

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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August 8, 2017  
Start: 10:38 a.m.  
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HELD AT: Committee Room - City Hall

B E F O R E: JULISSA FERRERAS-COPELAND  
Chairperson

COUNCIL MEMBERS: Ydanis A. Rodriguez  
James G. Van Bramer  
Vanessa L. Gibson  
Robert E. Cornegy, Jr.  
Laurie A. Cumbo  
Corey D. Johnson  
Mark Levine  
I. Daneek Miller  
Helen K. Rosenthal  
Steven Matteo

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

Michael Hyman, First Deputy Commissioner  
NYC Department of Finance

Zal Kumar, Senior Legal Advisor and Director  
Business Tax Services  
NYC Department of Finance

Samara Karasyk Assistant Commissioner  
External Affairs  
NYC Department of Finance

Olivia Meyer

Belinda Liu, Staff Attorney  
Foreclosure Prevention Project  
Mobilization for Justice

2 [sound check, pause]

3 CHAIRPERSON FERRERAS-COPELAND: Good  
4 morning and thank you for your patience. Pardon my  
5 delay. I was caught up in another meeting. I am  
6 Julissa Ferreras, Finance Chair Committee. Whoo.  
7 Committee meeting—Committee Chair. I'd like to first  
8 acknowledge the members of our committee who have  
9 joined us, Council Members Johnson, Levine, Cornegy  
10 and Minority Leader Matteo. I would also like to  
11 welcome back the Finance Counsel Rebecca Chasen from  
12 her maternity leave. Welcome back. Today, the  
13 committee will be hearing two bills, the first a  
14 preconsidered introduction introducing—introduced by  
15 request of the Mayor concerns the levying of a  
16 surcharge on wireless communication services. Since  
17 2002, the city has imposed a monthly 30 cent  
18 surcharge on wireless communication services  
19 providing revenue that goes to support the operations  
20 of Public Safety Communications Network serving the  
21 city. This years State Budget included a new  
22 provision that requires the Council to enact new  
23 legislation to extend the current surcharge as well  
24 as the levy on a new 30 cent surcharge on a pre-paid  
25 wire-on any pre-paid wireless communication service.

2 The state, not the city, will now administer the  
3 surcharge, but the city will continue to use these  
4 funds for public safety communications purposes.  
5 Finally, I would not that OMB assumed the  
6 continuation of the current surcharge in Fiscal 18  
7 Adopted Budget Fiscal Plan. If the city elects not  
8 to adopt the new legislation, Council Finance  
9 eliminates—estimates that there will be a shortfall  
10 of \$11.1 million in Fiscal 2018's Budget.

11           The second bill the committee will  
12 consider this morning is a preconsidered introduction  
13 sponsored by Council Member Deutsch that would  
14 increase the maximum qualifying income for the Senior  
15 Citizens Homeowners' Exemption and the Disabled  
16 Homeowners' Exemption otherwise known as SCHE and  
17 DHE. Okay. Both SCHE and DE hare property tax  
18 exemptions that operate by exempting a percentage of  
19 a property's assessed value from taxation.

20 Currently, seniors and people with disabilities are  
21 eligible to receive a tax exemption if the combined  
22 income of all property owners is less than \$37,000 a  
23 year. The threshold has not been increased since it  
24 was set in 2006 even as property taxes and inflation  
25 have continued to rise. Pursuant to a state bill

2 signed into law at the end of the July the city is  
3 now authorized to pass a Local Law to increase the  
4 income eligibility thresholds to \$58,000 thereby  
5 providing benefits to thousands more—thousands more  
6 seniors and people with disabilities. Okay. Thank  
7 you. We will now hear from Michael Hyman, First  
8 Deputy Commissioner of the Department of Finance and  
9 Val Kumar, Senior Legal Advisor Tax Policy Planning  
10 after my Counsel swears you both in. [pause]

11 MICHAEL HYMAN: Yes, I do swear. Good  
12 morning.

13 LEGAL COUNSEL: Oh, I just need to swear  
14 you in.

15 MICHAEL HYMAN: So, I'm going to give--

16 LEGAL COUNSEL: Uh, I just need to--

17 CHAIRPERSON FERRERAS-COPELAND: [off mic]  
18 He needs to swear you in.

19 MICHAEL HYMAN: I'm sorry.

20 CHAIRPERSON FERRERAS-COPELAND: [off mic]  
21 We—we—yes.

22 MICHAEL HYMAN: Okay,

23 LEGAL COUNSEL: Do you affirm to tell the  
24 truth, the whole truth, and nothing but the truth in  
25

2 your testimony before the committee today, and to  
3 respond honestly to Council Member questions?

