CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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May 23, 2018

Start: 9:38 a.m. Recess: 11:00 a.m.

HELD AT: Council Chambers - City Hall

B E F O R E: DANIEL DROMM

Chairperson

COUNCIL MEMBERS:

ADRIENNE E. ADAMS

ANDREW COHEN

ROBERT E. CORNEGY, JR.

LAURIE A. CUMBO

VANESSA L. GIBSON

BARRY S. GRODENCHIK

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HELEN K. ROSENTHAL

JAMES G. VAN BRAMER

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

Mary Bruch

Associate at Nixon Peabody LLP

Jonathan Hogstad

Member of SEIU Local Union 32 BJ

Alex Hecht

Member of SEIU Local Union 32 BJ

Will Rajas

Member of SEIU Local Union 32 BJ

Ron Wade

Member of SEIU Local Union 32 BJ

Suzanne Con

Member of SEIU Local Union 32 BJ

Cabella Vasquez

Member of SEIU Local Union 32 BJ

Rairis Martins

Member of SEIU Local Union 32 BJ

Prunie Leon

Member of SEIU Local Union 32 BJ

Alina Kareem

Member of SEIU Local Union 32 BJ

Eugenia Kim

Member of SEIU Local Union 32 BJ

Phoebe Shell

Member of SEIU Local Union 32 BJ

Liz Boyd

Member of SEIU Local Union 32 BJ

Monica Cruz

Member of SEIU Local Union 32 BJ

[gavel]

CHAIRPERSON DROMM: Good morning and
welcome to today's finance committee meeting. My name
is Council Member Daniel Dromm and I'm the Chair of
committee. We've been joined today by Council Member
Helen Rosenthal, Council Member Adrienne Adams,
Council Member Keith Powers, Council Member Barry
Grodenchik, and Council Member Steve Matteo. Today
the committee will be voting on 11 items. Intro 882
relating to the commercial rent tax, three
resolutions relating to the banking commission's
recommendation on interest rates and seven article 13
property tax exemptions. Let's start with Intro 882
introduced by request of the Mayor which would change
the initial date of eligibility for the small
business tax credit against the commercial rent tax.
Last session the council approved Local Law 254 of
2017 which created which created a credit against
the CRT that was to be provided to small businesses
earning less than 20 million dollars per year and
that paid less than 550,000 dollars annually in rent
beginning on July $1^{\rm st}$, 2018. At the time the bill was
negotiated over the council's objections the
administration insisted that the start of the credit

2	would be aligned with the fiscal year rather than the
3	CR tax year which runs from June 1 st through May 31 st .
4	For purposes of administrative ease and to avoid tax
5	credit confusion the administration has now come
6	around to the council's position and is requesting
7	that we move the initial date of eligibility to June
8	$1^{\rm st}$, 2018, the start of the next CRT tax year. Next,
9	we have the resolutions that would set certain
10	interest rates for fiscal 2019. Every year the
11	banking commission provides recommendations to the
12	council relating to the discount received by property
13	owners who pay their property taxes early and the
14	interest rates paid property owners who pay their
15	property taxes late. For fiscal 2019 the banking
16	commission has made the following recommendations; a
17	one-half percent discount rate for those who pay
18	their property taxes early, a seven percent interest
19	rate for the late payment of property taxes on
20	properties with an assessed value of 250,000 dollars
21	or less which is approximately 95 percent of all
22	property in the city and an 18 percent interest rate
23	for the late payment of property taxes on properties
24	with an assessed value of more than 250,000 dollars.
25	After careful consideration the banking commission's

2	submission to the council, the council is
3	recommending that the interest rates be approved as
4	set forth by the banking commission's
5	recommendations. As per state law the interest rates
6	for the late payment of water and sewer bills will
7	match the rates set for the late payment of property
8	taxes. A representative of the banking commission is
9	here to answer any questions that we may have on the
10	interest rates. Last, we have the Land Use Items. The
11	first is Essie Jeffries Apartments in Council Member
12	Levine's district in Manhattan which will provide a
13	full 40-year Article 11 tax exemption to support the
14	preservation of 64 units of affordable housing. The
15	second is Inwood House in Council Member Rodrigues's
16	district in Manhattan which would provide a partial
17	40-year Article 11 tax exemption to support the
18	preservation of 94 units of affordable rental
19	housing. The third is Rockaway Village in Council
20	Member Richard's district in Queens which would
21	provide a full 40-year Article 11 tax exemption to
22	support the construction of 457 units of affordable
23	rental housing. The remaining four items are in
24	Council Member Salamanca's district in the Bronx and
25	they are Lafayette Morrison which would provide a 32-

year Article 11 tax exemption part of which would be
full and retroactive and part of which would be
partial moving forward to preserve 900 units of
affordable rental housing. 1314 Seneca Avenue which
would provide a partial 40-year Article 11 tax
exemption to support the preservation of 59 units of
affordable rental housing. Aquinas Deacon Juan Santos
which would amend a prior resolution approving an
Article 11 tax exemption that the council approved in
May 2015 to correct certain technical errors and 943
to 947 Teller Avenue which would amend a prior
resolution approving an Article 11 tax exemption that
the council approved in December 2016 to extend the
length of the tax exemption from 35 years to 40
years. Each of the council members are supportive of
the projects in their districts, representatives from
HPD are here to answer any questions that we may have
on any of the land use items. Those are all of
today's items. Are there any questions? Uh-huh.

COUNCIL MEMBER ROSENTHAL: Chair Dromm I want to thank you for all this. I just want to note,
I guess I could have saved this for the vote but appreciation to the staff for going through the interest rate information and appreciation to the

Department of Finance and the banking commission for,
you know providing the information to the council.
This is I think the second year that we've had the
information and it encouraged a very robust debate
among the council members and the increased awareness
of the… of the details and so I really just want to
thank you for that and thank the council and the
staff in particular for bearing with all the

questions that it evoked. Thank you.

