

LOWERING COSTS FOR HOMEOWNERS

PRESERVING AFFORDABLE HOMEOWNERSHIP IN NYC:
EMERGENCY GRANTS FOR HOMEOWNERS, PROPERTY
TAX ABATEMENTS FOR SENIORS, AND PUBLIC
ADMINISTRATOR FOR CO-OP ESTATES

Mackenzie Lew, Supervising Attorney

Shivani Jacelon, Staff Attorney

Mobilization for Justice

Affordable homeownership is threatened by temporary financial setbacks and increased property taxes, while affordable co-ops struggle to navigate Surrogate's Court and re-sell vacant apartments.

Affordable homeownership is increasingly difficult to maintain for average, working-class New Yorkers. Individuals and families who own one-to-four family homes, cooperative apartments (co-ops), and condominiums face temporary financial setbacks and increased property taxes.¹ Likewise, affordable co-ops, such as limited-equity Housing Development Fund Corporations (HDFC or HDFCs) for low-income people, face barriers to maintaining financial health.² New York City can address these issues by optimizing already-existing systems, namely through increasing provider knowledge and program availability.

One-Time Homeownership Arrears

Like renters, homeowners, co-op shareholders, and condominium owners can experience temporary financial setbacks due to the loss of a job, a death in the family, medical emergencies, and caring for a family member. Temporary financial setbacks cause homeowners to fall behind on property taxes, homeowners insurance, mortgage payments, monthly maintenance fees, and monthly homeowners association fees. When a temporary setback has ended but these accrued arrears are not resolved, homeowners can face mortgage foreclosure, property tax lien foreclosure, non-judicial foreclosures, and eventually eviction. The homeowners most at risk are, unsurprisingly, Black and minority individuals and families who continue to face wage stagnation, and also seniors and families who rely on fixed income, such as Social Security disability or retirement benefits.³ The City provides emergency grants to cover one-time homeownership related arrears, called One Shot Deals, which are administered by the NYC Human Resources Administration (HRA).⁴ However, providers, including HRA and the City-funded service program Homebase, lack knowledge of the various types of homeownership costs that can be covered. As a result, homeowners are often improperly denied access to emergency relief.

NYC Property Tax Benefits For Low-Income Senior and Disabled Homeowners

As property values across the City continue to skyrocket, low-income homeowners, especially those who are seniors or who have disabilities, face increased and unaffordable property tax responsibilities. Homeowners

in Black and majority-minority communities bear the heaviest burden of property tax increases.⁵ When a homeowner falls behind on property taxes, the City can sell the tax lien to a third party, who eventually seeks foreclosure against the homeowner. The City, as authorized under New York State law, makes available two property tax programs that defray some of the costs: the Senior Citizen Homeowner Exemption (SCHE) for low-income, senior homeowners, and the Disabled Homeowner Exemption (DHE) for low-income, disabled homeowners.⁶ To be eligible for SCHE or DHE, a homeowner must meet income eligibility requirements. But, the income limits for these programs have not been updated since 2017, and they no longer reflect the actual costs of living.⁷ Because the income limits are outdated, there are large swaths of homeowners who would benefit greatly from these programs but who do not qualify.

Public Administrator for HDFC Co-Op Shareholders' Estates

HDFC co-ops, which are created through a City-subsidized affordable homeownership program for low-income New Yorkers, are facing increased and often insurmountable operating costs.⁸ One distinct barrier to HDFCs' ability to maintain financial health is the sheer number of units that sit vacant after a shareholder passes away intestate (without a will) and no family member is willing or able to petition to administer the estate in Surrogate's Court.⁹ When a shareholder's estate is not administered, the unit cannot be resold and the HDFC therefore misses out on a much-needed, regular income stream through monthly maintenance payments. Typically, when an individual with a small estate passes away without a will, an office known as the Public Administrator can administer the estate.¹⁰ But, HDFCs lack the financial and legal prowess to regularly handle these legal matters. And, even when an HDFC can afford to engage in the legal process, the Public Administrator often declines to handle these deceased shareholder estates. Because the estates go unadministered, and the apartments do not generate maintenance fees as a result, not only can HDFCs not afford general operating costs and risk facing foreclosure, but affordable apartments that could otherwise be provided to low-income New Yorkers sit vacant.

