



## *New York's Voice for the Co-op & Condo Community*

**Testimony by: Geoffrey Mazel, Legal Counsel to PCCC**

**Re: Good Cause Eviction Bill, Senate Bill S.3082 / A.5573**

Hello, my name is Geoffrey Mazel and I am the Legal Counsel for the Presidents Co-op & Condo Council. We are a think tank of Co-op and Condo Presidents that represent 100 buildings with more than 100,000 residents. Member Presidents of the PCCC are located throughout NYC and represent the last bastion of affordable housing.

The **“Good Cause Eviction”** bill has been promoted as a rental-tenant protection act by preventing evictions without “good cause”. We believe Co-ops were never the intended target of this bill since they have nothing to do with commercial rental tenancies. The majority of co-ops are affordable housing for first time buyers, city workers, young families and seniors. Co-ops are operated on a non-profit basis and all the revenue received by the co-op through monthly maintenance charges are used to operate the co-op. In fact, for most co-ops more than 60% of all expenses are used to pay property taxes, heat, water and union salaries of the maintenance workers that are employed in these buildings.

Some of the troublesome provisions of the bill would limit maintenance increases to 3% or 1 ½ X the CPI regardless of increases in operating costs of the co-op. Annual Property Taxes alone are projected to rise higher than that. This will adversely impact the economic viability of a co-op.

The Bill provides that a rent or maintenance increase in excess of 3% is deemed “unreasonable” and a shareholder could withhold paying maintenance without penalty or eviction. The co-op would have no recourse.

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**AN AFFILIATION OF 65+ QUEENS CO-OP AND CONDO BOARD PRESIDENTS REPRESENTING 100,000 RESIDENTS**

The Bill creates permanent tenancy (Rent Control) for co-op sublets by requiring tenants to be offered renewal leases. If the landlord or Co-op does not offer a lease renewal or increases maintenance more than 3% to cover the co-op's expenses, the occupant could remain in the unit indefinitely.

The provisions of this bill would adversely affect the financial viability of the co-op which would gravely impact the owners and renters that live there.

We are asking the sponsors of this legislation to offer a technical correction to the bill to clarify that co-ops were never intended to be covered by this bill. Co-ops Boards are volunteers who are duly elected by shareholder-owners of the co-op and co-ops are run by professional management companies with legal counsel and are audited annually by independent Accounting Firms. These same Directors will have to pay any increases in maintenance, so clearly any such decision is always made with great thought.

Affordable co-ops should be encouraged and assisted whenever possible. This bill as currently drafted would have a significant adverse effect on the hundreds of thousands of affordable Co-op units of housing and no discernible benefit to its' residents. We respectfully request that the bill be modified to clarify that co-ops were never intended to be covered by this bill.

Thank you.

Testimony Submitted by:

Geoff Mazel, Legal Counsel to PCCC

Bob Friedrich, Co-President PCCC & President of Glen Oaks Village co-op

Warren Schreiber, Co-President PCCC & President of Bay Terrace co-op