

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE JOINTLY WITH THE COMMITTEE ON
VETERANS

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December 8, 2016
Start: 1:09 p.m.
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HELD AT: Council Chambers - City Hall

B E F O R E: JULISSA FERRERAS-COPELAND
Chairperson

ERIC A. ULRICH
Chairperson

COUNCIL MEMBERS: Ydanis A. Rodriguez
James G. Van Bramer
Vanessa L. Gibson
Robert E. Cornegy, Jr.
Laurie A. Cumbo
Corey D. Johnson
Mark Levine
I. Daneek Miller
Helen K. Rosenthal
Steven Matteo
Fernando Cabrera
Alan N. Maisel
Paul A. Vallone
Joseph C. Borelli

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

Loree Sutton, Commissioner
NYC Department of Veterans Services

Timothy Sheares Deputy Commissioner
Property Division
NYC Department of Veterans Services

Eric Henry, Esquire, Director
Intergovernmental Affairs
NYC Department of Veterans Services

Lee Covino, Board Officer
United Staten Island Veterans Organization

John Rowan, National President
Vietnam Veterans of America
New York City Veterans Advisory Board

Frank Lamarsh, Vice Commander
NY American Legion Districts 2 and 10
Legislative Chairman, Richmond and Kings Counties

Peter Kempner, Director
Veterans Justice Project
Brooklyn Legal Services, Legal Services NYC

Kristen Rouse
NYC Veterans Alliance

Paul Dietrich, Commander
Richmond County Veterans of Foreign Wars

Joseph Frapanino
Vietnam War Veteran

Gene Di Giacomo, President
Vietnam Veterans of America, Staten Island

David T. Brown, President
715 Veterans Association

Nicholas Castoro
82nd Airborne Army Veteran

Kenneth Wong, Commander and President
American Legion Post 1291, Chinatown

Leslie Chang, Naval Reserve
American Legion Post 1291, Chinatown

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[sound check, pause]

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CHAIRPERSON FERRERAS-COPELAND: Good

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afternoon and welcome to today's joint hearing on the

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Finance Committee and Veterans Committee. I'm

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Julissa Ferreras-Copeland, and I am the Chair of the

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Finance Committee. Thanks—I'd like to thank everyone

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for joining us today. Today, we are holding a joint

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hearing on proposed Intro 1304 introduced by Council

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Member Minority Leader Matteo and co-sponsored by 16

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Council Members including myself. Proposed Intro

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1304 is a Local Law to amend the Administrative Code

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of the city of New York in relation to expanding the

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Veterans exemption. New York City is home to over

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210,000 veterans all of whom with their altruism and

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courage have sacrificed their lives and time with

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their families in exchange for our safety and

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freedom. In a budget of over \$83 billion, we—where—

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where we forfeit plenty of tax revenue in the name of

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economic growth, non-profit organizations and many

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other purposes, this is one tax exemption that is

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undoubtedly worth our consideration. I would like to

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publicly thank and commend all the veterans in the

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room with us today. On behalf of this committee and

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the Council we thank you for your service. The

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2 Veterans Exemption is different from other property
3 tax exemptions in New York City. Unlike most
4 exemptions, the exempt value of the property is still
5 partially taxed. This is largely connected to how
6 the city's complex property tax system works. The
7 property tax rates is actually a combination of two
8 subrates: The school rate, which pays for the city's
9 share of the education budget, and the non-school
10 rate. The current Veterans Exemption leave the
11 property owner responsible for paying the school rate
12 on the exempted value, and both the school and non-
13 school rates on the un-exempted value of their
14 property, and I'm going to be testing all of you over
15 what I just said. [laughter] Furthermore, the
16 school rate varies depending on how much state and
17 federal aid the city receives from its public
18 schools. Cutback in state and federal education
19 funding can cause the tax relief provided by the
20 exemption to shrink, as they have in the past. And
21 this bill--this bill would transform the Veterans Tax
22 Exemption to function in the same way other tax
23 exemptions work. The homeowner would not be charged
24 any taxes on the exempted portion of their
25 assessment. This will grant qualified veterans a

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2 deeper tax benefit on their property tax bill. It is
3 important that we look at ways to keep helping our
4 veterans and show support for those who have
5 sacrificed so much defending our freedoms. Before I
6 turn the mic over to Chair Ulrich, I'd like to thank
7 the Finance Division staff who helped prepare today's
8 hearing including my Committee Counsel Rebecca
9 Chasen; Chief Economist and Deputy Director, Dr. Ray
10 Majewski; Assistant Director Emre Ediv; Senior
11 Economist, Maria Enache; Finance Analyst James
12 Subudhi; Finance Analyst John Seltzer; and Veterans
13 Committee staff Counsel Eric Bernstein and Policy
14 Analyst Michael Kurtz. And now I will turn over the
15 mic to our chair.

16 CHAIRPERSON ULRICH: Thank you Chair
17 Ferreras, and thank you to the members of the Finace
18 and the Veterans Committees respectively. My name is
19 Council Member Eric Ulrich. Well, my name is Eric
20 Ulrich. I am a Council Member from Queens, and I'm
21 also privileged to serve as the Chair of the
22 Committee on Veterans. I'd like to thank my co-
23 chair, my colleague Council Member Ferreras-Copeland
24 and the members of both committees for holding this
25 very important hearing with my committee today. So

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2 as we know, the cost of living in New York City
3 continues to rise. It's already high. It's one of
4 the most expensive places to live in the country, and
5 reducing the property tax burden on the city's
6 homeowners becomes even more important, but
7 especially for our veterans. Many of these
8 homeowners happen to be the men and women who have
9 served our country with honor and integrity during
10 our country's most darkest times. I hear frequently
11 from veterans both in my district, and around the
12 city about the financial challenges that confront
13 them and their families. The Alternative Veterans
14 Tax Exemption has provided property tax relief for
15 thousands of veterans, their spouses, and Gold Star
16 parents. We should never forget the Gold Star
17 Mothers especially across the five boroughs for many
18 years. It is one of the ways that the city says
19 thank you to our veterans for their service and their
20 sacrifice. These are veterans who have served during
21 World War II. I'm very happy that the Council
22 Members were very active yesterday to mark the 75th
23 Anniversary of the Pearl Harbor—the attacks on Pearl
24 Harbor. We had several World War II veterans
25 actually join us in Rockaway yesterday, and that was

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2 very touching. The members of the greatest
3 generation, and so many of them have passed away, and
4 it's a—the ones that that are still with us it really
5 is a national treasure. So I especially want to say
6 thank you to them and salute them. We had veterans
7 living in the city who have served in every conflict:
8 Vietnam, Korea and the Post-9/11 Vets in Iraq and
9 Afghanistan, and veterans who have served in peace
10 time, too, honorably answering the call to service,
11 and not knowing whether or not they would actually be
12 sent into battle. Additional reductions are
13 available for veterans who have served in an active
14 combat zone and for those with a service connected
15 disability. However, until this past September, New
16 York City unlike other localities across the state
17 could not provide the exemption against school taxes.
18 This meant that New York City veterans and their
19 families were not entitled to the same tax benefits
20 as their counterparts in other parts of the state. I
21 want to commend Assemblyman Michael Cusick and
22 Senator Andrew Lanza, and I'm sure the Minority
23 Leader will thank them as well for introducing the
24 bill in Albany to get this passed and, of course,
25 Governor Cuomo for finally signing this legislation

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2 that remedies this inequality, and allows us to enact
3 the Local Law that we are considering today,
4 extending the exemption to local school taxes would
5 result in hundreds of dollars in additional savings—
6 that's real money—for veterans and their families
7 when it comes to paying their property tax bills. I
8 am proud to join with the sponsor of this legislation
9 Council Member Steve Matteo, the Minority Leader.
10 Actually, we have all three members of the Republican
11 Delegation here today. So that's—that's a variety I
12 guess, but anyway, and—and all of my colleagues in
13 supporting this change, and we've also been joined by
14 Council Member Cornegy, Council Member Borelli, also
15 of Staten Island, a member of the Veterans Committee
16 and Matteo, Council Member Maisel and—and as they
17 come to us. Council Member Rose is—is also here, and
18 I want to thank the Committee staff Eric Bernstein,
19 our Committee Counsel; Michael Kurtz, our Policy
20 Analyst; James Subduhi, our Financial Analyst; as
21 well as the staff of the Finance Committee for their
22 work in preparing this hearing, and yes, and now
23 we're going to hear from the prime sponsor of this
24 bill, the Minority Leader Council Member Steve
25 Matteo.

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2 COUNCIL MEMBER MATTEO: Thank you. Thank
3 you my colleagues Chair Copeland and—and Chair Ulrich
4 not only for holding this hearing, but for your
5 support. I want to thank our veterans for coming,
6 and for coming from all five boroughs to a great
7 rally we just held on the steps of City Hall today.
8 Thanks to my colleagues who joined us for their
9 support. As I said yesterday when we commemorated
10 the 75th Anniversary of the attack on Pearl Harbor,
11 it seems appropriate that we're having this hearing
12 today. As we remember those who lost their lives in
13 service of our country and the hundreds of thousands
14 of those who have sacrificed and served in conflict
15 since, we should also remember the great tradition
16 this city has of welcoming our brave men and women
17 home. After World War II, we did that with good jobs
18 in the most ambitious housing program this country
19 has ever had. After many of those veterans and their
20 families were able to get back on their feet while
21 living in public housing, they purchased homes across
22 the city where many still live today. But successive
23 generations of veterans have found it more and more
24 financially difficult to move back to the city.
25 Today, as many veterans have retired and are living

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2 on the limited incomes of their pensions, and as the
3 cost of living in New York City has reached
4 astounding levels, they need assistance to stay here
5 more than ever. This property exemption would help
6 about 58,000 veterans and their families by giving
7 them some breathing room in their tight budgets.
8 Thanks to authorizing legislation that was already
9 passed in Albany this year by our colleagues Assembly
10 Member Michael Cusick and State Senator Andy Lanza
11 from Staten Island and signed into law by Governor
12 Cuomo, the City now has the option along with other
13 municipalities across the state to expand the
14 Alternate Veterans Exemption Alternate Veterans
15 Exemption real property tax to include the school
16 district portion, but the City Council must pass our
17 legislation. This intro 1304 will authorize an
18 inclusion of the school tax. I don't think we will
19 anyone today argue that these veterans do not deserve
20 it because I think that we all know that they do. At
21 least even if we do hear that, I would like to go on
22 record preemptively and say that that is a ludicrous
23 argument. The question I think we are going to have
24 to answer today is can we afford it? However, I
25 would frame that question another way. How can we

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2 not afford to? Let's put aside the fact that the
3 cost of this exemption may total tens of millions of
4 dollars or less than a half percent of the budget
5 that could reach \$85 billion, or that we could find
6 efficiencies in any number of programs or agencies or
7 use part of a multi-billion dollar surplus to pay for
8 it, but let us be honest. Sincerely we are losing
9 our veterans each day that whatever figure we agree
10 would only go down over the next few years. Instead,
11 we should ask: How do we value keeping our veterans
12 here in this great city? How important is it for us
13 to keep them in their homes and in our communities?
14 Do their contributions, their knowledge and their
15 experience enrich our civic life? The answer to
16 those could only lead us to one conclusion: We must
17 pass this bill. In the grand scheme of things is a
18 small token of gratitude to those who have given us
19 so much. The budget is about priorities, and make no
20 mistake about it, this property tax exemption should
21 be a priority for this administration and this
22 Council. Thank you.

23 CHAIRPERSON FERRERAS-COPELAND: Thank you
24 very much to our prime sponsor. Now, we will hear
25 testimony from the administration after the Committee

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2 Counsel has to swear you in. Then you may begin your
3 testimony.

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LEGAL COUNSEL: Can you raise your right
5 hand, please? Do you affirm to tell the truth, the
6 whole truth and nothing but the truth in your
7 testimony before the committee today, and to respond
8 honestly to Council Member questions?

