

**New York City Department of Finance
Preston Niblack, Commissioner**

Testimony to the Committee on Finance

**Consideration of Intros Relating to Tax Lien Sales and Creation of a New York City
Land Bank**

November 13, 2025

Good morning, Chair Brannan and members of the committee on Finance. My name is Preston Niblack and I am the Commissioner of the New York City Department of Finance. I am here to speak today about the five bills being heard and the impact of the changes being contemplated.

In June of 2024, the City Council passed Local Law 82, re-authorizing the sale of tax liens through December 31st, 2028, and at the same time implementing the most far-reaching reforms to the lien sale process since its inception in 1996.

These reforms were intended to shift the focus from a “one size fits all” enforcement model, to one which distinguishes owners who are genuinely struggling to pay from those who are simply seeking to avoid paying. Our goal was to protect homeowners and help them resolve their debt, rather than simply focus on collection and enforcement.

We created an “easy exit” option for low- to moderate-income homeowners who need more time to resolve their debt. We expanded our payment plan options to include a “circuit breaker” plan. We gave homeowners more time to apply for payment plans and exemptions. And we allocated \$2 million dollars for intensive outreach, such as in-person door knocking, community events, postcards, robo-calls, and other direct owner contacts. For eligible homeowners whose liens were sold, we offer a waiver from the surcharge to ease repayment.

Our first lien sale under the new law was conducted this last spring, and the results were highly successful. Of the nearly 30,000 liens on the initial 90-day notice list, 85 percent were removed from the list before sale. In total, \$405 million in payments for delinquent property taxes, water and sewer charges, and other debt were made prior to the lien sale itself, which netted an additional \$187 million for the City. In total, therefore, this year’s lien sale resulted in the collection of over \$590 million in outstanding taxes and charges.

Local Law 82 also created a temporary task force, composed of representatives of the City Council and the Administration, which met several times over the summer and fall, and issued final recommendations on September 15th of 2025. I want to express my

appreciation to Council Member Nurse and Deputy Commissioner Annette Hill for co-chairing the task force, and to all the participants for their constructive contributions.

Two of today's legislative proposals enact some of the Task Force's recommendations. I'll start with Intro 1411, which enacts a recommendation to notify, in addition to the individual owners of condominium units, the boards of directors of residential condominium developments and their managing agents about the existence of a lien on a secondary use condo, such as a parking space or storage unit. We think this is a great proposal and we fully endorse Intro 1411.

We also support Intro 1419, regarding reporting, which was also one of the recommendations of the task force. We have a few proposed revisions that we will relay to you separately.

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One of the issues discussed in the Task Force meetings was the role of a land bank. The remaining bills under consideration here today address the creation and functioning of a land bank, and here we have more fundamental concerns.

Land banks, as described in the legislative intent of Article 16 of the State Not for Profit Corporation law, "...are one of the tools that can be utilized by communities to facilitate the return of vacant, abandoned, and tax-delinquent properties to productive use. The primary focus of land bank operations is the acquisition of real property that is tax delinquent, tax foreclosed, vacant, [or] abandoned, and the use of tools authorized in this article to eliminate the harms and liabilities caused by such properties" (emphasis added).

This description of the role of land banks is a much different scope from how New York City uses the tax lien sale for property tax enforcement. The land bank law makes repeated reference to vacant and abandoned properties. But most properties subject to the tax lien sale are neither vacant nor abandoned nor a blight on the community. Our goal with the tax lien sale is not primarily to address abandonment or blight, but to resolve debt owed to the City

For that reason, we think it would create an inherent tension if the same entity whose goal is to acquire, develop, and dispose of property for productive community purposes were also in charge of tax enforcement.

We fully support the goal of avoiding foreclosure whenever possible, and have proposals to put forward to further that goal, particularly in the period after the lien sale.

But the land bank would actually be empowered to foreclose on tax-delinquent properties for development purposes, through the *in rem* process, and indeed, that would be one of its main tools.

It does not seem like a good idea to combine the enforcement function (which includes foreclosure as an option, but which we are pledged to try to avoid when possible) with the development function, where foreclosure is a primary tool for the transfer of properties.

Keeping these functions separate would allow us to maintain effective and compassionate enforcement while we develop a vehicle whose singular purpose would be to promote opportunities for affordable housing and other community development – including through the acquisition of tax-delinquent, vacant, distressed or abandoned properties.

For these reasons we cannot support Intros 570, 1407, and 1420, which would create an entity that is ill-equipped to perform either of the functions envisioned for it well, and as drafted, would effectively end the lien sale for the remaining years of the authority established in Local Law 82.

We can, however, act immediately to bring increased transparency, case management, and access to appropriate resources for owners who may be facing foreclosure, so as to ensure that no homeowner need lose their home for unpaid property taxes or water and sewer charges.

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The Council and the Administration worked together for over a year to implement far-reaching reforms to the lien sale process. And while it is possible to envision a future process whereby certain properties are diverted from the lien sale – as statutorily distressed buildings are now – creating the mechanisms for that require careful thought and legislative drafting.

Moreover, a new mayor-elect and a new council will soon take office, and their voices deserve to be heard on these proposals.

I look forward to further discussions with you, and I am happy to take your questions.



Testimony of

**Rohit T. Aggarwala, Commissioner
NYC Department of Environmental Protection**

before the

**NYC Council
NYC Council Committee on Finance**

November 13, 2025

Good afternoon, Chair Brannan and members of the Finance Committee. I'm Rohit Aggarwala, Commissioner of the Department of Environmental Protection and the City's Chief Climate Officer. I'm joined by DEP CFO Nerissa Moray, and Deputy Commissioners Albert Kramer and Beth DeFalco.

We appreciate the opportunity to speak about the City's annual lien sale. Thanks to the thoughtful reforms passed by the Council in 2024, the 2025 sale was the most transparent and straight-forward ever for property owners — especially those who are struggling. Homeowners were given more notice, more options, and more help. DEP also went above and beyond to help property owners avoid the sale entirely.

Our water system depends on people paying their water bills. When some people don't pay, everyone else must make up the difference — or DEP must invest less in the system. If DEP lacks the ability to enforce against non-paying water user, the reality is that some people will take advantage of that loophole. That would ultimately mean **higher water rates for every other New Yorker** or fewer investments in the infrastructure that keeps our city safe and resilient. That's simply not fair.

Why Paying Your Bill Matters

DEP provides the clean drinking water that every New Yorker depends on, treats our wastewater, and manages stormwater across the five boroughs. We're responsible for a ten-year, **\$33 billion capital plan** — including City Water Tunnel No. 3, the new disinfection facility at Hillview Reservoir, and stormwater projects in every borough.

All of this is funded almost **entirely** by the \$4.5 billion New Yorkers pay each year in water bills. The Water Board sets rates to cover our costs, and the Water Finance Authority issues bonds backed by those payments. There is no general tax revenue, and very little in state and Federal funding. It is a closed system: **water bills fund the water system.**

So if collections fall short, we have two choices: raise rates or cut investment. There's no outside money to fill the gap.



Helping New Yorkers Pay

The good news is that **most New Yorkers pay on time**, and we work hard to help those who struggle. DEP offers multiple affordability programs:

- The **Home Water Assistance Program**, serving nearly 100,000 low-income homeowners, provides annual credits of up to \$159.
- The **Multi-Family Water Assistance Program**, which helps affordable housing, saves properties up to \$250 per unit each year.
- **Leak Forgiveness** and **discounted prepayment programs** help those facing unexpected bills.

In the past year, we expanded eligibility for these programs to tens of thousands more homes and apartments. And if someone does fall behind, we offer flexible payment agreements — up to **10 years to repay**, often with no money down. That's more generous than almost any water utility in the nation. Our goal is always to help people stay in good standing before enforcement ever becomes necessary.

Why the Lien Sale Works

When a property owner doesn't pay, DEP has few enforcement tools. We can shut off service for single-family homes, but we avoid doing that for multi-family properties because we don't want to punish tenants. Our other option is to sue — or to use the lien sale.

It is important to note that the lien sale is about **enforcement, but not punishment**. Entering a payment plan — again, with no money down — removes a property from the lien sale list. We also remove customers who have legitimate disputes or other hardships.

Leading up to this year's sale, DEP, DOF, and HPD carried out a record amount of outreach: nearly **500,000 mailings, 77,000 phone calls, and 6,500 door knocks**, plus dozens of community events with Council members.

And it worked. Only **0.1% of all DEP customers** ultimately had a lien sold — **just one in a thousand**. Yet the process brought **\$374 million** in overdue revenue into good standing — \$180 million in payments, \$172 million in payment agreements, and \$22 million from the sale itself.

That's the point: **the threat of the lien sale works**. It motivates payment, keeps rates fair, and maintains the integrity of the water system.

Fairness and Accountability

Without enforcement, people stop paying — and not only because they can't afford to, but because they realize there's no consequence if they don't. We had one case where

a household stopped paying their water bills for several years while at the same time putting in a swimming pool. They only paid when we threatened a water shut off.

When lien sale authority expired in 2006, DEP lost \$100 million in one year. This led the Water Board to plan for a 18.5% mid-year rate hike in 2007 to make up for that lost revenue. Happily, the lien sale was reauthorized, revenues stabilized, and the rate hike was avoided.

Similar issues emerged recently. During the years without lien sale authority after 2019, unpaid water bills doubled — from \$600 million to \$1.2 billion. Restarting the sale in 2025 helped reverse that trend and allowed us to keep this year's rate increase to **just 3.7%**, instead of the **8.5%** we expected. That's real savings for every New Yorker, including renters who benefit from lower operating costs in apartment buildings.

Here's What is at Stake

The Office of Management and Budget financial impact statement estimates that the legislation under consideration today could **reduce DEP's annual revenues by \$105 – \$150 million**. To make up that loss, we'd have two options:

Option 1: Cut capital investment

A recurring loss of \$105 - \$150 million in annual revenue translates to about **\$1.75 – \$2.5 billion** less in capital investment. While some projects are federally mandated — like Hillview Reservoir or the Gowanus Canal cleanup — others are not. Unfortunately, that means cuts would likely fall on **stormwater and flood-protection projects** – the kind that we know New Yorkers are demanding, including:

- The **\$2.78 billion Southeast Queens sewer upgrades**;
- The **\$390 million Bushwick sewer expansion**;
- The **\$146 million Jewel Streets flood relief project in East New York**; and
- The **\$51 million Dyker Heights drainage project**.

These are the very projects that protect New Yorkers from the floods and extreme weather we know are coming more often.

Option 2: Raise rates

Alternatively, if we believe that our current capital plan must be kept intact, we expect to need to raise rates to make up for revenue shortfalls. To make up for the revenue this set of legislation may put at jeopardy could require a mid-year rate increase or an additional increase over and above the 7% forecast for FY 2027.

We take this issue seriously enough that we have convened a meeting of the New York City Water Board, which sets rates, for next week. While we have not yet decided what to ask for, this would be the first step in setting in motion a mid-year rate hike to make



up for lost revenue. This is a prophylactic step in case the Council moves forward with this suite of legislation, but we hope it will not be necessary, in which case we will terminate the meeting process.

On the Proposed Legislation

We support the Council's goals of transparency and fairness, and we've worked closely with you to make those real in last year's reforms. But we are deeply concerned that several bills being considered today — particularly **Intro 1407**, and the proposals to transfer lien authority to a land bank (**Intros 1420 and 570**) — would **effectively undermine the lien sale**.

Requiring Council approval for each sale or putting enforcement in the hands of an outside entity would create conflicts of interest and uncertainty that could destabilize the entire system. Some advocates have even endorsed these bills by saying they would "end the lien sale." If that's the case, we must plan and budget as though the lien sale no longer exists — which would mean higher rates or slower climate resilience investments.

We do, however, support reasonable improvements such as those in **Intros 1411 and 1419**, which enhance reporting and notification. DEP is always willing to make this process clearer, more compassionate, and more accountable — so long as it still works.

In Closing

Thank you for the opportunity to comment on this legislation. I look forward to your questions.



City of New York
DEPARTMENT OF
HOUSING PRESERVATION AND DEVELOPMENT
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nyc.gov/hpd

**Testimony of the New York City Department of Housing Preservation and Development
to the New York City Council Committee on Finance**

Thursday, November 13, 2025

Good morning Chair Brannan and members of the NYC Council Committee on Finance. My name is Kim Darga and I am the Deputy Commissioner of Development at HPD. Today, I will be testifying on Int. 570A, a bill to create a land bank in New York City. I will speak to the bill's stated intent to "maximize the productive use of property to meet the needs of the surrounding community and the City at large" as it relates to affordable housing. We defer to other agency partners on implications of this bill for non-housing uses.

As an agency, HPD's goal is always to meet New Yorkers' need for affordable housing with urgency and efficiency. In service of our goal, HPD has a number of tools that afford us the flexibility to support acquisition and preservation or construction of affordable housing. While we are always open to exploring new options, New York City is fortunate to have the authority, resources, and partners to acquire property for affordable housing.

