



BOARD BULLETIN

April 13, 2020¹

This memo details the various co-op tax exemptions passed to the Corporation by the City of New York. The Corporation recently received an updated schedule of these exemptions and shall distribute these exemptions equally, over three maintenance billing cycles, starting with the May 2020 maintenance bill.

Veterans Exemptions

Certain shareholders have applied for and are eligible for Veterans Exemptions. These exemptions will be passed on to eligible shareholders over a three month period in their May, June, and July invoices.

The Veterans Exemption is not offset by an assessment by the corporation.

Senior Citizen Exemptions

Certain shareholders have applied for and are eligible for Senior Citizen Exemptions. These exemptions will be passed on to eligible shareholders over a three month period in their May, June, and July invoices.

The Senior Citizen Exemption is not offset by an assessment by the corporation.

Disabled Homeowners Exemption

Certain shareholders have applied for and are eligible for Disabled Homeowner Exemptions. These exemptions will be passed on to eligible shareholders over a three month period in their May, June, and July invoices.

The Disabled Homeowners Exemption is not offset by an assessment by the corporation.

New York State School Tax Relief Program (STAR) Exemption

Certain shareholders have applied for and are eligible for either the Basic STAR Exemption or the Enhanced STAR exemption. Except for shareholders who have applied for the STAR exemption after March 15, 2015, these exemptions will be passed on to eligible shareholders over a three month period in their May, June, and July invoices. Shareholders who have applied for the STAR exemption after March 15, 2015 should receive the exemption in the form of a check from the New York State Tax Department.

¹ This is a two-sided document. Please be sure to read the reverse side of this page.

The total Basic STAR exemption is \$290.62, and the total enhanced STAR Exemption is \$647.00.

The STAR exemption is not offset by an assessment by the corporation.

Co-op Abatement Exemption

Shareholders who have their Bell Park Gardens address as their primary residence, and have purchased their unit on or before January 5, 2020, are eligible for the co-op abatement exemption.

The amount of the co-op abatement exemption for the entire development is \$900,454.59, which will be divided up over eligible shareholders' accounts (as per NYC's calculation) over a three month period in their May, June, and July invoices.

The Corporation will apply an assessment, approximately equal to the co-op abatement exemption, of about \$3.59 per share per month in the months of May, June, and July. When the City began the co-op abatement exemptions, it increased both the assessed value of our property and the tax rate. This change effectively increased the Corporation's property tax bill. To minimize the out-of-pocket impact on shareholders, the Corporation has – and will continue to – assess shareholders for the amount of the abatement exemption. This action is in lieu of raising maintenance to cover the increased property tax bill.

This assessment represents about \$1 million in operating revenue for the Corporation. Without the assessment, the Corporation would have to increase maintenance to cover the \$1 million in revenue. That would be an immediate 20% increase in maintenance for each shareholder. To avoid this, the Corporation, along with most other cooperatives in the area, assesses shareholders for the amount of the co-op abatement exemption. Timing the assessment with the abatement exemption ensures that shareholders will not have higher bills in the months of the assessment.

As discussed at the last general shareholder meeting, we still have a gap between maintenance revenue and operating expenses. The assessment that offsets the co-op abatement credit, therefore, is absolutely critical in balancing our budget.

The primary driver of our increased costs, and by far our biggest expense as a corporation, is real estate taxes. Although New York law protects private homes from exorbitant tax increases by imposing a tax cap (which prevents tax increases above a certain percentage over a certain period), New York law does not protect housing coops with a tax cap. As we continue to see, there is no limit to how much our already high property taxes can increase.

Although The Board is actively involved in fighting the unfair tax practices of cooperative developments by the City of New York, we need your help. The Board urges shareholders to contact our local elected officials, such as David Weprin, State Assemblyman; John Liu, State Senator; and Barry Grodenchik, City Council Member, to express concern with how the tax laws treat cooperatives.

Feel free to contact the office (office@bellparkgardens.nyc) or the Board (board@bellparkgardens.nyc) with any questions.

Board of Directors

Brian S. Sokoloff, Esq., President

Kevin O'Brien, Vice President

Mark Ulrich, CPA, Treasurer

Michelle Boniello, Secretary

John Farrell, Member

Ben Wong, Member

Robert Arra, Member