



New York State Assembly
2011 ANNUAL REPORT

committee on
CITIES

Carl Heastie
Chair



Sheldon Silver
Speaker

December 15, 2011

The Honorable Sheldon Silver
Speaker, New York State Assembly
State Capitol, Room 349
Albany, New York 12248

Dear Speaker Silver:

It is my pleasure to present you with the 2011 Annual Report of the Assembly Standing Committee on Cities. This report highlights legislation and issues considered by the Committee this year.

The Assembly Standing Committee on Cities considers legislation affecting cities within New York State. These cities face serious challenges to the maintenance of their economic and human 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 fiscal condition and quality of life of all the State's sixty-two cities.

Sincerely,

Carl Heastie
Chair
Assembly Standing Committee on Cities

2011 ANNUAL REPORT
OF THE
NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON CITIES

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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 62 cities. The Committee's role in initiating and reporting legislation is primarily influenced by the Municipal Home Rule powers provided to cities under the provisions of Article IX of the New York State Constitution. Article IX describes and defines the powers, duties and limitations of local governments and the State Legislature in the enactment of laws affecting local governments. These "Home Rule" powers limit the Legislature's action to (a) general law, which applies uniformly to all local governments of equal size; (b) special law, on request by two-thirds of the membership of the local legislative body, or on the request of its chief executive officer and concurred by a majority of the membership of the local government, i.e., a "Home Rule Message"; and (c) with two-thirds of both houses concurring, action on a certificate of necessity from the Governor, which states that an emergency situation requires enactment of such law.

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 Carl Heastie, the Committee monitors the problems of cities and works closely with state and local representatives to develop solutions.

II. MAJOR ISSUES OF 2011

A. LOCAL GOVERNMENT AID – ENACTED BUDGET

Aid and Incentives to Municipalities (AIM) funding is direct general purpose aid provided to municipalities. Those municipalities use AIM funding for a variety of operating costs. The AIM program was created in the 2005-06 State Budget when several local aid programs were combined to create this new one. Along with the aid provided by this program, new fiscal accountability requirements were put in place, such as multi-year financial planning. This year New York State's cities, excluding New York City, received \$647 million in AIM funding.

Local Government Efficiency Grant Program

The State Budget contained \$4 million in funding for the Local Government Efficiency Grant (LGEG) program. The LGEG program replaced the Shared Municipal Services Incentive (SMSI) program, which was created in 2005 to encourage municipal consolidation and cooperation.

The program is administered by the Department of State and provides grants to counties, cities, towns, villages, special improvement districts, fire districts, library districts, water authorities, sewer authorities, regional planning and development boards, school districts, and, in certain instances, Boards of Cooperative Educational Services (BOCES) that merge or share services. Grants are intended to cover costs associated with mergers, consolidations, cooperative agreements, dissolutions and shared services including legal and consultant services, feasibility studies and capital investments.

Local Government Performance and Efficiency Program

The 2011-2012 State Budget added three new competitive grant programs to be administered by the Department of State to provide assistance and incentive for local governments to consolidate, dissolve and share services. One of those programs, the Local Government Performance and Efficiency Program, applies to cities and will provide grants of \$25 per resident, up to \$5 million, to local governments that have improved the overall efficiency of their operations leading to reduced property taxes through shared services and other efficiencies.

B. STATEWIDE SIGNIFICANCE

City Charter Ballot Questions

(A.2065 Gottfried; Passed Assembly)

This bill would repeal certain provisions of the Municipal Home Rule Law that allow for the “bumping” of ballot questions, i.e., barring all other local referendum proposals from the ballot if a charter revision commission created by a mayor places any question on the ballot.

C. NEW YORK CITY LEGISLATION

Water Charges Exemption

(A. 7109 Silver; Chapter 75 of the Laws of 2011)

This legislation extends, for two years, the authorization for full or partial exemptions of water charges for hospitals and charities.

Sale of Additional Taxi Licenses and Livery Permits

(A.8496 Heastie; Chapter 602 of the Laws of 2011)

This legislation authorizes the sale of additional taxi licenses in New York City and authorizes the issuance of permits allowing for-hire vehicles to pick up street hails outside of Manhattan, except the airports, and in Manhattan north of East 96th Street and north of West 110th Street.

United Nations Redevelopment Project

(A.8305-A Kavanagh; Chapter 137 of the Laws of 2011)

This legislation authorizes changes to the United Nations Development Corporation to enable the expansion of the United Nations Development Zone. It also authorizes the City of New York to discontinue the use of certain parkland and transfer such parkland to the United Nations. The legislation designates replacement parkland that the City of New York would have to dedicate as parkland.

