



Council of New York Cooperatives & Condominiums

INFORMATION, EDUCATION AND ADVOCACY

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Testimony Commenting on Aspects of the Executive Budget, FY 2027

February 25, 2026

The Council of New York Cooperatives & Condominiums (CNYC Inc)

The Council of New York Cooperatives & Condominiums (CNYC Inc) is a not-for-profit membership organization representing co-op and condo homeowners from approximately 180,000 households in 1,900 buildings across New York City's five boroughs and beyond. The homeowners residing in CNYC's member buildings span the economic spectrum, and include seniors and disabled homeowners on fixed incomes, young families, first-time homeowners, individuals just starting out, middle-class workers, and professionals at the height of their careers.

A Needed Homeownership Model that Brings Commitment to New York

Co-op and condo homeowners have committed their future to New York through their substantial ongoing investment in their co-op/condo home, which is typically their largest asset and expense. At the current time, co-op and condo homeownership represents the only real pathway to affordable homeownership in New York City; in 2024, co-op and condo homes made up 99% of New York City homes available for sale for less than \$400,000 and 84% of those available for sale for between \$400,000 and \$800,000.¹

State of Co-op/Condo Homeownership in New York

Recent increases in capital and operating costs due to regulatory requirements and the hardening of the insurance market are placing an increasingly significant burden on resident-homeowners who already shoulder some of the highest housing costs in the country. In 2024, the New York City Comptroller found that 27.2% of homeowners without mortgages in Manhattan and 45% of homeowners throughout all of New York City were housing cost burdened.² As costs have continued to escalate, the number of housing cost burdened co-op and condo homeowners can be expected to grow, pushing more co-op and condo homeowners to the brink, and accelerating the erosion of long-term homeownership.

Lack of Adequate Incentives | Lack of Recognition for Income Qualifying Homeowners

¹ New York City Comptroller. Spotlight: New York City's Rental Housing Market. 17 Jan. 2024, <https://comptroller.nyc.gov/wp-content/uploads/documents/January-2024-Spotlight.pdf>.

² New York City Comptroller. Spotlight: New York City's Rental Housing Market. 17 Jan. 2024, <https://comptroller.nyc.gov/wp-content/uploads/documents/January-2024-Spotlight.pdf>.

Funding avenues for flood resiliency,³ energy efficiency, decarbonization and electrification projects for co-op and condo homeowners are limited, and as a result buildings typically rely on increased carrying charges. The majority of incentive programs offered by the state, including EmPower+ and the Resilient and Ready program which specifically excludes Homeowner Associations, are exclusively for single-family to four-family homes, and those intended for multi-family buildings are designed for landlords. Multi-family incentive programs for buildings with more than four units do not take into account the nature of the co-op/condo homeownership model, which is maintenance-driven as opposed to profit-driven and requires each homeowner to contribute their share of the overall expense including any financing fees. More problematically, the multi-family incentive programs fail to address the issues inherent with the economic diversity that exists in co-ops and condos due to the nature of long-term homeownership.

While single-family homeowners may qualify for incentives based on their income, similarly income qualifying co-op and condo homeowners can only obtain the same level of energy efficiency, pre-electrification and electrification incentives if 25-50% of their fellow homeowners meet the same requirements. This is rarely the case in free market co-ops/condos, and seniors and disabled homeowners on fixed incomes find their homes at risk when their co-ops/condos undertake major projects.

Extend and Reform J-51-R (ELFA Part O)

CNYC supports the extension and expansion of New York City's expiring J-51-R tax benefit program, which will provide qualifying co-ops and condos with more flexibility for undertaking and funding necessary repairs and improvements. The proposed ten (10) year time frame will facilitate capital planning, allowing co-op and condo boards to time work based on the remaining useful life of their mechanical and structural systems, compliance deadlines, and the expiration of existing loans. In turn, this will reduce burdens on co-op and condo homeowners by enabling boards to spread capital assessments over longer time periods and provide homeowners with increased advance notice.

Given the escalating costs of work with tightening energy code requirements, and the volatility of pricing for electrification due to the continual introduction of new technology, the requirement to review the certified value of projects every three years is an essential component to the ten year plan, and CNYC applauds its inclusion.

