

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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August 8, 2017
Start: 10:38 a.m.
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HELD AT: Committee Room - City Hall

B E F O R E: JULISSA FERRERAS-COPELAND
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

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

Michael Hyman, First Deputy Commissioner
NYC Department of Finance

Zal Kumar, Senior Legal Advisor and Director
Business Tax Services
NYC Department of Finance

Samara Karasyk Assistant Commissioner
External Affairs
NYC Department of Finance

Olivia Meyer

Belinda Liu, Staff Attorney
Foreclosure Prevention Project
Mobilization for Justice

2 [sound check, pause]

3 CHAIRPERSON FERRERAS-COPELAND: Good
4 morning and thank you for your patience. Pardon my
5 delay. I was caught up in another meeting. I am
6 Julissa Ferreras, Finance Chair Committee. Whoo.
7 Committee meeting—Committee Chair. I'd like to first
8 acknowledge the members of our committee who have
9 joined us, Council Members Johnson, Levine, Cornegy
10 and Minority Leader Matteo. I would also like to
11 welcome back the Finance Counsel Rebecca Chasen from
12 her maternity leave. Welcome back. Today, the
13 committee will be hearing two bills, the first a
14 preconsidered introduction introducing—introduced by
15 request of the Mayor concerns the levying of a
16 surcharge on wireless communication services. Since
17 2002, the city has imposed a monthly 30 cent
18 surcharge on wireless communication services
19 providing revenue that goes to support the operations
20 of Public Safety Communications Network serving the
21 city. This years State Budget included a new
22 provision that requires the Council to enact new
23 legislation to extend the current surcharge as well
24 as the levy on a new 30 cent surcharge on a pre-paid
25 wire-on any pre-paid wireless communication service.

2 The state, not the city, will now administer the
3 surcharge, but the city will continue to use these
4 funds for public safety communications purposes.
5 Finally, I would not that OMB assumed the
6 continuation of the current surcharge in Fiscal 18
7 Adopted Budget Fiscal Plan. If the city elects not
8 to adopt the new legislation, Council Finance
9 eliminates—estimates that there will be a shortfall
10 of \$11.1 million in Fiscal 2018's Budget.

11 The second bill the committee will
12 consider this morning is a preconsidered introduction
13 sponsored by Council Member Deutsch that would
14 increase the maximum qualifying income for the Senior
15 Citizens Homeowners' Exemption and the Disabled
16 Homeowners' Exemption otherwise known as SCHE and
17 DHE. Okay. Both SCHE and DE hare property tax
18 exemptions that operate by exempting a percentage of
19 a property's assessed value from taxation.

20 Currently, seniors and people with disabilities are
21 eligible to receive a tax exemption if the combined
22 income of all property owners is less than \$37,000 a
23 year. The threshold has not been increased since it
24 was set in 2006 even as property taxes and inflation
25 have continued to rise. Pursuant to a state bill

2 signed into law at the end of the July the city is
3 now authorized to pass a Local Law to increase the
4 income eligibility thresholds to \$58,000 thereby
5 providing benefits to thousands more—thousands more
6 seniors and people with disabilities. Okay. Thank
7 you. We will now hear from Michael Hyman, First
8 Deputy Commissioner of the Department of Finance and
9 Val Kumar, Senior Legal Advisor Tax Policy Planning
10 after my Counsel swears you both in. [pause]

11 MICHAEL HYMAN: Yes, I do swear. Good
12 morning.

13 LEGAL COUNSEL: Oh, I just need to swear
14 you in.

15 MICHAEL HYMAN: So, I'm going to give--

16 LEGAL COUNSEL: Uh, I just need to--

17 CHAIRPERSON FERRERAS-COPELAND: [off mic]
18 He needs to swear you in.

19 MICHAEL HYMAN: I'm sorry.

20 CHAIRPERSON FERRERAS-COPELAND: [off mic]
21 We—we—yes.

22 MICHAEL HYMAN: Okay,

23 LEGAL COUNSEL: Do you affirm to tell the
24 truth, the whole truth, and nothing but the truth in
25

2 your testimony before the committee today, and to
3 respond honestly to Council Member questions?

