

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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April 13, 2015
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HELD AT: Committee Room - City Hall

B E F O R E:
JULISSA FERRERAS
Chairperson

COUNCIL MEMBERS:
COREY D. JOHNSON
HELEN K. ROSENTHAL
I. DANEEK MILLER
JAMES G. VAN BRAMER
LAURIE A. CUMBO
MARK LEVINE
ROBERT E. CORNEGY, JR.
VANESSA L. GIBSON
VINCENT IGNIZIO
YDANIS A. RODRIGUEZ

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

Julie Walpert
Housing Preservation and Development

Morris Benjamin
Board President
Mutual Redevelopment Houses

Walter Mankoff
Mutual Redevelopment Houses.

[gavel]

CHAIRPERSON FERRERAS: Good morning and welcome to today's finance hearing. I am Julissa Ferreras and I am the chair of this committee. I want to thank everyone for joining us today. We've been joined by Council Member Johnson and I'm sure other members will be joining us throughout the hearing. Today we will consider a preconsidered LU item that will grant Penn South with an additional eight years of partial property tax exemption thereby guaranteeing that the development will remain affordable for low and moderate income New Yorkers through June 2030. LU item would also approve the seventh and mandatory agreement to Penn South's contract with the city which would modify the contract to permit qualified applicants to the building, to the building to finance up to seven, 75 percent of the purchase price with secured loans. Penn South is a limited equity non-profit co-op building that is organized under Article 5 of the Private Housing Finance Law as a mutual redevelopment corporation. It provides 28, 2,820 units of affordable housing spread across 15 buildings to the majority middle income New

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2 Yorkers. Penn South is located in Chelsea in
3 Manhattan in Council Member Corey Johnson's
4 district. I'd like to comment Council Member
5 Johnson for his leadership and advocacy on his, on
6 this affordable housing issue. It is a problem we
7 all face in our districts and I am, I applaud him
8 for working to ensure that thousands of units
9 within Penn South remain affordable. Since
10 construction was completed in 1962 Penn South has
11 remained affordable thanks to a partnership with
12 the state, the city, and the city council. In 1962
13 Penn South and the city entered into an agreement
14 whereby Penn South provided affordable housing
15 units and the city provided Penn South a 20 year
16 property tax exemption. The exemption was extended
17 for another five years in 1982. In 1987 the city in
18 Penn South entered into an amendatory agreement
19 whereby Penn South agreed to continue as a limited
20 equity co-op for an additional 25 years. The new
21 agreement also provided for a gradual phase in of
22 real estate taxes over the 25 year period and
23 placed income and other restrictions on Penn South
24 similar to the restrictions applicable to Mitchell
25 Lama [sp?] developments. In 2001 because Penn South

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2 was facing an enormous tax increase as a result of
3 rising property values in the area the city
4 reconstructed Penn South's property tax exemption
5 to insulate Penn South from the fluctuations in the
6 area's market value. The city and Penn South
7 entered into another amendatory agreement whereby
8 Penn South agreed to continue as a limited equity
9 co-op until 20, 2022. And the city council agreed
10 to provide additional tax exemption during that
11 period. In 2011 Penn South undertook a costly HVAC
12 replacement project as part of the package to
13 finance the project the city and Penn South entered
14 into another amendatory agreement under which Penn
15 South agreed to continue as a limited equity co-op
16 until 2030. An additional eight years and the city
17 agreed to provide an additional tax exemption
18 during the period contingent upon the enactment of
19 an amendment of state law authorizing an additional
20 exemption. On December 2014 Governor Cuomo signed
21 such legislation into law. The state legislation
22 authorized the city council to grant Penn South a
23 property tax exemption for up to an additional 50
24 year period to commence at the end of the current
25 exemption which expires in June 2022. The LU item

