

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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May 29, 2014
Start: 9:47 a.m.
Recess: 9:54 a.m.

HELD AT: Council Chambers
City Hall

B E F O R E:
JULISSA FERRERAS
Chairperson

COUNCIL MEMBERS:

Ydanis A. Rodriguez
James G. Van Bramer
Vanessa L. Gibson
Robert E. Cornegy, Jr.
Laurie E. Cumbo
Corey D. Johnson
I. Daneek Miller
Vincent M. Ignizio

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

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COMMITTEE ON FINANCE

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CHAIRPERSON FERRERAS: 'Kay. Good morning and welcome to today's Finance hearing. My name is Julissa Ferreras and I chair the Finance Committee. We've been joined by Majority Leader Van Bramer, Council Member Cornegy and Minority Leader Vinny Ignizio.

Today we have four items on the agenda; we have two land use items, a transparency resolution and a Preconsidered intro relating to a property tax abatement for property owners who suffered property damage as a result of Superstorm Sandy.

Let's start with the land use items. The first is St. Andrews in Council Member Palma's district in the Bronx. This property, which provides 79 units of affordable housing for low-income seniors is refinancing their mortgage and will need a new Regulatory Agreement with HPD that is... [pause] sorry... with HUD's mortgage. The property's new property tax exemption will be a partial exemption which they will receive for 35 years.

The next land use item is an Open Door Senior Citizens Apartments in Council Member Chin's district in Manhattan. This property, which provides 155 units of affordable housing for low-income

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2 seniors is refinancing their mortgage and will need a
3 new Regulatory Agreement with HPD that is
4 conterminous with the HUD mortgage. The property's
5 new property tax exemption will be a full exemption
6 for which they will receive for 20 years.

7 Both Council Members support the projects
8 and representatives from HPD are here to answer any
9 questions you may have on the land use items.

10 Next we have a transparency resolution.
11 This resolution sets forth new changes in the
12 designation of certain organizations receiving local,
13 aging and youth discretionary funding, as well as new
14 changes in designation of certain organizations
15 receiving funding pursuant to certain initiatives in
16 the budgets. Organizations appearing in the
17 resolutions that have not yet completed the
18 prequalification process conducted by the Mayor's
19 Office of Contract Services, the Council or other
20 entities are identified in the attached charts with
21 an asterisk.

22 As with all transparency resolutions,
23 Council Members will have to sign a disclosure form
24 indicating whether or not a conflict exists with any
25 of these groups in the attached list. If any Council

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2 Member has potential conflict of interest with any of
3 the organizations listed, he or she has the
4 opportunity to disclose the conflict at the time of
5 this vote. [pause] ...my glasses on, sorry. Alright,
6 it looks so much better now.

7 As with the transparency resolution,
8 Council Members will have to sign a disclosure form
9 indicating whether or not the conflict exists, any of
10 the groups of the attached list, if the council
11 member has potential conflicts of interest with any
12 organizations listed, he or she has the opportunity
13 to disclose the conflict at the time of their vote.
14 As a reminder, please disclose any conflicts you may
15 have with proposed subcontractors that are used by
16 organizations sponsored by discretionary funding.
17 This disclosure must be made before the subcontractor
18 can be approved. Jeremy Plofker from the General
19 Counsel's Office can assist you with any questions or
20 concerns regarding the disclosure.

21 Lastly, we have a Preconsidered intro
22 sponsored by Council Member Ignizio; myself, which
23 provides a partial tax abatement to property owners
24 whose assessed value increased due to repairs to
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2 their property as a result of their severe damage by
3 Superstorm Sandy.

4 For member of the public and my
5 colleagues, I will provide a little background about
6 this property tax abatement and why it's so
7 important.

8 The property tax law protects property
9 owners from large increases in the value of their
10 property; smaller properties have increases in their
11 assessments caps, while larger properties have their
12 changes in valuation phased in over a five-year
13 period, however, these safeguards only apply to
14 changes in valuation due to market forces. In other
15 words, changes due to physical changes in
16 construction are not subject to the protective caps
17 in phase-in. The rationale behind this distinction
18 is that a property owner makes a proactive decision
19 when undertaking physical improvements that raise the
20 value of his or her property and are therefore able
21 to plan for the increase in an assessment that the
22 improvement will cause.