4 MICHAEL HYMAN: Yes. Thank you. So, I'm
5 going to do the testimony on SCHE and DHE income
6 sealing increase and Zal Kumar will do the wireless
7 surcharge. Good morning, Chair Ferreras-Copeland
8 and members of the Committee on Finance. I am Michael
9 Hyman, First Deputy Commissioner at the New York City
10 Department of Finance. With me today is Samara
11 Karasyk Assistant Commissioner of External Affairs
12 and Zal Kumar, Direct of Business Tax Services at the
13 Department of Finance. The Department of Finance
14 supports Preconsidered Intro 6474, legislation that
15 will allow the city to increase the income
16 eligibility ceiling from \$37,399 to \$58,399 for the
17 Senior Citizen and Disabled Homeowner Exemption
18 Programs, which were recently rebranded as the New
19 York City Tax Break for Homeowners. The city of New
20 York offers property tax relief through our property
21 tax exemption programs. Many low-income seniors and
22 others lived on a—living on a fixed income have
23 difficulty living in New York because of the high
24 cost of housing including property taxes. These
25 property tax exemption help people stay in their

2 homes. Currently SCHE and DHE provide a property tax
3 exemption of 50% of DOF's, Department of Finance's
4 assessed value for senior and disabled homeowners
5 earning \$29,000 per year while homeowners making up to
6 \$37,399 receive—receive a small percentage exemption
7 on a sliding scale. Under this legislation, Senior
8 and disabled homeowners making up to \$50,000 would be
9 eligible for the 50% exemption while homeowners
10 making to \$59--\$58,399 receive a—receiving a smaller
11 exemption on a sliding scale. DOF estimates that
12 35,000 homeowners will benefit from the higher income
13 ceiling. Approximately 26,000 homeowners will
14 qualify for SCHE for the first time an additional
15 6,200 will receive enhanced benefits. We estimate
16 that 2,500 household qualify for DHE for the first
17 time and an additional 500 will receive enhanced
18 benefits. The overall average benefit produced by
19 this legislation will be \$1,750 per year—per
20 property. Sorry. That's annual. The chart below
21 details a new sliding scale for SCHE/DHE exemptions.
22 I'm not going to go through the details, which are
23 basically each bracket is increasing by \$21,000. So
24 the \$29,000 goes up to \$50,000 and then the sliding
25 scale is up by \$21,000. Thank City Council's support

2 this past year, DOF conducted a SCHE/DHE renewal
3 process for the first time in more than a decade.
4 While we have processed all renewal applications that
5 were received on time, we are still receiving
6 applications and processing them as they come in.
7 DOF sent out approximately 57,000 renewal
8 applications, 52,000 for SCHE and 5,000 for DHE last
9 fall. Many homeowners completed the renewal process,
10 but lost their exemption due to the income
11 ineligibility or saw a decrease in the exemption
12 amount due to income. This legislation will allow
13 the city to grant the exemption to \$4,000 homeowners
14 who were denied the benefit because of their income.
15 DOF is planning an aggressive outreach strategy that
16 all who are eligible apply for the exemption. We
17 will offer in-person assistance at our business
18 centers in all five boroughs. We understand that
19 there are times when applicants need to communicate
20 information about their financial and living
21 situations that require direct contact with DOF. We
22 will also partner with our sister agencies, the
23 Mayor's Office, elected officials, community groups
24 and advocates to ensure that the city is reaching out
25 to all stakeholders who work with seniors and people

2 with disabilities to raise awareness of the
3 exemption. We plan to use every tool at our disposal
4 to publicize the enhanced tax, the Homeowner Program,
5 and to use this change to advertise the program
6 overall. As always we look forward to working with
7 City Council members to organize local outreach
8 events and hope to hear from members soon to start
9 planning. The city supports the legislation and is
10 committed to ensuring that seniors and people with
11 disabilities who live on limited means are able to
12 remain in their homes. Now, Zal Kumar will give
13 testimony on the Wireless Surcharge bill.