We acquire and preserve or construct affordable housing through a variety of new construction and preservation programs. More specifically, our programs offer a combination of property tax benefits, low-cost financing, and programs specifically designed to support acquisition. For example, the New York City Acquisition Fund is an over \$200 million fund that provides acquisition bridge financing of land and buildings. A program that we have worked closely with the City Council on, the Neighborhood Pillars Program, provides construction and permanent financing to support acquisition and rehabilitation of distressed properties for stabilization and long-term affordability. Along with HPD financing, we created the Neighborhood Pillars Down Payment Assistance Fund to provide technical and downpayment assistance for qualified nonprofits and M/WBEs. Regardless of the program, HPD works with the parties seeking to acquire property to ensure the cost is reasonable and that there is a viable financing plan in place. HPD has confidence that these tools work in enabling the City to support the acquisition and construction or rehabilitation of affordable housing in the short-, medium-, and long-term.

HPD also partners with Neighborhood Restore HDFC ("Neighborhood Restore"), an organization, along with its affiliate nonprofit entities (Neighborhood Renewal HDFC, Restored Homes HDFC, Restoring Communities HDFC, Preserving City Neighborhoods HDFC, and Project Rebuild, Inc.) that work with HPD on programs that seek to foster neighborhood stabilization by efficiently transitioning properties from physical and financial instability to responsible new ownership. To effectuate these stabilization goals, Neighborhood Restore, or an affiliate, often serves as an interim owner partnering with a qualified developer and manager to manage the property during this phase and secure the financing and other approvals necessary to construct or renovate housing. Neighborhood Restore, or an affiliate entity, has fulfilled this stabilization role in various programs and initiatives since the late 1990s, including as part of the Third-Party Transfer Program, Affordable Neighborhood Cooperative Program, Cluster Conversion Program, Community Restoration Fund, and Project Rebuild, along with a number of other programs.

While we appreciate previous discussions with the Council on the idea of a land bank and its goals, we continue to believe it is important to carefully assess the potential unintended consequences of this bill, including added costs, delays, and duplication of existing functions. These include staffing and administrative costs for developing a new entity, carrying costs for long-term property management, and potential market distortion and higher acquisition costs where the City is directly negotiating, to name a few. We are open to continuing to work with the Council to discuss any gaps in our current tools that a land bank could address with the goal of putting forward policy solutions that strengthen the efficiency and effectiveness of our affordable housing work.



OFFICE OF THE BROOKLYN BOROUGH PRESIDENT

ANTONIO REYNOSO

Brooklyn Borough President

**City Council Committee on Finance
Hearing on Intros 5750, 1407, 1411, 1419, and 1420
November 13, 2025**

Good morning Chair Brannan and thank you for holding this hearing today. I am here representing Brooklyn Borough President Antonio Reynoso, who has been working alongside advocates to reform and replace the tax lien sale since he was a member of the City Council.

Several issues led the City Council to allow the lien sale to expire in 2022, most importantly the fact that this Giuliani-era policy to transfer debt to private purchasers disproportionately impacted communities of color throughout the city. Multiple studies showed that over many years, the Department of Finance was up to nine times more likely to sell a tax lien in a Black neighborhood than a white neighborhood. Additionally, most residential properties in the previous four lien sales were rental buildings located in Black and Latino communities, putting their tenants at risk of displacement.

In the lien sale, the Tax Lien Trust contracts with private servicing companies to collect debt, and these companies often charge up to 18% interest. To avoid foreclosure, some property owners take out predatory private loans or sell their buildings to speculators for less than market value. Or the Trust can foreclose, the property owner can lose their home, tenants have no say in who becomes their new landlord, and the City gives up its leverage to use tax debt to get landlords to pay their delinquent taxes and improve building conditions.

The changes that the Council implemented to the lien sale this year were a step in the right direction. These included improved outreach and education for property owners and more options for “offramps” out of the sale. Unfortunately, these reforms did not go far enough. According to DOF data, the agency sold more than 4,500 liens in the 2025 lien sale, more than in previous years. It is particularly concerning that the neighborhoods with the most liens sold citywide remain low-income communities of color. The four zip codes with the most liens sold are all in Brooklyn: East New York, Bushwick, Cypress Hills, Canarsie, and East Flatbush. It is clear that the lien sale as it is needs to end.

Accordingly, Borough President Reynoso thanks the Council for proposing the legislation on today’s agenda. It will impose strict conditions on the sale of tax liens and create a Council approval process for any sale other than to a City-run land bank, in the interest of preventing

foreclosure and creating preservation outcomes that protect homeowners and tenants. Proposed legislation would also address chronically unresolved tax liens held in Trust by requiring their sale to the land bank once it is established.

As we move into a new administration that places a high priority on affordability, these policies these will help us in our efforts to keep homeowners and tenants in their communities in homes they can afford. Borough President Reynoso encourages the Council to move quickly to pass these bills and end the Giuliani-era lien sale as we know it once and for all. Thank you.

November 6, 2025

To 2025 Tax and Water Lien Task Force and the New York City Council:

The Coalition for Affordable Homes is made up housing non-profits, community associations, local development corporations, and legal services agencies that assist homeowners across New York City. Our members and advocates have seen first-hand the struggles that communities throughout New York City have faced in recent decades: predatory lending and continued redlining, speculators and investors, skyrocketing housing costs and gentrification. Our network provided hands-on assistance to thousands of New York City homeowners included on the 2025 New York City lien sale list, providing a range of services from advice to direct advocacy with City agencies.

We write this letter detailing our experiences for the benefit of the Tax and Water Lien Task Force and the New York City Council, as both groups consider ways to make the collection of taxes and other municipal charges fairer for all New Yorkers, but especially for New York City's vulnerable homeowners.

2025 Lien Sale – Still Costly to Vulnerable New York City Homeowners

The City Council legislated a number of new provisions for the 2025 Tax and Water Lien Sale, intended to make the lien sale fairer and more sustainable,¹ even as it re-authorized the suspended tax lien sale first conceived by former Mayor Giuliani, who sought to privatize New York's tax lien process by outsourcing it to Wall Street investors. Unfortunately, those provisions did not help nearly as many homeowners in 2025 as anticipated, primarily due to City agencies' constrained application of the City Code provisions. In addition, the most pernicious aspects of the lien sale persisted, leaving vulnerable homeowners at risk of losing their homes and facing increased financial hardship.

Easy Exit Was Constrained in its Application and Underutilized.

In 2024, the New York City Council developed a new program that it called Easy Exit, as a means for low- and moderate-income homeowners to be removed from the lien sale annually for three years. Easy Exit was designed as a simple means for homeowners to be removed from the lien sale, so that those homeowners could engage in long-term financial planning around their tax and water arrears and annual obligations.²

Unfortunately, Easy Exit was not implemented by the New York City Department of Finance according to the language in the New York City Code passed by the Council. The Code provision defined an "owner" of a property as "a natural person who has a fee interest in a property or dwelling unit,"³ and provided an opportunity for *any* owner who uses the home as their primary residence and whose income was lower than \$107,300 to be removed from the lien

¹ Sandy Nurse and Justin Brannan, "New York City Was Ghoulish On Collecting Property Debt. These Council Members Are Changing That." Next City, October 3, 2024.

² *Id.*

³ New York City Code § 11-412.3, definition of "Owner" (emphasis supplied).

sale list.⁴ The form application prepared by the New York City Department of Finance, however, constrained these definitions by requiring the owner to demonstrate not only their income but also the income of all other owners of the property. The form stated that “the combined annual income of all owners (whether they reside at the property or not) and of spouses who reside at the property [must be] no greater than \$107,300.” The Department of Finance definition artificially and significantly reduced eligibility for this Council-created program and created great hardship, particularly for homeowners who share diffuse ownership, for example those residing in homes that have been family properties for generations and passed through intestacy. Moreover, the Department of Finance further limited the definition of “owner” by rejecting homeowners who it deemed were not “registered” owners (for example, those who had inherited their interests through intestacy, or those who had been victims of deed theft, partition scams, and other fraudulent practices rampant in New York City’s historically Black neighborhoods), imposing an eligibility requirement not found in the New York City Code enacted by the Council.

New York City Department of Finance and New York City Department of Environmental Protection further undermined the efficacy of the Easy Exit program by de-emphasizing the program in written materials and steering homeowners seeking assistance at public-facing Business Centers and over telephone customer service lines away from the program and towards unaffordable payment plans.⁵ Unfortunately, steering homeowners into unaffordable payment plans put them at high risk of redefault, which will undermine those homeowners’ ability to obtain an affordable payment plan in the future. It is no wonder that the program was underutilized in this first year of its implementation, enrolling, according to the Department of Finance, under 1,000 homeowners on the 90-day lien sale list.⁶

Avenues for Relief Were Not Clear to Homeowners.

Certain avenues for relief were not advertised in City materials and not apparent to homeowners, or even to many advocates. For example, the New York City Department of Finance created specialized email addresses that could be used for applications and escalations. These email addresses, however, were not listed on any City website, nor in any published materials or even in outreach to advocates (even though such advocates were contracted through City funds to engage in lien sale outreach and education). Advocates were required to share information with each other through their own networks in order to find out about these crucial tools in light of the apparent efforts to bury the availability of these lien sale avoidance options.

Moreover, an entire avenue for relief, which the Department of Finance called Probate Removal, was neither listed on City websites, nor even officially unveiled to advocates. It was only through advocates’ sharing information that this means of relief was disseminated, however imperfectly. In fact, in advocate calls with council member staff, even those staff who had been closely monitoring the 2025 Tax and Water Lien Sale, it was clear that staff were unaware of the

⁴ New York City Code § 11-412.3(c)(1), (2).

⁵ Representatives of the New York City Department of Environmental Protection went so far as stating that their participation in Easy Exit was “voluntary,” although it was *required* by the New York City Code.

⁶ Revised with updated statistics following the City Council Finance hearing on Nov. 13, 2025.

Probate Removal program. Many homeowners who were eligible for Probate Removal did not learn of this program due to inadequate information sharing.

2025 Roll Out Was Chaotic and Required New Definitions Midstream.

Unfortunately, the roll-out of the 2025 Tax and Water Lien Sale was seemingly understaffed and insufficiently organized to properly implement the programs required by the New York City Code. As described above, the New York City Department of Finance propounded forms for both Easy Exit, as required by the New York City Code, and Probate Removal without vetting those forms through key council members or advocates. Therefore, those forms and other aspects of implementation were fundamentally flawed. The New York City Department of Finance initially rejected homeowners from the programs whose homes were held in trust, a common estate-planning tool that should not have prevented these homeowners' participation in lien sale relief programs. When advocates and the Council raised this as a concern, the Department of Finance changed mid-stream, but only after rejecting the applications of an unknown number of homeowners improperly.

As the date of the lien sale approached, customer service lines were overwhelmed, and City employees ceased to respond to inquiries made by advocates and homeowners. In fact, the City was so overwhelmed, that it was forced to delay the sale by two weeks to deal with its backlog. Yet, even as the postponed date approached, City employees did not respond to inquiries, not even via their specialized email addresses, and advocates were required to use informal escalation conduits to make inquiries and respond to follow-up requests for documents. These informal conduits were not listed on any City website and not available to individual homeowners, raising concern that homeowners who did not have an advocate working on their behalf could not access relief during this crucial period.

In addition, we have now learned that the Department of Finance has misplaced or misprocessed homeowners' exemption applications that were submitted by mail rather than online. Mail-in applications are essential, particularly for older homeowners, who do not have access to or facility with the City's online application systems. They are therefore offered as an option by the New York City Department of Finance, and indeed became the only option for homeowners after the March 15 exemption application deadline had passed. Coalition advocates are gravely concerned that homeowners' exemptions have been improperly delayed or denied, or that liens might be sold improperly, due to lost mail-in applications. Inasmuch as the tax lien sale process so disproportionately impacts the very same communities (the elderly and people of color) who are on the wrong side of the digital divide, it is inexcusable that the paper application process was plagued with such disfunction.

Harmful Provisions of the Lien Sale Remain.

Even with the amendments to the City Code passed by the New York City Council, the most harmful elements of the City Tax and Water Lien Sale remained for vulnerable homeowners. New York City still publicly publishes a list of the most vulnerable homeowners in New York City through the lien sale process, a list that becomes a road map to scammers to identify marks to target for fraud. The Tax and Water Lien Sale still adds thousands of dollars in fees, charges, and interest to an individual homeowner's obligations, even as the city receives only 70% of the amount that is owed for municipal liens and none of the additional amounts charged, which go

entirely to lien servicers, attorneys, investment bankers, and others. Homeowners whose liens are sold are still subject to foreclosure and loss of their homes and equity, sometimes for debts that are merely thousands of dollars, in a judicial foreclosure process that lacks the consumer protections and safeguards that have been implemented for mortgage foreclosures over the last fifteen years. The total amounts of these debts owed by low- and moderate-income homeowners are low enough that these homeowners would be eligible to receive one-time City One Shot Deals in most other contexts, yet in the context of property tax collection, New York City instead opts to put homeowners at risk for homelessness and equity stripping for the same amounts.

Homeowners Approved, or Denied, for Relief Not Yet Referred to Counselors or Legal Services. Although homeowners who have been removed from the Tax and Water Lien Sale through Easy Exit or Probate Removal have only a limited time to resolve their outstanding municipal debts to the City, the New York City Department of Finance has still not provided a list of individuals who have received this relief to advocates for outreach. Nor has the Department of Finance nor the Department of Environmental Protection provided advocates with a list of homeowners whose liens were sold in the 2025 Tax and Water Lien Sale, despite multiple requests for this information. Homeowners in all categories can still resolve their debts and avoid foreclosure and homelessness, but time is of the essence—after a lien is sold, a high rate of interest compounds daily. The Coalition for Affordable Homes urges the City to make these referrals promptly and without further delay.

