

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

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April 30, 2012
Start: 10:34 a.m.
Recess: 11:17 a.m.

HELD AT: Council Chambers
City Hall

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

COUNCIL MEMBERS:

Gale A. Brewer
Leroy G. Comrie, Jr.
Lewis A. Fidler
Helen D. Foster
Robert Jackson
G. Oliver Koppell
Darlene Mealy
Diana Reyna
Joel Rivera
Albert Vann
Fernando Cabrera
Julissa Ferreras
Karen Koslowitz

A P P E A R A N C E S

COUNCIL MEMBERS:

James G. Van Bramer
Vincent M. Ignizio
James S. Oddo

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2 CHAIRPERSON RECCHIA: Okay. Ready
3 to begin? Good morning. Welcome to today's
4 Finance Committee hearing. My name is Domenic M.
5 Recchia, Jr. and I'm the chair of this wonderful
6 Committee. At this time, I'd like to introduce my
7 colleagues who have joined us here this morning.
8 To my right, we have Council Member Jimmy Van
9 Bramer, Council Member Karen Koslowitz, Council
10 Member Julissa Ferreras, Council Member Al Vann.
11 To my left, we have Council Member Vincent
12 Ignizio. We have Council Member Diana Reyna. We
13 have Council Member Fernando Cabrera, and Council
14 Member Helen Foster and myself.

15 Almost two years ago, the Finance
16 Committee and Community Development Committee held
17 an oversight hearing to examine the process used
18 by the Banking Commission to select depository
19 banks. As a result of the hearing, the Committees
20 learned that the Banking Commission which consists
21 of the mayor and the comptroller and the finance
22 commissioner does not have a process in place to
23 evaluate how well banks that are applying to be
24 city depositories are meeting the needs of the
25 communities in which they do business. Although

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2 the Banking Commission under its own rules is
3 supposed to take into consideration a bank's
4 federal or state community reinvestment act
5 rating, we learned that it does not. Moreover,
6 state and federal CRA ratings actually provide
7 very little meaningful information regarding a
8 bank's community level of services. Federal
9 ratings are given based on bank's performance over
10 the entire New York metropolitan statistical area,
11 which includes Long Island, Westchester and other
12 upstate counties, even parts of northern New
13 Jersey, Connecticut and Pennsylvania. To gain a
14 better understanding of a bank's community
15 activities, this Committee last year along with
16 the Community Development Committee chaired by my
17 colleague, Council Member Al Vann, held a hearing
18 on Intro 485, which is sponsored by Council Member
19 Al Vann and by myself. The goal of this bill was
20 to establish criteria in order to evaluate whether
21 or not banks were addressing the credit and
22 financial needs of the city and its communities.
23 The bill required the commissioner of the
24 Department of Finance to establish a
25 classification system that would rate the

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2 community service activities of banks that have
3 been chosen to hold the city's funds. After that
4 hearing and many subsequent meetings with the
5 banking industry and community based
6 organizations, Intro 485 has now been
7 significantly amended to ensure broad base and
8 collective process between stakeholders and to
9 ensure that each stakeholder is fairly and
10 adequately represented. The amended bill which we
11 are voting on today establishes an advisory body,
12 the Community Investment Advisory Board, to assess
13 the needs of all of our communities for banking
14 services and to evaluate how well those needs are
15 being met. The advisory board will consist of the
16 mayor, the comptroller and the speaker or the
17 designees, the commissioner of the Department of
18 Finance, the HPD commissioner, a representative of
19 the city's banking industry appointed by the
20 mayor, a representative of community development,
21 housing or consumer protection organizations and a
22 small business owner representative both appointed
23 by the speaker. Every two years beginning in
24 2014, the advisory board will prepare an
25 assessment of banking needs through our city and

