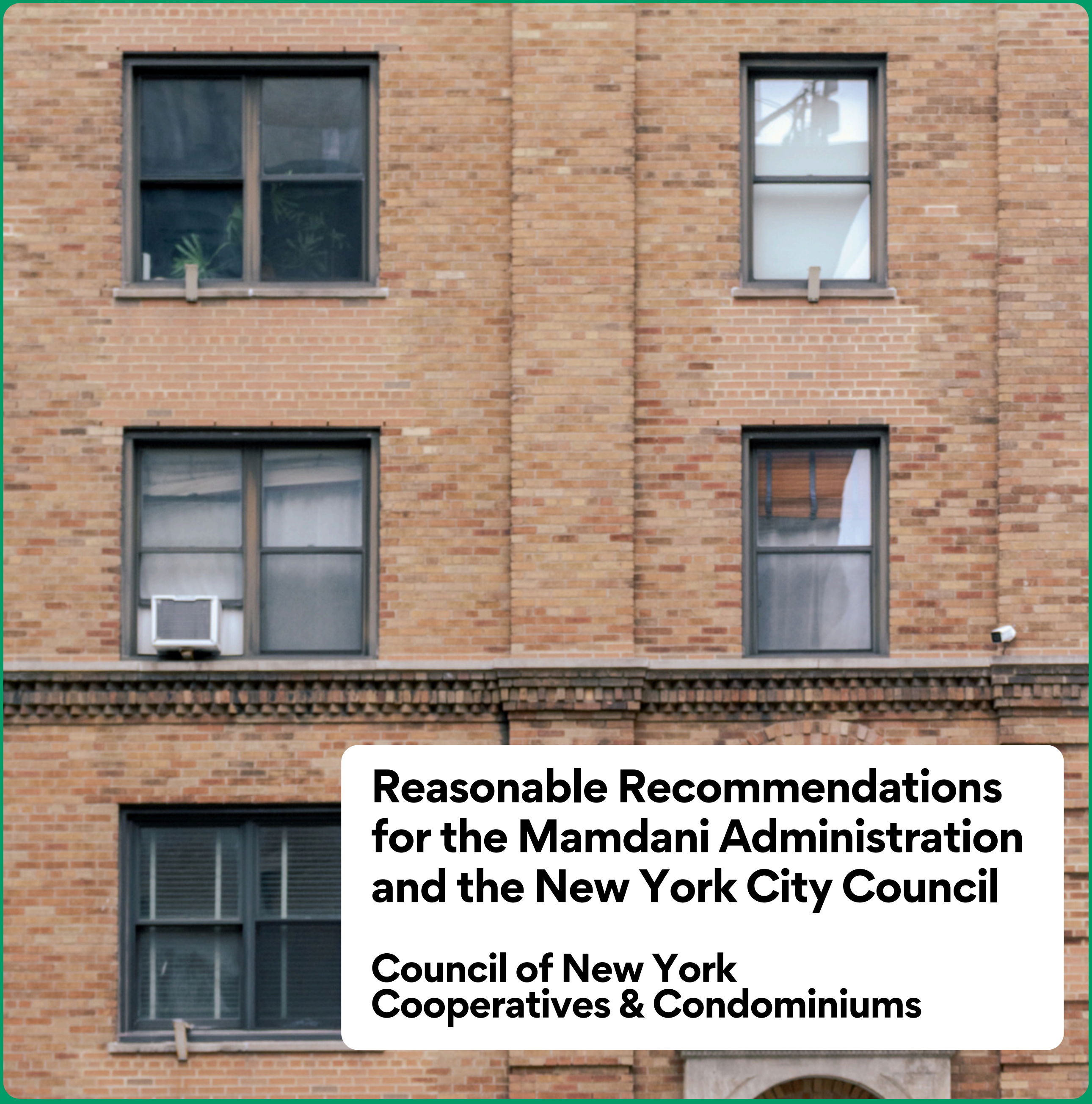
KEEP OUR HOMES AFFORDABLE



Reasonable Recommendations for the Mamdani Administration and the New York City Council

Council of New York Cooperatives & Condominiums

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1. ABOUT CNYC

Founded in 1975, the Council of New York Cooperatives & Condominiums (CNYC Inc) is a member funded not-for-profit organization providing information, education and advocacy to and for housing cooperatives & condominiums. CNYC's sole focus is on the goals and needs of New York's co-op and condo homeowners.

