Staff: Committee on Housing & Buildings

 Austen Brandford, Counsel

Audrey Son, Counsel

Genan Zilkha, Counsel

Jose Conde, Senior Policy Analyst

Charles Kim, Policy Analyst

Sarah Gastelum, Principal Financial Analyst

Luke Zangerle, Financial Analyst



**The New York City Council**

Jeffrey Baker, Legislative Director

**Committee Report of the Infrastructure Division**

Terzah Nasser, Deputy Director, Infrastructure Division

**Committee on Housing and Buildings**

Hon. Robert E. Cornegy, Jr., Chair

**September 23, 2019**

**Int. No. 790:** By Council Member Van Bramer

**Title:** A Local Law to amend the administrative code of the city of New York, in relation to outdoor signs

**Administrative Code:** Adds a new article 505 to title 28

**Int. No. 1545:** By Council Members King, Cornegy, Deutsch and Rosenthal

**Title:** A Local Law to amend the administrative code of the city of New York, in relation to restricting the advertisement of alcoholic beverages near schools

**Administrative Code:** Adds a new article 506 to title 28

**Int. No. 1710:** By Council Member Richards

**Title:** A Local Law to amend the administrative code of the city of New York, in relation to exemption from taxation of alterations and improvements to multiple dwellings

**Administrative Code:** Amends section 11-243

**Introduction**

On September 23, 2019, the Committee on Housing and Buildings, chaired by Council Member Robert Cornegy, Jr., will hold a hearing on three bills, Int. No. 790, in relation to outdoor signs, Int. No. 1545, in relation to advertisements for alcoholic beverages near schools, and Int. No. 1710, in relation to extending the J-51 tax abatement and exemption program. The Committee expects to receive testimony from the Department of Buildings (“DOB”) and Department for Housing Preservation and Development (“HPD”), as well as real estate representatives and other interested members of the public.

**Background**

**Outdoor Signs**

“For rent” signage can be found all over the City of New York. Some property owners plaster buildings—both new constructions and vacant older properties—with signs advertising the availability of space within the building. While these signs may help owners rent these properties, excessive signs may create eyesores and make otherwise prosperous neighborhoods appear blighted. Signs may also create an obstruction for passing pedestrians. In addition, excessive signage can exacerbate perceived vacancy problems by highlighting vacant properties.

**Alcohol Advertisements**

The New York State Alcoholic Beverage Control Law (“ABC”) prohibits the sale of alcohol to any person who is actually or apparently under the age of 21.[[1]](#footnote-1) The ABC also prohibits persons under the age of 21 from possessing alcohol with the intent to consume.[[2]](#footnote-2) Despite these laws, underage drinking in New York City persists. A 2017 Youth Risk Behavior Survey conducted by the United States (U.S.) Center for Disease Control found that 17.9% of New York City students grades 9-12 reported having at least one alcoholic beverage in the 30 day period preceding the survey, and 5% reported binge drinking (for female respondents, consuming four or more drinks within a couple of hours, and for male respondents, five such drinks) during that period.[[3]](#footnote-3)

There are many risks associated with underage drinking. Youth who drink alcohol are more likely to experience, *inter alia*, disruption of physical growth and development, alterations in the development of the brain, abuse of other drugs, death from alcohol poisoning, and heavy drinking later in life.[[4]](#footnote-4) In addition, persons who begin drinking before age 21 have an increased likelihood of engaging in risky behaviors, including unprotected sexual activity, drinking and driving, and violent activity.[[5]](#footnote-5)

Public health studies have directly linked exposure to alcohol advertising to the likelihood of alcohol use. Among youth, exposure to alcohol marketing has been shown to be an important contributing factor to the problem of underage drinking.[[6]](#footnote-6) Youth who are exposed to alcohol advertising tend to hold more favorable attitudes towards alcohol, and are also more likely to subsequently drink alcohol. This exposure may result in an initiation to drinking in nondrinkers and an increased desire to drink among those that already do drink alcohol.[[7]](#footnote-7) New York City youth are frequently exposed to a number of billboards and other outdoor advertisements promoting the use of alcoholic beverages, and are therefore susceptible to the effects of such advertising.

