



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

Senator Hoylman-Sigal, Assemblymember Simone and Penn South Residents Celebrate a 50% Reduction in Shelter Rent Tax for Article V Co-ops

SENATOR BRAD HOYLMAN-SIGAL June 21, 2025

| ISSUE: **AFFORDABILITY, AFFORDABLE HOUSING**

Recently Passed Legislation Will Provide the Same Tax Relief to Article V Co-ops That Has Been Granted to Article II Mitchell Lama Developments

NEW YORK - Today, State Senator Brad Hoylman-Sigal (D, WFP-Manhattan) took the stage at the annual Penn South BBQ to join residents of Penn South in celebration of the passage of [S.7780/A.8651](#) through both houses of the New York State Legislature.

Once signed by the Governor, the legislation will reduce the shelter rent tax for Article V co-ops, like Penn South, from 10% to 5%. This same reduction was already given to Article II Mitchell Lama developments in the FY2026 State Budget but Article V co-ops were excluded from the budget legislation. Traditionally, these types of developments have been treated similarly under New York State Private Housing Finance Law. This legislation will restore that equal treatment and help preserve affordability at New York's existing affordable housing developments.

Senator Brad Hoylman-Sigal said: “Affordable housing developments in New York City are facing rising operating costs, which have threatened the long term viability for these developments to remain affordable. In the FY2026 Budget we took steps to protect the affordability of Mitchell Lama buildings but unfortunately Article V co-ops, like Penn South, were excluded, despite traditionally being treated similarly under the law as Mitchell Lamas. That’s why Assemblymember Simone and I fought to pass separate legislation to cut the shelter rent tax burden for Article V co-ops in half, giving them the same tax relief recently afforded to Mitchell Lamas. Our bill will build upon the work we did in the state budget to keep affordable housing developments affordable.”

Assemblymember Tony Simone said: “Failure to pass this bill for Penn South was not an option. I have often said, what we need in New York is more Penn Souths and to do that we must keep Penn South strong. As we deal with the acute shortage of affordable housing one of the most critical tools we have is the preservation of existing affordable housing. This bill does that for Penn South by providing a tax cut of \$2 million a year.”

Council Member Erik Bottcher said: “Penn South has long stood as a model of affordable, community-driven housing in the heart of Manhattan. I’m proud to celebrate this legislation, which has reduced the shelter rent tax for Article V co-ops from 10% to 5%. This is a critical step toward equity for co-ops like Penn South, ensuring they receive the same tax relief as their Article II counterparts. Standing with Senator Hoylman-Sigal, Assemblymember Simone, and the residents of Penn South to celebrate this hard-fought victory is a meaningful moment in our ongoing fight to preserve affordability for generations to come”

Ambur Nicosia, President of Penn South, said: “The residents of Penn South are incredibly grateful for the leadership of State Senator Brad Hoylman-Sigal and State Assemblymember Tony Simone, who championed this important amendment to the Private Housing Finance Law. These shelter rent reductions are essential for keeping our cooperative affordable while

addressing necessary capital projects to keep our residents safely in their homes. As a Naturally Occurring Retirement Community (NORC), Penn South is home to many seniors on fixed incomes as well as young working families who are building their future in New York City. Thanks to the work of our Senator and Assemblymember, thousands of families will benefit from a more affordable living situation for years to come. Senator Hoylman-Sigal doesn't just talk about affordable housing, he delivers!"

RELATED LEGISLATION

2025-S7780

- Introduced
- - In Committee Assembly
 - In Committee Senate
- - On Floor Calendar Assembly
 - On Floor Calendar Senate
- - Passed Assembly
 - Passed Senate
- Delivered to Governor
- Signed By Governor
-

Relates to the tax exemption of a mutual redevelopment company

May 06, 2025

Senate Floor Calendar

Sponsored by **Brad Hoylman-Sigal**

Do you support this bill?