



**State of the City Address
City Council Speaker Christine C. Quinn
Tuesday, February 12, 2008**

Two years ago when I took on this job, I said I'd only be as good a Speaker as I am a listener.

In my 19 years in public service – as an advocate, a staffer and then a legislator – I've learned you can't really lead if you don't really listen.

I've learned you can't meet people's needs, serve their interests and help them live their dreams, if you don't take the time to sit down, pay attention, and understand them.

And just as importantly, people won't believe in what we're doing here in City Hall, they won't trust that we are on their side, if they don't see that our work directly connects with their concerns.

Now, as most of you well know, New Yorkers have a lot to say in some cases – even more than my father.

Some might consider that a pain in the tuchas.

But we on the Council consider it a blessing.

To know in no uncertain terms what's at the top of our constituents' to-do lists – well that makes the hard job of governing this city of over 8 million people a heck of a lot easier.

I have also learned that as much as leading demands listening to people, it also demands engaging them, bringing them into the process, leveraging all the assets that this richest of cities has to help solve our common problems and fulfill our shared aspirations.

Over the past two years, that's just what all of us in this room have tried and strived to do.

Instead of governing from the steps of City Hall, we have gotten knee-deep in our neighborhoods.

We have listened carefully to the concerns and suggestions of the people we

serve: citizens, businesses, community leaders and experts alike.

And we have come together with the Mayor to translate what we have heard into workable solutions, laws and actions that are making a meaningful difference in people's lives.

By most traditional standards you might say the results speak for themselves.

Our city has never been more vibrant or safer.

Tourists are flocking here in record numbers. Development is booming. Crime is so low that New York Magazine even ran a story wondering if it was possible to reduce the murder rate to zero.

We should all take pride in that and applaud Mayor Bloomberg and Commissioner Kelly for their smart and steady leadership.

But as I go around the city these days, you don't have to listen more than a New York minute to know that the public mood is turning – that the affordability problems we keep hearing about are getting worse – and the economic anxiety is spreading wider.

Just about everyone is concerned about the signs of trouble ahead – from the CEOs of the big investment banks who bet the house on the subprime mortgage market, to the home health aide in Queens who may soon lose her home in the fallout from that mess.

Most people are not panicking.

But more and more New Yorkers are struggling – struggling to make their mortgage, pay their rent, cover their childcare.

They're wondering about what's next: What's going to happen to my job? Will I still be able to afford my health insurance? Where I am going to live if I get priced out of my apartment?

And they are looking to those of us in positions of public leadership for answers.

Not every answer.

This is the capital of self-starters and go-getters after all.

But in challenging times like these, New Yorkers are looking for their government

to hear them and help them to provide a cushion for whatever shock is on the way and help them come out stronger for the future.

I want every New Yorker to hear me when I say: We are ready.

Ready to make the hard choices, to lead the city through what may be a hard year.

Ready to keep our economy as strong as possible and preserve every job we can.

Ready to take on the affordability crisis and hold on to New York's middle class.

Ready to meet our obligations to New Yorkers in need – to the homeless, the hungry, the disabled, and anyone else who depends on us for a little extra help.

We are ready to work with the Mayor to set clear priorities for the year ahead – and to be realistic about what we can actually afford and accomplish.

At the top of this list is public safety.

No matter what happens with the economy this year, we will not give an inch in our fight against crime.

We will do whatever it takes to keep New York the safest big city in America.

But let me be clear: setting priorities is not a code word for lowering expectations.

Tough times are no excuse for telling New Yorkers tough luck.

I know we can do more with less this year – by doing even more with all of you.

By being as creative, innovative, and collaborative as possible.

By working in partnership with businesses, unions, foundations, community groups, and all those New Yorkers who are eager to serve this great city.

Today, I want to show the people of New York that more than anything, we are ready to produce results.

So I'd like to take a few moments to share with you some of the concrete steps we plan to take to prepare the city for the worst this year ... and position us to be our best in the years to come.