4           MICHAEL HYMAN: Yes. Thank you. So, I'm  
5 going to do the testimony on SCHE and DHE income  
6 sealing increase and Zal Kumar will do the wireless  
7 surcharge. Good morning, Chair Ferreras-Copeland  
8 and members of the Committee on Finance. I am Michael  
9 Hyman, First Deputy Commissioner at the New York City  
10 Department of Finance. With me today is Samara  
11 Karasyk Assistant Commissioner of External Affairs  
12 and Zal Kumar, Direct of Business Tax Services at the  
13 Department of Finance. The Department of Finance  
14 supports Preconsidered Intro 6474, legislation that  
15 will allow the city to increase the income  
16 eligibility ceiling from \$37,399 to \$58,399 for the  
17 Senior Citizen and Disabled Homeowner Exemption  
18 Programs, which were recently rebranded as the New  
19 York City Tax Break for Homeowners. The city of New  
20 York offers property tax relief through our property  
21 tax exemption programs. Many low-income seniors and  
22 others lived on a—living on a fixed income have  
23 difficulty living in New York because of the high  
24 cost of housing including property taxes. These  
25 property tax exemption help people stay in their

2 homes. Currently SCHE and DHE provide a property tax  
3 exemption of 50% of DOF's, Department of Finance's  
4 assessed value for senior and disabled homeowners  
5 earning \$29,000 per year while homeowners making up to  
6 \$37,399 receive—receive a small percentage exemption  
7 on a sliding scale. Under this legislation, Senior  
8 and disabled homeowners making up to \$50,000 would be  
9 eligible for the 50% exemption while homeowners  
10 making to \$59--\$58,399 receive a—receiving a smaller  
11 exemption on a sliding scale. DOF estimates that  
12 35,000 homeowners will benefit from the higher income  
13 ceiling. Approximately 26,000 homeowners will  
14 qualify for SCHE for the first time an additional  
15 6,200 will receive enhanced benefits. We estimate  
16 that 2,500 household qualify for DHE for the first  
17 time and an additional 500 will receive enhanced  
18 benefits. The overall average benefit produced by  
19 this legislation will be \$1,750 per year—per  
20 property. Sorry. That's annual. The chart below  
21 details a new sliding scale for SCHE/DHE exemptions.  
22 I'm not going to go through the details, which are  
23 basically each bracket is increasing by \$21,000. So  
24 the \$29,000 goes up to \$50,000 and then the sliding  
25 scale is up by \$21,000. Thank City Council's support

2 this past year, DOF conducted a SCHE/DHE renewal  
3 process for the first time in more than a decade.

4 While we have processed all renewal applications that  
5 were received on time, we are still receiving  
6 applications and processing them as they come in.

7 DOF sent out approximately 57,000 renewal  
8 applications, 52,000 for SCHE and 5,000 for DHE last  
9 fall. Many homeowners completed the renewal process,  
10 but lost their exemption due to the income

11 ineligibility or saw a decrease in the exemption  
12 amount due to income. This legislation will allow

13 the city to grant the exemption to \$4,000 homeowners  
14 who were denied the benefit because of their income.

15 DOF is planning an aggressive outreach strategy that  
16 all who are eligible apply for the exemption. We

17 will offer in-person assistance at our business

18 centers in all five boroughs. We understand that

19 there are times when applicants need to communicate  
20 information about their financial and living

21 situations that require direct contact with DOF. We

22 will also partner with our sister agencies, the

23 Mayor's Office, elected officials, community groups

24 and advocates to ensure that the city is reaching out

25 to all stakeholders who work with seniors and people



2 with disabilities to raise awareness of the  
3 exemption. We plan to use every tool at our disposal  
4 to publicize the enhanced tax, the Homeowner Program,  
5 and to use this change to advertise the program  
6 overall. As always we look forward to working with  
7 City Council members to organize local outreach  
8 events and hope to hear from members soon to start  
9 planning. The city supports the legislation and is  
10 committed to ensuring that seniors and people with  
11 disabilities who live on limited means are able to  
12 remain in their homes. Now, Zal Kumar will give  
13 testimony on the Wireless Surcharge bill.

