

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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June 2, 2022
Start: 10:19 a.m.
Recess: 11:14 a.m.

HELD AT: Hybrid Hearing, Council Chambers,
City Hall

B E F O R E: Justin L. Brannan, Chair

COUNCIL MEMBERS:

- Diana Ayala
- Charles Barron
- Gale A. Brewer
- Selvena N. Brooks-Powers
- David M. Carr
- Amanda Farias
- Kamillah Hanks
- Crystal Hudson
- Ari Kagan
- Farah N. Louis
- Francisco P. Moya
- Chi A. Ossé
- Keith Powers
- Pierina Ana Sanchez
- Marjorie Velázquez

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

Emre Edev
Director, New York City Council
Department of Finance

Mary Christine Jackman
Treasurer, City of New York

Roxanne Earley
Director, BID Program
NYC Department of Small Business Services

1 <INSERT TITLE OF MEETING>

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2 SERGEANT AT ARMS: Good morning and welcome to
3 today's hybrid city council meeting with the
4 committee on finance. At this time we as a council
5 members or staff turn on the video for verification
6 purposes to minimize disruptions, please cell phones
7 and electronic devices to vibrate or silent. If you
8 have testimony you wish to submit for the record and
9 we do so testimony@council.nyc.gov. We thank you for
10 your cooperation. Chair, we're ready to begin.

11 CHAIRPERSON BRANNAN: Thank you, Sergeant. Let
12 me find something to bang on. [Gavel.]

13 Good morning and welcome to today's Finance
14 Committee. My name is Justin Brannan. I'm the chair
15 of the City Council Finance Committee. Today we have
16 five items on the agenda: a business improvement
17 district bill and four resolutions related to
18 property taxes. So Introduction 103 would authorize
19 an increase in the amount to be expended annually in
20 the Sutphin Boulevard Business Improvement District,
21 an extension of the boundaries of such district, a
22 change in the method of assessment upon which the
23 district charge in such a district is based, and an
24 increase in the maximum total amount to be expended
25 for improvements in such district. This bill would

2 also provide for the dissolution of the 156th Street
3 Mall special assessment district and the dissolution
4 of the Jamaica Center Mall special assessment
5 District, which would all then merge into the Sutphin
6 Boulevard bid.

7 Pursuant to both the charter and the
8 administrative code every year the New York City
9 Banking Commission approves... Uh...

10 Pursuant to both the charter and the
11 administrative code every year, the New York City
12 Banking Commission approves resolutions recommending
13 to the city council propose interest rates for the
14 discount rate for early property tax payment and the
15 rates for non-payment of property taxes. For FY 23.
16 The Banking Commission recommends the following
17 rates: For early payment of real estate taxes a 0.5%
18 discount, for non-payment of property taxes
19 properties with an assessed value of no more than
20 \$250,000, 6% properties with an assessed value of
21 more than \$250,000 but less than \$450,000, 12% and
22 properties with an assessed value of more than
23 \$450,000, 18%. The committee is voting on lower
24 interest rates for the non-payment of property taxes
25 than the banking Commission's recommendations, but

2 the same as the recommended discount rate by the
3 Banking Commission. So those rates are as follows:
4 For the early payment of property taxes, homeowners
5 would get a 0.5% discount. For the non-payment of
6 property taxes properties with an assessed value of
7 no more than \$250,000, 4%, properties with an
8 assessed value of more than \$250,000 but less than
9 \$450,000, 7%, and properties within assessed value of
10 more than \$450,000, 14%.

11 So to be clear, these are less than what the
12 Banking Commission recommended, with the exception of
13 the discount for the early payment, which would be
14 0.5%. The Banking Commission proposed much higher
15 fines or fees for non-payment of property taxes than
16 what we are suggesting and recommending and proposing
17 today.