CHAIRPERSON DROMM: Okay, thank you very much. Now we are going to hear some testimony on some of the legislation and I'm going to call people up in panels and I just want to remind everyone that they are limited to two minutes a piece and first we're going to hear from Mary Bruch from Nixon Peabody.

Just hit that button.

MARY BRUCH: I'm here just to testify on the Article 11 for Inwood Houses not on the proposed...

CHAIRPERSON DROMM: For what?

MARY BRUCH: For... I'm here to testify on an Article 11 just if there are any questions from the city council for Inwood Houses, I believe that's further down in the list.

another chair Sergeant and Will Rojas... or Rajas, 32

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BJ. Okay and we have been joined by Council Member
Gibson, Cumbo and Cohen.

[off-mic dialogue]

CHAIRPERSON DROMM: Okay, would you like to start?

JONATHAN HOGSTAD: Yeah, my name is Jonathan Hogstad, I am a... I'm with SEIU Local 32 BJ. We have been engaging Phipps Houses for over two years now. When Phipps Houses workers came to us workers were dealing with issues of homelessness, most workers were on Medicaid. I'm going to read from the op ed of one of the workers that couldn't be here who's work... living in a homeless shelter for years with his daughters while working at, at Phipps Houses suppose... nonprofit, mission driven organization. So, this is from Carmelo Dejesus. Every day for the past four years I've woken up with the same thought, is this the week that my girls and I will finally have a home of our own. I'm the father of three daughters who are 24, 18 and 14 and the grandfather of a ninemonth-old baby, baby girl. We have been living in a homeless shelter in the Bronx for the last three years. For the last two years I've worked as a porter doing cleaning and some very basic repairs at an

2	affordable housing complex called Courtlandt Corners
3	that was developed by Phipps Houses, a nonprofit
4	affordable housing developer in the Bronx. Still I've
5	not been able to get my family out of the shelter.
6	Living in a shelter and working in an affordable
7	housing complex I know that many New Yorkers struggle
8	to find affordable housing, housing. I have learned
9	that what counts as affordable housing is only
10	affordable if you have a good job. I take a lot of
11	pride in my job and I like the people I work with,
12	but I do not make enough to find decent affordable
13	housing for my family of five. In fact, I learn way
14	too… I earn way too little working at Courtlandt
15	Corners to afford an apartment there that's because
16	my employer only pays me 13 an hour. when I started
17	in June of 2015 I was only making \$11.50 an hour but
18	less than a year later I was promoted to lead porter
19	and I got a \$1.50 raise, I still don't receive any
20	meaningful benefits, this was in last year. This is
21	not enough for us to get by, my girls are relying on
22	me, my paycheck isn't enough to cover food, diapers
23	and rent on a decent apartment for five people. With
24	no meaningful health benefits at my job we also have
25	to rely on Medicaid for our health care. My daughters

2	have big dreams, the youngest two love animals and
3	both dream of going to college and becoming
4	veterinarians, I wonder how I will help them pay for
5	college. They also dream that we'll move into an
6	apartment of our own where we can where they can
7	have a pet, maybe a bunny or a dog but right now even
8	a small thing like a pet feels completely out of
9	reach. It doesn't feel good to work so hard for so
10	little. When I first heard about this job I jumped on
11	it quick because it was close to where I live, and I
12	thought it would be a good job that would get us out
13	of the shelter soon. I really like the idea of
14	working in a place where I can help other working
15	families like my own have a nice place to live. The
16	company even says that it works towards a New York
17	City in which no one is caught in a cycle of poverty
18	but here I am almost two years later working in one
19	of their developments, my family and I are trapped in
20	a cycle of poverty and homelessness that we can't get
21	out of unless I earn higher wages and better
22	benefits. My coworkers and I recently joined together
23	to fight for better jobs at Courtlandt Corners. I'm
24	optimistic that we'll be able to get higher wages
25	with regular increases, good health insurance and

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retirement benefits and access to training that will
allow me to advance in my career. We're asking Phipps
Houses to commit to being a responsible developer and
making sure they're creating good jobs. I want this
for my side of Courtlandt Corners and I want it for
other workers in the Bronx and throughout the city
who are also struggling to make ends meet. This is
the way that we can break the cycle of poverty and
provide a bright future to our kids and grandkids.
Carmelo Dejesus, Porter at Phipps Houses in the
Bronx.

CHAIRPERSON DROMM: Okay, thank you, next please.

ALEX HECHT: Good morning chair Dromm and members of the Finance Committee. My name is Alex Hecht, I'm here with SEIU Local 32 BJ and I'd like to read into the record an open letter from Bronx elected officials to Phipps Houses CEO, Adam Weinstein. Dear Mr. Weinstein, we elected officials representing the Borough of the Bronx are writing to you to express our concerns about Phipps Houses recent actions in our borough. Phipps Houses has a long and valued history of building high quality, affordable housing for our constituents that's why

2	we've been so alarmed to hear from another long-term
3	partner in the responsible development of the Bronx,
4	32 BJ SEIU that Phipps has been undermining job
5	standards for building service workers. At the
6	largest of Phipps Houses, Newark Complexes in the
7	Bronx, workers have struggled for years to get by on
8	wages as low as \$11.79 an hour. Many have relied on
9	Medicaid for themselves and their families with no
10	meaningful health coverage or retirement benefits
11	from their employer. One worker spent years living in
12	a homeless shelter while working in the building. In
13	fact, Phipps Houses receives significant government
14	subsidies, these subsidies assume that Phipps will
15	use tax payer's money responsibly. When workers are
16	struggling to support their families while Phipps CEO
17	brings home more than three quarters of a million
18	dollars a year in total compensation. Phipps violates
19	the trust of taxpayers and their representatives. Our
2,0	borough is in the midst of a building boom and an
21	affordable housing crisis. We've been working hard to
22	ensure that the new developments in the Bronx include
23	significant amounts of affordable housing, but we
24	also need good jobs. Building service workers have
25	fought hard to establish a wage and benefit rate that

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allows them to support a family in the Bronx, we're
calling on you Phipps Houses to return to your
organization's roots and ensure that across the Bronz
workers earn family sustaining wages and benefits.
Sincerely Rafael Salamanca, Andy Cohen, Fernando
Cabrera, Ritchie Torres, Andy King, Louie Seplivata,
Carmen Aroyal, Jose Rivera, Latoya Joiner, Mark
Gjonaj, Jamal Bailey, Ruben Diaz Senior, and Jose
Serrado Junior. Thank you.

