Sandy Nurse, Council Member
New York City Council
250 Broadway, Suite 1823
New York, NY 10007

Dear Council Member Nurse:

We write to express our concerns with Int. 0902-2024, the Community Opportunity to Purchase Act (COPA). The Commercial Real Estate Finance Council (CREFC) consistently supports increasing housing availability and affordability, particularly for underserved communities, alongside its mission primary mission is to support highly liquid, efficient capital markets for commercial and multifamily real estate. However, CREFC is concerned that COPA, as drafted, would unintentionally raise housing costs and reduce the production of new housing in New York City.

For more than 30 years, CREFC has represented lenders, servicers, investors, and other market participants who finance commercial and multifamily real estate nationwide, a market with over $6 trillion of debt outstanding. The commercial mortgage-backed securities market alone holds approximately $1.8 trillion in outstanding loans, including $27.3 billion secured by multifamily properties in New York City.

Our members' capital supports the development, ownership, and preservation of apartment buildings, retail centers, offices, industrial properties, and other real estate that underpin local economies. CREFC also is headquartered in New York City where each year it proudly hosts conferences and meetings that attract visitors to the city.

Concerns with COPA

COPA's extended mandatory waiting periods during a pending sale are likely to add substantial time, cost, and uncertainty to multifamily purchases, sales and financings, which threatens to make New York City less able to attract private investment capital for housing investment and increase cost of building or preserving housing of all types. Specifically:

- **COPA Does Not Increase the Housing Supply:** COPA would not increase the overall supply of housing. Instead, it burdens existing housing stock by adding more regulatory hurdles.

- **COPA Could Cause a Chill in Property Investment:** Increased uncertainty in property transactions may cause investors to direct their investment capital to other property types and other cities.
- **COPA Could Slow Housing Production:** Increased friction and delayed closings reduce liquidity for lenders and property owners. Extended delays from COPA timelines may expose sellers and lenders to shifting market conditions, potentially undermining financing commitments and valuations.
- **COPA Could Raise Rents:** New compliance, reporting, and transaction-management costs would ultimately flow through to renters in the form of higher rents. If costs are not passed through, investor returns will decline, property values will decline, or both. Neither are conducive to preserving or increasing housing supply or the City's property tax revenues. Increases in the risk and uncertainty for lenders and investors would require higher mortgage rates or expected returns, respectively.

Despite revisions to the proposed legislation, we believe the legislation remains overly broad and will not meaningfully improve the ability of qualified nonprofits to acquire properties. Instead, the bill imposes substantial regulatory burdens on housing providers without delivering a corresponding affordability benefit. In practice, COPA could undercut the City's broader pro-housing goals by discouraging the very investment needed to expand supply.

CREFC remains committed to working with policymakers and elected officials to advance effective, practical solutions to increase housing supply and reduce costs for New Yorkers. New York City has taken important steps in recent months to promote housing production. We encourage the Council to continue to partner with housing providers and lenders to establish policies that support affordability.

Please contact David McCarthy, Managing Director, Head of Legislative Affairs at 202-448-0855 with questions.

Sincerely,

CRE Finance Council

CC: New York City Council Members