Let me start where we have to start every year and that's with our budget.

As we have been developing our plans for the coming fiscal year, we've heard from a lot of economic experts.

The only thing they're all certain about is that uncertainty is ahead.

The good news is we made some sensible decisions during the flush years, decisions that will help us weather the challenging times.

Instead of spending away the surplus, we paid down over a billion dollars in debt – debt that would have come due in the next two years. And we put away \$2.5 billion to cover health benefits for retirees down the line.

The bad news is that despite our prudence, we are still going to have to deal with significant budget gaps going forward – more than \$15 billion over the next four years.

Now, much as the Mayor loves his new dogs, even Bonnie and Clyde couldn't come up with that kind of dough.

The Mayor has wisely started the conversation with us already about how we make up that difference.

And as you can tell from the response so far, there simply is no way to reduce spending as deeply as we need to without feeling the pinch.

But getting leaner does not have to mean getting meaner.

The fact is with a \$60 billion budget, we can minimize the impact on vital city services by maximizing our efficiencies, innovating wherever possible and cutting wasteful spending.

For example, for decades New York has been one of the few cities in the country that awards school bus contracts without competitive bidding.

Since 1986, the contracts have all simply been assigned by the Department of Education, mostly to the same companies.

And because these companies are insulated from competition, they have no incentive to keep down costs, which are now up to \$1 billion a year.

Not surprisingly, there's also evidence that some of them have been ripping off the city.

It's high time to put a stop to this busload of boondoggle once and for all.

In the coming weeks, we will be closely combing the city budget for more fat like this to cut out.

And let me assure you, we are going to be just as hard on ourselves.

In fact, the Council's first order of budgetary business will be to make real cuts to our own budget – a step never taken in the history of the modern City Council.

We can't credibly ask each agency to cut their budgets – and look teachers and nurses in the eye and explain why programs they care about are getting less this year – if we are not prepared to do the same thing ourselves.

What's good enough for the goose is good enough for the Speaker.

Now along with balancing the budget, we also have to figure out how to allocate the limited dollars we do have this year.

From talking with business and labor leaders as well as with my colleagues, our most immediate priority has to be giving our economy a shot in the arm – and our working families a helping hand.

What's the best way to do this?

How about following the advice of another famous bank robber, Willie Sutton, and going where the money is – or at least where it will be.

Last week, Congress passed a national stimulus package that will deliver rebate checks to working families.

We can debate whether that's the best use of federal funds. But the fact is that money is going to be in people's pockets and for our local economy to benefit, we have to give New Yorkers incentives to spend it.

That's why, today we are proposing a new supercharged Sales Tax Free Week – timed to the distribution of the federal rebate checks.

To make this happen, we'll send the Governor and the state legislature a bill that would kick in as soon as those checks go out.

Our plan will suspend the whole sales tax on all retail goods and entertainment for an entire week.

Previous tax-free weeks in the city have been consistently effective at spurring demand.

We have every reason to believe that this 8 percent solution, given its timing, will be even more successful at priming the consumer pump.

In tough times, this is how we are going to deliver for New Yorkers – seeing opportunities and joining forces to seize them.

Now, this stimulus proposal is a good place to start.

But our goal should be more than just to give a jolt to the economy - it should be to get more jobs for New York's workers.

On this score, we have some unfinished business to resolve – and that's the future of the Javits Center.

We all know the limitations of this facility.

I'm more focused on the possibilities.

Indeed, with a full-size convention center, we could be generating 6000 more jobs annually and \$47 million in additional city and state revenue.

Jobs in the hotel, tourism and construction industries – these are jobs you can raise a family on, jobs that can support middle class neighborhoods.

And another benefit – we'd be diversifying an economy that's still far too reliant on Wall Street.

Now, Governor Spitzer is right to say it's taken too long.

We've been talking about this for more than a decade – and the alleged groundbreaking for an expanded Javits Center was over a year ago.

