

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON FINANCE

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May 12, 2021
Start: 9:08 a.m.
Recess: 9:24 a.m.

HELD AT: Remote Hearing (Virtual Room 1)

B E F O R E: Daniel Dromm
CHAIRPERSON

COUNCIL MEMBERS:
Adrienne Adams
Alicka Ampry-Samuel
Diana Ayala
Selvena Brooks-Powers
Robert Cornegy, Jr.
Laurie Cumbo
Darma Diaz
Oswald Feliz
Vanessa Gibson
Barry Grodenchik
Karen Koslowitz
Farah Louis
Steven Matteo
Francisco Moya
Keith Powers
Helen Rosenthal
Jimmy Van Bramer

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

Michael Blaise Backer, Deputy
Commissioner of Neighborhood Development
Department of Small Business Services

Ambur Nicosia, President
Mutual Redevelopment Houses

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2 SERGEANT-AT-ARMS: Yep. Recording to the
3 computer all set.

4 SERGEANT-AT-ARMS: Recording to the cloud
5 in process.

6 SERGEANT-AT-ARMS: Back up is rolling.

7 SERGEANT-AT-ARMS: And good morning and
8 welcome to today's remote New York City Council
9 hearing for the Committee on Finance. At this time,
10 would all panelists please turn on their video for
11 verification purposes? To minimize disruptions,
12 please place all electronic devices to vibrate or
13 silent mode. Thank you so much for your cooperation.
14 We are ready to begin.

15 MINORITY LEADER MATTEO: Thank you,
16 John. Good morning and welcome to today's Finance
17 Committee meeting. I am minority leader Steve Matteo
18 and I'm chairing today's Finance Committee hearing on
19 behalf of Chair Dromm who is unable to be here this
20 morning. We've been joined by Council members
21 Koslowitz, Feliz, Adams, Rosenthal, Grodenchik,
22 Powers, Brooks-Powers, Darma Diaz, Louis, Moya,
23 Ampry-Samuel, Van Bramer, Ayala, and Cornegy. If I
24 missed anyone, I'll get them further back. Today,
25 the committee will be considering five items: a BID

related resolution, two BID related introductions, and two property tax exemptions. Let's start with the BID items. Resolution 1616 sets forth May 27th, 2021 at 9 AM in the remote hearing of virtual room one as the date, time, and place to hold the public hearing considering Intro 2291 which would, one, extend the boundaries of the Madison 23rd Flat Iron Chelsea BID which sits at the intersection of the districts of the Speaker, Council member Powers, and Council member Rivera, increase the BID annual assessment, and change the method of assessment. Next, today we will be holding a public hearing and a vote on Intro 2267 and 2268 which would authorize the change in the method of assessment for two BIDs: the Flatbush Avenue BID in Council member Eugene's district and that Queens Plaza Court Square BID in Council member Van Bramer's district, respectively. Lastly, we will have to property tax exemptions. First, in senior housing in Council member Brooks-Powers district would receive a partial 40 year Article 11 exemption to preserve 151 units of affordable senior rental housing. Second, we have Penn South in the Speaker's district which would receive a partial five year extension of its Article 5 property tax exemption to

2 preserve 2820 units of affordable cooperative
3 housing. In addition, per HPD and the co-op's
4 request, the resolution would approve an increase in
5 the carrying charge to replace and expiring capital
6 assessment previously approved by the Council. The
7 Council members are supportive of these exemptions.
8 Before we call for a vote on these items, we will
9 hear public testimony. First, we will hear from
10 Deputy Commissioner Blaise Backer from the Department
11 of Small Business Services on the items pertaining to
12 the Flatbush Avenue BID and the Queens Plaza Court
13 Square BID after he is sworn in by counsel.

14 COMMITTEE COUNSEL: Do you affirm that
15 your testimony will be truthful to the best of your
16 knowledge, information and belief?

