



The Council of the City of New York
Office of Costa Constantinides
(718) 274-4500

February 6, 2014

New York City Department of Finance
Honorable Beth E. Goldman, Commissioner
One Centre Street, Room 500
New York, NY 10007

Dear Commissioner Goldman:

Notices of property values for the fiscal year 2014-2015 were recently distributed to property owners. Many will see an increase of up to six percent from last year.

The New York City Department of Finance Property Tax Assessment system has caps built in so that no owners of residential properties pay more than a six percent increase on taxes from the previous year or pay more than a twenty percent increase on taxes over five years. This protects homeowners from truly exorbitant tax increases during real estate market bubbles like the one that recently occurred.

It does not, however, protect homeowners on fixed incomes who have lived in their homes for decades. Seniors, people with disabilities, and many other Queens homeowners simply cannot afford any property tax increases.

According to a recent *New York Daily News* analysis, market values and sales prices are increasing throughout the borough. Long Island City, parts of Astoria, and Flushing have seen some of the biggest sales price increases. This increase figures into the Department of Finance yearly property tax assessments.

Homeowners on fixed incomes, who may have purchased their home for much less than its current market value, will have difficulties paying this increase.

Some Queens homeowners are not experiencing market value increases to their properties, but will still see property tax increases. Market values have decreased in parts of my district – Northern Astoria and East Elmhurst. They have also decreased in neighborhoods in Eastern Queens – Jamaica, Oakland Gardens, and the still-devastated Rockaways.

However, because of the six percent annual cap on tax increases, the Department of Finance can actually

increase taxes on these property owners.

We need a way to keep this city affordable for all. We cannot allow middle-class homeowners to be priced out of living in the city.

More robust tax relief programs will go a long way to helping seniors and others on fixed incomes. We need to invest more in programs, like STAR, that give homeowners a fighting chance to afford living in this city.

There are policy solutions to this issue that could go a long way to providing property tax relief to those who need it.

New York Governor Andrew Cuomo recently proposed a property tax “circuit breaker” plan for households earning less than \$200,000 across the entire state, which would greatly benefit New York City households. Maryland instituted a similar program in 1975 - if it works in Maryland, it could be successful in this city.

Under a property tax circuit breaker program, low- and middle-income taxpayers would pay an effective property tax rate that is tied to their income rather than the value of their property.

For seniors and others on fixed incomes, this could be a big help. Property tax assessments keep rising and our population is only growing. We need to provide tax relief so that low- and middle-class homeowners can continue to live in this city. There is no excuse to wait.

I urge the New York City Department of Finance to institute a property tax circuit breaker plan to help residents of Queens and of the entire city.

Sincerely,

A handwritten signature in black ink, appearing to read "Costa Constantinides", with a long horizontal flourish extending to the right.

Council Member Costa Constantinides
New York City Council, District 22

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