D. DEBT INSTRUMENTS

City of Yonkers

(A.2429 Pretlow; Chapter 66 of the Laws of 2011)

This legislation extends, until June 30, 2012, the authority for the underwriting or sale of bonds or notes for the City of Yonkers at private sale. This legislation provides Yonkers with additional fiscal flexibility by permitting the city to determine the timing of bond sales.

City of Buffalo

(A.5377 Schimminger; Chapter 104 of the Laws of 2011)

This legislation extends, until June 30, 2012, the authority for the underwriting or sale of bonds or notes for the City of Buffalo at private sale. This legislation provides Buffalo with additional fiscal flexibility by permitting the city to determine the timing of bond sales.

City of Newburgh

(A.7442 Kirwan; Chapter 350 of the Laws of 2011)

This legislation extends, until December 31, 2012, the authorization to issue deficit bonds and notes pursuant to the “City of Newburgh Fiscal Recovery Act.”

III. PARKLAND ALIENATION LEGISLATION

The issue of parkland alienation, or the conversion of parkland for other purposes, has been a great concern to 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 alienation of parkland 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 improvement of 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.6599 Brook-Krasny; Chapter 281 of the Laws of 2011)

This legislation allows for the redevelopment of the Coney Island amusement area by authorizing the City of New York to discontinue the use of certain parkland, so long as the city acquires replacement parkland. It also authorizes the lease of parkland for use as an amusement park.

(A.7938 Aubry; Chapter 207 of the Laws of 2011)

This legislation authorizes the City of New York to discontinue the use of certain parkland and to transfer such land to Alexander's of Rego Park in exchange for certain land to be given by Alexander's of Rego Park to the City to become part of Lost Battalion Hall Park.

(A.5765 Tobacco; Chapter 570 of the Laws of 2011)

This legislation extends the time period for the conveyance of lands to the Gateway National Recreation Area until May 1, 2013.

City of Rensselaer

(A.8014-B Canestrari; Chapter 181 of the Laws of 2011)

This legislation authorizes the City of Rensselaer to discontinue the use of certain parkland and to transfer such land. In exchange, the City of Rensselaer would receive certain land to be dedicated for park purposes.

IV. PUBLIC HEARINGS

The Committee held three public hearings in 2011. A summary of those hearings follows.

A. CAP ON REAL PROPERTY TAXES

On March 1, 2011, the Committee, in conjunction with the Assembly Standing Committees on Ways and Means, Education, Real Property Tax and Local Governments, held a hearing in Albany to examine and assess the impact of capping real property taxes in New York State.

Governor Cuomo proposed a property tax cap for New York, S. 2706 (Skelos)/ A. 3982 (Silver) that would limit real property tax levies of local governments (which would include counties, cities, towns, villages, fire and other special districts, excluding New York City) and school districts to a year-over-year growth of no more than two percent or the rate of inflation, whichever is less. The bill would allow the limitation to be overridden by towns, cities and villages, via a local law passed by a two-thirds vote of the local governing body and a majority vote of the public; by fire and special districts, via adoption of a resolution; and for a school district budget, via a public vote of more than 60 percent approval.

Property taxes are the largest source of revenue collected by local governments and school districts. This hearing examined what effects a proposed property tax cap would have on property owners, local governments and school districts; and, evaluated alternative proposals that would allow property owners tax relief while ensuring vital services and benefits are maintained.

B. ISSUES SURROUNDING THE PUBLIC SERVICE COMMISSION'S (PSC) SEPTEMBER 2010 APPROVAL OF THE HUDSON TRANSMISSION PROJECT (HTP)

On May 20, 2011, the Committee, in conjunction with the Assembly Standing Committees on Energy and Corporations, Authorities and Commissions, held a hearing in New York City to review the necessity of the project and examine whether the PSC adequately considered the need for additional power and whether other economical alternatives existed that presented less environmental impact.

In March 2005, the New York Power Authority (NYPA) issued a Request for Proposals for up to 500 megawatts of in-city capacity for its New York City governmental customers. Hudson River Transmission Partners (HTP) was selected to construct a transmission line connecting New York City to a New Jersey power plant but the project did not go forward. In 2009, NYPA revived the project and HTP was selected to develop a revised transmission project. In September 2010, the Public Service Commission approved the HTP proposal to connect New York City's power grid to New Jersey's via a seven mile long cable under the Hudson River, which

would connect the Authority's New York City municipal customers to PJM Interconnection, the organization responsible for managing the wholesale electric grid for 13 states and the District of Columbia. This hearing examined the need for additional out of state electric resources, alternative investments in New York City and the State, and the potential economic and environmental impacts of the proposed transmission line.

