

CITY COUNCIL  
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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November 17, 2010  
Start: 10:15 am  
Recess: 10:55 am

HELD AT: Council Chambers  
City Hall

B E F O R E: DOMENIC M. RECCHIA, JR.  
Chairperson

COUNCIL MEMBERS:  
Vincent Ignizio  
Julissa Ferreras  
James S. Oddo  
Karen Koslowitz  
Fernando Cabrera  
Robert Jackson  
Helen D. Foster  
Diana Reyna  
James G. Van Bramer  
Gale A. Brewer  
Leroy G. Comrie, Jr.  
Lewis A. Fidler  
Joel Rivera

## A P P E A R A N C E S

## COUNCIL MEMBERS:

Albert Vann

G. Oliver Koppell

Darlene Mealy

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

Emra Adev  
Senior Legislative Analyst  
Finance Division

Nadine Felton  
Consultant  
Finance Division

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2 CHAIRPERSON RECCHIA: Good morning  
3 and welcome to today's Finance hearing. My name  
4 is Domenic M. Recchia, Jr., I'm the Chair of this  
5 wonderful Committee. As we get started, I want to  
6 welcome everyone to this beautiful hearing room.

7 To my left, we have Vincent  
8 Ignizio, Julissa Ferreras--I'm getting better?

9 COUNCIL MEMBER FERRERAS: Yeah.

10 CHAIRPERSON RECCHIA: Jimmy Oddo,  
11 Tanisha Edwards, our wonderful attorney, Karen  
12 Koslowitz, and Mr. Cabrera. Oh, and Rob Jackson,  
13 okay.

14 I want to thank the finance staff  
15 for all their hard work that they have done in  
16 putting this hearing together, and they always  
17 work extremely hard behind Jeff Rodus and Preston  
18 Niblack, and Latonia, where's Latonia, she's here.

19 Let's first get started with the  
20 Transparency Resolution. This Transparency  
21 Resolutions makes mostly technical corrections to  
22 the designations listed in the Fiscal 2011  
23 Schedule C and the designates new organizations  
24 under the faith-based initiative. For  
25 clarification purposes, it is to be noted that the

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2 organizations appearing in the resolutions that  
3 have not yet completed the pre-qualification  
4 process conducted by the Mayor's Office of  
5 Contract Services, by the Council, or other  
6 government agencies are identified in the attached  
7 charts with an asterisk.

8                   Additionally, as with all  
9 Transparency Resolutions, Council Members would  
10 have to sign a disclosure form indicating whether  
11 or not a conflict exists with any of the groups on  
12 the attached list. If any Council Member has  
13 potential conflict of interest with any  
14 organization listed, he or she may want to  
15 disclose the conflict at the time of their vote.

16                   We also have an expense  
17 modification that is related to the Transparency  
18 Resolution, as well as past Transparency  
19 Resolution. This modification is our first budget  
20 modification since we adopted the Fiscal 2011  
21 Expense Budget in June. This modification  
22 reallocates appropriations that were reflected in  
23 the FY 2011 adopted budget to fund City Council  
24 initiatives. This modification only includes  
25 Council-related items and does not include any

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items from the administration.

Without the modification, many organizations would not get their funding. Items in today's transparency resolution that require budget modification order for their funding to move forward are referenced in the charts with a double asterisk.

Now let's move on to the six Land Use items. The first five Land Use items are Article XI and property tax exemptions. The first one, the Coney Island Towers is in my district, the Coney Island Towers is an acquisition and rehab of a building that was once in the Mitchell Lama program but now has been purchased by the Coney Island HDFC that will rehabilitate the property. The Coney Island Towers is one building that will provide 360 units of rental housing for middle income families.

I just want to comment on that, that is a building that went out of the Mitchell Lama program and now it's going back into the Mitchell Lama program, and that was a very, very hard job. I fought for this for years and I just want to thank the not-for-profit that is coming in

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and came up with the funding for it.

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COUNCIL MEMBER JACKSON: No.

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CHAIRPERSON RECCHIA: Okay. And I want to recognize the Council Member from the Bronx, Helen Foster, welcome.

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The next item is in Council Member Rivera's district, this item is located at 2172 Anthony Avenue and will receive a property tax exemption for the rehab of 1 building with 21 units of rental housing for low income families.

