

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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April 16, 2015
Start: 10:46 a.m.
Recess: 11:06 a.m.

HELD AT: Committee Room - City Hall

B E F O R E:
JULISSA FERRERAS
Chairperson

COUNCIL MEMBERS:

COREY D. JOHNSON
HELEN K. ROSENTHAL
I. DANEEK MILLER
JAMES G. VAN BRAMER
LAURIE A. CUMBO
MARK LEVINE
ROBERT E. CORNEGY, JR.
VANESSA L. GIBSON
VINCENT IGNIZIO
YDANIS A. RODRIGUEZ

[gavel]

CHAIRPERSON FERRERAS: Good morning and welcome to today's finance committee hearing. I am Council Member Julissa Ferreras and I'm the chair. I want to thank everyone for joining us today. We've been joined by Council Member Gibson, Cornegy, Johnson, Cumbo, Levine, Cohen, and Ignizio. Today we have six items on the agenda; an executive budget extender, proposed Intro 55A, 555A a local law relating to SCRIE and DRIE, Intro 727 a local law relating to the property tax of homeowners who are rebuilding after Superstorm Sandy, a BID item, and two LU items. Let's start with the budget extender. At the request of the administration the council is voting on an executive budget extender which would extend the day by which the mayor must release the executive budget as well as other budget related dates. Under the charter the administration has until April 26th for, of each year to submit the executive budget to the council. This budget extender would push the date of release back an additional 11 days until May 7th. Because of the executive budget, because the executive budget will be released later the

1 council will need extra time to hold its executive
2 budget hearings which will now conclude no later
3 than June 15th rather than May 25th. The legislation
4 would also extend the charter mandated dates for
5 executive budget actions taken by other entities
6 such as the borough president and the independent
7 budget office and change the date of the Mayor's
8 submission of revenue estimate and a date for
9 fixing the tax rates from June 5th to June 16th. For
10 a complete list of the dates that would be extended
11 by this legislation please see the committee report
12 prepared by the finance division. Representatives
13 from OMB are here to answer any questions you might
14 have on the executive budget extender. Next is
15 proposed Intro 555A, a local law to amend the
16 administrative code in relation to SCRIE and DRIE
17 sponsored by myself and Council Member Cohen. The
18 legislation before us today would require the
19 Department of Finance to designate a SCRIE
20 ombudsperson and a DRIE ombudsperson within the
21 DOF. The ombudsperson would be responsible for
22 investigating and responding to complaints about
23 the program as well as making recommendations to
24 the commissioner about administration of its
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2 programs. Created, a dedicated SCRIE email address
3 and a dedicated DRIE email address or links to
4 directly contact each program through DOX website.
5 Post a statement on DOF's website that inquires
6 about SCRIE and DRIE, that inquiries about SCRIE
7 and DRIE could be made by a 3-1-1 or through DOF's
8 website and put that statement and contact
9 information of the relevant ombudsperson on all
10 SCRIE and DRIE applications and certain notices.
11 Provide the council with an annual report about the
12 inquiries about SCRIE and DRIE received by DOF from
13 3-1-1 and the complaints received by the
14 ombudsperson. Include the relevant eligibility
15 criteria from SCRIE and DRIE on certain
16 applications and notices and every three years
17 provide the council with a report on the population
18 of tenants in the city eligible to participate in
19 SCRIE or DRIE and DOF's outreach efforts similar to
20 a report published in December of 2014. I am proud
21 to sponsor this bill along with Council Member
22 Cohen that will provide an additional avenue for
23 assistance for people with SCRIE or DRIE related
24 questions or concerns. I believe that this bill
25 will help provide clarity for seniors and people

