



COMMITTEE ON
Cities

2019 ANNUAL REPORT

NEW YORK STATE ASSEMBLY



CARL E. HEASTIE, *Speaker*

EDWARD C. BRAUNSTEIN, *Chair*



EDWARD C. BRAUNSTEIN
Assemblyman 26TH District
Queens County

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIR
Committee on Cities

COMMITTEES
Aging
Health
Judiciary
Ways and Means
Asian Pacific American Task Force

December 15, 2019

The Honorable Carl E. Heastie
Speaker, New York State Assembly
State Capitol, Room 349
Albany, New York 12248

Dear Speaker Heastie:

It is my pleasure to present you with the 2019 Annual Report of the Assembly Standing Committee on Cities. This report highlights legislation and issues considered by the Committee this year.

Cities in New York State are vital economic engines and attending to their needs is important to me as the Committee Chair. The sixty-two cities of our State face serious challenges to maintain their economic and social vitality. From our state's smallest city to our largest, their diversity challenges the Committee with a wide range of issues. The Committee is dedicated to formulating legislative solutions to improve the quality of life for residents of all the State's cities.

I look forward to working with you and the members of the Assembly that represent cities in furthering the goals of this Committee.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Braunstein".

Edward C. Braunstein
Chair
Assembly Standing Committee on Cities

2019 ANNUAL REPORT
OF THE
NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON CITIES

Edward C. Braunstein, Chair

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I. INTRODUCTION

The New York State Assembly Standing Committee on Cities is primarily responsible for the initiation and review of legislation affecting the State's sixty-two cities. The Committee's role in initiating and reporting legislation is influenced and, at times, restrained by the Municipal Home Rule powers provided to cities under the provisions of Article IX of the New York State Constitution. Article IX outlines the powers, duties and limitations of local governments and the State Legislature in the enactment of laws affecting specific local governments. These Home Rule powers generally limit the Legislature's ability to pass legislation that affects the property, affairs or government of local governments except by way of (a) general laws, which apply uniformly to all local governments; or (b) special laws, on request of a local government by either two-thirds of the membership of the local legislative body or its chief executive officer and concurred by a majority of the membership of the local legislature.

Bills referred to the Committee on Cities are those that would amend city charters, the Administrative Code of the City of New York, the General City Law, the Second Class Cities Law or the General Municipal Law. Bills that relate to cities and would amend general bodies of law such as Public Health, Housing, Energy, Transportation, Education, or Economic Development may also be referred to the Cities Committee if they have specific or local applicability.

The Committee is concerned with the enactment of laws that will further improve the ability of cities to address their unique problems, as well as prohibiting the enactment of laws that would impede city governments in their delivery of local services. Under the leadership of Assemblymember Edward C. Braunstein, the Committee monitors the problems of cities and works closely with state and local representatives to develop solutions.

II. MAJOR ISSUES OF 2019

A. LOCAL GOVERNMENT AID – ENACTED BUDGET

Aid and Incentives to Municipalities

Aid and Incentives to Municipalities (AIM) funding is direct general purpose aid provided to municipalities. The AIM program was created in the 2005-2006 State Budget as a result of consolidating five separate funding categories. This year, New York State's cities, excluding New York City, received \$647 million in AIM funding, with no change from prior year funding. Additionally, this year's Budget implemented a permanent 2% property tax cap, which limits the growth on local property taxes to 2% or the rate of inflation, whichever is lower.

Local Government Performance and Efficiency Program

The Local Government Efficiency Grant Program (LGE) provides grants to local governments, including cities, that have improved the overall efficiency of their operations leading to reduced property taxes through shared services and other cost-saving measures. The 2019-2020 State Budget contained an appropriation of \$4 million for this Program.

The Citizen Empowerment Tax Credit provides financial assistance to municipalities following a consolidation or dissolution to incentivize real property tax relief. The 2019-2020 State Budget contained an appropriation of \$35 million for this Program.

Financial Restructuring Board

The Financial Restructuring Board provides a comprehensive review of eligible municipalities' finances and operations. The Board makes recommendations on improving an eligible municipality's fiscal stability and provides financial assistance for undertaking certain recommendations. The 2019-2020 Budget contained an appropriation of \$2.5 million for this purpose, the same amount included in the 2018-2019 Budget.

