

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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March 2, 2011
Start: 10:44 am
Recess: 11:30 am

HELD AT: Council Chambers
City Hall

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

COUNCIL MEMBERS:
Council Member Gale A. Brewer
Council Member Fernando Cabrera
Council Member Leroy G. Comrie Jr.
Council Member Lewis A. Fidler
Council Member Helen D. Foster
Council Member Vincent M. Ignizio
Council Member Robert Jackson
Council Member G. Oliver Koppell
Council Member Darlene Mealy
Council Member James S. Oddo
Council Member Diana Reyna
Council Member Joel Rivera
Council Member James G. Van Bramer
Council Member Albert Vann

A P P E A R A N C E S [CONTINUED]

Domenic M. Recchia Jr.
Opening Statement on Intro 26-A
Chairperson
Committee on Finance

Domenic M. Recchia Jr. thanks:
Al Vann, Sponsor of Intro 26-A
Preston Niblack, Director, Finance Division
Tanisha Edwards, Lien Team, Finance Division
Anthony Brito
Emre Edev
Kate Seely Kirk

Preston Niblack
Director
Finance Division
New York City Council

Albert Vann
Sponsor of Intro 26-A
New York City Council Member

Albert Vann thanks:
Tanisha Edwards
Dottie LeBraun, Council Member Vann's staff
Christine C. Quinn, Speaker, New York City Council
Tim Errechia
Council Staff

Kevin Penn
Committee Clerk
New York City Council

Domenic M. Recchia, Jr. thanks:
Jeff Rodus, Finance Division, New York City Council

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CHAIRPERSON RECCHIA: Okay?

[Background conversation]

CHAIRPERSON RECCHIA: Good morning everybody. Welcome. Okay we're about to begin. Welcome to today's Finance hearing. My name is Domenic M. Recchia Jr. I'm the Chair of this wonderful Committee. Before we get started I'd like to introduce all my colleagues who have joined us this morning. We have Joel Rivera, Leroy Comrie, Lew Fidler, Helen Foster, Oliver Koppell, Al Vann, Fernando Cabrera, Jimmy Van Bramer, Vincent Ignizio and James Oddo. I believe we have everybody.

Today we'll considered proposal Intro 26-A which would extend the Finance Commissioner's authority to sell tax liens as well as authorize the City to conduct a stand-alone sales on emergency repair charges, including expenses results from the inclusion in the alternative enforcement program. This legislation also narrows the current exclusion of HDFC's from the lien sale by limiting the exemption of HDFC co-ops and condos.

Beginning in 2012 liens accrued by

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2 HDFC rental properties will be eligible for lien
3 sales. Most importantly this bill provides a host
4 of new protections for property owners whose liens
5 have been sold as well as measure to prevent
6 property owners from entering into the lien sale.

7 I want to thank my colleague Al
8 Vann who did a great job and for spearheading this
9 issue for many years, for sponsoring this
10 legislation. And I would think this bill is one
11 that we all can be proud of. This bill is very
12 complex and has been changed somewhat since our
13 last hearing on this bill on February 18th, 2011.

14 Preston Niblack the Director of
15 Finance Division will answer any questions of
16 anybody has any questions. Information on those
17 changes also were provided in your briefing
18 materials provided by the Finance Division staff,
19 known as the Lien Team headed by Tanisha Edwards.
20 I want to thank you Tanisha. Let's give her a
21 round of applause.

22 [Applause]

23 CHAIRPERSON RECCHIA: I want to
24 thank Anthony Brito, Emre Edev a/k/a E-squared and
25 Kate Seely Kirk. They've done a great job on this

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2 one. Thank the whole team. All right. Does
3 anybody have any questions? Yes Vincent.

4 [Off mic]

5 CHAIRPERSON RECCHIA: Okay. Good
6 thing Preston is prepared. Preston Niblack,
7 please identify yourself.

8 MR. PRESTON NIBLACK: Preston
9 Niblack.

10 CHAIRPERSON RECCHIA: Is that the
11 Progressive Caucus?

12 MR. NIBLACK: Preston Niblack,
13 Finance Director for the City Council. Let me
14 just run through quickly the most important
15 changes. There's a list in your Committee report
16 but just to tick through the most significant
17 ones.

