



## Legislation Text

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**File #:** Res 0009-2026, **Version:** \*

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### Res. No. 9

Resolution calling on the New York State Legislature to pass, and the Governor to sign, A.2707A/S.880A, known as the housing development fund company self-determination, preservation and affordability act

By Council Members Abreu, Louis, Farías and Stevens

Whereas, The Housing Development Fund Corporation (HDFC) cooperative model, established by New York State law, has created affordable homeownership opportunities for New Yorkers; and

Whereas, HDFC cooperatives are a distinct form of housing ownership, in which the homeowners own shares in a cooperative corporation that owns the real property, entitling the shareholders to occupancy of housing within that real property and to elect a board of directors to make governing decisions about the cooperative; and

Whereas, According to the HDFC Coalition, a member organization that advocates for HDFCs, there are about 1,048 HDFCs in New York City (City) containing approximately 25,000 apartments and 75,000 residents; and

Whereas, During the 1970s and 1980s, the City acquired many residential buildings that were abandoned by property owners and were under financial distress; and

Whereas, According to the New York City Department of Housing Preservation & Development (HPD), the City used the HDFC cooperative model to create income-restricted homeownership opportunities by selling shares of these City-owned apartment buildings to residents who were already occupying them; and

Whereas, The Division of Alternative Management Program (DAMP) tax exemption imposes a cap on the assessed value of a building under the condition that it remains an income restricted HDFC cooperative building during the tax exemption period; and

Whereas, DAMP has helped support and sustain HDFCs by keeping costs down for residents and ensuring that these cooperatives stay financially viable; and

Whereas, The DAMP tax exemption is set to expire in 2029, which could lead many HDFCs to convert to market rate housing or abandon affordability restrictions; and

Whereas, A.2707A, sponsored by New York State Assembly Member Al Taylor, and companion bill S.880A, sponsored by New York State Senator Robert Jackson, would incentivize HDFCs to remain affordable by extending the DAMP tax exemption in perpetuity and by offering a new tax abatement option that would support the long-term financial stability of HDFCs; and

Whereas, Pursuant to A.2707A/S.880A, income-restricted HDFCs would be eligible to receive the greater of either the DAMP tax exemption or twice the amount of the real property tax law section 467-a tax abatement, which is a tax incentive that is available to condominiums and cooperatives other than income-restricted HDFCs and provides an abatement of 17.5-28.1%; and

Whereas, The extension of the DAMP tax exemption and option for HDFCs to receive the 467-a abatement provides a financial incentive for HDFCs to remain income-restricted and recognizes the benefits that affordable homeownership brings to the City; and

Whereas, A.2707A/S.880A also reauthorizes the City to forgive tax arrears owed by an income-restricted HDFC if that HDFC consents to greater oversight and monitoring subject to a regulatory agreement with a supervising agency, such as HPD, which could provide financial and technical assistance to HDFCs in acute distress; and

Whereas, Given the current housing crisis in the City, it is vital for the State to provide financial assistance through tax exemptions and abatements to HDFCs, such that these important homeownership opportunities can be preserved; and

Whereas, By extending the DAMP tax exemption beyond its current expiration date and providing additional financial assistance to HDFCs, A.2707A/S.880A would help ensure that such cooperatives are able

to remain in good physical condition while also providing affordable homeownership opportunities in the City;  
now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass,  
and the Governor to sign, A.2707A/S.880A, known as the housing development fund company self-  
determination, preservation and affordability act.

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