23 On the other hand, increases in valuation
24 due to market conditions are largely outside the
25 control the property owner. For property owners who

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2 suffered property damage by Sandy and subsequently
3 repaired their properties, they will have an increase
4 in their assessed valuation even if the repair is
5 merely restoring the building to its conditions prior
6 to the storm. So this bill will authorize the
7 Department of Finance to provide an abatement that
8 will offset the increase in the property tax
9 attributed to repairs made by Sandy damages on
10 eligible property. A total of 1,684 buildings will
11 receive the abatement; 1,458 of the buildings are
12 one- to three-family homes who will see an estimated
13 average abatement of \$1,077 off their tax bill. It
14 is important to note that the abatement is for one
15 year only and in order to receive the abatement,
16 property owners will have needed to make repairs on
17 their property before January 5th, 2014.

18 To ensure that we capture all property
19 owners who have seen or will see an increase in their
20 assessment as a result of the repairs due to Sandy
21 damage, the Council and the Administration are
22 working together on a solution to make these property
23 owners whole in FY16 and beyond. The Department of
24 Finance is here today and can answer any questions
25 you may have on the bill.

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COMMITTEE ON FINANCE

Before I turn the mic over to the prime sponsor of this legislation, Council Member Ignizio, I want to thank Finance Counsel Tanisha Edwards, Chief Economist Ray Majewski and Property Tax Specialist Edna Ether [sp?] for working on this legislation. I will now turn the mic over to the prime sponsor, Council Member Vinny Ignizio.

COUNCIL MEMBER IGNIZIO: Thank you very much Madame Chairwoman. In the interest of excruciatingly time that we have to go, I ask for unanimous consent if I can vote on all items and thank you to everybody who worked very hard on this and this will help a lot of people in Sandy areas.

CHAIRPERSON FERRERAS: Thank you. Before we call the roll, I wanna remind the Finance colleagues that tomorrow we have to resume Executive Budget hearings. Thank you and Bill, may you... oh... does anybody have any questions? [background comment] No. Okay. Can you call the roll?

COMMITTEE CLERK: William Martin, Committee Clerk, roll call vote Committee on Finance. Council Member Ferreras.

CHAIRPERSON FERRERAS: I vote aye.

COMMITTEE CLERK: Ignizio.

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COMMITTEE ON FINANCE

COUNCIL MEMBER IGNIZIO: Aye. Thank you.

[background comments]

COMMITTEE CLERK: Rodriguez.

COUNCIL MEMBER RODRIGUEZ: Aye.

COMMITTEE CLERK: Van Bramer.

COUNCIL MEMBER VAN BRAMER: Aye.

COMMITTEE CLERK: Cornegy.

COUNCIL MEMBER CORNEGY: Aye.

COMMITTEE CLERK: Johnson.

COUNCIL MEMBER JOHNSON: Aye.

[background comments]

COMMITTEE CLERK: By a vote of 6 in the affirmative, 0 in the negative... [pause] By a vote of 6 in the affirmative, 0 in the negative and no abstentions, all items have been adopted. Members, please sign the Committee Reports. Thank you.

[background comment] The roll will be held open, at request of the Chair.

[pause]

COMMITTEE CLERK: Council Member Miller.

COUNCIL MEMBER MILLER: Vote aye on all.

COMMITTEE CLERK: Gibson.

COUNCIL MEMBER GIBSON: I vote aye on all.

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COMMITTEE ON FINANCE

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[background comments]

COMMITTEE CLERK: Vote now currently stands at 8 in the affirmative.

[pause]

COMMITTEE CLERK: Council Member Cumbo.

[background comments, laughter]

COUNCIL MEMBER CUMBO: Aye on all.

[pause]

COMMITTEE CLERK: Final vote in Committee on Finance is now 9 in the affirmative, 0 in the negative and no abstentions.

[pause]

[background comments]

MALE VOICE: Okay, we have waited the 30 minutes, all have voted and we will bring this meeting to a close, and Tanisha will make it official. [gavel] Bingo. [sic]

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 May 30, 2014