14           ZAL KUMAR: Good morning Chair Ferreras-  
15 Copeland and members of the Committee on Finance. I  
16 am Zal Kumar, Director of Business Tax Services for  
17 the New York City Department of Finance, and with me  
18 today, as you know is Samara Karasyk our Assistant  
19 Commissioner for External Affairs. The Department of  
20 Finance supports Preconsidered-Preconsidered Intro  
21 6461, legislation that will allow the City of New  
22 York to impose a surcharge on the retail sale of  
23 prepaid wireless services, and continue the surcharge  
24 on wireless communication services. The City of New  
25 York imposes surcharges on landline, Voiceover

2 Internet Protocol and wireless communication services  
3 to support the enhanced 911 emergency telephone  
4 system also known as E911. The existing wireless  
5 communication surcharge, which appears as a 30 cent  
6 fee on New Yorkers' monthly cell phone bills  
7 generates approximately \$20 million for New York  
8 City's E911 system each year. The New York State  
9 Fiscal Year 2018 Enacted Budget adopted in April  
10 2017, stipulates that prepaid wireless communication  
11 services can now be subject to a 30 center per sale  
12 surcharge as well. We support this change and expect  
13 that it will generate \$200,000 annually for the  
14 city's E911 system. The Fiscal Year 2018 Enacted  
15 Budget also shifts administration of the wireless  
16 communication surcharge from the city to the state.  
17 As a result, we will receive the proceeds via wire  
18 transfer into the city's Central Treasury. This  
19 change was adopted as an efficiency measure as the  
20 state collects the surcharge for all counties through  
21 New York—throughout New York State, but are outside  
22 the city. As part of the change, the existing  
23 authorization for the Wireless Communication  
24 Surcharge was given a repeal date of December 1,  
25 2017. The city must now adopt a local law to

2 authorize the surcharges and thereby maintain the  
3 existing wireless communication surcharge and ensure  
4 a seamless transition for wireless customers. The  
5 city of New York supports this bill to treat prepaid  
6 and other wireless communication services  
7 consistently, ensure continuity with the existing  
8 surcharge and continue to raise much needed revenue  
9 for the E911 system. I'm happy to take any questions  
10 the committee may have.

11 CHAIRPERSON FERRERAS-COPELAND: Thank you  
12 very much for your testimony. I'm going to go—I'm  
13 going to ask a couple of questions on the surcharge  
14 bill and then we'll go to SCHE and DHE. The—  
15 approximately how many New Yorkers would be impacted  
16 by this new charge on a monthly basis do you assume?

17 ZAL KUMAR: We don't have that data at  
18 this time. We pulled our estimate from the State  
19 Financial Plan, and that's something we will follow  
20 up on after the hearing.

21 CHAIRPERSON FERRERAS-COPELAND: Okay. So  
22 can you get that to the committee when you are able  
23 to get that information?

24 ZAL KUMAR: Yes.

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2 CHAIRPERSON FERRERAS-COPELAND: Can-well,  
3 I think we both got lower. Can you get me that  
4 information once you have it in the agency for the  
5 committee?

6 ZAL KUMAR: Absolutely.

7 CHAIRPERSON FERRERAS-COPELAND: And on  
8 average how many times per year do pre-paid wireless  
9 customers purchase the service? Do you have that  
10 data yet?

11 ZAL KUMAR: Again, we will have to follow  
12 up with you afterwards.

13 CHAIRPERSON FERRERAS-COPELAND: Okay, and  
14 what do you estimate will the be the average yearly  
15 cost of the new surcharge for pre-paid customer? And  
16 do you know-this came up actually amongst council  
17 members and I just wanted to see if we can get this  
18 on the-on the record. When we talk about  
19 international pre-paid cards like a lot of families  
20 especially in immigrant homes purchase the card  
21 because it's cheaper than having a plan. Would this  
22 surcharge also apply to those cards that sometimes  
23 are, you know, \$2.00 and it gives you a certain  
24 amount of minutes to be able to call internationally.

