



Mayor Bill de Blasio
City Hall
New York, NY 10007

RE: Int.2397-2021

Dear Mayor de Blasio,

I write on behalf of the Asian American Hotel Owners Association (AAHOA), the nation's largest hotel owners association, to express our opposition to Int. 2397-2021. As you may know, AAHOA represents 20,000 hoteliers nationwide and more than 30 hoteliers in New York City. Unfortunately, this bill has unintended economic consequences on family-owned businesses and the hardworking employees they support.

This legislation requires hotels that closed to the public on or after March 2020 and have not reopened and recalled 25 percent of the workforce by October 2021 to make employee severance payments. The bill calls for a \$500 payment for each employee per week up to 30 weeks in the case of a mass layoff or closure in addition to any previously provided severance compensation.

AAHOA Members are primarily first- and second-generation small-business owners with a strong appreciation for the opportunities offered by New York City's welcoming community. More than three decades ago, two waves of immigrants came to the United States from South Asia and sought opportunities to improve their lives and those of their families. However, starting a business, especially in a new, unfamiliar country, is never easy. They faced discrimination from banks and insurance companies. As a result, forward-thinking hoteliers formed AAHOA to help these small, family-owned businesses grow.

Today, AAHOA Members struggle to keep their business open during economically challenging times. According to Smith Travel Research, revenues are down an estimated 70 percent on a rolling 12-month basis. Hotel occupancy for all New York City hotels has declined to less than 65 percent compared to the past five years, which ranged from 85 percent to 89 percent. Overall, more than 150 hotels in New York City have already closed.

Hoteliers cannot afford another cost increase. They already pay their fair share in taxes to support the city's economy and operate on razor-thin profit margins. To afford this bill, hoteliers might delay hiring new employees, reduce their workforce, or, in the worst cases, close their doors entirely. Additionally, forcing hotels to open during a time of low occupancy could result in lower hotel occupancy numbers. This also could lead to more hotels closing or being put to other uses.

For these reasons, including the severe economic consequences on small business owners, their employees, and their families, AAHOA opposes this bill. Please veto this legislation so hoteliers and the broader travel and tourism industry in New York City can continue to recover.

Thank you for your time and consideration.

Sincerely,

Ken Greene
AAHOA President & CEO