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2 with disabilities as they navigate the application
3 process. And it would also help this committee as
4 it continues to provide oversight of DOF's outreach
5 efforts. I'd like to thank my Chief Council Tanisha
6 Edwards, Assistant Council Rebecca Chasten, and
7 Finance Staff Emera Eddive and Sarah Gassamum
8 [phonetic] for their efforts on this bill as well
9 as DOF for working collaboratively with us. Next we
10 have Intro 727 sponsored by Council Member Ignizio
11 which would allow the city to limit any increase to
12 assess value caused by the reconstruction of
13 Superstorm Sandy damaged property so that a
14 property's assessment would not be any higher than
15 had the storm not happened. Under state law the
16 assessment of all residents, residential and mostly
17 commercial properties are subject to protections
18 that limit how fast they can grow. However these
19 limits only apply to changes in assessments due to
20 economic forces. Changes caused by physical
21 improvements are not subject to these limits. As a
22 result properties have saw physical damage due,
23 during, due to Superstorm Sandy can see large
24 increases in their assessments when they are
25 repaired. In 2014 the city and the state adopted

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2 legislation providing an abatement of these taxes
3 above the level charge prior to the storm. However
4 this abatement represented short term fix as it was
5 only authorized for fiscal 2015. Intro 727 will
6 provide a long term solution for homeowners seeking
7 to rebuild after Sandy to ensure that they are not
8 penalized for rebuilding. I want to congratulate
9 Council Member Ignizio on this bill. I know this is
10 the solution for which you have zealously advocated
11 for in the past three years and that you have been
12 there every step of the way through the state
13 legislative process and now at the council. Thank
14 you to the Finance Committee including Tanisha
15 Edwards, Ray Majesky, Emera Eddive, Rebecca Chasten
16 for the work on the bill. Next we have the BID
17 item, Intro 681 which would establish the meat
18 packing area business improvement district in
19 Council Member Johnson's district. Council Member
20 Johnson supports the establishment of this BID. The
21 total first year budget of the BID will be 1.6
22 million dollars with the potential to rise in the
23 future to 3.2 million dollars. The budget will go
24 towards sanitation, landscaping, maintenance,
25 beautification, public safety, economic development

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2 initiatives, business and community advocacy, and
3 general administration. On March 11th, 2015 this
4 Committee held a hearing to consider Intro 681 and
5 all the testimony that we heard was in support of
6 BIDs establishment. As required by law the hearing
7 was closed without a vote and a 30 day objection
8 period began to allow property owners affected by
9 the establishment of the BID to formally object to
10 this, to its creation. According to the city clerk
11 with whom these objections would be filed only one
12 property owner filed a valid object to the creation
13 of the meat packing area BID during the 30 day
14 period. Accordingly the committee may now vote in
15 favor of Intro 681 if you can answer the following
16 four questions in the affirmative; were all the
17 notices of this hearing for all hearings required
18 to be held published and mailed as required by law
19 and otherwise sufficient, does all the real
20 property within district boundaries benefit from
21 the establishment of this district except as
22 otherwise provided by law, Is all real property
23 benefited by the district included within the
24 district, and is the establishment of the district
25 in the best interest of the public. The Department

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2 of Small Businesses Services is here to testify to
3 help us answer those questions. Lastly we have two
4 land use items. First we have Penn South. This past
5 Monday the committee held a hearing to consider a
6 resolution that would grant Penn South an
7 additional eight years of property tax exemption
8 thereby guaranteeing that the development will be,
9 will remain affordable for low and moderate income
10 New Yorkers through 2030. Penn South is a limited
11 equity non-profit co-op building that is organized
12 under Article 5 of the public, of the private
13 housing finance law. As a mutual redevelopment
14 corporation it provides 2,820 units of affordable
15 housing spread across 15 buildings. It is located
16 in Chelsea in Manhattan in Council Member Corey
17 Johnson's district. In addition to providing a tax
18 exemption the LU item would authorize the city to
19 enter into a 7th, into its 7th amendatory agreement
20 with Penn South to modify the language of the
21 existing contract with respect to the financing of
22 apartment purchases. Currently qualified applicants
23 are permitted to finance up to 50 percent of the
24 purchase of their apartments with secured loans.
25 The new amendatory agreement would modify that

