

COMMITTEE ON FINANCE

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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WEDNESDAY, SEPTEMBER 14, 2022

Start: 10:17 A. M.

Recess: 10:29 A. M.

HELD AT: 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
Julie Won

Other Council Members Attending:
Stevens and Williams

COMMITTEE ON FINANCE
A P P E A R A N C E S (CONTINUED)

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2 SERGEANT WONG: This is a sound check for The
3 Committee on Finance. Today's date is September 14,
4 2022. Being recorded by Danny Wong in the chambers.

5 CHAIRPERSON BRANNAN: [GAVELING IN] [GAVEL SOUND]

6 SERGEANT AT ARMS: Quiet, please.

7 CHAIRPERSON BRANNAN: Good morning, and welcome to
8 today's Finance Committee Meeting, I am Justin
9 Brannan, Council Member and Chair of The Finance
10 Committee.

11 Uh, today we are joined by Council Members
12 Barron, Hanks, Louis, Brooks-Powers, Brewer, Sanchez,
13 Ossé -- anybody on the, uh, I'm just looking...

14 UNKNOWN: In the nosebleed...

15 CHAIRPERSON BRANNAN: Oh, I'm sorry, I was looking
16 over there, uh...

17 UNKNOWN: In the nosebleed seats...

18 CHAIRPERSON BRANNAN: Uh, Powers, Council Member
19 Fariás... Are you guys on Finance? Uh, Council
20 Members Stevens and Council Member Ayala just
21 stopping by.

22 Uhm, the today the committee will be vote... Oh!
23 And Council Member Carr, that's everybody, okay.

24 Uh, today the committee will be voting on the
25 following three Land Use items:

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2 An Article XI property tax exemption for two
3 buildings with a 135 units in Council Member Riley's
4 district.

5 Two Article XI property tax exemptions for two
6 affiliated and neighboring buildings, one with 79
7 units and the other with 77 units, both in Council
8 Member Sanchez's district.

9 These partial tax exemptions will ensure that
10 these units remain affordable for 40 more years.

11 And, that is our agenda for today. But, I want
12 to give a moment for any members who want to make
13 comments. Okay, I have Council Member Sanchez and
14 then Council Member Brewer.

15 COUNCIL MEMBER SANCHEZ: Thank you, Chair. Uhm, I
16 just want to tell my colleagues... Share with my
17 colleagues that I am in support of the two projects
18 in my district 1700 and 1730 Harrison Avenue. These
19 will be 100 percent affordable moving forward. They
20 were 60 percent affordable prior to this. But, I
21 distinctly remember canvassing these buildings as a
22 candidate, uh, and speaking to tenants who had been
23 living in these buildings for many, many years, uh,
24 and those tenants were happy. Right? And, so this
25 is a middleclass, working class, uh, building and

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2 this Article XI will allow the buildings to continue
3 to be affordable for the long-term. Thank you,
4 Chair.

5 CHAIRPERSON BRANNAN: Council Member Brewer?

6 COUNCIL MEMBER BREWER: Thank you, I just have a
7 question about the 421-A, because obviously, uh, I
8 assume they're getting it even though it's in flux, I
9 guess you would say. And it says until 2025. So,
10 what happens after that? Because, I... I assume
11 they might need it in order to continue the
12 affordability.

13 UNKNOWN: [INAUDIBLE]

14 CHAIRPERSON BRANNAN: [INAUDIBLE] is going to take
15 a look.

16 CHAIRPERSON BREWER: I've been through this many
17 times with other buildings.

18 CHAIRPERSON BRANNAN: I just want to acknowledge
19 Council Member Kagan who I saw... That's it.

20 UNKNOWN: (NO MICROPHONE) [INAUDIBLE]

21 COUNCIL MEMBER BREWER: No, they do terminate it
22 says here. But, then what happens afterwards? Do
23 they pay full property taxes? And will that
24 [INAUDIBLE]... (CROSS-TALK)

1 UNKNOWN: No, no, they get the exemption...

2 (CROSS-TALK)

3 COUNCIL MEMBER BREWER: Forever?

4 UNKNOWN: Yeah, for 40 years.

5 COUNCIL MEMBER BREWER: Okay, so they will be able
6 to... 421-A will continue to for 40 years? Because
7 it says...

8 UNKNOWN: No, no, no, the 421-A terminates...

9 (CROSS-TALK)

10 COUNCIL MEMBER BREWER: Yeah...

11 UNKNOWN: The Article XI tax exemption kicks...

12 (CROSS-TALK)

13 COUNCIL MEMBER BREWER: And what does that mean in
14 terms of...

15 UNKNOWN: And that's 40-years of a partial tax
16 exemption... (CROSS-TALK)

17 COUNCIL MEMBER BREWER: Okay, so... So, it
18 won't... (CROSS-TALK)

19 UNKNOWN: And... And the Resolution, uh, talks
20 about what they pay under the partial tax exemption,
21 which is... I believe it's 2.8% is the gross rent --
22 2.8% of the rents. If you look at G... (CROSS-TALK)

23 COUNCIL MEMBER BREWER: Okay, so...

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2 UNKNOWN: On page 2 of the Resolution, the first
3 Resolution. That's what they will owe.

4 COUNCIL MEMBER BREWER: Okay, so, uh, gross rent
5 tax? Okay, I don't know where... So, this is an
6 amount equal to real property taxes that would
7 otherwise be due in such year in the absence? Right?
8 So, what you're saying is that it won't be as...

