



NEW YORK STATE SENATOR

Velmanette Montgomery

Montgomery, Liu, Mosley and Wright urge quick action on S6770 to protect co-op shareholders in New York State.

January 9, 2020

| ISSUE: [HOME OWNERSHIP](#), [CO-OPS](#), [HOUSING](#), [CREATING A PATHWAY TO HOMEOWNERSHIP](#), I

Senator Velmanette Montgomery, Senator John Liu, Assemblymember Walter Mosley and Assemblymember Tremaine Wright urge State Senate Majority Leader Andrea Stewart-Cousins and Assembly Speaker Carl Heastie to take quick action on S6770 to protect co-op shareholders in New York State.

January 7, 2020

Honorable Andrea Stewart-Cousins

New York State Senate Majority Leader

188 State Street, Room 907 Legislative Office Building

Albany, NY 12247

Honorable Carl Heastie

New York State Assembly Speaker

LOB 932

Albany, NY 12248

Dear Senate Majority Leader Stewart-Cousins and Assembly Speaker Heastie,

We, the undersigned legislators, urge you to consider amendments to Section M of the Housing Stability and Tenant Protection Act that would address possible, unintentional adverse impacts placed on cooperative shareholders. We represent thousands of co-op shareholders across New York City, many of whom have expressed concerns about how the Housing Stability and Tenant Protection Act will affect them.

Our constituents believe that several of the new regulations extend beyond tenants to existing co-op shareholders and individuals looking to become shareholders. Some issues that were highlighted include:

- Inability to seek escrow deposits from potential shareholders that allow them to accept individuals with limited financial qualifications;
- Inability to review a potential shareholder's legal history or charge for fees associated with a rigorous application process;
- Inability to recoup cost of legal fees in the event of a defaulting shareholder

The nature of cooperatives requires shareholders to share the costs of maintaining and managing their buildings. Financial burdens are felt by individual members and cannot be easily absorbed as with corporate landlords. This structure is what makes co-ops more accessible to working and middle-income families than traditional home ownership. Mitchell Lama co-ops and HDFCs in particular have served as the last bastions of permanent affordability in rapidly gentrifying neighborhoods.

We believe that many of the issues raised by our constituents have been addressed by the Co-op Clarification Bill S6770/A8718 (Liu/Braunstein), which clarifies that the new laws do not apply to co-op shareholders. We are all cosponsors of this legislation.

We hope that this bill will be considered early in the Session in order to secure the position of shareholders statewide.

We look forward to continuing conversations about how to support and expand the many unique forms of homeownership that exist throughout New York State.

Sincerely,

State Senator Velmanette Montgomery, 25th Senate District

State Senator John C. Liu, 11th Senate District

Assemblymember Tremaine S. Wright, 56th Assembly District

Assemblymember Walter T. Mosley, 57th Assembly District

cc:

Senator Brian Kavanaugh, Chair of Housing, Construction and Community Development Committee

Assemblyman Edward C. Braunstein, Chair of Cities Committee

Senate Majority Conference Members

Assembly Majority Conference Members

RELATED LEGISLATION

2019-S6770

- 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
 -

Excludes tenant-shareholders in cooperative housing corporations from certain housing provisions

October 09, 2019

In Senate Committee **Judiciary**

Sponsored by **John C. Liu**

Do you support this bill?