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2 its communities. In doing so, it will conduct
3 public hearings in each borough. It will look at
4 best practices throughout the banking industry and
5 it will establish benchmarks and make
6 recommendations for meeting the needs of
7 homeowners, families, small businesses and
8 communities with a particular emphasis on
9 historically underserved communities. Then once a
10 year, the board will prepare a published report
11 written in plain language examining how the city's
12 30+ depository banks are doing in helping to meet
13 the needs of the city of New York. Now some have
14 argued that we are stepping into territory where
15 we have no business being, namely [phonetic]
16 regulating the banking industry. Let me be clear.
17 This bill is about transparency and
18 accountability. This is not a regulatory bill.
19 In no way does this City Council want to hurt the
20 banking industry, and it is our hope that every
21 bank that does business with the city will
22 willingly participate in this process. We have
23 crafted a process that I believe will be
24 constructive, forward looking and open and that
25 will result in more opportunities for every

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2 community in our city to thrive and flourish.

3 Again, I want to thank Council
4 Member Al Vann for sponsoring this bill with me
5 because this is a bill that we all should be proud
6 of. Like all good things, this bill was hard work
7 and took many, many hours. I want to thank the
8 staff who worked on this bill for over two years.
9 First, I want to thank our director of finance,
10 Preston Niblack; deputy director, Jeff Rodus
11 [phonetic]; our economist, Ray Majeski [phonetic]
12 and Anthony Barrido [phonetic], but I want to give
13 a special shout out to my attorney who she does
14 spectacular work, especially during these tough
15 times, putting this together. She has some tough
16 times in her private life and I just want to thank
17 Tanisha Edwards for doing everything that you have
18 done to make this possible. I also want to thank
19 the general counsel's office led by Liz Fine
20 [phonetic], Jim Caris [phonetic], Lauren Axelrod
21 [phonetic], and Jeff Meltsa [phonetic], who worked
22 on all of the legal issues of this bill. Of
23 course I have, to thank our Speaker Christine
24 Quinn, who as always kept the focus and ours
25 [phonetic] on the goal of the bill that was

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2 balanced and fair, while meeting the needs of our
3 community. Thank you, Speaker Quinn and thank
4 you, Council Member Al Vann, for taking leadership
5 on this bill. Do you want to say a few words?
6 Okay. I recognize Council Member Al Vann.

7 COUNCIL MEMBER VANN: Yes, good
8 morning. Thank you, Chairman Recchia. As the
9 Chairman indicated, today we are about to vote on
10 and vote out Intro 485-A, the Community
11 Reinvestment Act, a bill that I'm very pleased to
12 have co-sponsored with our Chairman, and overall,
13 it's a bill that aims to encourage the banks that
14 receive city deposits to become more responsive
15 and more accountable to New York City communities.
16 I will not be redundant. Our Chair has described
17 what the bill does. He has acknowledged
18 everybody, which is what I was going to do. So I
19 will not again be redundant, but I would add to
20 those acknowledgements many thanks and
21 congratulations to ANHD [phonetic] and its
22 membership of housing and community groups across
23 the city. Thanks to your hard work and - - with
24 organizing is significantly why we've gotten to
25 this point. I just wanted to acknowledge that.

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2 Again, I won't go by and thank Speaker Quinn again
3 and thank Preston and thank Tanisha and thank
4 everybody--everybody deserves that recognition. I
5 would add to that my own personal staff--Dottie
6 Lebraun [phonetic] and Mandela Jones [phonetic]
7 from my office. Actually, acknowledge and thank
8 everybody who participated in what has been a
9 lengthy two year process and negotiations,
10 meetings and community organizing in order to get
11 this bill. I think it will ultimately achieve our
12 goal of holding banks that receive city funds more
13 responsible to the city and to our communities
14 within the city. So having said that, I'll turn
15 it back to you, Mr. Chairman, so we can move
16 forward.

17 CHAIRPERSON RECCHIA: Thank you,
18 Council Member Al Vann. I also want to thank ANHD
19 for their great work and leadership. I also want
20 to thank Al Vann. Your staff was really great to
21 work with; it really was a pleasure. I want to
22 thank my staff also, and I also want to set the
23 record straight that the New York Bankers
24 Association has submitted a statement in
25 opposition to today's bill. - - something else

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2 coming up here. Just hot off the press, and the
3 city, the commissioner of the Department of
4 Finance has just submitted also a statement of
5 opposition to this wonderful bill that we will be
6 voting on today. Does anyone have any questions
7 at this time? Without seeing that, we're going to
8 call the roll. We're going to be voting this out
9 of Committee today, and we will be voting on this
10 in the next Stated Council meeting.