25

2 ZAL KUMAR: It would apply to all pre-  
3 paid wireless communication services whether it's for  
4 international or for domestic.

5 CHAIRPERSON FERRERAS-COPELAND: Okay, so  
6 if we could just get clarity on that actual card as  
7 opposed to minutes that you're adding to a phone.  
8 This is minutes that you would use to call from a  
9 phone, a random phone. So, it's not exactly cell  
10 phone use. It's phone use.

11 ZAL KUMAR: Right. Well, if it's not cell  
12 phone use, it wouldn't end up in a surcharge.

13 CHAIRPERSON FERRERAS-COPELAND: I just  
14 want you to confirm that for me. Okay, thank you.  
15 And by law the money collected from the wireless  
16 surcharge may only be used for public safety. As you  
17 mentioned, communication as you mentioned in your  
18 testimony can you provide the committee with a  
19 detailed breakdown of how these funds are spent or  
20 how they've been spent. If you don't have that now,  
21 if you can provide that for the committee so that we  
22 can follow. Since we've had this surcharge added to-

23 -

24 ZAL KUMAR: [interposing] Okay.

25

2 CHAIRPERSON FERRERAS-COPELAND: --the  
3 phone bills, this is where it's gone and how it's  
4 been used. So, I'm going to wrap up my questions on  
5 this portion. I-I first want to--you guys did an  
6 amazing job, as you know, with SCRIE. I feel like  
7 last year aw all SCRIE and DRIE, the last couple of  
8 years and now we're onto helping improve SCHE and  
9 DHE. We say D-HE, DHE? That's the problem. One  
10 thing you did with SCRIE and DRIE was rebrand it, and  
11 it's called the Rent Freeze. Can we think about an  
12 opportunity doing something similar to SCHE and DHE  
13 or DHE or SCHE or whatever? We have rebranded it.  
14 I'm so glad.

15 SAMARA KARASYK: Oh, wow.

16 CHAIRPERSON FERRERAS-COPELAND: It's  
17 awful then because I don't know it.

18 SAMARA KARASYK: Yes, we--we're just--we--we  
19 need to start developing more new materials around it  
20 but we have a logo. It's up on our website. It's  
21 called the New York City Tax Break for Homeowners,  
22 and for the record, this Samara Karasyk, Assistant  
23 Commissioner of External Affairs.

24 CHAIRPERSON FERRERAS-COPELAND: Okay.  
25 So, it's called the--?

2 SAMARA KARASYK: New York City Tax Break  
3 for Homeowners, and like the Rent Freeze Program, we  
4 have like a little round logo. It's got a picture of  
5 a house in it. I'll send you guys the link.

6 CHAIRPERSON FERRERAS-COPELAND: So, will  
7 everything like our Veteran's taxes will everything  
8 be under that umbrella or is it just for--?

9 SAMARA KARASYK: It will be for personal  
10 homeowner's exemptions. So that's going to be SCHE,  
11 DHE Veterans. Yes, everything.

12 CHAIRPERSON FERRERAS-COPELAND: Oh, that's  
13 much better than trying to explain to a senior that  
14 they can apply for SCHE. So, if the income  
15 eligibility threshold were increased to \$58--\$58,400,  
16 how many more households do you estimate would be  
17 eligible for the exemption?

18 MICHAEL HYMAN: Well, as I said in my  
19 testimony, it will be \$35,000 new households in  
20 total. Mostly it will be the 50%. \$26,000 that's  
21 SCHE?

22 SAMARA KARASYK: Uh-hm.

23 MICHAEL HYMAN: \$26,000 SCHE. We'll get  
24 the full--be new to the program and 61, 64 will  
25 receive the enhanced benefit. So there are people

2 who are in the sliding scale who now will probably go  
3 to 50% and in addition under DHE we have 3,031  
4 additional beneficiaries. So the total is 35,000.  
5 As I said, the average benefit for the full  
6 population is \$1,750

7 CHAIRPERSON FERRERAS-COPELAND: \$1,750.

8 Okay, and how many households do you send renewal  
9 notices because I know that we—you just started this  
10 process. We had a little bit of hiccups with  
11 families that may have know that they needed to  
12 renew. So on and so forth. How many households did  
13 you send renewal notices to, and how many have—have  
14 responded?