17 DEPUTY COMMISSIONER BACKER: I do.

18 MINORITY LEADER MATTEO: Thank you, Mr.
19 Backer. You can proceed.

20 DEPUTY COMMISSIONER BACKER: Thank you.

21 Good morning, members of the Finance Committee,
22 Council member Matteo, Chair Dromm in absentia. I'm
23 Michael Blaise Backer, Deputy Commissioner of
24 Neighborhood Development at the Department of Small
25 Business Services. I am joined by Roxanne Early and

2 Stephen Lee, director and senior program manager for
3 the Business Improvement District program. I wish to
4 express our support for the local law authorizing
5 amendments to the district plans of the Flatbush
6 Avenue Business Improvement District and the Queens
7 Plaza Court Square Business Improvement District.
8 SBS services and supports BIDs in the district plan
9 amendment process as part of scope of regular program
10 services. BIDs seek to amend their district plans
11 for a variety of reasons including to add or remove
12 supplemental services, change their method and
13 formular for assessment or add or reduce their
14 boundaries. For changes that do not impact their
15 boundaries, BIDs must form an internal steering
16 committee to lead the process, conduct comprehensive
17 outreach for members of the BID, and obtain support
18 for the proposal from local elected officials. The
19 Flatbush Avenue BID and obtain support for the
20 proposal from local elected officials. The Flatbush
21 Avenue BID wishes to change its method of assessment
22 and scope of program services to account for changes
23 in the district since its creation n 1988. First,
24 the proposed bill will amend the method of assessment
25 from solely linear front footage to a combination of

2 60 percent from front footage and 40 percent from
3 assessed value. When the BID was formed, the most
4 prevalent building type was the three or four story
5 walk ups with residents units or storage spaces above
6 ground floor retail premises, single story buildings,
7 and a few large banks and theaters. However, since
8 1988, taller and denser buildings have begun to be
9 built and commercial condos introduced. So the BOD
10 feels the current front footage method of assessment
11 is no longer a fair assessment of its member
12 properties. The proposed amendment will result in a
13 more equitable distribution of the assessment and we
14 believe it will result in a fair assessment of
15 district properties. Second, the district plan will
16 include an additional supplemental services provided
17 to the district to include, but not be limited to,
18 sanitation, public safety, marketing and promotions,
19 holiday lighting, economic development,
20 administration and advocacy, and other additional
21 services. This update will bring the district plan
22 into alignment with current district plans across the
23 BID program in terms of its supplemental services
24 provided. The Court Square Queens Plaza BID wishes
25 to change its method of assessment and to account for

2 changes in the district since its creation in 2005
3 and expansion in 2017. The proposed bill will amend
4 the method of assessment from its current formula, a
5 combination of front footage and assessed value, to
6 assessing mixed use properties as 80 percent of
7 assessed value and the square footage rate and
8 commercial properties from a combination of front
9 footage and assessed value to a combination of
10 building square footage and assessed value. When the
11 BID was formed, neighborhood leaders determined a
12 combination of front footage and assessed value was
13 the most equitable means of assessing property,
14 however, since 2005, the district has changed and the
15 BID feels that the current method of assessing its
16 properties is no longer a fair assessment of the
17 properties. As more properties on Long Island City
18 are built as mixed use rentals, more of the overall
19 assessment is formed by fewer commercial properties
20 under the current method of assessment. The proposed
21 amendment would result in a more equitable
22 distribution of the assessment and we believe will
23 result in a fair assessment of district properties.
24 Both BIDs provided opportunity for discussion and
25 comment on their proposed amendments for membership

2 and adjusted the proposals accordingly. In addition,
3 as required by law, the two BIDs published a notice
4 in the public hearing at least once in a local
5 newspaper having general circulation in the districts
6 specifying the date, time, and place of this hearing
7 and stated the proposed modifications to the district
8 plans. In addition, the two BIDs certified they have
9 mailed a letter to property owners informing them of
10 the date, time, place, and purpose of this public
11 hearing. These district plan amendments will not
12 impact the tax or dead limits prescribed in the BID
13 law. It's important to note that this work was
14 completed in 2019 and this legislative approval was
15 delayed during the onset of the Covid 19 pandemic.
16 The incredible toll of the pandemic has only
17 heightened the crucial nature to create a more fair
18 and equitable assessment for [inaudible 00:06:59]
19 Flatbush Avenue and the Long Island City Partnership
20 and we are pleased to support this legislation before
21 the committee today. At this time, we are happy to
22 answer any questions you might have. In addition,
23 representative from the two BIDs are on hand to
24 provide any further clarification. Thank you.

