

THE COUNCIL OF THE CITY OF NEW YORK

****FOR IMMEDIATE RELEASE****

APRIL 24, 2020

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***CM CHIN ADVOCATES FOR RELIEF TO STRUGGLING
SMALL PROPERTY OWNERS OF DEEPLY
AFFORDABLE HOUSING IN CHINATOWN/LES***

NEW YORK – Today, Council Member Margaret S. Chin issued a letter to Mayor Bill de Blasio to provide emergency relief to long-suffering small property owners of tenement buildings in Chinatown and the Lower East Side, the overwhelming majority of which house rent-stabilized and rent-controlled units at deeply affordable rents.

Even before the COVID-19 crisis, these small family property owners have been struggling to keep up with disproportionately high operating expenses and property taxes. With commercial and residential tenants now unable to pay rent, these property owners are left with even fewer resources to cover the bills and maintain their aging buildings. Without immediate City intervention, they will be in jeopardy of irreversible financial distress.

“What make Chinatown and the Lower East Side unique are their historic tenement buildings and the thousands of diverse long-time tenants who call them home – many of whom are low-income immigrant seniors who can pay as little as \$50 in rent. These legacy buildings are usually passed down from generation to generation within a family, or are owned by Chinese Family Associations that have shaped the fabric of Chinatown for more than 100 years,” said **Council Member Chin**. “For years, these small property owners have been integral partners in the work to preserve deeply affordable housing stock in immigrant neighborhoods, often without any recognition or the ability to access government relief programs. But this crisis we’re confronting has magnified the urgency to protect housing for the most vulnerable at an unprecedentedly large scale, and it is past time that our City recognize the contributions of this constituency and provide the relief they desperately need.”

In her letter, Council Member Chin called on City Hall to support a list of measures that would provide emergency relief to this special pool of small property owners. These measures include: establishing a targeted property tax deferral program for small owners, advocating for federal funding to forgive some deferrals, instituting a moratorium of administrative fines and fees for violations that do not impact public health and safety, providing emergency subsidies for owners to cover utilities and water bills, and temporarily suspending the Commercial Rent Tax for mom and pop merchants in these buildings.

Council Member Chin has also asked for the Mayor's backing for State level efforts to fund emergency rental assistance vouchers and postpone mortgage and sales tax payments.

Hit with unfair and often arbitrary property tax payments, these small property owners often bear the cost of legal fees to fight for reassessments. Many are unsuccessful. According to neighborhood BIDS, the hundreds of rent-regulated units in these tenement buildings comprise a majority of the affordable housing stock in their catchment areas.

Attached is Council Member Chin's full letter to the Mayor.

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THE COUNCIL OF
THE CITY OF NEW YORK
MARGARET S. CHIN
COUNCIL MEMBER, 1ST DISTRICT, MANHATTAN

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STANDARDS AND ETHICS
YOUTH SERVICES
SANITATION AND SOLID WASTE MANAGEMENT
IMMIGRATION

April 24, 2020

Mayor Bill de Blasio
City Hall
New York, NY 10007

Dear Mayor Bill de Blasio,

I am writing to urge you to support small property owners who serve thousands of low-income families in Chinatown and the Lower East Side, and are in desperate need of relief. With many tenants unable to make rent, this crisis has punctuated the longstanding hardships that these small property owners have been facing. I call on your Administration to provide immediate relief and stability to this constituency and the families they serve.

Chinatown and the Lower East Side are home to a unique body of housing: legacy tenement buildings owned by families for generations and by Family Associations that have shaped the cultural fabric of Chinatown for over 100 years. These small property owners have been struggling to keep up with soaring operating expenses, exorbitant and often unfair property tax assessments, and tight margins. An overwhelming majority of the units they serve are rent-controlled or rent-stabilized. Many of these owners have no interest in selling their buildings, but as New Yorkers continue to shelter-in-place and utility costs rise, anything short of decisive City action to provide relief will leave them with little options to survive.

For too long, these small property owners have been impacted by an inequitable and arbitrary property tax assessment system and have repeatedly sought legal counsel for reassessments. Chinatown Partnership and research partners found in its catchment area 2,392 properties subject to an average property tax of \$166,082 and a total property tax of over \$300 million. 4,200 of the approximately 5,000 housing units in Chinatown are rent-regulated.

The Lower East Side Partnership represents 485 properties within its area totaling 72 block faces, many of which include over 100-years-old tenement buildings with rent-regulated units that comprise about half of the affordable housing stock in the area. The annual property tax for the vast majority of these Lower East Side properties typically ranges from \$125,000 to \$225,000.

These small property owners heavily rely on monthly rent payments to cover the bills. With tenants' rent as low as \$49, the thousands of deeply affordable housing units in these areas have been subsidized by cost-burdened ground floor mom-and-pop establishments, who are all now in jeopardy. In this unprecedented public health emergency, when tenants across the city are unable to go to work and pay rent, the already strained conditions these small property owners are operating under have now become virtually untenable.

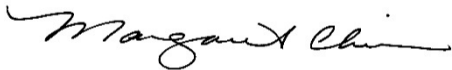
I call on you to support the following recommendations:

- Providing targeted property tax deferrals for small property owners, especially those who provide rent relief to their tenants, and advocating for federal funding to forgive some of these deferrals
- Implementing the New York City Council's proposal to pay for this targeted deferral program by encouraging larger property owners, if they can afford to, to pay their FY2021 property tax bills on July 1, which will allow the City to quickly access critical cash flow
- Instituting an immediate moratorium on administrative nuisance violations for this group of small property owners and dismissing and forgiving any fees or fines that do not drastically impact public health or safety
- Instituting a postponement of real estate taxes and lien sales

- Providing emergency subsidies for small property owners to cover utilities, water, and sewer bills, especially since sheltering-in-place has spiked these costs
- Temporarily suspending Commercial Rent Tax payments for small businesses in these properties
- Pursuing opportunities to provide relief to these properties through existing City preservation programs and creating multi-lingual literature to educate small property owners about their options and how to apply
- Supporting State legislation to fund emergency rental assistance vouchers (S8140A, Senator Kavanagh) and expanding funding to HRA's rental voucher program
- Supporting the postponement on mortgage payments and mortgage forbearance without adding penalties to lenders
- Supporting the postponement of sales tax payments for both quarterly and annual filers to help small businesses cover their rent and pay workers
- Supporting a sales tax holiday after the state of emergency is fully lifted to incentivize consumers to shop and dine

I commend the bold measures your Administration has taken to expand and preserve affordable housing across New York City. The action we take to address the hardships facing these small property owners will further reinforce our larger efforts to preserve critical deeply affordable housing and keep longtime working-class tenants in their homes. These small property owners have expressed a strong commitment to protect their tenants weather through this crisis, with many of them working with our office to roll out emergency food deliveries to their most vulnerable seniors. Now more than ever, they need the City's intervention to survive. If you have any questions, please email Gigi Li, my Chief of Staff, at GLi@council.nyc.gov.

Sincerely,



Margaret S. Chin
Council Member, District 1