18 Let's also be clear that these rates are solely
19 for property owners who do not pay their property
20 taxes. Many property owners have their property
21 taxes automatically escrowed each month as part of
22 their mortgage, and they would not be impacted. If
23 we want to help homeowners who are struggling, we
24 need to come up with a targeted plan to help get them
25 relief. Investors who own properties can absorb

2 paying their property taxes late. And if we don't
3 set any type of penalty for nonpayment, they will
4 ultimately be the ones who benefit most, not
5 homeowners. If we want to stay fiscally responsible,
6 we should target relief to the homeowners who need
7 it, and not to the big real estate investors. A
8 great example of a targeted relief for struggling
9 homeowners is a rebate that we're pushing for, which
10 would be \$150 extra dollars directly in the hands of
11 all middle income primary resident homeowners. And
12 unlike the Bloomberg-era rebates, this one would go
13 to homeowners who had fallen behind on their taxes.
14 People who are serious about helping struggling
15 homeowners, they should be crafting and introducing
16 legislation that actually helps these homeowners
17 rather than introducing something that ultimately
18 becomes a giveaway for investors. With that, thank
19 you. I will see are there any questions from members
20 of the committee on today's item.

21 COUNSEL BUTEHORN: Councilmember Hudson has her
22 hand up.

23 CHAIRPERSON BRANNAN: Crystal?
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2 COUNCILMEMBER HUDSON: Thank you, Chair and
3 Malcom. I have a few questions, and I guess, maybe
4 there's a based on your statements just now. Are you
5 saying that the increase... the increase in interest
6 rates are specifically targeting investment... or
7 investment properties or investors and those types of
8 owners, and that, you know, quote unquote struggling
9 homeowners won't be impacted by this?

10 COUNSEL BUTEHORN: And chair, we also have Emre
11 here from the Finance Department, and the Department
12 of Finance on the line, so if you want us to answer
13 some of these questions, we can take... take those
14 for you.

15 CHAIRPERSON BRANNAN: Sure, I would... I would
16 let Emre chime in but... but Councilmember Hudson,
17 it's not only going to target those folks, but the
18 folks that sort of quote-unquote "get away" with
19 paying their property taxes late, and really have no
20 regard for these for these fines are the investors
21 it's not really the homeowners. Most... most
22 homeowners have them paid automatically in escrow.
23 And even that... even so, the council is proposing
24 lower rates than what the Banking Commission...
25 significantly lower rates than what the Banking

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2 Commission proposed, but I can let Emre chime in
3 there for more clarity.

4 ASSISTANT DIRECTOR EDEV: That's correct,
5 Chairman. So the rates would apply equally across
6 the board for all properties, with assessments below
7 \$250,000 regardless of the owner, so it would apply
8 equally to primary resident homeowners, to investment
9 owned properties in that class, and as the Chair
10 mentioned, most mortgages require property taxes paid
11 through escrow, and so those homeowners wouldn't
12 necessarily have the ability to delay payments on
13 their property taxes.

14 COUNCILMEMBER HUDSON: Okay. Ss there a
15 statutory minimum for interest rates for late
16 property taxes? Like are we required to have them at
17 a certain level? I guess the question is like, do we
18 have to increase them over... what, you know, the FY
19 22 amounts?

20 SERGEANT AT ARMS: Time expired.

21 ASSISTANT DIRECTOR EDEV: No, there's no
22 statutory requirement. I'll also defer to the
23 Treasurer, who's here, if she has anything to add to
24 that.

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2 TREASURER JACKMAN: Good morning. The only thing
3 that I would add to that is that these rates were...
4 were proposed in view of the fact that our
5 responsibility is to the city, and the view of the
6 penalty rates -- we're not talking about tax rates,
7 we're talking about the penalty rates -- on payments
8 that are not made are to incentivize early or on-time
9 payment of all taxes. Thank you.

10 COUNCILMEMBER HUDSON: Chair, I know my time has
11 expired. But if I if With your permission, I have
12 one or two more questions.

