

CITY COUNCIL
CITY OF NEW YORK

-----X

TRANSCRIPT OF THE MINUTES

of the

COMMITTEE ON FINANCE

-----X

December 21, 2009
Start: 11:13 am
Recess: 11:45 am

HELD AT: Council Chambers
City Hall

B E F O R E:
DAVID I. WEPRIN
Chairperson

COUNCIL MEMBERS:
Council Member Gale A. Brewer
Council Member Leroy G. Comrie, Jr.
Council Member Bill de Blasio
Council Member Lewis A. Fidler
Council Member Vincent J. Gentile
Council Member Alan J. Gerson
Council Member Vincent M. Ignizio
Council Member Robert Jackson
Council Member G. Oliver Koppell
Council Member James S. Oddo
Council Member Diana Reyna
Council Member Joel Rivera
Council Member Helen Sears
Council Member Albert Vann

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

Jeremy Waldrup
Assistant Commissioner
Department of Small Business Services.

Mark Cohen
Representative
Delancey Suffolk LLC

1

2

[gavel]

3

4

SERGEANT-AT-ARMS: [off mic] Quiet, please. Sit down, please.

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CHAIRPERSON WEPRIN: Good morning, and welcome to this morning's Finance Committee hearing. My name is David Weprin, I Chair the Committee for another ten days. This may be my last Finance Committee meeting, although with this body, you never know. But if it is, it's been a wonderful eight years, and it's been a tremendous experience working with all of you, and I hope to be able to continue that relationship. As you all know, today, I said that, I've had the pleasure of working with all of you, as well as the Finance staff, and Preston Niblack, the Director of Finance, and Tanisha Edwards, my Counsel to the Finance Committee, and all the other excellent professional Finance staff who I must say, and I found this out very early on in my tenure as Finance Chair, and Jeff Rotus [phonetic] made an entrance at the right time, but of course does a, does a great job as well, as our deputy on the capital side for so many years. We in the Finance staff of the City Council, the staff, does a job

1
2 that rivals and even exceeds in some ways the work
3 of the Office of Management and Budget, which has
4 a much, much larger staff. So, it's, it's amazing
5 that we're able to accomplish as a professional an
6 organization, and analysis rivaling Office of
7 Management and Budget with limited staff. And I
8 really, it's been a great pleasure working with
9 the Finance staff, and they've really made my job
10 very easy, they've made me look good as Finance
11 Chair, and I, you know, Preston, I want you to
12 convey that to Finance staff members that are
13 here, that aren't in the room right now, but
14 certainly it's been a great pleasure, and you
15 know, I really appreciate all the help and support
16 I've had these last eight years. Over the years
17 we have made meaningful impacts in the lives of
18 New Yorkers by reducing property taxes and taxes
19 on small businesses, providing tax credit to
20 businesses, including the most recently enacted
21 biotechnology credit, and enacting a historic City
22 earned income tax credit. Keeping in mind this
23 serious economic crisis facing the next Finance
24 Chair, and I know there's some candidates probably
25 in the room, and the Council, I am confident that

1
2 the Council and the next Finance Chair will
3 continue to keep our great City running, and make
4 all New York City residents proud of their local
5 legislative body. With that, let's get down to
6 business. Today, the Finance Committee will vote
7 on six pieces of legislation: one, a local law
8 relating to the increase in expenditures for eight
9 business improvement districts; two, three
10 resolutions relating to property tax exemptions
11 for the development of low income housing in
12 Manhattan; three, we also have a local law
13 extending the charter mandated dates for the Mayor
14 to submit the preliminary budget, and other steps
15 relating to document submission in the budget
16 process. And finally, we have a transparency
17 resolution. Let's first start with the business
18 improvement district legislation. Most of the
19 City BIDs have added increases in the maximum
20 amount they are allowed to spend in several years,
21 and any increases must be approved by local law.
22 The statute authorizing the establishment of the
23 BIDs and amendments to the plans by which they
24 operate, provide that this local law can be
25 adopted if the Council makes the following