Financial Control Board

The 2019-2020 Budget allocated \$3.5 million to support staff and operations of the New York State Financial Control Board, which manages and reviews the Financial Plan, contracts, and borrowing of New York City. This reflects an increase of \$365,300 from the previous year, and supports the relocation expenses for the Board's office, as well as necessary increases in staff salary.

B. SIGNIFICANT LEGISLATION

City of New York

Design-Build Authorization

A.7636-B Braunstein; Chapter 749 of the Laws of 2019

Design-build is a procurement method of project delivery in which one entity works under a single contract to provide design and construction services. Previous provisions of law required the obtainment of separate contracts for mechanical, electrical and plumbing work on city projects over certain fiscal amounts. This legislation authorizes the New York City (NYC) Department of Design and Construction, NYC Department of Environmental Protection, NYC Department of Transportation, NYC Department of Parks and Recreation, NYC Health and Hospitals Corporation, NYC School Construction Authority and NYC Housing Authority to use the design-build delivery method for any public work undertaken pursuant to a project labor agreement. It also establishes a general threshold for projects with an estimated cost of not less than \$10 million and a threshold of \$1.2 million for certain other projects, including infrastructure to improve access to sidewalks for people with disabilities, renovation and construction of cultural institutions, and security infrastructure. Further, the legislation requires the agencies to submit annual reports to the State which would include descriptions of each design-build contract, the total cost of each project and estimated savings resulting from the design-build method. Lastly, this legislation sets forth a sunset period of three years for this authorization.

A.6294-A Weinstein; Chapter 406 of the Laws of 2019

In 2017, the Governmental Accounting Standards Board (GASB) issued Statement 84 to update the criteria for identifying and reporting fiduciary fund activities of state and local governments. GASB 84 changed generally accepted accounting principles by recommending that all state and local governments report an activity as a fiduciary activity only if the government controls the assets of the activity and the assets of the activity are not derived solely from the government's own-source revenue or from government-mandated non-exchange transactions or voluntary non-exchange transactions. The updated criteria would require New York City to expend restricted funds during the year in which they are received as a result of the City's obligation, pursuant to the Financial Emergency Act and the New York City Charter, to maintain balance in each fiscal year. This legislation provides that a determination of a deficit would be made without regard to changes in restricted fund balances and funds held in the City's Health Stabilization, School Crossing Guards Health Insurance and Management Benefits Funds. This authorization exempts these accounts that do not meet GASB 84 criteria for exemption from deficit determinations, allowing the City to carry such funds across fiscal years and properly expend them in accordance with their purposes. Additionally, the bill makes GASB Statement 49, which addresses the

accounting and financial reporting standards for certain pollution remediation obligations, permanent.

A.5254-C Weprin; Veto Memo. 217

For years, homeowners in New York City were faced with the financial cost of defective water lines connected to their home that they did not damage themselves. This legislation holds public utility companies responsible for the repair or replacement of residential water and sewer pipes if it is determined by the New York City Department of Environmental Protection, based on substantial evidence, that the damage has been caused due to the actions of such utility company.

A.7484 Pheffer Amato; Chapter 83 of the Laws of 2019

This legislation extends, for two years, the authorization to allow for the reinstatement of prior approved work permits to waive the requirement of obtaining a permit from the Board of Standards and Appeals to rebuild in the bed of a mapped street for the rebuilding of homes affected by Hurricane Sandy in Breezy Point.

A.8150 Malliotakis; Chapter 88 of the Laws of 2019

This legislation extends, until June 30, 2021, the time in which certain lands in New York City can be transferred to the United States for the establishment of the Gateway National Recreational Area.

City of Jamestown

A.7648 Goodell; Passed Assembly

This legislation would exempt the City of Jamestown from certain residency requirements for plumbing inspectors. The City of Jamestown has a shortage of qualified plumbing inspectors and this legislation would remedy this problem by allowing the City to appoint inspectors that reside outside of the City but within the County.

City of Middletown

A.6751 Gunther; Chapter 419 of the Laws of 2019

This legislation adds the City of Middletown to the list of cities exempt from the requirement that a city have an examining board of plumbers.