INFORMATION

CNYC updates co-op and condo homeowners on recent legal developments, and city, state and federal laws, rules and regulations through its frequent email updates and its website. CNYC compiles an Annual Comparative Study of Operating costs tracking key expense items across 1,200+ co-ops and condos. CNYC's Co-op/Condo Dashboard displays an aggregated view of co-ops and condos across geographic, financial and regulatory ecosystems searchable by electoral district.

EDUCATION

CNYC hosts an all day Annual Housing Conference (the 46th Annual is to be held November 8, 2026) and evening classes throughout the year, including a Board Basics Series, a Roundtable Series, a Sustainability with Affordability LL97 Series, Legislative and Regulatory Updates, Discussion Groups, and additional classes on timely topics. CNYC also provides resources and answers questions regarding best practices.

ADVOCACY

CNYC monitors city, state and federal legislation likely to impact co-op and condo homeowners, engages with elected officials, issues an annual Co-op/Condo Legislative Scorecard for City Council Members, hosts the Action Committee for Reasonable Real Estate Taxes and convenes Town Halls for co-op and condo homeowners.

2. THE FACES OF CO-OPS AND CONDOS

Cooperatives and condominiums are home to hundreds of thousands of middle-class New Yorkers. As an accessible path for homeownership across the five boroughs, co-ops and condos are the beating hearts of their neighborhoods, supporting local businesses, sustaining schools and community organizations, and generating billions of dollars in property taxes for our city.

WHAT CO-OPS AND CONDOS BRING TO NYC

15,000+
Co-ops / Condos

Households
729K+

$7B+
FY2026 Property Tax Contribution to City Budget

Average Property Tax per Household
$11,300

18%
Share of NYC's Total Property Tax Revenue

Co-ops and Condos make up
99%
of NYC homes for sale under $400,000*

Source: Spotlight: New York City's Homeowner Housing Market, Office of the New York City Comptroller, March 12, 2024

3. THE AFFORDABILITY CRISIS FACING CO-OPS AND CONDOS

Recent increases in capital and operating costs driven by regulatory requirements and the hardening insurance market have placed a significant burden on co-op and condo homeowners, who already shoulder some of the highest housing costs in the country. These unexpected developments have depleted building reserves and personal savings, while salary growth has failed to keep pace - leaving more homeowners housing cost burdened.

Absent government action, many co-op and condo homeowners will be hardpressed to pay their carrying charges, undermining the financial viability of their co-ops and condos and accelerating the erosion of affordable homeownership.

Average Per Household Increase in Co-op Operating Costs from 2019-2024

Insurance	~120% ↑	**$777**
Fuel & Utilities	~33% ↑	**$486**
Repairs & Maintenance	~31% ↑	**$446**
Labor	~21% ↑	**$1,337**
Real Estate Taxes	~20% ↑	**$2,380**
Other	~19% ↑	**$433**

Based on medium-large co-ops in CNYC's annual comparative study of operating costs during '19-'24

THE AFFORDABILITY CRISIS FACING CO-OPS AND CONDOS

Compliance requirements stemming from Local Laws cost co-op and condo homeowners across the economic spectrum thousands of dollars annually in soft costs alone - before accounting for capital expenses or the impact on insurance coverage, mortgage rates, and liability. Some applicable local laws include, but are not limited to:

13 Laws for Exterior and Structural Systems, including:

- Facades
- Parapet Walls
- Parking Structures
- Roofing
- Retaining Walls
- Sidewalks
- Landmark Requirements

12 Laws for Mechanical and Fire Safety Systems, including:

- Elevators
- Boilers
- Water Tanks
- Cooling Towers
- Backflow Prevention Devices
- Sprinklers and Standpipes
- and HVAC Systems

8 Laws for Energy and Natural Gas, including:

- Benchmarking
- Energy Grades
- Audits and Retro-commissioning
- Lighting and Sub-metering
- Gas Leak Detectors
- Gas Pipe Inspections

