



March 29, 2023

Dear Governor Hochul and Members of the New York State Legislature:

As a coalition of Chambers of Commerce collectively representing more than 12,000 small and large businesses, we strongly oppose S.305 (Salazar) / A.4454 (Hunter), which, if enacted, would serve as a significant threat to the rights of property owners and would lead to virtually no housing production.

The so-called "Good Cause Eviction" bill does not address evictions at all. Instead, it requires that one party to an expired contract must - under penalty of law - offer a contract at capped rates to another party. "Good Cause" violates basic contract principles, denying the property owner their contractual right to not renew at the end of a lease term and, therefore, the right to their property until that tenant chooses to vacate. In essence, this bill transfers property ownership rights to a tenant without conveying corresponding obligations.

The current housing crisis faced by New York is a crisis of supply; there are not enough housing opportunities to meet the needs of New Yorkers. As a result, rents rise, and the quality of housing degrades. There is virtually no advocate in New York who disagrees with these statements. As New York currently struggles to attract builders of housing, the state is proposing additional regulations that severely limit a property owner's rights and the potential return on their investment. Under this circumstance, it's reasonable to believe that virtually no builder will build new rental housing, effectively killing off any new housing starts and deepening the housing crisis in New York State.

This legislation would severely limit access to affordable housing across the state and dramatically limit the state's ability to attract and retain businesses of all sizes. In St. Paul, MN, building permits dropped 80%, and investors and builders halted development on housing projects, resulting in related job losses after the city enacted legislation similar to that proposed in New York State.

Without sufficient housing, larger businesses will move elsewhere if there is no affordable housing to accommodate their growing workforce. Companies will be disincentivized to move or stay in New York without affordable housing options. They can move to a neighboring state or, more likely, to a southern state where we have seen much of New York's manufacturing move in the last ten years.

We see relatively little benefit from this incredibly disruptive public policy. We strongly oppose S.305/A.4454.

Sincerely,

Buffalo Niagara Partnership

Business Council of Westchester

Capital Region Chamber

Greater Binghamton Chamber of Commerce

Greater Rochester Chamber

North Country Chamber of Commerce