11 COMMITTEE CLERK: William Martin,
12 Committee Clerk. Roll call vote in the Committee
13 on Finance. Council Member Recchia?

14 CHAIRPERSON RECCHIA: Aye on all,
15 and I encourage all my colleagues to vote aye.

16 COMMITTEE CLERK: Rivera?

17 COUNCIL MEMBER RIVERA: Because of
18 your encouragement, I vote aye.

19 COMMITTEE CLERK: Reyna?

20 COUNCIL MEMBER REYNA: Aye.

21 COMMITTEE CLERK: Comrie?

22 COUNCIL MEMBER COMRIE: Aye.

23 COMMITTEE CLERK: Foster?

24 COUNCIL MEMBER FOSTER: Aye.

25 COMMITTEE CLERK: Vann?

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2 COUNCIL MEMBER VANN: I just want
3 everyone to recognize that Domenic, the Speaker,
4 Tanisha in particular have been very impressive
5 and have been very, very patient and diligent in
6 trying to work a bill that everyone could feel
7 comfortable with. I think they've gone beyond the
8 bounds of being patient, and I'm a little
9 disturbed that despite all of that there would be
10 memos in opposition. Maybe that's the nature of
11 the beast, and maybe we should expect that, but at
12 some point you'd think the welfare of the
13 community and the people we all ought to agree on
14 that, and so - - . I didn't know I was that
15 strong, man. I'm a little disappointed that they
16 didn't come to the table with a little bit more
17 positive attitude about it. So kudos to all of
18 our people who really hung in there and have come
19 at it with a very, very fine bill nonetheless.
20 Thank you.

21 COMMITTEE CLERK: Ferreras?

22 COUNCIL MEMBER FERRERAS: Aye.

23 COMMITTEE CLERK: Cabrera?

24 COUNCIL MEMBER CABRERA: Aye.

25 COMMITTEE CLERK: Koslowitz?

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COUNCIL MEMBER KOSLOWITZ: Aye.

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COMMITTEE CLERK: Van Bramer?

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COUNCIL MEMBER VAN BRAMER: Aye.

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COMMITTEE CLERK: Ignizio?

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COUNCIL MEMBER IGNIZIO: No. [off

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COMMITTEE CLERK: Oddo?

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COUNCIL MEMBER ODDO: No. [off

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COMMITTEE CLERK: By a vote of ten

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in the affirmative, two in the negative and no

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abstentions, item is adopted. Members, please

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sign the Committee Report.

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CHAIRPERSON RECCHIA: I want to

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thank everyone and we will keep the vote open for

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30 minutes to 11:15.

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COMMITTEE CLERK: Council Member

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Fidler?

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COUNCIL MEMBER FIDLER: Yes.

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COMMITTEE CLERK: The vote now

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stands at 11 in the affirmative and two in the

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negative.

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[pause]

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COMMITTEE CLERK: Council Member

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Jackson?

COUNCIL MEMBER JACKSON: Hello. I
vote aye on all.

COMMITTEE CLERK: The vote now
stands at 12 in the affirmative and two in the
negative.

[pause]

COMMITTEE CLERK: Continuation roll
call in the Committee on Finance. Council Member
Brewer?

COUNCIL MEMBER BREWER: I vote aye.

COMMITTEE CLERK: Koppell?

COUNCIL MEMBER KOPPELL: Aye.

COMMITTEE CLERK: Mealy?

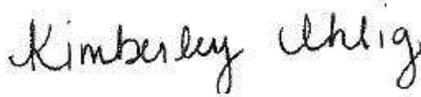
COUNCIL MEMBER MEALY: Aye.

COMMITTEE CLERK: Final vote in the
Committee on Finance is now 15 in the affirmative,
two in the negative and zero abstentions. This
hearing is now adjourned.

C E R T I F I C A T E

I, Kimberley Uhlig 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 _____

Date _____5/14/12_____