1 language to permit up to 75 percent of the purchase
2 price to be financed with secured loans. Council
3 Member Johnson supports this project. The second LU
4 item in Land Use, I'm doing all of this without
5 glasses by the way yes, is Council Member Chin's
6 district in Manhattan. This property is an HDFC and
7 provides 120 units of affordable housing for low
8 income and middle income families in December. The
9 council granted the property, 40 year property,
10 partial property tax exemption. Since then the
11 developer has agreed to increase the affordability
12 of the apartments and therefore HPD is requesting
13 the council amend the property tax exemption such
14 that the first five years are a full exemption and
15 remaining 35 years are a partial exemption. Council
16 Member Chin supports this project. And although she
17 could not be here today for the vote she asked that
18 I read her statement of support in the record. Good
19 morning members of the Finance Committee. Thank you
20 for reviewing this Land End item, Land End one
21 located in my district at 257 Clinton Street back
22 in December 2014 the finance committee and
23 ultimately the full council voted to approve a
24 transaction which allowed this building to enter
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2 into an article 11 agreement. Today I ask my
3 colleagues to vote in support of the modification
4 made to this agreement in order to increase the
5 amount of affordability for the 128 unit preserve
6 at this vote, at this site. Thank you. Those are,
7 those are our agenda items for today. Before we
8 hear from SBS regarding the meat packing BID we
9 will take questions on the agenda item. Any
10 questions or comments, I know that we have some
11 legislative sponsors here today, is there any
12 questions on the executive budget extender? No?
13 OMB's very excited that there was no questions to
14 the extender. Any questions on proposed Intro 555A?
15 Council Member Cohen would you like to speak about
16 your bill, our bill?

17 COUNCIL MEMBER COHEN: I know the
18 committee has a lengthy agenda so just one minute.
19 55A... As many of you know there are thousands of New
20 Yorkers who are eligible for SCRIE and DRIE but
21 simply don't apply. I think having an ombudsman at
22 the Department of Finance will help us identify
23 what maybe some of the barriers are to getting
24 people to apply and also help solve those problems.
25 So these, I think this is great legislation. I

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2 really wanted to thank you for inviting me to
3 partner with you on it. And I hope everybody votes
4 yes.

5 CHAIRPERSON FERRERAS: Thank you Council
6 Member Cohen. Hopefully we won't have anyone
7 descend from the roof into this room. Any questions
8 on Intro 727, the Sandy property tax bill? Council
9 Member Ignizio would you like to say a few words?

10 COUNCIL MEMBER IGNIZIO: Thank you very
11 much Madam Chairwoman and this was the culmination
12 of a lot of work. I think government actually early
13 on did not realize that this would be the case. And
14 when I brought it to them in fairness I want to say
15 everyone from the governor, the mayor, this council
16 said whoa we have to find a fix. And we did and
17 this was a great lesson in nonpartisan government,
18 people coming together and finding a way to make it
19 work. And I want to thank the commissioner of
20 finance who, who has been great and the commission
21 staff who's been there as well as my colleagues
22 both in the assembly and the senate who it was very
23 difficult for them to work in the language that
24 these, these technical corrections if you will to
25 the, to the real estate property tax law and of

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2 course my great friend Chairwoman Ferreras who was
3 there calling you all the time, what else do we
4 need to do, how else we can do. So it's a good day
5 for people that suffered and we will end the
6 suffering. My colleagues are wondering what the
7 story is. If you fix your home even for, because of
8 Sandy and that estimated cost of that house is... say
9 you had a 200 thousand dollar home it's now 300
10 thousand dollars you are not capped for that extra
11 100 thousand dollars in property taxes which was
12 unfair because they didn't choose to do this. They
13 were a victim of a natural disaster and we are
14 happy to provide them some relief and my colleagues
15 are, and it's, I'm proud to be in the city council
16 today. Thank you very much.

17 CHAIRPERSON FERRERAS: Thank you. And
18 now any questions on either of the land use items,
19 Penn South or Land End? Council Member Johnson.