1 before us today would grant Penn South the
2 additional eight years of partial exemption from
3 the payment of real property tax through June 2030
4 as, as authorized by the newly adopted state
5 legislation and agreed to by Penn South in the 2011
6 amendatory agreement with the city. In addition the
7 LU item would authorize the city to, to enter into
8 a seventh amendatory agreement with Penn South to
9 modify the language of the existing contract with
10 respect to the financing of apartment purchases.
11 Currently qualified applicants are permitted to
12 finance up to 50 percent of the purchase of their
13 apartments with the secured loan. The new mandatory
14 agreement would modify that language to permit up
15 to 75 percent of the purchase price to the finance
16 with secured loans. Before I turn my mic over to
17 Council Member Johnson to say a few words I'd like
18 to thank the staff at the Finance Division for
19 their efforts in preparing for today's hearing,
20 specifically Chief Council Tanisha Edward and
21 Assistant Council Rebecca Chasten. I'd also like to
22 thank the staff at HPD and the representatives at
23 Penn South for working collaboratively to finalize
24 the terms of the 7th amendatory agreement in time
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2 for today's hearing. Now we will hear from Council
3 Member Johnson.

4 COUNCIL MEMBER JOHNSON: Thank you Chair
5 Ferreras for holding this important hearing this
6 morning and I again want to extend my personal
7 thanks to Tanisha Edwards and Rebecca Chasten for
8 their long hard work on getting us to today. You I
9 think laid out quite well the history of the city
10 and state's support of Penn South to allow it to
11 remain affordable. Multiple amendatory agreements
12 whenever they have been needed and they have been
13 critical for the future of Penn South. I also want
14 to thank State Senator Brad Hoylman and Assembly
15 Member Dick Gottfried who were the two chief
16 authors that shepherded this tax exemption through
17 Albany last year. I'll just quickly say this. Penn
18 South as you said I call it one of the jewels in
19 the crown on the west side of Manhattan. 2820
20 apartments. I knocked on every single door three
21 times when I was running for council. They were
22 happy to get rid of me and have the election be
23 over with. And it has been a place that for the
24 past many decades middle income working people have
25 been able to live in an affordable apartment and

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2 participate in the community in a full and
3 meaningful way. This property tax exemption will
4 allow for the next 50 years of folks that live at
5 Penn South, future generations to be able to take
6 advantage of this incredible place located for
7 folks that don't know it quite well between 23rd
8 Street and 29th Street 8th Avenue and 9th Avenue in
9 the heart of Chelsea, 15 buildings, it's an amazing
10 place and amazing community. I am really grateful
11 that it's in my district and I'm really grateful
12 that the city over multiple mayoral
13 administrations, over multiple speakerships in the
14 council, over multiple HPD commissioners have
15 continued to show support for this incredibly
16 important place in our city. Penn South is a model
17 for affordable housing. And they on their own
18 choose to remain affordable and not go market when
19 real estate prices in Chelsea are some of the
20 highest in the entire city. So I want to thank
21 Walter Mankoff and Morris Benjamin and Brendon
22 Keany from Penn South for being here today. And
23 again Chair thank you very much for your support
24 and for the Finance Committee staff in making today
25 possible.

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2 CHAIRPERSON FERRERAS: Thank you Council
3 Member. I'm going to ask Commissioner Julie
4 Walpert... we're going to swear you in, my counsel,
5 my assistant council. I'm sorry. Yes of course.

6 COUNSEL: Do you affirm that your
7 testimony will be truthful to the best of your
8 knowledge, information, and belief?

9 COMMISSIONER WALPERT: Yes I do.

10 CHAIRPERSON FERRERAS: Thank you. We've
11 been joined by Council Member Cornegy and Council
12 Member Cumbo.

13 COMMISSIONER WALPERT: Good morning
14 Chair. Good morning Chairperson Ferreras and
15 members of the Finance Committee. My name is Julie
16 Walpert and I am the Assistant Commissioner for
17 Housing Supervision at the Department of Housing
18 Preservation and Development. I am testifying today
19 regarding our request on behalf of mutual
20 redevelopment house's board of directors for an
21 extension of the current tax exemption from 2022 to
22 2030 and request to amend the agreement between the
23 city of New York and Mutual Redevelopment Company
24 to allow perspective applicants to increase the
25 amount they can borrow up to 75 percent from the