13 CHAIRPERSON BRANNAN: Sure.

14 COUNCILMEMBER HUDSON: Thank you. Do we... I
15 guess I'm just trying to understand who exactly... I
16 understand the argument that, you know, most people
17 are... you know, well, yeah, most people with a
18 mortgage, pay their property taxes on time through
19 escrow, but I guess my concern is that there might be
20 some older folks on a fixed income who might get
21 caught up in this and we're increasing, you know, the
22 interest rates on those penalties. And I also, you
23 know, totally get the idea of creating systems that
24 help protect and support those homeowners. But I
25 guess I'm just trying to get a better understanding

2 of who might actually be impacted. And so I'm
3 wondering if we have an idea of generally who late
4 property taxpayers are, like, historically speaking,
5 you know, who are the folks that are paying their...
6 their property taxes late or not at all?

7 CHAIRPERSON BRANNAN: Emre, is that something you
8 have?

9 ASSISTANT DIRECTOR EDEV: I don't have the
10 information of who the property owners are exactly.
11 I will defer to the treasurer, if she has any
12 information on that. But that information is
13 generally difficult to understand in terms of exact
14 ownership and characteristics of those owners.

15 TREASURER JACKMAN: I concur that the information
16 is really very, very deep and... and it doesn't
17 really point to exactly who was late. I can tell you
18 that the number of late payments doubled last year.

19 COUNCILMEMBER HUDSON: Okay, I mean, I... you
20 know, I can't help but make the assumption that the
21 number of late payments doubling during a pandemic is
22 probably related to hardship of some sort. But okay,
23 I know I'm well over my time and other folks have
24 their hands up. So thank you Chair for the
25 additional time and thank you all for the answers.

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2 COUNSEL BUTEHORN: Thank you, Councilmember Hudson.

3 Next we'll turn to Councilmember Carr.

4 SERGEANT AT ARMS: Time starts now.

5 COUNCILMEMBER CARR: Thank you. Just one
6 question for the folks from finance. The deadline
7 for adopting the interest rates for non-payment of
8 real property taxes is at the end of June, is that
9 correct?

10 TREASURER JACKMAN: The council has time to make
11 a decision. That is correct.

12 COUNCILMEMBER CARR: So there's nothing that
13 requires us to make this adoption today, if we wanted
14 to have a more finely-tuned program along the lines
15 that were suggested.

16 TREASURER JACKMAN: It would be most helpful to
17 have the discount rate approved absolutely today,
18 because people will begin paying their taxes in the
19 next 30 days.

20 COUNCILMEMBER CARR: That's fair, but I'm not
21 talking about the discount rate. I'm talking about
22 the non-payment rate.

23 TREASURER JACKMAN: The non-payment rate sooner
24 is always better than later because the taxpayers

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2 need to know what's going to happen if they miss
3 their deadline.

4 COUNCILMEMBER CARR: But the deadline is the end
5 of this month, correct?

6 TREASURER JACKMAN: Well (crosstalk)

7 COUNCILMEMBER CARR: Because that's what we did
8 last year.

9 TREASURER JACKMAN: Right. Tax bills will be
10 going out in the next couple of weeks, and they're
11 (crosstalk) (inaudible) actually did this week.

12 COUNCILMEMBER CARR: Okay. But last year, we
13 adopted these rates on June 30th. So that's legally
14 permissible?

15 TREASURER JACKMAN: Correct.

16 COUNCILMEMBER CARR: Okay. Thank you.

17 COUNSEL BUTEHORN: Thank you, Councilmember Carr.
18 Councilmember Velázquez?

19 COUNCILMEMBER VELÁZQUEZ: Echoing the sentiments
20 of both Councilmember Hudson and Carr, I have some
21 real concerns over the information that we have on
22 hand. First of all, we don't know who is the owner,
23 right?, and who is directly impacted. Can we get a
24 breakout at least by borough or by property type? So

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2 that is a start for us to understand what is at hand
3 and what we're looking at? Emre... or?

