



Questions for 2021 Comptroller Candidates

Responses from Candidate: **Brian A. Benjamin**

1. Why are you running for Comptroller and what experience do you have that prepares you for this job?

With NYC gripped by a budget crisis we need a comptroller that has experience with managing money. We need a comptroller who has an interest in thinking financially and is prepared to respond to this moment in a way that will protect all New Yorkers, no matter their neighborhood. I know I can be that comptroller. My immigrant parents were able to make it in this city because of their NYC union jobs—they were lifted out of poverty and able to provide for my siblings and for me. Now, they are sustained by their pensions, those pensions are sacred, and they must be protected and stewarded. We also have to restore the possibilities that allowed my parents to succeed in the first place by reforming our police, restoring affordability, and ensuring a sustainable future.

I believe that I am uniquely prepared to serve as NYC's comptroller. I have experience personally managing hundreds of millions of dollars, but also public sector finance experience from my time as an elected official. Additionally, my time working at an M/WBE gives me insight into the challenges faced by local businesses.

The local M/WBE I worked at built thousands of units of environmentally sustainable housing in Harlem. Additionally, I made it a priority to connect the work our business did to workforce development efforts, particularly those targeting youth who might not otherwise have opportunities to enter the workforce. I specifically hired a number of young men and women of color, who had criminal records in their past and were turning over a new leaf and needed an opportunity.

Previous to that, I worked in asset wealth management, advising nonprofit and for-profit organizations and individuals on how best to allocate billions of dollars, exercising and honing my skills as an investment and financial adviser. Additionally, I worked in the division that issued and underwrote bonds.

I received a BA in Public Policy from Brown University, where I was senior class president, and an MBA from Harvard University. I am currently an elected-alumni trustee of Brown University.

I was elected in 2017 and initially served as ranking member of the Civil Service and Pensions Committee, where I made divesting the state pensions from private prisons and transparency for pension holders a priority. My legislation requiring divestment pushed the state pension

funds to end their financial relationship with for-profit prisons, and I passed several pieces of legislation to ensure state employees who hold pensions had access to pension board decisions.

In 2019, when the Democratic Conference took the majority, I became chair of the Senate Committee on Budget and Revenues. I continued my work against private prisons, sponsoring a bill to require that state-chartered private banking institutions end their financial relationships with private prisons, which was credited with helping to push private banks including Bank of America to drop their investments. With an eye to the financial future of the city of New York and New York families I also used my position on as Chair of the Committee on Budget and Revenues to explore and pass important fiscal legislation, including the Rainy Day Fund bill which will allow New York City to create cash reserves in case of future pandemics or financial disasters.

I also have an extensive criminal justice reform background, and I intend to bring that experience into the office of comptroller!

2. What do you believe are the most important responsibilities of the Comptroller?

I am running for Comptroller with two goals in mind - to maximize the pension returns for New York's retirees, and to use the powers of the office to create important change that benefits all New Yorkers.

3. If elected as Comptroller, how will you safeguard the City's financial future, and what creative fundraising in addition to floating bonds could you envision overseeing?

To safeguard New York's financial future I will have two priorities.

First, the pensions. These impact every New Yorker, who is either receiving a benefit, or subsidizing them in years they don't make a good return. It might not sound like a creative solution, but I would bring a new set of skills to the office of comptroller - I have actually managed hundreds of millions of dollars, and I can actually work to get returns for these funds. Each funds is different, and though managing them together and using the full force of the \$229 billion is a smart strategy sometimes, there are other times where specific funds might need specific advice and leadership. I can bring that advice and leadership and help the fund make better returns which will save the city on expenditures, freeing up our revenue for other priorities.

My second priority will be ensuring that the city is working to benefit New Yorkers. Agencies need to be delivering. And that means more than just fiscal responsibility. It means that agencies need to be working to hit our strategic goals in efficient ways, either find efficient ways that wind up not hitting our strategic goals, or aiming for our strategic goals inefficiently. On my website you can read my proproative for a new way of auditing that takes this into account.