NYC can preserve affordable homeownership through three simple changes to existing programs.

The City can address these distinct affordable homeownership issues by leveraging three already-existing programs. First, the City can expand access to One Shot Deals for homeowners by educating HRA and Homebase employees. Second, the City can increase the income eligibility limits for senior and disabled homeowners to qualify for SCHE and DHE. Third, the City can mandate that the various Public Administrator offices accept appointments for HDFC shareholder estates.

Provide Substantive Trainings To HRA And Homebase Employees

The City can protect working-class homeowners from foreclosure and homelessness by increasing access to emergency grants, otherwise known as One Shot Deals, for homeownership-related arrears resulting from temporary financial setbacks. This can be achieved through targeted education of HRA and Homebase employees, specifically: (1) to reaffirm that homeownership-related arrears are qualified arrears for purposes of One Shot Deals, and (2) to build technical knowledge regarding the various forms of homeownership, the various types of arrears that homeowners can accrue, and the documents related to homeownership related arrears.

To implement this educational effort, no legislation or rulemaking is required; the NYC Department of Social Services, which houses HRA, can simply direct additional training to be held. Moreover, a budget is unnecessary because the training can be conducted by civil legal service providers who are members of the State's Homeowner Protection Program (HOPP) network, including Mobilization for Justice (MFJ).¹¹ As a HOPP provider, MFJ and its attorneys have deep substantive knowledge of training topics and have experience assisting homeowners, co-op shareholders, and condo owners obtain One Shot Deals. Lastly, the program's success would be measured by the number of households who averted foreclosure through receipt of a One Shot Deal, and the costs avoided by the City for not having to provide emergency shelter to those households.

Increase Income Eligibility Limits For SCHE and DHE

The City can protect our most vulnerable homeowners from foreclosure and homelessness by increasing access to the property tax benefits known as SCHE and DHE. Access to the programs can be increased by raising SCHE and DHE's income eligibility limits and therefore expanding the number of low-income senior and disabled homeowners who are eligible for the property tax benefits. The New York State Real Property Tax

Law establishes the SCHE and DHE tax benefit programs for homeowners who meet certain criteria.¹² While State law sets the maximum benefit amounts, localities that adopt the programs are given authority to set the income eligibility limits.¹³ Accordingly, the City does not need to rely on the passage of State legislation or engage in rulemaking to implement this proposal. The income limits can be adjusted through amendment of the NYC Administrative Code through City Council legislation.¹⁴

The City, having adopted SCHE and DHE, last updated the income limits in 2017. As a result, the current baseline annual income to qualify is \$50,000.00, and the maximum annual income to qualify is \$58,400.¹⁵ In 2025, an individual earning \$50,000 a year is considered “very low income.”¹⁶ The New York City Council can amend the NYC Administrative Code’s provisions governing the NYC Department of Financial Services, the City agency that administers SCHE and DHE, to increase the income eligibility limits. Specifically, the City should increase the baseline annual income to 80 percent of the City’s Area Median Income (AMI). In the City, a person earning 80 percent of the AMI—or an annual income of \$90,720 for an individual—is considered “low income” due to the high cost of living.¹⁷

Table 1. Proposed New Income Eligibility Limits for SCHE and DHE

Percentage Assessed Valuation Exempt From Taxation	Current Income Limits (last updated 2017)	Proposed Income Limits
45%	More than \$50,000 but less than \$51,000	More than \$90,720 but less than \$91,720
40%	\$51,000 or more but less than \$52,000	\$91,720 or more but less than \$92,720
35%	\$52,000 or more but less than \$53,000	\$92,720 or more but less than \$93,720
30%	\$53,000 or more but less than \$53,900	\$93,720 or more but less than \$94,620
25%	\$53,900 or more but less than \$54,800	\$94,620 or more but less than \$95,520
20%	\$54,800 or more but less than \$55,700	\$95,520 or more but less than \$96,420
15%	\$55,700 or more but less than \$56,600	\$96,420 or more but less than \$97,320
10%	\$56,600 or more but less than \$57,500	\$97,320 or more but less than \$98,220
5%	\$57,500 or more but less than \$58,400	\$98,220 or more but less than \$99,120

Given that the proposal would merely adjust the income limits of an existing program, the cost of implementing the administrative changes would be little to none. Although the overall amount of property taxes charged by the City to senior and disabled homeowners would likely decrease, the City is likely not collecting the entirety of taxes charged to this subset of homeowners as a good share of those households’ property tax accounts are likely overdue or already in significant arrears. Moreover, the overall value of keeping senior and disabled homeowners housed outweighs the City’s likely cost to provide specialized, temporary shelter. After implementation, the proposal’s success could be measured by whether the number of households receiving SCHE or DHE increases, and whether the amount of property tax arrears owed to the City decreases.