1 current limit of 50 percent of the purchase price.
2 Mutual redevelopment houses popularly known as Penn
3 South houses is a redevelopment company organized
4 under article five of the private housing finance
5 law. Penn South is located in Chelsea and consists
6 of 15 buildings with 2,820 dwelling units. It is
7 important to note that Article 5 housing companies
8 differ significantly from Mitchell Lama housing
9 companies with respect to the level of ongoing city
10 supervisor responsibility. Pursuant to Article five
11 and the redevelopment company contract with the
12 city HPD supervises admission and occupancy
13 requirements at Article 5 developments and the
14 council has jurisdiction over the extension of the
15 tax exemption and approval of the original contract
16 and further amendments between the city and Penn
17 South. Housing companies authorized by Article 5
18 are regulated by contract with the municipality.
19 The board of estimate previously was responsible
20 for approving such contracts in any amendments. The
21 city council is now the body responsible for
22 approval of contract amendments, requests made by
23 this housing company. We are appearing before the
24 council this morning to seek approval for the
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1 extension of the current tax exemption at Penn
2 South from 2022 to 2030 in exchange for continued
3 affordability at the development. The state
4 legislature enacted the necessary enabling
5 legislation for the additional tax exemption at the
6 end of 2014 and we are now seeking the city
7 council's approval for this extension. HPD also
8 supports the proposed change recommended in the
9 seventh amendatory agreement increasing the
10 guidelines for loans for apartment purchases from
11 50 percent of the purchase price to 75 of the
12 purchase, 75 percent of the purchase price. Due to
13 increases in purchase prices in part due to the
14 increasing equity assessment required by, to be
15 paid by city, Penn South's incoming cooperators and
16 has become more difficult for some purchasers to
17 assemble the funds needed to purchase their
18 apartments. In order to maintain the sound
19 financial status of the development HPD requests
20 that the council approve both the extension of the
21 tax exemption and the ability to perspective
22 shareholders to increase the amount of the loan
23 they need to take to purchase an apartment at Penn
24 South. Thank you for the opportunity to speak to
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2 you on behalf of HPD today. I'm happy to respond to
3 any questions.

4 CHAIRPERSON FERRERAS: Thank you. That
5 was the fastest read testimony. Thank you. We're,
6 we really... we're very happy here. The
7 representatives from Penn South if you can just
8 state your name for the record and you may begin
9 your testimony. We've been joined by Council Member
10 Rosenthal.

11 MORRIS BENJAMIN: Good morning. My name
12 is Morris Benjamin. I'm the President to the Board
13 of Directors for Mutual Redevelopment Houses. On
14 behalf of the Board of Directors of Mutual
15 Redevelopment Houses commonly known as Penn South I
16 ask you to approve the proposal before you today
17 that grants Penn South a new property tax abatement
18 for an extended eight year period from 2022 through
19 2030. In 2014 the New York state legislature and
20 Government Cuomo enacted a necessary... enabling
21 legislation for the city to authorize the
22 additional property tax abatement to Penn South.
23 The current legislation is supported by HPD. Absent
24 this legislation are tax abatement which ends in
25 2022 and the additional cost would be a severe

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2 We are the nation's first designated natural
3 occurring retirement community North. With two
4 thirds of our population over 50 and half over 60
5 many of our seniors live on fixed income and rely
6 on our low carrying charges to be able to remain in
7 their homes. We hope that you support Penn South in
8 our mission to continue providing affordable
9 housing for generations to come. Thank you.

10 WALTER MANKOFF: Good morning Chair

11 Ferreras members of the Finance Committee and staff
12 an our Council Member in particular Corey Johnson
13 thank you for being here. It's our pleasure to be
14 here at city council. City council has always been
15 a friend of Penn South and we're pleased to be here
16 this morning. I'm not going to repeat all of the
17 information that's been circulated. You know about
18 where Penn South is located I believe by now. Let
19 me just say we're very justifiably proud of our 53
20 years of providing high quality affordable housing
21 to over 45 hundred low and moderate income New
22 Yorkers many of whom are senior citizens on fixed
23 incomes. Acting responsibly we have preserved our
24 infrastructure, added modern conveniences, and
25 aided our environment while operating in a sound