14 ZAL KUMAR: Good morning Chair Ferreras-
15 Copeland and members of the Committee on Finance. I
16 am Zal Kumar, Director of Business Tax Services for
17 the New York City Department of Finance, and with me
18 today, as you know is Samara Karasyk our Assistant
19 Commissioner for External Affairs. The Department of
20 Finance supports Preconsidered-Preconsidered Intro
21 6461, legislation that will allow the City of New
22 York to impose a surcharge on the retail sale of
23 prepaid wireless services, and continue the surcharge
24 on wireless communication services. The City of New
25 York imposes surcharges on landline, Voiceover

Internet Protocol and wireless communication services to support the enhanced 911 emergency telephone system also known as E911. The existing wireless communication surcharge, which appears as a 30 cent fee on New Yorkers' monthly cell phone bills generates approximately \$20 million for New York City's E911 system each year. The New York State Fiscal Year 2018 Enacted Budget adopted in April 2017, stipulates that prepaid wireless communication services can now be subject to a 30 center per sale surcharge as well. We support this change and expect that it will generate \$200,000 annually for the city's E911 system. The Fiscal Year 2018 Enacted Budget also shifts administration of the wireless communication surcharge from the city to the state. As a result, we will receive the proceeds via wire transfer into the city's Central Treasury. This change was adopted as an efficiency measure as the state collects the surcharge for all counties throughout New York—throughout New York State, but are outside the city. As part of the change, the existing authorization for the Wireless Communication Surcharge was given a repeal date of December 1, 2017. The city must now adopt a local law to

2 authorize the surcharges and thereby maintain the
3 existing wireless communication surcharge and ensure
4 a seamless transition for wireless customers. The
5 city of New York supports this bill to treat prepaid
6 and other wireless communication services
7 consistently, ensure continuity with the existing
8 surcharge and continue to raise much needed revenue
9 for the E911 system. I'm happy to take any questions
10 the committee may have.

11 CHAIRPERSON FERRERAS-COPELAND: Thank you
12 very much for your testimony. I'm going to go—I'm
13 going to ask a couple of questions on the surcharge
14 bill and then we'll go to SCHE and DHE. The—
15 approximately how many New Yorkers would be impacted
16 by this new charge on a monthly basis do you assume?

17 ZAL KUMAR: We don't have that data at
18 this time. We pulled our estimate from the State
19 Financial Plan, and that's something we will follow
20 up on after the hearing.

21 CHAIRPERSON FERRERAS-COPELAND: Okay. So
22 can you get that to the committee when you are able
23 to get that information?

24 ZAL KUMAR: Yes.

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12

2 CHAIRPERSON FERRERAS-COPELAND: Can-well,
3 I think we both got lower. Can you get me that
4 information once you have it in the agency for the
5 committee?

6 ZAL KUMAR: Absolutely.

7 CHAIRPERSON FERRERAS-COPELAND: And on
8 average how many times per year do pre-paid wireless
9 customers purchase the service? Do you have that
10 data yet?

11 ZAL KUMAR: Again, we will have to follow
12 up with you afterwards.

13 CHAIRPERSON FERRERAS-COPELAND: Okay, and
14 what do you estimate will the be the average yearly
15 cost of the new surcharge for pre-paid customer? And
16 do you know-this came up actually amongst council
17 members and I just wanted to see if we can get this
18 on the-on the record. When we talk about
19 international pre-paid cards like a lot of families
20 especially in immigrant homes purchase the card
21 because it's cheaper than having a plan. Would this
22 surcharge also apply to those cards that sometimes
23 are, you know, \$2.00 and it gives you a certain
24 amount of minutes to be able to call internationally.

25

2 ZAL KUMAR: It would apply to all pre-
3 paid wireless communication services whether it's for
4 international or for domestic.

