

The 'Friendlier' Noneviction Co-ops

By BETSY BROWN

WHILE apartment dwellers and landlords in half a dozen communities are locked in battle over plans to convert buildings into cooperatives, a minority of landlords are taking the slow but easy way: they "co-op" the building and do not evict any tenants.

Robert Orlofsky, co-owner with his brother, Andrew Orlofsky, of Bryant Gardens in White Plains, one of the first noneviction co-ops in Westchester, said the method is "friendlier and less hassle."

Aphrodite Schmidt, president of the Municipal Tenants Organization, said the method is "the most decent way" for the tenants and the community at large.

"The community doesn't know what to do with 200 families who are suddenly evicted," she said. "I think noneviction is the coming trend. At least, I'd like to see it started."

The noneviction process is one of two choices, but has been the less popular and is used for only about one conversion in six, according to the State Attorney General's office. It requires agreement to buy from only 15 percent of the tenants, rather than the 35 percent required in an eviction procedure.

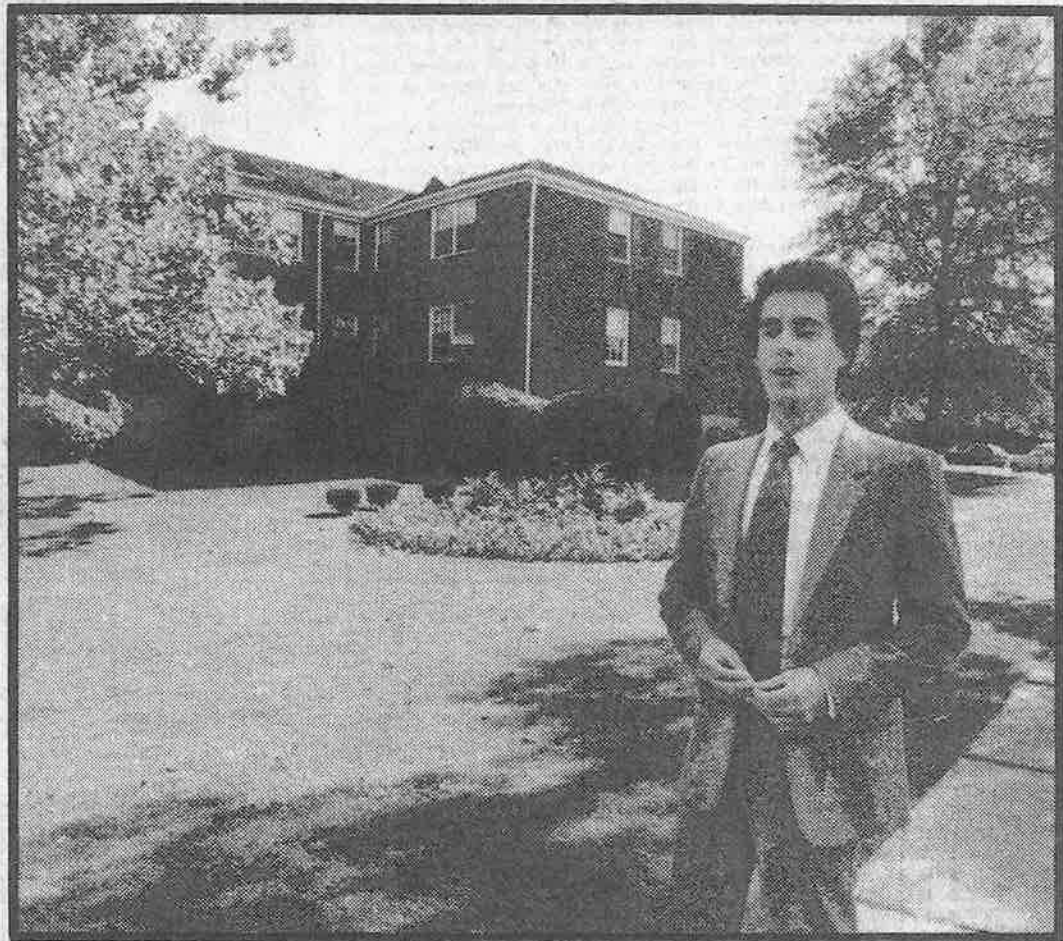
It is less popular for two reasons, according to William C. Hitt, vice president of the North American Group, which has converted six buildings in Westchester and has plans for conversion of 38 others, all by the eviction process.

"Landlords would rather have the money and not wait," he said. "With a noneviction plan, the apartments may eventually be sold, but it may take eight or 10 years."

The second reason, Mr. Hitt said, is that if an owner starts on a noneviction procedure, he cannot switch to the eviction process. If he begins with an eviction proceeding and does not get the 35 percent of sales required by law, he can switch to a noneviction procedure, he added.