15 MICHAEL HYMAN: Well, we sent notices to  
16 57,000 households. The response rate I believe was  
17 40,000. Yeah, 40,000 have responded. You know, we  
18 have—so, that means that well, 16,000 did not  
19 respond, but sent them three notices. We sent them a  
20 notice actually after the final roll as another  
21 opportunity. I have to say when we look at matches  
22 against—so we've done third-party data matches like  
23 with personal income death files. We believe a good  
24 portion of them are no longer eligible for the  
25 program.



2 CHAIRPERSON FERRERAS-COPELAND: Okay.

3 MICHAEL HYMAN: So, this ill bring in a  
4 new group of population with the higher income  
5 ceiling, and we are about to do a mailing to what-You  
6 know, we did projections using personal income data  
7 who may be eligible we're actually going to mail to  
8 each of those households saying we think-we believe  
9 we you may be eligible and encourage people to apply  
10 for it.

11 CHAIRPERSON FERRERAS-COPELAND: And-and  
12 how many of those that did respond how many them  
13 qualified?

14 MICHAEL HYMAN: I think that-just to give  
15 you the people who didn't qualify it was 7,000. So,  
16 that by subtraction would be 33,000. So, we're  
17 saying 7,000 were denied and of the 7,000, 4,000 were  
18 denied because of income and will now be eligible.  
19 So, we're going to automatically give the benefit to  
20 the 4,000 that are in this income range that we're  
21 now increasing.

22 CHAIRPERSON FERRERAS-COPELAND: So,  
23 they're going to get a letter from you saying you now  
24 qualify?

25 MICHAEL HYMAN: Right.

2 CHAIRPERSON FERRERAS-COPELAND: That's a  
3 nice letter from you. Great and then the 3,000 that  
4 did not qualify—right, 3,000 that did not qualify was  
5 it just based on income or is it like incomplete  
6 information or...?

7 MICHAEL HYMAN: It could be various  
8 things. I mean it could be age, it could be, you  
9 know, primary residency. It could be a combination  
10 of factors. Income would be one but the 4,000 are  
11 the ones where the income will solve the problem for  
12 them.

13 CHAIRPERSON FERRERAS-COPELAND: Okay, and  
14 looking at the pool of the people who have not  
15 responded, I know that you said a portion of them  
16 because you've kind of cross checked them out. Do  
17 you think that there is a population that might just  
18 not know or understand, or—what—what do you think  
19 that population is that we—that we as council members  
20 need to do, maybe can help you with?

21 MICHAEL HYMAN: Well, I think we think  
22 that the majority of them don't qualify.

23 CHAIRPERSON FERRERAS-COPELAND: Okay.

24 MICHAEL HYMAN: In some instances—  
25 sometimes it's a situation, you know, unfortunately

2 we did go I think as we've testified in other  
3 hearings that we did go through a period where we  
4 didn't do the renewals. So, we're finding that often  
5 there's like property ownership changes, and the  
6 people who got the exemption are no longer the  
7 owners. Fr the subset where we don't—we're looking a  
8 little—I would say three-quarters of the population  
9 fall into the bucket of either the—the person  
10 receiving the benefit is deceased or there's been a  
11 property ownership change or the income is higher  
12 than even the \$57,400.

13 SAMARA KARASYK: That's right.

14 MICHAEL HYMAN: So the rest of the  
15 applicants (sic) we're looking more closely, but the  
16 bulk of them we don't believe they're eligible.

17 CHAIRPERSON FERRERAS-COPELAND: Okay, and  
18 what—just, you know, because people actually do watch  
19 these hearings, maybe at 2:00 in the morning, but  
20 they watch them. Can you just say what the process  
21 is if someone is watching and they would be  
22 interested in saying oh, I qualify now because the  
23 newest piece of legislation. Where should they go  
24 and what should they do?