18 So first, in most cases, unlike the
19 bill that we saw on February 18th, the threshold
20 for lien sales will remain at 1 year and \$1,000.
21 The property tax liens on Class 1, 2 and 3 family
22 homes and on Class 2 co-ops and condos will remain
23 3 years and \$1,000. The previous version
24 increased the delinquency threshold for water and
25 sewer liens on 2 and 3-family homes at 2 years and

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2 \$2,000, we've moved that back to 1 year but kept
3 the \$2,000 threshold. The threshold for ERP and
4 AEP charges as a stand-alone lien had also been at
5 2 years and \$2,000 in the previous version, that's
6 also now consistent with most of the rest it at 1
7 year and \$1,000.

8 In the prior version we had liens
9 on properties who were owned by individuals who
10 were eligible for a qualifying exemption but not
11 enrolled in the program, in the exemption program,
12 were deemed defective. So this provision has been
13 replaced with a more robust and targeted outreach
14 effort by the Department of Finance to identify
15 and enroll potentially eligible property owners.
16 And there's a fuller description of the process
17 but there are timelines and steps laid out in the
18 legislation.

19 And the Finance Department will
20 also now provide to the Council a list of property
21 owners in the lien sale list who have indicated to
22 the Department that they might be eligible but
23 have not actually submitted an application. So
24 that will allow Council Members and community
25 organizations to do outreach to try and enroll

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people who might be eligible.

So we think that balances the positive duty of the taxpayer to provide the necessary information with a set of outreach measures that will I think help really identify and bring people in. I have more but--

CHAIRPERSON RECCHIA: [Interposing]
To follow up on Vinnie Ignizio's--also if everybody look on page 10 of their briefing papers, all right, from page 10 on are all the changes that were made. Okay? So we divided it so that all the changes are from page 10 on. Oliver Koppell has a question.

COUNCIL MEMBER KOPPELL: As I understand it [off mic]

CHAIRPERSON RECCHIA: Councilman, can you please speak into the mic? And before he speaks into the mic I want to recognize we've been joined by Diana Reyna.

COUNCIL MEMBER REYNA: Thank you.

COUNCIL MEMBER KOPPELL: So [off mic] As I understand it [off mic]. Now it's on? Okay. I'm sorry. Currently single family homes are exempt from water and sewer lien only, is that

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correct? Currently.

MR. NIBLACK: That's correct.

COUNCIL MEMBER KOPPELL: Does that
continue now--

MR. NIBLACK: [Interposing] Yes.

COUNCIL MEMBER KOPPELL: --under
this bill?

MR. NIBLACK: Yes it does.

COUNCIL MEMBER KOPPELL: Okay.
Okay thank you. It's a little unclear in the
memo. Thank you.

CHAIRPERSON RECCHIA: All right.
Any other questions? Recognizing no other
questions, please call the roll. Kevin? Oh Al
Vann would you like to make a statement?

COUNCIL MEMBER VANN: If I want to
keep my staff, yeah. This is as, as you gather, a
very, very significant bill. It's the kind of
bill that really makes me glad that I stayed so
long in public office. On occasion we really have
a chance to do something for people who need it
around something that's very important to them.
And nothing's more important to the average family
than their home, their single-most important

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So for the first time, this lien sale will include a set of comprehensive reforms that have to make a balance between our fiscal obligations to encourage homeowners who can afford to pay their municipal debts to actually pay up. But it builds protections in the law to assist our most economically vulnerable. And I think that's really, really the key. I've come to appreciate the value of the lien sale. It does indeed force people who can pay to pay. There is a tendency; we may all have it, to wait until the last minute to pay our debts, other priorities. So the lien sale does have a value. And of course we need the revenue.

But the fact that we had to negotiate, that the Administration had to negotiate with the City Council brought a balance which is very key. We struck a balance. Yes. We're going to get the revenue that we need but, yes, we will protect the most vulnerable, those who cannot afford to pay, who are qualified for the exemptions. We have a very extensive protocol that will be codified in the bill itself. And

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2 this is excellent. And of course those who may
3 not be able to pay because they lost their spouse
4 or the extended recess that we're experiencing, so
5 the unemployed, so something else, something else
6 chaotic in their life may have occurred so at this
7 point in time they can't pay. So under this bill
8 it would provide them time. It will give them the
9 opportunity and assistance in order to weather
10 that storm so they can come back and not really
11 lose their property.

