attacked us with brutal force. I was beaten and knelt on by several grown men, placed in an illegal carotid chokehold, hog tied and so severely brutalized by the NYPD that I am now permanently disabled.

Because of the police brutality, I can no longer work and have lost a lot. As a result I am unhoused and i am navigating the NYC DHS shelter system.

I entered the DHS shelter system in January 2024 and within 24 hours I witnessed an unhoused New Yorker being brutalized by a DHS shift supervisor after she woke me from my sleep with her cries for help.

I have been on the ground documenting NYC hotel shelters since 2021. men repeatedly told me that the conditions of confinement inside were worse than Prison. men struggled to get housing vouchers after over a year of tenancy in the hotel shelters and then were evicted like they were less than human after trying to comply with a malfunctioning system to get housing vouchers

I went into the shelter system because of what the NYPD officers did to me. I am an upstanding member of my community with recognition from the NAACP as a youth leader, an award winning musician, I loved to run and to dance and I can't do any of those things any more.

I would love to be able to work and pay rent, but I am simply no longer physically able to do so.

so, because of my new disability, I am now navigating the NYC DHS Shelter system. I took this life change as an opportunity to grow as a journalist and I have been constantly conducting interviews with women and femmes who have been on the shelter system longer than I have

I have documented horrific conditions inside the shelter, unconscionable misconduct by DHS staff including my own physical assault and inter-agency retaliation.

i have interviewed women who have experienced sexual assault in the shelter system and all kinds of harm that could have and should have been avoided if they had simply been housed. I have interviewed women who have been in the shelter for not 1 year, not 2 years, but up to 8 years in the shelter system.

Most are waiting unnecessarily long for access to the housing vouchers which are becoming increasingly inaccessible because of the addition of disqualifiers like mandatory credit checks.

Many of the women I have interviewed are Black women and most are discouraged and some are contemplating leaving New York entirely because they have lost faith that they will ever receive housing via compliance with the "treatment first" approach to housing that the city currently employs.

Both "clients" and case managers alike I've spoken with have expressed deep concern with the "hamster wheel" feeling they get week after week signing meeting paperwork that gets them no further through the bureaucracy that stands in the way of them finally accessing permanent housing.

the acting commissioner of DHS , MOLLY WASOW PARK, [recently went on CBS News to defend the "treatment first" or "ILP" approach to addressing the unhoused crisis which is exploding in NYC](#)

There are more vacant units in NYC than there are unhoused New Yorkers.

It is inexcusable to have people permanently warehoused in the shelter system while they wait for YEARS for access to housing vouchers.

there needs to be improvements to the conditions inside of the shelters including increased accessibility, disability discrimination training, and sexual harassment training for DHS employees.

The housing vouchers need to be made MORE accessible, not harder to access due to the addition of disqualifiers.

i am currently organizing a class action lawsuit against DHS for violations of the ADA and i have founded the NYC-Sheltered Tenants Union to ensure NYC sheltered tenants who have been warehoused in NYC shelters for over 30 days are protecting each other and pushing for legislation that grants them rights and most importantly HOUSING.

I am a living example of the types of harms that constituents are enduring under the negligence and bloated bureaucracy of the city as it pertains to HOUSING its constituents FIRST and FOREMOST.

I encourage anyone of you to leave your comfortable homes and attempt to get housing via the NYC shelter system where there are no comfortable beds, no internet access, moldy food, and many many pests.

It generated more revenue for the city to ensure constituents are housed because it shortens stays in shelters, hospitals and emergency rooms, prisons, and jails- to the tune of up to \$9,809 according to a comprehensive cost analysis study. ***Scaled out, that's about \$5.5 billion dollars in savings over 10 years.***

there needs to be less money spent on the police budget and on "sidewalk sheds" and that money needs to be spent on streamlining the housing voucher access process and expanding the construction of high quality, energy-efficient public and subsidized housing buildings

we are living under the imposition of reality, too. that is why [I penned an open letter inviting the commissioner to join us and attempt to get a voucher with us too.](#)

I also penned what I have titled [the DHS shelter report](#) which has been published on Medium.com which covers more in depth the squalor, abuse, and confinement sheltered tenants are expected to live in while they wait for a housing voucher. Some people who have vouchers are still being made to wait until the end of the year to even see an apartment.

It is urgent that the city budget be re-balanced to ***re-allocate at least 10% of the \$100+ Billion dollar police budget away from the NYPD and put towards the expansion of public, subsidized housing and rapid rehousing programs.***

Thank you to the chairs and the council for the time given to reviewing my written testimony.