1
2 findings: one, that it is in the public interest
3 to authorize the increases; two, that the tax and
4 debt limits set out in the bid laws will not be
5 exceeded; and three, that notice requirements of
6 the proposed budget increases are complied with.
7 In addition, through the bid law, although the bid
8 law only requires notice of this action by
9 publication in a newspaper, we informed the Office
10 of Small Business Services that we would like
11 notices mailed to all property owners in both BIDs
12 of the proposed budget increases. It is my
13 understanding that such notice was mailed to such
14 property owners. The following BIDs will receive
15 an assessment increase: the Lower East Side BID
16 in Council Member Alan Gerson's district; the
17 Pitkin Avenue BID in Council Member Darlene
18 Mealy's district; the 125th Street BID in Council
19 Member Inez Dickens' district; and the 14th
20 Street/Union Square BID in Council Member Rosie
21 Mendez' district; and also in the Speaker's
22 district; the Montague Street and DUMBO BID in
23 Council Member David Yassky's district, the
24 Columbus Amsterdam BID in Council Member Melissa
25 Mark-Viverito's district; and the Queens Plaza

1
2 Court Square BID in Council Member Eric Gioia's
3 district. All of the Council Members in these
4 respective BIDs have submitted letters of support
5 for the increase in assessment. The next three
6 pieces of legislation we will consider are three
7 related Preconsidered Land Use items relating to
8 property located on the same block that will
9 provide rental housing for low income individuals
10 in Council Member Alan Gerson's district. The
11 Grand Street Guild is seeking a property exemption
12 to cover the cost of the rehabilitation of one
13 building. They'll provide 200 units of rental
14 housing for low income individuals and 8,700
15 square feet of commercial space. The next
16 Preconsidered Land Use item is also called the
17 Grant Street Guild, it also seeks a property
18 exemption to cover the cost of the rehabilitation
19 of one building, they'll provide 200 units of
20 rental housing for low income individuals. This
21 building will provide 15,700 square feet of
22 commercial space. The last Preconsidered Land Use
23 item is the Southeast Grand Street Guild, which is
24 seeking a property exemption to cover the cost of
25 the rehabilitation, of one building, they'll

1
2 provide 200 units of rental housing for low income
3 individuals and 2,500 square feet of commercial
4 space. Council Member Alan Gerson supports all
5 three items. Our next piece of legislation
6 relates to the preliminary budget. Under the
7 charter, the Administration has until January 16th
8 of each year to submit the preliminary budget. If
9 the Mayor does not believe he can comply with the
10 charter mandated date for the submission of the
11 preliminary budget to the Council, he must submit
12 legislation to the Council amending the charter
13 mandated dates. This legislation which is
14 typically considered around this time of year,
15 kicks off the start of each budget cycle, and
16 extends the date for the submission of the
17 preliminary budget by the Mayor and other steps
18 relating to document submission in the budget
19 process. Specifically, this legislation would
20 give the Mayor until January 28th to submit the
21 preliminary budget to the Council and give the
22 Council and other agencies eleven days on average
23 to submit or act on a certain preliminary budget
24 reports. The Council will have, then have until
25 April 8th to hold preliminary budget hearings and

1 submit its budget response. Our last piece of
2 legislation is a transparency resolution relating
3 to the Fiscal 2010 adopted budget, specifically
4 the resolution before us today sets forth
5 designations and the changes in the designation of
6 certain organizations receiving local aging and
7 youth discretionary funding, as well as new
8 designations and/or changes in the designation of
9 certain organizations to receive funding pursuant
10 to certain initiatives in the Fiscal 2010 expense
11 budget. For clarification purposes, it is to be
12 noted that organizations appearing in the
13 resolution that have not yet completed the
14 prequalification process, conducted by the Mayor's
15 Office of Contract Services, the Council or
16 another entity, are identified in the attached
17 charts with an asterisk. Additionally, as with
18 all transparency resolutions, Council Members will
19 have to sign a disclosure form indicating whether
20 or not a conflict exists with any of the groups on
21 the attached list. If any Council Member has a
22 potential conflict of interest with any of the
23 organizations listed, he or she might want to
24 disclose the conflict at the time of their vote.
25

1
2 A representative from the Administration is here
3 to answer questions on the preliminary budget
4 extender and representatives from Council Finance
5 are here to answer on the transparency resolution
6 and the Land Use item. We will hear shortly from
7 the Department of Small Business Services'
8 Assistant Commissioner Jeremy Waldrup on the BID
9 increases, as well as, I think we're going to hear
10 from Preston on the preliminary budget extender.
11 Let me introduce my colleagues that are here. We
12 have our Majority Leader, Joel Rivera from The
13 Bronx; we have our Deputy Majority, Leader Leroy
14 Comrie from Queens; our Assistant Majority Leader,
15 Lew Fidler from Brooklyn; our Minority Leader,
16 Council Member Jim Oddo from Staten Island and
17 Brooklyn; Council Member Vincent Ignizio from
18 Staten Island; Council Member Albert Vann from
19 Brooklyn; Council Member Helen Sears from Queens;
20 Council Member Gale Brewer from Manhattan; Council
21 Member Robert Jackson from Manhattan. [pause]
22 Council Member Alan Gerson from Manhattan. Is
23 that a quorum? [long pause, background voices]
24 Mr. Niblack, would you like to make a statement?

