New York City Council Finance Committee Hearing

Testimony submitted by the
New York City Department of Finance

September 10, 2020

Thank you, Chair Dromm and the members of the Finance Committee, for the opportunity to testify in support of Int. 2039.

The Department of Finance administers dozens of exemption and abatement programs that provide billions of dollars in property tax relief to property owners and renters.

This includes a number of personal exemptions that reduce New Yorkers' property taxes and help protect them from tax increases related to rising property values:

- The Senior Citizen Homeowners' Exemption, also known as SCHE, is available to property owners 65 or older with annual income of $58,399 or less.

- The Disabled Homeowners' Exemption, or DHE, is available to homeowners who have a disability and income of $58,399 or less.

- Both SCHE and DHE can reduce a property's assessed value by up to 50%, resulting in significant savings for homeowners.

- We also have several tax exemptions for veterans, their spouses, and Gold Star parents. The level of benefit varies depending upon several factors.

- Clergy members are eligible for a property tax exemption that can reduce a home's assessed value by up to $1,500.

- The cooperative and condominium abatement decreases the amount of property taxes owed by the owners of cooperative and condominium units. The building must apply for the entire development.

- And finally, the STAR and Enhanced STAR benefits are available to homeowners who meet age and eligibility requirements. The Basic STAR benefit can save taxpayers approximately $300 per year, and the enhanced benefit twice that much. While new STAR applicants will receive the benefit as a credit, homeowners who had been receiving it as a property tax exemption administered by the Department of Finance may continue to do so.

As housing costs continue to rise citywide, these benefits are helping New Yorkers to remain in their homes.

Our mission is to enroll and renew as many people in property tax benefit programs as we can. One of the ways we do that is with a year-round in-person outreach program.

Unfortunately, as a result of the COVID-19 pandemic, we were not able to conduct a robust series of in-person public outreach events to help New Yorkers apply for property tax benefits. In addition, the March 16 deadline for personal exemption applications came just as New York City entered the first phase of its quarantine. It was an uncertain time, and homeowners who might otherwise have applied for benefits may not have been able to do so.

Sections one and two of Int. 2039 would extend the deadline for personal tax exemption and abatement applications to July 15, 2020. This will help the thousands of taxpayers who applied for benefits during this time period, including:

- 640 SCHE initial applicants
- 510 SCHE renewal applicants
- 70 DHE initial applicants
- 140 DHE renewal applicants
- 120 veterans exemption applicants
- 20 clergy exemption applicants
- 790 cooperative and condominium abatement applicants
- 360 STAR or ESTAR applicants

In addition, Int. 2039 contains provisions, in section three, which would allow a property owner to appeal a denial of an exemption application or renewal application submitted after the filing deadline and on or before July 15, 2020. The section requires the Department of Finance to send a written denial notice to the property owner and provides for a process at the Tax Commission for a property owner to challenge such denial.

The Department of Finance supports Int. 2039 and urges its passage so that we can help the New Yorkers who applied for property tax benefits during a difficult time for our city.

Tax lien sales must be postponed

Because of the government caused constraints on property owners, the tax lien sales should be postponed for one year.

Sincerely,

Kate Yale

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89-70 162nd Street, Jamaica NY 11432
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www.nhsj.org

September 10, 2020

Re: New York City Tax Lien Sale

I am Lori Miller, Executive Director of Neighborhood Housing Services of Jamaica, Inc. (NHS of Jamaica) a HUD certified, nonprofit housing agency providing a wide range of housing program services and education to the communities of southeastern Queens. Established in 1974, in response to redlining in southeastern Queens, NHS of Jamaica delivers high-quality housing services to low- and moderate-income individuals and families in southern Queens and the surrounding communities. Due to the nature of services that our program provides, our community impact is broad in scope and extends throughout New York City. NHSJ advocates for foreclosure prevention, homeownership stability, housing preservation and improvement, affordable homeownership and consumer financial capability.

The NHSJ team toils daily to preserve and protect our clients' homes. For many their home is their greatest asset and the cornerstone of the family's stability and financial health. On behalf of our organization and the clients that we serve, I want to take this opportunity to thank the Council for its support which enables our organization to deliver foreclosure prevention and other homeowner stabilization services to this vulnerable population. Although it has been 12 years since the crash that brought a wave of foreclosures to southeast Queens conferring upon our community the unwelcome distinction of being identified as 'ground zero' for the foreclosure crisis, southeast Queens has never fully recovered, and with the devastating impact of the Corona Virus pandemic, our residents, comprised of the most vulnerable – low- and moderate-income families and people of color, we have lost even more ground in the recovery effort.