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The next item is in Council Member Rivera's district again, the West Farms Square is located in the Bronx and will receive a property tax exemption for the rehab of 8 buildings with 438 units of rental housing for low income families.

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Followed by another project in

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2 Council Member Vann Bramer's district, this is  
3 located at 44-20 64th Street in Queens and will  
4 receive a property tax exemption for the rehab of  
5 1 building with 77 units of rental housing for  
6 elderly persons of low income.

7           The last Land Use item is in  
8 Council Member Sanders district and will receive a  
9 property tax exemption under section 202 of  
10 supportive housing for the elderly. That's a  
11 federal program, 202, that's a HUD. The Allen by  
12 the Bay property is located at 22-14 Loretta Road  
13 in Queens and will receive a property tax  
14 exemption for the rehab of 1 building with 65  
15 units of rental housing for elderly persons of low  
16 income.

17           Our last three items on the agenda  
18 are three tax fixing resolutions for the benefit  
19 of the public and my colleagues. I'll speak  
20 briefly on the tax fixing process.

21           The class share is the portion or  
22 percent of the real estate taxes or levy raised  
23 each year borne by each of the four classes of  
24 property. That percent changes each year based on  
25 formulas and procedures in state law which take

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2 into account changes in the relative market value  
3 for each class.

4 Governor Paterson recently signed  
5 legislation passed by the legislature at the  
6 Council's request setting the class shares cap for  
7 the FY 2011 property tax at 2.5, rather than state  
8 law default of 5 %. If we did not vote, it would  
9 be at 5 %, we are bringing it down, today's vote  
10 is to bring it down.

11 However, because the legislature  
12 has not acted on the legislation at the time we  
13 adopted the FY 2011 budget, the Council had to  
14 adopt the rates at 5 % cap. In addition, because  
15 of the late budget adoption, the Department of  
16 Finance had to send property tax bills in early  
17 June based on last year's 2010 rates. Now that  
18 the 2011 class share legislation has been signed,  
19 the Council must act to amend the FY 2011 tax  
20 rate. At that point, the Department of Finance  
21 will send out revised bills for the second half of  
22 the year.

23 What this means that under the  
24 amended law, no class shares of the real property  
25 tax levy can increase by more than 2.5 % from last

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2 year's share. If the 2.5 % cap were not adopted,  
3 then the 5 % cap would apply and the typical  
4 taxpayer bill for a Class 1 property would be \$90  
5 higher, Class 2 is not affected by this action.

6 So today, we are amending the three  
7 property tax fixing resolutions adopted on June  
8 29th to help make New York City a little more  
9 affordable for Class 1 homeowners. I urge all of  
10 my colleagues to vote yes--repeat, I urge all of  
11 my colleagues to vote yes on these amended  
12 property tax resolution.

13 Nadine and Emra from the Finance  
14 Division are available to answer any questions you  
15 may have on the property tax resolutions and  
16 Preston Niblack, the Director of the Finance  
17 Division, is here to any other questions on the  
18 budget modifications.

19 Before we move forward with the  
20 questions and let the Finance staff make a little  
21 presentation, I'd like to recognize Diana Reyna,  
22 Jimmy Van Bramer, and Gale Brewer.

23 [Pause]

24 CHAIRPERSON RECCHIA: Okay. Now--

25 [Crosstalk]

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MALE VOICE: --members feel good.

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CHAIRPERSON RECCHIA: All right.

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MALE VOICE: Who, no boo?

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CHAIRPERSON RECCHIA: Okay. So

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does anyone have any questions dealing with the

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property tax issue?

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[Off mic]

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CHAIRPERSON RECCHIA: Course our

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staff is here, would you like--would anyone like

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to ask a question or need clarification on

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anything?

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[Off mic]

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CHAIRPERSON RECCHIA: I recognize

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Rob Jackson.

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COUNCIL MEMBER JACKSON: Well thank

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you. While I'm in favor of the matter in front of

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us, I want to ask a question, I guess. What if

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the City Council did not approve this, what would

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the effect be on taxpayers?

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NADINE FELTON: Identify yourself.