5 CHAIRPERSON FERRERAS-COPELAND: Okay, so
6 if we could just get clarity on that actual card as
7 opposed to minutes that you're adding to a phone.
8 This is minutes that you would use to call from a
9 phone, a random phone. So, it's not exactly cell
10 phone use. It's phone use.

11 ZAL KUMAR: Right. Well, if it's not cell
12 phone use, it wouldn't end up in a surcharge.

13 CHAIRPERSON FERRERAS-COPELAND: I just
14 want you to confirm that for me. Okay, thank you.
15 And by law the money collected from the wireless
16 surcharge may only be used for public safety. As you
17 mentioned, communication as you mentioned in your
18 testimony can you provide the committee with a
19 detailed breakdown of how these funds are spent or
20 how they've been spent. If you don't have that now,
21 if you can provide that for the committee so that we
22 can follow. Since we've had this surcharge added to-

23 -

24 ZAL KUMAR: [interposing] Okay.

2 CHAIRPERSON FERRERAS-COPELAND: --the
3 phone bills, this is where it's gone and how it's
4 been used. So, I'm going to wrap up my questions on
5 this portion. I-I first want to--you guys did an
6 amazing job, as you know, with SCRIE. I feel like
7 last year aw all SCRIE and DRIE, the last couple of
8 years and now we're onto helping improve SCHE and
9 DHE. We say D-HE, DHE? That's the problem. One
10 thing you did with SCRIE and DRIE was rebrand it, and
11 it's called the Rent Freeze. Can we think about an
12 opportunity doing something similar to SCHE and DHE
13 or DHE or SCHE or whatever? We have rebranded it.
14 I'm so glad.

15 SAMARA KARASYK: Oh, wow.

16 CHAIRPERSON FERRERAS-COPELAND: It's
17 awful then because I don't know it.

18 SAMARA KARASYK: Yes, we--we're just--we--we
19 need to start developing more new materials around it
20 but we have a logo. It's up on our website. It's
21 called the New York City Tax Break for Homeowners,
22 and for the record, this Samara Karasyk, Assistant
23 Commissioner of External Affairs.

24 CHAIRPERSON FERRERAS-COPELAND: Okay.
25 So, it's called the--?

2 SAMARA KARASYK: New York City Tax Break
3 for Homeowners, and like the Rent Freeze Program, we
4 have like a little round logo. It's got a picture of
5 a house in it. I'll send you guys the link.

6 CHAIRPERSON FERRERAS-COPELAND: So, will
7 everything like our Veteran's taxes will everything
8 be under that umbrella or is it just for--?

9 SAMARA KARASYK: It will be for personal
10 homeowner's exemptions. So that's going to be SCHE,
11 DHE Veterans. Yes, everything.

12 CHAIRPERSON FERRERAS-COPELAND: Oh, that's
13 much better than trying to explain to a senior that
14 they can apply for SCHE. So, if the income
15 eligibility threshold were increased to \$58--\$58,400,
16 how many more households do you estimate would be
17 eligible for the exemption?

18 MICHAEL HYMAN: Well, as I said in my
19 testimony, it will be \$35,000 new households in
20 total. Mostly it will be the 50%. \$26,000 that's
21 SCHE?

22 SAMARA KARASYK: Uh-hm.

23 MICHAEL HYMAN: \$26,000 SCHE. We'll get
24 the full--be new to the program and 61, 64 will
25 receive the enhanced benefit. So there are people

2 who are in the sliding scale who now will probably go
3 to 50% and in addition under DHE we have 3,031
4 additional beneficiaries. So the total is 35,000.
5 As I said, the average benefit for the full
6 population is \$1,750

7 CHAIRPERSON FERRERAS-COPELAND: \$1,750.

8 Okay, and how many households do you send renewal
9 notices because I know that we—you just started this
10 process. We had a little bit of hiccups with
11 families that may have know that they needed to
12 renew. So on and so forth. How many households did
13 you send renewal notices to, and how many have—have
14 responded?