25 MICHAEL HYMAN: [off mic] Samara.

2                   SAMARA KARASYK: Sure. So, once the  
3 legislation hopefully it will pass and then the Mayor  
4 will sign it. So, once it is signed into law, we  
5 will have a special stand-alone application for this  
6 because people that apply and qualify for the  
7 enhanced benefit this fiscal year will get the  
8 benefit this fiscal year back to July 1<sup>st</sup> of 2017.  
9 So, the first thing I'd say is it's really important  
10 that people submit this special stand-alone  
11 application because if they submit the regular  
12 application they won't get it until the next fiscal  
13 year if they qualify. We will have that available as  
14 soon as the bill goes into effect. People can get it  
15 by calling 311, but the other thing I would say is  
16 for anybody that didn't renew and believes they  
17 qualify under the new income range, we are still  
18 accepting renewal applications. So, if somebody's  
19 household income is \$50,000 and they didn't renew  
20 because they thought that they weren't going to  
21 qualify, they should still submit their renewal and  
22 we will process that renewal. At some point we're  
23 going to stop, but like today right now if somebody  
24 is watching this and they want to submit their

2 renewal application and they thing they qualify, we  
3 encourage them to do so.

4           CHAIRPERSON FERRERAS-COPELAND: Okay,  
5 when we were discussing the Veterans Tax Exemption,  
6 one of the things that we had mentioned was the  
7 opportunity when people are at closing to kind of  
8 have almost like a checklist of things that they can  
9 qualify for. I would think and I know that we were—  
10 we're supposed to be following up on that, and just  
11 looking at what opportunities. Because I know you're  
12 either writing a check for your agency, right, to pay  
13 your—the taxes or whatever the differences are. It  
14 just seems like an opportunity to let people know  
15 about their tax exemptions, and I would think that  
16 this is another one that we should probably add to  
17 that checklist.

18           MICHAEL HYMAN: No, I agree and, in fact,  
19 we're working on a program. One of our concerns for  
20 giving people information for things like the tax  
21 exemption program, but also to make sure we have  
22 correct contact information since at the closing  
23 often the title companies are still filling out the  
24 forms. We're trying to develop a program that we do  
25 outreach to the new owners to (a) provide welcome to

2 New York City information, which could be the tax-  
3 exemption program, but also to verify have them update  
4 any contact information so that we make sure they  
5 don't miss any communication from us. So, part of it  
6 will be to inform them of programs and how they apply  
7 for it and all the eligibility criteria.

8 CHAIRPERSON FERRERAS-COPELAND: I love  
9 that. I think that that's the right thing to do, a  
10 nice welcome to New York package full of information.  
11 We have additional questions, but I'm just gong to—I  
12 know that, you know, we're running really late and I  
13 don't want to keep you guys any longer and we have  
14 others that want to testify. I just wanted to make  
15 sure that we're going to be sending you additional  
16 questions. If you can get them back to me I'd really  
17 appreciate it. Thank you. Thank you for coming to  
18 testify today.

19 SAMARA KARASYK: Thank you.

20 MICHAEL HYMAN: Thank you.

21 CHAIRPERSON FERRERAS-COPELAND: And we're  
22 going to call up the next panel.

23 LEGAL COUNSEL: The next panel will be  
24 Belinda Liu and Olivia Meyer.

2 CHAIRPERSON FERRERAS-COPELAND: If  
3 there's anyone else here that wants to testify,  
4 please be sure to fill out a slip with the sergeant-  
5 at-arms. So, right now this is our last panel. So,  
6 if you want to testify, please be sure to fill out  
7 your slip with the sergeant-at-arms. Alright and we  
8 were joined by Council Member Gibson and Council  
9 Member Rodriguez.