20 COUNCIL MEMBER JOHNSON: Thank you Madam
21 Chairwoman for your incredible attention and hard
22 work on this matter and I especially want to thank
23 Tanisha Edwards and Rebecca Chasten for working so
24 hard on this. Penn South 2820 apartments in the
25 heart of Chelsea originally built by the

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2 International's Ladies Garment Worker Union in the
3 late 1960s. JFK was there to cut the ribbon and it
4 has been a place since its inception that middle
5 class, working class people could live and raise a
6 family. And so today we are going to protect its
7 future for future generations and ensure that Penn
8 South remains affordable with the council's action
9 today. I really appreciate all your help on this. I
10 ask my colleagues to vote aye. Thank you.

11 CHAIRPERSON FERRERAS: Thank you Council
12 Member Johnson. I'd now like to call SBS to testify
13 about the meat packing area BID and to answer any
14 questions the committee might have. And this is
15 Council Member Johnson's day because he's going to
16 speak about the meat packing district also. We're
17 going to swear you in.

18 COMMITTEE COUNCIL: Do you affirm that
19 your testimony will be truthful to the best of your
20 knowledge, information, and belief?

21 MICHAEL BACKER: I do. Good morning
22 Chair Ferreras and members of the Finance
23 Committee. I am Michael Blaise Backer, Deputy
24 Commissioner of Neighborhood Development at the
25 Department of Small Business Services. I am joined

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2 by the Executive Director of BID Program and
3 Development Chris Goddard. As requested by law the
4 meat packing area of Business Improvement District
5 steering committee mailed the summary of the city
6 council resolution to the following parties; each
7 owner of real property within the proposed district
8 at the address shown in the latest city assessment
9 role, such other persons as are registered with the
10 city to receive tax bills concerning real property
11 within the district, and tenants of each building
12 within the proposed district. In addition SBS
13 arranged for the publication of a copy of the
14 summary of the resolution and the city record. We
15 would like to report on the result of the objects
16 filed with the city clerk against the establishment
17 of the proposed meat packing area business
18 improvement district. At the conclusion of the
19 objecting period at 5:00 p.m. on April 10th, 2015
20 and taking into consideration any objections post
21 marked by that date only one objection was filed
22 with the city clerk. This one valid objection
23 represents .01 percent of assessed value and .19
24 percent of all owners of all benefited real
25 property situated within the district. This level

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2 of, of objection is within our acceptable threshold
3 needed to advance the bill for a favorable
4 consideration by the full city council. The
5 Department of small business services supports the
6 establishment of the meat packing area BID. In our
7 judgment the BID will improve quality of life and
8 business conditions in the meat packing district
9 and lay the groundwork for further neighborhood
10 development activities in the district and
11 surrounding area. At this time we're happy to take
12 any questions. Thanks.

13 CHAIRPERSON FERRERAS: Does anyone have
14 any questions about the BID? Council Member
15 Johnson.

16 COUNCIL MEMBER JOHNSON: Thank you again
17 Madam chair for your hard work on this. And I want
18 to thank the team at SBS. And also I believe Lauren
19 Danzinger is here in the back of the room. This has
20 been many years in the making. It's taken a lot of
21 hard work and community collaboration from people
22 that own buildings, the community board, residents,
23 block associations, city agencies, and so I am glad
24 and grateful that we are finally here and that it's
25 going to move forward. And I am deeply appreciative

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2 that Lauren and her team and the team at SBS were
3 flexible and worked with the community on some
4 specific concerns that came up. And so this final
5 product in its long final product is really worth
6 it in the end. And I think that this BID, the meat
7 packing BID is going to be a huge asset to the
8 community... it's been a hard process but a good
9 process and I am very excited about what the future
10 holds. Thank you Madam Chair.

11 CHAIRPERSON FERRERAS: Thank you very
12 much Council Member Johnson. Thank you SBS. We have
13 no further questions. Any other further questions
14 or... Oh we've been joined by Council Member
15 Rosenthal and Miller and Majority Leader Van
16 Bramer. Can we have Billy Martin, the committee
17 clerk will now call the roll.