15 MICHAEL HYMAN: Well, we sent notices to
16 57,000 households. The response rate I believe was
17 40,000. Yeah, 40,000 have responded. You know, we
18 have—so, that means that well, 16,000 did not
19 respond, but sent them three notices. We sent them a
20 notice actually after the final roll as another
21 opportunity. I have to say when we look at matches
22 against—so we've done third-party data matches like
23 with personal income death files. We believe a good
24 portion of them are no longer eligible for the
25 program.

2 CHAIRPERSON FERRERAS-COPELAND: Okay.

3 MICHAEL HYMAN: So, this ill bring in a
4 new group of population with the higher income
5 ceiling, and we are about to do a mailing to what—you
6 know, we did projections using personal income data
7 who may be eligible we're actually going to mail to
8 each of those households saying we think—we believe
9 we you may be eligible and encourage people to apply
10 for it.

11 CHAIRPERSON FERRERAS-COPELAND: And—and
12 how many of those that did respond how many them
13 qualified?

14 MICHAEL HYMAN: I think that—just to give
15 you the people who didn't qualify it was 7,000. So,
16 that by subtraction would be 33,000. So, we're
17 saying 7,000 were denied and of the 7,000, 4,000 were
18 denied because of income and will now be eligible.
19 So, we're going to automatically give the benefit to
20 the 4,000 that are in this income range that we're
21 now increasing.

22 CHAIRPERSON FERRERAS-COPELAND: So,
23 they're going to get a letter from you saying you now
24 qualify?

25 MICHAEL HYMAN: Right.

2 CHAIRPERSON FERRERAS-COPELAND: That's a
3 nice letter from you. Great and then the 3,000 that
4 did not qualify—right, 3,000 that did not qualify was
5 it just based on income or is it like incomplete
6 information or...?

7 MICHAEL HYMAN: It could be various
8 things. I mean it could be age, it could be, you
9 know, primary residency. It could be a combination
10 of factors. Income would be one but the 4,000 are
11 the ones where the income will solve the problem for
12 them.

13 CHAIRPERSON FERRERAS-COPELAND: Okay, and
14 looking at the pool of the people who have not
15 responded, I know that you said a portion of them
16 because you've kind of cross checked them out. Do
17 you think that there is a population that might just
18 not know or understand, or—or what—what do you think
19 that population is that we—that we as council members
20 need to do, maybe can help you with?

21 MICHAEL HYMAN: Well, I think we think
22 that the majority of them don't qualify.

23 CHAIRPERSON FERRERAS-COPELAND: Okay.

24 MICHAEL HYMAN: In some instances—
25 sometimes it's a situation, you know, unfortunately

2 we did go I think as we've testified in other
3 hearings that we did go through a period where we
4 didn't do the renewals. So, we're finding that often
5 there's like property ownership changes, and the
6 people who got the exemption are no longer the
7 owners. Fr the subset where we don't—we're looking a
8 little—I would say three-quarters of the population
9 fall into the bucket of either the—the person
10 receiving the benefit is deceased or there's been a
11 property ownership change or the income is higher
12 than even the \$57,400.

13 SAMARA KARASYK: That's right.

14 MICHAEL HYMAN: So the rest of the
15 applicants (sic) we're looking more closely, but the
16 bulk of them we don't believe they're eligible.

17 CHAIRPERSON FERRERAS-COPELAND: Okay, and
18 what—just, you know, because people actually do watch
19 these hearings, maybe at 2:00 in the morning, but
20 they watch them. Can you just say what the process
21 is if someone is watching and they would be
22 interested in saying oh, I qualify now because the
23 newest piece of legislation. Where should they go
24 and what should they do?