1 financial manner. We're here today asking your
2 approval of Land Use Application T2015-2805 which
3 does two things to help keep Penn South affordable
4 in the years ahead. First it provides an additional
5 eight years of tax exemption so that we remain on
6 shelter rent until 2030 and it increases the
7 portion of apartment sales price that can be
8 financed by a secured loan from 50 percent to 75
9 percent. The technical details of our request have
10 been spelled out in a letter prepared by our
11 President Morris Benjamin and addressed to the
12 committee chair. A copy of that letter is attached
13 to my written testimony and I would like to use my
14 few minutes to share with you an explanation in
15 laymen's terms. Both changes grow out of incidence
16 that began in 2011. At that time Penn South began a
17 massive and vastly expensive infrastructure program
18 replacing the entire HVAC system in our buildings
19 at a cost that is now approaching 145 million
20 dollars. We had to borrow the funds to pay for the
21 project and to meet the increased debt service
22 without imposing a huge caring charge of 35 percent
23 or more we developed a creative and equitable three
24 prong approach. The first was a ten percent
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2 assessment for all shareholders payable monthly for
3 ten years. The second was an increase in surcharge
4 for higher income residents. Our contract provides
5 a maximum allowable wholesaled income of seven
6 times the annual rent. Those with higher incomes
7 pay a surcharge that can be as high as 200 percent.
8 And the third step was an increase in apartment
9 pricing and assessment payable on first sale equal
10 to twice the apartment equity with additional funds
11 going into a reserve for capital improvements
12 currently helping pay for HVAC debt service. In
13 2011 we also asked the city to help keep Penn South
14 affordable. To its credit the city responded
15 positively. Among other benefits we were given a
16 low interest HDC second mortgage for 17 million
17 dollars. And the city council improved capital
18 improvement evaporating... loan for five million. In
19 return the city sought an extension of our
20 agreement to remain a limited equity cooperative
21 for eight years from 2022 to 2030. This was to be
22 accomplished by accompanied by eight years of
23 additional tax exemption. The Penn South
24 Shareholders overwhelmingly voted in April, in an
25 April 2011 referendum to accept the city proposal

1 and have our housing remain affordable. The terms
2 of the proposal were incorporated in the sixth
3 amendment to our 1987 contract with the city but
4 there was one problem. The state enabling
5 legislation at that time only permitted tax
6 exemption through 2022 and the city council could
7 not vote that needed tax benefit addition. The
8 state legislature subsequently determined that
9 additional tax benefits could be provided and
10 adopted legislation for this purpose. The
11 additional tax benefits were incorporated in our
12 contract on condition that they take effect
13 following amendment of the state law and subsequent
14 passage of the resolution by the city council
15 required by the contract. The state legislature
16 passed the amending bill in 2014 and the governor
17 signed it as the year was ending. Penn South is the
18 last of the affordable housing developments to be
19 granted this additional tax benefit. In 2004 the
20 city council following state action made additional
21 tax benefits available to limited profit and
22 limited dividend cooperatives but not to mutual
23 redevelopment companies such as Penn South. The
24 council by approving our request can finally
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1 correct... The proposed change in apartment secured
2 loan size also stems from our HVAC project. About
3 ten years ago we imposed the first sale of...
4 assessment that was equal to the apartment equity.
5 By state law apartment prices are set at the price
6 paid for the shares or sussionsments [phonetic] and
7 a proportional share of amortization after move in.
8 To accommodate low and moderate income families and
9 enable them to purchase apartments in Penn South we
10 adopted with city council approval a provision
11 permitting a 50 percent secured loan to purchase an
12 apartment. This worked well. In 2011 to help pay
13 for the HVAC we doubled the assessment thus
14 increasing our reserve funds. In the interim equity
15 value has been rising fairly rapidly reflecting the
16 combined impact of the 10 percent monthly
17 assessment and the amortization on our large
18 mortgage. Once again we wanted to accommodate low
19 and moderate income families and enable them to buy
20 apartments in Penn South. An increase in the loan
21 size from current 50 percent of purchase price to
22 75 percent will make this possible. The 75 percent
23 loan is well within the size offered in private
24 development. It may help make the loans more
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2 attractive to banks. It would be desirable for
3 lenders other than our own credit union, the
4 primary lender that our cooperatives can now turn
5 to to be involved. The two changes called for by
6 the application have been approved unanimously by
7 our Board of Directors and by the New York City
8 Department of Housing Preservation and Development.
9 We ask this committee and the city council to adopt
10 the application and help keep Penn South
11 affordable. Thank you for listening to us and we
12 will be glad to answer any questions the committee
13 has. If I can't do it my colleagues will help.
14 Thank you.