Many of the single-family homeowners and small landlords of 1-4 family homes in our community have suffered unrecoverable losses from unemployment and reductions in earned or rental income. Tenants who affected by the pandemic are unable to pay their rent contribute to their landlords being at risk of foreclosure when they then are unable to make their mortgage payments. Now more than ever the homeowners of New York City who are facing sales of their tax liens need a reprieve and the support of City government to help stabilize their financial situation and furthermore, prevent jeopardizing their health should they lose their homes due to foreclosure of a tax lien and become homeless. At no time, but certainly not in the midst of a pandemic should families be forced into homelessness, when the city already finds itself struggling with how to safely house its record homeless.

In the Council Districts that comprise southeastern Queens, there are over 1,100 properties slated to be included in the current tax lien sale. Of those 412 are small, residential properties, owned not by business entities but individuals and families many of whom struggle daily to sustain themselves, often having to choose between meeting their daily life needs and perhaps paying a tax bill. NHS of Jamaica with the support of the City Council is here to assist these homeowners in many ways, one of which is helping homeowners apply for tax exemptions, which many are unaware of, perhaps pointing to the need for more effective citywide marketing and outreach to increase awareness of tax exemptions as a way to make homeownership more affordable. This could very well be one way to help some homeowners avoid becoming delinquent and at risk of losing their property or being forced to enter into repayment plans which put further stress on their finances.

On behalf of the Board of Directors, Staff and the residents of Queens, we advocate strongly for the cancellation of the proposed tax lien sale until the COVID-19 pandemic has ended and our city can begin the long road to recovery.

Lori Miller

Lori Miller
Executive Director

NHSJ

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Lori Miller

Lori Miller
Executive Director

NYLAG
New York Legal Assistance Group

Testimony by the New York Legal Assistance Group

Before the New York City Council Committee on Finance regarding:

Postponing the NYC 2020 tax lien sale until one year after the COVID-19 state of emergency has been lifted

September 10, 2020

Chair Dromm, Council Members, and staff, good morning and thank you for the opportunity to speak in support of the passage of Resolution 1387, which would postpone the New York City 2020 tax lien sale until one year after the COVID-19 state of emergency has been lifted. My name is Rose Marie Cantanno, and I am the Associate Director of the Consumer Protection Unit at the New York Legal Assistance Group (NYLAG), a nonprofit law office dedicated to providing free legal services in civil law matters to low-income New Yorkers. NYLAG uses the power of the law to help New Yorkers in need combat social and economic injustice. We address emerging and urgent legal needs with comprehensive, free civil legal services, impact litigation, policy advocacy, and community education. NYLAG serves immigrants, seniors, veterans, the homebound, families facing foreclosure, renters facing eviction, low-income consumers, those in need of government assistance, children in need of special education, domestic violence victims, people with disabilities, patients with chronic illness or disease, low-wage workers, low-income members of the LGBTQ community, Holocaust survivors, as well as others in need of free legal services.

I have had the privilege of representing New York City homeowners in all five boroughs for the last ten years. I am constantly amazed at the spirit and sense of community among these homeowners. Many of these individuals have spent their entire lives investing in their homes and building their communities. Many of them are people who came to this country and to New York for their American dream and achieved it. They worked hard, often two or three jobs, and grew their wealth in the form of homeownership. They struggled every month to make their mortgage payments and finally arrived at a place where their homes were owned free and clear of any debt. They managed to pay their taxes and other home expenses even amid the rising cost of living in NYC, but this took everything they had. Then COVID-19 changed their lives and finances overnight.

Many of the homeowners affected by the tax lien sale are senior citizens on fixed incomes who rely on family members to assist them financially, including paying the real estate taxes on their homes. In addition, they rely on renters and roommates to help make these payments. However, because so many people have lost their income during this pandemic, many of these individuals who were relied on found it impossible to keep assisting and our senior citizens have found themselves in a terrible situation. Even for those who are not seniors, the loss of income from closed businesses has left them using every penny they have for such necessities as food and, unfortunately, medical expenses and even funeral costs incurred because of the pandemic.