25 PRESTON NIBLACK: Yes, thank you,

1
2 good morning Mr. Chairman and Members of the
3 Committee. As you know, we have several items on
4 the agenda today. However, I'm not actually here
5 to talk about today's business right now. I'm
6 actually here on behalf of myself and the finance
7 staff, and in particular Tanisha Edwards, Counsel
8 to the Committee, to express our appreciation to
9 you for your eight years of service as Chair of
10 the Finance Committee. Of course, I've only had
11 the pleasure for a little over a year-and-a-half,
12 although I assure you it seems like it's been much
13 longer. In all seriousness, even in my short time
14 here, there are numerous issues on which I've seen
15 you take the lead. Surely one of the most
16 important has been your advocacy for autism
17 services, to provide training and referrals for
18 some 8,000 families annually, and services such as
19 afterschool programs, weekend respite, a
20 basketball league, holiday activities, parent and
21 teacher training, crisis intervention program,
22 kids clubs, and workshops and outreach and
23 awareness activities. Then there are the things
24 that really excite me, like the repeal of the coin
25 operated amusement device tax [laughter]. You've

1

2 been a consistent leader on several signature
3 issues for the Council over the years. Just to
4 name a few: fighting to eliminate the sales tax
5 on clothing and footwear costing less than \$110;
6 twice increasing the income thresholds for
7 eligible participants in the disabled and senior
8 citizen homeowner exemption programs; fighting to
9 end the Water Board's excess rental payment to the
10 City; and ending the property tax for Madison
11 Square Garden. Those last two we will carry on
12 the fight, I'm sure.

13 CHAIRPERSON WEPRIN: I forgot about
14 that one.

15 PRESTON NIBLACK: [laughs] Of
16 course the true measure of a good Chair is how
17 much the staff has enjoyed working with you, and
18 on that measure you must be counted a truly great
19 Chairman. David, we will miss you, and hopefully
20 our loss will ultimately be Albany's gain, and
21 they could sure use the help. Again, on behalf of
22 myself, Tanisha and the rest of the Finance
23 Division staff, we wish you god speed, zei gesund.
24 And we do actually have some business that I'll
25 just briefly address.

1

2

CHAIRPERSON WEPRIN: Go ahead.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

PRESTON NIBLACK: As you mentioned, we have a transparency reso, most of it is changes and corrections. We have two new designations. One is senior center rent costs, for a million 95, this is a list that DFTA provides to us, and which we review and then designate. We also have \$2.75 million of allocations under the primary care initiative for school based health clinics, and other primary care clinics around the City. The budget extender, as you mentioned, would give till January 28th for the Mayor to submit his budget, and then pushes back all the other related preliminary budget dates by about eleven days, giving the Council until April 8th to provide our response, findings and recommendations to the Mayor on the budget. The staff recommends approval of this measure. Thank you.

20

21

22

CHAIRPERSON WEPRIN: Thank you.
Any questions for Mr. Niblack? Hope it's not about those nice words that he said about me.

23

24

25

COUNCIL MEMBER BREWER: No, it's very nice. What was the difference in the budget schedule previously? What is the sche--

1
2 PRESTON NIBLACK: It's not, the due
3 date in the charter, which is subject to change by
4 Local Laws is January 16th, and then I think, I
5 believe it's by March 28th that the Council is
6 supposed to wrap up its hearings and provide the
7 response. So, it's all, it's pushed back about
8 ten or eleven days on average.

