



Old Astoria Neighborhood Association (OANA)
www.OANA-NY.org

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Comptroller and Community Boards.

Fiscal Clarity for Capital Projects and ULURP Applications

OANA would like to propose that the Comptroller's Office assign a working representative to each Community Board. They would provide clarity on financial issues for the Board Members, and also get the Comptroller's Office proactively involved in fiscal representations, instead of investigating after the fact.

First and foremost, the ULURP process needs to incorporate "Project only" financials in order for an accurate fact-based decision can be rendered by the Community Board. (Basing our decisions on corporate financials would be discriminatory)

Too often, a developer states that he cannot build unless he received his zoning change. Fiscal restraints will not allow him to go forward.

The opposition then invariably counters with an assumption that all developers are greedy selfish entities that try and maximize profit at the expense of the community. And they are not to be believed.

We as Community Board members have no way to determine the validity of either argument on a project. Therefore, our decisions often are based upon political beliefs, and assumptions that may or may not be accurate. This is no way determine the future of our city.

So first we ask that developers that request Zoning Changes be required to present Project Financials. They currently have to do this with Board of Standards and Appeals variance requests.

We would then ask the Comptroller to evaluate these proposals, and compare them with standard Real Estate Returns on Investment. (As established by Academia-Perhaps Columbia or NYU).

With this information we can indeed make informed decisions as to the validity of the zoning request.

It may be said that "Creative" financials might be provided, which are doctored for a specific result. While we know this is possible, remember that this data on "On The Record", and with aggressive audits after the fact, illegal manipulation should come to light and the appropriate penalties should be applied, discouraging this practice.



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The Comptroller can also advise the financial validity of NYC and NYS Agencies Capital Projects budgets that come before the Community Board for support. We have seen budgets up to \$6 million for a Comfort Station in a park, but we have no means to determine its viability. With the Comptrollers evaluation, our support for these projects could then be tied into responsible government. Better we eliminate waste, rather than increase taxes.

To reiterate:

- Community Boards need help, given the high cost of private and public capital projects in NYC and the difficulty in determining 1) whether inputs such as hard and soft costs, fees, and timing are appropriate; 2) whether debt financing is available at levels presented or if better financing is available; and 3) whether equity returns are reasonable given the risks of a specific project.
- These financial assessments, for the engaged but uninformed citizen who typically comprise most community boards, are near impossible to create or independently assess.
- And thus the process becomes ineffective, resulting in more philosophical or political decisions rather than economic and pragmatic ones.

We understand these changes would be difficult to make, and there are vested interests in the city that would strongly oppose them.

We are looking for the courageous political leaders that will look towards a future based on truth, and the best interest of all parties to support these changes.

Richard Khuzami

President