Another result of this pandemic has been the separation of these homeowners from many of the services which would normally be available to assist them. Normally, organizations such as NYLAG would spend the few months preceding the tax lien sale reaching out to homeowners, attending outreach events, and assisting them with payment plans, requesting exemptions from the tax lien sale, or applying for available grants to help keep their lien from being sold. All of these efforts were not possible due to the inability to congregate because of the virus. Virtual events did not reach anywhere the number of people our live events did. Often, these individuals do not have the technology or know-how to work with us in this virtual space. They could not walk into a Department of Finance office to ask for options.

It is no secret that the tax lien sale has a disparate impact on communities of color, immigrant communities and those who have historically struggled to amass wealth and financial security. According to an analysis by the Coalition for Affordable Homes of liens sold for one-to-three family homes in 2016, New York City is six times more likely to sell a lien in a majority Black or African American neighborhood, and twice as likely in a majority Latinx or Hispanic neighborhood, than in a majority white neighborhood.[1] Neighborhoods with majority Black or Latinx populations in Eastern Brooklyn and Southeast Queens that have long histories of redlining and predatory lending have been hit hardest by tax liens, and are also at the center of the mortgage foreclosure crisis in New York City.

It is important to remember that these are not people who just do not want to pay their taxes. These are people who through their hard work and dedication have paid off their homes. These are the people who lay awake at night worrying about how they are going to pay their bills. The truth is that their taxes are still going to be paid. They are not asking for tax forgiveness or any kind of free pass. They simply are asking that their tax debt not be sold to an investor who will charge them an excessive interest rate and high legal fees from

[1] Coalition for Affordable Homes: New Yorkers United for Affordable Home Ownership. "Compounding Debt: Race, Affordability, and NYC's Tax Lien Sale." 1 November 2016. https://s28299.pcdn.co/wp-content/uploads/2014/02/CAH-tax-lien-sale-report-final.pdf

the start. I have seen a $2,000 lien become a $4,000 lien overnight. Payment plans are rarely offered, and the law does not provide all the safeguards in tax foreclosures which are afforded to mortgage foreclosures.

For all these reasons, NYLAG strongly supports delaying the 2020 tax lien sale until one year after this emergency has ended.

Thank you for the opportunity to testify on this important and timely issue. I look forward to working with the Council to ensure that hardworking homeowners are protected in the wake of the COVID-19 pandemic.

Respectfully submitted,

New York Legal Assistance Group

Testimony Before City Council Regarding Res 1387 & Intro 2039
September 10, 2020

Good morning. My name is Julian St. Patrick Clayton, and I am the Deputy Director of Policy and Research at the Center for NYC Neighborhoods. I would like to thank Chair Dromm and the members of the Committee on Finance for holding today's hearing regarding the New York City tax lien sale.

About the Center for NYC Neighborhoods

The Center promotes and protects affordable homeownership in New York so that middle- and working-class communities are able to live in strong, thriving communities. 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 our founding in 2008, our network has assisted over 74,000 homeowners. Major funding sources for this work include the New York City Council, the New York City Department of Housing Preservation and Development, and the Office of the State Attorney General, along with other public and private funders. The Center's work has become even more important during the pandemic, providing much-needed support to homeowners, their tenants, and their communities.

Property Tax Burdens Were a Problem Before COVID-19

Many New York City homeowners struggle to afford property tax, water, and other municipal charges. These charges can be a substantial burden for homeowners trying to keep their properties amidst rising real estate values and maintenance costs. This is particularly true for those suffering from pandemic-related income loss. Before COVID-19, we surveyed homeowners in East New York, Brooklyn, a community home to thousands of working- and middle-class homeowners, most of whom are people of color. Only 18% of homeowners surveyed reported that they had income left over each month after paying all their bills, while 58% said they break even, and 24% reported that they have to borrow or use credit cards to cover their regular expenses.[1]

A recent report from the NYC Comptroller demonstrated that property taxes place a disproportionate burden on lower-income homeowners. For homeowners making below $50,000 per year, their property tax burden is 12.7%, as compared to higher income homeowners, whose burdens are between 2% and 6%. The study found that property taxes have soared since 2005 for homeowners across the income

[1] Center for NYC Neighborhoods, East New York: Preserving Affordability in the Face of Uncertainty, Oct. 2017. Available at: https://cnycn.org/eastnewyork/

spectrum, while incomes have only risen moderately overall and have actually decreased for the lowest income homeowners.[2]

The flurry of federal and state actions concerning foreclosure moratoriums and forbearance plans may obscure the fact that many homeowners at risk of having liens sold on their home are not in forbearance on their mortgage and thus are particularly vulnerable to defaulting on water and tax payments. Instead, most property owners who have liens sold do not have mortgages to receive forbearance on – many are senior homeowners with fixed incomes who have paid off their mortgage or families who have inherited free and clear homes and now are struggling to handle tax and water payments.