**J-51 Tax Incentive Program**

The City’s J-51 tax incentive program, authorized by Section 489 of the New York State Real Property Tax Law, provides local real property tax exemption and abatement benefits to owners of multi-family residential buildings who undertake certain capital improvements on their property, including rehabilitation of a multi-family residential building or conversion of a non-residential building to multi-family housing.[[8]](#footnote-8) The tax exemption benefit provides temporary relief from an increase in real estate taxes that would otherwise result from the increase in assessed value of the property due to conversion, alterations or improvements. The tax abatement reduces or eliminates existing real estate taxes, usually on both buildings and land,[[9]](#footnote-9) based on a percentage of the cost of the work that was performed. Examples of improvements that are eligible for the J-51 tax benefit program include, but are not limited to, the replacement or installation of elevators, heating components, plumbing components, wiring and windows.[[10]](#footnote-10) Further, all rental units in buildings that receive J-51 exemptions and/or abatements must be registered with the State Division of Housing and Community Renewal and are subject to rent stabilization for at least as long as the J–51 benefits are in force.

HPD is responsible for handling applications and determining eligibility for the benefit,[[11]](#footnote-11) while DOF is responsible for actually applying the benefit to real property assessed values and taxes.[[12]](#footnote-12)

**Legislation**

 Below is a brief summary of the legislation being heard by the Committee at this hearing. This summary is intended for informational purposes only and does not substitute for legal counsel. For more detailed information, you should review the full text of the bills, which are attached below.

**Int. No. 790,** **A Local Law to amend the administrative code of the city of New York, in relation to outdoor signs**

This bill would prohibit the placement of more than one ground or wall sign advertising availability of retail or commercial space for rent on each side of a vacant commercial or mixed-use building. Technical corrections were made to the section header and to the bill section number.

This legislation would take effect 120 days after it becomes law.

**Int. No. 1545,** **A Local Law to amend the administrative code of the city of New York, in relation to restricting the advertisement of alcoholic beverages near schools**

This bill would ban outdoor advertisements of alcoholic beverages within a 500 foot radius of any public or private school at which educational instruction is provided at or below a twelfth grade level. The restriction does not apply to sellers of alcoholic beverages licensed by the New York State Alcoholic Beverage Authority, motor vehicles, and signs nine square feet or smaller. The bill imposes a civil penalty of $350 for each violation, and $1000 for each subsequent violation. Int. No. 1545 also requires the Department of Buildings to promulgate rules setting forth applicable boundaries around schools.

This legislation would take effect 180 days after it becomes law.

**Int. No. 1710,** **A Local Law to amend the administrative code of the city of New York, in relation to exemption from taxation of alterations and improvements to multiple dwellings**

This bill would extend the J-51 tax exemption and abatement program through June 30, 2020.

This legislation would take effect immediately.

Int. No. 790

By Council Member Van Bramer

..Title

A Local Law to amend the administrative code of the city of New York, in relation to outdoor signs

..Body

Be it enacted by the Council as follows:

Section 1. Chapter 5 of title 28 of the administrative code of the city of New York is amended by adding a new article 505 to read as follows:

ARTICLE 505

GROUND AND WALL SIGNS ADVERTISING RETAIL OR COMMERCIAL SPACE

**§ 28-505.1 Ground and wall signs advertising retail or commercial space**. No more than one ground or wall sign advertising the availability of retail or commercial space for rent on the property of a vacant commercial or mixed-use building may be erected on each side of such building.

§ 2. This local law takes effect 120 days after it becomes law.