Mandate Public Administrator Involvement for HDFC Shareholder Estates

The City can preserve HDFC co-ops, one of the few forms of affordable homeownership, by advocating for increased involvement in HDFC shareholders’ estates by the Public Administrators. With the Public

Administrators' involvement, apartments that sit vacant after the shareholder passes away can be resold to and occupied by new, qualified shareholders, thus generating income for the HDFC co-op. This can be achieved by mandating that the Public Administrator administer each HDFC shareholder's estate where no next of kin petitions to administer the estate. To implement this proposal, three legislative changes are necessary:

- 1. Add a provision to the Surrogate's Court Procedure Act mandating that the Public Administrators administer HDFC shareholder estates.**

The State legislature must amend Section 1116 of the Surrogate's Court Procedure Act by adding a new subsection three that would direct the Public Administrators to administer HDFC shareholder estates where no next of kin petitions to administer the estate.¹⁸ Requiring the Public Administrators to administer HDFC shareholder estates would remove the burden of doing so from the HDFC co-ops, which already take in limited income and often have precarious financial health. Because authority over the Public Administrators ultimately lies in the Surrogate's Court Procedure Act, this proposal would need to be implemented through state legislative action. While Public Administrators are further subject to guidelines issued by an Administrative Board of the Offices of the Public Administrators of New York State, the Board's members are appointed by various state officials, courts, or offices, and so cannot be directed as an entity to make specific amendments to the guidelines.¹⁹ Given the concentration of HDFC co-ops in New York City, the mayor is uniquely situated to advocate for this amendment in Albany.

- 2. Amend the Surrogate's Court Procedure Act provision which permits the Public Administrators to decline to administer estates of "no value," to create an exception for HDFC shareholder estates.**

The State legislature must also amend Section 1126 of the Surrogate's Court Procedure Act, which currently permits the Public Administrators to decline to administer estates they have deemed of "no value."²⁰ In the context of HDFC shareholder estates, the Public Administrators usually deem the estate to have no value and invoke this exception when the apartment has a low resale price and there are significant monthly maintenance arrears due. The amendment can carve out an exception, allowing the Public Administrators to decline to administer an estate of no value except where the estate is a deceased HDFC shareholder's. This amendment would ensure that HDFC shareholder estates are administered regardless of the value. Here, too, although state action is required, the mayor must play a central role in calling for this change.

3. Provide for City-funded fees to be paid to the Public Administrator where the HDFC shareholder's estate has "no value."

To ensure that the Public Administrators' offices have resources to administer HDFC shareholder estates of no value, the City must fund the work. Each Public Administrator receives a base salary and the office can collect additional fees based on the estate's value as well as attorney's fees for legal services.²¹ Where an HDFC shareholder's estate has no value, it is generally understood that the Public Administrators invoke Section 1126 of the Surrogate's Court Procedure Act to decline to administer the estate because there are no estate assets to fund fees to the Public Administrator. The City's role over the Public Administrators within the five boroughs is financial rather than supervisory; the City pays the Public Administrator's salaries and is answerable for the execution of the Public Administrators' duties.²² Accordingly, the City can set fees to be paid for this specific administration, perhaps through NYC Housing Preservation and Development's Office of Development, which oversees the preservation of affordable housing.²³

Conclusion

Housing within the five boroughs is increasingly expensive. Affordable homeownership is threatened by rising operating costs and by the fact that homeowners' wages have not grown with the cost of living. As described above, three distinct proposals can expand access to existing programs, and in doing so, protect affordable homeownership. First, the City can ensure that low-income homeowners are not being improperly denied emergency grant assistance for one-time arrears through targeted education of HRA and Homebase employees who administer the grants. Second, the City can expand access to property tax benefits for senior and disabled homeowners by increasing the eligible income limits. Third, the City can encourage the State legislature to direct the various Public Administrator offices to administer HDFC shareholder estates to allow HDFC co-ops to resell vacant apartments after low-income shareholders pass away.

