



Good morning. My name is Ann Korchak, and I serve as the board president of Small Property Owners of New York (SPONY). Founded in 1984, SPONY is a 100% volunteer, grassroots organization that advocates on behalf of small housing providers navigating the complexities of the New York City housing market.

We have members in every City Council district, and collectively, they operate approximately 5,700 units of housing—primarily in small rent-stabilized buildings and naturally occurring affordable housing found in 1–4 family homes. Our members are the backbone of the city's housing stock, and I'm here today to speak in **opposition to Intro 902**. We view this effort as a deeply unfair burden on small property owners that risks putting us in even greater financial risk.

When a family sells a building, it is often due to the death of a family member, and estate taxes must be settled. The IRS requires these taxes to be paid within nine months of death. The proposed six-month delay in this bill can make it nearly impossible for families to meet the deadline. While the bill includes an exemption in cases of death, that exemption only applies if the property is not held in a corporate structure. Yet most properties are held in corporations or LLCs because of the liability protections they provide. City and State laws encourage this kind of structuring, and this bill would unfairly penalize responsible owners who follow those best practices.

We are also concerned about the operational impact on HPD. The agency is already significantly understaffed and overburdened. How will HPD be able to take on the additional responsibilities required by COPA without jeopardizing its core functions?

- Does HPD have the staff and resources to implement and manage COPA?
- How will it properly notify owners across the city that this law is in effect?
- The bill gives HPD discretion to extend the 180-day timeline—how can owners be assured that bureaucratic delays won't prevent them from completing time-sensitive transactions?

The fines for non-compliance are substantial and do not distinguish between a 4-unit building and a 500-unit building. This is particularly concerning for small property owners operating on tight margins.

Additionally, the requirement for the seller to notify HPD **after** a transaction closes seems misplaced. This responsibility should fall on the new owner, not the seller, who is no longer involved with the property.

Another serious flaw: The bill would prohibit owners from buying out their partners without first offering the property to an approved nonprofit. A transaction between long-standing partners should **not** be treated as a sale under this law. Interfering in these private agreements adds complexity and uncertainty to fundamental property rights.

One of the foundational rights in property ownership is the **Right of Disposition**—the ability to transfer or sell one’s property. COPA would impose unnecessary hurdles to this right, including:

- Added procedural steps
- Slower transaction timelines
- Reduced buyer competition
- Depressed sale prices due to pricing uncertainty and perceived undervaluation

We also ask: What is the projected impact of this bill on city revenues?

- Will these COPA transactions be exempt from property taxes?
- Will they still pay the mortgage recording tax—an important source of funding for the city?

As reported by HPD testimony at the hearing, there are approximately 90,000 buildings across the city that could be affected by this bill, and approximately 25,000 rental buildings are sold annually. That’s a significant number of transactions that could be delayed, derailed, or devalued, harming both small property owners and the city’s fiscal health.

Intro 902 poses significant unintended consequences for small property owners and undermines essential property rights.

Thank you.

Ann Korchak, Board President

Small Property Owners of NY

Submitted via video testimony (partially as I was cut off before I was finished) and uploaded on 6/4/25