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2 MINORITY LEADER MATTEO: Thank you, Mr.
3 Backer. We have also been joined by Majority Leader
4 Cumbo. If any of my colleagues have any questions
5 for Mr. Backer or the BIDs, please let me know. I
6 don't see anybody's hands raised. So, if anybody has
7 any questions, just let me know now. I don't see
8 any. So, thank you, Mr. Backer. I appreciate it.
9 Thank you for your testimony. We also have testimony
10 from the president of the Penn South Co-op, Ambur
11 Nicosia on their property tax exemption application.
12 Ms. Nicosia, you have three minutes for your
13 testimony and you may begin when ready.

14 SERGEANT-AT-ARMS: Time starts now.

15 AMBUR NICOSIA: Good morning. I am
16 Amber Nicosia, the president at Mutual Redevelopment
17 Houses, also known as Penn South. Penn South is a
18 limited equity affordable housing cooperative in
19 Chelsea and Manhattan. It's organized under the New
20 York State's redevelopment law and it's supervised by
21 HPD. Penn South's contract with the city provides
22 tax abatement in exchange for income restrictions on
23 our occupancy. We provide affordable housing to 5000
24 low and moderate income New Yorkers, many of whom are
25 senior citizens. We are the first NORC in the

2 country, Naturally Occurring Retirement Community.
3 Our community depends on the income from our
4 commercial tenants to keep our caring charges low for
5 the majority of our population. Because of the
6 financial devastation that Covid has wrought on these
7 businesses, we are looking for ways to maximize our
8 savings where possible. One of the best options is
9 to really finance our existing HUD insured loan with
10 another HUD insured loan because the current interest
11 rates would yield significant savings to Penn South.
12 As a condition and of the refinancing, HUD requires
13 us to obtain an extension from the city of the
14 property tax exemption for in addition all five years
15 from its current date to expire on June 2052 to June
16 2057. Some of the loan benefits would include
17 helping us recover from the lost rent from our
18 commercial tenants who have been impacted by Covid
19 and we would be able to login allow interest-rate on
20 a 35 year self-liquidating mortgage and paying off
21 the mortgage over a longer period of time, 35 years,
22 will reduce the pace at which our apartment prices
23 are increasing, making it more affordable for those
24 who are all on the low to low middle occupancy
25 requirement. In providing insurance for a new

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2 mortgage, HUD requires us to amend our contract with
3 the city so that they are minimizing their risk. We
4 are here today asking city Council to approve 1/9 a
5 mandatory agreement that would satisfy. So, in
6 summary, we are asking for an extension of our city
7 contract for in addition all five years to 2057. The
8 road placement of our expiring HVAC assessment with
9 an equivalent 9 percent carrying charge increase
10 which would keep our apartment prices from
11 increasing. And the approval of up to 15 percent in
12 carrying charge increases for future use in
13 consultation with HPD. Thank you for your time this
14 morning. We hope the Council will adopt these
15 changes.

16 MINORITY LEADER MATTEO: Thank you, Ms.
17 Nicosia. I appreciate your testimony. Does anyone
18 have any questions or comments for my colleagues? I
19 don't see any hands raised. Just double checking.
20 Okay. So, with that said, those are all of today's
21 items. Seeing and hearing no questions, we're going
22 to ask Billy Martin, the committee clerk, to call the
23 roll.

24 COMMITTEE CLERK: Good morning. William
25 Martin, committee clerk. Roll call vote Committee on

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2 Finance. All items are coupled. Council member
3 Matteo?

4 MINORITY LEADER MATTEO: Aye.

5 COMMITTEE CLERK: Thank you. Koslowitz?

6 COUNCIL MEMBER KOSLOWITZ: Aye.

7 COMMITTEE CLERK: Van Bramer?

8 COUNCIL MEMBER VAN BRAMER: Aye.

9 COMMITTEE CLERK: Thank you. Cornegy?

10 MINORITY LEADER MATTEO: Yes.

11 COUNCIL MEMBER CORNEGY: I just want to
12 say to Blaise Backer that he stole my opportunity to
13 use the word absentia in a sentence.

14 MINORITY LEADER MATTEO: Thanks, Rob.

15 COMMITTEE CLERK: Thank you. Council
16 member Gibson.

17 COUNCIL MEMBER GIBSON: Good morning,
18 colleagues, Chair. I vote aye on all. Thank you.

19 COMMITTEE CLERK: Thank you. Cumbo?
20 Okay. We'll come back. Rosenthal?

21 COUNCIL MEMBER : I vote aye and not in
22 absentia. Thank you.

23 COMMITTEE CLERK: Grodenchik?

24 COUNCIL MEMBER GRODENCHIK: Aye.

25 COMMITTEE CLERK: Adams?

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2 COUNCIL MEMBER ADAMS: Good morning and I
3 vote aye.