25 MICHAEL HYMAN: [off mic] Samara.

2 SAMARA KARASYK: Sure. So, once the
3 legislation hopefully it will pass and then the Mayor
4 will sign it. So, once it is signed into law, we
5 will have a special stand-alone application for this
6 because people that apply and qualify for the
7 enhanced benefit this fiscal year will get the
8 benefit this fiscal year back to July 1st of 2017.
9 So, the first thing I'd say is it's really important
10 that people submit this special stand-alone
11 application because if they submit the regular
12 application they won't get it until the next fiscal
13 year if they qualify. We will have that available as
14 soon as the bill goes into effect. People can get it
15 by calling 311, but the other thing I would say is
16 for anybody that didn't renew and believes they
17 qualify under the new income range, we are still
18 accepting renewal applications. So, if somebody's
19 household income is \$50,000 and they didn't renew
20 because they thought that they weren't going to
21 qualify, they should still submit their renewal and
22 we will process that renewal. At some point we're
23 going to stop, but like today right now if somebody
24 is watching this and they want to submit their

2 renewal application and they thing they qualify, we
3 encourage them to do so.

4 CHAIRPERSON FERRERAS-COPELAND: Okay,
5 when we were discussing the Veterans Tax Exemption,
6 one of the things that we had mentioned was the
7 opportunity when people are at closing to kind of
8 have almost like a checklist of things that they can
9 qualify for. I would think and I know that we were—
10 we're supposed to be following up on that, and just
11 looking at what opportunities. Because I know you're
12 either writing a check for your agency, right, to pay
13 your—the taxes or whatever the differences are. It
14 just seems like an opportunity to let people know
15 about their tax exemptions, and I would think that
16 this is another one that we should probably add to
17 that checklist.

18 MICHAEL HYMAN: No, I agree and, in fact,
19 we're working on a program. One of our concerns for
20 giving people information for things like the tax
21 exemption program, but also to make sure we have
22 correct contact information since at the closing
23 often the title companies are still filling out the
24 forms. We're trying to develop a program that we do
25 outreach to the new owners to (a) provide welcome to

2 New York City information, which could be the tax-
3 exemption program, but also to verify have them update
4 any contact information so that we make sure they
5 don't miss any communication from us. So, part of it
6 will be to inform them of programs and how they apply
7 for it and all the eligibility criteria.

8 CHAIRPERSON FERRERAS-COPELAND: I love
9 that. I think that that's the right thing to do, a
10 nice welcome to New York package full of information.
11 We have additional questions, but I'm just gong to—I
12 know that, you know, we're running really late and I
13 don't want to keep you guys any longer and we have
14 others that want to testify. I just wanted to make
15 sure that we're going to be sending you additional
16 questions. If you can get them back to me I'd really
17 appreciate it. Thank you. Thank you for coming to
18 testify today.

19 SAMARA KARASYK: Thank you.

20 MICHAEL HYMAN: Thank you.

21 CHAIRPERSON FERRERAS-COPELAND: And we're
22 going to call up the next panel.

23 LEGAL COUNSEL: The next panel will be
24 Belinda Liu and Olivia Meyer.

2 CHAIRPERSON FERRERAS-COPELAND: If
3 there's anyone else here that wants to testify,
4 please be sure to fill out a slip with the sergeant-
5 at-arms. So, right now this is our last panel. So,
6 if you want to testify, please be sure to fill out
7 your slip with the sergeant-at-arms. Alright and we
8 were joined by Council Member Gibson and Council
9 Member Rodriguez.

10 OLIVIA MEYER: Good morning. Good
11 morning and thank you to Chair Ferreras-Copeland and
12 committee members for the opportunity to testify
13 today. My name is Olivia Meyer, and I'm here to
14 offer testimony in favor of preconsidered
15 introduction 6474 on behalf of the New York City
16 Veterans Alliance, a member supported grassroots
17 policy initiative and empowerment organization
18 serving veterans, service members and their families
19 across the New York City Metropolitan area.
20 Affordable housing a top priority for our membership
21 and like other New Yorkers, veterans and their
22 families are struggling to find affordable housing as
23 young veterans returning to New York City to use
24 their GI Bill educational benefits while attending
25 one of our world class colleges and universities. Or

