

# GREATER NEW YORK

## Federal Prisoners In Brooklyn File Suit

By LESLIE BRODY

Inmates at a federal jail in Brooklyn were subject to inhumane conditions after an electrical fire left many cells cold and dark for a week, according to a lawsuit filed on behalf of detainees Monday against the Bureau of Prisons.

The lights came back on Sunday night at the Metropolitan Detention Center, and Monday morning the Bureau of Prisons said normal operations would begin to resume. Families and civil-rights advocates had protested throughout the weekend to push for better treatment of detainees, faster electrical repairs and family visits, which were canceled after a partial power outage began Jan. 27.

The Federal Defenders of New York, a nonprofit whose attorneys represent indigent inmates, filed suit in federal court in Brooklyn saying there was a "humanitarian crisis" at the jail. The suit said the facility violated the constitutional rights of hundreds of men by denying access to counsel, because lawyers' visits were suspended during the outage, as well as during the recent federal shutdown.

The lawsuit seeks a special master to investigate inmates' treatment. After an initial hearing on the matter Monday, Judge LaShann DeArcy Hall issued an order requiring the facility to allow regular visits from lawyers. Further, she stated if lawyers' visits are suspended for security reasons, the facility must promptly notify the court with an explanation.

"The Bureau of Prisons has systematically undervalued the importance of the right to counsel," said Sean Hecker, an attorney representing the Federal Defenders, in an interview. "Now they're going to have to answer to the court."

A spokesman for the U.S. attorney's office for the Eastern District of New York, which represented the Bureau of Prisons, declined to comment.

The vast majority of the more than 1,600 detainees held at the jail are awaiting trial, the complaint noted.

Following the fire, inmates reported to attorneys at the Federal Defenders that there was little or no heating, limited hot water, and near total lack of access to certain medical services, the suit said. Inmates reported smelling noxious fumes, and seeing corrections officers wearing masks, but no masks were supplied to detainees, the suit said.

Wyn Hornbuckle, a spokesman for the Justice Department, said it would work with the Bureau of Prisons "to prevent the problem from reoccurring."

## Governors Pin Shortfall on Tax Law

ALBANY—Northeast states governed by Democrats are blaming recent revenue shortfalls on the 2017 federal tax law and its changes to the deductibility of state and local taxes.

New York Gov. Andrew Cuomo and New Jersey Gov. Phil Murphy have both regularly attacked the provision of the tax overhaul that capped the deductibility of state and local taxes, or SALT, at \$10,000.

In high-cost areas such as New York City and suburbs throughout the tri-state region, state income and local property taxes regularly exceed the cap and can no longer be fully deducted.

During a Monday news conference, Mr. Cuomo said wealthy individuals living in these areas were shifting their official residences to lower-tax states, causing the shortfall.

"SALT was an economic civil war," Mr. Cuomo said. "It literally restructured the economy to help red states at the

cost of blue states. That's exactly what it did. It was a diabolical, political maneuver."

The impact of any migration could be potent, because the states' tax bases are reliant on high-income earners. In New York, officials said the

By Jimmy Vielkind, Joseph De Avila and Richard Rubin

highest-earning 1% of taxpayers accounted for \$17.8 billion of personal income tax revenue, or 45.8% of the total.

New York's top fiscal officers said Monday that tax collections have fallen another \$2.3 billion below their projections, a revenue shortfall that will prompt revisions to the \$175 billion spending plan the governor proposed on Jan. 15.

New Jersey's Department of the Treasury also reported last month a 35% drop in income-tax revenue for December,

compared with the previous year. The department attributed the falloff to the change in tax policy and said the new law may have eliminated the incentive for tax filers to prepay their estimated fourth-quarter payment, which was due on Jan. 15. The department said January's income-tax collections may show a rebound.

Connecticut, which has struggled with shortfalls in recent years, actually ended 2018 on a high note. Income-tax collections for December came in \$75 million above projections, driven by a tight labor market, according to the state's budget office.