Data from the Census bureau and mortgage servicers suggests that New York homeowners are among the hardest hit by the pandemic in the whole country. Black and Latinx homeowners report the most income loss and deepest challenges in making their housing payments and obtaining forbearance.

The Tax Lien Sale will Hurt Homeowners, their Tenants, and their Communities

4,603 homes (Tax Class 1 as well as residential condominiums) are slated for the 2020 sale, 87% of which are in the Bronx, Brooklyn and Queens.[3] We estimate that at least half of these properties are owner-occupied, providing thousands of homeowner families not only shelter, but also an opportunity to pass an asset across generations as well as rental housing for thousands more.

Based on past lien sales, homeowners included in the 2020 sale may be behind on as little as $1,000 in combined municipal water and property charges, while some exceed $25,000 in debt to the City. In the 2019 lien sale, the median balance of liens sold on homeownership properties was $12,600. While we greatly appreciate how important revenue is right now, these sums are not worth the risk of forcing families out of their homes.

We have documented how many homeowners with liens sold leave their homes within a few years time, turnover that far exceeds homes not touched by the lien sale.[4] We've also seen that tax liens are concentrated in communities of color. In 2019, Tax Class 1 liens sold were over ten times more likely to be located in majority Black census tracts than in majority White tracts.[5] These are also neighborhoods that have suffered the most during the COVID pandemic – in hospitalizations, deaths and in terms of job loss. It is imperative that our tax collection policy aligns with our public health and affordable housing policies which all demand stabilization and support for the vulnerable at this time.

Revenue

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[2] "Growing Unfairness The Rising Burden of Property Taxes on Low-Income Households", Office of Comptroller Scott Stringer, September 6, 2018. Available at: https://comptroller.nyc.gov/reports/growing-unfairness-the-rising-burden-of-property-taxes-on-low-income-households/

[3] Center analysis of DOF lien sale list as of 8/17/20; homes include properties listed under building classes A, B, CO, R1-4 and R6

[4] Coalition for Affordable Homes, *Compounding Debt*: *Race, Affordability, and NYC's Tax Lien Sale.* 2016.

[5] Center analysis of DOF 2019 Lien Sale data on final sale, ACS 2018 5-year estimates

It is important to put the City's revenues from the lien sale in perspective. Annual lien sale revenue averaged $87 million between 2015 and 2019. That is miniscule compared to the City's revenue from property tax collection, which averaged $25 billion over the same period.

In FY2019, the City had a net revenue of $61 million from the lien sale, while total property tax revenue in FY2019 was $27.9 billion, or 459 times the lien sale revenue. While the City can expect to collect a few million more as owners with 2019 tax liens continue to pay up, this is still a staggering difference in scale.

Changing the lien sale does not mean that the City forgoes the tax and water debts of property owners. Until 1997, the City serviced its own delinquent charges and collected the vast majority of what it was owed without the help of a private trust. The efficiencies created by the privatization of servicing via the lien sale amount to only a few million extra dollars each year, which again, is fairly insubstantial compared to the billions of dollars paid to DOF each year.

No outreach, no lien sale

In previous years, the Department of Finance has conducted extensive outreach, including in-person tax lien clinics, to ensure that property owners understand the lien sale and can take steps to enter into payment plans, apply for property tax exemptions, and pay off their arrears. Due to COVID-19, the Department of Finance has been unable to have these in person events, meaning that thousands of property owners will be unable to access the information and resources they need to get off of the lien sale.

While DOF has organized some virtual events, their impact has been limited, reaching a small fraction of owners still on the sale list. The most recently published tax lien sale eligibility lists published on August 17 show that, out of the 9,679 properties on the lien sale eligibility list published in July, only 562 had been removed by August 17. This limited impact should not be surprising, as the economic condition of property owners could not have been improved by the pandemic. While DOF has planned more virtual events for September, we can expect that many homeowners in need of assistance will not be reached in time.