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COMMISSIONER SUTTON: I do. Good
10 afternoon, Chair Ferreras-Copeland, Chair Ulrich,
11 Minority Leader Matteo and members of the Committee
12 on Finance and the Committee on Veterans. My name is
13 Loree Sutton and I remain honored to serve as the
14 Commissioner for the New York City Department of
15 Veterans Services, DVS. Thank you for the
16 opportunity to meet today and to hear our testimony
17 on Introduction 1304, which if passed would extend
18 the current alternative exemptions for veterans to
19 the portion of real estate property taxes that are
20 paid for—that—that pay for school taxation in New
21 York City. I'm joined today several colleagues from
22 the Department of Finance including my battle buddy
23 here Deputy Commissioner of the Property Division,
24 Timothy Sheares as well as Eric Henry, who has
25 recently joined our teams as our Director of

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2 Intergovernmental Affairs. It's great to be with you
3 all today. Before I begin, I would like to take a few
4 moments to describe the tremendous strides that the
5 City of New York has made over this past year to
6 better serve our veterans community. These effort
7 include engaging with veterans and families from all
8 generations from those serve us in uniform ended
9 decades ago to those who have recently transitioned
10 or are currently preparing to do so. Appointed by
11 Mayor de Blasio and Speaker Mark-Viverito, the
12 Veterans Advisory Board was strategically selected to
13 sustain a diverse range of service backgrounds,
14 community engagement interests and professional
15 expertise to help facilitate dialogue within the New
16 York City veterans community. We are also the first
17 city in the nation to honor the service of our
18 veterans by adding a veteran designated to our
19 Municipal ID and program the IDNY. Thereby
20 facilitating the enhanced access to services and
21 benefits specifically for veteran New Yorkers. Most
22 dramatically New York City has transitioned the
23 Mayor's Office of Veterans Affairs into a full
24 citywide agency specifically devoted to the wellbeing
25 and support of veterans and their families now known

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2 as the New York City Department of Veterans Services.
3 Since the passage of historic legislation by the
4 Council and the subsequent signing of Local Law 113
5 by Mayor de Blasio nearly one year ago, the
6 Department of Veterans Services has grown in vision,
7 scope, and capacity as we build the strongest
8 possible foundation for connecting veterans and their
9 families with high quality services across a variety
10 of needs and strengthening their capacity for and
11 commitment to continued services in our city. As the
12 first new agency in the city of New York in over 15
13 years, DVS has diligently worked to onboard a
14 talented and diverse group of professionals to match
15 resources with veteran needs. Since April 2016, we
16 have grown this agency to 26 people are well on our
17 way to hiring the additional professionals who will
18 bring our team to a total of 35 DVS staff members.
19 In addition to our Deputy Commissioner Jeffery Roth
20 who brings a wealth of city experience, we've
21 onboarded the leadership of all three lines of
22 action, Assistant Commissioner Nicole Branca holds—
23 heads the Housing and Support Services; Assistant
24 Commissioner Jamal Othman, leads our efforts on
25 Education, Employment and Entrepreneurship or in

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2 three (sic) and Assistant Commissioner Darlene Brown-
3 Williams, PhD takes the helm of integrative health
4 and community resilience. We've also hired our Chief
5 Communications—correction—our Chief Information
6 Officer Vinkat Motupalli; a Senior Advisor of
7 Communications and Press Secretary Alexis Wichowski;
8 Senior Advisor to Public and Private Partnerships,
9 Jay Mangone; as well as Director of Intergovernmental
10 Affairs, Eric Henry, and our new Director of
11 Administration, Jason Parker.

12 Designing staffing and leading a start-up
13 agency in New York City government is an enormous
14 privilege, which I and all of Team DVS take seriously
15 to ensure that our efforts deserve the ongoing
16 confidence and trust placed in us by so many. The
17 process of building our team and creating an
18 organizational culture rooted in the value of service
19 to others is well underway, and constitutes an
20 ongoing leadership imperative at all levels
21 particularly as we align our key priorities within a
22 strategic planning framework that will guide and
23 shape our actions going forward. Core to DVS is the
24 belief that veterans and their families are our
25 city's leading natural renewal resource, and their

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2 strength and demonstrated commitment to public
3 service will help New York City thrive. Veterans
4 consistently tell our agency that navigating the
5 services as one of the biggest challenges in
6 accessing them. So at DVS we take the trial and
7 error process out of navigation. We work with
8 veterans one-on-one to help them figure out what
9 benefits they might be eligible for, and how to get
10 access to services. We do this in a variety of ways.
11 Improving access to veteran benefits by placing
12 Community Outreach Specialists to serve as a direct
13 with the community in each borough and DVS by
14 providing the human element of one-on-one support.
15 Community Outreach Specialists are trained to connect
16 veterans and their families to trusted resources
17 available to them from the city, state and federal
18 government. Deployed to the five boroughs our
19 specialists are creating a citywide presence, and
20 taking information on programs and services for
21 veterans in their community through collaborative
22 partnerships with post sites. Thus far we have
23 embedded Outreach Specialists in the Bronx, Queens,
24 and Staten Island and are currently identifying sites
25 for Manhattan and Brooklyn. We work with the First

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2 Lady Chirlane—Chirlane McCray for pioneering mental
3 health initiative Thrive NYC, and Road Stigma fosters
4 engagement and connects individuals to professional
5 services. Our Core Four Integrated Health Model aims
6 to address the full impact of war: Mind, body and
7 spirit for our veterans and their families by
8 applying a peer based community approach that
9 increases engagement and lowers stigma and costs.
10 This work includes working with service providers and
11 trained peer interventionists to integrate education,
12 culture, and the arts with holistic services and
13 clinical care for veteran and their families. We
14 also conduct citywide outreach and family engagement
15 to better connect veterans and family members with a
16 comprehensive range of resources specifically
17 tailored to their needs and strengths. Executing
18 DVS' strategy for recruiting and connecting veterans
19 and their families to city careers, service and
20 resources it's a saving place through a phased action
21 plan aimed at upgrading the DVS website, which I
22 would refer any of you to, and you'll see some marked
23 changes over the last couple of months now for direct
24 access to city jobs and opportunities. Collaborating
25 with DCS, citywide recruitment and Workforce 1 as

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2 well as the public and private sectors to identify HR
3 best practices, standardized citywide intake form, to
4 foster self-identification of veterans and families,
5 and exploring ways to engage with the veteran
6 business community to enhance business and
7 procurement opportunities for veteran business owners
8 and budding entrepreneurs. Launching Vet Connect
9 NYC, which is a digital platform and portal that
10 features a coordinated service network connecting
11 veterans their families with comprehensive referral
12 counseling and benefit support across a growing
13 constellation of vetted quality assured service
14 providers. Currently, we are solidifying the final
15 contract for a negotiated acquisition here in the
16 coming months, and we look forward to launching Vet
17 Connect NYC early in the New Year. We anticipate
18 continued progress building on the pioneering work
19 led by Mayor's Office on Criminal Justice and its
20 task force on Behavioral Health in the Criminal
21 Justice System. A systems lens is essential to fully
22 assessing veteran issues, needs and opportunities for
23 improvement in all phases of the criminal justice
24 system, including coordinated access to housing,
25 employment, legal and health services upon community

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2 re-entry, and whenever possible to maximize the
3 positive impact of the New York City Veterans
4 Treatment Courts that are now operating in all five
5 boroughs. Collaborating with Mayor's Fund Advance
6 New York. Working with the Mayor's Fund to establish
7 and maintain strategic partnerships with private
8 entities, non-profit-profit organizations and
9 foundations to generate support, and foster those
10 investments designed to plug gaps in service to test
11 pilot and scale innovative new programs and leverage
12 the flexibility of the private sector to support our
13 public initiatives all aimed at empowering New York
14 City veterans and families of all generations.
15 Expanding the interactive universe of veterans
16 connecting with DVS by developing and implementing a
17 digital transmedia plan.

18 Over the last few months we have set
19 social media targets for maximum awareness,
20 engagement and activities. We engage strategic media
21 outlets that amplified DVS' key messages and
22 activities as well as those pertinent to our
23 constituent veterans. Continuing DVS collaboration
24 with the Mayor's Office of Special Projects and
25 Community Events, the Mayor's Office of Citywide

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2 Event Coordination and management as well as veteran
3 service organization partners many of whom are here
4 today to assist and organize major veterans
5 commemorative ceremonies and special events that
6 honor service. Although DVS officially opened up for
7 business earlier this year, and as I have described
8 is currently ramping up to reach our full operational
9 capacity by July of 2017. We are proud of our
10 accomplishments to date, and look forward to a robust
11 future dedicated to improving the lives of New York
12 City veterans and their families. With respect to
13 today's hearing I would especially like to highlight
14 the work we are doing. With regards to housing not
15 only because it's germane to this continuing
16 discussion, but also because it represents a
17 cornerstone of our work. In addition to our advocacy
18 for veterans in health and education, the department
19 has also dedicated itself working with the city,
20 working with all levels of government and our
21 partners throughout New York City to effectively end
22 veteran homelessness here in our city. We do this
23 through developing systems and apply resources to
24 ensure that all veterans who become homeless are
25 rapidly rehoused in permanent affordable housing with

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2 the services they have earned and deserve. In fact,
3 in December of 2015, the federal government certified
4 that the City of New York ended chronic veteran
5 homelessness. This means that the veterans who were
6 living with a disability, and had been homeless for
7 the longest period of time were housed. We have led
8 the nation in its response to ending veteran
9 homelessness by connecting 1,600 homeless veterans
10 with permanent-permanent affordable housing this past
11 year alone. Most recently, DVS and Department of
12 Housing Preservation and Development, HPD, will work
13 together to require landlords to take the basic
14 allowance for housing integrated in the GI Bill
15 benefit as a source of the income for rent for
16 student veterans. In addition, we have partnered
17 with the Department of Finance to help freeze the
18 rents of veterans with service connected
19 disabilities. DVS will continue to work with the
20 city, state and federal community partners focusing
21 on meeting functional zero, ending homelessness for
22 veterans currently in shelter and developing a rapid
23 rehousing system for housing new veterans within 90
24 days of entry. We'll continue to mitigate recidivism
25 by bolstering after care services through a dedicated

1
2 coordinator who drives the assessment priorities and
3 fully leverages the vital veteran peer coordinator
4 role. Already on board, Angela Guyton-Cyril is on
5 board on the team and already made some real
6 difference in the lives of our veterans. We're also
7 leading efforts to systematize the assessment in
8 housing placement of homeless veterans across the
9 city and resources, and to scale this system to
10 benefit all homeless New Yorkers. It's another way
11 that veterans can continue to serve. Regarding the
12 current status of veterans' exemptions the City of
13 New York maintains, as we've heard earlier today from
14 our speakers, the Alternative Exemption for Veterans
15 Program to qualifying veterans. The spouse or un-
16 remarried widow or widower of the veteran or a Gold
17 Star Parent. The parent of a child whose died in the
18 line of duty. The veteran must have served in the
19 United States Armed Forces during World War I and
20 World War II, the Korean War, the Vietnam War, or the
21 Persian Gulf Conflict starting in August of 1990 and
22 extending through the current conflicts in
23 Afghanistan and Iraq. The property must be the
24 primary residence of the owner who qualifies for the
25 Veterans Exemption, and the applicant must submit a

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2 copy of his or her DB214 or separation papers. The
3 percentage assessed value reduction a veteran may
4 qualify for varies by eligibility requirements with
5 those who have served during a specified conflict
6 period seeing a 15% reduction, those who served in a
7 combat zone seeing an additional 10%, and those who
8 are disabled having the assessed value multiplied by
9 50% of the veteran's disability rating. Chair
10 Ferreras-Copeland yes that clause is ongoing.
11 [laughs] It's complicated so that is why—this is why
12 they have the Department of Finance by our side.

13 Introduction 1304, if passed, would
14 extend the current Alternative Exemption for Veterans
15 to the portion of real property taxes that are paid
16 for, school taxation in New York City. The City of
17 New York acknowledges the potential benefits is such
18 that its tax exemption would offer to so many in the
19 veterans communities matching veterans and their
20 families with timely and relevant benefits is central
21 to our DVS mission. Extending to its original
22 incarnation as the Mayor's Office of Veterans
23 Affairs, MOVA. Thus, we applaud Minority Leader
24 Matteo and the City Council for exploring additional
25 valuable benefits. This City Council and the Mayor

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2 have shown that DVS is not alone in our efforts to
3 add value to veterans' lives. Any decision as to
4 whether the city should opt into this program should
5 be made as part of the upcoming budget discussions
6 between this Council, the Mayor and relevant
7 stakeholders for the upcoming fiscal year. Working
8 together and engaging in the budget process over
9 these next few months we are excited that the
10 strength and needs of veterans will be topic of
11 serious consideration as we conduct our due diligence
12 in determining the eventual outcome. Thank you again
13 for this opportunity to meet with you today. At this
14 time, my colleagues from the Department of Finance
15 the Deputy Commissioner Shears and myself would be
16 happy to answer any questions you might have. Thanks
17 again for allowing us to be here.

