

REDIRECT HOUSING SUBSIDY TO #SAVENYCHA

Every year, NYC gives away **\$612 million** in a relatively unknown tax break to cooperative and condominium owners, most of which goes to luxury owners. Given the **\$32 billion** of needed repairs for safe and decent living conditions in New York City's public housing, the NY State Legislature should amend the current law to redirect revenue to #SAVENYCHA.

WHAT IS THE COOP/CONDO ABATEMENT?

Established in 1997, the Cooperative and Condominium Property Tax Abatement reduces the real property taxes of condominium and cooperative owner-occupiers by 17.5% - 28.1%, depending on assessed value.

While this coop/condo abatement is the 2nd largest tax expenditure in New York City, many homebuyers are unaware of it when they purchase an apartment. Unlike the federal Mortgage Interest Deduction, it does not typically factor into a buyer's calculation of affordability.

PERPETUATING HOUSING INEQUALITY

Outsized Tax Benefits to Luxury Homeowners

More than 320,000 cooperative and condominium homeowners received an average tax break of \$1,890 in FY2019 but *benefits to luxury homeowners far exceed this average*. The cost of this tax break has increased at an annual rate of 7% until last year when it grew by 16%, driven by luxury condos previously developed under 421-a. This trend is expected to continue in upcoming years.

- **The top 10%** of the abatement, going to 32,000 luxury homeowners, represents **\$172 million in tax breaks**.
- While household income data is not made public for individual abatement recipients, NYC's Housing and Vacancy Survey indicates that **10% of all coop / condo owners** citywide **earn more than \$350k/year**.
- **Luxury owners**, like President Trump, **don't need this abatement** (he was eligible for \$48k in tax relief when he resided in NYC)!

Top 10 Largest Abatements Per Unit		
Rank	Amount	Address
1	\$ 44,815	COLUMBUS CIRCLE
2	\$ 44,644	EAST 95TH STREET
3	\$ 44,644	EAST 95TH STREET
4	\$ 35,662	PERRY STREET
5	\$ 32,952	EAST 95TH STREET
6	\$ 31,617	RIVERSIDE BLVD
7	\$ 31,430	EAST 87TH STREET
8	\$ 30,958	PARK AVENUE
9	\$ 30,525	BOND STREET
10	\$ 30,504	LEONARD STREET

HOW CAN WE CHANGE IT?

Expiring on June 30th, 2019, the coop / condo abatement is up for renewal and ripe for reform.

1. **End the tax giveaway to the extremely high-end luxury homeowners.** The vast majority of coop /condo owners will not be impacted by this change.
2. **Redirect any "savings" in revenue** in earmarked funding **towards NYCHA's capital needs**, and supplement low-income renters' affordable housing needs thereafter.
3. **\$3.3 billion in bond financing** can be raised by using the projected "savings" of \$172 million annually. This can **help close the \$8 billion funding gap** identified in the NYCHA 2.0 Plan which raises \$24 billion towards the \$32 billion total capital needs.

Top 10% Highest Income Coop/Condo Owners (2017 HVS)	
Income	% of owners
\$500k+	6%
\$450-499k	1%
\$400-449k	1%
\$350-399k	2%

Data Reference: NYC Department of Finance data analysis provided by Citizens Housing & Planning Council (chpcny.org).