But that is no justification for selling off the two adjacent properties to the Javits Center and writing off any chance of a major expansion on the site without

having any workable plan for the future.

Now, if the West Side of Manhattan isn't the right place for a convention center, we can explore that.

In fact, we have to explore that and all the options for the future of the convention industry.

That's why I've been consulting with leading voices on the issue, including our senior Senator Chuck Schumer. And this year we're going to work with industry leaders to fully explore a wide range of convention center possibilities.

Whether it's an expansion on the current site or somewhere else we must develop a 21st Century urban convention center – one that will spur economic growth for decades to come.

But in the meantime, let me be clear: until we as a city decide to officially give up on the Javits expansion, I will fight any shortsighted effort to sell those two adjacent properties.

One of our other top economic priorities will be to target relief to our small businesses, which are often hit the hardest by economic downturns.

These entrepreneurs are the backbone of our neighborhoods, from the locally owned bakery on Arthur Avenue to the hardware store on Hylan Boulevard, our communities suffer when they do.

That's why we worked for two years with the Mayor, David Yassky and small business owners across the city to end the double tax whammy they faced under the City's Unincorporated Business Tax.

We in the City got that job done last year by passing a UBT tax credit bill, saving 31,000 small businesses \$28 million dollars.

Now we are working to get Albany to give us the power to do the same for S Corporations.

When we joined small business leaders to lobby Albany for tax relief, we heard from each and every one that the next best thing we could do is to help them with health care.

From there, we went back to healthcare experts to talk about finding different solutions to this ongoing problem.

Soon, we realized the answer was right in front of our noses.

Turns out the Brooklyn Chamber of Commerce, in partnership with GHI and the State Insurance Department, already runs a very effective program called Brooklyn Health Works.

Since 2004, this program has been quietly offering affordable insurance to small businesses across the borough – 170 of them last year.

No need to reinvent the wheel – all we need to do is make more wheels!

Today, we're calling for the expansion of Health Works to Queens and Manhattan. For a cost of \$4.9 million, we can provide an additional 4500 New Yorkers affordable health coverage for themselves and their families.

The following year, we aim to double the program and have it available in all five boroughs.

Listening to the chambers of commerce and business owners, we've found a smart and economical way to help keep small businesses afloat, maintain neighborhood diversity and get thousands of New Yorkers affordable health care.

It's safe to say that will be no small accomplishment.

Now, the single biggest complaint I hear from New Yorkers is the skyrocketing cost of housing and the devastating impact it's having on our middle class.

The reality is, if you are a teacher and firefighter, raising your kids in Clinton Hill and together make \$110,000 a year, it's hard to find a decent place to live.

Talk about untenable. We can't expect to keep a strong middle class here in New York or provide opportunities to immigrant families if we make the city literally uninhabitable for them.

I could rattle off dozens of numbers to document how dire this situation is, but none of them could compete with this story.

Seems like an enterprising young man recently moved into the spacious and shiny new public toilet in Madison Square Park.

He figured out that at a quarter every 15 minutes is still about half the rent of a

studio apartment (and its self cleaning!).

This young man is here and I'd like to recognize him ... but wouldn't you know it - he's in the bathroom.

Only kidding, he's not really here.

But all seriousness, if we don't do something soon public toilets (or as my father likes to say, turllets) may well be the only new housing available to the average working family.

We have made some progress on this score.

Last year, the Council passed several historic pieces of legislation to preserve and upgrade the limited supply of affordable housing we already have. And by the end of this month, we'll pass Dan Garodnick and Melissa Mark Viverito's anti-tenant harassment bill into law.

Also, the Mayor's New Housing Marketplace and Commissioner Shaun Donovan are creating tens of thousand of new housing units.

This year, to help ease the squeeze on working families who don't own their homes, we will continue our push to pass a Renter's Tax Credit.