C. DEBT INSTRUMENTS/MUNICIPAL FINANCES

City of Amsterdam

A.8284-A Santabarbara; Chapter 531 of the Laws of 2019

This legislation authorizes the City of Amsterdam to issue serial bonds, in an amount not to exceed \$8.3 million, in order to liquidate certain deficits in the general fund, transportation fund, sewer fund, and recreation fund accumulated during fiscal years ending June 30, 2008 through 2018.

City of Buffalo

A.5166 Schimminger; Chapter 77 of the Laws of 2019

This law extends, until June 30, 2020, the authority for the underwriting or sale of bonds or notes for the City of Buffalo at private sale. This law provides Buffalo with additional fiscal flexibility by permitting the City to determine the timing of bond sales.

City of Yonkers

A.3845-A Pretlow; Chapter 71 of the Laws of 2019

This law extends, until June 30, 2020, the authority for the underwriting or sale of bonds or notes for the City of Yonkers at private sale. This law provides Yonkers with additional fiscal flexibility by permitting the City to determine the timing of bond sales.

City of New York

A.6293-B Weinstein; Chapter 75 of the Laws of 2019

This law extends for one year certain authorizations for the City of New York related to bonds and notes. The authorizations contained in this law have allowed the City to continue to sell its obligations in the public credit markets and utilize modern financing procedures.

III. PARKLAND ALIENATION LEGISLATION

The issue of parkland alienation, or the conversion of parkland for non-park purposes, has been a great concern for the Committee. As a matter of public trust, it is a requirement that any use of public parkland for non-parkland purposes must be authorized by the New York State Legislature.

As part of the Committee's ongoing effort to protect the public trust as it relates to parkland, and in keeping with the Assembly's policy of preserving open space, the Committee strives to ensure that each proposed parkland alienation complies with alienation guidelines prior to it being reported out of Committee.

Committee guidelines for authorizing parkland alienation include specifying the number of acres proposed for alienation and requiring that the fair market value of such lands be dedicated for the purchase of replacement parkland of equal or greater fair market value or for capital improvements to existing parkland. The legislation must also include a legal description of the parkland proposed to be alienated, as well as language detailing any land proposed to be dedicated (if replacement land is proposed for parkland). Finally, a home rule message from the municipality requesting alienation is required prior to the Committee acting on any parkland legislation.

City of New York

A.4366-A Aubry; Chapter 231 of the Laws of 2019

This legislation amends the description of the metes and bounds for certain parcels authorized to be alienated by the City of New York pursuant to Chapter 450 of the Laws of 2017 and amends the reverter provision.

A.7772-A Glick; Chapter 308 of the Laws of 2019

This legislation, introduced at the request of the Metropolitan Transit Authority (MTA), authorizes the City of New York to discontinue the use of certain parkland for the purpose of constructing an electric substation. This legislation also requires the City to acquire and dedicate an amount equal to or greater than the fair market value of the property being alienated toward the acquisition of new parkland and/or capital improvements to existing parkland and recreational facilities within the borough of Manhattan. Additionally, it requires the surface of lands to be restored, in consultation with the City and the local Community Board, upon the completion of the construction.

City of Albany

A.7634-A McDonald; Chapter 283 of the Laws of 2019

This legislation amends the metes and bounds of the parklands authorized to be alienated by the City of Albany pursuant to Chapter 450 of the Laws of 2018.

IV. PUBLIC HEARINGS - 2019

Delivery of Veterans' Services and Programs in New York State

Veterans' services and funding in New York State are provided by not-for-profits and a variety of governmental agencies at the federal, state, and local levels.

The Committee, in conjunction with the Standing Committees on Veterans' Affairs and Local Governments, and the Subcommittee on Women Veterans, conducted a hearing on Thursday, October 17, in Albany, to examine the current coordination of State and local funding and services, as well as methods to maximize the effectiveness of such benefits, to ensure that veterans, as well as service providers, are aware of the full range of benefits available. Testimony was presented by the New York State Division of Veterans' Affairs, the Federal Office of the Secretary of Defense, and the New York City Department of Veterans' Services. Other witnesses included representatives of the NYS Association of Counties, Syracuse University's Institute for Veterans and Military Families, and the American Legion Department of New York.

Affordable Housing Development

Addressing the need for quality affordable housing can be challenging, given regional differences in population and policies surrounding community development. These policies, including State Floor Area Ratio (FAR) restrictions, function in concert with local policies and proposals to help shape our neighborhoods by directing the size of new construction and substantially rehabilitated properties.