4. Considering the effects of COVID, how would you deal with the reluctance that individuals and corporations may have to relocating back to NYC or maintaining/renewing leases, and the resulting loss of revenue? How will this affect taxes and budgets?

There's no question that NYC relies on its businesses (including small businesses and the arts) to thrive culturally and financially. COVID-19 has made that hard. The city and state are going to

need to work hard to direct federal dollars directly into communities where businesses are hurting to keep them afloat, and we are going to have to see economic development that benefits communities to attract new businesses.

Importantly, I think that workforce development and economic development need to go hand in hand to help ensure that, as we use city and state tax dollars to do work in communities (for instance, build or restore affordable housing) that the folks in those communities are given the opportunity to gain skills to be a part of the progress!

5. Do you see any need for increasing oversight of the budgets of any specific city agencies and/or departments, especially in light of decreased tax revenues due to COVID?

On day one, I would begin an audit of the NYPD to determine where every dollar of the \$5.42 billion in tax payers' money in the FY2022 preliminary budget is spent. Each audit will lead to recommendations; every recommendation will lead to advocacy; and the advocacy will lead to implementation to ensure that the NYPD is serving New Yorkers in appropriate proportion to the issues our communities face. To achieve this, every audit performed by my office will go beyond simply reconciling revenues and expenditures.

With this new spending blueprint, New York City will be able to defund policing programs that no longer lead to public safety, freeing up New Yorkers' money to be invested in proven community programs. With these comprehensive audits in place, the city will have data to support wiser investments of police resources in our communities. I have already successfully promoted alternative policing solutions. Over the summer, I worked closely with City Hall to force the police out of social distancing enforcement, and later, I joined the Mayor at a press conference to roll out a pilot program in Harlem where community-based crime violence groups occupied spaces where violence was occurring, rather than simply sending more law enforcement.

I believe my track record on public safety alternatives is matched by my professional financial experience. With years working in asset management, I have the fiscal leadership skills our city needs to ensure our public safety values match our spending. Without this, reimagining exactly how to handle the police budget responsibly will not be possible. Without specific, fact based guidance, the city council made a decision to cut around the edges of the FY2021 NYPD budget, reducing it from \$5.31 billion to \$4.89 billion, a reduction of \$345 million. To get that reduction, the adopted budget relied in part on shifting responsibilities for services between agencies, such as funding school safety through the DOE. It also projected a dramatic decrease in the overtime spending without providing any plan to achieve this. Combined with the \$59 million in savings in the central expenses of the police department (expenses that also increase and decrease based on staffing levels), the actual reductions in police spending in the FY2021 adopted budget are closer to \$400 million; and without greater oversight, it is unlikely that would be achieved.

We owe New York City residents a thorough analysis with recommendations regarding what level of law enforcement we believe is essential for public safety. We can't play political games when it comes to real police accountability. As Comptroller, I would use the full powers of the office to ensure that this is a reality. We need more than rhetoric; what we need is a plan to execute on our values.

Shifting our public safety funding from over policing while keeping public safety a priority is not only possible it is necessary. Other similar cities dedicate a significantly lower amount of resources to police staff, for instance, allowing them flexibility to make the sort of investments in community initiatives that I know are part of the solution. New York City has one police officer for every 162 residents, whereas Houston has one for every 360, Los Angeles one for every 308, and Atlanta one for every 209. Comparing levels of violent crime in these cities to our own, it is clear that the number of police does not neatly correlate clearly with the safety of residents. More police does not mean more public safety. There are a number of factors that contribute to keeping a community safe, and police on the street is just one of them.

I know that rigorous audits of the NYPD will provide us with the data we need to find where strategic, staffing reductions through attrition can be considered and made allowing us to reach the staffing levels of other large American cities.

These are the kind of public safety solutions New York City needs, for every agency! And this is how I will approach the office of the controller.

6. What role should the Comptroller play in addressing the issues of cost overruns, inflated overtime, and inefficiencies in some city agencies and/or departments? What measures can you suggest for various city agencies and departments – for example: MTA, Police, School administrators, etc. – to economize that can be implemented now? In the near future?