After all, it's only fair if we're going to give a rebate to homeowners to do the same for renters.

This refundable credit of three hundred dollars will give an immediate boost to more than one million New Yorkers.

But if we are going to hold onto our middle class and those striving to join it for the long term, we have to expand our focus and even the definition of affordable housing.

What we really need, as many of you have heard me say before, is a City-wide Mitchell-Lama plan for the 21st Century – a comprehensive approach to creating housing that is affordable to our middle class and stays that way permanently.

One of our top priorities this year will be leveraging all the great expertise and energy across the city to help us develop just such a blueprint.

We will convene a high-level task force and will charge them with coming back to us in six months with detailed and doable recommendations on how best to deal

with this complex challenge.

I'm proud to announce we've engaged two leading housing professionals to chair this effort: former HUD Assistant Deputy Secretary, Maxine Griffith, and former HPD Commissioner Felice Michetti. And I want to recognize Felice Michetti who is here today.

Our goal will be to unveil our next generation Mitchell-Lama plan this fall and to have the commitment and resources next year to begin implementing it.

But in the short-term, we are going to look for realistic opportunities this year to make an immediate difference in increasing the supply of affordable housing.

One of our best allies in this fight has been and will always be the city's unions and workers.

They have a record of stepping up to help the city in tough times.

Don't forget, these were the same folks who offered up their pension funds during the 1970s and helped bail out our city.

Today, to help make sure that we continue to preserve and expand affordable housing even in these challenging times, our Central Labor Council has committed to an innovative new partnership with the City Council.

The CLC will be forming a new non-profit organization – collaborating with its local unions – to use a combination of pension funds available through the AFL-CIO's Housing Trust Fund and private equity to expand the supply of housing available to middle-income New Yorkers.

Together, we'll identify housing at risk of being sold or deregulated and between the union's resources and the City's leverage we'll make competitive bids that will keep tenants in their homes.

We'll also partner with developers to build new middle-income housing – with the CLC providing financing and the City offering tax incentives.

I want to thank Ed Ott and the leadership of the CLC for stepping up.

Finally, we can't talk about the housing crunch without addressing the subprime mortgage crisis.

The wave of adjustable rate mortgages coming due across the country has been

devastating whole neighborhoods.

The Council listened closely and has been on the cutting edge of this problem – actually before it even was a problem.

That's in no small part due to our colleague Lew Fidler, and I want to recognize him for his foresight.

The fact is, the Council has been funding anti-foreclosure efforts for several years.

And in December, we joined Mayor Bloomberg and The Open Society in announcing a joint initiative to expand legal assistance, loan remediation and education for at-risk homeowners.

This year alone, The Center for NYC Neighborhoods will serve 18,000 New Yorkers.

Today, I want to announce an expansion of this work into two new areas.

First, wherever the Council, thru our members or CouncilStat data, sees patterns of unethical or predatory behavior by brokers or lenders, we'll take them straight to our Attorney General.

We will partner with Andrew Cuomo to bring every legal action possible against these bad actors.

Andrew has vowed to pursue these cases with the same vigor he pursued fraud in the student loan industry. We'll work together to protect New Yorkers, especially low-income families, from being victims of false marketing or unscrupulous practices.

But there's only so much we in government can do alone or even with our partners in foreclosure prevention. Ultimately, we need the cooperation of the financial institutions that made and hold these mortgages.

So, together with the Bloomberg Administration and the Center for NYC Neighborhoods, we'll soon be holding a summit with lenders.

We'll demand that they come up with a plan for remediation and a plan to make sure this never happens again.

We'll send a clear message to the lending industry - that New York won't tolerate

mortgage predators in our city.

Another priority this year will be continuing to build on the progress we've made reforming our public schools.

Along with housing, that's essential for holding onto the middle class and those striving to join it.

Last spring, along with Robert Jackson, I convened leading thinkers from across the city to develop a blueprint for how to improve our middle schools – the biggest problem area in the system.