Going forward, the tax-law changes and the poor stock-market performance in 2018 could drag down revenues later in the year, Connecticut Comptroller Kevin Lembo said last week.

"The April tax collection period will take on added significance for this year's budget

results," Mr. Lembo said.

Other factors also are contributing to New York's shortfall, including poor performance of equity markets in the final quarter of 2018. In a Jan. 24 report, Moody's Investors Service said the decline in estimated income tax payments reflects investors truing up their payments as they get a better sense of capital gains.

New York Comptroller Tom DiNapoli said his office is monitoring bonus payments to securities-industry employees, which correlate to market performance, and will release a report next month. In 2018, Mr. DiNapoli estimated Wall Street accounted for 18% of New York state revenues.

Edmund J. McMahon, research director of the Empire Center for Public Policy, a fiscally conservative think tank, said a variety of factors were at play. He said New York saw a surge of income-tax payments between December 2017

and January 2018, as investors sold securities to take advantage of lower combined federal-state rates before the tax law took effect, and may have miscalculated the size of the "boomerang effect" that reduced later collections.

Mr. McMahon also noted New York has grappled with out-migration for years, a trend fueled by both its tax climate and weather.

The vast majority of New York, New Jersey and Connecticut residents received federal tax cuts because of the changes. Many who have state and local taxes above \$10,000 are benefiting from lower federal tax rates, larger child tax credits, the larger standard deduction and the narrowing of the alternative minimum tax.

The increases, however, are concentrated among high-income households.

The Republican-controlled Senate and President Trump are unlikely to repeal the cap.

## Teachers Schooled in Reading Instruction

By LESLIE BRODY

Jennifer Perez, a 30-year-old teacher in the Bronx, tells of a quiet boy who didn't know how to identify any letters, grasp a pencil or hold a book properly when he came to her kindergarten class last year.

Now a first-grader who is still her student at P.S. 63, the 6-year-old can almost read on grade level and "smiles from ear to ear" with pride. Ms. Perez credits much of her success helping him to a nonprofit initiative called Early Reading Matters, which coaches teachers in 34 high-poverty schools in New York City.

Like many peers nationwide, Ms. Perez said her teacher-preparation program didn't delve deeply into how to teach reading. She depends on regular coaching and a lengthy color-coded chart from Early Reading Matters, which helps her track every child's skills, so she can target their weaknesses. "Before I didn't know how crucial it was to assess students, or how frequently to do it," she said.

Early Reading Matters aims to tackle the daunting reality that most city children are behind in reading. In fourth grade, only 28% of children in New York City public schools were proficient or better on the National Assessment of Educational Progress in 2017. Research shows children who can't read by then find it difficult to catch up and are much more likely to drop out.

Lynette Guastafarro, executive director at Teaching Matters, which runs Early Reading Matters, said new teachers typically take on the enormously complex task of teaching reading without sufficient training.



First-grade teacher Jessica Schwenk worked with her students during a reading class last month at P.S. 63 in the Bronx.

"It's like, 'Hey, you want to be a dentist? Go try to fill some cavities,'" she said.

The concern is particularly acute in poor neighborhoods with high staff turnover, where rookies often get experience before heading to suburbs with easier work conditions.

About 23% of teachers in the highest-need elementary schools in New York City have less than three years' experience, according to analysis by the Education Trust-New York, an advocacy group that seeks to close achievement gaps. That figure is 15% for wealthier schools in the city.

How teachers are assigned can aggravate the issue, Ms. Guastafarro said. Many public elementary schools, which are judged by students' scores on state tests, try to polish their

results by putting their top teachers in grades three through five, when children take standardized tests. "You should be putting your rockstar teachers in kindergarten

Program aims to boost educators' skills in New York City high-poverty schools.

and first grade," she said.

The city Department of Education said it didn't have data on how many kindergarten and first-grade teachers are novices, and noted that elementary principals determine assignments after reviewing

teachers' preferences and union contract provisions.

