

THE ASSOCIATION OF RIVERDALE COOPERATIVES AND CONDOMINIUMS



LOCAL PETITION OPPOSING THE INCLUSION OF CO-OPS IN PART M OF THE HOUSING STABILITY AND TENANT PROTECTION LAW

December, 2019

To: New York Governor Andrew M. Cuomo
New York State Senator _____
New York State Assemblymember _____

I/we, the undersigned strongly object to the inclusion of cooperative housing corporations (“co-ops”) in Part M of the HOUSING STABILITY AND TENANT PROTECTION LAW (HSTPL) of 2019.

I/we believe that co-ops were inadvertently included in Part M because of its intended focus upon rental leases and landlords. While co-ops do have proprietary leases that govern the relationship among co-owners, it is not a traditional tenant/landlord relationship that is common in rental housing because co-ops and co-op owners (also known as “shareholders”) are not for-profit entities. In its current form, Part M will unnecessarily inflict undue hardship on resident shareholders by imposing new and unwarranted charges while removing the ability to re-coup or collect certain long-standing and traditional fees. Part M will also reduce the availability of co-op apartments to young families and first-time home buyers by implying the need for increasing the number of denied applications for purchase.

I/we urge that HSPTL be amended to exclude cooperative apartments altogether from the current legislation, because Part M:

- unnecessarily limits security deposits to only one month’s maintenance (known otherwise as “rent” in the legislation). Doing so will necessitate the rejection of potential purchasers who exhibit only marginal financial stability, and from whom enabling monies in escrow requested by co-ops often mean the difference in their home ownership.
- prohibits co-op boards from refusing to offer a proprietary lease to a litigious purchaser, which could only affect the continued fiscal stability of the co-op corporation.
- places a cap on fees that are required and currently charged by co-ops in the normal and necessary operation of the respective corporations. The fees must be charged and if not collected directly by the co-op will be charged by managing agents and passed along to shareholders, thereby increasing their individual financial burdens.

- requires separate legal actions to collect past due monies from recalcitrant residents who are far in arrears to the corporation for a variety of charges. Unlike rental landlords who often collect only rent, co-ops collect maintenance, assessments, utilities, special fees for garage, storage and recreative use, etc. Prior to the passage of this law, a single suit could be filed in an attempt to collect all that is owed. Under the new law, separate suits must be filed for each type of debt that is owed – resulting in exorbitant and unnecessary court and attorneys’ fees.
- prevents a co-op from recovering attorney’s fees after obtaining a default judgment against a shareholder in arrears – thereby placing the burden of the cost of collection on the shoulders of innocent shareholders who had nothing at all to do with the case.
- limits the co-op from re-gaining possession of an apartment for a full year *after* a judgment of possession is granted by a court. This in effect will allow the process of residency and non-payment to go on indefinitely.

For these and other equally valid reasons, I/we believe that co-ops must be excluded from the provisions of Part M in order to protect and preserve the legally constituted way of life that hundreds of thousands of New Yorkers have chosen, and in which they should be allowed to continue without the imposition of increased financial burdens as currently exist in the HOUSING STABILITY AND TENANT PROTECTION LAW of 2019.

I/we urge you to introduce and support the passage of legislation during the coming legislative session that will return the protections under law as they existed for co-op corporations and co-op shareholders prior to the passage of HSTPL.

By:

Name

Signature

Name

Signature

Address