Other Cities Have Moved Away from the Lien Sale

In recent years, several cities have been prompted by equity concerns to move away from the privatization of tax debt collection. For example, Philadelphia and Baltimore have both suspended the sale of water liens out of concern that it was penalizing the most vulnerable homeowners.[6,7]

In March, Cook County (Chicago) Treasurer Maria Pappas ordered the indefinite postponement of the Cook County lien sale on the grounds that "holding the Tax Sale under these circumstances would be

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[6] Emily Nonko, "How Philadelphia Has Tried to Address Water Debt", Next City. Sept. 1 2020

[7] Baltimore City Department of Public Works, "Water-Only Liens Not Subject to Tax Sale", Press Release, Dec. 20 2017.

unfair to tens of thousands of homeowners who are living paycheck-to-paycheck and face this pandemic." The press release goes on to note that the $48 million that had been anticipated from the sale is only "a fraction of the $14 billion the Cook County Treasurer's Office collects each year."[8] The Treasurer deemed it appropriate to postpone the immediate receipt of a sum similar to NYC's expected revenue for 2020 despite Cook county's total tax receipts ($14 billion) being roughly half that of NYC ($28 billion in 2019).

The legislation under consideration

We commend CM Adams and her cosponsors for putting forward Res. No. 1387 and supporting state legislation to postpone the lien sale. The resolution calls on the state government to postpone the lien sale for a year after the close of the state of emergency. This time period would give the City, homeowners and advocates enough time to make sure that those who need assistance get it and a just outcome is arrived at for all properties.

We are also in favor of Intro. 2039 since it would extend exemptions to homeowners who need and deserve them.

Looking Ahead to the Reauthorization of the Lien Sale

By the end of the calendar year, the council will need to pass legislation to reauthorize the lien sale for 2021 and beyond. For the reasons I have discussed today, it is critical that we use this opportunity to rethink the status quo and make sure that we balance the preservation of naturally occurring affordable housing – that's what so many of these small homes in the outer boroughs are – with tax collection.

We ask the committee to consider removing homeownership units from the lien sale altogether and keep them under the purview of the City. When DOF retains these debts, it is able to channel housing counselors to homeowners who need them, guide property owners into HPD preservation programs, and facilitate the transfer of vacant or abandoned properties where the landlord is causing harm to the neighborhood.

Keeping homes from the lien sale does not mean forgoing tax collection, it just means doing collections in a way that does not interfere with the City's goals for housing stability and equity.

We welcome the opportunity to work with the Department of Finance, Chair Dromm, and the Committee to ensure that the lien sale does not destabilize low income homeowners. Thank you for the opportunity to testify.

[8] Maria Pappas, Cook County Treasurer, "Pappas: Auction of delinquent Cook County property taxes postponed indefinitely", Press Release. March 24, 2020.

postpone the New York City 2020 tax lien sale until one year after the COVID-19 state of emergency has been lifted.

How can tax lien sales occur during an eviction moratorium? This would be very destructive to small property owners such as myself. We paid July taxes in full despite the shutdown of commercial businesses and loss of rent income. Taxes were paid straight out of savings and reserve which was meant for capital improvements. There is a huge hole in our budget and we cannot sustain to pay taxes in full again in January. We fear a tax lien on our property. A tax lien sale will wipeout all the hard work my family had spent generations to achieve.

September 10, 2020

New York City Council, Committee on Finance

Public Hearing on Res. 1387 and Int. 2039

My name is Jacquelyn Griffin and I am a senior staff attorney in the Brooklyn office of Legal Services NYC, working in the foreclosure prevention project. I appreciate this opportunity to come before the council and speak regarding the proposed legislation dealing with the postponement of the tax lien sale and an extension of time for homeowners' applications for various abatements and exemptions. These proposals do address some particular problems with selling delinquent property tax and water debt during the middle of a global financial and health crisis. I would, however, prefer to start by taking a broader view of the tax lien sale, the inclusion of residential properties in that process, and the harm it causes to our local communities, particularly our communities of color and the elderly.