CHAIRPERSON DROMM: Thank you very much, next please.

WILL RAJAS: Good morning, my name is
Will Rojas. I'm reading a statement that 32 BJ made
in July regarding the Rockaway Village development.
We still believe this is true. As you have heard we
think this rezoning can do a lot of good for the
neighborhood, but we have been concerned to hear that
the rezoning may be facilitating a deal to put the
largest parcel, the site to be designed as an urban
renewal area directly in the hands of Phipps Houses
instead of going through an open transparent
competitive process. 32 BJ believes that any
developer in the DFR URA should be selected through a
transparent process. Such a process would guarantee...

such a process would be guaranteed if the city
purchased the land either through a negotiated sale
or through imminent through eminent domain. Once the
city acquires the land it will have to follow the
public ULURP process to subsequently dispose of it to
a developer. At that point there would be opportunity
for public input and, and for stakeholders to weigh
in on the track records and plans of the applicant
seeking to develop the site. If the city does not
intend to acquire the land it can still guarantee an
open process for the selection of the develop of a
developer. Once the site is, is designated as an
urban renewal area the city will have the ability and
responsibility to intervene to implement its urban
renewal plan. This plan should include a commitment
to transparency and community input in the selection
of developers through a competitive process. The Far
Rockaway community deserves a chance to weigh in on
who will develop this enormous parcel which has the
capacity to be a tremendous resource for the
community. 32 BJ does not believe Phipps would be
selected to develop this site through a more open
process. In recent years Phipps has undermined job
standards for building service workers in New York

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City. The DFR URA offer... area offers a unique opportunity to create good jobs and affordable housing for Far Rockaway residents on a large scale. An open process would allow the community to prioritize selecting a developer committed to the creation of both quality jobs and quality affordable housing.

CHAIRPERSON DROMM: Thank you, next please.

PHOEBE SHELL: I'm here from 32 BJ to read another letter into the record... into the record signed by 24 elected officials to deliver a message to Phipps CEO, Adam Weinstein. Dear Mr. Weinstein, we write to you as members of the New York City council to express our concerns about Phipps Houses recent record. New York City is in the midst of an affordable housing crisis that we need to come together to help solve. As one of the largest developers of affordable housing in this city, Phipps has a crucial role to play but Phipps can't play this role if the building service jobs at it's affiliated buildings pay poverty wages. We have been alarmed to hear that at newer Phipps buildings workers have been struggling to make ends meet and find housing. At

2	Phipps two most prominent new complexes in the Bronx
3	Courtlandt Corners and Via Verde, workers are
4	struggling to get by. For years many workers at
5	Courtlandt Corners made under 12 dollars an hour and
6	received no meaningful health and retirement
7	benefits. Many relied on Medicaid for health coverage
8	for themselves and their families and one worker
9	spent years living in a homeless shelter while
10	working at the building. The same irresponsible
11	contractor who employed these workers at Courtlandt
12	Corners continues to employ workers at Via Verde
13	where workers face similar low wages, as little as
14	\$12.65 an hour and unaffordable health insurance
15	offers. Meanwhile executive compensation has soared.
16	New York's housing crisis stems not just from rising
17	housing prices but also from employers that pay
18	poverty wages. To be a real partner with this city
19	Phipps must commit to addressing both sides of this
20	crisis. We are calling on you to return to your
21	organization's roots and ensure that across the city
22	building service workers at Phipps affiliated
23	buildings earn family sustaining wages and benefits
24	that allow them to continue to call New York City
25	homo Thank vou

CHAIRPERSON DROMM:

Thank you, next

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RON WADE: Yes, good morning. My name is Ron Wade, I'm a member of SEIU 32 BJ executive board. As you know 32 BJ members maintain, clean and provide security services in residential buildings all across the five boroughs including ones like the proposed development at 1675 Westchester. Throughout... through our jobs we receive access to high quality health care and can save for retirement. I believe that all workers in New York should have the same opportunity, this is why I'm here today. The way workers are treated at Phipps buildings across the city vary significantly. In a number of their existing properties, Phipps has created high quality building service jobs for workers like me at these buildings. Phipps ensures supers, porters and handypersons receive family sustaining salaries, good health and retirement benefits but at other more recent opened Phipps buildings building service workers report making wages well below their area standard with receiving no meaningful benefits. We know one worker who lived with his family in a shelter for five years while working at a Phipps building. I know how hard

it is to work for people who like to make it in this
city. As housing prices have risen my union brothers
and sisters have struggled to stay in their homes,
thanks to our union jobs we are able to do that, but
I can't imagine how I would be able to keep my family
here if I had to pay out of pocket for health
insurance, I definitely would not be able to save for
retirement. 32 BJ members know how important it is
for affordable housing developments can build be in
our city but it's not helpful if the job they create
as to the housing crisis instead of helping to solve
it. We wanted to work with Phipps to make sure that
employment practices at their buildings to help
further their mission instead of undermining it but
if Phipps isn't committed to this we do we don't
think the City Planning Commission should support
their project. Thank you.

CHAIRPERSON DROMM: Thank you very much and thank you to this panel for coming in and for giving your testimony. I'm going to call the panel up and then we'll make comments at the end. Thank you. So, the next panel would be Suzanne Con from 32 BJ; Eugenia Kim, 32 BJ; Carmela Vasquez, 32 BJ; Monica Cruz, 32 BJ. And I'll also do Trey Allen, 32 BJ.

