

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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November 16, 2017
Start: 11:11 a.m.
Recess: 11:20 a.m.

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)

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2 [sound check, pause] [gavel]

3 CHAIRPERSON FERRERAS-COPELAND: Good
4 morning and welcome to today's Finance Committee
5 hearing. My name is Julissa Ferreras-Copeland. I'm
6 the Chair of the committee. [shushing for quiet]

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

9 CHAIRPERSON FERRERAS-COPELAND: We are
10 joined by Minority Leader Matteo, Majority Leader Van
11 Bramer, Council Members Rosenthal, Cornegy,
12 Rodriguez, and Levine. Today the committee will be
13 voting on nine items, a Preconsidered Intro related
14 to a property tax exemption for veterans. Proposed
15 Intro 1722-A related to notifying landlords about
16 rent registration requirements and financing of
17 affordable housing. Proposed Intro 1673-A and
18 Resolution 1421, which are both related to combatting
19 deed fraud. Three preconsidered resolutions to amend
20 and restate the property tax rates for Fiscal 2018
21 and two Land Use items. Let's start with the
22 Preconsidered Intro sponsored by myself, Minority
23 Leader Matteo and Veterans Committee Chair Ulrich.
24 The bill would extend the Eligible Funds Exemption
25 that is received by approximately 3,300 veteran

2 homeowners to the taxed portion of the property
3 taxes. Until the mid-80s when the city adopted the
4 Alternate Veterans Exemption, the Eligible Funds
5 Exemption was the only property tax exemption
6 available to veterans in the city. Once the
7 Alternate Veterans Exemption was adopted, the city
8 stopped granting any new eligible funds exemptions.
9 In June of this year, the Council passed legislation
10 that included the school tax portion of the property
11 taxes and the Alternate Veterans Exemption. This
12 Preconsidered Intro would bring parity between the
13 two veterans' exemptions and do the same for the
14 Eligible Funds Exemption. According to the Department
15 of Finance, veterans receiving the exemption will now
16 receive an additional estimated annual benefit of
17 \$502 on top of their current \$360 benefit. I want to
18 thank my Minority Leader Matteo and Council Member
19 Ulrich for their leadership on behalf of the city's
20 veterans.

21 The second item is Proposed Intro 1722-A
22 sponsored by the Speaker, which would require the
23 Department of Finance to provide notice to owners of
24 Class 2 properties that they are required to register
25 their rent stabilized units with the state of the New

2 York State Division of Housing and Community Renewal.
3 In addition, DOF would have to provide them with the
4 information regarding financing programs administered
5 by the Department of Housing, Preservation and
6 Development to facilitated affordability. Providing
7 homeowners with this information is an important step
8 in an effort to increase and preserve affordable
9 housing in the city, and I commend the Speaker for
10 all the work she has done, and that the council has
11 done on this issue under her leadership.

12 Next, we will have two items related to
13 the prevention of deed fraud, Proposed Intro 1773,
14 sponsored by Council Member Rosenthal and myself,
15 which would codify the Department of Finance's Notice
16 of Recorded Document System while providing us
17 valuable data on both utilization of the program and
18 referrals to the city Sheriffs of sus-of suspected
19 deed fraud. The Notice of Recorded Documents
20 Program, which DOF first implemented in 2011, allows
21 property owners to sign up to receive notification
22 when documents affecting any-and ownership interest
23 have been recorded against their properties.
24 Individuals receiving the notification are directed
25 to check ACRIS and view the document for potential

2 issues. Under this bill going forward, DOF will
3 automatically register property owners in the program
4 whenever (coughs) a deed or mortgage related document
5 is recorded. The bill also requires DOF to do a look
6 back at all Class 1 and Class 2 properties and
7 automatically register the property owner named on
8 the most recent deed or mortgage related document.
9 We are also voting on Resolution 1421 sponsored by
10 Council Member Vallone. According to DOF, one of the
11 most ripe targets for deed fraud are people who
12 inherit property, and do not record a deed to the
13 property including their own—their ownership.
14 Therefore, this resolution will call upon the New
15 York State Legislature to pass and the Governor to
16 sign legislation to require all real property
17 conveyances to be mem-memorial-memorialized by a
18 recorded deed. I want to thank Council Members
19 Rosenthal and Vallone for their efforts in combatting
20 a critical problem faced by many of our city's most
21 vulnerable homeowners.