Endnotes

- 1 Rachel Swaner, "How Are People Supposed To Get Ahead?": *Financial Precarity among New York State Residents*, Community Service Society (Dec. 2025), https://smhttp-ssl-58547.nexcesscdn.net/nycss/images/uploads/pubs/Financial_Precarity_December_2025.pdf; Report, *New York City Property Taxes*, Citizens Budget Commission (Dec. 22, 2016), <https://cbcny.org/research/new-york-city-property-taxes>.
- 2 Report, *The Co-Op Improvement Program: 2022-2023*, UHAB (2023), <https://protectborrowers.org/wp-content/uploads/2026/05/The-Co-op-Improvement-Program-Year-2.pdf>.
- 3 Report, *The Racial Wealth Gap in New York*, NYC Comptroller (Dec. 6, 2023), <https://comptroller.nyc.gov/reports/the-racial-wealth-gap-in-new-york/>; Report, *The Emerging Financial Security Crisis Facing NYC's Older Adults*, Center for an Urban Future (May 2025), <https://nycfuture.org/research/the-emerging-financial-security-crisis-facing-nycs-older-adults>.
- 4 ACCESS NYC, New York City, <https://access.nyc.gov/programs/one-shot-deal/>.
- 5 Matthew Murphey and Ryan Brenner, *Racial Inequities in New York City's Property Tax System*, Furman Center (Jan. 8, 2024), <https://www.furmancenter.org/publication/racial-inequities-in-new-york-citys-property-tax-system/>; *Issue #1: The New York City Property Tax System Discriminates Against Residents of Majority Minority Neighborhoods*, Tax Equity Now, https://taxequitynow.nyc/maps_charts/issue-1-property-tax-system-discriminates-people-live-neighborhoods-majority-minority-residents/ (last accessed May 8, 2026).
- 6 *Senior Citizen Homeowners' Exemption*, NYC Department of Finance, <https://www.nyc.gov/site/finance/property/landlords-sche.page>; *Disabled Homeowners' Exemption*, NYC Department of Finance, <https://www.nyc.gov/site/finance/property/landlords-dhe.page>.
- 7 Report, *NYC True Cost of Living Measure*, NYC Mayor's Office of Equity and Racial Justice (Mar. 2026), https://www.nyc.gov/assets/equity/downloads/pdf/2026%20NYC%20COL%20Measure_4%206%2026.pdf.
- 8 Report, *The Co-Op Improvement Program: 2022-2023*, UHAB (2023), <https://protectborrowers.org/wp-content/uploads/2026/05/The-Co-op-Improvement-Program-Year-2.pdf>.

- 9 *Guide to Wills, Estates, and Surrogate’s Court for HDFC Co-op Boards*, UHAB, <https://www.uhab.org/resource/guide-to-wills-estates-and-surrogates-court-for-hdfc-co-op-boards/> (last accessed May 8, 2026).
- 10 Public Administrator of New York County, <https://www.nyc.gov/site/nycountypa/index.page>.
- 11 NYS Homeowner Protection Program, <https://homeownerhelpny.org/>.
- 12 NY RPTL Secs. 467, 459-c.
- 13 NY RPTL Secs. 467, 459-c.
- 14 NYC Admin Code Secs. 11-245.3, 11-245.4.
- 15 NYC Admin Code Secs. 11-245.3, 11-245.4.
- 16 *Area Median Income*, NYC Department of Housing Preservation and Development, <https://www.nyc.gov/site/hpd/services-and-information/area-median-income.page>.
- 17 *Id.*
- 18 NY SCPA Sec. 1116.
- 19 NY SCPA Sec. 1128.
- 20 NY SCPA Sec. 1126.
- 21 NY SCPA Secs. 1105, 1106, 1108.
- 22 NY SCPA Sec. 1110.
- 23 *Office Description and Organizational Chart*, NYC Department of Housing Preservation and Development, <https://www.nyc.gov/site/hpd/about/office-descriptions.page>.