The comptroller is the city's auditor, and I would use the power to push for not only top tier fiscal performance, but also to provide a blueprint for change where required. For instance, I believe the comptroller can play a large role in reimagining public safety.

7. Do you see any possibility for the city to deal with the loss of tax revenues that would not result in massive layoffs and tax increases? What specifically?

As a state senator I am proud to have successfully passed the Rainy Day Fund legislation that will allow the city to have cash reserves for future recessions - if we had a Rainy Day Fund in place now, the loss of tax revenues would not have to result in potential layoffs and tax increases. The ability to spend through a crisis is key to a sound recovery, particularly on social services and programs that low income communities rely on. When we cannot do this, it is Black and brown communities, as well as immigrant communities and working class white communities, who suffer most. I do support raising taxes on those who can afford it, but we have to make sure that if we aren't raising taxes on those who are struggling and compound the problem.

The other option presented to the city is to borrow to spend during a crisis. Borrowing for capital projects is the norm, but borrowing for operational expenses is less frequent. When making these decisions, we have to consider what percent of the future city budget are we okay with going towards interest payments on the city's debt. We currently are paying about 7%. Recent trends in municipal governance have shown that cities will borrow rather than pay as they go to finance projects, which means a greater portion of future spending will be dedicated to paying off that debt, crowding out other priorities. If we were to find ourselves in a situation like Milwaukee, which in 2019 spent 28% of its budget on debt service, we would have a lot less

freedom to make decisions on how to spend the remaining budget we have. At 7%, we are doing fairly well (many other large cities have historically hovered between 5% and 12%) but with other large obligations that we must meet like contributions to the pension funds (12%) and employee and retiree benefits (10%), there is something like 30% of the budget that we are going to have to pay no matter what are priorities or needs are in a given year—we don't want that percent to grow any more that it absolutely needs to.

Adding to the debt to pay for essential services might seem good at first, but if the future debt payments grow unchecked, we may well lose the ability to deliver those same essential services and basic things like food, shelter, and safety to New Yorkers further down the line. This is also why electing a comptroller who understands how to manage the pension funds well matters. If we have good returns, the city can make lower contributions to keep the pensions funded, allowing the city more money to meet our priorities.

I believe that we need to consider all of this carefully, and balance funding our priorities with debt with funds from cash reserves and, only when necessary and appropriate, revenue sources from potential higher or new taxes that do not impact struggling New Yorkers.

8. "Affordable housing" is becoming exceedingly rare, especially in Manhattan. How would you address this?

Affordable housing is incredibly important to me. I dedicated a significant portion of my life to building thousands of units of affordable, environmentally sustainable housing, many of which were specifically set aside for the formerly homeless. I was proud to continue this work as a pro-tenant legislator, sponsoring some of the legislation that eventually became the historic Housing Stability and Tenant Protection Act of 2019.

The office of the comptroller has a significant role to play in affordable housing in the city, and one that can be used more aggressively in my opinion. We must start to address the affordable housing crisis by having a master plan which allows us to know how many units of affordable housing we need at each level of affordability. If what we really need, for example, is 50,000 units of 80% of AMI and 25,000 units of transitional housing in a certain borough but instead we build (either ourselves or by incentivizing private developers) 75,000 units of 90% of AMI, we haven't really helped anyone. The master plan, which should really come from the executive, is naturally supported by a comptroller who is constantly not only measuring our progress but also checking in to measure our need. As comptroller I will ensure that we are dealing with real numbers. I won't let us continue to aim for goals that are disconnected from real needs. If it doesn't reflect the real need in each community, I will say so.

As I mentioned in the answer to the question about policing, among the three programmatic assistant comptrollers I will appoint on day one is an assistant comptroller for Housing and Economic Development. With a master plan for affordable housing in place, the Assistant Comptroller for economic development and I will be able to ensure that the city is actually following through and is reasonably determining what to build at what level of affordability and where. We will measure our progress through audits not only of the various authorities and agencies involved in building, but also stem to stern audits that will look at the equity and sustainability of the programs.