I would like to be as precise as possible in framing this testimony: the homeowners that are the most detrimentally affected by the tax lien sale are long-time homeowners or their heirs, who typically own their homes free and clear. These homeowners and their heirs are overwhelmingly elderly, disabled, and more likely to be persons of color.[1] They also tend to be on fixed incomes, with little ability to deal with the annually increasing property tax charges, especially as the cost of basic living necessities continue to rise without a corresponding increase in wages or government benefits. In short, when it comes to residential properties in the lien sale, we are speaking of the most vulnerable people in our society. We are speaking of people who invested in neighborhoods where no one wanted to live and turned them into thriving communities. We are speaking of people who house generations, and provide stability for those family members seeking higher education in hopes that they may be able to pursue their dreams and earn a living wage. We are speaking of people who keep rents in this city affordable and participate in government programs to house vulnerable children and their parents or others making difficult life transitions. And year after year, this council, by renewing the authorization of the tax lien sale, threatens these homeowners with homelessness and poverty. Governor Cuomo, in a recent act which seeks to take exemptions away from people unable to pay their property taxes, characterized these vulnerable homeowners as deadbeats—unworthy of the discounts they are receiving. In fact, we are speaking about the best citizens and community members of New York City.

Disabled and senior homeowners who were once entitled to a lifelong automatic renewal for the property tax exemption now face a confusing system of either annual or biennial renewal based on the type of exemption currently held. They are faced with a system that increasingly relies on electronic communication that they are unable to use and understand. Most homeowners we speak to in our practice cannot even fathom the reality of a system that will take their home (worth $500,000) because of a $6,000 delinquent property tax bill. This is all made worse by the fact that the Department of Finance and the Department of Environmental Protection (responsible for collecting water charges), sell their debt to debt buyers together, but have completely divergent systems and programs for homeowners that fall into vulnerable categories and are seeking to avoid the sale of their lien.

[1] Exhibit A, which maps the location of homes on the 90-day lien sale notice list for New York City in 2020, confirms that the vast majority of the properties are in majority-minority neighborhoods.

The existence of the tax lien sale has caused homeowners to be targeted by investor scams. Because the lien sale list is made public, it is very easy for anyone seeking to take advantage to know which homeowners are experiencing financial distress. These homeowners are often subject to incessant calls, mailings, and even undesired and unannounced visits from investors seeking to buy their homes at discounted prices. Because of confusion surrounding the lien sale, these homeowners may be more susceptible to unscrupulous and false representations from investors who want their homes. In our practice, we have seen clients targeted because of being listed on the lien sale list. A common scam these days deals with properties that remain in the name of deceased ancestors. An investor will target potential heirs to the property, typically living in other states and with no connection to the property, and tell them that they are in danger of being responsible for the delinquent debt and convincing them to sell their supposed interest in the property for pennies on the dollar. This investor will then seek to force a sale of the property by bringing a lawsuit against the resident homeowner for partition of the home. For homeowners already in financial distress, the addition of an investor to their deed by virtue of a distant relative forecloses them from all programs that would reduce their property tax charges and keep them off the lien sale list. Our office is often required to intervene to seek the removal of these homes from the lien sale list so that the homes will not go into foreclosure, but many owners lack advocates to help them.

Similarly, our office and other local legal service providers have represented for several years a large group of homeowners targeted because of race and ethnicity in deed theft scams in which they were tricked into losing title to their homes. Though the perpetrators have been imprisoned for their crimes, our office is still working to regain title. While the homes remain the name of the company whose principals perpetrated the scam, property taxes continue to accrue at an inflated rate because our clients are not able to access the protections to which they are entitled and are continually placed on the lien sale list each year. And in addition to the other work required to defend our client's title, our office must continue to request DOF's leniency to secure removal of these homes from the sale each year. It's important to note that inflated charges continue to accrue on the properties and DOF provides no remedy or retroactive benefit for homeowners litigating to save their homes from fraudulent investors or deed thieves.

All of these issues I've discussed have been gravely exacerbated by the pandemic of the novel coronavirus. In recent years, there has been robust community organization in the weeks leading up to the tax lien sale. Community groups, non-profit organizations, the Department of Finance as well as many members of the Council have been important partners in this work. Outreach events are scheduled where homeowners are permitted to submit applications for payment plans and are evaluated for exemption eligibility and even referred for legal help where necessary. In a world where we cannot gather in person because of a virus that is lethal to those homeowners most affected by the tax lien sale, we cannot hope to approach even a fraction of the efficacy we've had in the past with such outreach.