15 CHAIRPERSON FERRERAS: Well thank you
16 very much. And this committee votes on many tax
17 exemptions. And I'm going to ask, my first
18 question's going to be to HPD but I just wanted to
19 say that this one in particular was very special
20 not only to this committee but to the council
21 member that we have a separate discussion... usually
22 we vote on in, just before our stated day. But this
23 one is very historic and also we understood that it
24 was something that was developed a long, well 50
25 plus years ago and it made sense. And we probably

1 should have done more of these throughout the city.
2 But trying to figure out as we think about
3 affordable housing and moving forward in New York
4 City to, to really learn from the experiences that
5 you've had and also to give you the security that
6 you need for all the years to come. So my first
7 question is the committee votes on many
8 developments created pursuant to various sections
9 of the private housing finance law. Can you explain
10 how a mutual redevelopment company differs from
11 other corporations formed under the private housing
12 finance law such as HDFCs and Mitchell Lamas?
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14 JULIE WALPERT: So there's... Mitchell
15 Lamas are Article 2 under the private housing
16 finance law and... are Article 11 under the private
17 housing finance law. And there are very few Article
18 5, oh actually this is the only Article 5 co-op
19 remaining in the portfolio. There's some other
20 Article 5 rentals that are in the portfolio. And
21 the private housing finance law specifies different
22 levels of tax exemption or, or permissible you know
23 different ranges of tax exemption under the
24 different articles and also different levels of
25 supervision. So the Article 5 co-op Penn South is

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2 the supervision is spelled out in a contract
3 between the city of New York and Penn South. And
4 you know and the supervision is not spelled out
5 under, under the private housing finance law in,
6 you know in the same degree that it is under the
7 contract. And the contract very much mirrors the
8 Mitchell Lama requirements. So not sure I answered
9 your question. I mean each one, each of the
10 different articles of the private housing finance
11 law specify both the different levels of tax
12 exemption and the different levels of supervision.

13 CHAIRPERSON FERRERAS: Okay thank you.
14 And pardon the banging but we're trying to fix up
15 City Hall today actually. Pursuant to the private
16 housing law in exchange for a property tax
17 exemption Penn South must keep its units
18 affordable. How does HPD ensure that the income
19 limitations are adhered to?

20 COMMISSIONER WALPERT: We actually, we
21 work with Penn South. We don't, we do not
22 preapprove people who move in because again it's
23 under the contract that... for Mitchell Lamas we do
24 do pre-approval. But we, we frequently, we will get
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2 appeals from people who are rejected and we, we
3 will occasionally do compliance reviews.

4 CHAIRPERSON FERRERAS: Okay. And your
5 compliance review process usually takes how long
6 and what's the process?

7 COMMISSIONER WALPERT: It's, it's
8 actually a pretty lengthy process for a development
9 like Penn South because it's 28 hundred units. But
10 we look at the waiting lists versus the rent rolls..

11 CHAIRPERSON FERRERAS: Okay.

12 COMMISSIONER WALPERT: And you know make
13 sure that people are on there. I, you know I don't
14 know when we've done it last for Penn South but we,
15 that, that's our process.

16 CHAIRPERSON FERRERAS: Okay.

17 COMMISSIONER WALPERT: So..

18 CHAIRPERSON FERRERAS: And what will be
19 the cost to the city if this property tax exemption
20 is granted?

21 COMMISSIONER WALPERT: You know what I
22 actually don't have that answer off the top of my
23 head.

24 CHAIRPERSON FERRERAS: You can just
25 follow up with the..

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[background comments]

CHAIRPERSON FERRERAS: No it's not in the statement. Can you just follow up with the committee?