18 CHAIRPERSON FERRERAS-COPELAND: Thank you
19 very much, Commissioner. We've been joined by
20 Council Member Levine and Council Member Rose. We
21 have members coming in and out. We have other
22 hearings happening. So there is running in and out.
23 Thank you. Your testimony was very informative. So
24 I-I appreciate the update on everything that your
25 agency is doing, but we're going to focus on the

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2 exemption part of your testimony. In Fiscal 2016,
3 the Veterans Exemption provided \$24.9 million in
4 operative tax release to veterans. Does DOS have an
5 estimate for the annual cost of the expanded
6 exemption, and how do you expect the cost to change
7 over the next couple of years?

8 DEPUTY COMMISSIONER SHEARES: Yes, we
9 have a forecast. So for Fiscal Year 18 the forecast
10 is up to \$39.6 million, which will be a total of
11 \$67.1 million. For Fiscal Year 19 the forecast for
12 the educational portion is \$41.3 million, and the
13 total cost would be \$70 million. For Fiscal Year 20,
14 \$43 million and the total cost of \$40--\$72.8 million.

15 CHAIRPERSON FERRERAS-COPELAND: [pause]
16 Okay, and homeowners receiving the Veterans Exemption
17 may also be receiving other exemptions like the
18 Disabled Homeowners or the Citizens-Senior Citizens
19 Homeowners. To what extent does the Expanded
20 Veterans Exemption affect the cost of those
21 exemptions, and do you have--do you know how many
22 recipients overlap in receiving these other
23 exemptions?

24 DEPUTY COMMISSIONER SHEARES: It doesn't
25 have an impact on those other exemptions. We believe

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2 that approximately—in terms of the actual veterans,
3 we believe about 26% of the veterans also receive the
4 Senior Citizen Exemption, and 90% of the veterans
5 receive the STAR and Enhanced STAR exemption.

6 CHAIRPERSON FERRERAS-COPELAND: 26 and 9
7 that's what you said? 90?

8 DEPUTY COMMISSIONER SHEARES: 26%--

9 CHAIRPERSON FERRERAS-COPELAND: And 90%.

10 DEPUTY COMMISSIONER SHEARES: --and 90--
11 no--yes, slightly over 90%.

12 CHAIRPERSON FERRERAS-COPELAND: Okay, I
13 wanted to talk about something specifically on your
14 website. According to the Department of Finance
15 website, notices to veterans of possible exemptions
16 increases were sent daily June 27, 2016. Can you
17 explain what the note on the website is referring to,
18 and if this concerns the old version of the Veterans
19 Exemption, does this--does this benefit also expand to
20 the old version?

21 DEPUTY COMMISSIONER SHEARES: No, this
22 benefit is specifically for the Alternative Veteran
23 Exemption. The old Vet, the eligible funds that we
24 believe about—I think about 3,800 recipients of the
25 eligible funds for vets—Veterans Exemption, and that

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2 was based on veterans receiving certain categories of
3 eligible funds. There's about 20 categories of
4 eligible funds that they could use either to purchase
5 or to enhance their home.

6

CHAIRPERSON FERRERAS-COPELAND: So how
7 many of the old--those who are participating in the
8 old version for it, have now been switched over to
9 the new exemption or is that process that people can-
10 -?

11

DEPUTY COMMISSIONER SHEARES: Well, when--
12 when--when the Alternative Veteran Law was enacted I
13 believe in 1984, that's when many of the old veterans
14 switched over. They do--it's probably the first thin
15 in fours has been the old veterans switched over to
16 the Alternative Vet Exemption. Initially, it was only
17 the old vet. That's why it's called the old vet, the
18 eligible funds exemption. I think at the time I
19 guess the State Legislator real--the State Legislator
20 realized that many people weren't benefitting for--
21 from the Eligible Funds Exemption. Thus, they
22 created a new Alternate Veterans Exemption.

23

CHAIRPERSON FERRERAS-COPELAND: Okay. So
24 I have one more question, and I wanted to open it up
25 to my colleagues, to the sponsor and then to the

1
2 chair. There is—there are certain maximum
3 exemptions, and I think you would go to all the
4 different categories in place depending on the
5 property class, and the type of eligibility. For
6 example, for veterans who served during a specific
7 period of conflict, the percentage assessed value
8 reduced—reduction is 50%, but the maximum exemption
9 and not for a Class 2 is \$24,300. How many
10 recipients of the Veterans Exemptions are getting the
11 maximum exemption amount allowed?

12 DEPUTY COMMISSIONER SHEARES: I—I—I don't
13 have that number?

14 CHAIRPERSON FERRERAS-COPELAND: But can
15 you get it from—to both of our committees?

16 DEPUTY COMMISSIONER SHEARES: Yes.

17 CHAIRPERSON FERRERAS-COPELAND: Thank
18 you, and now we'll hear from Minority Leader Matteo
19 followed by the Chair, and we've been joined by
20 Council Member Gibson.

21 COUNCIL MEMBER MATTEO: Thank you, Chair
22 Ferreras. Deputy Commissioner Sheares, could we just
23 go over the numbers again? Can we just go over the
24 total numbers again?

25 DEPUTY COMMISSIONER SHEARES: Yes.

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COUNCIL MEMBER MATTEO: That you said.

So I believe you said in--in FY18 this exemption that we're specifically talking about was \$67.1 million.

DEPUTY COMMISSIONER SHEARES: That's it.

Well, initially--well I was initially talking about the educational portion.

COUNCIL MEMBER MATTEO: Okay, so can go

over the numbers--

DEPUTY COMMISSIONER SHEARES:

[interposing] So we've used that portion.

COUNCIL MEMBER MATTEO: --with the school

tax exemption for the next three years?

DEPUTY COMMISSIONER SHEARES: Okay, so

the educational portion would be \$39.6 million for Fiscal Year 18.

COUNCIL MEMBER MATTEO: \$39.6?

DEPUTY COMMISSIONER SHEARES: Yes.

COUNCIL MEMBER MATTEO: Okay.

DEPUTY COMMISSIONER SHEARES: \$41.3

million for Fiscal Year 19--

COUNCIL MEMBER MATTEO: Okay.

DEPUTY COMMISSIONER SHEARES: --and \$43

million for Fiscal Year 20.

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COUNCIL MEMBER MATTEO: Okay, and just explain why the increase? Why are you projecting to go out?

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DEPUTY COMMISSIONER SHEARES: Assessed value is increasing, and possibly the tax rate changes, but more than likely it's the assessed value.

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COUNCIL MEMBER MATTEO: Okay. Can you tell me the average saving on a homeowner's tax bill now, and then what the expected additional savings would be?

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DEPUTY COMMISSIONER SHEARES: The average—

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15

COUNCIL MEMBER MATTEO: [interposing] For an average homeowner, for an average vet who owns a house approximately.

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DEPUTY COMMISSIONER SHEARES: In terms of tax dollars?

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COUNCIL MEMBER MATTEO: Yes.

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DEPUTY COMMISSIONER SHEARES: And I'll see what I have. I believe it's roughly—let me get that number for you, alright.

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COUNCIL MEMBER MATTEO: Okay. So, but you know what I'm asking?

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DEPUTY COMMISSIONER SHEARES:

[interposing] Yeah.

COUNCIL MEMBER MATTEO: I want to know
how much each veteran--

DEPUTY COMMISSIONER SHEARES:

[interposing] You want to know--

COUNCIL MEMBER MATTEO: --saves now, and
what it would add to in '20. You have--

DEPUTY COMMISSIONER SHEARES: Yes,

rephrase your question again. What do--what do you
want to know?

COUNCIL MEMBER MATTEO: I want to know

the average saving on a homeowner's tax bill now, and
then if they get--if we pass this bill how much would
it increase.

DEPUTY COMMISSIONER SHEARES: Okay.

COUNCIL MEMBER MATTEO: Do you have data

on the incoming veterans who receive an exemption
now?

DEPUTY COMMISSIONER SHEARES: Yes.

COUNCIL MEMBER MATTEO: Do you have that

with you? Do you have an average?

DEPUTY COMMISSIONER SHEARES: I believe

so.

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COUNCIL MEMBER MATTEO: Could you share that with us, please. [pause]

DEPUTY COMMISSIONER SHEARES: So we roughly have- well, approximately 39,500 veterans benefit from the Alternative Veterans program.

COUNCIL MEMBER MATTEO: 39,000?

DEPUTY COMMISSIONER SHEARES: 39,500.

COUNCIL MEMBER MATTEO: That-that benefit?

DEPUTY COMMISSIONER SHEARES: That benefit from the Alternative Veterans--

COUNCIL MEMBER MATTEO: [interposing] Okay.

DEPUTY COMMISSIONER SHEARES: --program.

COUNCIL MEMBER MATTEO: You have-you have the annual median income of those who receive it?

DEPUTY COMMISSIONER SHEARES: I don't.

COUNCIL MEMBER MATTEO: Could you get that to us?

DEPUTY COMMISSIONER SHEARES: Yes.

COUNCIL MEMBER MATTEO: And any of the data that you can get to us.

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DEPUTY COMMISSIONER SHEARES: Well, I-I
3 don't have their income? I-I won't-I won't have
4 that--

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COUNCIL MEMBER MATTEO: [interposing] And
6 you won't have that, no?

7

DEPUTY COMMISSIONER SHEARES: No.

8

COUNCIL MEMBER MATTEO: Okay. So the 39
9 can you break that down by borough? Can you send it
10 to us by borough?

11

DEPUTY COMMISSIONER SHEARES: Yes.

12

COUNCIL MEMBER MATTEO: Please. So,
13 Commissioner, I-I want to-I want to just jump to you
14 for a few general questions. In your opinion, if
15 you-or if you have any data, do you have any data on
16 veteran-on why veterans are leaving the city or the
17 state-- You know, do you-you see that as a problem
18 of-because of the cost of living veterans are leaving
19 our state, and do you have any data that would
20 support or support that notion?

21

COMMISSIONER SUTTON: I don't have any
22 data specifically on that. As we stand up our Vet
23 Connect NYC for example, we're going to increasingly
24 have access to real time data. Currently we have a
25 little over 210,000 veterans here in New York City.

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2 We see that with this essential municipal investment
3 that the city has made in standing up its own
4 Department of Veteran Services. We see that working
5 together with the Council, with all of the city
6 including its educational systems for public-private
7 philanthropic sectors. We see the opportunity to
8 make New York City a magnet city, a magnet city that
9 actually attracts new veterans here particularly
10 those veterans who are perhaps preparing to
11 transition or who are in the process of
12 traisitioning. We know that we've got some more to
13 do. We know that beyond the use of their GI Bill,
14 which fortunately gives a—a housing allowance here in
15 New York City of about \$3,700 a month. There's an
16 issue there in Staten Island. We won't—it's not the
17 topic of today's hearing, but we're aware of that,
18 and we want to work together to address that
19 particular issue, but we know that as we work to
20 surround those incoming veterans with community, the
21 community exists here in New York City of all
22 generations because every veteran is our concern, but
23 we are also very concerned about what happens to
24 those veterans once they, you know, been able to
25 benefit from the enormous resources educationally

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here in New York City, and how can we then retain that talent here in New York City going forward?

COUNCIL MEMBER MATTEO: Okay, and—and I thank you for that and, you know, there's many vets that I speak to who are having problems or, you know, deciding whether they can remain in New York City. It's different. It's housing cost impossible and it's—to me it's that simple, and it's—I understand the point of talking about in the budget, and I get that but to be honest this is something that we should look to pass immediately. This—we're talking \$39.6 million, \$41.3 million and \$43 million over the next fiscal—three fiscal years. It's—this should not even be a question of whether this Council moves forward with this bill. These veterans certainly deserve it. We're talking a \$83 billion budget. I'm always open to discussing it in budget, and I will and as part of the Budget Negotiating Team, the Leadership Team. As the Minority Leader we will continue to—to bang the drum on this issue, but we certainly need to pass this bill, and the question that I needed the response was how much. It is fiscally prudent to pass this bill. Our veterans deserve it. So we need to move forward quickly as

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2 the City Council in my opinion and, you know, I
3 believe that we owe it to our veterans for your
4 service, for—for the families. We can't thank you
5 enough. So, I heard what I need to hear. This is a
6 drop—a drop in the bucket for me. We need to pass
7 this bill. So I'm going to send it back because I do
8 want to have a chance to hear testimony from our
9 veterans. So thank you, and this is certainly doable
10 and we should be passing this bill as soon as
11 possible. Thank you.

