



NEW YORK STATE SENATOR

Ruben Diaz

Dean Skelos, Sheldon Silver, et al, and the J51 and 421a Tax Break

RUBEN DIAZ May 11, 2015

What You Should Know

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Dean Skelos, Sheldon Silver, et al, and the J51 and 421a Tax Break

You should know that with all of the media focus on Senator Dean Skelos and Assemblyman Sheldon Silver, the J-51 tax break and the 421-a tax benefit have become hot topics, and they will get even hotter as their sunset date in June approaches.

When Senate Bill 2320 – the bill that deals with J-51 and 421-a came to the Senate Floor on January 23, 2013 for a vote – I stood up to speak against it, starting my speech with a criticism of Senator Liz Krueger. I criticized Liz Krueger because she took about an hour to expose all of the ills and bad things about this bill, but when she finished, she voted: yes.

This confused me, especially knowing how smart and intelligent Liz Krueger is. It really threw me off. How could she have voted yes when she knew it was a bad bill? As the Bible teaches: it is a sin for those who know the truth to purposely ignore it.

Below is a copy verbatim of the transcript of my January 23, 2013 speech, along with the YouTube link to that speech, followed by the actual Senate vote tally for Senate Bill 2320.

You should know that Senate Bill 2320 is filled with lavish benefits for luxury condo developers and tax giveaways, without any improvement to residential rent laws for everyday New Yorkers.

You should also know that there were only 6 other Senators – aside from me – who voted against this bill. The NO votes were cast by: Senators Rubén Díaz, Adriano Espaillat, Terry Gipson, Bill Perkins, Gustavo Rivera, Jose Marcos Serrano, and Cecilia Tkaczyk. All of the other 56 Senators voted YES, hurting New York families who desperately need affordable housing.

Ladies and gentlemen, the allegations involving the real estate companies that stem from Senate Bill 2320 that give capital improvement benefits to wealthy developers while increasing tenant's rent need further investigation. If not, affordable housing in New York will be a thing of the past.

I am State Senator Rubén Díaz and this is what you should know.

This is the transcript of my speech from January 23, 2013

"Senator Krueger, I just love you. I love you so much. You know, I love you for keeping me one hour listening to you talking bad about a bill and at the end saying "I'm voting yes." I love you. I love you. Mr. President and ladies and gentlemen, once in a while I write a column called "What You Should Know," It's my way to inform my constituents and the voters of New York of what's going on. Today, I wrote one. And I call it, based on the Roman Empire

old saying, I entitled it "Caesar's wife should not only be pure but should also have the appearance of purity." And by voting for this bill, we might be sending an appearance of impurity, because this bill only benefits the rich. It is a multi-million program of rent exemption and abatement for landlords who renovate their buildings. This piece of legislation, ladies and gentlemen, does nothing to protect and strengthen tenant protection. So tenants in the City of New York will not be protected with this bill. On the contrary, they might be put in danger. It is just a tax benefit to developers producing luxury buildings.

This bill, ladies and gentlemen -- and I'm so sorry that Liz Krueger voted for it -- this bill does nothing to prevent landlords from double-dipping. That's a word that -- a nice word, double-dipping. Meaning that a lot of them are receiving a J-51 tax credit from the government and at the same time will be increasing the tenants' rent based on a major capital improvement. So this bill will allow landlords to get money from the government for the renovation based on J-51 and at the same time will allow landlords to increase tenants' rents based on something called major capital improvement for the same renovation.

And this bill will extend 421-a tax benefits to the owners of 15 specific plots in 22 Midtown and downtown Manhattan which are now being developed as luxury condominiums and office buildings. Fifteen of them. And according to the New York Tenants and Neighbors Coalition, it seems that only five specific developer companies will benefit from this piece of legislation.

They are number one, Extell Development Company, Extell Development Company, for their billionaire tower, One57, Silverstein Properties, the owner of the World Trade Center. Thor Equities, the company behind the controversial Coney Island redevelopment for 516-520 Fifth Avenue. Number four, Steinhardt Management, who wants to develop two former Stock Exchange buildings in Lower Manhattan. Number five, Shoreham {ph} Association,

Incorporated, who plans to build a 30-story glass tower over the site of the original New York Times building.

Ladies and gentlemen, these developments do nothing to address the New York City ongoing affordable housing crisis. Therefore, to vote for this bill we might be sending a message, an impure message, that we're only working for the landlords and against the tenants and the regular people in New York City.

So again, you can read my "What You Should Know" on my website. It's free, you don't have to pay anything. And today, I'm quoting, Liz Krueger, Caesar's wife not only shall be pure but should have the appearance of purity. I'm voting no with all my heart, with all my strength. And I ask all my colleagues to reject this piece of legislation, especially an irony, and guided to the rich, not to the poor. Thank you."

This is the YouTube link to my January 23, 2013 Session Comments
www.youtube.com/watch?v=7TrDsGbXUaE

This is the Floor Vote on S2320 from January 23, 2013
Floor Votes:01/23/13 S2320 Senate Vote Aye: 56 Nay: 7

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|-----------------|--------------|--------------|----------------------|
| Aye Adams | Aye Addabbo | Aye Avella | Aye Ball |
| Aye Bonacic | Aye Boyle | Aye Breslin | Aye Carlucci |
| Aye DeFrancisco | Nay Diaz | Aye Dilan | Nay Espaillat |
| Aye Farley | Aye Felder | Aye Flanagan | Aye Fuschillo |
| Aye Gallivan | Aye Gianaris | Nay Gipson | Aye Golden |
| Aye Griffo | Aye Grisanti | Aye Hannon | Aye Hassell-Thompson |

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|--------------|-----------------|---------------------|---------------|
| Aye Hoylman | Aye Kennedy | Aye Klein | Aye Krueger |
| Aye Lanza | Aye Larkin | Aye Latimer | Aye LaValle |
| Aye Libous | Aye Little | Aye Marcellino | Aye Marchione |
| Aye Martins | Aye Maziarz | Aye Montgomery | Aye Nozzolio |
| Aye O'Brien | Aye O'Mara | Aye Parker | Aye Peralta |
| Nay Perkins | Aye Ranzenhofer | Aye Ritchie | Nay Rivera |
| Aye Robach | Aye Sampson | Aye Sanders | Aye Savino |
| Nay Serrano | Aye Seward | Aye Skelos | Aye Smith |
| Aye Squadron | Aye Stavisky | Aye Stewart-Cousins | Nay Tkaczyk |
| Aye Valesky | Aye Young | Aye Zeldin | |