4 ASSISTANT DIRECTOR EMRE: I would defer to
5 Department Of Finance, if they can pull that
6 information for us. I think they're going to have
7 the ability to pull out by property type, but
8 ownership is a little difficult to kind of recognize,
9 and maybe we'll do some work there. But I'll defer
10 to them on their database if they have.

11 TREASURER JACKMAN: Well, we did supply some
12 information as far as council districts. It will take
13 more time to assemble further and more in-depth
14 information.

15 COUNCILMEMBER VELÁZQUEZ: How much longer?

16 TREASURER JACKMAN: Um, we would need a couple of
17 weeks.

18 COUNCILMEMBER VELÁZQUEZ: Okay, given this crunch
19 that we do have, and given the timeline, I really
20 believe that we should work harder to get this
21 information as soon as possible, because this is
22 going to impact a lot of our communities, and we want
23 to be responsible that we're including everyone. And
24 back to Councilmember Hudson's point: When we're
25 looking at this, there are people that are on fixed

2 incomes, and it's to hear that it was doubled last
3 year, it correlates with the fact that a lot of our
4 families are still struggling to make whole from what
5 COVID did. So we don't want to just blanket this,
6 and effect so many other families that we're not
7 considering. I do understand that we do want to get
8 folks that use this as a method for just paying
9 another bill. But for a lot of our families, this is
10 very real, and we don't want to impact them, and we
11 don't want to add into the housing crisis that
12 exists. So can we get this closer? And how soon, if
13 we expedite it, can get it?

14 TREASURER JACKMAN: I'll have to check back with
15 my folks and see how fast we can put it together.
16 But... but this is this is a heavy lift.

17 COUNCILMEMBER VELÁZQUEZ: I understand but it's
18 also a heavy lift on... on a lot of our families that
19 literally can be displaced. So this is of utmost
20 importance for all of us.

21 TREASURER JACKMAN: Understood.

22 COUNSEL BUTEHORN: Thank you, Councilmember. And
23 before we turn to the vote chair, for Intro 103,
24 Roxanne Earley from the Department of Small Business
25 Services is here to certify for the four questions.

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2 So Roxanne, do you refer him to tell the truth, the
3 whole truth, and nothing but the truth before this
4 committee and to answer customer questions, honestly?

5 DIRECTOR EARLEY: I do.

6 COUNSEL BUTEHORN: Thank you. If so if you just
7 wanted to certify for Intro 103?

8 DIRECTOR EARLEY: Thanks. Good morning Chair
9 Brandon and members of the Finance Committee. I'm
10 Roxanne Earley, Director of the New York City
11 Business Improvement District Program and the
12 Neighborhood Development Division of the Department
13 of Small Business Services. Today I'd like to report
14 on the results of any objections filed with the city
15 clerk against the extension of the Sutphin Boulevard
16 Business Improvement District, also known as the
17 Downtown Jamaica BID.

18 As required by law, a summary of the City Council
19 resolution was mailed to the following parties: to
20 each owner of real property within the proposed
21 district at the address shown on the latest city
22 assessment roll, to such other persons as are
23 registered with the city to receive tax bills
24 concerning real property within the district, and to
25 tenants of each building within the proposed

2 district. Furthermore, SBS arranged for the
3 publication of a copy of the summary of the
4 resolution at least once in the city record

5 At the conclusion of the objection period at 5pm
6 on May 6 2022, and taking into consideration any
7 objections postmarked by that date, no objections
8 were filed with the city clerk for properties within
9 the district. This level of objection is within our
10 acceptable threshold needed to advance the bill for a
11 favorable consideration by the full city council.

12 The Department of Small Business Services supports
13 the extension of the Sutphin Boulevard BID in order
14 to realize the unified downtown Jamaica BID, a
15 community goal identified in the Jamaica-Now Action
16 Plan.