2 as retired veterans live on fixed income, many of
3 them suffering from wounds and illnesses directly
4 connected to their service to our nation. We've
5 heard from veterans and families about the
6 discrimination they face from landlords based on
7 their real or perceived disability status or because
8 of their service as a member of the guard or
9 Reserves. (coughing) And we are proud that the
10 Council announced—addressed that discrimination with
11 the unanimous passage of Intro 1259 last June. We
12 further urge this Council to make changes wherever
13 permissible to keep veterans and families in their
14 homes whether it be through the tax exemption for
15 veteran homeowners also adopted by the Council this
16 year or now the important raising of the eligible
17 income threshold for disabled and senior citizen
18 homeowners qualifying for a property tax exemption
19 under this preconsidered introduction. It is vital
20 that the city's Administrative Code keep up with the
21 rising cost of living for our most vulnerable New
22 Yorkers and to provide tax relief wherever possible
23 so we can keep those who have worked and struggled
24 and given of themselves to make our great city great,
25 are able to remain stable in their homes. Raising

2 this threshold will qualify many aging and disabled
3 veterans and their families or needed tax relief
4 easing their financial burden and making it more
5 possible for them to remain stable in their homes and
6 in the city they've served and sacrificed for. We
7 urge this committee to adopt this needed change and
8 to continue their work making housing more affordable
9 for all who worked to make the city great. On behalf
10 of New York City Veterans Alliance, I thank you for
11 this opportunity to testify today. Pending your
12 questions, this concludes my testimony. Thank you.

13 BELINDA LIU: Good morning Chairman
14 Ferreras-Copeland and member of the Committee on
15 Finance. My name is Belinda Liu. I'm a staff
16 attorney at Mobilization for Justice formerly NFY
17 Legal Services. I'm a staff attorney in the
18 Foreclosure Prevention Project. As an organization
19 dedicated to preserving New York communities,
20 Mobilization for Justice commends the Council for
21 examining the city's effort—efforts to increase
22 protections for senior citizens and disabled
23 homeowner. Mobilization for Justice strongly
24 supports the Council's proposal to increase the
25 eligible income threshold for both the Senior Citizen

2 Homeowner Exemption and the Disabled Homeowner
3 Exemption. The proposed increases will preserve
4 homeownership for a greater number of New York's
5 senior citizens and persons with disabilities and as
6 a result stabilize and preserve the communities where
7 they live. Today, I'd like to highlight the recent
8 experience of our senior citizen clients, Mrs. J to
9 demonstrate the need for the Council's proposed
10 changes. Mrs. J has owned her home in the Bedford-
11 Stuyvesant neighborhood of Brooklyn for over 30
12 years. Unfortunately when her husband lost his job a
13 few years ago, Mrs. J fell behind on her mortgage
14 payments Mobilization for Justice currently
15 represents Mrs. J in a foreclosure action that was
16 filed against her. A recent widow and disabled, Mrs.
17 J relies on rental income from two units in her
18 property and her Social Security benefits to manage
19 her living expenses. Altogether her gross annual
20 income currently is about \$43,000. Given the rapid
21 gentrification in Bedford Stuyvesant, the market
22 value of Mrs. J's home, which she shares with two of
23 her grandchildren in addition to her tenants, has
24 skyrocketed in recent years. This would be a
25 fortunate development if Mrs. J was interested in