The Committee, in conjunction with the Standing Committee on Housing, conducted a hearing on Monday, November 25, in Manhattan, to examine the operation of FAR and other policies and programs that impact efforts to develop affordable housing in New York City, including those relating to building density and to project financing. Testimony was presented by New York State Homes & Community Renewal and the New York City Department of Housing, Preservation & Development. Other witnesses included representatives of the New York Landmarks Conservancy, the Municipal Art Society, Real Estate Board of New York, and Regional Planning Association.

V. OUTLOOK FOR 2020

In 2020, the Cities Committee will again endeavor to work with all sixty-two cities of the State to implement effective policy measures intended to help revitalize urban areas, restoring them to strong and thriving cities. A primary goal of the Committee will be to achieve comprehensive solutions that will assist our cities. The Committee's other areas of oversight will again range from the protection of public parklands, sales of bonds, and other issues relating to municipal finances. Lastly, the Committee will continue to assist cities with vital infrastructure improvement and updates.

APPENDIX A

**2019 SUMMARY OF ACTION ON ALL BILLS REFERRED TO
THE COMMITTEE ON CITIES**

<u>Final Disposition</u>	<u>Assembly Bills</u>	<u>Senate Bills</u>	<u>Total</u>
Bills Reported	15	0	15
To Floor	0	0	
To Ways and Means	12	0	
To Codes	1	0	
To Rules	2	0	
To Judiciary	0	0	
 Bills Having Enacting Clauses Stricken	 0	 0	 0
 Bills Having Committee Referenced Change	 3	 0	 3
 Bills Never Reported, Held In Committee	 109	 3	 112
 Total in Committee	 142	 3	 145
 TOTAL NUMBER OF MEETINGS HELD			 4

APPENDIX B

Bills that Passed Both Houses

<u>Bill #</u>	<u>Sponsor</u>	<u>Description</u>	<u>Status</u>
A.3845-A	Pretlow	Extends, until June 30, 2020, the authorization for the City of Yonkers to continue to issue serial bonds and notes at private sale.	Chapter 71
A.4366-A	Aubry	Amends the metes and bounds for a prior parkland alienation authorized for New York City.	Chapter 231
A.5166	Schimminger	Extends, until June 30, 2020, the authorization for the City of Buffalo to continue to issue serial bonds and notes at private sale.	Chapter 77
A.5254-C	Weprin	Requires public utility companies to repair and replace residential sewer and water pipes damaged by the activity of such companies.	Veto Memo 217
A.6293-B	Weinstein	Extends certain provisions of law relating to the sale of bonds and notes in New York City.	Chapter 75
A.6294-A	Weinstein	Relates to certain variations from the Generally Accepted Accounting Principles as applied to the budget and accounts of New York City.	Chapter 406
A.6751	Gunther	Exempts the City of Middletown from the requirement that a city have an examining board of plumbers.	Chapter 419
A.7484	Pheffer Amato	Extends, for an additional two years, certain waivers for homes in Breezy Point damaged by Hurricane Sandy.	Chapter 83
A.7634-A	McDonald	Amends the metes and bounds of a prior parkland alienation authorized for the City of Albany.	Chapter 283

APPENDIX B

Bills that Passed Both Houses

<u>Bill #</u>	<u>Sponsor</u>	<u>Description</u>	<u>Status</u>
A.7636-B	Braunstein	Authorizes certain New York City agencies to use design-build as an alternative delivery method.	Chapter 749
A.7772-A	Glick	Authorizes New York City to discontinue the use of certain parkland for the construction of an electric substation.	Chapter 308
A.8150	Malliotakis	Relates to the conveyance of lands for the establishment of Gateway National Recreation Area.	Chapter 88
A.8284-A	Santabarbara	Authorizes the City of Amsterdam to issue bonds in order to liquidate certain deficits.	Chapter 531
A.8299	Gottfried	Requires the State to provide indemnification, insurance and defense for the Route 9A Bikeway/Greenway adjacent to the Hudson River Park.	Veto Memo 289
A.8351	Glick	Allows for the redevelopment of Pier 40 in the Hudson River Park in Manhattan.	Veto Memo 290