COMMISSIONER WALPERT: I can follow up with that.

CHAIRPERSON FERRERAS: Thank you.

COMMISSIONER WALPERT: I'm sorry.

CHAIRPERSON FERRERAS: And just so that we have it documented for the record.

COMMISSIONER WALPERT: Yep.

CHAIRPERSON FERRERAS: And I'm going to give... actually wanted to just ask two questions to Penn South and I'm going to have Council Member Johnson ask his questions. Can you explain the tax structure and the benefit of switching to shelter rent?

WALTER MANKOFF: ...it will take a bit of history. And let me... because our tax structure has changed several times.

CHAIRPERSON FERRERAS: Right.

WALTER MANKOFF: For the first 25 years of our existence we were taxed the assessed value of the property before we were built. That was the

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2 provision in our contract. And... basically we were
3 paying about 20 percent of full tax for 25 years.
4 In 1997 when our contract expired we had three
5 choices. We could go private immediately and be a
6 market rate co-op and pay full tax. We could accept
7 the 10 year automatic phase and that... the property
8 tax laws and phase in over 10 years. Or we could
9 ask for a 25 year hardship phase in which was
10 provided by Article 125 of the private housing
11 finance law. We applied for the 25 year phase in
12 and the city granted it based on the data at the
13 time. And so we started down the road each, every
14 two years phasing in I guess... be a proportion of
15 the share of the full tax. And presumably after 25
16 years we would be at full tax. The assumption was
17 in 1987 by the city one there would never be a
18 change in tax rates and two that assessed values in
19 Chelsea would increase at the rate of 2.4 percent a
20 year. Unfortunately we're the one, we're the
21 projection because... sound one. The tax rates
22 actually increased about 20 percent when we came to
23 the city council in 2001 and we were subject then
24 to annual increases in property value, about seven
25 percent, triple what the estimate was. Our taxes at

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2 that point were skyrocketing. And we asked the city
3 for help and the city came through again positively
4 by proposing our change from a tax structure that
5 was linked with assessed value in the neighborhood
6 which had no relationship to Penn South to shelter
7 rent which is the Mitchell Lama concept which is
8 linked to income of the co-op minus utility costs.
9 And they propose that as a change provided again
10 with a substantial quid-pro-quo which was win-win
11 for everybody because the quid pro quo was 10 more
12 years of limited equity housing. And so we signed
13 the contract. We had a referendum. It
14 overwhelmingly passed with our support, the refer,
15 cooperative for support, we signed the agreement
16 and we had 10 more years added to our agreement.
17 And we got a change to shelter rent tax structure.
18 At the last minute the, the shelter rent is based
19 on a percentage of your income. And for most I
20 think of the co-ops it was around 10 percent. There
21 are a few that have other rates but the primary one
22 was 10 percent and they gave us a 10 percent number
23 in the legislation that had to go through Albany
24 before the city could adopt it. At the last minute
25 OMB objected because this would have led to a

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2 substantial cut in our taxes. And they asked us to
3 have a minimum tax that was the level of what we
4 were paying in 2001 and that was built in, that was
5 3.4 million dollars. And our residential tax in the
6 all years since 2001 in the 14 years has remained
7 at that 3.4 million. If, actually we were paying
8 the 10 percent we would be at a much lower, lower
9 rate but we pay the minimum which is 3.4 million.

10 CHAIRPERSON FERRERAS: Thank you. And
11 again I apologize for the incessant banging.

12 WALTER MANKOFF: I hope that explains
13 it.

14 CHAIRPERSON FERRERAS: Yes yes yes. We
15 just needed it for the record. I know that my
16 council and I have reviewed this. We were joined by
17 majority leader Van Bramer and now we're going to
18 be joined by Council Member Miller. I just need
19 this for the record but in absence of this
20 committee voting for this tax, for this tax
21 exemption what, what position would that put your
22 cooperative in?

23 WALTER MANKOFF: I'm sorry?

24 CHAIRPERSON FERRERAS: In the absence
25 of, if we were to... [cross-talk]

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WALTER MAKOFF: Oh okay. I have it.

CHAIRPERSON FERRERAS: ...not vote for this. Yes.