12 DEPUTY COMMISSIONER SHEARES: Thank you.

13 CHAIRPERSON ULRICH: Thank you, Council
14 Member Minority Leader Matteo for your advocacy on
15 this important issue and—and to your colleagues on
16 Staten Island both in the Council and in the State
17 Legislature. We—we sincerely appreciate them getting
18 this done, but now, in fact, it does require a home
19 rule (sic) measure, and from the Administration's
20 testimony I gather that they wanted to be part of the
21 upcoming budget negotiations rather than an act of
22 the—a bill that we want to pass here. I'm just
23 curious, though, you know, assuming that that is the—
24 that is the position of the Administration, if Mayor
25 de Blasio has any intention of including this in the

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2 Preliminary Budget that comes up. Are there any
3 talks internally with the Department of Finance or
4 the Commissioner of-of the Veteran Services that the
5 Mayor is going to include in January, at the end of
6 January or February in the Preliminary Budget any
7 figures or amount of funding that would be used for
8 this purpose? Is there-

9 COMMISSIONER SUTTON: We have not yet had
10 those discussions. We look to the day as being a
11 really important milestone to be able to, you know,
12 do our due diligence as we are currently in-in the
13 process of doing as well as to gain the feedback of
14 our veterans community and going forward to-in the
15 budget cycle. There would be those discussions.

16 CHAIRPERSON ULRICH: Thank you and, you
17 know, I just want to reiterate and reinforce what the
18 Minority Leader just mentioned about the cost of
19 housing in the city. We have an affordable housing
20 crisis. I think that's something that we can all
21 agree on, and housing costs and the overall cost of
22 living have just skyrocketed in recent years. And so
23 many of our veterans particularly our older veterans
24 who live on a fixed income who receive Social
25 Security or disability benefit, which may or may not

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2 be service connected, or rely on, you know, a pension
3 from when they worked for, you know, the government
4 or in the private sector, and they're living
5 literally paycheck to paycheck. A \$4 or \$500
6 property tax savings a year really could make a
7 difference in the lives of that veteran and his or
8 her family, and there is a moral imperative, which is
9 why there's so much support I think in the City
10 Council for this to happen that, you know, I don't
11 know if we should wait until the budget is passed. I
12 think it's something we should explore doing now, but
13 that's an ongoing discussion that you mentioned,
14 Commissioner and we started today. But it really is
15 an important one because I hear, and I'm sure you
16 hear from just as many if not more from veterans all
17 across the city who simply can't afford to live in
18 New York City because it's just so expensive. And \$4
19 or \$500 may not seem like a lot of money to some
20 people, but for these veterans this legislation
21 really could make a difference for them, and that is
22 money that will be re-invested in the city's economy.
23 That is money that they will use not only to pay
24 their bills, but to go out and eat and to buy
25 clothing and, you know, we are going to see a return

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2 on this investment. So I know that there's a
3 financial cost that the Department of Finance has
4 articulated, and we know that in the grand scheme of
5 things that may represent a drop in the bucket, but a
6 lot of that money is going to come right back into
7 the city's economy. I believe so. We're going to be
8 having internal conversations on this side of City
9 Hall. I'm sure they'll have conversations on the
10 other side of City Hall, but this is a bill that I
11 really think we ought to pass and—and we ought to
12 pass it soon. Why don't we go to Council Member
13 Rose. I know that she signed up for questioning, and
14 also from Staten Island, and thank you Council Member
15 for being here. Thank you.

16 COUNCIL MEMBER ROSE: Thank you. I'm—I'm
17 actually honored to be a co-sponsor of—of this very
18 important bill, and I— Commissioner, I want you to
19 tell me why this Administration thought it was
20 necessary to develop as a partner of Veterans
21 Services? Was it because, in fact, that there are so
22 many needs for veterans that formerly went unmet?

23 COMMISSIONER SUTTON: Yeah, it's a—you
24 know, the—the story of this journey goes back to when
25 the original Mayor's Office of Veterans Affairs was

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2 formed by Mayor Koch back in the late '80s, and then
3 for nearly 30 years the mayors on both side of the
4 political aisles kind of let it languish in place. As
5 the city grew, as our veterans population and their
6 families grew. I think this convergence of leadership
7 over the last two years has been really heartening
8 both from the leadership of the Mayor and the Speaker
9 and Chair Ulrich, and the entire City Council, as
10 well--

11 COUNCIL MEMBER ROSE: [interposing] But
12 it was an acknowledgement that there were many needs
13 that veterans have that were going unmet.

14 COMMISSIONER SUTTON: [interposing]
15 Absolutely, and I—I would say that also this
16 convergence of leadership included our veteran
17 advocates many of whom are here today. Absolutely,
18 not doubt.

19 COUNCIL MEMBER ROSE: [interposing] And so
20 since there were so many needs that were going unmet
21 that we formed—we—we saw the importance of developing
22 a Department of Veteran Affairs or Services. How is
23 it that we didn't take into consideration housing,
24 the housing need and the need to be able to allow
25 veterans to age in place, and to remain in their

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2 homes? And we did not look at the tax—undue tax
3 burden that they've been forced to incur.

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COMMISSIONER SUTTON: Yes. So this is an
5 issue that was signed in Albany in September, and so
6 we started our—our department in July. That's why
7 these conversations are so important and ongoing, and
8 we're thrilled that we're going to be able to address
9 the needs of veterans, and specifically focus on this
10 bill as well as other ways in which we can support
11 the needs of veterans and their family members. So
12 we're really delighted to be part of this discussion.

13

COUNCIL MEMBER ROSE: So this is pretty
14 much a no-brainer, right? This—this—this legislation
15 is a no-brainer, right?

16

COMMISSIONER SUTTON: As I said in my
17 testimony, we are delighted to join with the City
18 Council, with the Administration fueled by the voices
19 of our advocates and their families and to better
20 understand the needs of veterans, and we look forward
21 to seeing where those discussions go. Absolutely,
22 this is an important proposal, and we're delighted to
23 be part of the conversation.

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COUNCIL MEMBER ROSE: So we can leave here really like excited that this will more than likely move forward.

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COMMISSIONER SUTTON: We will move forward to having the discussions and doing our due diligence, absolutely without a doubt.

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COUNCIL MEMBER ROSE: Come on, Commissioner, I'm trying to get you on the record.

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COMMISSIONER SUTTON: I understand that.

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COUNCIL MEMBER ROSE: Come on, come on. I'm trying.

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COMMISSIONER SUTTON: I do—I do understand that, and I do—I do--

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COUNCIL MEMBER ROSE: [interposing] Because—because, you know, we—we really owe our veterans a tremendous debt, you know, and while we can never really fully repay it, you know, this legislation is a good first step and a show of good faith, and good sense, common sense that we'll be able to—our—our veterans will be able to repay their homesteads that they, you know-- They went to other countries to fight to save all of our homes, and then I—I think it would be a terrible tragedy that they can't save their own homes because of--

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COMMISSIONER SUTTON: [interposing]

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Mandated for our veterans.

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COUNCIL MEMBER ROSE: --of a really

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minimal, nominal tax, and many of which don't have

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and haven't had children in school for many years

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now. Some of them probably don't have grandchildren

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in school.

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COMMISSIONER SUTTON: Uh-huh, uh-huh.

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COUNCIL MEMBER ROSE: So, is it--just as

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a--a co-sponsor, I want you to understand the passion

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with which, you know, I'm--I'm making these remarks is

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that this should a no-brainer, and that, you know, we

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really need this to move forward and--and to be

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expedited. We're not asking for a lot of money when

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you look at the big picture of--of the budget.

17

COMMISSIONER SUTTON: Madam Co-Sponsor,

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let me assure that I hear you loud and clear. I met

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with our Staten Islander veterans who came over in a

20

bus earlier today.

21

COUNCIL MEMBER ROSE: That's right.

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COMMISSIONER SUTTON: I am--I am hearing

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you loud and clear, and I thank you for your passion

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and your leadership in co-sponsoring this important

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bill.

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COUNCIL MEMBER ROSE: Well, no I-I thank-

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I thank my colleagues Steve Matteo and Joe Borelli

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and Chair Ulrich and--

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COMMISSIONER SUTTON: [interposing] It

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takes a team. Indeed it does.

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COUNCIL MEMBER ROSE: --the Chair of

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Finance. I will then now relinquish the mic. I

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think I've ranted enough. Thank you.

10

COMMISSIONER SUTTON: Thank you so much.

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CHAIRPERSON FERRERAS-COPELAND: Okay.

12

Thank you very much for your testimony. We have

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additional questions, but we'll just get them to you.

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If you can get them back to us soon, that would be

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great. We want to give some opportunities to our

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advocates who have been here for a long time to also-

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and our veterans to come and testify. Thank you very

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much for your testimony, and now we will call up the

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next panel.

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CHAIRPERSON ULRICH: Okay, we are pleased

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to be joined by--thank you again to the

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Administration. Thank you. Now, we are pleased to

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hear from some of the leading advocates in our city

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on veterans issues Mr. John Rowan, the National

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President of Vietnam Veterans of America; Frank

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2 Lamarsh representing the Department of Legions. I'm
3 sorry, the American Legion Department of New York. I
4 apologize. Peter Kempner, our good friend from Legal
5 Services NYC who leads the Veterans Project there as
6 well as our friend from Staten Island Lee Covino, who
7 is also here representing the United Staten Island
8 Veterans Organization. Thank you for coming and
9 please take a seat at the base. There are others as
10 well, but this is just the first panel. [pause]
11 Okay. We're going to set the clock because we have
12 three panels of people that signed up to speak. We
13 normally do three, but we'll do four minutes a
14 speaker. So we will give four minutes per person to
15 testify, and you don't have to use all four. It's
16 just—you can yield the remainder of your time like in
17 Congress. I think they do that. Not that we should
18 always emulated Congress, by the way. I'm just
19 saying we're pretty liberal with the time, but if-if
20 we can keep it to four minutes, and I know that the
21 clock—the clock is on the left there. Alright, let
22 me know when we're ready to begin. The sergeant—

23 SERGEANT-AT-ARMS: [off mic] We're ready
24 now.

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CHAIRPERSON ULRICH: We're ready. Okay.
Alright. So why don't we begin with Mr. Covino from
Staten Island. Let's hear from Lee.

LEE COVINO: And I thought I was going
last. [laughs] Honorable Chairpersons,
distinguished members of the Committee on Finance and
Committee on Veterans. We appreciate this
opportunity to give our complete support to Intro
1304 at today's hearing. My name is Lee Covino, and
I'm a board officer of the United Staten Island
Veterans Organization, and umbrella organization
comprised of representatives from the majority of
veterans organizations operating on Staten Island.
While you see those primary missions to sponsor the
boroughs, and in the Memorial Day Parade, our group
also participates in other charitable veterans causes
and is involved with advocacy issues affecting our
veterans throughout the year. Today, we wish to
concentrate on one issue only, the urgent need to
eliminate the onerous school tax from the Veterans
Property Tax Exemption. According to the New York
City Veterans Alliance, the school tax rate included
in the Veterans Property Tax Exemption calculations
has ballooned by more than 60% since 2003. The

1
2 current FY17 tax rate for veterans stands at 11.5% at
3 the school tax rate. As the school tax continues to
4 rise to unaffordable levels, the Veterans Property
5 Tax Exemption is reduced proportionately on an annual
6 basis. It is our opinion that a sizeable portion of
7 veterans receiving the property tax exemption within
8 the five boroughs are over the age of 65 years and on
9 fixed incomes. There are also disabled veterans and
10 widows who may fall into this category and may be
11 under 65 years of age. The ever-increasing school
12 tax represents an undue burden to those on fixed
13 incomes who have not seen adequate cost of living
14 increases in their benefits over the years. Unlike
15 the State's enhance star exemption, which gives
16 eligible homeowners additional property tax relief at
17 65 years of age, elderly veterans receiving the
18 Veterans Property Tax Exemption receive no such
19 assistance on the city level. The law as currently
20 written only guarantees that the school tax will
21 continue to soar annually while the tax exemption
22 shrinks proportionately. The state in its wisdom has
23 passed a law to rectify this problem, and more
24 recently passed a law to allow the city of New York
25 to opt into the legislation removing school tax from

1
2 the Veterans Tax Exemption. It is now time for our
3 City Council and our Mayor to say thank you for
4 serving in a meaningful way, which puts more food on
5 the table for those who have answered our nation's
6 call. What veterans say in the rear view mirror,
7 it's time for our city to follow the VFW's motto:
8 Honor the dead by helping the living. We urge the
9 City Council and the Mayor to help us accomplish this
10 objective by passing Intro 1304 and signing it into
11 law. Thank you.

12 CHAIRPERSON ULRICH: Thank you, Lee. As
13 always, thank you for your advocacy and your
14 testimony, but most importantly for your service to
15 our country. Thank you.