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May 29, 2024

TESTIMONY OF GEOFFREY R. MAZEL RE: EXTENSION OF J-51 BENEFITS

Committee Members,

My name is Geoffrey Mazel and I would like to thank you for the opportunity to speak before you on this extremely important issue. By way of background, I am a practicing attorney in the City of New York for over 35 years in the firm of Hankin & Mazel, PLLC, we represent Coop Board which includes over 20,000 units of Coop housing; I am the Chairperson of the Queens Bar Association Coop & Condo Committee and I am the Legal Advisor to the Presidents' Coop & Condo Council, an organization that reaches tens of thousands of owners and residents of Coops and Condos,

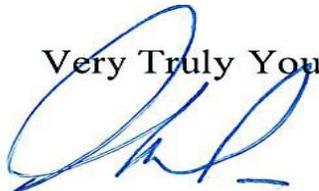
I would like to submit my absolute support for the extension of the J-51 Tax Credit Benefits program. My research indicates that the J-51 tax exemption and abatement program took effect in 1955 as a way to encourage property owners to make capital improvements on their property. It includes most significant capital improvements, including window replacements; elevator upgrades; electrical, plumbing and heating overhauls and façade work. The type of work that keeps the residential housing stock in New York City in safe condition and improves the lives of all the residents of these buildings.

As legal counsel for numerous Co-op Boards over the past 35 years I have seen the incredibly positive impact the J-51 program has had on my clients. This program has encouraged and fostered both much needed capital improvements and preventive measures, that may not have been taken but for the tax credits provided under the J-51 program. This program is essential for both the physical and monetary future of the Co-op housing stock in New York City.

As you are probably well aware, the New York State legislature has limited the J-51 program for only tax lots with assessed valuations under \$45,000 per unit. This limitation effectively has made this program only for working- and middle-class housing. Therefore, this program has now been targeted to benefit those Co-op homeowners who need these benefits the most. This program will make the difference for these Co-op Corporation's from deciding whether to make a capital improvement or forego the improvement.

In addition, the capital improvements will provide good jobs for many New Yorkers in the field of construction and related services. Many of the work will involve high paying skilled workers and related professionals. Therefore, any monies paid out for these improvements will come back to the tax rolls many times over.

Very Truly Yours,

A handwritten signature in blue ink, appearing to read 'G. Mazel', is positioned above the printed name.

Geoffrey Mazel

Hello and good morning esteemed council members, My name is Liam Gerard, I am a second generation American, New Yorker, and resident of Kings County.

I believe I have a unique experience in New York and hope my testimony may be a brick in the foundation of a more just and equitable New York for all.

I confess, my parents raised me in New Jersey. Sorry! They were teachers and they wanted me to get an education. West Orange was the place they had to go, and I am thankful for that. I got a fantastic education my family could not have afforded as teachers. This education sent me across the world, but I knew that once I got my degree I had to come home to New York.

See I was raised in Jersey, but the place that taught me how to live was Kings County. Here I cut my teeth making a fool of myself and learning from my mistakes. Here I first stood up for my beliefs in community outreach and mutual aid. Here I learned compassion, humility, patience, and service. I work at my local garden, volunteer, donate, and serve my community as actively as I can. You might ask why I say I am a resident of Kings county and I don't rep a neighborhood. I would like you to know why.

For the past ten months I have been homeless. Current rent prices, broker fees, and predatory rental practices have made it impossible for a working person such as myself to live and work within their community. I have had to sublet rooms, sleep on couches, and beg for money for the opportunity to go to work the next day. See, I am employed. I am blessed to have a minimum wage job that is flexible and forgiving. To have income that is consistent and sustainable is a luxury.

Let me say that again: TO HAVE INCOME THAT IS CONSISTENT AND SUSTAINABLE IS A LUXURY.

Almost everyone I know lives paycheck to paycheck. If they do not work a week they do not eat the next. That is unconscionable, but that isn't why I am here. This isn't about money or wages, this is about how we live. This is about where we are.

I can tell y'all, we are here.

We do everything as well as we can.

We try hard, we work harder.

We grind, we pray, we bleed, and at the end of the day

What do we have to come home to but ourselves and the communities that support us?

Mandatory broker fees are but a slice. Councilman Ossé's bill provides protections for real people. It won't solve everything, but it will help.

I hope you, council members, consider who it is you serve, and why you sought to serve in the first place. I hope I am not naive to pray you serve the people.

**THE COUNCIL
THE CITY OF NEW YORK**

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Appearance Card

[Empty box]

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Kim Darga, Deputy Commissioner

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

[Empty box]

I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Tricia Dietz, Assistant Commissioner

Address: _____

I represent: HPD

Address: _____

**THE COUNCIL
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Appearance Card

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I intend to appear and speak on Int. No. _____ Res. No. _____
 in favor in opposition

Date: _____

(PLEASE PRINT)

Name: Lucy Joffe, Associate Commissioner

Address: _____

I represent: HPD

Address: _____



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**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 645 Res. No. _____

in favor in opposition

Date: 5/30/24

(PLEASE PRINT)

Name: EMILY KLEIN

Address: _____

I represent: Community Preservation Corp.

Address: 220 E. 42nd St. NY NY 10017

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

in favor in opposition

Date: 5/30/2024

(PLEASE PRINT)

Name: Sharon Brown

Address: _____

I represent: _____

Address: Jamaica N.Y. 11436

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Appearance Card

I intend to appear and speak on Int. No. 0654 Res. No. T242011

in favor in opposition

Date: 5/30/2024

(PLEASE PRINT)

Name: Ambur Nicosia

Address: _____

I represent: Penn South / Mutual Redevelopment

Address: 321 Qth Ave, NY, NY 10001 Houses

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