9 COUNCIL MEMBER BREWER: Okay. And
10 then I have another question which, I don't know
11 if I can ask, you can move me out of order, but
12 with this MTA tax, is that, I don't know if this
13 relevant, the UBT tax that we curtailed, wisely,
14 thanks to the Chair, another accolade to the
15 Chair--How does that filter or change how much
16 people owe in terms of their MTA tax, if at all?
17 'Cause everybody's complaining to me, and so I got
18 it, wrote to the Department of Finance, and they
19 said, "Gale, it's not such a bad thing, the MTA
20 tax, because people are getting a discount because
21 if they're a certain size, the UBT kicks in,"
22 meaning--So I just was wondering if you could
23 explain that.

24 PRESTON NIBLACK: I mean, we have
25 to sort of do an analysis to, to look at it

1

2 specifically. I don't know off the top of my
3 head. The payroll tax is a tax on, on the
4 payroll, it does apply to sole proprietors and
5 small business owners, of course.

6 COUNCIL MEMBER BREWER: Under a
7 certain size, I think.

8 PRESTON NIBLACK: Right.

9 COUNCIL MEMBER BREWER: Yeah.

10 PRESTON NIBLACK: And the UBT
11 exemption provides relief for those same
12 taxpayers, so I think we lowered the burden on
13 that score by more than we raised the burden, or
14 the estate raised the burden, through the MTA tax,
15 so--

16 COUNCIL MEMBER BREWER: Okay. I
17 just throw out that nobody knows that, in terms of
18 the small business community, so it might be the
19 City Council wants to tell them, because they have
20 no clue that there's a relationship between what
21 we've done positive, hopefully, something to throw
22 out. But again, thank you for that, Mr. Chair,
23 because UBT is a huge savings now for those
24 getting hit with the MTA tax. Thank you.

25 CHAIRPERSON WEPRIN: Thank you,

1
2 Council Member. We'll now hear from the
3 Department of Small Business Services.

4 JEREMY WALDRUP: Good morning, Mr.
5 Chair, and Members of the Finance Committee. I'm
6 Jeremy Waldrup, with the Department of Small
7 Business Services. SBS supports the law providing
8 an increase in the amount to be expended in eight
9 business improvement districts. As required by
10 law, the eight BIDs published a notice of the
11 public hearing in a local newspaper, specifying
12 the time and place where the hearing will be held,
13 and stating the proposed amount to be expended
14 annually. In addition, the BIDs certified that
15 they mailed a letter to property owners informing
16 them about the proposed assessment increase, and
17 the time and place of this hearing. The eight
18 bids requesting increases of annual expenditures
19 desire to further expand, reinforce, and
20 strengthen existing core services currently
21 provided in the business districts. The BIDs wish
22 to increase the amount to be expended annually
23 beginning on July 1, 2009 as follows: the Lower
24 East Side from \$290,400 to \$335,600; Pitkin Avenue
25 from \$125,403 to \$225,000; 125th Street from

1
2 \$719,766 to \$842,126; 14th Street Union Square from
3 \$1,439,500 to \$2 million; Montague Street from
4 \$124,500 to \$175,000; Columbus Amsterdam from
5 \$201,600 to \$260,000; Queens Plaza Court Square
6 from \$300,000 to \$450,000; and DUMBO from \$400,000
7 to \$500,000. The City's BIDs supplement City
8 sanitation and public safety services, promote
9 businesses through marketing initiatives and
10 public events, enhance the City's physical
11 environment through streetscape improvements and
12 projects, and engage the local community through
13 the student internship programs. In addition,
14 BIDs in partnership with City government helped
15 create jobs, improve the quality of life for New
16 Yorkers and visitors, enhance the City's tax base
17 and strengthen the local economy in tough economic
18 times. Thank you.

19 CHAIRPERSON WEPRIN: Thank you, Mr.
20 Waldrup. Any question for Mr. Waldrup? Thank
21 you. I think we're going to, Council Member
22 Brewer.

23 COUNCIL MEMBER BREWER: Thank you
24 very much. The Columbus Amsterdam is a wonderful
25 BID. What are the lines? Do you know from where

1

2

to where, what their catchment are is?

3

JEREMY WALDRUP: The boundaries of the BID? Yeah, one second, let me get that.

4

5

[pause, background noise] They are from Columbus Avenue, oh sorry, Columbus Avenue from West 104th Street to 110th Street; Amsterdam Avenue from West 96th Street to 110th Street.

6

7

8

9

COUNCIL MEMBER BREWER: Okay.

10

Thank you very much.