17 In our judgment, the proposed merger of the three
18 separate but adjacent BIDs into a singular unified
19 BID will provide the quality and efficiency of
20 business and... or will improve the quality and
21 efficiency of businesses and public realm services in
22 the downtown Jamaica district, and represents the
23 conclusion of years of dedicated work by numerous
24 stakeholders in service to this vibrant community.

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2 At this time, I'm happy to take any questions.
3 Thank you.

4 COUNSEL BUTEHORN: Thank you Roxanne. I'm not
5 seeing any member hands up. We will turn it over to
6 the Committee Clerk Billy Martin.

7 CLERK MARTIN: Good morning. Billy Martin,
8 committee clerk, roll call vote for the Committee on
9 Finance. All items are coupled. Chair Brannan?

10 CHAIRPERSON BRANNAN: Yeah, just give me a second
11 okay.

12 CLERK MARTIN: Sure.

13 CHAIRPERSON BRANNAN: Billy, I'm trying to get
14 some information. Can we put us in recess for a
15 minute?

16 COUNSEL BUTEHORN: Yes, we can. Sergeants...
17 (crosstalk)

18 COUNCILMEMBER BREWER: Chair, alright... I won't
19 be able to vote... Chair, I'm on the podium at the
20 hotel.

21 CHAIRPERSON BRANNAN: Okay, Billy, we can take...
22 let's take Gale's vote and then let's... let's recess
23 so I can get this information.

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2 COUNCILMEMBER BREWER: Okay. Thank you. I
3 appreciate it very much, literally. Two seconds to
4 go.

5 CLERK MARTIN: Councilmember Brewer on today's
6 finance items?

7 COUNCILMEMBER BREWER: I vote aye. Thank you
8 very much.

9 CLERK MARTIN: Thank you.

10 COUNSEL BUTEHORN: Thank you, Councilmember and
11 sergeants will stand... We'll stand at ease for a
12 few minutes please.

13 CHAIRPERSON BRANNAN: Thank you.

14 [26.5 minutes of silence]

15 CHAIRPERSON BRANNAN: Uh, Council, sorry about
16 that.

17 COUNSEL BUTEHORN: One moment, Mr. Chair.

18 CHAIRPERSON BRANNAN: Yep, sorry.

19 COUNSEL BUTEHORN: And also Chair, Councilmember
20 Brooks-Powers had had her hand up right before we
21 adjourned, so if it's okay, we'll turn to her...
22 (crosstalk).

23 COUNCILMEMBER BROOKS-POWERS: No need.

24 COUNSEL BUTEHORN: Oh. Okay.

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2 UNKNOWN: Malcom, before you start: Billy, if
3 you're hearing me, can you call Jeff Baker?

4 CLERK MARTIN: Call Jeff, you said?

5 UNKNOWN: Yes. Thank you.

6 CHAIRPERSON BRANNAN: Okay, Billy?

7 [3 minutes of silence]

8 COUNSEL BUTEHORN: Sorry, chair. So just so
9 everybody knows, we're only going to be voting on
10 Introduction 103, which is the Sutphin Boulevard
11 Business Improvement District. And pre-consider
12 Resolution -- which now has a number -- 191,
13 establish that the discount... a resolution that will
14 establish the discount percentage for early payment
15 of real estate taxes to be set at one half of 1% per
16 annum for fiscal year 2023. The other three, pre-
17 consider resolutions that are setting interest rates
18 for non-payment of taxes will be laid over and will
19 not be voted on today.

20 So reminding everyone, we're voting on
21 Introduction 103, the Business Improvement District
22 and pre-considered resolution which has now been
23 assigned number 191, which is establishing the
24 discount percentage for early payment of real estate

2 taxes to be set at one half of 1% per annum for
3 fiscal year 2023.