2	We're missing a few people on the panel, Suzanne Con,
3	okay; Eugenia Kim, okay; Carmela Vasquez, okay;
4	Monica Cruz, okay; Trey Allen, is that Tyrae, I'm
5	sorry, is it Ty Tyrae? Okay, so we just got to make
6	sure we have the, the forms correct here. Alright and
7	what's you name ma'am?
8	[off-mic dialogue]
9	CHAIRPERSON DROMM: I'm sorry, I can't
10	can you put the mic on?
11	PRUNIE LEON: I'm sorry, my name is
12	Prunie [sp?] Leon.
13	CHAIRPERSON DROMM: I know you. Okay, so
14	one, two, three, four and we can bring up one person
15	Okay, Rairis Martins, R a I r I s, okay. We'll
16	they'll give them another chance if when they come
17	back, Lori Garcia, okay so let's do Eugenia then.
18	Okay. Alright, would you like to start?
19	SUZANNE CON: Good morning. My name is
20	Suzanne, I'm here to speak about the Article 11, Far
21	Rockaway Village. Good quality building service jobs
22	are a pathway to the middle class for many New
23	Yorkers, SEIU 32 BJ, the largest property service
24	workers union in the country represents 80,000

building service workers in New York City. We have

2	fought hard for an industry standard wage and
3	benefits package that allows building service workers
4	to raise families in this city. All 32 BJ members
5	receive a family sustaining wage and benefits that
6	include employer paid health care along with the
7	guaranteed benefit retirement pension plan, a 401K
8	and access to continuing education and legal
9	services. We believe these are the kinds of jobs that
10	foster prosperous local economies, and these are the
11	kinds of jobs that Far Rockaway needs and that can be
12	created at Rockaway Village. Unfortunately, these are
13	not the kinds of jobs that have been created at
14	Phipps Complexes in recent years. For years Phipps
15	seemed to recognize that it helped New Yorkers build
16	strong communities not only by constructing
17	affordable housing but also by ensuring all Phipps
18	affiliated entities created good jobs for building
19	service workers but Phipps commitment to good jobs
20	has faltered under the leadership of its current CEO,
21	Adam Weinstein. We know that workers at many of
22	Phipps older buildings even buildings not represented
23	by 32 BJ earn family sustaining wages. At Weinstein
24	area affiliated buildings however, we have met
25	workers who bring home only poverty wages. For

example since August 2016 SEIU 32 BJ has been working
with employees at Phipps Courtlandt Corners complex
in the Bronx who have come together to improve their
wages and benefits at Courtlandt Corners when we
started working with the workers they were making
only poverty wages and receiving no meaningful
benefits, they had many had been making as little as
\$11.78 an hour for over three years and had received
only a single raise since being hired, many were
rely on Medicaid and as you already heard one was
living in a shelter. As a nonprofit affordable
housing developer Phipps receives significant
subsidies from New York City these subsidies assume
that Phipps will use taxpayer money responsible yet
while workers have struggled to get by at Courtlandt
Corners the pay Phipps top, top executives have grown
quickly. So, in yeah, in conclusion a developer
who's allowed poverty jobs to be created in the
buildings in build it's buildings runs counter to
the goals of the New York City Housing or the
Housing New York Plan and we don't think they should
continue to get city subsidies.

CHAIRPERSON DROMM: How much does the executive make?

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2	SUZANNE CON: According to the 2015 990
3	which is the most recent available to us it was over
4	800,000 a year.
5	CHAIRPERSON DROMM: 800,000 dollars
6	[cross-talk]
7	SUZANNE CON: In total compensation,
8	yeah.
9	CHAIRPERSON DROMM: Wow, 800,000 dollars,
10	unbelievable.
11	CABELLA VASQUEZ: Good morning, my name is
12	Cabella Vasquez and I'm a representative of 32 BJ.
13	I'll be reading on behalf of worker Carmelo Dejesus.
14	Hi everyone, I'm Carmelo Dejesus, I'm a lifelong New
15	Yorker, a porter at Phipps development, a father and
16	a grandfather, I also live in a shelter. I have been
17	at my job for the last two years, when I got the job
18	I was living in a shelter with my three girls for
19	almost a year. I jumped at the chance because I
20	thought it would help me get us into our own home.
21	When I started I was making only \$11.50 an hour, whe
22	I got a promotion then I got a promotion and now I
23	make 13 dollars an hour. I still haven't been… it

still hasn't been enough to get us out of the

shelter. I'm supporting five people; my daughters,

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myself and my baby granddaughter on my salary, that's
not easy. My two youngest daughters are in high
school, my paycheck isn't enough to cover food,
diapers, and rent on a decent apartment for five
people. With no meaningful health benefits at my job
we also have to rely on Medicaid for our healthcare.
I started working with 32 BJ because my daughters and
I have dreams. My daughters want to go to college and
become veterinarians, before that they want to move
into an apartment where we can have a pet, I want
that for them and I also want to be sure that when I
go I leave something behind for them. I'm hopeful
that things are changing for me, but I want to make
sure that other workers don't go through what I have
been through. Phipps should commit to creating good
jobs at this development before it goes up otherwise
more workers will get stuck like my family did. Thank
you.

CHAIRPERSON DROMM: Thank you very much, next please.

MONICA CRUZ: I'm Monica Cruz, my union

32 BJ... New York about Phipps an irresponsible

developer for over two years. I'm going to read from
a petition that community have signed to support good

jobs at Phipps House. Phipps House is currently
seeking approval for two proposed developments in the
Bronx that require their purported property to, to be
rezoned. We believe that in recent years Phipps House
has done a disservice to our communities by creating
bad jobs in the Bronx going so far as to work with a
contractor that pays employees of Phipps affiliated
complex poverty wage and not meaningful benefits
meanwhile in the last decade the salary increased for
top executive have ballooned, CEO, Adam Weinstein
receives 760,000 in total compensation in 2015 while
workers at Phipps affiliated complexes built under
his leadership struggle to make ends meet many of
them resorting to medical Medicaid or other insurance
to care for their family's health. We believe this is
unacceptable behavior on the prior developer that
receives significant subsidy from New York and for
good… federal income taxes through their 501 status
while benefitting from taxpayer's dollars. Phipps
House has a moral obligation to ensure those dollars
are well spent. We urge the council members
Salamanca, Council Member Palma and all our
representatives in New York City and in state
government to oppose Phipps plans in the Bronx only

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if commit to creating high quality jobs as all it's new developments, the Bronx needs affordable housing and good jobs, the city should only work with developers who are committed to creating both. Thank you.

