

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON SMALL BUSINESS

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June 20, 2016
Start: 10:31 a.m.
Recess: 10:43 a.m.

HELD AT: 250 Broadway - Committee Rm,
14th Fl.

B E F O R E:
ROBERT E. CORNEGY, JR.
Chairperson

COUNCIL MEMBERS:
Inez E. Dickens
Mathieu Eugene
Peter A. Koo
Karen Koslowitz
Ruben Wills
Carlos Menchaca
Paul A. Vallone
Eric A. Ulrich

A P P E A R A N C E S (CONTINUED)

[gavel]

CHAIRPERSON CORNEGY: Good morning. My name is Robert Cornegy and I'm the Chair of the Committee on Small Business.

Today we will vote on Proposed Int. 0851-B, a Local Law to amend the Administrative Code of the City of New York in relation to curtailing harassment of small businesses and other non-residential tenants.

As my colleagues are well aware, small businesses in this city are hurting, with real estate prices increasing and neighborhoods in all five boroughs rapidly gentrifying, too many landlords are raising commercial rents to levels that make it impossible for their tenants to stay in business. Pizza parlors, bodegas, restaurants, retail stores, artists, and others are constantly being told that they have to pay sky-high rents to maintain occupancy. Sometimes landlords try to extort higher rents by harassing their tenants until they pay up or move out. The harassment can take many forms, including removing the locks, blocking entrances to prevent customers from entering, making unnecessary repairs that cut off essential services like water

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2 and electricity and other acts and omissions that
3 disrupt business operation.

4 This legislation will create a private
5 right of action for tenants accusing landlords of
6 non-residential tenant harassment. A landlord will
7 be guilty of non-residential tenant harassment if he
8 engages in acts or omissions with the intent to
9 deprive a covered tenant of any rights in a lease or
10 other rental agreement, which may include a month-to-
11 month agreement and a holdover tenancy.

12 In addition to whatever damages and
13 injunctive relief a court may order, a landlord found
14 to have committed commercial tenant harassment would
15 be required to pay a civil penalty of not less than
16 \$1,000 and not more than \$10,000. It is my hope that
17 the threat of such penalties, in addition to the
18 possibility of liability of compensatory and punitive
19 damages will serve as a significant deterrent against
20 the unscrupulous practices that currently exist in
21 commercial leasing.

22 I wanna thank the advocates who have
23 provided their input on this bill, as well as my co-
24 sponsors, Council Members Levine, Chin,
25 Constantinides, Cumbo, Gibson, Koslowitz, Rosenthal,

1 Johnson, Reynoso, Menchaca, Wills, Rodriguez, Lander,
2 and Kallos.
3

4 I'd also like to thank the committee
5 staff for their work on this legislation: William
6 Kyeremateng, our Finance Analyst; Michael Kurtz, our
7 Policy Analyst, and Jeff Campagna, our Committee
8 Counsel.

9 If there is no testimony, you may call
10 the roll.

11 COMMITTEE CLERK: William Martin,
12 Committee Clerk, roll call vote Committee on Small
13 Business, Int. 0851-B. Chair Cornegy.

14 [background comment]

15 CHAIRPERSON CORNEGY: Aye.

16 COMMITTEE CLERK: Dickens.

17 COUNCIL MEMBER DICKENS: Aye.

18 COMMITTEE CLERK: Koo.

19 COUNCIL MEMBER KOO: Aye.

20 COMMITTEE CLERK: Koslowitz.

21 COUNCIL MEMBER KOSLOWITZ: Aye.

22 COMMITTEE CLERK: Menchaca.

23 COUNCIL MEMBER MENCHACA: Aye.

24 COMMITTEE CLERK: Vallone.
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2 COUNCIL MEMBER VALLONE: Aye and please
3 add me to the legislation.

4 COMMITTEE CLERK: By a vote of 6 in the
5 affirmative, 0 in the negative and no abstentions,
6 the item has been adopted.

7 CHAIRPERSON CORNEGY: We'll hold the roll
8 open for the next 15-20 minutes for Council Member
9 Eugene, who's in the parking lot.

10 [pause]

11 COMMITTEE CLERK: Continuation roll call,
12 the Committee on Small Business. Council Member
13 Eugene.

14 COUNCIL MEMBER EUGENE: I vote aye.

15 COMMITTEE CLERK: The vote now stands at
16 7 in the affirmative.

17 CHAIRPERSON CORNEGY: This meeting is
18 officially adjourned.

19 [gavel]

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date July 7, 2016