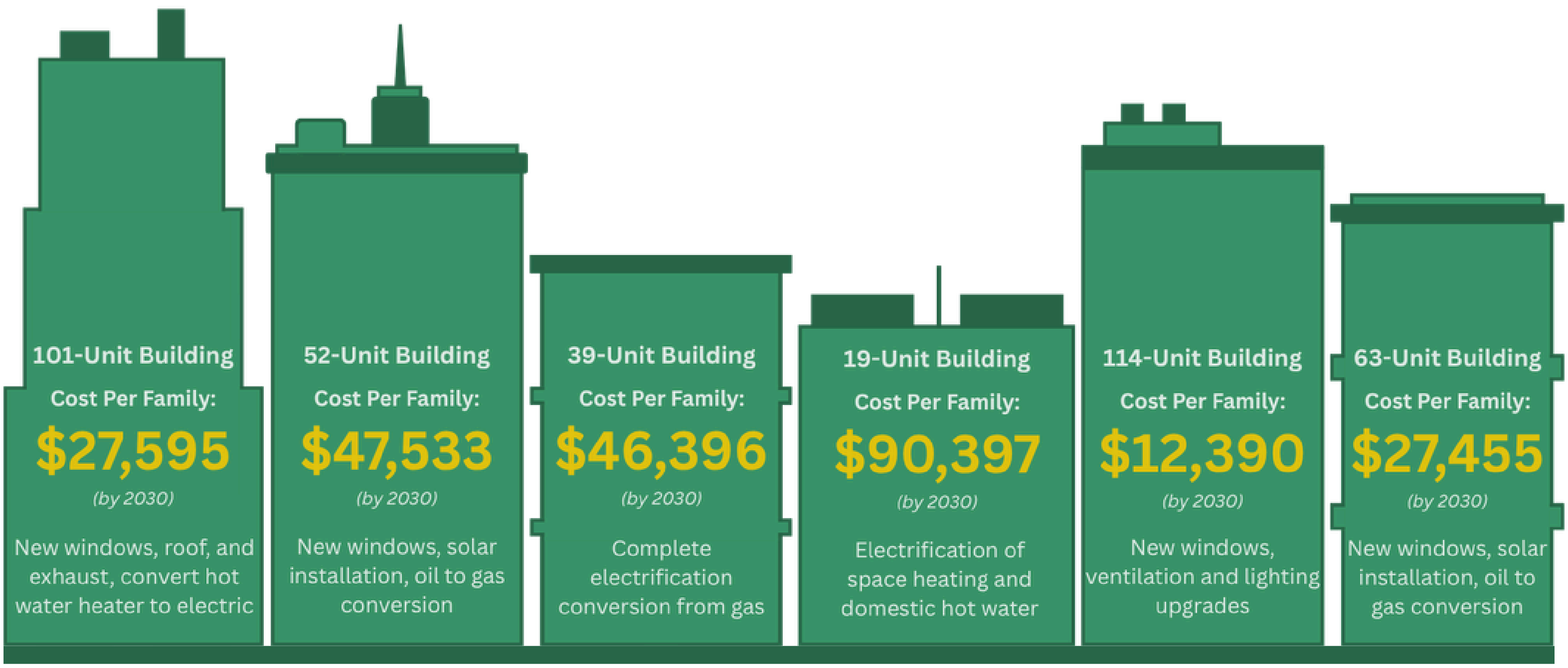
50+ Laws for Administrative Requirements, including:

- Signage
- Financial Submissions
- Environmental Reports, Riders & Abatements
- Annual Notice Distribution & Collection
- Proof of Inspections / Installations
- Registrations & Filings

4. THE IMPACT OF LL97 ON CO-OP AND CONDO HOMEOWNERS

To meet 2030 carbon threshold requirements, many owner-occupied buildings have been advised to undertake substantial capital upgrades.

The cost of these upgrades must be paid by the homeowners.



EACH HOUSEHOLD'S COSTS OF LOCAL LAW 97 COMPLIANCE BY 2030

Based on actual energy audits performed for real co-ops and condos

CNYC SUPPORTS LL97 COMPLIANCE

CNYC has developed robust resources to support co-ops and condos as they work to reduce their carbon emissions. This has led to frequent collaborations with many entities committed to helping New York City decarbonize the built environment.

These efforts reflect CNYC's commitment to the goals of LL97 and its willingness to work with the City and State to achieve widespread, efficient compliance - while continuing to protect the affordability and long-term viability of co-op and condo homeownership in light of the associated costs.

Highlights Include:

- Produced and hosted more than 30 distinct classes as part of the "Sustainability with Affordability LL97 Webinar Series"
- Facilitated the modification and use of JB&B's LL97 Decarbonization Planning Tool for co-ops and condos
- Offered classes on energy efficiency, solar installations, green roofs, submetering, electrification, and LL97 compliance at CNYC's Annual Conference pre and post LL97
- Solicited participation by co-op/condo boards in focus groups and programming hosted by the Building-Energy Exchange, NYSERDA, Urban Green Council, and the Clean Fight, among others.
- Participated in working groups, on advisory committees, on technical panels and at webinars

5. RECOMMENDED PATH FORWARD

HELP HOMEOWNERS COMPLY WITH CITY REGULATIONS

1. Create a "One-Stop Shop" for viewing compliance requirements

A "one-stop shop" co-op/condo portal where each co-op/condo can view its own unique compliance obligations to all City agencies would reduce confusion and unlock efficiencies. Currently co-op and condo boards must navigate multiple agency websites and parse rules and codes to understand changing responsibilities. Access to one official source to easily corroborate compliance obligations would remove obstacles, improve operations and reduce liability.