Looking Forward – Improvement to Municipal Collections in New York City

The issues with this year's lien sale highlight needs of New York City homeowners that are not yet being met by the City's municipal lien collection practices. The Council can and should address these needs through amendments to the City Code.

Liens on Tax Class 1 Properties and Condos Should Not Be Sold in the Lien Sale.

The Coalition for Affordable Homes continues to urge New York City to exclude small homes, including Tax Class 1 properties and condominiums, from the Tax and Water Lien Sale. There are other ways to collect municipal debts, as the record of other large municipalities who employ different collection strategies demonstrates. Excluding these homes is the only way to truly avoid the significant harms of predatory behavior, foreclosure, and homelessness to New York City's most vulnerable homeowners.

End Re-Certification Requirements for Senior and Disability Exemptions.

Homeowners eligible for property tax exemptions due to age and disability must currently recertify their eligibility on a regular basis. Recertification regularly throws eligible homeowners out of exemption status, even though eligible homeowners' income is usually fixed, their age is only advancing, and their disabilities are persistent or permanent. The New York City Council should end these re-certification requirements.

PTAID Must Be Made Accessible to Homeowners.

A decade after its enactment, the Property Tax and Interest Deferral (PTAID) program is significantly underutilized for many reasons: customer service representatives do not emphasize or offer it as an affordability option; the multiple means of accessing the program, including email contacts, are not readily available on the Department of Finance website; it is largely

unavailable to homeowners who hold title as heirs or who inherited a property by intestacy; eligible homeowners are often stalled due to the City's lack of interest in clearing title to permit homeowners to access the program for individual homes. It is unthinkable that in a city of 8.5 million, with millions of homeowners, only a few thousand, if that, are enrolled in the City's primary affordability program for property tax relief. Low enrollment despite the obvious need suggests that significant improvements are required, and should trigger the City and the Council to audit this program and make substantive improvements so that it works as intended for low income homeowners.

Needs of Heirs Should Be Addressed.

The New York City Council has recognized that resources for estate planning have lagged in New York City's low-income communities, where the family home is often the sole asset and a family's primary source of wealth and equity.⁷ With homes passing by intestacy over generations, title to many homes is held in unsettled estates by many—even dozens—of disparate family members, some of whom may not even know one another and may live out of state. Yet, understanding these complexities, City agencies continue to make it very difficult for heirs with fractional interests in these properties, sometimes known as “tangled title,” to access affordable payment plans; moreover, the City's key affordability programs for tax affordability, including property tax exemptions and the PTAID program, are unavailable to an heir living in her home unless she can gather all heirs and prove their collective income meets the income guidelines, even if she is the *only heir living in the home* and taking sole responsibility for its upkeep. It is time for the New York City Council to recognize how low-income New Yorkers hold title in their homes and make all benefits available to all homeowners, so that heirs may preserve their wealth and their place in our communities.

New York City and the Water Board Must Address Water Affordability.

Over half of Tax Class 1 properties on the 2025 90-Day Tax and Water Lien Sale List were listed *only* for water arrears, sometimes for amounts as low as \$1,000 for water arrears. In addition, homeowners who are behind on water charges may owe as much in fines and interest as they do for water usage fees. The most favorable plan available through the New York City Department of Environmental Protection, a 120-month plan, often does not result in an affordable payment for low-income homeowners who are behind on their water payments. The New York City Council should work with the Department of Environmental Protection and the New York City Water Board to develop repayment plans that are truly affordable and based on the homeowner's ability to repay, consistent with the consumer protection provisions of the New York State Public Utility Commission Regulations.⁸

Deed Theft and Partition Scam Victims Need Further Relief.

Deed theft, partition scams targeting heirs' property, and other equity-based crimes are rampant in the New York City neighborhoods where tax liens are concentrated, and where elders and homeowners with disabilities are particularly vulnerable.⁹ Yet, the New York City Council and

⁷ “NYC Council Helps Nearly 150 New Yorkers Across the City with Free Estate Planning Resources to Protect Their Assets,” New York City Council, October 22, 2024.

⁸ See 16 CRR-NY § 11.10.

⁹ See, e.g., Local Law 25 of 2025.

City agencies have not made relief for homeowner victims a priority. Even where redressable, these crimes can take a homeowner victim up to a decade or more to resolve through litigation, during which time tax and water debts accrue, the homeowner may lose exemptions or be subject to commercial rates that cause their municipal debts to skyrocket, and the true homeowner cannot resolve debts because they are not a “registered” owner, even if they are actively litigating to reclaim title. The New York City Council can do more for these homeowners, for example by ensuring that liens of properties subject to property-based crimes are not sold in the lien sale, working with homeowners temporarily off of title to waive fees and interest and provide affordable payment options, and working with homeowners restored to title to waive or correct charges.

Department of Finance Must Accept and Appropriately Handle Mail-In Applications.

While City agencies prefer on-line applications, many of New York City’s most vulnerable homeowners do not have email addresses or cannot access the City’s internet portals. Mailed, paper applications for relief remain essential. New York City should acknowledge the digital divide that so drastically affects the populations most impacted by the tax lien sale—communities of color and the elderly—and its agencies must maintain paper applications and handle them appropriately so that homeowners’ applications are promptly reviewed and approved, whatever the format in which they have been submitted.

Referrals Needed for Recipients of Easy Exit and Probate Removal.

For more than a decade, New York State has funded a network of housing counselors and legal services providers across New York State and indeed in all neighborhoods of New York City to assist New York City’s at-risk homeowners. In order to ensure that homeowners with municipal debt have access to this network of free assistance, New York City should provide a list of providers to vulnerable homeowners with all tax lien sale notices, and refer homeowners to advocates to assist them to access benefits, resolve their arrears, and maintain their homes. The Department of Finance and Department of Environmental Protection should affirmatively refer vulnerable homeowners, including those at risk for the Tax and Water Lien Sale, to the network of providers.

The members of the Coalition for Affordable Homes believe that we, as a City, can do better by our most vulnerable homeowners, our neighbors, whose presence in our city we treasure. We look forward to working with the City Council and City agencies to develop a new process for collecting debts on small homes, one that reflects our values of social, economic, and racial justice.

Sincerely,

The Coalition for Affordable Homes
www.coalitionforaffordablehomes.org



Testimony Before the New York City Council Committee on Finance

November 13, 2025

Good afternoon. My name is Kevin Wolfe, and I am the Deputy Director of Policy and Advocacy at the Center for NYC Neighborhoods, Inc. (the Center). Thank you Chair Brannan and members of the Council for the opportunity to speak in strong support of the most important legislative reforms to New York City's tax lien sale program since it was created by Mayor Giuliani, as well as your engagement with our organization on proposals to protect homeowners with municipal debt.

The members of the New York City Council have been strong champions of the Center's mission: promoting and protecting affordable homeownership so that middle- and working class families can live in strong, thriving communities. We greatly appreciate your support for homeowner services in the City budget, and for continuing to support homeowners and their tenants during these times of economic hardship and neighborhood change. We know that you face many difficult choices, and we look forward to continuing to partner with the City Council and the Adams administration on ensuring that homeowners can stay in their homes.

Today, we offer testimony to recognize the important homeowner protections the Council has advanced through Local Law 82, to highlight ongoing concerns about the reauthorization of the tax lien sale, and to recommend additional measures that will ensure small homeowners — particularly from historically marginalized communities — are not displaced. We appreciate the Council's leadership and look forward to collaborating to strengthen these reforms.

About the Center for NYC Neighborhoods

Established by public and private partners, the Center meets the diverse needs of homeowners throughout New York State by offering free, high-quality housing services. Since the Center's founding in 2008, our network has assisted over 200,000 homeowners. We have also provided more than \$60 million in funding to community-based partners. Major funding sources for this work include the City Council, the Department of Housing Preservation and Development (HPD), along with other public and private funders. The Center manages the HomeFix Program, in partnership with HPD, which provides a comprehensive approach to addressing homeowner repair needs and technical assistance, including access to affordable low- or no-interest and potentially forgivable loans, scoping of repair work, and construction management. Through the Center's wholly owned subsidiary and community development financial institution (CDFI), Sustainable Neighborhoods LLC (SN), the Center also develops innovative, affordable lending products tailored to fit the needs of BIPOC, low- and moderate-income (LMI) borrowers.

What we're seeing at the current tax lien sale

- Earlier this year, Center led a group of community-based organizations in outreach and services to help homeowners get off the lien sale list. Between February and June 2025, we held a total of 66 lien sale events, reached 15,000 people through in-person outreach, counseled 2,885 clients during the lien sale period, and contacted 5,300 homeowners through door-knocking. What we saw was that tax liens were concentrated in only a few areas of the city—Southeast Queens, Central Brooklyn, and the North Bronx. Homes in majority-Black ZIP codes were six times more likely to appear on the lien sale list than homes in majority-white ZIP codes. Overwhelmingly, the homeowners we spoke with told us they wanted to pay their taxes and water bills—but simply couldn’t afford to.
- As of April 17, 2025, there were 8,002 Tax Class 1 and 2 properties on the lien sale list with water-only debt (44 percent) and 1,870 HPD Repair Debt (10 percent). In total, there are 17,275 Tax Class 1 and 2 Properties on the lien sale list, no distinction by debt type. This is a 17% reduction in liens from the 60 day list (a good improvement compared to the 2021 and 2019 sales which saw 9% and 16% drop offs, respectively)
- NYC is unique in the country in selling water debt: Michigan, Ohio, Delaware, New Jersey, and Maryland (Baltimore) all allow liens to be sold on water debt.
- NYC’s original tax lien legislation had carve outs for households with water- and sewer-only debts (Tung 2014, p. 76)
- Partners reported that in the first half of the program:
 - They served over 3900 owners at events or through their regular office work
 - They performed in person outreach (like door knocking) to over 1700 owners
 - They completed remote outreach (calls, emails, texts, and mailings) to over 6500 owners
 - We are following up with a few partners about performance and data entry, but partners have already reached over 12k owners and their tenants through all forms of outreach, with plenty more engagement coming in the next few weeks.
- Since February 12th, the Hub has provided 236 referrals for NYC homeowners for tax lien sale assistance. For the week of April 21st, the team made a total of 37 referrals. Of the 37 referrals, 57% were made for residents of Kings County, 22% for Queens County, and 16% for Bronx County.
- We’ve sent 122 resource emails that offer information on how to avoid the lien sale, qualify for an exemption, or enter into a payment plan, among other helpful resources. The team shared that homeowners find the email useful because it helps them familiarize themselves with their options before speaking with a counselor.
- Since February 12th, the team has fielded 744 calls across all hotlines where the keywords “tax,” “tax lien sale,” “90-day notice,” “60-day notice,” “30-day notice,” and “property tax” were used. The team has fielded 102 calls during the week of April 21st.

The Historical Inequities of NYC’s Tax Lien Sales

In the Coalition for Affordable Homes 2024 (CAH) report, “[Unfair Deals: The Truth About NYC Tax Lien Sales](#),” the Center and our partners in CAH argued that the tax lien sale should not be reauthorized, and that tax class 1 properties should be excluded from any future sale, in the event of reauthorization. One of our top priorities as an organization has been to ensure that no homeowner loses their home to the lien sale. Our research has shown that most tax liens on small homes are sold from neighborhoods with

higher percentages of Black, Brown, older, and low-income homeowners. The subsequent financial stress places these homeowners at a higher risk of losing their homes, deteriorates intergenerational wealth, undermines community stability, and erodes the neighborhood diversity that makes New York City great. Further, while small homes accounted for 42% of the total properties sold in the last tax lien sale in 2021, they accounted for only 21% of city properties' lien value. These metrics indicate that small homeowners are far from the biggest offenders of property-tax and water surcharge delinquency, yet they bear the brunt of liens sold. Despite these findings, the City has proposed to reauthorize the lien sale and include Tax Class 1 properties, which we find disappointing.

Proposed Legislation Increases Potential to Keep Homeowners in their Homes

We were encouraged by how the Council has adopted CAH's recommendations including significant protections for homeowners in [Local Law 82](#). For our organization and fellow advocates, this moment is the culmination of tremendous coalition building, stewardship, and advocacy efforts.

Since 2008, our work with tens of thousands of distressed New Yorkers across a wide range of challenges—including foreclosure prevention, the Community Restoration Fund, and the Taxi Medallion Rescue Program—has shown that meaningful reform requires both strong borrower protections and targeted relief for those already in distress. We recommend implementing common-sense loss mitigation standards to prevent future abuses, such as strong outreach providing individualized financial and housing counseling assistance along with strong coordination between agencies and homeowners and their advocates.

This legislative package is a major step forward. It protects homeowners from aggressive foreclosures by requiring the trust to wait until debts reach a meaningful threshold—twenty percent of the home's value or \$200,000—before trying to take the home. It also ensures transparency by requiring quarterly billing and clear communication of legal actions and options to resolve debt.

Finally, it strengthens oversight by requiring Council approval for all lien sales and setting standards for buyer eligibility, housing impact, and community benefit, preventing sales to bad actors. By passing this bill, the City Council affirms that fiscal responsibility and housing justice can go hand in hand, protecting both City revenues and the roofs over homeowners' heads.

All of these reforms require substantial investment of resources on the Agency level and must be targeted to trained and trusted community advocates in order to successfully divert at-risk homeowners from the lien sale.