9 (CROSS-TALK)

10 UNKNOWN: It will be an amount less than the real
11 property taxes... (CROSS-TALK)

12 COUNCIL MEMBER BREWER: Right, so it won't be as
13 big a discount as for 421-A, but it will be
14 something. I assume that's what you are trying to
15 say.

16 UNKNOWN: That I don't know. I don't know what
17 they're [INAUDIBLE]... (CROSS-TALK)

18 COUNCIL MEMBER BREWER: Okay, I would just say to
19 everybody, be careful on the property taxes, because
20 at some point you end up with no affordability if the
21 property taxes are too... are excessive. Thank you.

22 CHAIRPERSON BRANNAN: Any other comments from
23 members?

24 Okay, seeing none, Jim will call the vote... Or
25 Billy? Billy, okay.

2 COMMITTEE CLERK: Good morning... (CROSS-TALK)

3 CHAIRPERSON BRANNAN: And, I'll ask Billy Martin,
4 Committee Clerk to call the roll.

5 COMMITTEE CLERK: Good morning, William Martin,
6 Committee Clerk; roll call vote Committee on Finance;
7 items are coupled.

8 Chair Brannan?

9 CHAIRPERSON BRANNAN: Aye on all.

10 COMMITTEE CLERK: Ayala?

11 COUNCIL MEMBER AYALA: Aye on all.

12 COMMITTEE CLERK: Powers?

13 COUNCIL MEMBER POWERS: Aye on all.

14 COMMITTEE CLERK: Louis?

15 COUNCIL MEMBER LOUIS: Aye on all.

16 COMMITTEE CLERK: Council Member Louis votes aye.
17 Brooks-Powers?

18 COUNCIL MEMBER BROOKS - POWERS: Aye on all.

19 COMMITTEE CLERK: Barron?

20 COUNCIL MEMBER BARRON: May I be excused to
21 explain my vote?

22 CHAIRPERSON BRANNAN: Yes.

23 COUNCIL MEMBER BARRON: You know, for the years I
24 have been trying to balance out tax breaks for those
25 who don't really need it and build in affordability

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2 in our district. These are projects that are
3 affordable, but the 421-A program, when I was in the
4 state assembly, needs to be scrapped. They shouldn't
5 get these great tax breaks and breaks on purchasing
6 city and state owned property for billionaires and
7 millionaires to build affordability.

8 So, I am voting no on these projects on
9 principle. These projects themselves are affordable,
10 I see that the council members saw to that in their
11 district, but I am voting no on the principle that at
12 some point, we have to stop giving tax breaks,
13 especially when we are cutting money from the
14 Education Budget, claiming that we're going to have
15 some bigtime fiscal crises next year, 9.1 some odd
16 billion dollars in deficits. We got 8.3 billion in
17 reserve funds, and we're giving rich people tax
18 breaks to build affordability. I think that if we
19 want to make sure education is taken care of and The
20 Mayor has now proposing 3% cuts from more agencies,
21 and we are giving people who can afford it tax
22 breaks. So, on that principle, I vote no on these
23 projects.

24 COMMITTEE CLERK: Thank you.

25 Brewer?

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COUNCIL MEMBER BREWER: I vote aye.

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COMMITTEE CLERK: Council Member Farías?

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COUNCIL MEMBER FARÍAS: I vote aye.

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COMMITTEE CLERK: Hanks?

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COUNCIL MEMBER HANKS: Aye on all.

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COMMITTEE CLERK: Kegan?

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COUNCIL MEMBER KAGAN: Aye

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COMMITTEE CLERK: Council Member Ossé?

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COUNCIL MEMBER OSSÉ: Aye on all.

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COMMITTEE CLERK: Sanchez?

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COUNCIL MEMBER SANCHEZ: Permission to say one

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more comment, Chair?

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CHAIRPERSON BRANNAN: Of course.

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COUNCIL MEMBER SANCHEZ: Thank you. Uhm, thank

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you to Council Member Brewer and Council Member

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Barron for... for those important points. I just

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want to emphasize that my approval is conditional,

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right? And on the regulatory agreement there is a

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regularity agreement that will apply to these

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properties that mandates these levels of

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affordability remain over the length of these tax

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exemptions and keep my neighbors in their homes. So,

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uh, with that, Sir, I vote aye.

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COMMITTEE CLERK: Thank you.

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Carr?

COUNCIL MEMBER CARR: Aye.

COMMITTEE CLERK: By a vote of 12 in the affirmative, one in the negative, and no abstentions, all items have been adopted by the committee.

CHAIRPERSON BRANNAN: Alright, Billy, we are going to leave it open. There's a couple of members on their way.

COMMITTEE CLERK: Absolutely.

Continuation; roll call Committee on Finance, Council Member Hudson?

SERGEANT AT ARMS: Quiet, please!

COUNCIL MEMBER HUDSON: Aye

COMMITTEE CLERK: Thank you

Vote is currently 13 in the affirmative, one in the negative, and no abstentions.

Council Member Moya?

COUNCIL MEMBER MOYA: I vote aye.

COMMITTEE CLERK: [INAUDIBLE] the mic?

COUNCIL MEMBER MOYA: I vote aye.

COMMITTEE CLERK: Thank you.

UNKNOWN: We're still rolling?

COMMITTEE CLERK: Thank you.

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Final vote, Committee on Finance, all items have been adopted by the committee with 14 in the affirmative, one in the negative, and no abstentions.

CHAIRPERSON BRANNAN: Thank you, Billy. This meeting is adjourned.

[GAVELING OUT] [GAVEL SOUND]

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 September 17, 2022