11

CHAIRPERSON WEPRIN: Okay. We're

12

going to vote on the three Land Use items. And at

13

the request of Council Member Gerson, I'm going to

14

decouple the BID increases. So, let's have a vote

15

on the three Land Use items. [pause, background

16

noise] We are going to decouple the three Land

17

Use items, but we, we're going to vote first on

18

coupled Intro 1106, which is the BID assessment

19

increases, Preconsidered Intro for the preliminary

20

budget extender, and the transparency resolution.

21

So we're going to vote on all the items other than

22

the three Land Use items, which we are going to

23

decouple from the rest. We're going, we're going

24

to vote on the others shortly. Call the roll.

25

No, the three items, the BID assessments, the

1
2 preconsidered intro, preliminary budget extender
3 and the transparency resolution, is coupled as one
4 item.

5 CLERK: Eric Stevenson, Committee
6 Clerk. Weprin.

7 CHAIRPERSON WEPRIN: Aye.

8 CLERK: Rivera.

9 COUNCIL MEMBER RIVERA: I vote aye.

10 CHAIRPERSON WEPRIN: Excuse me.

11 I'm going to hold off on the vote, if we can, it's
12 been brought to my attention that we have somebody
13 that wants to testify on the BID assessment
14 increase. So before we vote on it, I'd like to
15 hear testimony from Mark Cohen, from the Delancey
16 Suffolk LLC.

17 MARK COHEN: My name is Mark Cohen,
18 from Delancey Suffolk LLC. I just wanted to say
19 after looking at the 2010 budget that the increase
20 is unjustified being that the main funds is given
21 to the BID office to renovate the BID office at
22 \$350,000. I'm not sure how big the BID office is,
23 but that extra tax would be obviously passed
24 through to the small business owners. In this
25 climate it will be very hard for them to incur

1
2 that additional expense. So at this time I would,
3 I would look to be, look to oppose that increase.
4 Thank you.

5 CHAIRPERSON WEPRIN: When the
6 notice went out, did you contact anybody or make
7 any statement on the proposed increase?

8 MARK COHEN: I was told that I
9 could come to the meeting and voice my opinion.

10 CHAIRPERSON WEPRIN: Okay. Would
11 anybody else like to testify on any of the
12 proposed BID increases or any other item? Okay,
13 thank you, and that's in Council Member Gerson's
14 district?

15 MARK COHEN: That I'm not sure.

16 CHAIRPERSON WEPRIN: Okay, alright,
17 thank you. Okay, once again I'm going to ask for
18 a vote on the Intro 1106 BID assessment increases,
19 the Preconsidered Intro on the preliminary budget
20 extender, and the transparency resolution.

21 CLERK: Eric Stevenson, Committee
22 Clerk, Committee on Finance. Weprin.

23 CHAIRPERSON WEPRIN: Aye.

24 CLERK: Rivera.

25 COUNCIL MEMBER RIVERA: I vote aye.

1

2

CLERK: Reyna.

3

COUNCIL MEMBER REYNA: Pass.

4

CLERK: Brewer.

5

COUNCIL MEMBER BREWER: I vote aye.

6

CLERK: Comrie.

7

COUNCIL MEMBER COMRIE: Aye on all.

8

CLERK: Fidler.

9

COUNCIL MEMBER FIDLER: Aye on all.

10

CLERK: Gerson. Jackson. Sears.

11

COUNCIL MEMBER SEARS: Aye.

12

CLERK: Vann.

13

COUNCIL MEMBER VANN: Aye.

14

CLERK: Ignizio. Oddo. [pause]

15

CHAIRPERSON WEPRIN: Alright, we're

16

going to wait for some additional members, to

17

vote, around the building, so if you could all

18

stay here for--a minute or two? [pause] Well,

19

Council Member Ignizio and Oddo were just here,

20

what happened to them? [pause] Hey, my last

21

meeting, there's nothing like a little excitement,

22

so you know, we'll, we'll just keep it going.

23

[long pause]

24

CLERK: Ignizio.

25

COUNCIL MEMBER IGNIZIO: Yes.

1

[pause]

2

CLERK: Oddo.

3

COUNCIL MEMBER ODDO: Yes.

4

[pause]

5

CLERK: Reyna.

6

COUNCIL MEMBER REYNA: Yes.

7

CHAIRPERSON WEPRIN: Okay, we're

8

going to now--

9

CLERK: Vote stands at ten in the

10

affirmative, no negative, no abstention, the

11

motion passes.