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EMRA ADEV: I'm Emra Adev

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[phonetic], I'm Senior Legislative Analyst with

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the Finance Division. If we didn't act--if the

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Council did not act to pass this, the Class 1

1  
2 property interest tax bill would be \$9 higher for  
3 this fiscal--\$90 higher for this fiscal year on  
4 average than it would be otherwise. For the other  
5 classes, there's no impact on Class 2, their  
6 bill's going to be the same this year, whether we  
7 act or not; Class 3 and 4, if we did not act would  
8 actually have a lower bill than they would if we  
9 do act.

10 COUNCIL MEMBER JACKSON: So what  
11 I'm hearing is that Class 1, which is 1, 2, and 3-  
12 -

13 EMRA ADEV: Correct.

14 COUNCIL MEMBER JACKSON: --family  
15 homeowners, their tax bill will go up  
16 approximately \$90?

17 EMRA ADEV: If we don't act.

18 COUNCIL MEMBER JACKSON: If we  
19 don't act. Class 2, there's no--

20 EMRA ADEV: No change.

21 COUNCIL MEMBER JACKSON: --impact,  
22 and Class 3 or 4, their tax bill would go down.

23 EMRA ADEV: Yeah, if we don't--I  
24 mean, this action is going to raise their bill a  
25 little bit.

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2 COUNCIL MEMBER JACKSON: When you  
3 say their bill--

4 EMRA ADEV: [Interposing] For  
5 Classes 3 and 4.

6 COUNCIL MEMBER JACKSON: A little  
7 bit.

8 EMRA ADEV: Right.

9 COUNCIL MEMBER JACKSON: But a  
10 little bit and is that--if you compare that little  
11 bit of Class 3 and 4, compared to the \$90 in Class  
12 1, is it smaller than a percentage wise of that or  
13 what? In essence, would the largest bite increase  
14 be on property Class 1 property owners?

15 NADINE FELTON: Here's the tax [off  
16 mic].

17 EMRA ADEV: Do you want to...?

18 NADINE FELTON: Yeah, I'm Nadine  
19 Felton, consultant to Emra and the Finance  
20 Division. Yeah, the tax rate, the largest bite  
21 would be on Class 1, exactly. Class 3 and 4 would  
22 get a little less in savings as a result of the--  
23 their tax rates are still going down for Class 3  
24 and 4 compared to last year; Class 1 and Class 2's  
25 tax rates are going up, but Class 2 is not

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2 affected by the cap on class share increases, it  
3 doesn't affect them, the lower cap, it's only  
4 Class 1, and so it would be a larger bite on Class  
5 1 if we did not act.

6 COUNCIL MEMBER JACKSON: So by  
7 acting then, we will be, in essence, helping to  
8 reduce the tax burden on Class 1, which is 1, 2,  
9 and 3 family homeowners, is that correct?

10 EMRA ADEV: That's correct.

11 COUNCIL MEMBER JACKSON: Okay.  
12 Thank you, thank you.

13 CHAIRPERSON RECCHIA: Okay. Thank  
14 you, Rob Jackson. I'd like to recognize Leroy  
15 Comrie has joined us, Lewis Fidler has joined us,  
16 Joel Rivera, and Al Vann.

17 Does any other member have any  
18 question on the tax issue?

19 [Off mic]

20 CHAIRPERSON RECCHIA: Not seeing no  
21 other member, does anyone have a question on the  
22 mod? No one having a question? Okay. Since no  
23 one has a question, I couple all items on the  
24 calendar, six Land Use items, three property tax  
25 resolution, and one budget modification, one

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2 Transparency Reso. Remind members to make  
3 disclosures at the time of their vote.

4 Also, to remind everyone next  
5 Tuesday, the Finance Committee will meet at 10  
6 a.m. in the 14th floor conference room to have an  
7 oversight hearing on the Banking Commission. This  
8 is an entity responsible for choosing banks that  
9 city deposit its money, it's going to be a very,  
10 very interesting hearing. I believe this is the  
11 first time the Finance Committee is having a  
12 hearing on the Banking Commission. And we will  
13 explore different revenues and ways that we can  
14 improve the Banking Commission and what they can  
15 and cannot do. I strongly urge all my Council  
16 Members to attend.

17 At this time, I urge everyone to  
18 vote aye on all matters. Billy, could you please  
19 call the vote.

20 [Pause]

21 WILLIAM MARTIN: William Martin,  
22 Committee Clerk, roll call vote in the Committee  
23 on Finance. Council Member Recchia.