10 OLIVIA MEYER: Good morning. Good  
11 morning and thank you to Chair Ferreras-Copeland and  
12 committee members for the opportunity to testify  
13 today. My name is Olivia Meyer, and I'm here to  
14 offer testimony in favor of preconsidered  
15 introduction 6474 on behalf of the New York City  
16 Veterans Alliance, a member supported grassroots  
17 policy initiative and empowerment organization  
18 serving veterans, service members and their families  
19 across the New York City Metropolitan area.  
20 Affordable housing a top priority for our membership  
21 and like other New Yorkers, veterans and their  
22 families are struggling to find affordable housing as  
23 young veterans returning to New York City to use  
24 their GI Bill educational benefits while attending  
25 one of our world class colleges and universities. Or

2 as retired veterans live on fixed income, many of  
3 them suffering from wounds and illnesses directly  
4 connected to their service to our nation. We've  
5 heard from veterans and families about the  
6 discrimination they face from landlords based on  
7 their real or perceived disability status or because  
8 of their service as a member of the guard or  
9 Reserves. (coughing) And we are proud that the  
10 Council announced—addressed that discrimination with  
11 the unanimous passage of Intro 1259 last June. We  
12 further urge this Council to make changes wherever  
13 permissible to keep veterans and families in their  
14 homes whether it be through the tax exemption for  
15 veteran homeowners also adopted by the Council this  
16 year or now the important raising of the eligible  
17 income threshold for disabled and senior citizen  
18 homeowners qualifying for a property tax exemption  
19 under this preconsidered introduction. It is vital  
20 that the city's Administrative Code keep up with the  
21 rising cost of living for our most vulnerable New  
22 Yorkers and to provide tax relief wherever possible  
23 so we can keep those who have worked and struggled  
24 and given of themselves to make our great city great,  
25 are able to remain stable in their homes. Raising



2 this threshold will qualify many aging and disabled  
3 veterans and their families or needed tax relief  
4 easing their financial burden and making it more  
5 possible for them to remain stable in their homes and  
6 in the city they've served and sacrificed for. We  
7 urge this committee to adopt this needed change and  
8 to continue their work making housing more affordable  
9 for all who worked to make the city great. On behalf  
10 of New York City Veterans Alliance, I thank you for  
11 this opportunity to testify today. Pending your  
12 questions, this concludes my testimony. Thank you.

13 BELINDA LIU: Good morning Chairman  
14 Ferreras-Copeland and member of the Committee on  
15 Finance. My name is Belinda Liu. I'm a staff  
16 attorney at Mobilization for Justice formerly NFY  
17 Legal Services. I'm a staff attorney in the  
18 Foreclosure Prevention Project. As an organization  
19 dedicated to preserving New York communities,  
20 Mobilization for Justice commends the Council for  
21 examining the city's effort—efforts to increase  
22 protections for senior citizens and disabled  
23 homeowner. Mobilization for Justice strongly  
24 supports the Council's proposal to increase the  
25 eligible income threshold for both the Senior Citizen

2 Homeowner Exemption and the Disabled Homeowner  
3 Exemption. The proposed increases will preserve  
4 homeownership for a greater number of New York's  
5 senior citizens and persons with disabilities and as  
6 a result stabilize and preserve the communities where  
7 they live. Today, I'd like to highlight the recent  
8 experience of our senior citizen clients, Mrs. J to  
9 demonstrate the need for the Council's proposed  
10 changes. Mrs. J has owned her home in the Bedford-  
11 Stuyvesant neighborhood of Brooklyn for over 30  
12 years. Unfortunately when her husband lost his job a  
13 few years ago, Mrs. J fell behind on her mortgage  
14 payments Mobilization for Justice currently  
15 represents Mrs. J in a foreclosure action that was  
16 filed against her. A recent widow and disabled, Mrs.  
17 J relies on rental income from two units in her  
18 property and her Social Security benefits to manage  
19 her living expenses. Altogether her gross annual  
20 income currently is about \$43,000. Given the rapid  
21 gentrification in Bedford Stuyvesant, the market  
22 value of Mrs. J's home, which she shares with two of  
23 her grandchildren in addition to her tenants, has  
24 skyrocketed in recent years. This would be a  
25 fortunate development if Mrs. J was interested in