C. BUDGET OVERSIGHT

On December 20, 2011, the Committee, in conjunction with the Assembly Standing Committees on Local Governments and Real Property Taxation, held a hearing in Syracuse to examine aid to counties, cities, towns and villages included in the State Fiscal Year 2011-2012 Budget.

This hearing examined the impact of State aid to counties, cities, towns and villages included in the State Fiscal Year 2011-2012 Budget with a focus on the Aid and Incentives for Municipalities program, Aid for Cyclical Reassessments and assessor training aid.

V. OUTLOOK FOR 2012

In 2012, the Cities Committee will again endeavor to work with all 62 cities of the State to implement effective policy measures intended to help revitalize urban areas, returning them to strong and thriving cities. A primary goal of the Committee will be to achieve comprehensive solutions for assisting our cities – solutions forged from ideas rather than dollars. The Committee's other areas of oversight will again range from the protection of public parklands, sales of bonds, and issues dealing specifically with New York City including oversight of construction safety.

APPENDIX A

**2011 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	28	0	28
To Floor	3	0	3
To Ways and Means	18	0	18
To Codes	6	0	6
To Rules	1	0	1
To Judiciary	0	0	0
Bills Having Enacting Clauses Stricken	12	0	12
Bills Having Committee Referenced Changed	1	0	1
Senate Bills Substituted Or Recalled	0	5	5
Bills Never Reported, Held In Committee	65	1	66
Total in Committee	106	6	112
TOTAL NUMBER OF MEETINGS HELD			7

APPENDIX B

Chapter Laws of 2011

<u>Bill #</u>	<u>Sponsor</u>	<u>Description</u>	<u>Chapter</u>
A.2429	Pretlow	Extends the authorization for the City of Yonkers to continue to issue serial bonds or notes at private sale to June 30, 2012.	66
A.5377	Schimminger	Extends the authorization for the City of Buffalo to continue to issue serial bonds or notes at private sale to June 30, 2012.	104
A.5765	Tobacco	Extends the time period for the conveyance of lands for the establishment of Gateway National Recreation Area until May 1, 2013.	570
A.6599	Brook-Krasny	Authorizes the City of New York to discontinue use of and transfer certain parklands in exchange for other lands to be utilized for park purposes in furtherance of a development plan for Coney Island.	281
A.6844-B	Jeffries	Deems certain parcels of real property in the City of New York as legally non-complying buildings for purposes of compliance with the zoning resolution of such city.	519
A.6923	Farrell	Extends until July 1, 2012 the authorization of certain bonds of the City of New York.	141
A.7007	Arroyo	Authorizes the city of New York to reconvey its interest in certain real property acquired by in rem tax foreclosure in the borough of Bronx to former owner St. Peter's Lutheran Church.	452
A.7109	Silver	Extends the provisions of Chapter 890 of the Laws of 1982 relating to the establishment of certain water charges for hospital and charities in New York City.	452
A.7224-A	Kirwan	Authorizes the City of Newburgh to issue deficit bonds and notes until December 31, 2012 pursuant to the City of Newburgh Fiscal Recovery Act.	350
A.7463-A	Cusick	Authorizes the removal of reeds by the owners of residential real property in high risk brush fire areas in the borough of Staten Island.	306
A.7654	Lavine	Authorizes city and village planning boards to grant more than two extensions of conditional approval of final plats.	561

<u>Bill #</u>	<u>Sponsor</u>	<u>Description</u>	<u>Chapter</u>
A.7735	Farrell	Extends for three years the ability of local governments and New York City to make certain investments.	107
A.7938	Aubry	Authorizes the city of New York to transfer ownership of certain parklands to Alexander's of Rego Park III, Inc.	207
A.8014-B	Canestrari	Authorizes the city of Rensselaer to discontinue use of certain park land and convey such land in exchange for land to be used for park purposes.	181
A.8305-A	Kavanagh	Relates to an additional reuse and consolidation project for the United Nations Development Corporation.	137
A.8496	Heastie	Provides for a greater amount of taxicabs serving the City of New York that are designed to foster increased access and mobility to persons with disabilities and establishes a task force in areas of New York City underserved by medallion taxicabs.	602