



Legislation Text

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Res. No. 699

Resolution calling on the New York State Legislature to pass, and the Governor to sign, S.8147-B/A.9636-A, to create a banking development district working group.

By Council Members Williams, Riley, Stevens, Brooks-Powers, Banks, Ossé and Hudson

Whereas, According to 2021 data from the Department of Consumer and Worker Protection, 305,700 households in New York City have no bank account, or are “unbanked”; and

Whereas, The 9.4 percent unbanked rate among New York City households exceeds the 4.5 percent nationwide rate; and

Whereas, Since 2015, eight of the nine New York City neighborhoods with the highest unbanked rates have been consistently predominantly Black or Hispanic neighborhoods; and

Whereas, Since 2015, eight of the nine New York City neighborhoods with the highest unbanked rates have been among those with the highest poverty rates and lowest median household incomes; and

Whereas, In 1997, the New York state legislature created the Banking Development District (BDD) program to incentivize the establishment of banking branches in areas of the state where there is a demonstrated need for banking services; and

Whereas, A bank branch opened in a BDD is eligible to receive a partial exemption on municipal property taxes, as well as municipal and state deposits at reduced rates; and

Whereas, Since the establishment of the BDD program, New York state has periodically reviewed the program for opportunities to enhance its work; and

Whereas, In 2004, a convened BDD working group was able to identify eleven communities in New York City that lacked banking services and develop a slate of additional state and city incentives to encourage

establishment of bank branches there; and

Whereas, The New York State Department of Financial Services last reviewed the BDD program in 2009; and

Whereas, New York State Senator James Sanders Jr. has introduced S.8174-B, now pending in the New York State Senate, and New York State Assembly Member Khaleel Anderson has introduced companion bill A.9636-A, now pending in the New York State Assembly, which would establish a temporary banking development district working group to assess the BDD program and provide recommendations and future goals for the program; and

Whereas, A detailed review of this program would yield valuable insights into where the program can improve and further its mission to expand banking services to underserved areas, now, therefore, be it

Resolved, That the Council of the City of New York calls on the New York State Legislature to pass, and the Governor to sign, S.8147-B/A.9636-A, to create a banking development district working group.

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MJT