2. Conduct a study of overlapping laws and codes to increase the funds available for preservation work

A study to identify and address areas where related local laws and codes result in compounded costs can reduce capital and operating expenses and relieve the financial pressure on homeowners.

Aligning requirements so that preservation work does not trigger cascading expenses would reduce the delays that occur when capital improvements jeopardize affordability and ensure a stronger, more resilient housing stock.

3. Analyze implementation costs during the introduction of legislation

Creating a formal process akin to fiscal impact statements and engaging with co-op and condo stakeholders to review the costs of implementing proposed legislation would enable the City to achieve its goals while ensuring the future of a stable and affordable homeownership option.

RECOMMENDED PATH FORWARD

HELP CO-OP AND CONDO HOMEOWNERS ACHIEVE LL97 CLIMATE GOALS WITHOUT COMPROMISING AFFORDABILITY

Even before the State revised the CLCPA, Local Law 97's electrification requirements were increasingly at odds with the operational and financial realities facing many co-ops and condos whose homeowners must self-fund all capital projects.

To support both affordable homeownership and sustained progress toward Local Law 97's climate goals, CNYC urges New York City to consider an approach that promotes energy efficiency measures while recognizing the risks inherent in imposing escalating penalties tied to electrification timelines that remain dependent on factors beyond a building's control. Such an approach would align the City with the State's revised CLCPA framework and accelerate cost-efficient decarbonization gains by enabling co-ops and condos to direct limited capital toward emissions-reduction work rather than penalty payments and the growing financing, lending, and compliance costs associated with future electrification requirements.

1. Cap co-op & condo penalties for 2035-2050 at 2034 levels

Capping penalties at 2034 levels would remove the growing financial and lending pressures tied to a co-op / condo’s projected ability to fund electrification projects or absorb major penalties. In turn this would free buildings to use their limited financial resources on important energy efficiency and pre-electrification measures.

RECOMMENDED PATH FORWARD

Cap co-op & condo penalties for 2035-2050 at 2034 levels (cont.)

The implementation of strategic and resource efficient decarbonization in conjunction with New York City's rigorous new energy code and 2030 emission limits will spur continued decarbonization as co-ops and condos will gear up to replace major mechanical and building envelope systems at end-of-life with highly energy-efficient alternatives. This is a win for the environment and affordability. It accounts for embodied carbon, improves sustainability and resiliency, and continues decarbonization work without adding the cost of non-essential mid-cycle projects to the financial burden on co-op and condo homeowners.

Most co-ops and condos should be able to meet 2030 standards through retrocommissioning and energy-efficiency measures. Many have acted already. Choosing to mitigate penalties from 2035 onwards recognizes the work that has been undertaken and requires continued progress towards Local Law 97's climate goals. It simply removes the pressure the current penalty structure exerts on co-ops and condos to prove they can fund today's electrification costs and reduces the risks presented by the state of the grid and electric rates.

2. Extend exemptions for efficient cogeneration plants through 2050, with mandatory five-year studies that assess grid reliability and cleanliness. Require demonstrated grid readiness before mandating shutdown of functioning low-carbon on-site generation. Work with the State to allow cogeneration plants to sell electricity back to the grid.

RECOMMENDED PATH FORWARD

3. Exempt garden style co-ops and condos with multiple heating plants and distribution issues from Local Law 97. These co-ops and condos face uniquely difficult and costly decarbonization challenges, and would achieve minimal emission reduction for the required capital expenditure as a result of their physical layout. They also generally face the highest per-household penalties on average of the co-ops and condos subject to Local Law 97 due to their layout.

4. Expand the incentives available to qualifying seniors, disabled homeowners and working families in co-ops and condos. Institute income-based incentives and abatements for co-op and condo homeowners at or below 80% and 150% AMI using existing frameworks, such as SCHE, DHE, and Enhanced STAR. This will ensure compliance does not disproportionately burden moderate-income co-op and condo homeowners facing cumulative affordability pressures and result in displacement or receivables.

5. Prioritize incentives and assistance for buildings using No. 2 and No. 4 oil to achieve immediate emissions reductions. Expand incentives to reduce risk for early adopters and shift buildings off oil while gaining access to more real-world case studies.