WALTER MANKOFF: Obviously we're covered right now through 2022. I would have to guess as to what the tax structure in 2022 but today if we were on full taxes we would need somewhere between a 45 and 50 percent carrying charge increase just to pay the additional taxes. We're paying residential taxes around 3.4 million and we pay, we've paid full tax on our commercial property since 1987, that's about a million dollars a year give or take a little. We would be adding at least 10 million dollars in taxes this year if we had to go into full taxes. I'm assuming that it's a ball park figure that would apply in 2022 but we're talking basically about 50 percent increase in carrying charges.

CHAIRPERSON FERRERAS: A 50 percent increase from the current carrying charge right? Okay. Thank you very much I needed that for the record. Council Member Johnson.

COUNCIL MEMBER JOHNSON: Thank you Chair. I just want to come back to the question and

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2 the point the chair just made and forgive me Walter
3 if, if you just answered it then I didn't
4 understand it. If this exemption was not granted I
5 understand what the impact would be to the
6 cooperative through your taxes. You said there
7 would be you know nearly a 50 percent increase.
8 What, what would the impact be on an individual
9 cooperator. I know it depends on the size of the
10 apartment and all of that but on average people
11 would see their maintenance go up by how much 50
12 percent... So that's a significant amount?

13 WALTER MANKOFF: Right. Then the average
14 applies to the individuals.

15 COUNCIL MEMBER JOHNSON: Okay.

16 WALTER MANKOFF: It's the same number.

17 COUNCIL MEMBER JOHNSON: Well I don't
18 have any more questions. I, I want to thank you all
19 for being here today. Walter it's scary and
20 impressive that you're able to give the history
21 without looking at a piece of paper with all the
22 individual numbers, years, dates, agencies as it
23 relates to this important project. And I think
24 that's a testament to your service over the last 53
25 years to the cooperative as treasurer, as sort of

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2 the, the fiscal and financial watchdog on behalf of
3 all the tenants and residents and cooperators at
4 Penn South. They are very very lucky to have you. I
5 know that Morris is shaking his head and he agrees
6 and so thank you very much for your service. And I
7 should say that...

8 WALTER MANKOFF: I thank you for the
9 compliment. Let me put it this way. It's a pleasure
10 to do work for Penn South and affordable housing in
11 the city of New York. And I do it not for me but I
12 do it for a cause that I think is very very
13 important. Thank you.

14 COUNCIL MEMBER JOHNSON: Thank, and I
15 should say that besides being treasurer of Penn
16 South I was chair of Community Board 4 and Walter
17 was also a chair of Community Board 4 and continues
18 to serve on Board 4 to this day, very important
19 figure in our community in Chelsea.

20 CHAIRPERSON FERRERAS: Thank you very
21 much. Thank you. And we have a question from
22 Council Member Rosenthal.

23 COUNCIL MEMBER ROSENTHAL: Actually I
24 just want to add to the love fest for one second.
25 Congratulations Council Member Johnson. This is

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2 always a great win. And I actually just wanted to
3 recognize Julie Walpert from HPD. It's always been
4 a pleasure working with you. And I know in my
5 community I'm always trying to get you to do stuff
6 like this but it's great to see HPD supporting
7 these types of affordable housing preservation
8 programs. And I know you will come to the upper
9 west side and help with Trinity House one day. But
10 it's great to see this. So congratulations to
11 everyone.

12 CHAIRPERSON FERRERAS: Thank you Council
13 Member Rosenthal [cross-talk]. Just wanted to know
14 were you able to get the number? No? It's fine.
15 It's fine. If you can just follow up with the
16 committee and we'll, we'll share it on the day of,
17 that we vote. Again this committee will vote this
18 out on Thursday before our stated council meeting.
19 Thank you very much for coming to testify and
20 bringing all the information and the wealth of
21 history that you have and knowledge.

22 COUNCIL MEMBER JOHNSON: Thank you Madam
23 Chair.

24 CHAIRPERSON FERRERAS: Of course. Thank
25 you and we will call this hearing to adjourn.

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COMMITTEE ON FINANCE

[gavel]

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 April 14, 2015