Additional Recommendations

To ensure the proposed legislation goes further to protect small homeowners, particularly those from vulnerable populations, we implore the City Council to consider including the following recommendations:

- **Expand the protections under 1407** to four unit owner occupied properties. Change the definition of primary resident and comprised of 1-4 dwelling units until the value of the lien reaches the lesser amount of 20% of the property value or \$200,000, as well as the term and

condition that every purchaser shall regularly send bills of the amount due on the lien and other pertinent information to the property owner.

- **Include additional language that permits an exemption for eligible senior citizens and persons with disabilities to be retroactively applied and their lien defected even if they failed to apply before the deadline.** Many seniors experiencing diminished capacity and persons living with disabilities are unable to meet the strict deadlines or have counsel or a caretaker to assist and should not lose their home for that reason. This creates a greater burden on the City in addition to the extreme hardship it would cause the homeowner.
- **In the event a deceased homeowner is survived by more than one heir, any heir by operation of law or otherwise should be able to enter into the installment agreement even for unsettled estates.** These are tenants in common who each own a share in the home and they often do not have the legal or financial resources to untangle title or seek court relief prior to the tax lien being sold.
- **Include language that allows for the exclusion of income from non-responsive or unknown heirs and unrelated third parties following the death of the owner of record.** Children, surviving spouses and other heirs who reside in a family home should be able to exclude income from other joint owners who have no interest in the property and do not contribute to its maintenance or expense. The law as written allows for the displacement of those heirs from their life-long homes after they have suffered the loss of a parent or other family member and is often a tool for equity stripping by third-party speculators.
- **In the event a homeowner elects for the summary foreclosure action, the certification requires that the homeowner has consulted with an attorney should be made by the attorney instead of the homeowner. A homeowner certifying that they consulted an attorney will likely be ineffective and mechanical.** An attorney certification will also deter a private attorney from providing insufficient counsel. A further preference of ours is for the homeowner to work with a housing counselor in addition to an attorney when pursuing this option.

Conclusion

We have been encouraged by the new homeowner protections the City Council has so thoughtfully included in the proposed legislation. Should the tax lien sale be reauthorized future and funding allocated towards homeowner outreach, the Center welcomes the opportunity to work closely with the City Council, the Homeowner HelpDesk and our Network Partners to ensure small homeowners remain out of the lien sale through targeted outreach services. We appreciate the opportunity this committee has provided us today to articulate further recommendations to guarantee that the tax lien sale does not continue to be an unfair deal for middle- and working-class homeowners.



East New York Community Land Trust

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East New York Community Land Trust

Testimony to the New York City Council Committee on Finance for Introductions 570-2024, 1407-2025, 1411-2025, 1419-2025 and 1420-2025

November 13, 2025

The East New York Community Land Trust works to prevent displacement and real estate speculation in the neighborhoods of East New York and Brownsville. We do this through community organizing and providing permanently affordable CLT housing on community-owned and democratically-governed land.

We are also a founding member of the Abolish the NYC Tax Lien Sale Coalition. The Coalition advocates for the full abolition of the lien sale for all properties in the City, and replacement with systems that:

- Preserve homeowners' and tenants ability to stay in their homes;
- Promote racial equity;
- Support community land trusts.

Despite the best efforts of the recently passed tax lien sale reauthorization legislation to protect New Yorkers from the harms of the lien sale, the 2025 lien sale was little different from the past. The 2025 lien sale proved that the lien sale is beyond reform — the only option is to abolish and replace it with a just and equitable system of debt collection that serves New Yorkers, not investors and Wall Street banks.

We are excited and pleased that the Council has introduced a set of bills that would end the tax lien sale as we know it and replace it with a publicly accountable land bank that will prevent displacement and increase opportunities for CLTs to provide permanently affordable, democratically controlled housing and other uses beneficial to our communities.

We have been at the forefront of the fight to abolish the tax lien sale and replace it with an equitable and just debt collection system since 2020. In that time, we held town halls, knocked on the doors of hundreds of households at risk of having liens sold on their homes, and have spent countless hours understanding this opaque system and documenting its impacts.

The Lien Sale Preys on East New Yorkers

East New York is disproportionately impacted by the lien sale. This year, East New York, or Community Board 5, had 187 liens sold on tax class 1 and 2 properties, which was the second highest number of liens in the city. These properties contained 512

residential units and was the community board with the third highest number of units affected by the lien sale. This pattern stretches back to at least 2017, with East New York having the second highest number of tax class 1 and 2 liens sold and units affected in the city, with the exception of 2021 when we conducted outreach to hundreds of people at risk of being impacted by the lien sale. Since 2017, 780 liens have been sold on tax class 1 and 2 properties with 1,915 residential units being affected. This is the second highest number of liens and units affected across the entire city, underscoring how the lien sale concentrates harm in communities already facing displacement pressures.

The lien sale has a disproportionate impact on renters in East New York. Based on research we conducted in 2024, we found that nearly 75% of all tax class 1 properties that had liens sold on them between 2017 and 2021 were owned by LLCs or absentee landlords. A similar share of tax class 2 properties were not owner-occupied. Tax lien sale-affected properties owned by LLCs and absentee landlords have a much higher level of physical distress than similar buildings unaffected by the lien sale. For tax class 1 buildings with liens sold in 2025, those impacted by lien sale have an average of 14 open HPD violations while those not impacted by lien sale have only 3 open violations. A similar pattern exists for tax class 2 properties: lien sale-affected properties have an average of 14.8 open HPD violations, while similar properties unaffected by the lien sale have 1.9.

We conducted outreach to properties at risk of having liens sold on them in 2021 and this past year. What we have found is homeowners who are unaware that their home is at risk, are unsure of what to do, have issues with title due to the death of a family member, or are afraid to answer the door because they have been the targets of predatory real estate speculators. We also encountered tenants, many living in 1-3 family homes owned by absentee landlords, who are living in deplorable conditions: no heat, mold, pest infestations, and other things people should not have to live with. For both tenants and homeowners, the lien sale provides cover for landlords and speculators who are preying on our neighbors.

The Myth of the Tax Lien Sale as an Effective Enforcement Mechanism

Across mayoral administrations, agency officials have claimed that the tax lien sale is an effective enforcement mechanism. The current administration has also said that protections for property owners at risk of having liens sold on their homes enacted in the most recent lien sale reauthorization have been an improvement over past lien sales. Both of these claims are questionable.

In his testimony to the Finance Committee on November 13th, Commissioner Niblack noted that DOF had instituted the most “far reaching reforms since its inception in 1996” to protect homeowners. Given the many options available to homeowners to avoid having liens sold on their properties in the sale, it is reasonable to expect that a greater share of properties, especially Tax Class 1 properties, would have avoided having liens

sold on them. In our analysis of DOF 90-day notice and final sales data for the period 2015 through 2025, we find that the share of eligible properties sold was within the range of previous years, including for Tax Class 1 properties (see tables below). It is difficult to see how the reforms instituted in 2024 provided more relief than before their implementation.

Year	90-day Eligible	Liens Sold	% Liens Sold
2015	27,233	4,228	15.5%
2016	24,202	3,461	14.3%
2017	22,819	3,971	17.4%
2018	22,890	3,728	16.3%
2019	22,019	3,724	16.9%
2021	11,194	2,841	25.4%
2025	29,972	4,545	15.2%

	Tax Class	90-day Eligible	Liens Sold	% Liens Sold
2015	1	16,766	2,103	12.5%
	2	5,505	927	16.8%
	4	4,962	1,198	24.1%
2016	1	14,028	1,581	11.3%
	2	5,021	727	14.5%
	4	5,153	1,153	22.4%
2017	1	13,657	2,057	15.1%
	2	4,644	722	15.5%
	4	4,518	1,192	26.4%
2018	1	14,077	1,941	13.8%
	2	4,664	704	15.1%
	4	4,149	1,083	26.1%
2019	1	12,019	1,950	16.2%
	2	5,190	735	14.2%
	4	4,810	1,039	21.6%
2021	1	3,657	1,201	32.8%
	2	3,295	705	21.4%
	4	4,242	935	22.0%
2025	1	15,142	2,150	14.2%
	2	8,875	1,129	12.7%
	4	5,955	1,266	21.3%

The claim that the lien sale is a uniquely effective enforcement mechanism and that a land bank would be an inferior alternative does not hold up. The administration contends that the threat of having a lien sold, along with mounting fees and the possibility of foreclosure that come with it, is what prompts most property owners to pay their debt, enter a payment plan, or otherwise find a way to address their arrears. This is questionable in at least two ways.

First, there is no evidence that the lien sale is inherently more effective than other enforcement tools, such as the land bank proposed in Introduction 570A. A land bank authorized to acquire and manage liens would follow similar procedures and hold similar consequences: owners would still face mounting interest and penalties, and the possibility of foreclosure would remain. Those enforcement mechanisms don't disappear simply because the City or a public entity administers them instead of a private trust.

The second problem with the argument that the lien sale is an effective enforcement mechanism can be found in properties that have languished on the City's books for years but never had a lien sold on them. Two cases in East New York illustrate a broader pattern citywide.

The first is a six-unit rental property on Glenmore Avenue in East New York. Since 2014, it has passed through at least five different LLCs or corporate owners. The last recorded tax payment to the City was made in April 2014. Although the property has been eligible for every lien sale since 2015, not a single lien has ever been sold. Instead, the arrears have ballooned to more than \$550,000, which is almost equal to its estimated market value of \$580,000. Currently, the building has **287 open hazardous or immediately hazardous HPD violations**, which equates to just under 50 open violations per unit. In addition, the City has made numerous emergency repairs over the years because the owners have failed to do so. A payment agreement was signed this year, but no payments have been made and the owners are already at risk of default. In short, a revolving cast of slumlords has been allowed to ignore their debt obligations and operate a dangerous building with virtually no consequence.

The second example was a single-family home on New Jersey Avenue. An LLC purchased in 2015, and after a 2017 vacate order the property was transferred to another company with the same business address. Since the vacate order, the owners have paid no taxes or other municipal charges. The outstanding debt of the property is about \$460,000 while the DOF estimated market value is about \$275,000. It was eligible for the past two tax lien sales. Yet, the property remains an abandoned eyesore on a residential block with no meaningful action from the City.

These two cases reveal fundamental limitations in a debt collection model that converts tax liens into financial products. Guidelines for the securitization of tax liens indicates that the primary goal is to produce financial instruments that reliably generate returns for investors. To protect those returns, the trust can only purchase and securitize liens backed by properties with sufficient collateral value and a high likelihood of repayment. Properties with deep distress, low market value, or a high profitability of default — precisely the ones with the most serious health and safety issues — are systematically excluded. Including too many of these liens in a securitization pool would jeopardize credit ratings and undermine investor confidence.

In other words, the City's trust model is constrained not by public-interest obligations, but by the requirements of financial engineering. That is why the most dangerous, distressed, and speculative properties often languish for years without intervention. The current system is not simply flawed — it is structurally incapable of addressing the very properties that pose the greatest risk to tenants and neighborhoods. For that reason, it is beyond reform and must be abolished.

A publicly governed land bank would not be bound by investor-driven constraints. Properties like those described above — which are just two examples of hundreds that exist across the City — could be handled in an efficient manner and be returned to

productive, community-benefitting use in a way that the current trust model of the lien sale is ill equipped to address. When transferred to CLTs, they would provide permanently affordable housing or other beneficial community uses.

ENYCLT's Support and Suggestions

For the reasons described above, ENYCLT strongly supports the City Council's efforts to abolish the tax lien sale. We fully and unequivocally support Intros 1407 and 1420 which will end the lien sale as we know it and establish a publicly accountable land bank for New York City capable of handling tax liens and municipal debt. We envision that this entity will work with property owners to resolve arrears and transfer properties to CLTs where that isn't possible. After years of advocacy, we finally see the outlines of an equitable and just alternative on the horizon. To make this vision real, the City must invest in outreach and case management in partnership with CLTs and CBOs as it has already begun to do, and commit to creating a land bank.

While we are very excited about the land bank model and support **Intro 570A** we recommend several essential improvements: :

1. **Strengthen affordability requirements for as-of-right land bank dispositions.** As drafted, a project with only a single "affordable" unit could qualify to receive land bank properties as-of-right, without additional public review. This undermines the purpose of the land bank. We recommend requiring that 100% of units be affordable for a project to qualify for as-of-right eligibility.
2. **Use community-aligned affordability standards.** The bill defines affordability as 80% of AMI, which is nearly double the median income in East New York and Brownsville. We recommend defining affordability as:
 - a. The median income of the community board where the property is located, or 60% of AMI, whichever is lower.This ensures that "affordable" actually reflects the incomes of NYC residents most vulnerable to tax lien foreclosure.
3. **Explicitly prioritize Community Land Trusts.** CLTs must be the default stewards of land bank properties. We suggest amending the language of the bill to **grant CLTs a first right of refusal** for any properties disposed of by the land bank, ensuring long-term community control and permanent affordability.
4. **Add affordable commercial space to as-of-right uses.** We recommend adding affordable commercial space — particularly for small businesses, nonprofits, and community-serving enterprises — to the list of uses eligible for as-of-right disposition. This is essential in neighborhoods where commercial displacement is accelerating.

While we broadly support Intro **1419**, which increases transparency around "chronically unresolved tax liens," reporting alone is not sufficient. Transparency without action does

not stabilize buildings or protect tenants.