22 Next, we have three Preconsidered
23 resolutions that would amend and restate the property
24 tax rates for Fiscal 2018. Every year as a part of
25 the budget adoption, the charter requires the Council

to adopt property tax rates for the upcoming Fiscal Year. The rates we adopt are largely predetermined by a formula set forth in the State Law, which involves determining the share of overall tax levy that each class is required to pay. State law imposes a 5% cap on the amount that each class share is allowed to grow year over year. In past years, the Council has asked the State to lower that cap as a way of moderating large increases in-in tax rates that result from this required formula. This year, we saw that without any action the tax rates for Class 1 homeowners would have gone up by 6.5% as compared to last year's rate. Therefore, to limit the increase, the Council asked the State to pass legislation to lower the class shared cap to zero, the lowest possible. The State agreed, but the legislation was enacted after the Council adopted the Fiscal 2018 Budget and the tax rates. Therefore, what we are doing today is amending and restating the tax rate that we set in June to reflect the recalculations that are in accordance with the zero cap. As a result of the Council's efforts, Class 1 homeowners will save approximately \$250 this year

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2 because the Class 1 tax rate will now only go up by
3 2%.

4 Finally, we have two Land Use Items. The
5 first is Creston Park View in Council Member
6 Cabrera's district in the Bronx, which would provide
7 a full 40-year Article 11 exemption to build 8-189
8 units of low-income rental housing. The second item
9 is Forest Hills MHA in Council Member Koslowitz's
10 district in Queens, which would provide a full 40-
11 year Article 11 tax exemption to preserve 430 units
12 of low-income rental housing. Both Council Members
13 support these items. Are there any questions on
14 today's items? Can anyone repeat today's items?
15 [laughter] I'd like to wish everyone a very happy
16 and healthy Thanksgiving holiday season with your
17 families, and I will now ask the Billy Martin,
18 Committee Clerk, to call the roll.

19 CLERK: William Martin, Committee Clerk.
20 Roll Call vote Committee on Finance. All items are
21 coupled. Chair Ferreras-Copeland

22 CHAIRPERSON FERRERAS-COPELAND: I vote
23 aye.

24 CLERK: Rodriguez.

25 COUNCIL MEMBER RODRIGUEZ: [off mic]

2 CLERK: Van Bramer.

3 COUNCIL MEMBER VAN BRAMER: Aye.

4 CLERK: Cornegy.

5 COUNCIL MEMBER CORNEGY: Aye.

6 CLERK: Levine.

7 COUNCIL MEMBER LEVINE: Aye.

8 CLERK: Rosenthal.

9 COUNCIL MEMBER ROSENTHAL: Thank you. I
10 vote aye on all, but with particular gratitude to the
11 Chair. The deed fraud bills were incredibly
12 important, but you took, you know, your leadership on
13 this is making all the difference for hundreds if not
14 thousands of families, and I appreciate your—your
15 skillset [laughs] and having us vote on this today
16 it's incredibly powerful. Thank you.

17 CLERK: Matteo.

18 COUNCIL MEMBER MATTEO: Madam Chairman,
19 may I explain my vote.

20 CHAIRPERSON FERRERAS-COPELAND: Yes.

21 COUNCIL MEMBER MATTEO: I want to start
22 off by thanking you once again for teaming up with
23 myself and Council Member Eric Ulrich on—on providing
24 tax relief for veterans. You have been such a strong
25 advocate and partner, and it's been wonderful the

2 last six months to make more headway than I think
3 this Council has ever done in terms of property tax
4 relief for veterans. So, thank you. I will be
5 voting aye on all except for the three tax
6 preconsidered resolutions. I'll be voting no on
7 that. While I appreciate the fact that the tax
8 shares for Class 1 property owners will be marginally
9 better than what the Council passed in June, I cannot
10 support tax distribution that is fundamentally unfair
11 to small property owners many of whom call my
12 district and my borough home. I know that many of my
13 colleagues in this Chamber agree, which is why
14 Council Member Borelli and I wrote to the Mayor last
15 week asking to full his campaign promise in a panel
16 of property tax reform commission immediately so we
17 can then begin the process of fixing. So, with that
18 said, I appreciate that. It's not going to be as
19 hard, but I cannot vote yes on that. So, I'll be
20 voting no on the three preconsidered resolutions, and
21 aye on the rest.

22 CLERK: Rodriguez.

23 COUNCIL MEMBER RODRIGUEZ: Aye.

24 CLERK: By a vote of 7 in the
25 affirmative, 0 in the negative and no abstentions,

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2 all items on today's agenda have been adopted with
3 the exceptions of three tax resolutions, which were
4 adopted by a vote 6 in the affirmative, 1 in the
5 negative, and no abstentions. [pause]

6 CHAIRPERSON FERRERAS-COPELAND: Thank
7 you, and we call this meeting adjourned. [gavel]
8 [background comment]

9 CHAIRPERSON FERRERAS-COPELAND: Well, we
10 needed a quorum. You are I guess that quorum.

11 MALE SPEAKER: So, everything passes.

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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 November 27, 2017