4 And chair, did you want to say anything before
5 ability starts the... the vote?

6 CHAIRPERSON BRANNAN: Yeah. Thank you, counsel.
7 I apologize for the delay. You know, none of these
8 votes are pro forma votes, right. These are
9 important votes. And we expect the Department of
10 Finance to have answers to our questions to what our
11 members need to know, in order to make informed
12 decisions and take these votes. We don't just
13 blindly vote on stuff. And if some of these
14 questions could have been answered today, maybe we
15 would be prepared to vote. But because there's
16 information outstanding, and there's no time to get
17 it now, we are not going to vote on these items
18 today, and we will... we'll look into them further,
19 and we'll vote on these two items, the BID and the
20 discount, and we'll... we'll revisit the other items
21 later on. So with that, I'm ready to go.

22 CLERK MARTIN: Thank you. Good morning. William
23 Martin, Committee Clerk. Roll call vote of Committee
24 on Finance, on the BID and the discount. Both items
25 are coupled. Chair Brannan.

2 CHAIRPERSON BRANNAN: I vote aye.

3 CLERK MARTIN: Ayala?

4 COUNCILMEMBER AYALA: I vote aye.

5 CLERK MARTIN: Thank you. Moya?

6 COUNCILMEMBER MOYA: I vote aye.

7 CLERK MARTIN: Thank you. Powers?

8 COUNCILMEMBER POWERS: Aye.

9 CLERK MARTIN: Thank you. Louis?

10 COME LOUIS: I vote aye.

11 CLERK MARTIN: Thank you. Brooks-Powers?

12 COUNCILMEMBER BROOKS-POWERS: I vote aye.

13 CLERK MARTIN: Thank you. Barron.

14 COUNCILMEMBER BARRON: May I be excused to
15 explain my vote? Mr. Chair?

16 CHAIRPERSON BRANNAN: Yes, of course.

17 COUNCILMEMBER BARRON: Thank you very much.

18 First of all, I want to highly commend Councilmember

19 Hudson's for her very, very intelligent, well

20 researched, and asked the appropriate questions. I

21 would hope that our chairs will do the same thing.

22 So that before these bills come to us, that our

23 chairs will ask the questions that the councilmember

24 asked so that when it gets to us, you know, we will

25 have all the information. But I want to highly

2 commend the Councilmember Hudson for the way she
3 presented it and the manner and the inquisitiveness
4 and the thoroughness of our questions. And if you
5 know to have these unanswered questions was there,
6 because even in the (inaudible) program, many senior
7 citizens already paid their mortgage, they already
8 paid their mortgage, so they are independently paying
9 taxes. This would have definitely affected them. So
10 I'm just so glad for the Councilmember Hudson. And I
11 vote aye on all.

12 CLERK MARTIN: Thank you. Farias?

13 COUNCILMEMBER FARIAS: I vote aye on all.

14 CLERK MARTIN: Thank you. Hanks?

15 COUNCILMEMBER HANKS: I vote aye.

16 CLERK MARTIN: Thank you. Hudson?

17 COUNCILMEMBER HUDSON: I vote aye.

18 CLERK MARTIN: Thank you. Kagan?

19 COUNCILMEMBER KAGAN: Aye.

20 CLERK MARTIN: Thank you. Ossé?

21 COUNCILMEMBER OSSÉ: I vote aye.

22 CLERK MARTIN: Thank you. Sanchez?

23 COUNCILMEMBER SANCHEZ: I vote aye.

24 CLERK MARTIN: Thank you. Velázquez?

25 COUNCILMEMBER VELÁZQUEZ: I vote aye.

2 CLERK MARTIN: Thank you. Carr?

3 COUNCILMEMBER CARR: I vote aye.

4 CLERK MARTIN: Okay, just in case: I don't see
5 Councilmember Won.

6 Okay, by a vote of 16 in the affirmative and zero
7 on the negative and no abstentions, both items have
8 been adopted by the committee. Mr. Chair, that is
9 it. You can close at your convenience.

10 CHAIRPERSON BRANNAN: Okay. Yeah. With that,
11 this meeting is adjourned. Thank you

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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 07/15/2022