16 LEE COVINO: Thank you sir.

17 CHAIRPERSON ULRICH: Thank you.

18 LEE COVINO: And I yield my other seconds
19 to [laughs]--

20 CHAIRPERSON ULRICH: I-I salute you, and
21 now Mr. John Rowan. Thank you.

22 JOHN ROWAN: Good afternoon. My name is
23 John Rowan. I'm the National President of Vietnam
24 Veterans of America. I also happen to serve on the]
25 New York City Veterans Advisory Board as a

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2 representative from the City Council. I also had the
3 privilege over 20 years ago now of working for the
4 City Council in the Office of Oversight and
5 Investigation of Tax Due, and among the committees,
6 the Finance Committee. I'm fairly familiar with some
7 of the issues we're talking about here today. But I
8 think we need to talk numbers because that's—you
9 know, it was nice to hear all those other stuff, but
10 the numbers are what we're talking about. In the
11 1970 census, there 250,000 Vietnam veterans in the
12 city of New York at the time. There aren't 210,000
13 veterans in the whole city now today. Where did they
14 all go? Some of them unfortunately have left us, a
15 good number of them, unfortunately, but many of them
16 left the city of New York because they couldn't
17 afford to live here. Some of us managed to hang on
18 and continue to do so, but it does get tougher and
19 tougher. The other thing I think we need to
20 understand that looking at the Alternative Tax
21 Exemption, the history of which is very intriguing.
22 The original exemption given to the veterans after
23 World War II was a very substantial exemption. It
24 was based on all kinds of strange formulas, but
25 basically wrote off their entire tax when you could

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2 buy a house for \$5,000. Now that sounds absurd
3 today, but the bottom line is a lot of people didn't
4 make \$5,000 year. They made \$3,000. My-my mother
5 worked during the war and \$3,000 a year, and that was
6 working overtime in the defense plant. So, the-it
7 was proportionate, but it quickly got eroded. By the
8 time the Korean War came home, they didn't get
9 anything extra. They took whatever. If they go the
10 GI Bill-the program from the World War II guys they
11 were lucky. By the time we got around to being on
12 that, showing up, forget about it. We were totally
13 done. (sic) As was pointed out in some cases the GI-
14 the GI Bill program it gave us home loans. Access is
15 useless in the city of New York given the high cost
16 of housing. So, we found ourselves in the early '80s
17 when we came along, you know, having a lot of
18 difficulty, and so we sat down with then Senator
19 Maltese from Queens, and worked on the bill that got
20 us the alternative exemption, which by the way
21 originally had a 10-year sunset clause, and everybody
22 was upset about that, and Maltese said don't worry
23 about it, and two years later that got wiped out.
24 But it's based on a percentage of your-your period of
25 service how-whether you were in a war time, and

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2 whether you're disable. But one thing you need to
3 understand even if you're 100% disabled, I mean
4 served in a war zone, and during the war period, the
5 max you will get is 75% off. The max. So that still
6 leaves you paying 25% of your taxes. Okay, so that's
7 a problem right there. And now, you know, they asked
8 the question about getting STAR, which I think is 5%,
9 and many of us make too much money unfortunately to
10 get the senior citizens tax exemption, and especially
11 if those of us are getting disability or a decent
12 pension. I can tell you my city pension probably it
13 puts me over the top. So, again, you're still
14 paying—even if you get it all, even if you max out,
15 even if they gave this exemption, you know, included,
16 they're still—they're still paying 25% tax. So
17 that's an issue, but the real question and the real
18 number, and I asked the gentleman from the Finance
19 Department if he had the number, and he didn't have
20 it off the top of his head. That's the total amount
21 every year the City of New York spends on what they
22 call tax expenditures. I mean I believe the finance
23 people must know what I'm talking about, and that
24 sounds like an odd name for something. But basically
25 what it is, it's the amount of money you're going to

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2 find in the city budget spent in a sense but really
3 not spent, just not taken by the city of New York but
4 they charge it off as such for all the tax
5 abatements. So, what I want--

6 CHAIRPERSON FERRERAS-COPELAND:
7 [interposing] I have a gift for you.

8 JOHN ROWAN: Pardon?

9 CHAIRPERSON FERRERAS-COPELAND: We're
10 going to stop the clock, but I have a gift for you.
11 We're working on that, and the total number is \$8.5
12 billion--

13 JOHN ROWAN: [interposing] Billion
14 dollars.

15 CHAIRPERSON FERRERAS-COPELAND: --that we
16 give on tax expenditures, and for the first time
17 we're actually doing--we're legislating an evaluative
18 process--

19 JOHN ROWAN: [interposing] Good.

20 CHAIRPERSON FERRERAS-COPELAND: --that we
21 could begin to finally prove in some cases that these
22 tax expenditures are not in the benefit of our city.

23 JOHN ROWAN: Absolutely, but yeah--yeah,
24 so--so when they sit here throwing numbers out like
25 \$39.6 million or \$41 million and those numbers sound

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2 horrendous to the average citizen, when you're
3 talking over 39,000 homeowners or 40,000 homeowners
4 and possible future homeowners if we get the new kids
5 coming along. You know, we're—it's really not a huge
6 amount of money especially when you sit it next to
7 \$80- \$8.5 billion given out to Donald Trump, you
8 know, all of—you know, I was just watching this
9 morning on CNBC LeFrak. You know, nice people do
10 some great stuff in the city of New York and then
11 what's created the city of New York, but the city of
12 New York has also given them billions of dollars
13 every year in tax abatement. So I think the city of
14 New York and the rest of the taxpayers can afford to
15 give \$40 million or \$50 million a year to the
16 veterans of the city of New York for a small tax
17 break. Everybody wants to say we support the
18 veterans. Well, put up or shut up. Thank you.

19 CHAIRPERSON ULRICH: John, thank you. As
20 always, thank you and now we will hear from the
21 Department of New York American Legion. Thank you.

22 FRANK LAMARSH: Good afternoon. I'd like
23 to say—thank the City Council for the opportunity to
24 speak to you today. As a member of the largest
25 congressionally charged veterans organization in the

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2 country and in the world, the American Legion. My
3 name is Frank Lamarsh. I am a Vice Commander of the
4 American Legion Department of New York for Districts
5 2 and 10 and Legislative Chairman for Richmond and
6 Kings Counties. Pleas allow me to briefly state our
7 credentials in regards to the subject matter of
8 today's hearing. Nearly 100 years ago veterans of
9 the war to end all wars united to create an
10 organization to care for their former comrades and
11 their families and to perpetuate Americanism
12 promoting the ideas of freedom and democracy that
13 represents the fabric of our nation. At the 98th
14 Annual Convention of Veterans of New York, July 14
15 through 16' 2015 the American Legion Department of
16 New York reaffirmed the organization's principles and
17 committed to its leadership in providing advocacy to
18 help veterans of our nation's military, their
19 families independence and the members of the armed
20 forces. The more than 200,000 members of the New
21 York Department family offerd viable support to our
22 veterans, community, a network of local post neighbor
23 to neighbor help and an elite professional counseling
24 service. Over the years the American Legion has
25 influenced considerable social change in America, won

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hundreds of benefit for veterans, and produced many important programs for children and youth. The following are examples of some of the significant contributions the Legion has made:

The Legion's efforts resulted in the creation of the U.S. Veterans Bureau forerunner of the Veterans Administration. Past American Legion National Commander Harry W. Comerie (sp?) writes the first draft of what will later become the GI Bill of Rights considered the Legion's single greatest legislative achievement. For every dollar spent on educating veterans the U.S. economy eventually gets back \$7.00. The Veterans Administration elevates to cabinet level status with the Department of Veterans Affairs. The Legion fought hard for this change arguing that veterans deserve representation at their highest level of government.

Today as before—before mentioned the American Legion remains at the forefront of its efforts to improve education and other benefits for all veterans. In addressing the purpose of this hearing, Intro 1304-2016, which provides for a reduction in the assessed value of primary residents to veterans who served during a time of war with

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2 additional reductions available to veterans who
3 served in combat zones and disabled veterans, several
4 key points need to be considered. Over 50% of the
5 veteran population in New York State is over 65 years
6 of age. This small but meaningful savings is offered
7 through the tax deduction to help improve the quality
8 of life for veterans of this city and nation who
9 fought to ensure everyone has. For some, it may mean
10 the difference of stay warm this winter or not.
11 According to the 2014 Census, New York City is home
12 to approximately 190,000 veterans. The correct
13 number as stated previously is over 210,000 now.
14 Offering the total tax exemption could be the
15 difference in the decision for veterans who purchase
16 their homes within the five boroughs. The American
17 Legion Department of New York has been at the
18 forefront of supporting the legislation to provide
19 real property tax relief for veterans throughout New
20 York State. Resolution No. 23 passed with the
21 Department Convention in 2014. It requires every
22 school district in New York to offer qualified
23 veterans a school tax exemption on their primary
24 property of residence. The Governor signed into law
25 on December 18, 2013 legislation that allowed school

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2 districts to offer Alternate Veterans Exemption, RPTL
3 or 58-A. Not all school districts have—have held
4 public hearings to consider the law, which is
5 optional for local districts. The American Legion
6 urges amending the existing legislation to mandate
7 school districts to conduct the public hearing to
8 gauge community support or opposition to imposing a
9 veterans exemption on school taxes. It is my
10 understanding that as of May 6, 2016, State Senator
11 Carlucci is working on alternative actions to solve
12 this problem. It is the hope of the American Legion
13 that New York City Council will help ensure that
14 veterans who answered their nation's call will be
15 recognized and thanked by passing this legislation.
16 Thank you.

17 CHAIRPERSON ULRICH: Frank, thank you
18 again for your endorsement for this bill, for your
19 support and advocacy. Thank all the members of the
20 American Legion that you represent and that we
21 represent in our respective districts, and thank you
22 for your service.

23 FRANK LAMARSH: Thank you.

24 CHAIRPERSON ULRICH: Now, we'll hear from
25 Peter. Thank you. Legal Services NYC.

1
2 PETER KEMPNER: Well, thank you, Chair
3 Ulrich. Good afternoon. My name is Peter Kempner,
4 and I am the Director of the Veterans Justice Project
5 at Brooklyn Legal Services a part of Legal Services
6 NYC. First, let me start off by saying what an honor
7 it is to be on the panel with these gentlemen. Thank
8 you all for your service. Legal Service NYC is the
9 largest provider of free civil legal services in the
10 nation. We have offices in all five boroughs, but we
11 have served over 80,000–89,000 New Yorkers annually.
12 The Veterans Justice Project represents low-income
13 veterans, active duty service members, and their
14 families who are in need of free civil legal
15 services. Our attorneys and paralegals answer calls
16 on our citywide hotline, and hold clinics at VA
17 facilities throughout the city, and we thank you for
18 the opportunity to testify in support of Introduction
19 1304. Since 2009 Legal Services NYC has assisted
20 more than 11,000 New York City homeowners facing
21 foreclosure. We have offices throughout the city,
22 and a staff of nearly 40 attorneys and advocates that
23 provide critical legal services against the rising
24 tide of foreclosure filings in the city's courts.
25 Many of these cases are based on the failure to pay

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2 property taxes. The reduction of property taxes for
3 veterans through the Alternative Tax Exemption for
4 veterans would potentially help reduce the number of
5 veteran homeowners facing tax liens and lessen their
6 tax burdens. While the Alternative Veteran Tax
7 Exemption has existed for many years, New York State
8 law has not allowed New York City to to enact the
9 exemption. This fall when the State Legislature and
10 Governor Cuomo passed the legislation that permits
11 the City Council to offer the exemption to New York
12 City's veterans this created a crucial opportunity
13 because it will significantly help low and middle
14 income veteran homeowners in the city. A recent
15 study published by the Coalition for Affordable
16 Homes, highlights many of the problems faced by
17 homeowners who fall behind on property taxes in New
18 York City. These homeowners are often subject to
19 city the city's annual lien sale, a process through
20 which the city sells outstanding tax debts, and the
21 ability to collect them through private investors.
22 After the sale, these private investors then add high
23 interest and fees to those debts increasing the
24 amount owed by homeowner often by orders of
25 magnitude. These debts increase and unless the

1
2 homeowner is able to satisfy the debt by paying it
3 off, or a foreclosure is sought in the lien, they
4 will continue to do so. Many homeowners believe that
5 they must sell their homes especially those on fixed
6 incomes like veterans who receive service connected
7 disability. Otherwise, they will face foreclosure.
8 The majority of homeowners who face this, live in
9 communities that were greatly affected by the
10 foreclosure crisis of the last decade, and once on
11 the city's lien sale list, homeowners are often
12 targeted by real estate speculators seeking to take
13 advantage of their financial situation. These
14 speculators purchase homes, they flip the homes, and
15 sometimes they defraud homeowners. Many of these
16 homes also have non-rent regulated rental units, and
17 the tenants who live in these rental units are likely
18 to be displaced if those homes change sale-change-
19 change hands-I'm sorry-after a-the tax lien
20 foreclosure or after a sale is forced when a
21 homeowner is placed on the tax lien list.