JW/MPC

LS 1355/Int. No. 431-2014

1/5/18

LS 547

THIS PAGE INTENTIONALLY LEFT BLANK

Int. No. 1545

By Council Members King, Cornegy, Deutsch and Rosenthal

..Title

A Local Law to amend the administrative code of the city of New York, in relation to restricting the advertisement of alcoholic beverages near schools

..Body

Be it enacted by the Council as follows:

Section 1. Chapter 5 of title 28 of the administrative code of the city of New York is amended by adding a new article 506 to read as follows:

ARTICLE 506

OUTDOOR ALCOHOL ADVERTISEMENTS

**§ 28-506.1 Definitions.** As used in this chapter, the following terms have the following meanings:

Alcoholic beverage. The term “alcoholic beverage” has the same meaning as such term is defined in section 3 of the alcoholic beverage control law.

Alcoholic beverage advertisement. The term “alcoholic beverage advertisement” means any written word, picture, logo, symbol, motto, selling message, poster, placard, sign, photograph, device, graphic display or visual image of any kind, recognizable color or pattern of colors, or any other written indicia of product identification identical or similar to, or identifiable with, those used for any brand of alcoholic beverage, or any combination thereof, the purpose or effect of which is to promote the use or sale of alcoholic beverages through such means as, but not limited to, the identification of a brand of an alcoholic beverage, a trademark of an alcoholic beverage or a trade name associated exclusively with an alcoholic beverage.

Outdoor sign. The term “outdoor sign” means any display that (i) is publicly visible outside, (ii) is affixed to a building or other structure and (iii) is used to announce, direct attention to or advertise.

School. The term “school” means any building or structure, or any portion thereof, that is owned, occupied by, or under the custody or control of any public, private or parochial institution and lawfully used for the primary purpose of providing educational instruction to students at or below the twelfth grade level.

Seller. The term “seller” means any person to whom a license or permit has been issued by the state liquor authority to manufacture or sell alcoholic beverages.

**§ 28-506.2** **Alcoholic beverage advertisement restrictions.** No person may place, cause to be placed, maintain, or cause to be maintained, an alcoholic beverage advertisement on an outdoor sign within 500 feet in any direction of any school.

**28-506.2.1 Exceptions.** This section does not apply to any alcoholic beverage advertisement:

1. on a motor vehicle;

2. on a building or structure, or a portion thereof, that is owned, operated or leased by any seller at which such seller is licensed or permitted to sell or manufacture alcoholic beverages;

3. with a surface area of nine square feet or smaller; or

4. outside of the area described in the rules promulgated pursuant to section 28-506.4.

**§ 28-506.3 Penalties.** Any person who violates section 28-506.2 is liable for a civil penalty of $350 for a first violation and $1,000 for each subsequent violation. Each day’s continuance shall be a separate and distinct violation.

**§ 28-506.4 Rulemaking.** The department shall promulgate, and update as necessary, rules setting forth the boundaries of all areas of the city that are within 500 feet in any direction of any school.

§ 2. This local law takes effect 180 days after it becomes law.

AS

LS # 5666

5/8/2018

Int. No. 1710

By Council Member Richards

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to exemption from taxation of alterations and improvements to multiple dwellings

Be it enacted by the Council as follows:

Section 1. Subdivision b of section 11-243 of the administrative code of the city of New York, as amended by local law number 60 for the year 2016, is amended to read as follows:

  b. Subject to the limitations provided in subdivision d of this section and the restrictions in this section on conversion of buildings used in whole or in part for single room occupancy, any increase in the assessed valuation of real property shall be exempt from taxation for local purposes to the extent such increase results from the reasonable cost of: (1) the conversion of a class B multiple dwelling to a class A multiple dwelling except insofar as the gross cubic content of such building is increased thereby; or (2) the conversion of any nonresidential building or structure situated in the county of New York to a class A multiple dwelling except insofar as the gross cubic content of such building is increased; or (3) the conversion of any nonresidential building or structure situated in the counties of Bronx, Kings, Queens or Richmond to a class A multiple dwelling except insofar as the gross cubic content of such building or structure is increased thereby; or (4) alterations or improvements to the exterior of an otherwise eligible building or structure visible from a public street pursuant to a permit issued by the landmarks commission with respect to a designated historic or landmark site or structure; or (5) alterations or improvements constituting a moderate rehabilitation of a substantially occupied class A multiple dwelling except insofar as the gross cubic content of such building or structure is increased thereby; or (6) alterations or improvements to an otherwise eligible building or structure commenced after January first, nineteen hundred eighty designed to conserve the use of fuel, electricity or other energy sources or to reduce demand for electricity, including the installation of meters for purposes of measuring the amount of electricity consumed for each dwelling unit, and conversions of direct metering to a system that includes a master meter and submeters in any cooperative, condominium, or housing development fund company organized under article eleven of the private housing finance law; or (7) alterations or improvements to existing dwellings to eliminate existing unhealthy or dangerous conditions in any such existing dwelling or replace inadequate and obsolete sanitary facilities in any such existing dwelling, any of which represents fire or health hazards, including as improvements asbestos abatement to the extent such asbestos abatement is required by federal, state or local law, except insofar as the gross cubic content of such existing dwelling is increased thereby; or (8) conversion of residential units qualified for the protection of article seven-C of the multiple dwelling law in buildings or portions thereof registered with the New York city loft board as interim multiple dwellings pursuant to such article to units which are in compliance with the standards of safety and fire protection set forth in article seven-B of the multiple dwelling law or to units which have a certificate of occupancy as class A multiple dwellings; or (9) alterations or improvements commenced on or after September first, nineteen hundred eighty-seven constituting a substantial rehabilitation of a class A multiple dwelling, or a conversion of a building or structure into a class A multiple dwelling, as part of a program to provide housing for low and moderate income households as defined by the department of housing preservation and development pursuant to the rules and regulations promulgated pursuant to subdivision m of this section, provided that such alterations or improvements or conversions shall be aided by a grant, loan or subsidy from any federal, state or local agency or instrumentality, including, in the discretion of the department of housing preservation and development, a subsidy in the form of a below market sale from the city of New York; or (10) alterations or improvements to any private dwelling or conversion of any private dwelling to a multiple dwelling or conversion of any multiple dwelling to a private dwelling, provided that such alterations, improvements or conversions are part of a project that has applied for or is receiving benefits pursuant to this section and shall be aided by a grant, loan or subsidy from any federal, state or local agency or instrumentality. Such conversions, alterations or improvements shall be completed within thirty months after the date on which same shall be started except that such thirty month limitation shall not apply to conversions of residential units which are registered with the loft board in accordance with article seven-C of the multiple dwelling law pursuant to paragraph eight of this subdivision. Notwithstanding the foregoing, a sixty-month period for completion shall be available for alterations or improvements undertaken by a housing development fund company organized pursuant to article eleven of the private housing finance law, which are carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local governmental agency or instrumentality or which are carried out in a property transferred from the city of New York if alterations and improvements are completed within seven years after the date of transfer. In addition, the department of housing preservation and development may grant an extension of the period of completion for any project carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local governmental agency or instrumentality, if such alterations, improvements or conversions are completed within sixty months from commencement of construction. Provided, further, that such conversions, alterations or improvements shall in any event be completed prior to June thirtieth, two thousand [nineteen] twenty. Exemption for conversions, alterations or improvements pursuant to paragraph one, two, three, four, six, seven, eight or ten of this subdivision shall continue for a period not to exceed fourteen years and begin no sooner than the first tax period immediately following the completion of such conversions, alterations or improvements. Exemption for alterations or improvements pursuant to paragraph five or nine of this subdivision shall continue for a period not to exceed thirty-four years and shall begin no sooner than the first tax period immediately following the completion of such alterations or improvements. Such exemption shall be equal to the increase in the valuation, which is subject to exemption in full or proportionally under this subdivision for ten or thirty years, whichever is applicable. After such period of time, the amount of such exempted assessed valuation of such improvements shall be reduced by twenty percent in each succeeding year until the assessed value of the improvements is fully taxable. Provided, however, exemption for any conversions, alterations or improvements, which are aided by a loan or grant under article eight, eight-A, eleven, twelve, fifteen, or twenty-two of the private housing finance law, section six hundred ninety-six-a or section ninety-nine-h of the general municipal law, or section three hundred twelve of the housing act of nineteen hundred sixty-four (42 U.S.C.A. 1452b), or the Cranston-Gonzalez national affordable housing act, (42 U.S.C.A. 12701 et seq.), or started after July first, nineteen hundred eighty-three by a housing development fund company organized pursuant to article eleven of the private housing finance law which are carried out with the substantial assistance of grants, loans or subsidies from any federal, state or local governmental agency or instrumentality or which are carried out in a property transferred from the city of New York and where alterations and improvements are completed within seven years after the date of transfer may commence at the beginning of any tax period subsequent to the start of such conversions, alterations or improvements and prior to the completion of such conversions, alterations or improvements. The assessed valuation of the land occupied by such dwelling and any increase in assessed valuation resulting from conversions, alterations, or improvements other than those made pursuant to this section shall not be affected by the provisions of this section.