We recommend strengthening the bill to **affirmatively require HPD, DOB, and FDNY** to inspect all properties that appear on the list of properties with chronically unresolved tax liens (liens that are outstanding for 3 years or more), within **six months** of being notified that such liens exist. This ensures coordinated enforcement and prevents dangerous conditions from persisting for years.

To conclude, ENYCLT respectfully urges the Council to seize this opportunity to build a just and equitable replacement for the tax lien sale. Intros 1407, 1420, 570-A, and 1419 — strengthened in the ways outlined above — will establish a system that supports struggling homeowners, protects vulnerable tenants, addresses long-neglected properties, and ensures that public assets remain in public hands. We stand ready to partner with the City to build outreach, implement case management, and steward properties for long-term community benefit. Thank you for your leadership and for the opportunity to testify.



East New York Community Land Trust

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East New York Community Land Trust

Thank you Chair Brannan and members of the Finance Committee. My name is Jakob Kendall Schneider and I am the Senior Program Manager for Research and Policy at the East New York Community Land Trust.

The East New York CLT works to prevent displacement and real estate speculation in the neighborhoods of East New York and Brownsville. We are also a founding member of the Abolish the NYC Tax Lien Sale Coalition and have been fighting for the past five years to end the predatory lien sale and replace it with a just and equitable system of debt collection.

We are excited and pleased that bills have been introduced that would abolish the current lien sale system and replace it with a publicly accountable land bank.

East New York has been “ground zero” in Brooklyn in terms of the number of liens sold and residential units affected by the tax lien sale for years. Yet, what is equally, or perhaps more, problematic is the ineffectiveness of the lien sale as an enforcement mechanism. Let me explain by way of an example.

There is a 6-unit rental property on Glenmore Avenue in East New York. It has been owned by no less than five different LLCs or corporations since 2014. The last time a tax payment was made to the City was April 2014. It has been eligible for the lien sale every year one has occurred since 2015, yet a lien has never been sold on the property. Instead, over the past decade the debt has ballooned to more than \$550,000, which is almost equal to its estimated market value of \$580,000. Currently, the building has 287 open hazardous or immediately hazardous HPD violations, which equates to just under 50 open violations per unit. The slumlords that have owned the building appear to face no real consequences for their failure to pay their debt to the City or provide a safe, decent home for their tenants.

This building is not an anomaly. Of the 30,000 properties eligible for this year’s lien sale, 4,500 had liens sold on them and about 13,000 properties either paid, entered a payment plan, or were removed through Easy Exits or exemptions. This leaves about 12,500 properties without a clear explanation of why they were not sold in the sale, like the Glenmore Avenue building.

So, this begs a question. If the lien sale is an effective debt collection mechanism, as DOF has argued for years, why do we see properties like the Glenmore Avenue building?

The answer is actually quite simple. The City’s lien sale does not operate in the interest of New Yorkers because it is accountable to the interests of investors; the primary concern of the City’s lien sale process is engineering financial products that ratings agencies will stamp as safe investments. Properties like the Glenmore building are not included in the sale because they

would taint the credit quality of the pool of liens in that year's trust. This means that the city's current tax lien sale model can never be reformed, it can never be made to work in the interest of New Yorkers. For this reason, the tax lien sale must be abolished and replaced.

We fully support Intros 1407 and 1420, which are critical to ending the City's opaque and ineffective tax lien sale.

A land bank is central to a just and equitable replacement system and we support Intro 570A, but we would like to see some changes.

- The bill should require that 100% of the units in a project will be affordable to be automatically eligible to get land bank properties without additional public review.
- The definition of affordability should be in line with the neighborhood where the property is located. We want affordability to be defined as affordable to the median income of the community board a property is located in or 60% AMI, whichever is lower.
- CLTs must have first right of refusal for any land bank dispositions.
- We also would like to see affordable commercial space added to the list of uses that won't require public review for disposition.

Finally, we support Intro 1419, which addresses "chronically unresolved tax liens," but the bill should be amended to affirmatively require HPD, DOB, and NYFD to inspect all properties with chronically unresolved tax liens.

Thank you.



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East New York Community Land Trust

Good morning Chair Brannan and members of the Finance Committee:

My name is Nanthale Collins. I am a resident of East New York Brooklyn and have lived there for 46 years. I am here today representing the East New York Community Land Trust as a member.

The East New York CLT works to prevent displacement and real estate speculation in East New York and Brownsville. Along with community organization and education ENYCLT is a founding member of the Abolish the NYC Tax Lien Sale Coalition and has been fighting for the past five years to end the predatory lien sale.

With this knowledge, I joined my fellow members and volunteers to canvas properties that have liens on them. We door knocked giving information to tenants and homeowners on how to remove themselves from the list or educate tenants that their landlords were on the list.

In spreading education, we found a mixture of homeowners and tenants in dire situations. Homeowners were unaware that their home was at risk. Tenants, many living in 1-3 family homes owned by absentee landlords, living with no heat, pest infestations, and other situations no one should live with. For both tenants and homeowners, the lien sale provides cover for hazardous landlords and preying speculators to continue to burden my fellow ENY neighbors. The lien sale is especially problematic for my neighborhood because it displaces homeowners and tenants in a city that has lost tens of thousands of Black residents because it has become so unaffordable for them.

For these reasons, I educated my neighbors and fought to abolish and replace the lien sale. This is why I am so happy to see that the council is moving to permanently sunset tax lien sale.

I support Intro 1407 and 1420 which will end the lien sale as we know it and facilitate a land bank for NYC that can handle tax liens and municipal debt. This new publicly accountable entity will work with people to get out of debt and transfer properties to CLTs where that isn't possible. While we are very excited about the prospect of a land bank and support Intro 570A I also support ENYCLT change request to the bill:

- Add affordable commercial space to dispositions allowed without public review of the specific deal, § 25-905(a)
- Ensure that one "affordable" unit in a building is not enough to avoid public review. In § 25-905(a)(1), require that 100% of the units in a project be affordable for "Uses that would result in the creation or preservation of affordable housing units" to be automatically eligible to get land bank properties without additional public review.
- 80% AMI in § 25-901 definition of "affordable housing" is concerning.
 - The definition of "affordable housing" should be affordable to the local AMI using the boundaries of the community planning board
- CLTs should be have a right of first refusal over any other prioritized entities

In short, the bill should be amended to affirmatively require agencies to inspect all properties that appear on the list of properties with chronically unresolved tax liens (+3 years or more).

Thank you.

Nanthale Collins



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**Testimony by Salvatore D'Avola, Executive Director
Neighborhood Restore Housing Development Fund Corporation**

**Intro.570-A – New York Land Corporation
New York City Council Finance Committee**

November 13, 2025

Good morning, my name is Salvatore D'Avola and I am the executive director of Neighborhood Restore Housing Development Fund Corporation (“Neighborhood Restore”). I’d like to thank Chairperson Brennan and members of the City Council’s Finance Committee for allowing me to testify today.

Neighborhood Restore and its affiliate nonprofit entities work closely with the New York City Department of Housing Preservation and Development (“HPD”) on developing housing programs that seek to transition physically and financially distressed properties into affordable community assets. Since 1999, Neighborhood Restore has successfully created and preserved 13,000 units of affordable housing in over 2,300 properties throughout New York City. As the interim owner and steward of properties earmarked for revitalization, Neighborhood Restore has vast experience with the challenges and concerns that the proposed land bank seeks to address. The types of properties and methods of acquisition, management, stabilization, and disposition vary from program to program, but the goal is the same – to preserve and create affordable housing opportunities that benefit New York City and its residents.

Neighborhood Restore has the unique experience of administering a myriad of programs that seek to address the needs of a variety of property types and circumstances that range from vacant land to zombie homes to multi-family occupied buildings. Created at the behest of HPD, with the support of the Local Initiatives Support Corporation (“LISC”) and Enterprise Community Partners, Inc. (“Enterprise”), Neighborhood Restore administers the Third Party Transfer (“TPT”) Program, an anti-abandonment program that transfers tax-delinquent properties from neglectful landlords to responsible new owners. By working closely with HPD, local elected officials and community-based nonprofit and M/WBE partners, Neighborhood Restore ensures the maintenance of safe, affordable housing for its residents and oversees the stabilization, management and rehabilitation planning of these distressed properties to preserve and create affordable housing opportunities for low-income New Yorkers. Our experience with TPT has enabled us to acquire privately-owned properties transitioning from scattered-site emergency shelters into permanent housing for formerly homeless families.

Over the past 25 years, the City has continued to rely upon Neighborhood Restore’s expertise and assistance in addressing housing and neighborhood stabilization issues. Most of that experience has been through the acquisition and stabilization of properties earmarked for

intervention by the City, activities most akin to those of a land bank. At the height of the financial crisis of 2008, Neighborhood Restore began acquiring one- to three- family bank-owned (“REO”) homes, leveraging federal, state and city subsidies to secure private financing for the acquisition, rehabilitation, and sale of over 250 homes to first-time homebuyers. By focusing its efforts on the neighborhoods that were hardest hit by the crisis, Neighborhood Restore was able to address the destabilizing effects of foreclosure and provide new affordable homeownership opportunities to low- and moderate-income New Yorkers. That work continues today with Neighborhood Restore redeveloping vacant NYCHA-owned single-family properties into affordable homes, and converting city-owned apartment buildings into affordable cooperatives for its existing residents and first-time, low-income homebuyers.

When Superstorm Sandy struck New York City in 2012, the destruction it caused to many of our water-adjacent communities was unprecedented. Through the City’s Build-it-Back Program, acting on the City’s behalf, Neighborhood Restore acquired 129 properties from storm-affected homeowners in Brooklyn, Queens, and Staten Island. Neighborhood Restore demolished the substantially damaged homes, maintained the sites, and worked with the City on disposition strategies. Many of the sites were in active wetlands and remain as open space to provide flood mitigation; others were developed into parks, and some are being rebuilt as resilient affordable homes. Again, Neighborhood Restore stepped in, providing the City and its community representatives with the time, expertise and resources needed to plan for the future use of these properties. Neighborhood Restore stands ready to again assist the City, having built an infrastructure of people and processes that can easily be implemented when the need arises.

It is my understanding that the main objective of Intro 570-A and its companion bills (Intro. 1407 and 1420), is to provide an alternative path for the sale of City tax liens. By shifting the sale of tax liens from a specialized trust to a land bank, the argument is that more thoughtful and measured efforts can be implemented to focus on property owners’ needs rather than just collecting debt. These concerns are valid and any efforts to assist homeowners, especially owner-occupants of one- to three- family homes, are laudable and deserve focus and attention. I wonder, however, if the creation of a new entity – a land bank – is the right approach for addressing the larger issues facing housing preservation in New York City today. Can guardrails be instituted into the existing process that achieve the goal of protecting homeowners whose tax liens are sold? My read of Intro. 1407 seems to do just that – legislating limitations on the collection of debts for owner-occupied one- to three- family homes. Can there be other legislative efforts that seek to exempt certain classes of properties from the lien sale or that increase the dollar amount and years of delinquency for inclusion in a lien sale? Can our experienced network of housers be further tapped to reform existing structures and meet the goals of the proposed legislation?

Our experience with the Community Restoration Fund (“CRF”) program exemplifies a strategy that leans on the strengths of our community and government partners to address emerging housing challenges – in this instance mortgage delinquency and distress. By acquiring distressed single-family mortgage notes, CRF’s primary goal has been to keep families in their homes through multi-pronged counseling efforts that often lead to positive loss mitigation outcomes. The City Council has supported our efforts by providing discretionary funding for the program.

Neighborhood Restore and its established network of community-based partners have routinely been asked to assist the City with fulfilling its goal of developing and preserving affordable housing. Acquiring land and buildings for a public purpose has been our core mission. As a steward of distressed properties, Neighborhood Restore has provided the stability and experience necessary to implement neighborhood strategies that foster housing preservation outcomes, that include opportunities for collaboration with our nonprofit, M/WBE, HDPC and community land trust partners. Given today's affordable housing preservation challenges, our focus needs to be on our shared goals and outcomes and not a new legal structure. For these reasons, we do not believe a land bank in New York City is necessary at this time.

I thank you for your time. I am happy to answer any questions.

###



Alexis Foote
147-05 Guy R. Brewer Blvd. Unit 109/304
Jamaica, NY 11434

Dear Justin Brannan (Chair), Keith Powers, Gale A. Brewer, Diana Ayala, Yusef Salaam, Pierina Ana Sanchez, Althea Stevens, Amanda Farías, Francisco Moya, Julie Won, Dr. Nantasha Williams, Selvena N. Brooks-Powers, Crystal Hudson, Chi Ossé, Farah N. Louis, Kamillah Hanks, David Carr.

My name is Alexis Foote I am here today representing ReAL (Resident Acquiring Land Community Land Trust) Edgemeras the Founder and former Board Member which is a Community Land Trust in Far Rockaway. The **ReAL Edgemere CLT** is a member of the New York City Community Land Initiative (NYCCLI), an alliance of grassroots, affordable housing, environmental and economic justice organizations working to promote community land trusts (CLTs) and neighborhood-led development. We envision nourishing our neighbors' bodies, minds, and spirits with the development of affordable homeownership and multi-generational wealth; addressing teenage violence and unemployment; and creating economic opportunity that closes the wealth gap for Black, Brown, immigrant, and low-income residents in Edgemere.