24 CHAIRPERSON RECCHIA: Aye.

25 WILLIAM MARTIN: Rivera.

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COUNCIL MEMBER RIVERA: I vote aye.

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WILLIAM MARTIN: Reyna.

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COUNCIL MEMBER REYNA: I vote aye.

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WILLIAM MARTIN: Brewer.

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COUNCIL MEMBER BREWER: Aye, and

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I'm [off mic].

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[Pause]

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WILLIAM MARTIN: Comrie.

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COUNCIL MEMBER COMRIE: Aye.

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WILLIAM MARTIN: Fidler.

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COUNCIL MEMBER FIDLER: Aye.

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[Pause]

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WILLIAM MARTIN: Foster.

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COUNCIL MEMBER FOSTER: Aye, and I

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need to disclose--

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[Pause]

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COUNCIL MEMBER FOSTER: Aye, and I

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need to disclose that one of the HIV/AIDS faith-

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based initiatives is Christ Church, which I

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attend, where my father is the senior pastor and

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there are a number of churches on the list where I

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am very familiar with the churches and the

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pastors, so disclosing that.

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WILLIAM MARTIN: Jackson.

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COUNCIL MEMBER JACKSON: Aye on

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all.

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WILLIAM MARTIN: Koppell.

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COUNCIL MEMBER KOPPELL: Aye.

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WILLIAM MARTIN: Vann.

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COUNCIL MEMBER VANN: Aye.

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WILLIAM MARTIN: Ferreras.

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COUNCIL MEMBER FERRERAS: Aye.

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WILLIAM MARTIN: Cabrera.

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COUNCIL MEMBER CABRERA: Aye.

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WILLIAM MARTIN: Koslowitz.

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COUNCIL MEMBER KOSLOWITZ: Aye.

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WILLIAM MARTIN: Van Bramer.

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COUNCIL MEMBER VAN BRAMER: Aye.

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WILLIAM MARTIN: Ignizio.

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COUNCIL MEMBER IGNIZIO: Yes, I

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just want to vote no on the tax fixing

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resolutions, I believe, despite the attempts of

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the Council, it did not and does not go far

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enough. We could have altered it to have a zero

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increase, which is what I'm advocating for. And

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that being not the case, I am voting no on the tax

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fixing resolutions and aye on all others.

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WILLIAM MARTIN: Oddo.

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2 COUNCIL MEMBER ODDO: I associate  
3 myself with the comments of Council Member Ignizio  
4 and vote no on the tax fixing resolutions and yes  
5 on all others.

6 WILLIAM MARTIN: All items on  
7 today's agenda are adopted by a vote of 16 in the  
8 affirmative, zero in the negative, and no  
9 abstentions, with the exception of the three  
10 Preconsidered Tax Fixing Resolutions which are  
11 adopted by a vote of 14 in the affirmative, two in  
12 the negative, and zero abstentions. Council  
13 members, please sign all committee reports, thank  
14 you.

15 CHAIRPERSON RECCHIA: The vote will  
16 remain open until 11 o'clock.

17 [Pause]

18 CHAIRPERSON RECCHIA: Rules up  
19 next.

20 [Off mic]

21 CHAIRPERSON RECCHIA: Oh, okay. I  
22 just want to correct--Jerry.

23 [Long pause]

24 [Off mic]

25 FEMALE VOICE: I don't care.

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[Pause]

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WILLIAM MARTIN: Council Member

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Mealy.

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COUNCIL MEMBER MEALY: Yes.

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WILLIAM MARTIN: Final vote on the

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Committee on Finance is all items are adopted by a

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vote of 17 in the affirmative, zero in the

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negative, no abstentions, except for the three

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Preconsidered Tax Fixing Resolutions, which are

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adopted now by a vote of 14--excuse me, 15 in the

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affirmative, two in the negative, and zero

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abstentions.

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[Pause]

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MALE VOICE 1: Close the meeting.

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COUNCIL MEMBER RIVERA: All right,

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the meeting is closed.

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MALE VOICE 1: Thank you.

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C E R T I F I C A T E

I, Tammy Wittman, certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.

Signature *Tammy Wittman*

Date December 8, 2010