6. Cap LL97's late filing fees at the same level as fees for failing to file LL84 reports, to ensure the fees are proportional to the violation. The $.50 cents per square foot fee (minimally $12,500 per month for 17 unit co-op/condo) would place an excessive burden on co-op and condo homeowners.

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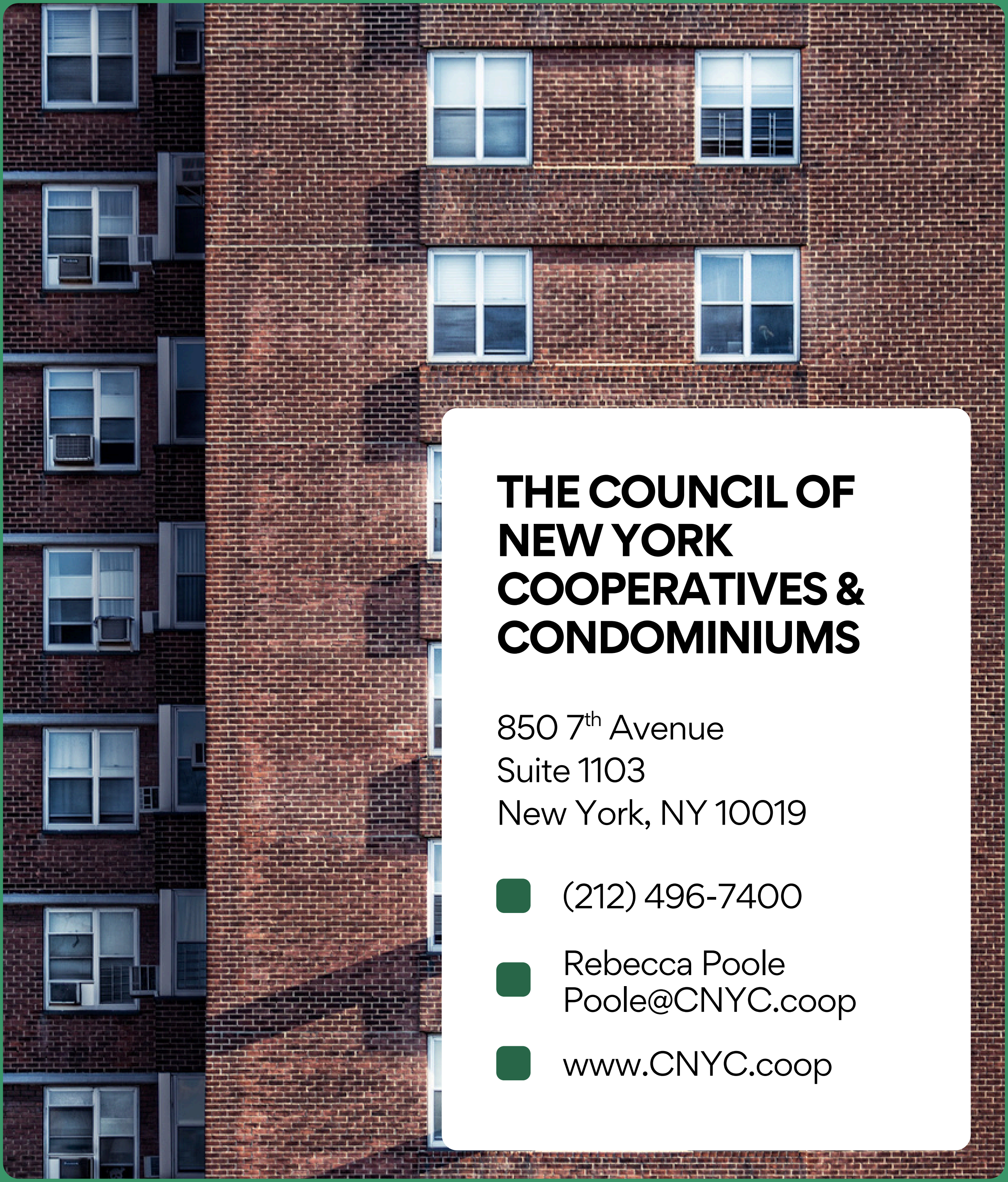

THE COUNCIL OF NEW YORK COOPERATIVES & CONDOMINIUMS

850 7th Avenue
Suite 1103
New York, NY 10019

- (212) 496-7400
- Rebecca Poole
  Poole@CNYC.coop
- www.CNYC.coop