The Middle School Task Force produced a parent and educator supported report with concrete steps we can take to address these schools' most urgent needs.

The Mayor and Chancellor Klein quickly green-lighted many of the key recommendations – and even better, put \$5 million behind them for this year and each of the next two.

Today, I am proposing a groundbreaking initiative that will help make the most important recommendation a reality.

As the Task Force report showed, our middle schools are having great difficulty attracting and keeping qualified, experienced teachers.

And as you might expect, the problem is most acute in the lowest performing schools in our poorest neighborhoods.

To turn around this situation, I am proposing a pilot program for bonus pay to recruit and retain highly-qualified, experienced teachers.

I am calling on the DOE and the education unions to come together to offer substantial salary incentives to teachers who are willing to work and stay in our most troubled middle schools.

Look, we have to admit that some schools are harder to teach in than others.

And if we are going to convince our best teachers to go there or stay there, we have to be willing to experiment with different approaches to compensating them.

If this new approach works, I will push hard to take it city-wide – and guarantee every middle school student a great education.

With innovative and cooperative efforts like this, we are on the path to having schools that every New Yorker can feel confident in and proud of.

But we can't afford to backslide.

That is why so many educators and parents have voiced concerns about the potential impact of the proposed city and state cuts to our schools.

I realize that in these challenging economic times, there can be no sacred cows.

But I also know that we can't sacrifice educational quality in the name of fiscal responsibility.

We have to get this right.

And we will.

We will take a long hard look in our budget hearings at every one of these proposed cuts – and the effect they would have in the classroom.

And we will make whatever adjustments are necessary to protect the progress we have made for our kids.

In times like these, we have to be flexible and practical.

But we also have to recognize that there are moral lines we simply can't cross.

For me, that means we can't walk away from our obligation - our obligation to people who need our help on a day-to-day basis.

One area the Council has been particularly focused on is fighting hunger.

We have set aggressive goals and used creative approaches to reduce the number of hungry New Yorkers.

With Bill De Blasio and Eric Gioia, we've done significant education around food stamp eligibility; brought enrollment campaigns to senior centers, churches, food pantries and supermarkets; expanded green markets and access to healthy meals for students.

Today, I want to announce another innovation that will help move us closer to our

goal – and make real this idea of doing more with less.

There are currently more than 2.5 million New Yorkers enrolled in Medicaid.

But still, only 1.1 million are signed up for food stamps – even though the eligibility requirements are virtually the same.

Now, maybe some of those folks don't need food stamps.

But likely, most of them don't even know they're eligible.

One thing we do know, many of those who are still in need are seniors.

Work done by Maria del Carmen Arroyo and Jimmy Vacca has shown that only 19 percent of seniors using food pantries are receiving food stamps.

So let's find out who on Medicaid is eligible and needs food stamps.

Sounds obvious, yet we've never connected the dots.

This year, we're going to fix that glitch with some common-sense computing.

We'll deploy a data match system to compare the list of people enrolled for food stamps with those on Medicaid.

For those not enrolled in food stamps, we'll do targeted outreach to confirm that they're eligible and see if they need the extra help.

Its not rocket science.

It's a simple, cost-effective use of technology that will help ensure that all our families and all our seniors have enough to eat through much-needed federal dollars at little cost to the City.

Now, another priority that we feel personally about is the fight against HIV and AIDS.

For two decades, thanks to countless brave activists, public health officials and city leaders, this City has worked heroically to stop this horrible disease from ravaging our communities.

But the sad truth is that despite these amazing efforts, new HIV diagnoses are on the rise in some communities, particularly among black and Latino youth.

Equally troubling, there are still as many as 25,000 to 33,000 people in this city who are infected but not yet diagnosed.

This is one of those rare instances where government can make an enormous difference – saving thousands of lives – with just a small bit of insight and investment.

Last year, the City Council secured more than \$5 million in funding funding that enabled 134,000 people to get rapid HIV testing at public hospitals and clinics.