Alexa Sorden, principal of high-performing Concourse Village Elementary School in the Bronx, said she deploys talent to the youngest learners, because "when you're building a home, you want a really solid foundation."

Funded by philanthropy, Early Reading Matters works with schools that apply. It sends coaches to schools one day a week, for three years, to improve teachers' skills and principals' understanding of what works. They help teachers structure class time efficiently, bring in good books and adjust curriculum. The program aims to grow to 80 schools by 2021.

An analysis by Research for Action, a nonprofit research group, found progress at schools

using Early Reading Matters, though it is unclear how much growth is due to this initiative. Only 29% of children in grades one through three in participating schools met or exceeded expectations at the start of the last school year. By its end, 38% did so. By contrast, data show children in high-need schools often fall further behind over the course of the academic year.

At P.S. 63, nearly all of its children are poor and black or Hispanic, and 28% lived in temporary housing last year, according to city data. Principal Reinaldo Diaz Lens said it is hard to recruit teachers to such challenging environments, but his ability to offer professional development from Early Reading Matters, which came to his school in fall 2017, helps him attract and retain staff.

## Condo Sales for \$5 Million or More Fell 28% in 2018

By JOSH BARBANEL

What does a record-breaking \$238 million penthouse sale on Billionaires' Row in Manhattan say about the state of the New York City luxury market?

Not much, says broker Kirk Henckels of Stribling & Associates, who sees few signs of recovery this year in the slumbering high-end condo market.

In a new report on sales or listings of \$5 million or more, Mr. Henckels noted luxury apartment sales in 2018 were down 22% from the previous

year. The sales decline last year was the steepest drop in the past decade, the report said.

The poor sales trend underscores the disparity between the "super wealthy and the merely wealthy," Mr. Henckels said in the report. The super wealthy are setting auction records for jewelry and artwork, while buying up real estate at record prices, but other buyers are hesitating. "The rest of the luxury market seems to be struggling with the degree of uncertainty in the current world," he said in the report.

Condo sales for \$5 million

or more fell 28% in 2018, the second decline in two years, after having risen steadily during the previous five years. Co-op sales were up slightly last year, by 3.8%, compared with 2017 figures, the report found, but still remain mired in a slump far below a sales peak set in 2015. Brokers attributed the modest rebound in co-op sales—amounting to seven additional sales for \$5 million or more—to sellers' willingness to lower prices to make deals.

Garrett Derderian, director of data and reporting at Stribling, said the good news for

buyers is that condo developers are willing to negotiate, with discounts last year averaging between 9% and 10% below list price for luxury sales under \$30 million, and rising to 23% for units selling for \$50 million or more.

The \$238 million purchase price for a roughly 24,000-square-foot condo atop 220 Central Park South by billionaire hedge-fund manager Ken Griffin also was priced at a discount: 4.8% below the \$250 million asking price, Mr. Derderian said, under a deal signed in 2015. Agreements on new condominiums often

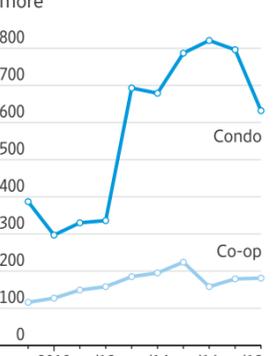
close years later and don't reflect activity in the current market, he said.

But Hall Willkie, president of brokerage Brown Harris Stevens, said even though the Griffin purchase is nothing like the typical Manhattan listing, it will "impact the entire market with a positive vibe."

"Someone bidding on a studio apartment would feel encouraged that there are obviously very smart and wealthy people who are willing to spend that kind of money for a place in New York," he said. "It shows they believe in New York."

### Dim Outlook

Number of contracts signed for condos and co-ops in New York City listed for \$5 million or more



Source: Stribling Private Brokerage

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665 Fifth Avenue at 53rd Street  
New York, NY 10022  
212-759-8278

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