22 Introduction 1304 is very narrowly
23 targeted to assist those who have sacrificed the most
24 to service to our nation. Specifically, the
25 exemption will only apply to the primary residents of

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2 veterans who have served during a period of war to
3 Gold Star parents and the additional exemptions to be
4 used by veterans who served in combat and who
5 suffered injuries as a result of their service.
6 Giving veterans this important benefit that provides
7 a small reduction in property taxes so they don't
8 lose their homes is the least that we could do for
9 those who served and sacrificed their lives for us.
10 So thank you again for the opportunity to testify,
11 and I'm happy—happy to take any questions you have.

12 CHAIRPERSON ULRICH: Thank you, Peter,
13 and thank you to Legal Services, also NYLAG for the
14 important work that they do in providing legal
15 services for veterans their families as part of the
16 New York City Council Veterans Initiative, which
17 we're very proud to fund and support. You do really
18 important work. I have a question, but I'm going to
19 defer to the bill's sponsor. I know that he has a
20 number of comments that he wants to make, and then
21 we'll come back with questions.

22 COUNCIL MEMBER MATTEO: Thank you, Chair.
23 I just—I want—I want to make a comment. I just want
24 to start by thanking you all for your service.
25 Obviously, you know, you honor us by being here. To

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2 Mr. Kempner, thank you for highlighting that because
3 that was such an important piece of testimony that
4 for no other reason to pass this bill to save a home
5 for a veteran is—is the—is a goal enough to make sure
6 that our veterans stay in their homes. So I just
7 want to thank you for highlighting that. I do want
8 to thank Commissioner Sutton for staying and
9 listening because that—that's extremely important as
10 we move forward, and I appreciate that you're going
11 to sit there and listen to veterans and their
12 testimony. So—so thank you again for your time, for
13 your service and I'll send it back to the Chair.

14 CHAIRPERSON ULRICH: Thank you, Council
15 Member Matteo. My question is actually for Legal
16 Services. I know you handle a very large caseloads
17 of veterans. How many cases actually on an average
18 basis, on an annually basis would you say are housing
19 issues? Veterans that you're assisting with anti-
20 eviction or a veterans who have problems because
21 their—their property tax or the water bills are going
22 on the lien sale. What—what would you say the
23 percentage of—of those cases is?

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PETER KEMPNER: So all housing issues
3 it's—it's around 65% of our caseload are housing
4 related issues.

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CHAIRPERSON ULRICH: That's incredible,
6 and where do you get those--

7

PETER KEMPNER: [interposing] By far the
8 biggest problem that we have in New York City.

9

CHAIRPERSON ULRICH: No doubt. Where do
10 you—where do you get those referrals from—from? Is
11 it word of mouth or is it—are you getting referrals
12 from other agencies? Is—is the Department of Veteran
13 Services referring them to you? Where—were are you
14 getting those cases from?

15

PETER KEMPNER: All over the place. We
16 are—we're part of NYC Serves, which DVS is part of as
17 well. We had a breakfast together this morning with
18 Commissioner Sutton, and so we get many cases from
19 them. We have outreach clinic for the Brooklyn VA
20 Hospital. We're actually starting a new clinic at
21 the VA Hospital on 23rd Street next week in
22 conjunction with Starbucks who is helping us out on
23 that. We have our hotline. Often that hotline
24 under—veterans get that through 311. We partner with
25 SSDF providers around the city as well. So really

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2 catch as catch can, and-and what we do, which I think
3 is extremely important to every person that walks in
4 our door seeking legal assistance, we ask if-if they
5 served or if a member of their family served.

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CHAIRPERSON ULRICH: That is great.

7

8 PETER KEMPNER: But sometimes it's not
9 that the veterans are seeing us out because we have a
10 veterans project, it's a low-income New Yorker
11 seeking us out and they happen to be a veteran.

12

13 CHAIRPERSON ULRICH: Well, I, you know,
14 that's very important because we do rely on veterans
15 to self-identify. You know, they don't walk around
16 with a sign saying--

17

PETER KEMPNER: [interposing] Right.

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19 CHAIRPERSON ULRICH: --you know, I'm an
20 Army vet or I'm a Marine or I'm a former member of
21 the service. So that's very important. How many
22 cases do-do you actually handle on average, a raw
23 number about-related to housing? How many would you
24 say?

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26 PETER KEMPNER: So I think last year we--
27 we did 1,200 case for veterans, 65% of that or 700 or
28 so.

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CHAIRPERSON ULRICH: That is related to
housing?

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PETER KEMPNER: It's related to housing.

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CHAIRPERSON ULRICH: And almost all of
them are financial in nature--

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PETER KEMPNER: Oh, absolutely.

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CHAIRPERSON ULRICH: --because it's just
getting more expensive.

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PETER KEMPNER: Yes, many of them are
non-payment cases, foreclosure cases what I mentioned
before, and then the finances on the other side. So
even if a-a tenant has paid their rent, and a
landlord is trying to get them out, there's often a
financial component of that as well where the
landlord is seeking to get more money for a unit, and
we're trying to save those rent controlled, rent
stabilized units for low-income veterans.

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CHAIRPERSON ULRICH: So in your opinion,
do you think that if we pass Council Member Matteo's
bill-Albany already gave us the green light, this is
definitely going to make a difference, right?

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PETER KEMPNER: Oh, absolutely especially
for the most vulnerable, right? When you're looking
at somebody who receives service connected

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disability, you know, they're living off of just a couple of thousands a month, and if you save a thousands, two thousand dollars year in property taxes, that's huge for them.

CHAIRPERSON ULRICH: Well, you're preaching to the choir here and we—we thank and appreciate the support and testimony delivered by the DVA and American Legion and the League of all the organizations you represent. I know John you wanted to say something before we move on?

JOHN ROWAN: No, I just wanted to take this opportunity to put something on the record that one of our former leaders a gentleman by the name of James Hepburn, a Vietnam veteran who passed away last August, and most people here don't know who he—he was, but Jim Hepburn (sic) was actually the director of the Mayor's Office of Veterans Affairs back in the Koch Administration, and was involved in the development of the New York City Vietnam Veterans' Memorial and the parade that followed, and all of the activities around that. He had retired to the Philippines, and unfortunately passed away at the age of 66 this August, and joining along with most of the

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2 Vietnam veterans who are coming to age now into this.

3 Thanks. [pause]

4

CHAIRPERSON ULRICH: Alright, Council

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Member Matteo, we're good. Alright, let's move onto

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the next panel. Thank you, John, Lee, Frank and

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Peter. Thank you again. Thank you. Our next panel

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we're also looking forward to hearing from the New

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York City Veteran's Alliance. Kristen Rouse is here.

10

Thank you for coming and for being here. I'll call

11

Dietrich from Richmond County Vets, the VFW of Staten

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Island. We're happy to have them. Mr. Joseph

13

Frappanino (sp?) Right? Okay, Frappanino is here as

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well. Gene DiGiacomo, President of Vietnam Veterans

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America, Staten Island Chapter. We're also pleased

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to have you here as well, sir. Thank you. Yes,

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okay. Yeah, well, alright, so the following

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individuals will be called in the final panel, but

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they won't be coming up now. Just so you know we

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have Lester Chang signed up to speak; Kenneth Wong

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signed up to speak American Legion; Nicholas Castoro

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and David Brown. So they'll be in the following

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panel, but not this one, and if there is anybody else

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that wanted to testify today, you have to see the

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sergeant-at-arms to sign up. Okay, why don't we

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2 begin with ladies first, of course. Our friend from
3 New York City Veterans Alliance, Kristen Rouse.

4 KRISTEN ROUSE: Thank you and good
5 afternoon. My name is Kristen Rouse. I'm a veteran
6 of the United States Army. I served three tours of
7 duty with the Army in Afghanistan, and I live in
8 Brooklyn. I'm testifying on behalf of the more than
9 220 dues paying members of the New York City Veterans
10 Alliance. Affordable housing is a top concern for
11 all New Yorkers, but when we discuss veterans housing
12 in particular, we're often told to stand in line.
13 Going back to the veterans who came home from World
14 War II, veteran reintegration and housing have been
15 intimately linked. Veterans returning home to New
16 York City didn't just have the GI bill assurances of
17 education and a guaranteed home loan. They also had
18 more than 11,000 apartments in Peter Cooper Village,
19 and a the tax exemptions that John Row—John Rowan
20 just mentioned that gave them the baseline stability
21 they needed to get back to work and build this city's
22 economy and livelihood of what we now call the
23 greatest generation. Yet, since this tremendous
24 investment for veterans, and its even greater payoff
25 for New York City and America, our city just hasn't

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2 made the same investment in following generations of
3 veterans. I felt this, for example, very personally
4 in my own New York City experience. I left an
5 expensive Brooklyn apartment that I leased—that I had
6 leased after coming home from my first combat tour,
7 and that I sublet during my second combat tour. But
8 when I came home from my third combat tour in
9 Afghanistan, my only choice was to find another
10 market rate apartment that was even more expensive
11 than what I was paying before. When I looked into
12 the feasibility of buying an apartment in my
13 neighborhood, I realized that the VA Home Loan
14 promised to me is functionally unusable in this city.
15 We call this the price of living in New York, but it
16 also showed me very personally that the city I call
17 home had no interest in welcoming me home from war
18 and getting me back to work to keep this city great,
19 but we can change that. All of us in this room can
20 change that. Housing is our most basic need in this
21 city. We finally recognized this enough to create
22 significant solutions for the shameful scourge of
23 veteran homelessness, and our city has made
24 commendable efforts to prioritize homeless veterans
25 for housing. What we can't stop is serving only the

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2 most vulnerable of our veterans. The greatest
3 generation wouldn't have reached the pinnacle of
4 success—their pinnacle of success without the
5 investment of a grateful nation and a grateful city.
6 We need to invest in every veteran who spent years of
7 their life in military service. Today's hearing is
8 only about—it's only about one seemingly small change
9 in the overall scheme of veteran's housing, but the
10 outcome of this bill will be a crucial statement on
11 whether our city will begin to truly prioritize
12 housing stability for all veterans or whether it will
13 maintain the status quo of leaving us on our own to
14 fight our way through life in the city one boot strap
15 at a time.

16 Introduction 1304 proposed to bring
17 needed tax relief to veteran homeowners in New York
18 City by adopting the New York State Real Property Tax
19 Law 458-A, passed in 2013, which includes school tax
20 as part of the Alternate Veterans Exemption for
21 property owners, which is at last possible thanks to
22 recent action in Albany. New York State Law and
23 corresponding New York City Tax Policy has provided
24 tax exemptions for veteran homeowners going bac, many
25 years, but veterans have never been exempt form pay

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2 New York City School Tax, which has increased more
3 than 60% since 2003. Our aging veteran homeowners
4 live on fixed incomes, and these tax increases have
5 unduly strained their quality of life. Over the
6 summer, my organization held a stakeholder meeting on
7 this important issue, and brought in experts from the
8 New York City Department of Finance as well as
9 veteran homeowners to talk about the situation. In
10 our meeting, we heard from Vietnam veterans in
11 particular who paid their fair share of taxes during
12 their working and child rearing years, but the
13 increased burden of school tax is jeopardizing their
14 financial security, and making them feel priced out
15 of the city they've always called home. We realize
16 this city has a budget to balance, but we ask all of
17 you to remember that this city's budget has been
18 balance for decades on the backs of the veterans of
19 our wars in Korea, Vietnam, Panama, Somalia, the
20 Persian Gulf, Bosnia, and now more recently Iraq and
21 Afghanistan. The tax break that this law would
22 provide is only a tiny fraction of what our city
23 should have invested in its veterans long ago, and
24 this would only be one important step in the right
25 direction because we also need policies that make

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2 living in and owning homes in New York City stable
3 and possible for veterans of every generation.

4 Pending your questions this concludes my testimony.

5 CHAIRPERSON ULRICH: Kristen, thank you,
6 as always, and we're pleased to have the endorsement
7 of the New York City Veterans Alliance for this
8 legislation, and we know how important it is.

9 Before we move onto the next person to testify, we
10 have to recognize that we've been joined by Council
11 Member Corey Johnson, and Council Member Van Bramer
12 from Queens as well. So now we will move on. Sir,
13 you are next.