While the increase in the assessed value cap to \$60,000 per unit is appreciated, as it will initially make the program available to more co-ops and condos and by extension co-op and condo households, the new threshold is insufficient and the lack of an escalator will inhibit the usefulness

³ Shi, Linda, et al. An Assessment of NYC Cooperative Housing's Climate Vulnerability and Barriers to Adaptation. Cornell University, Oct. 2024, labs.aap.cornell.edu/sites/aap-labs/files/2025-04/CASA-report-Final.pdf.

of the ten year time frame. Assuming each co-op/condo with a current assessed value between \$45,000 and \$60,000 experienced the same increase between 2026 and 2036 as it did between 2016 and 2026, over 90% of the buildings added by increasing the cap to \$60,000 per unit would price out of the program by 2036. CNYC suggests that for the ten-year timeframe to have the anticipated positive impact, the state set the qualification for co-ops and condos based on a 2026 assessed value per unit cap. This would allow boards to plan, knowing that their building qualifies throughout the ten years of the program.

Lastly, the set fee of \$1,000 plus \$75 per unit, which must be paid in advance and is non-refundable, places a hardship on larger complexes, including many income restricted, mutual development, redevelopment and Mitchell-Lama co-ops and condos. CNYC respectfully requests that the fee be capped to enable greater participation by these co-ops and condos.

Impact of Local Law 97 (LL97) on Co-op and Condo Homeowners

Using NYC's Open Data, CNYC projects that approximately 390,000 co-op homeowners and 280,000 condo homeowners own apartments in co-ops and condos that are subject to Section 320 of New York City's LL97. As a result, these homeowners are required to fund the decarbonization of their buildings by 2050 to help ensure New York State achieves its laudable climate, environmental justice, and public health goals. At the current time the costs of electrification are astronomical; most co-op and condo homeowners cannot afford the work, and many seniors and disabled homeowners on fixed incomes will be displaced if their buildings opt to electrify. While J-51-R is a worthwhile program, over 60% of the co-op and condo homeowners subject to Section 320 of LL97 live in buildings that do not, and will not qualify for the program even with the proposed assessed value cap of \$60,000 per unit.

The required work, potential penalties and current projected costs attached to LL97 for compliance through 2050, may start to impact the ability of co-ops, condos and their homeowners to obtain advantageous loans and insurance policies. Viewed through the lens of financial and transitional risk, these penalties and costs — which are likely to change as new technology is developed and increasingly implemented — are increasingly problematic to co-op and condo homeownership.

Sustainable Future Fund

While the executive budget this year did not include additional money for the Sustainable Future Fund, CNYC hopes that the final budget will include funding for the decarbonization of individual co-op and condo residences belonging to income qualifying homeowners with the same AMI required for incentives provided to single-family homeowners. Co-ops and condos contain homeowners with vastly varying economic means. A study of 400 co-ops that CNYC performed for the New York City Department of Buildings indicates that a high percentage of co-ops subject to

Section 320 of LL97 are home to seniors and disabled homeowners on fixed incomes. Unlike other homeowners throughout New York State, these co-op and condo homeowners are being tasked with decarbonizing their homes for the public good. Equal incentives to those provided to single-family homeowners for an equivalent level of work and/or reduction in carbon emissions, would help these co-op and condo homeowners cover their portion of the building's cost, thereby enabling them to remain in their homes.

Insurance

Co-ops and condos have experienced additional costs from the hardening of the insurance market. The insurance packages, directors and offices insurance and umbrella policies needed by co-ops and condos have generally become more difficult to obtain, and have higher premiums and deductibles, while providing less coverage. In addition, due to New York State's labor law, the cost of engaging contractors, architects, engineers, site safety personnel, and general vendors has increased as well. Further, as with all homeowners, the cost of individual homeowner policies have risen for co-op and condo homeowners. While not in the budget, CNYC is looking forward to legislation that addresses all of these issues.

Requiring Premium Increase Explanations - Part BB

CNYC supports this budget measure, which would require insurance providers to explain large increases in homeowner insurance policy renewals.

Reporting Requirements for Insurers of Multi-Family Housing - Part GG

CNYC support this requirement, which would provide DFS with additional information regarding premium costs and loss claims information for the multi-family insurance market.