Heirs to homeowners who have died continue to be vulnerable as well. Despite clear legislation by this Council to the contrary, DOF continues to insist that heirs of intestate decedents seeking payment plans must have documentation from Surrogate's Court to prove their relationship to the homeowner and interest in the property. This requirement, which, again, contradicts the explicit intent of Local Law 147, is nearly impossible to fulfill at this time because courts have been closed for months due to the pandemic. While some courts are accepting electronic petitions, most individuals would need an attorney to assist them in navigating that system, and in general court response times have slowed considerably.

The Department of Finance has made an effort to establish electronic submission of applications and renewals, but the target population (seniors and disabled persons) are the least likely to have the required technology and technological capability to take advantage of this make-shift remedy. Moreover, the advocates who might normally be able to bridge this technological gap are working remotely and avoiding in-person meetings to protect the health of this vulnerable population.

There are simply not sufficient safeguards in place to move forward with a tax lien sale at this time. The consequences resulting from the sale of these liens and the resulting foreclosures will be devastating, particular for communities of color who we know have already suffered disproportionately as a result of the rampant and continued spread of the novel coronavirus. And the impact will be felt not just by the affected homeowners, but by the surrounding communities which are destabilized when homes are lost to foreclosure and equity is stripped from these communities by the foreclosure on these liens by the debt buyer trusts that purchase them.

Again, we appreciate the Council's actions on behalf of vulnerable homeowners both now and in the past. However, more is needed to preserve these communities than a patchwork of temporary, short-term solutions—none of which address the core problem that low-income and middle-income communities are disappearing and that the annual lien sale exacerbates neighborhood destabilization and promotes the stripping of equity from longstanding home-owning communities. We have to decide on a fundamental level whether we are a society who believes in a person's right to dignity and to a home, whether we believe in protecting those who are least able to protect themselves, whether we believe in the value of diverse communities, and whether New York City is going to become a place where only the rich and privileged can live and thrive. The city's actions and this Council's actions in this matter will be the boldest statement about whose lives matter.

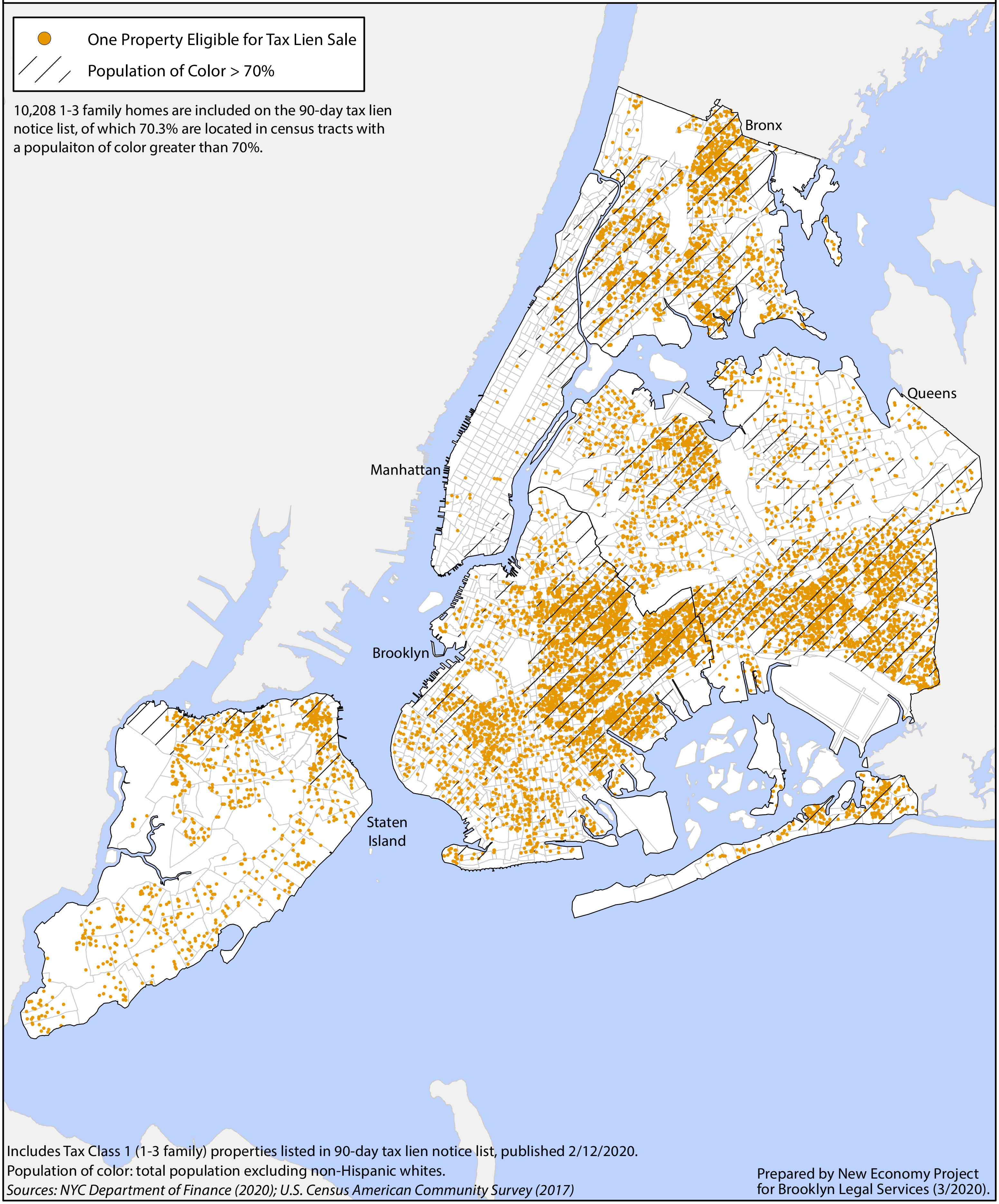
For more information, please contact Jacquelyn Griffin, at jgriffin@lsnyc.org or 718-233-6442.

