<u>Testimony to NYC Advisory Commission on Property Tax Reform</u>

By Warren Schreiber, President of Bay Terrace Cooperative Section I, Inc. & Co-President of the Presidents Co-op & Condo Council

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My name is Warren Schreiber, and I am President of Bay Terrace Cooperative Section I. I am also Co-President of the Presidents Co-op & Condo Council, a think tank of 100 Board Presidents representing 40,000 units of co-op & condo affordable housing.

I want to thank the Commission for their work on Property Tax Reform. But, as is often said, the devil is in the details. Unfortunately, the Commission recommendations provide little in absolute numbers and raise more questions than they answer.

I. How will Cooperative Fair Market Value be determined? For example, is the FMV based on unit sales from the same cooperative, or will sales from neighboring cooperatives also be part of the assessed valuation?
II. Does the Commission propose ending the six percent annual and five-year, twenty percent protective cap for all residential properties, including cooperatives?
III. What are the income thresholds for the proposed Cooperative Circuit Breaker and Partial Homestead Exemption?
IV. The Commission recommends a gradual transition to the new system for current owners, with an immediate change into the new system whenever a property in the new residential class is sold. Cooperative units are transferred, not sold. Therefore, a single unit transfer should not trigger an immediate transition to the new system.

We can’t determine the impact of the Commission’s proposed recommendations on housing in the cooperative form without additional information that includes actual numbers. Currently, we are not able to take a position on the proposed property tax changes. However, there is agreement that the current system unfairly burdens middle-income shareholders residing in affordable cooperative housing.

I look forward to future proposals from the Property Tax Commission that treats cooperative properties equitably. The NYC Department of Finance must do everything possible to protect and preserve "affordable" cooperative housing.