§ 2. This local law takes effect immediately.

AS

LS # 11506

8/7/19

1. N.Y. Alcoholic Beverage Control Law § 65(1). [↑](#footnote-ref-1)
2. N.Y. Alcoholic Beverage Control Law § 65-c. There are two exceptions to this general prohibition when the alcohol is given to a person under age 21: (a) as part of a licensed school curriculum that requires the person to imbibe or taste alcohol; and (b) by the person’s parent or guardian. [↑](#footnote-ref-2)
3. Center for Disease Control and Prevention, *High School Youth Risk Behavior Survey, 2017, New York City, NY*, <https://nccd.cdc.gov/youthonline/App/Results.aspx?LID=NY>. [↑](#footnote-ref-3)
4. Office of the United States Surgeon General, *The Surgeon General’s Call to Action to Prevent and Reduce Underage Drinking* (2007), *available at* [https://www.ncbi.nlm.nih.gov/books/NBK44364/#A90995](https://www.ncbi.nlm.nih.gov/books/NBK44364/%23A90995). [↑](#footnote-ref-4)
5. New York City Health, *Facts about Underage Drinking in New York City*, *available at* <https://www1.nyc.gov/assets/doh/downloads/pdf/mental/underage-drinking-factsheet.pdf>. [↑](#footnote-ref-5)
6. Alisa A. Padon et al., *Alcohol brand use of youth-appealing advertising and consumption by youth and adults*, J. Public Health Res., Vol. 7:1269 (Feb. 5, 2018) <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5941256/pdf/jphr-7-1-1269.pdf>. [↑](#footnote-ref-6)
7. Peter Anderson et al., *Impact of Alcohol Advertising and Media Exposure on Adolescent Alcohol Use: A Systematic Review of Longitudinal Studies*, Alcohol and Alcoholism, Vol. 44, Issue 3 (2009) <https://academic.oup.com/alcalc/article/44/3/229/178279>. [↑](#footnote-ref-7)
8. NYC Housing Preservation & Development, *Tax Incentives: J-51*, <https://www1.nyc.gov/site/hpd/developers/tax-incentives-j51.page> (last visited Sept. 18, 2019); *see also* NYC Department of Finance, *J-51 Exemption and Abatement*, <https://www1.nyc.gov/site/finance/benefits/benefits-j51.page> (last visited Sept. 18, 2019). [↑](#footnote-ref-8)
9. Buildings located in Manhattan in the Minimum Tax Zone may use the abatement benefit only to reduce real estate taxes on the value of the building only, not the land. [↑](#footnote-ref-9)
10. Chapter 5 of Title 28 of the Rules of the City of New York sets forth the complete list improvements that can qualify a building for a J-51 benefit. [↑](#footnote-ref-10)
11. NYC Housing Preservation & Development, *Tax Incentives: J-51*, <https://www1.nyc.gov/site/hpd/developers/tax-incentives-j51.page> (last visited Sept. 9, 2019). [↑](#footnote-ref-11)
12. NYC Department of Finance, *J-51 Exemption and Abatement*, <https://www1.nyc.gov/site/finance/benefits/benefits-j51.page> (last visited Sept. 9, 2019).. [↑](#footnote-ref-12)