2 selling her home. However, this is not the case. In  
3 fact, Mrs. J sought our assistance specifically  
4 because she is determined to keep her home of over 30  
5 years as a stable residence for her and her family.  
6 However, the increasing property valuation has caused  
7 her property tax obligations to increase as well.  
8 Meanwhile, Mrs. J's already fixed income recently  
9 decreased dramatically when her husband passed away  
10 making it increasingly burdensome for her to keep up  
11 with her property taxes. Under the current version  
12 of Section 11.245.3, Mrs. J did not qualify for the  
13 exemption. Under the proposed amendments, however,  
14 she would qualify for a 45% exemption. This would  
15 result in a lower quarterly property tax payment and  
16 subsequently allow Mrs. J to keep up with her living  
17 expenses and to afford a modify mortgage payment.  
18 The Council's proposal to increase the income  
19 threshold for SCHE is particularly valuable for  
20 senior citizen homeowners with reverse mortgages.  
21 Reverse mortgages allow senior citizen homeowners to  
22 continue living in their homes without a mortgage  
23 payment by allowing them to draw on their equity each  
24 month. However, most reverse mortgage contracts  
25 require the homeowner to remain current on their

2 property taxes. Failure to keep up with the property  
3 taxes is considered an automatic default on their  
4 reverse mortgage and often forms the basic for a  
5 reverse mortgage foreclosure lawsuit. As a result,  
6 rapidly increasing property taxes put senior citizens  
7 with reverse mortgages at a heightened risk of  
8 foreclosure. The risk is particularly accentuated  
9 because most seniors rely on fixed income and those  
10 sources of income do not account for exponentially-  
11 for exponential property tax increases even with  
12 period cost of living adjustments. Again,  
13 Mobilization for Justice commends the Council for  
14 recognizing the importance of protecting senior and  
15 disabled homeowners with extended property tax  
16 exemptions and ensuring that they can remain in their  
17 homes and in their communities. Thank you again for  
18 holding today's hearing, and for considering this  
19 important issue.

20 CHAIRPERSON FERRERAS-COPELAND: Thank you  
21 very much. So, we're going to follow up on the  
22 reverse mortgage point that you brought up. It's-you  
23 know, actually we didn't know that that was the  
24 reality. So, both Counsels will be following up with  
25 you to see if we can get more information, and we

2 want to see what a legislative remedy might possibly  
3 be.

4 BELINDA LIU: Great.

5 CHAIRPERSON FERRERAS-COPELAND: And also  
6 can you just give me—do you have an example of what  
7 your client would potentially be now saving because  
8 of this piece of legislation?

9 BELINDA LIU: She would qualify for a 45%  
10 exemption. I'm not exactly—I don't know off hand  
11 what her--

12 CHAIRPERSON FERRERAS-COPELAND: 45% of  
13 her current--

14 BELINDA LIU: Of her current obligation.

15 CHAIRPERSON FERRERAS-COPELAND:  
16 Obligation.

17 BELINDA LIU: I'm not sure how much.

18 CHAIRPERSON FERRERAS-COPELAND: And now,  
19 the percentage for veterans, is that after the  
20 veterans tax or how does—how does DOF calculate all  
21 these, you know, potential savings? So, is it—you  
22 know, you get one exemption and then you get the  
23 other one based on what you have left or is on the  
24 entire bill?

2 OLIVIA MEYER: I'm not 100% sure, but  
3 there is a-difference in size. I know that veterans  
4 that don't qualify for veterans tax exemptions at  
5 all.

6 CHAIRPERSON FERRERAS-COPELAND: They  
7 would qualify for this?

8 OLIVER MEYER: So, they-they could  
9 qualify for these.

10 CHAIRPERSON FERRERAS-COPELAND: Okay,  
11 okay, if you could follow up with us--

12 OLIVER MEYER: [interposing] Sure.

13 CHAIRPERSON FERRERAS-COPELAND: --on some  
14 data just because it would help us as we, you know,  
15 process future exemptions and also the population.  
16 So, you know, you would think but sometimes data is  
17 the hardest thing for us to get, or, you know  
18 accurate data or even some anecdotal situations like  
19 you provide are really helpful for us as we legislate  
20 them, you know, moving forward. Alright, well great.  
21 Thank you so very much for coming to testify. It was  
22 very educational for us actually, and I want to just  
23 thank my committee-my committee. I know that they've  
24 been working really hard, the entire Finance Division  
25 and my counsels for today's hearing. With no further

1 COMMITTEE ON FINANCE

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2 questions or members, I will now adjourn this  
3 hearing. Thank you. [gavel] I'm still in the  
4 morning. I just want to say. [laughter]

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C E R T I F I C A T E

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 August 15, 2017