CHAIRPERSON DROMM: Thank you very much, next.

PRUNIE LEON: Yes, good morning. My name is Prunie Leon and I want to say to you that I have worked as a porter in the Bronx for the last five years. During that time, I have also been a member of 32 BJ. The good wages and benefits that I get through my job have helped me to support my family. For my... for me being a union member has also made an opportunity for advancement. Through the union I also get to take all sorts of classes to improve my skills on the job. Those courses have helped me to advance in my job, I think that all workers should have opportunities that is why I am here today. I know how hard it is for working people to make it... to make it in this city... to make it decent in the city. It is important that affordable housing developer can build in our city, but it is not helpful if the jobs they are creating add to the housing crisis instead or

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helping to solve it. all workers deserve the opportunity to... the opportunity I have had, there is no reason that workers doing the same job that I do should earn good wages and benefits. 32 BJs want to work with Phipps to make sure that the jobs at their buildings help further the mission if that's all... undermining it but if Phipps is not committed to this we don't think the project should be moved forward, we all as a community and we should be moving forward. Thank you.

EUGENIA KIM: Hi, good morning. My name is Eugenia Kim, I'm a member of SEIU 32 BJ and as you know 32 B, BJ members maintain clean and provide security services at various residential buildings throughout the five boroughs including some at Phipps. Through our jobs we receive access to high quality health care, we... and we're able to save for retirement, I believe that all workers in New York should have the same opportunities and that's why I'm here today. The way workers are treated at Phipps buildings across the city varies greatly, the number... in a number of it's existing properties Phipps has created some high-quality building service jobs for workers, certain porters, supers and handy persons

receive family sustaining salaries and good health
care but at other more recently opened Phipps sites
and developments they're making wages well below the
area standard and receiving no meaningful benefits.
We know one worker who has lived in a family shelter
for years while working in a Phipps building and I
believe that's unacceptable. I know how hard it is
for working people to make it in this city. As
housing prices have risen, union brothers and sisters
have struggled to stay in their homes. Thanks to our
union jobs however we're able to do that but I can't
imagine how I'd be able to keep how families are
able to stay here while having to pay out of pocket
for health insurance and no meaningful chance to save
for their future. I definitely want to be able to do
that and provide for my family members one day. 32 BJ
and members know how important it is that affordable
housing developers should be able to build in this
city but also it is not helpful when the jobs they
created and add, add to the housing crisis. Instead
we want to work to help solve it. in order for Phipps
to build sustainably and develop and develop in a
way that is responsible we believe that they should

have good wages and good retirement savings benefits.
Thank you so much.

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CHAIRPERSON DROMM: Thank you very much and thank you to this panel, I think it's absolutely disgusting that the director is making close to 800,000 dollars and that some of your workers actually have to live in shelters, it's just totally unacceptable. Thank you, we're going to call up another panel.

[panel thanks chair]

CHAIRPERSON DROMM: Lori Garcia, Ariatha Roma [sp?], Carlos Warsuk [sp?], Fran, Fran Strite [sp?] and Liz Boyd. Okay, so can you just give me your names? Lori Garcia and, and... okay, let's go to the other panel... okay. Alina Kareem, nope; Rairis Martins and Tyrae Allen, T R... t y r a e, okay then that appears to be... yeah, would you like to start, okay?

reading from a petition from Kips Bay building service workers demanding Phipps Houses sell responsibly. Phipps Houses has announced plans to put Kips Bay Court on the market. Press reports estimate that Phipps could make as much as 700 million through

2	this sale. We, the building service workers at Kips
3	Bay Court currently have good union jobs that pay a
4	family sustaining wage and provide health and
5	retirement benefits. In recent years workers with
6	good job good union jobs have found that when a
7	building is sold the new owners sometimes fail to
8	retain the income building service workers or
9	maintain the worker's wages and benefits. We're
10	asking that Phipps commit to finding a buyer who is
11	committed to maintaining a high quality sorry, high
12	quality, union building service jobs as well as the
13	building services that are important to Kips Bay
14	tenants and workers. We demand that Phipps Houses
15	sell Kips Bay Court to a responsible owner and this
16	petition is signed my I don't have an exact number
17	but pages and pages and pages of workers and tenants
18	Thank you.
19	CHAIRPERSON DROMM: Do you have a copy of
20	that?
21	[off-mic dialogue]
22	CHAIRPERSON DROMM: Yeah, I'd love to
23	just have that because that's good testimony to

EUGENIA KIM: Thank you.

2		CHAIRPERSON	DROMM:	Yes,	yep.	I'm	sorry
3	 Keith	Council Member K	eith Pow	iers			

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actually represent Kips Bay Towers but I represent the area just adjacent to it and nearby and walk past every single day and certainly care about the people that are working there and the jobs there so I'll, I'll certainly have to talk to the local member about it as well but certainly support ensuring that in any sale the jobs are, are preserved that are good paying jobs and that a new buyer is committed to maintaining those jobs so I'll talk to... I'll talk to your folks after about any way to be supportive to that and something I care about in any sale as well. So, thank you for bringing that up.

EUGENIA KIM: Thank you.

CHAIRPERSON DROMM: Okay, would you like to start?