12

[long pause, background noise]

13

CHAIRPERSON WEPRIN: Okay, we're

14

now going to vote on the three Land Use items. If

15

you could couple the three Land Use items and call

16

the roll again.

17

CLERK: Weprin.

18

CHAIRPERSON WEPRIN: Aye.

19

CLERK: Rivera.

20

COUNCIL MEMBER RIVERA: [off mic]

21

Aye.

22

CLERK: Reyna.

23

COUNCIL MEMBER REYNA: Aye.

24

CLERK: Brewer.

25

1

2

COUNCIL MEMBER BREWER: Yes.

3

CLERK: Comrie.

4

COUNCIL MEMBER COMRIE: [off mic]

5

Yes.

6

CLERK: Fidler.

7

COUNCIL MEMBER FIDLER: [off mic]

8

Yes.

9

CLERK: Gerson. Jackson. Sears.

10

COUNCIL MEMBER SEARS: Yes.

11

CLERK: Vann.

12

COUNCIL MEMBER VANN: Yes.

13

CLERK: Ignizio.

14

COUNCIL MEMBER IGNIZIO: Yes.

15

CLERK: Oddo.

16

COUNCIL MEMBER ODDO: [off mic]

17

Yes.

18

CLERK: Vote stands at ten in the

19

affirmative, no negative, no abstentions, the

20

motion carries.

21

CHAIRPERSON WEPRIN: Thank you.

22

Please sign the Committee reports, Members. And

23

we're going to keep the roll open for a half hour

24

until approximately 12:15. Other than that we're

25

adjourned.

1

[gavel]

2

3

CLERK: Committee Members, please
sign the report.

4

5

[applause]

6

[pause, background noise]

7

CLERK: Jackson.

8

COUNCIL MEMBER JACKSON: I vote aye
on all.

9

10

CLERK: Vote not stands on, at
eleven in the affirmative, no negative, no
abstentions.

11

12

13

[long pause, background noise]

14

CLERK: Koppell.

15

COUNCIL MEMBER KOPPELL: Aye on
all.

16

17

CLERK: Vote now stands at eleven
in the affirmative, I mean twelve in the
affirmative, no negative, no abstentions.

18

19

20

[long pause, background noise]

21

CLERK: De Blasio.

22

COUNCIL MEMBER DE BLASIO: Aye on
all.

23

24

CLERK: The vote now stands at
thirteen in the affirmative, no negatives and no

25

1

2 abstentions.

3

[pause, background noise]

4

CHAIRPERSON WEPRIN: The tape,

5

Sergeant-at-Arms?

6

SERGEANT-AT-ARMS: [off mic] It's

7

rolling, sir.

8

CHAIRPERSON WEPRIN: Rolling?

9

Action. Council Member Gerson?

10

[pause]

11

COUNCIL MEMBER GERSON: Thank you

12

very much, Mr. Chair. First of all, before any

13

further business, let me take this opportunity,

14

Mr. Chair, to acknowledge you, your leadership,

15

your commitment to the City of New York, and your

16

support and friendship, not only in the matter on

17

which we're voting today, pertaining to the Grant

18

Street Guild, but to all of the matters on which

19

you've provided such exemplary leadership

20

throughout the past eight years. It's been a

21

pleasure working with you, and I know our City

22

will continue to benefit from your public service

23

in the years and decades ahead. So thank you very

24

much. Mr. Chair, I'm going to vote aye on all.

25

And that includes the items on the agenda

1
2 pertaining to the tax exemption for the Grant
3 Street Guild property. This is a vital,
4 affordable housing complex on the Lower East Side
5 of Manhattan. And, the, in order to assure the
6 affordability, affordability of our community, on
7 the Lower East Side, and indeed for the cause of
8 affordability citywide, the preservation of this
9 complex as an affordable unit for its current
10 residents and future residents, remains absolutely
11 essential. In other words, this development is an
12 important part, an essential part of our City's
13 affordability infrastructure. Therefore, I made
14 it clear that I would only support the tax
15 exemption. I would ask my colleagues only to
16 support the items on which we are voting today, if
17 there, an agreement was reached between the
18 owners, the Board of Directors appointed by the
19 Archdiocese of the City of New York, and the
20 Tenant Association, representing the residents of
21 the Grant Street Guild Housing. An agreement, and
22 I--and that that such an agreement would assure
23 that the affordability of this development would
24 continue in perpetuity. I'm pleased to announce,
25 Mr. Chair, that an agreement has been reached, I