4 COMMITTEE CLERK: Ampy-Samuel?

5 COUNCIL MEMBER AMPRY-SAMUEL: I vote
6 aye.

7 COMMITTEE CLERK: Ayala?

8 COUNCIL MEMBER AYALA: I vote aye.

9 COMMITTEE CLERK: Moya?

10 COUNCIL MEMBER MOYA: I vote aye.

11 COMMITTEE CLERK: Powers?

12 COUNCIL MEMBER POWERS: I vote aye. Thank
13 you.

14 COMMITTEE CLERK: Thank you. Louis?

15 COUNCIL MEMBER LOUIS: Permission to
16 explain my vote?

17 MINORITY LEADER MATTEO: Yes.

18 COUNCIL MEMBER LOUIS: Thank you so much.

19 I vote aye on all and I just wanted to share that I
20 support the assessment for the Flatbush Corridor.

21 Flatbush has experienced a number of changes. The

22 services that would be inclusive in this amendment

23 would be crucial to these small businesses and it

24 would definitely preserve the small business in the

25 area and there's no better leader to carry that out

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2 than with Ms. Collins and I look forward to seeing
3 the much needed changes and support for the small
4 businesses in the area. I vote aye on all. Thank
5 you.

6 COMMITTEE CLERK: Thank you. Darma Diaz?

7 COUNCIL MEMBER DIAZ: I vote aye on all.

8 COMMITTEE CLERK: Thank you. Brooks-
9 Powers.

10 COUNCIL MEMBER BROOKS-POWERS: Good
11 morning. I vote aye on all.

12 COMMITTEE CLERK: Feliz?

13 COUNCIL MEMBER FELIZ: Good morning. I
14 vote aye on all. On all.

15 COMMITTEE CLERK: Thank you. By a vote of
16 16 in the affirmative, zero in the negative, and no
17 abstentions, all items have been adopted by the
18 committee and, Mr. Chair, we are awaiting one more
19 member.

20 MINORITY LEADER MATTEO: Thank you,
21 Billy. We're going to hold it open for Majority
22 Leader Cumbo for a few minutes when she gets on and
23 we'll let her vote and then we'll adjourn.

24 COUNCIL MEMBER POWER: You did a great
25 job, Chair Matteo.

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2 MINORITY LEADER MATTEO: Thank you,
3 Council member Powers. You're all lucky I didn't put
4 in property tax reductions.

5 COUNCIL MEMBER GRODENCHIK: I wish you
6 had.

7 COUNCIL MEMBER ROSENTHAL: Hey, Rob, are
8 you still on?

9 SERGEANT-AT-ARMS: Excuse me, this is Chief
10 Sergeant. We're still live. [inaudible 00:15:20]

11 COUNCIL MEMBER ROSENTHAL: Thank you.

12 UNIDENTIFIED: Can you call on the
13 Majority Leader, please?

14 SERGEANT-AT-ARMS: Majority Leader Cumbo
15 just signed back on.

16 COMMITTEE CLERK: Good morning, Council
17 member Cumbo. Roll call--

18 UNIDENTIFIED: Hold on. We're waiting
19 for her audio to connect.

20 SERGEANT-AT-ARMS: I think Majority Leader
21 Cumbo is connected now.

22 UNIDENTIFIED: Yes. Billy, you can
23 call on her.

24 SERGEANT-AT-ARMS: You're on mute.
25

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2 COMMITTEE CLERK: Majority Leader Cumbo,
3 roll call vote Committee on Finance.

4 COUNCIL MEMBER CUMBO: I vote aye.

5 COMMITTEE CLERK: Thank you.

6 MINORITY LEADER MATTEO: Thank you.

7 COMMITTEE CLERK: Final vote in Committee
8 on Finance is all items have been adopted by the
9 committee 17 in the affirmative, zero in the
10 negative, and no abstentions. Thank you.

11 MINORITY LEADER MATTEO: Thank you,
12 everyone. This meeting is now adjourned. Thank you.

13 UNIDENTIFIED: Live has ended.

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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 June 26, 2021