18 COMMITTEE CLERK MARTIN: William Martin,
19 Committee Clerk. Roll call vote, Committee on
20 Finance. Chair Ferreras.

21 CHAIRPERSON FERRERAS: I vote aye and I
22 urge my colleagues to vote aye.

23 COMMITTEE CLERK MARTIN: Van Bramer.

24 COUNCIL MEMBER VAN BRAMER: I vote aye
25 on all. Congratulations.

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COMMITTEE CLERK MARTIN: Gibson.

COUNCIL MEMBER GIBSON: [off mic] I vote
aye.

COMMITTEE CLERK MARTIN: Cornegy.

COUNCIL MEMBER CORNEGY: Before I vote
aye I'd like to say that I'm always in awe of my
colleagues in the way that they take care of the
constituents in their district and throughout the
city. So I want to congratulate Vinny and also Mark
on a great piece of legislation that makes common,
that's very common sense. And I know you put in a
lot of hard work so thank you.

COMMITTEE CLERK MARTIN: Cumbo.

COUNCIL MEMBER CUMBO: I vote aye.

COMMITTEE CLERK MARTIN: Johnson.

COUNCIL MEMBER JOHNSON: I vote... I mean
I vote aye.

COMMITTEE CLERK MARTIN: Levine.

COUNCIL MEMBER LEVINE: Vote aye on all.
Thank you.

COMMITTEE CLERK MARTIN: Miller.

COUNCIL MEMBER MILLER: I vote aye and
I'd also like to congratulate my colleagues on some
real common sense legislation. Good work.

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COMMITTEE CLERK MARTIN: Rosenthal.

COUNCIL MEMBER ROSENTHAL: Aye on all. I was going to say something nice about Cohen but he's gone.

COUNCIL MEMBER MILLER: [off mic] We'll tell him you said something.

COUNCIL MEMBER ROSENTHAL: Okay so I just want to say... and also to Councilwoman Ferreras who's representing one of the districts that has among the highest possible number of people who don't have, don't have the SCRIE or DRIE benefits that they should I really appreciate your thoughtfulness about identifying the need for an ombudsman and putting that through. Thank you.

COMMITTEE CLERK MARTIN: Ignizio.

COUNCIL MEMBER IGNIZIO: I proudly vote aye and, and I was remiss in not mentioning my, my good friends Emera and Tanisha for their help in fashioning this bill. You know we as council members we write a bill or have an idea and pursue something and then we kind of like walk away a little bit and the nitty-gritty is done by the great staff here at the city council and I wanted to thank you both for being so... the people in my

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2 district and the, and the city of New York that
3 suffered from sandy thank you as well. I vote aye.

4 COMMITTEE CLERK MARTIN: By a vote of 10
5 in the affirmative, zero in the negative, and no
6 abstentions all items have been adopted.

7 CHAIRPERSON FERRERAS: Thank you. And we
8 will call this meeting to adjourn.

9 [gavel]

10 CHAIRPERSON FERRERAS: This is Council
11 Member Julissa Ferreras. We're going to keep the
12 Finance Committee open until 11:45.

13 [gavel]

14 CHAIRPERSON FERRERAS: You got it? Thank
15 you.

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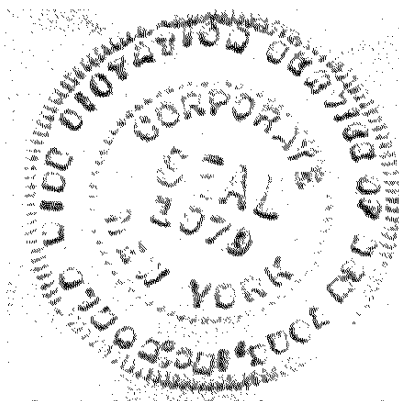
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C E R T I F I C A T E

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 _____ Date of Transcription _____