2 selling her home. However, this is not the case. In
3 fact, Mrs. J sought our assistance specifically
4 because she is determined to keep her home of over 30
5 years as a stable residence for her and her family.
6 However, the increasing property valuation has caused
7 her property tax obligations to increase as well.
8 Meanwhile, Mrs. J's already fixed income recently
9 decreased dramatically when her husband passed away
10 making it increasingly burdensome for her to keep up
11 with her property taxes. Under the current version
12 of Section 11.245.3, Mrs. J did not qualify for the
13 exemption. Under the proposed amendments, however,
14 she would qualify for a 45% exemption. This would
15 result in a lower quarterly property tax payment and
16 subsequently allow Mrs. J to keep up with her living
17 expenses and to afford a modify mortgage payment.
18 The Council's proposal to increase the income
19 threshold for SCHE is particularly valuable for
20 senior citizen homeowners with reverse mortgages.
21 Reverse mortgages allow senior citizen homeowners to
22 continue living in their homes without a mortgage
23 payment by allowing them to draw on their equity each
24 month. However, most reverse mortgage contracts
25 require the homeowner to remain current on their

2 property taxes. Failure to keep up with the property
3 taxes is considered an automatic default on their
4 reverse mortgage and often forms the basic for a
5 reverse mortgage foreclosure lawsuit. As a result,
6 rapidly increasing property taxes put senior citizens
7 with reverse mortgages at a heightened risk of
8 foreclosure. The risk is particularly accentuated
9 because most seniors rely on fixed income and those
10 sources of income do not account for exponentially-
11 for exponential property tax increases even with
12 period cost of living adjustments. Again,
13 Mobilization for Justice commends the Council for
14 recognizing the importance of protecting senior and
15 disabled homeowners with extended property tax
16 exemptions and ensuring that they can remain in their
17 homes and in their communities. Thank you again for
18 holding today's hearing, and for considering this
19 important issue.

20 CHAIRPERSON FERRERAS-COPELAND: Thank you
21 very much. So, we're going to follow up on the
22 reverse mortgage point that you brought up. It's-you
23 know, actually we didn't know that that was the
24 reality. So, both Counsels will be following up with
25 you to see if we can get more information, and we

2 want to see what a legislative remedy might possibly
3 be.

4 BELINDA LIU: Great.

5 CHAIRPERSON FERRERAS-COPELAND: And also
6 can you just give me—do you have an example of what
7 your client would potentially be now saving because
8 of this piece of legislation?

9 BELINDA LIU: She would qualify for a 45%
10 exemption. I'm not exactly—I don't know off hand
11 what her--

12 CHAIRPERSON FERRERAS-COPELAND: 45% of
13 her current--

14 BELINDA LIU: Of her current obligation.

15 CHAIRPERSON FERRERAS-COPELAND:
16 Obligation.

17 BELINDA LIU: I'm not sure how much.

18 CHAIRPERSON FERRERAS-COPELAND: And now,
19 the percentage for veterans, is that after the
20 veterans tax or how does—how does DOF calculate all
21 these, you know, potential savings? So, is it—you
22 know, you get one exemption and then you get the
23 other one based on what you have left or is on the
24 entire bill?

2 OLIVIA MEYER: I'm not 100% sure, but
3 there is a-difference in size. I know that veterans
4 that don't qualify for veterans tax exemptions at
5 all.

6 CHAIRPERSON FERRERAS-COPELAND: They
7 would qualify for this?

8 OLIVER MEYER: So, they-they could
9 qualify for these.

10 CHAIRPERSON FERRERAS-COPELAND: Okay,
11 okay, if you could follow up with us--

12 OLIVER MEYER: [interposing] Sure.

13 CHAIRPERSON FERRERAS-COPELAND: --on some
14 data just because it would help us as we, you know,
15 process future exemptions and also the population.
16 So, you know, you would think but sometimes data is
17 the hardest thing for us to get, or, you know
18 accurate data or even some anecdotal situations like
19 you provide are really helpful for us as we legislate
20 them, you know, moving forward. Alright, well great.
21 Thank you so very much for coming to testify. It was
22 very educational for us actually, and I want to just
23 thank my committee-my committee. I know that they've
24 been working really hard, the entire Finance Division
25 and my counsels for today's hearing. With no further

1 COMMITTEE ON FINANCE

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2 questions or members, I will now adjourn this
3 hearing. Thank you. [gavel] I'm still in the
4 morning. I just want to say. [laughter]

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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 August 15, 2017