The comptroller's office can actually directly contribute to the creation of housing through the statutorily mandated Economically Targeted Investments (ETIs). These can be used much

more aggressively in my opinion, and should be more actively managed by the comptroller in partnership with the labor trustees. I believe my financial background and my affordable housing background will allow me to help find good opportunities for this. For example, right now, the city is paying more than \$6,000 a month to keep families in hotels as temporary shelter. This is obviously money well spent to keep a family safe and warm during a pandemic, but it is not a good permanent solution. Were I comptroller today, I would be looking for the many hotels, some of them outer borough hotels, but some closer to the center of the city as well, that are currently experiencing financial trouble or even on the brink of bankruptcy, and I would use the ETIs to create an entity that we could instruct to purchase these hotels and convert them into temporary or even transitional housing. This is a sound financial investment that a private company will not make, but that both guarantees a good return for the holders of the pensions (a primary goal) but also serves the people of the city.

9. Landlords cannot currently evict tenants for non-payment of rent due to the COVID-19 pandemic and are still required in many cases to pay real estate taxes, sewer and water fees to the city. What are your thoughts on this?

Almost 30% of New York City's revenue comes from property taxes. This money then goes to pay for everything from education to sanitation pick ups. And a healthy chunk (though less when the pensions are well stewarded!) goes towards New York City's five pension funds overseen by the comptroller. Without this revenue, New York City would not be able to operate. Property Taxes are considered the most stable form of taxes, and, unlike income or sales taxes, they fluctuate less and so the city has generally been able to rely on them to get through a crisis.

I am very proud to have supported, co-sponsored, and voted for the laws that are protecting tenants from eviction during COVID-19. No one should lose their home due to this pandemic. That is my first priority.

I also want to defend and support the services those New Yorkers rely on - services provided for by the property taxes paid, in great part, by rent some of them cannot pay at this time. To me, the solution has to be massive aid to ensure that those rents are paid. It is my hope that the federal government will provide enough money to, in effect, cancel the debt of any renter and keep property taxes and other fees the city relies upon paid so that no one who lives in New York goes without housing or services.

10. What considerations on investing city funds do you have related to social issues, fossil fuels, climate change, etc.?

I praised the The New York City Employees' Retirement System (NYCERS) and New York City Teachers' Retirement System (TRS) for their decision to divest their portfolios from securities related to fossil fuels last week. I understand that the New York City Board of Education Retirement System (BERS) was going to follow soon after and would be voting to divest as well. I believe this \$4 billion divestment, one of the largest of its kind in the world, might best be measured in the brighter future it can give to neighborhoods like my home district of Harlem. We see the effects of climate change every day in Harlem. Carbon emissions and decades of disinvestments from the racist policy of redlining have led to rising rates of asthma in our children and pockets of deadly summer heat that our seniors cannot weather. It is critically important that the city of New York take steps like these to build a more equitable and sustainable city. We have the working people who are the trustees of these three funds to

thank for the visionary decision to divest. The money in the pension funds is theirs and, under the stewardship of the comptroller, it is the labor trustees that have collaborated on making these divestments. Successful governance of the pensions can only happen in partnership with labor.

As comptroller, I would remain firmly committed to building a more sustainable, greener and equitable city, and to doing it with our partners from labor at the table. I will also work with the labor trustees to make investments that meet the very best environmental, social and corporate governance (ESG) standards. The fact is, green investing is good investing, and I know my many years of financial experience will allow us to make decisions and deals to ensure we all benefit from these critical investments.

My financial management experience also gives me the experience to use the muscle that the roughly \$229 billion of pension investments bring to not only deliver good returns for retirees, but also improve the city they live in with their families. I would work aggressively with other pension funds to steer the companies we are invested in towards greener, fairer policies that preserve the health of our city. When this is done actively and aggressively, it gives working people a seat at the table with some of the biggest banks and investment funds. Even when divestment isn't an option, our investments give us the opportunity to shape the future of the companies we are shareholders in. With strong leadership at the head of funds, shareholder activism has saved good union jobs, changed board compositions, and transformed companies. It is a major opportunity that is often overlooked and it's a focal point in my campaign.

11. If our members have any additional questions or wish to get involved, what is your campaign contact information?

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