12 So I won't go further. There's a
13 lot of things that we could mention, that will be
14 mentioned I'm sure on the floor but it's a very
15 important bill and I'm very pleased to be
16 associated with it. I can't say enough about the
17 Speaker and her staff who worked very diligently
18 on this. Tanisha knows this by heart because she
19 worked on it a lot. My staff, Dottie LeBraun
20 [phonetic] worked very closely with Council staff
21 on this. So from the Speaker, Tim Errechia
22 [phonetic], to the Council Staff, I thank you so
23 much. This is the kind of bill that has kept me
24 in public office. Thank you.

25 CHAIRPERSON RECCHIA: Thanks.

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Thank you Al. thank you for being--

COUNCIL MEMBER VANN: [Interposing]

Preston. I know you--

CHAIRPERSON RECCHIA: [Interposing]

Preston Niblack. All right. And Jeff Rodus. All right. Anybody else have any questions or any statements they would like to make? Recognizing no statements, no questions, please call the roll Kevin.

MR. KEVIN PENN: Kevin Penn, Committee Clerk. Roll Call on the Committee on Finance. Council Member Recchia.

CHAIRPERSON RECCHIA: I encourage all my colleagues to vote aye.

MR. PENN: Rivera.

COUNCIL MEMBER RIVERA: I vote aye.

MR. PENN: Reyna.

COUNCIL MEMBER REYNA: I vote aye.

MR. PENN: Comrie.

COUNCIL MEMBER COMRIE: Permission to explain my vote since you didn't look this way when I had my hand up?

CHAIRPERSON RECCHIA: I'm sorry Leroy.

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COUNCIL MEMBER COMRIE: I'm voting aye on the bill. This bill raises some issues regarding small landlords of buildings of 4 to 20 homeowners that came up and I've gotten promise from Finance to work on those issues 'cause a lot of those owners are not in RSAs so they did not, they were not aware of some of the implications of this bill and what it can mean for them. So we need to try to make sure that they are--we understand their concerns and embrace their concerns and are prepared to work with those owners as well. With that I vote aye on all.

CHAIRPERSON RECCHIA: We give you our commitment that this Committee will work with those small landlords to help them out and assist them in any way possible.

MR. PENN: Fidler.

COUNCIL MEMBER FIDLER: I want to congratulate Kevin on his first roll call.

MR. PENN: Thank you.

COUNCIL MEMBER FIDLER: I vote yes.

MR. PENN: Foster--

CHAIRPERSON RECCHIA: [Interposing]
I want to...

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COUNCIL MEMBER FOSTER: Yes.

CHAIRPERSON RECCHIA: Before you call the next name, I just want to recognize we've been joined by Robert Jackson.

MR. PENN: Jackson.

COUNCIL MEMBER JACKSON: Aye.

MR. PENN: Koppell.

COUNCIL MEMBER KOPPELL: [No audible response].

MR. PENN: Vann.

COUNCIL MEMBER VANN: Aye.

MR. PENN: Cabrera.

COUNCIL MEMBER CABRERA: Aye.

MR. PENN: Van Bramer.

COUNCIL MEMBER VAN BRAMER: Aye.

MR. PENN: Ignizio.

COUNCIL MEMBER IGNIZIO: Yes.

MR. PENN: Oddo.

COUNCIL MEMBER ODDO: Yes.

MR. PENN: By a vote of 13 in the affirmative, 0 in the negative and no abstentions, all items have been adopted and members please sign the Committee reports.

CHAIRPERSON RECCHIA: And we'll

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2 keep the vote open until 11:10. Okay? Please
3 don't forget to sign the sheets everyone. Okay.
4 That concludes this hearing. We'll keep the vote
5 open. Keep the vote open. Okay? We'll adjourn.

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COUNCIL MEMBER RIVERA: And we're
going to start Rules--

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MR. PENN: Brewer.

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COUNCIL MEMBER BREWER: I vote aye.

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Thank you.

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MR. PENN: Mealy.

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COUNCIL MEMBER MEALY: I vote aye.

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We close the Finance Committee.

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[Gavel banging]

C E R T I F I C A T E

I, Laura L. Springate 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.

A handwritten signature in cursive script that reads "Laura L. Springate". The signature is written in black ink on a light-colored background.

Signature Laura L. Springate

Date March 5, 2011