EXHIBIT A TO TESTIMONY OF JACQUELYN L. GRIFFIN

SEPTEMBER 10, 2020, NYC COUNCIL COMMITTEE ON FINANCE: RES. 1387 AND INT. 2039

2020 LIEN SALE RISK MAP

Tax Lien Sale Risk
New York City, 2020



10,208 1-3 family homes are included on the 90-day tax lien notice list, of which 70.3% are located in census tracts with a populaiton of color greater than 70%.

Includes Tax Class 1 (1-3 family) properties listed in 90-day tax lien notice list, published 2/12/2020.
Population of color: total population excluding non-Hispanic whites.
Sources: NYC Department of Finance (2020); U.S. Census American Community Survey (2017)

Prepared by New Economy Project
for Brooklyn Legal Services (3/2020).

Council of New York Cooperatives & Condominiums

TESTIMONY TO THE NEW YORK CITY COUNCIL

COMMITTEE ON FINANCE

In support of Res. 1387 and Conditional Support of Int. 2039

September 10, 2020

The Council of New York Cooperatives & Condominiums (CNYC Inc.) is a membership organization providing information, education and advocacy for housing cooperatives and condominiums located throughout the five boroughs of New York City and beyond. More than 170,000 New York families make their homes in CNYC member buildings, which span the full economic spectrum from very modest, income-restricted housing to solid middle class apartment complexes to upscale dwellings. In this time of unprecedented stress and crisis, Int. 2039 and Res. No 1387 show commendable sensitivity to the plight of New Yorkers doing their best to weather the pandemic, preserve their homes, and meet their various financial obligations.

CNYC offers its strong support for Res. 1387 which would postpone lien sales until a year after the Covid-19 State of Emergency shall have been lifted. As the resolution accurately states, this will provide a measure of relief to home owners hardest hit by the pandemic.

Int. 2039 appears to simply extend to July 15, 2020 deadlines to apply for various important exemptions and abatements. CNYC respectfully suggests that more time should be allowed. We would suggest an extension to October 15th along with a mandate to widely publicize this extension.

At a time when the City urgently needs funds, CNYC appreciates the consideration that the City Council is giving to New Yorkers for whom financial hardship may have prevented timely payment of taxes due or filing of documents for abatements or exemptions.

We strongly urge the committee to pass Resolution 1387 and to amend Intro 2039 to allow more time for filings for property tax abatements and exemptions this year.

Thank you for this opportunity to express our views.

Mary Ann Rothman
Executive Director