As we look to expand these efforts in tough economic times, we can't act alone.

Just as we have done every step of this fight, we need to be resourceful and relentless in engaging every possible partner we can.

That is why I am pleased today to announce a new public-private collaboration between the Council, Orasure Technologies, the only company that makes an FDA-approved rapid HIV test, and the Health and Hospitals Corporation.

This initiative will enable us to significantly increase testing for tens of thousands of New Yorkers – without the need for additional funding.

I just want to take a moment to recognize the representatives here today from Orasure Technologies CEO Douglas Michels and our HHC President Al Aviles.

I couldn't ask for a better example of responsiveness to community need and corporate citizenship.

In my remarks today, I have spent a fair amount of time talking about who we've listened to, what we have learned, and how we are going to get through these uncertain times and make the most of all that New York has to offer.

I want to thank my colleagues who have contributed so much to the ideas I have outlined today.

At the beginning of my speech, when I declared we are ready, I was mostly referring to the coming months.

I want New Yorkers to be confident that no matter what tests the economy throws at us this year, we will come together as a city and we will meet them.

We came back from the brink of bankruptcy in the 70s - together.

We got through 9/11 and showed the world our resilience - together.

So we will no doubt weather the economic turbulence of this year together as well.

It's an all hands and all heads and hearts on deck moment and we're already responding the way we always do.

But I also want New Yorkers to know that while we deal with the tests of today, we are just as ready to pursue the possibilities of tomorrow.

Yes, there are limits to what we can realistically do given our budget situation this year.

But there is no limit to our imagination and our ingenuity.

We dream big here.

And we're not going to stop thinking big about our future now.

We have gotten a pretty good head start on our collective future the last couple years with the Mayor's PlaNYC, Jim Gennaro and Mike McMahon's environmental leadership and the congestion pricing plan.

But we all know, there's no magic bullet here.

New York must do more to make transportation throughout the city cleaner and more accessible.

While we boast the most extensive transportation system in the world – moving more than 1.5 billion people last year – some of our neighborhoods still lack the basic transportation infrastructure to serve a growing City.

And I mean growing – we are looking at adding 1 million more New Yorkers, many of them new immigrants, by 2030.

With some neighborhoods more than three quarters of a mile from a subway station we need to examine other modes of transportation.

It's only natural to look at our natural highways ... our water ways ... to move New Yorkers efficiently and sustainably.

That's why we are proposing and the Mayor has agreed to begin developing a comprehensive five-borough, year-round New York City Ferry System.

Once again, this is an idea that came straight from listening to New Yorkers.

At a hearing that my colleagues Joe Addabbo, John Liu and I held in Broad Channel, we heard complaint after complaint about commute times from local residents.

Soon after, we began exploring the concept of a pilot ferry service for the Rockaways ... got a commitment from the Mayor to fund it ... and that service should be up and running by this summer.

But why limit ourselves to Rockaway?

Imagine getting on a ferry in Hunts Point for a day trip to Coney Island.

Or commuting from Astoria to downtown without having to brave the traffic at the Triboro Bridge.

Or traveling from Brooklyn to Queens...without waiting for the G train.

And think of how it will enhance our infrastructure, open up our waterfronts and create jobs.

Later this month, we'll unveil a detailed plan for developing what will be one of the most significant transit initiatives in recent New York City history.

Before we do, I'd like to thank the Mayor, my colleagues, and Transportation Commissioner Janette Sadik-Khan, for helping us make this vision a reality – and for working with us to keep our city moving forward.

This is the New York we know and love.

Walt Whitman heard America singing.

We hear New York humming

Always striving. . . always looking for the next new thing. . . and always

bound together by what makes us special.

That's why, even in the most challenging times, we don't just go through the motions.

We come together, we rise to the moment, and we get on to the greatness we were cut out for.

So people, time's a wasting.

Let's make New York happen!

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