

# ASSOCIATION OF RIVERDALE COOPERATIVES AND CONDOMINIUMS

Stephen J. Budihas, President

**QUESTION 1:** *There are a number of apartments in Riverdale's co-ops that are held by the owners of unsold shares (i.e.: sponsors). It has been proposed that these apartments be sold to The City at market value so that the City could then use the apartments to place persons in need of housing in them. Do you agree with this thought? Explain what you would do if such a proposal came before the Council with the support of the Mayor and the Speaker of the Council.*

| <b>CLIFF STANTON</b>   | <b>ANDREW COHEN</b>   |
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| <p>Although the concept of providing affordable housing to all people in need is admirable, the idea of requiring sponsor units be sold to the City for that purpose is a terrible idea, and the resulting instability would be directly proportional to the number of sponsor units remaining in each building. I would unequivocally vote against any such bill in the City Council and organize an effort to oust any Speaker supporting it.</p> <p>Instead of turning sponsor units into a wrongheaded affordable-housing program, I favor doing everything legally possible to encourage sponsors to sell their remaining units in the open market when their existing tenants vacate.</p> <p>As a general matter, unsold sponsor shares are not good for co-ops. They deprive co-op corporations of sublet fees (which sponsors don't pay) and deprive co-op boards of the ability to control who resides in those unsold units. And the greater the number of sponsor units a co-op has, the harder it is for the building and its shareholders to qualify for a mortgage or refinancing.</p> | <p>I would vigorously oppose such a proposal. I don't believe anyone should be forced to sell an apartment to the City. I do not believe that sponsors should hold apartments indefinitely but forcing them to sell to the city does not solve a problem, it creates a problem.</p> |

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**QUESTION 2:** *Cooperatives are corporations governed by the provisions and constraints of New York’s Business Law and all of the other laws of the United States, particularly including those that ensure equal rights and prohibit discrimination. Co-ops and the Boards that run them are also subject to severe penalties for violation of those laws. Nevertheless, there are those that believe that co-op and condo boards should be monitored and restricted in their actions by local oversight. There are those in the Council that would have Boards of Directors report and explain their actions, particularly regarding the purchasing of property (or denial of purchase) within certain time frames according to guidelines and constraints imposed by the Council. Please explain what your stance will be if you are asked to speak and vote on a proposition to monitor and regulate co-op boards.*

| <b>CLIFF STANTON</b>  | <b>ANDREW COHEN</b>  |
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| <p>Co-ops are private entities, and I believe that the deliberations and decisions of their boards should not be micro-managed or over-regulated by the City. Fortunately, the city, state and federal governments already have agencies that do a good job of ensuring compliance with the letter and spirit of the fair-housing laws. We do not need a new system that would inhibit and second guess the judgment of the people on co-op boards who must literally live with their decisions. This is a classic case of government overreach and poor public policy.</p> | <p>Any Co-op board that engages in any kind of discrimination should receive the strongest possible sanction allowed under the law. Discrimination should never be tolerated. But we already have strong laws on the books to address discrimination. I don’t believe that the city should micromanage the governance of Co-ops. If Co-op boards had to justify their actions every time they rejected a potential purchaser I doubt that anyone would be willing to serve on that board. I would oppose such legislation and speak and vote against it.</p> |

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**QUESTION 3:** *It is currently the province of co-op and condo boards to determine various issues regarding the quality of life in their respective buildings. One good example of board autonomy is the recurrent issue of dog ownership by shareholders and owners. Some boards allow them; some don't; some impose size and breed restrictions. Shareholders and owners often purchase in particular buildings because of this or other building-specific policies. There are those who would impose outside governance on such policies, thus limiting the current lawful autonomy of Boards of Directors. What will your position be if such a measure imposing restrictions on Boards and mandating certain policies within individual buildings comes before the Council?*

| <b>CLIFF STANTON</b>  | <b>ANDREW COHEN</b>  |
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| A co-op's pet policy and other internal quality-of-life policies do not need to be controlled by City Hall. There are valid legal exceptions, such as permitting guide dogs for people who are blind or visually impaired, but otherwise I would vote against imposing such restrictions on co-op boards. | I am a dog lover but, I would oppose any legislation that would force boards to accept dogs. Each board should make that decision. Co-op boards should be responsible to setting such policies, not the city council or the mayor. |

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**QUESTION 4:** *Responding to the Mayor’s mandate and supported by the City Council, all buildings in New York City are required to convert away from #6 fuel oil according to a timeline set by the City. This conversion comes at a significant and unanticipated cost, and in co-ops and condominiums that cost is borne exclusively by the shareholders and owners. There is currently no financial support or relief from these unexpected costs and individual buildings are often hit with bills of tens of thousands of dollars, sometimes exceeding \$100,000. Landlords pass this cost on to renters in the form a rent increase. Individual cooperators and condo owners, who are often young families and elderly folk living on fixed income, must each pay their unexpected share of the cost. Despite the current executive mandate would you stand up and propose equalizing this situation through some form of rebate, tax credit, property tax reduction, etc. to co-op and condo owners?*

| <b>CLIFF STANTON</b>   | <b>ANDREW COHEN</b>  |
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| <p>I think that a tax credit is appropriate to help offset the burden imposed on co-op and condos by the required phasing out of No. 6 oil and conversion to cleaner fuel. Such a credit could be modeled after the federal credit for solar energy, the Residential Renewable Energy Tax Credit, under which taxpayers may claim a 30% credit for qualified expenditures. While the phase out is a necessary but painful step towards the reduction of greenhouse gases, City policy has effectively resembled an unfunded mandate on co-ops.</p> | <p>While the goal of decreasing pollution is an important one, the mandate by the mayor and the council was wrong in the absence of financial help for the buildings, shareholders and renters. I can pander and say yes and give your blank check, but the responsible thing to do is to investigate such rebates and credits to determine how it would impact the city budget. Within the constraints of the budget I would certainly want to see this happen.</p> |

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**QUESTION 5:** *There has been a long-standing disparity between private homeowners (on one side) and co-op and condominium owners (on the other) when it comes to the issue of property taxation. For nearly two decades the legislature has sought to offer consolation through its rebate program that returns some property tax to co-ops and condos. The rebate program in its present form is not permanent and needs to be revisited and re-debated regularly. Understanding that the State of New York and the legislature have the primary role in determining issues of taxation, but recognizing the integral role that the City plays in formulating tax issues, if you agree that this is an issue, what measures (if any) would you initiate in Council and/or support in Albany to equalize home property taxation guidelines?*

| <b>CLIFF STANTON</b>  | <b>ANDREW COHEN</b>   |
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| <p>I am troubled by the inefficiency and anxiety produced every few years by the need to introduce, debate and pass stop-gap measures in Albany to help equalize property taxation. I would use my position as an elected representative to fight for legislation that would reclassify co-ops and condos in the same tax class as single-family homes. Co-ops and condos are usually primary residences, not income-generating properties, and the owners who live in them as their primary residence should be taxed accordingly. I would fight to enact measures in the City Council supporting property-tax equalization, and would use my position as an elected representative to press Albany to enact such changes.</p> | <p>Having been a Co-op shareholder myself I am quite familiar with the frustration over this issue. The disparity between class 1 and class 2 properties has gone on for much too long and must end. Of course, it will be very costly. The State Legislature needs to find a long term solution and not simply pass bills with sunset clauses requiring the bill to be renewed every couple of years-- and which can be held hostage to other legislation. The city also needs to step up and address this issue by permanently changing its property tax rates and assessments.</p> |