Bryant Gardens is a 30-year-old complex of 469 garden apartments on 12 acres, which was owned by Seymour Orlofsky until his death last year and then was taken over by his two sons.

Like many landlords, the senior Orlofsky had found that apartments were less profitable than they used to be because of rising costs of fuel and mort-



The New York Times / Harriet Gans

Robert Orlofsky, co-owner of Bryant Gardens in White Plains, above

gage interest. Apartments are usually refinanced every few years.

He filed the noneviction "red herring," an application to the Attorney General's office, two years ago, and the process was completed Sept. 15, with the title conveyed to a new corporation including the buyers of some of the apartments and the Orlofsky management, which still owns the other apartments.

Even with a noneviction procedure, the landlord's object is to sell all the apartments. As they become vacant, they are sold rather than rented.

Robert Orlofsky said his building was a logical candidate for a noneviction plan because it has a high turnover among its tenants.

"They are very transient," he said. "Because of the size of the apartments — the largest is two bedrooms — they are not conducive to families, and we get mostly young married couples or singles and it is a stepping stone. We have 10 to 15 percent turnover a year. We'll probably sell all the apartments within five years, and then we'll probably stay on as the managing agents."

They needed to sell only 62 apartments but have already sold 130. Prices range from \$16,095 for a studio to \$23,275 for a two-bedroom apartment for tenants — an "insider's price" of about 25 percent off for the first 90 days after the apartments are offered. The Orlofskys extended the period to nine months, after which the price went up to the same amount paid by nontenants.

The owners also offered to lend mortgage money for 80 percent of the purchase price at 10 percent — now 9 points under the rate of bank loans.

Cooperative apartment prices usually appear lower than condominium prices and monthly charges are higher, because a cooperative owner buys a share of the complex, and the complex usually has an outstanding mortgage, which the tenant-owner has to help pay off. A condominium buyer, on the other hand, owns only his own unit and a share of the public areas, and the buyer's monthly charge covers primarily maintenance and taxes on his own living space.

The Bryant Gardens complex, for example, has a \$3.1 million outstanding mortgage. The buyer of a \$22,600 apartment would have to pay 20 percent down, \$290 per month on the existing mortgage, taxes, and maintenance, and \$166 on his own loan, which would be renegotiated after 10 years at whatever rate prevails at that time. The rents, on the other hand, range from \$275 to \$375 per month.

Meanwhile, the number of eviction conversions is growing rapidly in the county. According to Mr. Hitt, the first conversion took place on Garth Road, Scarsdale, five years ago, and the trend has widened to White Plains, Larchmont, Yonkers, Mount Vernon, Rye and Croton-on-Hudson. In recent weeks, the trend has spread to Hastings-on-Hudson, where one plan has been accepted and three are being discussed.

According to the Attorney General's office, 24 plans from Westchester were accepted in 1978, 17 in 1979, 22 last year and 28 so far this year, and there have been 48 new submissions so far this year.

The office did not tabulate the number of apartments affected until 1979, finding then that the 22 plans included 2,300 apartments. The Attorney General's office also does not know which plans are actually carried out.

Robert C. Hooley, president of People's Westchester Savings Bank, said that one of every five or six mortgage loans issued by his bank are for cooperatives or condominiums. He said there has been a slowdown in all loans since 1978, when interest rates were 8.5 percent, but that co-op and condominium loans were becoming more popular because the prices are lower than single-family homes. The average loan in one recent week was \$39,000.

Announcements of conversion plans often bring tenant resistance, according to Mr. Hitt and Ted H. Wolf, the president of his firm.

"Tenants are getting sophisticated, and they are as greedy as landlords," Mr. Wolf said. "The first thing they do is hire an attorney."

He said tenants usually conclude that they can't stop the building from going cooperative, but they can try to negotiate with the owner to make repairs and to provide a reserve fund for future repairs. The funds average 3 percent of the total sale price.

Mr. Wolf estimated that about 15 percent of the tenants in eviction proceedings move out of the building. About 80 percent buy, and the remainder are persons over 62 or handicapped persons, who are protected by law against eviction.

Even at Bryant Gardens, tenants resisted conversion when it was proposed. A tenant committee was founded, and several dozen tenants signed pledges not to buy. About 130 persons responded to a request by the committee to provide lists of repairs they wanted in their apartments, and many of the repairs were made, according to Mary-Louise Briccetti, one of the committee's founders.

"But if there had been an eviction plan, we would have hired a lawyer," Miss Briccetti said, "and for our group, an assessment of \$50 would have been a tremendous burden. The noneviction plan kept our activities to a minimum."