



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

December 15, 2020

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 2020 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. From our state's smallest city to our largest, their diversity challenges the Committee with a wide range of issues. With the ongoing COVID-19 pandemic, the sixty-two cities of our State face serious challenges to maintain their economic and social vitality. The Committee is dedicated to formulating legislative solutions to improve the quality of life for residents of all the State's cities and to helping cities recover from the additional economic burdens of the COVID-19 pandemic.

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

Sincerely,

Edward C. Braunstein
Chair
Assembly Standing Committee on Cities

2020 ANNUAL REPORT
OF THE
NEW YORK STATE ASSEMBLY
STANDING COMMITTEE ON CITIES

Edward C. Braunstein, Chair

Committee Members

Marcos A. Crespo
Victor Pichardo
Tremaine Wright
Robert C. Carroll
Al Taylor
Nathalia Fernandez
Jonathan G. Jacobson
Nader Sayegh
Simcha Eichenstein
Charles Fall

Michael W. Reilly Jr.
Andrew Goodell
Karl Brabenec
Mark C. Walczyk

Staff

Matthew Shore, Legislative Analyst
Michael Lloyd, Associate Counsel
Michelle Milot, Assistant Secretary for Program and Policy
Christopher Kozlow, Committee Clerk
Maya Wilson, Program and Counsel Secretary

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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. COVID-19 PANDEMIC

Due to the unprecedented COVID-19 pandemic that started earlier this year, the Cities Committee helped cities meet the needs of New Yorkers facing what has become an unparalleled public health and economic crisis.

Additional financial burdens were placed on cities due to COVID-19. To provide municipalities with greater financial flexibility, the Assembly passed **A.10492 (Thiele – Chapter 157 of the Laws of 2020)**, which extended the “rollover” period for Bond Anticipation Notes issued between 2015 and 2021, authorized local governments and school districts to spend or temporarily transfer capital reserve fund monies for COVID-19 pandemic-related expenses, and permitted the repayment of inter-fund advances made for COVID-19 by the end of the next succeeding fiscal year, rather than the current fiscal year.

III. MAJOR ISSUES OF 2020

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.

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 2020-2021 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 2020-2021 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 2020-2021 Budget contained an appropriation of \$2.5 million for this purpose, representing no change from the previous year.

Financial Control Board

The 2020-2021 Budget allocated \$3.5 million to support staff and operations of the New York State Financial Control Board which manages and approves the financial plan, contracts, and borrowing of New York City, representing no change from the previous year.

B. SIGNIFICANT LEGISLATION

City of New York

NYC Rainy Day Fund

A.9789-A Braunstein; Chapter 118 of the Laws of 2020

In November 2019, New York City voters approved a ballot proposal submitted by the 2019 Charter Revision Commission to allow for the establishment of a rainy day fund, formally known as a "revenue stabilization fund." However, implementation of such a fund requires an amendment to the New York State Financial Emergency Act for the City of New York, which prevents the City from balancing a future year budget with prior year surpluses. This law authorizes the City to establish and maintain a rainy day fund, and provides the City with flexibility to determine contribution amounts as well as withdrawals from the fund, subject to the City's budget process. In addition, the bill would require the deposit into the fund of all budget surpluses accumulated to date and any that may arise in the future.

This bill originated in the Ways and Means Committee.

Redevelopment of Pier 76

A.9506-B (Budget – Part WW); Chapter 56 of the Laws of 2020

This law, included in the 2020-21 enacted State Budget, incentivizes improvements to Manhattan’s Pier 76, part of the Hudson River Park. Pier 76 was previously used as a tow pound by the New York City Police Department. The law requires fifty percent of the pier to be used for park and recreation purposes. The remaining portion of the pier will be used for park/commercial use. The law also imposes penalties for failure to meet certain timeframes. In addition, New York City is required to submit a periodic report to the State, and the Trust, detailing actions taken to relocate the tow pound.

Homeless Shelter Siting Process

A.7820-A Fall; Chapter 383 of the Laws of 2020

This legislation would require the New York City Department of Homeless Services to establish a process for the siting of new non-emergency homeless shelters that includes at least one public hearing. A public hearing would inform the public and ensure the Department could consider any site-specific concerns.

