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Testimony prepared for the  
Joint Legislative Budget Hearing on Taxes which will be held on Thursday, February  
13, 2020 at 1:00 PM

I am speaking today on behalf of my tenant association. And as a member of Morningside Heights Resistance, a partner in the budget justice group. Admittedly, this is not “expert testimony,” it is meant to be a sketch of my building as it relates to taxes and revenue.

### **my neighbors**

I live in the Manhattan Valley neighborhood of Manhattan in what was, until recently a relatively affordable pocket of rent-stabilized buildings.

Most of my neighbors, including myself, have lived in our rent-stabilized building for more than fifteen years; several have lived there all their entire lives. Half of my neighbors are Latinx, half are white. A number of them are now retired, two are students. The rest work a wide variety of jobs.

- some of my neighbors work in the public sector
  - public school teachers, a hospital nurse, a police officer, school administrator
- others work in the hospitality industry
  - a chef, bartenders, a waitress, taxi driver, limo driver
- others offer support or maintenance
  - doorman, custodian, carpenter, accountant, IT, laundry worker, clerical staff
- others work in the culture industry
  - filmmaker, lighting technician, lighting designer, photographer, composer, academic, actor

As varied as our work is; all of us do work that contributes in some way to a given field or community. We are an integral part of what makes New York a vital place to live and to visit.

But every year, our lives, including our work lives are directly or indirectly impacted by the state budget--whether it is inadequate funding for the hospital or schools my neighbors work in; cuts to publicly funded education and training programs; the

elimination of grants for cultural programming; or the ongoing deterioration of the most basic things we rely on such as the subways, roads and other infrastructure. Year after year we are told that the cuts are necessary, and that austerity measures are unavoidable.

### **our building, our block**

And yet the block we live on, and the building we live in point to something very different. In the last ten years, almost two thirds of the buildings on my block were sold. Most of those buildings are now owned by just two landlords. Our building which caps a large corner of the block was the most recent sale. In 2018, the building's market value was listed as approx \$5 million, later that year it sold for close to \$26 million.

Who gains in this kind of predatory scenario?

- The sale had almost no impact on the following years' tax assessment of our building. The annual property taxes paid to NYC on a \$26 million dollar property are roughly \$250,000.
- It appears that no transfer tax was paid to NYS. Assuming the state mortgage tax was paid, it would have been roughly \$90,000.
- In terms of state income tax, the LLC is registered in Delaware.

The answer is not the tax base and certainly not my neighbors. No matter how one does the math, it is clear that our new landlord, and its lender, JP Morgan Chase are not in the business of renting to tenants like us.

The new rent laws that passed last year provide critical protections. But there is a looming sense in our building that we are up against something much larger. Afterall, an unknown landlord and a corporate bank (one which received a massive, public bailout in 2008) were legally permitted to place an enormous wager on our homes.

Although none of the 14 revenue proposals presented today would immediately remedy the situation in my building; they would speak to the growing anxiety that something has gone terribly wrong.