We are thrilled to see that the council is moving to permanently sunset the tax lien sale. We support Intro 1407 sponsored by Speaker Adrienne E. Adams and Int 1420 being sponsored by Sandy Nurse. These Intro bills will end the lien sale as we know it and facilitate a land bank for NYC that can oversee tax liens and municipal debt. If you replace the tax lien sale with the land bank, we would be able to save homes and apartment buildings that are being taken out of the rent stabilization status and Mitchell lama stock.

The tax lien sale does not provide notification to homeowners about their homes being included in the tax lien sale. The tax lien sales put a financial burden on my community that is already struggling with inadequate services and infrastructure. These bills will provide education and assistance to help homeowners avoid or manage tax lien sales.

We join NYCCLI coalition partners in calling for critical changes that need to be made to the NYC Land Bank bill (Int. 714), before offering our support. These changes include adding green infrastructure in IBZs, community facilities, retail, commercial or other community uses as uses for which the land bank can transfer land automatically, as long as the transfer is to a CLT, CLT working with a developer, CDC or other nonprofit; prioritizing CLTs and nonprofits in *all* land bank dispositions (not just for affordable housing); prioritizing *permanent* affordability in all



housing dispositions; and ensuring CLT representation on the land bank's governing board. These changes will help ensure the land bank serves as a strong partner to CLTs and other social housing providers. NYCCLI has provided detailed suggestions to bill sponsors, and we look forward to supporting a strong next version of the bill.

We also look forward to collaborating with the Council on replacing systems for municipal debt collection, the final component of the Community Land Act. As a majority of this Council has agreed, our new system must 1) re-municipalize public debt collection, 2) prevent displacement of homeowners and tenants, 3) promote long term affordability through CLTs and partnerships with trusted non-profit developers, and 4) create a pathway for productive use for vacant lots and unoccupied buildings.

NYC must take bold action to address our city's affordability crisis, combat displacement, and advance racial equity in housing and land use. Collective land ownership through CLTs is one of the most effective ways to achieve these public policy objectives.

- Collective Control + Stewardship
- Climate Resiliency + Flood Protection
- Neighborhood Amenities and Cultural Programming
- Affordable Homeownership
- Transportation Infrastructure



Testimony of Resilient Red Hook
City Council Finance Committee Hearing
Abolish the Tax Lien Sale – November 13, 2025

My name is Victoria Alexander and I am here today representing Resilient Red Hook, a community-based coalition dedicated to building climate resilience, equitable development, and local economic opportunity in the Red Hook neighborhood of Brooklyn.

Red Hook is a waterfront community that has experienced both environmental and economic vulnerability for decades. Many of our neighbors are longtime residents— homeowners and tenants—who helped rebuild our community after Superstorm Sandy and now face the threat of displacement, not from the storm, but from unjust financial mechanisms like the tax lien sale.

The lien sale has historically failed our community. Rather than offering a pathway to stability, it has disproportionately impacted homeowners with the fewest resources—particularly seniors, non-English speakers, and low-income residents. We've seen homes passed down through generations be lost not because people didn't care, but because the system lacked transparency, accountability, and options for support.

We believe that abolishing the tax lien sale and replacing it with a land bank and the Tenant Protection & Transfer (TPT) program would create a more humane, community-rooted alternative. One that works with people to resolve municipal debt and keep them in their homes, not profit from their loss.

We strongly support Intros 1407 and 1420, and the vision they lay out: a land bank that is publicly accountable and that prioritizes transfers to Community Land Trusts (CLTs), ensuring long-term affordability and neighborhood stability.

We also support Intro 570A, but urge the following changes:

- Add affordable commercial space as a disposition eligible for land bank transfer without public review (§ 25-905(a)). Small, local businesses are vital to our recovery and resilience.
- Ensure that public review is required unless 100% of units are truly affordable (§ 25-905(a)(1)). One token “affordable” unit is not enough.
- The current definition of affordability—80% of Area Median Income (AMI)—does not reflect Red Hook's reality. We support affordability definitions based on local AMI, using Community Board boundaries.
- CLTs must have right of first refusal to ensure deep community control and equity.

We also urge the Council to strengthen Intro 1419. Chronic tax liens are often a signal of distress—not neglect. Agencies must inspect properties with unresolved tax liens within six months, not just report on them. Prevention is better than displacement.

Red Hook is a resilient neighborhood—our people survived Superstorm Sandy, systemic neglect, and now speculative development threatening to erase the culture and community we fought to protect. Let us not repeat past mistakes.

End the tax lien sale. Create the land bank. Empower our communities—not developers—to own our future.

Thank you.

Chair

Victoria Alexander

Resilient Red Hook

TAKEROOT JUSTICE

Testimony Before the New York City Council Committee on Finance

November 13, 2025

Int 1407-2025 Limiting future sales of tax liens to land bank.

Int 1420-2025 Sale of interests in tax liens sold in the past to a land bank.

Int 1419-2025 Addressing chronically unresolved tax liens

Int 0570-2024 Creating a land bank.

My name is Paula Segal. I am speaking today as Senior Staff Attorney in the Equitable Neighborhoods practice of TakeRoot Justice. TakeRoot works with grassroots groups, neighborhood organizations and community coalitions to help make sure that people of color, immigrants, and other low-income residents who have built our city are not pushed out in the name of “progress.”

We are a founding member of the Abolish the Tax Lien Sale Coalition. The Coalition advocates for the full abolition of the NYC lien sale for all properties in the City, and its replacement with systems that (1) preserve homeowners’ and tenants’ ability to stay in their homes, (2) promote racial equity, and (3) support community land trusts.

We are also member of the New York City Community Land Initiative (NYCCLI), an alliance of grassroots, affordable housing, environmental and economic justice organizations working to promote community land trusts (CLTs) and neighborhood-led development. NYCCLI members include over 20 CLTs organizing for deeply-affordable social housing, commercial and community spaces, and other needs in low-income Black and brown neighborhoods across the five boroughs.

For years, my team and I have been working on a parcel-by-parcel basis to achieve better outcomes for communities living near, tenants living in and owners of properties with municipal debts. We have filled out exemption forms, trained advocates on COVID exemptions and last year’s novel “Easy Exit,” removed the authority for liens to be sold while an exemption denial is pending appeal, spent hundreds of hours on the phone with Tax Payer Advocates and Ombudspersons, and have only chipped away at the edges of a broken system.¹

¹ Although every lien not sold is a success, the numbers don’t lie: in the 2025 lien sale, only 410 “Easy Exit” program forms were approved to remove owner-occupied properties with low-income owners from the sale; over ten times as many properties had liens sold, 4,545.

Today, I am thrilled to see our work pay off and path forward that does not include any liens sold to investor-backed trusts.

As a reminder, lien sales to investor-backed trusts have, for the last quarter century, removed the City's power over tax delinquent properties and cost taxpayers at minimum hundreds of thousands of dollars, costs that accrued when liens had to be bought back from the trusts at prices much higher than the discounted amount the City sold them for, and when properties themselves had to be purchased from speculative buyers who acquired them at post-foreclosure auctions.

One community garden in the Bronx is an example of both kinds of costs: the garden, active since 1992, is located on two lots. The first is owned by a charity organization that had a lien sold due to a lapsed exemption and a City bill for a sidewalk repair; that lien, originally for a \$51K debt in 2001, had to be purchased by the City from the private trust for over \$500K to avoid foreclosure and loss of the bulk of the garden.

The second parcel is owned by a privately-controlled LLC that was dissolved by the State but continued to own the property in name; no taxes were paid after dissolution and in 2019 the City sold a \$35K lien to the lien Trust; five years later, the trust successfully foreclosed on the property and the debt had grown to \$96K as a result of interest and fees (a windfall of over \$60K to the trust investors and its servicers). Even though the Parks Department had expressed an interest in preserving the lot as a community garden, and the City had already paid to defect the lien on the first lot, and completed a Land Use Review Procedure to allow it to acquire it from the charity, City agencies could not stop the auction of the second half of the garden. A private investor purchased the property for \$225K; the \$96K in interest and fees were paid to the Trust, while the surplus cannot be claimed by the dissolved nominal owner. To preserve the remainder of the garden, the lot will need to be purchased for a negotiated price.

The costs associated with heroic City intervention to effectuate the preservation of one garden are an illustration of how rigid the tax lien foreclosure system is.

I want to applaud the Council and Finance Committee staff for their efforts towards abolishing Guiliani's lien sale and replacing it with an equitable system of municipal debt collection. The suggestions for improved bill language below are TakeRoot's; .

- We support Intro 1407 and 1420 which will end the lien sale as we know it and facilitate a land bank for NYC that can handle tax liens and municipal debt. This new publicly accountable entity will work with people to get out of debt and transfer properties to CLTs where that isn't possible.
- While we are very excited about the prospect of a land bank and support Intro 570A we have some changes that we would still like to see in the bill:
 - Add **affordable commercial space** to dispositions allowed without public review of the specific deal, § 25-905(a);
 - Ensure that one "affordable" unit in a building is not enough to avoid public review; in § 25-905(a)(1), require that **100% of the units in a housing project be affordable for it to be automatically eligible** to get land bank properties without additional

review;

- The definition of “affordable housing” in § 25-901 should be affordable to the local AMI using the boundaries of the community planning board, as opposed to a blanket 80% AMI applicable to the whole City and determined based on the federal standard for the New York City Metropolitan area; and
 - CLTs should have a right of first refusal over any other prioritized entities.
- We broadly support Intro 1419, which addresses “chronically unresolved tax liens,” but we strongly believe that reporting is not enough. The bill should be amended to affirmatively require agencies to inspect all properties that appear on the list of properties with chronically unresolved tax liens (liens that are outstanding for 3 years or more), within six months of being notified that such liens exist on a property.

Thank you.

Feel free to contact me with any questions:

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Equitable Neighborhoods Practice

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**UHAB Testimony to the New York City Council
Committee on Finance**

November 13, 2025

Honorable Chair Brannan and members of the Committee,

Thank you for holding today's hearing and for the opportunity to testify. My name is Arielle Hersh and I am the Director of Policy and New Projects at UHAB. For 50 years, UHAB has empowered low- and moderate-income residents to take control of their housing and become homeowners in the buildings where they already live. We turn distressed rental housing into lasting affordable co-ops, and provide comprehensive training and technical assistance to keep these homes healthy and stable for the long term. UHAB has created over 25,000 cooperative homes across the five boroughs, predominantly in formerly redlined neighborhoods where rates of homeownership continue to lag behind the rest of the city. UHAB is also a founding member of Interboro CLT, the city's only citywide community land trust focused on affordable homeownership.

We appreciate the Council's initiative in holding this hearing today regarding reforming the tax lien sale—many of these bills represent long overdue changes to the way the City handles the disposition of outstanding municipal debt. When the City gives up its ability to collect on outstanding liens and auctions them off to private debt collectors, it abdicates its responsibility to the people of New York City, especially vulnerable homeowners and tenants in small buildings. UHAB would like to focus our testimony on the proposal mentioned in Int. 1407, Int. 1420, and most substantially in Int. 570-A to create a land bank.

While calls for a land bank that can hold and dispose of distressed liens is an admirable pursuit, we are very lucky in New York City to already have an entity that serves many of these stabilization functions. Neighborhood Restore was created by the City in 1999 for the specific purpose of stabilizing distressed *in rem* property. Since then, it has operated as an essential partner in the Third Party Transfer Program (TPT), disposition of the remaining Tenant Interim Lease (TIL) buildings through the Affordable Neighborhood Cooperative Program (ANCP), and acted as a stabilizing force for small homes undergoing foreclosure and following Hurricane Sandy. Neighborhood Restore already possesses the essential functionality and capabilities of a land bank and much more—tailored specifically to New York City's needs. Their team is exceptionally knowledgeable and an critical partner in any decisions about the stabilization of tax-distressed property. We need not reinvent the wheel and start from scratch.

UHAB recommends that the Council take great consideration to review Int. 570-A with partners at Neighborhood Restore and HPD to ensure the definition and responsibilities of a land bank as outlined can mesh with Neighborhood Restore's existing structure. It is far less important to have a specific state-approved legal entity than to do the work of stabilizing distressed property. In this process there

may be ways to make Neighborhood Restore more accountable and transparent to the public; we would welcome these changes.

In addition, we would like to add the following recommendations to Int. 570-A:

- **The 80% AMI cap is a great start at achieving real affordability for communities in need, but it is essential to go further through corresponding funding and programming.** We would encourage pairing these guidelines with additional City Capital funding to HPD preservation programs addressing these properties to ensure affordability levels can meet neighborhood needs, which are often below 80% AMI.
- **While UHAB is a nonprofit and founding member of Interboro CLT that believes deeply in the power of nonprofit partners to achieve community-controlled affordable housing, it would be unwise to privilege any one group of prospective owners.** A diversity of actors allows the City to maintain a well-functioning preservation ecosystem and respond to market changes and ensure quality preservation in the long term.

Thank you again for the opportunity to testify.

My name is Ashwin Rastogi, I'm here speaking on behalf of Sixth Street Community Center in Manhattan's Lower East Side.

We at the Center are very excited about the move to abolish tax lien sales. For decades tax lien sales have weaponized financial distress against residents and neighborhoods, prioritizing profits for private investors and driving displacement and gentrification throughout low-income, immigrant, and black and brown neighborhoods.