LIZ BOYD: Sure. Good morning, my name is
Liz and I'm here with SEIU Local 32 BJ. As you know
Phipps Houses is the largest affordable housing
nonprofit developer in the city. It has a stated
mission of helping the people of New York City build
healthy more prosperous communities, but we know that

some workers in Phipps buildings in the Bronx are not
prospering. Workers at Phipps complexes are relying
on Medicaid for health care and one lived in a
shelter, this isn't right. 32 BJ members know how
important it is that affordable housing developers
can build in our city but it's not helpful if the
jobs they create add to the housing crisis instead of
helping to solve it. We want to work with Phipps and
other developers to make sure that employment
practices at their buildings help further their
mission instead of undermining it but if developers
aren't committed to this we don't think the council
should support their projects. Thank you.

CHAIRPERSON DROMM: Thank you very much and I see we have been joined at the table by another person, can you identify yourself for the record please?

[off-mic dialogue]

ALINA KAREEM: Good morning. My name is
Alina Kareem and I'm a researcher from SEIU Local 32
BJ. 32 BJ members maintain, clean and provide
security services in residential buildings all across
the five boroughs. Through their jobs they receive
access to high quality health care and can save for

retirement. I believe that all workers in New York
should have the same opportunities, this is why I'm
here today. The way workers are treated at Phipps
buildings across the city vary significantly. In a
number of it's existing properties Phipps has created
high quality building service jobs for workers and at
these buildings Phipps ensures supers, porters,
handypersons gives them family sustaining wages,
good health and retirement benefits but at other
Phipps buildings building service workers report
making wages well below the area standard while
receiving no meaningful benefits. I know how hard it
is for working people to make it in this city. As
housing prices have risen, my union brothers and
sisters have struggled to stay in their homes. Thanks
to union jobs they're able to do that but I can't
imagine how they would be able to keep their families
here if they have to pay out of pocket for health
insurance people would definitely not be able to save
for retirement as well. 32 BJ members know how
important it is for affordable housing developers to
build in their city but it's not helpful if the jobs
they create add to the housing crisis instead of
helping to solve it. We want to work with Phipps and

2	other developers to make sure that employment
3	practices at these buildings help further their
4	mission instead of undermining it but if developers

aren't committed to this we don't think the council

6 should support these projects. Thank you.

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CHAIRPERSON DROMM: Thank you very much to this panel, you know I have to say that I am not happy about how this all went down and, you know I am very disgusted by the actions of Phipps, you know I have heard of these stories about Phipps before, there have been other issues, I myself have been supportive of the efforts of 32 BJ to get justice for their workers in this situation and in other situations as well. So, I'm just going to say to you right now that this will not happen again, we will continue to fight Phipps and we will continue to fight for justice for your workers moving forward. I am very upset about what has happened here and, and I thank you very much for coming in and for giving your testimony. Thank you

[panel thanks the chair]

CHAIRPERSON DROMM: And we just want to see there... if there... if any of the other people have showed up, Tyrae Allen, no; Rairis Martins, nope.

Τ	
2	Okay, Carlos Warsuck I think it is, Carlos is here.
3	Ariatha Roma and Fran, okay. Alright.
4	RAIRIS MARTINS: Hello… [cross-talk]
5	CHAIRPERSON DROMM: You, you can begin,
6	yeah.
7	RAIRIS MARTINS: I'm reading this
8	[cross-talk]
9	CHAIRPERSON DROMM: And just turn the mic
10	on, the red light has to be on.
11	RAIRIS MARTINS: I think it's on, oaky,
12	yeah. Dear Mr., Mr. Weinstein we the elected
13	officials representing the borough of the borough of
14	the Bronx are writing you to express our concerns
15	about Phipps Housing recent actions in our borough.
16	Phipps Houses has a long and valued history of
17	building high quality affordable housing for our
18	constituents that is why we have been so alarmed to
19	hear from another long-term partner and the
20	responsible development of the Bronx 32 BJ SEIU that
21	Phipps has been undermining job standards for
22	building service workers. At the largest of Phipps
23	houses complexes in the Bronx workers have struggled
24	for years to get by on wages as low as \$11 79 an

hour. Many have relied on Medicaid them... for

2	themselves and their families with no meaningful
3	health coverage or retirement benefits from their
4	employer. One worker spent years living in a homeless
5	shelter while working in the building. In fact,
6	Phipps, Phipps housing receive significant government
7	subsidies and these subsidies assume that Phipps will
8	use taxpayer's money responsibly when workers are
9	struggling to support their families while Phipps CEO
10	brings home more than three quarters of a million
11	dollars a year in total compensation. Phipps violates
12	the trust of taxpayers and their representatives. Our
13	borough is in the midst of a building boom and an
14	affordable housing crisis. We have been working hard
15	to ensure that the new developments in the Bronx
16	include significant amounts of affordable housing,
17	but we also need good jobs. Building service workers
18	have fought hard to establish a wage and benefit rate
19	that allows them to support a family in the Bronx. We
20	are calling on you to return to your organization's
21	roots and ensure that across the Bronx workers earn
22	family sustaining wages and benefits. The Bronx can
23	only thrive if we create good jobs and affordable
24	housing.

2	CHAIRPERSON DROMM: Thank you very much
3	and again horrible, horrible behavior on the part of
4	Phipps, it's just totally unacceptable. Thank you for
5	coming in and for giving testimony.
6	RAIRIS MARTINS: Thank you.
7	CHAIRPERSON DROMM: And I'm sorry, I need
8	to know your name again for the record.
9	RAIRIS MARTINS: That's okay Rairis.
10	CHAIRPERSON DROMM: What's your name?
11	RAIRIS MARTINS: Rairis.
12	CHAIRPERSON DROMM: Last name?
13	RAIRIS MARTINS: Martins.
14	CHAIRPERSON DROMM: Martins, okay.
15	Alright, we're, we're going to now just give wait a
16	few minutes for the members to gather and then we
17	will proceed. Okay, we are now going to proceed with
18	the vote. I'm going to ask the clerk Billy Martin to
19	call the roll.
20	COMMITTEE CLERK MARTIN: William Martin,
21	Committee Clerk, roll call vote Committee on Finance,
22	all items are coupled, Chair Dromm?
23	CHAIRPERSON DROMM: Very, very
24	reluctantly, yes.

COMMITTEE CLERK MARTIN: Gibson?