City of Tonawanda

A.10538 Schimminger; Chapter 279 of the Laws of 2020

This legislation exempts the City of Tonawanda from requiring its plumbing inspectors to live in Tonawanda, instead requiring them to live in Erie County or any adjacent county. Small cities like Tonawanda can find it challenging to hire qualified plumbing inspectors and this legislation would assist Tonawanda’s search for a plumbing inspector.

This bill originated in the Ways and Means Committee.

City of Cortland

A.10774 Lifton; Chapter 222 of the Laws of 2020

This law exempts the City of Cortland from Article 4 of the General City Law, which requires examining boards for plumbers in certain cities to oversee applications and licensing. Currently, New York City, Binghamton, Schenectady, Elmira, Beacon, Hornell, Olean and Poughkeepsie have this exemption.

City of Jamestown

A.7648 Goodell; Chapter 173 of the Laws of 2020

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

C. DEBT INSTRUMENTS/MUNICIPAL FINANCES

City of Buffalo

A.9508-B (Budget – Subpart B, Item HH); Chapter 58 of the Laws of 2020

This law extends, until June 30, 2021, 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.9508-B (Budget – Subpart B, Item GG); Chapter 58 of the Laws of 2020

This law extends, until June 30, 2021, 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

Temporary Investments of NYC

A.9508-B (Budget – Subpart B, Item OO); Chapter 58 of the Laws of 2020

The Legislature has recognized the need to allow New York City to modernize the management of its finances by expanding the types of instruments in which the City may invest, within prudent limits. This expansion has provided the City with increased flexibility in its investment decisions and has consequently allowed the City to achieve higher yields on its investments, without a significant increase in risk. However, this authorization is re-examined at regular intervals. This law extends, until July 1, 2023, provisions authorizing the increased flexibility in temporary, short-term and low-risk investments for the City of New York.

Interest Rate Exchange Agreements of NYC

A.9508-B (Budget – Subpart B, Item QQ); Chapter 58 of the Laws of 2020

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.

NYC Water Charges

A.9508-B (Budget – Subpart B, Item TT); Chapter 58 of the Laws of 2020

This law extends, until September 1, 2022, provisions relating to the establishment of certain water and sewer charges for hospitals and charities in New York City.

NYC SAIL (Slivers, Accessways, and Interior Lots) Away Program

A.9508-B (Budget – Subpart B, Item EEE); Chapter 58 of the Laws of 2020

This law extends, until December 31, 2025, the authority for the City of New York to sell tax lots that cannot be independently developed to abutting property owners.

Relocation and Employment Assistance Program

A.9506-B (Budget – Part RR); Chapter 56 of the Laws of 2020

The Relocation and Employment Assistance Program (REAP) provides business income tax credits for businesses that relocate jobs from outside of New York City, or below Manhattan’s 96th Street, to anywhere above Manhattan’s 96th street or the outer boroughs. This law extends, until July 1, 2025, authorizations related to REAP.

Energy Cost Savings Program

A.9508-B (Budget – Subpart H, Item A, Sections 3-13); Chapter 58 of the Laws of 2020

The Energy Cost Savings Program (ESCP) can reduce energy costs up to 45 percent and natural gas costs up to 35 percent for eligible businesses. ESCP’s benefits last for twelve years with the last four years being a phase-out during which benefits are decreased by 20% per year. This law extends, until July 1, 2023, authorizations for the City of New York related to ESCP.

IV. PUBLIC HEARINGS - 2020

Disproportionate Impact of COVID-19 on Minority Communities

During the initial impact of COVID-19, a report released by the Centers for Disease Control and Prevention (CDC) found that of those Americans hospitalized, Blacks and Hispanics/Latinos accounted for a higher percentage than Whites. Minority populations in New York have not fared any better; according to the Department of Health, as of April 29, 2020, fatality rates amongst Black and Hispanic/Latino New Yorkers accounted for a combined total of 62% of the total fatalities in New York City, significantly higher than experienced by any other race. Outside of New York City, statistics for Blacks, Hispanics/Latinos and Asians are also showing greater disparities than Whites. The disproportionate impact on minority communities has strained local government finances and a health care system that predominantly serves Medicaid and uninsured populations.