14 PAUL DIETRICH: Thank you. My name is
15 Paul Dietrich. My name is Paul Dietrich. I served
16 almost 35 years in the Army Reserve primarily
17 including two years of consecutive tours of duty in
18 Iraq and then just added another six months to South
19 Korea. So right now I represent the Richmond County
20 Veterans of Foreign Wars. I'm the Commander of that
21 organization currently for approximately 650 members.
22 In the two years I've been Commander, we have
23 decreased membership. We tell you that for an
24 absolute fact. We continue to lose World War II
25 veterans all the time, but I urge you to pass 1304

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2 and sign it into law as soon possible to reduce the
3 onerous school tax portion of the veterans property
4 tax. More than 75% of my members currently are
5 beyond the age of 65. That's a fact. Most of them
6 are on fixed incomes. Most of them are living in
7 homes that they purchased years ago through their
8 diligence, their work ethic. [coughs] Our
9 organization continues to lose members annually not
10 only to death, but they move out of the area because
11 they cannot afford it. It happens every year.
12 [coughs] A portion of this is the school tax.
13 That's a portion of this. There are other items, but
14 this is a portion of it, and this is the portion
15 we're here to talk about today. Last year my
16 organization on Staten Island had to close a post.
17 That post had 150 members. Yet there were only 25 of
18 them living on Staten Island. They all originally
19 lived on Staten Island. I expect this trend to
20 continue unless something miraculous happens. I
21 don't see a way to change it. These citizens are
22 among the best possible citizens that you would want
23 here in New York. Yet, we're losing. [coughs] They
24 belong to organizations like the VFW like the
25 American Legion to continue serve. These

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2 organizations can't serve—continue to serve without
3 members. If we drive them away, the organizations
4 won't exist, and the services they provide won't
5 exist. We want these citizens to stay and provide—
6 continue their community service with their
7 organizations and keep the communities vibrant. One
8 such encouragement would be to put this school tax
9 exemption in place. I believe that conforms with the
10 original intent of the reason we put the other taxes
11 exemptions in place. The state in its wisdom passed
12 a law rectifying the problem, and more recently they
13 passed a law allowing the city of New York to follow
14 down this trail towards giving the relief to our
15 veterans. It's now time for the City Council and our
16 Mayor to say thank you for serving in a meaningful
17 way, which puts food—more food on the table for those
18 who have answered our nation's call. Please take the
19 action. Keep the increasing burden of school tax
20 from jeopardizing financial security of our veterans
21 and from pricing them—the older veterans in
22 particularly out of remaining in the city they've
23 worked and make their home. Thank you.

24 CHAIRPERSON ULRICH: Sir, thank you for
25 your service. I thank you and I salute you, and I

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know that the members of this committee appreciate you many years of service to our country and your continued advocacy, and that's why we're here today to make this happen. Sir, you are next. [pause]

 JOSEPH FRAPANINO: Thank you. My name is Joseph Frapanino. (sp?) I am representing myself. I am an New York City Vietnam Era veteran. I am a disabled vet, and Councilman Matteo had made mention before about specific numbers regarding the taxes for that. I-it just so happens two days ago I got my statement from New York City from the Department of Finance, and I-I am willing to turn that over to you if you'd like, and you can see very specifically what it is. I'm not new to the New York City Council in fighting-fighting for the removal of a school tax from our veterans property tax. I've been here over I'd say 20 years on and off trying to fight this bill. [coughs] In the past city and state have not exactly been what we call veteran friendly. So I'm hoping that the current City and State Council and the Mayor and the Governor's Office will be the 180 on that and show veterans a little bit-a little bit more respect, and-and help in trying to get this done. It is my belief, my personal belief, that the

1
2 school tax on veterans is biased and prejudicial
3 because it is the only tax exemption of the—of the
4 many that—that exist such as STAR, STAR Plus for
5 senior citizen, clergy, but it is the only tax
6 exemption that is re-taxed for a school tax and I—I
7 believe that's been wrong, and I've been saying it's
8 been wrong for many years now. To be specific in
9 this, my property tax for—for my—the—the property tax
10 for 2016 was 19.55%, and the new tax rate is going up
11 to 19.99%. The school tax rate was 11.56. Now it's
12 going to be 11.536. The veterans rate in 2016 was
13 8.048 and for 20—going into 2017 it's going to be
14 8.455. This produces an overall increase of \$4,716
15 for the new rate, which is an increase of \$84 over
16 the year before, and I'm just one person. I could
17 imagine how many other thousands of New York City
18 veterans this is going to affect, and this is a big
19 increase. I mean, then again, I've been saying that
20 for 20 years. Hopefully the New York City Council
21 will not be able to do something that would stop
22 this. I thank you very much.

23 CHAIRPERSON ULRICH: Thank you, sir.
24 Alright, we'll hear from Vietnam Veterans of Staten
25 Island.

1
2 GENE DI GIACOMO: Yes, thank you. My
3 name is Gene Di Giacomo. I am President of the
4 Vietnam Veterans of America on Staten Island. That
5 gentleman over there, John Rowan happens to be my
6 boss so I have to be careful. I am not going to talk
7 today. I'm not going to talk about all the
8 statistics. Everybody has already presented
9 everything, but what I want to do is I want you
10 people there, and God bless you for what you're
11 doing, is to reach out to the other people, and
12 understand—understand that where would this country
13 be if there was no armed forces? Where would be?
14 Where would that flag be? It would be nowhere.
15 There is nobody on God's earth that loved this
16 country more than the people that serve it. So when
17 it comes time to when hey come home--and believe me
18 as a Vietnam veteran I know this—when we come home
19 something has to be done for us. We all go back into
20 society. We work hard, and where do we get our
21 thanks from? We look at our bills. It's the most
22 that—as we all said, so many veterans from this area,
23 from New York are moving out of New York. They can't
24 handle it. The taxes are incredible. So the only
25 thing we want this country to do, this city

1
2 particularly right now as a city, and to start with
3 the school tax is very good. But it's got to go all
4 the way. There is no veteran that lives in-in New
5 York should have to pay any tax at all. We served
6 our country. We went without questions. We left a
7 lot of brothers and sisters back there. So we do-do
8 work-we worth that, and we need that from you and
9 that's all I have to say. God bless you for helping
10 us. Thank you.

11 CHAIRPERSON ULRICH: Well thank you, Mr.
12 Di Giacomo for your service. Are you related to Paul
13 Di Giacomo from the DEA. I know he lives on Staten
14 Island, too. Any relation?

15 GENE DI GIACOMO: No.

16 CHAIRPERSON ULRICH: Okay, well Di
17 Giacomo on Staten Island is like Smith probably and
18 in other places.

19 GENE DI GIACOMO: Yeah, it is.

20 CHAIRPERSON ULRICH: I don't know, but no
21 that's great, and-and look, you've-you've come a long
22 way from Staten Island. You probably took the ferry
23 here or maybe you drove and-and paid astronomical
24 parking fees.

25

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GENE DI GIACOMO: No, I want to thank
Steve Matteo for helping me with a bus.

4

CHAIRPERSON ULRICH: [interposing] So you
had a bus. Alright, well Councilman-Council Member
was wise enough to get a bus for people to see the
important work that he does here, and I can assure
you, and I want you to go back and tell your members
on Staten Island that when it comes to veterans
issues, not only on this issue, but he's the prime
advocate for, but all the Veterans Committee bills,
he has been a-a co-sponsor and a driving force behind
getting a lot of things moving here in the City
Council. So I want you to know that--

15

COUNCIL MEMBER MATTEO: Thank you.

16

CHAIRPERSON JOHNSON: --from a guy from
Queens.

18

GENE DI GIACOMO: Well, I must say that I
am from Staten Island. I couldn't be any prouder
than the politician or our Councilmen out in Staten
Island.

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CHAIRPERSON ULRICH: Right.

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GENE DI GIACOMO: Debbie Rose, Steve--

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CHAIRPERSON ULRICH: [interposing] Debbie
Rose is--

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GENE DI GIACOMO: --all of them. They're
out there for veterans 100% and God bless them for
that.

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CHAIRPERSON ULRICH: Yeah, Debbie Rose is
also a very, very strong advocate for our veterans
and Council Member Borelli, and you have some
outstanding elected in Albany fighting for your
interest and for your issues, and that's why we're
having this hearing today, and you being here and
testifying on the record it's official now, and it's
important and we hear you, and the Committee on
Finance hears you, too. That's why they—they stayed,
and their staff stayed the entire time so that we can
receive your testimony, improve the bill and
hopefully move it forward. Did you want to add
anything Council Member Matteo?

COUNCIL MEMBER MATTEO: Thank you, and—
and Gene, you know, Debbie and I on behalf of Joe
couldn't thank you enough for your kind words, and as
we, you know, we say at all your events and I
particularly say the best way we can honor what you
have sacrificed for all of us is to do our jobs here
and to look out for you. And we will do this, and
we're going to push this bill, and you're right, we

1
2 will push our other members to join on the bill, and
3 we have work to do. There's no question because I
4 think we have at this point 17 council members on the
5 bill sign up, and we—we need to get more support from
6 our colleagues, and I will work with the
7 administration from now until the budget. We'll do
8 everything we can to—to pass this bill. So thank you
9 and thank you to the panel for all—and everyone, and
10 we couldn't thank you enough for your service. So
11 thank you and we salute you.

12 CHAIRPERSON FERRERAS-COPELAND: Thank you
13 Minority Leader, and we've been joined by Council
14 Cabrera also for the record. Thank you very much for
15 coming to testify today. It's been a pleasure to
16 host you here, and now we're going to call up the
17 next panel. David T. Brown from Queens Village; Make
18 List Pastro-Pastoral; Kenneth Wong and Lester Chang.

19 CHAIRPERSON ULRICH: Council Member
20 Cabrera-Cabrera is a member of the committee, and he
21 doesn't know it yet, but he's going to be a co-
22 sponsor on the bill because his name isn't on here.

23 COUNCIL MEMBER CABRERA: I was waiting
24 for my turn, but please do add me to the bill.

25 CHAIRPERSON ULRICH: Thanks.

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COUNCIL MEMBER CABRERA: So now we have

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18. [applause]

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CHAIRPERSON FERRERAS-COPELAND: Look at

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that. None of us got a clap when signed on.

6

[laughs] [background comments]

7

DAVID T. BROWN: My name is David T.

8

Brown, President and proud member of 715 Veterans

9

Association. I hadn't planned on saying much after

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hearing the former colleagues came up and reiterated

11

the problems that we vets are having, which there is

12

nothing new I can add to that. I consider myself a

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youngster with some of these seniors are here. I

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mean I really do. I'm not—I'm not young myself. I

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just turned Octavian not too long ago last month, and

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I speak with some vets. In fact, we honored one a

17

World War II vet yesterday at the Queens Borough

18

Hall. He's 96 years old. He's still aspiring and

19

he's sharp upstairs as most of us. He was my truck

20

master when I was in the Reserve 369 Transportation

21

Company in Harlem. I have a long proud history. And

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the 715's history goes back to 1948. I wasn't with

23

them at that time. I was too young, but their

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history goes as the first all—all Black people to the

25

unit. We just knocked the skies, we blew the planes

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2 out of the skies. You can read about it. I can talk
3 about it. I get choked up about it because of the
4 original families of the 714 Veterans Association
5 were member of the 715 Triple A Pre-Artillery. It's
6 up in Albany. It's in black and white. I read it.
7 I'm very proud to reiterate the things that they have
8 mentioned that our veterans are suffering from is so
9 true. We are losing our history by our senior vets
10 that are dying with all the history that you want to
11 know in their head, and we tell you, and I've started
12 to do that with my senior vets. They should start
13 taping their version of what happened when they went
14 into war. Their time they served because that's your
15 history. Everything else that's printed was printed
16 by someone else that interpreted what they heard, but
17 you get it from them that served. That's the history
18 that you want to keep, that you want to pass on. All
19 the financial problems that they are suffering from
20 you is true. I'm suffering from some of them myself.
21 The—the money that you are receiving today that our
22 vets are receiving is being diminished by the lack of
23 equality that's supposed to be equivalent to—every
24 year we're supposed to get a COLA. When was the last
25 time you can recall that you got a COLA if you're a

1
2 retiree living on a fixed income? I think it was
3 like four or five years ago is when you got a COLA.
4 You're getting still that dollar when you retire and
5 I retired from the city over 15 years ago, and I
6 thought I had it made. My dollar stretched this
7 long. Now my dollar stretches this long. All the
8 rest of it is gone, but yet still I've still got to
9 pay increase to Con Ed, PSEG, telephone rates. They
10 don't have no consideration for you. They've still
11 got to up the cost, and they're talking about right
12 now transit is it going to increase after the first
13 of the year. Where is this increase coming that's
14 going to help our benefits, help us to survive?
15 That's the reason why we're losing not only by death,
16 but also by relocation. So in passing this 1304
17 bill, it will be a great benefit to a lot of veterans
18 including myself. We thank you and we support you.