1	COMMITTEE ON FINANCE
2	COUNCIL MEMBER GIBSON: Pass.
3	COMMITTEE CLERK MARTIN: Cohen?
4	COUNCIL MEMBER COHEN: Permission to
5	explain my vote?
6	CHAIRPERSON DROMM: Yes, sir.
7	COUNCIL MEMBER COHEN: I, I have to say
8	on, on LU 99 Rockaway Village, you know the, the
9	Chair used disgusted and I, I really feel like that
10	is my visceral reaction here and, you know when I
11	have two friends who are having a dispute I really
12	try to stay neutral and encourage them to work out
13	their dispute which is what I feel like I've done
14	here but I feel terribly disrespected by Phipps
15	houses, I've invested an inordinate amount of time in
16	trying to bring resolution here to no avail and but
17	I think the proof is in the fact that, you know I
18	serve on this committee, I've served in Land Use in
19	the past, we supported the development of a myriad of
20	affordable development projects and this issue has
21	not come up except with Phipps so to me it, it, it
22	that, that seems irrefutable that we can sit here and
23	have… and produce, you know thousands of units of

affordable housing and not have this issue take place

except with Phipps makes me believe... you know and 32

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2	BJ obviously involved in many of those developments							
3	makes me believe that it's, it's Phipps fault and,							
4	and again Phipps has a good reputation and I hate to							
5	see it so tarnished here but that's how I feel and I							
6	really if this project were in my district I would							
7	not support it and I would not vote for it but in							
8	light of the fact that the local member does support							
9	it I am going to support it so I, I vote aye.							
10	CHAIRPERSON DROMM: Thank you Council							
11	Member, please continue with the roll.							
12	COMMITTEE CLERK MARTIN: Matteo?							
13	COUNCIL MEMBER MATTEO: No on Pre-							
14	considered 360, aye on the rest.							
15	COMMITTEE CLERK MARTIN: Cumbo?							
16	COUNCIL MEMBER CUMBO: I pass.							
17	COMMITTEE CLERK MARTIN: Rosenthal?							
18	COUNCIL MEMBER ROSENTHAL: Permission to							
19	explain my vote?							
20	CHAIRPERSON DROMM: Yes.							
21	COUNCIL MEMBER ROSENTHAL: Thank you. I'd							
22	like to associate my comments with those of Council							
23	Member Cohen and with yours as well Chair Dromm. Thi							
24	is a very disappointing situation, I stand in suppor							
25	of my brothers and sisters at 32 BJ, really							

2	appreciate you all coming out here today to describe						
3	in detail what's going on, it's why everyone here is						
4	I speak for the two people who I just mentioned by,						
5	you know really disappointed where, where, where this						
6	has landed and for me this falls you know but by the						
7	same token Phipps is doing very low AMIs which we						
8	support, they're setting aside 45 units for homeless						
9	house, households and they're highest AMI is at 100						
10	percent. So, I mean for me this falls back to my						
11	fights on the human service contracts, if the						
12	government is not going to pay an organization to pay						
13	it's workers a real livable wage I think government						
14	is falling short so, you know in the same way that I						
15	say that I appreciate the De Blasio administration						
16	for at least giving 400 40 million of the 200						
17	million that's needed for human service contracts I						
18	am going to vote aye on this but with the hope that,						
19	you know an encouragement that 32 BJ continue its						
20	fight and that, you know people continue to work with						
21	Phipps Houses to get them to do the right thing. I						
22	really appreciate all of you coming out here today. I						
23	vote aye on all.						

COMMITTEE CLERK MARTIN: Grodenchik?

COUNCIL MEMBER GRODENCHIK: Pass.

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1	COLUITITED ON LIMMOD
2	COMMITTEE CLERK MARTIN: Adams?
3	COUNCIL MEMBER ADAMS: Permission to
4	explain my vote?
5	CHAIRPERSON DROMM: Yes, ma'am.
6	COUNCIL MEMBER ADAMS: I too concur with
7	the Chair's remarks to my friends at 32 BJ, I stand
8	with you as I have in the past, I am too torn by this
9	situation and extremely, extremely disgusted by what
10	I've heard today, the disparity of treatment is
11	absolutely horrendous among the workers that do
12	report to work for Phipps. I, I think the conditions
13	are deplorable, whenever we sit here and have to say
14	that some people are actually living with poverty
15	wages are… and are in shelters, no one should ever
16	have to be in that position. I too like I said I'm
17	torn, we know that through my colleague Donovan
18	Richards the project at Rockaway Village has been
19	underway for quite a number of years and as one who
20	quite frankly has gone through the district and knows
21	the, the needs of that district specifically on that
22	I must support my colleague and vote aye.
23	COMMITTEE CLERK MARTIN: Moya?
24	COUNCIL MEMBER MOYA: Permission to

explain my vote Chair?

2	CHAIRPERSON DROMM: Yes, sir.						
3	COUNCIL MEMBER MOYA: Thank you Chairman.						
4	I just really want to express how upset I am about						
5	how quickly this came to the floor, to a vote without						
6	the proper process here. These are big decisions tha						
7	we have to make and they're never easy, some of this						
8	needed to have much further discussion but to me when						
9	we have a developer that has been clearly a bad actor						
10	when it comes to good jobs I also think that it is						
11	our role to protect workers and create housing and						
12	not sacrifice one for the other and for that reason :						
13	will be voting no on LU						
14	CHAIRPERSON DROMM: On all others you're						
15	aye, right.						
16	COUNCIL MEMBER MOYA: Yes, correct.						
17	COMMITTEE CLERK MARTIN: Powers?						
18	COUNCIL MEMBER POWERS: Permission to						
19	explain my vote?						
20	CHAIRPERSON DROMM: Yes, sir.						
21	COUNCIL MEMBER POWERS: I'll fill in						
22	myself with prior comments from other colleagues						
23	which is that while some of this is I agree with						
24	and I also agree with, with the with Council Member						
25	Moya around the, the process and the expedition of,						