The Cities Committee worked diligently to assess the needs of the State's most vulnerable residents during the COVID-19 pandemic by, in conjunction with the Standing Committees on Health, Labor, Local Governments, the Black, Puerto Rican, Hispanic and Asian Legislative Caucus, the Task Force on Asian Pacific Americans, the Task Force on Puerto Rican/Hispanic Americans, and the Task Force on Women's Issues, conducting a joint public hearing virtually, with the New York State Senate, on Monday, May 18, to explore solutions to the disproportionate impact of COVID-19 on minority communities. Testimony was presented by representatives from diverse backgrounds, including, but not limited to, the NAACP, Hispanic Federation, Chinese-American Planning Council, Union Community Health Center, the Greater Flushing Chamber of Commerce, Radcliffe Institute for Advanced Study, Harvard University, the New York State Nurses Association, 82nd Street Academics, The Campaign Against Hunger, The Neighborhood Defender Service of Harlem, and AARP New York.

Power and Communication Failures from Tropical Storm Isaias

On August 4, 2020, Tropical Storm Isaias hit New York with heavy rain, tornadoes, and winds gusting up to 70 miles per hour. The storm left hundreds of thousands of New Yorkers without power across New York City, Long Island, Westchester, Rockland, the Hudson Valley, and other areas of the state within the service territories of PSEG-LI, Con Edison, Orange and Rockland, National Grid, Central Hudson, NYSEG and other utility providers. The storm also disrupted the regions' telephone, cable, and internet services - services that are particularly essential for New Yorkers during the COVID-19 pandemic. The outages and service disruptions lasted for multiple days

The Corporations Committee, in conjunction with the Standing Committees on Energy, Environmental Conservation, Governmental Operations, Local Governments and Cities, conducted a joint public hearing virtually on Thursday, August 20, to examine the power and communication failures from Tropical Storm Isaias. Testimony was presented by the

NYS Public Service Commission, NYS Department of Public Service, Con Ed, LIPA, and Central Hudson. Other witnesses included the Mayors of White Plains and Rye, and the Queens Borough President.

V. OUTLOOK FOR 2021

Cities experienced extraordinary hardship in 2020 from the COVID-19 pandemic that saw them maximize their financial resources and essential services in the effort to keep their residents, communities and economy alive. Despite the uncertainty that lies ahead, the Committee is committed to assisting cities statewide with difficulties created by the COVID-19 pandemic. In 2021, the Committee will continue to help cities achieve their full potential by working with them to reduce costs and increase flexibility. 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

**2020 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 | 4 | 0 | 4 |
| To Floor | 2 | 2 | |
| To Ways and Means | 1 | 0 | |
| To Codes | 0 | 0 | |
| To Rules | 1 | 0 | |
| To Judiciary | 0 | 0 | |
| Bills Having Enacting Clauses Stricken | 3 | 0 | 3 |
| Bills Having Committee Referenced Change | 2 | 0 | 2 |
| Bills Never Reported, Held In Committee | 121 | 1 | 122 |
| Total in Committee | 130 | 1 | 131 |
| TOTAL NUMBER OF MEETINGS HELD | | | 2 |

APPENDIX B

Bills that Passed Both Houses

| <u>Bill #</u> | <u>Sponsor</u> | <u>Description</u> | <u>Status</u> |
|---------------|----------------|---|---------------|
| A.7648 | Goodell | Exempts plumbing inspectors in the City of Jamestown from residency requirements. | Chapter 173 |
| A.7820-A | Fall | Requires the New York City Department of Homeless Services to have at least one public hearing for each new homeless shelter. | Chapter 383 |
| A.9094 | D. Rosenthal | Changes the name of the Conrad Poppenhusen Association. | Chapter 153 |
| A.9789-A | Braunstein | Enables New York City to establish a rainy day fund. | Chapter 118 |
| A.10538 | Schimminger | Exempts plumbing inspectors in the City of Tonawanda from residency requirements. | Chapter 279 |
| A.10774 | Lifton | Exempts the City of Cortland from being required to have an examining board of plumbers. | Chapter 222 |