As an organization, Sixth Street Community Center was an early advocate and beneficiary of the Homesteading movement, which allowed homesteaders to purchase deeds of abandoned and delinquent properties at minimal nominal cost, based on the sweat equity they put into rehabilitating derelict buildings. This policy allowed community organizations, neighborhood small businesses, and long-term affordable coops to flourish in our neighborhood. Our historic building in a refurbished synagogue is one of many properties that was preserved for the benefit of the community as part of these efforts.

Unfortunately, shifting policies since the 90s have eroded those gains. The tax lien sale model has driven countless distressed properties into the hands of speculators and predatory developers. Under this policy, community needs are completely subordinated to private profit motives.

We urge the City Council to go further and adopt Community/Tenant Opportunity to Purchase frameworks that would offer tenants and community organizations the first option to purchase properties that fall into arrears. We believe Community Land Trusts are one powerful model to support communities in acquiring ownership of such properties and sustaining permanent affordable housing. Community Land Trusts would help steward properties with true community input, and prioritize broader community needs. We look forward to working in partnership with other housing nonprofits like Cooper Square Committee and This Land Is Ours to bring this vision to reality.

We applaud City Council for moving to end tax lien sales. We hope that this is the first step in a broader campaign to support non-profit and community-led housing, development, and property management models.

TESTIMONY OF MAYA EPHREM

November 13, 2025

Chairperson Justin Brannan

New York City Council Committee on Finance

City Hall

New York, NY 10007

Dear Chair Brennan and Members of the Committee:

My name is Maya Ephrem, and I submit this letter as an ally board member of East New York Community Land Trust (ENYCLT), a resident of Flatbush, Brooklyn, and a housing professional who works for a trusted and successful provider of services and housing for people experiencing homelessness across New York City. I appreciate the opportunity to submit this testimony on the City's proposal to abolish the tax lien sale and replace it with a publicly accountable system.

In my work developing supportive housing, the question I come back to every day is simple: *How do we prevent people from entering homelessness in the first place?* We cannot meaningfully address the homelessness crisis if we continue to lose housing through tax lien foreclosures, speculation, and the rapid deterioration of buildings caught in the lien sale pipeline. When homeowners are overwhelmed by debt and cut off from assistance, or when tenants live in unsafe buildings owned by absentee landlords whose arrears keep snowballing, the pipeline into homelessness widens. I see that gap every day—and the lien sale makes it worse.

As a Flatbush resident, I have watched tax-delinquent properties in my own neighborhood sit for years in deteriorating condition, with no meaningful intervention until they become uninhabitable. Families lose generational homes. Tenants lose stability. Blocks lose anchors. The lien sale was sold to the public as an enforcement mechanism, but in practice it has served investors more than communities.

That is why I am grateful the Council is taking action. I strongly support Intros 1407 and 1420, which will finally sunset the lien sale and establish a publicly governed land bank to manage tax liens and municipal debt. A land bank—unlike the private trust—can intervene early, work directly with owners to resolve arrears, and, when necessary, transfer properties to CLTs or other community-based organizations that will preserve them for long-term affordability. From where I stand, both as a resident and as someone who sees the fallout of housing loss professionally, this shift is overdue.

I also support the vision behind 570-A, and I hope to see several adjustments that would make the land bank more responsible to the communities it is intended to serve:

1. **Affordability must reflect actual neighborhood incomes.** The current definition (80% AMI) does not match the incomes of East New York, Brownsville, or many other neighborhoods most affected by the lien sale. Affordability should meet the median income of the local community board or 60% of AMI, whichever is lower.
2. **As-of-Right transfers should require deep affordability.** A building with one affordable unit shouldn't qualify for an as-of-right disposition. At minimum, the overwhelming

TESTIMONY OF MAYA EPHREM

majority—ideally 100%—of units should be affordable.

3. **Community Land Trusts should be prioritized.** CLTs are structured to keep land permanently affordable and community-controlled. They should have a clear first opportunity to steward land bank properties.
4. **Affordable commercial space matters.** Displacement isn't only residential. Adding affordable commercial spaces as an as-of-right qualifying use will help stabilize local small businesses that keep neighborhoods intact.

I also want to express support for Intro 1419, which identifies properties with chronically unresolved tax liens. However, as someone who works directly on building health and safety issues, I believe that information only matters if it triggers action. Properties with liens outstanding for three years or more should automatically receive coordinated inspections from HPD, DOB, and FDNY within six months of being listed. Reporting is important; enforcement is essential.

Lastly, any new system must be paired with robust cure windows and well-funded homeowner support programs. While the City has piloted efforts like HomeFix and the Landlord Ambassador Program, these programs were often too limited in scope, restricted by eligibility requirements, and poorly funded and administered. As a result, many of these homeowners who needed help most were unable to qualify or were placed on long waitlists, and the programs ultimately failed to meet the scale of need. A land bank presents an opportunity to design interventions that are not constrained by narrow eligibility or unpredictable funding cycles, and that can reach homeowners *before a tax debt* becomes unmanageable.

In closing, I urge the Council to move forward with this package of bills and to strengthen them where needed. As someone who works on supportive housing, I know that homelessness prevention is housing policy—and the end of the lien sale is a homelessness prevention strategy. As a resident, I want a system that stabilizes neighborhoods, not one that accelerates displacement. And as a CLT board member, I believe public land should serve public good, not investor returns.

Thank you for your commitment to this issue and for the opportunity to provide testimony.

Sincerely,
Maya Ephrem
Flatbush Resident

Testimony of Diane Jones to the New York City Council Finance Committee
Regarding Tax Liens

My name is Diane Jones. I am a homeowner in Queens. I am a senior citizen and I live on a fixed income. I have lived in my home at [REDACTED] in Jamaica, Queens for decades. I am an heir. I inherited my home from my mother, who had five children and many other heirs. I am a part-owner of the home and I do not know where all of the other heirs live. I do not know how to reach all them. I am the only one who takes care of my home.

Because I am on a fixed income, it is very hard for me to be able to afford my taxes. I am current on my water bill. I always try to pay something on my taxes when I get my bill, even if it is just a few hundred dollars. But because I am an heir and co-owner, I cannot get a senior citizen exemption to lower my taxes and the Department of Finance will not work with me for a payment that I can afford.

I was listed on the lien sale list. I found a housing counselor who helped me apply for Easy Exit and Probate Removal. I do not have an email address, so my housing counselor had to submit an application through the main email address. It took a long time to hear back. Even after my lawyer had heard I had been approved, I was getting letters from the Department of Finance saying my lien would be sold unless I paid them large amounts of money that I do not have. I was denied for Easy Exit because I am not the registered owner of the property. This confuses me because my lawyer tells me the Easy Exit law does not have a registration requirement, and I am an owner of my home. Well after the lien sale was conducted I heard

that I was approved for Probate Removal. I now have two years to resolve the issue, but I need a payment plan that I can afford that is available to heirs like me

Date: November 13, 2025

Diane Jones



Testimony of Ingrid Johnson to the New York City Council Finance Committee
Regarding Tax Liens

My name is Ingrid Johnson. I currently reside at and am an owner of [REDACTED] in the Bushwick neighborhood of Brooklyn, New York. My council member is Sandy Nurse. I have lived in this home continuously since I was a child. I am the granddaughter of the owner of record, who died in 1988. My grandmother's will left the home to her 4 children, including my father. My father died without a will in 2009. I live in the home with my two children, ages 4 and 11.

In 2018, several of my grandmother's heirs were solicited by a corporation called 206A Bergen Street Development Corp. to sell their shares of the property, and a few did so for a tiny fraction of its value. Although a significant portion of the property is still owned within the family, the corporation is the only owner listed on the Department of Finance website.

This corporation also solicited me. They were pushy and disrespectful, and kept threatening that they would eventually kick me out of my home. But, still, I did not cooperate with them.

No one else lives in the home besides me and my children. And, yet, I don't get property tax bills.

This year, my home was on the tax lien sale list. I called Brooklyn Legal Services. They advised me that since I was an owner and heir, I qualified for both Easy Exit and Probate Removal. DoF had never advised me about these options. The problem with Easy Exit was that it

required income documents from all the heirs, but I am one of several heirs, and that would have been impossible for me to coordinate.

On May 28, 2025, I took my probate removal application to the DoF Financial Business Center in Brooklyn. The lien sale was supposed to take place on June 3, but as of June 11, I had received no response. I asked Brooklyn Legal Services if they could check in. Finally, on June 26, Brooklyn Legal Services was able to confirm through its contacts that my probate removal application was approved on June 24. However, I was still scared. My July property tax statement indicated that I was at risk of having my lien sold if I did not pay the total amount owed. Again, I contacted Brooklyn Legal Services, and they reassured me that, despite the misleading notice, I had been removed from the lien sale list. I understood that probate removal gave me two years to address my estates issues.

I plan to keep my home within the family, whatever it takes. I wish DoF would recognize me as an owner and work with me to figure out a plan moving forward. I am afraid of what the next tax lien sale will bring, and whether the City will again threaten to sell my lien, putting me at risk of foreclosure and homelessness.

Thank you for listening.

Date: November 13, 2025

Ingrid Johnson

A black rectangular redaction box covering the signature area.

Testimony of Lynette Elder to the New York City Council Finance Committee
Regarding Tax Liens

My name is Lynette Elder. I currently reside at [REDACTED] in the East New York neighborhood of Brooklyn, New York. This is my family home, and I have lived here continuously since I was a child. I live in the home with my mother, Mary Elder, age 77.

Our home is on three lots, which were all on this year's tax lien sale list due to overdue taxes. We fell behind on the taxes after my father died and we lost his income; then my mother became severely ill, and I have been unable to work because I am her sole caregiver.

The home itself is on lot 39, which is owned solely by my mother. I submitted a senior citizen homeowner exemption ("SCHE") application on behalf of my mother in person to the DoF business center in Brooklyn on May 15, 2025. Thereafter, three organizations – Brooklyn Level Up, Build Up Justice, and Brooklyn Legal Services – tried to help me get confirmation that the SCHE had been approved, so that lot 39 would be removed from the lien sale. After repeated inquiries, DoF would not confirm that the SCHE had been applied. Ultimately, on May 27, Build Up Justice helped me submit an Easy Exit application for lot 39, and it was finally approved on June 23.

As for my SCHE application for lot 39 – on May 30, Brooklyn Legal Services learned that DoF was claiming they had never received it. Brooklyn Legal Services resubmitted it on June 1, and upon request, again on June 2. To date, we have heard nothing about the SCHE application from DoF.

The two other lots, lots 37 and 40, comprise our yard and driveway, and remain under the name of my deceased father, Frederick Elder. These lots need to be merged with lot 39. DoF said lots 37 and 40 could not get the SCHE because they were not my mother's primary residence. Yet, our home and its yard are on these lots. I didn't know what else to do, so I made the minimum payment of \$1,486.63 to get lot 40 off the lien sale list.

Later, I called 311 to get into a payment plan for lot 37. I was connected to someone from DoF who said I couldn't enter into a payment plan because my deceased father's name was on the deed. On May 27, Build Up Justice helped me submit an Easy Exit application for lot 37. On May 29, Brooklyn Level Up helped me submit a probate removal application for the same lot. On May 30, Brooklyn Legal Services learned that DoF was claiming they had never received the probate removal application. Brooklyn Legal Services re-submitted it to DoF on June 1. On June 23, I finally received a letter that I was approved for probate removal on lot 37.

My experience this year with the tax lien sale and DOF was scary, confusing, and frustrating. Even though I am clearly an heir to the home and my mother is the owner and also an heir, DoF has repeatedly hampered my efforts to make payments because I am not on the deed. I felt like no one at DoF had the answers, and I kept getting conflicting information. It was only weeks after the lien sale that I learned that my Easy Exit and probate removal applications were approved. As far as I know, my mother was never approved for SCHE on her primary residence.

If I didn't have advocates telling me I had options, DoF would have sold my liens, leaving me and my mother at risk of homelessness. I would like DoF to help me merge my 3 lots. I

would also like to get into a payment plan, but DoF has consistently been unhelpful, and I'm not sure what my options are. I hope I never have to go through the chaos and uncertainty of a tax lien sale again.

Thank you for your attention.

Date: November 13, 2025

Lynette Elder



LEGAL SERVICES NYC | BROOKLYN

November 13, 2025
New York City Council Finance Committee
Tax Liens & Land Banks

Legal Services NYC (“LSNYC”) is the nation’s largest provider of free civil legal services to the poor in the country, with offices in the Bronx, Brooklyn, Manhattan, Queens, and Staten Island. For more than 50 years, LSNYC has provided expert legal assistance and advocacy to low-income residents of New York City. Each year, LSNYC’s neighborhood offices across New York City serve tens of thousands of New Yorkers, including homeowners, tenants, consumers of financial products, the disabled, immigrants, the elderly, and children. Our organization works to reduce poverty by challenging systemic injustice and racism and by helping clients meet basic needs for housing, access to high-quality education, health care, family stability, and income and economic security.

LSNYC is also the oldest and largest provider of foreclosure prevention and other legal services to distressed homeowners in New York City. LSNYC’s advocates represent distressed homeowners and victims of predatory and discriminatory lending in neighborhoods decimated by foreclosures across the boroughs. LSNYC represents clients pursuing affirmative litigation challenging predatory and discriminatory lending, abusive mortgage servicing practices, deed theft, partition and property flipping scams, and it provides representation to homeowners defending against foreclosure—including tax lien foreclosures brought by the NYCTL Trusts—in court. LSNYC advocates represent homeowners at foreclosure mandatory settlement conferences under New York foreclosure law and provide limited-scope assistance to unrepresented homeowners.

