Speaker Adrienne Adams
Speaker of the New York City Council
New York City Council, City Hall
New York, New York 10006

Dear Speaker Adams,

On behalf of The Five Chamber Alliance, which represents the five borough-wide Chambers of Commerce and the thousands of businesses we serve, we write in strong opposition to Introduction 902-2024, sponsored by Council Member Nurse.

Given that our membership is made up of predominately small and micro businesses, we deeply understand the need for the City to adopt efforts that promote affordability, especially in the housing and development space. However, this bill does not advance this goal, and instead will have an adverse impact on the housing market and tenant conditions, which will be especially true for small developers. ,

Impact on Housing Market and Tenant Conditions

New York City is facing a severe housing crisis, yet this legislation would slow real estate transactions and development timelines. By extending the sales process to a minimum of 120 days, the bill would delay transactions and complicate financing for both property owners and tenants.

These delays would hinder development, exacerbating housing scarcity, increasing rents, and limiting tenant mobility. Tenants would also be adversely affected by the bill's impact on property values. As buildings are devalued, lenders will be less willing to provide the financing needed for essential capital improvements. Owners rely on these loans to fund critical work, such as roof, façade, and HVAC repairs, that cannot be covered with available cash.

Burden on small developers

At a time when New York City is struggling to increase housing supply, this legislation places additional burdens on the very individuals and businesses we rely on to build, maintain, and preserve our housing stock. This is especially true for small and medium sized developers, such as those in our membership. Large institutional owners can absorb delays, legal costs, and financing complications. Smaller owners, who often rely on sales to retire, refinance, or stabilize their finances, cannot. Many MWBE owners are small-scale operators who would be disproportionately harmed by extended timelines and added uncertainty. The bill unintentionally shifts the burden onto precisely the owners with the fewest resources.

The role of HPD

The bill raises concerns around scope and implementation and would place new burdens on an already short-staffed HPD. The bill covers a wide range of properties and establishes purchase timelines that do

not align with how real estate transactions actually occur in New York City. The bill includes no regulatory structure to manage contract disputes, and it does not exempt buildings in foreclosure or mortgage default that are already subject to court-ordered timelines. HPD would be put in the untenable position of overseeing a process that conflicts with existing legal requirements.

Overall, small businesses are the backbone of New York City's economy, making it critical that legislation advance affordability while avoiding unintended burdens. We urge the Council to reconsider advancing this bill as written and welcome the chance to work with you on a more balanced approach that advances meaningful, well-intentioned housing development.

Sincerely,

NYC FIVE CHAMBER ALLIANCE

BRONX CHAMBER OF COMMERCE
BROOKLYN CHAMBER OF COMMERCE
MANHATTAN CHAMBER OF COMMERCE
SICC Staten Island Chamber of Commerce
Queens Chamber of Commerce