19 CHAIRPERSON ULRICH: Well, thank you for
20 your service and your very powerful testimony. Thank
21 you very much.

22 DAVID T. BROWN: Well, I didn't really
23 say anything compared to my-my seniors. [laughter]
24 But my service goes 35 years, four active, Reserve,
25

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2 National Guard, State Guard, 35 years with NYPD going
3 to the private sector.

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CHAIRPERSON ULRICH: Well, you have at
least another 20 to go because we're going
celebrating--

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DAVID T. BROWN: [interposing] My
daughters want me to retire, and I said I can't.

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CHAIRPERSON ULRICH: You—you are going to
live a good long life if the Lord wills it, and God
bless you, and thank you for your services. It's—
it's very meaningful and moving for us to meet you
and to hear your testimony.

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DAVID T. BROWN: Thank you very much.

CHAIRPERSON ULRICH: Thank you, sir. The
honor is ours. Thank you, and we'll hear from you,
sir.

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NICHOLAS CASTORO: Thank you. My name is
Nicholas Castoro. I'm a native New Yorker. I was
born in Manhattan. I grew up in Brooklyn. I've
lived in Staten Island for the last 25, 30 years.
I'm a proud 82nd Airborne Army Veteran, combat
veteran from Vietnam, and seriously, the only thing I
really have to say is what's the hang up? I don't
understand all financial data, all kinds of

1
2 statistics. Debbie Rose was asking shouldn't this be
3 a no-brainer? Well, absolutely it's a no-briner. So
4 what is the hang up? You know, those of us who
5 served in the military got used to run-arounds, hurry
6 up and wait, red tape and come on, man, let's get
7 real-real seriously. What this will cost the city.
8 First of all, the city is not going to have to lay
9 out any money. It's just going to collect a little
10 bit less, and that money that they're not going to
11 collect is going to go back into the city. If we
12 have some little extra free money that we can spend,
13 we all live here. We all uses services here. We
14 shop here. We go to restaurants here. You know, I-
15 I'm a simple-minded man, and I really don't
16 understand what the-what's the hang up? Why can't
17 this just get done? How many more meetings do you
18 have to have? I've owned three homes in-in New York
19 City and I have two sons. One is getting-one is an
20 Afghanistan veteran. He's getting married next
21 October. I would like to see him be able to buy a
22 home in New York City. We talk about the aging
23 veterans who-who need this tax relief. Well, of
24 course, we do, but how about all the younger veterans
25 that are coming back now and want to get a start in

1
2 life, want to put their--their foothold in--in our
3 city? This will make it a little bit easier for them
4 to know that because they're a veteran, because they
5 stepped up and served their country, they're entitled
6 to something, and yes a entitled is the correct word.
7 You know the role that veterans have played in our
8 history is--is undeniable. You know, my--my President
9 Gene said before where would we be without veterans,
10 and it's the truth. Like this man sitting next to me
11 and these--the other veterans in this room. We owe
12 them our life style. Our American way of life is
13 provided by our veterans, by our service men and
14 women. It has always been, and will always be, and
15 there will always be an America as long as we have
16 these kind of men and women who are willing to
17 sacrifice parts of their lives to serve this country.
18 Now, the very least we can do is give them a break
19 anyway we can, and we're not asking for some big
20 thing here. It's not a lot of money. It's not
21 something that you've got to go, Oh, my God, how are
22 we going to arrange the budge to do this. It's
23 simple. Keep it simple and just do it. That's all I
24 have to say. Thank you and God Bless America.

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CHAIRPERSON ULRICH: Thank you. Thank you, sir, for your testimony and again for your service. Thank you. Okay, I think we're going to hear from Mr. Wong and then Mr. Chang.

KENNETH WONG: [off mic] Good afternoon. [on mic] Good afternoon, ladies and gentlemen of the panel. My name is Kenneth Wong. I'm the commander, President and Commander of the American Legion Post 1291 right here in Chinatown, and at this time we have close to 600 members in our post, and 65% of them are over 65 years old, and 92 of them are on fixed income. This Intro 1304 would definitely help them in terms of, as I mentioned. I myself spent four years active duty in the Navy, 20 in the Reserves and 15 in the New York Naval Militia. So I've seen the changes in time throughout these years with the services, and all the veterans I've met throughout my lifetime, and most everybody is going to serve the same way. So without any further details of my history, I would like to comment. Minority Councilman Steven Matteo and his colleagues and the City Council for introducing this important legislation Intro 1304, which will help New York City veterans who are struggling everyday to survive, some

1
2 who are working six days a week to put food on the
3 table. The expansion of the Alternate Veterans
4 Exemption will help ensure that our veterans will be
5 able to stay in their homes. Many veterans reside in
6 the Borough of Manhattan and own co-op apartments
7 that do qualify for these veterans benefits. There
8 are currently 27 veteran posts in Manhattan alone,
9 which illustrates that this legislation will have an
10 important impact on veterans who live outside the
11 suburban community in New York City. I respectfully
12 urge you to support in this legislation. Thank you.

13 CHAIRPERSON ULRICH: Thank you, Mr. Wong.
14 Any relation to Phang (sp?) Wong. He also used too--

15 KENNETH WONG: [off mic] I do know him.

16 CHAIRPERSON ULRICH: Well, no. Well he
17 was also the Commander of the Post in Chinatown.
18 That's why I asked.

19 KENNETH WONG: [on mic] Yes, he was also
20 the National Commander--

21 CHAIRPERSON ULRICH: [interposing] Of
22 course.

23 KENNETH WONG: --back in 2011. I think
24 he had other business to attend today.

25 CHAIRPERSON ULRICH: Okay.

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KENNETH WONG: So he couldn't be here.

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CHAIRPERSON ULRICH: Are you related to

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Sine Wong?

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KENNETH WONG: Well, he's a Wong.

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[laughter]

7

CHAIRPERSON ULRICH: Okay.

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KENNETH WONG: And as we looked up--

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CHAIRPERSON ULRICH: Oh, yes, right.

10

Alright, that's right. Wong in Chinatown is like Di

11

Giacomo in Staten Island or whatever.

12

KENNETH WONG: Wong in Chinatown is like

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Smith in everywhere else. [laughs]

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CHAIRPERSON ULRICH: Like Smith

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everywhere else. What can I tell you?

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KENNETH WONG: Yes, as far as I

17

understand his hometown in China is not too far from

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my parents' village there. I've never been to

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Mainland China myself. I came over to the States at

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the age of eight with my parents, and I've never been

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back there. So, I don't know much about it.

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CHAIRPERSON ULRICH: Well, thank you for

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your service and Fang has been a great friend to this

24

committee and to the Council, and he was actually one

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of the driving forces along with many other folks

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2 here today in creating the Department of Veteran
3 Services, and we appreciated his advocacy and as much
4 as we appreciate yours, and I want to thank you for
5 being here today.

6

KENNETH WONG: Thank you sir.

7

CHAIRPERSON ULRICH: Okay, and now we'll
8 hear from Leslie Chang.

9

LESLIE CHANG: Yes and I guess I'm the
10 last one over here, as was Ken Wong here, I am also
11 part of the—the Post in Chinatown. I'm almost 19
12 years in the Naval Reserve. I served a tour in
13 Afghanistan. I'm still serving right now as a Chief
14 Warrant Officer in the Navy. I just want to make
15 the—the—the Council aware one of our benefits as
16 veterans is our—is our veterans mortgage loans and
17 all that. Just to let you know the co-ops does not
18 work for veterans. It does not work. I know Senator
19 Schumer and Gilibrand did pass legislation short term
20 to make co-op loans more accessible for us, but I
21 don't think it ever worked, and that has expired. So
22 just to let you know that our—you know at bank it
23 does not work for co-ops in one way or another. I
24 guess it's probably the co-op boards want—want some
25 skin in the game like 10% down, but even for veterans

1
2 by ourselves it should be almost no-no money down,
3 and the next thing previously all other speakers
4 mentioned that the veterans in-in New York City has
5 been going down in-in numbers, and there's a reason
6 why because most of them are older generations. Now,
7 New York City was once a military town. We're no
8 longer that. So in order to keep that economy going
9 that slice of that economic benefits for having the
10 military here, is we need to have the military to-to
11 come back and create more Reserve units here. And
12 our greatest strength unlike other cities in New
13 York-other cities in America that what we have unique
14 and is different is our diversity in ethnic culture.
15 But the militaries have not even begun really utilize
16 that. Because I'm-I'm a military intelligence
17 analyst. So I can see that the benefits that New York
18 has that, and-and Washington I guess they missed it.
19 They haven't see it yet, but if we can create some
20 units like that so we can have another way of
21 repaying back the city. For you we're passing this
22 bill to give us that kind of benefit, but then at the
23 same time we can drive its economic engine and create
24 new economic opportunities and jobs, and maintain
25 those jobs over to in New York City, but we lost it

1
2 somehow over the years because they were very
3 expensive to maintain military installations here in
4 New York. So that's something just so you're aware
5 of. It could be a two-way street. Instead of giving
6 back well we can give you something back, the
7 economic engine, another economic slice of pie for
8 New York. So that's just to give you a heads up on
9 that. Perhaps we can work on it. Maybe the
10 Department of Veterans Affairs could maybe introduce
11 something like and make it more palatable to have or
12 create more reserve military units here, and that's
13 what I have. Thank you.

14 CHAIRPERSON FERRERAS-COPELAND: Well,
15 thank you. I think no one can inform us about the
16 experience about now having this exemption but also
17 new ways that we can be innovative and think about
18 the future generations. No one can speak to that
19 better than all of you who have come to testify
20 today. So I really appreciate it. I'm going to give
21 the mic over to our Prime Sponsor Minority Leader
22 Matteo, and I also wanted to acknowledge for the
23 record that Council Member Rodriguez joined us.

24 COUNCIL MEMBER MATTEO: Thank you. I
25 just—I wanted to start off by thanking our co-chairs

1
2 and Ferreras-Copeland for such a great hearing and to
3 have your support to move this bill forward to
4 extremely important and on behalf of all colleagues I
5 thank you, and—and the veterans I thank. I want to
6 thank the panel. Extremely powerful testimony.
7 Nick, you're right. What's the hold up? To me, when
8 we got the numbers, which we knew coming in and we
9 needed to confirm those were the numbers, you're
10 absolutely right and Debbie Rose said it's a no-
11 briner. We're talking 40—an average of \$40 million a
12 year. That's all that is. You're absolutely right,
13 there should be no hold up. We shouldn't have to
14 wait through the budget process. We don't want to
15 wait through the budget process, but the reality is
16 that we have more work to do, and we will get more of
17 our colleagues to sign on and we will continue to
18 push the administration. But at the end of the day,
19 it shouldn't be that difficult for you to stay in
20 your home, for your children to buy a home, and as
21 the American Dream, unfortunately it fades away for
22 some people about homeownership. So we're going to
23 do everything we can to make sure that we rekindle
24 that American Dream and that everyone can stay in
25 their home, our families can and our children can buy

1
2 a home. We have a lot of issues. This shouldn't be
3 one of them. We should pass this bill and move
4 forward quickly and you have—you have shined a light
5 on a lot of your own personal trials—financially and—
6 and what you all go through. So thank you for that.
7 Thank you for—for your motions and your—your
8 dedication. Most of all thank you all for your
9 service. Thank you for coming to our—from the five
10 boroughs today and being here with us. We hear on
11 this panel. We're there for you. We will continue.
12 We're going—we're going to push together to—to bring
13 this home. So thank you. God bless you all and,
14 have a safe trip home.

15 CHAIRPERSON FERRERAS-COPELAND: Thank you
16 Minority Leader. We would just like to maybe talk
17 about a little bit of next steps. We—this is
18 something that as the Minority Leader mentioned we
19 have to get more members to sign onto. We're going
20 to continue to put pressure on the Administration,
21 but for those that are watching because this is a
22 live, and they will run it again like 3:00 in the
23 morning on Channel whatever [laughs]. Yes, you should
24 also call your local Council Members. That will help
25 us kind of get this moving along. So that what your

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2 homework assignment is from us so that you can help
3 us also. So thank you very much. We will now call
4 this hearing to a close. [gavel]

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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 December 30, 2016