1
2 am in fact joined here in Chambers by the
3 President of the Grant Street Guild Tenants
4 Association, the Honorable Daysha Lopez
5 [phonetic], and by a member of the Grant Street
6 Guild Tenants Committee, Harriet Golisano
7 [phonetic]. We will, before this afternoon's full
8 stated vote, introduce in writing, on the record,
9 the sum and substance of the agreement we have
10 reached. So, in the interests of time, I will not
11 read all of the terms at this point, Mr. Chair,
12 but you should know that the agreement which is
13 indeed precedent setting, assures a) that under
14 any circumstances, with or without the
15 continuation of the Section VIII program, or other
16 programs, the owners will not seek a rent payment
17 by any resident that is greater than 30 percent of
18 the income of the household adjusted according to
19 the normal standards for household size. Again,
20 the maximum rent adjusted for household size will
21 be 30 percent of household income, period, for as
22 long as the owners are operating the building,
23 and, and with the expectation of the full 40 year
24 financing that has been concomitantly negotiated
25 with the federal Department of Housing and Urban

1
2 Development. Second, residents will be protected
3 by any increases in security deposit requirements.
4 Current residents will be held harmless, and no
5 matter what happens in rent structures in the
6 future, current residents will not have to
7 increase their security rent deposits. And
8 finally, Mr. Chair, the only other point I want to
9 mention verbally on the record were the other
10 points included in the writing, is that there will
11 be greater opportunities for input by the tenants
12 and the Tenant Association in the operation of the
13 building. The President will be notified and
14 allowed to address the Board at all regularly
15 scheduled Board meetings. A representative
16 mutually agreed upon by the Association and the
17 Board will be allowed to observe all non-
18 confidential proceedings of the Board. And the
19 Board will consider the tenants' request for
20 future full-fledged representation. This, in
21 addition to all of the other terms that will be
22 set forth in writing, will assure that this
23 complex remains affordable, and therefore I urge
24 that we approve the items on the agenda and I
25 thank my colleagues for their support. And

1

2 finally, Mr. Chair, I want to enter into the
3 record the following very brief statements from
4 the officials I acknowledged earlier. From the
5 President of the Tenants Association of the Grant
6 Street Guild Houses, Ms. Daysha Lopez, the
7 following statement: "For the record, Grant
8 Street Guild Tenants live at or below the poverty
9 level. Therefore, we hope the owners will fulfill
10 their commitments of affordability for the next 40
11 years, and this, the \$97 million renovation is not
12 a predatory equity deal. My personal view is that
13 a building, is that buildings that receive 97--a
14 97 REAC score should not need a \$90 million
15 renovation." And the statement from Harriet
16 Golisano, a member of the Committee, is the
17 following: "I am 69 year, I am a 69 year old
18 woman, living at Grant Street Guild Apartments, at
19 460 Grant Street. If the owners want a new
20 security deposit, I cannot do it. I live on a
21 fixed income of \$816 monthly. I, I am financially
22 not able, I barely make ends meet as it is. Thank
23 you very much." And that again is from Harriet
24 Goldstein Golisano. Mr. Chari, those statements
25 speak for themselves and reflect the sentiments of

1
2 the cross-section of the residents. Assuming with
3 the fulfillment of the agreement reached between
4 the Association and the Owners, this is a great
5 day for the Lower East Side community, for the
6 Grant Street Guild residents, and for the cause of
7 affordability in our City. Again, I vote aye and
8 I thank you, Mr. Chair, and I thank my colleagues.

9 CHAIRPERSON WEPRIN: Thank you,
10 Council Member.

11 CLERK: Gentile.

12 COUNCIL MEMBER GENTILE: Aye on
13 all.

14 CLERK: Gerson.

15 COUNCIL MEMBER GERSON: Aye on all.

16 CLERK: The vote now stands at 15
17 in the affirmative, no negatives and no
18 abstentions.

19 CHAIRPERSON WEPRIN: And that's on
20 all of the items? That's on all the items? Yeah,
21 on all.

22 [pause, background noise]
23

C E R T I F I C A T E

I, JOHN DAVID TONG certify that the foregoing transcript is a true and accurate record of the proceedings. I further certify that I am not related to any of the parties to this action by blood or marriage, and that I am in no way interested in the outcome of this matter.


Signature JOHN DAVID TONG

Date December 30, 2009