LSNYC’s homeowner advocates regularly assist homeowners who are having difficulties with their property taxes and sewer/water charges, including difficulties obtaining exemptions and abatements, homeowners who are wrongfully included in the annual tax lien sale, and heirs inheriting property who often have difficulty receiving assistance from the Department of Finance or Department of Environmental Protection service centers. We regularly encounter homeowners whose property tax liens have been sold and who are now grappling with the excessive fees and aggressive collection tactics of the NYCTL entities who hold the right to foreclose and force the sale of homes.

Because of our vast experience, LSNYC advocates have been frequently solicited to provide comments and testimony on proposed policies and legislation, particularly as it relates to New York City’s annual tax lien sale and its deleterious effects on affordable homeownership and neighborhood diversity and stability. LSNYC advocates have participated in numerous taskforces,

Demand Justice.

Brooklyn Legal Services | 29 Albany Avenue, 2nd Floor, Brooklyn, NY 11216
Phone: 718-237-5500 | www.LegalServicesNYC.org
Hon. Betty Staton, President | **Tanya Wong**, Project Director
Monica Corrine Moran, Esq., Board Chair | **Michael L. Williams**, Vice Chair

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working groups, and committees with Department of Finance, New York City Council, and other city officials and community stakeholders. These myriad collaborative efforts were tasked to pursue greater fairness and equity in the administration of state and local property tax and lien sale laws and regulations—including exemptions for veteran, disabled, low-income and senior citizen homeowners; Local Law 147 of 2013 which created the “other eligible person” category to grant heirs of decedent homeowners the ability to enter into installment agreements to save their homes; the Property Tax and Interest Deferral (PTAID) program; and most recently, the lien sale exemptions for homeowners who are actively litigating deed theft and deed fraud crimes against them, as well as homeowners facing hardship due to the global pandemic caused by the novel coronavirus COVID-19.

Grounded in our extensive expertise in the functioning of the property tax and lien sale laws and regulations and their practical effects on homeownership in New York City, as well as our experience collaborating with the Department of Finance for greater fairness in the administration of property tax and lien sale laws, we call attention to the following:

The 2025 Lien Sale Was Costly for Vulnerable New York City Homeowners

In its 2024 reauthorization legislation, the City Council legislated several new provisions, which would apply to the 2025 Tax and Water Lien Sale and subsequent sales, intended to make the lien sale fairer and more sustainable.¹ Unfortunately, those provisions did not help nearly as many homeowners in 2025 as anticipated, primarily due to City agencies’ constrained application of the City Code provisions. In addition, the most pernicious aspects of the lien sale persisted, leaving vulnerable homeowners at risk of losing their homes and facing increased financial hardship. Altogether, the 2025 Lien Sale resulted in the sales of liens on more than 2,100 tax class ones (small family homes), nearly 20% of which were for only water debt. These homeowners are now at imminent risk of foreclosure and the loss of their homes.

1. Easy Exit Was Constrained in its Application and Underutilized.

The 2024 reauthorization legislation outlined a new program called Easy Exit, as a means for low- and moderate-income homeowners to be removed from the lien sale annually for three years. Easy Exit was designed as a simple means for homeowners to be removed from the lien sale, so that those homeowners could engage in long-term financial planning around their tax and water arrears and annual obligations.²

Unfortunately, Easy Exit was not implemented by the Department of Finance according to the language in the New York City Code as passed by the Council. The Code provision defined an “owner” of a property as “a natural person who has *a* fee interest in a property or dwelling unit,”³ and provided an opportunity for *any* owner who uses the home as their primary residence and whose income was lower than \$107,300 to be removed from the lien sale list.⁴ The form

¹ Sandy Nurse and Justin Brannan, “New York City Was Ghoulish On Collecting Property Debt. These Council Members Are Changing That.” Next City, October 3, 2024.

² *Id.*

³ New York City Code § 11-412.3, definition of “Owner” (emphasis supplied).

⁴ New York City Code § 11-412.3(c)(1), (2).

application prepared by the Department of Finance, however, constrained these definitions by requiring the owner to demonstrate not only their income but also the income of all other owners of the property. The form stated that “the combined annual income of all owners (whether they reside at the property or not) and of spouses who reside at the property [must be] no greater than \$107,300.” The Department of Finance definition artificially and significantly reduced eligibility for this Council-created program and created great hardship, particularly for homeowners who share diffuse ownership, for example those residing in homes that have been family properties for generations and passed through intestacy. Moreover, the Department of Finance further limited the definition of “owner” by rejecting homeowners who it deemed were not “registered” owners (for example, those who had inherited their interests through intestacy, or those who had been victims of deed theft, partition scams, and other fraudulent practices rampant in New York City’s historically Black neighborhoods), imposing an eligibility requirement not found in the New York City Code enacted by the Council.

The Department of Finance and Environmental Protection further undermined the efficacy of the Easy Exit program by de-emphasizing the program in written materials and steering homeowners seeking assistance at public-facing Business Centers and over telephone customer service lines away from the program and towards unaffordable payment plans.⁵ Unfortunately, steering homeowners into unaffordable payment plans puts them at high risk of redefault, which will undermine those homeowners’ ability to obtain an affordable payment plan in the future. The result is that the Easy Exit program was grossly underutilized in this first year of its implementation, enrolling, according to the Department of Finance, just over 4,000 homeowners on the 90-day lien sale list.

2. *Avenues for Relief Were Not Clear to Homeowners.*

Certain avenues for relief were not advertised in City materials and not apparent to homeowners, or even to many advocates. For example, the Department of Finance created specialized email addresses that could be used for applications and escalations. These email addresses, however, were not listed on any City website, nor in any published materials or even in outreach to advocates (even though such advocates were contracted through City funds to engage in lien sale outreach and education). Advocates were required to share information with each other through their own networks in order to find out about these crucial tools in light of the apparent efforts to bury the availability of these lien sale avoidance options.

Moreover, an entire avenue for relief, which the Department of Finance referred to as “Probate Removal,” was neither listed on City websites, nor even officially unveiled to advocates. It was only through advocates’ sharing information that this means of relief was disseminated, however imperfectly. In fact, in advocate calls with council member staff, even those staff who had been closely monitoring the 2025 Lien Sale, it was clear that staff were unaware of the Probate Removal program. Many homeowners who were eligible for Probate Removal did not learn of this program due to inadequate information sharing.

⁵ Representatives of the New York City Department of Environmental Protection went so far as stating that their participation in Easy Exit was “voluntary,” although it was *required* by the New York City Code.

3. 2025 Roll Out Was Chaotic and Required New Definitions Midstream.

Unfortunately, the roll-out of the 2025 Lien Sale was seemingly understaffed and insufficiently organized to properly implement the programs required by the New York City Code. As described above, the Department of Finance propounded forms for both Easy Exit, as required by the New York City Code, and Probate Removal without vetting those forms through key Council members or advocates. Therefore, those forms and other aspects of implementation were fundamentally flawed. The Department of Finance initially rejected homeowners from the programs whose homes were held in trust, a common estate-planning tool that should not have prevented these homeowners' participation in lien sale relief programs. When advocates and the Council raised this as a concern, the Department of Finance changed mid-stream, but only after improperly rejecting the applications of an unknown number of homeowners.

As the date of the lien sale approached, customer service lines were overwhelmed, and City employees ceased to respond to inquiries made by advocates and homeowners. In fact, the City was so overwhelmed, that it was forced to delay the sale by two weeks to deal with its backlog. Yet, even as the postponed date approached, City employees did not respond to inquiries, not even via their specialized email addresses, and advocates were required to use informal escalation conduits to make inquiries and respond to follow-up requests for documents. These informal conduits were not listed on any City website and not available to individual homeowners, raising concern that homeowners who did not have an advocate working on their behalf could not access relief during this crucial period.

4. Harmful Provisions of the Lien Sale Remain.

Even with the amendments to the City Code passed by the Council, the most harmful elements of the lien sale remained for vulnerable homeowners. New York City still publicly publishes a list of the most vulnerable homeowners in New York City through the lien sale process, a list that becomes a road map to scammers to identify marks to target for fraud. The lien sale still adds thousands of dollars in fees, charges, and interest to an individual homeowner's obligations, even as the city receives only 70% of the amount that is owed for municipal liens and none of the additional amounts charged, which go entirely to lien servicers, attorneys, investment bankers, and others. Homeowners whose liens are sold are still subject to foreclosure and loss of their homes and equity, sometimes for debts that are merely thousands of dollars, in a judicial foreclosure process that lacks the consumer protections and safeguards that have been implemented for mortgage foreclosures over the last fifteen years. The total amounts of these debts owed by low- and moderate-income homeowners are low enough that these homeowners would be eligible to receive one-time City One Shot Deals in most other contexts, yet in the context of property tax collection, New York City instead opts to put homeowners at risk for homelessness and equity stripping for the same amounts.

The Current Legislative Proposals Do Not Address the Lien Sale's Harm to Communities

While LSNYC appreciates the Council's continued attention on matters related to the lien sale, the current legislative proposals do little to address the concerns raised above or indeed the concerns that have been raised over the three decades since the institution of this draconian practice. The Coalition for Affordable Homes recently submitted a letter (attached herein) to the Tax Lien Task

Force recommending certain reforms which would resolve the issues raised in this testimony. These reforms include, but are not limited to: the exclusion of the small family homes (Tax Class 1 properties) from the sale, ending recertification requirements for the senior and disability property tax exemptions, prioritizing lien sale relief for victims of deed theft and partition scams, addressing the issues faced by heirs to decedent homeowners, resolving the problems causing low enrollment in PTAID, and providing affordable solutions for water debt.

The most pressing issue with any step toward reform, however, remains with the City agencies' implementation of protective programs. With every piece of legislation passed aimed at protecting homeowners from the deleterious effects of the lien sale, the Department of Finance and the Department of Environmental Protection narrowly construe the parameters of the protective measures—this has the effect of severely limiting their application, if not rendering them entirely ineffectual. The agencies continue to be more comfortable in their roles as debt collectors and therefore continued reliance on them as the chief implementors of these programs will continue to undermine any and all legislative efforts.

The very nature of the lien sale guarantees that its harms are concentrated on elderly and minority homeowners. Homeownership by senior citizens, and black and brown community members will not survive another 30 years of the tax lien sale program without precise and decisive action by this Council.

Thank you for your attention to these comments. For more information, please contact Jacquelyn Griffin at jgriffin@lsnyc.org or (718) 233-6442.

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Preston Niblack, Commissioner DOF

Address: _____

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Annette Hill, Deputy Commissioner DOF

Address: _____

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 11/13/25

(PLEASE PRINT)

Name: Anelle Hersh

Address: _____

I represent: VHAB

Address: 120 Wall St, 70th Fl

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 11/13/25

(PLEASE PRINT)

Name: Albert Kramer

Address: Deputy Commissioner, DEP

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 11/13/25

(PLEASE PRINT)

Name: Nerissa Moray

Address: CFO, DEP

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: 11/13/25

(PLEASE PRINT)

Name: Rohit Aggarwala

Address: Commissioner, DEP

I represent: _____

Address: _____

◆ Please complete this card and return to the Sergeant-at-Arms ◆

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Jenny Weyel

Address: _____

I represent: HPP

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Paula Segal

Address: _____

I represent: Take Root Justice

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Lacey Tauber

Address: _____

I represent: Brooklyn Borough President Antonio Reynoso

Address: _____

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. ALL Res. No. _____

☐ in favor ☐ in opposition (neither)

Date: 11/13/2025

(PLEASE PRINT)

Name: Jacquelyn Griffin, Brooklyn Legal Services

Address: [REDACTED] Brooklyn, NY 11221

I represent: _____

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: JAKOB SCHNEIDER

Address: _____

I represent: EAST NEW YORK CLT

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1407⁺¹⁴²⁰ Res. No. _____

☒ in favor ☐ in opposition

Date: 11/13/2025

(PLEASE PRINT)

Name: Jean-Andre Sassine

Address: [REDACTED] QV NY 11429

I represent: South East Queens & New York Communities

Address: for change

Please complete this card and return to the Sergeant-at-Arms

THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. 1407 Res. No. _____

☒ in favor ☐ in opposition

Date: 11/13/2025

(PLEASE PRINT)

Name: CLINT OKAYAMA

Address: [REDACTED] ASTORIA NY 11102

I represent: Western Queens Community Land Trust

Address: _____

THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Annette

Address: [REDACTED]

I represent: DOF

Address: _____

THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Rit Agarwal

Address: [REDACTED]

I represent: DEP

Address: _____

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THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Preston N. Black

Address: 215 Avenue C

I represent: DOF

Address: DOF

Please complete this card and return to the Sergeant-at-Arms

THE COUNCIL THE CITY OF NEW YORK

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____

☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Kim Derge

Address: 215 Avenue C

I represent: +IPDI

Address: DOF

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THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1407, 1420, 570 A Res. No. 11/15/25
☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: Joan Erskine

Address: [Redacted] Bklyn 11210

I represent: BKLVIP + Myself

Address: _____

▶ Please complete this card and return to the Sergeant-at-Arms ◀

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. _____ Res. No. _____
☐ in favor ☐ in opposition

Date: _____

(PLEASE PRINT)

Name: SKATE TO THE DANCE

Address: [Redacted] NY

I represent: Neighborhood Center

Address: _____

▶ Please complete this card and return to the Sergeant-at-Arms ◀