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2	of having to, to make a decision on this and, you							
3	know coming to some, some of the details to it as we							
4	are approaching the vote and, and certainly							
5	disappointed that Phipps wouldn't be here either,							
6	certainly other applicants are here to talk about							
7	their application and their record and we heard a							
8	substantial amount of people who are effected by, by							
9	not this application maybe particularly or, or maybe							
10	but certainly by activities in other parts of the							
11	city. The… you know it's, it's, it's disappointing							
12	to, to continue to hear about the bad behavior							
13	throughout the city or near my district and around							
14	the city. I certainly understand these applications							
15	and for the local member too are difficult and we are							
16	talking about things like affordable housing, so I							
17	share, you know the concern and the comments of my							
18	colleagues as well. Thank you.							
19	COMMITTEE CLERK MARTIN: Gibson?							
20	COUNCIL MEMBER GIBSON: Permission to							
21	explain my vote?							
22	CHAIRPERSON DROMM: Yes, ma'am.							
23	COUNCIL MEMBER GIBSON: Thank you so							
24	much. So, I am going to be voting aye on all with the							

exception of Land Use 99, the Rockaway Village

application before the committee and certainly I echo
the sentiments of the Chair and my Bronx colleague,
Council Member Cohen and understanding the lengthy
deliberate process that we've unfortunately been a
part of as a Bronx delegation with Phipps Houses.
Over the past year this stemmed from a development
from Bronx County so I feel compelled to speak up on
it and certainly I understand the process as someone
who went through a rezoning for three years but as a
member of this city council certainly always hearing
from my colleagues about issues within their district
where they need my support or my opposition is very
important and so I do want to make sure that moving
forward all of our colleagues understand that we
should not be told the day that there's a vote on the
agenda where many of our, our members stand and I
don't accept that and I don't operate like that and I
don't expect anyone else to operate like that and
when you talk about supporting working families and
members of the union and giving them sufficient wages
where they can live as someone who faces a saturation
of shelters and many other supportive housing needs
in my district it's always important to make sure
that our members, our constituents are a part of the

development of real affordable housing and while I
appreciate all of the work that's been done in the
Rockaways and I know what that district has faced
post Sandy and there is a lot of work that needs to
be done and I do think that this project will make an
impact and will make a, a difference but where we are
in this committee I cannot support this right now and
I will take the next few hours to think about it as
we prepare for stated but certainly want to call out
Phipps once again and their leader for not coming to
a resolution on Courtlandt Corners, it's unacceptable
that we still have that project in limbo with workers
that are affected and we have to hear about every day
stories of what workers go through and yet Phipps
continues to work with the city on other housing
projects as if we're not going to continue to call
them out for their practices, it's not right, it's
not acceptable and in a city of millions and millions
of people that need quality affordable housing we
want the right neighbors at the table and as of this
date Phipps is not a good neighbor and they need to
be a better neighbor and so I hope that if they're
not here they're listening we are calling them out as
a Bronx delegation that we want them to come to the

table and find a resolution with 32 BJ. We are over a year, a year talking about this issue and yet we have no resolution, so I would say to HPD and everyone else help us so that we can get to a conclusion on this matter, so we can move forward so with that I am abstaining, I will not vote on Rockaway Village and I will be voting aye on all the rest of the agenda.

CHAIRPERSON DROMM: And I just want to echo your...

[applause]

Thank you, Mr. Chair.

your concerns also, this was not brought to my attention that there was a... that there was no understanding on this, no agreement on this until about 2:30 yesterday afternoon when I began to try to find out more information about it so I am also very upset about that process as well and my former protest was to remove my name as the sponsor of the legislation to show that I am not happy about this situation. Please continue with the... with the roll call.

COMMITTEE CLERK MARTIN: Cumbo?

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2	COUNCIL MEMBER CUMBO: Council Member
3	Gibson really said everything that I would have ever
4	wanted to say so if I were to give a speech it would
5	just be a repeat of what Council Member Gibson has
6	stated. I would just add that I'm also very
7	disappointed that Phipps did not come here to face
8	the workers and to face the council to bring further
9	clarity to this particular situation and I think that
10	they have taken our support ultimately for granted
11	and I, I feel that they should come here and they
12	should face the council and they should man up and
13	woman up and look the workers in the eye and look at
14	the members directly in the eye. I also want to state
15	that I have a tremendous amount of respect for
16	Council Member Donovan Richards and so all of this
17	puts this the way this was rushed through, the way
18	protocol was not followed this puts everyone in a
19	horrible situation, wanting to be supportive of a
20	member who's worked tirelessly to build a rebuild
21	the Rockaways and to have a tremendous amount of
22	support there but the way this was brought forward is
23	just something that I too will need the next few
24	hours between now and stated to talk with my
25	colleagues and government to think about this and to

2 make a decision at stated so I too will be abstaining 3 from LU 99 at this time. Thank you.

CHAIRPERSON DROMM: Thank you.

COMMITTEE CLERK MARTIN: Grodenchik?

very much, I too want to join with the rest of my colleagues in seeing how I am disturbed that this matter has gotten to this point. I do know that the great work that Donovan Richards has done in his district is a district that was suffering long before Sandy and he has performed several small miracles down there in the Rockaways, his end of the Rockaways is beginning to move forward and while I am troubled I am going to vote to move this out of Land Use... out of Finance right now so I am aye on all except for Resolution 360 so that's a no.

COMMITTEE CLERK MARTIN: All items on today's Finance agenda have been adopted by a vote of ten in the affirmative, zero in the negative, no abstentions with the exception of the following bills; Resolution 36 is adopted by the committee eight in the affirmative, two in the negative, no abstentions and Land Use Item 99 which is adopted by

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the co	nmittee	seven	in	the	affirmative,	one	in	the
negati	ve and	two ab	ste	ntion	ns.			

CHAIRPERSON DROMM: Okay, thank you Billy Martin and with that this meeting is adjourned at 11 a.m. in the morning.

[gavel]

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

<u>June</u> 15, 2018